

# Emerging Technologies for the Circular Economy

## Lecture 2: Circular Economy

Prof. Dr. Benjamin Leiding  
M.Sc. Anant Sujatanagarjuna  
M.Sc. Shohreh Kia

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## NEWS/UPDATES

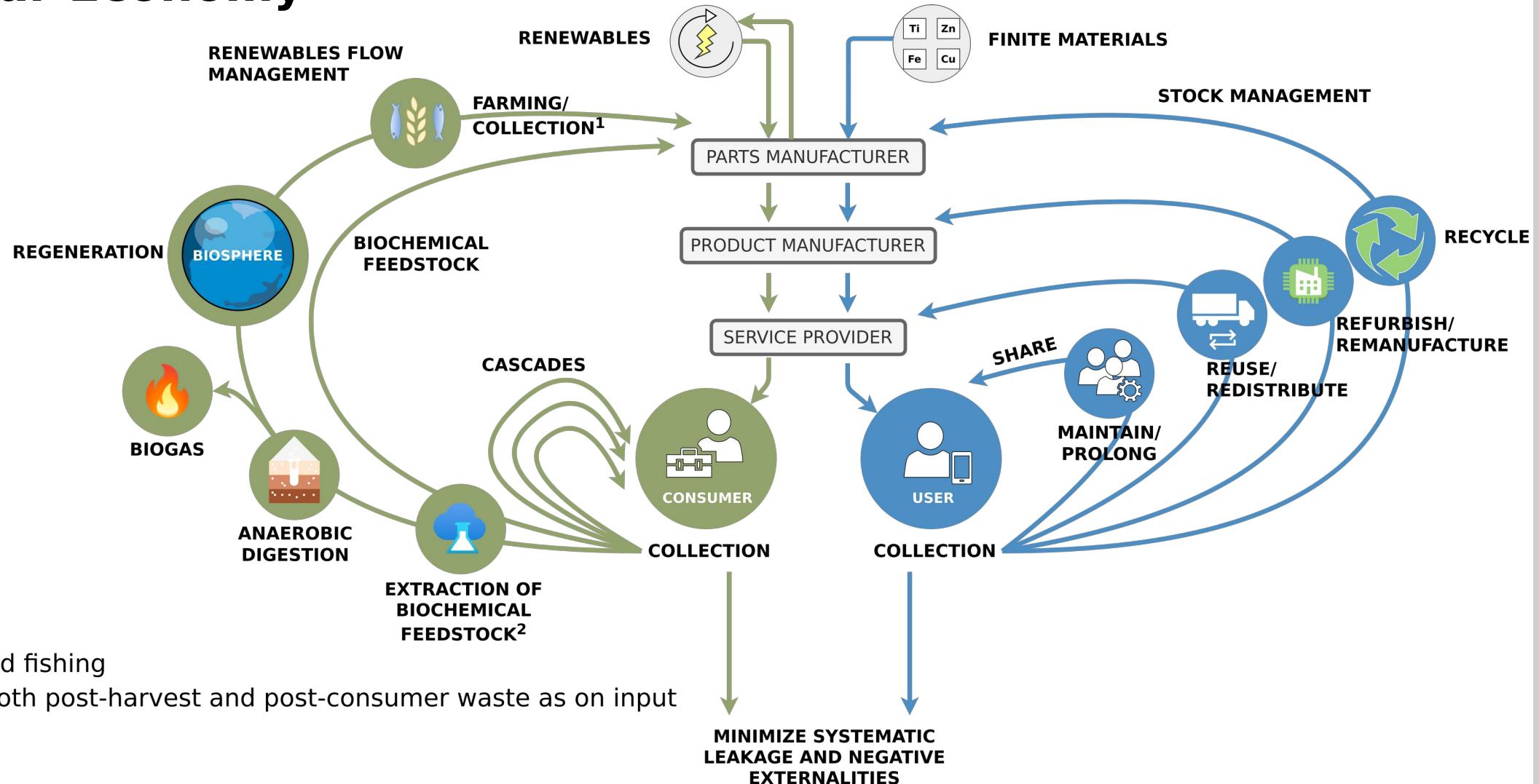
# The Linear (Industrial) Economy



Image adapted from: Walter R. Stahel (2019) – The Circular Economy: A User's Guide.

# THE CIRCULAR ECONOMY

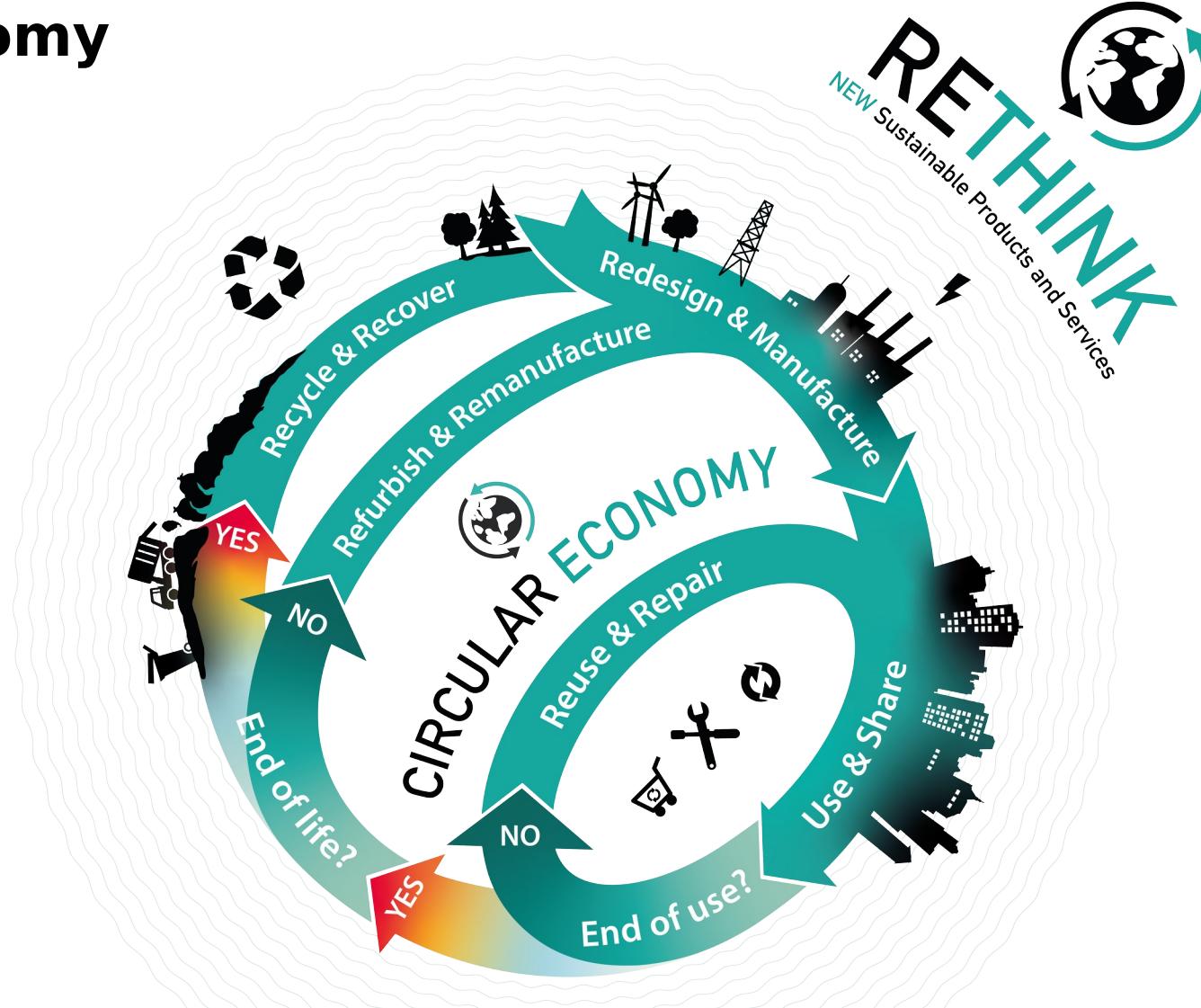
# Circular Economy



<sup>1</sup> Hunting and fishing

<sup>2</sup> Can take both post-harvest and post-consumer waste as an input

# Circular Economy



## Circular Economy - Definitions

**“Conceptualizing the circular economy: An analysis of 114 definitions.”**

Kirchherr, Julian, Denise Reike and Marko P. Hekkert. Resources Conservation and Recycling 127 (2017): 221-232.

<https://doi.org/10.1016/J.RESCONREC.2017.09.005>

## Circular Economy - Definitions

“A circular economy is an industrial system that is restorative or regenerative by intention and design. It replaces the ‘end-of-life’ concept with restoration, shifts towards the use of renewable energy, eliminates the use of toxic chemicals, which impair reuse, and aims for the elimination of waste through the superior design of materials, products, systems, and, within this, business models.”

– Ellen MacArthur Foundation

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“The circular economy is a model of production and consumption, which involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products as long as possible. In this way, the life cycle of products is extended.”

– European Parliament

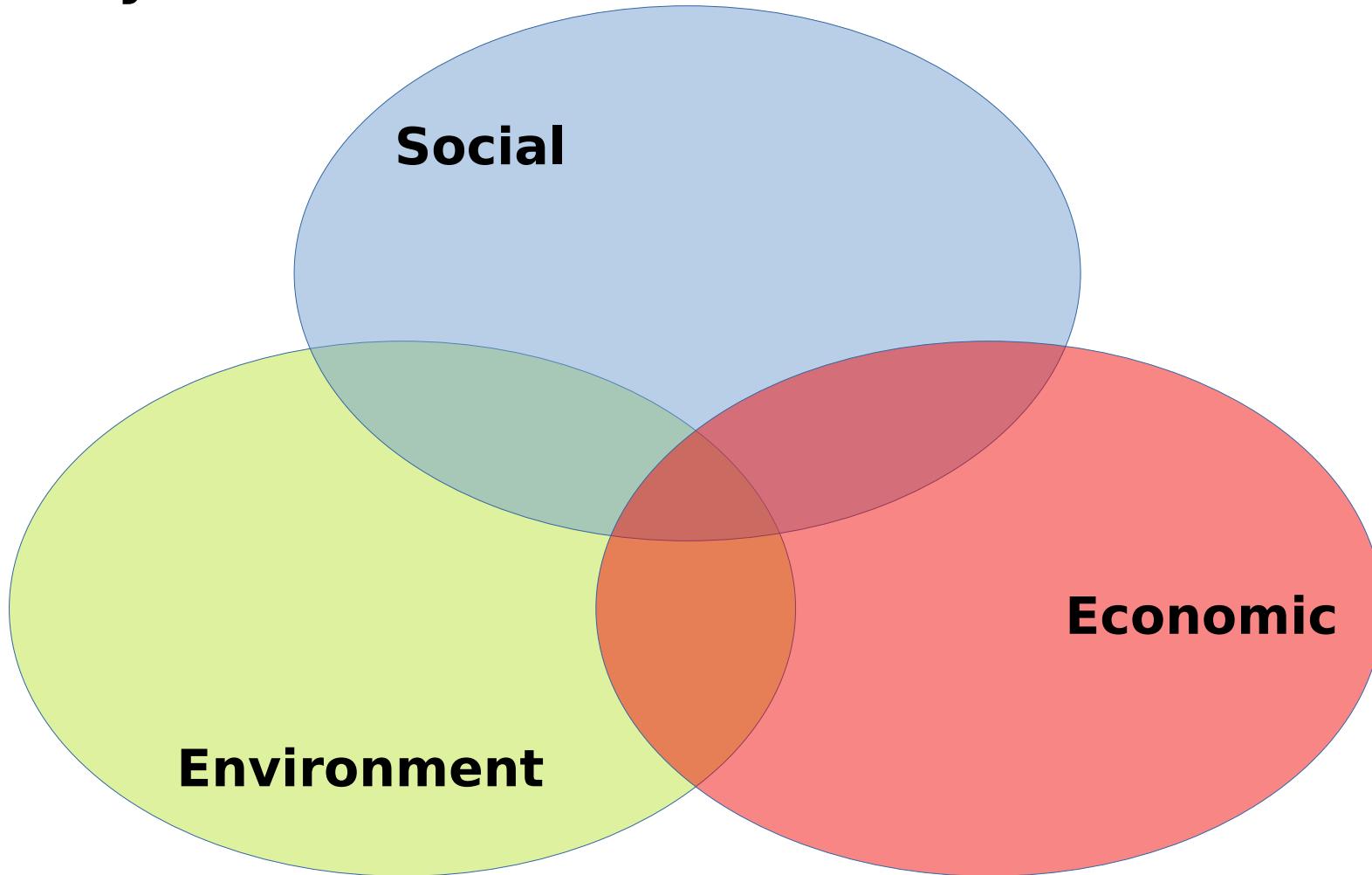
## Circular Industrial Economy - Definitions

“The circular industrial economy manages stocks of manufactured assets, such as infrastructure, buildings, vehicles, equipment and consumer goods, to maintain their value and utility as high as possible for as long as possible; and stocks of resources at their highest purity and value.”

## Sustainability - Definition

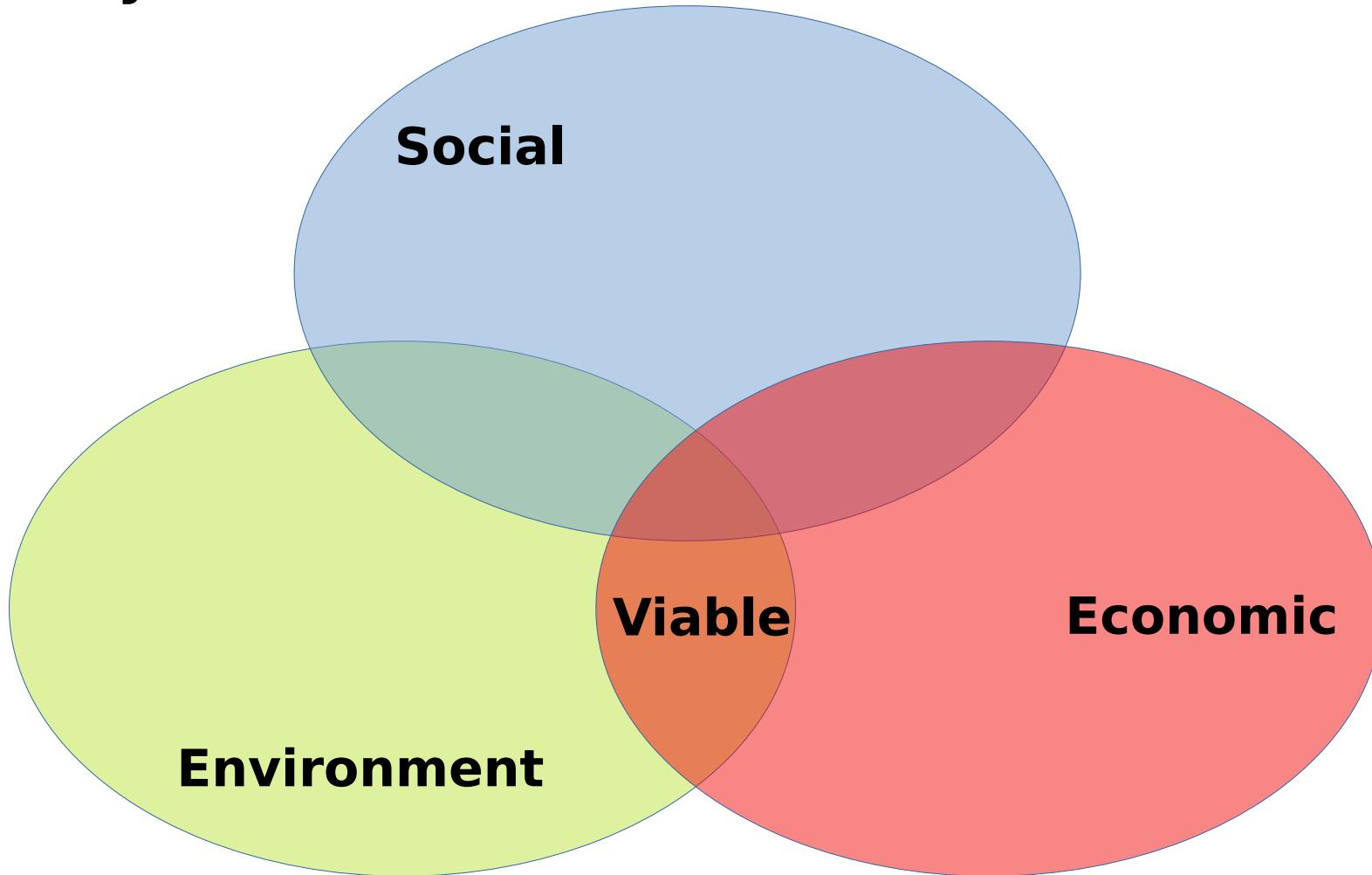
„Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.“

