

THE WORK AHEAD

OUR STRATEGY
FOR SCALING THE
CIRCULAR ECONOMY

CONTENTS

WELCOME	03
WHERE WE ARE AND WHERE WE'RE GOING	05
OUR STRATEGY FOR MARKET TRANSFORMATION	11
01 PLASTICS & PACKAGING	17
02 CRITICAL MINERALS	21
03 FASHION & TEXTILES	27
A TEAM EFFORT	32
FOUNDER'S NOTE	33

WELCOME



WE ARE LIVING THROUGH A STRESS TEST OF THE LINEAR ECONOMY. THE CRACKS ARE SHOWING.

Supply chains that snap under pressure. Materials extracted once, used briefly, discarded. Natural systems strained past their limits. The vulnerabilities were always there. Now they're impossible to ignore.

The circular economy is an answer to the underlying problem. Design out waste. Keep materials in use. Reduce dependence on extraction. Restore nature rather than deplete it. These aren't environmental nice-to-haves; they're sound economics. An economy that retains the value of its resources, rather than constantly replacing them, is an economy built to last.

For 15 years, the Ellen MacArthur Foundation has been making that case. We've built the evidence base, shaped the thinking, and convened an unparalleled network. We've worked with businesses, policymakers, and investors across every major economy. When we started, the circular economy was a bold idea on the margins. Today, more than 100 countries have circular economy strategies. Over USD 400 billion of capital has been mobilised. Sectors from packaging to fashion to electronics are redesigning from the ground up.

But momentum isn't the same as transformation.

The most ambitious businesses are hitting barriers they cannot overcome on their own. Policy frameworks still reward extraction. Infrastructure still assumes linearity. Virgin materials are still artificially cheap because their true costs — to health, to nature, to our future — are ignored by markets. These are systemic problems. They require systemic solutions.

That is what our new strategy is about: breaking down systemic barriers to make the circular economy competitive now.

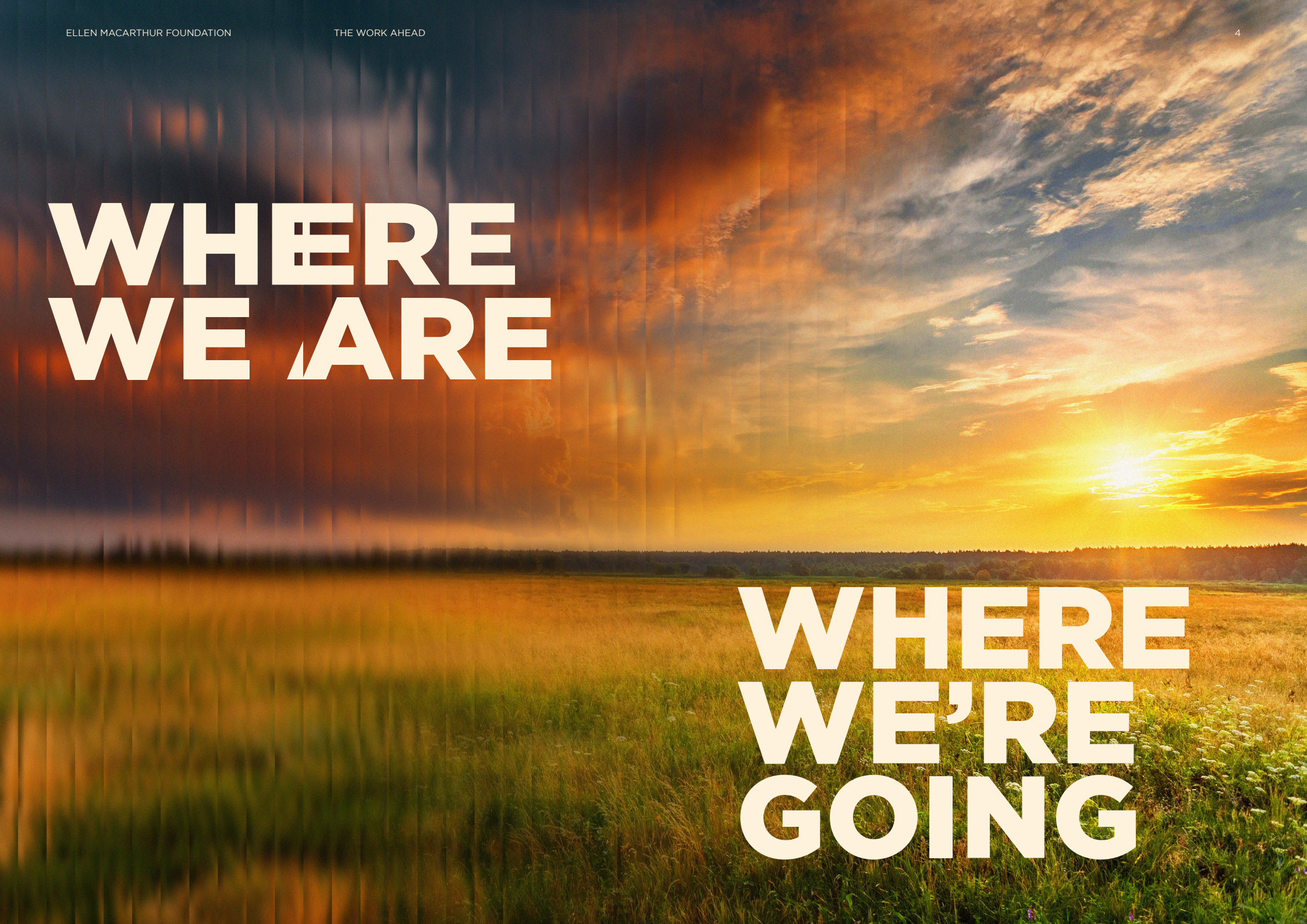
Not more siloed pilots without pathways to scale. Not more proof of concept. Coming together to remove the barriers that are holding the whole system back — businesses investing independently in shared infrastructure, companies advocating for the policy frameworks they need to accelerate their own progress on circular economy, policy harmonisation that enables global scale, capital deployed at the level the transition demands.

The leaders who act now will shape the next economic era by securing supply chains, defining markets, and building the resilience that others will scramble to find. They'll also be part of restoring the natural systems and stable climate that all economies ultimately depend on. These are not separate goals. They never were.

