Global Circularity Protocol for Business

BCSD Hungary

Global Circularity Protocol
for business

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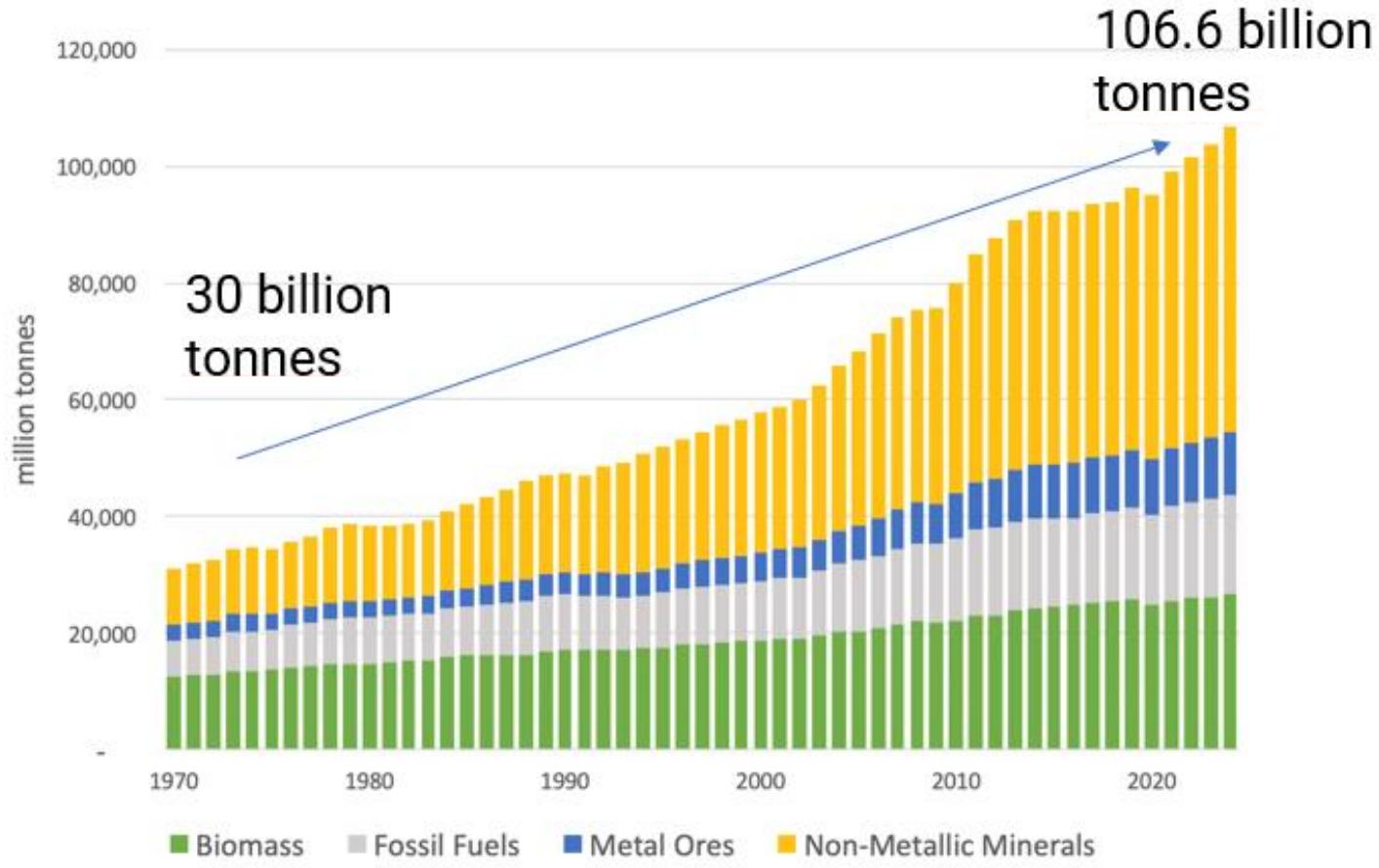
20 November 2024

Unsustainable resource use is a key driver for the Triple Planetary Crisis

“A projected 60 per cent growth in resource use by 2060 could derail efforts to achieve not only global climate, biodiversity, and pollution targets but also economic prosperity and human well-being” (IRP, 2024)

We must decouple resource extraction from economic prosperity

Circular economy has the potential to decouple economic growth from resource extraction and environmental degradation



Source: IRP (2024) Global Resources Outlook 2024.

