

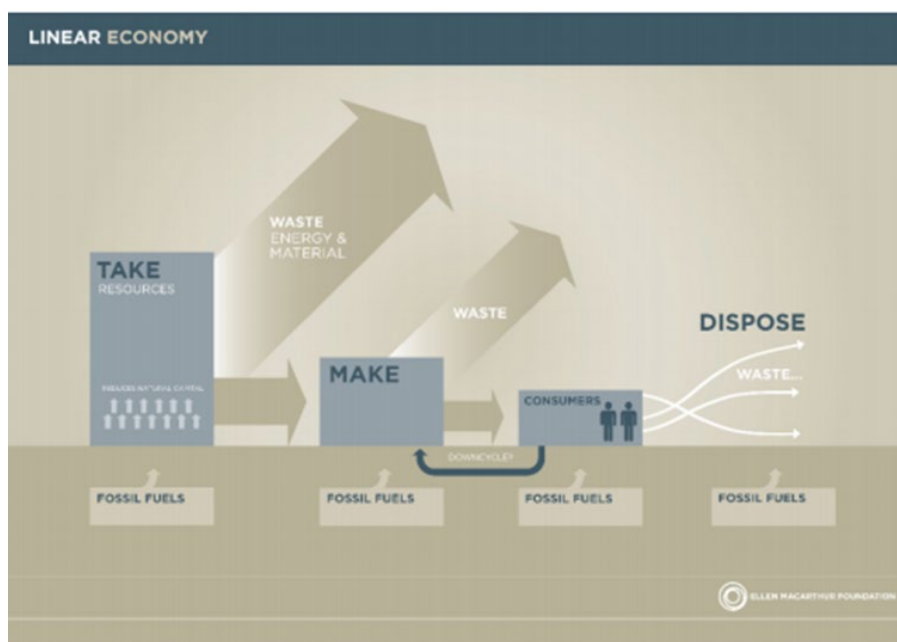
BGB and the Circular Economy

An introduction to the circular economy

The world around us is changing! Resources are getting scarcer, pollution is on the rise and soaring temperatures and environmental degradation make it harder to ignore climate change.

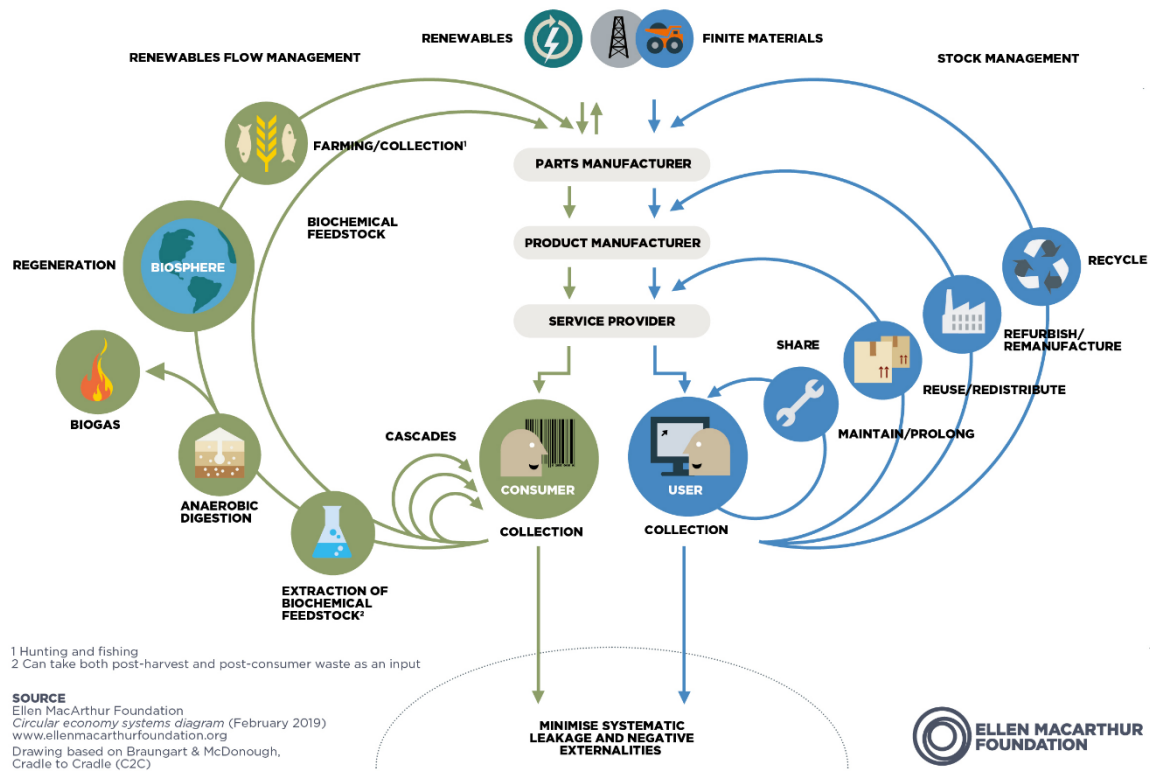
Data has shown that the slowdown in human activity resulting from COVID-19 lockdowns imposed around the world led to a fall in carbon emissions at the peak of lockdown. This is further proof that our manufacturing and consumption activities directly affect the environment around us.