We've spent years building toward this, so we know where the leverage is and which barriers to prioritise. We're ready to bring the right networks together and harness technology to accelerate impact. It's already happening. Our job is to help move further, faster.

This agenda shows where and how we're focusing, but it's also an invitation.

**CHANGE IS INEVITABLE.
LEADING CHANGE IS A CHOICE.
LEAD WITH US.**



WHERE WE ARE

WHERE WE'RE GOING

WHERE WE ARE

THE LANDSCAPE HAS CHANGED

The circular economy is no longer a theory. It is a proven path to competitiveness, supply security, green industrialisation, and long-term value — and a growing number of businesses and governments, in every region of the world, are treating it as such.

For leading companies, the circular economy is moving from a sustainability commitment to a core competitive strategy.

They are redesigning products for durability and repair, capturing value through resale and remanufacturing, and securing their material base against price volatility and supply disruption. New business models are differentiating brands, building customer loyalty, and reducing exposure to compliance risk. Data shows that the more circular a company is, the lower its risk of debt default.¹ Most businesses have yet to follow. The conditions that make circular approaches commercially viable have not yet shifted for the broader market and that is precisely the gap this strategy is designed to close.

For governments, the circular economy is increasingly a path to supply security, industrial resilience, and economic development. Reducing dependence on imported virgin materials, building domestic reprocessing and remanufacturing capacity, and creating the conditions for new industries to emerge around material recovery are economic development arguments as much as sustainability ones. For resource-abundant economies, the argument is equally powerful in the other direction: retaining and processing value domestically, moving up the value chain rather than exporting raw materials, and building the industrial capacity that a low-carbon future will demand. Countries that move early to align industrial policy with circular economy principles are positioning themselves for competitive advantage in a resource-constrained world. That is not about resource nationalism or a retreat from global trade, but smarter use of the materials already in circulation, building sovereignty through retention and efficiency rather than exclusion, and doing so in ways that require cross-border cooperation, not fragmentation.

The economic and environmental cases are mutually reinforcing. Nearly half of global greenhouse gas emissions come from how we make and use products. Over 90% of land-based biodiversity loss and water stress stems from resource extraction.² Keeping materials in circulation at their highest value doesn't just reduce costs; it reduces pressure on the natural systems that economies ultimately depend on. The circular economy is one of the few frameworks that is genuinely good for business, good for governments, good for people, and good for the planet.

Nearly **80%** of business leaders see circularity as “important” or “very important” to their organisations



3 YEARS AGO:
**36% IMPORTANT/
VERY IMPORTANT**

CURRENTLY:
**79% IMPORTANT/
VERY IMPORTANT**

Source: World Economic Forum, Bain & Company, Cambridge University (2025), [Circular Transformation of Industries: The Art of Scaling Circular Supply Chains](#)

¹ Bocconi University, Ellen MacArthur Foundation, Intesa Sanpaolo (2021), [The circular economy as a de-risking strategy and driver of superior risk-adjusted returns](#)

² United Nations Environment Programme and International Resource Panel, [Global Resources Outlook 2024 - Bend the trend: Pathways to a Liveable Planet as Resource Use Spikes](#) (2024)

SYSTEMIC BARRIERS BLOCK PROGRESS

Despite genuine momentum, virgin material extraction continues to grow, nature is still being depleted, and waste continues to accumulate. The gap between ambition and implementation is not a failure of vision. It is a failure of the system.

The barriers are structural, not behavioural. We know this because we have spent 15 years working, and learning, inside the system. No individual company, however ambitious, can change those conditions alone.

We have also learned that the transition carries real costs that cannot be wished away. Businesses face genuine near-term pressures: upfront investment requirements, coordination challenges across complex value chains, and first-mover risks in markets where the rules haven't shifted yet. We must first acknowledge this to build solutions and advocate for policy changes that make the economics work to reduce those costs across the board.

What this moment requires is a shift from individual action to systemic intervention. That is a different kind of work from what most organisations, ourselves included, have done before.

It is, however, exactly what the Foundation is built to do next.

WHY NOW?

These forces don't make transformation automatic. But they offer a unique moment of opportunity.

Supply chain risk is a board-level conversation. The vulnerabilities circular economy advocates identified years ago are now visible crises. Finance, procurement, and risk teams are actively looking for answers that sustainability teams alone cannot provide.

Regulation is on the balance sheet. Extended Producer Responsibility schemes, ecodesign requirements, and recycled content mandates are no longer hypothetical. They are current financial and design obligations. Circular solutions are becoming commercially necessary.

Windows are closing. The design decisions being made now — for EV batteries, for fashion supply chains, for plastic packaging infrastructure — will lock in linear or circular patterns for decades. The window to shape those decisions is open, but not indefinitely.

Working together is becoming easier. Material and product passports, traceability systems, and AI-assisted tools are reducing the information gaps and transaction costs that have made collaboration slow and expensive. The transparency failures that kept circular solutions fragmented are becoming more tractable.



SET DIRECTION (2012-2017)

2012: *Towards the circular economy Vol. 1* is published

2015: *Growth within* informs the first EU Circular Economy Action Plan

2016: UN SDG 12 references circular economy

2016: *The New Plastics Economy*, our first plastics report, informs the EU Commission Plastics Strategy

2017: We join France's Circular Economy National Roadmap steering committee



CREATE MOMENTUM (2018-2023)

2018: We launch the Global Commitment

2018: The Plastic Pact Network brings businesses and policymakers together

2018: Our China report sparks government discussions

2019: We launch our finance initiative, informing BlackRock's circular economy fund

2019: We join the advisory board for Chile's circular economy roadmap

2019: Intesa Sanpaolo launches first circular economy bond, raising EUR 750 million

2021: The African Circular Economy Alliance launches to accelerate circular economy in Africa

2021: We become a founding member of the Latin America and Caribbean Circular Economy Coalition

2022: We obtain official registration in China as an international NGO

2023: We support the Brazilian government in its circular economy agenda

2023: We receive the Champions of the Earth award, the UN's highest environmental honour



IMPLEMENTATION (2024-PRESENT)

