

STENA INSIGHT REPORT #1 2019:

MATERIAL MANAGEMENT – THE KEY TO VALUABLE COMMUNICATIONS

The manufacturing industry has a key role to play in the transition to a circular economy. Despite this, surprisingly little is mentioned about recycling plastic and other materials.

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Stena Insight Report presents in-depth knowledge on and insight into the latest trends and news in the fields of recycling, material management, and sustainability.

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WASTE MANAGEMENT AND RECYCLING: THE INDUSTRIAL SECTOR CAN GET BETTER AT COMMUNICATING ITS PROGRESS

The progress of the industrial sector in the fields of waste management and recycling has become a strategic issue for companies in the manufacturing industry. The industrial sector has a key role to play in the transition to a circular economy, and the potential of communication as part of this is huge. So why do we talk so little about our progress?

Traditionally, the sustainability efforts of the industrial sector have been focused on areas such as working conditions, energy efficiency improvements, and smart and energy-efficient products. The benefits of decisions and activities in the realms of packaging, recycling production waste, or discarded products has yet to be featured on the agenda of most industries' communications on sustainability.

A possible explanation for this can be found in the traditional models used to show how the industrial sector can counter a loss of value in its lean-managed operations. In these models, waste and recycling issues often have a lesser role to things that are more directly linked to core operations. Accordingly, these issues don't receive the same day-to-day attention in the business or its communications – neither in relation to how management can contribute to profitability nor in relation to the environmental benefits.

Industrial companies are not even used to expressing and conveying the benefits of new circular material flows. Regardless of how large a

communication resource base an industry has, there is often uncertainty regarding how to go about communicating such issues, how to calculate the benefits, or how to answer any follow-up questions from your audience.

However, the benefits can be calculated and translated into pedagogical examples for a variety of audiences outside the company. Good cooperation with a recycling partner can make a big difference in

terms of how to best convey a company's progress. What's more, progress that is presented in an understandable way makes for more engaging communication.

Employees should not be forgotten as an audience either.

They handle waste materials in their day-to-day work and their actions are an important and often critical part of a company's success. Consequently, internal communication within production, on the intranet, in staff magazines, and via other channels can be an excellent way to thank and encourage your everyday heroes; the ones who consistently help to raise the level of a company's material management.

“Good cooperation with a recycling partner can make a big difference in terms of how to best convey a company's progress.”

It starts here.



THE EXPERT:

“COMPANIES MUST BE TRANSPARENT IN THEIR COMMUNICATION ON SUSTAINABILITY”

Eva Ossiansson, branding expert at the Gothenburg School of Business, Economics and Law at the University of Gothenburg, says that communicating sustainability is more important than ever for companies.

How important is it to talk about sustainability?

“Communicating sustainability has become increasingly important as it is a key marker by which companies can demonstrate that they are actually taking responsibility for these issues. No company today wants to appear unsustainable. After all, companies that contribute to the pollution of the environment actually want to work with finding a solution. One explanation is that their customers demand it. Another explanation is the employees; we are increasingly choosing who we want to work for, and in doing so we choose to work for companies that represent the values we consider appropriate.”

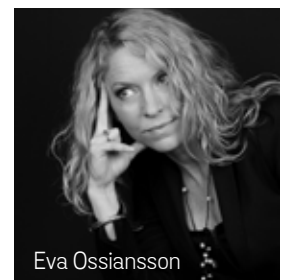
How do companies usually talk about sustainability?

“Historically, companies talked about the environmental aspect. The current trend is that companies see a whole and talk about the climate and how we live

our lives. More and more companies are addressing the issue, and we’re seeing more and more managers wanting to take the lead while being good people, such as Tesla’s Elon Musk. Companies are now building their entire brand and values around sustainability.”

How do companies use recycling when communicating their sustainability?

“Companies are talking about these issues more and more. What happens to out-of-date food? Can you recycle clothes? The key here is that companies have a message that is clear and transparent enough to make us go all in and practice what we preach! Otherwise it’s just seen as paying lip service to the issue.”



Eva Ossiansson

It starts here.



THREE REASONS TO COMMUNICATE PROGRESS IN MATERIAL MANAGEMENT

1. CONSUMERS WANT CLARITY

The industrial sector's choice of materials, product design, recycling, and reuse makes a big difference. In addition, the communication value increases as our world demands raw materials from sustainably recycled and reused materials.

