

Sustainability: between international standards and new growth opportunities.

«Sustainability and Circular Economy» The new project of Federazione Carta Grafica

> Elisabetta Bottazzoli, October 23, 2020







The Sustainable Development meets the needs of the present without compromising the ability of future generations to meet their own needs.

(Our Common Future, Report of Commission Bruntland, 1987)

The **2030 Agenda**, adopted by all United Nations Member States is a plan of action for people, planet and prosperity. At its heart are17 Sustainable Development Goals with 169 associated targets, which are integrated and indivisible. The scale and ambition of the 2030 development agenda create a unique **opportunity for the private sector** to demonstrate the central role it plays in sustainable development and human prosperity.





«Everyone is needed to reach these ambitious targets. The creativity, knowhow, technology and financial resources from all of society is necessary to achieve the SDGs in every context.» (https://www.undp.org/content/undp/en/home/sustainable-development-goals.html)





The first italian event on rotogravure Think, Create, Print Roto In 2015, in conclusion to the 21st Conference of the Parties (COP 21) of the United Nations Framework Convention on Climate Change (UNFCCC) and to the 11th session of the Conference of the Parties to the Kyoto Protocol (CMP 11), the States signed the **Paris Agreement**.

Governments agreed to maintain the global average temperature increase well below 2°C in respect to pre-industrial levels and to continue efforts to limit it to 1.5°C.

By signing the Paris Agreement, the EU committed to achieve three goals by 2030:

- reduce gas emissions by at least 40% from 1990 levels;
- increase energy consumption from renewable sources to at least 32%;
- increase energy efficiency by at least 32.5%..





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COP21 · CMP11

**PARIS 2015** 

UN CLIMATE CHANGE CONFERENCE



With the Communication COM(2010) 2020 Final - EUROPE 2020, A strategy for smart, sustainable and inclusive growth, the EU had set the goal of pursuing:

- > A smart growth, through the development of knowledge and innovation;
- A sustainable growth, based on a greener economy, with a more efficient and competitive resource management;
- > A inclusive growth, promoting employment and social and territorial cohesion.

This should have been made possible by:

- bringing the employment rate of people aged 20-64 to at least 75%;
- investing 3% of gross domestic product in research and development;
- reducing gas emissions to at least 20%, increasing the share of renewable energy to 20% and increasing energy efficiency by 20%;
- reducing the school drop-out rate to less than 10% and bringing the rate of young graduates to at least 40%;
- reducing the employment rate of people aged 20-64 to at least 75%;

## All of this by 2020!







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#### What is the **European Green Deal?**

December 2019 #EUGreenDeal

The European Green Deal is about improving the well-being of people. Making Europe climate-neutral and protecting our natural habitat will be good for people, planet and economy. No one will be left behind.

#### The EU will:

Become

by 2050

climate-neutral







Protect human life, animals and plants, by cutting pollution

Help companies become world leaders in clean products and technologies

Help ensure a just and inclusive transition

"The European Green Deal is our new growth strategy. It will help us cut emissions while creating jobs." Ursula von der Leyen, President of the European Commission





"We propose a green and inclusive transition to help improve people's well-being and secure a healthy planet for generations to come."

Frans Timmermans, Executive Vice-President of the European Commission









Brussels, 4.3.2020 COM(2020) 80 final

2020/0036 (COD)

Proposal for a

#### **REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

establishing the framework for achieving climate neutrality and amending Regulation (EU) 2018/1999 (European Climate Law)









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#### 2. A SUSTAINABLE PRODUCT POLICY FRAMEWORK

3. KEY PRODUCT VALUE CHAINS

4. LESS WASTE, MORE VALUE

5. MAKING CIRCULARITY WORK FOR PEOPLE, REGIONS AND CITIES

## 6. CROSSCUTTING ACTIONS

6.1. Circularity as a prerequisite for climate neutrality

7. LEADING EFFORTS AT GLOBAL LEVEL

8. MONITORING PROGRESS





Circular economy refers to an industrial economy that is restorative by intention; aims to rely on renewable energy; minimizes, tracks; eliminates the use of toxic chemicals; eradicates waste through careful design.

The circular model distinguishes between technical and biological cycles.



Consumption happens only in **biological cycles**, where food and biologically-based materials (such as cotton or wood) are designed to feed back into the system through processes like composting and anaerobic digestion. These cycles regenerate living systems, such as soil, which provide renewable resources for the economy. **Technical cycles** recover and restore products, components, and materials through strategies like reuse, repair, remanufacture or (in the last resort) recycling.



