The circular transition in Danish companies

August 2022

DDC

Danish Design Center

About Design Delivers Green

- **Danish Design Center, Confederation of Danish Industry**, and Epinion have in 2022 conducted the survey Design Delivers Green.

- The survey is a replication of surveys conducted in 2016 and 2018 examining the **use of design** among Danish companies, but for the first time, it also includes a mapping of the **circular transition** in Danish companies.

- The results are based on telephone interviews with business managers responsible for business development, product development, or innovation from **744 companies** with 10+ employees.

What is circular economy?

A circular economy decouples economic growth from resource consumption, relying on **efficient resource use.** In contrast to a linear value chain, which follows a straight path from raw materials to production to disposal, a circular economy breaks with this model. Products and value chains in a circular economy are designed to **reduce resource consumption** and **increase product lifespans**. In a circular economy, resources and materials are **regenerated, reused**, and **recycled** while retaining value.

Now is the time for *the circular transition*

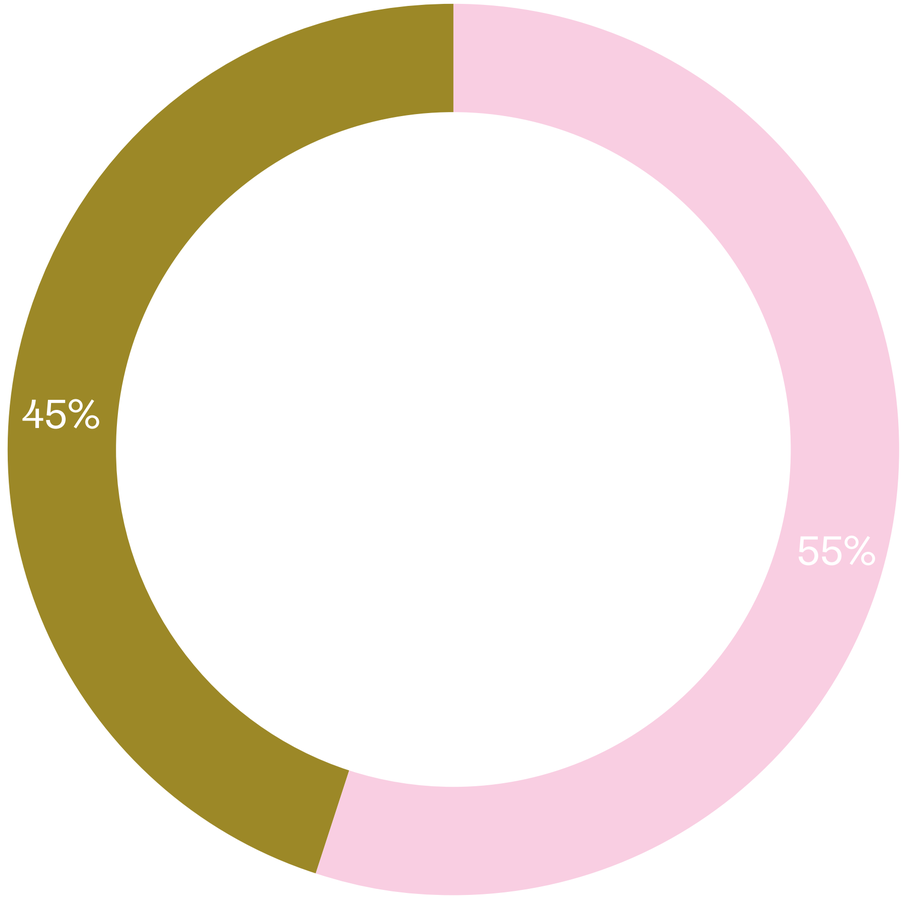
DDC

"It's important that companies become more circular in their production methods because we are running out of materials. Furthermore, businesses will soon be required - “ both by national agencies and international bodies like the EU - “ to rethink the way they produce and package their products."

