

A circular economy that benefits businesses and the planet

by **Daniel Halbheer**, Associate Professor, holder of the FII Institute Chair on Business Models for the Circular Economy, and Academic Director of the Climate & Earth Center at the Society and Organizations Institute of HEC Paris



Businesses can do good for the planet and tap into a source of revenue by building reverse supply chains to recover and recycle end-of-life products.

In only 50 years, the global use of materials has nearly quadrupled. This has gone hand in hand with rising waste levels, with over 90% of all materials extracted and used wasted. Most environmental problems are connected to waste.

Unfortunately, global circularity decreased from 9.1% in 2018 to 8.6% in 2020, which leaves a massive circularity gap of over 90%. This gap results from a linear 'take-make-dispose' business model and our throwaway society. Drastically reducing the gap is a planetary urgency.

The objective of a circular business model is to close the linear business model, which ends at the point of sale, through the **three R's** of circularity:

Reduce – design out waste by optimising products for recycling;

Recover – collect end-of-life products;

Recycle – convert recovered products into raw materials.

Three major challenges have to be addressed for the circular business model to succeed.

Companies need to redesign products and supply chains to maximise recoverability of materials for use in new products. Second, a reverse supply chain must be built so that products can be recovered when they reach their end of life. Third, consumers have to be encouraged to fully participate in recycling.

Closing the loop is challenging but will benefit the planet and allow businesses to generate revenue from investing in a reverse supply chain. Beyond closing the loop, businesses also need to design products that last longer to slow down resource extraction and waste generation.

FINANCIAL SERVICES TO DEVELOP A CIRCULAR ECONOMY

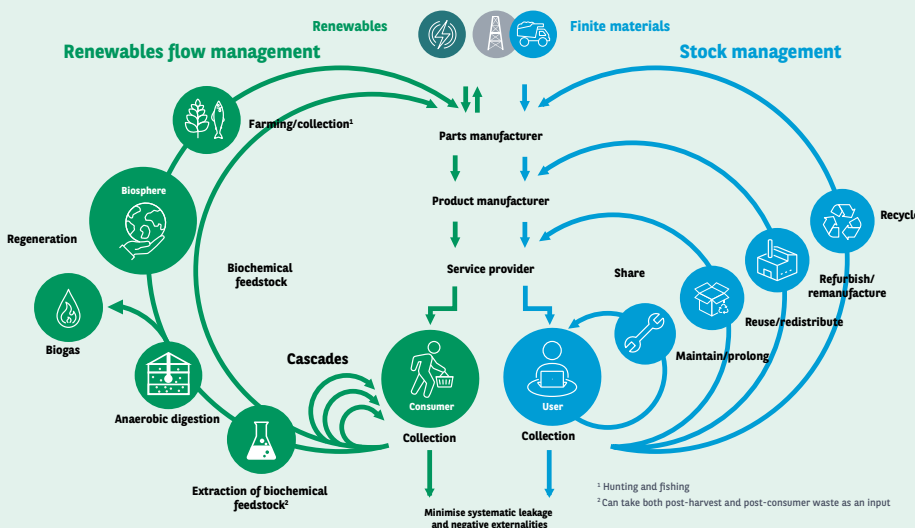
"There is only one planet Earth, yet by 2050, the world will be consuming as if there were three."¹ But what if we could change our lifestyles from ownership to usage by embracing a switch from a linear to a circular economy? The latter term refers to a holistic set of means and practices that make it possible to achieve the reduction of two key targets – manufacturing from scratch or waste – and extending the useful life of a product. The overall environmental footprint would thus significantly decline, with reduced use of resources and lower GHG emissions. Financial services may clearly contribute. "Incentivising product-as-a-service" is mentioned by the EU as one way to help achieve greater circularity.² Many BNP Paribas services linked to recycling, can help clients to shift towards this model, which is based more on usage and drawing less on our planet's precious natural resources.



