Global Circularity Protocol for Business

High-level 12th Regional 3R and Circular Economy Forum in Asia-Pacific

Global Circularity Protocol
for business

Powered by

World Business Council for Sustainable Development

One planet handle with care

05 March 2025

The Global Circularity Protocol for business is co-developed by WBCSD and UNEP OPN

World Business Council for Sustainable Development

WBCSD is a global community of leading businesses driving systems transformation for a better world in which 9+ billion people can live well, within planetary boundaries, by mid-century.

Together, we accelerate the required transformation of businesses, their value chains and the systems in which they operate, to limit the impact of the climate crisis, restore nature & tackle inequality.

Our community of business leaders is empowered to raise ambition for a better world, deliver action at speed and scale in their operations & value chains, and sharpen the accountability of their performance.

250+
Member companies

USD 5+ trillion
In combined revenues

7
WBCSD offices

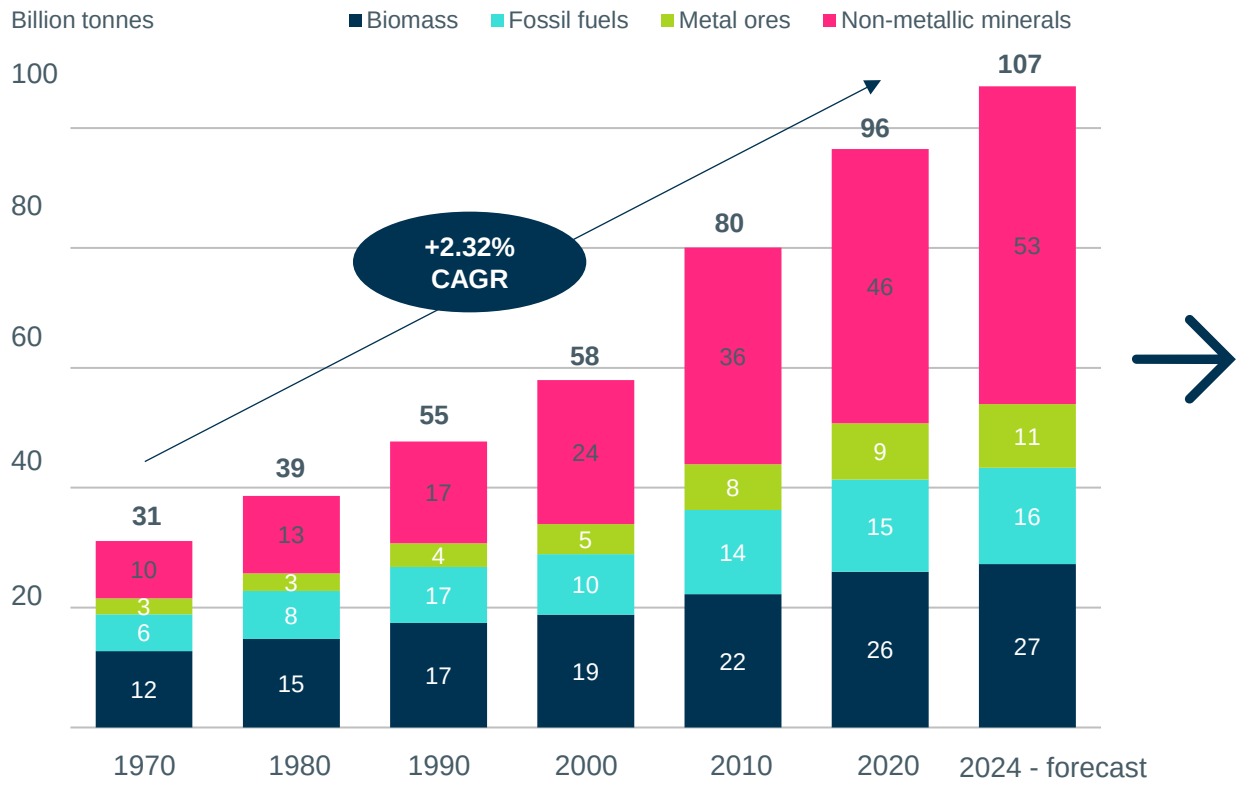
Member led
Not for profit association

One Planet Network

- Hosted by the United Nations Environment Programme (UNEP) and part of the 10YFP framework
- Global community of practitioners, policymakers, and experts, including governments, businesses, civil society, academia, and international organisations
- **Mandated to lead on delivering *SDG 12:*** *ensuring sustainable patterns of consumption and production*
- Global presence and strong representation of Global South
- Thematic programs and partner organizations, numerous working groups, and over 140 national focal points for sustainable consumption and production within country governments
- Houses a global repository of projects, policies, and tools, including the recently published *"Building Circularity into Nationally Determined Contributions (NDCs) – A Practical Toolbox"*

