

The Black Box Institute

THE CIRCULAR ECONOMY

Part 3b: Business Models (Continued)

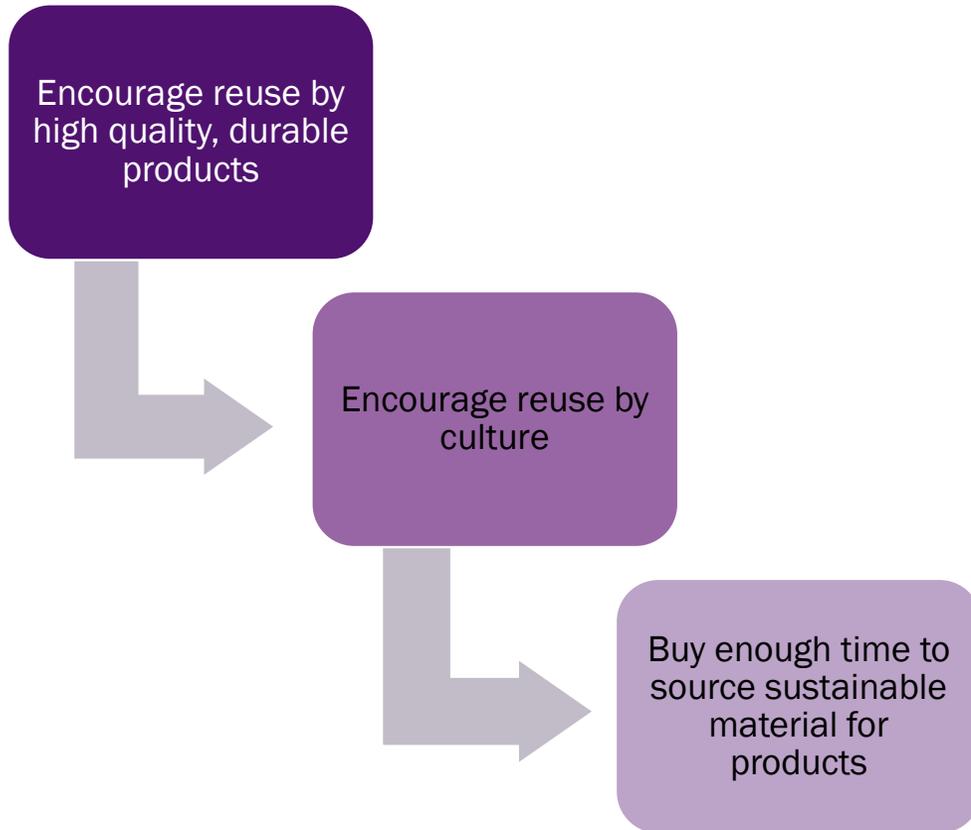
November 16, 2021

Authors: Mei Kwan Ho
Yuvi Aravindan
Khushnoor Dhot
Mykhaylo Rozhkov

Circular Economy Business Models



Maximise Reuse for Time



Case Study: Lego



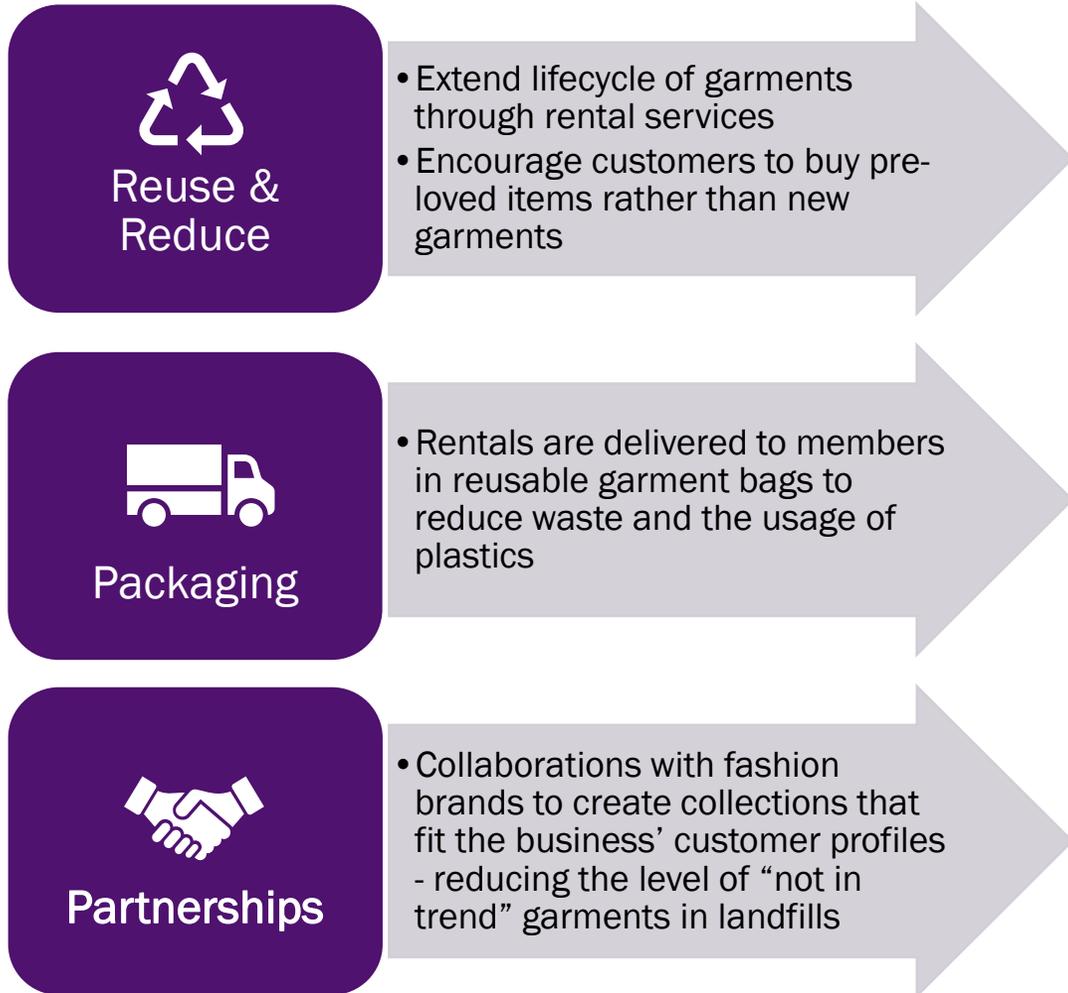
According to the LEGO Group, 97% of its bricks are already kept or shared by owners, with many passed on to generations of friends or family. The LEGO Replay initiative seeks to take this to 100%, inspiring users to pass on bricks

LEGO plans to test sustainable packaging (paper bags, for example) and transform its plants so that 100% of its packaging is eco-responsible by 2025. And by 2030, the entire production process is to go green with bioplastic toys and zero fossil fuel-based plastics. Currently, bio-based materials are used in only 2% of LEGO bricks.

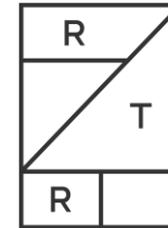
Result:

- Encourage circularity with high quality, durable and hardwearing products
- Use the time given by reuse to develop sustainable sources for raw materials