Julie Hjort
Sustainability Program Manager at Danish Design Center

Tackling climate change through circular economy

Transformation to renewable energy addresses 55 % of global GHG emissions. However, if we are to reach the UN climate goals, we must address the remaining 45 % trough a systemic approach: a total transformation of the way we produce and consume products.



45% Remaining emissions tackled through transformation of

55% Emissions tackled trough transition to renewable energy

Circular solutions are a corporate responsibility

The Extended Producer Responsibility takes effect in 2025. It will apply to approximately 40.000 (13% of) Danish companies.

"We need to rethink our use of packaging. The Extended Producer Responsibility basically makes the producer, not the consumer, responsible for waste management. So the easier your waste is to recycle, the lower the cost."

Iben Kinch Sohn
Head of Circular Economy at Confederation of Danish Industry

Our mission-driven approach at DDC

DDC

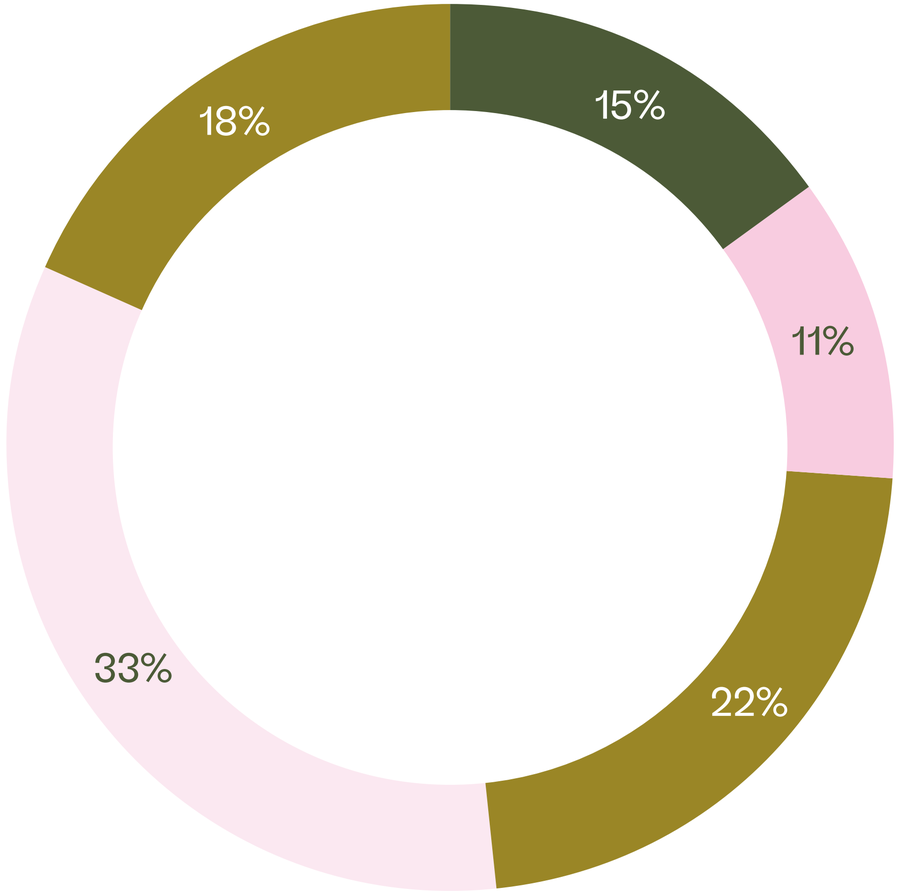
A status on the *circular transition* in Danish companies

