

## Hospitality in the Circular Economy

### Policy Recommendations

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### I. INTRODUCTION

In the context of the public consultation on the Circular Economy Act to be adopted by the end of 2026, HOTREC presents its vision for a circular hospitality sector for sustainable growth and environmental stewardship. This vision highlights tangible contributions of hotels, restaurants, bars and cafés to the *circular economy* – a system designed to maintain the value of products, materials and resources for as long as possible.

In a circular economy, products and materials are kept in circulation through processes like maintenance, reuse, refurbishment, remanufacture, recycling and composting<sup>1</sup> in accordance with the EU waste hierarchy<sup>2</sup> (below).



Preventing waste is the preferred option, and sending waste to landfill should be the last resort.

This paper outlines **policy recommendations** across three core pillars of circularity in hospitality: waste management, food waste reduction, and reuse, while prioritising small businesses. We emphasise the need to invest in training to foster a well-functioning and competitive circular hospitality sector.

### II. OUR ROADMAP FOR A CIRCULAR HOSPITALITY SECTOR

With over 2 million businesses employing 10 million individuals, the European hospitality sector is a major economic contributor (3% of the total EU GDP), driven overwhelmingly by small and medium-sized enterprises, which account for 99% of all operators. The hospitality industry is highly dependent on nature and is resource intensive. In 2019,

<sup>1</sup> Definition of a circular economy, [Ellen MacArthur Foundation](#).

<sup>2</sup> [Waste Framework Directive](#), Directorate-General for Environment, European Commission.

hospitality accounted for 20% of the tourism industry's total carbon emissions<sup>3</sup>. At the same time, tourism revenue and the presence of visitors fuel conservation efforts, protecting areas and local economies<sup>4</sup>.

#### **a. Opportunities from 'going circular'**

The circular economy offers great opportunities for hospitality to boost performance while promoting sustainability<sup>5</sup>. By reducing waste and streamlining operations, circular solutions can cut costs, strengthen reputation and support local communities. They also attract environmentally conscious guests and help retain staff, especially younger talent.

Setting up circular systems requires upfront investment, ideally publicly supported. It can pay off through lower waste volumes and long-term savings. But raising awareness is key. Some people still lack knowledge about product circularity or proper waste separation. Promoting circular products and making them more visible can drive demand and adoption.

#### **b. Challenges to 'going circular'**

Challenges such as initial investment costs and lack of immediate return on investment can impact businesses, especially micro, small and medium-sized enterprises (MSMEs). Regulatory uncertainty and complex administrative processes add to the burden, while a shortage of skilled professionals and the need for extensive training on circularity further complicate the picture. Hospitality operators are increasingly dependent on suppliers for various circular solutions, including sustainable packaging, water reduction systems and circular textiles. However, the lack of standardised approaches to circularity across different industries and regions can lead to fragmentation.

Studies also show that travellers can adopt different consumer behaviours than at home. For instance, it is common for hotel guests to order more food than they can eat while on holidays. The gap between what sustainable activities travellers say they want and what they do while travelling is well documented and can constitute a challenge for hospitality operators applying circular solutions<sup>6</sup>.

Addressing these issues requires coordinated efforts from businesses, governments, and stakeholders to create a supportive environment through financial incentives and regulatory stability.

#### **c. Hospitality contributions to the circular economy**

Despite these hurdles, we would like to highlight practical contributions of hospitality operators to the circular economy:

- **Example of efficient waste prevention and reduction**

- Implementation of reusable glassware and water fountains
- Implementation of refillable dispensers for wet amenities in hotels
- Offering dry amenities on demand in hotels rather than by default in some brands, e.g., vanity kits
- Implementation of food waste reduction programmes including AI-generated waste bins that send real-time data to the kitchen during service.

- **Example of extending the life span of furniture**

- Implementation of guidelines on hard bedding and soft bedding to encourage reuse options like re-selling or donations – difficult to find partners at scale

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<sup>3</sup> UN Tourism and the Sustainable Development Goals – [Journey to 2030](#), January 2018.

<sup>4</sup> WTTC x Harvard, Learning Insights, [Leading Circularity in Travel & Tourism](#), May 2022.

<sup>5</sup> [Sustainability Trends in Hospitality: Strategies and Examples](#), March 2025.

<sup>6</sup> [How to Create the Sustainable Travel Products Customers Want](#), White Paper, December 2022.

- Companies designing and producing hotel mattresses that are washable and therefore have a longer life cycle of up to 15-20 years.

