Innovators Forum '24 Circularity | Powered by Sonae

Press Release

Experts and business leaders call for a more sustainable economy and responsible consumption

- **Only 7.2% of the global economy is circular, and the trend is decelerating.**
- **The circular economy could grow fivefold by 2040, generating €820 billion in revenues.**
- **The Innovators Forum '24 Circularity gathered over 700 participants and speakers from Portugal and abroad.**
- **Organised by Sonae, the event debated the current state of the circular economy and explored paths to innovation and positive impact.**

Governments and companies need to accelerate their commitment to circularity to build a more sustainable economy. Simultaneously, individuals must adopt more responsible consumption habits. These were two key conclusions from the Innovators Forum '24 Circularity, an event developed by Sonae, which brought together over 700 participants and speakers from Portugal and internationally in Lisbon to discuss circularity.

According to data presented at the conference, only 7.2% of the global economy is circular – a concerning figure, especially as it marks a decline from 8.6% in previous years. The Circle Economy Foundation, whose CEO, Ivonne Bojoh, participated in the forum, attributed this deterioration to population growth and the excessive exploitation of natural materials. She emphasised the need for innovation and collaboration to redesign economic systems. "The circular economy isn't just about recycling; it's about innovation throughout the entire value chain," she said.

Cláudia Azevedo, CEO of Sonae, highlighted that circularity is a critical path to ensuring a sustainable future and is both a global and local imperative. "In the past six years, more resources have been extracted than in the entire last century. More needs to be done [to increase circularity]," she stated. Azevedo further emphasised that circularity is a strategic pillar for Sonae because "there's no good business on a bad planet." Since 1995, Sonae has advocated for integrated environmental management in business, promoting and implementing best practices.

Sonae exists to create a lasting positive impact on businesses, people, communities and on the planet. Managing a diverse portfolio of businesses in retail, financial services, technology, investments, shopping centres and telecommunications, we make the most of our expertise and push ourselves to create the future we all want and need. Creating today a better tomorrow, for all.
Find out more at www.sonae.pt

For more information, contact:

Diogo Simão
Director / BAN Corporate & Media Relations
M. +351 93 652 86 39 • E. ds@ban.pt

Paulo Azevedo, Chairman of Sonae, reinforced the message by calling for responsible consumption. “We need to stop turning [the world] into pollutants and waste and instead transform it into useful things. We need to use less,” he said, adding, “[At Sonae] we aim to thrive in a sustainable world, not in an unsustainable one.”

Urgent Measures Needed to Promote Circularity

The second edition of the Innovators Forum, streamed online from Lisbon to a global audience, also featured speakers such as Gunter Pauli (economist and sustainability expert), Cláudia Azevedo (Sonae), Raphaël Masvigner (Circul’R), Marta Brazão (Circular Economy Portugal), Ana Barbosa (IKEA Portugal), Sónia Cardoso (Sonae), Filipa Pantaleão (BCSD Portugal), and Anders Åhlén (McKinsey & Co).

Gunter Pauli urged entrepreneurs to think outside the box and view circularity as an opportunity for diverse business models. “We need entrepreneurs who make a difference. We need action on the ground, and we need to accelerate [circular business models],” he concluded, “Never, as entrepreneurs, lose the hope of inspiring a future customer.”

Bernd Halling, Head of Policy and Outreach at Re-imagine Europe, noted that the European Commission’s circular economy legislation “has yet to be widely adopted” by member states. He warned that political changes in the European Parliament could affect the effectiveness of new initiatives, citing concerns about collaboration among commissioners and the potential for misleading narratives that hinder understanding and acceptance of circular economy proposals.

Raphaël Masvigner, co-founder of Circul'R, stressed that the “circular economy is a fundamental tool for mitigating risk” in businesses, especially as “natural resource shortages will lead to many shocks.” Masvigner highlighted the need for better product design, which can reduce up to 80% of a product’s impact. He also emphasised the importance of promoting reuse and repair as shorter, more efficient circular economy cycles compared to recycling.

Speakers agreed that transitioning to a circular economy requires coordinated efforts among governments, businesses, and consumers. Recommended strategies included public policies incentivising sustainable practices through subsidies, the creation of universal metrics to measure impact, and investment in business models based on reuse and repair to ensure financial and environmental sustainability. Consumers, in turn, should prioritise durable products with a reduced environmental impact. In a world nearing its planetary limits, the circular economy is a necessity, not a choice.

Balancing Environmental, Social, and Economic Value

Sonae exists to create a lasting positive impact on businesses, people, communities and on the planet. Managing a diverse portfolio of businesses in retail, financial services, technology, investments, shopping centres and telecommunications, we make the most of our expertise and push ourselves to create the future we all want and need. Creating today a better tomorrow, for all.
Find out more at www.sonae.pt

For more information, contact:

Diogo Simão
Director / BAN Corporate & Media Relations
M. +351 93 652 86 39 • E. ds@ban.pt

Implementing a circular economy will bring environmental, social, and economic benefits. Anders Åhlén from McKinsey estimated that circular business models could grow fivefold by 2040, generating €820 billion in revenues and creating new markets driven by advances in artificial intelligence and biotechnology. "We cannot wait. We need to act now to ensure a sustainable future," Åhlén emphasised.

At Sonae, this commitment has already generated approximately €90 million in revenues from circular products and services in 2023, contributing directly to positive environmental and social impact. Additionally, Sonae's retail businesses have recovered 85% of waste and reduced single-use plastic consumption. By the end of 2023, 86% of the plastic packaging used in private-label products was recyclable, and MC's "zero waste" initiatives have prevented food waste worth €66 million.

Sonae's investment in the circular economy is fostering innovative business models and projects that enhance the group's sustainability while positively impacting the community environmentally, economically, and socially. Initiatives such as electronic equipment repair, clothing recycling, and second-hand or bulk product sales are among the new business models strengthening Sonae's circular activities and benefiting society.

Watch the conference at https://innovatorsforum.pt.

About Innovators Forum

The Innovators Forum '24 aims to inspire and drive innovation, giving leaders from across sectors a platform to explore trends, challenges, and opportunities, fostering a community united by the circular and regenerative economy movement.

To ensure the benefits of progress and innovation are accessible to all, the event is free for students and NGOs, with initial payments refunded after participation. Online streaming is free to all upon registration.

The Innovators Forum '24 underlines Sonae's commitment to innovation, offering a platform for knowledge sharing and reflection on the challenges and opportunities facing Portugal, with the potential for positive impact nationwide and globally.

Website: https://innovatorsforum.pt/

---

[1] *European Comission (QANDA_20_419_PT.pdf)*

[2] *Eurostat (Circular material use rate)*

Sonae exists to create a lasting positive impact on businesses, people, communities and on the planet. Managing a diverse portfolio of businesses in retail, financial services, technology, investments, shopping centres and telecommunications, we make the most of our expertise and push ourselves to create the future we all want and need. Creating today a better tomorrow, for all.
Find out more at www.sonae.pt

For more information, contact:

Diogo Simão
Director / BAN Corporate & Media Relations
M. +351 93 652 86 39 • E. ds@ban.pt