

Boosting circular finance by adding a circular lens to risks

*De kloof overbruggen tussen financiering en circulaire bouw- en woonprojecten - Community Event
- Circulair bouwen - Brussel*

Leadership collective in circular finance (Kopgroep Circulair Financieren)
December 2024



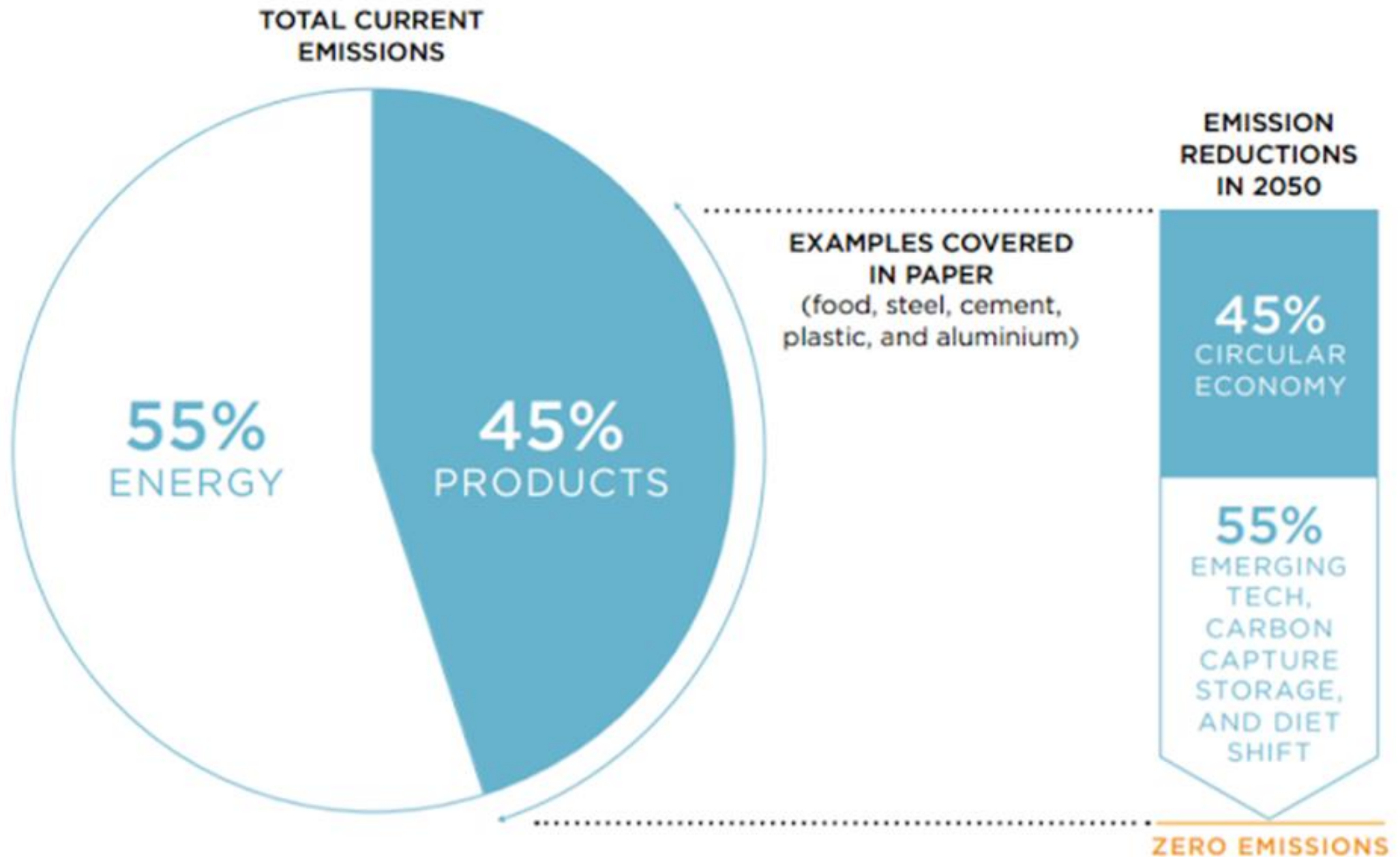
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Content

- + Why a circular transition?
- + Dutch leadership collective in circular finance
- + Circular Risk Scorecard
- + Circular Finance Programme – Cirkelstad & Kopgroep
Circulair Financieren
- + 3 cases

Why a circular transition?

