

Circular solutions for Nature – selection criteria

4 themes: viability, innovation, circularity & nature

| Theme | Weight | Criterion | Description | Parameters to support | 0 point | 1 point | 2 points | 3 points |
|-------------|--------|---|---|--|---|--|---|---|
| Viability | 15 % | Business model viability | The solution builds on or lacks a coherent and scalable business model, and links to identified client demand, and a competitive strategy connected to classic approaches. | Does the business model and revenue generation logic make sense? Are the main customers clearly defined? What are the costs and benefits of the solution – does the solution bring the organisation and its clients clearly measurable benefits? | The solution has an unclear business model and the underlying business logic is weak. Benefits to the client require more evidence. | The solution has a strong business model, but the benefits to the client require more evidence. The cost-benefit ratio of the solution in relation to the traditional solution is still at a relative disadvantage | The solution has a strong business model. The benefits to the client are well identified. The cost-benefit ratio of the solution in relation to the traditional solution is neutral. | The solution has a strong business model. The benefits to the client are well identified, defined, communicated and applicable in different markets. The cost-benefit ratio of the solution in relation to the traditional solution is superior also outside of its own context. |
| | 10 % | Economic viability | The extent to which the solution has proven economic viability through already showing a track record of the viability of the business; for example in terms of funding, market entry, generating revenue and making profits. | Two evaluation streams based on, if the company already has a product/service in the market or if it's still in the development phase. 1) If the product/service is not yet on the market: - At what stage is the development and when is the expected market entry? - Has the company been able to secure funding for making the solution market-ready? 2) If the product/service is in the market: - Has the company been able to secure funding for expanding the business? - How much has the solution generated revenues in recent years? - Does the solution already generate profits to the organisation or investors? | 1) The solution is at an early stage and is more in the phase of ideation and concept development. There is no evidence of concrete business pilots and development activities. 2) Not possible to get 0 points (1 point is minimum) | The solution has been developed further, but it is still unclear when the product/service will be available in the market. The company has been able to secure at least a small amount of funding for developing the solution. The solution has entered the market and has generated revenues during 1-2 years, but has not proven to be profitable. The company has been able to secure funding. | The solution is close to market entry and it has been able to secure significant funding to make the solution market-ready. The solution has entered the market and has generated revenues during three or more years, but has not proven to be profitable. The company has been able to secure substantial funding. | Not possible to get 3 points (2 points is max) The solution generates profit and has a track record of being economically viable. The market position is well established and sustainable growth can be anticipated. |
| | 10 % | Innovation factor | The solution is innovative from the perspective of circular business models and the solution clearly contributes to halting biodiversity loss. The extent to which the solution uses circular business models to stimulate people's excitement in nature and circular solutions. | Does the solution have new and innovative approaches from a CE (circular economy) perspective? Is the solution marketed with a strong emphasis on circularity with the benefits of the solution communicated in a way that raises people's interest? Are the nature benefits captured in the communication? Metrics: The application and communication of: - business models that unlock more value from what was previously an undervalued and overlooked resources - Novel materials - Design that allows for longer-lasting products and less material use - Effective use of digital technology - Benefits for nature (e.g. for soils, habitats or mitigation of pressures which result in tangible impacts on biodiversity) | Limited use of CE, little novelty in the application and limited communication of the CE work | Some CE use, but more focused on conventional practices (e.g. waste-reducing practices), some limited communication of the CE work. | One or more CE practices are used in a constructive way (e.g. with novel materials and through digital technology), and the idea engages with the consumer or customer to increase their interest in the product/service offering, with some communication of the benefits. | One or more solutions clearly communicate the benefits of CE through new perspectives, effectively engaging with the consumer or customer through disruptive design, by unlocking value from previously overlooked resources, by valorising products in new ways, or by generating tangible benefits for nature while generating revenues. |
| Circularity | 10 % | Mitigation hierarchy | The solution's potential to contribute to a circular and nature-positive transition, in line with the mitigation hierarchy and SBTN's ARRTT framework. | Does the solution help to: - Avoid (rethink, repair, share, as-a-service models and reuse)* - Reduce (remanufacture, recycle) - Regenerate <i>*The distinction between avoid and reduce is contingent on the selection of headline and application of business model. The separation applied here is a simplification.</i> | The solution does not clearly benefit biodiversity outcomes, or it only contributes to biodiversity offsets or restoration efforts (which fall outside the scope of the circular economy). | The solution helps drive regenerative outcomes (e.g. in forests, on fields or in waterways) - remanufacturing - recycling | The solution helps to reduce impacts from resource use by: - repairing - sharing resources, or as-a-service models - reuse - design based on reducing input needs or by unlocking value from underused resources | The solution helps to avoid and reduce impacts from resource use by: - repairing - sharing resources, or as-a-service models - reuse - design based on reducing input needs or by unlocking value from underused resources |
