



Executive Summary

Key messages

- The circular economy and the wellbeing economy have until now been seen as two distinct concepts in research, policy and business. Embedding wellbeing in the circular economy can accelerate Europe's transition to circularity and benefit the wellbeing of both citizens and the planet.
- Circularity can be seen as the means, and wellbeing the goal. A circular economy that drives everyday wellbeing - including affordable living and better health - can increase public trust and help build broad support for a successful transition.
- The most effective strategies to maximise wellbeing in Europe's circular economy are 'before use' - refuse, rethink and reduce, complemented with during and after use interventions. By shaping production and consumption upstream, Europe can reinforce competitiveness, resilience, and resource security while preventing environmental and social harms.

Wellbeing in Europe's Circular Economy

Europe's circular economy has become a cornerstone of EU industrial and environmental policy. The Competitiveness Compass, the Clean Industrial Deal, and the forthcoming Circular Economy Act together position circularity as a driver of resource security and resilience. Limiting dependence on imported raw materials, retaining value and jobs within Europe, and reducing environmental pressures are now shared priorities across policy, business and society.

Yet despite strong political ambitions and a well-developed legislative framework, the transition is not accelerating. Key indicators show that the likelihood of reaching the 2030 EU circular economy targets is either low or moderate. The circular material use rate stood at just 12.2% in 2024, against a 2030 target of 22.4%. Europe's material footprint remains high, at roughly 15 tonnes per person annually, alongside around 5 tonnes of waste per person. Efficiency gains in specific sectors are frequently offset by expanding production and consumption, with rebound effects eroding overall progress.

A structural reason for this slow progress lies in how circularity has been defined and pursued. Policy attention has gravitated heavily towards downstream, end-of-life solutions such as recycling and waste recovery, which are technologically tractable and

quantifiable, but limited in their transformative potential. Around 43% of sectoral circular economy strategies focus solely on end-of-life stages. Higher-order strategies addressing production design, consumption patterns and material use before and during the use phase have so far received comparatively less emphasis.

Monitoring frameworks reflect this imbalance, though they are evolving. Both the European Commission's Circular Economy Monitoring Framework and the EEA's Circularity Metrics Lab have progressively expanded their scope beyond recycling and waste, moving towards indicators that capture upstream material use, product lifetimes and, potentially, social and wellbeing impacts.

Taken together, the evidence points to a clear conclusion. Reaching the 2030 targets will require addressing the upstream drivers of material use, not just optimising what happens at end of life. This is also where the greatest opportunities for business value creation and competitive advantage lie.

The potential of complementing circularity with a wellbeing economy approach

This is where the wellbeing economy offers a relevant and practical complement. A wellbeing economy is one designed to meet the needs and rights of all people

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within the capacities of a thriving planet, reorienting economic success away from narrow measures of output and throughput, towards quality of life, social foundations and ecological health. It is built around four principles: pre-distribution of economic benefits by design, rather than after the fact; purpose-driven alignment of economic activity with social and ecological value; prevention through early investment in social and environmental infrastructures; and people-powered governance that ensures democratic participation in economic decision-making.

The practical implication for the circular economy is significant. When circular strategies are explicitly linked to tangible improvements in everyday life, such as lower household costs, better housing, accessible mobility, meaningful local employment and cleaner air, they gain broader public support and become easier to implement at scale. Circularity becomes the means; wellbeing becomes the goal.

Wellbeing approaches have already gained traction across Europe. Amsterdam, Barcelona, Vienna and Copenhagen have each integrated wellbeing principles into housing, mobility and procurement decisions. At EU level, the 8th Environment Action Programme sets a










2050 vision of living well within planetary boundaries, and recent European Semester cycles have progressively incorporated social, health and environmental dimensions. The challenge now is to move from narrative endorsement to structural embedding, integrating wellbeing objectives into core economic governance so that they actively shape priorities rather than sit alongside them.

Synergies of a Circular Wellbeing Economy

The circular economy and the wellbeing economy have until now been treated as distinct policy families: one concerned with materials, design and recycling; the other with fairness, participation and social foundations. Making the relationship between the two explicit and deliberate can unlock significant synergies and accelerate both transitions.

