

Position on the circular economy

Key messages

- BASF has developed its integrated production sites employing circular economy principles. We aim to move toward a more circular economy by increasing the use of recycled and renewable feedstocks, shaping new material cycles and creating new business models.
- We consider all recycling technologies to be necessary to enable a circular economy and call for technology neutral legislative frameworks.
- A low-carbon, circular economy requires a shift to non-fossil raw materials based on biomass or waste. The mass balance approach is a means to support this transition.

About the topic

The circular economy, also known as circularity, is a model of production and consumption that involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products for as long as possible. In this way, the life cycle of products, equipment and infrastructure is extended, and the creation of waste, pollution and carbon emissions is minimized. The circular economy is a central element of the European Green Deal.

What does BASF offer?

Through its **Verbund approach**, BASF has been employing circular economy principles since its foundation more than 150 years ago. We aim to **move toward a more circular economy** by increasing the use of recycled and renewable feedstocks, shaping new material cycles and creating new business models. By the year 2030, BASF aims to double its sales generated with solutions for the circular economy to €17 billion. To achieve this, the company is concentrating on three action areas: circular feedstocks, new material cycles and new business models. As of 2025, BASF aims to process 250,000 metric tons of recycled and waste-based raw materials annually, replacing fossil raw materials. Examples of BASF's circular approaches include a **certified mass balance approach**, **bio-based products**, compostable plastics, **battery recycling** and the development of **chemical recycling**.

Our position

1. BASF welcomes and supports initiatives to drive circularity.
2. Although a circular economy offers economic opportunities in the long-term, **mechanisms are needed to handle the short-term transition costs**. Technologies, markets and the legislative framework need to be developed and aligned with one another.
3. BASF welcomes political initiatives to **encourage uptake of recycled plastics into new products**, and political **incentives such as eco-modulated EPR fees** or Green Public Procurement. **High quality recycling** and uptake of recycled plastics into performance applications should be particularly encouraged.
4. **All recycling technologies are necessary** to enable a circular plastics economy. A level playing field must be created for mechanical, chemical and organic recycling.
5. A low-carbon, circular economy requires a **shift to non-fossil raw materials based on biomass or waste**. The **mass balance approach** is a means to achieve this transition in a fast, economic, scalable, and socially accepted manner for a number of products.

More details about BASF's recommendations for the EU Circular Economy Action Plan can be found [here](#).