

Convincing Nigerian Entrepreneurs of Circular Business Models: How To?

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Circular Economy & Sustainability

You may wonder what the difference is between sustainability and the circular economy. The two concepts are essentially global in nature, sharing concerns about how the current state of technology, industrial production and consumption might jeopardise both present and future generations. Both concepts also emphasise the importance of better integrating environmental and social dimensions with economic progress. They position system-level changes at their very core. However, sustainability, which is much broader than the circular economy, covers a multitude of objectives. Addressed in the 17 Sustainable Development Goals (SDGs), these objectives include aims from eradicating poverty and hunger to ensuring responsible consumption and production.

Levels of circularity: 10 R's

Order of priority

High

Low

Refuse: Prevent raw materials' use

Reduce: Decrease raw materials' use

Redesign: Reshape product with a view to circularity principles

Reuse: Use product again (as second hand)

Repair: Maintain and repair product

Refurbish: Revive product

Remanufacture: Make new from second hand product

Re-purpose: Reuse product but with other function

Recycle: Salvage material streams with highest possible value

Recover: Incinerate waste with energy recovery



Operationalizing Circularity = Sustainability...

Comprehensive support

- Managers support and quarterly feedbacks
- Fast track with selected units/branches
- Direct hot/access line for participants of the program
- Blog for sharing experience and knowledge

Objectives

Accelerate the adoption and integration of the new strategy



Be an institutionalized and sustainable system



Enhance the required mind-set change



Facilitate new staff management practices



Provide supporting tools



Phase 1

Phase 2

Phase 3

Kick-off

- Key management buy-in
- Stock-taking of information and expectations
- Fine-tuning of mentoring work plan activities and
- Launch preparation

Reporting

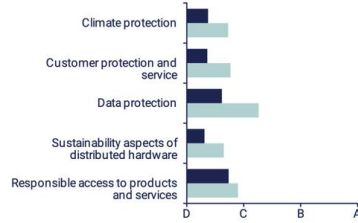
- Workshop with Pillar Champions, Data Owners, Key Management



Ensuring access to Capital ie Scaling Circularity



Key Issue Performance



Circular Economy as Example of Climate Protection

Current gaps towards ISS – ESG rating

- Acknowledging current impact on climate change
- Estimate/Measure scope 3 emissions
- Disclose all methodologies
- Make this information externally verified with reasonable assurance and more than 80% scope
- Define a science based target
- Develop an action plan to achieve reduction targets

ESG Issues

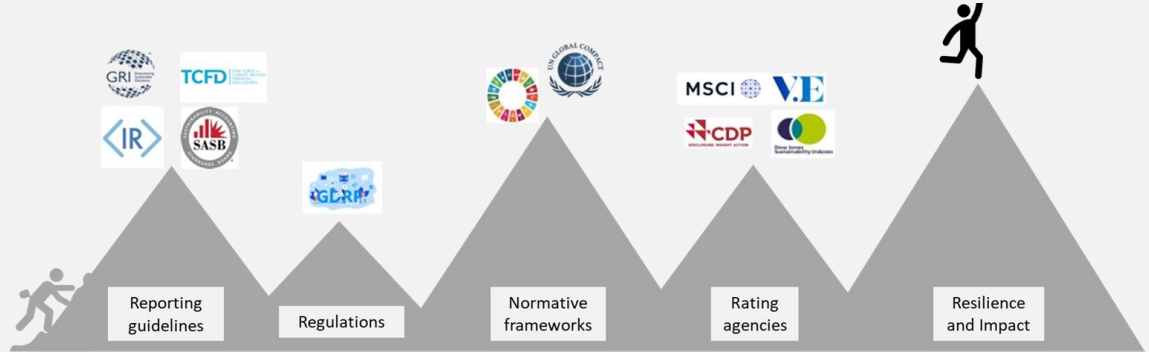
Company: MTN Group

The two heat maps below highlight the ESG Issues that have been mostly associated with MTN Group over the last two years and over the last ten years.

The issues are highlighted in relation to both the number and severity of the risk incidents. The heat map displays all 28 ESG Issues that comprise the core of the RepRisk's research scope (see page 2).

ESG Issues heat map for the last two years (October 16, 2018 to October 16, 2020)

Environmental Environmental Footprint	Social Community Relations	Employee Relations	Governance Corporate Governance
Climate change, GHG emissions, and global pollution	Human rights abuses, corporate complicity	Forced labor	Corruption, bribery, extortion, money laundering
Local pollution	Impacts on communities	Child labor	Executive compensation issues
Impacts on landscapes, ecosystems, and biodiversity	Local participation issues	Freedom of association and collective bargaining	Misleading communication, e.g. "greenwashing"
Overuse and wasting of resources	Social discrimination	Discrimination in employment	Fraud
Waste issues		Occupational health and safety issues	Tax evasion
Animal mistreatment		Poor employment conditions	Tax optimization



