

Week 2: The Circular Butterfly Unit 1: The Circular Economy Butterfly





The circular economy butterfly **Content overview**

- How we explain the circular economy graphically: the well-known "butterfly diagram" (courtesy of the Ellen Macarthur Foundation)
- The body of the butterfly
- The right wing (the technical loops)
- The left wing (the biological loops and cascades)



The circular economy butterfly **The butterfly**



https://www.ellenmacarthurfoundation.org/

The circular economy butterfly **The butterfly diagram**



The circular economy butterfly **The butterfly center**



Copyright © Ellen MacArthur Foundation, www.ellenmacarthurfoundation.org (2021)

The circular economy butterfly **Technology loops**





The circular economy butterfly Learning points

- The Ellen MacArthur Foundation has produced a well-known graphical representation of the circular economy known as the "butterfly diagram".
- The central component shows how design, materials, and energy add value at various stages.
- The right wing shows how various feedback loops can be used to retain and enhance value for technical materials and products.
- The left wing illustrates how biological materials can be reused and cascaded until they are returned to the natural in such a way as to enhance and regenerate the biosphere.



Copyright © Ellen MacArthur Foundation, www.ellenmacarthurfoundation.org (2021)

The circular economy diagram **Further links and material**

- Ellen MacArthur Foundation: <u>https://www.ellenmacarthurfoundation.org/explore/the-</u> <u>circular-economy-in-detail</u> – Tab 6
- Two-minute summary video: <u>https://www.youtube.com/watch?v=EqBivOsNtFg</u>
- The link between circular economy, butterfly diagram, and technology: GreenBiz article by Ken Webster: *The origins of the circular economy*, 2017 <u>https://www.greenbiz.com/article/origins-circulareconomy</u>





Contact information:

open@sap.com







www.sap.com/contactsap

© 2021 SAP SE or an SAP affiliate company. All rights reserved.

No part of this publication may be reproduced or transmitted in any form or for any purpose without the express permission of SAP SE or an SAP affiliate company.

The information contained herein may be changed without prior notice. Some software products marketed by SAP SE and its distributors contain proprietary software components of other software vendors. National product specifications may vary.

These materials are provided by SAP SE or an SAP affiliate company for informational purposes only, without representation or warranty of any kind, and SAP or its affiliated companies shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP or SAP affiliate company products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.

In particular, SAP SE or its affiliated companies have no obligation to pursue any course of business outlined in this document or any related presentation, or to develop or release any functionality mentioned therein. This document, or any related presentation, and SAP SE's or its affiliated companies' strategy and possible future developments, products, and/or platforms, directions, and functionality are all subject to change and may be changed by SAP SE or its affiliated companies at any time for any reason without notice. The information in this document is not a commitment, promise, or legal obligation to deliver any material, code, or functionality. All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Readers are cautioned not to place undue reliance on these forward-looking statements, and they should not be relied upon in making purchasing decisions.

SAP and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP SE (or an SAP affiliate company) in Germany and other countries. All other product and service names mentioned are the trademarks of their respective companies.







Week 2: The Circular Butterfly Unit 2: Keeping the Highest Value – Are All Loops Equal?





Keeping the highest value – Are all loops equal? **Content overview**

- Looking more deeply at the circular economy loops
- Understanding value retention in the loops
- Are all loops equal?
 - Illustrations with recycling, remanufacturing, and redistribution



Keeping the highest value – Are all loops equal?

The loops RENEWABLES **FINITE MATERIALS RENEWABLES FLOW MANAGEMENT** STOCK MANAGEMENT FARMING/COLLECTION PARTS MANUFACTURER BIOCHEMICAL FEEDSTOCK **PRODUCT MANUFACTURER** RECYCLE REGENERATION BIOSPHERE SERVICE PROVIDER REFURBISH/ REMANUFACTURE SHARE 11 îî REUSE/REDISTRIBUTE BIOGAS MAINTAIN/PROLONG CASCADES CONSUMER USER ANAEROBIC DIGESTION COLLECTION COLLECTION **EXTRACTION OF** BIOCHEMICAL FEEDSTOCK² 1 Hunting and fishing 2 Can take both post-harvest and post-consumer waste as an input SOURCE Ellen MacArthur Foundation

MINIMISE SYSTEMATIC LEAKAGE AND NEGATIVE

EXTERNALITIES

Copyright © Ellen MacArthur Foundation, www.ellenmacarthurfoundation.org (2021)

Circular economy systems diagram (February 2019)

Keeping the highest value – Are all loops equal? Retaining the highest value

Outer to inner:

- Recycle
- Refurbish/Remanufacture
- Reuse/Redistribute
- Maintain/Prolong

Share



Keeping the highest value – Are all loops equal? **Summary**

- The technology loops are designed to retain the value of materials and products and prevent value being lost.
- Each loop would typically loop to a different actor in the value chain.
- Each successive loop moving from the outside to the inside provides more potential to retain value.