The current system of production relies heavily on a 'linear' take-make-dispose system, however, dwindling natural resources and spiralling waste generation indicates that the linear economy is unsustainable. This awareness has led to calls for a more circular system of production.



Source: *Ellen MacArthur foundation*

The Waste and Resources Action Programme [WRAP] defines the circular economy as a system where we keep resources in use as long as possible, extract the maximum value from them whilst in use, then recover and regenerate products and materials at the end of each service life. The circular economy concept has been in existence for a long time, it began to gain momentum in the late 1970s with the 'cradle to cradle' concept that advocated a 'closed loop' approach to production processes. The central idea of the circular economy is to create a closed loop ecosystem where we maximise the use of resources and minimise waste.



Source: Ellen MacArthur foundation

Countries around the world are implementing circular economy programmes to take advantage of the perceived benefits. Prominent examples include European countries like the Netherlands, Denmark, Sweden and Finland, as well as China and the United Kingdom. Some of the expected benefits are to:

- Drive growth and productivity
- Reduce waste and the huge costs associated with it
- Make their economies more efficient
- Develop new businesses and create new jobs
- Improve the quality of life by creating a bio-friendly economy and a safer and healthier environment
- Address the issues of resource scarcity and environmental degradation.

The benefits of the circular economy are not limited to nations and governments alone. Many businesses have adopted circular economy practices driven by the realisation that the linear model makes their businesses vulnerable to price increases and other weaknesses in the supply of raw materials and energy, as well as, the threat of exhaustion of resources in the foreseeable future, climate change and its consequences.

Some business benefits of the circular approach include reduced dependence on raw materials, net material cost savings and improved customer relations.

The environment also stands to benefit from a transition to a circular economy. Climate change and the use of materials are closely linked. Adopting the circular economy would

require not just recycling and reducing landfill, as is currently the case, but also implementing additional measures which would further reduce greenhouse gas emissions. Implementing circularity is also expected to ease the burden on global ecosystems.

Global businesses such as Renault, Phillips, Nike, Danone, H&M Group and Unilever have recognised the role they must play in preserving the environment. They have implemented circular economy practices to reduce their environmental impact and remain competitive in their respective industries. Like these companies, BGB takes its duty to its customers and the environment seriously. Given its work in the renewables sector, BGB is constantly seeking ways to improve its processes and reduce its environmental impact. BGB believes the circular economy is the key to a more sustainable future and it is eager to find ways to apply circular economy principles in all areas of its business.

The world around us is changing and BGB is ready to change along with it.