CIRCULAR ECONOMY:

A LEVER FOR COMPETITIVENESS AND RESILIENCE IN A WORLD UNDER PRESSURE



BNP PARIBAS

The bank for a changing world

THE CIRCULAR ECONOMY: A RESPONSE TO ENVIRONMENTAL CHALLENGES THAT HAS BECOME A LEVER FOR RESILIENCE AND COMPETITIVENESS

Most often viewed from an environmental perspective, with a focus on preserving resources and reducing waste generation, **the circular economy is an essential component of the transition to a low-carbon economy and the protection of biodiversity.** By limiting the extraction of virgin resources and the pressures exerted on ecosystems, it helps to keep resource use within planetary boundaries, several of which have already been exceeded.

Economic, geopolitical and regulatory developments in Europe now give it an additional strategic dimension. Dependence on virgin materials and long or concentrated supply chains exposes businesses to shortages, disruptions and cost volatility. At the same time, growing requirements regarding repairability, recyclability, recycled content and traceability are gradually changing the conditions under which products are designed, produced and marketed.

The transformations undertaken by large European companies highlight three main economic drivers for action. Firstly, circularity can **reduce certain material costs, processing costs, replacement costs or downtime costs.** Secondly, it can create **new sources of revenue and strengthen customer relationships** when integrated into offerings and services. Finally, the capabilities needed for its implementation — control over materials, repair, organisation of return flows, traceability and product adaptation — can **strengthen companies' operational resilience and capacity to adapt.**

BNP Paribas has made financing the circular economy one of the priorities of its sustainable finance strategy and has strengthened its expertise in this area. The Group draws on its sectoral, financial and innovation expertise to support the financing of the solutions, assets and infrastructure needed for these transformations. The solutions presented in this document are therefore delivered either by companies with links to BNP Paribas or directly by the Group's business lines.

AN ECONOMY UNDER PRESSURE [1]

+60%

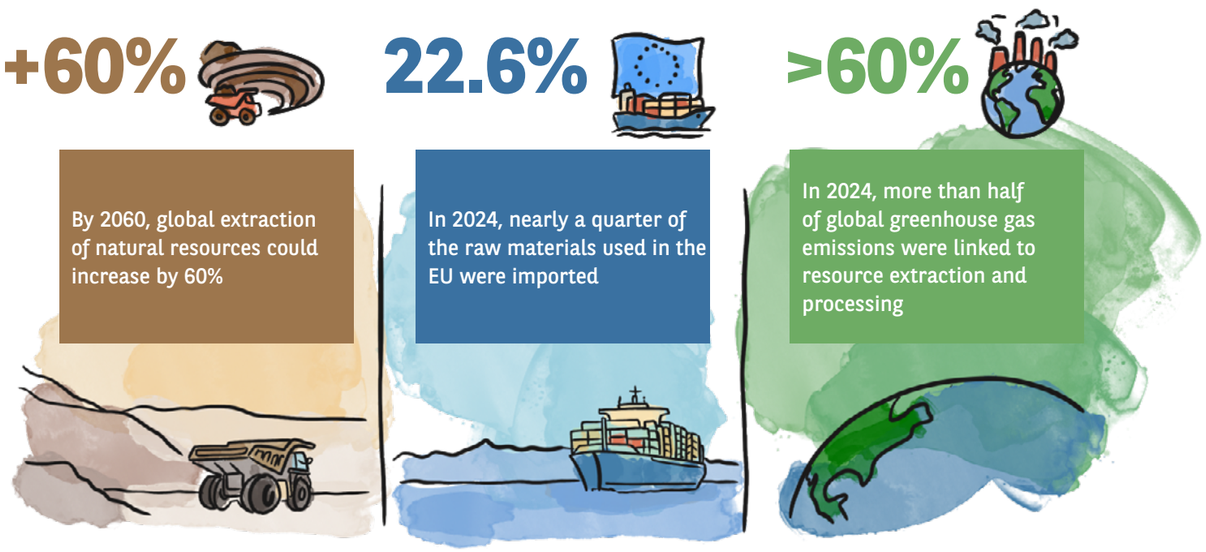
By 2060, global extraction of natural resources could increase by 60%

22.6%

In 2024, nearly a quarter of the raw materials used in the EU were imported

>60%

In 2024, more than half of global greenhouse gas emissions were linked to resource extraction and processing



[1]Sources : UNEP – Global Resources Outlook 2024

REDUCING COSTS: CIRCULARITY AS A LEVER FOR OPTIMISING FLOWS AND EXTENDING PRODUCT LIFESPANS

The approaches observed among large European companies are financially viable when the costs they avoid exceed the costs of implementation. Managing material and waste flows more effectively and extending the lifespan of products and equipment can help companies adopting circular approaches avoid costs. Their customers can also save money when the solutions offered cost less than buying new products or equipment or replacing existing ones.

The economic performance generated is assessed in terms of total cost, by comparing, over the period of use, the expenditure required for implementation with the material purchases and the treatment, replacement, maintenance or downtime costs that these approaches make it possible to avoid. The strategy is considered justified when these savings, which may be supplemented by revenue and environmental or strategic benefits, cover the expenditure incurred.

