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Circular economy — Review of existing value networks

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### ISO/DTR 59032

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# **Foreword**

ISO (the International Organization for Standardization) is a worldwide federation of national standards bodies (ISO member bodies). The work of preparing International Standards is normally carried out through ISO technical committees. Each member body interested in a subject for which a technical committee has been established has the right to be represented on that committee. International organisations organizations, governmental and non-governmental, in liaison with ISO, also take part in the work. ISO collaborates closely with the International Electrotechnical Commission (IEC) on all matters of electrotechnical standardisation.

The procedures used to develop this document and those intended for its further maintenance are described in the ISO/IEC Directives, Part 1. In particular, the different approval criteria needed for the different types of ISO documents document should be noted. This document was drafted in accordance with the editorial rules of the ISO/IEC Directives, Part 2 (see <a href="www.iso.org/directives">www.iso.org/directives</a>).

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This document was prepared by Technical Committee ISO/TC 323, Circular Economyeconomy.

A list of all parts in the ISO/TC323 series can be found on the ISO website.

Any feedback or questions on this document should be directed to the user's national standards body. A complete listing of these bodies can be found at <a href="https://www.iso.org/members.html">www.iso.org/members.html</a>.

# Introduction

**0.1** The global economy can be characterized as "linear" as it is mainly based on extraction, production, use and disposal. This linear economy leads to resource depletion, biodiversity losses, waste and pollution causing serious damage to the capacity of <u>ourthe</u> planet to continue to provide for the needs of future generations. Moreover, several planetary boundaries <u>archave</u> already <u>been</u> reached or exceeded.

To meet our current and future human needs (welfare, housing, nutrition, healthcare, mobility, etc.), there is an increased understanding that a transition towards an economy that is more circular, based on a circular flow of resources, can create and share more value with society and stakeholders, while natural resources are managed and regenerated in a sustainable way, securing the quality and resilience of ecosystems.

Organizations recognize many potential reasons to engage in a circular economy—(e.g., delivering more competitive, and sustainable solutions; improved relationships with stakeholders; more effective and efficient ways to fulfil voluntary commitments or legal requirements; engaging in climate change mitigation or adaptation; managing resource scarcity risks; increasing resilience in the environmental, social and economic systems, while contributing to satisfying human needs.

The ISO 59000 series family of documents standards (see Figure 1) is designed to harmonize the understanding of the circular economy and to support its implementation and measurement.

The series These standards also supports support organizations, such as government, industry, and non-profit organizations, in contributing to the achievement of the United Nations (UN) Agenda 2030 for Sustainable Development.

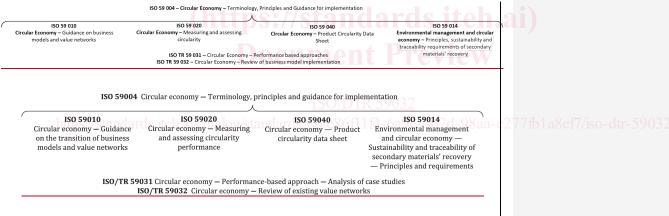


Figure 1: \_\_ ISO 59000 series family of documents standards

**0.2** In this series, ISO 59004<sup>1</sup>, ISO 59010<sup>2</sup> and ISO 59020<sup>3</sup> are interconnected, as shown in Figure 2, and support organizations in implementing a transition towards a circular economy.

<sup>&</sup>lt;sup>1</sup> Under preparation.

<sup>&</sup>lt;sup>2</sup> Under preparation.

<sup>&</sup>lt;sup>3</sup> Under preparation.

ISO 59004 – Terminology, Principles and Guidance for implementation

Defines what the circular economy is and shares its vision, principles, and general guidance including how it can be implemented and contribute to sustainable development

ISO 59010 – Guidance on business models and value networks

Provides business-oriented guidance on how to achieve a circular economy by setting goals, identifying circularity aspects to be addressed, and taking actions

ISO 59020 – Measuring and assessing circularity

Provides a structured approach to measure and assess circularity performance and sustainability impacts based on standard indicators and complementary methods