Businesses are ready to seize the Circularity Opportunity

$4.5 trillion
ECONOMIC OPPORTUNITY BY 2030

6 M Jobs
NET INCREASE BY 2030

5 M ha
ARABLE LAND PROTECTED FROM DEGRADATION

39%
CO2 EMISSION REDUCTION POTENTIAL

98%
OF CEOS FEEL IT IS THEIR ROLE TO MAKE BUSINESS MORE SUSTAINABLE

- Circularity as a **critical mitigator of the Triple Planetary Crisis**: drives decarbonization, helps halt global biodiversity loss, and offers economic and well-being gains

- Realizing the **business risk of inaction** and that social and environmental performance can be improved by adopting circular approaches, the progressive **global business community is ready to lead the way**

- However, businesses are struggling to transition to “circularity” at scale due to the **lack of harmonized circularity methodologies and accounting metrics for reporting and disclosure of circularity performance**, as well as harmonized policy incentives

Source: Peter Lacy and Jakob Rutqvist (2015); ILO (2018); Velasco-Muñoz et al. (2022); Circle Economy. (2021); Circle Economy (2024); UN Global Compact and Accenture (2022). Full reference in the speaker notes

Global Circularity Protocol for Business (GCP)

By **2026** GCP becomes the **go-to global voluntary framework** to:

Address **accountability gaps** and **help businesses navigate** the various frameworks and standards for setting circularity-related targets and disclosing related information

Provide policymakers with **practical policy levers** to **address the roadblocks** that impede leading companies from scaling and speeding up their circular transition.

4 key workstreams

WS1 **Circular Transition Impact Analysis**

WS2 Corporate Performance and Accountability System (CPAS) for Circularity

WS3 Policy Framework for Circularity

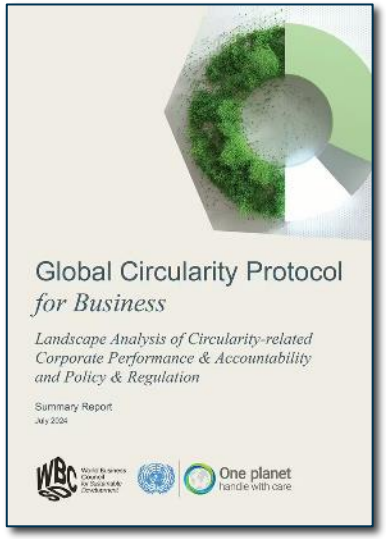
WS4 Science-based targets for circularity

GCP has attracted over 75 organizations and individuals (2025)

Global Circularity Protocol for Business

*By 2026, the Global Circularity Protocol for business will be the go-to action framework to guide companies in **target-setting, measuring, reporting and disclosing progress** on resource efficiency and circularity, combined with comprehensive and targeted **policy guidance** in order to accelerate the shift towards circular business models and a regenerative economy.*