This comparison must also take into account the end-of-life costs that regulations require producers to bear. In France and at European level, extended producer responsibility (EPR) requires producers to contribute to the prevention and management of waste arising from their products. **By incorporating these costs more fully into the economic equation, it can strengthen the case for circular approaches that help reduce them.**

AVOIDING MATERIAL OR WASTE COSTS

Avoiding material and waste management costs involves making use of resources that are already available rather than incurring both the cost of new supplies and that of their disposal after use. Used products or components can therefore serve as a resource for new production or a new project, rather than an end-of-life burden.

At **Renault**, the **remanufacturing**, or industrial rebuilding, involves dismantling, inspecting and rebuilding used automotive parts to retain components that are still usable rather than manufacturing an entirely new part. This practice conserves materials such as aluminum, copper and certain electronic components, all of which require substantial resources to produce. An analysis of approximately 1,000 refurbished batteries[2], which takes into account the components replaced during refurbishment, reports a reduction of approximately 95% in the impact on virgin mineral and metal resources compared with a new battery.

The reuse of vehicle body parts, such as bumpers, doors and bonnets, also reduces the use of virgin mineral and metal resources by 95% to 100%, depending on the parts concerned. These practices can therefore reduce the need to source new materials and the associated costs.

In the construction sector, reuse — a new use, for the same purpose, of a product or component that has not become waste — **makes it possible to retain the value of components that are already available, extend their use and reduce waste management costs.** However, the savings from avoiding purchases of new products and certain waste management costs must be weighed against the costs of assessment, selective removal, inspection, storage, refurbishment, transport and reinstallation.

Reuse is a lever for competitiveness and its cost-reduction potential can increase as value chains scale up, resources are pooled and logistics are optimised. When carried out at a total cost equal to or lower than that of using new products, reuse combines cost control with reductions in virgin resource consumption and waste generation.

[2]Environmental impact assessment of remanufactured car parts to support the deployment of the automotive circular economy - Quantis



At **METAL 57**, the headquarters of **BNP Paribas Real Estate** in Boulogne-Billancourt, the fit-out of the Agora, a 120 m² auditorium, combined reused materials, upcycled materials — that is, materials transformed into products of greater value or higher quality — and refurbished equipment, including audiovisual equipment. This approach enabled 874 kg of material to be reused and saved 6.8 tonnes of CO_2 equivalent, with emissions five times lower than those of an equivalent fit-out. In Lille, the Lil'Up office development, part of Metropolitan Square, a development by BNP Paribas Real Estate and **Vinci Immobilier**, incorporated selective demolition to preserve and reintegrate materials from the site. Concrete from the demolition was also crushed and reused on site or in other developments. More than 70% of demolition waste was recovered, while reuse saved 589 tonnes of CO_2 equivalent.

The deployment of these practices requires matching available materials with the needs and schedules of construction projects, then organising their preparation and transport.

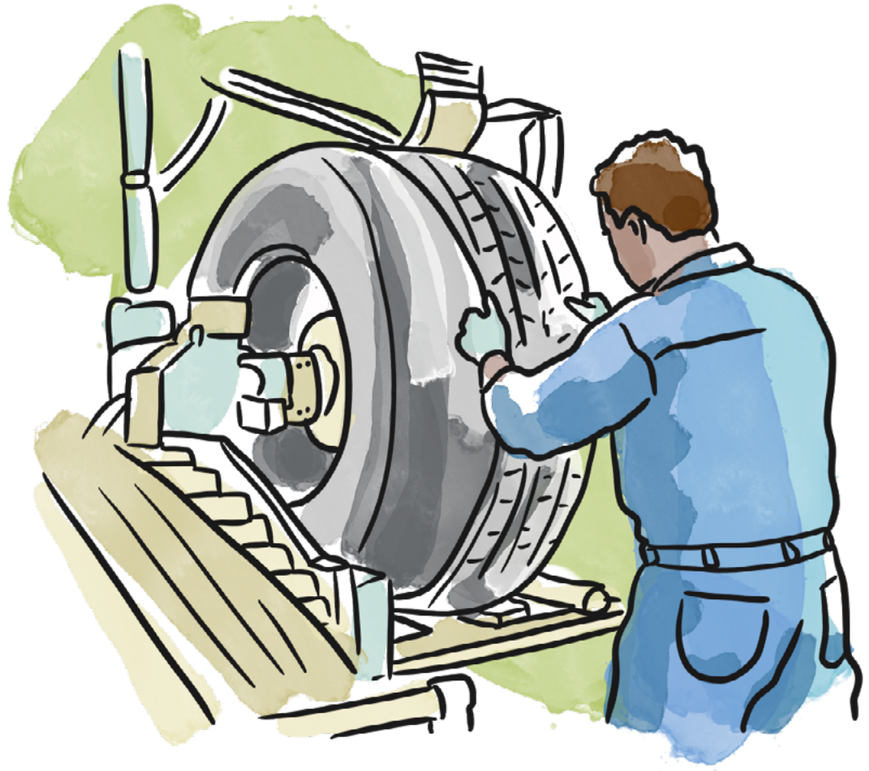
BNP Paribas Real Estate is a member of **Booster du Réemploi**, whose platform brings together suppliers and users of materials for reuse. Since 2024, the company has also been a partner of **Cyneo**, which offers shared spaces for storage, refurbishment, prototyping and production. This collaborative approach facilitates access to second-hand materials and the pooling of the resources needed for their new use. To develop the circular economy and support the development of new value chains, Cyneo goes beyond storage and aims to foster cooperation among reuse operators, while ensuring they have sufficient markets and material volumes.