Resource overuse is driving the triple planetary crisis and placing value at risk for business

Global material extraction[1]



Business value erosion

	Current Value	Future value
Revenue	**1. Revenue reduction** • Production limitations • Changing consumer preferences	**2. Intangible assets** • Brand value • Social license to operate
Costs	**3. Cost increase** • Increasing raw material bill • Reduced forecasting abilities due to extreme price volatility	**4. Risk** • Supply chain disruption • Regulatory compliance risk • Geo-political risk

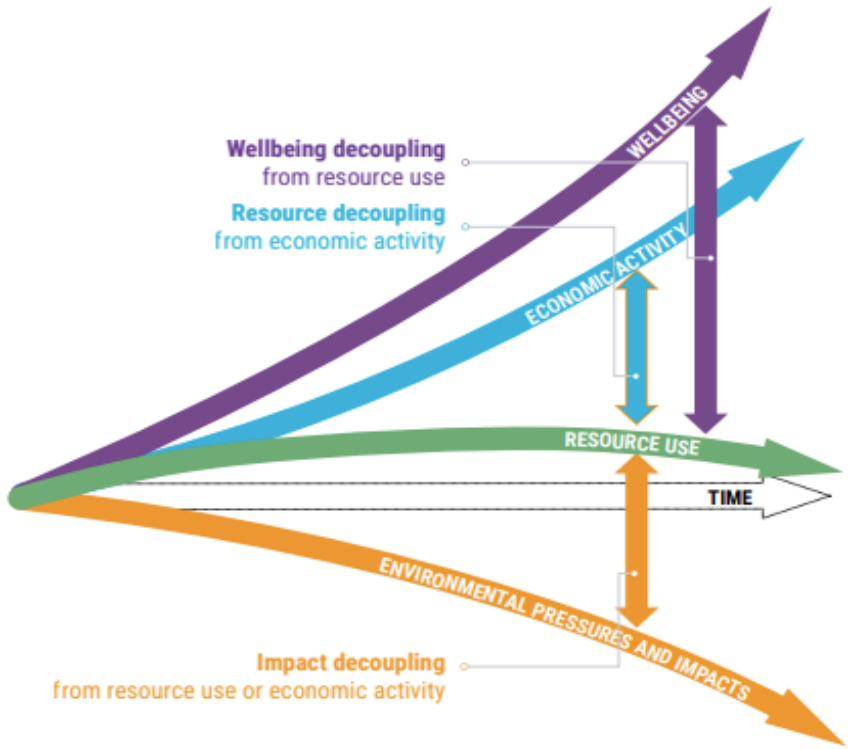
Definitions: biomass = total weight of all the living things in an ecosystem; fossil fuels = non-renewable energy sources; metal ores = materials which are removed from the mine for the purpose of extracting the desired metal(s); non-metallic minerals = Non-metallic minerals include sand, gravel, limestone and fertiliser minerals (among others).

CAGR = Compound Annual Growth Rate

Data source: United Nations Environment Programme, International Resource Panel, Global Material Flows Database

Bending the trend is critical for businesses to meet their growth plans, as well as fulfil their sustainability targets