Which % of the total worldwide carbon emissions are caused by the manufacturing of products, parts and materials?



Source: Ellen MacArthur Foundation (2018)

We need a climate and materials transition

- In many energy and climate discussions, the focus is on **fossil energy and transport**, which emit a lot of emissions
- However, the manufacturing of products, parts and materials accounts for **45% of total global emissions**

Leadership collective in circular finance

(Kopgroep Circulair Financieren)

INVESTNL



Triodos  Bank

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A common goal

Circularity is an integral part of
financing and investment
decisions in 2030

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Circulair Finance Roadmap NL 2030

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Statement during Week of the Circular Economy – March 2024

Overheid en banken werken samen aan de versnelling van de circulaire economie



 The Statement

Risk is one of the four action lines of the Roadmap 2030

- + *Risk*
- + *Metrics*
- + *Fit-for-Circular-Finance*
- + *(Financial) instruments*

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Circular Risk Scorecard

Finance through a circular lens

- Our motivation: circular businesses **struggle to raise bank and investor financing**
- Initial focus on Product-as-a-Service (PaaS), but extended to **circular & linear business models**

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Motivation & Focus

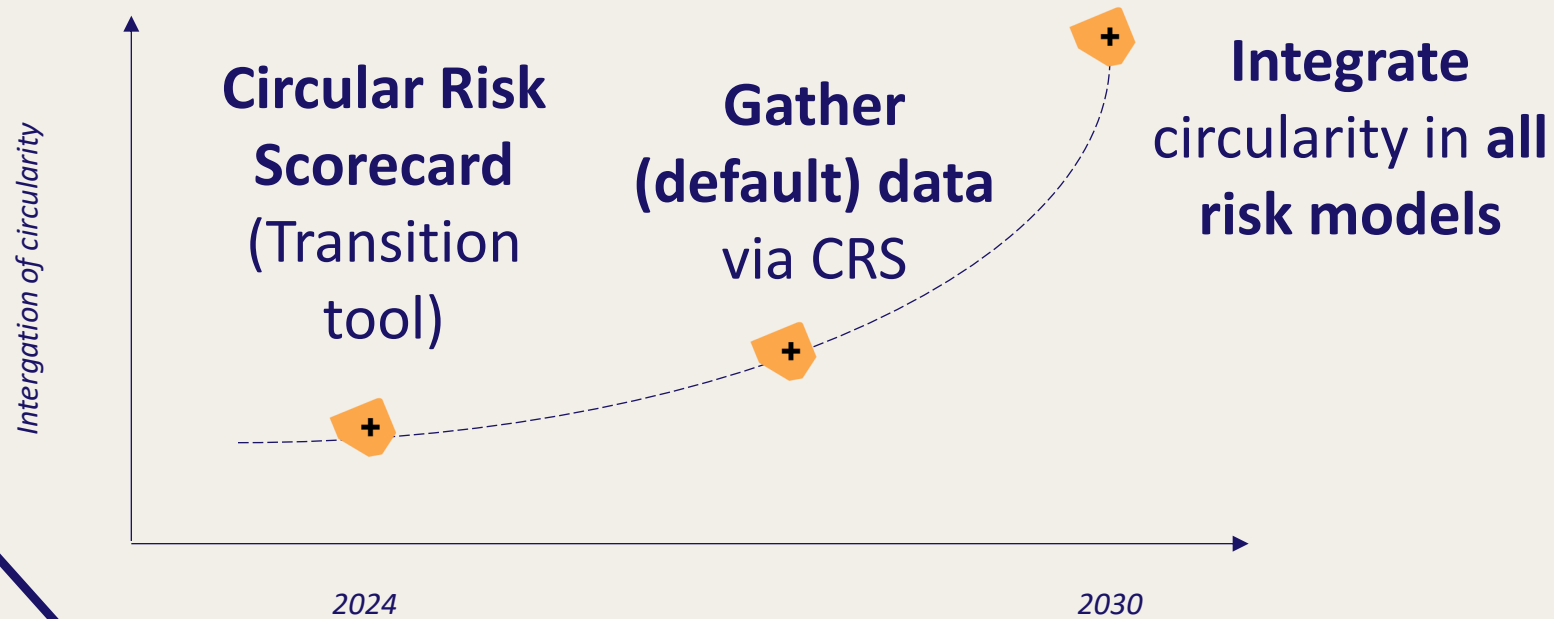
Unique cooperation in Risk domain

- A **non-competitive cooperation** in het risk domain
- A **generic, open-source** tool: the Circular Risk Scorecard
