



We are already seeing the effects of excessive consumption. Economic losses related to extreme weather [have increased by 86%](#) to \$129bn over the last decade. Even basic resources like water are under threat. By 2030, the global population is projected to need [40% more water](#) than the planet can sustainably supply. The current business models are not sufficiently providing resource-efficient solutions but they need to respond to a growing demand for action in many countries.

As a consequence of pressure from the consumer, several businesses are tentatively, beginning to develop 'circular' solutions, in which resources are reused at the end of their life, rather than disposed of. For example, [Unilever has pledged to make 100% of packaging recyclable, reusable or compostable by 2025](#). Procter & Gamble (P&G) have also increased its efforts towards the conversion of packaging to Post-Consumer Recyclate (PCR).

Many companies have adopted [Extended Producer Responsibility \(EPR\)](#) as a form of product stewardship, although it is estimated that only 45% of product and packaging waste within the EU is currently covered by an EPR scheme. The legislation around EPR responsibilities are expected to be strengthened in forthcoming EU legislation, although it is not clear what the UK's policy will be post-BREXIT. The Scottish Government are considering introducing a specific mandatory EPR system – a [national deposit return scheme](#) for drinks packaging. The Scottish consumer pays a small cash deposit, typically 10p, when they buy a canned or bottled drink which is then refunded when they return the item back to the retailer or a central collection point.

New processes are emerging which are allowing previously unrecyclable products to now be recycled, although these are not necessarily economically viable at this stage. However, there are encouraging signs. Another example is provided by the [opening in Italy of the world's first industrial-scale plant capable of recycling virtually 100% of used absorbent hygiene products, such as baby nappies and sanitary towels](#). The first steps are being taken to eliminate absorbent hygiene products from landfills and local authorities will have the opportunity to scale this model, potentially creating a parallel growth cycle out of waste.

There are lots of examples of young and innovative businesses developing circular solutions that deliver commercial, environmental and societal benefits – from [a firm in the US that is incentivising fishermen in Chile to collect old fishing nets in the ocean and turning them into products such as skateboards and clothing](#), to [a Danish company who offers high quality, organic clothes for a monthly subscription fee for babies and mothers and then re-circulating them once no longer required](#), and to [a company in the Netherlands which uses surplus food from supermarkets in its restaurants, helping to raise awareness of food waste](#).

In Europe, there is also a developing regulatory focus on implementing circular economy solutions to its food systems. [The European Commission's 'Food 2030'](#) programme focuses on circularity and resource efficiency and the significant reduction of food waste.

Implications for Gwent

The recent high profile focus on the burgeoning plastic waste problem highlights the issues that face us all. The current economic and business models are not working in terms of protecting the planet, and something new needs to be done. The 'circular economy', the model which redefines products and services to design waste out, whilst minimising negative impacts, is growing in