INDEED

Circularity Index

2026 EDITION

The Circularity Index evaluates circular economy ambition across all DAX40 companies. Our analysis reveals a critical pattern: Nearly half of the companies have zero quantitative circularity targets, focusing instead on traditional sustainability metrics while systematically avoiding strategic commitments on value retention and business model transformation.

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AI Generated Image

Introduction

The circular economy is increasingly establishing itself as a strategic imperative for companies of all sizes.

The experiences of pioneering organizations demonstrate that their methods establish a systematic approach aimed at preserving the value of products, components, and materials for as long as possible. This opens up new markets, business models, and revenue sources while simultaneously achieving ecological benefits.

A meta-analysis of studies examining managers' expectations regarding circular strategies and their correlation with financial performance supports this conclusion. These companies prove more resilient to crises and price fluctuations, increase their revenues through new service and take-back offerings, and secure competitive advantages in the market.

> 47.5% of DAX40* companies have no quantitative circularity targets.

For instance, the German Chamber of Commerce and Industry (DIHK) and a study by the World Economic Forum and Bain highlight that the majority of surveyed firms expect clear economic advantages through the circular economy: lower costs, increased revenue, improved supply chain security, and competitive advantages.

But, what exactly do these new business models look like? What do pioneers do differently than laggards?

The Circularity Index 2026 provides answers to these questions. Many companies publish high level targets and roadmaps to net zero. But how will progress be measured in detail? The ESRS Framework suggests to define subtargets for all KPIs towards circular economy. Therefore we analysed publicly available annual and sustainability reports from DAX40 companies, to identify pioneers and derive concrete patterns for developing future-ready business strategies.
The evaluation strictly differentiates between qualitative and quantitative goals: only companies that communicate concrete, measurable, and time-bound goals received high ratings.

In general, it becomes clear: those who create a positive circular business experience turn obligation into genuine business opportunity.

Michael Leitl
Executive Director

** The DAX is a stock market index consisting of the 40 major German blue chip companies trading on the Frankfurt Stock Exchange.*

Assessment Framework

To assess the circular ambition in sustainability reports, we identified **22 different aspects in 5 categories based** on the European Sustainability Reporting Standards (ESRS) that are crucial for building a circular economy.

Five Assessment Categories

Energy & Water Use: Resource consumption and efficiency metrics, including renewable energy adoption and water management.

Material Use: Recycled/biobased versus virgin materials, sustainable sourcing practices, and material intensity reduction.

Design for Circularity: Product design enabling reuse, repair, and recycling through modular architecture and material selection.

Value Retention: Implementation of the 10R strategies from Refuse to Recover, measuring actual circular business model deployment.

Industry Transformation: Collaboration initiatives, policy engagement, and ecosystem building efforts beyond individual company boundaries.

> DAX40 companies measure what is established while avoiding commitments on what matters for circularity.

We distinguished between quantitative and qualitative goals. If goals had already been achieved and this was published, we also considered them. The core finding: DAX40 companies measure what is established (energy, materials) and may deliver short-term success while avoiding commitments on what matters for circularity (design, value retention, business model transformation).

Category	Focus Area
Energy & Water Use	Resource consumption and efficiency
Material Use	Virgin vs. recycled materials, sourcing practices
Design for Circularity	Product design enabling reuse, repair, recycling
Value Retention	10R strategies: Refuse to Recover
Industry Transformation	Collaboration, policy engagement, ecosystem building

Results Overview

Circularity Index 2026

The numbers show how ambitious DAX 40 companies set public subtargets in different categories to transform their business towards circular economy. These subtargets refer to Frameworks like ESRS E5, GRI, WBCSD Circular Transition Indicators and 10R-Framework.