Decoupling economic activity and resource use



Circular solution impact

Business value

€4.5 trillion
Global growth potential to 2050

Climate

39–55%
Reduction in global carbon emissions

Nature

15 million ha
Arable land protected from degradation

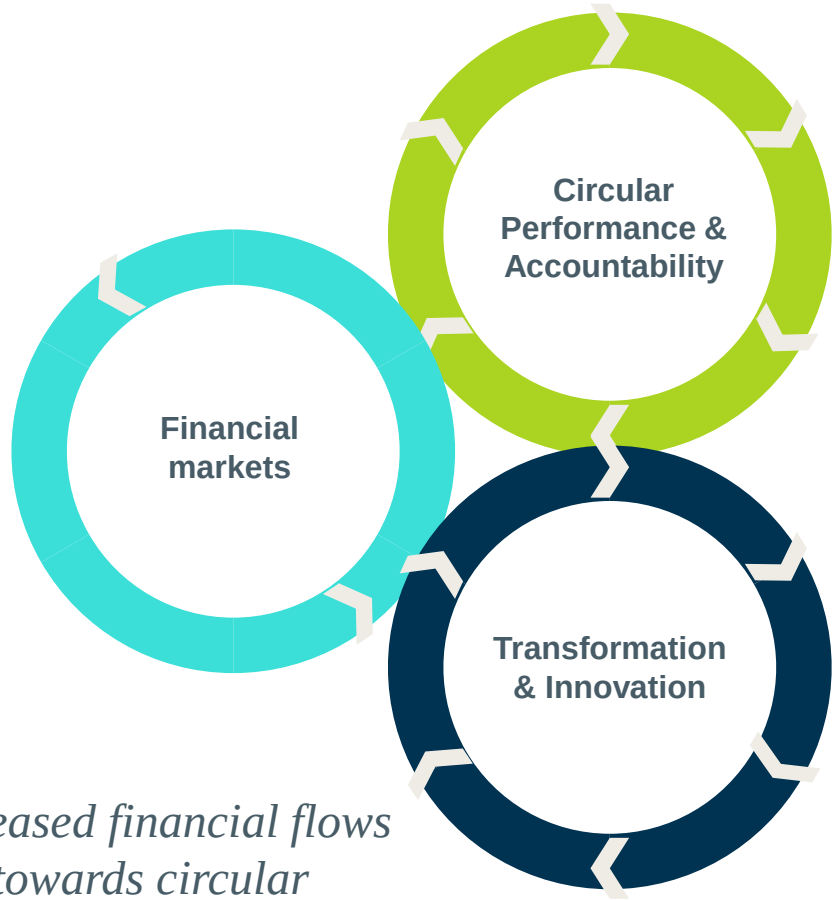
Society

6,000,000
Net increase of jobs by 2030

Source: Revised from IRP (2019b)

1) 8 Business Cases for the Circular Economy, WBCSD, 2017, 2) Waste to Wealth, Peter Lacy & Jakob Rutqvist, 2015, 3) Circle Economy. (2021), 3) Circular economy in agriculture. An analysis of the state of research based on the life cycle, Juan F. Velasco-Muñoz, Jose A. Aznar-Sánchez, Belén López-Felices, Isabel M. Román-Sánchez, Sustainable Production and Consumption, Volume 34, 2022, Pages 257-270, 4) ILO

However, businesses are struggling to transition to circularity at scale due to the lack of harmonized circularity methodologies and accounting metrics



*Consistent and comparable **disclosure** on circularity to stakeholders and markets*

*Clear **management information** to evaluate circular opportunities and progress*

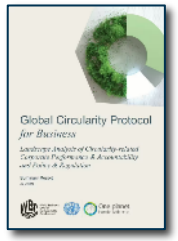
Increased financial flows towards circular business models and technologies

***Acceleration of circular transformation** and business performance*

Over 80 organizations are working with us in the development of the GCP

Stakeholders

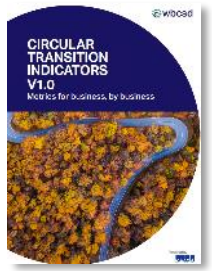
The building blocks of the GCP

2024	2025	2025-2026	2026-2027	2026-2027
Impact	**Corporate Performance & Accountability**	**Policy framework**	**Science-based targets for Circularity**	**Technology & data**
 Landscape analysis	✓ **Social impact** ✓ **Narrow the loop** ✓ **Corporate governance** Measuring and Managing Circular Performance	✓ **Regulatory framework** ✓ **Market incentives** ✓ **Standards alignment** Policy framework and recommendations*	✓ **Target setting guidance** Measuring and Managing Circular Performance*	✓ **Data dictionary** ✓ **Data exchange protocol** Circularity Data Exchange (CDX)*
 Impact analysis	✓ **Disclosure framework** ✓ **Impact materiality** ✓ **Financial materiality** ✓ **Valuation methods** Reporting, Disclosure and Financial markets	**Implementation and adoption** ✓ Sectoral Guidance ✓ Implementation Monitoring and enablement		