Keeping the highest value – Are all loops equal? Further reading

- Sharing: <u>https://www.shareable.net/</u>
- Some ideas for sharing apps: <u>https://www.shareable.net/5-free-apps-to-swap-share-and-sell-your-extra-stuff/</u>
- The Circular Economy: A Wealth of Flows, 2nd Edition (2017) Ken Webster, Chapter 5.





Contact information:

open@sap.com







www.sap.com/contactsap

© 2021 SAP SE or an SAP affiliate company. All rights reserved.

No part of this publication may be reproduced or transmitted in any form or for any purpose without the express permission of SAP SE or an SAP affiliate company.

The information contained herein may be changed without prior notice. Some software products marketed by SAP SE and its distributors contain proprietary software components of other software vendors. National product specifications may vary.

These materials are provided by SAP SE or an SAP affiliate company for informational purposes only, without representation or warranty of any kind, and SAP or its affiliated companies shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP or SAP affiliate company products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.

In particular, SAP SE or its affiliated companies have no obligation to pursue any course of business outlined in this document or any related presentation, or to develop or release any functionality mentioned therein. This document, or any related presentation, and SAP SE's or its affiliated companies' strategy and possible future developments, products, and/or platforms, directions, and functionality are all subject to change and may be changed by SAP SE or its affiliated companies at any time for any reason without notice. The information in this document is not a commitment, promise, or legal obligation to deliver any material, code, or functionality. All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Readers are cautioned not to place undue reliance on these forward-looking statements, and they should not be relied upon in making purchasing decisions.

SAP and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP SE (or an SAP affiliate company) in Germany and other countries. All other product and service names mentioned are the trademarks of their respective companies.







Week 2: The Circular Butterfly Unit 3: Regenerating the Environment





Regenerating the environment **Content overview**

- Recap on biological loops
- One example of regenerating the biosphere What measures does this large organic farm business take to reduce the burden on the environment?
- How do Riverford regenerate the natural environment?



Regenerating the environment **Recap on biological loops**



Regenerating the environment Michael Jordan in an interview with Edward Scott



Edward Scott, Assistant Harvest Manager, Riverford



Michael Jordan, Education Portfolio Manager for Sustainability & Academic Ambassador, SAP



Regenerating the environment Riverford uses tracked vehicles as one way to reduce soil compaction



Regenerating the environment Learning points

Preserve soil health and manage pests and disease:

- Rebuild soil fertility by using field rotation (5 year cycle) don't use artificial fertilizer
- Avoid or reduce soil compression 80% of damage is from a tractor use tracked vehicles, tailor cropping
- Bring in beneficial insects instead of using insecticides
- Use kites, electric fence, and similar to prevent damage from animals

Preventing/designing out waste:

- Deliver direct educate customers so that they will accept vegetables that differ in size and shape
- Use waste as food for a dairy farm
- Compost any remaining waste and return it to the field

Purchased vegetable from third parties:

- Work with like-minded growers that maintain the same standards and avoid long transport routes
- Accept seasonal availability (not all vegetables are available all year round)

Regenerating the environment Further links and material

- Riverford Organics Web site: <u>https://www.riverford.co.uk/</u>
- Riverford environmental magazine, Wicked Leeks: <u>https://wickedleeks.riverford.co.uk/</u>
- Riverford on Facebook <u>https://www.facebook.com/riverford/</u>
- Soil Association <u>https://www.soilassociation.org/who-we-are/</u>





Contact information:

open@sap.com







www.sap.com/contactsap

© 2021 SAP SE or an SAP affiliate company. All rights reserved.

No part of this publication may be reproduced or transmitted in any form or for any purpose without the express permission of SAP SE or an SAP affiliate company.

The information contained herein may be changed without prior notice. Some software products marketed by SAP SE and its distributors contain proprietary software components of other software vendors. National product specifications may vary.

These materials are provided by SAP SE or an SAP affiliate company for informational purposes only, without representation or warranty of any kind, and SAP or its affiliated companies shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP or SAP affiliate company products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.

