



**BRAZILIAN  
CIRCULAR  
ECONOMY  
HUB**



**ACTIVITY REPORT 2020**

FEBRUARY / 2021



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OUR LAUNCH AT  
“SUSTAINABLE BRANDS”  
SÃO PAULO, NOVEMBER  
2019



# PRESENTATION

In January 2020, we launched our first systemic initiative! Our Circular Economy HUB (HUB-EC) brings together Brazilian companies from different sectors committed to working with each other to stimulate the circular economy in the country by integrating their value chains and creating a unique collective intelligence through individual diagnosis and unexpected connections.

Our 2-year programme, which aims at turning ideas into practical projects, had already been thoroughly planned. When coronavirus hit us. We had to review our schedule, the approval process of our members and even the role of the HUB.

But we definitely got stronger...

...and reflected on our responsibility in this scenario. We looked at our international partners for support and inspiration, and we noticed an even stronger spirit of unity and determination. As a common point, we share the need for a new macroeconomic perspective for global development.

We gathered to continue supporting each other and adapted our activities without compromising our mission and the purpose of the HUB-EC, which is assisting companies in the circular transition process. We made decisions flexible, extended deadlines, adjusted not only deliveries but also our team to continue educating, providing tools and solutions, inspiring and giving support to the companies.

After all, that is our role. We are an independent facilitator, creating bridges among all stakeholders while hoping that we can accelerate the transition to the circular economy and promote positive changes in our country.

**BEATRIZ LUZ**



Founder of Exchange 4 Change Brazil and  
Director of Strategies and Partnerships at  
the Brazilian Circular Economy Hub.



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# THE HUB

The Brazilian Circular Economy HUB (HUB-EC) is a unique ecosystem that brings together leading companies who work cooperatively to overcome barriers, break paradigms and enable projects to accelerate the implementation of a Circular Economy in Brazil.

Our model follows a global trend of initiatives working as a business network with companies determined to join forces, promote engagement, create leadership and generate scalability for the circular transition.

- PACE – Platform for Accelerating the Circular Economy – WEF, 2018.
- Circular Economy Leadership Coalition – 2018,
- Factor 10 – WBCSD, 2018 and
- Circular Economy Germany Initiative – SystemIQ and Acatech, 2019.

The unique model developed by Exchange 4 Change Brasil aims at empowering all involved with a circular mindset, strengthening the engagement of the chain and facilitating the structuring of projects.

By uniting the various links of the chain in new work governance, we can add value to Brazilian diversity, creativity and scientific capacity in the construction of solutions that would be much more difficult, costly and time-consuming if done independently.

In this first year, we brought together 16 members around our mission. We could also count on the participation of both FINEP, with its investment perspective, and MCTI, which introduced the foundations of the Brazilian Roadmap, developed with the support of UNIDO.