## Sustainability - Definition



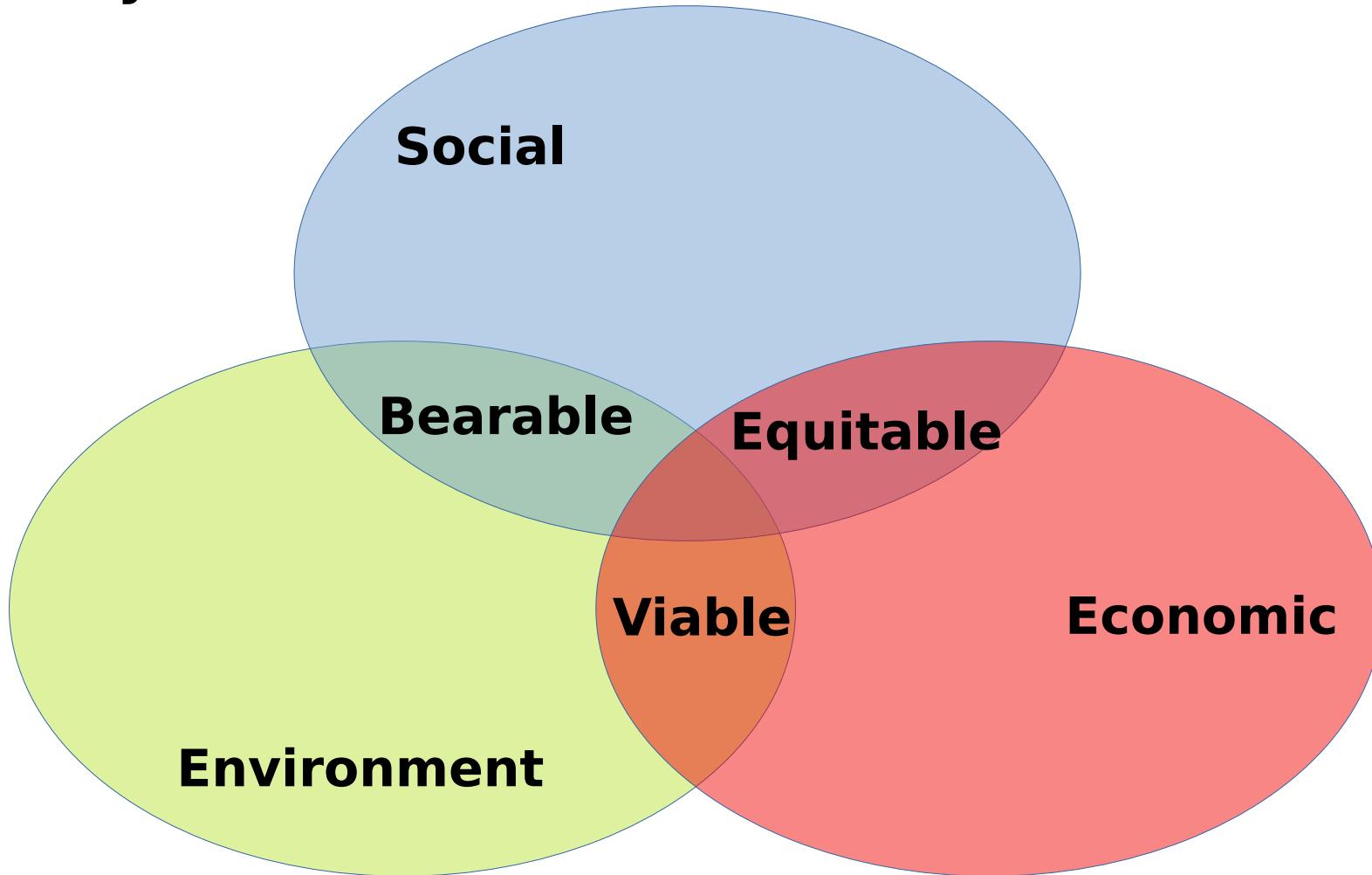
Based on: Thomsen C. (2013) Sustainability (World Commission on Environment and Development Definition). In: Idowu S.O., Capaldi N., Zu L., Gupta A.D. (eds) Encyclopedia of Corporate Social Responsibility. Springer, Berlin, Heidelberg. [https://doi.org/10.1007/978-3-642-28036-8\\_531](https://doi.org/10.1007/978-3-642-28036-8_531)

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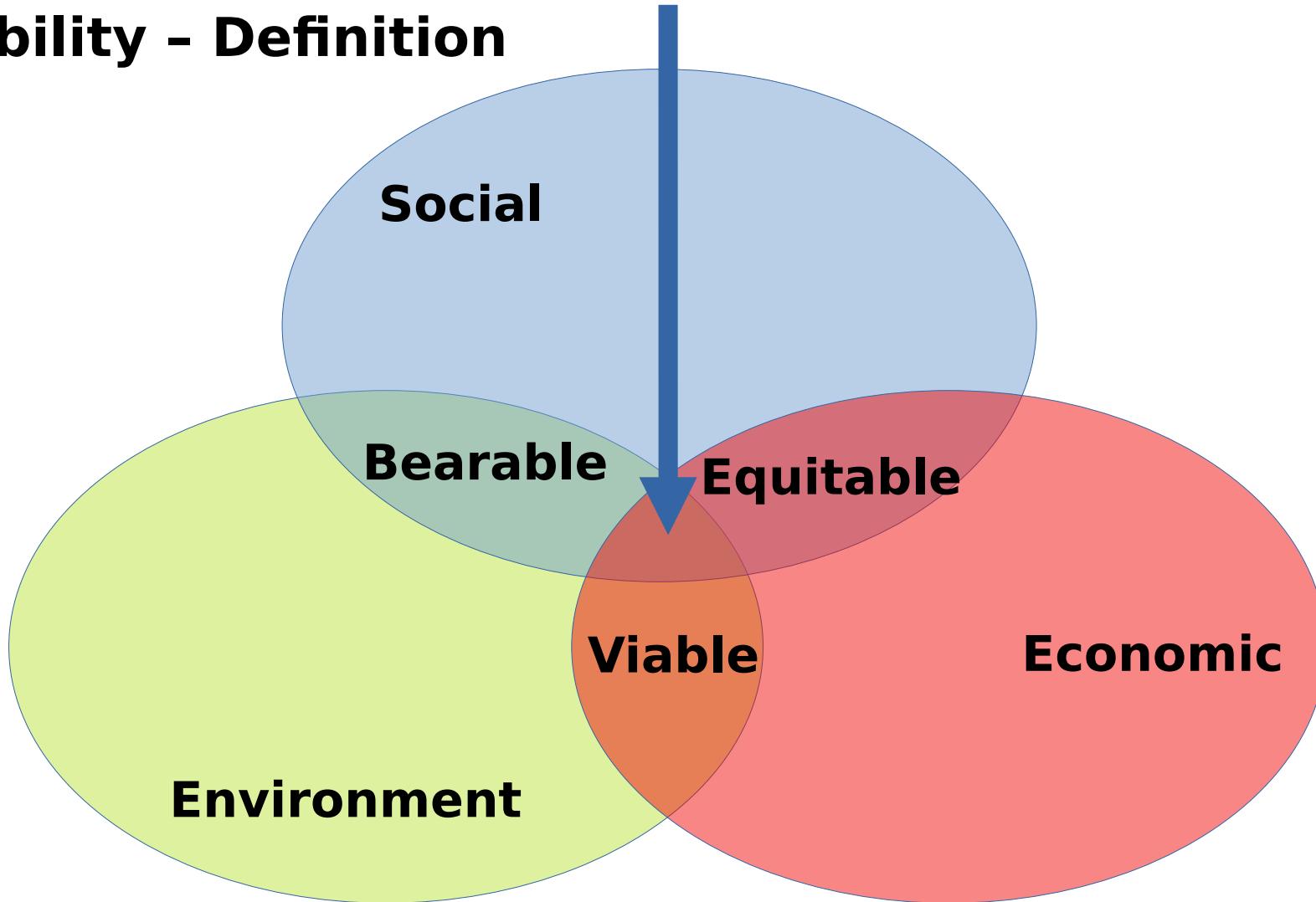
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## Sustainability - Implications

**Sustainability → Consume less**

## Circular Economy - Characteristics

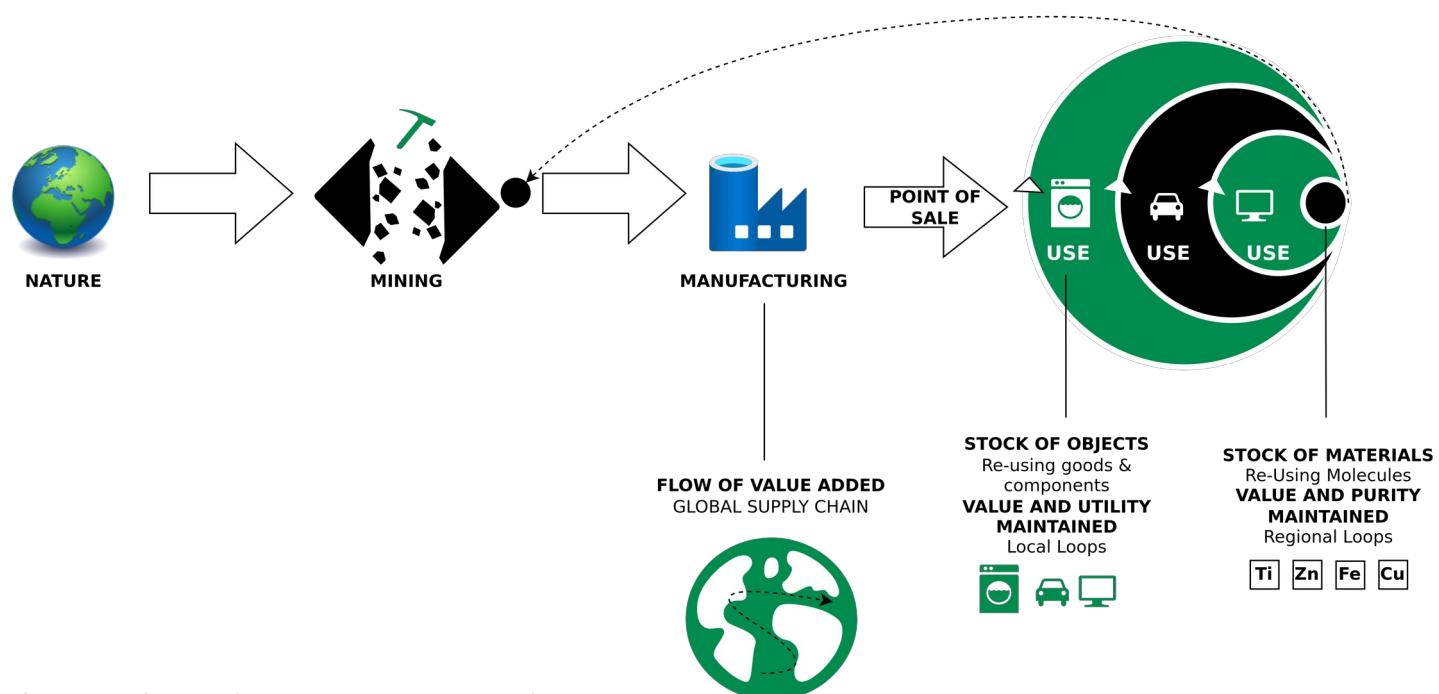
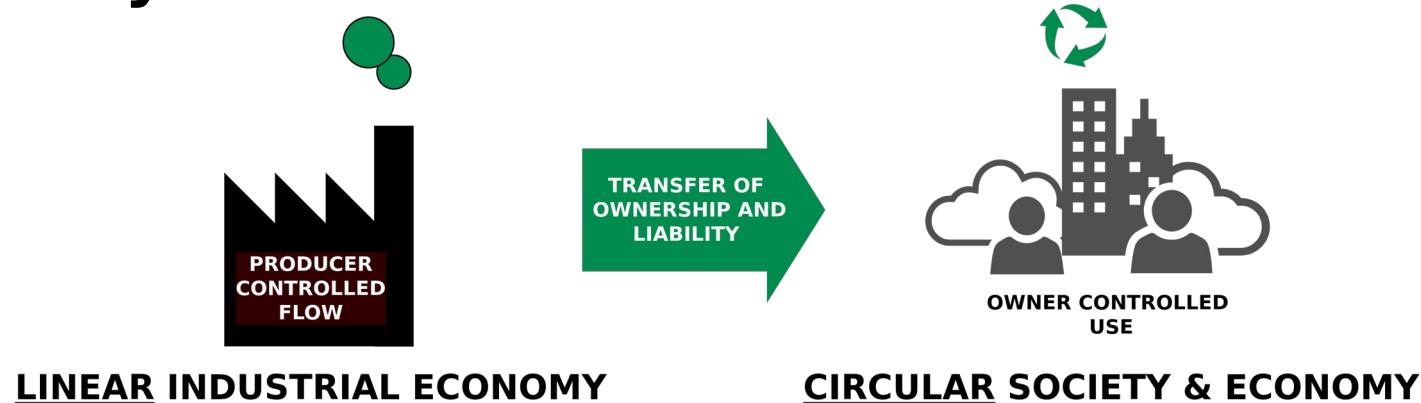


Image adapted from: Walter R. Stahel (2019) – The Circular Economy: A User's Guide.