Isabelle Loc, CEO - BNP Paribas Leasing Solutions

¹ www.un.org
² The EU's New Circular Economy Action Plan (11 March 2020)

Circular economy: butterfly diagram



1 What are 'Cascades'?

This involves diversifying reuse of a product. For example, cotton clothing is reused as second-hand clothing and subsequently as upholstery fibres for furniture. The fibres can then be used as rock wool insulation, before being safely returned to the biosphere.

2 Is there a competition between recycling and maintenance?

No. It's better to focus on keeping an item for longer and then to recycle it. Repairing and maintaining a product helps to preserve most of its value, unlike remanufacturing or recycling.

3 How would a circular economy impact GDP?

In a circular economic system, European GDP could grow by up to 11% by 2030 and up to 27% by 2050, compared to 4% and 15% respectively in the current linear model, according to the Ellen MacArthur Foundation.



TO KNOW MORE YOU CAN ALSO CONSULT THE UNEP CIRCULARITY PLATFORM BY SCANNING OR CLICKING ON THE QR CODE

Source : Ellen MacArthur Foundation, Circular Economy Systems Diagram (02/2019), drawing based on Braungart & McDonough, Cradle to Cradle. Perspectives' editorial team provided comments on the three questions.

What's at stake

Consuming better and less by investing in the circular economy

The financial sector plays a key role in the transition to a circular economy, which can boost households' purchasing power.

A circular model fosters more sustainable consumption

by **Cécile Gauffriau**,
Stream Leader Circular Economy at
BNP Paribas Personal Finance



The circular economy helps to boost households' purchasing power, while meeting today's major challenges.

The concept of the circular economy encourages consumption based on "other" values, as highlighted in the latest Cetelem Observatory 2020-2022 report on the circular economy. Among these values is the embrace of more moderate consumption. In 2020, nine Europeans out of ten were already saying that they wanted to consume "better" rather than "more".

Another value is to consider the purchase of goods as an investment and its resale as an enrichment. In 2022, this mindset saved each European

consumer €77 on average. The report also underlines how users are reusing products. Nine Europeans out of ten already regard reparability and sustainability as key criteria for their purchases, with seven out of ten saying they would happily pay more to have those guarantees.

Lastly, already 40% of Europeans acknowledge the benefits of occasionally renting items, which include not over-consuming for 26% of them. This indicates a rise in consumption associated with use over consumption based on possession.

40%

of Europeans acknowledge the benefits of occasionally renting items

The circular economy strengthens our resilience to contemporary challenges (climate crisis, dwindling raw materials, etc.) by limiting risks and accelerating the transformation of our models. It offers a new way forward by improving trade and consumption.

Finance is supporting the circular economy

by **Marie-Sophie Pastant**,
Head of ETF & Index Portfolio
Management Team at BNP
Paribas Asset Management



Fund management is contributing to a shift in financial flows towards the best performers in circularity.

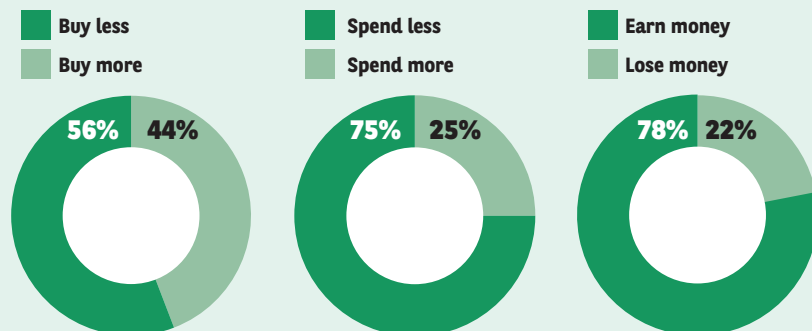
The pandemic and war in Ukraine have heightened the need for a transition to a more circular economy, an opportunity estimated by Accenture to be worth \$4.5 billion by 2030. The concept of circularity is rooted in the aspiration to produce goods and services sustainably – by limiting consumption, waste and waste production. It directly or indirectly supports several of the United Nations Sustainable Development Goals (SDGs), such as clean water and sanitation (SDG 6), and responsible consumption and production (SDG 12).