Interconnection between ISO 59004, ISO 59010 and ISO 59020

ISO 59010 - Guidance ISO 59004 – Terminology, ISO 59020 - Measuring on the transition of business principles and guidance and assessing circularity models and value networks for implementation performance Provides a structured Defines what the circular Provides business-oriented economy is and shares its approach to measure and guidance on how to achieve vision, principles and assess circularity a circular economy by setting general guidance including performance and goals, identifying circularity how it can be implemented sustainability impacts based aspects to be addressed and and contribute to sustainable on standard indicators and taking actions development complementary methods Interconnection between ISO 59004, ISO 59010 and ISO 59020

Figure 2: \_\_ Relationship between ISO 59004, ISO 59010 and ISO 59020

**0.3** ISO 59010 is a technical report that provides guidance on supporting an organisation's organization's business model and processes from linear to circular by transforming an organisation's organization's business ecosystem into a value network. The contents of this document support the users of ISO 59010 in providing further detail on the development of value networks in a circular economy. In the development of ISO 59010, a survey was conducted to review and analyse the examples of globally existing value networks. AnThis document provides an analysis of the survey results are presented in this document. This report. It reviews examples of value networks to illustrate their characteristics and structures and how they can accelerate a circular economy transition process, and sotherefore supports ISO 59010.

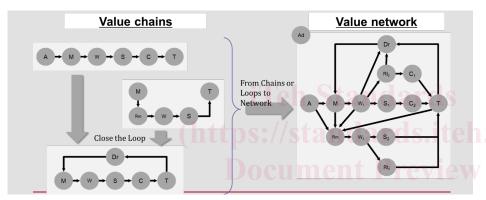
The reportThis document investigates suitable examples of value networks to promote circular economy transition. The characteristics and structure of the value networks reflect multiple organisation cooperation. The multiple organisations work together to advance their businesses and accelerate

their circular economy transition process. A specific <u>organisationorganization</u> does not necessarily control the others. This <u>report will addressdocument addresses</u> the methods used to establish and organize a value network to meet the desired requirements.

This document proposes directions for future standardisation in the field of value networks relevant to the circular economy. The Technical Report collects and analyses existing relevant cases, informative examples (IEs) of the creation of value networks, to demonstrate what is a value network in the context of the circular economy. A general image of the value network discussed in this document is shown in Figure 3.

# The objectives of this document are:

- to provide useful information by analysing existing value networks;
- to enhance understanding of the success factors and enablers for creating value networks derived from examples.



<del>Key</del>

SO/DTR 59032

A: Raw materials acquisition rds. iteh.ai/catalog/standards/iso/e86f11f4-6a9e-4b2d-98aa-t277fb1a8ef7/iso-dtr-59032

M: Manufacturing

W: Wholesaling

S: Service

C: Consumer

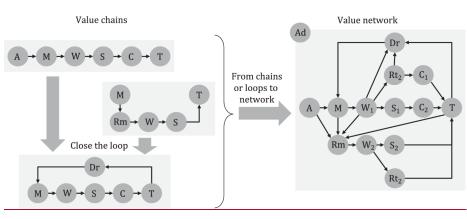
T: Collection and take-back

Rm: Remanufacturing and reusing

Rt: Retailing

Dr: Disassembling and recycling

Ad: Research, association and administration



<u>Key</u>

A raw materials acquisition

M manufacturing

W wholesaling

<u>service</u>

C consumerT collection and take-back

Rm remanufacturing and reusing

Rt retailing

<u>Dr</u> <u>disassembling and recycling</u>

Ad research, association and administration

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Figure 3 — General process from value chains to a value network

# <u>Circular economy — Review of existing value networks</u>

# 1 Scope

This document reviews the characteristics and structures of some existing value networks as informative examples in accelerating a circular economy transition process.

The objectives of this document are:

- to provide useful information for the development of future related standards and guidelines by analysin existing value networks;
- to enhance understanding of the success factors and enablers for creating value networks derived from Informative examples (IEs).

ISO 59010 <u>isgives</u> guidance on a critical aspect in transitioning an <u>organisation'sorganization's</u> business model and processes from linear to circular and transforming an <u>organisation'sorganization's</u> business ecosystem into a value network. This document complements—the ISO 59010 by providing further information on value networks.

# 2 Normative references

There are no normative references in this document.