Nowadays, waste management is no longer just a matter of economic value or traditional raw materials based on supply and demand. Instead, it's increasingly about the rational and sustainable use of resources that already exist. There is huge concern regarding our use of finite resources, and ultimately losing them through landfill disposal or by incineration. The impact of investing in more sustainable recycling is clear and powerful. What's more, it's an excellent source when aiming for communicating sustainable initiatives. In industrial

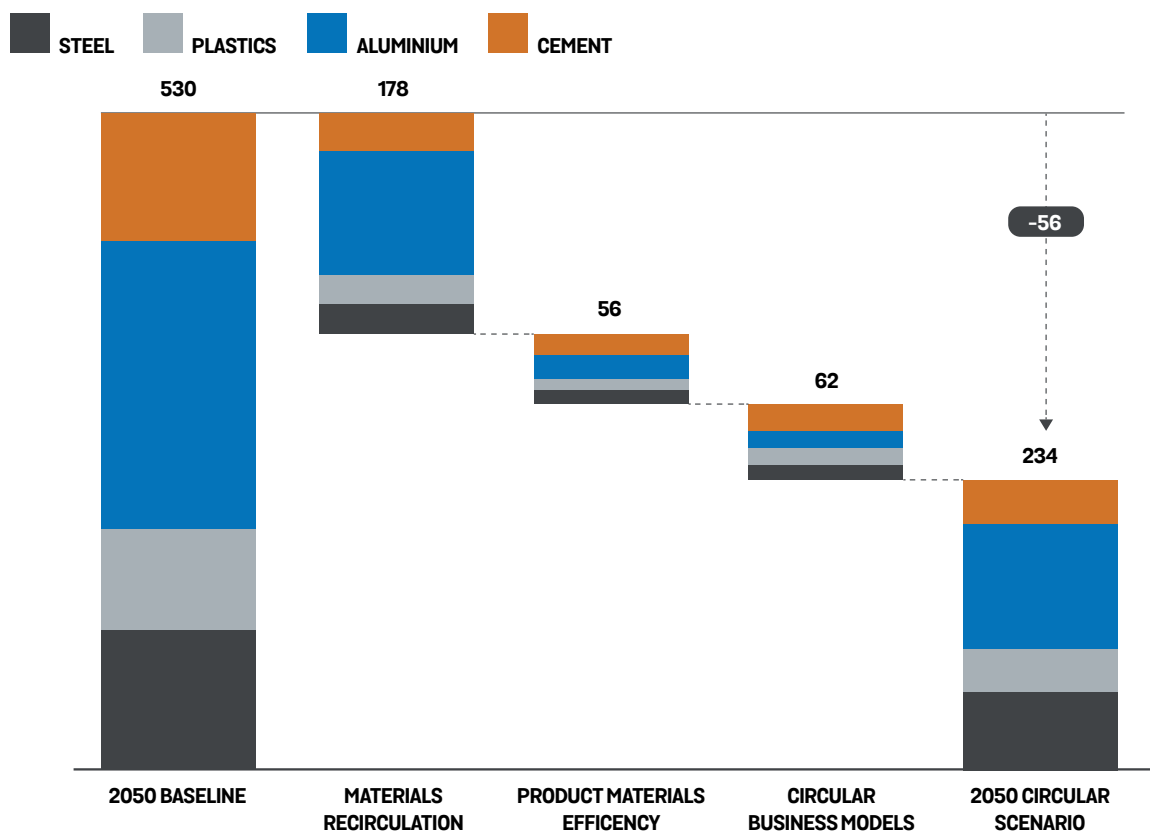
companies, the benefit of good resource management can correspond to reductions in carbon dioxide emissions in the order of tens of thousands, sometimes even hundreds of thousands of tonnes. And this can result in equally substantial goodwill.

In sustainability reports, however, advances in waste management and recycling are often relatively invisible, even in larger companies. The specific benefit for the climate or the environment is rarely mentioned. This is gradually changing as the resource management of waste and materials generally gains importance in corporate strategies. Larger industrial companies are increasingly open about their targets for using more recycled materials in their products. And this is for instance due to increased awareness and demands from the end consumer.

It starts here.

EU EMISSIONS REDUCTIONS POTENTIAL FROM A MORE CIRCULAR ECONOMY, 2050.

MT OF CARBON DIOXIDE PER YEAR



Source: Material Economics 2018

2. THE KEY ROLE OF COMPANIES

In recent years, the management of waste resources has gained traction globally. A report from Material Economics 2018 shows that the European industrial sector can reduce its total carbon footprint by 56 per cent by 2050 if it implements new circular material flows for steel, plastic, aluminium, and cement. In other words, more than half of the industrial sector's potential reduced climate impact is linked to waste management.