Sustainable finance actively encourages a shift in financial flows towards companies that have the best environmental ratings. This reallocation is increasingly visible, through the introduction of various regulations (SFDR, European taxonomy) and European labels that now govern the 'green' fund industry. However, measuring circularity is more difficult than calculating a company's CO₂ emissions. We expect regulations to become more specific in this area in the next few years.

A survey conducted under the leadership of the [United Nations](#) recently showed that integrating circularity criteria into fund management can help to reduce the risks associated with the linear nature of the economy. A number of investment funds and exchange-traded funds (ETFs) already exist and focus exclusively on this approach. Other products are expected to emerge over the next few years. Circularity is also considered in many sustainable funds, as it is already one of the factors in the environmental rating of companies.

Consumers can see the benefits of the circular economy

Generally speaking, with the development of used, recycled and second-hand products, as well as the option of renting or repairing, do you feel that you ...?



The overwhelming majority of European consumers are aware of the financial value of the circular economy for earning money (second-hand resale, etc.) and spending less (second-hand purchase, rental, etc.). We also see a willingness to consume sensibly, with resource conservation and the environment being the second-most important reason cited for [buying second-hand](#).

Source: L'Observatoire Cetelem 2022, survey of 15,800 people in 17 European countries

Circular economy at the heart of initiatives for sustainable transition

From regulators to NGOs, more and more stakeholders are promoting circularity as a means to reduce pollution and our consumption of resources.

Banks under pressure to go circular

by **Emmanuelle Bru**,
Circular Economy Expert
at BNP Paribas



There is a growing commitment to circularity and to tackle plastic pollution.

Banking sector stakeholders (especially NGOs, investors and regulators) have recently placed the circular economy at the core of their ambitions. They are pushing to influence banks' commercial practices so they are more in line with their customers. One special target is plastic pollution.

Many NGOs are now busy working on this topic. Among them is the Minderoo Foundation, which has published its [Plastic Waste Makers Index](#), highlighting the 20 asset managers and 20 banks most exposed to the world's largest producers of single-use polymer plastics.

With an eye on investors, the United Nations has long included circularity among its Principles for Responsible Investment (UN PRI). On this issue, it has also published specific guides to help asset managers to assess the companies in which they intend to invest.

On the regulatory side, numerous directives and laws have already been put in place to improve recycling and reduce plastic pollution over the next few years. They include the French Anti-Waste Law for a Circular Economy ([AGEC law](#)) and the new [Circular Economy Action Plan at European level](#).

It should also be noted that the CSRD (Corporate Sustainability Reporting Directive), adopted by the European Union in 2021, will compel businesses to disclose information on the level of circularity in their activities. Additionally, the European taxonomy will bring a financing framework for this activity.

Setting goals to accelerate the circular transition

by **Peggy Lefort**,
Pollution and Circular Economy
Lead at UNEP FI



UNEP FI helps the financial sector to fully play its role in transitioning to a more circular economy.

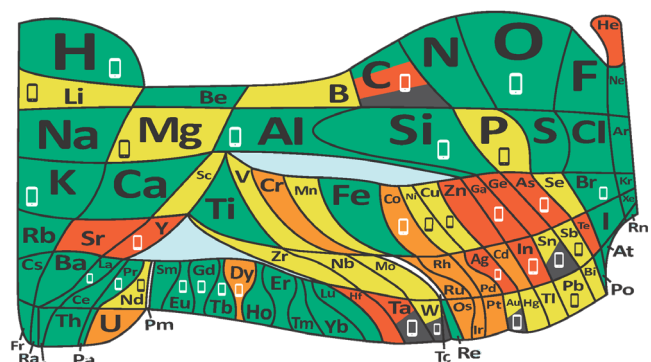
The circular transition is vital for achieving the United Nations Sustainable Development Goals by 2030. Banks have a key role to play when supporting that transition and [UNEP FI](#) assists the sector through global and regional initiatives.