2023: COP28's Global Stocktake acknowledges circular economy as climate action

2024: More than 300 businesses call for a Global Plastics Treaty as part of the Business Coalition

2024: We engage in high level policy discussions in China, following our 'Triple play' report

2024: Brazil establishes its first national circular economy strategy

2025: The Big Food Redesign Challenge engages 57 companies in 12 countries, creating 141 circular products

2026: Over 100 national circular economy roadmaps, strategies, or action plans are in place worldwide

WHERE WE'RE GOING

THE NEXT PHASE OF THE ELLEN MACARTHUR FOUNDATION: FOCUS AND ACTION

Since its inception, the Foundation has built an unparalleled network of businesses, policymakers, and financial players aligned behind a shared vision and growing evidence of how the circular economy delivers. That work has taught us something important: individual action, however ambitious, runs into the limits of the system. We know that changing a system is a journey without a clear roadmap. That journey has demonstrated that the circular economy won't scale through individual change alone. It needs the underlying conditions to shift, and that requires working across whole value chains, across sectors, and across the boundary between business and policy. That is the knowledge we bring to this next phase.

We use it to set direction and accelerate change. Over 1,200 businesses and organisations support a shared vision for plastics. In fashion, over 1.5 million pairs of jeans designed for circularity have been brought to market. Our findings and advocacy have helped shape policy across the world. The evidence is concrete: businesses that chose to participate in our Global Commitment reduced their virgin plastic use by 6% between 2018 and 2024. The rest of the market increased theirs by 13%. That gap is what working with a shared direction and transparent accountability actually produces.

Our unique strength is our position at the intersection of business and policy. We help build the mutual trust needed to identify where policy ambition and business practice can inform and strengthen each other. As we have grown, so has our ability to amplify the voices of ambitious businesses calling for enabling policy frameworks and to align those voices with evidence of economic opportunity, strengthening the case for bold, economy-wide action. None of this has been done alone. Our impact has always depended on a broad ecosystem of partners — businesses, policymakers, other NGOs, intergovernmental bodies, multilateral institutions, financiers, and philanthropists — who bring the depth, reach, and expertise that no single organisation can hold. Our role is to convene, connect, and catalyse.

That experience is what makes a new phase possible. We now have the networks, the evidence base, and the cross-sector trust to move from vision-setting to catalysing scaled implementation. What follows sets out how we intend to use it.

WHAT THIS MEANS FOR PARTNERS

Working with the Foundation gives organisations something they cannot build alone: a trusted space to address the barriers that matter most.

For businesses, that means access to a network of organisations already aligned behind a shared direction — reducing the time and cost of building coalitions where those networks exist, and the commitment to build them from the ground up where they do not. It means influence into the policy frameworks being shaped right now, before they lock in conditions that will affect your cost structure for decades. And it means the proof points, evidence, and language needed to make the case for circular investment internally.

For philanthropic partners, it means backing work that commercial capital won't yet fund at precisely the moment when it can shape systems rather than just demonstrate concepts. We aim to collaborate with philanthropic partners where their capital can be most highly leveraged: funding the early-stage direction setting and coalition building that is needed to catalyse large-scale implementation of solutions and flows of investment downstream.

FOCUS

AND

ACTION

OUR STRATEGY FOR MARKET TRANSFORMATION

OUR STRATEGY FOR MARKET TRANSFORMATION

The circular economy doesn't need more proof of concept. It needs the conditions to compete.

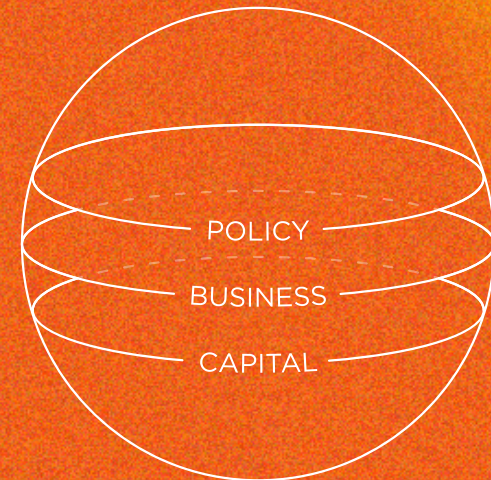
That is what this strategy is designed to create — not by working harder on the same approaches, but by working differently: targeting the systemic barriers that no individual business, government, or funder can remove alone, and building the collaborative effort needed to remove them together.

WHAT IS A SYSTEMIC BARRIER?

Barriers are systemic when circular solutions are simply not yet competitive at scale with business-as-usual, often because current policy, infrastructure, or market incentives favour linear models by inadequately accounting for their economic inefficiencies.

Examples include product and material standards that assume linear supply chains; business models where the incentive to design for longevity or recovery doesn't yet outweigh the incentive to sell more units of new products; and the economics of collection and sorting infrastructure that no single company can justify building alone.

A SYSTEMIC BARRIER REQUIRES MANY LEVERS AT ONCE TO BREAK THROUGH IT. IT TAKES...



FOCUS: WHERE CHANGE IS POSSIBLE NOW

We are focusing on three sectors where the conditions for a tipping point are building: the case for circular economy solutions is clear, regulatory and commercial pressure is mounting, and the right intervention now could shift the whole system rather than just the frontrunners.

The Foundation will focus on three markets that meet our criteria of urgent, relevant, and ready:

- **Plastics and packaging:** Build on ten years of learning and momentum to target three systemic barriers to scale.
- **Critical minerals:** Turn surging demand and supply risk into an opportunity to build a resilient system that underpins the energy and digital transitions.
- **Fashion and textiles:** Harness policy signals and disruptors to transform an industry under pressure.

This focus is a strategic choice. Depth over breadth. Tipping points over incremental progress.



**PLASTICS AND
PACKAGING**

**CRITICAL
MINERALS**

**FASHION AND
TEXTILES**

ACT: BUSINESS ACTION THAT GOES BEYOND THE INDIVIDUAL

Within each mission, we work with businesses across three modes — setting direction to give businesses across value chains the evidence and frameworks to act, enabling collaboration to share infrastructure and co-invest in solutions, and supporting collective advocacy to call for the policy changes that level the playing field. These aren't separate workstreams. They build on each other: direction-setting reveals the limits of individual action; collaboration demonstrates what's possible when infrastructure and investment are shared; advocacy turns that evidence into policy change.