*Subject to scoping

The GCP is the natural evolution of WBCSD's Circular Transition Indicators

CTI v1.0

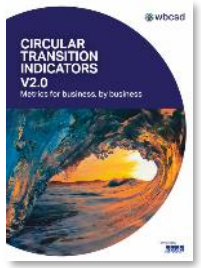


2020

Topics:

Close the Loop –
Material circularity
Optimize the Loop
Technical cycle

CTI v2.0

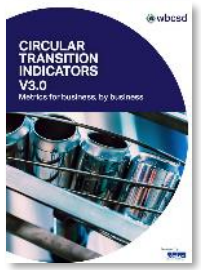


2021

Topics:

Close the Loop –
Water circularity
New module: **Value the Loop**
Biological cycle

CTI v3.0

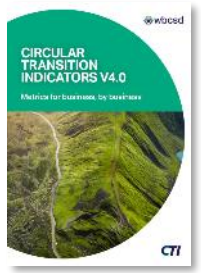


2022

Topics:

New module: **Impact of the Loop** - **GHG impact**
Actual lifetime
& Lifetime extension

CTI v4.0

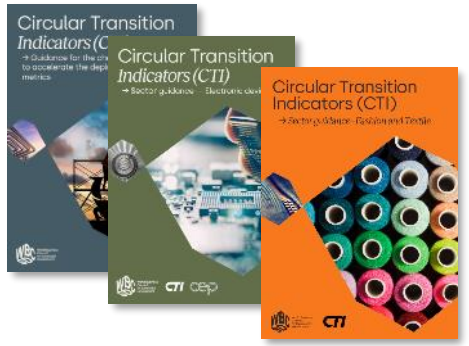


2023

Topics:

Impact of the Loop –
Nature impact
GHG impact – Outflow accounting

CTI Sector Guidance fashion, chemicals, electronics

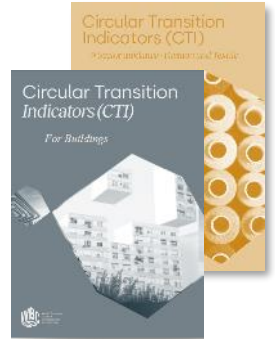


2024

Topics:

Fashion and Textile: CTI v.4.0 methodology adapted to sector
Electronics: CTI v4.0 methodology adapted per value chain actor
Chemicals: Close the Loop – Material Circularity

CTI fashion v2.0 CTI buildings



2025

Topics:

Buildings: CTI v.4.0 methodology adapted to sector

Fashion: refined CTI methodology adapted to sector needs

..which provides a tried and tested foundation for the GCP

QUANTITATIVE

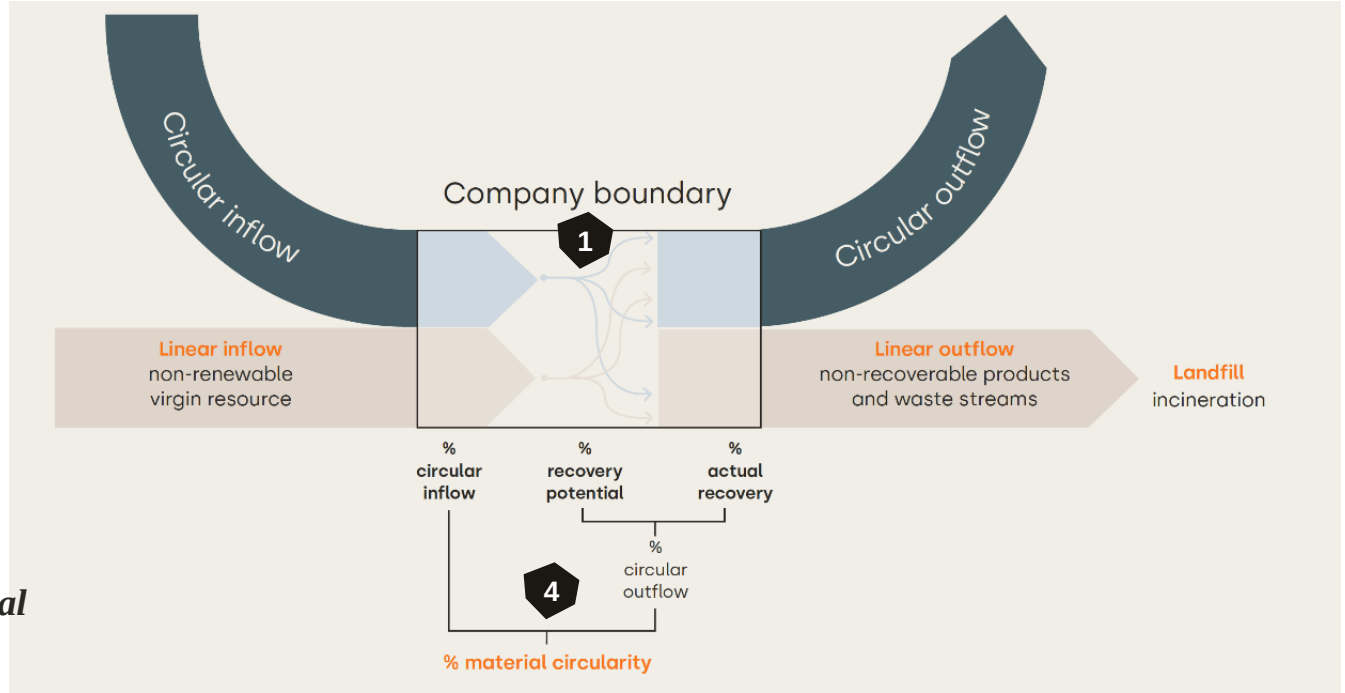
1. *Scope*
   ⇢ Determine the boundaries
2. *Select*
   ⇢ Select the indicators
3. *Collect*
   ⇢ Identify sources + collect data
4. *Calculate*
   ⇢ Perform the calculations

