

White paper

The circular economy in the customer pathway

N°2



2022

Introduction

In France, the numbers speak for themselves: **the second-hand market** was worth €7.4 billion in 2020 (Xerfi Precepta).

Labor shortages and **production stockouts** are the second «Kiss Cool» effect of 2022 after inflation:

- The PlayStation 5 became impossible to source.

- 90% of the smartphone industry is affected by the chip shortage.

- Toyota cut global production by 40% in September 2021 due to the chip shortage.

- Apple reduced its iPhone 13 delivery estimates — a first since the launch of the original iPhone in 2007.

- 20% of products are out of stock at IKEA.

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Eco-Design

Designing products that respect the environment.

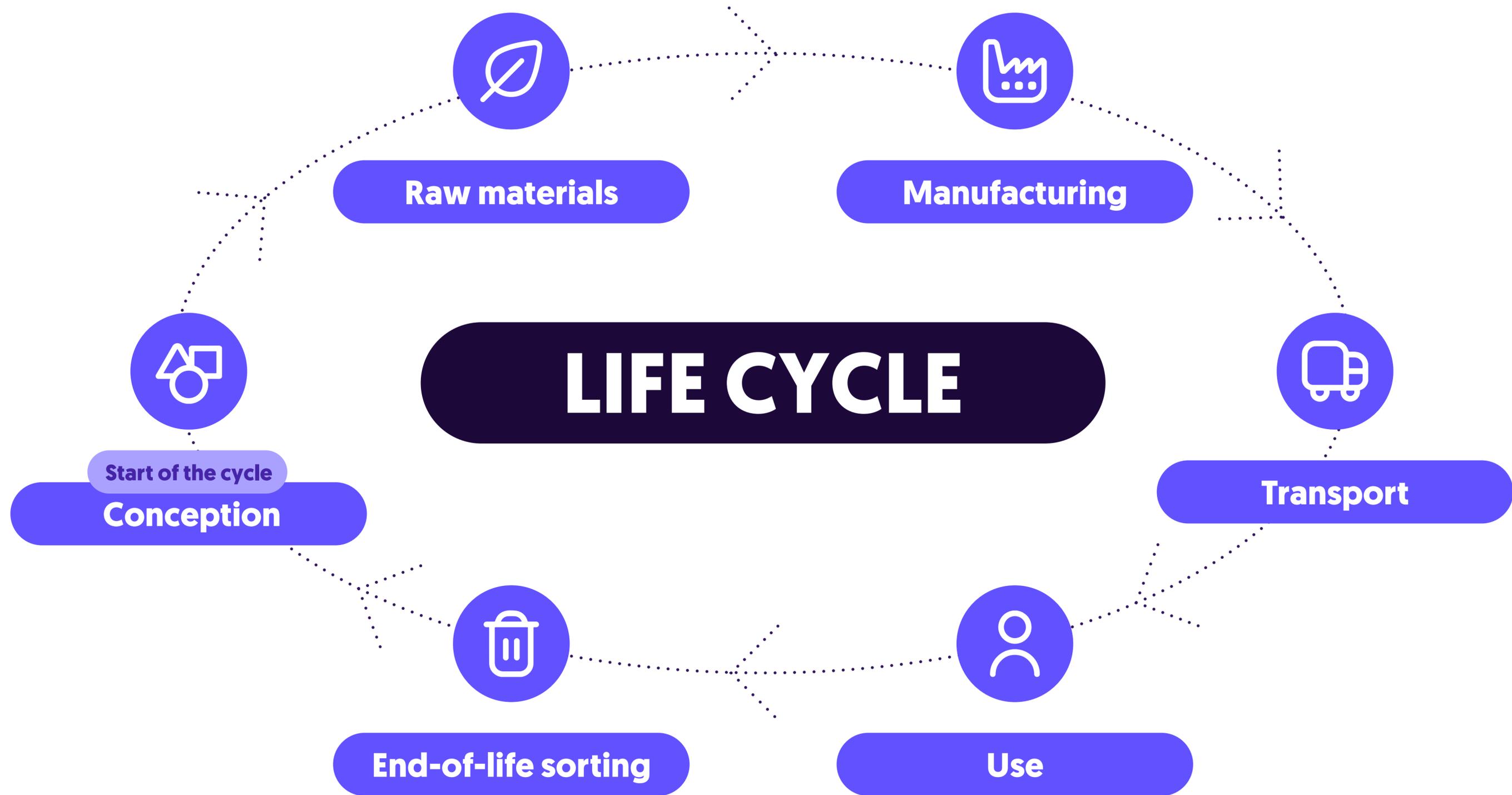
A large, bold, white number '1' is centered within a white circle. The circle is set against a dark blue background that features a large, abstract, light blue shape resembling a stylized leaf or petal.