The challenges are similar worldwide, despite strong regional disparities. So, there is a need to develop global solutions. In particular, businesses and the financial sector require harmonised frameworks with which to align themselves. This process is ongoing, notably carried out by the EU through the [Circular Economy Action Plan](#) as well as the [EU Taxonomy](#). Moreover, the [future treaty to end plastic pollution](#) should lay the basis for a more complete circular economy.

Even when there are no fixed standards, the banking sector can take measures to support the circular economy's financing. [Guidance on Resource Efficiency and Circular Economy Target Setting \(2021\)](#) is a guide produced by UNEP FI and developed together with several banks. It offers a practical methodology that will enable the financial sector to set goals designed to strengthen the circular economy's funding. This guide also underlines the need for banks to engage with their own customers. Both banks and their customers must commit to a circular economy, so as to build a fairer and more resilient world for all.

Smartphone manufacturing puts pressure on resources

A smartphone contains 31 chemical elements, six of which are at risk of shortage. However, abundance should also be put into perspective. For example, carbon (C) is green because it is (too) abundant in the atmosphere in the form of CO₂. Yet carbon is also red because the overuse of fossil fuels is a serious threat, and it's grey due to oil and gas extraction in conflict areas.



■ Serious risk for the next 100 years
■ Growing risk due to increased use

■ Limited availability, future supply risk
■ Abundant resource

■ Mined in conflict areas

□ Synthetic element

■ Elements one can find in a smartphone

Source: euechems.eu, the 90 elements that make up everything

Industries in depth

Rental, second-hand and recycling: the keys to circularity

Every sector and every business is facing the end of the linear model. Suppliers and clients will need to change their habits.

Device-as-a-Service: a new way to manage the lifecycle of IT equipment

by **Audrey Joulia**,
Country Manager France at
BNP Paribas 3 Step IT



The Device-as-a-Service circular model extends the life of leased hardware.

The implementation of a circular economy is one of the key sustainability objectives for the European Union. Many businesses are looking at their technologies as a first step in this transition. Current supply chain problems have raised their awareness of the need to only invest in the technological equipment they need. As a result, many businesses have adopted a Device-as-a-Service model for the first time, and they are now pushing this mindset further by taking into account the entire lifecycle of their products.

For example, at the end of each contract, BNP Paribas 3 Step IT is able to recirculate more than 90% of the devices used (desktops, laptops, smartphones and tablets). In 2021, this meant giving a second life to more than half a million devices. Going circular is the solution today for businesses interested in limiting their e-waste, and the option of reuse is always preferable to recycling.

Another advantage of the Device-as-a-Service model is that businesses can meet their current needs and those of their customers without having to invest in additional capacity to anticipate their future needs. They can then rest assured that they will be able to transition to more efficient hardware at the right time.

Therefore circularity combines financial efficiency with operational agility, while limiting technology's environmental impact.

The challenges confronting the construction industry

by **Guillaume Tournier**,
Industry Consultant Construction &
Building Materials at BNP Paribas
RISK – EIS Industry Research

Viable circular models in construction are hard to build.

Incorporating circularity criteria in the construction sector refers, above all, to the design, production, use, renovation and recycling of buildings. The costs of making construction more circular are higher due to expenses linked to recycling and certification, notably for insurance and regulatory compliance. Savings could be achieved in the medium term by gradually industrialising a circular supply chain based on more efficient waste use and recovery.

It is worth noting that the sector was already well aware of the need to adopt circular practices, particularly due to regulatory pressures. Nevertheless, this need has become more pressing in light of the recent increase in the cost of materials and supply issues. Several pilot projects in France such as the Usines Blériot (Bouygues) and the Plateforme Noé (Eiffage) contribute to advancing the concept of circular construction. Yet putting this into practice is still complicated as there are major challenges related to training and industrial organisation. Although there is significant room for improvement, the rate of reuse has stabilised at 1% (source: Vinci). The viability of economic models remains unproven; suggesting that the development of circularity in construction will only be gradual.