- Purpose: gather **(anonymised) data** on **(default) risks** of circular business

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 The cooperation

Circular Financing the standard



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 **The transition**

3 new, circular risk factors

- *Resource scarcity*
- *Circularity of the product*
- *Suitability of product for circularity*

Link to the [Circular risk Scorecard](#)

Circular Risk Scorecard

version: 1.2

[Scorecard](#) [Read me](#) [Peak extraction years](#) [Distribution of expert weights](#) [Dashboard login](#)

Choose an option

Please select company country

Choose an option

Please select company size

Choose an option

Select business model

Circular Business Model Categories ⓘ

- ☐ Group 1 - Circular Design and Production Models
- ☐ Group 2 - Circular Use Models
- ☐ Group 3 - Circular Value Recovery Models
- ☐ Group 4 - Circular Support
- ☐ Group 5 - Linear Models

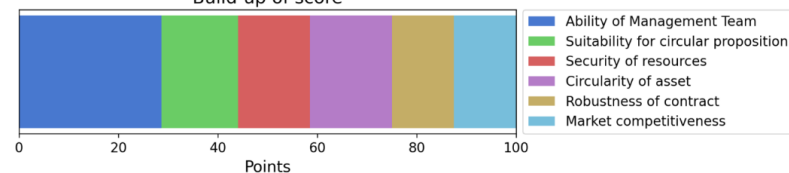
Final Circular Risk Score

Circular Risk Score (low score = low risk):

100 / 100



Build-up of score



V1.2
Including benchmark &
FI dashboard

Circular Risk Scorecard

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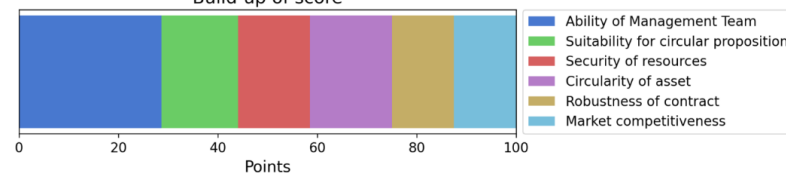
Final Circular Risk Score

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100 / 100



Build-up of score



Scorecard has been developed by : 

3 existing risk factors

(which we've been looking at through a circular lens)

- ***Robustness of contracts***
- ***The (circular) market competitiveness***
- ***Experience of management team***

Circular Risk Scorecard

version: 1.2

[Scorecard](#) [Read me](#) [Peak extraction years](#) [Distribution of expert weights](#) [Dashboard login](#)