Energy/Water Use | Material Use | Circular Design | Circular Strategies (10R) | Transformative Influence

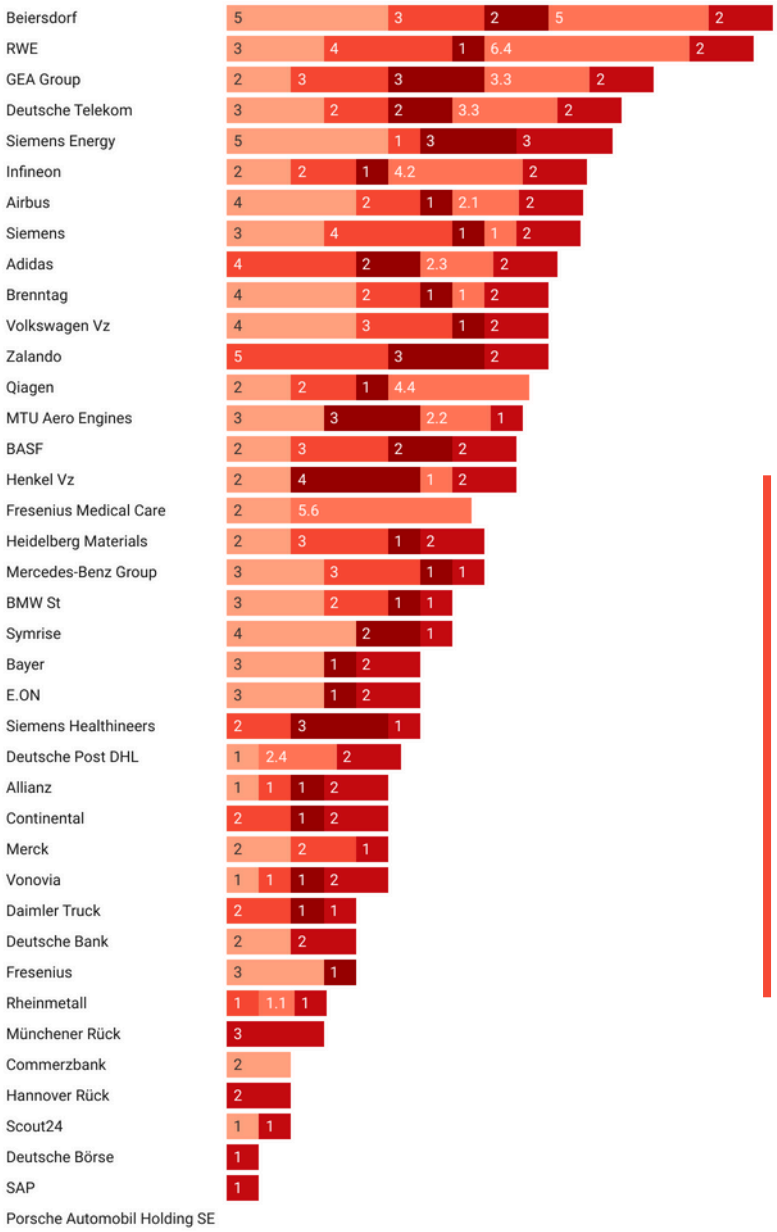

Chart: INDEED Innovation • Source: Sustainability Reports / Annual Reports 2025 • Created with Datawrapper

Overall DAX40 Circularity Index Scores

The Circularity Index scores reveal stark ambition disparities across the DAX40. Leaders like Beiersdorf (17 points) and RWE (16.4 points) illustrate a broad distribution of commitment along all categories.
This visualization maps total circular ambition scores by category (maximum 6 points except value retention). Depending on the type of industry, this also reveals different patterns of strategic focus. Companies with durable goods have more circular opportunities than financial service firms.

VIEW INTERACTIVE DATA

Three Critical Patterns Emerge

Looking at the data reveals three critical patterns that define the current state of circular economy adoption among Germany's largest corporations.

Pattern 1: Easy Metrics Dominate
Quantitative circularity goals in DAX40 are concentrated in operational metrics, while strategic circular economy categories remain largely invisible in sustainability reporting.

A total of only 41 quantitative and achieved goals were formulated. Of these, almost half (18 or 44%) fall into Energy & Water, with 12 of those focused solely on renewable energy. This concentration reveals a preference for measuring what already has established methodologies and regulatory frameworks.

> Only 4 quantitative goals set for the 10 R-strategies across all 40 companies.