## The Era of R

Techno-commercial strategies to keep goods and components at highest value level through:

- **Reuse**
- **Repair**
- **Remarket**
- **Remanufacture**
- **Re-refine**
- **Reprogramme goods**

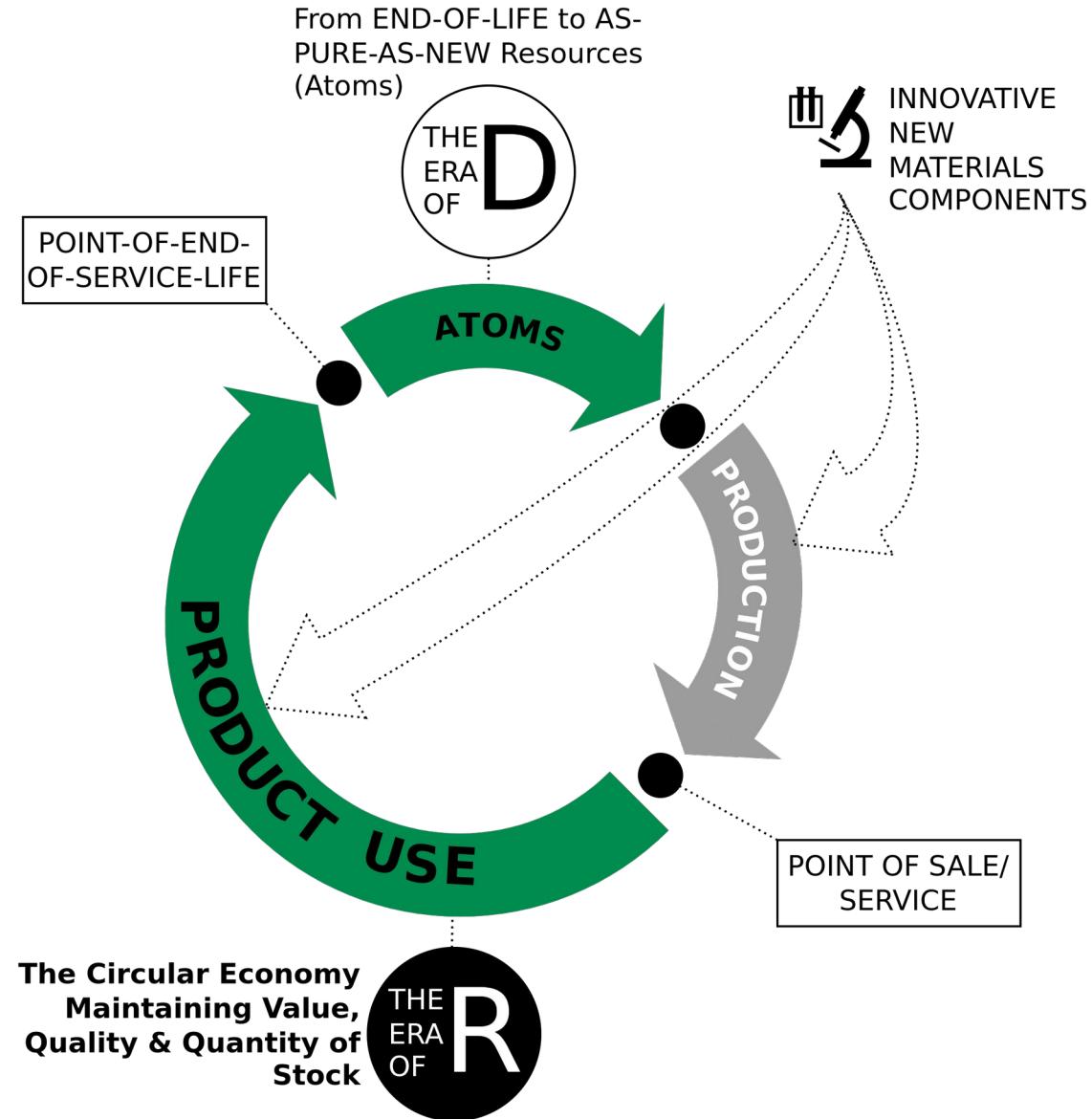
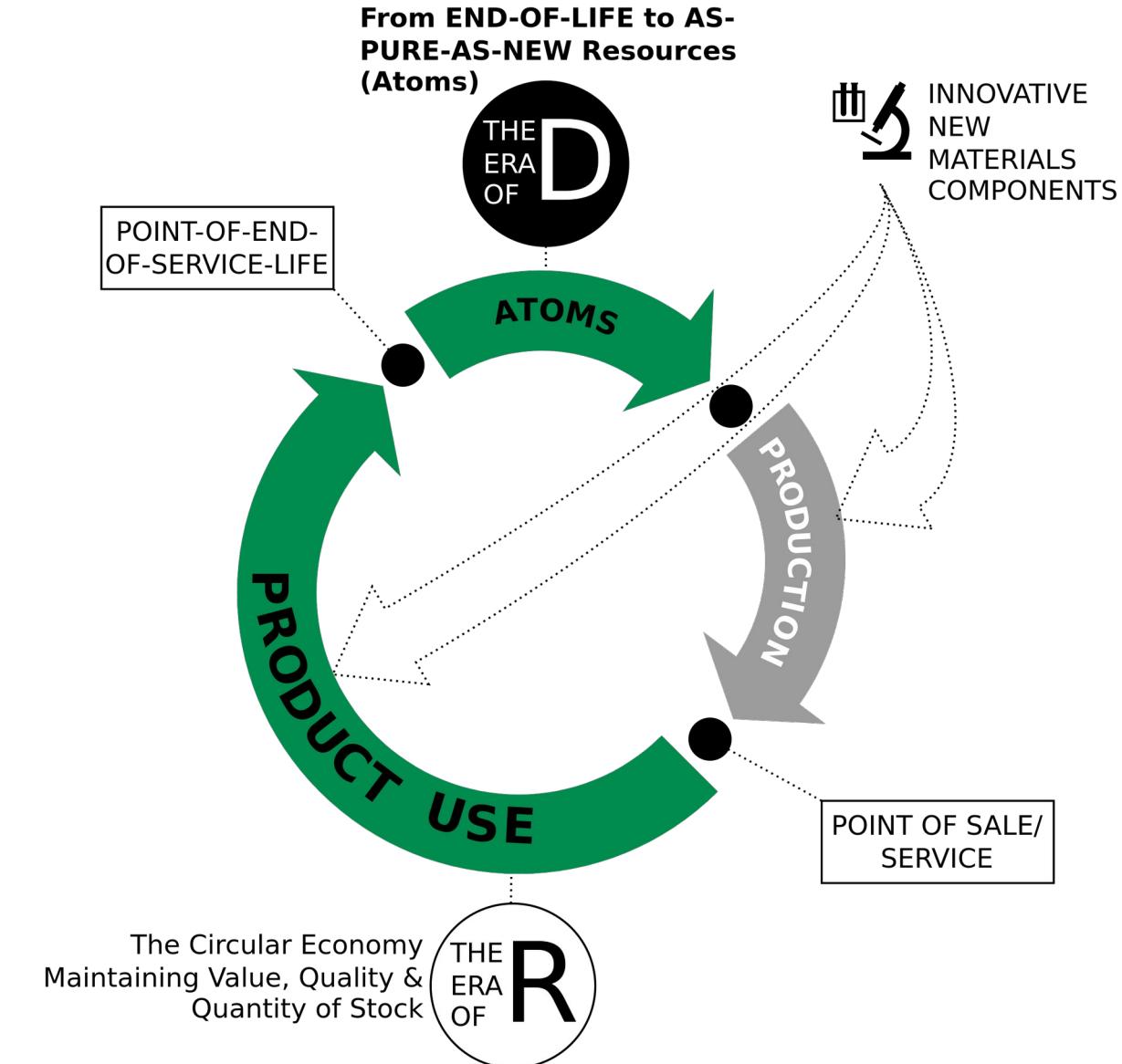


Image adapted from Walter R. Stahel (2019) – The Circular Economy: A User's Guide.

## The Era of D

Technologies and actions to recover atoms and molecules at highest quality (purity and value) level as pure as virgin:

- **D**e-polymerise
- **D**e-alloy
- **D**e-laminate
- **D**e-vulcanise
- **D**e-coat materials
- **D**e-construct high-rise buildings and major infrastructure



# End-of-service-life business opportunities for value preservation: Reuse or Recycle?

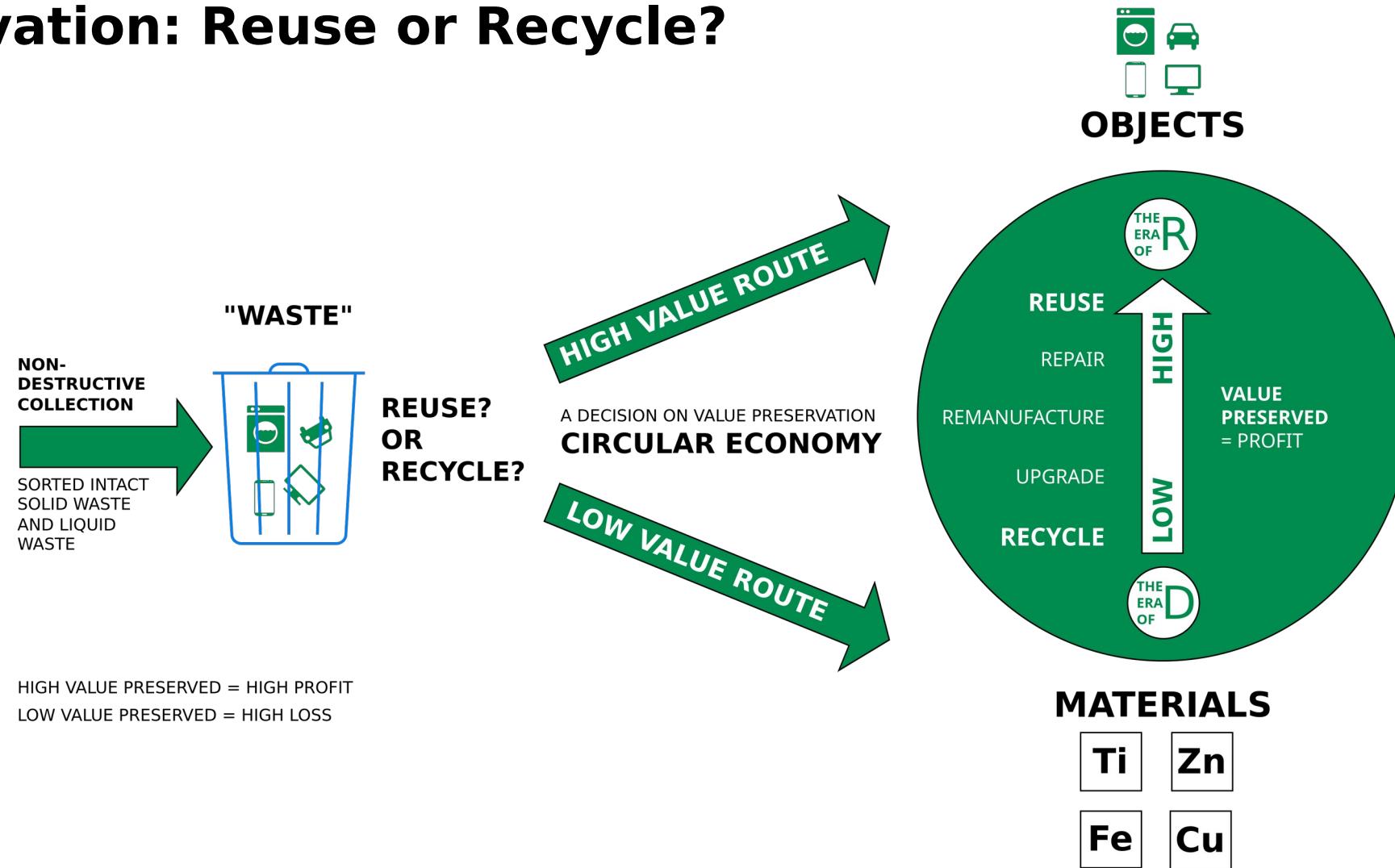


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# The two absolute decoupling indicators of the CIE monitoring more wealth and jobs from less resource consumption

- **Linear Economy:** Low hr/kg (labor input per weight) ratios, coherent with mass production in highly mechanized processes, and low to medium €/kg (value per weight) ratios, in a range from basic materials like cement to smart goods like USB memory sticks

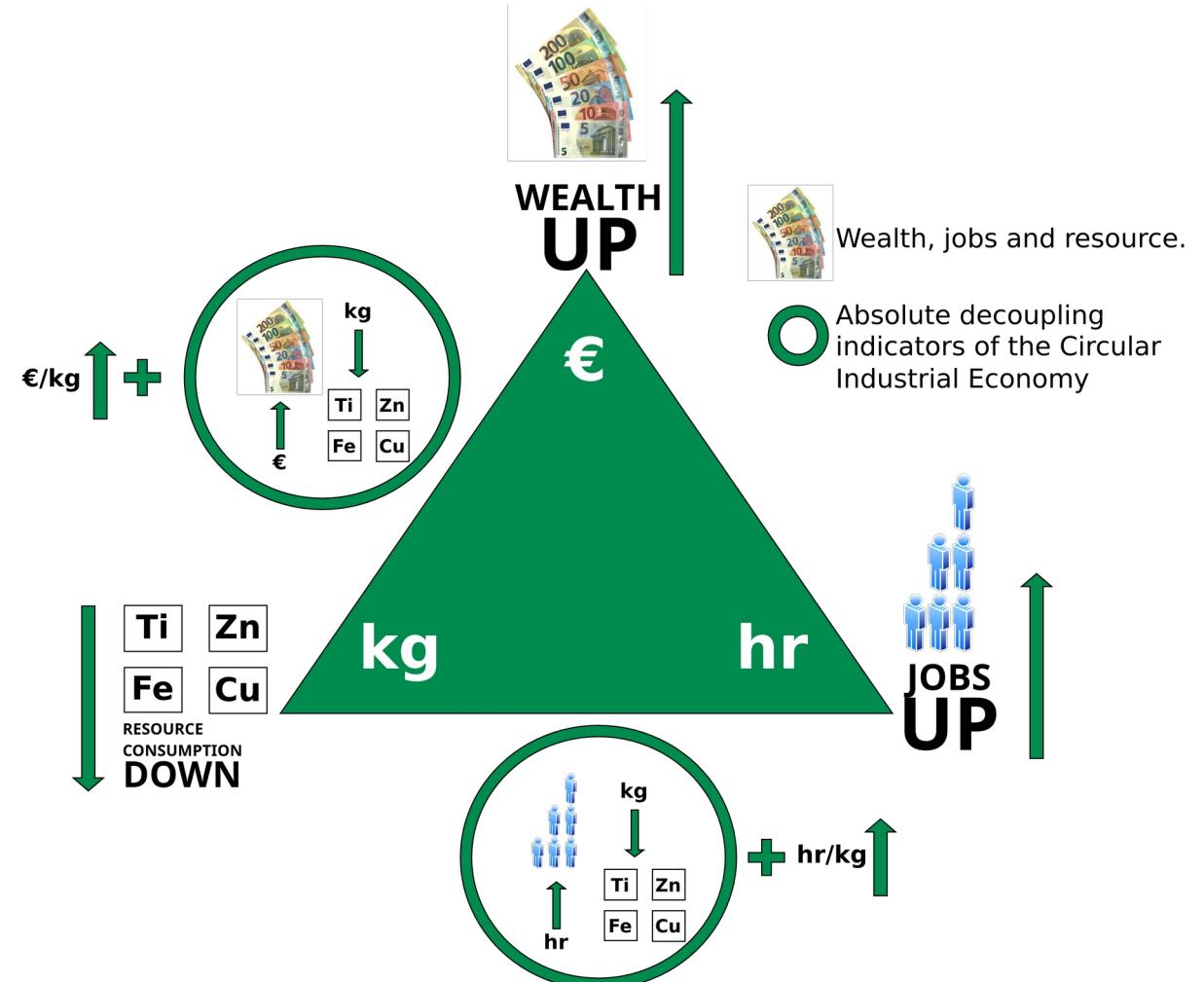
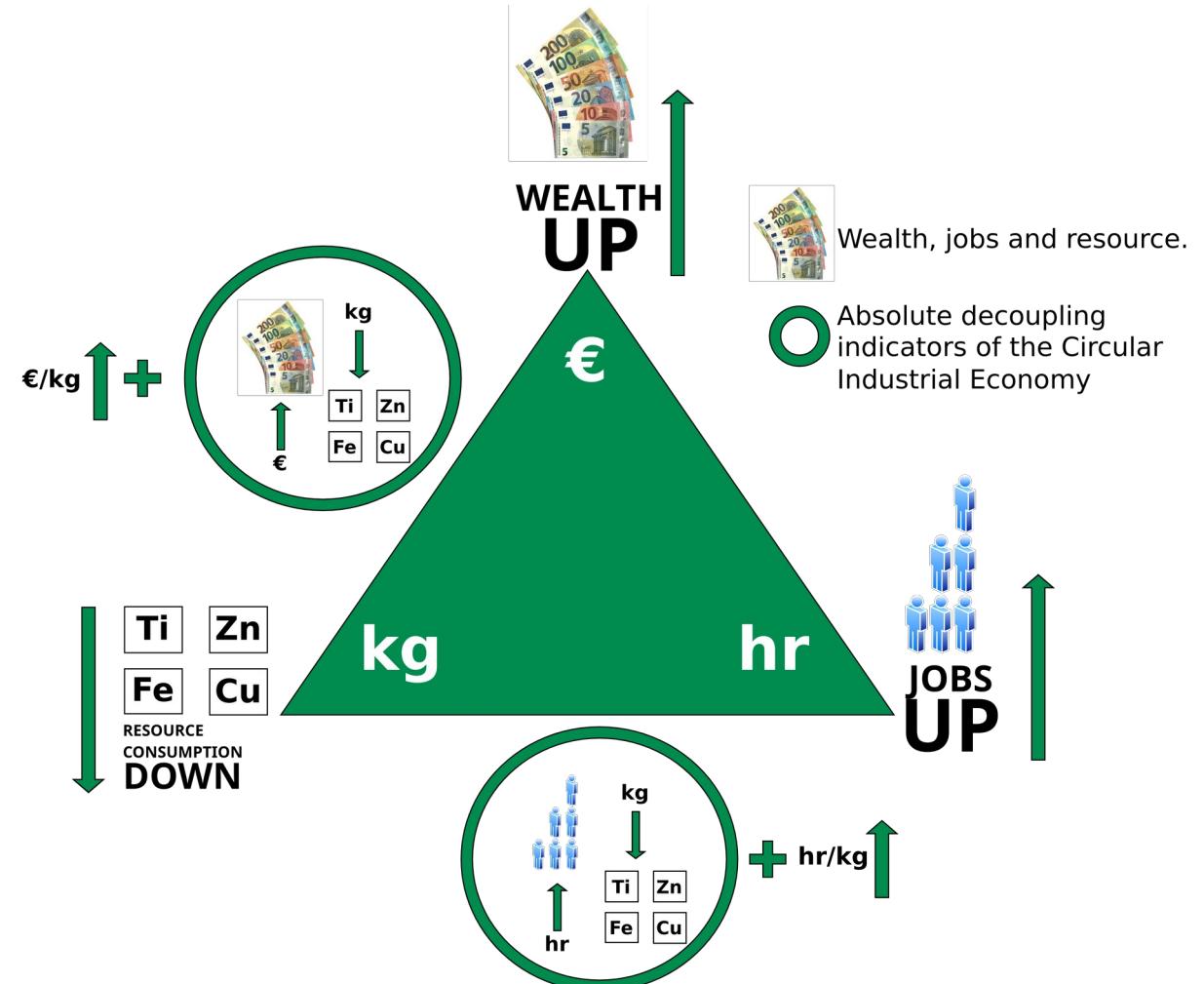