In particular, SAP SE or its affiliated companies have no obligation to pursue any course of business outlined in this document or any related presentation, or to develop or release any functionality mentioned therein. This document, or any related presentation, and SAP SE's or its affiliated companies' strategy and possible future developments, products, and/or platforms, directions, and functionality are all subject to change and may be changed by SAP SE or its affiliated companies at any time for any reason without notice. The information in this document is not a commitment, promise, or legal obligation to deliver any material, code, or functionality. All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Readers are cautioned not to place undue reliance on these forward-looking statements, and they should not be relied upon in making purchasing decisions.

SAP and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP SE (or an SAP affiliate company) in Germany and other countries. All other product and service names mentioned are the trademarks of their respective companies.







Week 2: The Circular Butterfly Unit 4: Waste as Resource, Waste as Value





Waste as resource, waste as value **Content overview**

- Resources and waste
 - Resource and population growth
 - The amount of waste that is recycled
 - Plastic waste problem
 - Electronic waste problem
 - Textile waste problem
- The opportunity: waste as value



During the 20th century...

Resource use grew >2x population growth





WASTE

Source: Circularity Gap Report, 2020 – https://www.circle-economy.com/resources/ circularity-gap-report-2020 (the world is now only 8.6% circular)

Ocean plastic waste expected to triple by 2040

Source: <u>https://www.imperial.ac.uk/news/</u>200553/ocean-plastic-triple-2040immediate-action/



1 ton of circuit boards are estimated to contain 40-800 times more gold and 30-40 times more copper than one ton of

mined ore

Source: https://earth911.com/eco-tech/ 20-e-waste-facts/

© 2021 SAP SE or an SAP affiliate company. All rights reserved. | PUBLIC

We are now producing ~20 garments each year for every person on earth

Source:<u>https://reverseresources.net/news/h</u> ow-much-does-garment-industry-actuallywaste/

Waste as resource, waste as value **Potential values – packaging**

The global <u>plastic packaging market</u> size is expected to **reach USD 486.2 billion by 2028**, according to a new report by Grand View Research, Inc. (2021), registering **a CAGR of 4.2% from 2021 to 2028**. The rapid expansion of the food & beverage, personal care, and pharmaceuticals sectors, coupled with the rising penetration of organized and e-retail across the world, is expected to fuel market growth.



Waste as resource, waste as value **Potential values – e-waste**

- Global e-waste volumes grew by 21% between 2014 and 2019, <u>according to the United Nations</u>, a pace that will lead to a doubling of e-waste in just 16 years. The world discarded 53.6 million tons of e-waste in 2019.
- Only 17.4% of e-waste discarded in 2019 was recycled, the <u>United Nations reports</u>.
- <u>The value of the raw materials</u> contained in the e-waste produced in the U.S. (13m tons) during 2019 was \$7.49 billion.
- At a global level, e-waste is approximately \$32m and growing.
- Summary: We threw away billions of dollar's worth of materials into landfills that could be used again.



Waste as resource, waste as value Potential values – fashion and textiles

- Clothing sales have almost doubled from \$1 trillion in 2002 to \$1.8 trillion in 2015. (<u>Greenpeace 2017</u>)
- Fashion consumption is expected to grow, with sales of clothing projected to rise to \$2.1 trillion by 2025. (<u>Greenpeace 2017</u>)
- <u>The UN says</u> that by 2050, the equivalent of almost three planets could be required to provide the natural resources needed to sustain current lifestyles, given the growth in global population.
- More than \$500 billion of value is lost every year due to clothing underutilization and the lack of recycling, according to the Ellen MacArthur Foundation (New Textiles Economy Report, 2017)



Waste as resource, waste as value **The jumbo in the room...**

You thought recycling was hard? Think again!

"It costs a plane's owner between £60,000 to £120,000 to dismantle a 747, depending on what is required. The entire process can take up to 12 weeks."

"Up to 50% of an older 747 can be recycled, whereas a newer Airbus A320 can have 95% of its parts reused."