| | 10 % | Use of existing assets | The solution's utilisation of existing resource stocks | Does the solution make use of existing assets. | The solution requires the production of new products, made out of virgin materials. For food, there is little to no change to the volumes (and associated acreages) sourced. | The solution requires the production of new products, but it can use secondary raw materials for more than 50% of the mass or 50% of the environmental impacts caused. For food, by-products are used but downcycled (e.g. for biogas or composting). | The solution requires the production of new assets, but these can be almost fully made from secondary raw materials. For food, by-products are effectively made use of in creative ways, or waste levels are reduced (e.g. through partnerships or IoT solutions). | The solution almost fully creates value from existing idle resource stocks. For food, input requirements are radically reduced or value is created from stocks for which there is little competition. |
| | 25 % | Size of the underlying problem | The land-use-related impacts associated with the sector in which the circular solution is present. | Urgency and impact of the problem addressed by the solutions, per the four hotspot sectors in the Tackling root causes study, or if a significant change in land use can otherwise be identified. | The solution is not found in a sector with a high level of impact on biodiversity. | A clear land-use-related biodiversity impact is apparent from the other answers in the application, regardless of sector. | The solution helps reduce the need for land use in the forest, fibres & textiles, buildings & construction sectors, or it is built on regenerative agriculture with measurable biodiversity benefits. | The solution is in the food & agriculture sector (e.g. protein or food waste solutions), or it helps reduce the consumption of the seven commodities listed in the EU Deforestation Legislation (EUDR). |
| Nature | 5 % | Nature targets | Presence of a nature target This criterion applies to companies with 50 or more employees. | Score the nature/biodiversity targets on if they are in line with a safe operating space, time-bound and measurable, e.g.: - lifetime/use rate/recirculation for materials - a relevant BD indicator for the state of nature - or as a quantified change to a driver of biodiversity loss Publicly available documentation is a prerequisite for receiving points for this criterion. | No nature target, or a stated target without any publically listed reference to the target | There is a time-bound nature target, but there is a high level of ambiguity in terms of measurability, and different impact targets are not listed. At least one publically available reference to the target, or a sharable working document | There is a time-bound measurable nature target with at least one impact-specific sub-target listed. At least one reference to the target is available on the company's website. | There is a time-bound measurable nature target with at least two impact-specific sub-targets listed. The target is anchored in the planetary boundaries framework, and there are mentions of how the target will be tracked. At least one reference to the target is available on the company's website. |
| | 5 % | Resource use target | Presence of a resource target This criterion applies to companies with 50 or more employees. | Score the resource target on if it is overarching or specific to different resources, and if it is efficiency-based or in absolute terms. Publicly available documentation is a prerequisite for scoring this criterion. | No resource target, or a stated target without any publically listed reference to the target. | No overarching resource target available, but there is a time-bound and measurable target for at least one material. At least one publically available reference to the target, or a working document sharable upon request. | There is an overarching resource productivity target. At least one reference to the target is available on the company's website. | There is an overarching resource target with a stated target for absolute use of virgin ^{***} natural resources that is lower ^{**} than today's level. At least one reference to the target is available on the company's website. |
| | 10 % | Environmental impacts in the value chain | Mapping environmental impacts, including nature impacts, in the organisation's value chain. This criterion applies to companies with 50 or more employees. | Score the materiality assessment based on its scope and scale, in particular with regard to its inclusion of biodiversity. Publicly available documentation is a prerequisite for scoring this criterion. | No materiality assessment has been conducted. | A materiality assessment has been conducted, but biodiversity is not included. At least one publically available reference to the target, or a working document sharable upon request. | A materiality assessment has been conducted, and biodiversity impacts have been estimated for at least one material stream, at least with secondary data for one pressure at one production site. At least one reference to the target is available on the company's website. | A materiality assessment has been conducted, and pollution, emissions and land-use pressures have been estimated with at least secondary data for all own-operation sites and for at least one upstream activity, and secondary estimates of nature values have been made for at least one site. At least one reference to the target is available on the company's website. |
| 100 % | | | | | | | | |

^{**} For food companies, the target may be productivity-based rather than absolute, e.g. targeting reductions in input levels.

^{***} The baseline would be subject to change in case of acquisitions and similar, to allow businesses to grow.