What is Eco-Design?

Eco-design is a holistic approach that integrates sustainable **development and environmental protection** from the earliest design phase of a product or service.

Its goal is to **reduce the environmental impact of products throughout their entire lifecycle.**



The eco-design process is highly structured and regulated. The project is based on 6 steps:

1 - Project framing

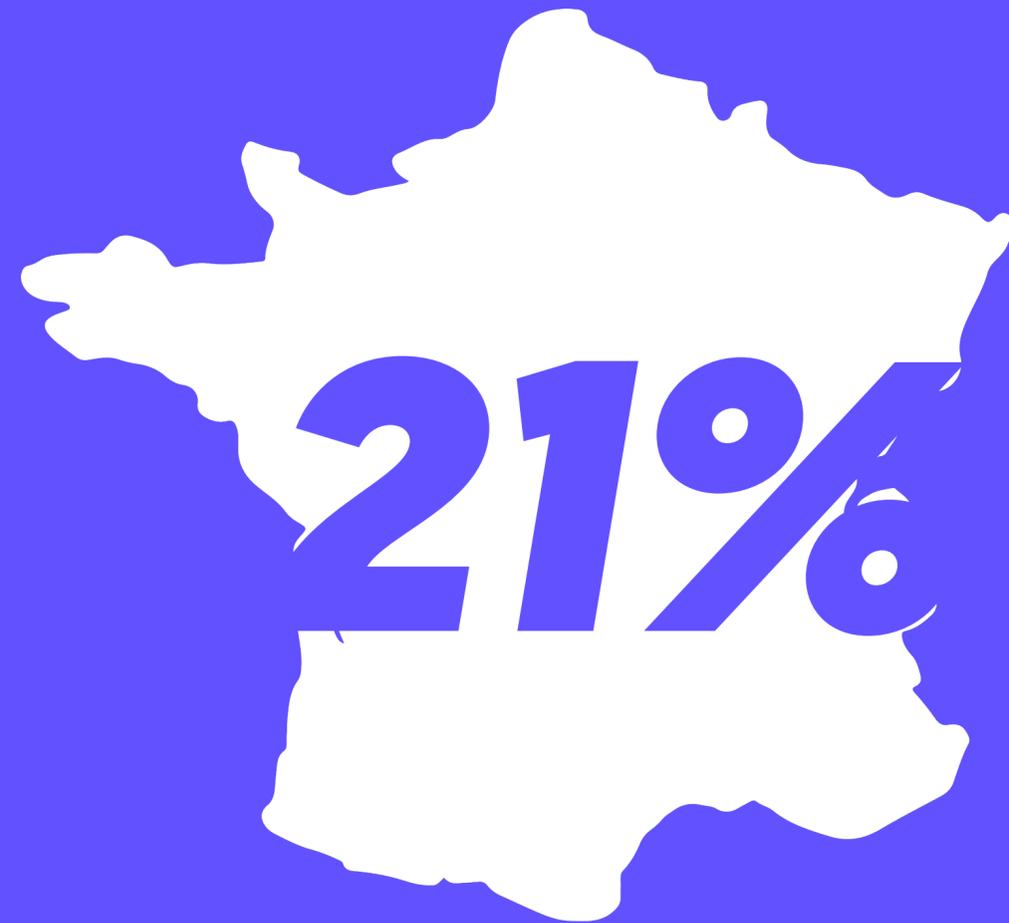
4 - Design choices

2 - Initial environmental assessment

5 - Comparative environmental assessment

3 - Improvement strategies

6- Market launch



of French companies

apply the eco-design approach according to the latest ADEME barometer.