Maximised Circularity Subscription Model



Case Study: Rent the Runway



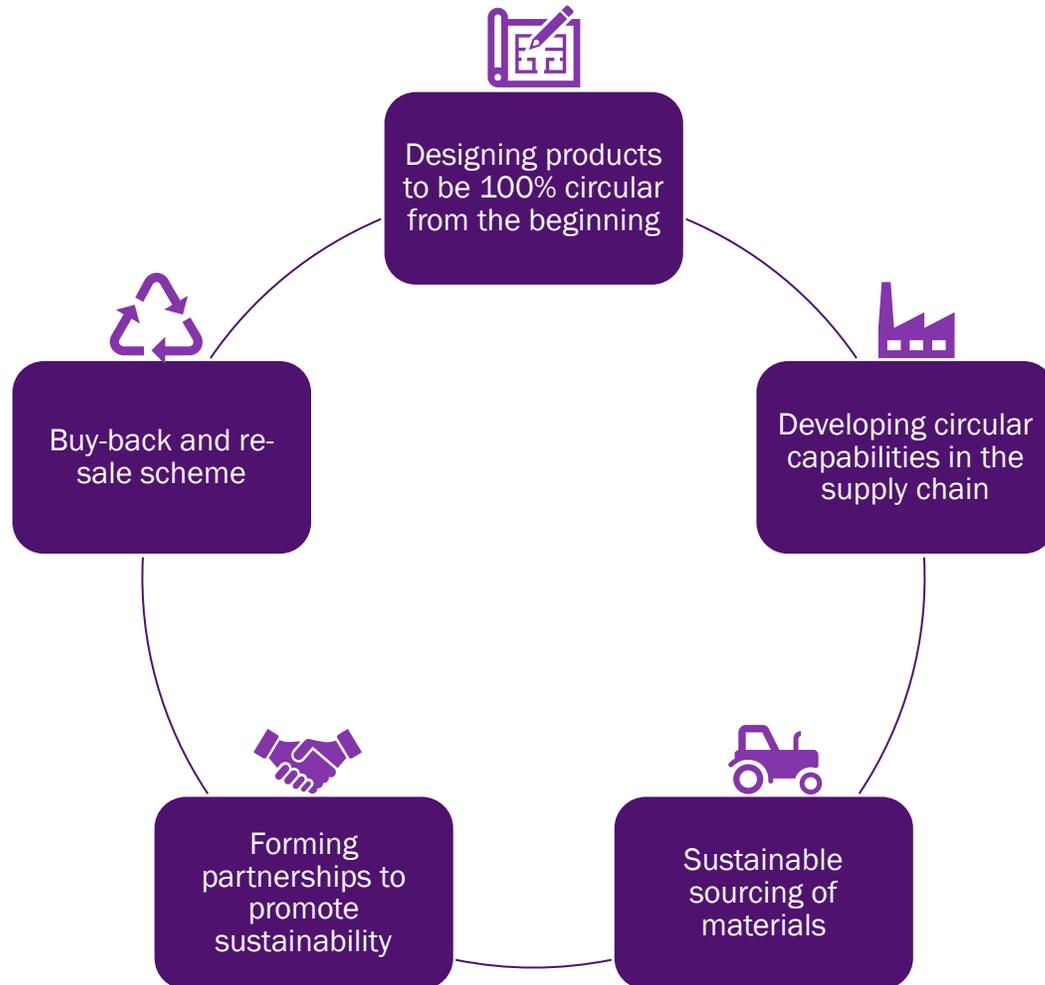
According to Rent the Runway, the average woman throws away an estimated 82 pounds of clothing per year. Its monthly subscription rental service offers women access to thousands of styles of clothing that will allow them to keep up with the fast-evolving fashion trends, whilst reducing the amount of clothing that ends up in landfills.

Once garments are no longer suitable for rent, Rent the Runway's Revive program continues to extend the lifecycle of the garment by offering them for sale through Sample Sales or donate them to nonprofit organizations such as Dress for Success and FabScrap.

Result:

- Reducing the number of garments ending up in landfills
- Creating a culture of usership not ownership

Transitioning to a Circular Model



Case Study: IKEA

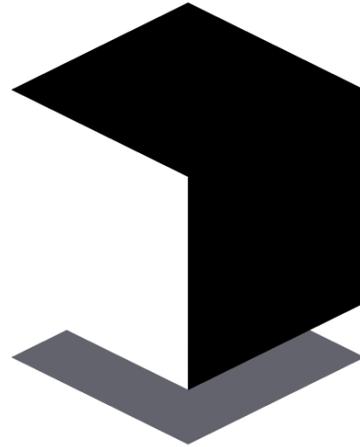


IKEA has launched several initiatives intending to become fully circular by 2030. Such initiatives include partnerships with organizations such as the Forest Stewardship Council to promote responsible forestry methods and to ensure that their wood is sourced from sustainable sources.

The company has also introduced a buy-back and re-sale scheme in several cities where customers can return items that are in good condition in exchange for vouchers. The return goods are then resold at the store and thus, extending their life span.