THREE MODES OF ACTION

Business action will not scale without policy change, and policy will not move without business evidence. Therefore, we will not initiate projects without linked policy interventions.

CHANGING BUSINESSES ONE BY ONE



TRANSFORMING WHOLE MARKETS



EFFECTIVE COLLABORATION

Join forces to launch joint ventures, share infrastructure, co-invest in solutions to unlock scale, or co-develop new materials, products, and services, reducing risk and cutting costs, all targeted directly at the systemic barriers.



COLLECTIVE ADVOCACY

Support a two-way dialogue where policy decisions shape business action and business experience informs better policy design to influence local, regional, and global policies that create the conditions for scaled implementation.

DIRECTION SETTING »

Set direction for business action and build alignment along the value chain to both drive progress and reveal the limits of what individual businesses can accomplish alone.



UNLOCK: POLICY AND INVESTMENT THAT CHANGES THE RULES

CROSS-CUTTING POLICY ENGAGEMENT

Business action alone cannot transform markets. It can demonstrate what's possible, but without supportive policy frameworks progress stays fragmented and first-movers remain disadvantaged. The Foundation engages directly with policymakers at two levels: mission-specific work that targets the particular regulations, standards, and incentives each system requires, and cross-cutting engagement on the enabling frameworks — circular economy roadmaps, industrial strategy, trade and investment policy — that create the conditions for transition across the whole economy.

The fragmentation of regulatory approaches across jurisdictions is itself a systemic problem. When each country develops its own standards, reporting requirements, and incentive structures in isolation, multinationals face compliance complexity that slows action and diverts resources from implementation. Our cross-border relationships and mission-specific expertise allow us to work towards coherent, interoperable policy frameworks, reducing friction for businesses operating across markets and accelerating the pace at which sectoral wins in one jurisdiction can travel to others.

The Foundation's credibility with business and policy leaders is what makes this approach work. Through trusted relationships with multilateral institutions, regional alliances, and national governments, we connect evidence from the real economy to policymaking at two levels simultaneously: cross-cutting policy frameworks that create the enabling conditions for circular economy transition broadly, and mission-specific policies that advance the particular regulations, standards, and incentives each system requires. By bridging these levels, we shape high-level agendas while grounding them in real-economy evidence and use progress in one sector to strengthen the case for bolder action across others.

The results of this approach are already visible. When around 100 businesses, convened by the Foundation alongside others, publicly called for well-designed Extended Producer Responsibility in 2021, EPR policy development accelerated sharply. The number of jurisdictions adopting EPR schemes nearly doubled in pace in the years that followed. Business advocacy, focused and credible, changed the policy landscape.

When policy frameworks change, they reshape incentives, investment, and market rules — rewarding those who helped shape them and creating the conditions for circular solutions to scale across the whole market.

MOBILISING FUNDING

Transforming markets takes more than business innovation and policy reform. It takes funding and investment. It takes capital deployed strategically, not in isolation. Today, most investment in circular economy solutions is fragmented — individual transactions disconnected from any shared strategic vision, leaving systemic opportunities unfunded and slowing the pace of change.

What's needed is a shift towards coordinated, multi-capital strategies where philanthropic, concessional, and market-rate capital reinforce each other to unlock demonstration at the scale required. The Foundation's convening power is now being directed towards financial actors, building the partnerships needed to design the kind of systemic funding strategies that no single funder or investor could develop alone and creating the conditions for circular solutions to move from promising pilots to commercially viable systems.

DEEP LOCAL ENGAGEMENT, BROAD GLOBAL IMPACT

We locate implementation projects where they can have large impact, where the conditions support scale, and where solutions can provide roadmaps for global replication. These projects are also where the funding strategy becomes concrete — the places where the right combination of capital can be mobilised around specific opportunities, generating the proof points that attract further investment and travel to other markets, regions, and policy contexts.

To work effectively in local contexts, we are intentionally expanding our global networks and deepening our local ones.

OUR SYSTEMIC APPROACH

FOCUS ENABLES
DEPTH

DEPTH GENERATES
EVIDENCE

EVIDENCE DRIVES
POLICY

POLICY CHANGES
THE CONDITIONS FOR
INVESTMENT

INVESTMENT ENABLES
SCALE

SCALE CREATES
THE REPLICABLE
PATHWAYS THAT DRIVE
TRANSFORMATION

That logic is what distinguishes
this strategy. Not any single
element, but the intentional
connection between all of them.

A large, stylized orange number '10' is positioned in the background. The '1' is a simple vertical bar, and the '0' is a thick circular ring. The text 'PLASTICS & PACKAGING' is overlaid on the '0' in a bold, white, sans-serif font.

PLASTICS & PACKAGING

01 PLASTICS & PACKAGING

MISSION ELIMINATE PLASTIC WASTE AND POLLUTION

Plastics and packaging sits at the intersection of urgent environmental harm and a decade of hard-won momentum. Plastic pollution is visible, measurable, and politically salient across every region. The case for action is not contested. The circular economy is widely recognised as a crucial part of the solution. And after ten years of building the network, the evidence base, and the policy relationships needed to drive change, the conditions are ripe for scaled implementation.

Over the past ten years, we've set a vision for how the plastic packaging market could work differently, demonstrated that committed business action drives real progress, and shown that business-led policy advocacy works.

As part of the Foundation's Global Commitment, pioneering companies representing 20% of global plastic packaging have avoided 14 million tonnes of virgin plastic use, tripled their recycled content, and eliminated 775,000 tonnes of problematic packaging. More than 1,200 businesses, organisations, and governments have aligned behind our vision for a circular economy.

GLOBAL COMMITMENT SIGNATORIES HAVE...



Despite attention, progress, and momentum, plastic continues to clog our oceans and waterways and threaten our health. Now we’re focused on tackling three systemic barriers that stand in the way of true market transformation: scaling up reuse models and systems, addressing flexible plastic waste (especially small format packaging), and developing collection and recycling infrastructure.

Policy is essential to overcoming these barriers, and businesses have a crucial role in shaping it. When companies move beyond individual change to focus on transforming the market as a whole, they turn the first-mover burden into an opportunity to co-create the future.

