

Welcome to Zero-In presented by Deloitte's center for climate action. Your host for the program is Bonnie D Graham. This program will set up your business for the future with topics centered on accelerating climate action. We'll focus on core climate challenges and insights designed to move you to the next stage of your climate journey. Now, here is Bonnie D Graham.

Bonnie: Welcome to the Zero-In podcast presented by Deloitte. I'm Bonnie D Graham, happy to be here today with two very interesting people. And what a topic we have for you, the Circular Economy, you may know about it, you may not, but I promise you you're going to learn a lot. So let me tell you a little bit, we're going to be talking about what we call the Circular Economy, and it's got a capital C capital E because it's really important. It addresses how we all manage our precious resources, how we make and use products. Come on. You're using products all the time, every day, look around you. In your house, out of your office, everywhere and what we do with the materials after we use them, just think about it. So how do we attain what we'd like to call a true Circular Economy? Let me tell you, we develop closed loop systems.

Think about this using product design, reuse strategies, and recycling that are foundational to creating an ideal circular state. Now here's what they do. And I have a whole bunch of words for you all to learn, these systems retain and recover, r is the word of the day here, as much value as possible from resources by, write this down, reusing, repairing, refurbishing, remanufacturing, repurposing, and recycling products and materials. That's a lot to think about. You're not throwing it away. You're doing something else, something additional with it. And there's an important byproduct. The Circular Economy enhances and bolsters opportunities to capitalize on secondary markets for products from many different industries. My special guest today, and because I am on zoom, I can see my guest and we're going to record video as well. Eamonn McGinty wave hello, please. There you are. He's out in a field somewhere with a lot of, looks like wind turbines. We'll talk about that in a second. And we also have Swarnima Chohan, Swarnima welcome. And how are you today?

Swarnima: Hi Bonnie. I'm good. How are you?

Bonnie: I'm delighted to be here. This is a new series and I'm just so excited because the topic is so important. So let's go with our introductions, Eamonn McGinty, we'd love to have you introduce yourself. What do you do at Deloitte and how did you get interested in the Circular Economy, Eamonn, welcome.

Eamonn: Thanks so much for having me. So as mentioned my name's Eamonn McGinty, I'm a senior consultant with the firm, I'm based in Canada. I'm also a program manager for the climate strategy at the firm level. We are looking to enhance and grow our climate offering, our climate services with our clients. I come from a sustainability and natural resource background. I previously

worked in the private capital space allocating capital to companies looking to tackle things like carbon sequestration, waste management and food innovation. And at the firm I work with a variety of clients now on figuring out this wicked problem around the Circular Economy, which has grown in interest, but grown in importance as well.

Bonnie: Thank you very much. And you said you come from a sustainability background. That's very interesting because it is quite the buzz, but it's something that companies around the world are saying they're aspiring to, right Eamonn, and is there any better way to attain sustainability than Circular Economy, what do you think?

Eamonn: It's definitely one of the most obvious, because it addresses so many things that you can see, whether that be waste from specific products that are non-natural, so a synthetic product, like a plastic or whether it's addressing a natural resource base, and keeping our resources in a circular motion rather than a linear motion. So it's a really, really obvious thing to address, but has many complexities that fall under that.

Bonnie: Thank you. We're going to cover some of those complexities today with you. Swarnima so happy to meet you, I know you have some very interesting things to tell us about what this all means to you, but first, why don't you tell us what you do at Deloitte's. For how long you've been there and how did you get interested in the Circular Economy? Talk to us.

Swarnima: Thanks for having me Bonnie and I'm a senior manager with Deloitte's infrastructure and capital projects group. I've been with Deloitte for over three years now and with an infrastructure space for over 13 years. I primarily focus on B3 advisory and having lived a B3 lifecycle from feasibility studies to transaction advisory, to operational reviews and project management. It's hilarious how my friends often say let's talk trash and I want to trash today. Basically my passion for waste management has been quite obvious to my near dear ones and it's all started when I was still studying. I could see piles and piles of trash on landfill sites and it never really settled for me as to how we could just, you know, just throw our waste to landfills and do nothing about it. As in like wasn't there any other solution apart from just dumping or burning. From there and like two decades ago until today my inquisitiveness became my passion and here I am focusing on Circular Economy and waste management, talking to you today and assisting clients globally.