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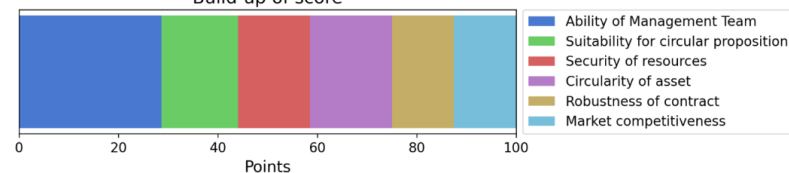
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Build-up of score



Scorecard has been developed by : RISKQUEST

Use of the CRS

1. Underpin **override** on existing **risk models**
2. Deal selection
3. Train colleagues at financial institutions
4. Train circular businesses

Circular Risk Scorecard

version: 1.2

[Scorecard](#) [Read me](#) [Peak extraction years](#) [Distribution of expert weights](#) [Dashboard login](#)

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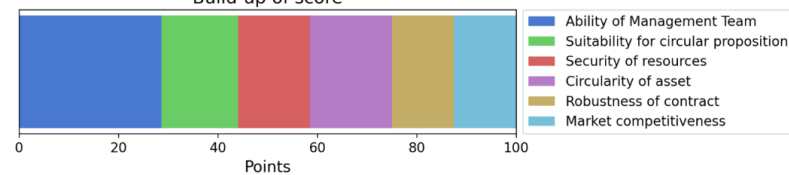
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Build-up of score



Scorecard has been developed by : RISKQUEST

Current stats



Unique viewers Circular Risk Scorecard: >1.000



100+ serious assessments



Just getting started, need to scale-up

Europe

EIB (Sep 24)



ECB (Aug 24)



Germany (Sep 24)



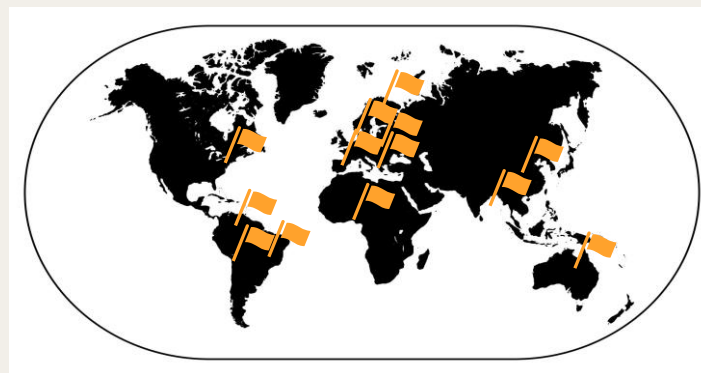
Italy (Jul 24)



Sweden (Aug/Oct 24)



**Dutch parliament
(Jun / Dec 24)**



Spain (Jul 24)



Belgium (Sep/Dec 24)



Americas

Colombia (Jun/Sep 24)



Canada (Feb 25)



Global

UNEP FI (Jul 24)



Oceania

Australia (Jun 24)



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+ Worldwide interest

A wide range of companies has been assessed,
including ...



MUD JEANS



OUTLANDER
MATERIALS



Swapfiets

PECTCOF

FEELOU

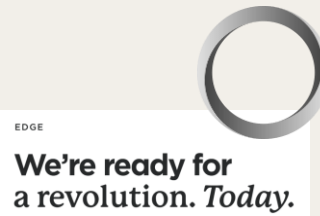


TINY LIBRARY

CHAINABLE
THE WAY TO CIRCULARITY

Circular Finance Programma – Construction & Real Estate NL

Deelnemers (o.a.)