AVOIDING REPLACEMENT OR DOWNTIME COSTS

Keeping an asset in service can help avoid replacement or downtime costs. Refurbishment — inspecting, cleaning and, if necessary, repairing a used product to restore it to working order before placing it back on the market — avoids the need to purchase a new component; the availability of refurbished parts that can be used as direct replacements reduces the time during which the equipment is out of service. Assessing the profitability of this approach must incorporate the cost of these operations, the number of replacements avoided and the operating losses associated with the asset's downtime.

Michelin seeks to reduce the environmental footprint of its tyres throughout their lifecycle, notably by extending their use for as long as possible. For truck tyres, its "multi-life" model provides a concrete illustration: regrooving increases a tyre's mileage potential by an average of 25%.

Retreading then makes it possible to replace the tread while retaining the casing, enabling the tyre to achieve 100% additional mileage; combined with a second regrooving, it extends this new period of use by a further 50%. For transport operators and fleet managers, these operations reduce frequency of replacement and help control the cost per kilometre. According to Michelin, regrooving can also reduce fuel consumption by up to 5% through lower rolling resistance. In the longer term, the aim is also to give a new life to materials from end-of-life products. This transformation requires going beyond the traditional boundaries of the tyre industry and building new ecosystems and new circular value chains with numerous partners.



Arval, a subsidiary of BNP Paribas, applies this approach to the long-term leasing of vehicle fleets through its **Re-Lease** offering. At the end of an initial contract, selected vehicles are serviced and refurbished so that they can be offered to a second or even a third customer. By reusing vehicles already in its fleet to meet new mobility needs, Arval limits the use of new vehicles and optimises the use of resources already used in their manufacture. This approach also makes it possible to offer customers a more affordable mobility solution to leasing a new vehicle, with certified vehicles and the same services as those offered with new vehicles. Its economic viability depends on rigorous management of each vehicle throughout its different cycles of use, particularly in terms of maintenance, refurbishment, periods of downtime and residual value.

Insurance can facilitate the purchase of refurbished equipment and the use of repair services.

BNP Paribas Cardif, BNP Paribas' insurance subsidiary, extends its cover to certain refurbished electrical and electronic devices and, together with its partners, prioritises repair over replacement. Under its partnership with **Orange**, covered mobile phones are repaired in local shops whenever possible; when a device cannot be repaired, a refurbished mobile phone may be offered as a replacement. With **Boulanger**, BNP Paribas Cardif also offers a subscription that provides access to a repair service for new or used electrical and electronic devices. In France, in 2025, 9 out of 10 devices handled under these offerings were repaired rather than replaced. These offerings therefore help extend the lifespan of equipment and avoid its replacement when repair remains possible.

Underdog applies this approach to large household appliances by transforming used equipment into marketable products. The company collects used appliances, diagnoses faults, repairs them and puts them back on the market with a warranty. These refurbished products therefore provide an alternative to buying a new appliance. In March 2025, BNP Paribas supported Underdog's €7 million Series A funding round to finance the expansion of its refurbishment capacity in France.

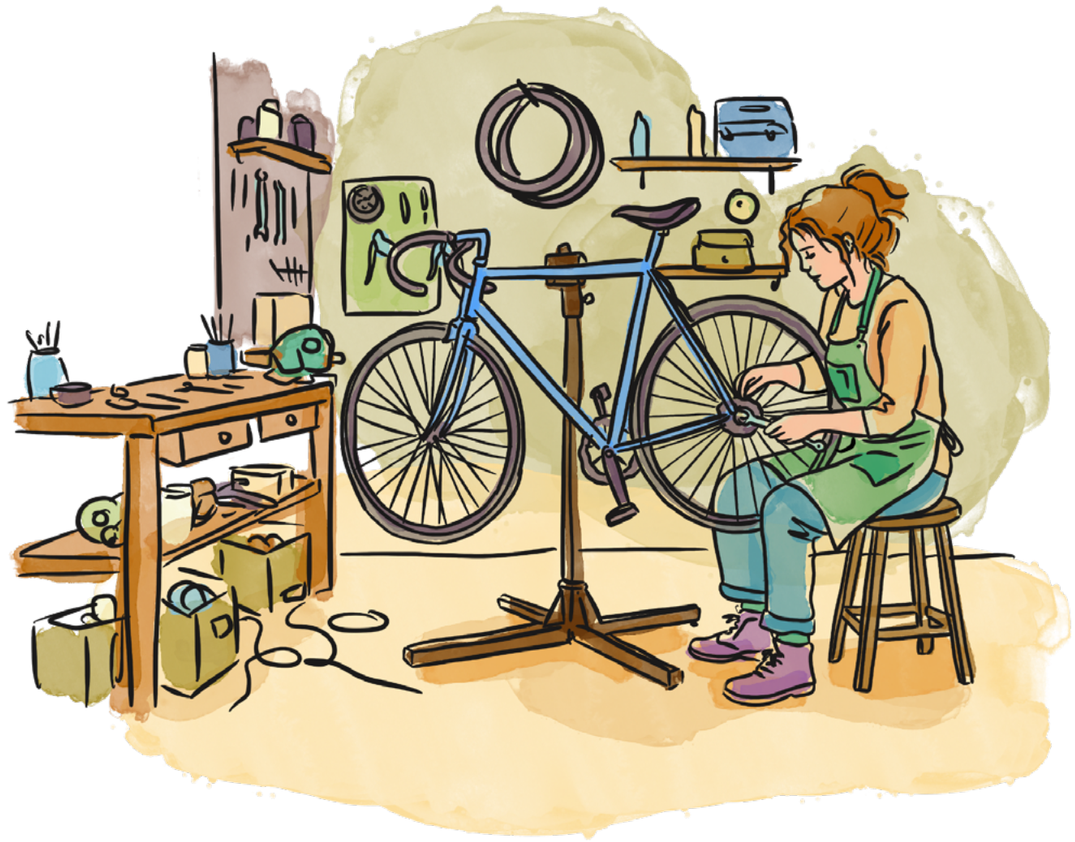
Implementing these approaches requires investment in equipment for sorting, treatment, repair or refurbishment, as well as in the industrial capacity and working capital needed to scale them up. Financing these investments depends on factors including visibility of expected volumes, cost control, expected savings and the amortisation period of the investments.