This also suggests the huge potential of the industrial sector's external communications. By working sustainably with material management, the impact on the environment and climate can decrease dramatically throughout the value chain, from product design to recycling. One important explanation is that recycling is extremely advantageous. Especially when compared with producing equivalent raw materials from fossil-based natural resources from mines, forests, or

gas and oil sources. One tonne of recycled corrugated cardboard saves a dozen mature trees. A single kilo of recycled plastic can save a liter of crude oil. Every kilo of copper recycled omits 20 kilogrammes of carbon dioxide emissions.

Plastic has been the most talked about material in the past year. Used properly, plastic offers excellent properties for making long-lasting products. But used improperly, it becomes difficult or even impossible to recycle. Instead, plastic becomes a disposable material, polluting both land and sea.

The increased recycling of plastic and reduced land-filling are examples of how new circular solutions benefit the environment. And the results can also be used effectively when the industrial sector communicates with customers, suppliers, public authorities, employees, and other audiences.

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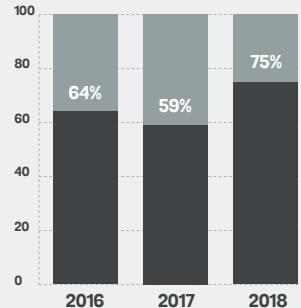
3. INCREASED ATTRACTIVENESS

The manufacturing industry faces a huge challenge in terms of attracting new employees. It is competing alongside other industries as the younger generations are choosing their employers and career paths. The Deloitte Millennial Survey from 2018 states that millennials are pessimistic about Industry 4.0 in terms of political and social progress. They are concerned about the lack of progress in environmental sustainability. They perceive that a focus on profits dominates the sector at the expense of other values such as safety, society, and the environment; which reduces their loyalty of the labour market. At the same time, younger people have greater confidence in the industrial sector's potential for making a real difference in its sustainability efforts, compared to for example governments and religious leaders.

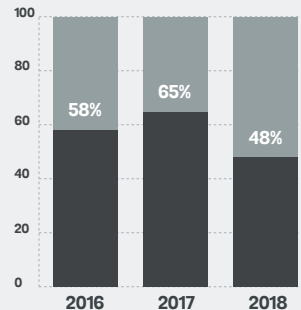
In other words, sustainability is a way to create interest in industrial sector jobs; among value-driven millennials for whom it is not enough to have a stimulating job, the right salary, and benefits. This is evident in the recycling industry as well. The industrial sector is not "dark, dirty, and dangerous", but rather an important driver in the transition to a circular economy. A new workforce can be attracted to the industrial sector by showcasing the rich flora of qualified jobs and demonstrating how recycling contributes to the management of the planet's resources. Consequently, progress in recycling and waste management is a powerful tool for helping a company to prove itself as a sustainable role model in its external communications.

MILLENNIALS' VIEWS OF CORPORATE MOTIVES PERCENT OF MILLENNIALS WHO SAY:

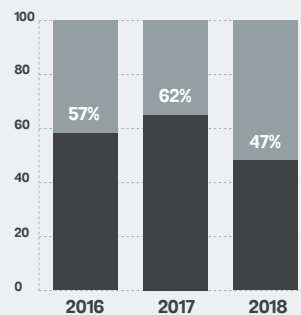
COMPANIES FOCUS ON THEIR OWN AGENDAS RATHER THAN CONSIDERING THE WIDER SOCIETY



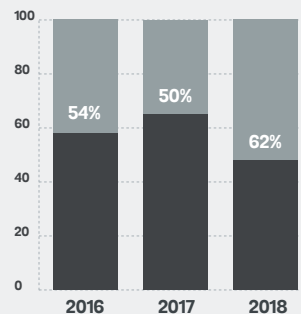
COMPANIES BEHAVE IN AN ETHICAL MANNER



COMPANY LEADERS ARE COMMITTED TO HELPING IMPROVE SOCIETY



COMPANIES HAVE NO AMBITION BEYOND WANTING TO MAKE MONEY



Source: Deloitte Millennial Survey 2018

It starts here.

FIND OUT MORE

[Report: Material Economics 2018](#)
[Report: Deloitte Millennial Survey 2018](#)

**Are you interested in
developing your material management?**

Contact our experts to discuss how you can develop your
management of plastic and other materials.

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