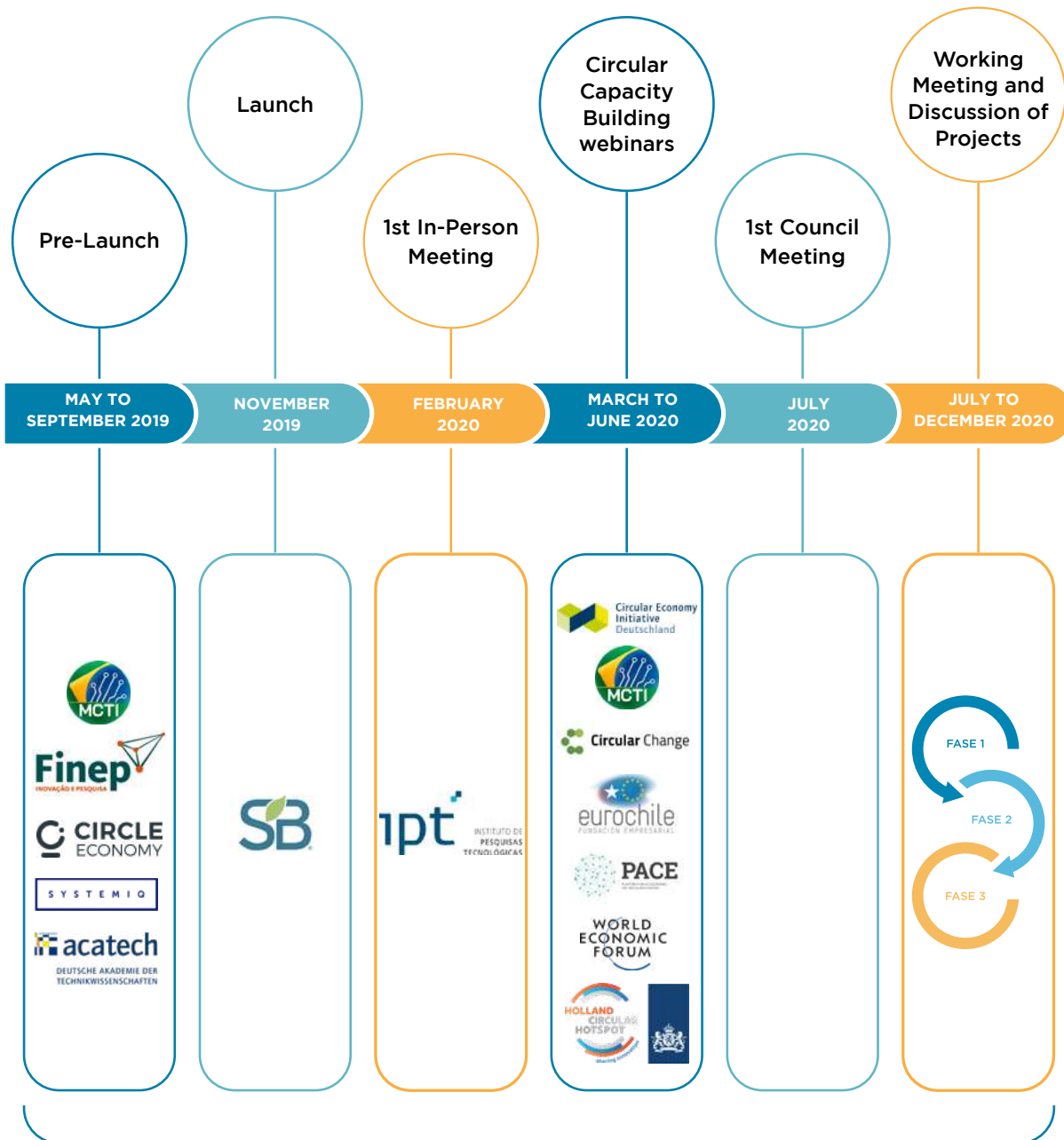




## WHERE DO WE WANT TO GET TO?

As members of the Brazilian Circular Economy HUB, we create a Brazilian benchmark for circular businesses. They are characterised by value generation, emphasising durability, modularity, remanufacture and reuse, service development, sharing, and use of renewables.

In this way, we hope to guide the economic reconstruction on a circular basis through business models that offer a new balance between economic, social and natural resources and contribute to the regeneration of natural systems and an inclusive and sustainable industrial development.



**Engagement with key national actors and international partners**  
(The Netherlands, Germany, Slovenia, Chile, Finland and Norway)

# HUB MODEL

To build the work model of the Brazilian Circular Economy HUB, we evaluated several international benchmarks and created an exclusive model suited to the Brazilian reality. It contemplates various membership categories, uses a unique methodology of individual and collective circularity analysis and establishes guiding principles and axes of action.

## MEMBERSHIP CATEGORIES



## HUB METHODOLOGY

We work with a unique methodology to identify opportunities for systemic collaboration between the members. This methodology goes through 3 action phases. The process starts with an individual analysis of each member, continues with a critical analysis of the several value chains, and finally gets to the systemic solutions through a strategic articulation process that integrates the various players and creates a collective intelligence specific to the group.



## GUIDING PRINCIPLES

**Networking:** we share information and experience between us and interact with other companies around the globe, which play a positive leading role in society.

**Circular Mindset:** a review of values, culture and production processes. Starting from the current logic of “extracting, producing, disposing of”, and moving towards a circular mindset, characterized by value generation with an emphasis on durability, modularity, remanufacture and reuse, development of services, sharing, and use of renewable raw materials. It is a new business culture, set on commercial values and relationships based on the principles of the circular economy.

**Integration of the chain value:** in our ecosystem, we develop multisectoral projects with the following objectives:

1. Eliminate waste and pollution from the start;
2. Keep products and materials in use;
3. Regenerate natural systems.

**Collaboration:** we develop articulated and coordinated actions to advance from waste management on-site to shared management of the value chain (value cycles). Our relationships are based on a new economic balance through dialogue and the generation of shared value between the different links in the value chain.

**Collective Intelligence:** our work is based on a co-creation model. Solutions are developed in a group, focusing on challenges that are common to several companies and the interaction with governments and regulatory agencies.

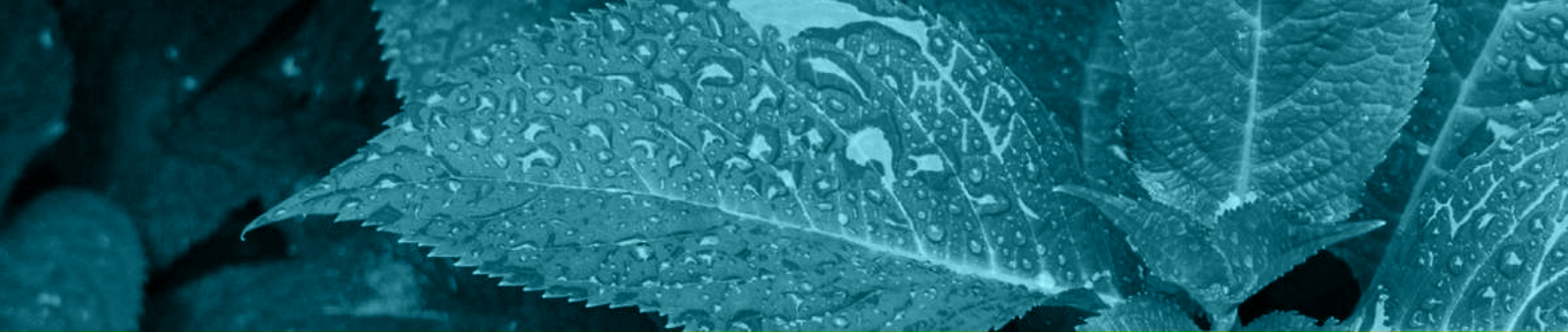


# THE 4 AREAS OF WORK

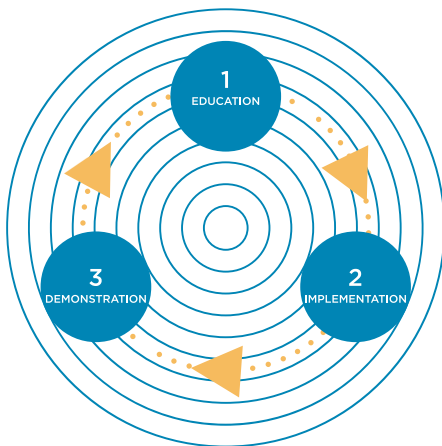
The Circular Economy HUB has 4 pillars of action:







One of our main objectives is to show the various business opportunities of circularity and highlight that education and cooperation are core elements of success. No company can make this decision individually within the boundaries of its business.