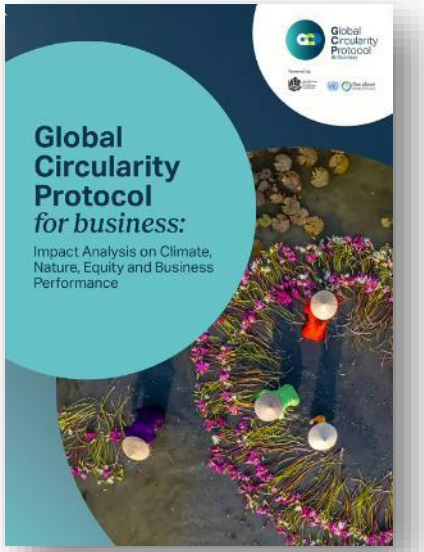
Q3 publications



Global Circularity Protocol for Business Landscape Analysis

Landscape Analysis of Circularity-related Corporate Performance & Accountability and Policy & Regulation

LINK

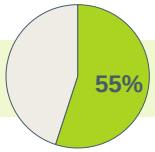


Global Circularity Protocol for Business Impact Analysis

GCP Impact Analysis on Climate, Nature, Equity, and Business Performance

LINK

The GCP can enable businesses to tackle decarbonization quicker

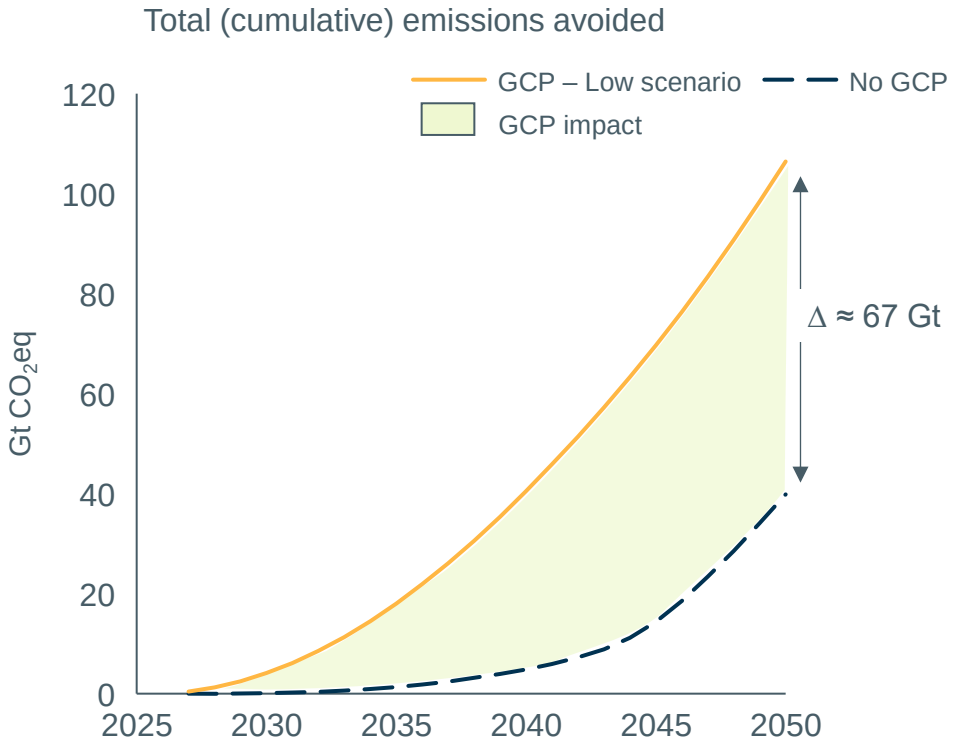


Material extraction and processing currently contribute to over **55%** of **global GHG emissions**[1]