The challenges of metal reuse

by **Julien Bouyssou**,
ESG Analyst at BNP Paribas
Asset Management



Coming under pressure from the EU, the metals sector is boosting its recycling efforts, but solutions must come from the full value chain to reduce environmental and social impacts.

The metals sector accounts for some 10% of global CO₂ emissions, at a time when the energy transition and digitalisation are creating more and more demand for metals. To ease the pressure on prices and externalities, circularity is therefore essential. Studies have shown

that using recycled metals contributes to reducing emissions by between 29% and 96%, depending on the sector. However, recycling only covers a small part of demand. Circularity can only be achieved if global consumption is ultimately stabilised, so that the trade in recycled metals is able to cover the demand.

Metal prices affect the competitiveness of metal recycling and thus the financial

incentive to invest in the sector. European initiatives support the development of greater circularity, particularly in battery recycling. Eco-conception is essential to facilitating the recovery of metals and extending the life of electronic equipment, with a view to limiting metal consumption.

"STUDIES HAVE SHOWN THAT USING RECYCLED METALS CONTRIBUTES TO REDUCING EMISSIONS BY BETWEEN 29% AND 96%, DEPENDING ON THE SECTOR."

Healthcare is shifting towards rental

by **Jeroen Veldhuizen**,
Global Head of Healthcare Market
at BNP Paribas Leasing Solutions



The health sector is becoming far more open to renting refurbished equipment.

For health professionals, the circular economy is reflected in the increasing use of rental over purchase. This is a true behavioural revolution because equipment ownership can be closely matched to actual use, and costs can be reduced. Today this is possible thanks to very flexible rental contracts, whose terms are shorter than the usual period of depreciation. These contracts allow users to change their

equipment regularly, while benefiting from the latest innovations.

Other practitioner customers are seeking state-of-the-art machines, although these do not necessarily have to be the latest models. In that case, renting second-hand refurbished equipment is much more suitable and less expensive. After a first rental, the equipment is collected, cleaned, serviced and refurbished by the manufacturer. After installing the latest updates, the equipment is

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refurbished to almost new condition and comes with a new manufacturer's warranty.

Recent months have seen surging demand for rental second-hand equipment, due to difficulties encountered in supply chains and the impact of inflation on the price of new machines. These factors have accelerated a shift in practitioners' habits, as they now realise that these second-hand machines can provide a high level of satisfaction in use.

From fast fashion to second-hand

by **Jean-Christophe Lazzaroni**,
EIS Head of Retail, Food & Beverages,
Agriculture and Packaging at
BNP Paribas



Going circular is vital if the textile sector is to reduce its CO₂ emissions, water consumption and use of chemical products.

Global textile production doubled between 2000 and 2015, driven by the growth of the global middle class and the ever-increasing number of clothing collections – also known as fast fashion. The ranges on offer from brands such as Inditex, H&M and Uniqlo have enabled more people to follow fashions. However, only 70% of the 100 billion articles made each year find an owner, while our average use of each article has fallen by 36% since 2000.

To prevent an increase of almost 30% in CO₂ emissions by 2030, the sector must reinvent itself. The potential for improvement is especially high upstream (cotton cultivation, production level, weaving, clothes manufacturing), but this area is still lacking in transparency. Downstream (distribution, use, end of life), the circular model offers solutions. According to a study by Green Story, making a new garment generates 9.6 kg of CO₂ and requires 297.1 litres of water, compared to 1.7 kg and 4.5 litres respectively for a refurbished garment.

In 2019, the resale, rental, repair and recycling market was worth \$73 billion. By 2030, the resale market alone could increase dramatically to \$476 billion and represent 16% of the total textile industry. A subscription rental market is also beginning to emerge, as well as new technologies for recycling textile waste and for manufacturing fibres without water or chemical additives.

Can sustainable aviation fuel power the aviation sector's decarbonisation?

by **Bertrand Dehouck**,
Head of Transportation Capital
Markets - Global Banking EMEA
at BNP Paribas



To help the aviation industry meet its 2050 carbon goals, sustainable aviation fuel solutions will need to be rapidly scaled up.