CREATING NEW SOURCES OF REVENUE AND STRENGTHENING CUSTOMER RELATIONSHIPS: CIRCULARITY AT THE HEART OF OFFERINGS AND SERVICES

When integrated into offerings and services, circularity can generate new sources of revenue and strengthen customer relationships. **The sale of second-hand or refurbished products extends the commercial relationship beyond the initial sale.** Second-hand products have already belonged to a user and are offered for resale, with or without prior inspection and without necessarily undergoing restoration. Repair, maintenance or refill services and use-based models — rental, subscriptions or the provision of a service or a specified level of performance — also extend this relationship. These different offerings increase interactions with the customer throughout the product lifecycle.

The viability of these activities depends on sufficient demand, consistent volumes, effective quality control and an organisation capable of covering the costs of collection, reverse logistics, diagnosis, restoration, warranties and redistribution. Monitoring the condition and residual value of products, organising their return and managing their availability determine the transition from a one-off initiative to a profitable industrial-scale business model.



SELLING SECOND-HAND OR REFURBISHED PRODUCTS

The sale of second-hand or refurbished products gives new commercial value to products or components that have already been used. Depending on the market, it relies on matching sellers and buyers, authenticating products, carrying out technical inspections or restoring them.

In the luxury sector, **Vestiaire Collective** has achieved significant scale in the second-hand market. Founded in 2009, the company brings sellers and buyers together and helps secure transactions through authentication services. In 2025, its annualised sales volume approached €1 billion.

The development of this market is also of interest to established luxury companies: in 2021, **Kering** acquired approximately 5% of Vestiaire Collective's share capital as part of a €178 million funding round and obtained a seat on its board of directors. Second-hand products can provide an entry point to Kering's brands for new customers, particularly younger ones, extend the commercial relationship through take-back, resale or repair services and create a complementary business activity alongside the sale of new products.

The development of these markets nevertheless requires addressing the uncertainties inherent in buying second-hand products. **Whereas a direct exchange between individuals leaves the buyer to assess the product's authenticity, condition or performance on their own, platforms and brands provide inspection, standardisation and warranty services.** In the luxury sector, authenticating items and securing the transaction are central. In electronics, where certain technical characteristics are difficult to assess before purchase, inspection of the condition and functioning of devices must be accompanied by a warranty.

Back Market helps structure the market for refurbished electronic equipment by selecting refurbishers, standardising device assessments and providing warranties for products sold on its platform. Operating in 17 countries with more than 18 million customers, the company recorded annual revenue of €440 million in 2025, while the total volume of transactions on its platform reached €3 billion, up 32%. These results illustrate the potential for refurbished products to support a large-scale market.

The development of this market does not, however, rely solely on platforms: it also involves refurbishers and services that help consumers'access these products..

Ecodair, a social and solidarity economy enterprise, operates at another stage of this value chain by collecting, repairing and refurbishing IT equipment to extend its lifespan. The company currently processes more than 20,000 items of equipment per year and recorded growth of 16% in 2025, with revenue exceeding €7 million. Its model combines economic activity, a reduction in environmental impact and job creation for people with disabilities or those facing barriers to employment. Scaling up requires a regular supply of high-quality used equipment, reliable processing and sales channels capable of absorbing the volumes collected. However, competition for supplies of used equipment is increasing: Ecodair, which was previously paid to collect certain equipment, now sometimes has to pay to access it. The company is therefore focusing on equipment for business use from three brands and developing partnerships with manufacturers to secure a reliable supply of used equipment. BNP Paribas supports Ecodair through its impact investment programme using its own funds.

FLOA, a subsidiary of BNP Paribas, offers instalment payment solutions to major players in the second-hand market. By allowing consumers to spread the cost of their purchases, these solutions can facilitate access to second-hand or refurbished products and support the development of these markets. The Floa x Kantar[3] study published in February 2026 reveals that "37% of Europeans say they would favour second-hand purchases over new purchases if instalment payment solutions were available".