Rabobank

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Principes voor programma

- In kaart brengen van en **voortbouwen op reeds bestaande initiatieven**
- Aan de slag met structurele belemmeringen waar nog geen initiatieven op lopen en waar bestaande nog initiatieven niet het gewenste resultaat hebben
- Keuzes maken in:
 - I. **Niveaus van financiering en investering**
 - II. **Knoppen** waar we aan kunnen draaien

Voortbouwen op bestaande initiatieven

		II. Knoppen			
I. Niveaus financiering & investering		Meten	Kansen & Risico's	Instrumenten	Fit-for-Finance
Project / Object	Nieuwbouw	Bestaande initiatieven:	Nieuwe initiatieven:		
	Renovatie	Circulair taxatiemodel & Het Nieuwe Normaal	Circular Risk Scorecard voor vastgoedprojecten		
	Bestaand vastgoed				
Organisatie	(Conceptuele) bouwers		Bestaande initiatieven:		
	WoCo's		Circular Risk Scorecard		
	Producenten				
Keten		Bestaande initiatieven: Ketenfinanciering Ciskin / CiSe			



Circulair bouwen met Het Nieuwe Normaal

Hoe sturen we in Nederland?





Het Nieuwe Normaal

De **nieuwe**, gedragen standaard met
haalbare én ambitieuze prestaties
op circulair bouwen.



Het Nieuwe Normaal Gebouw in context

Het Nieuwe Normaal

1



Milieu-impact

1.1

Milieuprestatie Gebouw
(MPG)

1.2

Materiaalgebonden
CO₂-uitstoot

1.3

Materiaalgebonden
CO₂-opslag



Materiaalgebruik

1.4

Herkomst Materialen

1.5

Gezonde materialen

1.6

Omgang restmateriaal bouw



Waardebehoud

1.7

Adaptief vermogen

1.8

Losmaakbaarheid

1.9

Hergebruikpotentie



Het Nieuwe Normaal Gebouw: raamwerk



Thema	Circulair ontwerp- en bouwprincipe
 Milieu-impact	Ontwerp en bouw met zo laag mogelijke Milieuprestatie Gebouw (MPG)
	Ontwerp en bouw met zo laag mogelijke materiaalgebonden CO₂-uitstoot
	Ontwerp en bouw met zo hoog mogelijke materiaalgebonden CO₂-opslag
 Materiaalgebruik	Ontwerp en bouw met zo veel mogelijk materialen met verantwoorde herkomst: biobased, hergebruikt of gerecycled
	Ontwerp en bouw met zo veel mogelijk gezonde materialen
	Ontwerp en bouw met zo min mogelijk restmateriaal tijdens de bouw
 Waardebehoud	Ontwerp en bouw met zo groot mogelijke mate van adaptief vermogen
	Ontwerp en bouw met zo hoog mogelijke losmaakbaarheid
	Ontwerp en bouw met zo groot mogelijke hergebruikpotentie



Het Nieuwe Normaal Gebouw: prestatieniveaus

Indicator	Categorie	Prestatieniveaus: HNN Gebouw 1.0 Nieuwbouw			Eenheid	Methode
		Woningbouw grondgebonden	Woningbouw gestapeld	Utiliteitsbouw kantoren		
Milieu-impact						
 Milieuprestatie Gebouw (MPG) ^{1,2}	Standaard	≤0,45	≤0,50	≤0,70	€MKI / m² BVO / jaar	Bepalingsmethode Milieuprestatie Bouwwerken
 Materiaalgebonden CO ₂ -uitstoot ³	Standaard	≤200	≤240	-	kg CO ₂ -eq / m² BVO	Rekenmethodiek <i>Paris Proof</i>
 Materiaalgebonden CO ₂ -opslag	Indicatie	-	-	-	ton CO ₂ -eq	Bepalingsmethode <i>koolstofvastlegging biobased materialen</i>
Materiaalgebruik						
 Herkomst materialen	Standaard	≥25%	≥20%	≥25%	% massa biobased, hergebruikt, gerecycled	CB'23 leidraad <i>Meten van Circulariteit</i> (v3.0)
 Gezonde materialen	Begrip	-	-	-	Aantal gecertificeerde producten	Certificaten (o.a. <i>Material Health Certificate</i> , <i>Natureplus</i>)
 Omgang restmateriaal bouw	Begrip	-	-	-	-	Inventarisatie materiaalstromen & aantoonbare afspraken
Waardebehoud						
 Adaptief vermogen	Indicatie	-	-	≥40%	%	<i>Methode Adaptief Vermogen Gebouwen</i>
 Losmaakbaarheid	Standaard	≥55%	≥50%	≥55%	%	<i>Circular Buildings - een meetmethodiek voor losmaakbaarheid</i> (v2.0)
 Hergebruikpotentie	Indicatie	-	-	-	% massa recycling, hergebruik	Verwerkingsscenario einde levensduur (EPD, fase C3 - C4)