DDC

The circular transition in Danish companies

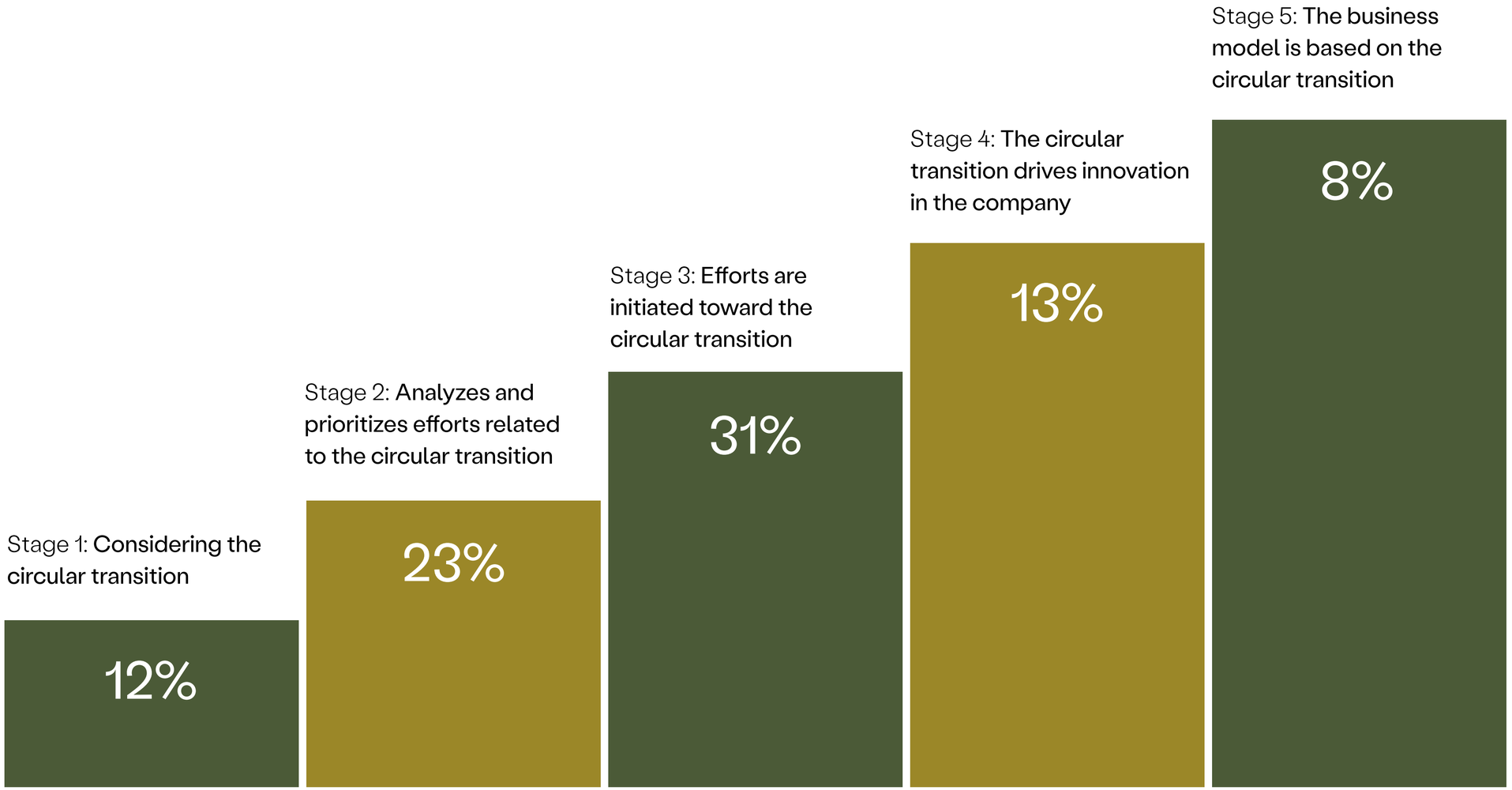
85% of Danish companies are taking steps towards becoming more circular.

One third of them already work either to a very high or high extent with circular transition of the company.