[3]among 4,902 respondents



Second-life markets are not limited to selling products to individuals. They are also developing in industrial and B2B activities, where manufacturers organise the recirculation of products and components within their own networks. In the automotive sector, vehicle manufacturers and equipment suppliers are developing offerings of rebuilt or reused spare parts[4] that are integrated into their industrial activities and after-sales networks.

Stellantis has brought together its circular economy activities, including industrial remanufacturing, repair, reuse and recycling activities under **SUSTAINera**. Reuse activity grew by 51% in 2025, supported by its partnership with the e-commerce platform B-Parts, which has a stock of more than 18 million used parts. All circular economy activities are now integrated on a large scale into the Group's industrial operations and after-sales networks.

SELLING SUBSCRIPTIONS OR USE-BASED SERVICES

Subscriptions or use-based services replace the one-off sale of equipment with revenue linked to the service provided over its lifespan. The supplier generally retains control of the asset, maintains it and recovers it at the end of the contract to restore it to as-new condition where possible. Profitability then depends on extending the period of use and controlling maintenance, return and refurbishment costs.

In the lighting sector, **Signify** offers, through "**Light as a Service**", a model based on the functional economy, in which the customer does not purchase the lighting installation but pays a monthly fee to benefit from a level of illumination. Signify sizes and maintains the system throughout the contract, carries out repairs and replaces components, then organises their recovery at the end of use. For the customer, this model can avoid upfront capital expenditure, with service fees paid from the operating expenditure budget and the potential for early cash flow improvements through energy and maintenance savings. This model offers an economically and operationally advantageous alternative to purchasing and directly maintaining a lighting system, while also supporting sustainability objectives. To ensure the model's profitability, Signify optimises the energy performance, repairability and longevity of the solution, for which it retains responsibility throughout the contract.

The Light as a Service model is part of the Signify Circle offering: high-performance lighting solutions that are energy- and resource-efficient[5], designed to last, be upgradable and reusable. Signify aims for Signify Circle to account for 27.5% of revenue from its professional business in Europe, up from 10% currently.

[4]Starter motors, alternators or injectors, chassis, interior equipment, bodywork, ...
[5]20261023-ace-university-of-oxford-from-energy-efficiency-to-resource-efficiency-2026.pdf

Decathlon applies use-based models to sporting goods by combining short-term rental and monthly subscriptions, alongside its repair and second-life activities. In 2025, short-term rental was deployed in 19 countries and subscriptions in 7 countries; together, these offerings generated revenue of €52 million that same year, up 44% year on year.

Similarly, **BNP Paribas Leasing Solutions** finances and supports the management of professional equipment throughout its lifecycle. Depending on the nature of the equipment and the contractual terms, its solutions can go beyond financing to include monitoring and end-of-use management. Notably, this approach is implemented in the IT sector through the joint venture, **BNP Paribas 3 Step IT.**

The joint venture therefore offers companies a solution for managing IT equipment throughout its lifecycle: computers, smartphones and tablets are monitored during use, taken back at the end of the contract, then refurbished and offered for resale where their condition allows.

Increasing the number of use cycles is not, however, enough to qualify a model as circular: the equipment's overall lifespan must be extended, equipment must be reused and its second life must avoid, at least in part, the manufacture of new assets.

The assessment carried out[6] for BNP Paribas 3 Step IT therefore measures both the extent to which equipment use is extended and the impacts avoided through its second life, thereby demonstrating the model's circularity.



MAKING CIRCULARITY A LEVER FOR CUSTOMER RELATIONSHIPS

By creating opportunities for recurring engagement with the customer — refilling, maintenance, take-back or repair — circular models — **increase the frequency of interactions and can strengthen customer relationships and attachment to the brand.** Their ability to retain customers and develop the commercial relationship nevertheless depends on the service's ease of use, how well it meets a specific need and its integration into the company's offering. Companies with access to data that enable them to track purchasing behaviour can measure this effect. Academic research[7] on repair confirms that the service's simplicity and convenience directly influence the customer's experience and trust.

[6]Measuring circularity: methods and frameworks | Circul'R

Darty Max, Fnac Darty's subscription offering dedicated to appliance maintenance and repair, applies this approach through a subscription enabling customers' appliances to be maintained and repaired without limiting the number of devices covered. When an appliance cannot be repaired, the service may offer a gift card that can be used for purchases from the Fnac or Darty catalogues. Subscribers have a purchase frequency 50% higher and an average basket value 50% higher than those of other customers. In its Beyond Everyday strategic plan, Fnac Darty position subscription growth as a means of moving from a transactional model to a relationship-based model and is targeting four million subscribers by 2030.

Refilling relies on the same approach to building customer relationships but applies it to products purchased more frequently. A durable container does not merely reduce packaging: it can establish a repeat-purchase habit, encourage customers to return to the brand and enable the brand to sell the contents again without producing new packaging each time.

L'Oréal is developing this approach by rolling out refillable formats across several product categories to gradually establish a new purchasing habit. Their adoption depends in particular on a sufficiently attractive price difference tailored to each product category. The group works with retailers to make refills visible and accessible, including online, and ensures that the refill packaging is as robust during transport as the original packaging. Finally, through a dedicated communications strategy, L'Oréal seeks to place refilling within an appealing setting. It draws on the codes and brand ambassadors associated with luxury and in its recent advertising campaign entitled "Join the refill movement", refilling is presented as a collective movement. The aim is therefore to scale up the offering and familiarise consumers with the act of refilling without disrupting their habits. A refill can also save an average of 60% plastic compared with the refillable product, delivering both significant material savings and a tangible reduction in environmental footprint.