Pattern 2: Avoidance of Commitment
Qualitative goals cluster where commitments are easy and consequences are low. Industry collaboration and general design intent receive attention, while the operational categories that require actual business model change remain untouched.

Category 5 (Industry Transformation) has the highest qualitative goal count at 50, with 26 companies committing to policy engagement and 24 to industry collaboration.

However, only 4 companies back these with quantitative targets.

Meanwhile, Value Retention has only 10 qualitative goals across 40 companies and 10 R-strategies. The strategies Refuse, Rethink, Reduce, Repair, Refurbish, Remanufacture, and Repurpose are not linked to concrete quantitative goals by any company.

Pattern 3: Traditional Achievements
DAX40 circularity achievements are almost exclusively in renewable energy, a traditional sustainability metric with regulatory support. True circular economy outcomes such as value retention, material loops, and circular design remain mostly unachieved.

This picture shows that companies do not commit to the opportunities that arise in a circular economy for new markets, more resilient operations, and revenue increases in the form of concrete goals.

The Numbers Tell the Story

Quantitative Goal Distribution

Heavy Concentration in Easy-to-Measure Categories: The distribution of quantitative goals reveals clear priorities. Energy and water use dominate with 45% of all targets, suggesting companies measure what they can easily track rather than what matters most for circularity.

Critical Gap in Value Retention: Only 4 goals were set for the 10 R-strategies in Value Retention, exclusively for Reuse (1), Recycle (2), and Recover (1). The strategies Refuse, Rethink, Reduce, Repair, Refurbish, Remanufacture, and Repurpose are not linked to concrete quantitative goals by any of the 40 companies.

Design for Circularity Remains Aspirational: Only 3 companies (Volkswagen, Henkel, Deutsche Telekom) set quantitative design targets. Yet there were no quantitative goals for Modular Design as an enabler of circular strategies.

> Top performers have only 3 quantitative goals each out of 22 possible indicators.

Low Ambition Even Among Leaders: Top performers like Beiersdorf, RWE, and Siemens Energy have only maximum 3 quantitative goals each. No company covers more than 14% of the assessment framework with measurable targets, indicating systemic under-commitment.

Nearly Half Have Nothing: 20 companies (47.5%) have zero quantitative goals (except typical Net Zero Pledges), including major players like Mercedes-Benz and all financial services firms.

Qualitative Goal Distribution

Industry Transformation Leads in Aspirational Commitments: This category has the highest qualitative goal count (50), with 26 companies committing to policy engagement and 24 to industry collaboration. However, only 4 companies back these with quantitative targets.

Value Retention Remains a Blind Spot, Even Qualitatively: Category 4 has only 10 qualitative goals across all 40 companies and 10 R-strategies. The four higher value strategies (Refuse, Remanufacture, Repurpose, Recover) have mostly zero qualitative commitments.

20 Companies Have Only Qualitative Goals: Including major industrials like Mercedes-Benz, Airbus, and Siemens Healthineers, these companies make numerous qualitative commitments but have zero quantitative circularity targets.

Reading Between the Lines

Looking beyond targets, the analysis of sustainability reports shows a completely different level of ambition. Several companies publish various activities, sometimes to illustrate achievements or anecdotally connected to circular strategies.

Activity Patterns

Fifteen DAX40 companies report specific value retention targets, primarily focused on Recycle (8 companies), Refurbish and Reuse (each 3 companies), which shows limited engagement in higher-value strategies .

Recycle dominates: 18 of 22 companies focus primarily on recycling activities, the lowest-value retention strategy in the 10R hierarchy.

> Zero companies explicitly mention a goal for remanufacture strategies.

Higher-value strategies underutilized: Refuse and Repurpose have zero explicit mentions. Remanufacture appears in zero companies as a dedicated goal (aerospace and automotive). Rethink (business model innovation) appears in only 1 company, wheras this topic is anekdotical mentioned in 7 companies.

