

# Indicators to accelerate the circular economy

Business metrics will provide the crucial insights that enable the transition from the take-make-dispose economy towards circularity.



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*Indicators, and Senior Consultant, KPMG in the Netherlands*

How can businesses tap into the EU€1.8 trillion (US\$2 trillion) opportunity that the [circular economy can deliver in Europe](#) alone?

The answer will require adopting and implementing circular business models, which offer tremendous potential to drive systematic change in the way we all do business.

Technological innovation in materials and production techniques is creating a [new market for regenerated goods](#) that is estimated to grow to US\$4.5 trillion by 2030. With this in mind, businesses have compelling reasons to act and use their resources more productively.

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### **Defining the circular economy**

As defined by the [World Business Council for Sustainable Development](#) (WBCSD), the circular economy is: “an economic model that is regenerative by design. The goal is to retain the value of the circulating resources, products, parts and materials by creating a system with innovative business models that allow for long life, optimal (re)use, renewability, refurbishment, remanufacturing and recycling. By applying these principles, organizations can collaborate to design out waste, increase resource productivity and maintain

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To support this critical transition, we are supporting the launch of the [Circular Transition Indicators](#) (CTI) report at the World Economic Forum, in association with the WBCSD. The CTI does not only help companies and investors understand how circular their business is but also supports in interpreting results, setting targets and monitoring improvement.

Companies cannot drive the transition to a circular economy on their own. The circular economy requires a concerted effort across industries and value chains. A common approach to measuring and monitoring circularity performance is crucial, as it allows value chains to become value cycles and ultimately works towards a shared vision.

The CTI is designed by business, for business. Twenty-six global companies representing 16 countries, 16 industries and US\$1.7 trillion of annual turnover came together through the [WBCSD's Factor 10 project](#) to develop the CTI in association with ourselves at KPMG in the Netherlands. We have been co-developing in a 1.5-year journey involving some of the world's most influential circular business players. Over 100 organizations have also inputted into the CTI.



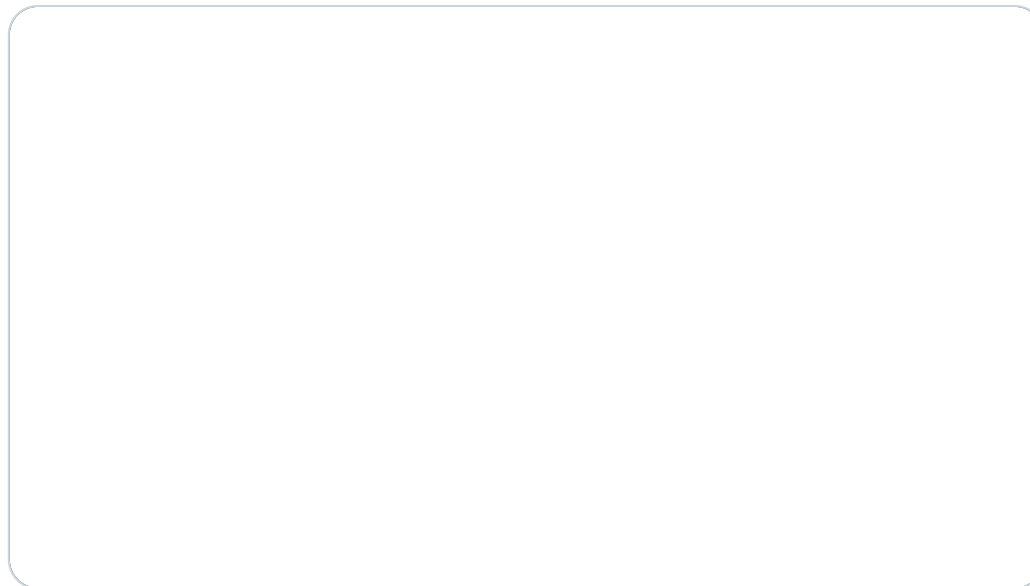
WBCSD  
@wbcسد



Now launched! Discover the Circular Transition Indicators, a transparent & objective framework & tool we developed w/ 26 members.

Built for business, by business, CTI enables companies to drive their circular transition: [wbcسد.org/Circular-Trans...](https://wbcسد.org/Circular-Trans...)