Beyond the offerings developed by brands, **packaging reuse can thus create new economic activities and lead to the emergence of companies** entirely dedicated to organising deposit-return schemes, and the collection, washing and recirculation of containers.



[7]In their academic article Repair Service Convenience in a Circular Economy: The Perspective of Customers and Repair Companies, published in 2023, Ines Güsser-Fachbacha, Gernot Lechner, Tomás B. Ramos and Marc Reimann show that simple and convenient repair services create additional touchpoints, strengthen trust and improve the customer experience.

Les tout nus through its Le Drive tout nu and Le Super tout nu retail brands and its dedicated retail spaces in large retail stores, organises the sale of everyday products in containers covered by a deposit-return scheme, followed by their collection, washing and recirculation. Based in Occitanie, the company currently operates five retail outlets and around fifty in-store retail spaces across several regions. With around sixty employees, the company helped to avoid 1.4 million items of single-use packaging in 2025, equivalent to more than 400 tonnes of CO2. In June 2025, BNP Paribas participated through its impact investment programme in the company's €7 million funding round to expand its network and scale up its deposit-return operations.

Scaling up packaging reuse requires shared infrastructure to minimise both the environmental impact of the reuse cycle and its operating costs: GO! RÉEMPLOI develops and distributes a standardised range of containers and organises their collection, washing and recirculation for several players in the food industry. BNP Paribas provided financial support for the development of this infrastructure.

The diversity of these models gives rise to a range of financial needs: adaptation of products and packaging, industrial equipment, establishment of asset fleets, infrastructure for collection, washing or restoration, monitoring platforms, guarantees and working capital. Financing these models depends on companies' ability to demonstrate the robustness of their business models — customer adoption, recurring revenue or regular volumes and control of operating costs — as well as their ability to organise the flows needed to implement them.

REDUCING VULNERABILITY: CIRCULARITY AS A LEVER FOR BUSINESS RESILIENCE AND ADAPTATION TO NEW MARKET ACCESS CONDITIONS

The approaches adopted by companies can reduce their vulnerability in a less predictable environment. They help both to maintain business activity when usual supplies are disrupted and to anticipate changes in market access conditions.

From an operational perspective, material recovery, repair, reuse or upgrading provide complementary solutions when resources or new equipment are unavailable. Adapting products, managing return flows and ensuring traceability help companies meet new customer and regulatory requirements as market access conditions evolve.

ENABLING BUSINESS CONTINUITY BY SECURING RESOURCES

By securing resources, circularity strengthens operational resilience by providing alternative solutions when a material, component or new equipment is unavailable. Material recovery, repair, refurbishment and equipment upgrading do not replace all primary supplies, but reduce exclusive dependence on suppliers, resources or lead times that are difficult to control.

Their value lies in the ability to preserve production and customer service when usual flows are disrupted.

The case of titanium used in aerospace makes this issue particularly tangible. The production and refining of titanium metal are highly concentrated in China, Japan and Russia, which account for 80% to 90% of volumes. At the same time, up to 90% of the initial material can become chips or offcuts during the machining of certain parts. Safran organises their collection, sorting by alloy and ensuring traceability, for example, to prevent different grades from being mixed. Material that meets aerospace requirements can thus be remelted and reincorporated into new alloys rather than redirected towards lower-value uses. In 2024, the group recycled 1,050 tonnes of titanium machining chips, exceeding its target of 950 tonnes.

The aim is to retain traceable, qualified material within the aerospace value chain. Knowledge of the volumes returned to alloy producers and the proportion that can actually be reincorporated gives Safran greater visibility over its net primary titanium requirements, strengthens its position in purchasing negotiations and provides it with a complementary source of material for activities where substitution is difficult. As part of this approach to securing supplies, Safran and Airbus have invested in Aubert & Duval, a French metallurgical company that has developed titanium recycling capacity compatible with aerospace requirements at its EcoTitanium site. This investment helps maintain a local titanium recovery value chain. Strengthening this capacity contributes to the resilience of both Safran and the aerospace value chain and is in line with the objectives of the European Critical Raw Materials Act, which aims to develop recycling within the European Union and diversify its supplies of strategic raw materials.



Schneider Electric draws on a second resilience mechanism: **extending the lifespan of critical equipment and upgrading it rather than systematically replacing it in full.** Its **EcoFit** services enable existing electrical equipment, including low- and medium-voltage switchgear, drives, uninterruptible power supplies and automation systems, to be upgraded by replacing obsolete components and retaining those that can continue to be used. According to Schneider Electric, this approach can extend asset lifespans by up to 25%.

This approach is particularly valuable when replacing equipment may affect operational continuity. Upgrading an existing asset preserves part of the installation and limits the interruptions associated with its replacement. This approach helps strengthen business resilience while optimising the use of existing resources. Upgrading operations can also deliver significant environmental benefits by avoiding the full replacement of equipment that is still partially functional.

