



Executive Summary

This thesis explores the implementation of a circular economy (CE) business model in Priorrio Galeria, a wood-based furniture company in Indonesia currently operating with a linear economy framework. The study is motivated by global and national commitments to sustainable development, including Indonesia's alignment with the United Nations' Sustainable Development Goals (SDGs) and the government's call for businesses to integrate sustainable practices by 2030. Adopting CE principles within the furniture industry presents significant opportunities to reduce environmental impacts, optimize resource efficiency, and enhance long-term competitiveness.

The research aims to identify internal factors within Priorrio Galeria that influence the scale and feasibility of CE implementation and to propose strategies for overcoming barriers to optimal adoption. Data collection involves qualitative interviews with key stakeholders in the company to uncover insights into leadership support, financial constraints, technical expertise, and organizational culture. The findings highlight critical enablers, such as employee engagement and manufacturing operations, alongside challenges like limited resources, non-widespread knowledge and human resources.

This thesis contributes to the growing body of knowledge on CE by providing practical recommendations tailored to the Indonesian furniture industry, particularly within the scope of small and medium-sized enterprises (SMEs). It underscores the importance of collaborative efforts between businesses, policymakers, and communities in driving the transition toward sustainable production systems. By addressing internal barriers and leveraging driving forces, Priorrio Galeria can position itself as a player in sustainable furniture manufacturing, which in turn will benefit the company in various ways due to the changing market trend and government policies on businesses, as well as inspiring broader industry adoption of CE practices. Especially fellow furniture manufacturers in the region that are operating in similar manner.

Keywords: Circular economy, Sustainable Development Goals, furniture company, internal factors, implementation, adoption.