Sector Patterns

- **Automotive/Aerospace** (Airbus, BMW, Daimler Truck, MTU) show stronger engagement with Refurbish/Remanufacture
- **Healthcare** (Siemens Healthineers, Fresenius Medical Care) demonstrate EPR and take-back models
- **Consumer goods** (Adidas, Beiersdorf, Henkel, Zalando) focus heavily on Recycle/Reduce

Best Practice Leaders

GEA Group leads with the most comprehensive approach, covering 5 of 10 R-strategies including systematic circularity integration across all business activities.

Siemens Healthineers demonstrates a strong Extended Producer Responsibility (EPR) program with integrated take-back, repair, refurbish, and reuse operations.

Deutsche Telekom operates dual B2B and B2C systems with a multi-faceted approach including repair, buy-back, and refurbishment programs.

Missing Activities: No company explicitly mentions Refuse strategies (avoiding unnecessary materials/products) or Repurpose strategies (using products/components for different functions), representing significant gaps in circular economy maturity.

Six Industry Pathways

Which circular strategies do companies pursue based on their industrial ecosystem?

Application patterns emerge based on material use and product lifespan. We categorized companies into six distinct pathways, each with unique circular economy opportunities. A pathway means that the businesses constraints lead to a certain set of circular strategies.

Understanding the Pathways

Consumables are consumer goods that are typically used up very quickly. These include cosmetics, food, and in the industrial sector, solvents and basic products used for further processing. Here the product has a single function in use, after which it is either broken down or used in other products.

Short Lifecycle Products are used more than once or processed but have a relatively short lifespan. These include clothing and some medical products and devices. The transitions are fluid; the main criterion is often the value of the product itself.

Durable Products typically last longer than ten years, are usually capital goods, and are extremely material-intensive. The greatest material value flows into the product during production.

Infrastructure contains products that belong to national infrastructure, especially the energy and construction sectors.

Technology & Logistics includes companies whose products have moderate lifespans and are subject to rapid technological refresh cycles. The sector benefits from refurbishment cascades where equipment moves from premium to standard to emerging markets.

Services as a relatively material-light category includes service providers like banks, insurance companies, and online portals. They typically have no physical products and primarily consume energy as material in the broader sense.

Pathway 1: Consumables

Companies: Beiersdorf, Henkel, Symrise, Brenntag, Bayer, Merck, BASF, Fresenius, QIAGEN (9 firms)

Top Performer: Beiersdorf (17 points, DAX40 leader)

Key R-Strategies: Reduce, Recycle

Key Insights

The Consumables sector demonstrates the strongest overall circularity performance in the DAX40, led by Beiersdorf (17 points) and QIAGEN (11.4 points). However, this strength is built primarily on Reduce and Recycle strategies focused on packaging and material inputs, the lowest-value retention approaches in the 10R hierarchy.

The sector shows solid performance in Energy/Water Use (avg. 2.7 points) and Material Use (avg. 1.6 points), but Value Retention scores remain modest. Two of nine companies report concrete value retention targets, with Recycle dominating. Higher-value strategies like Repair, Refurbish, and Remanufacture are entirely absent.

> Beiersdorf leads through breadth across categories rather than depth in any single strategy.

Leading Example: Beiersdorf

Beiersdorf leads through exceptional breadth across all categories rather than depth in any single strategy. The company's 16% virgin plastic reduction target by 2024 combines with secondary and bio-based material integration and design for recyclability. Strength lies in systematic goal-setting across Energy (5 pts), Material Use (3 pts), and Value Retention (5 pts).

Opportunities & Recommendations

The Consumables sector over-relies on end-of-pipe recycling while ignoring upstream innovation opportunities:

- **Refill systems** and concentrated products that fundamentally reduce material throughput.
- Circular business models (**subscription, return programs**) for high-value products
- For B2B companies, **modularity**. approaches and collaborations with the broader industry ecosystem to invent new end products that enable reuse.

Pathway 2: Short-Lifecycle Products

Companies: Adidas, Zalando, Fresenius Medical Care (3 firms)

Top Performer: Zalando (12 points, highest Material Use score in DAX40)

Key R-Strategies: Reduce, Recycle

Key Insights

Short-lifecycle products show moderate circularity ambition with Zalando leading through high scores in Material Use (5 points, the highest in the entire DAX40), followed by Fresenius Medical Care (8.6 points) with the strongest Value Retention score (5.6 points) in this category.