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The New Circular Economy Action Plan (March 2020, updating the 2015 one) is part of the EU **Industrial Strategy** and it presents measures

- Make sustainable products the norm in the ٠ EU;
- Empower consumers;

to:

- Focus on the sectors that use most resources and where the potential for circularity is high such as: electronics and ICT; batteries and vehicles; packaging; plastics; textiles; construction and buildings; food; water and nutrients;
- Ensure less waste: ٠
- Make circularity work for people, regions and ٠ cities;
- Lead global efforts on circular economy.





Brussels, 10.3.2020 COM(2020) 102 final

#### COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE EUROPEAN COUNCIL, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

A New Industrial Strategy for Europe







Therefore, Europe's opportunity for differentiation and leadership lies at the heart of three symbiotic ingredients: **technology, innovation and sustainability**.

#### 1. Vision 2030

In 2030, European industry will be a global leader that will responsibly deliver value for society, the environment and the economy. The future European industrial model will successfully connect economic progress with major environmental and societal challenges. Continuously progressing and benefiting from strong democratic principles, freedom, unity in our diversity and the rule of law, by 2030, the European Union will successfully become an innovative, sustainable, competitive and human-centred collaborative economy in an increasingly populated, resource constrained and interconnected world. We will invest heavily in cutting-edge and breakthrough technologies, respect planetary boundaries<sup>1</sup> and biodiversity, take leadership in smart European and global alliances, reinforce our global competitiveness and, last but not least, invest in current and future generations by addressing key societal challenges, providing innovative jobs in all regions and investing in new skills. This is how we, members of Industry 2030 high level industrial roundtable, envision Europe in 2030.

European value creation networks will potentially give the highest collective return on invested efforts as they provide the platforms through which transformation happens in areas strategic for Europe, e.g. **smart energy systems including renewable energies, sustainable mobility, smart buildings, resource efficiency and circular economy, smart manufacturing, ageing society, decarbonisation, digitised economy.** 











The European Commission's vision outlines seven main strategic building blocks:

- maximise the benefits of energy efficiency, including zero emission buildings;
- maximise the deployment of renewables and the use of electricity to fully decarbonise Europe's energy supply;
- embrace clean, safe and connected mobility;
- a competitive EU industry and the circular economy as a key enabler to reduce GHG emissions;
- develop an adequate smart network infrastructure and interconnections;
- reap the full benefits of **bioeconomy** and create essential **carbon sinks**;
- tackle remaining CO<sub>2</sub> emissions with Carbon Capture and Storage (CCS).





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Maintaining a competitive EU industry – currently one of the most efficient in the world – goes hand in hand with using resources efficiently and developing a circular economy.

With recycling practices on the rise, the production of many industrial goods such as steel, glass and plastics will become more resource-efficient and less emission-intensive as energy needs decrease further. This will improve industry competitiveness, and provide business opportunities and jobs. New materials and ways of using existing materials will play an important role as well. This can range from rediscovering traditional uses, such as wood in construction, to new composites that can replace energy intensive materials.

Raw material recovery and recycling will be particularly important for the sectors and technologies where new dependencies might emerge, such as reliance on materials like cobalt, rare earths or graphite, for which production is concentrated in a few countries outside Europe. A strengthened EU trade policy is also crucial to ensure a sustainable and secure supply of these materials. For industry, becoming GHG emissions free will often mean significantly modernising existing installations or completely replacing them. This investment will increase the competitiveness of EU industry and its presence in the global economy as it becomes less dependent on carbon. Digitalisation and automation are effective short-term ways of increasing competitiveness, while a combination of electrification, increased use of hydrogen, biomass and renewable synthetic gas can reduce energy related emissions in industrial goods production.

Some industrial emissions will be tough to eliminate, but can still be reduced, for instance  $CO_2$ , which can be captured, stored and used. Renewable hydrogen and sustainable biomass can replace fossil fuels as a feedstock for some industrial processes, such as steel production.

In the next 10 to 15 years, technologies already known in key sectors such as steel, cement and chemicals will need to demonstrate that they can work at scale. Research and development will also reduce costs of breakthrough technologies and help new products, such as carbon fibre or stronger cements, replace today's industrial products.

Product demand will also depend on consumer choices driven by ongoing transformations such as digitalisation or increased demand for environmentally friendly products or services. Information on carbon and environmental footprints of products and services should be more transparent so that consumers may make informed decisions.





