

Circular Economy Finance Guidelines

Quick Reference*

Kopgroep
Circulair
Financieren



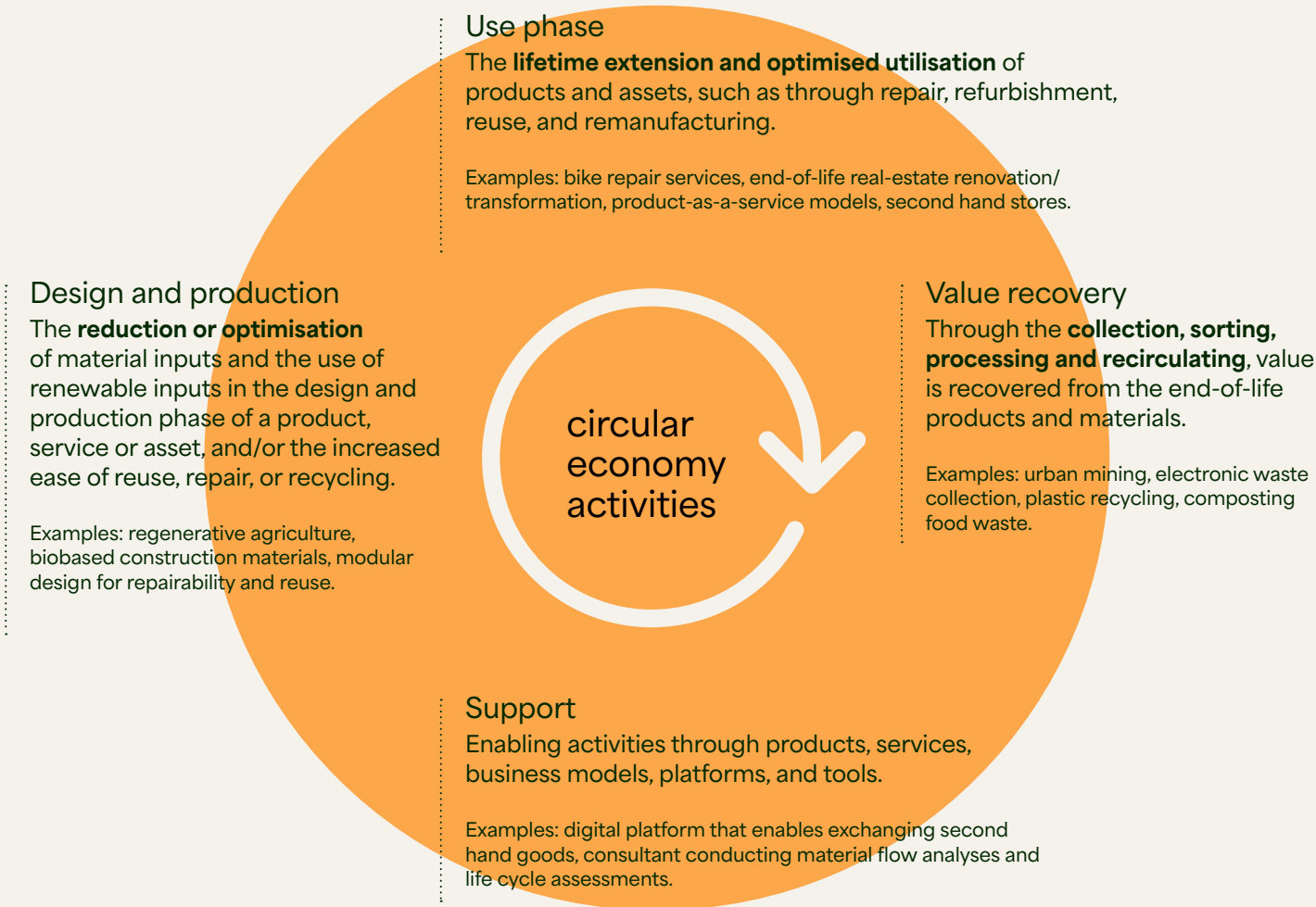
Goal

This one-pager serves as a quick reference for **client-facing staff** to identify circular businesses and activities in daily finance practices. The transition to a circular economy is essential to address climate change, pollution and nature degradation related risks, while increasing resource autonomy and competitiveness. The government and financial sector want to track circular finance volume as an indicator of the progress of this transition.^{1,2}

What is a circular business or activity?

A circular business or activity reduces and/or optimises the use of natural resources, materials, and products and promotes the regeneration of nature. This can be done through more material-efficient design and production, extending a product’s use phase, and/or recovering value at the end-of-life. If a business or activity engages with – or enables – these activities, it can also be classified as circular.^{3,4}

In more detail, circular economy activities can be described as:



1 www.government.nl/documents/leaflets/2024/03/14/joint-statement-by-government-and-banks-on-cooperation-towards-a-circular-economy
2 www.dnb.nl/media/3dwdcic1/20220204-pdf-finance-roadmap-nl.pdf
3 This is the recommended definition of circular financing which can be used in the (IT) registration systems of financial institutions. It is based on the EU Categorisation system and the IFC’s Harmonized Circular Economy Finance Guidelines.
4 Circular economy activities are often categorised as the hierarchy of R-strategies (e.g. reduce, reuse, recycle) - see the “EU Categorisation System for the Circular Economy”.

* **For more detailed definitions including edge cases we refer to the full guidelines.** In case the user of this guide is unsure about the circularity of a business or activity, or expects that only part of it can be classified as circular, we recommend consulting your sustainability/circular economy specialist and the full guidelines for advice.