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

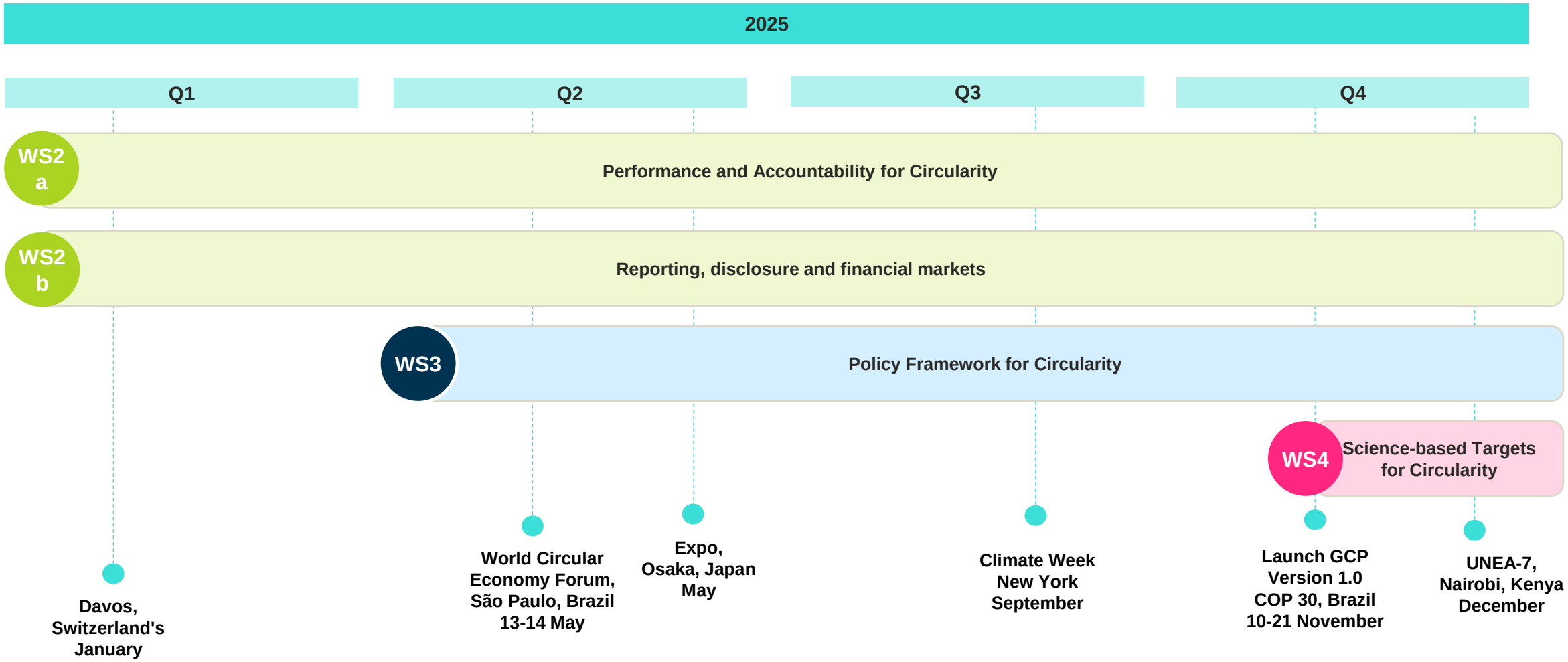
Equivalent to **1.3x** to **1.5x** the current annual global emissions

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.