### The circle of transition

For inspiration and transformation, we developed the Circular Mindset Guide, which is exclusive to the members of HUB-EC. It is divided into 4 key learning steps:

- 1) Concepts and principles of a Circular Economy.
- 2) Global trends and the 8 steps to motivate the transition based on the Dutch experience.
- 3) New business models based on international references and brief analysis of the challenges and opportunities for Brazil.
- 4) Strategic vision within the Circular Economy, orienting readers on how to influence a circular innovation model in their businesses.

Education is the first link in the transition circle and is essential for implementing projects that will show results as soon as they take place. Eventually, this demonstration will become a tool in the educational process, closing the learning circle. We hope that the knowledge acquired within the HUB-EC will not be a learning experience restricted to the members but will be disseminated to the companies in their value chain, thus contributing to everybody's engagement.

To show the importance of the theme, promote a conceptual alignment and serve as a basis for



The guide reinforces the role of leadership in adapting to the new practices with commitment and determination, thus ensuring a competitive differential in the market in the present scenario.



We had our inaugural meeting in February, and soon afterwards, we had to adapt.

The pandemic brought challenges but did not halt our activities. We adapted our original training programme to the new virtual model to ensure effective results to the training process and understanding of the subject. There were four work meetings complemented by open webinars for international knowledge exchange, thus strengthening the learning process and the engagement of the members.

## INAUGURAL MEETING

On February 12th, we had our first meeting, which brought together 30 people at IPT (Institute for Technological Research), between members and guests, to introduce the basics of the HUB, congratulate the members already confirmed and debate the relevance of the subject and the activities programmed by the HUB. Cláudia Echevengúá Teixeira, at the time Head of the Centre for Geoenvironmental Technologies (CTGeo) and present Chief Innovation Officer at IPT, opened the meeting welcoming all and briefly highlighting the activities of the Institute, the long partnership with Exchange 4 Change Brasil and the interest in Circular Economy.

Izabella Teixeira, Co-Chair of the International Resource Panel of the IRP (International Resource Panel), and our advisor in several debates took part virtually. She presented a retrospective of global business trends, reinforcing the need to shift paradigms in the economic, environmental and social contexts. Then, she expanded the subject to the geopolitical context, mentioning several agendas inherent to the debate, emphasizing the impact of international policies on our market and stressing the role of the companies. Izabella ended her contribution by congratulating all present.

She brought some excellent reflection points to the debate. They strengthen our mission and follow our journey:

- **Global context:** the concept of sustainability is becoming mature. Circular Economy is not dissociated from the geopolitical sustainability context - on the agenda since ECO-92 - and was a much-debated subject during the Paris Climate Conference.
- **Strategic agendas:** agendas that refer to climate change, biodiversity, green economy, low-carbon economy and circular economy have been strategic in international conferences and talks with investors.
- **Impact on business:** more and more international policies and new compliance rules begin to impact products, regulations and investment appeal.

- **Brazil's leading role:** companies and businesses, in general, are crucial in changing both production and consumption behaviours. Brazil's leading role is undeniable! It is a big player with an essential role in the Sustainable Development Agenda. Brazil stands out as one of the most successful countries in implementing the Montreal Protocol.

Bruno Mira David, Director of IPT Open, presented the activities of the recently launched initiative, an innovation ecosystem with more than 12 research centres, and a multidisciplinary network with more than 100 professionals. According to him, IPT Open can be much in tune with the HUB-EC.

Paulo Boneff, Gerdau's Head of Social Responsibility, discoursed about the strategic redirection of the company, commenting on market factors that made Gerdau look for a differentiated performance based on the evolution of the sector. He also mentioned the repositioning of international companies towards the Circular Economy.

### Case Study GERDAU: The Learning Journey

Paulo Boneff commented on the internal engagement process and the identification of circular cases within Gerdau. We highlighted how important mutual learning was for structuring the work methodology and the action axes of HUB-EC:

- The starting point was the diagnosis made by Exchange 4 Change Brasil, after interviewing professionals in several company departments and analysing the value chain.
- The diagnosis was used to assess the positioning and conceptualize actions with the involvement of various company areas.
- The work developed during four months enabled a strategic perspective on the subject internally and the implementation of a committee with representatives of various areas. This committee started to define partnerships with other companies and research institutes to develop some of the identified projects.

The new strategy and institutional positioning must be connected with business opportunities, taking into account the characteristics of each value chain and the place of operation. Tropicalising global strategies by adapting them to the Brazilian reality will accelerate competitiveness, representativeness and Gerdau's leading role globally, said Paulo.



## WORK MEETINGS

### March 30th: Training Meeting 1

Conceptual alignment meeting based on the content of the Mindset Guide. Focus on parts I and II of the guide.

Part I – Circular Economy: Concept and Origin.

Part II – Global Context and Linear Risks: An action plan for the transition. SDGs. Climate Change and the New Plastics Economy.

### May 7th: Training Meeting 2

Conceptual alignment meeting based on the content of the Mindset Guide. Focus on parts III and IV of the guide.