Our [2030 Plastics Agenda for Business](#) lays out priority actions for businesses to accelerate the elimination of plastic waste and pollution. The three types of action it calls for — individual business action, collaborative action to tackle barriers no business can overcome alone, and collective advocacy to reshape policy — are a codification of what a decade of work has taught us about how markets actually change. The chart below shows how these types of action map onto the three systemic barriers that matter most right now.

THREE TYPES OF ACTION TOWARDS THREE SYSTEMIC BARRIERS			
SYSTEMIC BARRIER	INDIVIDUAL ACTION	COLLABORATIVE ACTION	COLLECTIVE ADVOCACY
Create conditions for reuse models to scale	Scale ‘individual’ reuse models	Join at-scale demonstrators	Align and advocate
Drive material innovation for flexible packaging	Set company strategy	Share R&D efforts	Align on a common vision
Demonstrate and scale collection and recycling infrastructure	Contribute to infrastructure and EPR development Use design for recycling and recycled content	Jointly fund global south city-scale transformations	Advocate for effective EPR and other policies



STRATEGY SPOTLIGHT: INFRASTRUCTURE IN BRAZIL

The Brazil infrastructure project shows what the strategy looks like in practice — working with leading organisations to tailor projects to relevant geographies, collaborative business action, coordinated funding across public and private sources, and linked policy advocacy working together to create a proof point designed to travel.

We are working with Clean Rivers, an affiliate of Erth Zayed Philanthropies, in Brazil, a country where plastic has a high rate of leakage into the environment. The project brings together funders, government, and industry to stimulate the development of effective collection and recycling infrastructure, ensuring a just transition for waste pickers and demonstrating a model for replication across the Global South. By combining corporate and philanthropic

capital to subsidise early-stage costs, we aim to unlock co-financing from development finance institutions to mobilise investment at a scale no single funder could achieve in isolation. The project will concentrate approximately USD 50 million over five years, directly reach around 1.5 million people in a flagship Brazilian city, and is designed from the outset to create a pathway for national-scale system transformation.

At the same time, our Brazil-based team is building on their decade-long engagement with local organisations and policymakers, working with the government and advocating for EPR and other policies that secure ongoing funding to roll out financially sustainable collection and recycling infrastructure across the country and, ultimately, the region.

AMBITIOUS ACTION ACROSS ALL THREE BARRIERS

In 2026, we published findings on the role of paper-based alternatives to plastic in tackling small-format flexible packaging waste and called for businesses to accelerate innovation towards such solutions. We also look forward to launching a large-scale reuse demonstrator project in one of our strategic locations.

We will continue to publish evidence, inform policymakers, and transparently report on progress.

A large, stylized number '20' in a light cream color serves as a background for the title. The '2' is composed of two thick, curved strokes, and the '0' is a single thick circular stroke.

CRITICAL MINERALS

02 CRITICAL MINERALS

MISSION POWER SUSTAINABLE AND INCLUSIVE ENERGY AND DIGITAL TRANSITIONS BY KEEPING CRITICAL MINERALS IN CIRCULATION

The energy and digital transitions are two of the defining shifts of our era. Both depend on critical minerals — lithium, cobalt, nickel, graphite, copper, and a range of others that today's material system cannot reliably deliver at the scale or speed required. Demand is projected to increase up to fivefold by 2040.³

A linear approach to meeting that demand — mine more, use once, discard — will not deliver these transitions sustainably or inclusively. It will concentrate risk, deepen dependence on fragile supply chains, and leave the minerals embedded in today's products unrecovered. The circular economy is an answer: keeping critical minerals in use at their highest value, moderating the growth of virgin extraction, and ensuring that the transitions the world is depending on are built on resilient, equitable foundations.

This is not just an opportunity. It is an economic imperative.

3 IEA, [Global Critical Minerals Outlook 2025](#) (2025)



WHY NOW, WHY HERE, WHY US

The urgency is clear: supply constraints are already biting, and the decisions made in the next five years — about how products are designed, infrastructure built, and policy frameworks written — will determine whether the energy and digital transitions are built on circular or linear foundations, locking in material patterns for decades.

The risks of inaction are concrete. Supply of key minerals is geographically concentrated and shortfalls are already projected for some materials by the mid-2030s.⁴ Processing capacity is similarly concentrated, creating fragility precisely as demand accelerates. And the minerals embedded in today's products are being lost at scale: e-waste is the world's fastest-growing waste stream, and the vast majority of the critical minerals in it are never recovered.

But the opportunity is equally concrete. The first generation of electric vehicles is approaching end of first life. The infrastructure and product decisions for the next generation of energy and digital assets are being made now. Regulatory momentum is accelerating — battery passports, recycled content requirements, and right-to-repair legislation are moving from proposal to obligation. And the recognition that supply security depends on product design and material recovery is now driving industrial strategy at the highest levels of government.

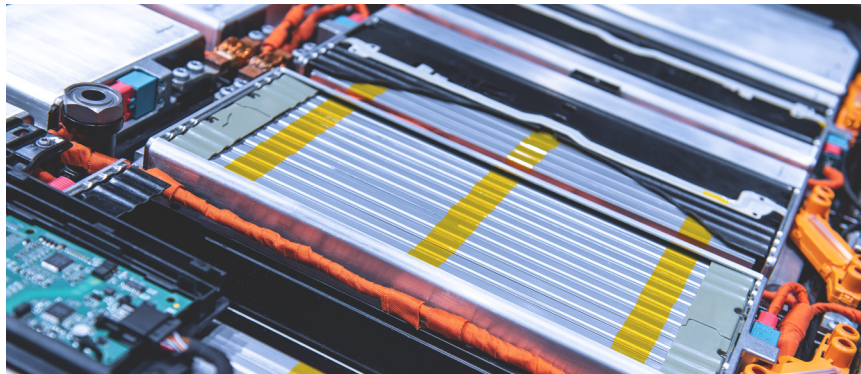
The critical minerals landscape is crowded but fragmented. Governments, mining companies, battery manufacturers, supply chain players, recyclers, NGOs, utilities, automotive companies, investors, and others are all working on pieces of the problem, but progress is fragmented throughout the technology value chains and systemic change is held back by a lack of comprehensive policies, inadequate investment conditions, and locked-in linear business models. The Foundation's role is not to duplicate that work but to convene across value chain silos and connect the business opportunity to finance and policy.



