

Briefing paper on the Circular Economy Bill

February 2024



The Circular Economy Bill was introduced to the Scottish Parliament in June 2023. It must be as strong as possible if Scotland is to meet its climate goals and transform its economy to use materials more sustainably and fairly.

What is a circular economy?

Our current economic system encourages increasing consumption of goods and services. The more we buy, the more materials are taken from nature and the greater the impact on people and the planet. Material consumption has passed sustainable limits¹ but this can't go on forever.

In a circular economy, materials are properly valued, reused and recycled, which reduces material consumption. But it's not just about asking people to recycle more; creating a circular economy requires system change for every economic sector. Crucially, businesses must be made to take responsibility for the impact of their products and ensuring their supply chains are fair and sustainable.

Why does Scotland need a circular economy?

In Scotland, we used 19 tonnes of materials per person in 2018.² That's more than twice the sustainable limit – experts believe everyone can live a sustainable, high-quality lifestyle on eight tonnes of materials per year.³ More materials means a higher carbon footprint too. Scotland's carbon footprint is 22% higher than the UK average.⁴

Over-consumption is causing much social and environmental injustice across the globe; from toxic mining practices, to the cruelty of sweat shops and the dumping of waste in oceans.⁵ Government must take action on such businesses and to change the way they design products and use materials. The Scottish Government's draft Energy Strategy does not consider material requirements, despite Government's acknowledgment that many of the materials needed (lithium, rare earths, cobalt) are scarce. This is unrealistic, as well as unsustainable.

Changing the way our economy deals with materials has a huge job potential. Preventing 10,000 tonnes of waste bound for incineration would lead to the loss of 1 incineration job and the creation of 386 jobs in circular businesses.⁶ High carbon activities, and the jobs associated with them, are often offshored rather than investing in green solutions at home. We export all our scrap steel for recycling but a modern steel recycling plant in Scotland could create 650 jobs and add £400m to our economy.⁷

What needs to change?

The Circular Economy Bill is a chance for Scotland to take responsibility for our global environmental impacts and to invest in green economic activities with low material requirements in Scotland. It is our chance to create a strong framework to guide change. Scotland's climate framework, including a sector-based strategy linked to statutory targets and comprehensive monitoring and reporting, should be used as the framework for a strong Circular Economy Bill. The following changes are required:

1. Include **carbon-based consumption reduction targets** as the main driver of change within the Bill;
2. Include **domestic just transition and climate justice principles** to ensure our communities, workers and those involved in Scottish supply chains are treated fairly;
3. Ensure **monitoring and reporting mechanisms** are fit for purpose, in particular, put in place the required **independent expert scrutiny** of progress;

¹ Hickel and Kallis (2020) [Is Green Growth Possible?](#)

² Zero Waste Scotland (2022) [Scotland's Material Flow Accounts 2018](#)

³ For example, Lettenmeier et al. (2014) [Eight Tons of Material Footprint—Suggestion for a Resource Cap for Household Consumption in Finland](#)

⁴ [Scottish](#) and [UK](#) government carbon footprint data, ONS [population stats](#)

⁵ For example, Friends of the Earth Europe (2021) [The Green Mining Myth](#)

⁶ ReLondon (2022) [The Circular Economy at work](#)

⁷ Zero Waste Scotland (2023) [Steel reprocessing](#)

Carbon-based consumption reduction targets

Scotland's existing climate targets only include domestic emissions. Whilst these have reduced, our emissions related to imports have grown from 18 to 30 million tonnes of carbon since 1998. In 2019, over half of Scotland's carbon footprint came from imports. Excluding these emissions from our climate targets means our efforts to decarbonising are less effective than they could be – we are shifting these emissions offshore rather than removing them from the atmosphere.

We can close this gap by introducing carbon-based consumption reduction targets which work with our existing domestic climate targets to ensure our emissions reductions are real on a global level.

When the Scottish Government consulted on the Circular Economy Bill in 2022, 86% of responders supported consumption reduction targets.⁸ Internationally, there is growing support for this approach - the Netherlands has set a target to become fully circular by 2050.⁹ In 2021, the European Parliament voted to create binding, science-based targets for material use and consumption footprint¹⁰ and in 2022 Sweden voted to introduce carbon consumption reduction targets.¹¹

The optional circular economy targets in the Circular Economy Bill must be strengthened to the following mandatory, science-based target:

Carbon-based consumption reduction target:

Scotland should adopt a target to reduce its global carbon footprint to net zero by 2045, with an interim target of 75% by 2030, based on 1988 levels, with annual targets towards these goals.

Just transition and climate justice principles

From retail workers to waste collectors and communities affected by oil and gas decommissioning, the way we use materials affects everyone in Scotland. Creating a circular economy means significant changes across the whole economy. It is also an opportunity to create new decent green jobs in Scotland, if correctly managed and funded. However, the Bill does not mention just transition.

Scottish consumption currently results in serious and extensive harm to people and communities across the world. The Just Transition Commission calls for a principle of 'do no harm' as a strategic priority. The Scottish Government must do all it can to hold businesses responsible for the social and environmental injustice in Scotland's material supply chains. There must be commitments to both Just Transition and Climate Justice Principles in the Circular Economy Bill, as they are in the Climate Change (Scotland) Act.

Monitoring and reporting requirements

The same approach developed to meet Scotland's climate change goals should be used as a framework for delivering a circular economy, including: targets linking to an overarching strategy; sector level plans to meet the strategy; mechanisms for reporting and scrutiny; and provision for independent advice and review. The circular economy targets should be independently monitored by a body which has the authority and resources to do so, and the Bill amended to allow for this.

Friends of the Earth Scotland are also calling for:

- Strengthen the proposed recycling targets for local authorities, for example, by creating certainty over the target date of 2030.
- More measures which reduce demand for materials, including: a legal commitment to expand Scotland's Extended Producer Responsibility (EPR) Schemes for priority products including wind turbines, electric car batteries, fishing gear, textiles and toys.
- Mandatory scope 3 emissions reporting for large companies to keep pace with the EU Corporate Sustainability Due Diligence Directive, and public body duties on procurement.
- More funding and support for Scotland's growing reuse network so that everyone in Scotland has access to affordable and sustainable products.

⁸ Scottish Government (2022) [Circular economy bill Consultation Analysis](#)

⁹ Dutch Government (2021) [Circular Dutch economy by 2050](#)

¹⁰ European Parliament News 27.01.21, [Circular Economy: MEPs call for tighter EU consumption and recycling rules](#), last accessed on 30.05.23

¹¹ Balken Green Energy News (2022) [Sweden introduces imported goods emissions in country's climate targets](#)