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- **Linear Economy:** Low hr/kg (labor input per weight) ratios, coherent with mass production in highly mechanized processes, and low to medium €/kg (value per weight) ratios, in a range from basic materials like cement to smart goods like USB memory sticks
- **Circular Economy:** Higher hr/kg and €/kg ratios for reuse, remanufacture and selling performance (goods as a service), in a group with new technologies, such as life sciences and nanotechnologies, which by nature produce dematerialized objects.



# Absolute decoupling indicators make the difference between the LIE and the CIE visible

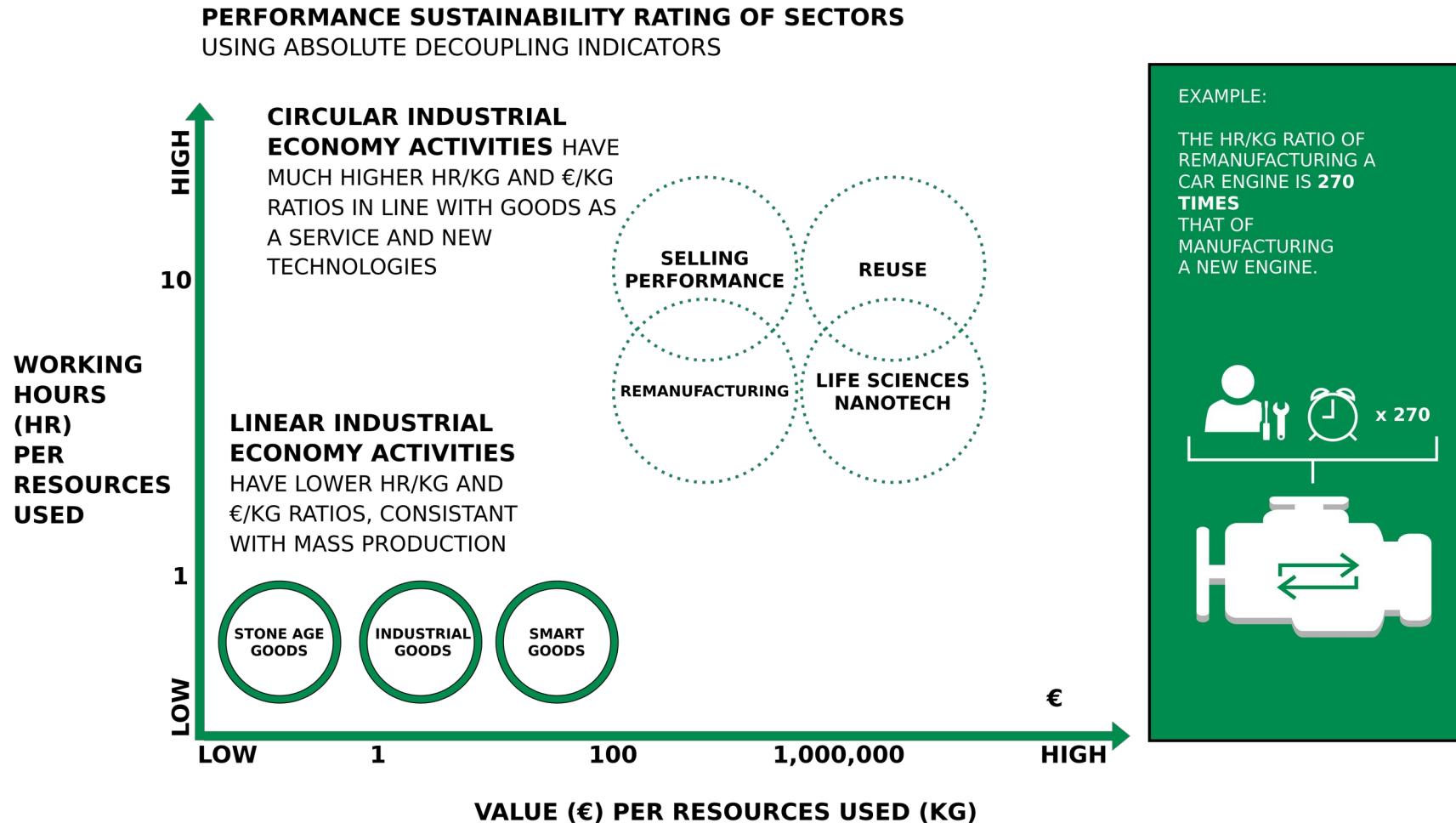


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# PERFORMANCE ECONOMY

# Performance Economy

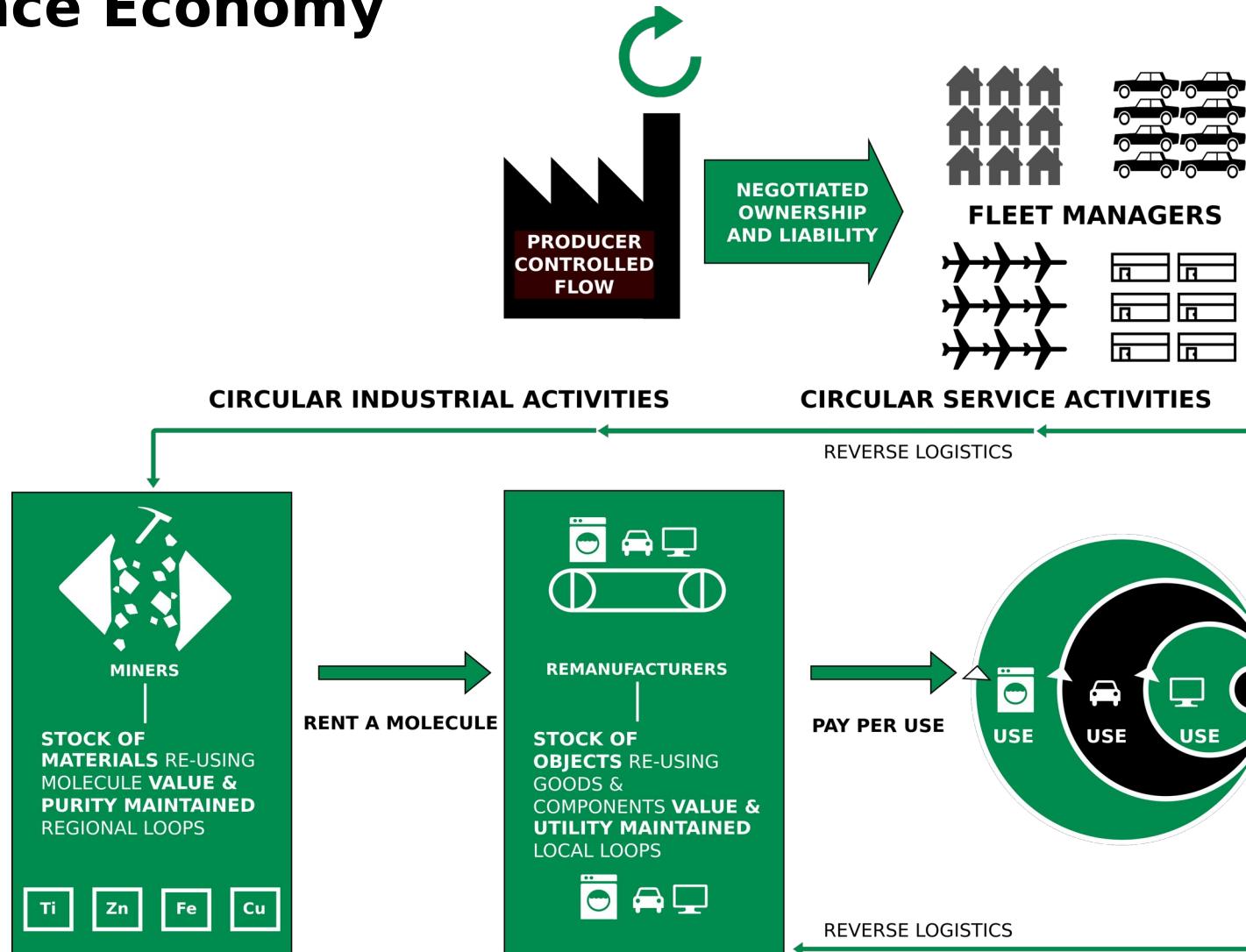


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## Performance Economy - Definition

„The Performance Economy sells results instead of objects. Its economic actors may be manufacturers of durable objects or fleet managers operating them. In both cases, they sell the use of these objects as a service over the longest possible period of time and maximize their profits by exploiting both efficiency and sufficiency solutions. “

## Performance Economy - Most sustainable CE business model?

- Stahel argues:
  - “The Performance Economy of selling goods and molecules as a service, function guarantees or results and performance, is the most sustainable business model of the circular industrial economy because by internalising the costs of product liability, of risk and waste, it offers manufacturers a strong financial incentive to prevent losses and waste.”

## Performance Economy - Most sustainable CE business model?

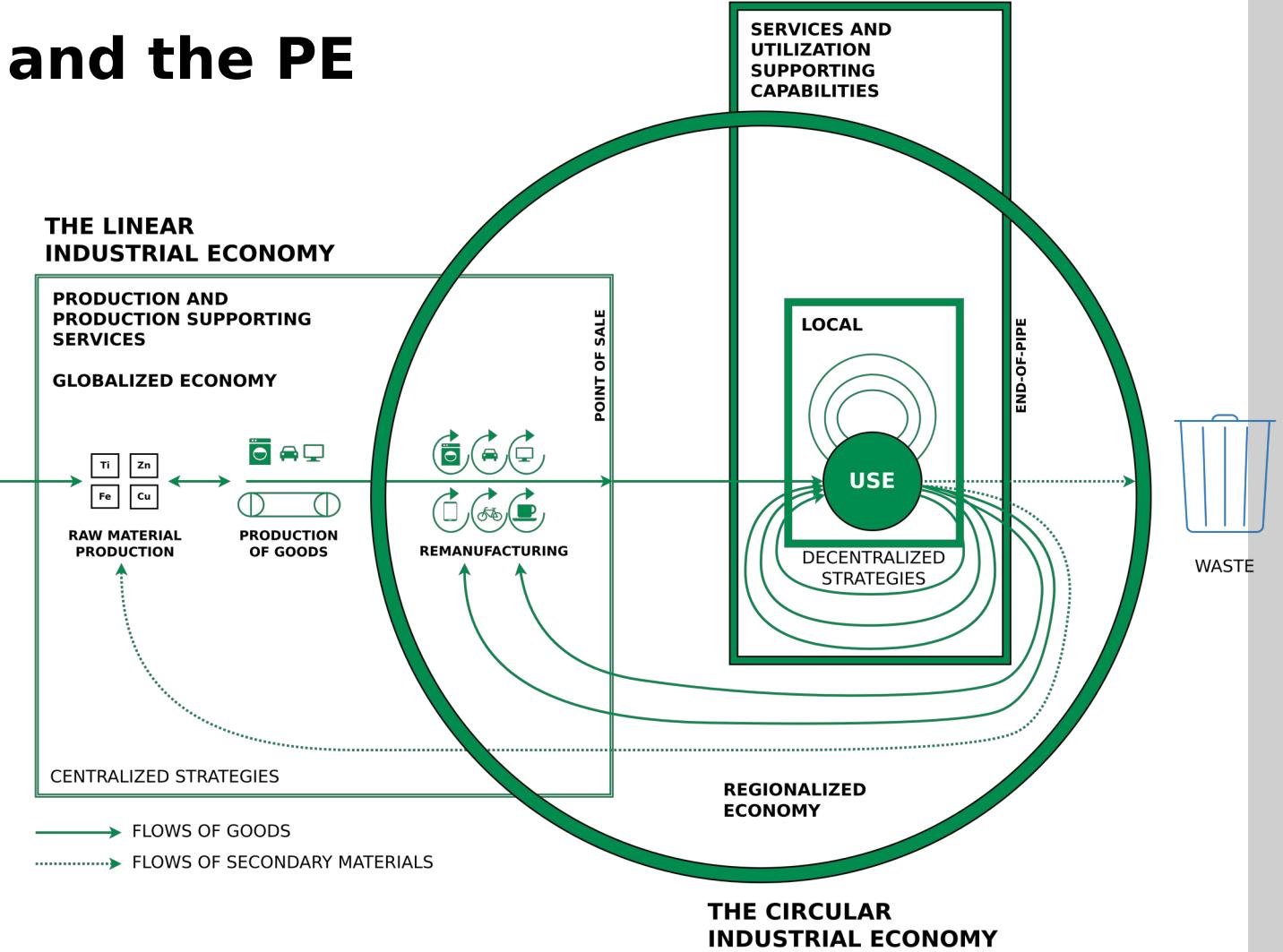
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  - “It maximises the profit potential by exploiting sufficiency, efficiency and systems solutions.”
  - “In addition, by maintaining the ownership of objects and embodied resources, it creates long-term corporate and national resource security at low cost.”

