CLOSING THE CIRCULARITY GAP

IMPACT REPORT 2017

CIRCLE ECONOMY
FOREWORD

Never in our history has Circle Economy been so well positioned to deliver scaled impact. Although we have many reasons to celebrate, we still have a lot of work to do to reach a “prosperous world of finite resources” that thrives on both economic, and environmental and on social levels. Our current linear system has left us with a legacy of environmental and human exploitation. Take, make, waste, repeat. The circular economy is sketching a way out of a situation we have locked ourselves into.

For the first time in the human history, we are so interconnected and interdependent thanks to globalisation and digitisation that our individual and collective responsibility have increased. It is time for action. Circle Economy is taking this responsibility for ‘Closing the circularity gap’ by driving practical and scalable solutions for a circular economy.

The starting point is challenging: ‘The Circularity Gap Report’ 2018 analyzed that our world is only 9.1% circular, thereby setting a baseline for a global metric for the circular state of the planet - and it sketches a roadmap for action. To bridge this massive circularity gap, we need to change the way we act on a day-to-day basis. Circularity as a solution to save the planet may sound like a good enough reason. However, circularity goes beyond that. Not only it provides a way for some of the most pressing human questions we are facing around “jobs of the future” and “new metrics for human prosperity”, but it presents an opportunity to start creating a new economic paradigm.

A different and bold mindset and true shift in skills and behaviours are needed moving forward. This Impact Report ‘Closing the circularity gap’ shows how Circle Economy is measuring impact and holding ourselves and our partners accountable to make the crucial steps forward to close the circularity gap. What we need is more dialogue, collaboration and goodwill.

That is why I’m very proud that - thanks to our generous supporters - we have been able to work across various impact areas, with our growing global community and reached millions through the projects we have carried out over the past years. As we continue scaling our efforts and impact to achieve even more impact, this is a call for action for everyone to seize this opportunity. Please join us to close the circularity gap!

We hope you can be part of this journey!

CEO
Harald Friedl
# TABLE OF CONTENTS

1. CONTEXT: THE CIRCULARITY GAP AND OPPORTUNITY  
2. MISSION AND VISION  
3. STRATEGIC ACTIVITIES  
4. THEORY OF CHANGE  
5. VISIBLE RESULTS TO DATE  
6. LEVERAGE AND AMPLIFY  
7. IMPACT GOALS 2022
What has got us where we are today, in every sense, is the linear economy. Over decades, even centuries, since the boom of the Industrial Revolution, it has delivered tremendous living standards, wealth and comfortable lives to some people, in some parts of the world, at certain times. It has done so, though, at high cost. That cost continues to be extracted from the planet and many of the people on it, with neither the gain nor pain distributed equally. Embedded deep within the ‘take-make-waste’ tradition of the linear economy lies a toxic cocktail of negative consequences, ranging from social inequality, to depletion of natural resources, environmental pollution and worsening of the risks and effects of climate change.

This alarming statistic was the main output of this first Circularity Gap Report, in which we launch a metric for the circular state of the planet. The Circularity Gap Report provides a framework and fact-base to measure and monitor progress in bridging the gap, year on year. Being able to track and target performance via the Global Circularity Metric will help us engage in uniform goal-setting and guide future action in the most impactful way.
...AND OPPORTUNITY

CIRCULAR ECONOMY: CLIMATE CHANGE AND THE SUSTAINABLE DEVELOPMENT GOALS

In truth, momentum is already building towards adoption of circular economic models. We are witnessing circular economy strategies being embedded within businesses and adopted into government policies. On the global level, two recent examples of international collaboration, in particular, have accelerated the mainstream political and business agenda: The Paris Agreement and the United Nations Sustainable Development Goals (SDGs).