In parallel, Schneider Electric is developing product reuse and refurbishment. The company distinguishes, in particular, between « Checked & Repacked », products, which have never been energised and are inspected and then refurbished, and "Refurbished" products, which have already been used and are then collected, assessed, repaired, updated and tested before being put back on the market. These circular economy products benefit from the same warranties as new products. Their value therefore extends beyond environmental impact alone: reuse also makes better use of equipment and resources that are already available.



Scaling up these models nevertheless requires strengthening systems for equipment collection and recirculation. The aim is to retain the value of products, components and materials for as long as possible by prioritising maintenance, upgrading, reuse or restoration to as-new condition before considering recycling. The most suitable approach depends on their condition. This approach forms part of Schneider Electric's circularity strategy, structured around three principles: "Use better", "Use longer" and "Use again". It combines reduced pressure on resources, extended equipment lifespans and greater business resilience.

In these models, **traceability makes it possible to preserve material quality, monitor product performance over several use cycles and measure the volumes that can actually be reincorporated.** It does not, however, replace collection and sorting infrastructure or cooperation among participants in the value chain.

This activity can also be complicated by certain rules governing waste management and shipments, which can make it more difficult to transport equipment intended for repair or refurbishment, particularly between European countries.

These traceability and flow-control requirements are particularly stringent when the resources to be recovered come from hazardous waste. Their recovery requires toxic substances to be identified, isolated and treated to prevent them from entering new materials or products. Making this waste safe thus enables the recovery of fractions suitable for reintroduction into value chains and the creation of a complementary source of supply.

Séché Environnement develops these activities in France and internationally. Its 2024 acquisition of **ECO**, a hazardous waste treatment specialist in Singapore, enables it to expand its industrial presence in Southeast Asia and consolidate its circular economy activities. Notably, ECO holds stakes in precious metal regeneration businesses, which enable resources to be recovered from industrial flows and reintroduced into value chains.

The transaction also opens up opportunities in chemical purification and solvent regeneration, helping diversify both industrial customers' sources of supply and Séché's activities. BNP Paribas acted as global coordinator and sole bookrunner for a €400 million green bond, intended in particular to refinance this acquisition.

ANTICIPATING NEW MARKET ACCESS CONDITIONS

Circularity criteria — recycled content, reduced material use, repairability, take-back, reuse or traceability — **are gradually being incorporated into procurement policies and product regulations.** For companies, having a suitable offering and being able to demonstrate its performance may be a condition for being approved as a supplier, renewing a contract or placing a product on the market.

DIAM Group has successfully anticipated this development in the beauty and luxury sectors. The company designs, manufactures and installs display units and furniture for retail outlets. Through its "B2D" (Back 2 DIAM) scheme, it organises the take-back of replaced items to support the reuse of whole units or certain components, as well as dismantling and material recycling. This voluntary scheme responds to its customers' growing environmental commitments, as they gradually incorporate circularity criteria into their specifications and calls for tenders. It is becoming a differentiating factor in maintaining approved-supplier status or accessing new markets, even though the business model is still evolving.

Beyond customer requirements, regulations are also changing market access conditions. The European Packaging and Packaging Waste Regulation requires packaging to be recyclable from 2030, sets minimum recycled content levels for plastic packaging and introduces reuse or refill targets for several sectors. Packaging characteristics are therefore gradually determining whether a product can be placed on the market in the European Union.

Aptar, a supplier of dispensing systems and packaging components — including pumps, valves and closures — for the beauty, personal care and healthcare markets, plays a key role in adapting packaging to new circularity requirements. Recyclability, refill and recycled material incorporation targets require suppliers to rethink the components used in the final packaging. With its metal-free, mono-material design made entirely from polyethylene (PE), **Future** enables the complete packaging to achieve the highest recyclability score with polyethylene (PE) and polyethylene terephthalate (PET) bottles, unlike conventional pumps.

Market access will therefore depend on the solutions that the entire value chain is able to develop and industrialise in conjunction with recycling value chains. This development calls for coordinated investment in research, material qualification and industrial processes.

The European Ecodesign for Sustainable Products Regulation also provides for a digital product passport, which brings together information on a product's composition, recycled content, repairability and end-of-life conditions. Companies will need to be able to provide this data and ensure its reliability to facilitate product traceability, maintenance, reuse or recycling. Missing or insufficiently reliable information may thus pose a risk to compliance and market access.

