CCES 2025 Session Summary

Blueprint for Transformation: Principles to Guide a Just, Equitable & Sustainable Circular Economy

This transformative session explored the core principles needed to guide a just, equitable, and sustainable transition to a circular economy. Thought leaders addressed how ecological imperatives, social justice, and economic viability can coexist through innovative governance models, inclusive policies, and alternatives to consumption-driven growth. Uncover the blueprint for a future where circular economy principles drive systemic change that benefits people, planet, and prosperity.

Date / Location: Wednesday, April 16, 2025 / Montreal, Canada

Speakers

- **Michael Leering**, Director, Environment & Business Excellence, CSA Group (keynote)
- **Paul Shorthouse**, Managing Director, Circular Economy Leadership Canada (moderator)
- **Alec Hay**, Chairman, Rethink Sustainability Initiatives (RSI) & Principal, Southern Harbour Ltd.
- **Maya Colombani**, Chief Sustainability & Human Rights Officer, L'Oréal Canada
- **Jorge 'Daniel' Taillant**, Executive Director, Commission for Environmental Cooperation (CEC)
- **Melissa Gorrie**, Law Reform Manager & Circular Economy Project Lead, Ecojustice

SESSION SUMMARY

KEYNOTE

Michael Leering of the CSA Group emphasized the vital role of standards in achieving a just, equitable, and sustainable circular economy. He clarified that CSA facilitates the development of standards through expert consensus, ensuring they meet industry needs and evolve with innovation. Standards provide clarity, consistency, and trust, acting as a blueprint for circularity.

Michael highlighted CSA's work across sectors: establishing a national definition for plastics recycling, developing binational standards for reusable food containers, adopting international circularity standards, creating frameworks and terminology for circular construction, supporting regenerative agriculture and reducing food waste through standardization, researching adaptive reuse in the oil and gas sector, and developing best practices for lithium-ion battery lifecycles.

He concluded that standards are foundational for systemic change, providing a critical starting point for policy and regulation. Common definitions and terminology are essential for advancing circularity, and CSA is committed to driving this momentum across all sectors.