# 3 Terms and definitions

For the purposes of this document, the <u>following</u> terms and definitions—given in this section, which have been discussed in the ISO/TC323 and its WGs, and the following apply.

ISO and IEC maintain terminological terminology databases for use in standardisationstandardization at the following addresses:

- ISO Online browsing platform: Available available at <a href="https://www.iso.org/obp">https://www.iso.org/obp</a>
- IEC Electropedia: available fromat https://www.electropedia.org/

NOTE: Not all the definitions in this draft are not consistent with ISO WD 59004.

### 3.1

# circular economy

economic system that uses a systemic approach to maintain a circular flow of resources by regenerating, retaining or adding to their value, while contributing to sustainable development

Note 1 to entry: Resources can be considered concerning both stocks and flows.

[SOURCE: ISO 59004:—, 3.1.1, modified — "regenerating" replaced "recovering" in the definition. Note 2 to entry deleted.]

3.2

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### common infrastructure

systems shared among participants in a value network (3.6) for mutual benefit

Note 1 to entry: The system shown above indicates an optimisation optimization system, traceability system, information exchange system, branding, equal relationship, and internal standardisation standardization as a certification system.

#### 3.3

# governance

principles, policies and framework by which an organization organization (3.4) is directed and controlled

[SOURCE: ISO 21505:2017, 3.1]

# 3.4—organisation

### organization

person or group of people that has its own functions with responsibilities, authorities, and relationships to achieve its objectives.

Note 1 to entry: The concept of <u>organisationorganization</u> includes, but is not limited to, sole-trader, company, corporation, firm, enterprise, authority, partnership, charity or institution, or part or combination thereof, whether incorporated or not, public or private (e.g. foundation, union, association, agency, municipality, region, country, intergovernmental agencies, etc.).

Note 2 to entry: A group of <u>organisationsorganizations</u> can also be considered as an <u>organisationorganization</u> that has, alone or collectively, their own objectives.

[SOURCE: ISO 14001:2015,59004:—, 3.4, modified — Examples in Note\_1 to entry and a new Note 2 to entry have been added].]

### 3.5

### value chain

set of <u>organisations</u> organizations (3.4) that together in an <u>organised</u> organized way provide a solution that results in a value for them

### 3.6

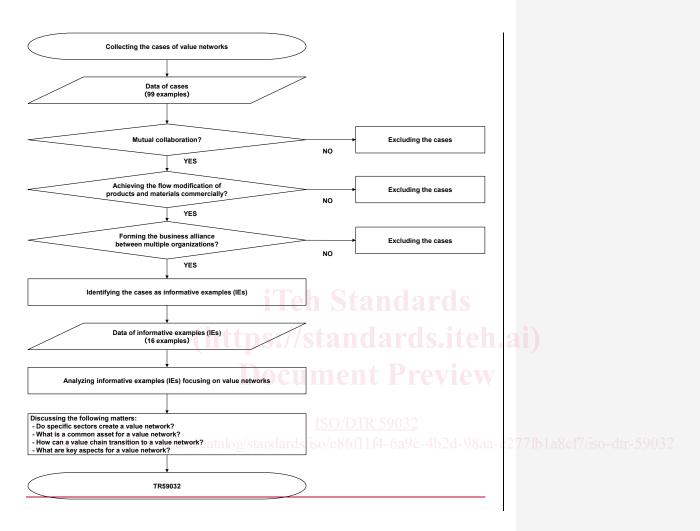
value network st/standards.iteh.ai/catalog/standards/iso/e86f11f4-6a9e-4b2d-98aa-e277fb1a8ef7/iso-dtr-59032 network of interlinked value chains (3.5) and interested parties

# 4 Review of existing value networks

### 4.1 Method

# 4.1.1 Survey process

The survey for drafting this document was conducted in accordance with the steps shown in Figure 4. The process of collecting the cases was based on different experts voluntarily accepting an invitation to submit examples. IEs are screenedThe examples were selected based on the criteria shown in Figure 4.