Bonnie: Thank you very much. And I love the way you put it from a very personal level, Swarnima a personal consumer every day. Right Eamonn and Swarnima, it affects every one of us. What do we do with something when we're done with it? And I know some of us have that blue garbage can in the garage. We have to keep our trash cans in the garage of my community. And then we

have a special pickup every other Monday with things that are recyclable, but what exactly, by the way, they won't take egg cartons here, the styrofoam egg cartons that's not considered and that may be correct, but you have to do your own presorting, right. You have to know what the rules are. You have to know what goes in. You're not supposed to put them in plastic bags. How often do they pick it up?

Bonnie: Do they miss a pickup? I have neighbors who won't use those at all because they don't believe in that. The question is how do we get the message out? Swarnima you got to come here to North Carolina and talk trash with my neighbors. Okay. We've got to get a little go, go here. Thank you, Eamonn you can come along too. So, I want to tell our listeners and viewers that I have asked wonderful smiles here by the way, and I know you're both really happy to talk about this because it is important. So I've asked each of you to send me a quote from a fictional character in a movie or a TV show. The quote has absolutely nothing to do with the topic, but it does. And you're going to tell us how, and this is going to be a lot of fun for our viewers and our listeners to understand.

So Eamonn McGinty has sent us a quote from Lloyd Christmas. Mm. Coming up soon. No, it's not a real person played by the one and only very funny man Jim Carey. Speaking to Lauren Holly's character, Mary Swanson, the movie Dumb and Dumber, 1994, American buddy comedy, 1994 but that was 27 years ago. I don't think, I think you were probably in grade school when this movie came out, but here is the, it is a Fairly Brother's movie, by the way. Here is the quote Eamonn has selected from Lloyd Christmas and he says, "so you're telling me there's a chance", love the quote, Eamonn. What does this have to do with our topic today on the Circular Economy? Go ahead.

Eamonn: Yeah. So speaking of that movie, I think the highest grossing low budget movie in a long, long time, so really, really, really good movie for those who may not have seen it. So, Dumb and dumber there's a quote. To me that's a sense of hope, and a sense of humor that you need to look at big problems, big wicked problems, like climate change and like the Circular Economy with a sense of hope and a sense of positivity and humor where it peppered with negativity and it's peppered with complexities and it's peppered with, I guess, you know, doomsday type approaches. We really need to take that approach where we do have a chance and we do have opportunities to use our collective wisdom and our human intellectual capacities and our ingenuity.

So I like to keep things light in terms of, you know, big problems. I like to keep, I'm obviously very serious about them, but I like to keep it light in a sense where it's not necessarily productive to freak people out. And I think we need to use this quote as an example to that. So, yes, we are saying there's a chance that we could fight climate change and yes, there is a chance we can grow towards a more Circular Economy going forward.

Bonnie: Thank you very inspirational. And I will tell you my add-on to that quote would be, it's not too late. I didn't say it's never too late, but it's not too late. Meaning right now is not too late. If anybody hasn't seen that movie, just look up Dumb and Dumber and that quote that Eamonn just shared with us. And there's a movie clip of Jim Kerry and Lauren Holly in it, very fun. Okay, Swarnima has sent an equally interesting and fun quote, both relationship quotes, and she has selected one from Cosmo Kramer played by Michael Richards. You all know the series is Seinfeld. I don't have to say anything more about that. The episode was called "The Fire" with quotes around it. It aired on May 5th, 1994. How did you two both pick quotes from 1994? Seriously? You did that.