Companies highlight both ethical and economic benefits: 34% of businesses that implemented eco-design saw increased sales (vs 29% in 2014).

Initiatives!

Brands that embrace eco-design



Hipli, reusable parcels (up to 100 times), are a great example of eco-design.

Concept: a reusable package that e-commerce customers can easily return via mail.

Goal: reduce the environmental impact of parcels and prevent millions of boxes from ending up in landfills.

In partnership with La Poste, parcels are only returned when trucks are full [every 3–4 days], generating **just 20g of CO2 per return** the carbon footprint of an emailed photo..



Initiatives!

Brands that embrace eco-design



Fairphone, the e-waste neutral smartphone

The first smartphone designed and manufactured with environmental and fair-trade considerations throughout the production chain.

Fairphone achieves e-waste neutrality by:

Recycling an equivalent phone or corresponding e-waste for every unit produced.

Refurbishing old smartphones for reuse.

They ethically **source 8 materials:** gold, cobalt, tungsten, lithium, neodymium, copper, plastic, and tin in contrast to other manufacturers who extract under harmful conditions.

Initiatives!

Brands that embrace eco-design

VEJA

VEJA, ethical and eco-friendly sneakers

Since 2005, VEJA has committed to making sneakers differently, with a positive impact at every stage.

Materials: mainly cotton for the upper and rubber for the sole.

Sourced from Brazil and Peru under fair trade standards. To meet strict eco-design standards, the brand cut advertising and marketing budgets.

VEJA sold over **3.5 million pairs** and has mastered its **CSR strategy** reducing CO2 emissions by over 60% from 2019 [36,867 t CO2] to 2020 [14.36 t CO2].



Rental

Using instead of owning





What is rental?

Renting is a responsible **eco-action to avoid spending, clutter**, and to give new life to objects.

Renting from **stores or organizations** dedicated to rentals and loans.

Renting from individuals, either in person or through online platforms connecting renters and lenders.

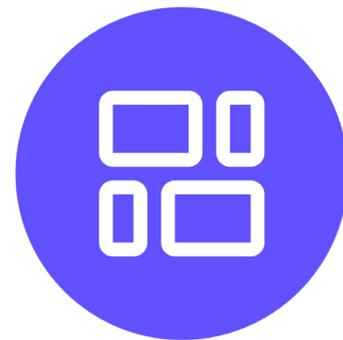
69% of regular renters have borrowed household equipment.

Advantages

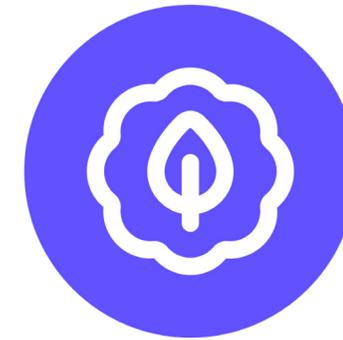
Renting tools, clothing, and equipment **used only occasionally allows you to:**



Reduce spending



Avoid clutter



Reduce environmental impact

A large white oval containing the text '20%' in a bold, black, sans-serif font.

The rental market

is growing by 20% per year and is expected to exceed 2.5 billion dollars in 2023, according to GlobalData Retail.

Professional

Leasing, or financial leasing, involves renting an asset with the option to purchase it at the end of the contract.



This method promotes use over ownership and thus supports **the circular economy**.

Often, if not purchased, **leased products** are reintroduced into the second-hand market after testing.

Initiatives!

Brands offering rentals



Mobile.club – Renting a smartphone is more appealing than buying.

This French startup offers smartphone rentals with an “all-in-one” service [insurance and accessories] from 9.90 euros/month, with or without a contract. By renting a smartphone that will live multiple lives, you help fight e-waste — a great move when you consider the impact of buying a new device: **70 kg of raw materials are required for production**, use, and disposal. 5 years of use are needed to offset the ecological cost — but we only use them 20 months on average.

Mobile Club meets **both ecological and economic needs.**





Damien Morin

CEO of Mobile.club

«Rental is an excellent alternative **to buying, to enhance the overall smartphone experience** and reduce environmental impact. It also lets you change phones easily, without leaving your old, tired-battery phone in a drawer.»