Understand and meet your stakeholder expectations to choose your path



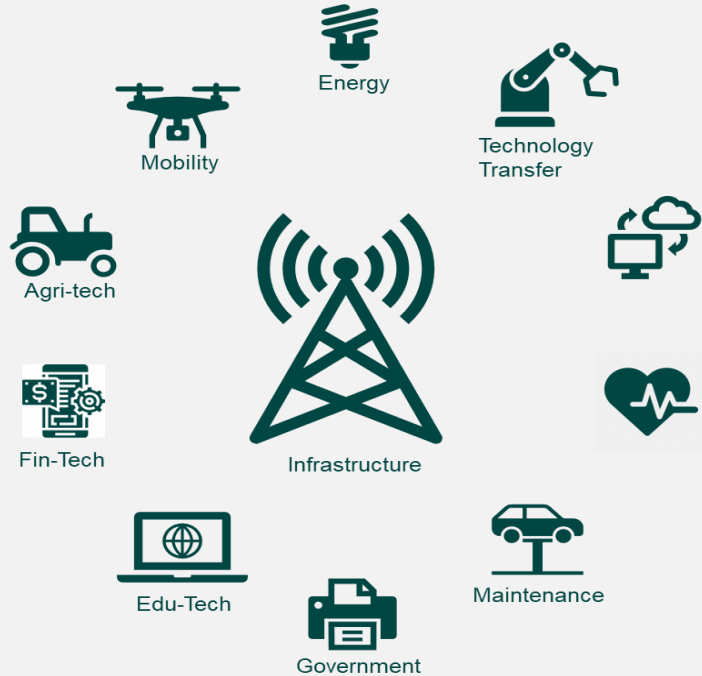
Build trust and demonstrate a strong sustainability performance



Communicate your performance efficiently to get recognition



Circular Economy-Driven Innovation



Fundamental barriers to transitioning to a circular economy

There are fundamental barriers for radical change

Institutional (vested interests)

Organisational (lack of coordination)

Legal (legislation hampers innovation)

Economic (focus on current business models; external costs not included in prices)

Behavioural (reluctance to change attitude)

Technical (resistance to renew)

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Cambridge Econometrics, Trinomics, and ICF, Impacts of Circular Economy Policies on the Labour Market, European Commission, Brussels, May 2018.

Quo Vadis...

Investors are looking at the overall impact of their investments
89 percent of investment managers indicate their firms will devote more resources to sustainable investing area in the next two years.

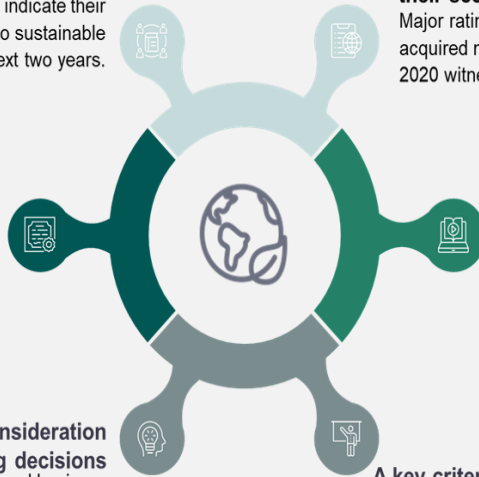
Governments are placing increased pressure on companies
By committing to SDG target 12.6, national governments have agreed "to encourage companies, to adopt sustainable practices and integrate sustainability information into their reporting cycle"

A customer consideration during purchasing decisions
1/3 of millennials stopped or lessened business relationships because they perceived companies were doing harm to the environment.

Financial rating agencies are extending their scope into ESG performance
Major rating agencies (Moody's, ERM, S&P) acquired non-financial rating agencies in 2019. 2020 witnessed 17 ESG-related deals.

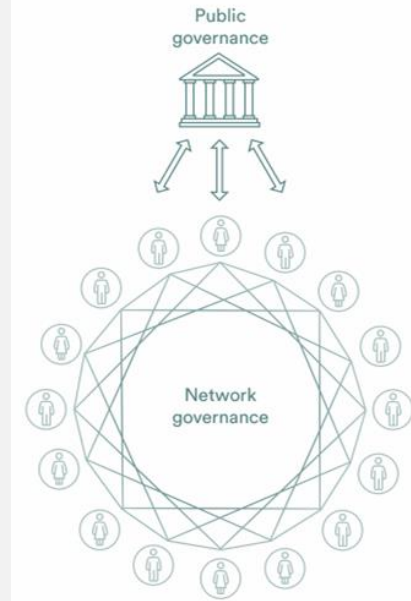
Regulators continue to increase the pressure around sustainability
The number of regulatory actions tripled between 2016 and 2019.

A key criteria in employee attraction and retention
58% of employees include sustainability as a factor in their employment decisions



Network governance is needed to get everybody on board, thereby helping put a circular economy into practice.

Source: How Network Governance Powers the Circular Economy (Jacqueline Cramer, 2020)



What is YOUR QUESTION about convincing Entrepreneurs of Circular Business Models?



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Home of [The SevenPillars Methodology](#)

