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Feedback on the Circular Economy Act

CALL FOR EVIDENCE

As Europe's largest network of social enterprises in the circular economy, we welcome the European Commission's recognition of the circular economy as a driver of resilience and competitiveness in the Union. However, we are deeply concerned by the lack of ambition to promote waste prevention and reuse. The call for evidence on the CEA and announcements under the Clean Industrial Deal reveal a narrow vision of circularity, limited mainly to recycling and waste management.

This approach contradicts the Commission's own waste hierarchy that establishes prevention as the most desirable option. This is followed by preparing for reuse, which delivers the greatest environmental benefits as well as carries the highest job creation potential. A social enterprise creates an estimated 70 jobs per 1,000 tonnes of waste collected for reuse.¹ Moreover, extending product lifetimes reduces the extraction of critical raw materials, thereby strengthening Europe's strategic autonomy and reducing dependency on imports. We therefore urge the Commission to move away from conflating circularity with recycling, and instead follow the waste hierarchy as the guiding framework for the CEA.

Additionally, it is highly concerning that the Commission plans to rely solely on Article 114 TFEU as the legal basis for the CEA. Since the CEA primarily addresses waste, an environmental legal basis should also be included to ensure a higher level of environmental protection and to prevent potential infringement procedures arising from an inappropriate legal foundation.

The CEA must also address the legislative and implementation gaps that continue to hinder the scaling up of reuse across the EU. Firstly, there is a lack of waste prevention measures and incentives.² The WEEE Directive evaluation report confirms this shortcoming, noting that the Directive "*does not include some key concepts from the Waste Framework Directive (WFD), such as adhering to the waste hierarchy with waste prevention as the first goal*".³ Secondly, there is a funding gap for reuse activities: the European Environmental Agency (EEA) notes that most of the investments in the circular economy are still spent on waste management.⁴ Similarly, the WEEE Directive's evaluation identifies a failure: reuse is not explicitly financed under Extended Producer Responsibility (EPR) schemes. A further challenge is the lack of transparency in EPR financing systems, and yet another one is the absence of binding reuse targets distinct from recycling targets. Here, the evaluation report points out that "*specific targets for waste preparation for re-use should*

¹ RREUSE (2021) Job creation in the re-use sector: data insights from social enterprises.

² "*There is also a lack of strong, targeted instruments for preventing waste and reducing materials use through, for example, demand-side measures*".

European Environmental Agency (2025) Thematic Briefing Europe's environment 2025 4.2 Waste generation and material consumption (Available [here](#)).

³ European Commission (2025) Study supporting the evaluation of Directive 2012/19/EU on waste electrical and electronic equipment (Available [here](#)).

⁴ European Environmental Agency (2025) Europe's environment and climate: knowledge for resilience, prosperity and sustainability, p.133 (Available [here](#)).

be considered".⁵ Moreover, as highlighted by the EEA, EU circular policies "*often [neglect] social dimensions*".⁶ As a consequence, they provide insufficient safeguards for the role of social enterprises in reuse systems. Finally, governance structures within EPR schemes are too often limited exclusively to producers. For example, a report by the French Parliament highlights that such governance can be seen "*as counter-productive to the effectiveness of EPR schemes, particularly in terms of waste prevention*".⁷

To bridge these gaps, it is essential to support the crucial role of social enterprises in the circular economy. As highlighted in the WEEE Directive's evaluation report, social enterprises "*not only contribute to environmental protection but also create job opportunities, especially for disadvantaged or marginalised communities*".⁸ Their hands-on expertise in collection, sorting, repair, and resale makes them indispensable actors in delivering a truly circular and socially inclusive economy. Strengthening their access to reusable goods and supporting their operations is therefore vital.

With this in mind, these are the measures that RREUSE recommends to be introduced with the CEA:

Establish a right to reuse:

- Set binding separate targets for (preparing for) reuse;
- Set EPR fees in line with the waste hierarchy;
- Ensure full cost coverage of (preparing for) reuse activities;
- Prioritise reuse in future criteria for circular public procurement.

Unlock the full potential of social circular enterprises:

- Guarantee social enterprises' access to waste streams and collection points, as well as ownership of collected materials;
- Allocate earmarked EPR funding for social enterprises;
- Apply zero VAT rates to social enterprises;
- Mandate inclusive governance of EPR schemes;
- Mandate social considerations in public procurement.

These measures are fully aligned with the CEA's core objectives. They would drive innovation in circular solutions, accelerate industrial decarbonisation, foster local job creation, and enhance the EU's resource autonomy.

⁵ European Environmental Agency (2025) Europe's environment and climate: knowledge for resilience, prosperity and sustainability, p.133 (Available [here](#)).

⁶ "*Circular economy policies usually prioritise technological and economic solutions, often neglecting social dimensions such as impacts on employment, informal labour and gender inequality*".

European Environmental Agency (2025) Europe's environment and climate: knowledge for resilience, prosperity and sustainability, p.139 (Available [here](#)).

⁷ Assemblée Nationale (2024), Information report on the assessment of the impact of Law 2020-105 of 10 February 2020 on the fight against waste and the circular economy ('AGEC law') (Véronique Riotton and Stéphane Delautrette) (Available [here](#)).

⁸ European Commission (2025) Study supporting the evaluation of Directive 2012/19/EU on waste electrical and electronic equipment (Available [here](#)).

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