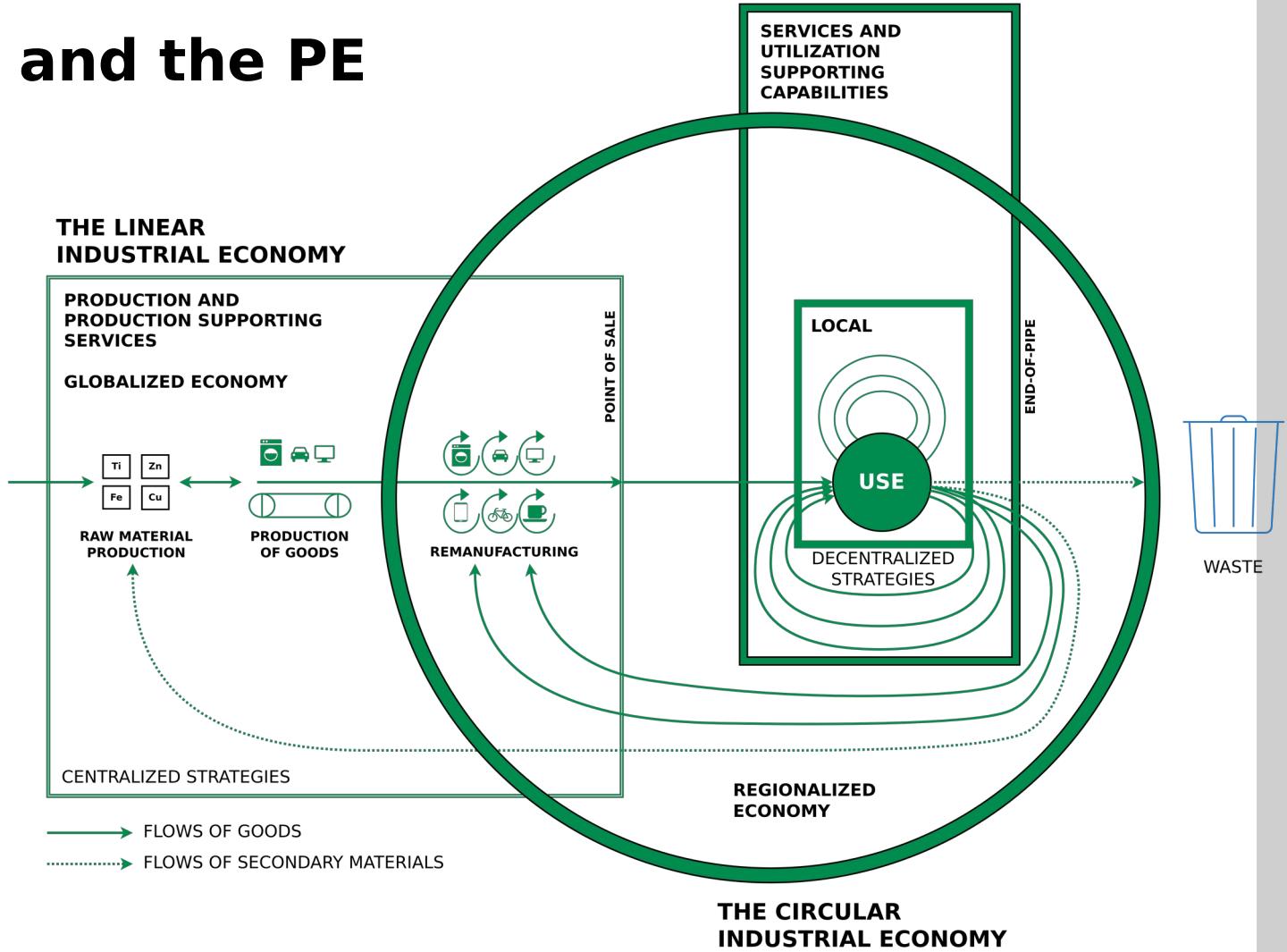
## Situating the LIE, the CIE and the PE

- **Circle:** Managing the utilisation or use phase of stocks of manufactured objects and their components, by maintaining the value and quality of infrastructure, buildings, investment goods, equipment and durable consumer goods in a local or regional economy



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- **Small square:** Local use-focused PE

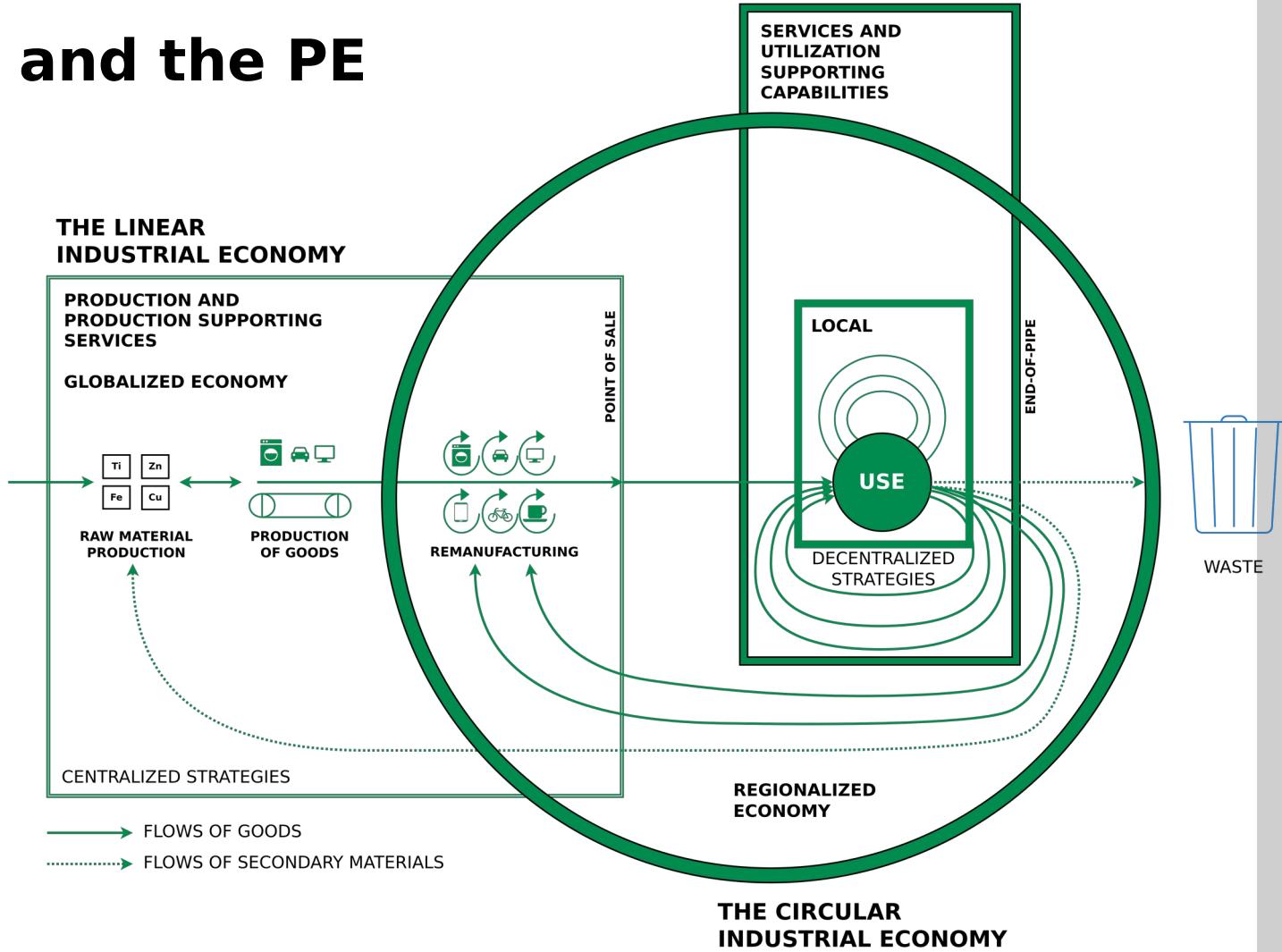


## Situating the LIE, the CIE and the PE

- **Circle:** Managing the utilisation or use phase of stocks of manufactured objects and their components, by maintaining the value and quality of infrastructure, buildings, investment goods, equipment and durable consumer goods in a local or regional economy



- **Small square:** Local use-focused PE
- **Big square:** Flows of used materials returning to the raw material producer to recover molecules and atoms in a globalised economy



# EMERGING TECHNOLOGIES FOR THE CIRCULAR ECONOMY

## The Nature of Technology

- In the past many new technologies have emerged and disrupted existing economical models.

## The Nature of Technology

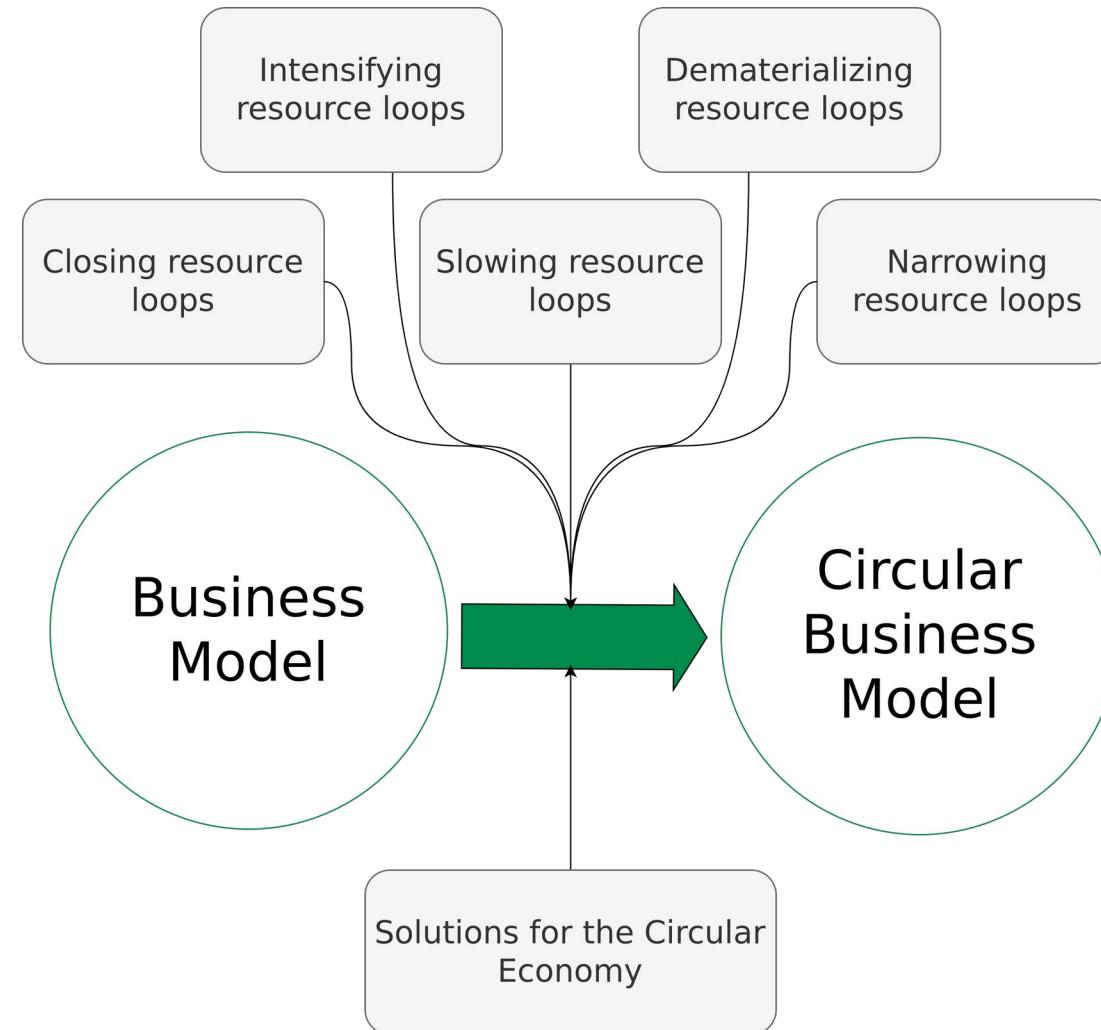
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- B. Arthur stipulates that an *economy is an expression of its technologies*

## The Nature of Technology

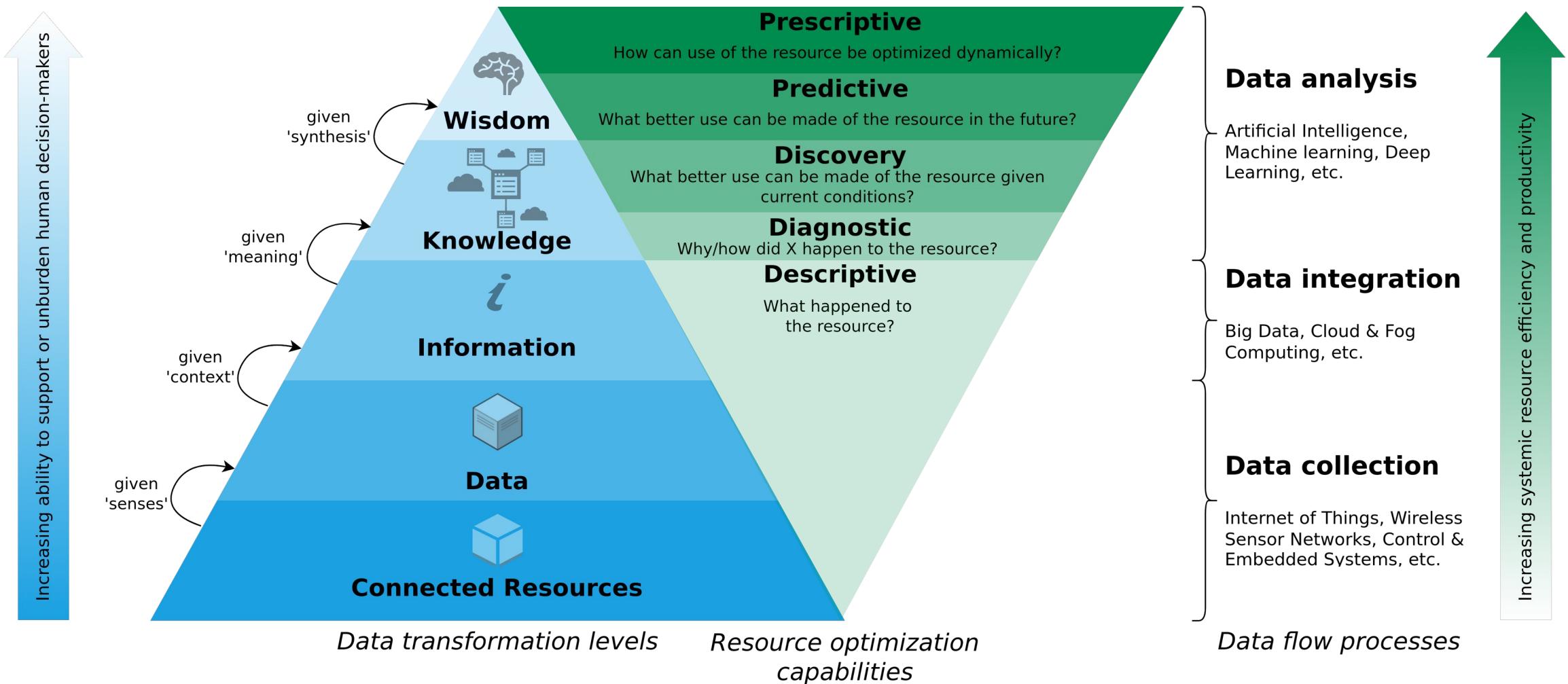
- In the past many new technologies have emerged and disrupted existing economical models.
- B. Arthur stipulates that *an economy is an expression of its technologies*
  - Thus, it can be argued that the current unsatisfying state of the Circular Economy reflects a lack of sufficiently developed technologies that express themselves within the CE.
  - Or, more precisely – difficulties of the stakeholders in combining the technologies that are required to enable the CE.