11% To a very high extent
22% To a high extent
33% To some extent
18% To a small extent
15% Not at all

Danish companies at different stages in the circular transition

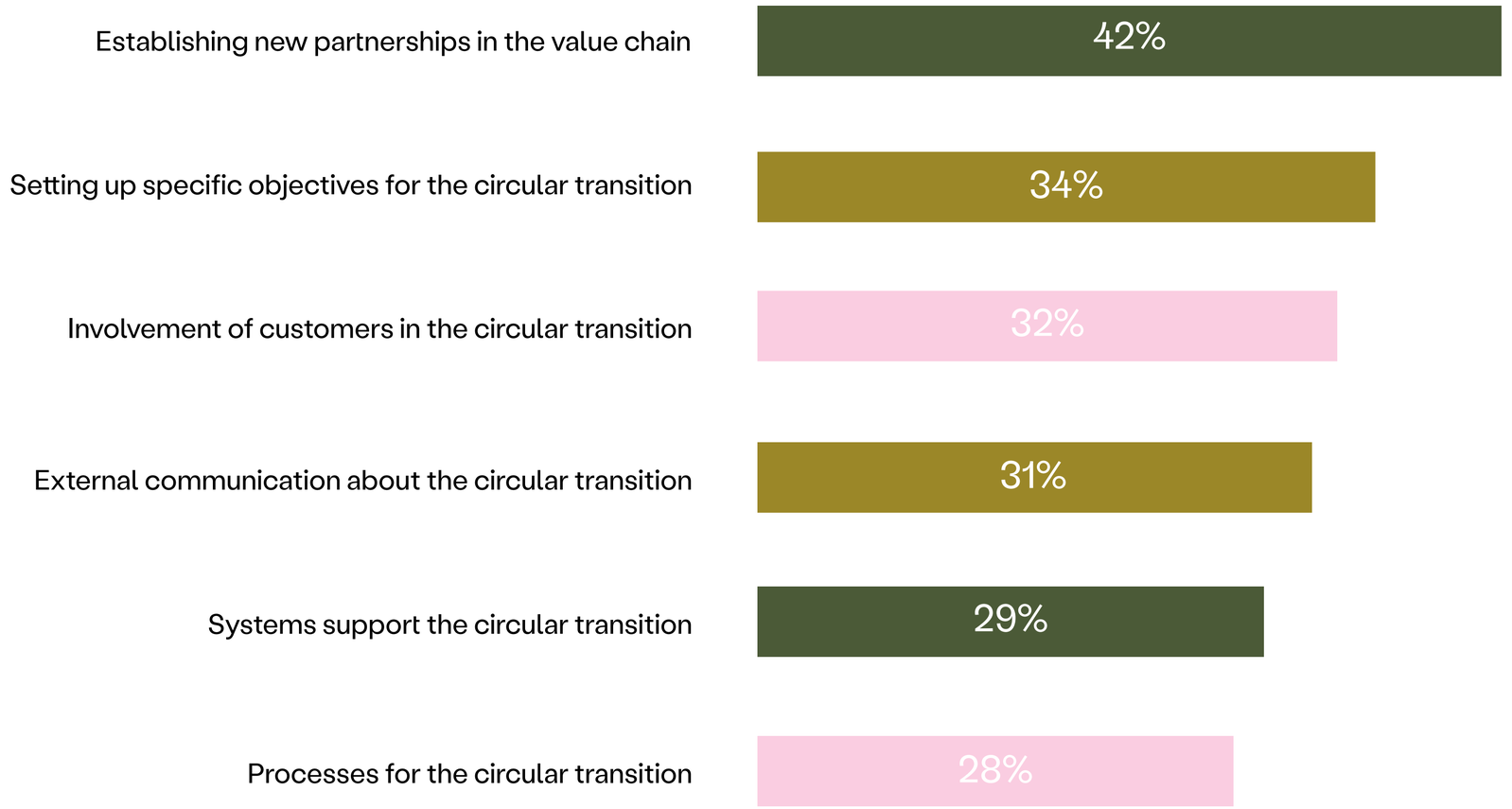


DDC

"As an industry, we need to acknowledge that our current way of doing things is not sustainable, not now and not in 100 years. We have to design things differently. And it's not just about industrial design, but design thinking in the form of service design and experience design."

