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Do Circular Economy Business Models Capture the Environmental Value Propositions?

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Circular economy (CE) can provide many opportunities to minimise resource use and environmental impacts while creating new employment and business growth. CE can be promoted and supported by companies by embedding CE principles into the business models' values throughout the value cycles. In this study a framework for assessing realisation of environmental values in CE business models will be created.

The work draws from the Sustainable Business Modeling Process presenting a step-by-step model to develop a sustainable business model [2]. The model covers all three dimensions of sustainability (economic, societal and environmental aspects), while our work focuses on the environmental values of CE business models.

First, we catalogue general environmental value propositions of CE business models for different stakeholders throughout the value cycle. For this, elements developed in different approaches are combined. For instance the sustainable business thinking and auxiliary tools, as suggested in the Sustainable Business Modeling Process (e.g. Value Mapping Tool, Sustainable Analysis Tool and sustainable business model archetypes), as well as life cycle assessment are used as a methodological basis.

We test the environmental value proposition catalogue in concrete CE business model examples by comparing catalogue to the environmental value propositions of the CE business model example and evaluating the realised CE environmental benefits. For assessing the realised CE benefits, we use the life cycle approach for products and/or services within a CE business model.