The sector relies heavily on Reduce (3/3 companies) and Recycle (3/3 companies) strategies. Fashion companies focus almost exclusively on recycled content targets.

Critically, this category shows zero engagement with Repair, Refurbish, or Remanufacture despite industry trends toward circular fashion models.

Leading Example: Zalando

Although Zalando is a fashion retailer, it achieves DAX40 leadership in Material Use through ambitious material transformation targets: eliminating virgin polyester and conventional cotton by 2033 while boosting organic, regenerative, and recycled fibers. However, Zalando's paradox is striking: despite leading on material inputs, it scores zero in Value Retention.

Opportunities & Recommendations

Fashion companies entirely miss circular business model opportunities:

- **Launch resale/second-hand platforms (Reuse):** Develop authenticated pre-owned marketplaces for branded products that capture value from used items, extend product life, and attract sustainability-conscious customers following competitors like Patagonia and The North Face.
- **Establish repair service networks (Repair):** Create in-store and mail-in repair services for footwear and apparel that extend product lifetime, build customer relationships, and generate service revenue while reducing returns-to-landfill.
- **Pilot rental/subscription models (Rethink):** Test performance wear and seasonal apparel rental programs that shift to access-over-ownership models, particularly for high-cost items with limited use occasions (formal wear, sports equipment).

Pathway 3: Durable Goods

Companies: BMW, Mercedes-Benz, Volkswagen, Continental, Daimler Truck, Airbus, MTU Aero Engines, Siemens, GEA Group, Rheinmetall, Siemens Healthineers (11 firms)

Top Performers: GEA Group (13.3 points), Siemens (14 points)

Key R-Strategies: Repair, Refurbish, Remanufacture, Recycle

Key Insights

Durable Goods is the largest and most diverse pathway, showing the widest ambition spread from Siemens Energy (13 points) to Rheinmetall (3.1 points). This sector demonstrates the more mature value retention practices in the DAX40, uniquely employing Repair (1 company), Refurbish (1 company), and Remanufacture (1 company), higher-value strategies absent in other pathways. They mention their activities in that area but without dedicated targets.

> GEA Group covers 5 of 10 R-strategies, the most comprehensive in DAX40.

A stark divide exists: aerospace and industrial equipment companies embed circularity into Maintenance, Repair and Overhaul business models, while automotive OEMs rely primarily on Recycle with 3 companies reporting neither value retention targets nor circular activities.

Leading Example: GEA Group

GEA Group represents the DAX40's most comprehensive circularity approach with clear timeline commitments: circularity integration across all business activities by 2025 and circular-ready solutions by 2030. The company's service parts and packaging adhere to 5Rs, while targets for steel with more than 50% lower emissions address material inputs. GEA uniquely offers circularity consulting to customers, transforming from product seller to lifecycle partner.

Opportunities & Recommendations

Major automotive OEMs significantly lag aerospace peers despite similar product characteristics:

- **Scale remanufactured parts programs (Remanufacture):** Automotive OEMs should establish certified remanufactured component lines (engines, transmissions, electronics) following aerospace models and logistics manufacturer models that command 60-80% of new part prices while reducing material up to 85%.
- **Design for disassembly and modularity (Rethink):** Integrate circular design principles that enable component separation, material identification, and standardized fasteners to reduce end-of-life processing costs and enable higher-value recovery.
- **Expand certified pre-owned programs (Reuse):** Extend manufacturer-backed used vehicle programs with enhanced warranties and refurbishment standards that retain brand value, capture resale margins, and extend vehicle lifespans beyond current averages.

Pathway 4: Infrastructure

Companies: RWE, E.ON, Siemens Energy, Heidelberg Materials, Vonovia (5 firms)

Leader: RWE (16.4 points, ranks second in entire DAX40)

Key R-Strategies: Reduce, Repair, Refurbish, Recycle, Recover

Key Insights

Infrastructure shows the highest variance between leader and laggards: RWE (16.4 points) ranks second in the entire DAX40, while Vonovia (5 points) demonstrates minimal circularity engagement. Only 2 of 5 companies report value retention targets.