Okay. Alright. It's never too late for people to get in sync. I just used that. The quote is from a scene where Kramer's girlfriend Toby apparently was very upset about something rushed out of a building into the path of a street sweeper which, eh, loped off her toe. And Kramer's trying to get the, little bit, to a hospital to get it reattached, which it is, but it involves a bus. And all I'm going to tell you is the five word quote Swarnima has picked is, "The bus is out of control." And there's a whole fabulous scene. Swarnima how did you find this quote? Talk to me.

Swarnima: So, Bonnie, I guess Kramer is one of my favorite TV character and I'm sure for many, many others. I like the way he says, you know, firing things or things that are very, very urgent in a very easeful manner and very simplistically, and I guess this quote really relates to our current situation on climate change, meaning we need to act now as we are discussing, we need to act now it's not too late. But if we don't the bus is out of control. We need to get behind the wheel, take charge and before it gets too late. So, I know we all care for our climate, our earth, and I guess Circular Economy is a great tool to support our efforts towards finding a solution for climate change impacts. So with these, never too late, but we need to act.

Bonnie: Thank you. And I got to tell you both of you, if we took Eamonn's quote and we put it into the scene with Kramer and Toby, and Toby is saying, what do you think you can save my toe? And he said, she said, so you're telling me there's a chance. I think those go together beautifully. This is wonderful. Thank you. Let's go to our very serious part of the discussion. Eamonn and Swarnima both sent me very interesting discussion statements. We're going to start a round table here. I'm going to read the first statement from Eamonn. Ask him to unpack it. We'll just pretend we're on a news show Eamonn. Eamonn unpack it, please. And then I'm going to ask Swarnima to comment, to chime in, and I might say agree or disagree, but we want to hear what you have to say. Then I'll read one of Swarnima's statements and then we'll have Eamonn reply. And we have two statements from each. So let's see where we can go with this. Eamonn said the following to me, he said the Circular Economy is a widely researched and sought after system. The advanced

economies of the world have a critical role to play and the adoption of processes that are fundamental to Circular Economy, success and implementation. I want to switch those to implement and success, if you don't mind. Eamonn talk to us. What does this all mean? These major economies what's happening?

Eamonn: Yeah, so, you know, the point of that statement is really about assessing the, looking at the world from a development perspective. So, you know, unfortunately we have countries that are way more ahead than others. It's not necessarily an equal playing field. It's the way we've grown and we've developed as a species on the planet. So my point here is, advanced economies, the G7 and the G20 have a major role to play to allocate resources and to develop processes around a Circular Economy for resources and managing waste. Another important point that I have around this is, the emerging markets, the developing countries they've often carried the heavy weight of some of the waste that the advanced economies have produced. Lot of the advanced economies have been shipping and exporting waste to developing economies, to emerging markets, to sort and to manage and to take some of the waste and to redistribute it, remanufacture it.

And so the advanced economies have a huge part in this, and essentially have, I'd say a leadership role to take on, to show the world that it's possible and take those key learnings and bring them to the emerging markets, bring them to the countries that need it the most as well. Because you're seeing it everywhere, right. Like if you take a boat across the Pacific Ocean, I don't know how safe that might be, but there's garbage patches across our oceans, there's garbage patches across the Mediterranean, there's plastic waste flowing everywhere. And a lot of this has to do with an uneven playing field between what the advanced economies are producing and wasting and what the emerging markets are forced to handle. So my point here is the leader role is critical. And, we can do a lot from that.

Bonnie: Thank you very much, Swarnima join us, please, thoughts on leadership roles among the economies that are the ones that are causing us a lot of this waste and need to be integral to a Circular Economy, Swarnima.

Swarnima: S Bonnie, I couldn't agree with Eamonn more than what he said right now. Like it is important but I would also add that we need to collectively act, we need the readership roles, but collectively we need to act right now, but because without the collective efforts we will not land where we want to because it's a global issue. It's a global cause. And, we together need to join hands with each other, the roles as Eamonn suggested, we can have play different roles, but we need to do a collective effort.

Bonnie: Thank you very much. And Swarnima I'm going to your statements next. I want to make sure we each get a chance to lead part of the

conversation. You are talking at a very personal level here you say, in what you wrote to me before the show, you said, we care for climate. It's about time we embrace Circular Economy aspects. Let's make Circular Economy part of our everyday life as one of the possible solutions for the climate change impact. I'm going to say, wow, if only. Talk to us Swarnima.