Part III – Business Vision and New Circular Models

Part IV – Circular Strategy, Developing and Applying a Circular Mindset

### June 25th: Building a Business Case for Projects with a Circular Mindset

During the meeting, we took the opportunity to discuss the difference between one-off projects and circular business.

The goal was to highlight the five criteria that should be considered to ensure the broadness and effectiveness of the actions that will be co-created within the HUB-EC.



### August 10th: Co-Creation Session

This meeting was moderated by Fabiana Herculano, a graduate in Communication who specialized in Design Thinking and Learning Processes Facilitation Design. The aim was to bring dynamism to the meeting and promote a differentiated engagement with new techniques and tools. During one of the exercises, it was possible to highlight critical issues of the HUB-EC from the members' viewpoint, validating our path and purpose.



## TESTIMONIALS



We had already felt for some time that **we needed a collaboration space** to share our knowledge and interact with other groups around the world. Only then we would be able **to evaluate opportunities for projects and initiatives together**. The HUB-EC adopts a **global trend of business networking** with companies that promote alliances for the circular transition.



The search for circular solutions and business models is already **an essential requirement in our strategy**. We know that the transition is not simple, that it is a complex and systemic problem, and that sectors, industries and players in the society are strongly dependent on each other. Therefore, we saw in the HUB **a pioneering possibility of finding synergies and opportunities between the various members**. The HUB can **accelerate and give relevance** to actions that may be emblematic of the transition we want.



We see the HUB-EC as an opportunity to **advance in practical terms**, expanding solutions that have already been identified within our organization and enhancing the **synergies with other companies**.



**We foster industrial alliances**, offering up to R\$ 1 million in non-refundable resources to help put new products and processes on the market to increase the competitiveness and the added value of brazilian products. This contribution includes **projects like those we expect to develop in the HUB-EC**, based on common interests.





Since we became members of the HUB-EC, **we have had various insights to start with our brand repositioning** to communicate its circular feature to the market. We also learned the concept of “product as a service”, which we are already implementing.



We are very interested in this initiative because we believe that it will contribute directly **to raise awareness in companies and governmental agencies** that it will only be possible to increase the circularity of materials when **the entire production chain is united**.



We believe in **bringing together various talents with complementary competencies** in a collaborative environment to foster sustainability. That is why we see so much potential in the HUB-EC for generating synergies that will **contribute to a more circular planet**.



Innovation enables the Circular Economy. But if you look at the product or the technology from an isolated perspective, you will not be able to get to that level. **It is crucial to build bridges and mobilize partners** for technology **to impact people's lives in a positive way**. I understand that this is the role of the HUB-EC.



We developed a communication plan with Pulsar.com to build a robust positioning narrative. Together with our institutional release, it serves as a basis for our shared vision, external communication and strategic positioning.

We highlighted the following three goals in our communication plan:

#### **BE THE FIRST POINT OF CONTACT**

To turn the HUB-EC into a reference ecosystem and the first point of contact for companies that want to transition to a Circular Economy in Brasil while adapting global strategies to our reality.

#### **CREATE CIRCULAR LEADERSHIPS**

To engage all parts of the production chain, accelerating systemic projects with gains of scale and economic feasibility, creating success cases and market leaderships.

#### **TRANSFORM THE BUSINESS MINDSET**


To educate the market on this new productivity model and turn it into a new business culture for sustainable development and value generation.

Happy with the results we achieved and this Activity Report, we hired a specialized press office to develop a communication plan for the second year of our activities. We intend to shed light on the subject's relevance and demonstrate the concept's applicability, thus proving the benefits of the circular mindset when applied to Brazilian reality.

## Listening to the Members

During this initial learning stage in the HUB-EC, some of our members took the opportunity to share the message with the market on various news platforms and propose the subject in events with clients, external forums and workshops.


### IN THE MEDIA



**Hub de Economia Circular promove seminário online gratuito**

Ter, 14 de Abril de 2020 10:00 | Equipe eCycle


Webinar "Plano de Ação Circular 2.0" apresentará experiências europeias que colocaram economia circular no centro de seu desenvolvimento.



**Nespresso anuncia cápsulas feitas com alumínio reciclado**

Além de proteger o flavor, sabor e aroma do café, o alumínio é infinitamente reciclável.

516,296 likes | 41,846 seguidores | 23,672 seguidores | 1,780 reviews



**Empresas e organizações se unem para acelerar implantação da economia circular no Brasil**

Publicado em: 27 de maio de 2020 - 11:06

Gerdau e IP1 integram o grupo responsável pela iniciativa.

A economia circular representa uma oportunidade de crescimento global de US\$ 4,5 trilhões até 2050, segundo o Fórum Econômico Mundial e foi considerada prioridade número 1 no novo plano de estratégia de crescimento da União Europeia - o European Green Deal. Esse modelo propõe um

## EVENTS



Circular Economy Live by Casa da Moeda  
Participated: Nespresso, Covestro and Equipa,  
June 5th



FCE Pharma and FCE  
Cosmétique - Sustainability  
and Circular Economy. Event  
promoted by RCRambiental,  
Sept.17th



Sustainability with Circularity –  
Plastiweber, June 19th



Our HUB had a global reach after being invited to participate in the World Circular Economic Forum (WCEF 2020). The event brought together HUBS from various countries to exchange learning experiences. Norway, Netherlands, Slovenia, African countries, China, Australia and Brazil were represented.



