



ASEAN Circular Economy Business Alliance

Circular Economy: an Opportunity for Philippine Businesses



SPOTLIGHT

Around the Philippines, a number of businesses are prospering from innovation and collaboration in their value chains that avoid waste and improve efficiency and longevity of materials use. [CEMEX](#) and [Holcim](#) use large volumes of municipal and other wastes as substitute for fossil fuels in their cement kilns and blend in fly-ash, and other cementitious materials in their products. [Pico Sands Hotel](#) reduced food waste by 60%, and composts the remainder for use in its fruit and vegetable gardens. [Precious Plastics](#), [Rezstyle](#), and [Soilmate](#) engage local communities to recover value from plastic, textile and kitchen wastes, respectively. [Axel Integrated Farm](#), [Diaspora Farm](#), and [ECHO Coffee](#) practice regenerative farming through intercropping, use of organic inputs and/or production of valuable complementary products from their previously discarded wastes. These initiatives are exemplary for the Circular Economy – and a call-to-action for businesses and other organizations in the Philippines and beyond.

CIRCULAR ECONOMY

The Circular Economy (CE) is positioned as the alternative for the current linear economy, which is based on taking materials from nature, making and using these in products, and discarding these products after their useful life. This linear extraction and use of materials is unsustainable, as it - globally - causes 60% of climate emissions, contributes up to 90% of loss of nature on land, and 40% of particulate matter pollution¹. Materials use continues to increase rapidly – the Global Materials Flow Database estimates that the per capita material footprint in the Philippines has more than doubled over the past 25 years². Plastics use and pollution illustrate the shortfalls of the linear economy; however, they are only part of the bigger problem of the wasteful use of all materials.

1 International Resource Panel (2024), *Bend the Trend: Global Resources Outlook 2024*, see: https://wedocs.unep.org/bitstream/handle/20.500.11822/44901/Global-Resource-Outlook_2024.pdf?sequence=3&isAllowed=y

2 International Resource Panel (2025), Global Materials Flow Database, <https://www.resourcepanel.org/global-material-flows-database>

The CE concept has diverse roots, which has given rise to divergent definitions, each highlighting different elements, such as nature's principles, circularity practices, circular business models, and sustainable materials resource management. In operational terms, CE envisions **circular value chains**, that bring the net use of virgin materials as well as the net disposal of waste as close as possible to zero (see Figure 1). This invokes three material resource strategies, respectively: repeatedly recovering and reusing end-of-life materials (**resource circularity**); using materials more efficiently and longer (**resource efficiency**); and switching to renewable materials and energy (**resource substitution**). CE starts with developing circular products and value chains, then fosters materials efficiency in all value chain stages, and ends with recovering and recycling the end-of-life materials that could not-yet-be avoided.