AN ACTION AGENDA EMPOWERING PEOPLE FOR GOOD

To measure economic sustainability only from an environmental perspective, is to miss the point and misunderstand the purpose. By definition, managing an economy is the art and science of ‘how we run our global household’. An economy should be designed and run to the needs of the participants of the household, provide stability, keep societies together and the household going for future generations. In short, any successful economic model must meet the needs of the society it serves, not merely manage responsibly the natural resources it uses – it is a matter of people and planet, together. The circular economy is therefore an action agenda with measurable impact framework that extends beyond the remit of mere resource efficiency. As a multi-stakeholder model, its systemic approach boosts capacity and capability to serve societal needs, by embracing and endorsing the best humankind has to offer: the power of entrepreneurship, innovation and collaboration.

Leaving a massive ‘circularity gap’
At Circle Economy, we believe in a visionary future for our planet — one in which we do not have to compromise in order to achieve economic, social, and environmental prosperity.

As an impact organisation, we connect and empower a global community to create the conditions for systemic transformation. With nature as our mentor, we work alongside businesses, cities and governments to identify opportunities to make the transition to the circular economy and provide a powerful combination of practical and scalable solutions to turn these opportunities into reality.

Our mission is to empower a global community of businesses, cities and governments to accelerate the transition to the circular economy through practical and scalable insights and solutions that address humanity’s greatest challenges.

It is our VISION to contribute to a prosperous world of finite resources by closing the circularity gap through acceleration of the circular transition.

Our MISSION is to close the global circularity gap by delivering practical and scalable circular economy solutions to the world.
“The twentieth century was ruled by the metric of money, which demanded endless growth. This century calls for new metrics - natural and social that enable humanity to thrive within the means of the planet.”

KATE RAWORTH
To close the circularity gap, Circle Economy works across six programmatic focus areas and delivers value through five strategic activities. The current challenge is to put the circular economy into practice and involve businesses, governments, cities and us as consumers. Circle Economy’s mission therefore is to move from intent to action and deliver practical and scalable solutions. We develop world-class programmes, tools and partnerships in key sectors and locations where the practical implementation of the circular economy can be delivered and scaled. We do this with a sound systems- and multi-stakeholder approach to open up new solution spaces. Our growth strategy and underlying ethos of open engagement is based on a non-competitive, collaborative approach across the globe. With the ability to focus on organisations, specific products, supply chains or sectors, our tools and services enable the establishment of tangible direction for setting up circular projects and provide substantive possibilities to integrate circularity into current and future business strategies, policies and public discourse. In particular, Circle Economy drives impact by performing five strategic activities:

**WE EMPOWER A GLOBAL COMMUNITY**
...to accelerate the circular transition by engaging with, educating, shares and interacts to solve tangible challenges with circular solutions.

**WE DEVELOP DIGITALS TOOLS**
...that enable the practical implementation of the circular economy and that are (open) access. Our tools and services are designed to facilitate decision making and implement action plans. They can be applied to a wide range of sectors and can be utilised by everyone from investment portfolio managers to textile manufacturers.

**WE DEVELOP PIONEERING INSIGHTS & ANALYSIS**
...to identify and prioritise global levers for circularity to guide action in the most impactful way.

**WE TRANSFORM BUSINESSES**
... by working with industry visionaries to develop game changing projects with the potential to make huge impact and fundamentally alter the status quo.

**WE BUILD VENTURES**
... and help others to built their ventures to rethink and disrupt current business practices by implementing circularity.

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**BECOME A PARTNER:**
www.circle-economy.com
Circle Economy currently works on six programmatic areas that are designed to drive the practical implementation of the circular economy in specific sectors or cross-cutting themes. When focusing on sectors we choose to work in areas that are ripe for disruptive impact – in sectors where practical examples of how the circular economy can impact the sector are needed and that affect society at the business, citizen, and governmental level. Our programmes address cross-cutting themes, such as finance and design, are chosen for their ability to scale due to their nature of being relevant across sectors, industry and address systemic barriers that when broken, can ignite further implementation of the circular economy.

Part of Circle Economy’s growth strategy is to develop a critical mass for change with our partners by building out the programmatic focus areas.