“Virada Sustentável”, sponsored by GERDAU  
Sept. 21st



Circular Economy  
and its relevance  
in Brazil and the  
world  
CEBRI, Dec. 17th



The HUB was highlighted in a report in the special section Alta Pressão, of Valor Econômico. Sérgio Adeodato interviewed Beatriz Luz.



## ENGAGEMENT

Because of the pandemic, public health and financial crises of 2020, we thought that organisations would be less committed. Still, we had quite a positive response from the market, reflected in the attendance during meetings and international knowledge exchange events.

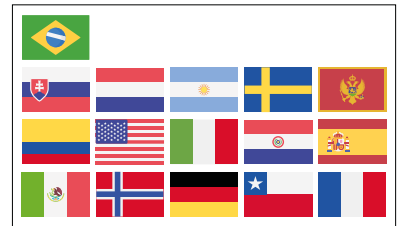
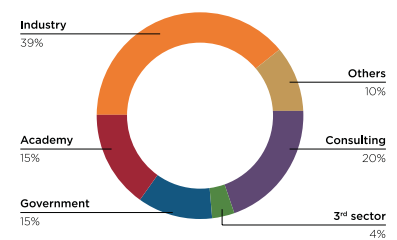
The attendance during our first virtual meeting in March, at the beginning of the isolation period, was higher than during our last physical encounter, which reassured us that we were on the right track.

Therefore, we structured a knowledge exchange programme with our international partners. We understood that this could be a significant contribution by the HUB-EC to the Brazilian market during the pandemic. It would become a bridge towards understanding the evolution of the subject on a global scale and the goals of the new Circular Action Plan that had been launched in March 2020. We wanted to make sure that our journey would be following the global scenario.

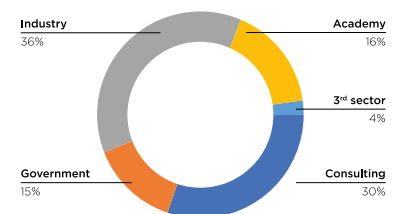
We saw the active participation of companies and their leaders in the three webinars carried out with the Netherlands, Slovenia and Chile. Attendance from the industry at around 37% indicated their interest in the subject and growing demand for qualified information sources.

Moreover, we noticed how far the debates reached with viewers from more than 15 countries. We already have over 1.500 views of the videos on our Youtube channel, [economiecirculabr](https://www.youtube.com/channel/UC1m1m1m1m1m1m1m1m1m1m1m), without including events organised by our members.

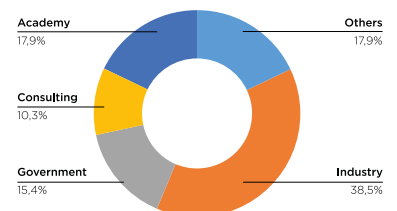
1<sup>st</sup> INTERNATIONAL WEBINAR - SLOVENIA



2<sup>nd</sup> INTERNATIONAL WEBINAR - NETHERLANDS



3<sup>rd</sup> INTERNATIONAL WEBINAR - CHILE





# ENGAGEMENT

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**3**

INTERNATIONAL  
WEBINARS



AN AUDIENCE  
FROM  
MORE  
THAN **15**  
COUNTRIES



**4**

PARTNER  
COUNTRIES

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MORE THAN  
**1500**  
VIEWS





## International Webinars – a brief summary

### 1<sup>st</sup> INTERNATIONAL WEBINAR – SLOVENIA

Present at the first webinar was our international partner and advisor Ladeja Godina, founder of the Slovenian specialised consultancy Circular Change and Chair of the European Circular Economy Stakeholder Platform. The main point debated was the Circular Action Plan 2.0, launched on March 11th. Mojca Market, Head of Sustainability at Iskraemeco, a Slovenian company for solutions in the energy sector, also took part in the event.

#### The Role of the Orchestrator in the Transition

*“This circular journey has been an amazing opportunity to see and analyse the system as a whole and realise that the transition to circularity makes businesses more competitive and competent through a change in mindset”,* says Ladeja Godina. She showed us that we were thrown out of our comfort zone and that we now have a unique chance to rethink our business models towards a sustainable and circular path.

The European Commission published a new Circular Economy Action Plan in March 2020 – one of the primary foundations of the European Green Deal, the new roadmap for Europe towards sustainable growth. Based on work done since 2015, the new Action Plan aims at accelerating the transition of the European Union to a circular economy and strengthen the industry in the region, increasing its competitiveness in the face of the impact of climatic change and creating new consumption formats. **The plan introduces new goals and concrete actions, setting guidelines to ensure that the Circular Economy will work for people, regions and cities.** To safeguard this result, its initiatives and the results it foresees, it will be developed in close collaboration with the business community and interested parties.

**Ladeja highlighted the national roadmap initiatives towards transition. She reminded us that more important than producing reports are what we learn and the relations we build throughout the process.** Ladeja also emphasised the importance of an independent orchestrator, who can engage players in society and coordinate actions in a collaborative non-hierarchical environment composed of several stakeholders of various sectors.

Mojca Markizet stressed the need for synergy between all the stakeholders in the industry. She presented the post-corona “modus-operandi” at Iskraemeco Company. Emerging innovations and collaborative models motivated the company to join forces and produce ventilators in partnership with other institutions.

**Moja also emphasised the importance of renewables in the circular transition, noting that we should not focus only on the energy sources but also on how it is being applied.**



*“The energy sector promised to play a leading role in investing what is needed to become carbon neutral before 2050. However, one question is still acute: How is this going to happen?”* And this is a question that will permeate several sectors, especially those with intensive use of resources.