Sustainable aviation fuel (SAF) is aviation fuel derived from non-fossil sources and includes various recycled substances. Typical feedstocks include plant oils, municipal waste, waste gases, and agricultural residues.

SAFs can safely be mixed with jet fuel to varying degrees. They do not require the adaptation of aircraft or engines, and use the same supply infrastructure. Before use, they are certified like any other jet fuel. To be truly sustainable, SAFs must meet sustainability criteria such as lifecycle carbon emissions reductions and limited freshwater requirements. They cannot compete with food production or contribute to deforestation.

Currently, SAFs are three to four times more expensive than fossil jet fuel. However, it is expected that over time the cost will fall, whilst that of fossil jet fuel will increase.

SAFs are a vital element of the global circular economy and are destined to help the aviation industry meet its 2050 carbon goals. Today's best-performing SAFs reduce CO₂ emissions by up to 90%. However, although the first aircraft flew on SAF in 2008, progress since then has been slow. It is estimated that by 2025 only around 2% of total jet fuel use will come from SAFs.

The ability of SAFs to contribute to the industry's decarbonisation roadmap depends on a major production scale-up of existing certified channels and the development of new forms of feedstock. It is clear that government support in the coming years is crucial to make the long-term energy transition for air transport a viable proposition.

Innovation watch

New solutions to facilitate reuse and to fund the transition

Innovations help to facilitate and fund the transition towards the circular economy, but they will be insufficient unless there is a paradigm shift.

Impact bonds are also attractive for circular economy financing

by **Thomas Haudecoeur**,
Impact Bond Structurer – CSR Group,
Positive Impact Business accelerator
at BNP Paribas



Impact bond development is still growing and showing promising results.

An impact bond (IB) is a financing instrument that brings together a social or environmental organisation, third-party funders (often of public origin) and investors. For example, the IB ENVIE Autonomie, in France, which was selected following a call for proposals launched by ADEME (the French Agency for Ecological Transition), enables the development of a national circular economy chain, facilitating access to medical equipment to help people live independently.

235

**impact bonds worldwide
have been identified by the
Brookings Institution**

The funds are provided by investors. ENVIE Autonomie does not have to carry the financial risk of the project. Reimbursement and bonuses are paid by ADEME, based on the impact results as assessed by an independent expert.

There are three main benefits here for authorities: a boost to the rate of equipment, better management of subsidies and budget savings. The avoided costs, thanks especially to the reconditioning of medical equipment, exceed the project's cost by a factor of 1.5. For investors, an IB can foster the funding of projects that are innovative and have a positive impact along with good returns. Today, 235 impact bonds worldwide have been identified by the Brookings Institution. The 50 that have already come to an end have achieved results that often exceeded the initial objectives.

The challenges of recycling batteries

by **Benoît Philippe**,
Senior Industry Consultant
Mining – Industry Research at
BNP Paribas



Battery recycling must develop further, alongside the growing number of electric vehicles.

By comparison with internal combustion vehicles, there are still few electric vehicles on the road and even fewer end-of-life batteries. This small volume is not enough to provide a significant source of raw materials for making new batteries. Consequently, the raw materials needed for their manufacture – lithium, nickel and cobalt – will still have to be sourced from the ground.

Until there is a critical mass of electric vehicles, this situation is likely to continue. Meanwhile, companies that start recycling will mainly be able to recycle manufacturing waste from gigafactories, representing a volume of around 10% of the raw materials that enter the chain.

End-of-life battery recycling is certain to develop. Yet we will probably have to wait until 2035 for a significant volume to become available and for a major recycling industry to emerge. Under the best scenarios, new batteries will contain an average of 20% recycled material by 2035. This will help reduce battery manufacturing's environmental footprint. For Europe, this will also mean decreasing a dependence on raw materials that are today largely imported.

Turning buildings into material banks

by **Catherine Papillon**,
Global Head of Sustainability
and CSR at BNP Paribas Real
Estate



In response to environmental and regulatory pressures, the real estate sector will have to integrate circularity into its practices.

