

Briefing paper on the Circular Economy Bill

June 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 systemic 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

There are social and environmental injustices in supply chains for materials used in Scotland: from toxic mining practices; to the cruelty of sweat shops; and the dumping of waste in oceans.⁵ Government must take action on businesses to change the way they design products and use materials. The Scottish Government's draft Energy Strategy does not consider material requirements, despite knowing that many of the materials needed (lithium, rare earths, cobalt) are extracted in harmful ways. This is unrealistic, as well as being unfair and unsustainable.

Changing the way our economy deals with materials has a huge job potential. Preventing 10,000 tonnes of waste bound for incineration leads to the creation of 386 jobs in circular businesses at the loss of just one incineration job.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 reduce our global impacts develop and develop new green economic activities with low material requirements in Scotland. The following changes are required:

1. Acknowledge Scotland's shared but significant responsibility to **reduce harm in our supply chains** and take the first practical steps towards addressing this
2. **Improve on the Just Transition principles** added to the Bill at Stage 2
3. **Include a carbon footprint measurement** in the list of metrics considered for the Circular Economy targets

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) [Circular Steel in Scotland](#)

1. Reducing harm in supply chains

Scotland must begin to acknowledge its shared but significant responsibility for the **human rights and environmental impacts** created through materials supplied internationally and consumed in Scotland.

At Stage 3: MSP should support an amendment in Section 1 of the Bill to “consider and account for the extraterritorial impact of material consumption in Scotland, including the likely environmental and social impacts of imported materials, goods and products”.

Transition minerals are those materials which are vital to the energy transition in Scotland, for example lithium, cobalt and nickel. There is no Scottish version of the UK Critical Mineral Strategy and key Scottish policies and plans, such as the Energy Strategy, do not consider where they come from, how much will be needed and how to reduce demand. Transition minerals are most often mined in the Global South and there is extensive evidence that the impact of this extraction is extremely harmful to local communities and pollutes the environment.

At Stage 3: MSPs should support an amendment to Section 1 to ensure the Circular Economy Strategy “must set out improvement plans for transition minerals for the Scottish energy sector” with transition minerals defined as “materials vital to the transition away from fossil fuels for the current version of the Circular Economy Strategy”.

Exporting waste to the Global South where it is often managed inefficiently is irresponsible and harmful. Ministers should commit to managing waste locally, where logistically and economically possible.

At Stage 3: MSPs should support an amendment to Section 1 to ensure “waste materials are managed as locally as possible, preferably in Scotland”.

2. Improving Just transition Principles

A just transition is where people are supported to make changes in the ways they live and work in a fair way, such as those needed to create a circular economy in Scotland. The Scottish Government must ensure that circular economy jobs are decent, fair and high-value and support people as they move into new roles. This means investing in training, skills and education, and developing clear pathways which lead people to more circular jobs.

The amended Bill includes the narrowest possible definition of Just Transition from the Climate Change (Scotland) Act. Section 35C is not the only place of this Act which references just transition. Earlier in Section 35, Clauses (20) and (21) require the Government to consider how proposals and policies will affect different sectors and regions of the economy, how the Scottish Government will support sectoral and regional developments, and a requirement to set out costs and benefits of policies.

Just as these clauses are useful to creating a meaningful just transition for climate policies, they would require Ministers to develop a deeper, more complete understanding of a just transition for the circular economy too.

At Stage 3: MSPs should support an amendment that requires the Scottish Government to have regard to Clauses (20) and (21) in Section 35 of the Climate Change (Scotland) Act as well as Section 35C.

3. Add carbon footprint measurement to the CE target list

When the Scottish Government consulted on the Circular Economy Bill in 2022, 86% of responders supported a target to reduce consumption of materials. The Bill includes a list of metrics which could be considered for the main circular economy target for Scotland. Including a carbon footprint target in this optional list would ensure the best possible chance of creating meaningful and useful target for measuring progress towards a circular economy.

At Stage 3: MSPs should support an amendment to Section 6 adding “reducing Scotland’s carbon footprint from goods, products and materials” to the list of optional metrics to be considered for the Circular Economy target in the Bill.

Friends of the Earth Scotland calls on all MSPs to support these amendments to the Circular Economy Bill.

We are available to discuss this briefing and provide supporting materials if required. For more information contact Malachy Clarke mclarke@foe.scot or 07528 898 086.