# DIGITAL CIRCULAR ECONOMY AND BUSINESS MODELS

# Circular Economy Business Models



# #1: A Data-Driven Smart Circular Economy Framework



## #2: Performance Economy and/to Sharing Economy



## EXAMPLE 1- RESELL?

## Resell and Reuse of IT Devices

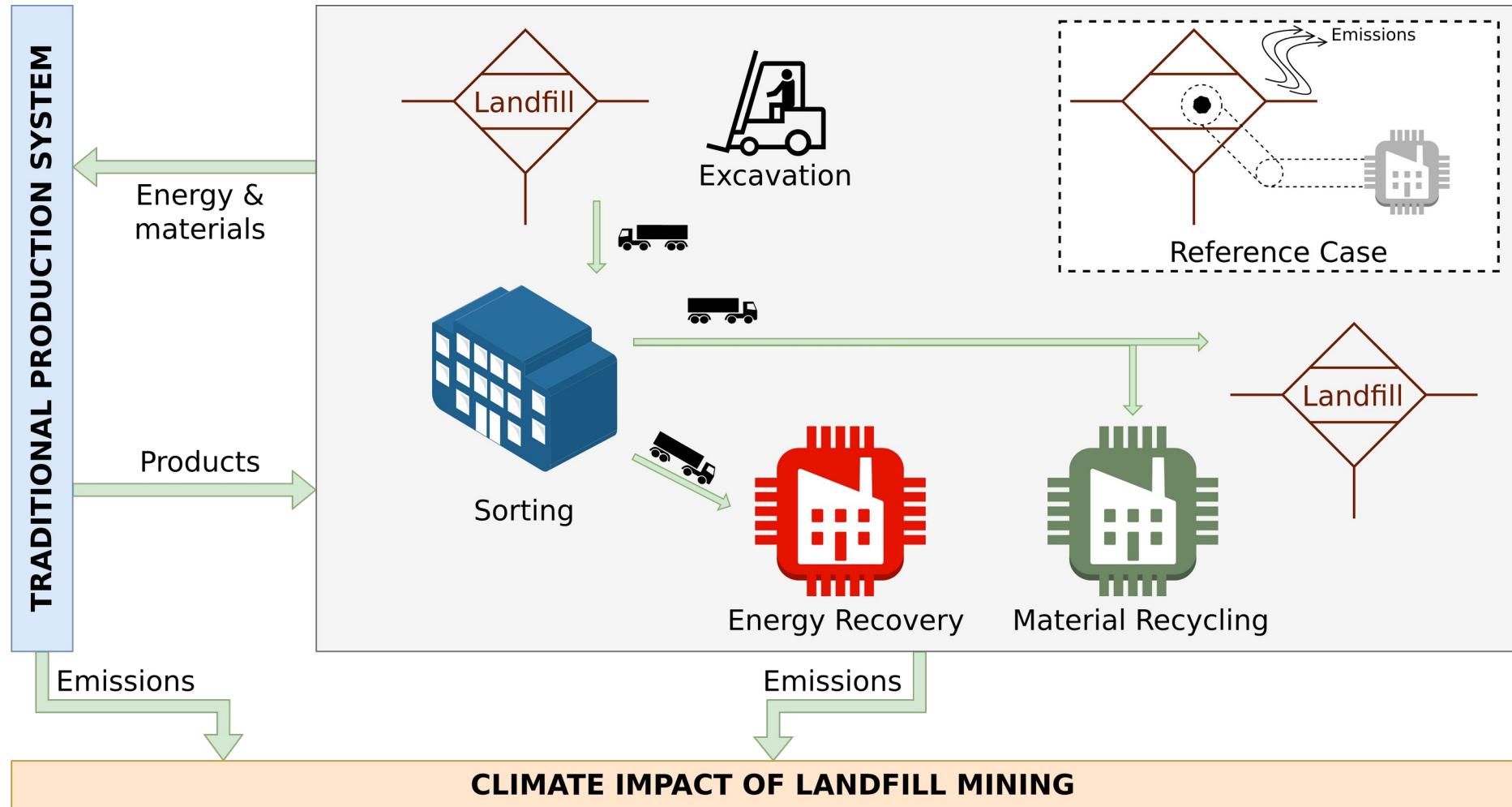
- Momox.co.uk
- Ebay-Kleinanzeigen.de
- Rebuy.de

## EXAMPLE 2 - FUTURE RESOURCES

## Buildings as Material Banks (BAMB)

- Integrating “materials passports” with reversible building design to optimise *Circular Industrial Value Chains*.
- Aims of BAMB:
  - Prevention of construction and demolition waste.
  - Reduction of virgin resource consumption and the development towards a circular economy through industrial symbiosis.
  - Addressing the challenges mentioned in the [Work Programme on Climate action, environment, resource efficiency and raw materials](#)

# Landfill Mining

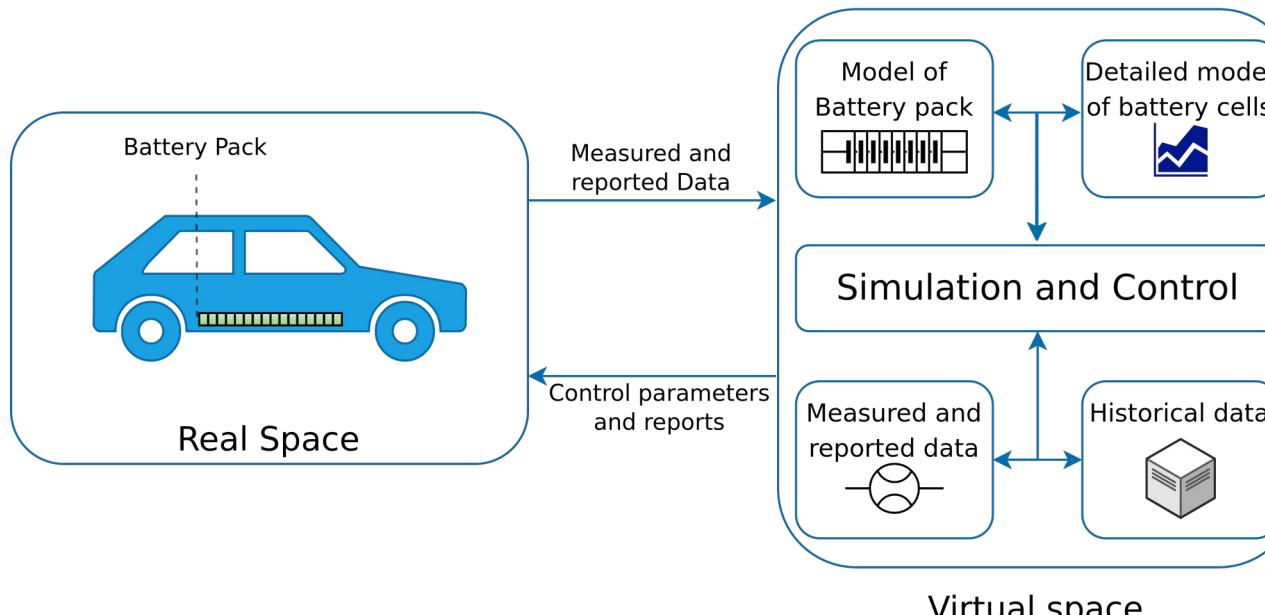
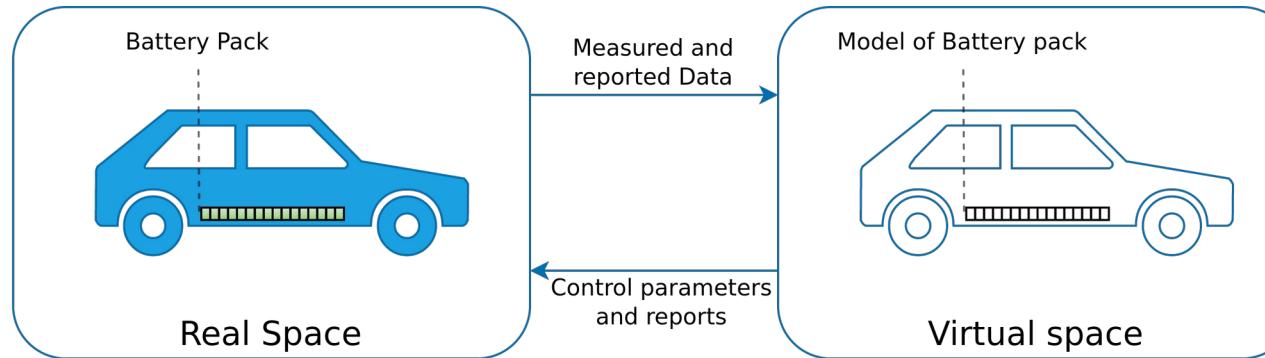


## EXAMPLE 3 - DIGITAL TWINS

# Definitions

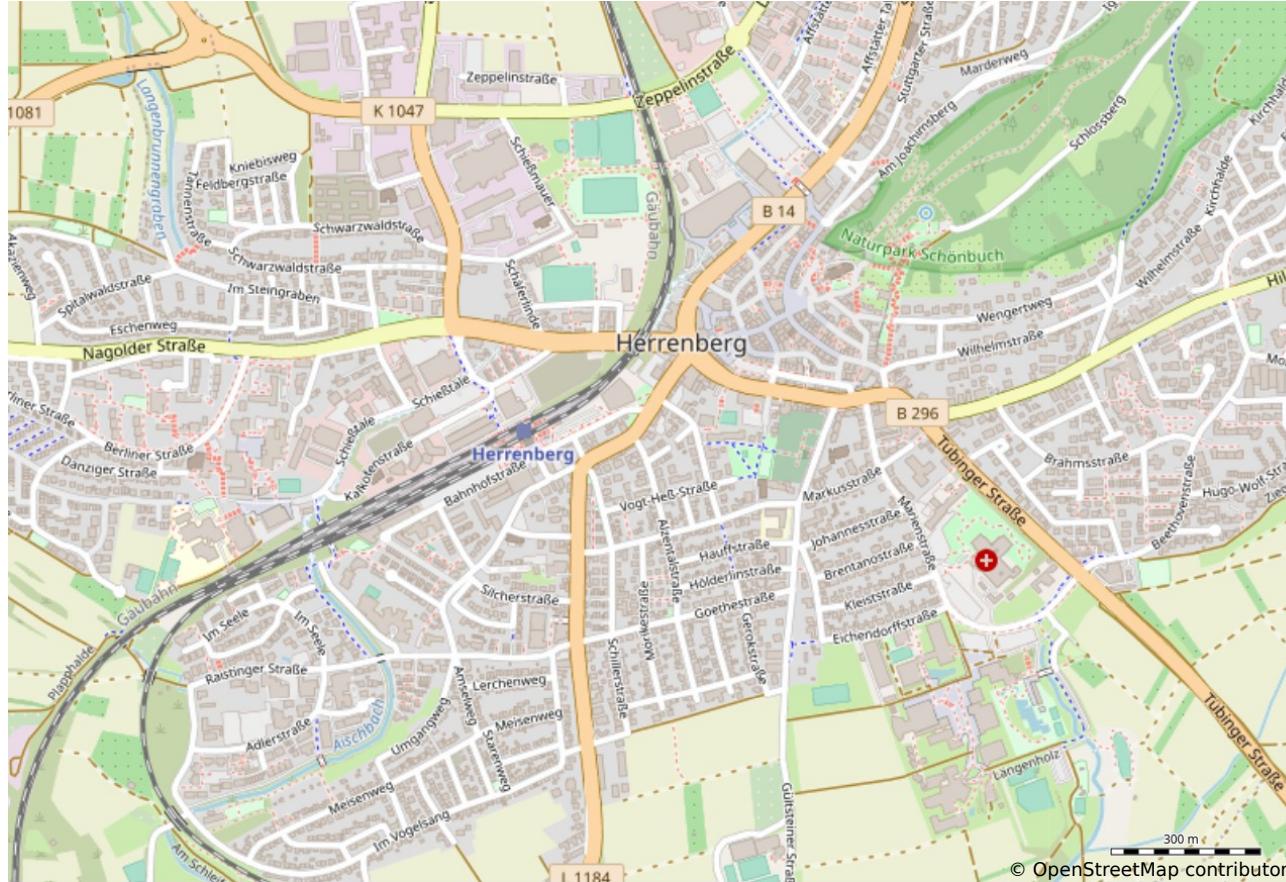
No.	Ref	Year	Definition of Digital Twin
1	[16–18]	2010 and 2012	An integrated multi-physics, multi-scale, probabilistic simulation of a vehicle or system that uses the best available physical models, sensor updates, fleet history, etc., to mirror the life of its flying twin. The digital twin is ultra-realistic and may consider one or more important and interdependent vehicle systems.
2	[19]	2012	A cradle-to-grave model of an aircraft structure's ability to meet mission requirements, including submodels of the electronics, the flight controls, the propulsion system, and other subsystems
3	[20]	2012	Ultra-realistic, cradle-to-grave computer model of an aircraft structure that is used to assess the aircraft's ability to meet mission requirements
4	[23]	2013	Coupled model of the real machine that operates in the cloud platform and simulates the health condition with an integrated knowledge from both data driven analytical algorithms as well as other available physical knowledge
5	[21]	2013	Ultra-high fidelity physical models of the materials and structures that control the life of a vehicle
6	[24]	2013	Structural model which will include quantitative data of material level characteristics with high sensitivity
7	[25]	2015	Very realistic models of the process current state and its behavior in interaction with the environment in the real world
8	[22]	2015	Product digital counterpart of a physical product
9	[26]	2015	Ultra-realistic multi-physical computational models associated with each unique aircraft and combined with known flight histories
10	[27]	2015	High-fidelity structural model that incorporates fatigue damage and presents a fairly complete digital counterpart of the actual structural system of interest
11	[28]	2016	Virtual substitutes of real world objects consisting of virtual representations and communication capabilities making up smart objects acting as intelligent nodes inside the internet of things and services
12	[29]	2016	Digital representation of a real world object with focus on the object itself
13	[30]	2016	The simulation of the physical object itself to predict future states of the system

## Example 1: Automotive Industry



*The digital twin concept exemplified on a battery pack of a BEV.*

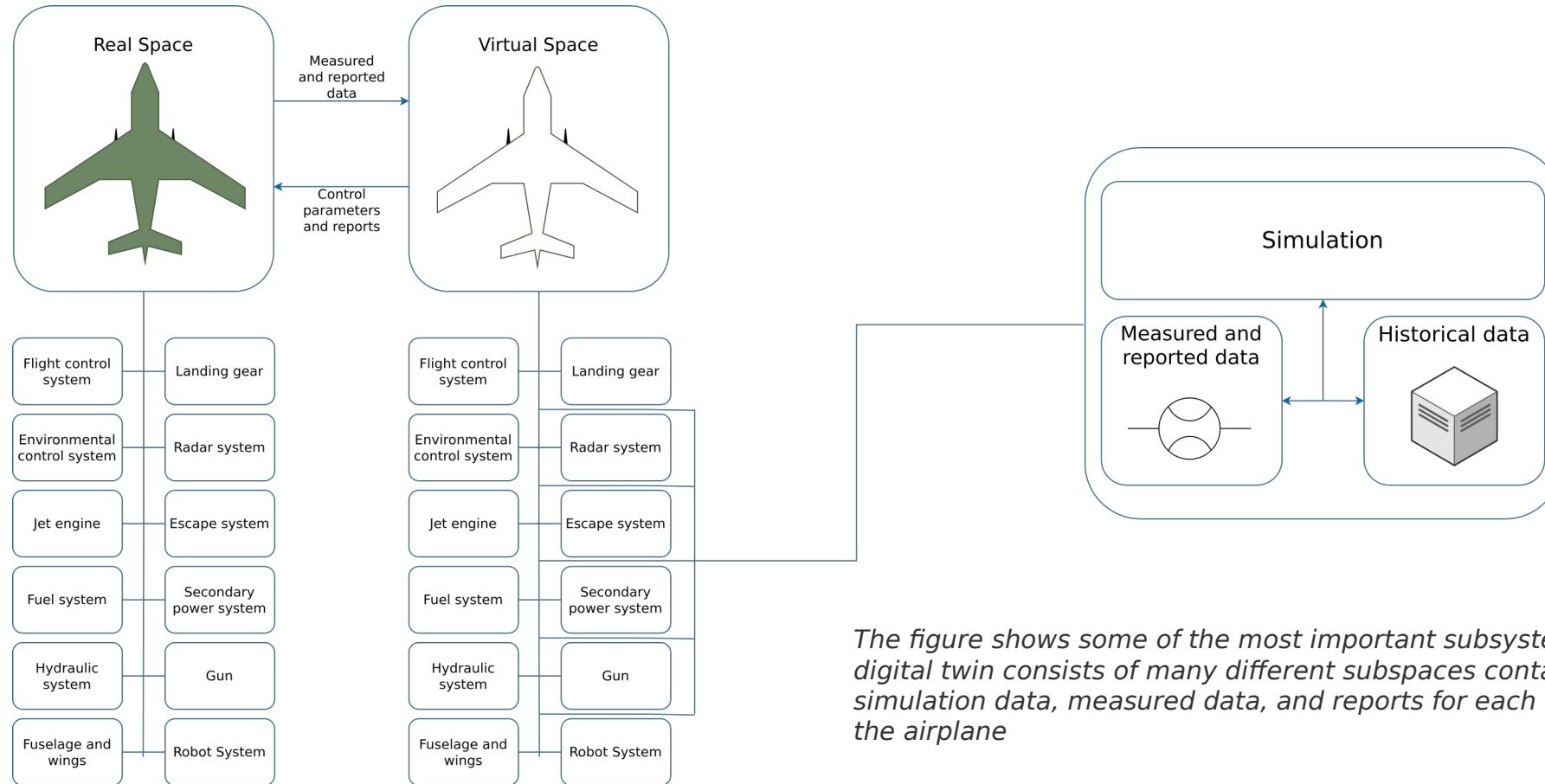
## Example 2: Smart Cities



- Digital Twin of Herrenberg
- Mathematical street network model with space syntax
  - Used to indicate high/low potentials of traffic.
- Sensor network
  - Temperature
  - Humidity
  - Particulate Matter
- Air-flow simulation
  - Simulation and combination of data relates emissions to potential volume of traffic using wind, humidity, temperature and particulate matter data.
- 3D Visualization of the above using Virtual Reality (VR)