GCP 2025 Timeline



Thank You

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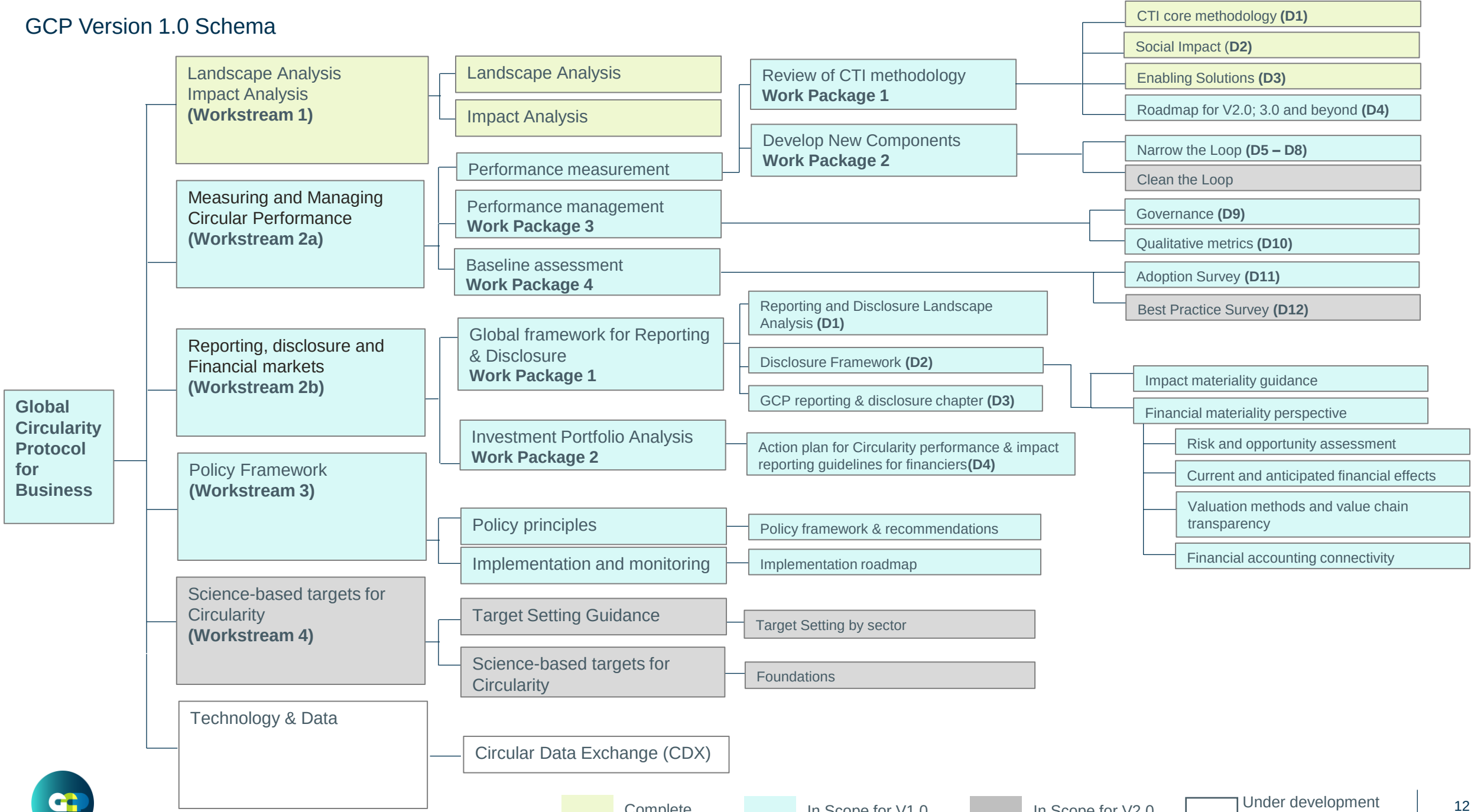
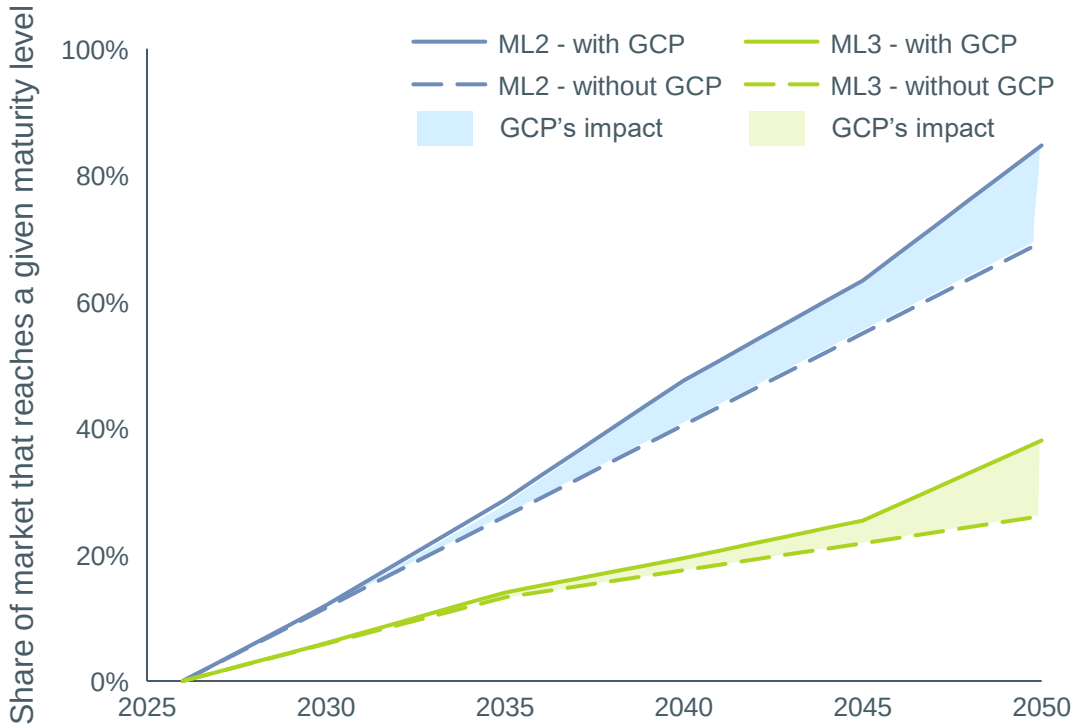
Annex

