

D5.3. Numerical code for the construction of the Circular Readiness Indicator

Prepared by:

UNIBO

Submitted to EASME:

30 September 2023



Objectives & Content of D5.3:

- Objective of the Report is the construction of a “*Circular Readiness Indicator*” (CRI) for companies in the construction sector. To achieve this aim:
- First, **PART I** provides a comprehensive review and discussion of the most relevant indicators that have been developed in the literature so far, focusing on the methodologies employed in the construction of composite indicators in the context of circular economy (CE) strategies.
- Then, in **PART II** we elaborate a conceptual model and the numerical code to assess the “readiness” concerning CE and CE practices from a multi-tier perspective. We holistically address different aspects of circularity (environmental, economic, socio-organizational) and the interrelations among variables and network of variables relevant for circularity.
- Section 4 presents the numerical code of CRI and Section 5 applies CRI to the selected case studies, which are the main companies involved in the Drive 0 pilots.

Main outcomes & conclusions of D5.3

Outputs of Task 5.3 include:

- *Questionnaire 1 in Annex 1*
- *Elaboration of CRI (Part II, Sections 1, 3 and 4) and Numerical Code (Part II, Section 4)*
- *Application of CRI to the selected Drive 0 case studies in Section 5*

In a nutshell, purpose and characteristics of CRI are as follows:

- assess readiness, flexibility and capacity to adjust and progress to CE
- dimensions beyond environmental variables
- Interrelations among variables and network of variables relevant for circularity
- CRI provides a taxonomy of companies based on their readiness to circularity and allows us to understand which dimensions have to be improved to become top-performer.
- CRI can be used in a dynamic perspective to track the progress toward circularity

Follow-up of D5.3:

The outcome of this Report is useful per se, but will also serve as input for other tasks in Drive 0 - such as Tasks 6.6 and 6.7 - and for overall analysis and policy recommendations (D5.5) to increase the adoption potential and market transition towards a circular deep renovation economy.