Every year, France's buildings sector produces 33% of the country's greenhouse gas emissions and creates 42 million tonnes of waste, of which only 1% is reused. Besides utilising bio-based or recycled materials and reducing energy consumption, the circular economy and reuse are solutions to reduce a building's carbon footprint.

To promote and accelerate this approach in France, 50 project owners (investors/developers) have joined the initiative *Booster du réemploi* (Boosting reuse) and its digital

platform Looping. Designed as an interface bringing together buyers and suppliers of recycled materials, **Looping** enables Booster members to share their materials needs and in return, receive offers from organisations active in reuse. So far, over 250 projects in France have shared their needs on Looping, which are equivalent to an area of around 1,650,000 m².

Any building under construction can be seen as a bank of materials that will become available again in 50 years – 50 years being the recognised lifespan of a building. Enhancing circularity is now no longer an option, as regulatory pressure will continue and interest in getting reused materials for new constructions will grow.

Given this situation, we are convinced of the need to step up the process and to organise the reuse sector in France.

Our clients commit

Stakeholders participating in the circular economy

Turning waste into new materials: this is the mindset of businesses in the vanguard of the transition.

Reusing textile waste to reduce the textile industry's environmental impact

by **Nalini Bonnier**, Managing Director, Nordic Head of Family Offices and Entrepreneurs at BNP Paribas SA Sweden



Renewcell, Sweden

Swedish textile-to-textile recycling innovator Renewcell is on a mission to make global fashion more circular and to decrease the need for virgin raw materials.

By 2030, the company envisions recycling the equivalent of more than 1.4 billion T-shirts yearly.

1.4 billion

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Circulose®, Renewcell's 'circular cellulose' product, was selected by TIME Magazine as one of 2020's best inventions. Circulose® is a dissolving pulp cellulose that Renewcell makes from 100% textile waste, such as worn-out jeans and T-shirts, and production scraps. The textile industry then uses Circulose® to make new textile fibres, yarns, fabrics and finally clothes. This reduces the environmental impact of using raw materials like cotton in their textile products.

Renewcell is thus very much in line with the goals of the EU Green Deal and EU Sustainable Textiles Strategy. These initiatives focus on creating economic incentives and regulations, which should encourage a more systematic collection and recycling of textile waste.

A genuine solution for plastic waste

by **Astrid Behaghel**, Impact Investment Director at BNP Paribas Principal Investments



SAS minimum, France

Transforming plastic waste into new materials: the solution from SAS Minimum.

SAS Minimum was founded by two friends in 2018, following the development of a unique thermoforming process. This enables plastic waste – which usually goes to landfill or an incinerator – to be transformed into a new material in the form of rectangular boards. The product is safe (no volatile compounds), versatile, recycled and fully recyclable. Its carbon footprint is reduced by 70% by comparison with an equivalent material. This also helps to create local added value and to promote plastic recycling channels.

"ITS CARBON FOOTPRINT IS REDUCED BY 70% BY COMPARISON WITH AN EQUIVALENT MATERIAL."

These boards, called Le Pavé, can be used for flooring, worktops or any other kind of object. For example, SAS Minimum plates will be used to make the stadium seats in the swimming pool at the Paris 2024 Olympic Games. Today, SAS Minimum has a production facility in Aubervilliers, France, processing 300 tonnes of plastic every year. Thanks to a recent round of funding, in which BNP Paribas participated via its impact package, SAS Minimum is looking to open other production sites in France. Their location will depend on the availability of local stocks of plastic for recycling.

Valorising bio-waste, cooperation and skills

by **Stéphan Martinez**, President-founder Moulinot



Moulinot, France

Social integration enterprise and player in the circular economy Moulinot is looking to boost its development.

Moulinot is specialised in food waste collection and recycling. Prior to collecting food waste, we train staff and provide clear instructions for efficient sorting. We then recycle waste by composting it or transforming it into a 'soup', which we deliver to our farmer-methaniser partners. In this way, they can make biogas and produce a fertiliser for their fields at the end of the cycle. All the waste can therefore be used to produce food again.