1.0

Casuïstiek

Casus #1 | CRS voor bouw & vastgoed

How do these companies score?



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+ Scores CRS



0
(low risk)

100
(high risk)

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 Scores CRS

Casus #2 | Circular Service (CiSe)



is a platform that offers standardized, scalable solutions to help entrepreneurs make their circular ideas feasible and fundable.

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CiSe was established to facilitate supply chain cooperation.

The Circular Service Platform offers standardized, scalable solutions to **enable circular chains** to become feasible and fundable.



Standardized contracts for a collective circular service models with similarities to Project Finance

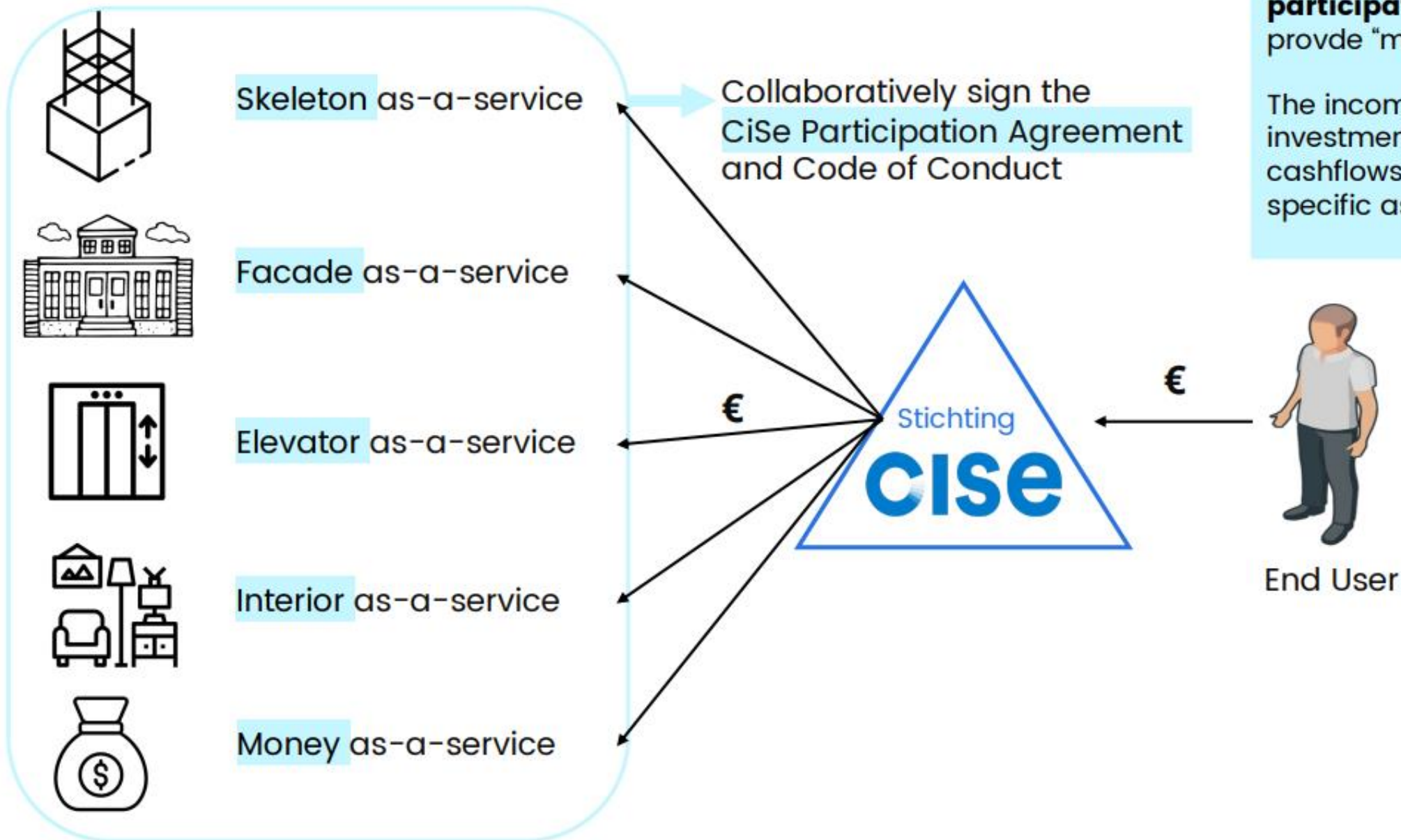


Automated payments and contract administration for circular chains



Unlocking finance by looking at the circular chain as a whole to spread risks

Example of CiSe for a circular building



If there is a need for finance by one or more stakeholders, a **financier can join the participation agreement** and provide "money-as-a-service".

The income and recovery of investments are limited to cashflows that is generated by this specific asset.

Casus #2 | Circular Service (CiSe)

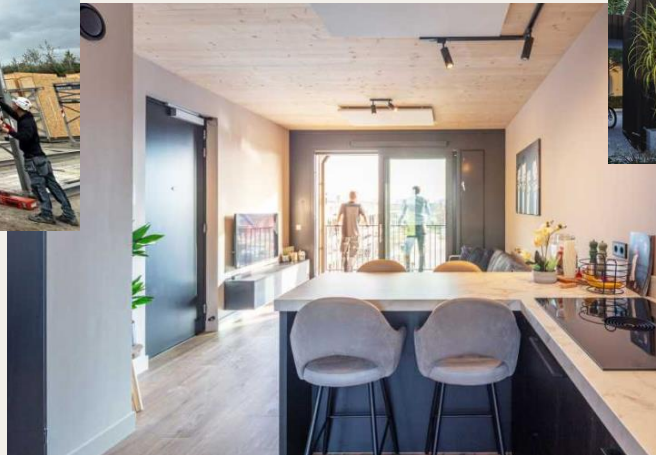
For more information, please refer to:

- Elisa Achterberg (CiSe) - elisa@elisaachterberg.nl
- Rob van Willigen (ABN Product-as-a-Service) - rob.van.willigen@nl.abnamro.com