RWE stands out with the only quantitative material recovery target in the DAX40 (more than 90% by 2030) and employs several R-strategies. The sector's asset-intensive nature creates massive untapped potential for material passports, deconstruction-over-demolition, and lifetime extension programs.

Leading Example: RWE

RWE uniquely combines high index score with comprehensive value retention through its quantitative more than 90% material recovery target by 2030, one of the only measurable circularity commitments in the DAX40. The company integrates reducing material consumption, extending asset lifetimes, increasing circular inputs, and minimizing disposal into a coherent asset lifecycle strategy together with their suppliers.

Opportunities & Recommendations

Infrastructure companies manage multi-decade assets yet 60% report no value retention:

- **Implement digital passport systems (Rethink):** Head for digital tracking systems documenting all materials, components, and connections in infrastructure assets to enable targeted recovery, reuse planning, and circular procurement for future projects.
- **Establish deconstruction-over-demolition policies (Reuse):** Shift from demolition to selective deconstruction that recovers high-value components intact for direct reuse, reducing both waste and virgin material demand for new construction.
- **Develop asset lifetime extension programs (Repair/Refurbish):** Create systematic maintenance, upgrade, and refurbishment protocols that extend infrastructure operational life, deferring replacement and associated material extraction.
- **Set quantitative recovery targets (Recover):** Follow RWE's example by establishing measurable material recovery goals with timelines that create accountability and drive operational changes across industry sectors.

We uncover the use cases and product applications with the **highest potential for DPP implementation**, building a strategic innovation alliance that accelerates adoption.

BOOK A DISCOVERY CALL

Pathway 5: Technology & Logistics

Companies: SAP, Deutsche Telekom, Infineon, Deutsche Post DHL (4 firms)

Leader: Deutsche Telekom (13.3 points)

Key R-Strategies: Reuse, Repair, Refurbish, Recycle

Key Insights

Technology and Logistics shows extreme polarization: Deutsche Telekom (12.2 points) and Infineon (11.2 points) perform strongly, while SAP (1 point) sits near the DAX40 bottom. Notably, this is the only pathway where the majority of companies report value retention activities, employing the most balanced R-strategy mix.

> €3 billion German refurbishment market proves circularity can be profitable business.

The sector's moderate product value and technology refresh cycles create natural opportunities for refurbishment cascades.

Leading Example: Deutsche Telekom

Deutsche Telekom is the only top performer engaging customers directly through device buy-back schemes that create closed-loop flows. The company operates dual B2B (network equipment repair and reuse) and B2C (consumer device recovery) systems that maximize value capture across the entire product ecosystem.

Opportunities & Recommendations

Technology companies can apply circularity to their own operations:

- **Scale device-as-a-service models (Rethink):** Expand equipment leasing beyond own pilot programmes to industry standard, shifting ownership to providers who are incentivized to maximize lifetime value through multiple use cycles and optimal end-of-life recovery.
- **Set quantitative refurbishment KPIs (Refurbish):** Establish measurable targets for refurbishment volumes, buy-back participation rates, and refurbished-to-new sales ratios that create accountability and demonstrate progress beyond qualitative commitments.
- **Apply circularity to own operations (Reduce/Reuse):** Software companies could lead by example, implementing comprehensive circularity programs for their own data centers, office equipment, and internal devices before marketing sustainability solutions to customers.
- **Develop cross-industry take-back networks (Recycle):** Create shared collection and processing infrastructure for electronics that achieves scale economies, standardizes recovery processes, and enables smaller players to participate in circular flows.

Pathway 6: Services

Companies: Allianz, Deutsche Bank, Commerzbank, Münchener Rück, Hannover Rück, Deutsche Börse, Porsche Holding, Scout24 (8 firms)

Leader: Allianz (8 points)

Key R-Strategies: None reported

Key Insights

Services represents the group with the lowest average score and complete absence of value retention targets across all 8 companies. The sector shows marginal engagement only in Industry Transformation through sustainability initiative participation and ESG compliance.