4 IEA, [The Role of Critical Minerals in Clean Energy Transitions](#) (2021)

TWO ENTRY POINTS: EV BATTERIES AND ELECTRONICS

We are focusing our initial work on two high-volume flows of critical minerals where the case for circular intervention is strongest.



EV BATTERIES

Electric vehicles are the iconic product of the energy transition, and EV batteries are where the circular economy has the greatest opportunity to intervene early, at scale, and with lasting effect.

The market is scaling fast: approximately 20% of new cars sold globally were electric in 2024, with projections of 65–75% market share by 2050. That pace of growth gives us a rare and time-limited opportunity to embed circularity before systems are locked in. At the same time, a visible wave of end-of-life vehicles is approaching. From around 2030, the first generation of EVs will reach end of life at scale, creating both a challenge and an opportunity to recover the critical minerals embedded in them.

Today's EV battery value chain remains largely linear, material-intensive, and geographically concentrated — creating systemic risks precisely as the system needs to rapidly scale. A circular redesign across the value chain — from battery design and business models to infrastructure, policy, and finance — can convert these risks into competitive advantage for individual businesses: protecting margins, reducing exposure to volatile mineral markets, creating new revenue streams, and building the supply chain resilience that the energy transition requires.

Our recent report, [*Leading the charge*](#), sets out this vision in detail and identifies five high-leverage opportunity areas for cross-value chain collaboration. It marks the first step in a multi-year programme of work.



ELECTRONICS

Electronics represent one of the most materially dense and fastest-growing flows of critical minerals globally. And they offer one of the greatest untapped opportunities to keep those minerals in circulation.

A single smartphone contains roughly 63 chemical elements, concentrated in a device replaced, on average, every two to three years. The scale of value embedded in that flow is significant: across the North American market alone, hibernating and unused devices represent billions of dollars of recoverable critical minerals sitting outside the system. Keeping devices in use through repair, refurbishment, and resale generates significantly more value than material recovery through recycling alone — and the policy conditions to enable that are advancing rapidly. Right-to-repair legislation, ecodesign requirements, and extended producer responsibility frameworks are moving from proposal to obligation.

The current system is not set up to capture this opportunity. E-waste is growing five times faster than formal recycling capacity, and the vast majority of embedded critical minerals are lost to landfill, household storage, or untracked export flows. The infrastructure, data, and business model innovation needed to change that does not yet exist at scale. And that is precisely where the Foundation's work is focused.

APPLYING THE STRATEGY

Across both entry points, we are building the shared evidence base and cross-value chain networks that systemic intervention requires — moving from direction-setting into implementation.

For EV batteries, *Leading the charge* established the shared framework. We are now working across the ecosystem with automotive manufacturers, battery producers, recyclers, policymakers, and others to develop collaborative projects that can demonstrate circular models at the scale needed to generate proof points for policy.

For electronics, near-term activity is already in motion. In partnership with the Commission for Environmental Cooperation, we will publish in summer 2026 the first rigorous baseline of how critical minerals move through the North American electronics system. Supported by the Circular Electronics Collaborative, we are researching secondary markets for rare earth elements and battery metals in North America, work that will define the economic opportunity and identify the specific interventions needed to capture it. Our Circular Tech Advisory Board, launching in 2026, will bring together network members, academics, and NGOs to provide strategic direction across this work.

Policy engagement runs across both entry points, connecting our evidence to the regulatory frameworks being developed around battery passports, recycled content requirements, and extended producer responsibility.

The work across both entry points will provide a platform for engaging further on other technologies and sub-sectors of the energy and digital transitions. This includes renewable energy systems such as wind and solar, electricity networks and grid infrastructure, battery energy storage systems (BESS), and digital infrastructure including data centres. In each of these areas, the same challenge and opportunity applies: embedding circularity into rapidly scaling systems to reduce material risk, enable recovery, and build more resilient, efficient value chains.

CIRCULAR ECONOMY AND THE DEEP-SEA MINING FRONTIER

As land-based reserves face growing pressure, the deep sea has increasingly been positioned as a new extraction frontier. Environmental impacts remain poorly understood, national and international governance frameworks are unresolved, and the economic case for deep-sea mining has not been tested. By keeping critical minerals in circulation and reducing demand for virgin supply, circular economy strategies offer a credible pathway to meet demand, one that can defer, reduce, or in some cases avoid the need to open new frontiers altogether. Building that evidence base — and connecting it to the business, investment, and policy actors who need it — is a core part of our Critical Minerals mission.

CIRCULAR ECONOMY AND THE DATA CENTRE INVESTMENT BOOM

Global investment in AI infrastructure is creating an unprecedented wave of hardware demand. Within years, this material-rich hardware will reach end of life. The scale and speed of this build-out makes it one of the most important opportunities to embed circularity from the outset, before asset management and decommissioning practices are locked in.

We are working with Deloitte and the Open Compute Project to understand how circular principles can be designed into data centre specifications and operations from the start — moving the conversation from material recovery at end of life towards a value hierarchy that keeps components in use for longer. Building that evidence base, and connecting it to the businesses and investors driving this investment wave, is a growing part of our Critical Minerals mission.

THIS IS NOT JUST AN
OPPORTUNITY. IT'S AN

ECONOMIC IMPERATIVE



03 FASHION & TEXTILES

MISSION

KEEPING FASHION AND TEXTILES IN USE

Fashion is a USD 1.7 trillion global industry ripe for transformation: environmental harm is growing, business models and supply chains are under pressure, and policy is starting to bite. EPR schemes, eco-modulation requirements, and incoming ecodesign standards are turning design decisions into financial ones. The conditions for systems change are both compelling and urgent.

The vision for a circular economy for fashion and textiles is clear. The past decade has built real momentum behind it. Industry effort and investment have been substantial. A recent landscape scan identified more than 70 multi-stakeholder initiatives active in the past two years alone.