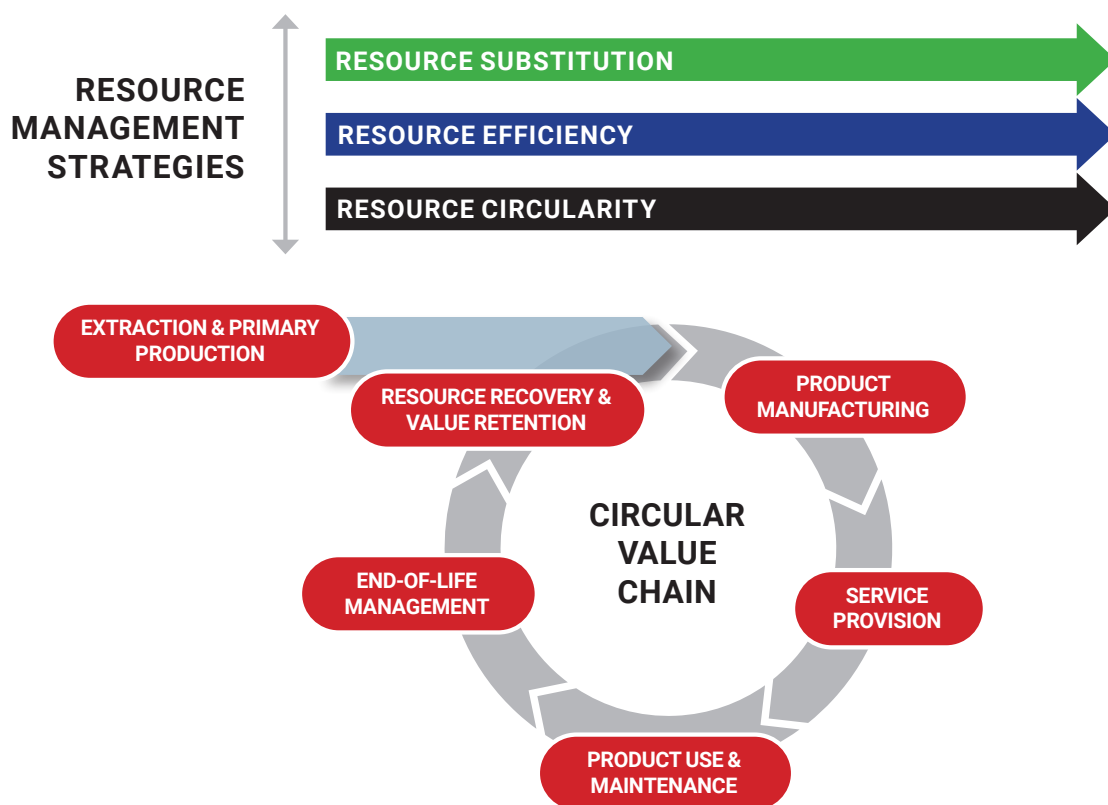


Figure 1: Circular Economy: circular value chains driven by resource management strategies³

POLICY PRIORITY

CE is a regional and national priority in Southeast Asia and other regions. The Association of South-East Asian Nations (ASEAN) adopted its CE Framework in 2021 in support of the regional economic integration. Seven ASEAN Member States have already adopted specific CE national roadmaps and/or action plans—Cambodia, Indonesia, Laos, Malaysia, Singapore, Thailand, and Vietnam.

The Philippines committed to the CE in the Philippines Action Plan for Sustainable Consumption and Production (SCP)⁴, and through legislative efforts in both the Upper (Senate) and Lower (House of Representatives) Congress. Several bills, including the “Philippine Circular Economy Promotion Act” (HB 8791) and “Philippine Circular Economy Act of 2020” (HB 7609), emphasize the importance of SCP patterns, waste reduction, and innovative business models through sustainable material use and design. The country has already enacted Extended Producer Responsibility (EPR), and adopted Sustainable Public Procurement – both have in principle transformative potential for the CE transition. EPR is a policy principle that shifts the responsibility for management of end-of-life products from government to producers, to improve waste collection, facilitate recycling, and incentivize sustainable product design. EPR is operational in the Philippines for plastic packaging to abate plastics pollution, and can be further strengthened to increase

³ Van Berkel, R (2025), *Circular Economy: An Introduction and Overview*. https://www.aceba.co/site/assets/files/1430/ce_back-ground_note_final.pdf

⁴ DEPD (2023), *Philippine Action Plan for Sustainable Consumption and Production*, Department of Economy, Planning and Development, Government of Philippines, <https://depdev.gov.ph/wp-content/uploads/2023/01/Philippine-Action-Plan-for-Sustainable-Consumption-and-Production.pdf>

material recycling and sustainable product and packaging design⁵. The 2023 Public Procurement Act calls on all government entities to consider sustainability criteria in their procurement. There is praiseworthy progress for government procurement of general consumer goods (such as office stationery, energy efficient ICT, AC and lighting, and cleaning services). Expanding to procurement of services and public works (infrastructure and buildings), can accelerate the CE transition in the Philippines.

BUSINESS OPPORTUNITY

CE provides a responsible business opportunity. Firstly, using materials, energy, and water more efficiently and longer reduces business costs. Secondly, circular products and services can unlock access to new markets or consolidate and grow current markets. Thirdly, as countries and societies gradually transition to circularity, businesses need to get prepared with alternatives particularly for single-use products, fast-moving consumer goods, etc. that are very problematic from a circularity perspective.

Philippine businesses are already benefitting from CE. The ASEAN Circular Economy Business Alliance (ACEBA)⁶, with support from the EU SWITCH-Asia Policy Support Component⁷, documented in 2024 fourteen business cases from the Philippines, as summarized in below table. Comparable sets of CE relevant business cases are already available for Cambodia, Indonesia, Laos, Malaysia, Thailand and Vietnam – and are continuously expanded⁸.

