



# The WWF Circular Business Assessment

## Frequently asked questions

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1. **Background**
2. **Circular Business Assessment**
3. **Benefits**
4. **Process**
5. **The role of WWF**
6. **Get started and company fit**

### **Background**

*Q: What is the circular economy and why is it important for companies to adopt a more circular way of doing business?*

A: The circular economy is an economic system that aims to eliminate waste and keep resources in use for as long as possible. This means moving away from the traditional linear "take-make-dispose" model towards a more circular and regenerative system. It is important for companies to transition to the circular economy because it can lead to cost savings, improved resource efficiency, and reduced environmental impacts.

*Q: How is transitioning to a circular economy beneficial for the environment and for the company itself?*

A: Transitioning to a circular economy is beneficial for the environment because it reduces the amount of resources necessary to fuel our economy, enables better materials management, and ultimately minimizes waste. Consequently, greenhouse gas emissions are reduced, the sustainable use of natural resources is promoted, and our natural capital, such as our water resources and biodiversity, is conserved. For companies, it can lead to reduced costs, increased resource efficiency, improved reputation, and new business opportunities.

### **Circular Business Assessment**

*Q: How does WWF Circular Business Assessment help companies understand their progress towards a circular business model?*

A: The WWF Circular Business Assessment is a tool that helps companies understand their current level of circularity and identify areas for improvement. It is designed to precisely elaborate on all components of corporate governance: looking into normative, strategic, and operative circularity. By using a set of criteria to evaluate the company's performance in various areas such as product design, resource use,



and waste management, the assessment provides a clear picture of the company's current circularity status.

*Q: How does the WWF Circular Business Assessment benefit the environment?*

A: The circularity assessment helps companies identify areas where they can increase circularity. This leads to a more effective and efficient use of resources, reducing the total amount of resources used, for example by promoting reuse, design for durability, and recycling, and thereby decreases the company's environmental footprint. By transitioning to a circular economy, companies can significantly reduce their impact on the environment and contribute to global efforts to mitigate climate change and protect natural resources.

*Q: What are some of the key areas of assessment covered in the circularity assessment?*

A: The Circular Business Assessment covers a range of topics related to normative, strategic and operational circularity. We examine a company's assessment of "Impacts & Dependencies" and "Risks & Opportunities" related to the circularity. "Strategies & Targets" set by a company, the "Corporate Culture" designed to facilitate a circular transformation, and the "Management Systems" to facilitate those strategies are crucial to guiding a company's circularity and are also assessed. When it comes to implementing circularity, we examine the implementation status in the "Operations & Value Chain". To become a Circular Business, we also evaluate a company's commitment to advocate on circularity, from "Industry Initiatives" to "Public Affairs" to transparency in "Reporting." The final but most important item for a company is implementation: we assess the status and maturity of a company's "Outcomes & Impacts". Each of the topics is assessed against a range of criteria to provide a specific assessment and make recommendations (e.g., product design, material use, waste management, supply chain engagement, and stakeholder communication). This assessment provides a comprehensive evaluation of a company's circular performance.

*Q: How does the CBA align with overall WWF work?*

A: To support businesses in driving meaningful change towards true sustainability and long-term success, WWF has created the One Planet Business Framework (OPBF). It defines sustainability's environmental (climate; freshwater, biodiversity) and social (human rights) themes and delineates clearly what it means for businesses to reach a One Planet maturity in each of them. To guide companies towards circularity, WWF has developed the Circular Business Assessment, a special focus tool to the WWF One Planet Business Framework.

*Q: How does the circularity assessment align with / differ from existing circularity assessments such as the EMF's Circulytics tool, or the CTI tool created by WBSCD?*

A: The CBA builds on existing assessment tools. Many of the questions in the framework are derived from a thorough analysis of these tools. But the CBA differs from existing tools in several ways.

Firstly, the CBA further expands on them by putting a special emphasis on the connection of circularity with sustainability. Secondly, and most importantly, the CBA's level of ambition goes much further than any of the existing tools. This is reflected in the scores that were achieved in the pilots, showcasing clearly that the CBA's ambition level is anchored in a long-term, science-based view of sustainability.



Thirdly, the CBA is integrated into the overall One Planet Business narrative and framework, setting it apart from stand-alone tools. And lastly, the CBA is more than an assessment tool, as it is the basis of our consulting work, and as such a much more collaborative approach towards developing circularity further in the business.

*Q: How does the circularity assessment align with other sustainability frameworks or initiatives, such as the UN Sustainable Development Goals (SDGs) or Science Based Targets (SBTs)?*

A: The circularity assessment is designed to be compatible with a variety of sustainability frameworks and initiatives, including the UN Sustainable Development Goals and Science Based Targets. By aligning with these broader sustainability initiatives, companies can ensure that their circularity efforts are part of a larger global movement towards sustainability.

*Q: How does the circularity assessment align with EFRAG/ESRS?*

A: The assessment covers relevant themes of the ESRS (E5) - Resource Use and Circular Economy, in relation to circular economy from a management and strategy perspective and prepares companies for the reporting process. The CBA is a support system for finding and reporting on the data concerning the circular economy status of the company. This data can be used to report on the respective ESRS topics.

## **Process**

*Q: What is the process for conducting the circularity assessment and how long does it take?*

A: The circularity assessment is conducted through an engagement process with key internal stakeholders (e.g., executives, sustainability team, subject matter experts), data collection, and analysis. A questionnaire is designed to gather information on the company's current performance and identify areas for improvement. The process is marked by regular meetings and a thorough results presentation and discussion. The process can take several weeks to complete, depending on the size and complexity of the company being assessed.