Swarnima: Yeah. Thanks Bonnie and let's talk more trash. I would like to take a step back here and share what I feel Circular Economy is, and maybe that will be helpful for our discussion here. If you look at a product life cycle, typically materials are extracted, goods manufactured, and then you use it for a certain lifespan. At the end of the life it goes back to the ground with no use. Typically it's called a linear economy. I feel this needs to change, right here, right now, and moving forward, we need to change this. This is where the importance of Circular Economy comes into play. Circular Economy ensures that the waste is reduced. The value of the productive goods is maintained. As you rightly pointed out at the starting of this discussion by either reusing, refurbishing, recycling, and maintaining the value of the product within the entire of value chain, thereby managing the end of life of a product in a very, very different way as we are used to in a linear economy.

The concept of linear economy has been it through a very innovative tool, which is an extended producer responsibility or individual producer responsibility within Canada and globally. EPR, the extended producer responsibilities and approach where producers of the products take significant risk responsibility of managing the end of life of those products, financially, as well as physically. With this approach, I believe, this approach provides the incentive to reduce waste, promote product design, and also achieve material management goals and thereby, you know, by all means supporting to reduce climate change impacts.

Bonnie: Thank you very much. You mentioned EPR I have it here in my notes, Extended Producer Responsibility, as well as IPR, Individual Producer Responsibility. So one is, what's the difference just briefly Swarnima?

Swarnima: So basically, sometimes, it is Extended Producer Responsibility which means that earlier the municipalities and the producers were sharing the cost of collection and post collection services within the system, when it goes completely towards the producers, it kind of calls, Extended Producer Responsibility, which means they take the whole and sole responsibility. Individual Producer Responsibility is each individual producer as their own company, or as their own product takes the responsibility of end of life management.

Bonnie: Thank you very much. And we have one more topic to talk about Eamonn. This is going to be very interesting. You told me specific sectors have

a major part in the Circular Economy future. Four segments, Agra-food, textiles, construction, and plastic. Can we take these one at a time?

Eamonn: Yeah, for sure, and I very much agree with everything Swarnima has been saying, the view that we like to take with clients and especially at the firm with our communities of practice and our leading experts in Circular Economy, like Swarnima and others is that we had our industrial revolution after world war II. And we did some amazing things to repair the earth, to advance ourselves, to create wealth for each other, to create jobs, create education, and to have big, big technological breakthroughs like the internet. But we've gotten to this point now where consumption of packaged goods, consumption of food, consumption of construction. And by that, I mean building supplies and I mean other types of heavy duty type equipment. It has gotten to a point where it is out of control where we build to dispose, and there are some, call them, hanging fruit opportunities within the Circular Economy.

So the first is Agra-food. And what we mean by this is a Circular Economy for food where you change from a linear model to more circular model. And essentially you take some of the commodities, whether they be raw commodities or finished products, like a granola bar versus a bushel of corn. And you look at the waste prevention first, where can you divert some of that waste that is going to happen regardless of the outcome? What can you do with it? And can you prioritize that over reuse? And then ultimately next step is recycling. So you create options in a secondary market for things like food. Do you distribute them for animal feed? Do you distribute them to something called anaerobic digestion? Do you distribute them for energy capture? Can you extract nutrition from specific byproducts? Can you look at composting?

Can you look at biologics instead of synthetic fertilizer? So these are some of the major points that we like to look at from an Agra-Food standpoint, for the other sectors, textiles, construction, and plastics, I'm going to actually put those into one bucket, an important bucket, and the bucket is we have designed these and we've actually used them to our abilities where they've helped us build cities. They've helped us keep food packaged and allowed to be kept longer. We have to look at the product design for some of these inputs. So if you're using single use plastic, there's no question in my mind there's big opportunities to be a part of the redesign of the product itself. Can you change the inputs beyond a synthetic plastic which is actually a derivative of oil? Can you look at biodegradable sources? Can you look at refurbished snow tires instead of new tires? Can you look at reusing recycled tires for other purposes like turf grass in football fields instead of real grass? So these are some of the major topics that we're looking at and there are core industrial type environments that could apply some of the Circular Economy methodologies that were really working on with clients.

