

Go Circular – Cologne April 16-17, 2024

What are the barriers to the transition to (plastic) circularity?

Götz Erhardt

CEO Industry X EMEA Accenture



Where are we in the Journey towards Circular Reinvention (in Plastics)?





The world continues to be filled filled with virgin stuff (including (including plastics)



Making more “stuff” is undermining our ability to do business

45% of our GHG emissions come from the the creation and the use of of ‘stuff’



We don't have enough vital vital scarce resources to keep economic growth going



Humanity is using nature 1.8x 1.8x faster than our planet's biocapacity can regenerate. That's equivalent to using the the resources of 1.8 Earths



Extraction-to-waste economies are triggering triggering irreversible breaking points of planetary planetary boundaries



Businesses are under tremendous pressure to rapidly evolve.



400+ laws

passed globally on
Extended Producer Responsibility,
threatening business with millions in
fines



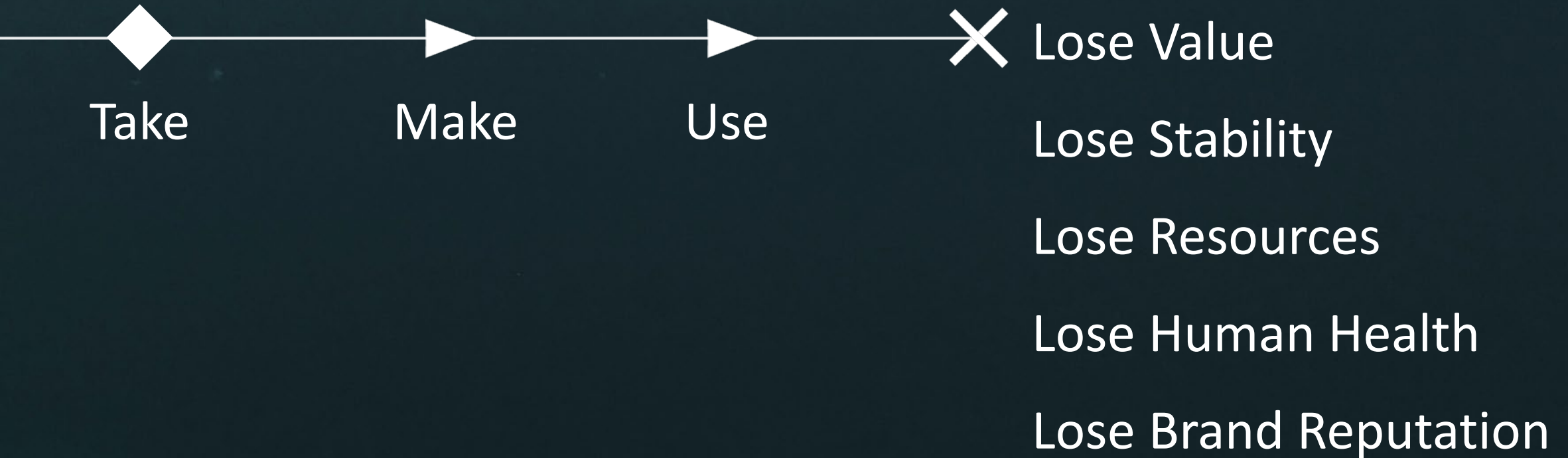
75%


of investors say companies
should invest in ESG
improvements



87%

of consumers believe companies
are responsible for protecting
the planet and its people




A photograph of a circular architectural structure, possibly a dome or a large atrium, viewed from below. The structure is composed of a light-colored, possibly concrete or stone, material. A large, circular opening in the center reveals a clear, bright blue sky. Surrounding this central opening is a ring of numerous small, rectangular windows, each with a dark frame. The windows are arranged in a circular pattern, creating a sense of depth and symmetry. The overall composition is highly geometric and balanced.

The future is circular. But
how do we get there ...
fast?

5 Impediments to plastics circularity



1. Designs for Circularity
2. Material Quality
3. Demand & Supply
4. Effective Waste Segregation
5. Technology & Expertise



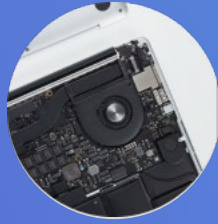
You say circular reinvention is
good.
But how do you do it?



Vision & Culture

Share your vision for reinvention and circular everyone's job

"Our entire workforce dedicates 15% of their time to cut e-waste by 2035."



Collaboration

Prioritize partnerships to move forward together

"We've co-invested with our suppliers in a zero-waste packaging R&D program."



Value

Decouple growth from the consumption of scarce resources

"75% of our revenue now comes from renting our e-mopeds"



Principles of a Circular Organization

Behavior

Design for human behavior from the start – meeting people where they are and connecting to their values

"Our home delivery refill system solves a need and works for real humans."