While the Services sector has limited physical product footprint, this overlooks significant opportunities: applying circularity to IT equipment and office assets, developing circular economy insurance products, financing circular business models, and embedding circular criteria in investment decisions. The sector's influence over capital allocation gives it outsized potential to drive economy-wide circular transformation.

Leading Example: Allianz

Allianz leads Services although with minimal published goals: 1 point each in Energy/Water Use, Material Use, Design for Circularity, and Industry Transformation. The opportunity for Allianz lies in developing circular economy insurance products and sustainable finance mechanisms that could transform its industry leadership from compliance-driven to innovation-driven.

Opportunities & Recommendations

The Services sector completely misses its potential to drive economy-wide circular transformation:

- **Develop circular economy insurance products (Rethink):** Create dedicated insurance offerings for circular business models (sharing platforms, remanufacturing, product-as-a-service) that reduce risk barriers and enable circular economy scaling, a market differentiator with minimal competition
- **Finance circular business model innovation (Rethink):** Design lending and investment products specifically for circular economy ventures (take-back programs, refurbishment operations, material recovery facilities) with terms reflecting different risk/return profiles than linear businesses
- **Apply value retention to own operations (Refurbish/Reuse):** Implement circularity programs for IT equipment, office furniture, and data centers, demonstrating commitment and building operational expertise before developing customer-facing circular finance products
- **Embed circular criteria in investment decisions (Rethink):** Integrate circular economy performance metrics into ESG assessment frameworks, credit scoring, and investment due diligence to systematically shift capital toward circular business models across the portfolio

Strategic Priorities by Pathway

The analysis reveals how differently requirements for developing circular strategies vary. Depending on the industry and external factors such as supply chain risks, industry-specific regulations, or market demand, decision-makers must prioritize circular strategies differently.

Pathway	Current Strength	Critical Gap	Priority Action
Consumables	Packaging optimization	Business model innovation	Refill systems
Short-lifecycle	Recycled material	Product lifecycle extension	Resale/repair programs
Durable Goods	MRO services (aerospace)	Automotive circular engagement	Remanufacturing scale
Infrastructure	Energy transition	Enabler for circularity (modular design)	Asset lifetime extension/DPP
Tech & Logistics	Refurbishment operations	Quantitative targets	Device-as-a-service
Services	ESG compliance	Operational circularity	Circular finance products to support other

Category-Appropriate Strategy Alignment

Once key ecosystem drivers are identified, companies can determine which R-strategies realistically convert into competitive advantage. The relationship between product characteristics and optimal circular strategies follows clear patterns:

Category	Expected High-Value Strategies	Actual Ambition
Durable Goods	Repair, Refurbish, Remanufacture	**Strong** – Only category with Remanufacture
Tech & Logistics	Remanufacture, Refurbish, Reuse, Rethink	**Strong** – 100% engagement
Consumables	Reduce, Recycle	**Partial** – 44% non-reporting
Short-lifecycle	Reuse, Repair, Rethink	**Weak** – Over-reliance on Recycle
Infrastructure	Repair, Refurbish, Recover	**Weak** – 60% non-reporting
Services	Rethink (circular finance)	**Absent** – Low engagement

Conclusion

The Circularity Index 2026 reveals a critical gap between circular economy rhetoric and operational commitment. While companies measure traditional sustainability metrics, they systematically avoid the strategic circular categories that drive genuine business model transformation.

Three Clear Patterns Emerge:

Measurement Concentration: Companies focus on operational metrics (energy, materials) while strategic circular categories remain untargeted. The 45% concentration in Energy & Water reveals preference for established methodologies over transformative strategies.

Commitment Avoidance: Qualitative goals cluster where consequences are low (industry collaboration, general design intent), avoiding categories that require actual business model change. Value Retention receives only 10 qualitative and 3 quantitative goals across 40 companies and 10 R-strategies.

Achievement Limitation: Success remains confined to traditional sustainability (renewable energy) rather than true circular outcomes. Material loops, value retention, and circular design remain mostly unachieved despite their centrality to circular economy transformation.

The Opportunity Ahead

Those who create positive circular business experiences transform obligation into genuine opportunity. Building well-functioning circular business models is possible. A few pioneers demonstrate this with concrete activities and measurable commitments.