QUALITATIVE

5. *Analyze*
   ⇢ Interpret results
6. *Prioritize*
   ⇢ Identify opportunities
7. *Apply*
   ⇢ Plan + act

2 3

Select from four modules of material flow-focused circular performance indicators and collect data



Close the Loop

- % Material Circularity
- % Water Circularity
- Renewable Energy

Optimize the Loop

- % Critical Material
- % Recovery Type
- % Actual Lifetime
- % Onsite Water Circulation

Value the Loop

- Circular Material Productivity
- CTI Revenue

Impact of the Loop

- GHG Impact
- Nature Impact
- Social Impact (in development)

GCP Circularity disclosure framework

The GCP will enable companies to disclose circular performance, impacts, risks and opportunities related to resource use and the circular economy, reflecting a double materiality perspective

The Circularity disclosure framework will:

- ✓ Be voluntary and aligned with main reporting requirements (including ESRS E5)
- ✓ Enable frontrunners to disclose beyond regulation
- ✓ Enable the Financial industry to price in linear risks and circular opportunities

Companies will be able to disclose

Circularity performance

Sustainability impacts of circularity strategies (climate, nature, equity)

Financial impacts of circularity strategies

The GCP has the potential to drive 100 to 120 billion tons material savings

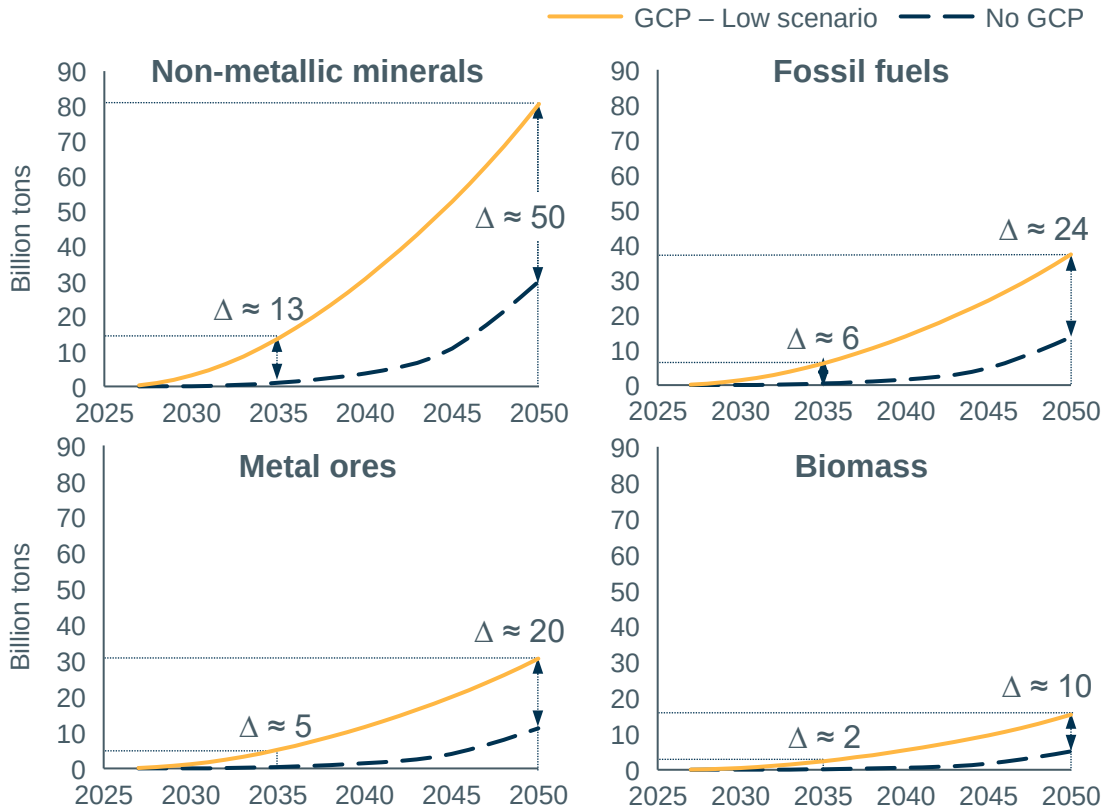
Impact

The GCP has the potential to yield around **100 to 120 billion tons** of **cumulative material savings*** over the next **25 years**

The GCP could, on average, yield material savings of **4% to 5% per year**; this would entail **around 4-billion-ton** savings **in 2050**, comparable to Africa's materials consumption in 2021

In absolute terms, **non-metallic minerals** and **fossil fuels** could be impacted the most, with a potential **total cumulative reduction** between **2026** and **2035** of **~13** and **~6 billion tons,** respectively

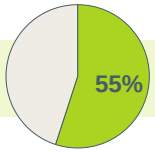
Total (cumulative) material savings compared to scenario without a GCP



Note: Material consumption against a scenario in which there is no GCP. The potential impact assumes the GCP is accompanied by a supportive operating environment including policy, finance and corporate enablers. Numbers in the graph have been rounded and therefore bars may be slightly larger or smaller than others despite showing the same value.

…and remove 67-76 Gt CO2e

Impact

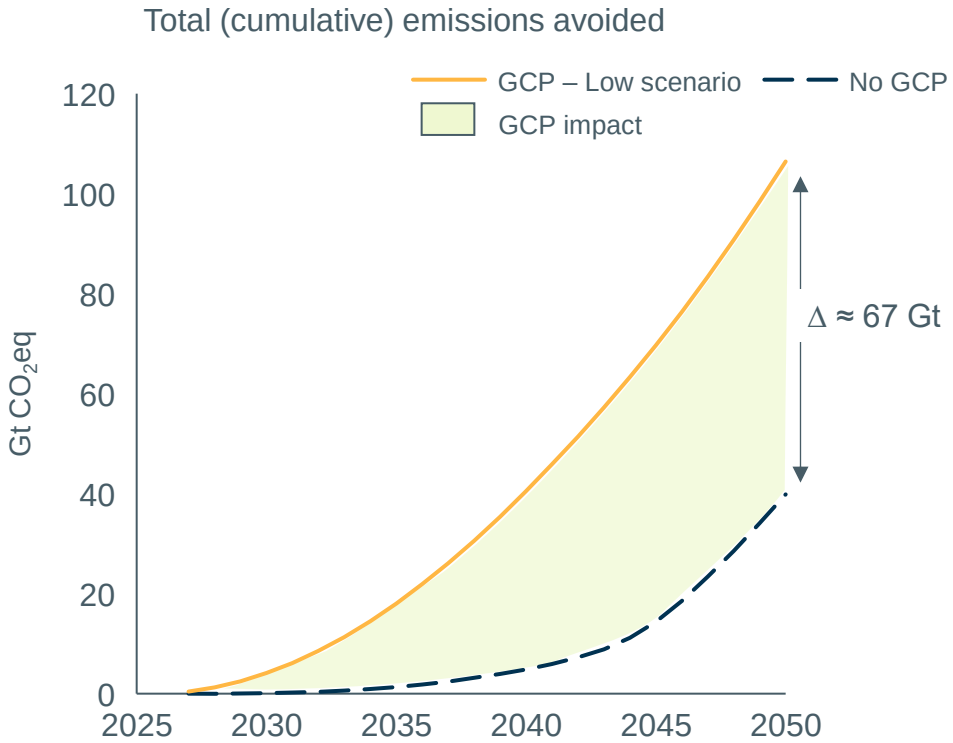


Material extraction and processing currently contribute to over **55%** of **global GHG emissions**[1]