Longevity

Keep products in use for as long as possible, then loop materials back in to the system

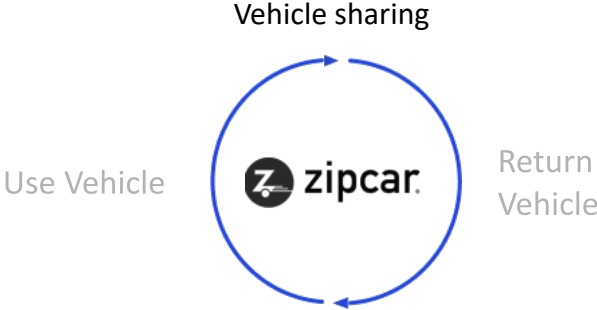
"Every piece of our furniture can be easily repaired and upgraded to last a lifetime."



Circular businesses are reaping rewards.



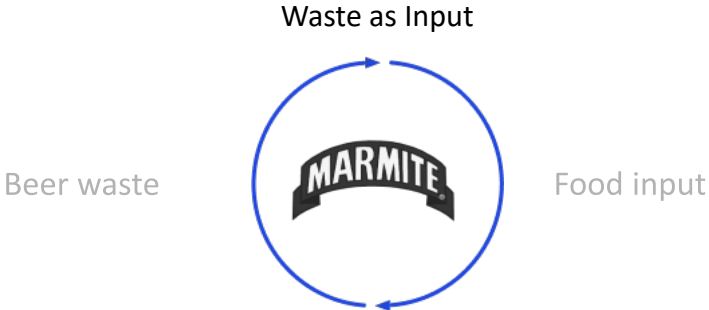
The biggest in resale:
60% growth expected over next 3 years to \$120 billion in Europe¹.



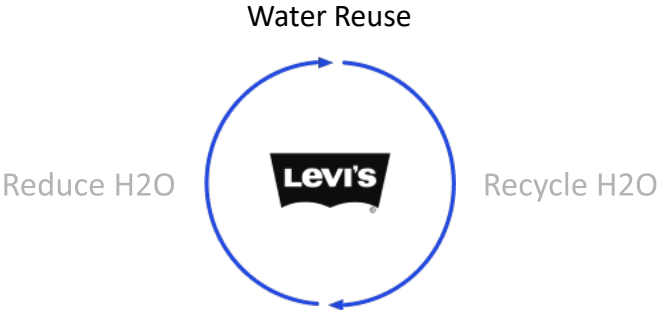
130% membership growth since 2018*²



iPhones make up 82% of the the \$99 bn second-hand hardware market³.



\$97M annual revenue from 99% 99% beer waste product⁴.



1 billion gallons of water reused reused in production, at a saving saving of \$1.6m⁵.



1. Cross-Border Commerce Europe, 2022; 2. Zipcar, 2023; 3. ; 4. Marmite, 2023; 5. GreenBiz, 2015.

Leading companies recognize the importance of circularity as a business imperative, with robust initiatives across the value chain

Circular Inputs

Product and packaging materials that are non-virgin, or virgin materials that are renewably, regeneratively, or sustainably produced.

Patagonia:

100% recycled, reclaimed or renewable resources in apparel by 2025

Dell:

100% packaging & >50% of product from recycled or renewable materials by 2030

PepsiCo:

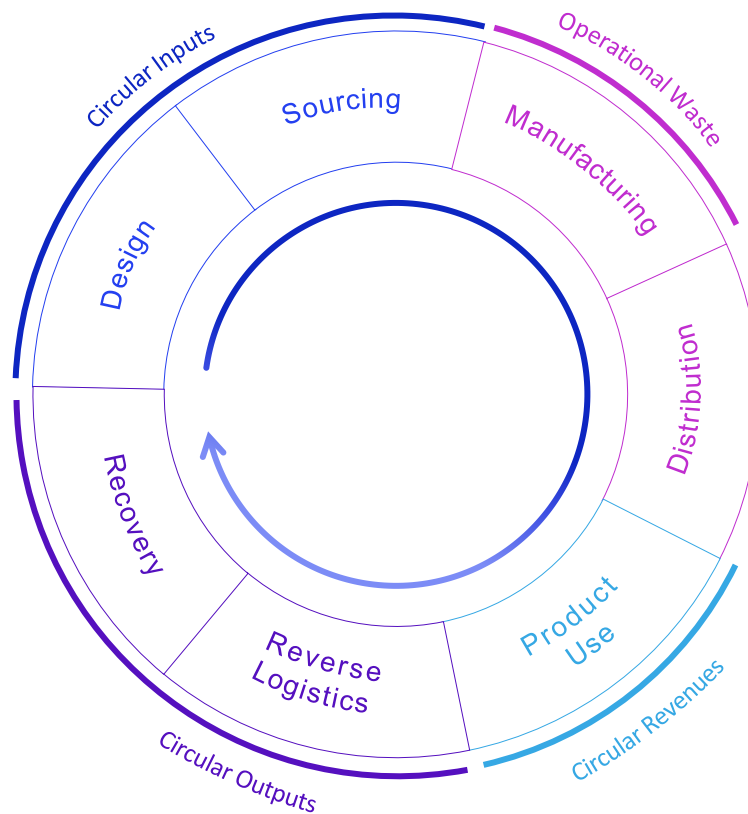
Sustainably sourcing 100% of key ingredients

