

- The Harmonized Circular Economy Finance Guidelines serve as a **practical tool to identify and evaluate** projects, economic activities, and business models that contribute to a **circular economy across the materials life cycle**. It provides guidance to identify activities that are eligible for circular economy finance.
- The Guidelines **aim to promote market convergence and to be fit for purpose globally**, particularly in a landscape where circular economy finance guidelines have proliferated but remain fragmented.
- Illustrative examples of project types are included across six sectors:**



ELECTRONICS AND APPLIANCES



PACKAGING



TEXTILES



CONSTRUCTION AND THE BUILT ENVIRONMENT

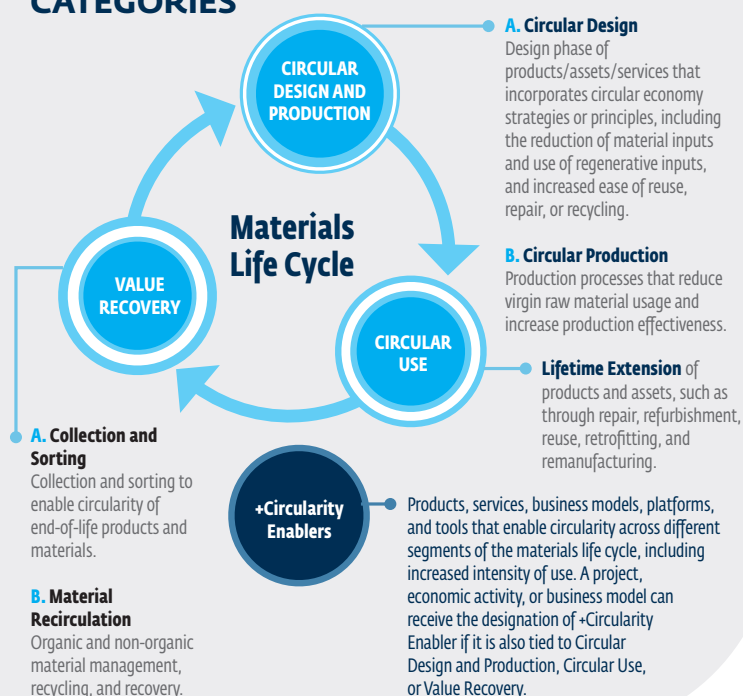


AUTOMOTIVE AND TRANSPORTATION



AGRIBUSINESS

## CIRCULAR ECONOMY ACTIVITY CATEGORIES



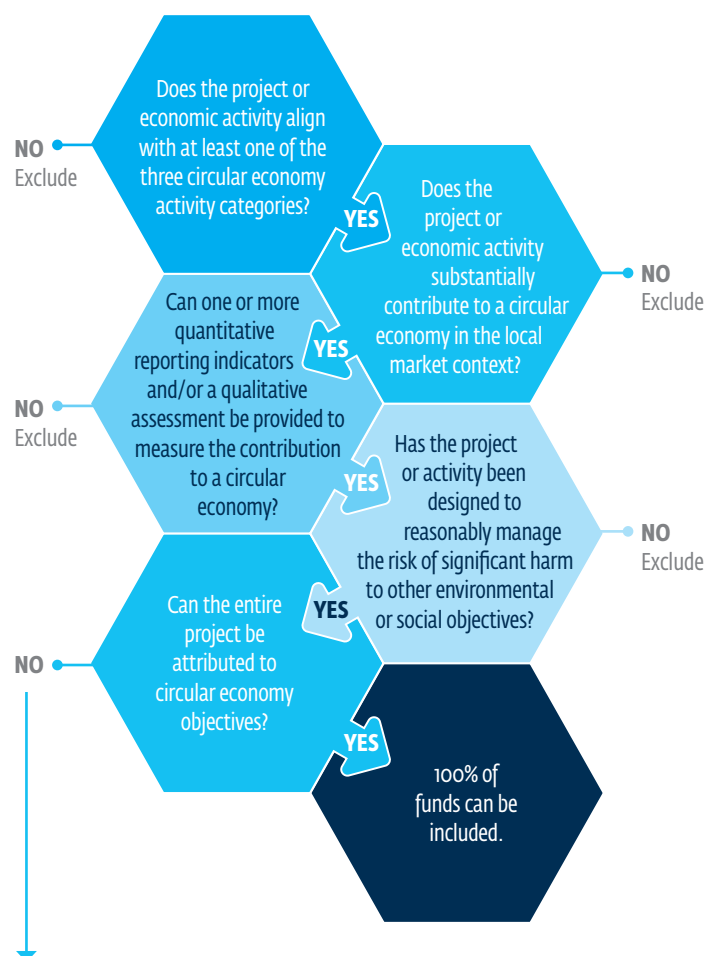
## GENERAL PRINCIPLES

- Eligibility Criteria:** Eligible projects should clearly outline how they will achieve circular economy goals and how these will be measured, using both qualitative descriptions and quantitative indicators where possible.
- Substantial Contribution:** The contribution to a circular economy should be clear and go beyond business-as-usual conditions in the local market context.
- Do No Significant Harm:** Projects or economic activities should not introduce material risks to other environmental or social objectives.