«It's more economical for you and for the planet!»

Initiatives!

Brands offering rentals

le closet



Le Closet, clothing rental

The textile industry is the second most polluting industry in the world after oil. French households spend 39 billion euros on clothing.

85% of these garments end up in the trash.

Renting clothing gives it a second life, saves water, electricity, and emissions used in manufacturing.

Le Closet offers a monthly subscription rental service.

At the end of the season, **clothing is sold at low prices to those who want to wear** them again, extending their lifecycle.

Reuse

Second-hand goods are now found both in stores and online.





What is reuse?

Reuse is when a product is given or sold by its original owner to someone who will give it a second life.

The item retains its product status and never becomes waste. Reuse helps extend product lifespans and supports the circular economy.

Key players

Reuse structures act **as intermediaries between owners of items in good condition** and those seeking second-hand goods.



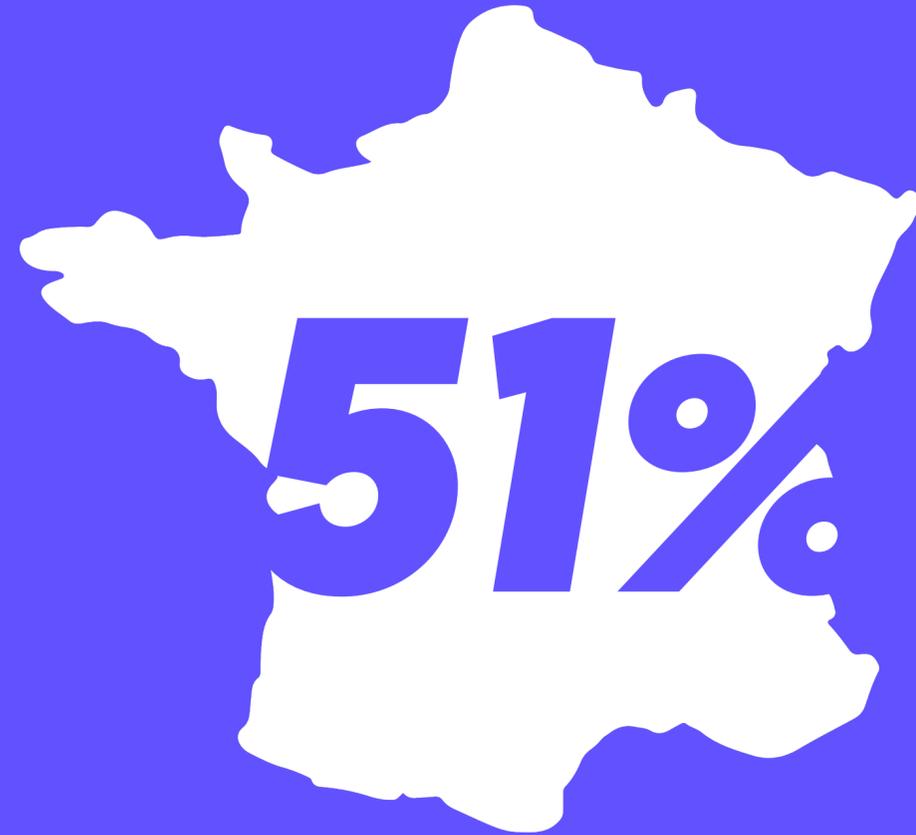
Traditional economy players:

consignment stores, resellers,
distributors, refurbishers.



Social and Solidarity Economy players:

businesses, recycling centers,
and nonprofits.



of French people

want to find second-hand products in stores.

The circular economy is appealing and encourages consumers to move away from cheap, lower-quality new products.

Initiatives!