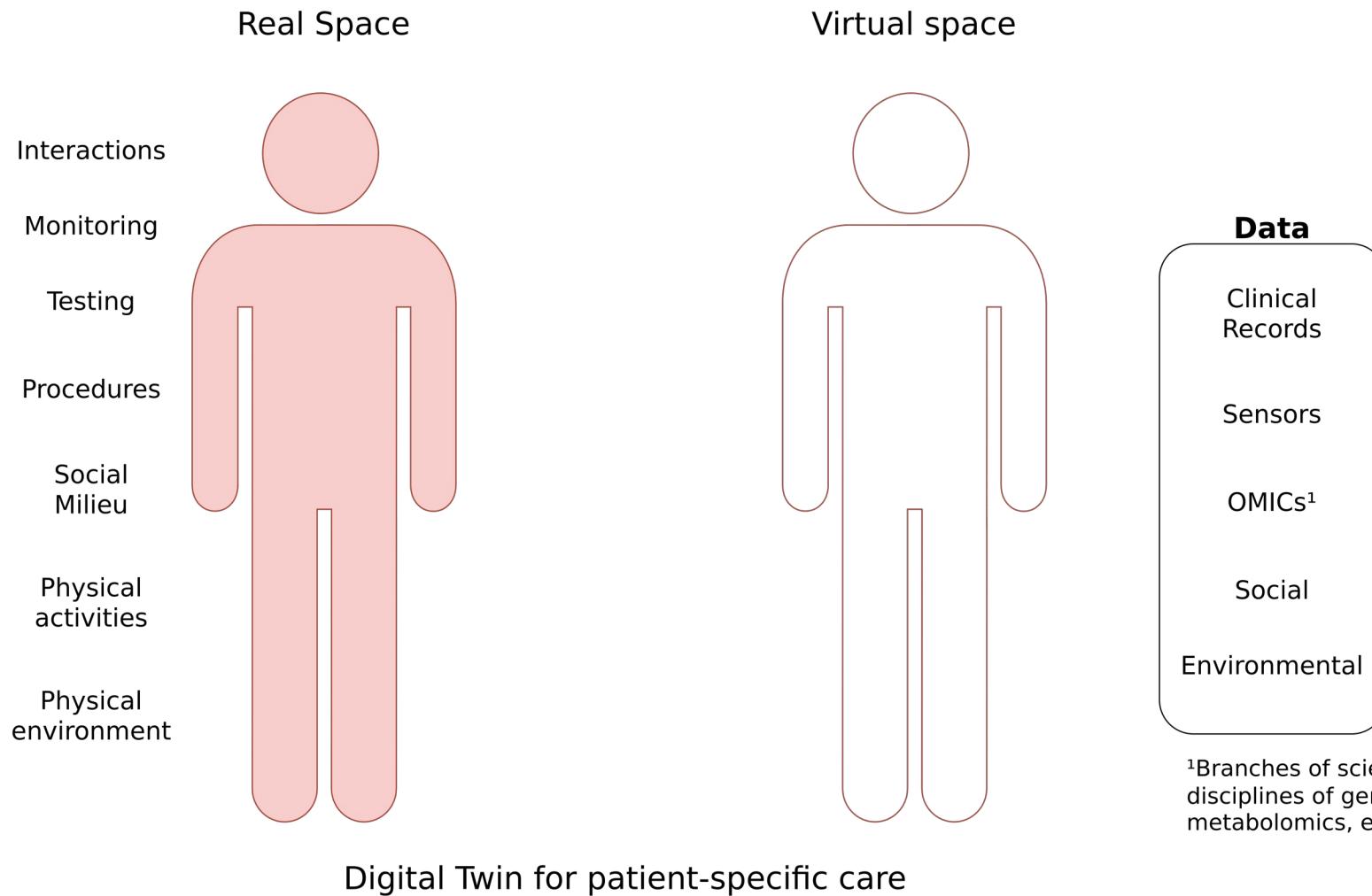
Dembski, Fabian, et al. "Urban digital twins for smart cities and citizens: the case study of Herrenberg, Germany." *Sustainability* 12.6 (2020): 2307

## Example 3: Aviation and Aerospace



*The figure shows some of the most important subsystems in a fighter jet. A digital twin consists of many different subspaces containing models, simulation data, measured data, and reports for each of the subsystems of the airplane*

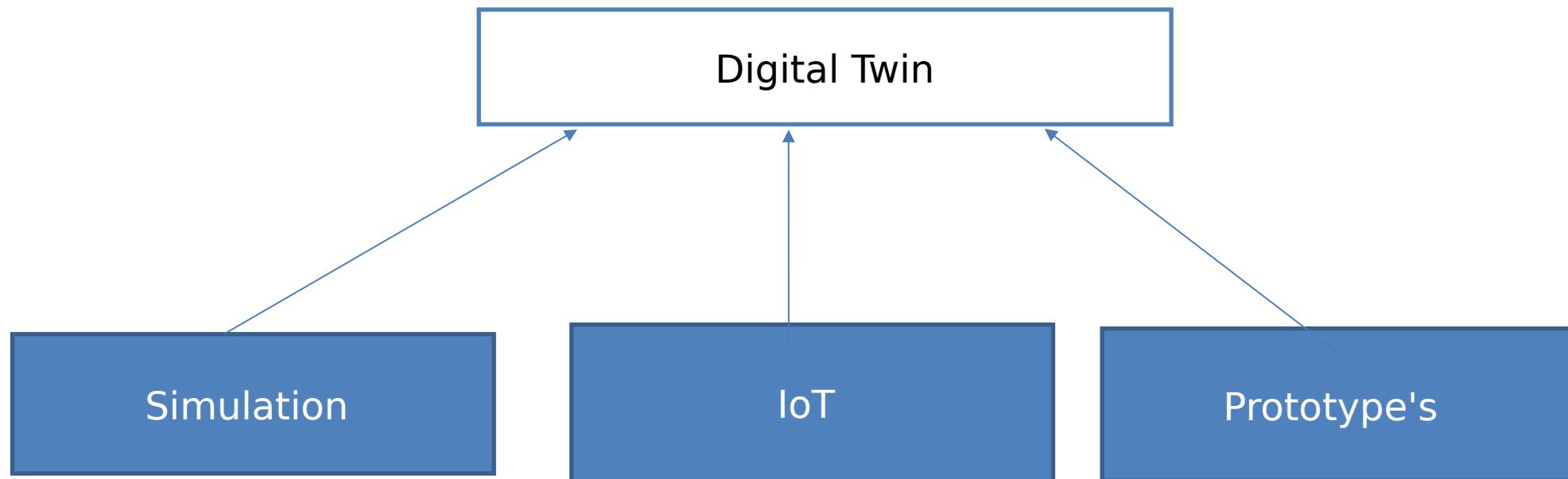
## Example 4: Human Medicine



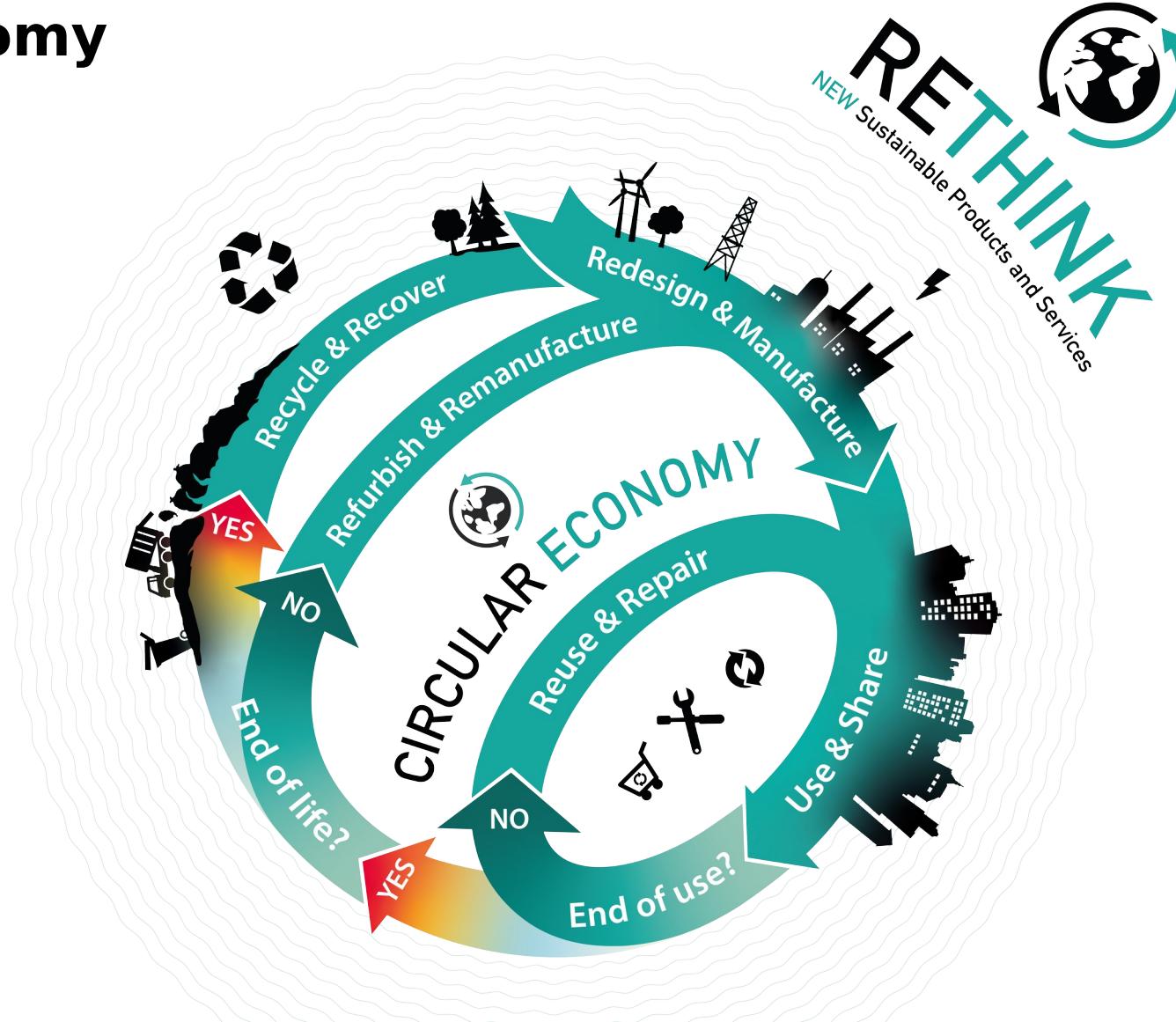
<sup>1</sup>Branches of science composed of disciplines of genomics, proteomics, metabolomics, etc.

## Digital Twins vs. Other Concepts

- Digital twins are often compared to be synonymous with simulation, prototype, IoT, etc.



# Circular Economy



# Use Cases (1): Supply Chain Transparency

## Product Usage

What is it for? Where will it be used?  
How? Is it a Direct Material? Does it meet specifications?  
Will it suffice? What are the concerns?  
What are the risks? Are there alternatives?

## Procurement Data

Purchasing approval? Is the vendor approved?  
Is it importable? Payment terms supported?  
Supply risks?

## Facility Information

Can we use it? Store it?  
Where exactly? How much?  
Do we adhere to standards?  
Have we adopted appropriate Codes?  
Applied labels and signage?

## Composition Information

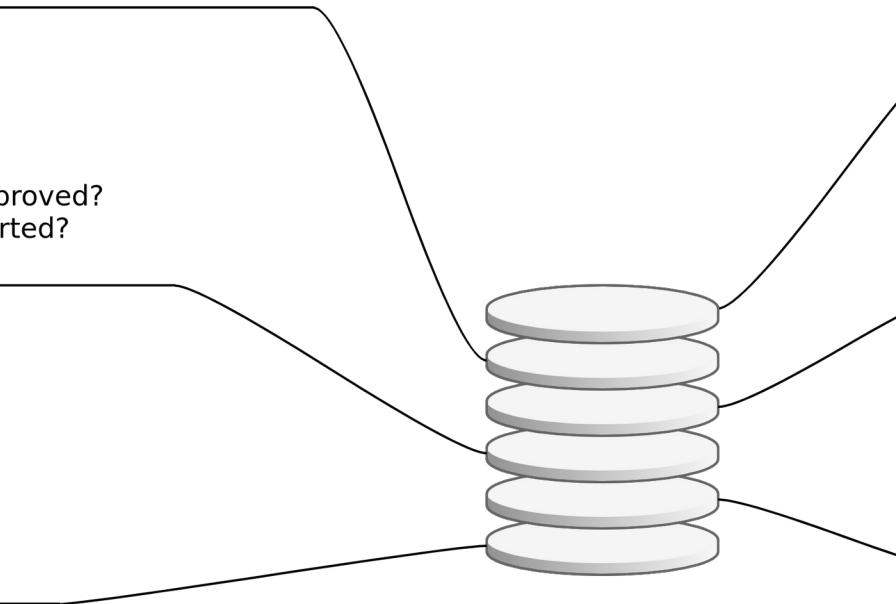
What substances does it contain?  
Are any of them regulated? Restricted? Banned?  
Do we have acceptable disclosure from the Vendor?

## Health and Safety Information

What are the risks? Hazards?  
Can we mitigate these?  
Do we have appropriate controls in place?  
Do we need to train our staff?  
Do we need to provide instructions?