“Plastics” was also a much discussed topic in the European Union due to the new “European Plastics Pact”. This initiative brought together various countries to debate guidelines and actions that crossed geographic boundaries looking for ways to reinsert plastics in production chains. We learned a lesson from the example of the plastics industries: **materials and energy must circulate, keeping their maximum value and contributing to the increase of life quality in the whole world.**

Therefore, enterprises like the HUB-EC are essential to promote the debate, break paradigms and overcome transition barriers. Moreover, in the present context, it is clear that we will cause a more significant impact with our results collectively than individually. As said Mojca: *“We live now, but we are also creating our future”.*

## 2<sup>nd</sup> INTERNATIONAL WEBINAR - NETHERLANDS

Our second webinar, with the Netherlands, was opened by the Dutch Ambassador in Brazil, Kees van Rij, who declared that the Circular Economy is on the agenda of the Dutch government and is also essential to the ongoing debate on Agriculture, another area of Dutch expertise.

The Dutch government intends to be fully circular by 2050 and is already implementing “Transition Agendas” for five economic sectors. Their success, however, depends on some essential changes to the system: new regulations and legislation, smart economic incentives, access to financing for the higher upfront costs and a financial system capable of handling the transition.

Freek van Eijk, CEO of Holland Circular Hotspot (HCH), began his presentation by stating that it took the Netherlands 150 years to change the system and generate value. It all started with the polluted waters in the canals and the collaboration between the government and the population. Brazil does not need to take so long to start increasing the lifetime of materials until reaching circularity. It is possible to begin planning a future without waste by sharing, mending, renovating, remanufacturing and, if nothing helps, recycling.

**Despite the critical role of governments, they cannot do it alone. Therefore, said van Eijk, multinationals and startups should establish a vision of the future based on circularity. Entrepreneurs are essential to lead society to a new mentality.** Outmoded systems should be dismantled little by little while circular ones are being built. **All happens simultaneously, learning by doing.** “fail fast, learn faster”, as the saying goes. In the beginning, you need a small transition team, emphasized van Eijk, highlighting the importance of initiatives like HUB-EC in Brazil.



He also highlighted children's education as being crucial to achieving the circular goals. According to van Eijk, it is the children who will push their parents to change. They are the consumers, leaders and CEOs of tomorrow. To create awareness early on, the Dutch government will include "Circular Economy" as a compulsory subject in the curriculum of schools and universities.

HCH works on an international level since most supply chains originate abroad. The company shares knowledge, best practices and contact networks; it creates mutual business opportunities, shows how the transition to circularity impacts society and much more. There are places where the priority is waste management, others prioritize climate change, yet others focus on the SDGs. HCH associates the Circular Economy with these topics and brings solutions through new business models that generate jobs and income.

### **Collaboration is key and connectivity among all sectors**

Van Eijk claims that the Circular Economy is necessary everywhere, in all sectors, and that it is crucial to connect to it as quickly as possible, for awareness of the dependence on resources has never been as big. To think big and deliver on a large scale are not enough: **collaboration is crucial in the Circular Economy, likewise diversity, because different skills gathered in the same place are needed to adapt to new situations**, just like the saying: *"if you want to go fast, go alone; if you want to go far, go together"*.

Also based in the Netherlands, PACE, the Platform for Accelerating the Circular Economy, has the same origin as the Ellen McArthur Foundation, said David McGinty, Global Director of the organization. PACE does not carry out projects; it develops diplomatic work and calls to action instead. The platform consists of a coalition of approximately 100 CEOs and Ministers, who may be considered promoters of the Circular Economy movement. **He highlighted that the trend started in the industry. As soon as the need for circular transition and its economic opportunities were confirmed, the CEOs took action to make the transition possible and engage governments.**

McGinty gave three examples of large-scale global issues with which PACE works and commented on them: foreign trade and secondary materials, taxation and incentives, transparent supply chains and traceability. He also described the dynamics of partnerships between companies, including those that compete for the same product but collaborate when a common interest is at stake.

When you work with various topics and receive countless information, it is easy to recognize common and cross-cutting issues. PACE then addresses not only significant changes needed and possible opportunities to make circularity popular and not limit it to a niche subject.

Asked about the role of PACE in public-private relations and how the platform communicates with governments, particularly of countries outside Europe, McGinty emphasized the need to promote Circular Economy. **Communities are excellent to promote and share experiences, strengthen**



**resilience and gain scale, but it is also vital to influence various markets.** However, depending on the country, it can be pretty complex and require much effort knowing whom to influence because different ministries may handle the same portfolio.

Specific issues easily arouse the interest of governments in general, such as recycling, because waste management is essential everywhere. Global matters, such as climate change, are also welcome and even attract investments from both countries and companies. Another subject of interest is foreign trade due to the vulnerability of the supply chains for both primary and secondary materials. But McGinty calls attention to the importance of balancing local production and consumption with dependence on foreign trade and other sectors. Although the goal is closing the cycle as locally as possible, it is also time to embrace multilateralism and the advantages of globalization. “Glocalization” can be the solution with an economy optimized for countries and the world.

#### Partnerships and peer-to-peer education

**When it comes to finding partners to address an issue, it is best to choose leading companies in each material or sector as well as leading countries in the various areas where actions are needed.**

As regards education, PACE uses peer education. McGinty believes that the best way to prove other CEOs and governmental leaders that it is safe to follow ahead is by having other government and company leaders sharing success stories and good results in Circular Economy, as well as focussing on opportunities, presenting what is economically feasible, showing how the Circular Economy is contributing positively to the climate change, etc.