Casus #3 | Innovatieve financiering



Ekowood
Houses
by nature



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Casus #3 | Innovatieve financiering

- Client in need of a banking guarantee facility to comply with its clients (housing associations)
 - Client wants to scale up
 - Client has a guaranteed, filled pipeline
-
- No guarantees
 - But no(t enough) track record



Rabobank

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Casus #3 | Innovatieve financiering

Computer says...



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Casus #3 | Innovatieve financiering



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Casus #3 | Innovatieve financiering

Solution - Rabo Transitiefonds – ‘Taylor-made’ by deal team

- From the profit of 2023, €75 million is labelled “Rabo Transition”
- Specially set up to help Rabobank customers become more sustainable
- In case ambitious sustainability plans are difficult or not fully financeable
- Offers additional financing options from €250,000 to €2.5 million on favourable terms
- Ambition is to realize even more sustainable ambitions of the enterprising Netherlands

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You can access the Circular Risk Scorecard via

DeNederlandscheBank

EUROSYSTEEM

link



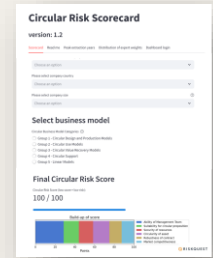
European
Circular Economy
Stakeholder Platform

link

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Circular companies have a lower risk profile than linear models (1/2)