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In order to govern the transition by intervening in such areas, the EU, after the **Circular Economy Action Plan**, approved specific Waste Directives – Directives on waste (2008/98/EC) and on landfills (1999/31/EC), the Packaging and Packaging Waste Directive (94/62/EC), on end-of-life vehicles (2000/2000/ 53/EC), on batteries and accumulators and battery and accumulator's waste (2006/66/EC), on electrical and electronic equipment's waste – WEEE (2012/19/EU); and Directive 904 of 2019 on single-use plastics.

Legislative Decree 116, September 3, 2020

# Implementation of (EU) Directive 2018/851 amending Directive 2008/98/EC on waste and implementation of (EU) Directive 2018/852 amending Directive 1994/62/EC on packaging and packaging waste.

(Official Journal, general series 226 of September 11, 2020). In force from Spetember 26, 2020)









Through more circular strategies we can work towards simultaneously achieving some of the SGDs.





As the current extraction-production system interacts with natural resources and raw materials and is <u>the cause of much of the</u> <u>energy consumption and related gas emissions (extraction, processing, transport, use and waste of materials</u>), by focusing on a maximum value conservation (both economic and energetic) and closing cycles, the economy becomes increasingly circular and gains a resilience which is able to adapt and counteract the effects of climate change.



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The industrial and manufacturing world is directly involved in the main areas of interest:

- production the products' design must provide for their repairability, durability and recycling since the production phases; we promote resource efficiency by facilitating industrial symbiosis to reduce waste and negative environmental impacts and creating business opportunities. 'Responsible' production therefore consists in the creation of products and services in ways that are socially beneficial, economically sustainable, and environmentally compatible throughout the life cycle.
- consumption: 'smart' labelling with information for consumers on sustainability and recyclability; the promotion of innovative forms of consumption (sharing products and services, delivering of services instead of selling products) and integration of circular economy requirements into public procurement. 'Responsible' consumption is therefore a consumption and saving action in which the informed and conscious consumer or consumer assesses not only the quality and price of the products and services, but also the social value in them and the environmental impact of the company producing such services and products, protecting his/her own interest and that of the whole community in the medium and long term.
- markets for secondary raw materials: to facilitate their creation and/or consolidation establishing and adopting quality standards for recovered materials.
- ✓ **innovation**: from product/process eco-innovation to the adoption of enabling technologies.

www.journals.elsevier.com/sustainable-production-and-consumption/ Manifesto della Nuova Economia di NeXt www.nexteconomia.org



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#### Advice for Business



Prioritize dematerialization and closed-loop systems. Collaborate within, and outside, the value chain to increase product takeback and keep materials in use.



Consider how the circular economy can help your business meet its climate targets.

3

Is your company considering strategies to reduce consumption? Consider what alternative models exist that can deliver value to the customer and the business.

SustainAbility Trends 2020 an ERM Group company



(...) un futuro digitale e un'economia digitale puntando sull'intelligenza artificiale, all'avanguardia ma affidabile. Verrà adottata una strategia di utilizzo di big data, lot e capacità previsionale a beneficio delle persone (anche in tema di istruzione e formazione) e delle aziende, mantenendo alti i livelli di privacy, sicurezza, protezione e norme etiche. È necessaria. quindi, l'adozione di norme sui servizi digitali, piattaforme e intelligenza artificiale, nonché sulla sicurezza informatica delle infrastrutture e dei servizi critici, nonché uno standard comune per l'identità digitale online per persone e aziende. Tale strategia sarà coerente con la strategia industriale che tradurrà gli obiettivi climatici, digitali e geo-economici in azioni concrete per la competitività dell'industria europea, in particolare quella delle piccole e medie imprese.

(https://ec.europa.eu/info/strategy/priorities-2019-2024/ european-green-deal/actions-being-taken-eu\_en)







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Improved reputation and increased value of the company's brand (market recognition)

Better positioning in the supply chain (also in terms of partner selection based on ethical, environmental and social requirements)

Improved risk assessment and risk management

Increase in relational assets between companies

Increased support from stakeholders (thanks to two-way communication and stakeholder involvement, activating legitimization mechanisms)

Increased appeal for talent and added value of human resources

Better access to the credit market

Improvment in legality ratings







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#### Sustainable production means concrete and continuous commitment





Account for all activities in a clear and transparent way to all stakeholders by writing sustainability reports, focusing on the aspects that have been laid down as "important" with stakeholders.







> Access to information and transparency must be ensured.