The strongest synergies lie in the before-use phase. Strategies of refuse, rethink and reduce engage with material flows at the point of production and pre-production, where the potential to prevent environmental and social harms is greatest, and where the scope for rethinking business models and value creation is widest. During the use phase, strategies

Table ES1. Synergies between circular R-strategies and wellbeing economy P-principles.

		Pre-distribution	Purpose	Prevention	People-powered
BEFORE USE	 Refuse				
	 Rethink				
	 Reduce				
DURING USE	 Retain				
	 Reuse and share				
	 Repair				
	 Remanufacture				
AFTER USE	 Recycle				
	 Return				

Note: Coloured squares indicate strong synergies.

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that extend product life, such as retain, reuse, repair and remanufacture, are labour-rich and locally embedded, generating employment and distributing economic value more widely. Downstream strategies remain essential for responsible end-of-life management, though their potential is more limited. Table ES1 illustrates where synergies between R-strategies and wellbeing principles are strongest.

Translating this into policy requires action across several areas. Governance frameworks need to reward long-term value creation rather than material throughput, with public procurement, industrial policy and innovation funding creating stable demand for circular solutions. Integrated measurement systems that link material use to social outcomes, such as affordability, health, job quality and equity, are needed to improve decision-making and accountability. Ensuring that the transition distributes benefits broadly across income groups, regions and generations will be critical to its durability and social legitimacy.

Beyond the existing nine R-strategies of the circular economy, four additional strategies extend circular thinking into cultural and societal domains:

Reimagine — redefining what a good life means, shifting aspirations from accumulation towards care, connection and belonging

Retell — redirecting advertising, marketing and social media narratives away from overconsumption

Relocalise — shortening supply chains and anchoring circular practices in local communities and ecosystems

Reconnect — strengthening relationships among people, between people and nature, and between citizens and their cultures

Together, these thirteen R-strategies define the architecture of a wellbeing-oriented circular economy, as illustrated in Figure ES1.

Figure ES1. R-strategies for circularity with wellbeing.