GCP has the potential to **reduce around 67 to 76 Gt CO_2e**, cumulative over the next 25 years, compared to a no-GCP scenario

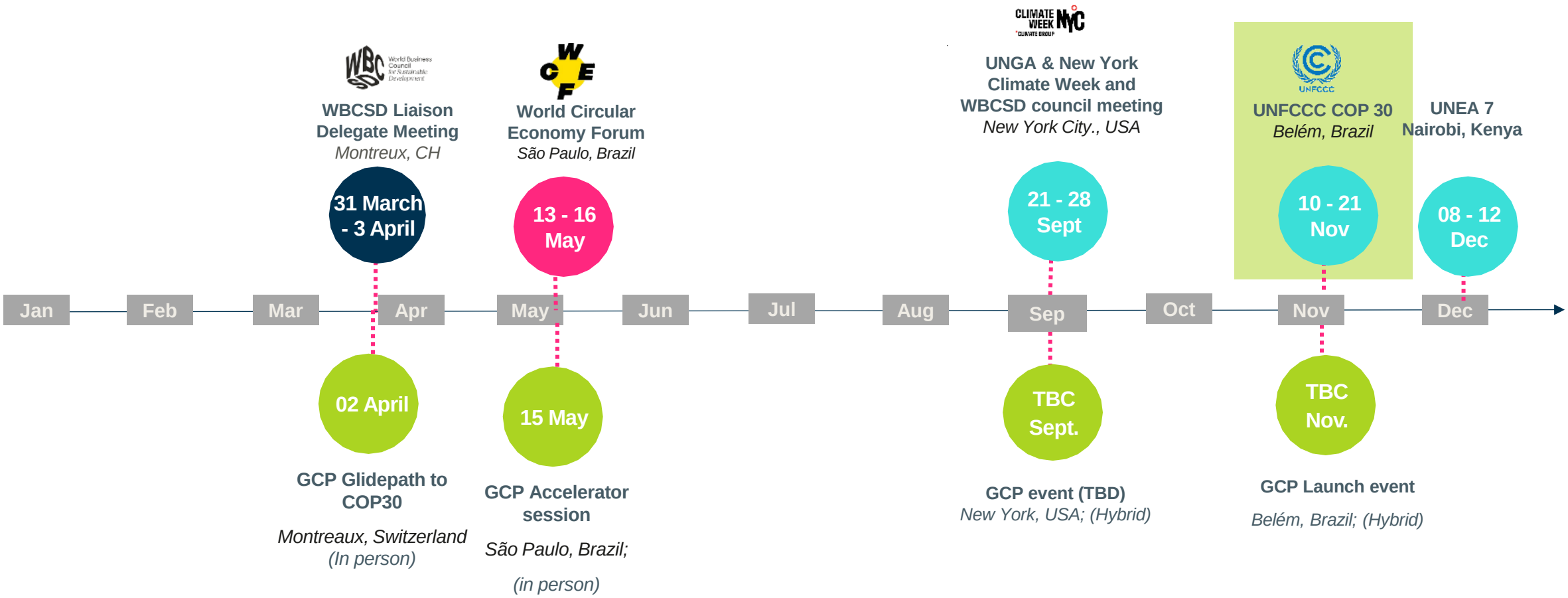
Equivalent to **1.3x** to **1.5x** the current annual global emissions

GCP has the potential to **reduce carbon emissions** between 2026 and 2050 by on average **6%** to **7% per year**



Note: Emissions avoided against a scenario in which there is no GCP. The potential impact assumes the GCP is accompanied by a supportive operating environment including policy, finance and corporate enablers.
Source: (1) United Nations Environment Programme (2024): Global Resources Outlook 2024: Bend the Trend – Pathways to a livable planet as resource use spikes. International Resource Panel. Nairobi.

The GCP Version 1 will launch at COP30 in November



WBCSD hosted events | External event with WBCSD presence | Intergovernmental policy event | GCP events

Thank You

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