



How is the circular economy measured?

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On July 11, 2019, Forética and the Action Group on Circular Economy presented “The Measurement of the Circular Economy Frameworks: indicators of impact on business management” a study that shows the benefits of moving

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the achievement of the objectives of that agenda in Spain and a roadmap for progress towards circularity, based on three questions: what to measure, how to measure and for what to measure.

ACHIEVEMENT OF THE ODS IN SPAIN

In relation to the national monitoring indicators, Spain obtains its best results in ODS 6 (clean water and sanitation) and ODS 7 (affordable and non-polluting energy). However, in ODS 12 (responsible production and consumption) it only has a score of 53.4 (out of 100).

WHAT, HOW AND WHY TO MEASURE

With regard to the roadmap for the contribution of enterprises to a circular economy, this study proposes to carry out a self-diagnosis using measurement indicators, among which it distinguishes:

1.- Operating efficiency metrics:

- Tons of raw materials, volume of water consumed.
- Energy consumption.
- Tons of organic and inorganic waste.

2.-Circular performance metrics:

- Efficiency in the use of raw materials, recycling and valorization.

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– Circular value chain, such as the percentage of raw materials from renewable sources and the percentage of renewable energies, among others.

– Industrial symbiosis: percentage of treated wastewater reused, percentage of secondary raw materials used for production...

3.- Circular value creation metrics:

– Promotion of responsible production and consumption: promotion of circular business models; implementation of selective waste collection in work centres, among others.

– The circular economy and business (investment and cost savings): cost savings by reducing waste; investment in circular economy projects, ...

Once the company has identified its level of contribution to the circular economy, it has to analyse the inflows and outflows of its products and measure them within a time frame.

The organisation should then study the points in the value chain where it is most relevant to act to improve its performance according to economic, environmental and social criteria. To this end, the company will analyse the risks of its sector and its geographical location associated with the linear economy, identify which resources involve greater energy consumption and seek the **available technologies** to improve their performance. It will also study the business opportunities that could be generated by the circular economy, the needs of its stakeholders and the relationship of its business strategy with the Sustainable Development Objectives (SDS).

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1. Global frameworks:

- The Green Economy Progress Index (GEP).
- EU Resource Efficiency Scoreboard (2013).
- Raw Materials Scoreboard (2016).
- EU Monitoring Framework for the Circular Economy (2018).

2. National frameworks such as the draft Spanish Circular Economy Strategy, published in February 2018.

3. Business frameworks:

- GRI Standards
- SDG Compass
- The BS 8001: 2017 Standard
- Indicators of the Circularity of The Ellen MacArthur Foundation
- Circle Assessment

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NEED FOR A GLOBAL BREAKTHROUGH

As this report points out, one of the main challenges in moving towards a circular economy is the development of a common measurement language that allows organizations to compare their progress globally. It also recalls that progress has been made in terms of business reporting, such as the entry into force of the Non-Financial Disclosure Act. Companies obliged to comply with this law must identify their impact on the circular economy, but other companies must also continue to progress in the same direction to anticipate future regulations, differentiate as a brand and be accountable to their stakeholders.

TO KNOW MORE

<https://foretica.org/el-grupo-de-accion-en-economia-circular-marca-una-hoja-de-ruta-para-medir-la-accion-empresarial-en-este-ambito/>

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