### III. POLICY RECOMMENDATIONS

The current circularity rate in the EU stands at 12%<sup>7</sup>. HOTREC commits to sustainable growth and environmental stewardship by presenting policy recommendations to EU policymakers to foster circularity in the hospitality sector:

#### **Policy recommendation 1: Support tailor-made waste collection for hospitality**

- **Consider the complexity of managing different waste streams**, such as refillable or single use, food and non-food waste and high costs of separate waste collection subject to seasonal fluctuations and consumer behaviour. Waste separation requirements should remain practical and proportionate, avoiding excessive demands to divide materials into too many subcategories.
- **Support flexible waste collection approaches in hospitality, subject to local context**
  - Due to limited space to store all types of waste in restaurants and cafés – even more in urban areas, and variations in waste volumes<sup>8</sup>, some establishments support frequent collection of waste.
  - Door-to-door collection systems show positive results across Europe<sup>9</sup> <sup>10</sup> to achieve the highest recycling rates and high-quality recyclables.
  - In other countries, DRS are long established schemes. However, Deposit Return Schemes (DRS) or conventional public waste containers can constitute barriers for hospitality operators if they must bring their own packaging to public bins.
- **Do not include hospitality in the scope of Extended Producer Responsibility (EPR)**
  - Hospitality operators should not be considered as waste ‘producers’ unlike manufacturers responsible for the end of life of products that they place on the market.
  - Hospitality risks being double charged by private waste collection fees on top of EPR fees<sup>11</sup>.
  - Avoid fragmentation and inconsistencies in EPR and ‘polluter pay’ principles<sup>12</sup>.
  - Encourage private run-EPR ensuring effective investment in separate waste collection and recycling<sup>13</sup>. The opposite scenario could hinder recycling efficiency, limit packaging choices, and increase packaging costs for the hospitality sector due to the mandatory recyclability of all packaging by 2030 as stipulated in the PPWR.
- **Support harmonised and comprehensible waste sorting instructions for packaging**<sup>14</sup> Harmonised and clear information to consumers on how to sort packaging waste and facilitate waste management by hospitality staff and consumers. It will contribute to improved packaging recyclability rates across the EU.

<sup>7</sup> Eurostat: the EU’s circular material use rate rose slightly in 2022 | European Circular Economy Stakeholder Platform

<sup>8</sup> Study on one-way glass beverage packaging in the HORECA sector, December 2022.

<sup>9</sup> Harmonisation of waste separate collection across Europe, [Position paper](#), July 2020, EEB and Zero Waste Europe.

<sup>10</sup> See this [project of bio organic waste collection](#) for hospitality in Spain, Malaga.

<sup>11</sup> [Letter-from-UKHospitality-to-SoS-Steve-Reed-18-March-2025.pdf](#)

<sup>12</sup> Circular economy act FEAD policy recommendations, May 2025.

<sup>13</sup> [Joint Industry Statement on State-run Producer Responsibility Organisations](#), May 2025.

<sup>14</sup> [Joint industry statement for harmonized waste sorting labels](#), July 2025.

### **Policy recommendation 2: Promote food waste reduction measures tailored to hospitality**

- **Consider tailored solutions to facilitate the donation of unsold food** that is safe for human consumption in hospitality. From 2026, Member States will take measures to facilitate food donation as mandated by the revised Waste Framework Directive. Solutions could be EU-wide VAT exemptions for donated products, lowering high distribution costs and financial incentives. Formal and mandatory food waste measurement and reporting is less suited to small businesses and would not be cost effective<sup>15</sup>.
- **Renew the mandate for 2027-2031 of the EU Platform on Food Losses & Food Waste.** HOTREC believes we should continue to share best practices and initiatives showcasing hospitality establishments successfully tackling food waste at local level.

### **Policy recommendation 3: Support reuse in hospitality when environmentally beneficial**

- **Clarify the legal framework for reuse in the EU** by speeding up guidance on reuse obligations arising from the Packaging and Packaging Waste Regulation (PPWR) including on preferred materials, recyclability of reusable packaging and the acceptable number of rotations for packaging.
- **Showcase best practices in expanding the life span of hospitality furniture** and textiles and other efforts aimed at prolonging the life of equipment.
- **Tackle the issue of double VAT and double payment processing fees on deposit for reusable packaging** in hospitality.

### **Policy recommendation 4: Ensure regulatory certainty and invest in training**

- **Provide economic tools and measures for Member States and economic operators to "go circular"** rather than setting unachievable and burdensome new targets.
- **Invest in education and training on circular economy.** Studies show that training hospitality staff, at all levels, on circular economy and design can have a powerful multiplying effect within organisations<sup>16</sup>. Training can help businesses to **effectively plan and implement** circular economy practices.

HOTREC is committed to working with EU policymakers and stakeholders to promote a sustainable and circular economy within the hospitality sector.

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<sup>15</sup> [Impact Assessment, Improved Food Waste Reporting, DEFRA, May 2022, p.43.](#)

<sup>16</sup> [Circular Economy in the hospitality industry Materia Rinnovabile | Renewable Matter](#)