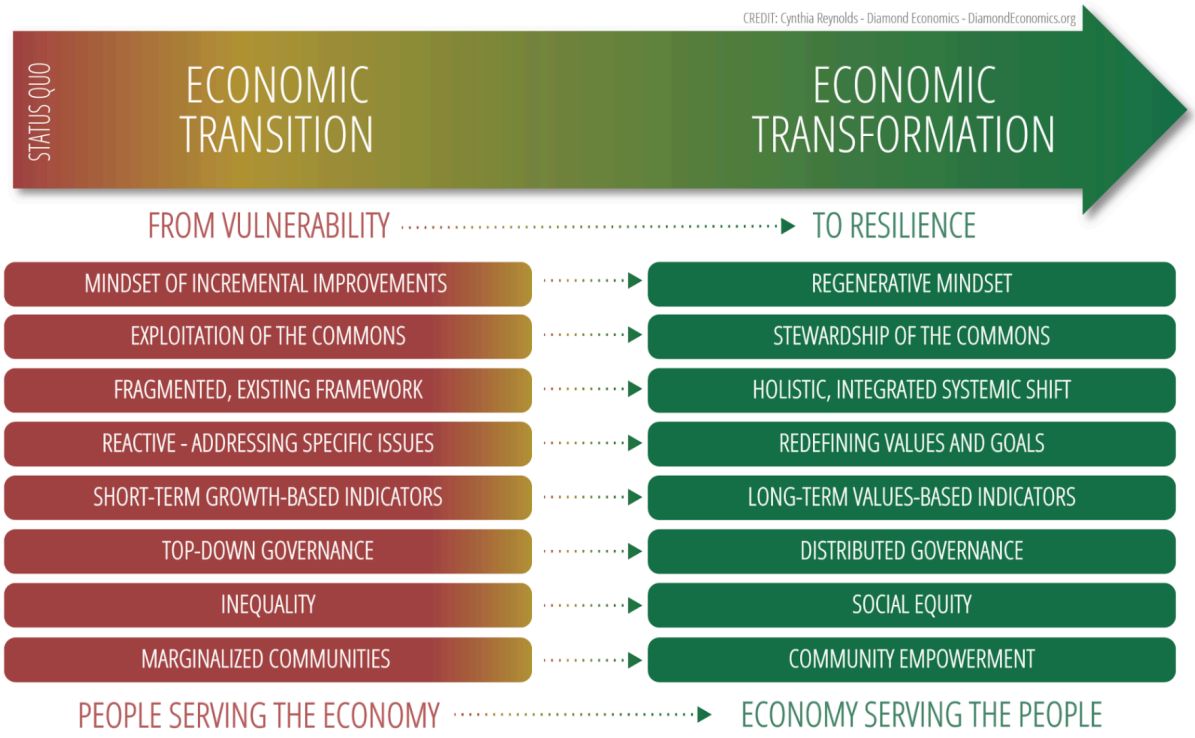
PANEL DISCUSSION

Paul Shorthouse from CELC introduced a panel discussion on the "blueprint for transformation to a just, equitable, and sustainable circular economy." He noted the ambitious scope of the topic, encompassing social aspects, governance, policies, and alternatives to consumption-driven growth.

Transition vs. Transformation

To set the stage, Paul presented a couple of slides outlining the difference between economic transition and economic transformation, drawing from Cynthia Reynolds' upcoming book, "Diamond Economics." He described the shift from vulnerable to resilient economic systems, from incremental improvements to a regenerative mindset, from exploiting the commons to stewarding them, from fragmented frameworks to holistic integration, from reactive problem-solving to redefining values and goals, from short-term growth indicators to long-term value-based indicators, from top-down to distributed governance, and ultimately, from inequality to social equity, empowering marginalized communities and ensuring the economy serves the people and the environment.

Paul emphasized that this transformation involves different leverage points: practical aspects like business models, structural components like policies and governance, and the crucial cultural and social dimensions.



Paul then opened the discussion with a key question for the panelists: **How do we ensure that circular economy efforts lead to true transformation, rather than just incremental transition?** This question aimed to initiate a dialogue on the fundamental shifts required to achieve a just, equitable, and sustainable circular economy.

Alec defined transition as simple change, potentially reversible, while transformation signifies a fundamental, irreversible systems shift affecting the entire ecosystem. He emphasized that true transformation requires a thoroughly evidenced understanding of the current situation to chart a clear path forward. Relying on historical data based on potentially outdated assumptions hinders genuine transformation. Creating new models and understanding is key.

Maya, speaking from L'Oreal Canada's experience, stressed that moving from incremental change to transformation necessitates a radical vision embedded throughout the business. Sustainability must be a core priority, integrated at all levels, from top leadership to individual employee bonuses being tied to sustainability targets alongside business turnover. She highlighted the importance of engaging the entire value chain, setting clear targets, measuring progress, and celebrating successes linked to sustainability. For L'Oreal, this involved fundamentally changing product design, prioritizing natural and renewable ingredients, increasing recycled content in packaging, and even reimagining product formats to reduce or eliminate packaging. True transformation starts with the core business, not isolated "cute" projects.

Daniel shared a personal anecdote from living in rural Asia, contrasting his waste footprint with that of a local family, illustrating the disconnect many have with the management of their waste and, by extension, their impact on the "home" – the ecosystem. He argued that the term "economy" itself has been divorced from its ecological roots ("eco" meaning home). Transformation requires a return to basics: understanding and living in harmony with all elements of nature. The current linear, destructive model is unsustainable, and the urgency to shift is paramount as tipping points of irreversible damage are being crossed. The focus should not solely be on indicators or net-zero transitions but on a fundamental realignment with natural harmony, echoing the earlier keynote on respecting Mother Earth.

Melissa built upon this, emphasizing that a true transformation requires acknowledging and addressing the inherent injustices and inequities perpetuated by the current extractive, profit-driven, growth-focused linear economy. Simply "circularizing" within this existing paradigm is insufficient.