Circular Outputs

Post-use waste recovered for re-use, upcycling or downcycling.

IBM:

Divert more than 90% of after-use plastic from landfill and incineration, towards circular channels, by 2025



Operational Waste

Operational waste to circular channels.

GSK:

All Waste is repurposed for beneficial use by 2030

Microsoft:

Zero waste across direct waste footprint by 2030 (across operations, products and packaging)

Circular Revenues

Revenue from circular products, services and solutions.

Philips:

Generate 25% of revenues from circular products, services & solutions by 2025 (after reaching 15% target in 2015)

Selfridges & Co:

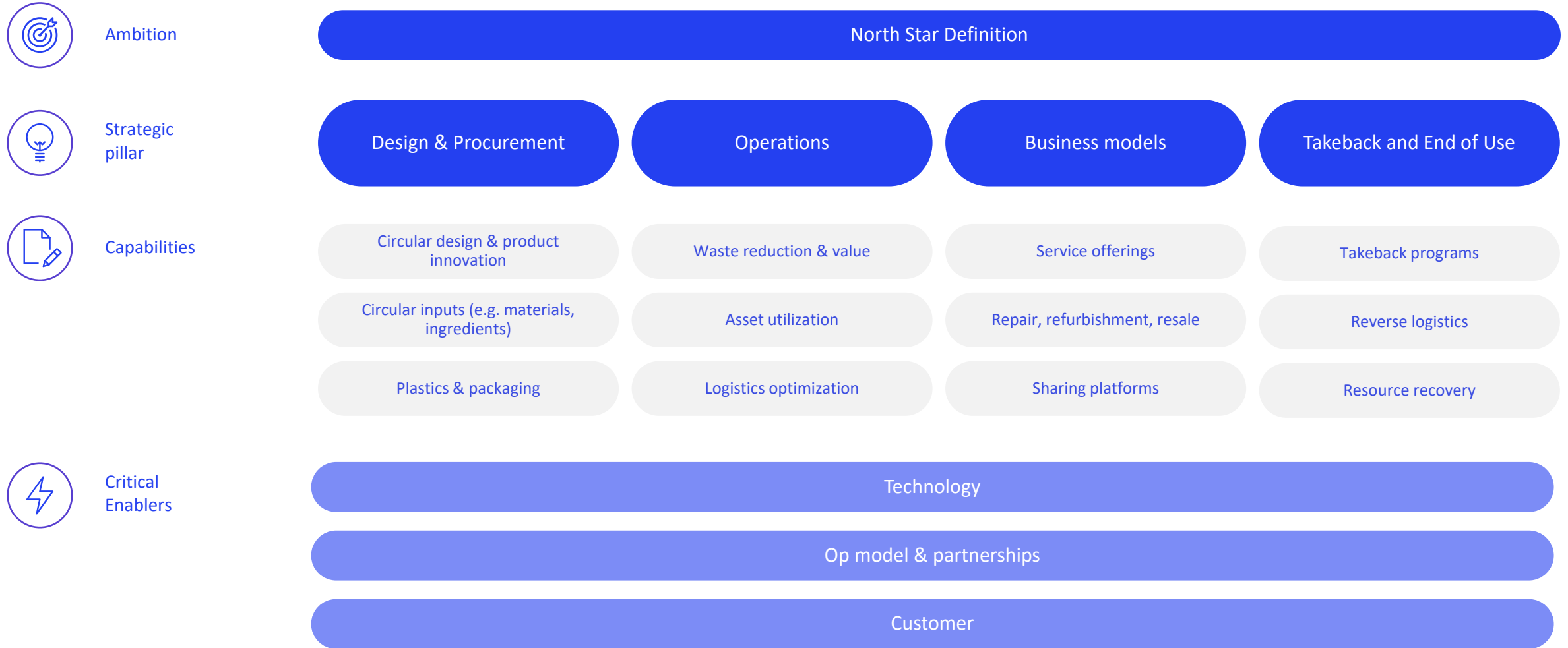
45% of transactions will come from circular products and services by 2030