Source: http://news.bbc.co.uk/1/hi/magazine/8542482.stm



Waste as resource, waste as value **Further links and material 1/2**

- Plastic Waste Growth <u>https://www.imperial.ac.uk/news/200553/ocean-plastic-triple-2040-immediate-action/</u>
- Breaking the Plastic Wave, Pew Research Trust https://www.pewtrusts.org/en/research-and-analysis/articles/2020/07/23/breaking-the-plastic-wave-top-findings and https://www.pewtrusts.org/-/media/assets/2020/07/23/breaking-the-plastic-wave-top-findings and https://www.pewtrusts.org/-/media/assets/2020/07/breakingtheplasticwave_report.pdf
- Circularity Gap Report, 2020 <u>https://www.circle-economy.com/resources/circularity-gap-report-</u> 2020 (The world is now only 8.6% circular.)
- Earth Day: <u>https://www.earthday.org/</u> and resources <u>https://earthday.lbl.gov/resources</u>
- Connected Devices in North America: <u>https://techjury.net/blog/how-many-iot-devices-are-there/</u> (Statista) and Deloitte study is quoted in: <u>https://variety.com/2019/digital/news/u-s-households-have-an-average-of-11-connected-devices-and-5g-should-push-that-even-higher-1203431225/</u>
- Electronic waste facts: <u>https://earth911.com/eco-tech/20-e-waste-facts/</u>
- Fashion statistics quoted in this unit with original sources see EcoWarrior Princess: <u>https://ecowarriorprincess.net/2018/10/facts-statistics-about-fast-fashion-inspire-ethical-fashion-advocate/</u> and <u>https://www.juliusbaer.com/en/insights/wealth-report/cost-per-wear-the-environmental-impact-of-our-wardrobes/</u> and <u>https://reverseresources.net/news/how-much-does-garment-industry-actually-waste</u>



Waste as resource, waste as value **Further links and material 2/2**

- UK Government report 2019 <u>https://publications.parliament.uk/pa/cm201719/cmselect/cmenvaud/1952/full-report.html</u>
- Global Fashion Agenda & Boston Consulting Group, <u>Pulse of the Fashion</u> <u>Industry</u> (2017)
- Ellen MacArthur Foundation A New Textiles Economy (2017) <u>https://www.ellenmacarthurfoundation.org/publications/a-new-textiles-economy-redesigning-fashions-future</u>





Contact information:

open@sap.com







www.sap.com/contactsap

© 2021 SAP SE or an SAP affiliate company. All rights reserved.

No part of this publication may be reproduced or transmitted in any form or for any purpose without the express permission of SAP SE or an SAP affiliate company.

The information contained herein may be changed without prior notice. Some software products marketed by SAP SE and its distributors contain proprietary software components of other software vendors. National product specifications may vary.

These materials are provided by SAP SE or an SAP affiliate company for informational purposes only, without representation or warranty of any kind, and SAP or its affiliated companies shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP or SAP affiliate company products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.

In particular, SAP SE or its affiliated companies have no obligation to pursue any course of business outlined in this document or any related presentation, or to develop or release any functionality mentioned therein. This document, or any related presentation, and SAP SE's or its affiliated companies' strategy and possible future developments, products, and/or platforms, directions, and functionality are all subject to change and may be changed by SAP SE or its affiliated companies at any time for any reason without notice. The information in this document is not a commitment, promise, or legal obligation to deliver any material, code, or functionality. All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Readers are cautioned not to place undue reliance on these forward-looking statements, and they should not be relied upon in making purchasing decisions.

SAP and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP SE (or an SAP affiliate company) in Germany and other countries. All other product and service names mentioned are the trademarks of their respective companies.







Week 2: The Circular Butterfly Unit 5: Secondary Waste Markets





Secondary waste markets Content overview

- How waste impacts climate change
- The value of identifying and monetizing unused inventory
- Leveraging blockchain and machine learning/AI to track, trace, and minimize waste streams
- Automating data collection for sustainability and consumer storytelling, supporting the supply chain of the future
- How technology is used to save money and benefit the environment



Secondary waste markets Waste opportunity

Secondary waste markets Unused textiles in warehouses

\$120 BILLION

SITTING. WAITING. WASTED.

Secondary waste markets River polluted by dyeing textiles

Secondary waste markets Solution: global marketplace

NEW BOARD X (+) BRING FORMARD S DUPLICATE SCREATE			
city to prove spoke to up change water	COMPARE PRODUCTS IT STATUS ("APPROXIMENT OF THE STATUS ("APPROXIMENT) QUEEN or RAW Buy and Self Sustainable and Deadstock Fabrics HOME SHOP	Q "REE SHEPPING ON C S EMAL 17 6465 ABOUT SOCIAL CONTACT	ROERS OVER \$249
	About Social Contact	PRENCH TWEED Be the first to review this product Content: 44% Polyacrylic 23% Cotton 17% Polyamide 13% Viscose 3% Polyester Prices 327 vid: color: in/XMulti	a queenofraw.com ط د کی Oueen of Raw x
WHAT OTHER CUSTOMERS ARE VIEWING RIGHT NOW		Width: 57 Inches Country of Origin: France Ships From: USA Minimum: 3 yards. Warehouse Country: US Availability: In Stock Availability: In Stock	Welcome to Queen of Raw! Have a look around and let us know if you have any questions. We'd love to help you get started. Click on a button below so we can help you better.
EMERAD GREEN SLK ORGANZA FAIRIC		SKU 1E16 \$27.00 Quancity: 3 AGO TO CAUT	
		ADD TO WISHLIST ADD TO COMPARE EMAIL TO FRIEND	I'm a Fashion Designer I'm an Interior Designer I'm a Student, Crafter, or Guilter I'm a Vendor/Supplier looking to Sell
	PRODUCT DESCRIPT	ION MORE INFORMATION REVIEWS	Tm a Vendor/Supplier looking to Buy. Other
			We run on Intercom