She stressed the need to reorient the economy towards values that prioritize the well-being of people and the planet in an equitable manner, operating within the Earth's natural laws and limits. A critical, often overlooked aspect is centering Indigenous rights and sovereignty. The "commons" are Indigenous lands, and true transformation demands respecting Indigenous knowledge, supporting Indigenous-led solutions, and ensuring Indigenous peoples are integral to designing and benefiting from the new economy, rather than having their knowledge co-opted.

Melissa emphasized the importance of including people in circular economy models, ensuring their input and benefits, and actively addressing environmental racism and injustice. Designing for "safe circularity" with a precautionary approach, considering the health and safety of people and the planet, is crucial, moving beyond abstract tech fixes without considering human and ecological impacts.

A Framework for Practical, Structural, and Cultural Interventions

Following the big-picture discussion, the panel shifted to a more granular level, utilizing a framework of practical, structural, and cultural interventions for circular economy transformation.

Practical Interventions & Risk Management: The conversation began with practical interventions, focusing on immediate actions like new business models and risk management. Paul directed a question to Alec about how risk profiling supports businesses in transitioning to resilience.

Alec emphasized Buckminster Fuller's view of waste as unharvested resources due to ignorance of their value. He stressed the need for an evidence-based understanding of the entire value chain, termed "common reference," which involves all stakeholders and establishes a shared understanding of current risks and consequences. This common reference allows for forecasting trends and their impact across the product or process lifecycle, broken down into risk horizons. For each horizon, indicators of approaching hazards, performance metrics, and necessary treatments can be identified. This leads to intelligent risk management and transfer, where de-risking through circular economy adoption can reduce insurance costs and positively influence the future equity cone, making it transparent and independently verifiable.

Embedding a Regenerative Mindset & Sharing Value: Paul then asked Maya about L'Oreal Canada's approach to risk and embedding a regenerative mindset, along with the challenges faced.

Maya stated that L'Oreal Canada views sustainability not as risk management but as an opportunity for transformation, disruption, and stronger societal connection. Achieving net-zero and circularity requires collective action and shared values across the value chain, including relationships with communities and Indigenous peoples. She provided examples of L'Oreal Canada collaborating with suppliers who prioritize recycled content and social inclusion, and with waste management companies offering innovative solutions.

Engaging the entire ecosystem based on shared values is key to driving disruptive change. This includes working with retailers to reduce waste at the point of sale and partnering with Indigenous communities with respect and reciprocity. L'Oreal Canada believes in managing risk by building together and that their power to transform their ecosystem stems from shared values. The focus is on recognizing the inherent value of circularity and sustainability, including the financial benefits of responsible practices.

Structural Interventions & Legal Frameworks: The discussion moved to structural interventions, encompassing policy, governance, and legal frameworks. Melissa elaborated on the shortcomings of current legal frameworks in supporting circular economy transformation.

Melissa advocated for a strong, integrated national approach in Canada that embeds the work of provinces, territories, Indigenous governments, and local communities. While individual initiatives are positive, a holistic legal requirement for a clear national strategy with a vision, guiding principles, clear objectives, and metrics is needed to avoid fragmented efforts. Accountability through reporting mechanisms, similar to climate targets, is crucial to track progress towards circular economy goals. Melissa emphasized the importance of inclusive design, ensuring the participation of Indigenous communities and those most impacted by the linear economy, along with expert input, to achieve genuine circularity.

Distributive & Collaborative Governance: Daniel addressed the role of distributive and collaborative governance models in achieving a just and equitable circular economy, considering that environmental impacts disproportionately affect certain communities.

Daniel stressed the need for action at all levels, from federal to local, finding local solutions while aligning with broader strategies. He cautioned against solely focusing on decarbonization, as it doesn't address existing atmospheric pollutants. He highlighted the importance of accurate emissions measurement, noting that current standards often use inappropriate timeframes (e.g., 100-year for methane).

Shifting focus to other impactful pollutants and implementing nature-based solutions can offer cooling benefits, particularly for vulnerable communities in urban heat islands. Bringing greenery and reflective surfaces to urban areas can directly aid those most affected by extreme heat. Ultimately, reconnecting with nature is crucial for a just and equitable transition.