The pathway analysis reveals that circular economy success is not one-size-fits-all. Consumables companies excel through systematic packaging optimization. Durable Goods leaders integrate circularity into service-based revenue models. Technology companies capture value through refurbishment cascades. Each pathway has distinct opportunities aligned with product economics.

> The opportunity is clear. The strategies are proven. The economic case is established. The question is not whether circularity matters. The question is who will lead.

Circularity Index 2026

Methodology

Only the companies' annual reports from 2025 (covering FY2024), supplemented by standalone sustainability reports where available, were analysed based on the circularity objectives formulated and documented progress towards these objectives. Data was collected from November 2024 to October 2025 for all DAX 40 companies to cover changes in DAX.
The more precisely and transparently these objectives were formulated (including concrete percentage values, quantities, timelines, and progress achieved), the higher the rating. The objectives were also rated according to the level of value retention, reflecting circular economy principles where prevention strategies score higher than end-of-pipe solutions.

Scoring approach: Each goal is classified as either no pledge (0 points), qualitative ambition (1 point), quantitative target (2 points), or 100% achieved (3 points). For value retention strategies, weights are applied: prevention strategies (Refuse, Rethink, Reduce) receive 1.3× weight, life-extension strategies (Reuse, Repair, Refurbish, Remanufacture, Repurpose) receive 1.1× weight, while end-of-pipe strategies (Recycle, Recover) receive standard 1.0× weight.
Resource efficiency alone receives a low rating, while taking back products and developing completely new circular business models receive a high rating. The impact of an objective is also factored into the rating, pilot projects score low as a bonus, while deployment across the company scores correspondingly high.

Limitations

The quality and transparency of sustainability reports vary greatly. Activities are often listed anecdotally with concrete successes but without any classification of how these are to be evaluated in relation to specific objectives.

It can, therefore, happen that high ambitions and possibly also successes exist internally, but as they are not made public, they are not included in our assessment.

As we are looking at an initial snapshot, successes over time are not yet visible. Of course, it is more difficult for a company like Volkswagen to be circular than Deutsche Börse. However, both companies need to adjust their business practices and develop new products or services if they want to support the EU goal of establishing a circular economy.

Conclusion

Concrete measures to track progress on the road to circularity and toward climate targets will help to reveal the business impact of this transition. A goal we at INDEED Innovation are heavily working on.

Criteria for Ranking Companies

Level	Criteria	Weight Focus
Highest	**Circular Ecosystem**	Industry-wide transformation, policy advocacy,shared infrastructure
↑	**Circular Business Model**	Refuse, Rethink—new models that avoid resourceuse entirely
↑	**Remanufacturing / Refurbish / Take Back**	Repair, Refurbish, Remanufacture, Repurpose—extending product life
↑	**Circular Design / Sourcing Circular Materials / MakeThings Recyclable**	Design for Circularity, Material Use—enablingloops from the start
Lowest	**Optimisation / Efficiency**	Reduce, Recycle, Recover—necessary but retainsleast value

Assessment Categories

The index evaluates companies across five MECE categories:

1. Energy & Water Use: Efficiency, renewables, water reuse targets
2. Material Use: Virgin material reduction, circular inputs, depletion prevention
3. Design for Circularity: Narrow, Slow, Close, Regenerate principles
4. Value Retention: 10R Framework (Refuse → Recover) with weighted scoring
5. Industry-wide Circular Transformation: Partnerships, policy advocacy, shared solutions

Framework Alignment

- GRI Standards (Energy 302, Water 303, Materials 301, Waste 306)
- Ellen MacArthur Foundation (Design principles, value retention hierarchy)
- WBCSD Circular Transition Indicators
- 9R/10R Hierarchy (Potting et al., 2017)

Thoughs about the Circularity Index?

Let's chat! →

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INDEED

WHO WE ARE

We are the global design & innovation firm for a Circular Economy.

We partner with forward-acting organizations to design and deliver products, experiences and systems that eliminate waste, regenerate natural resources, keep materials and products in loops, and help humans to adopt circular business models.

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