Mads Kogsgaard Hansen
Senior Global Product Manager, Product Circularity & Classics Program, Bang & Olufsen

A variety of approaches to the circular transition



How circular economy affects the bottom line

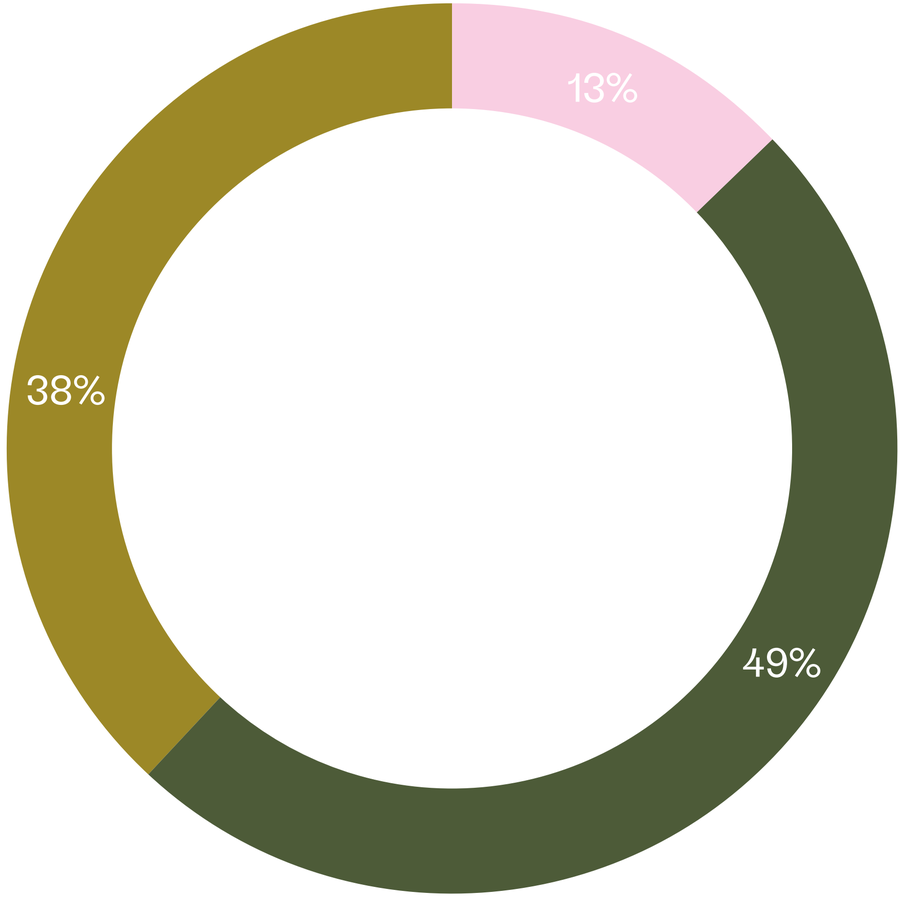
- 17% of Danish companies say that circular restructuring of their business to a high or very high degree improves their economic bottom line.

- 17% of companies do not consider that circular measures positively affect their economic performance.

- 64% of companies with a circular business model report (step 5) that going circular has had a positive impact on the economic bottom line.

Many companies need new competencies

More than half of Danish companies lack the necessary competencies to begin the transition.