## TARGET AUDIENCE

- Financial institutions** to identify qualifying assets and new opportunities for circular economy finance labeled products
- Corporations** to adapt projects and activities to meet circular economy criteria
- Investors** to identify and build confidence around circular economy finance labeled products

## DECISION TREE FOR CIRCULAR ECONOMY FINANCE ELIGIBILITY



## Financial Instruments

**General purpose corporate finance:** Circular economy (CE) volume prorated based on the portion of the revenue or expenditure stream contributing to CE

**Defined use of proceeds:** CE volume based on the investment amount that contributes to CE

**Sustainability-linked bonds and loans:** CE volume based on either defined use of proceeds or expected share of business that contributes to CE

**Circular economy approaches reinforce strategic resource autonomy by reducing reliance on virgin materials and minimizing waste, thereby enhancing economic competitiveness and fostering job creation.** Circular economy models and projects often fulfill environmental objectives related to climate mitigation and adaptation, nature finance, and blue finance.

## Illustrative Case Studies

This collection of illustrative case studies showcases projects or activities eligible for circular economy finance. **While all activities are grounded in real-world action, company names have been anonymized.** See Harmonized Circular Economy Finance Guidelines for additional examples, which include types of financial instruments to assess circular economy finance volume. In practice, many projects cover more than one circular economy activity category.



### 1 **Textiles:** Circular Design and Production **Company name:** Denim Place

Denim Place, a major denim manufacturer, is transitioning towards circular fashion by joining the Ellen MacArthur Foundation's The Jeans Redesign project. For 20 styles of jeans, they have achieved up to 100 percent cellulose-based content, exceeding recyclability standards, and eliminated zippers or rivets, with removable screw-based buttons for easier disassembly and recycling. Additionally, they have incorporated 45 percent post-consumer recycled content in production. **These activities support Circular Design and Production, by enabling jeans to be easily disassembled, increasing post-consumer recycled content, and reducing reliance on virgin raw materials.**



### 3 **Construction and Built Environment:** Circular Use **Company name:** ReBuild Wizards

ReBuild Wizards is the owner, developer, and manager of certified green buildings in a business district. In 2021, the company certified an entire portfolio of office towers under the Excellence in Design for Greater Efficiencies (EDGE) Zero Carbon Retrofit Protocol. ReBuild Wizards' retrofitting initiatives include the **reuse of materials such as floor slabs, roofs, external and internal walls, flooring, and window frames.** This approach substantially reduces the need for new materials and minimizes embodied energy in materials. Additionally, **refurbishing and upgrading the building interiors extends the use of office spaces and common areas.** **The retrofit project undertaken by ReBuild Wizards aligns with Circular Use by extending the life of construction materials such as floor slabs, walls, and window frames.** While energy and water savings are also a part of the EDGE certification, they fall outside the scope of the circular economy activity categories.

1 EDGE is a green building certification system developed by IFC. See <https://edgebuildings.com/>.



### 5 **Electronics and Appliances:** Value Recovery **Company name:** UrbanOre Global

**UrbanOre Global is a leading global urban mining and recycling conglomerate** that specializes in recovering metals and materials from various waste streams, including e-waste, spent automotive catalysts, and lithium-ion batteries from electric vehicles. The company mainly focuses on recovering platinum group metals from spent automotive catalysts and gold, silver, and copper concentrates from e-waste, including printed circuit boards, and non-ferrous scrap metal. It operates over 30 collection and processing facilities worldwide. These activities contribute to **Material Recirculation by supporting the recycling and recovery of valuable metals** from diverse waste streams. Additionally, the company engages in **Collection and Sorting activities**, which are essential for efficient recycling processes. These activities increase the recirculation of valuable metals, improving the resilience of the supply chains.



### 2 **Agribusiness:** Circular Design and Production **Company name:** Sucar S.A.

Sucar S.A. is a leading producer of sugar, ethanol, and renewable energy. The company cultivates corn and sugarcane, producing sugar for food, ethanol fuel, and industrial-grade ethanol for transport, paints, and cosmetics. Additionally, the company uses by-products from sugarcane processing, such as vinasse and filter cake, as organic fertilizers, to enhance soil quality for its sugar plantations. **The regenerative agriculture techniques of using by-products as organic fertilizer to grow future crops exemplifies Circular Design and Production practices.** The recycling of these by-products into **nutrient-rich organic fertilizers contributes to Value Recovery** and improves soil health.



### 4 **Automotive and Transportation:** +Circularity Enablers **Company/project name:** Railion/RailGuard

The train manufacturer Railion offers RailGuard—a predictive maintenance tool that monitors the health of trains, train infrastructure, and signaling systems. **RailGuard is a web-based platform that uses advanced data analytics to extend and maintain the useful life of trains.** This condition-based and predictive maintenance approach is a shift from traditional mileage-based maintenance. It reduces material consumption as materials are replaced only when needed. As a result, there are typically longer periods between maintenance, as the maintenance processes are optimized, and the components have a longer lifespan. **Railion's RailGuard tool is an example of a +Circularity Enabler, as it makes use of advanced data analytics to monitor trains for maintenance needs and contributes to Circular Use, by extending the lifespan of components.**



### 6 **Packaging:** Value Recovery **Company name:** EcoMeld Solutions

**EcoMeld Solutions specializes in the manufacture of recycled plastics, including recycled polystyrene and recycled polyethylene terephthalate.** The company uses post-consumer and post-industrial plastic waste to produce a range of products, such as picture frames, mirror frames, architectural panels, and other home furnishings, supplying major global retail corporations with sustainable alternatives to virgin plastic-based products. EcoMeld incorporates cutting-edge sorting, cleaning, and extrusion technologies to maximize the material recovery and quality. **The sorting and recycling activities contribute to Value Recovery, and the use of recycled plastics to manufacture various types of products align with Circular Design and Production.** By closing the loop on plastic waste and promoting the use of recycled materials, the company reduces reliance on virgin plastics, minimizes waste sent to landfills, and contributes to a more circular plastics value chain.