Executive summary of the first 100+ Circular Risk Scorecard assessments



Current status



100+ assessments

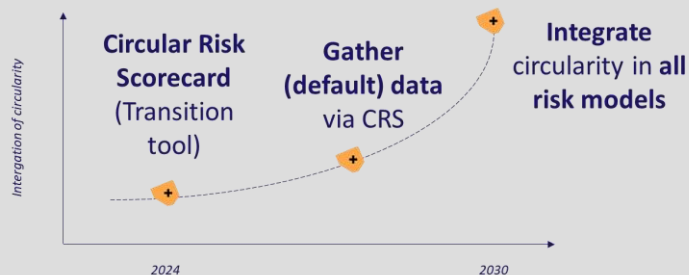


Unique viewers Circular Risk Scorecard: **>1.000**



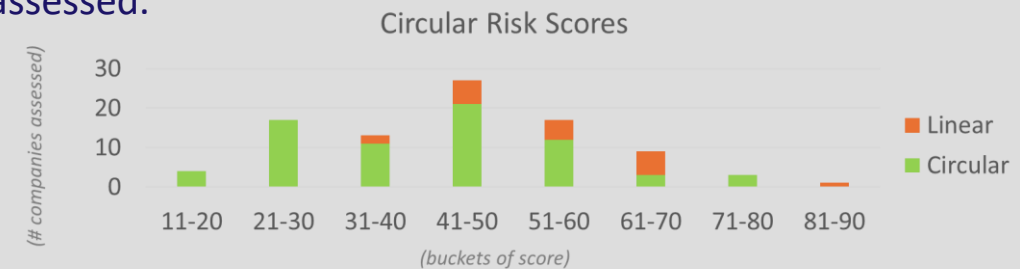
15+ countries involved

Our path to integrate circularity in risk models



Results

Our analysis shows that circular design & production, circular use and circular value recovery companies have a lower circular risk score than linear companies. This is the end result from data from 100+ circular and linear companies assessed.



The analysis leads to six conclusions:

1

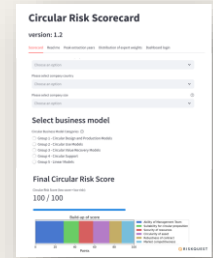
The management team at circular companies is **deemed better capable to run an innovative / circular business** than linear companies, and is **more divers**.

2

Circular companies **use more suited products for circularity**. However, we do see an opportunity for linear companies to upgrade their products, if they use **circular design principles**.

Circular companies have a lower risk profile than linear models (2/2)

Executive summary of the first 100+ Circular Risk Scorecard assessments



Results

- 3 **Resources/materials are better managed** with a circular business model, due to a) circular companies **creating loops in their business model**, to prevent resource scarcity and avoid price fluctuations and b) circular companies **working with their value chain partners in a collaborative or strategic way**.
- 4 There is **not a significant difference** between linear and circular products in **design and upgradability**. This means that there is **potential** in products within linear companies to become more circular.
- 5 **Contracts** are **most robust** in Circular Use and Circular Support Models. Contracts in linear companies are not yet ready for circularity.
- 6 Circular companies are in a good position to succeed in a (future) circular market, as they a) are **better positioned to conquer the (niche) circular markets** and b) are **more ready for future sustainable regulations** than linear companies.

Next steps



Our target: **250 companies assessed** by the end of 2025



Expand scope CRS to **construction & real estate projects** in 2025



Integrate (parts of) circular risk scorecard in **current (risk) models**

Contact & links

If you are interested in a further discussion, please contact:

Tessa Eerenberg - Tessa.Eerenberg@rabobank.nl

Jeroen van Muiswinkel - Jeroen@copper8.com

Jeroen Derkx - jeroen.derkx@invest-nl.nl

Additional information

Circular Risk Scorecard - [link](#)

Kopgroep Circulair Financiering - [link](#)