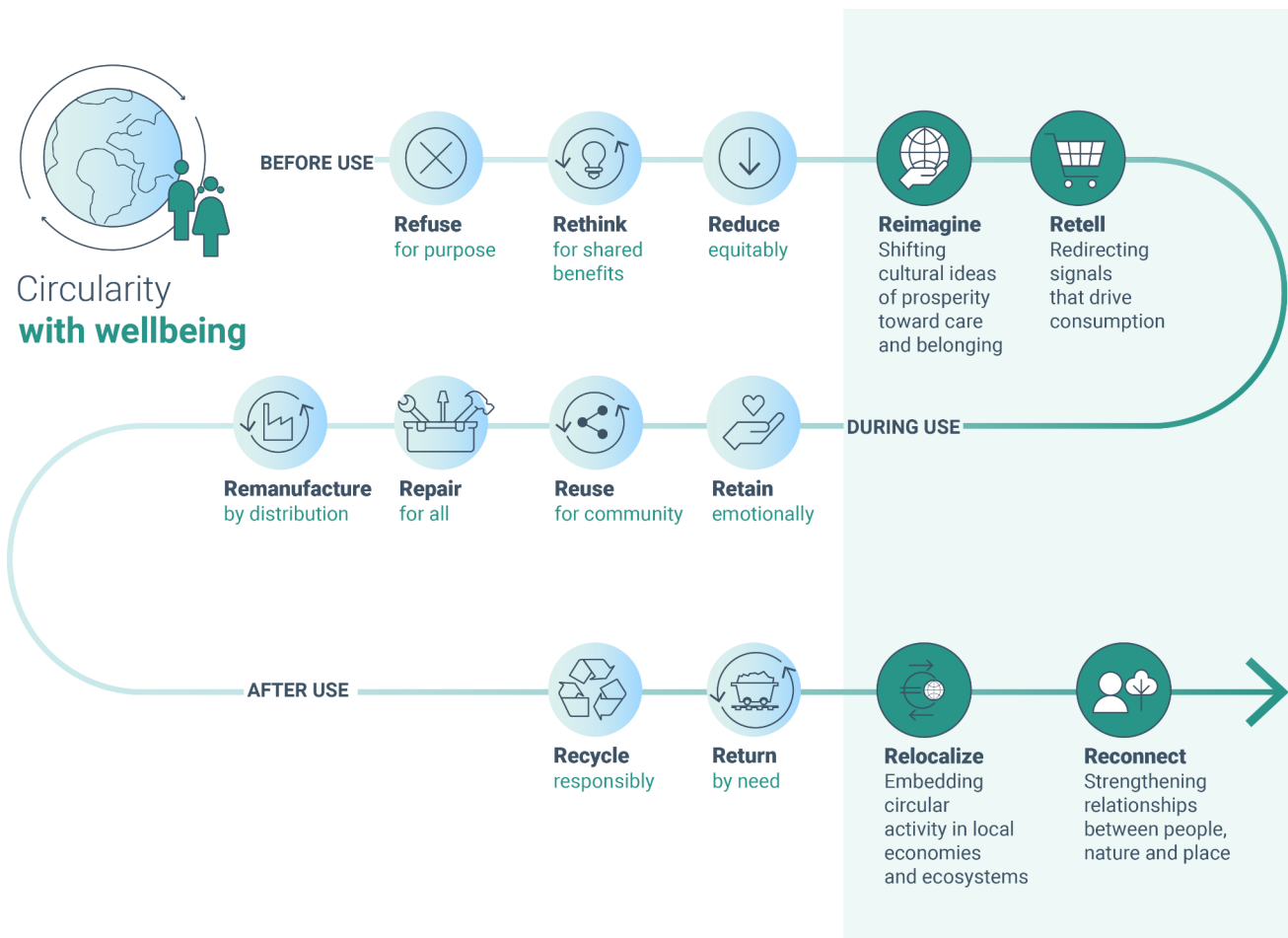
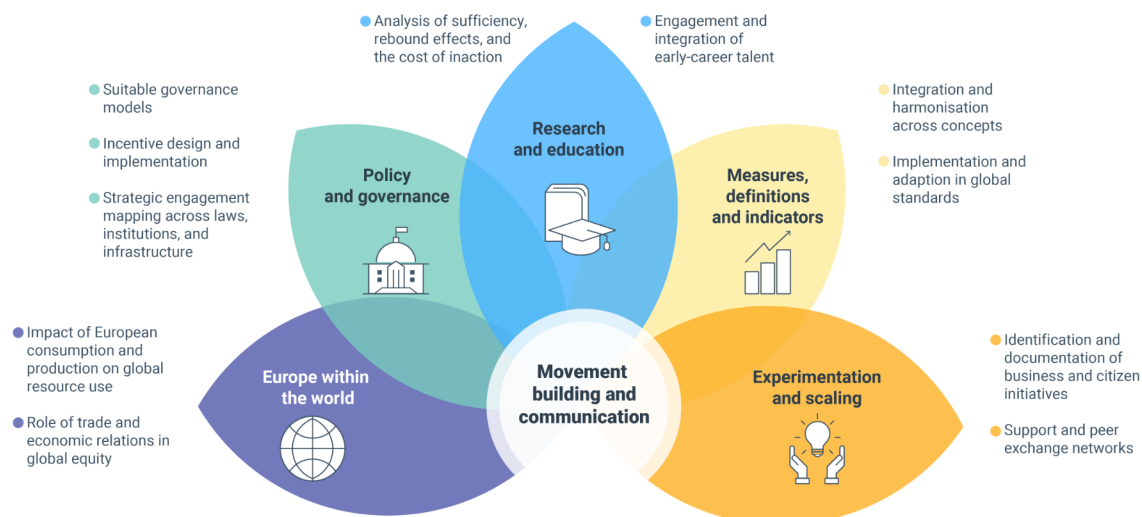


Figure ES2: Identifying collective opportunities and sharing state-of-the-art knowledge.



Ways forward

To move from theory to practice of advancing a Circular Wellbeing Economy, six focus areas were identified by a high-level expert group convened by the EEA in January 2026. As it can be seen in Figure ES2, policy and governance frameworks, academic research, measurement systems, and practical experimentation by firms, citizens and local communities each generate valuable insights. When these domains are connected through strong communication and movement-building, they create a shared knowledge base capable of accelerating

innovation, improving policy design and strengthening collective ownership of the transition.

Reaching Europe's 2030 circular economy targets will require a shift in policy focus from end-of-life waste management towards upstream interventions in production design and consumption patterns. Integrating wellbeing objectives into existing governance frameworks offers a practical pathway to broaden public support, improve policy coherence, and strengthen the overall effectiveness of the transition to a more resilient, socially just, and therefore competitive Europe.