#### The Netherlands in Brazil

The Ambassador concluded by saying that the Dutch footprint in Brazil is profound since the leading Dutch companies are active in the country, some for over 100 years. Besides, both countries have solid bilateral agreements.

*“More important than investments and guidelines are networks and governance in all levels.”*

*Kees van Rij, Dutch Ambassador in Brazil*

According to him, there are countries without natural resources thriving thanks to good governance: they are predictable, have a rational decision-making system and solid legislation that conveys security to investors. And there are other countries with immense natural reserves that have big problems. **It is a matter of governance, he repeats, of people working together and talking, making contacts, learning from each other, without imposing, but finding solutions together, because that is the only way forward.**

**And that is precisely what the Circular Economy HUB is all about, concluded Beatriz Luz: investing in good governance, creating networks, gathering people with similar ideas and companies that**





**want to discuss how to make a successful transition.**

International solutions, technology and expertise are necessary for that to happen. In Europe, multinational companies may be focussing their strategies on circularity, but their Brazilian counterparts still need much information to get there. And that is why we are gathered in this ecosystem, learning and creating circular solutions together for the Brazilian reality.

### **3<sup>rd</sup> INTERNATIONAL WEBINAR – CHILE**

For our Third International Webinar, we decided to discuss Circular Economy Roadmap Programmes for Latin America and to share experiences from Brazil and Chile. We also had Christophe Baussemer, Sustainability Manager at Nespresso, as a guest. He presented the chapter on Circular Growth, part of the company's Positive Growth agenda.

#### **Bioeconomy and Empowerment of Local Communities in Brazil**

Daniel Chang opened the debate representing the MCTI (Ministry of Science, Technology and Innovation). He introduced the activities of the Circular Economy Roadmap in Brazil, which is an initiative developed simultaneously by four countries: Brazil, Chile, Mexico and Uruguay. He highlighted that one of the goals is to identify potential projects, geographic areas and/or specific issues that should be prioritized. Chang also emphasized the importance of the bioeconomy to the country, seen the Brazilian biodiversity. He also mentioned some of the opportunities that have been created and the positive impact on empowering local communities, who play an essential role in adding value to products in their natural environment.

#### **Urgent Change in Mindset**

Our second guest, Linnet Solway, from Fundación EuroChile, presented some initiatives already in place in Chile. The Extended Producer Responsibility Law, for instance, calls attention to the Circular Economy but also includes recycling in the agenda and shows companies that their survival depends on an urgent change in mindset. Other important initiatives are “Ecolabelling”, a programme that determines minimum recyclability parameters and already involves 30 companies; the National Strategy for Organic Waste, focussing on municipalities;

The Plastics Pact, which roadmap started two years ago; and other actions developed by the Construction and Demolition sectors, who are elaborating their own roadmap. Solway highlighted that the “Chile Circular” roadmap is due in February 2021. It will have specific goals for the country: waste in landfills should be reduced at least 10%, and recycling waste produced in the country should increase by 65%. Chile chose for its roadmap a multisector approach that discusses cross-cutting issues.

### It is based on four pillars:

- raw material suppliers,
- production,
- consumption and services,
- waste management.

### Collaborative Work

Thanks to the vision of the Chilean Ministry of Environment, the roadmap incorporates all members of the society to work collaboratively. An Executive Committee of Multiple Stakeholders includes representatives of various organisations - ministries, public administration agencies, universities, NGO's, civil society, even industry and trade associations. It is supported by a network of experts and an international advisory committee that includes Ladeja Godina, also advisor to our HUB-EC. When they come together, these key players make predictions on how Chile Circular will be in 2040. From there, they define and design a strategy and an action plan that will lead to the positioning of the Circular Economy in the daily life of the Chilean population.

### Circularity with no Limits, Expanding Boundaries and Building Bridges

The third guest, Christophe Baussemer, Sustainability Manager at Nespresso, presented the chapter on Circular Growth, which is part of the company's agenda on Positive Growth. Shortly after beginning its activities in Switzerland, Nespresso sought ways to recycle both the coffee sludge and the capsules.

He highlighted the CEO's vision on the importance of a broader view and the creation of a circular experience for Nespresso consumers.

Based on circular design guidelines, Nespresso works with partners since 2016 to show the circularity of the material used in the products. The same guidelines will be applied within the scope of the Circular Economy HUB.

Despite the success achieved ever since, the company continues engaging other companies, be they from within their supply chain or not,



**"At Nespresso we love single serve but we don't like single use."**

Right now, recycling is critical, but we all know it is not the end game. We will not rest until we achieve a fully circular experience for consumers "

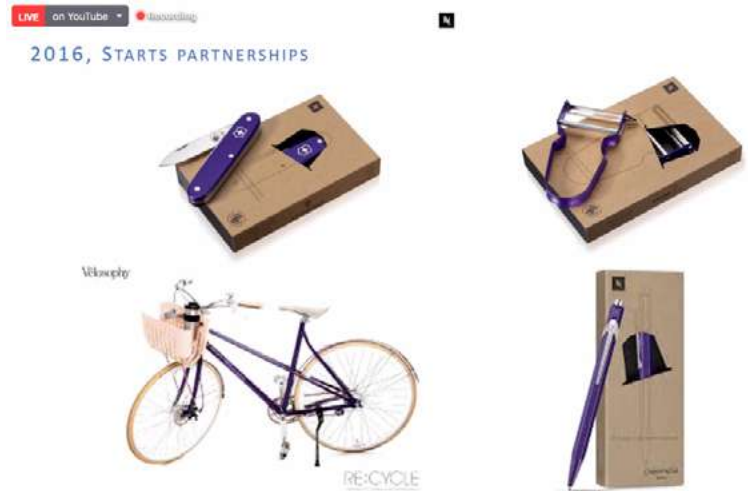
**GUILLAUME LE CUNFF  
CEO, NESPRESSO**



startups and consumers to further expand the limits of circularity.