- It is necessary to make a qualitative leap and get out of the company's limits by analyzing the production cycle along the whole life cycle, adopting the Life Cycle Assessment approach: from the analysis of the impacts in the supply phase, to the processing and production of the good, to the phases of distribution, consumption and recycling
  - Responsibility must also be taken for the impacts of products/services when they are placed on the market and reach their end of life, adopting the "cradle to cradle" approach.
  - There's a need to report. The best known and used methodology is the Global Reporting Initiative:
     Sustainability Reporting Standards (GRI Standards)



The commitment on corporate social responsibility issues, measured by companies' propensity to report on sustainability, is **positively associated** with <u>the</u> <u>economic balance</u> <u>sheet performance</u> <u>in terms of equity,</u> <u>production value,</u> <u>total assets, net</u> <u>profit, and EBITDA.</u>

(RINA, 2018)

AN ROTOGRAVURE GRO

By Acimga







#### Reporting Principles for defining report content

- Stakeholder Inclusiveness
- Sustainability Context
- Materiality
- Completeness

## Reporting Principles for defining report quality

- Accuracy
- Balance
- Clarity
- Comparability
- Reliability
- Timeliness







There are 2 options for preparing a report in accordance with GRI Standards.

- CORE a report contains the minimum information needed to understand the nature of the organization, its material topics and related impacts, and how these are managed
- COMPREHENSIVE this builds on the CORE option by requiring additional disclosures on organization's strategy, ethics and integrity, and governance. In addition, the organization is required to report more extensively on its impacts by reporting all the topic specific disclosures for each material topic covered by GRI Standards.

It's also possible to use only some of the specifics (**GRI-Referenced**).



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In collaboration with





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Forum per la Finanza Sostenibile



#### The project is a real «call to action»

United inside the supply chain under the guidance of ACIMGA, ASSOCARTA and ASSOGRAFICI for an analysis of common strategy and needs. Different and with their own peculiarities, dictated by territoriality, production sectors, size "maturity" levels on such issues



The	Project's structure
Phase	1. ASSESSMENT
Goals	<ul> <li>Understanding and putting into system the key elements that should represent the technical structure of the 'sustainability guidelines' and operational tools</li> </ul>
Activities	<ul> <li>Building a benchmark activity classifying national and international standards of reference in the 3 pillars of sustainability, circular economy and sustainable/circular management of the supply chain</li> <li>Identifying Environmental Social Governance criteria aligned with investors' requests (Sustainable Finance)</li> </ul>
Levels invo	Ived • Federation • Associations
Output	<ul> <li>Identifying guidelines and core areas that the Protocol will have to oversee</li> </ul>





### The Project's structure



Phase

#### 2. PROTOCOL'S DEVELOPEMENT

Goals

 Identifying and defining key indicators of homogeneous performances by the supply chain, starting from the core areas identified in Phase 1

Defining KPI's and their translation into expected levels of performance (with indications on major and minor requirements)

Developing a «circular check up» tool, easy for companies to access

Levels involved

- Federation
- Associations
- Companies in the Work Group of the different supply chains

Output

- First shared draft of guidelines
- Circular check-up







## The Project's structure



Phase	3. PILOT TEST
Goals	<ul> <li>Testing the Protocol on a sample of member companies to evaluate their application effectiveness</li> </ul>
Activities	<ul> <li>Identifying a sample of companies on which to assess check ups + pilot checks</li> <li>Structuring field activities and drafting an audit report including the useful elements to guide organizations towards improvement plans</li> </ul>
Levels involved	<ul><li>Associations</li><li>Member companies</li></ul>
Output	<ul> <li>Audit Report and fine tuning supply chain's Protocol</li> <li>Guidelines for sustainability reporting</li> </ul>





### The Project's structure



Phase	4. ESTENDING THE PROJECT TO ASSOCIATES
Goals	<ul> <li>Developing information and training activities that allow companies inside the associations to gradually move closer to the requirements of the Protocol</li> </ul>
Activities	<ul> <li>Defining qualitative and quantitative objectives, strategies, specific actions that will guide companies towards a plan to adapt to the requirements defined in the Protocol.</li> </ul>
	<ul> <li>Extending audits to other member companies</li> </ul>
l evels involver	Federation
	<ul> <li>Associations</li> <li>Member companies</li> </ul>
Output	Training and informative plan
	<ul> <li>Schematic road map for companies (Action Plan)</li> </ul>
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## The key to success is involving industrial Companies!





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# Thank you.