#circulareconomy #WBCSDatDavos20



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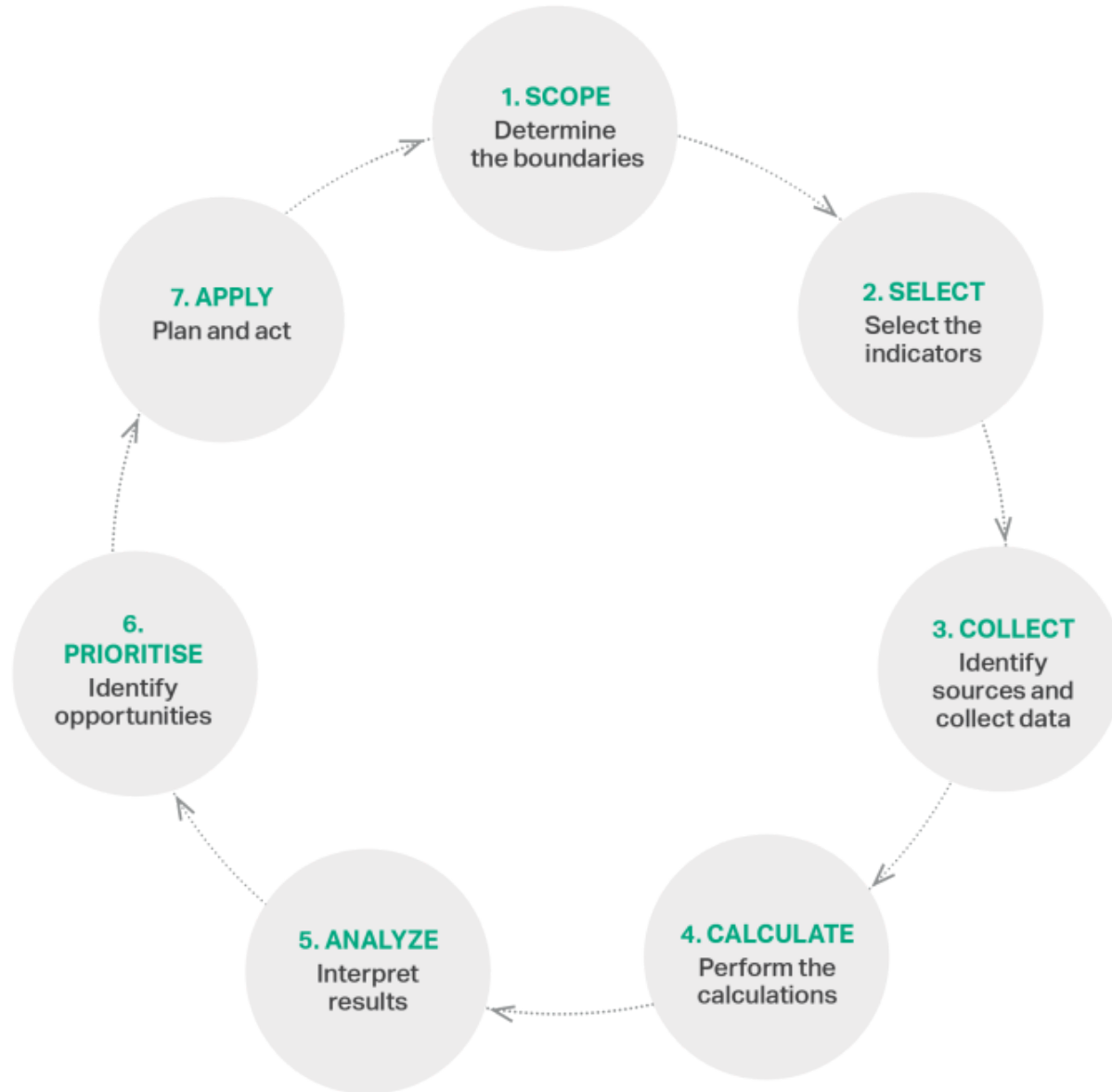


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The CTI is applicable across a broad range of business sectors and value chains, providing a comprehensive yet flexible framework, complementary to existing sustainability efforts and agnostic to material, sector or technology.

The seven steps below provide a clear sequence for one CTI assessment cycle, which will help businesses to understand their company's circular performance and the associated risks and opportunities, and will enable them to identify and prioritize actions and establish SMART (i.e. specific, measurable, achievable, relevant and time-bound) targets. Leaders can start now to:

1. Scope the process to determine the application of CTI to your business operations;
2. Assess the materiality to determine which circular transition indicators are relevant;
3. Identify sources and collect data that fit the framework;
4. Calculate performance based on the indicators;
5. Analyze and interpret results to identify opportunities linked to circularity integration;
6. Develop a clear action plan on circular opportunities linked to CTI assessment; and
7. Roll out the action plan



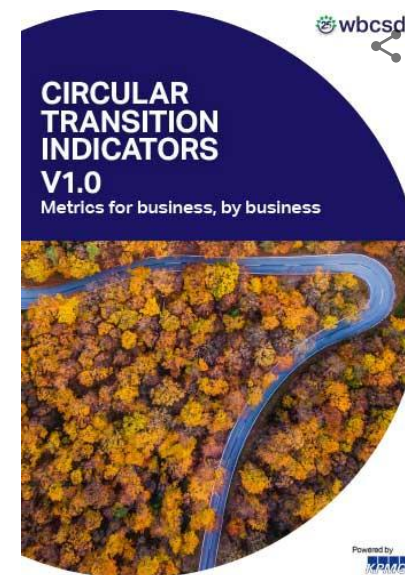
Using the [CTI online tool](#), developed in association with CircularIQ, will enable businesses across all sectors to better understand how to scale up circular technologies and business models to reap profits from recycled products.

For more information about the CTI, refer to the [website](#). If you have any questions or comments on this article or the CTI framework, please contact myself at [walrecht.arnoud@kpmg.nl](mailto:walrecht.arnoud@kpmg.nl), or Suzanne Kuiper at [kuiper.suzanne@kpmg.nl](mailto:kuiper.suzanne@kpmg.nl)

## Circular Transition Indicators V1.0 - Metrics for business, by business

As the circular economy grows in momentum, it is imperative for companies to prepare for their transition based on insights into their circular performance and associated risks and opportunities. To do this, business needs a universal and consistent way to measure its circularity.

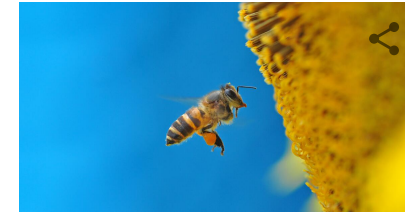
<https://www.wbcsd.org>



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## World Economic Forum

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