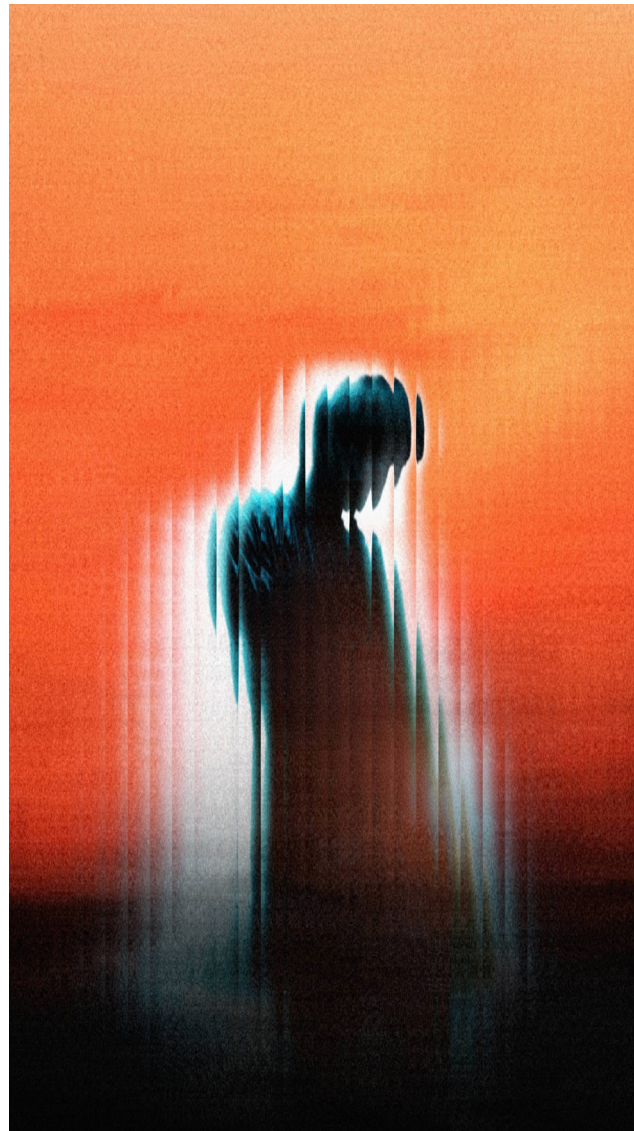
The Foundation has been central to shaping the fashion and textiles circular economy for nearly a decade. Our [New Textiles Economy](#) report became a key reference point for the industry. [The Jeans Redesign](#) demonstrated that products can already be designed and made in line with circular economy principles — with more than 1.5 million redesigned jeans on the market — and contributed to the momentum behind the EU's decision to develop mandatory ecodesign criteria for textiles. [The Fashion ReModel](#) is building the commercial case for how circular business models like resale, rental, repair, and remaking can work at scale for brands, retailers, and platforms.

But, at a system level, we have not seen fundamental change. Global fibre production continues to rise. Most garments are still not designed for repair or recycling. Textile-to-textile recycling remains below 1%, and more than 80% of the textile waste stream is still incinerated, landfilled, or lost to the environment.

The tempting response is to do more, but more of the same won't fix the system.

The industry doesn't need more proof of concept without a pathway to scale. It needs fewer, bigger bets and a shared direction to orient them around. Overcoming fragmentation is essential to multiplying the impact of everything already underway. This is a genuinely global supply chain — from manufacturing hubs and resource-rich economies in the Global South to the major consumer markets driving regulatory pressure — and the most significant opportunities for change are distributed across it. A credible response has to work across all of them, shaped by a clear direction that can align the material flows, business models, and supply chains of the next decade.

The transition the system requires is fundamentally one of design and direction: the same creativity that defines the industry is what will transform it.



THE 2040 AGENDA: FROM FRAGMENTATION TO FOCUS

The clear next step is a shared direction specific enough to actually change what gets built, funded, and prioritised. We are now developing the 2040 Agenda for Fashion and Textiles: a blueprint everyone can use — not a patchwork of isolated efforts.

The Agenda will bring together brands, retailers, platforms, manufacturers, fabric mills, policymakers, investors, and innovators to define the future system we are optimising for and to diagnose, with precision, the systemic barriers across design and materials, circular business models, and infrastructure that stand in the way. From that shared diagnosis, it will develop a clear point of view on the business cases, investment approaches, and policy levers that give businesses, investors, and policymakers the tools to act independently and effectively.

Part of what makes the Agenda distinctive is its ambition to make 2040 tangible — to give the industry a clear picture of what a well-functioning circular fashion system looks like, and a shared basis for understanding whether progress is being made. This means being specific enough to inform capital allocation and strategy, and differentiated enough to reflect the realities of a diverse global supply chain.

That process is already underway. A cross-industry workshop in Paris in March 2026 stress-tested the direction. Cross-value chain input sessions will continue through 2026, with deliberate inclusion of voices from manufacturing economies and the Global South. The 2040 Agenda will be published in early 2027.

This is not a refresh. It is a step-change in specificity and shared ambition, designed to focus investment and policy behind the interventions that will make the biggest difference.

WHAT THE WORK IS TARGETING

Work to date, including a wide landscape analysis and extensive cross-value chain engagement, has identified three interconnected areas where individual action is getting stuck and where a shared roadmap can unlock scale.

Scaling materials fit for a circular economy. Investment in safe, recycled, and regenerative materials remains scattered and insufficient to shift the market. The 2040 Agenda will develop a shared rationale for adopting materials fit for a circular economy, as well as the policy and finance frameworks to support scaled adoption. This includes work already underway in Latin America on biomaterials — one of the regions where the feedstock base, emerging innovation, and investment conditions converge most compellingly, yet where capital remains significantly underdeployed relative to potential.

Creating the conditions for circular business models to scale. Resale, rental, repair, and remaking are growing faster than new product sales, but the risk is that they sit alongside the linear system rather than fundamentally changing it. That is because the commercial case for these models isn't yet compelling enough. Margins are thinner; operations are more complex; fragmented logistics make it hard to scale profitably. Policies that continue to favour linear production are holding that back. The Fashion ReModel is already [building the business case](#) and exploring the collaboration needed to unlock it, alongside the advocacy groundwork to change the economics in Europe and North America.

Unlocking collection, sorting, and recycling infrastructure at scale.