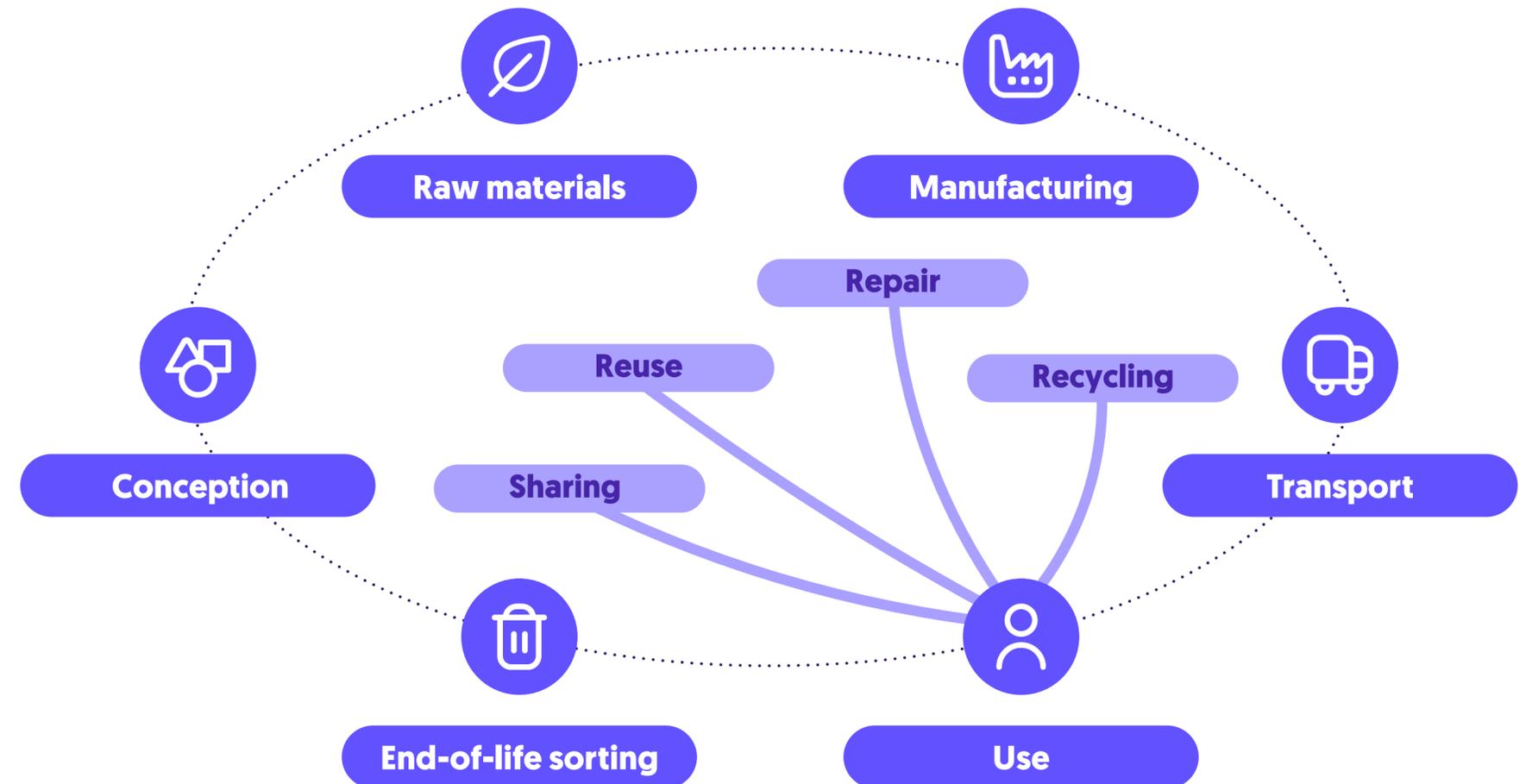
All sectors are impacted by the rise of the circular economy and product reuse. According to a study conducted for ADEME:

97% of French people have already engaged in reuse

94% have donated a product

76% have purchased second-hand goods

CIRCULAR ECONOMY



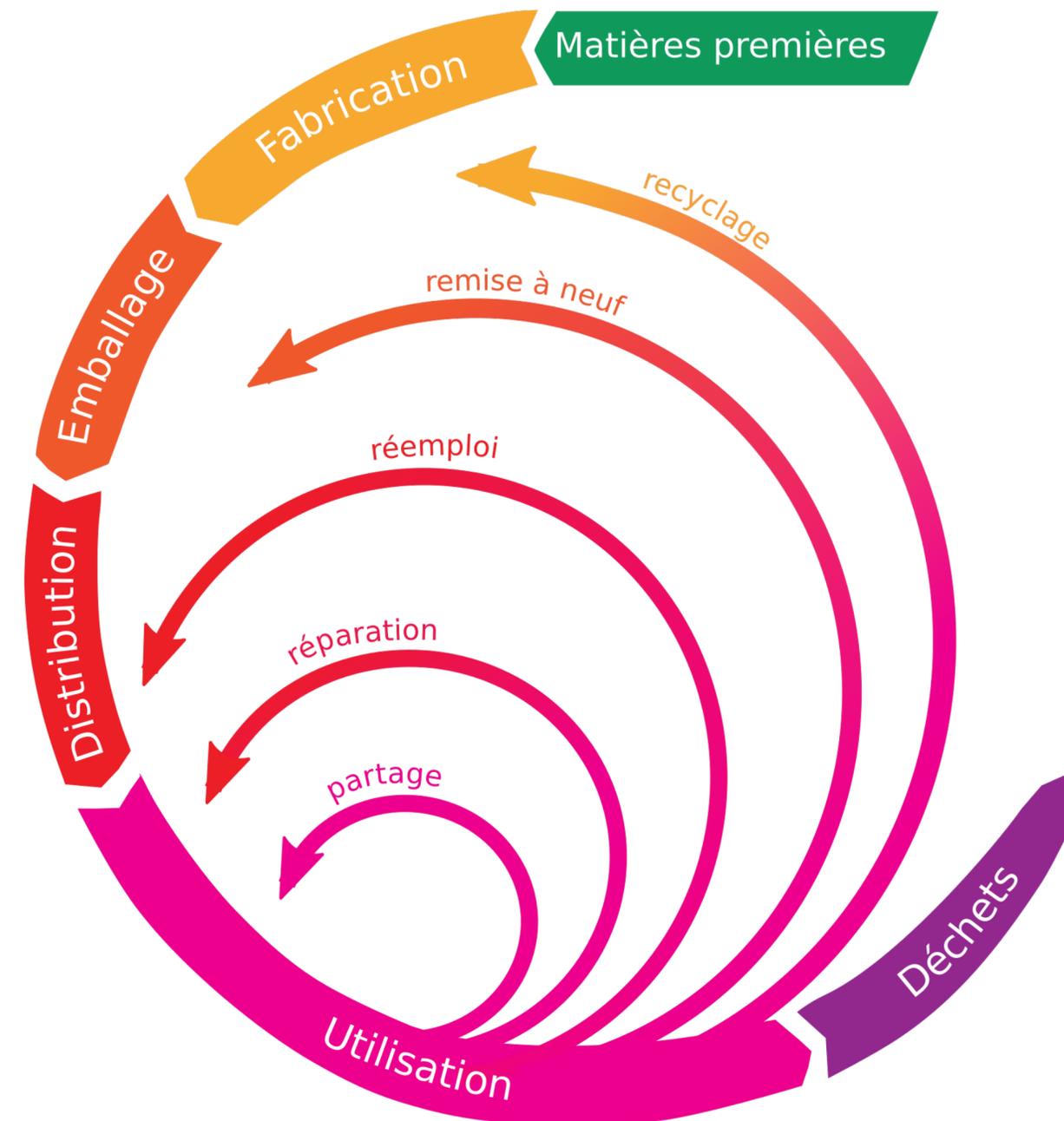
Initiatives!

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Why consumers love it ?



ECONOMY

- **Make ends meet**
- **Financial benefits**
- **Trade-in benefits for smartphones**

ECOLOGY

- **Ethical, moral, and social satisfaction**
- **Usage over ownership**
- **1 in 2 French people d'occasion**

Major retailers embracing second-hand

Electro Dépôt is a French low-cost retail chain founded in 2003. Specialized in multimedia and household appliances at discount prices, the brand offers a self-service retail concept.



Products are offered at prices 15 to 25% lower than elsewhere.

An alternative to traditional retail, it targets **anyone looking to buy quickly** and affordably in-store or online.

With expertise in refurbished mobile phones since 2014,

Electro Dépôt launched Recomania.fr in 2021 a short-circuit marketplace for refurbished products.