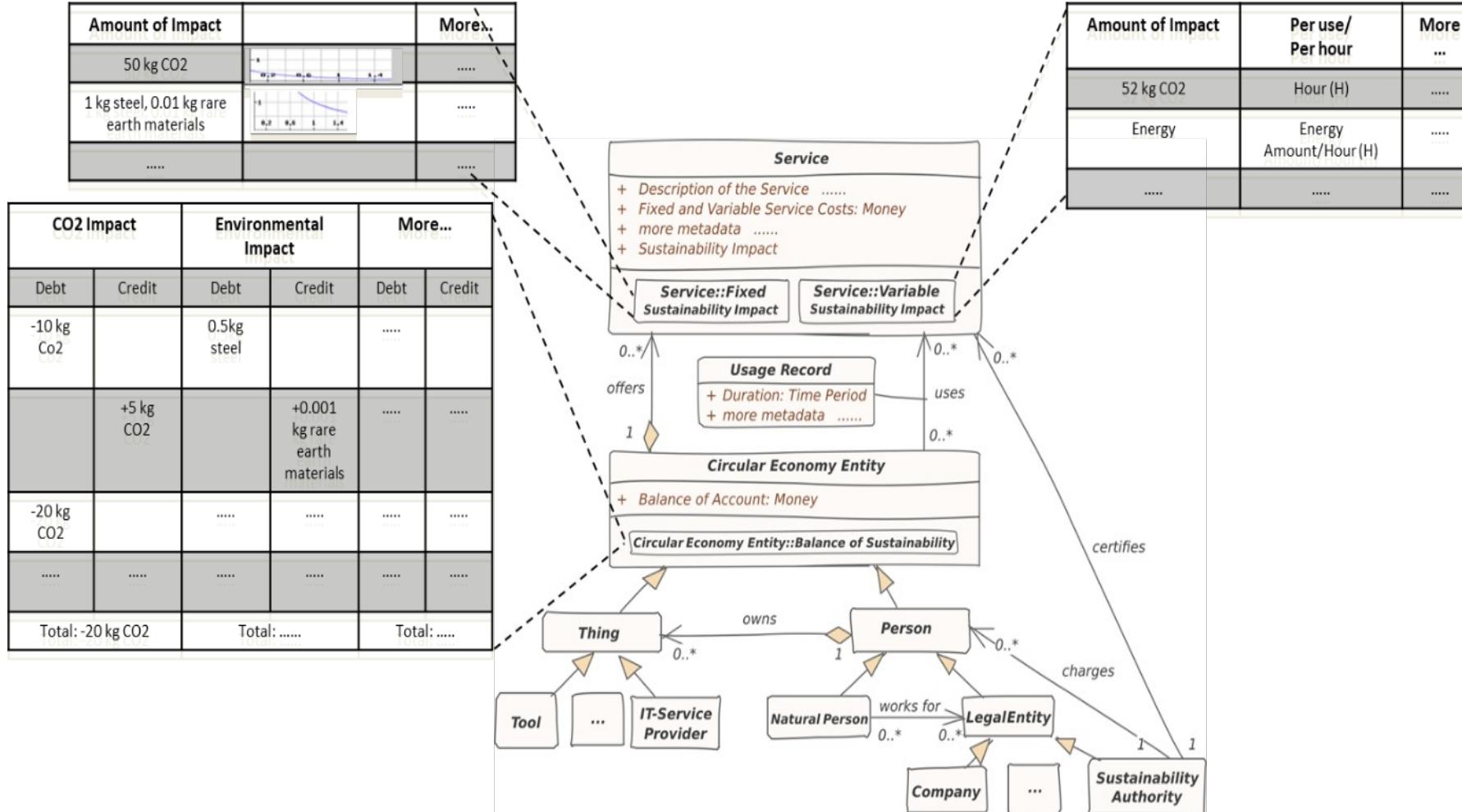
## Environmental Data

What are the recyclability/ disposal considerations?  
Release to Air/Water/Land? Waste contractor required?  
Special process?  
Does target market have adequate processes,  
infrastructure or contractors to handle this?  
What are the related Environmental Impacts?

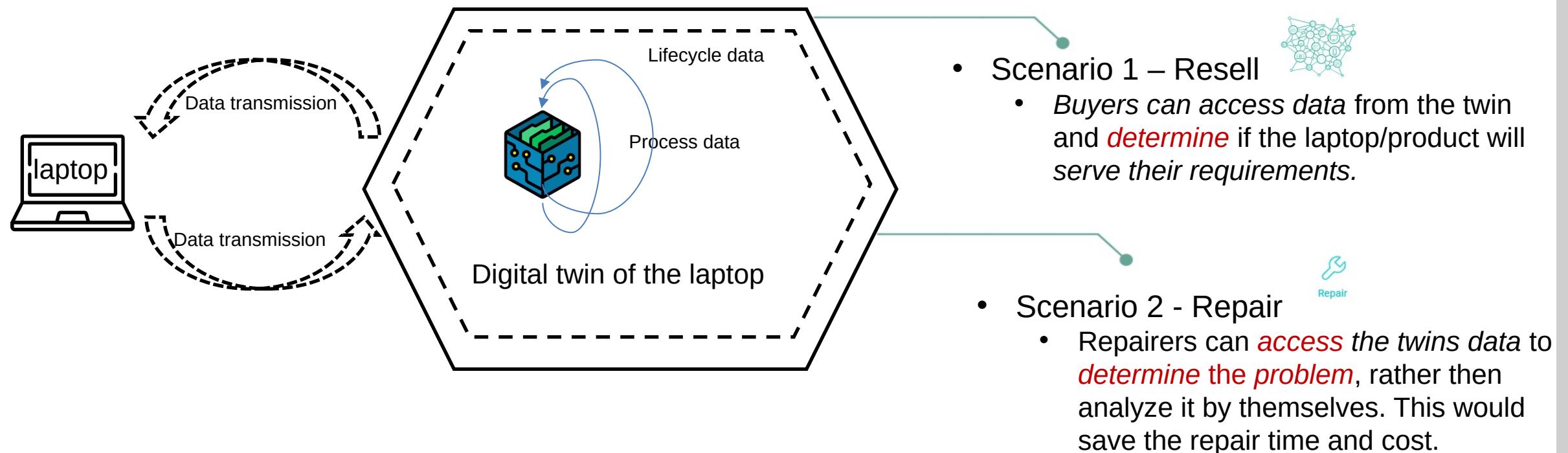


Relevant Information can be gathered, updated and accessed via a digital twin. Thus creating transparency and traceability.

## Use Cases (2): Sustainability Impact Factor

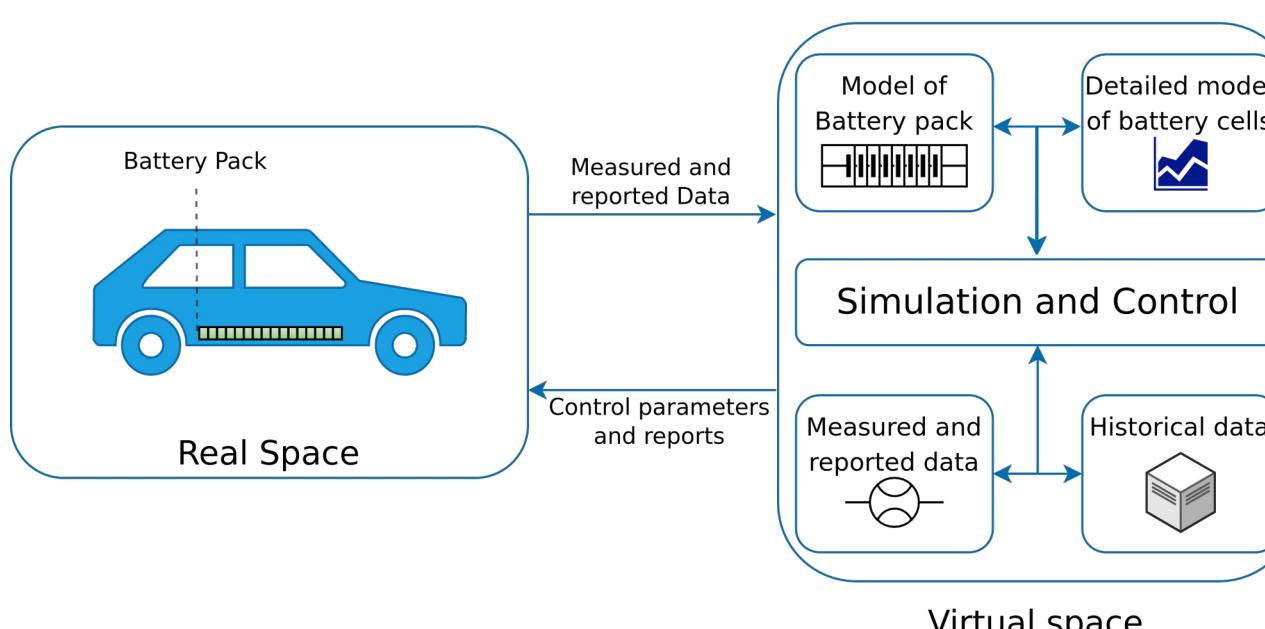
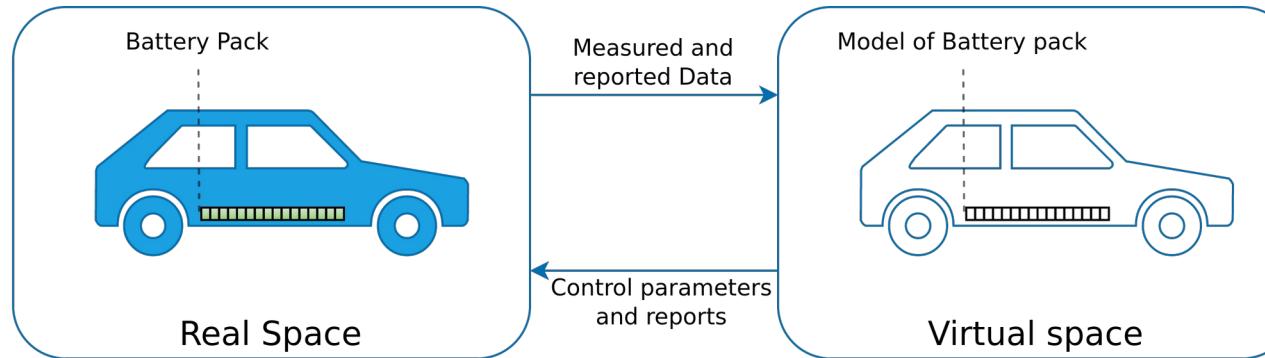


## Use Case (3): Increasing the Longevity of Electronics



More Transparency, reducing repair costs and traceability, products could be easily leased or shared

## Use Case (4): Battery Electric Vehicles



*The digital twin concept exemplified on a battery pack of a BEV.*

## EXAMPLE 4 - ELECTRIC VEHICLE LIFE CYCLE ASSESSMENT (LCA)

## LCA - Motivation



## LCA - Motivation



**Battery Electric Vehicles  
(EV)**

Or

**Internal Combustion Engine  
Vehicles**

## EV Break-Even Point?

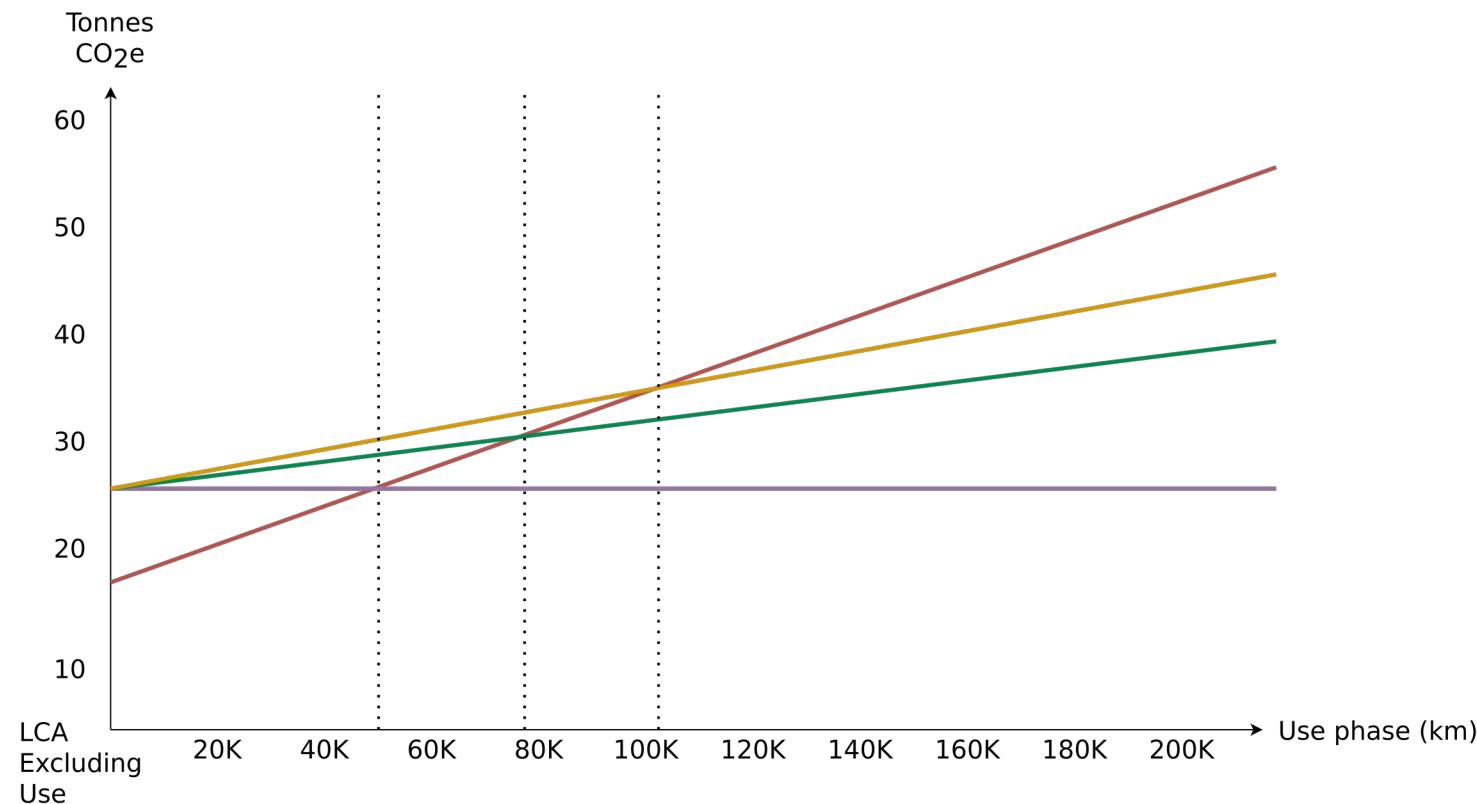
What is the **break-even** point (in km) after which an EV would have caused fewer emissions than an Internal Combustion Engine (ICE?)

- a. 0 - 50.000km
- b. 50.000 - 100.000km
- c. 100.000 - 150.000km
- d. 150.000 - 200.000km
- e. After 200.000km

# Life Cycle Assessment - Polestar 2

Cumulative amount of GHGs emitted depending on total km driven, from Polestar 2 (with different electricity mixes)

- XC40 ICE
- Polestar 2 -- Global electricity Mix
- Polestar 2 -- European (EU28) electricity Mix
- Polestar 2 -- Wind Power



Number of kilometers driven at break-even between Polestar 2 with different electricity mixes in the use phase of XC40 ICE (petrol)

Electric mix	Break-even (km)
Polestar 2 -- Global electricity Mix	112,000
Polestar 2 -- European (EU28) electricity Mix	78,000
Polestar 2 -- Wind Power	50,000

## Further Resources

- Baccini et al. (2012) - Metabolism of the Anthroposphere: Analysis, Evaluation, Design
- Deutscher Bundestag (1994): Bericht der Enquete-Kommission „Schutz des Menschen und der Umwelt – Bewertungskriterien und Perspektiven für umweltverträgliche Stoffkreisläufe in der Industriegesellschaft“ - [Link](#)
- Meadows (1972) - The Limits to Growth
- Meadows, Randers and Meadows (2004) - Limits to Growth - The 30-Year Update
- Walter R. Stahel (2019) - The Circular Economy: A User's Guide
- Website of the Ellen MacArthur Foundation - [Link](#)

# Emerging Technologies for the Circular Economy

## Lecture 3: Lifecycle Assessment (LCA)

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M.Sc. Anant Sujatanagarjuna  
M.Sc. Shohreh Kia

# Questions?