A worker at a plastic recycling factory in Saidpur upazila of Nilphamari is seen raking plastic chips into rows for drying under the sun.

PHOTO: KONGKON KARMAKER

Scraps of red coloured plastic left out to dry in the sun at Kamrangirchar prior to being shipped off to be turned into recycled plastic pellets. PHOTO: ANISUR RAHMAN

The private sector is now becoming increasingly aware of their role in the nation's journey towards a sustainable future. VISUAL: COLLECTED

Link between circular economy and sustainable growth

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All these policy-level developments enabled by the public sector reinforces Bangladesh's pressing need to design and adopt sustainable development models that can withstand the challenges of tomorrow. As a result, the private sector is now becoming increasingly aware of their role in the nation's journey towards a sustainable future. More and more businesses—multinationals and local businesses alike—are taking leadership in embedding sustainability in business excellence, investing in technologies and R&D to reduce carbon footprint, creating more sustainable value chains, contributing to the upliftment of communities. Many big businesses now have specific, well-articulated sustainability and ESG goals and targets, with the aim to transition to Net Zero by 2050, if not earlier. Having these targets is a double gain for businesses, as they help optimise resource planning for the future and also improve brand reputation and investor perception, leading to more investments.

Not that there are alternatives to this. A 2021 study by Standard Chartered suggested that globally 78 percent of the MNCs will remove suppliers that will impede their carbon transition plan by 2025. According to the same study, about 64 percent MNC believe "emerging market suppliers will struggle more than developed market suppliers to meet their emission reduction targets, with a further 57 percent prepared to replace emerging market suppliers with developed market suppliers to aid their transition."

Bangladesh being a key emerging market player—especially in RMG, supplying finished goods to big brands, textile, leather and leather goods, agro-processing, pharmaceuticals, among others—has an urgent need to ensure that its value chains and operations are contributing positively to the customers' carbon transition plan, to enhance its competitive edge.

While there are many ways businesses can contribute to sustainability or adopt sustainable practices—such as transitioning to renewable energy, optimising consumption of natural resources, enhancing operations through technological advancements, material transition, streamlining logistics and supply chain to lower emissions, among many other initiatives—circularity remains a critical pillar that can play a pivotal role in holistically embracing sustainability, in consideration of economic and environmental bottomlines.

Reduce, reuse, recycle, and reverse logistics principes are now inculcated in the thought process of most global businesses that are striving to achieve Zero Waste to Landfill. Products are increasingly being designed keeping these principles in mind to minimise environmental impact of waste disposal, increasing economic value of materials and products, and constructive end-of-life (EOL) management of resources being used. In view of the increasing need for transparent ESG and sustainability disclosures on a yearly basis, companies are now investing in R&D to find innovative solutions to the unique environmental challenges facing them, circularity being one of them.

To understand this better, let us take the case of the textile industry. Linear models are typically used within the textile industry whereby virgin resources are used to make products, which are then sold to consumers to use, before they are mainly disposed of at the end of their life cycle into landfill or are incinerated. Bangladesh being the world's second largest readymade garments exporter, is more exposed to the linear model. As demand for resources continues to grow, we are putting increasing pressure on a limited supply of virgin materials. Therefore, this linear model, following "take-make-use-waste" structure is wasteful and unsustainable.

In response to this, circular models have emerged within the industry as an alternative approach to how textiles are currently produced. Circular models are designed on the principles of designing waste and pollution out of the system, extending the life cycle of materials in flow by keeping them in use for longer, and recovering materials instead of allowing them to be disposed of as waste, so that they can be recycled and reprocessed back into new materials. As companies across the supply chain begin to incorporate elements of these three core principles, we are starting to see a shift take place. But this transition is a huge challenge, and whilst many brands are currently working towards more circular models there are several challenges associated with circular models and garment recycling due to a lack of technology, infrastructure and supply chains. Achieving full circularity will require collaboration between several parties and accelerated innovations.

The moment a business requirement is identified circularity comes into play, from resource mapping, sourcing and production to reaching the customers and then EOL management of the sourced materials and products. Every player in the greater value chain is dependent on each other to do their part to close the loop. If one player is delinked, the entire loop will collapse. Therefore, businesses are now focusing more on developing feasible value chains with partners who share the same vision, helping sourcing partners understand the relevance of circularity in their individual value chains, and inculcating circularity culture and processes within their organisations that are self-sustaining.

In Bangladesh, industries are growing up around plastic recycling—products of which are also being imported abroad, apart from local consumption after recycling—, e-waste recycling and so on. The government has also formulated e-waste guidelines, National 3R Strategy for Waste Management, and Extended Producer Responsibility on plastic waste management is also in the pipeline. These are exciting developments.

However, in addition to these timely, well-formulated policies, the government will also be required to ensure that the right infrastructures and ecosystems are in place so that businesses can leverage them and do their part in driving robust circular economy as the economy grows.

The development sector can greatly support the public and private sectors to take circularity awareness and practices to the grassroots, leveraging their experience, extensive network and access to the communities built over decades, while the academic sector can come in to facilitate R&D and innovation with the help of their pool of subject matter experts and well-quipped facilities. We have to be able to appreciate the fact that not all businesses have the same capacity to invest in R&D—in fact, for many such investments are difficult due to the size and scope of their businesses—and therefore, support from the academia will be critical here. The public sector can also help by establishing regional sustainability innovation hubs, especially in the EPZs to enable industries take support from there.

At the same time, businesses in Bangladesh must own the fact that in order to sustain in the long-run there is no alternative to internalising sustainability in their business planning and practices, with a focus on circularity, be it relating to natural resources or materials. Business leaders have a major role to play. Many of them do recognise the need to do more, but joining the party is not enough; we need them actively leading from the front. Many of them do understand that circular economy is no longer a peripheral issue rather a mainstream concern. The industry needs the trailblazers and a minority of trendsetters will not be enough.

As the private sector reaps the benefits of the numerous opportunities the country presents for growth, it is time we join hands with the public, development and academic sectors to find innovative solutions to the unique sustainability and environmental challenges facing us today to be future-fit. Sustainability is the future and the future is here. Closing the loops would be critical to achieving our sustainability aspirations. We must act together now, to thrive tomorrow.

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