Results

- 91% of its wood material is sustainably sourced.
- 60% of its product range is based on renewable materials such as wood and cotton.



The Black Box Institute

200 King Street West, Suite 1301, Toronto, Canada

www.theblackboxinstitute.com

+1.416.862.5487

- <https://www.worldbank.org/en/news/press-release/2018/09/20/global-waste-to-grow-by-70-percent-by-2050-unless-urgent-action-is-taken-world-bank-report>
- <https://www.crcresearch.org/solutions-agenda/waste#:~:text=A%20recent%20study%20states%20that,k%20of%20garbage%20each%20day.>
- <https://sensoneo.com/sensoneo-global-waste-index-2019/#:~:text=Humankind%20currently%20produces%20two%20billion,led%20to%20this%20environmental%20catastrophe.>
- <https://youmatter.world/en/definition/definitions-circular-economy-meaning-definition-benefits-barriers/>
- <https://www.nielsen.com/eu/en/insights/article/2018/global-consumers-look-for-companies-that-care-about-environmental-issues/>
- <https://www.newswire.ca/news-releases/more-canadian-consumers-seeking-green-products-and-services-in-current-economy-515057131.html>
- <https://beta-i.com/2019/02/15/7-rs-circular-economy/>
- <https://www.circle-economy.com/news/arming-the-workforce-for-a-circular-revolution-skills-and-labour-in-a-circular-economy>
- <https://www.bbc.com/future/bespoke/made-on-earth/the-new-roots-of-the-flower-trade?ocid=fbmadeonearth>
- <https://www.royalfloraholland.com/en/about-floraholland/who-we-are-what-we-do/facts-and-figures>
- <https://www.re-tek.co.uk/shaping-the-future/>
- https://www.zerowastescotland.org.uk/sites/default/files/Retek_CaseStudy.PDF
- <https://global.canon/en/csr/report/index.html>
- <https://global.canon/en/sustainability/>
- <https://thecsrjournal.in/global-sustainability-report-2020-canon-philosophy-of-kyosei/>
- <https://www.patagonia.com/our-footprint/>
- https://www.patagonia.com/on/demandware.static/-/Library-Sites-PatagoniaShared/default/dwf14ad70c/PDF-US/PAT_2019_BCorp_Report.pdf
- <https://eu.patagonia.com/gb/en/our-footprint/corporate-social-responsibility-history.html>
- <https://ecoalf.com/es/>
- <https://www.plasticethics.com/home/2018/10/18/ecoalf-pioneer-is-sustainable-fashion-from-plastic-waste-collected-in-seas-since-2009>
- <https://is.upc.edu/ca/seminaris-i-jornades/seminaris/std-2014/reports-2014/group-3>
- <https://medium.com/circulatenews/a-circular-economy-for-food-5-case-studies-5722728c9f1e>
- <https://pacecircular.org/action-agenda/food>
- <https://www.annies.com/regenerative-agriculture/>
- <https://www.billerudkorsnas.com/managed-packaging/knowledge-center/articles/how-to-perform-a-life-cycle-assessment-of-packaging>
- <https://circlesolutions.com/circular-packaging/#:~:text=In%20a%20circular%20economy%2C%20products,integrate%20seamlessly%20into%20sustainability%20efforts.>
- <https://goodnaturedproducts.com/pages/compostable-biodegradable-packaging>
- https://www.accenture.com/_acnmedia/PDF-146/Accenture-and-WEF-Raising-Ambitions-PoV.pdf#zoom=50
- <https://articles.cruxinvestor.com/tesla-battery-recycling>
- <https://www.raylo.com/blog/reusing-smartphones-and-the-circular-economy>
- <https://www.livingcircular.veolia.com/en/industry/lego-lays-bricks-tomorrows-circular-economy>
- <https://www.ellenmacarthurfoundation.org/our-story/our-network/strategic-partners>
- <https://p4gpartnerships.org/pioneering-green-partnerships/all-p4g-partnerships/circular-fashion-partnership>
- <https://www.climateworks.org/wp-content/uploads/2016/12/CE-political-economy.pdf>