Table 1: Philippine CE business cases

| Title | Company name | Key CE practices |
|---|---|--|
| Agriculture and food processing | | |
| (Organic) coconut farming with commercialization of co-products | Axel Integrated Farm | Optimization of coconut production using appropriate agronomy practices with soil and water analysis and intercropping with banana, taro and sweet potato. Product diversification through comprehensive utilization of previously discarded byproducts into coconut sap wine and vinegar and, nectar syrup, aminos and instant drink. |
| Circularity in fruit and vegetable farming | Diaspora Farm Resort | Soil reconditioning with organic fertilizers produced from farm waste, use of organic pesticides for pest and weed control, intercropping and crop rotation, use of solar pumps, and improved water efficiency and erosion control with drip irrigation and raised bed techniques. |
| Connecting eco-conscious local producers and consumers | ECHOstore & Coffee Farm | Organic coffee farming with integrated composting and selective harvesting and on-site processing, combined with farm ecotourism, training and retailing of eco-products (organic food, natural home cleaning and personal care products, etc.) from community producer groups. |
| Cement | | |
| Alternative materials and fuels for low carbon cement | CEMEX (Philippines) | Production of lower carbon, blended cements with inclusion of fly-ash and other cementitious materials, use of municipal, organic and other wastes as alternative fuels and water and heat energy recovery. |

5 Bueta, G. R. (2025), *Review of Enabling Factors for EPR and EPR Policy Framework in the Republic of the Philippines*. SWITCH-Asia Policy Support Component.

6 ACEBA website: <https://www.aceba.co/aceba/>

7 SWITCH-Asia. *Regional / Multi-Country Interventions* › ASEAN Circular Economy Business Alliance (ACEBA): Mobilizing Business Action for Circular Economy in ASEAN. <https://www.switch-asia.eu/our-work/multi-country/asean-circular-economy-pact-acep-mobilizing-business-action-for-circular-economy/>

8 ACEBA Business Cases: <https://www.aceba.co/aceba/business-case/>

| Title | Company name | Key CE practices |
|---|--|---|
| Decarbonizing cement through efficiency and alternative fuels and materials | HOLCIM (Philippines) | Production of lower carbon, blended cements with inclusion of fly-ash and other cementitious materials, use of municipal, organic and other wastes as alternative fuels, and improved efficiency in energy and water use, through more efficient technologies, operations and recovery and reuse. |
| Furniture | | |
| Timeless design and craftsmanship for circular furniture | Philux | Timeless design, craftsmanship and lifetime refurbishment and reupholstery service, sourcing of sustainably-certified timber, minimization and reuse of wood and fabric offcuts (including for small decorative items) and use of reusable product/transport packaging. |
| Handicraft | | |
| Weaving skills revitalized for sustainable tikog products | Basey Association for Native Industry Growth (BANIG) | Improved agronomy for tikog grass cultivation for higher productivity, improved techniques for tikog harvesting and processing, including use of controlled solar dryer, and diversification of hand-woven products, including through product designs based on short length grass that was previously discarded. |
| Hospitality | | |
| Sustainable resort operations | Pico Sands Hotel | Comprehensive food waste reduction programme covering back-of-the-house and food services, composting of organic waste and compost use in onsite fruit and vegetable gardens. Improved energy efficiency including through management and efficient technology, and increased onsite collection and reuse of water for different resort operations. |
| Minimizing hospitality food waste | SM Hotels & Convention Centres (SMHCC) | Comprehensive food waste reduction programme covering back-of-the-house and food services, composting of organic waste and compost use in onsite fruit and vegetable gardens. |
| Resource Recovery & Recycling | | |
| Appropriate technology for small scale plastics recycling | Precious Plastics Philippines | Developer and supplier of low cost, small scale appropriate mechanical recycling equipment for plastics and developer of network of grassroots plastic waste collection and recycling initiatives that produce and sell recycled plastic board-based furniture and decorative items. |
| Repurposing garment and textile waste | Rezstyle | Repurposing of cloth pieces that are recovered from post-consumer garments and other textile wastes for sewing into garments, bags and/or other textile products in community sewing centres. |
| Fermentation composting of kitchen food waste | Soilmate Collective | Decentralized food waste composting services using Bokashi method, with collection and exchange service for the Bokashi composting buckets deployed in customers' kitchens, and promotion of compost use for city gardening. |
| Services | | |
| Refurbishment and reuse of customer devices | Converge ICT | Recovery of customer premise equipment (modems, cables, power units, etc.) for testing and subsequent reuse or refurbishment for successive customer use cycles. Use of geothermal power in data centre and office operations, and plastic waste segregation for third party recycling. |

| Title | Company name | Key CE practices |
|-----------------------------------|------------------------------|--|
| Textile and Garments | | |
| Circular fashion, crafted locally | Bayo Manilla | Use of Philippine silk, cotton and other natural fibres, improved energy and water efficiency in production, minimization and reuse of fabric offcuts directly in products or as supplemental wefts by the artisanal weavers. Rooftop solar for onsite power generation. |