"ALL THE WASTE CAN BE USED TO PRODUCE FOOD AGAIN."

So far, we have mainly expanded in Île-de-France with customers such as restaurants, schools and even the residence of the French President. Thanks to the support of our partners and shareholders, among them BNP Paribas, we aim to grow from 18,000 tonnes of waste processed this year, to a capacity of 300,000 tonnes in 2025, covering the whole of France.

With 500 employees and a focus on reintegrating people into the labour market, our teams are expected to be five times larger. We were also one of the first companies to offer a 300-hour training course for waste collectors.

Flashforward

Cooperation at the core of the transition to a circular economy

Partnerships are vital to phase out our linear model and to restructure the economy. They serve to reassure clients and help with finding solutions to specific problems.

Insurance for the circular economy

by **Baptiste Auffret**,
Affinity Partnerships Director
at BNP Paribas Cardif France



Refurbishing is a key element of the circular economy, but challenges remain when it comes to supporting consumers.

Back Market, the leading marketplace for refurbished mobile devices, partnered with BNP Paribas Cardif and insurance technology player bolttech in spring 2021 in order to offer an insurance service. Specifically, the insurtech company covers everyday risks (breakage and theft) as well as accidental damage and damage due to negligence. Customers have responded well to this insurance: in just over a year, the product range has been extended to seven European countries.

This partnership is in line with Back Market's goal of reducing technology's impact on the environment through a range of products that support the circular economy. Customers benefit, too, with a free screen protector and case to protect the phone as long as possible. In the event of an accident, repair is favoured over replacement. Moreover, as part of its social and environmental commitment, one euro is donated to an NGO for each new subscription. According to Back Market, the aim of this programme is to use insurance to promote refurbished products and to enhance consumers' confidence in these devices, while allowing them to keep their products longer.

Accelerating the transition to a circular economy

by **Jules Coignard**,
Co-founder of Circul'R



Circul'R supports the transformation of our economy by creating coalitions.

Launched in 2017, Circul'R has a mission to support companies and institutions as they transition to a circular economy. Our work focuses on three activities: training, advice on setting up circular projects, and creating coalitions to solve specific issues. We are firm believers in the beneficial impact of coalitions to accelerate change and amplify its impact. In 2019, we created the Club Circul'R, in partnership with France's ecological transition ministry. It has around 100 members (among them some 50 large groups), who share circular economy good practices and innovations at four annual meetings.

More recently, we launched Fabrique Circul'R, bringing together around 15 cross-sectoral businesses to meet particular challenges. Four pilot projects will be launched before the end of 2022. Its first publication will look at ways to reduce the environmental impact of advertising on sales points.

With regulatory constraints and consumer demands around environmental issues increasing, our economy is headed for a transformation. Just as we have seen with the digitalisation of businesses, those spearheading this movement will be tomorrow's economic leaders.

Targeting zero food waste

by **Laura Wirsztel**,
Partner BNP Paribas Solar
Impulse Venture Fund



Phenix is helping to reduce the social, environmental and economic costs of food waste.

Over 30% of the food produced worldwide is wasted, yet 11% of the planet's

population goes hungry, according to the Food and Agriculture Organization (FAO). If food waste was a country, it would be the **third-largest emitter of greenhouse gases, after China and the United States**. Moreover, in the EU alone, wasted food represents a financial cost of **€143 billion** annually. This fact sparked the creation of Phenix in 2014. Its **digital platform** enables 15,000 partner businesses to offer anti-waste baskets to the

four million people using the app and to donate their unsold produce to more than 2,000 charities. In 2021, Phenix saved the equivalent of 130,000 meals daily, or 60 tonnes of food. Its ultimate goal is to reach one billion meals saved across Europe, and to become one of the first 'impact unicorns' – notably with the support of BNP Paribas Asset Management and the BNP Paribas Solar Impulse Venture fund, which invests in ecological transition start-ups.

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