

Sustain

GREEN WEEK 2014

THE CIRCULAR ECONOMY: DEFINITION

For the fourth year running, the LVMH Group is taking part in Green Week, the largest annual conference on European environmental policy, which will run from June 3 to June 5, 2014. The theme chosen for this year is the circular economy and the efficient use of resources and waste.

In this first practical guide, the environment department is offering you a definition of the circular economy concept.

“The circular economy: producing wealth by drawing inspiration from nature where nothing is waste and everything is a resource.”

According to the INSPIRE institute, the center for resources and action for innovative economic models, the circular economy aims to optimize energy and material flows at system level, whether this be a production site, business park, employment area or national economy.

Unlike the current linear economy, which uses a lot of resources and produces a lot of waste, the circular economy relies on connecting up these material and energy cycles. Its operation relies on product sustainability, both in terms of design and in how these products are used, to prevent the depletion of resources and limit discharge and waste.

SYMBIOSIS OR INDUSTRIAL ECOLOGY: TOWARDS A CIRCULAR ECONOMY

The aim of industrial ecology is to encourage synergy between the companies in a region so that they work together to reuse their production leftovers and byproducts (steam, water, waste, energy, logistics, raw materials, etc.).



CIRCULAR ECONOMY

saving resources, creating jobs

Green Week, Brussels > 3-5 June 2014

Companies have to innovate and invest in research and development to find new ways of using resources. They also reduce production of waste and cut the associated costs.

Example of a circular economy: in Denmark, the largest power plant in the country sells steam to Novo Nordisk, a biotechnology company, to Gyproc, a company that manufactures construction plasterboard, and to the city of Kalundborg, which uses it for its urban heating network.

In total, 26 material, water or energy trade agreements have been set up, significantly reducing the consumption of raw materials. Since the 2000s, almost 30,000 tons of oil a year and 1.2 million cubic meters of water have been saved, massively reducing greenhouse gas emissions.

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Belvedere Distillery (Poland).

EUROPE AND THE RESOURCE EFFICIENCY PLATFORM

In 2012, the European Commission set up a platform for efficient use of resources. Its aim is to set the targets for the European roadmap to the circular economy. Chaired by John Bruton, the former Prime Minister of Ireland, this EREP platform (European

Resource Efficiency Platform) lays down the framework conditions essential for the implementation of a circular economy in various areas.

It brings together members of the European Commission, of the European Parliament and of national governments, as well as entrepreneurs, researchers and representatives of civil society.