GUIDING PRINCIPLES FOR BUSINESS

CE presents an ambitious agenda to bring the use of natural resources back within planetary boundaries. This is contingent on developing circular products, services, and processes by businesses and other organizations. To facilitate business leadership and action, ACEBA developed five guiding principles for business and CE, upon extensive engagement with the business sector in the Philippines, Cambodia, Indonesia, Malaysia, and Thailand. These guiding principles position CE as responsible business, conducted with an environmental lens, through innovations that improve material and resource use, and foster socio-economic progress.



Figure 2: Guiding principles for business action on Circular Economy

ACEBA: ASEAN CIRCULAR ECONOMY BUSINESS ALLIANCE

ACEBA was launched in July 2024 as an ASEAN-centric, business-led CE initiative, with the endorsement of the ASEAN Business Advisory Council (ASEAN BAC), the ASEAN Secretariat, and the EU Delegation to ASEAN. ACEBA is an initiative of ARAIBA Sdn Bhd, a purpose-driven, not-for-profit business organization that works to promote and facilitate responsible and inclusive business practices in ASEAN. ARAIBA signed a Memorandum of Understanding on 28 February 2025 with the Cebu Chamber of Commerce and Industry (CCCI) to act as the Philippine country lead for ACEBA. The activities of ACEBA are further supported by a Technical Advisory under the SWITCH-Asia Policy Support Component.

ACEBA brings together companies and other business organizations that pledge to lead by example. These participating companies agree to 1) promote CE in their business networks and advocacy; 2) consider and adopt appropriate CE solutions in their products and operations; and 3) share CE achievements and experiences. ARAIBA, CCCI, and other country leads support participating companies with access to appropriate CE knowledge and tools and relevant CE solutions, and promote their achievements through knowledge sharing and networking activities.

ACEBA encourages CE leadership by enterprises—from large corporates to MSMEs, start-ups, and social enterprises—and business associations in ASEAN Member States. Supported by the CCCI in the Philippines and [country leads](#) in other ASEAN Member States, ACEBA:

- Provides visibility and voice to [participating companies](#);
- Documents and showcases [CE business practices and solutions](#);
- Facilitates [peer-learning and sharing](#) among participating companies and other business exemplars; and
- Promotes operational [CE tools and metrics](#) appropriate to ASEAN businesses.

ACEBA invites businesses from all sectors to participate, as CE is applicable across business sectors. In its knowledge sharing and networking, ACEBA is prioritizing eight sectors that are of key economic importance in the region, have large participation of MSMEs, and have demonstrated good CE potential.



Figure 3: Identified priority sectors of ACEBA⁹

9 EU SWITCH-Asia and ASEAN CSR Network (2023), Towards a Unifying Framework for Business Action for the Circular Economy in ASEAN. https://www.aceba.co/site/assets/files/1086/working_paper_business_action_ce_asean_final.pdf

BUSINESS LEADING THE CHANGE

The future of irreversible climate change, loss of nature, and pollution is already with us. There is no pause button and the negative impacts on livelihoods, society, economy and business are on the rise. Ignoring these signs is a risky business affair. We all need innovative, circular, and low carbon solutions, and business is in the driving seat to provide these. Getting more circular does not have to put you out of business, as there is good potential for cost savings, new products and markets, and new competencies.

Get involved and started—one responsible step at a time business can lead the change towards a sustainable future and livable planet.



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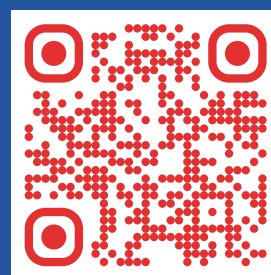


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ACEBA is an initiative of
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ASEAN Circular Economy Business Alliance



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info@aceba.co