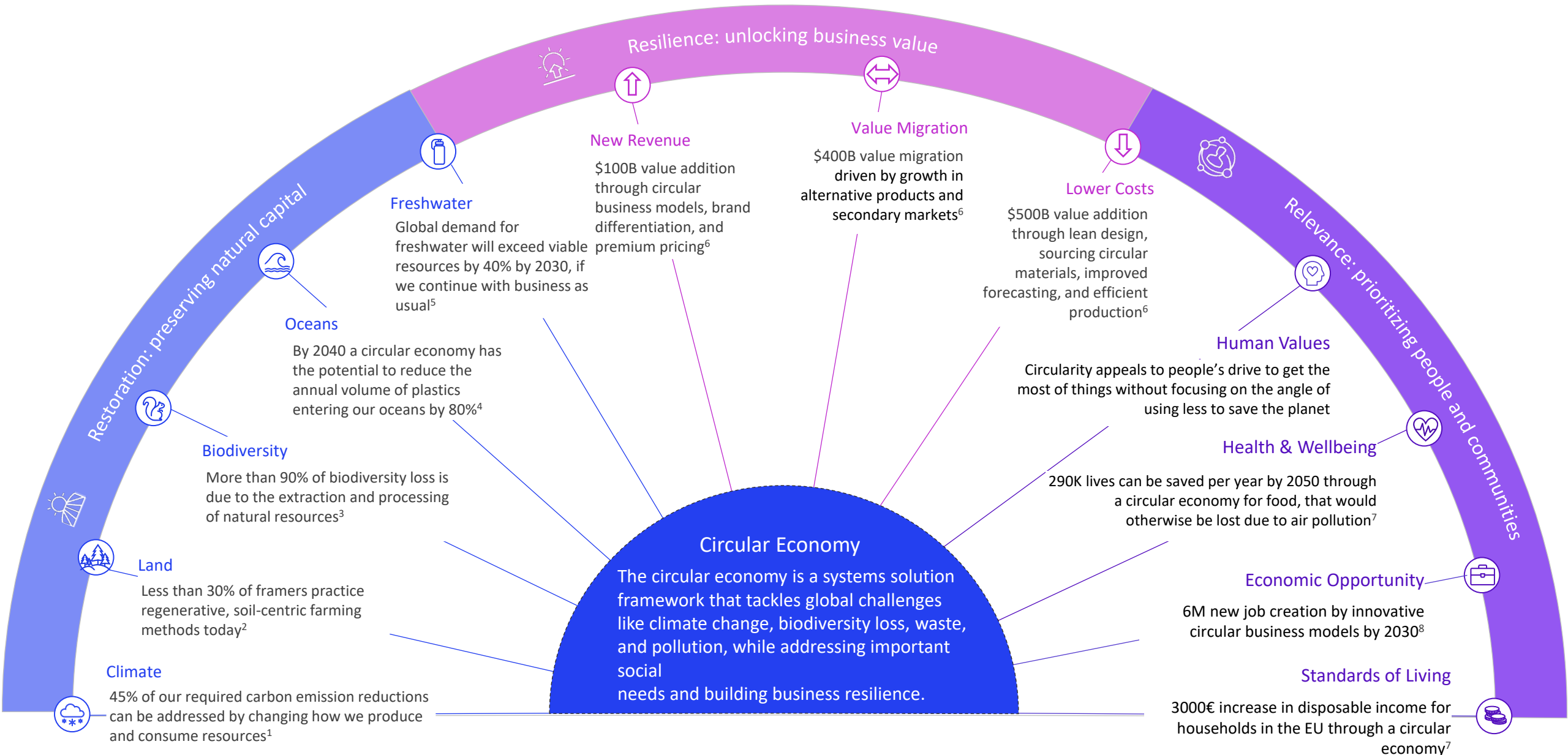
Renault:

Generate >€1 billion in sales from circular products and services by 2030

Source: [PACE](#)

New strategic capabilities are required to shift from linear to circular





Source: [1] [Climate Action Tracker](#), 2023; [2] [Regeneration International](#), 2023; [3] [Ellen Macarthur Foundation](#), 2023; [4] [UNEP](#), 2019; [5] [World Bank](#), 2022; [6] [The Circular Economy Handbook: Realising the Circular Advantage](#), Accenture, 2020; [7] [Ellen Macarthur Foundation](#), 2023; [8] [International Labour Organization](#), 2019



accenture

goetz.erhardt@accenture.com

<https://www.linkedin.com/in/goetzerhardt/>