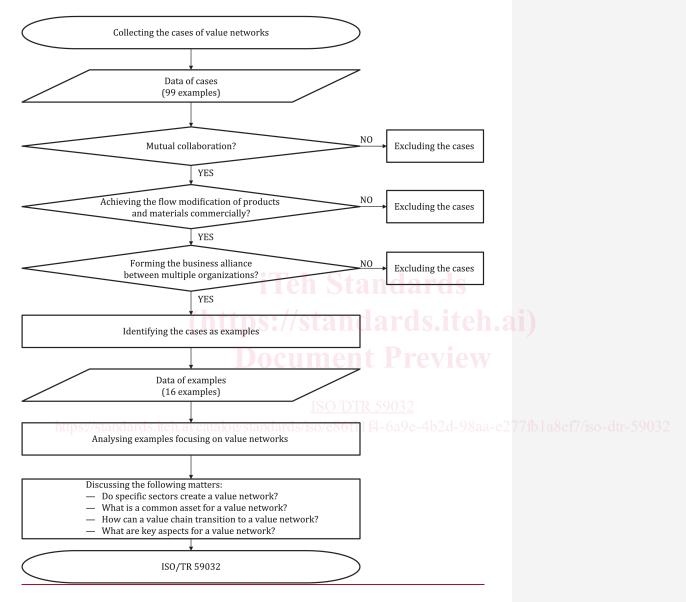


Figure 4 — Survey process

### 4.1.2 Preparing questionnaires

A<u>The</u> survey was conducted by experts on existing value networks in each region, country, or organisation organization to collect the following information:

- 1. Typea) type of case:
- 2. Titleb) title and basic information:
- 3. Overviewc) overview of the implementation model:
- 4. Beneficial or detrimental impacts (listing and highlighting critical aspects-):
- <u>5. Relevancee</u>) <u>relevance</u> to <u>sustainablethe Sustainable</u> Development Goals (SDGs), including detrimental impacts:
- 6. Keyf) key aspects relevant to the "Circular Economy" circular economy:
- 7. Implementation Methodology
- 8. Enablersg) implementation methodology:
- h) enablers, barriers and concerns;
- 9. Relevanti) relevant information specific to businesses or individual projects.

# 4.1.3 Collecting the cases of value networks

This document intends The aim was to cover a wide scope of various types of existing value networks. Geographical and sectoral balance iswas considered when collecting the existing cases of value networks. The voluntary members in the ISO/TC323/WG2-There were 99 cases collected ninety nine cases might fulfil that fulfilled the questionnaire requirements for further analysis.

The collected cases are geographically diverse across countries or regions (Japan, Europe, the United States, Brazil, China, India, Canada, Mauritius and Singapore). The collected cases cover various sectors, including machinery and equipment, forest and bio-based industries, waste management, textiles, chemicals, food, drinksdrink, mining, metals, minerals, cement, construction, transport, furniture, glass; and steel.

# 4.1.4 Screening informative Selecting the examples (IEs)

Sixteen informative examples (IEs) from the viewpoint of the following criteria are screenedexamples were selected from the collected value network cases; using the following criteria:

- a) Does the case have a mutually beneficial collaboration?
- b) Does the case achieve the flow modification of products and materials commercially and?
- c) Does the case form a business alliance between multiple organisations? Screened IEs organizations?

The selected examples achieve achieve commerciala scale flow modification of products and materials commercially, and form thea business alliance between multiple organisations organizations. The status of the examples covers not only the aspectaspects of the value network but also circular economy implementation and use case (see Figure 5).

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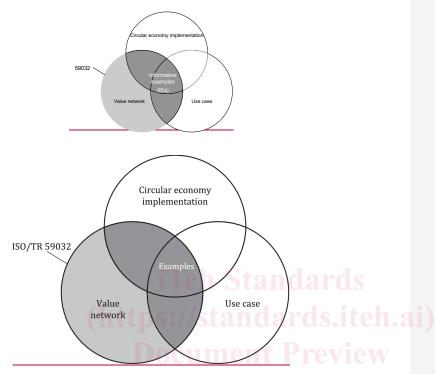


Figure 5 — Status of  $\frac{1}{2}$  in this document

Screened examples as informative the examples (IEs)

# 4.1.5 The followingSelected examples were screened as informative

<u>The</u> examples <u>shown in Figure 6 and listed in Table 1 were selected as examples of value networks from the <u>originally99 worldwide examples</u> collected <u>ninety nine world wide examples</u> (<u>Figure 6</u>).</u>