

# FLORENT ANDRILLON

## Global Head of Sustainability Services at Capgemini Invent

### Lucia Sinapi-Thomas, Executive Director of Capgemini

If we now move to the corporate world, Florent Andrillon, you are in charge of Sustainability Services at Capgemini. We heard before, that 10 years back businesses had digital on their agenda, five years ago sustainability and now, geopolitical uncertainties, that really resonates and sounds like constraints. Are they all looking at sustainability and circular economy as a constraint?

### Florent Andrillon

Thank you for this very precise question, Lucia. In fact, we have a lot of discussions with our executive clients and circular economy has been around for quite some time, it is not a new concept. However, we are still stagnating at around 9% of circularity of the materials that are injected back into the economy today. As you mentioned, there are a lot of incentives for the sustainability imperative. We also heard very interesting discussions this morning about the geopolitical pressure and the lack or difficulty of accessing materials, which raises a lot of new questions regarding sovereignty. The price of lithium has gone up and the price of batteries using lithium has gone up this year for the first time in a decade, so it is time to increase circularity. When you compare it to the digital transformation, that was adopted faster by first addressing customers. The difficulty of putting sustainability and circularity in place, which also explain why it is so slow, is that we have to completely rethink companies' business and operating models, and the supply chain. That is exactly what executives tell us and in a recent report we did on circularity, 70% of executives told us it was complicated. The reason circularity is not massively scaled-up, except at some innovative companies, is the scale of the transformation required, the lack of incentives. Financially, some companies still see that it takes more time to have a return on investment on circularity projects compared to traditional ones and there is also a lack of skills and capabilities to implement them.

The good news is that there are increasingly levers to go towards more circularity. The first one is the sustainability imperative, and we have had great examples of using circular, biomimicry and regenerative principles can reduce GHG emissions. However, for 50% of executives we asked, it is also seen as a source of cost reduction. There are also a lot of innovations to enable circularity, such as biotechnologies and synthetic biology is clearly one of them, as well as the convergence between the physical and digital worlds. A lot of the circular economy principles were just principles and were not easy to implement in the past beyond burning waste to produce heat or energy. Now, with the development of a lot of new technology and the fact that everything is connected, it is possible to develop circularity, for example, the emergence of

platforms that make it possible to move towards a more sharing economy. That is, instead of selling cars, you sell access to cars, as we see with companies that are enabling car sharing, for example. As well as traceability, which has been seen as a major issue in enabling circularity, somebody mentioned a crypto currency, but the technology behind it can also be used for traceability and also to enable the reverse logistics principle, which is difficult today. That is being able to trace your products down to their usage point but also organise the new supply chain and get them back to be reassembled, refurbished and reused. Technology is clearly a lever and innovation that will help us accelerate the move to a circular economy.

### **Lucia Sinapi-Thomas**

Thank you, Florent. There is an interesting link to be made between the shift towards circular economy and our ability to go faster on the energy transition. I believe you have recently done a survey in France that includes a lot around that, would you give us a bit more insight?

### **Florent Andrillon**

We worked with the French National Institute for Circular Economy and asked whether it is sustainable, given the constraints we have on resources due to the various crises we discussed today but also due to our ambitious targets for decarbonizing our economy. You mentioned the planetary boundaries and clearly we have been burning around 1.7 earths in material used and if everybody lived like France or the UK, that would be 2.6, so there is a clear need for more circularity. I think around 100 billion tons of material are used every year, so that is almost five times more than during the period of the Club of Rome in 1972. That is clearly not sustainable. Our study was to show how to enable the energy transition leveraging circularity principles, which are avoid, reuse, replace and refurbish. We found that applying all these levers would make it possible to unlock 70% of the material and mineral needs required to produce the equipment for the energy transitions, such as solar panels, batteries, electric cars, etc. That could lead to a reduction of around 40% in GHG emissions, which is close to the figure you mentioned. Circular economy is not just to have, I believe it is really a must in the journey towards energy transition and sustainability, it also means changing mindsets and thinking beyond just recycling and being open to new business models, such as shared economy. It also means going back to sustainable product design, so designing products from the start not only to perform, which is what companies have been doing for years, but also that is resilient and can be used in other value chains and other industries.