The platform connects consumers seeking refurbished goods with local craftsmen who can supply **them within a 50 km radius. Products come with a 1-year warranty.**



Stéphane Belot

Director of Ecological & Societal
Transition at ELECTRO DEPOT GROUP

«To accelerate our ecological transition, we have established
three pillars forming the basis of our CSR strategy»

- Eco-design
- Decarbonizing operations
- Developing the circular economy

Initiatives!

Brands with trade-in programs

La Reboucle

Achetez, Vivez, Revendez.

La Reboucle, La Redoute's circular initiative

Anyone can sell clothes, but also furniture and decor.
This makes it easy for a broad audience to save money while decluttering.

What's new?

Get paid in a La Redoute e-gift card and receive 25% extra on the credited amount, to spend within their catalog.



Initiatives !

Brands with trade-in programs



re **re**conditionné
reprise
recyclage
reparation

Orange's circular economy program: Re

In 2020, Orange launched its “Re” program around recycling, trade-in, refurbishment, and repair.

Customers can resell their old phones to finance a new one.

Orange collects 15% of smartphones, which are later resold.

And the trend is growing. The goal is to double that rate by 2025, aiming for 10% of phones sold through their distribution network to be refurbished.



Sandy Giustiniani

Head of B2B Product Manager at Orange

«As part of the Engage 2025 plan, **we've set ambitious CSR goals.**»

To reach them, we've included several tools in our portfolio including the **Re program which align environmental, societal, and customer financial interests.**

Repair

Extending the life of products
and equipment





Awareness

The circular economy is linked to growing awareness of the planet's limited resources and the need to preserve them.

Repair is now central to the circular economy due to the push for longer product lifespans.

In this eco-conscious shift, 53% of French people want to consume more responsibly.

50% believe that repairing an item instead of throwing it away is a way to save money, primarily by extending its life.



1 in 2 devices

only needs descaling, cleaning, or minor maintenance to work again.

That's a strong argument for not throwing out thousands of electrical and electronic appliances.

Repairability

Even though **81% of French people** have a good opinion of repair, only **36% actually repair** or have their products repaired when they break.





Charles Bocquillon
Managing Director at Save

«Although buying refurbished instead of new, **or reselling/re-cycling an old device, are becoming eco-friendly** habits for the French, repair remains the most ecological and economical way to use technology responsibly.»

Recycling

Reusing raw materials





What is recycling?

Recycling isn't about throwing away, it's about repurposing objects, clothing, decor, or any product that can be reused.

A rising trend in the circular economy, **upcycling is spreading across sectors.**

As people grow concerned about the loss of value that comes from recycling, upcycling, **the art of making something new from something old, is gaining ground.**

Initiatives!

Brands that recycle



Furniture For Good, a furniture maker using plastic waste

Everything can be recycled turning a worn item into something new and valuable. Examples: soda cans into sculptures, glass bottles into vases.

Many businesses now reuse recycled or recyclable waste out of the **3.5 million tons of plastic waste produced, only 15% gets recycled.**

At the heart of the circular economy, recycling is key to reducing material use and easing pressure on non-renewable resources.





2 billion tons of solid waste

are generated globally each year and this is expected to rise to 3.4 billion by 2050.



Thibaut Jean-Baptiste

Co-founder and President
of Furniture For Good

“The furniture market generates 3 million tons of waste annually.

By viewing this waste as a resource, we offer an ultra-circular solution putting used parts back into production and **giving them new life as furniture.**”

White paper

Conclusion



CONCLUSION

The second-hand market is booming in France.
Positive signals are multiplying, and priority is being given to sustainable, responsible consumption.

New services and solutions are emerging, and businesses are innovating to help customers consume more sustainably, **especially as saving the planet becomes an urgent priority.**

Through trade-ins, reuse, rental, repair, and recycling, players in the circular economy are giving consumers the tools to act for the environment while saving money.



Thanks to **these reinventions of the consumer goods lifecycle,** and to **collaboration between brands and customers,** the circular economy is progressing for the benefit of all.

At Dipli, we're contributing to this revolution by supporting every stage of the circular economy with our optimized supply chain solution.