The Role of Investment & Finance: The panel then discussed the vital role of investment and finance. Alec addressed how to shift investment strategies to support an economy that serves people.

Alec argued that current investment decisions heavily rely on management team track records due to a familiar model developed post-World War II when the economy served societal rebuilding. However, the underlying assumptions of this model are no longer valid, leading to societal disenfranchisement. A fundamental reset of the investment model is needed, rather than inventing new instruments. All necessary tools exist; the relationship between the economy and people needs redefinition.

Melissa added that investment metrics should expand beyond profit and growth to include well-being indicators like human health, clean water, and access to good jobs. The current system prioritizes shareholder profits, but a broader consideration of societal values is needed to orient investment towards people and planet.

Alec agreed, stating that the post-WWII economic design prioritized these very well-being factors. A reset involves revisiting that foundational intent.

Maya emphasized that "value" extends beyond money to encompass people and nature. L'Oreal's investment strategy excludes harmful industries and prioritizes funds that are inclusive and circular, finding the right balance between financial returns and positive ESG impact. They have also created specific funds for natural regeneration and supporting circularity in universities and vulnerable communities, recognizing the private sector's responsibility in these areas. Ultimately, the guiding question should be: what kind of world do we want our children to inherit?

The panel also acknowledged L'Oreal's investment in the Circular Innovation Fund, highlighting the importance of financial support for circular initiatives.

Audience Q&A

The audience questions and panel responses centered on the fundamental economic drivers and societal shifts needed for a truly transformative circular economy, particularly addressing the role of pricing nature and the concept of sustainable growth.

QUESTION 1 - Pricing Nature: One delegate raised the idea of internalizing the cost of nature into the market economy through government intervention and pricing mechanisms. She argued that this is the simplest way to recognize nature's value within the existing system.

Daniel agreed, recalling China's suppressed "green GDP" study that highlighted the environmental costs of growth. He emphasized the need to incorporate nature into all assessments of well-being, moving away from a sole focus on economic growth and stock market performance. Concentrating wealth exacerbates the problem, necessitating a change in how we value our actions and integrate the ecosystem into our models.

Melissa commended the intent behind pricing nature but cautioned against fully monetizing and commodifying inherently priceless elements like water, air, and soil. While it might serve as a temporary measure, it shouldn't be the ultimate solution, as some aspects of nature transcend monetary value.

QUESTION 2 - Sustainable Growth vs. Sustainable Lifestyles: A question focused on the feasibility of achieving social and environmental goals while still aiming for economic growth, asking if "green" or "circular" growth is truly possible.

Daniel noted that the Commission for Environmental Cooperation is shifting the name of their "Green Growth" unit to "Sustainable Living and Economies", indicating a move away from growth as the primary objective towards focusing on sustainable ways of living.

Maya, while optimistic about progress and increased expertise in sustainability, emphasized the need for authentic leadership and a focus on creating true value for everyone, driven by the values of younger generations who prioritize purpose over purely monetary gains. She advocated for organizing more and building a larger coalition for "positive growth," which includes genuine efforts to improve, not just achieve perfection.

In Conclusion: Taking Action for Transformation

Paul asked each panelist for one action to take in order to advance circular transformation.

- **Melissa** passionately reiterated the need to address overconsumption, questioning the drive for bigger and more despite growing inequality and planetary limits. **Her action:** revisit societal values around consumption and strive for a smaller footprint.
- **Daniel** urged everyone to reconnect with nature by understanding the origins of their food and recognizing their interconnectedness with the natural world. **His action:** find your way back to nature.
- **Maya** advocated for measuring both positive and negative footprints at individual and company levels, as this awareness can be a powerful motivator for change. **Her action:** start measuring your footprint.
- **Alec** emphasized the need for companies to engage stakeholders and identify a shared vision of the desired outcome, allowing for diverse actions contributing to a common goal. **His action:** get stakeholders together to define a shared vision.

The panel concluded by underscoring the importance of collective action and a fundamental shift in values and priorities to achieve a truly just, equitable, and sustainable circular economy.