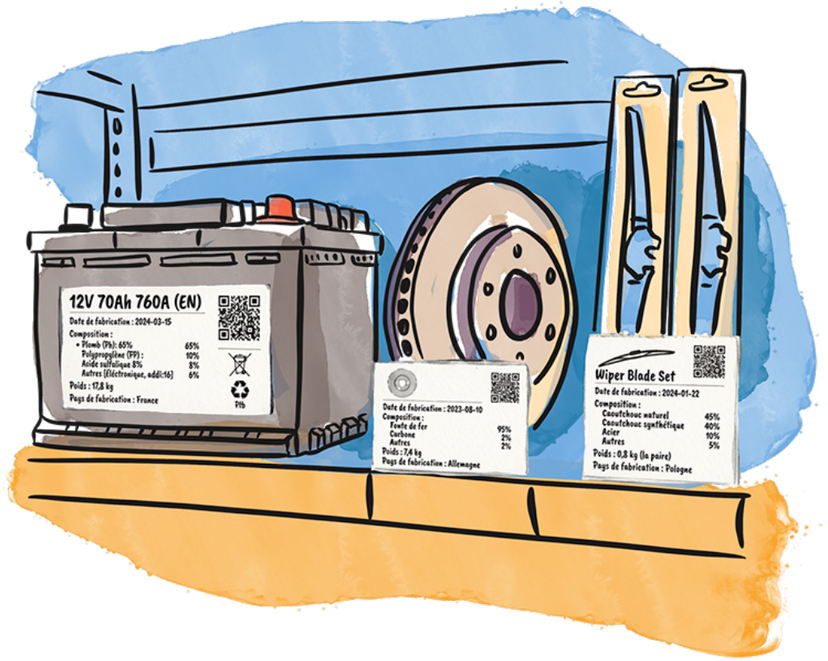


Finally, adapting to regulations requires the operational capacity needed to implement the new requirements. Repairability provides a concrete example: a regulatory requirement can only be met quickly if design, spare parts and service capabilities already exist. The Ecodesign Regulation and the European Right to Repair Directive strengthen requirements for design allowing disassembly, the availability of parts and tools, access to technical information and the provision of repair services after the statutory warranty period. Manufacturers of the products concerned must offer repairs within a reasonable time and at a reasonable price, while parts and tools must be accessible to independent repairers at a price that does not discourage repair. Companies whose products are still difficult to disassemble, whose parts are insufficiently standardised or whose repair networks are limited need to begin adapting their design, procurement, logistics, documentation and skills earlier to control compliance costs and preserve market access.

Le **Groupe SEB** has been committed to repairability for nearly 20 years and has the industrial and service capabilities to support this commitment. According to the company, more than 90% of its small domestic appliances can be repaired at a fair price for 15 years. This commitment is made possible by guaranteed availability of spare parts for 15 years, with 8 million parts in stock supplemented by some 3D-printed parts, and by the development and management of a network of 6,200 authorised repairers worldwide.

Repairability and recyclability form part of the product ecodesign approach, which aims to extend product lifespans and manage their end of life. Energy efficiency and the use of recycled materials are also among the objectives for preserving resources and decarbonising. The Group implements strategies and practical measures to meet new requirements, adapt its product ranges and integrate compliance requirements into after-sales service.

These transformations involve three main types of investment: equipment for industrial sorting, repair, treatment or regeneration; traceability and data management systems; and the adaptation of products and production lines. The necessary capabilities can be developed internally but can also be acquired to gain faster access to new technologies, infrastructure or industrial activities.



ACCELERATING CIRCULARITY: COOPERATING AND CREATING THE CONDITIONS FOR SCALING UP

Scaling up the circular economy will depend less on the number of isolated initiatives than on the ability of participants in the same value chain to act in a coordinated manner. In particular, producers, suppliers, customers, distributors, collection and treatment operators, financial players and public authorities must align their design choices, quality standards, infrastructure and volume commitments. This cooperation is necessary to secure sources of recoverable materials, improve the availability and quality of secondary materials and provide the certainty needed to support investment in industrial-scale deployment.

Large companies can help foster the development of the solutions their value chains will need. **L'Oréal** for example, has committed €50 million to the Circular Innovation Fund, an impact investment fund dedicated to circularity. In 2025, it also launched a new accelerator programme, **L'AcceleratOR**, designed to test technologies needed for the sustainability transition under industrial conditions before considering their rollout. By combining funding, industrial cooperation and commercial opportunities, this approach aims to help selected companies validate their technologies against the market's operational requirements. It shows that scaling up requires not only supporting innovation but also organising the conditions for its adoption at scale by established players.

Alongside these collective efforts, **the development of circular models also depends on economic and regulatory conditions.** Visibility over applicable requirements, their consistency and their alignment with industrial realities are essential to guide investment. Taking better account of environmental costs, particularly those associated with products' end of life, can strengthen the economic case for solutions that reduce them, although this alone is not sufficient to guarantee their profitability.

In a context where access to resources, cost control and value chain continuity are becoming more strategic, the circular economy combines environmental transformation, competitiveness and resilience. The development of repair, refurbishment and recycling value chains can also contribute to economic and industrial sovereignty by diversifying sources of supply without eliminating the need for primary material.

BNP Paribas intends to support this transformation by drawing on its sectoral and financial expertise to support the development of circular models and the equipment and infrastructure needed for their deployment.

CIRCULAR ECONOMY: BNP PARIBAS' FINANCING AND INVESTMENT LEVERS

BNP Paribas supports companies in implementing circular business models through financing for their general needs, as well as for specific assets, such as equipment or infrastructure. The Group also invests through direct equity stakes in start-ups and companies developing circular solutions, as well as through investments in funds. **BNP Paribas Asset Management** also offers a thematic ETF enabling investors to gain exposure to companies contributing to the development of the circular economy. As a pioneer, **BNP Paribas Asset Management** launched the **BNP Paribas Easy ECPI Circular Economy Leaders** fund dedicated to the circular economy as early as May 2019, with assets under management of €372 million as at 30 September 2026.



Further reading:
Circular economy | BNP Paribas

Circular Economy: Insights into Opportunities and Challenges with BNP Paribas Specialists - BNP Paribas

November 2026 – Editorial content and research developed by BNP Paribas with design and illustrations: BNP Paribas' internal agency.

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