

THE CIRCULAR ECONOMY

Part 3a: Business Models

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Circular Economy Business Models



Transitioning to a Circular Model



- Sustainable sourcing
- Nutrient-rich soils
- Reduced use of fertilizers



- Reduce waste
- Find alterative use cases
- New products & innovation



Source: Annie's Homegrown

- Inventory Management
- Supply Chain Management
- Data Analysis

Case Study: Annie's Homegrown



Annie's approach to regenerative agriculture:



Sourcing

Driving demand for ingredients from farmers that utilize a regenerative system



Partnerships

Partners with Organic Farming Research Foundation to help promote research and industry engagement on regenerative systems



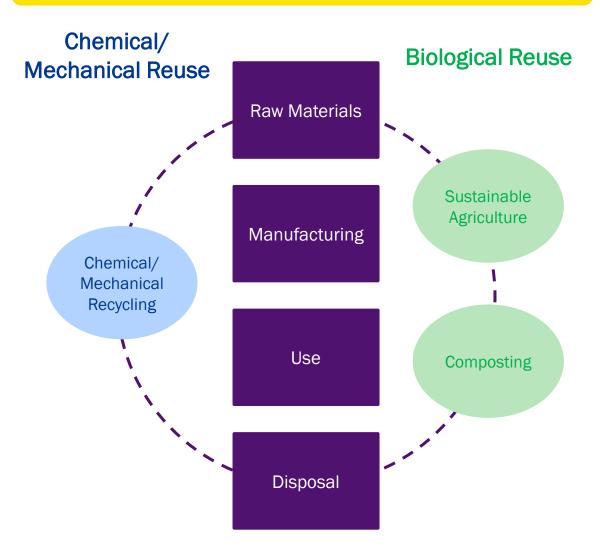
Education

Build awareness and support on regenerative systems and how it impacts our environment

Result:

- Fosters sustainable landscapes and soil health
- Promotes financial resiliency in farming communities
- Increases biodiversity and carbon sequestration

Circular Model for Packaging



Case Study: Good Natured Products



Good Natured's approach to Biological Reuse:



Plant-Based

Good Natured products are made of plant-based material and will break down within 180 days at composting facilities.



No Hazardous Chemicals

If the packages is disposed of in landfills, no hazardous chemicals will impact the surrounding soil and water supply.

Result:

- Ability to compost and biodegrade will reduce landfill waste
- Fosters sustainable water and soil health

Transitioning to a Circular Model

- Low-carbon energy (renewable vs nonrenewable)
- Efficiency (energy usage per km)

- Source of material
- Recycling
- Use of by-products

Energy Efficiency

Manufacturing

Revenue Generation

Useful Life

- Sales Model
- Leasing Model
- Transportation services/subscriptions

- Efficient and longlasting design
- Repairs/ remanufacturing services
- Modular design for convenient upgrades

Case Study: Tesla



Tesla's closed-loop system to EV battery recycling:



Recycling

60% of Tesla's batteries go through the recycling program where the batteries are broken down into various materials (i.e. copper) for recovery or recycling.



Reusing

Material is removed and tested to identify possibilities of reuse. 10% of battery case and electrical components are reused.

Result:

- Transition away from fossil-fuel based energy solutions
- Reducing the number of batteries ending up in landfills
- · Recycling and reusing materials for manufacturing

Maximised Circularity Subscription Model

Design products for sustainability, and create a subscription model for usership and not ownership



Reuse as top priority; when subscribers return phones, they are rehomed



Maximise recycling potential to reduce the waste that ultimately goes to landfill

Case Study: Raylo



Raylo prioritises reuse by finding new homes for old phones. The devices subscribers return are recycled responsibly, *only* if they're not fit to be reused.

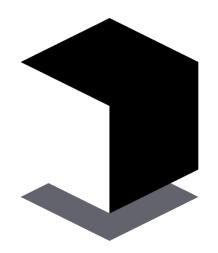
This is facilitated by a subscription model which shows a marked switch from ownership to 'usership', a model which promotes greater flexibility and lower outlay for the customer.

Products and packaging are designed with sustainability in mind, shipping phones with compostable cases.

Result:

- · Minimized recycling to reduce waste
- Reducing the number of batteries & cases ending up in landfills
- Creating a culture of usership not ownership

Ethos of Sustainability



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