The infrastructure deficit is real: collection captures only a fraction of used textiles, sorting rarely reaches the quality and consistency that recyclers need, and recycling facilities remain far below the scale required. The economics do not yet stack up. Addressing this requires action across investment, policy, and market design: combined public and private finance to de-risk first facilities, EPR frameworks that cover the true cost of end-to-end recycling infrastructure, and policy-backed demand signals to bridge the gap between brand purchasing cycles and plant investment timelines. The infrastructure challenge is also deeply regional. The deficit looks different in manufacturing economies than in major consumer markets, and the solutions will need to reflect that, including, for example, recommendations for city pilots in China exploring automated and digitalised sorting and recycling systems.

These three barriers are interconnected: the material mix influences design for durability, repair, remaking, and ultimately recycling; business model economics shape what gets collected; infrastructure development determines access to circular feedstocks. Progress across all three moves in a coherent direction. That is what the 2040 Agenda is designed to ensure.





STRATEGY SPOTLIGHT: THE FASHION REMODEL AND THE ROAD TO COLLECTIVE ADVOCACY

The Fashion ReModel began as direction-setting: convening 13 global brands, retailers, and platforms around what it will take to begin to decouple revenue from resource extraction and implement business models such as resale, rental, repair, and remaking at scale. By developing common definitions and metrics, participants are demonstrating they can create value for customers while building business resilience and delivering climate mitigation benefits.

In their first year, the Fashion ReModel participants have grown circular business model revenues four times faster than the broader revenue within the participating part of their business.

But direction-setting was the start of something bigger. The Fashion ReModel is now moving into active policy advocacy by building support from diverse organisations for the fiscal and economic policy changes that circular business models need to scale: VAT reform, repair incentives, EPR design that reinforces rather than simply penalises. A study modelling the impact of a range of specific European and North American policy interventions will be published in 2026, alongside a statement endorsed by businesses calling for the enabling policies. As the work develops, the policy agenda will need to engage with the very different regulatory environments across the regions

where the supply chain operates, from consumer markets driving ecodesign standards to manufacturing economies navigating their own policy pressures.

This is the arc — from shared vision to proof point to policy advocacy — that our 2040 Agenda is designed to accelerate across all the barriers. A more specific direction will pull supportive policy and greater capital from industry, finance, and philanthropy alike where they are needed most.

A TEAM EFFORT

A TEAM EFFORT

Partnership is not peripheral to our work. It is the work.

Market transformation happens when businesses, policymakers, investors, and civil society are pulling in the same direction at the same time, amplifying and multiplying each other's impact.

The Foundation occupies a distinctive position in that system. We have the independence to bring leaders together, bridge the business and policy spheres, take positions on contentious issues, and pursue long-term systems change work that does not fit neatly into corporate or government mandates. We use that position to build the evidence base that gives decision-makers confidence to move, convene the leaders whose individual commitments turn into system change, and connect the policy and investment signals that make circular solutions competitive now.

WHO WE NEED

The missions in this publication will only reach the scale they are designed for if the right partners move with us. Businesses that bring operational knowledge and market weight. Philanthropic and institutional funders willing to back the early-stage work that commercial capital will not yet touch. Policymakers ready to design the frameworks that change the rules of competition. And other organisations — NGOs, industry bodies, research institutions — that contribute the specialised expertise no single foundation can hold. Our three missions are designed to move quickly, and the partnerships that back them earliest will help shape their direction.

The circular economy has enough vision. What it needs now is focused, collaborative, well-resourced effort. If you see your work in these pages, we want to hear from you.



FOUNDER'S NOTE

DAME ELLEN MACARTHUR

FOUNDER
CHAIR OF TRUSTEES

ELLEN MACARTHUR FOUNDATION



FIFTEEN YEARS AGO, A SMALL TEAM GATHERED IN AN OFFICE ON THE ISLE OF WIGHT WITH AN IDEA THAT SEEMED, TO MANY, IMPOSSIBLY AMBITIOUS: THAT WE COULD CHANGE THE GLOBAL ECONOMY. NOT TINKER WITH IT. CHANGE IT.

I remember, in the early days, talking to companies and stakeholders about trying to physically 'change' a global material flow. We suggested plastic packaging. The feedback was discouraging: "No one is interested in plastic. It's just not a topic." But we decided to be audacious. It worked. Our 2016 report, *The New Plastics Economy*, became the most read news item at Davos 2017. Since then, many countries have adopted specific measures to tackle plastic pollution, and the UN has started negotiations for a global plastics treaty.

What I know is this: the world has changed. The circular economy is no longer a fledgling idea debated in sustainability conferences. It is being written into national policy, built into investment strategy, and treated by business leaders as a source of competitive advantage. That shift — from possibility to imperative — is what fifteen years of determined, collaborative work looks like.

It did not happen by accident. It happened because people chose to lead. They saw beyond the limits of the linear economy and decided to work towards something better. Business leaders working collaboratively. Policymakers rewriting the rules. Investors backing new models. Designers, researchers, advocates, and innovators quietly making the impossible not just possible, but inevitable.

Now we are entering a new phase. The Foundation is growing up and diving deeper, focusing where we believe concerted effort can unlock the biggest opportunities, and demonstrating pathways to scale that ripple outward across the whole economy. The work is harder now, and more specific. That is a sign of progress.

The circular economy is not a distant dream. It is happening right now, in pockets all over the world. The question is how fast we can scale it and that depends on how many of us choose to pull in the same direction.

I hope you will be one of them. Bring your expertise, your conviction, your networks, and your willingness to work alongside others who see what you see. The momentum is real. Join us in making a circular economy inevitable.



CHANGE IS
INEVITABLE. LEADING CHANGE
IS A CHOICE.

LEAD
WITH US

ABOUT THE ELLEN MACARTHUR FOUNDATION

The Ellen MacArthur Foundation is an international charity that develops and promotes the circular economy in order to tackle some of the biggest challenges of our time, such as climate change, biodiversity loss, waste, and pollution. We work with our network of private and public sector decision makers, as well as academia, to build capacity, explore collaborative opportunities, and design and develop circular economy initiatives and solutions. Increasingly based on renewable energy, a circular economy is driven by design to eliminate waste, circulate products and materials, and regenerate nature, to create resilience and prosperity for business, the environment, and society.

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