Secondary waste markets Solution: integrated software



Secondary waste markets Solution: integrated software



212

R

Secondary waste markets Measuring impact and ROI





Contact information:

open@sap.com







www.sap.com/contactsap

© 2021 SAP SE or an SAP affiliate company. All rights reserved.

No part of this publication may be reproduced or transmitted in any form or for any purpose without the express permission of SAP SE or an SAP affiliate company.

The information contained herein may be changed without prior notice. Some software products marketed by SAP SE and its distributors contain proprietary software components of other software vendors. National product specifications may vary.

These materials are provided by SAP SE or an SAP affiliate company for informational purposes only, without representation or warranty of any kind, and SAP or its affiliated companies shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP or SAP affiliate company products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.

In particular, SAP SE or its affiliated companies have no obligation to pursue any course of business outlined in this document or any related presentation, or to develop or release any functionality mentioned therein. This document, or any related presentation, and SAP SE's or its affiliated companies' strategy and possible future developments, products, and/or platforms, directions, and functionality are all subject to change and may be changed by SAP SE or its affiliated companies at any time for any reason without notice. The information in this document is not a commitment, promise, or legal obligation to deliver any material, code, or functionality. All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Readers are cautioned not to place undue reliance on these forward-looking statements, and they should not be relied upon in making purchasing decisions.

SAP and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP SE (or an SAP affiliate company) in Germany and other countries. All other product and service names mentioned are the trademarks of their respective companies.







Week 2: The Circular Butterfly Unit 6: Cleaning Up the Linear Economy – Ocean Plastic





Cleaning up the linear economy – Ocean plastic **Content overview**

- What happens if the circular butterfly loops are not closed – the problem of ocean plastic, described by Emily Penn
- What is the impact on human health from this problem?
- What can we do about it?



Cleaning up the linear economy – Ocean plastic Emily Penn at the SAP Sustainability Summit in April 2021



Emily Penn, Ocean Advocate and Skipper, Co-Founder of eXXpedition



Cleaning up the linear economy – Ocean plastic Learning points

- Plastic and microplastic can be found in the ocean even thousands of kilometers away from land. Plastic goes in the food chain of sea animals and eventually humans, and has a chemical impact on human health.
- Plastic needs to be stopped at the source. This is not easy, as the list of sources for plastic pollution are endless and so are the solutions for avoiding it.
- <u>www.SHIFT.how</u> showcases possible solutions and intends to help individuals and businesses navigate their way to find the right solutions that work for them.
- Business has the opportunity to scale solutions and to drive change closer to the source where the problem begins. We need to gain insights into our supply chains and waste chains to better understand where resources come from and where waste goes.
- We have the opportunity to do things differently.





Find your role in solving ocean plastic pollution by using the filters above.



Cleaning up the linear economy – Ocean plastic **Thought experiment**

If only ...



Contact information:

open@sap.com







www.sap.com/contactsap

© 2021 SAP SE or an SAP affiliate company. All rights reserved.

No part of this publication may be reproduced or transmitted in any form or for any purpose without the express permission of SAP SE or an SAP affiliate company.

The information contained herein may be changed without prior notice. Some software products marketed by SAP SE and its distributors contain proprietary software components of other software vendors. National product specifications may vary.

These materials are provided by SAP SE or an SAP affiliate company for informational purposes only, without representation or warranty of any kind, and SAP or its affiliated companies shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP or SAP affiliate company products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.

In particular, SAP SE or its affiliated companies have no obligation to pursue any course of business outlined in this document or any related presentation, or to develop or release any functionality mentioned therein. This document, or any related presentation, and SAP SE's or its affiliated companies' strategy and possible future developments, products, and/or platforms, directions, and functionality are all subject to change and may be changed by SAP SE or its affiliated companies at any time for any reason without notice. The information in this document is not a commitment, promise, or legal obligation to deliver any material, code, or functionality. All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Readers are cautioned not to place undue reliance on these forward-looking statements, and they should not be relied upon in making purchasing decisions.

SAP and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP SE (or an SAP affiliate company) in Germany and other countries. All other product and service names mentioned are the trademarks of their respective companies.