*Q: Which data and resources are needed for the process of the assessment?*

A: The assessment is a structured process that involves completing a detailed questionnaire covering a range of topics related to sustainability and the circular economy. In addition, a range of interviews with key internal stakeholders is conducted. The data collected is then analyzed and the results are presented to the company along with recommendations for improvement. Company data is verified through public and internal documents.

*Q: Will completing the assessment require a lot of time and resources from my company?*

A: The amount of time and resources required to complete the circularity assessment will depend on the size and complexity of your company's operations. However, the assessment is designed to be user-friendly and streamlined, and WWF provides support and guidance throughout the process.

*Q: How do I know my data will be treated confidentially?*



A: All data collected during the assessment is treated as confidential and is only used for the purpose of evaluating the company's sustainability performance and further improving WWF's approach to creating impact within its work with businesses and markets. The WWF follows strict data privacy policies and procedures to ensure that all data is kept secure and confidential.

Q: *How often should my company complete the circularity assessment?*

A: The Circular Business Assessment can theoretically be conducted only once. However, to track and highlight progress, it should be conducted every two years. It will then also provide new ideas for improvement over time.

## **Benefits**

Q: *Why should my company do the assessment?*

A: The assessment is a tool to help companies understand their progress towards a circular business and identify opportunities for improvement against the state-of-the-art benchmark developed by WWF, the world's largest conservation organization, in cooperation with Taival, a consultancy that works on the intersection of strategy, circular economy, ecosystems and digital technology. Companies work closely with our experts. The assessment provides a comprehensive overview of the company's sustainability performance and helps prioritize actions to achieve circularity targets. Companies benefit from working closely with WWF experts, who act as "critical friends" and facilitate stakeholder engagement and discussion of individual roadmap towards circular business. Findings and recommendations are not only prepared and delivered, but also discussed and analyzed thoroughly in joint workshops. The assessment can also be used as a tool to develop a circular strategy for your company or to review and adapt your existing circular strategy, all of which can form the basis of a more extensive partnership with WWF.

Q: *How does the WWF Circular Business Assessment help companies prioritize their circular economy initiatives?*

A: The WWF Circular Business Assessment identifies areas where a company is doing well and areas where there is room for improvement. By highlighting the most critical areas for improvement, the assessment can help companies prioritize their circular economy initiatives and focus their efforts where they will have the greatest impact. During the evaluation process, companies also benefit from in-depth discussions with WWF experts and partners.

Q: *What are the potential outcomes for a company after completing the WWF Circular Business Assessment?*

A: The potential outcomes for a company after completing the WWF Circular Business Assessment can include a better understanding of its circularity performance, identification of areas for improvement, a high-level circular transformation roadmap, increased stakeholder engagement, improved reputation, preparedness for reporting requirements, and cost savings. Through engaging in the assessment process, internal company stakeholders are trained in circularity and engagement process to integrate circularity throughout the business is kicked off.

Q: *How can companies use the results of the circularity assessment to improve their sustainability and circularity performance over time?*



A: Companies can use the results of the circularity assessment to develop a circular economy roadmap that outlines the actions they will take to improve their circularity performance over time. This roadmap can help companies set clear targets, allocate resources, and track progress towards a more circular and sustainable business model. In addition, the assessment can be completed in a two-year cycle to track progress and refine strategies and measures.

Q: *Will completing the assessment give my company a competitive advantage in the market?*

A: Yes, transitioning to a circular economy can help companies stand out in the market and differentiate themselves from competitors. Customers and investors are increasingly looking for companies that prioritize sustainability and have a clear plan for reducing their environmental impact. Furthermore, the assessment can potentially be used to demonstrate your company's commitment to sustainability and circularity to investors and stakeholders. This can help attract funding and support for your initiatives.

## **The role of WWF**

Q: *What kind of support can my company expect from WWF in completing the assessment?*

A: WWF provides guidance and support throughout the assessment process, including training materials, online resources, expert discussion, and personal assistance from WWF experts. Our One Planet Business team is part of the entire process to facilitate further learning opportunities and provide a further, more business-centric, perspective.

Q: *What will WWF do with the assessment?*

A: WWF uses the assessment to evaluate the sustainability performance of companies and provide recommendations for improvement. The data collected during the assessment is used internally to track industry trends and inform policy recommendations to promote sustainability and a circular economy. If specifically agreed upon, WWF may also choose to communicate the results together with the company, for example to showcase industry leadership in sustainability performance.

## **Get started and company fit**

Q: *How do we access the WWF Circular Business Assessment tool and get started?*

A: To access the circularity assessment tool, you can contact WWF and express your interest in participating. WWF will provide you with the necessary materials and guidance to get started.

Q: *Does the assessment support all companies at different circular maturity levels?*

A: The assessment provides all companies independent of their circular maturity level with a clear understanding of their circularity performance, especially in relation to sustainability objectives, and highlights areas for improvement. This information can be used to set targets and prioritize actions to achieve circularity goals. The



assessment also provides a benchmark for the company's sustainability performance compared to others in the industry.

*Q: Can the circularity assessment be customized to fit the specific needs and challenges of my company?*

A: Yes, it is possible to include specific needs and challenges of an individual company. However, the adjustment is best discussed in a bilateral meeting with our expert.

*Q: Will the results of the assessment be publicly available or made public in any way?*

A: No, the results of the assessment are kept confidential and are only shared with the company that completed the assessment, if not agreed otherwise. However, WWF's goal is to create a movement of companies working towards a sustainable circular economy. Viewed from this perspective, the publishing of case studies, assessment findings and scores, can have a benefit for the market. To meet this goal, we may ask the company to share its assessment results in a specific format. The decision to share information ultimately remains with the company.