There was a breakthrough in 2018 when the composition of the aluminium alloy allowed capsules to be made of 80% recycled material. These capsules are also available in the Brazilian market.

Since Nespresso is a coffee producer, the company requires other expertise to recycle and update its products, from the coffee sludge to the machines and their packaging. It is always possible to improve, but some improvements depend on consumers' acceptance. Consumers need to build confidence in the recycling process and the final result. Besides, recycling must be accessible and not demand much effort from the consumer, whose attitude might even be rewarded. **It is not easy to reach a consensus, but it is worth the effort.**





Our efforts showed that companies that get together and create networks with a common goal, and have an independent facilitator that encourages sharing experiences – whether positive or negative – and promotes building relationships of trust end up exchanging information directly and transparently. This accelerates the learning process and the co-creation of solutions.

We work with confidentiality commitments and by ethical and legal structures for obtaining and analysing data. We count on qualified legal support from Rhein Advogados, experts in contractual relationships, governance-related issues and the international market.

We formed four (4) working groups by the end of the first year of the HUB-EC. They resulted from our initial conclusions during the individualised diagnosis, discussions between the members, and singular connections identified by the working methodology.

The objective is to separate the members into subgroups and find solutions to common challenges during our meetings. In this way, all share the risks and benefits.

During our meetings, it became clear that unexpected opportunities can generate great results once people join efforts, show dedication, are committed and actively participate during the sessions, highlighting the applicability of the circular mindset to the Brazilian reality.

It is possible to create new subgroups as the individualised diagnoses develop further. We even consider the entry of new members to add value and contribute to the materialisation of the solutions.

### Details of Subgroups and First Results

#### **New Supply Chains | Pilot: Pastic Film**

The objective of this subgroup is to build new supply chains for plastic film, enhancing the circularity of the material with scalability and economic feasibility. Two new raw material sources were identified, aside from the possibilities of cooperation with existing clients and new partners. The goals were as follows: to potentialize the existing infrastructure, develop new technologies, use the available tools and expertise, and ensure the traceability of materials with transparency and quality.

### **Data Intelligence for Reverse Logistics | Pilot: White Goods**

The pilot “White Goods” aims at showing that we can implement reverse logistics of white goods more quickly and effectively by broadening the perspective on the supplier chain, engaging several departments and working in partnership with other productive chains. In this way, we will design a unique and innovative business model that generates value in different production chains, reducing costs and allowing the reverse flux of materials in a pioneering and practical way for the Brazilian reality, with economic, environmental and social gains. During the discussions, it became clear that singular connections between different sectors can result in unique solutions. Through shared knowledge, combined interests, and recognising the value of this comprehensive integration of actors, it is possible to recover valuable resources. You can do it by ensuring the reverse logistics at the end of the lifespan, and allowing the remanufacture and the formation of closed value cycles for different materials. This project can be used as an example to other production chains to accelerate the development of Circular Economy projects.

### **7<sup>th</sup> Resource**

The scope of this subgroup is to develop a technical-economic plan for applying high-quality recycled resin on products and meeting global targets for increased recycled content in companies in general. The idea is to introduce recycled resin as a new raw material, hence the name 7th resource. We demonstrate the transformative potential of a direct buyer-seller relationship into a long-term partnership to develop a new product with a qualified supply chain, with traceability and operational capacity compatible with the necessary technical specification in terms of quality and application performance. The market pull introduces a specific demand that generates new qualification criteria for the secondary raw material stimulating and influencing the market as a whole.

#### **Why 7<sup>th</sup> Resource?**

When reflecting on the preservation of the six natural resources – water, air, coal, oil, natural gas and minerals – Ranjit Baxi, Founding President of the Global Recycling Foundation, showed the world that there is another major resource as sustainable and available as all others: the material we recycle.

Ref.: <https://www.globalrecyclingday.com/seventh-resource>



## Circular Design

The Circular Design subgroup aims at demonstrating how materials have a circular potential by adding design and performance to the use of secondary raw material. When these new products are developed, we generate a better understanding of recycling, the role of the consumer in sorting materials and the benefits to all. It is about shifting the perspective towards applying secondary raw material on desirable products, thus adding scalability and value to recycling.

### AND THE SYNERGY BETWEEN MEMBERS WAS CLEAR DURING OUR FIRST JOINED PRACTICAL ACTION



Nespresso joined RCRambiental in a solidary action that benefitted from the HUB's previous knowledge exchange and connectivity.

RCRambiental had launched an initiative to take new income opportunities to waste pickers unemployed due to the pandemic. The idea was to give a short training to build hand sanitiser dispensers that they could sell afterwards. Besides providing safety at reasonable prices in public spaces, the dispensers would also generate a new source of income for the waste pickers.

Inspired by this action, Nespresso decided to replicate the training programme in partner cooperatives, bringing in Egrégora Socioambiental. The cooperative, already a partner to Nespresso, extended the invitation to fellow cooperatives more impacted by the pandemic. They would benefit significantly from the training.

And there is more! Using our ecosystem, the shared vision and the commitment between members to join forces to make a difference, SENAI CETIQT and Equipa also participated in the activity and contributed with face masks and alcohol gel.





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