Bonnie: Thank you. Very, very interesting. It sounds like we could do hours of discussing this and it's very inspiring what you were talking about Eamonn. Swarnima anything you want to say back, comment to Eamonn before we go to a quick prediction from each of you? Swarnima.

Swarnima: No, I completely agree with Eamonn and there has been strides toward these innovations within the sector right now. Take for an example, plastics can be used to, you know, within the road development. So that's kind of very innovative. I would leave with the thought that when we use a toothpaste every day in the morning, we always get the toothpaste in a box, right. But that box has no value, right. It's just, I don't know how much value it adds, but can we eliminate the tube from the box and reduce some of that material that is used to go back into the system?

Bonnie: Well, you know there are some brands that just put the plastic especially the ones where they have a cap you can sit it on the cap upside down. There are some brands that is just the actual tube on the shelf in the store without the box. And I appreciate what you said. And I wonder Swarnima. I wonder if they were thinking of Circular Economy and climate change when they decided not to put the box or whether they said, ah, we can cut back costs it stands on its own anyway, let's put it on the shelf and see if people buy it. I wonder if there's a learning process there. EAMONN what do you think? Do you think companies were thinking of Circular Economy because it's been going on for a couple years, only a few brands though? Eamonn what do you think?

Eamonn: Yeah, I think they're starting to think about it. So I think there's pressure from consumers. That's first and foremost, second, I think it makes good business sense to cut back on packaging and third, it also makes good business sense to look at reuse and recycling where you may have to reuse and recycle what you've actually been using for production or been using for packaging. So I think there's a lot of momentum here, especially in the large consumer brands, but this is trickling down into new products and all kinds of interesting things that are happening in the marketplace.

Bonnie: Thank you. And what I want to ask each of you is for a one minute prediction, we are now early November we're recording this and it will be released early November 2021. If we met one year from today, Eamonn McGinty, would we still be having the same conversation about the starting point of educating and informing and inspiring people and companies about the concept of Circular Economy? Or would we be much farther along? I might guess what your hope is but what you predict is the reality. Go ahead Eamonn.

Eamonn: I think the reality is governments of all levels are forced, will be forced by this time to make cold hard decisions around the Circular Economy policies and the Circular Economy frameworks. They're going to be working with firms like Deloitte to really think this through and to look at public private

partnerships that exist in place to put these together, to look at, real circular closed loop systems. And it opens up, my prediction is, that it opens up doors for innovation and mass adoption across companies and businesses and creates a whole blue ocean of entrepreneurship beyond what we have now.

Bonnie: Thank you very much beautifully articulated. Swarnima, I'm going to give you the last prediction. One minute, what do you see one year from today? What would we still be talking about or something brand new? Go ahead.

Swarnima: I echo with Eamonn, I think we will see more adoption of Circular Economy concepts and primarily public private partnerships in this sector because I guess the is not just one person's dilemma, I guess this needs to be solved with both parties together. Both coming together as public private partners and joined hands and this cause of reducing climate change will see great momentum through Circular Economy. I will also like to add is we'll see increased role of financial sector and firms like Deloitte to bridge the gap of financing in this broader cause because with growing challenges changing hands of responsibilities financing can be a key and we'll see more of this coming up.

Bonnie: Thank you. I've learned so much from both of you. I really appreciate your time and thank you for sharing your insights, your points of view, and the special ways you approach the topic. I know you both are very deep into this and it means a lot to you and it shows. So thank you, Eamonn McGinty, we're so happy to have you here, Swarnima Chohan. This is very new Zero-In we have so much to talk about on future episodes. So I'm just going to say Bonnie D Graham signing off. It's been real. Remember to Zero-In presented by Deloitte.

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