THE CIRCLE COMMUNITY

We work with excellent partners to amplify our work. We have engage on a circular journey with global frontrunners, such as WBCSD, WEF, UNEP, C40 and ICLEI. Throughout this exercise towards the mass adoption of the circular economy, training, co-development and close collaboration with our sister organisations are key. In addition, currently over 40 organisations are part of Circle Economy’s membership community, from large multinational firms to active SMEs and innovative start-ups.

“MOVING TOWARDS THE CIRCULAR ECONOMY WILL BE CRITICAL FOR ADDRESSING CLIMATE CHANGE AND RESOURCE OVERUSE. BUSINESS WILL BE ESSENTIAL IN BUILDING MOMENTUM AS WE WORK TO DECOUPLE ECONOMIC GROWTH FROM RESOURCE USE…”

Peter Bakker
President and CEO
at WBCSD
Circle Economy’s Impact strategy scaling impact follows a Theory of Change [ToC] in which all activities and interventions contribute to and can culminate into transformative change and impact. This ToC serves as a conceptual logic model, which helps us illustrate our path towards impact on the output, outcome and impact level.

It shows logically how Circle Economy’s portfolio contributes to creating impact and responds to the social, economic and environmental challenges of our time. The activities carried out will feed into the outputs such as the expansion of Circle Economy’s growing global community, developed practical and scalable digital tools and greater amount of insights and knowledge. The outcomes of these (the multiplier result of the outputs) are the greater changes that can then be observed among the beneficiaries, such as businesses, cities and governments at many levels. At the impact level, which is truly transformational, the outcomes reached will ultimately result in the broad adoption of the circular economy and in a prosperous world of finite resources.
CLOSING THE CIRCULARITY GAP

Prosperity for all within the boundaries of our planet

Increase of policies and subsidies beneficial to the transition to a circular economy.

Businesses within different industries and cities pursue and adopt circular thinking and translate it into action.

Greater public awareness and discourse is elevated on circular economy and systems thinking.

Governments understand how circular thinking embedded in policy can affect their sustainability goals.

Organisational and institutional capacity to implement and transition to CE increases.

Enhanced conducive environment for businesses to engage globally with each other to create a thriving community.

Media communicates about the circular economy creating further visibility and positive image around the topic.

Outcomes

Short term

Identified actionable global levers (agenda setting).

 Relevant stakeholders educated and trained.

 Open source hub for insights, best practices and research on CE.

 Relevant digital tools contributing to industry market creation and further awareness.

 (Pilot) projects with members and partners.

 Medium / long term

 Increased # of members partnerships, incl. w/ global network organisations.

 Powerful communications and outreach both on- and offline.

 Increase of policies and subsidies beneficial to the transition to a circular economy.

 Businesses within different industries and cities pursue and adopt circular thinking and translate it into action.

 Greater public awareness and discourse is elevated on circular economy and systems thinking.

 Outcomes

 IMPACT

 Prosperity for all within the boundaries of our planet

 Outputs

 Identified actionable global levers (agenda setting).

 Relevant stakeholders educated and trained.

 Open source hub for insights, best practices and research on CE.

 Relevant digital tools contributing to industry market creation and further awareness.

 (Pilot) projects with members and partners.

 Increased # of members partnerships, incl. w/ global network organisations.

 Powerful communications and outreach both on- and offline.
In 2017 we continued working on achieving practical and scalable solutions with our members and partners.

Launched the **CIRCULARITY GAP REPORT** at DAVOS 2018

Showing the world is only **9.1%** circular

We launched **THE KNOWLEDGE HUB**

discovering **1000+** inspiring case studies

Become a **KNOWLEDGE PARTNER** of the Platform for Accelerating the Circular Economy at the WEF

Kicked off the **FIRST** edition of circular brands

We launched our **BUILT ENVIRONMENT PROGRAMME**

working with business leaders and WBCSD

Become a **KNOWLEDGE PARTNER** of the Platform for Accelerating the Circular Economy at the WEF
We work towards achieving visible results across 4 outcome areas. In particular we want to:

**By making governments understand how circular thinking embedded in policy can advance circularity**
- Launched a policy report, *Policy levers for a low-carbon circular economy* in collaboration with the European Climate Foundation which provides concrete policy recommendations to catalyse the transition and tap into the circular economy’s potential
- Evaluated the circular economy policy package of the municipality of Amsterdam, and stipulated next steps for the municipality to continue and improve their CE policy and increase its impact
- Found out that 81% of jobs in the Netherlands are circular

**By equipping business leaders & cities change makers with the right tools and insights to implement circularity on the ground**
- With ABN AMRO bank we have started trainings for their staff and clients
- We are part of *CIRCO*, a series of workshops inspiring businesses and designers to join forces
- *Circle Market* finalised the white label together with Fibresort
- Featuring *Circle Assessment* applied in Glasgow with 25 businesses

**By fostering collaboration across sectors and disciplines**
- *Capital Equipment Pledge* was launched in Davos
- Launched our *Built Environment* programme working with business leaders and WBCSD
- Pioneered *Fairphone Community of Practice* as multi-stakeholder alliances for learning by doing about circular business models
- We have 50+ growing ‘circular community’ of members, partners and supporters.
- Inspired establishment *Scotland circular hotspot* and *CE hotspot Luxembourg*

**By inspiring the world and boost the understanding of how circular economy contributes to a better and just world**
- Co-created and hosted the *NRC Live* event series on Circular Impact
- 3,600 report downloads from our 7 impact reports
- Social media followees expanded exponentially
- Designed leadership academy with Ashoka

**Beyond Green** attendance doubled with 200 key textiles industry players and 200 AMFI students and inspired the crowd with the theme ‘Beyond BlahBlah: 5 steps to Circularity’

**Increasing our impact**
- Pioneered *Fairphone Community of Practice* as multi-stakeholders alliances for learning
We were mentioned in the press 76 times in 2017.

Big Increase of social media followers:
- Facebook: 5.5k (+132%)
- Twitter: 21.9k (+27%)
- LinkedIn: 5.5k (+42%)

18.8K impressions

Our world is only 9% circular and our linear economy is failing people and the planet. We have to close the global circularity gap for good! We present our #CircularityGapReport.
we spoke at 70 events in 2017
IMPACT GOALS 2022

GUIDE

250+
Cities with a circular vision and roadmap

INSPIRE

5 mio
People through our global community

CIRCLE ECONOMY is seen as having a positive value not only environmentally but also socio-economically

BOTTOM-UP
Discourse is constructed from the bottom-up and is rooted in the day-to-day experiences of citizens themselves.

TOP-DOWN
Discourses constructed in the field of Circular Economy from the top-down (Davos, WEF and TEDx)

MORE CONDUCTIVE
Environment for collaboration

BUSINESSES and cities to catalyse change and enable circular business models at the industry / city level

GREATER PUBLIC AWARENESS
and discourse is elevated on Circle Economy and system thinking

GLOBAL DEMAND
for ‘waste’ in place of virgin materials
INCUBATE 50+ Circular Economy Ventures

NATIONAL and local governments to
TRANSITION the results of their CGR into local pathways for circular change resulting in practical circular implementation

MORE CIRCULAR JOBS and skills available

BUSINESSES to have better readiness to
REDUCE global waste across industries and think of different circular business models

INCREASE of policies and subsidies beneficial to the transition to a circular economy

NETWORK organisations to have an increased ability to educate their respective network on the topic of circularity and a common language and framework for circularity is adopted.

BUSINESSES TO HAVE INCREASE success in implementing new Circular Business model and have a clear goal and trajectory to follow in medium and long term

BUSINESSES PURSUE and adopt circular thinking and translate it into action

TRANSLATE NATIONAL and local governments to translate the results of their CGR into local pathways for circular change resulting in practical circular implementation

2022
HELP US CLOSE THE CIRCULARITY GAP

www.circle-economy.com