49% Have the competencies

38% Don’t have the competencies

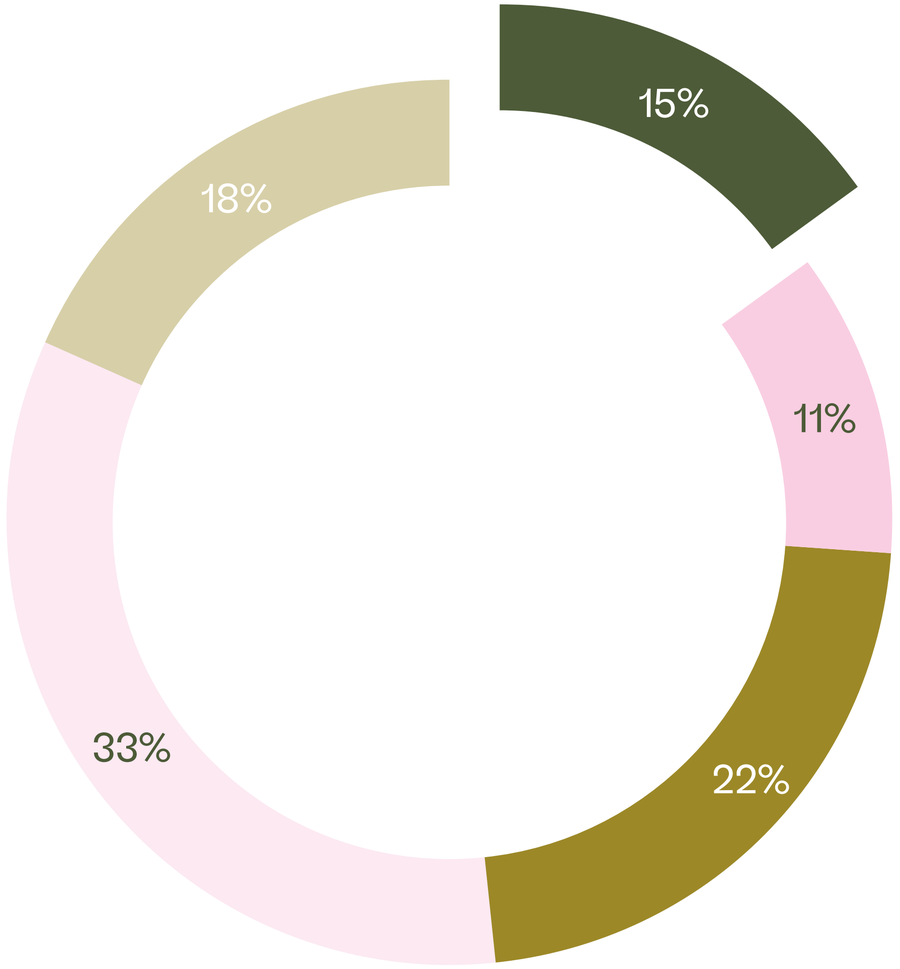
13% Don’t know

“Design competences must not and cannot be underestimated in the transition process we are undergoing these years. The ability to include and interact with the whole value chain, from invention of the materials used, to the production processes, packaging and the logistics related. It is important to see the whole picture and avoid suboptimizing – and that’s exactly what design is all about.”

Lise Thomsen
Had of Creative Industries at the Confederation of Danish Industry

The missing piece to the puzzle

85% of Danish companies work with the circular transition in varying degrees. However, 15 % of Danish companies have not yet begun the journey towards circularity.



- 11% Work with the circular transition to a very high extent
- 22% Work with the circular transition to a high extent
- 33% Work with the circular transition to some extent
- 18% Work with the circular transition to a small extent
- 15% Does not work with the circular transition

Barriers to entering the circular transition

Among the 15% of companies not involved with the circular transition, these are the main barriers:

- Not sure how to get started
- Circular economy is not relevant for the customers
- Circular economy is not considered a competitive parameter

Design as a *driving force* for circular transition

DDC

Plus Pack: Designing for circularity

Plus Pack is committed to become 100% recyclable in their packaging solutions.
Design plays a crucial role in this transition.

“A circular economy relies heavily on design. In the design phase, essential decisions regarding shape, color, and material are made, ultimately determining the product's lifespan. Everyday, we see how our design approach creates added value for our customers.”

Camilla Haustrup Hermansen
CEO and founder of Plus Pack

Design skills enable the circular transition

Top 5 of the in-demand competencies

- Competencies related to a material understanding: 61%
- Knowledge of users' and customers' needs: 56%
- Competencies for developing new circular business models: 47%
- Competencies in the design and development of circular products or services: 43%
- Competencies to facilitate innovation and development processes: 41%