GCP Version 1.0 Schema

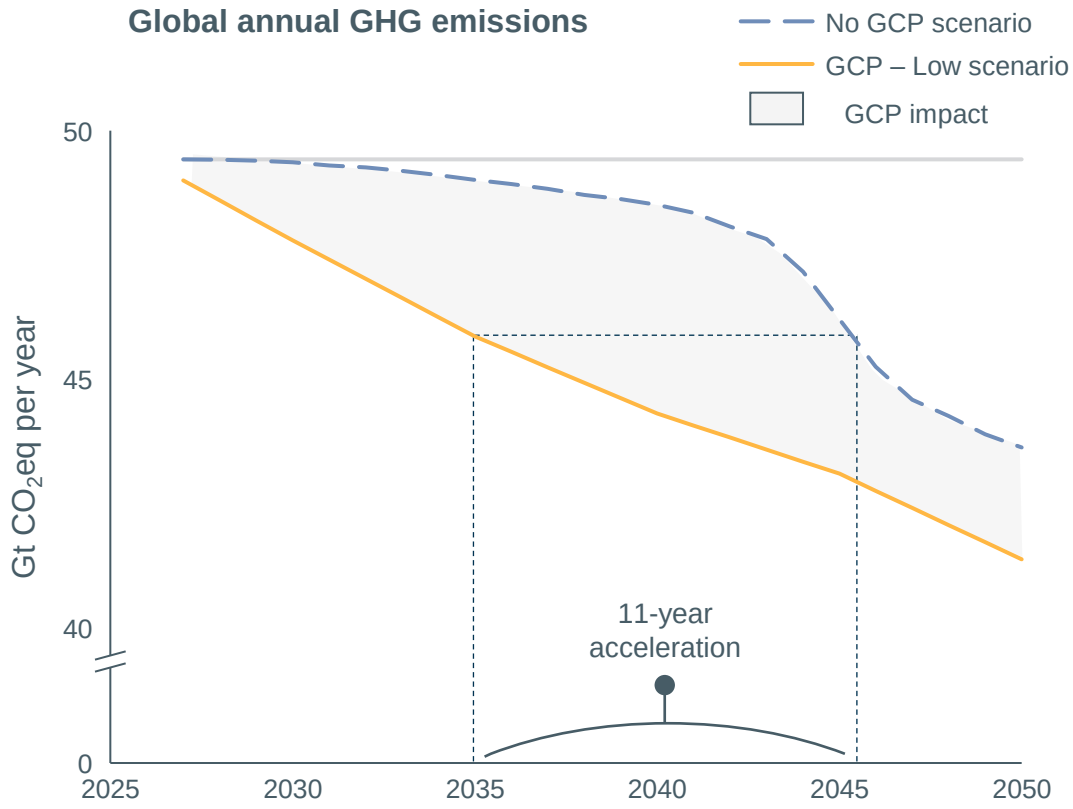


Supported by policy, financial, regulatory and other measures, by 2035 the GCP could accelerate circular maturity by 11 years

Circular maturity in the global market for the four high impact sectors



Global annual GHG emissions



- The developments of the Carbon Disclosure Project (CPD) for disclosures and GHG Scope 2 and 3 target-setting, where used as a proxy for the GCP's market share development of Maturity Levels 2 and 3

- Impact modelling results based on 11 CGR® interventions

The GCP can help businesses to reduce negative impacts on nature and biodiversity

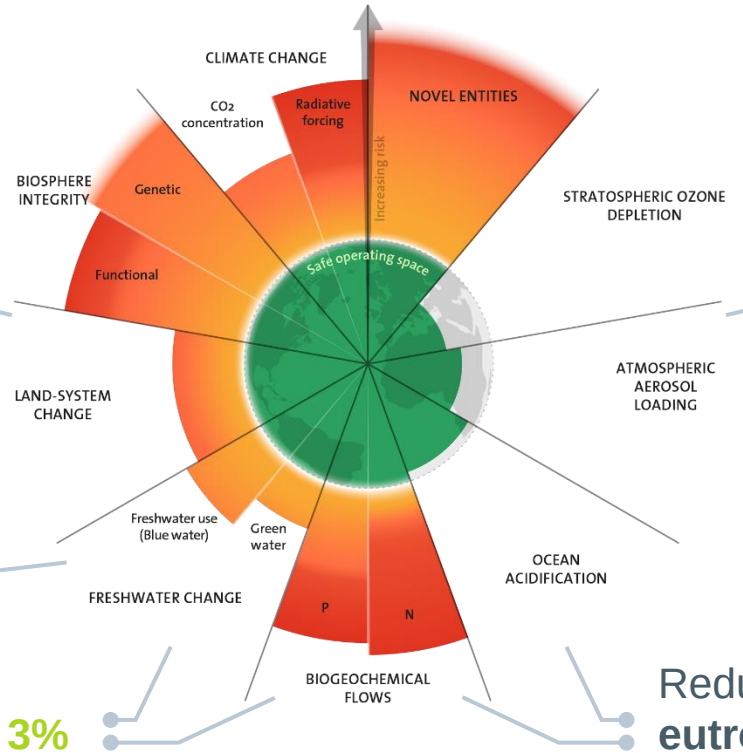
The **extraction** and **processing** of natural resources leads to **>90% of global biodiversity loss** and **water stress**, among others due to **land use** and **water eutrophication**.

GCP has the potential to, *on average, per year from 2026 to 2050*, compared to a scenario without a GCP…

Reduce **arable land occupation** by **1% to 2%,** in 2050 this will be equivalent to the **size of Ethiopia**

Reduce **water scarcity** by **~2%**

Reduce **freshwater eutrophication** by **2% to 3%**



Decrease particulate matter **pollution** by **11% to 12%**

Reduce **marine eutrophication** by **1% to 2%**

Note: (*) Although material consumption is not directly part of the planetary boundaries, it is a driver in reducing impacts on biodiversity and nature through reduced virgin resource extraction.
Sources: Biodiversity and the circular economy (ellenmacarthurfoundation.org); Planetary boundaries - Stockholm Resilience Centre; Coastal eutrophication drives acidification, oxygen loss, and ecosystem change in a major oceanic upwelling system | PNAS