

GROWTH POTENTIAL: FASHION AND TEXTILES



Key circular economy strategies

- Adopt new business models to increase utilisation (e.g. resale, rental)
- Extend useful life through reuse and repair
- Ensure clothes are made from safe and renewable materials
- Ensure textiles are collected, sorted, and reused or recycled

Drivers of circular economy growth potential

- **High** potential for growth in the short-medium term
- **Increasing** potential for growth in the short-medium term
- **Emerging or limited** potential for growth in the short-medium term

Innovation and corporate action

Industry action	<ul style="list-style-type: none"> • Growing number of fashion brands committing to and acting on reuse or rental models, and design for durability, material health, recyclability, and traceability (e.g. The Jeans Redesign project)²⁴⁹
Innovation	<ul style="list-style-type: none"> • Ongoing innovation across the value chain, including reuse models, packaging design to increase recycled content and reusability, recyclability and compostability, development of renewable feedstocks, and chemical recycling²⁵⁰

Policies and regulation

Increasing policies and regulation	<ul style="list-style-type: none"> • Increasing regulation, e.g. new EU circular economy Action Plan, and French Circular Economy Law banning the destruction of unsold or returned consumer products, affecting luxury goods brands
Political priorities	<ul style="list-style-type: none"> • Increasing interest from global platforms like the UN (through UNEP, UNFCCC) and the OECD • Policy Hub has proposed the need for green recovery principles boosting circularity in the Textile, Apparel, and Footwear industry for the EU Green Recovery Plan²⁵¹

Customer preferences and macrotrends

Changing preferences and behaviour	<ul style="list-style-type: none"> • Growing awareness of the current fashion system's drawbacks, is driving the shift to, e.g. safer chemicals and regenerative sourcing²⁵² • Disappearing stigma around buying second-hand and increased convenience of resale and rental due to enabling digital platforms
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Types of circular economy opportunity areas



Current circular economy opportunity areas



Examples: Large corporates

H&M Group

has committed to '100% Circular and Renewable' by 2030, including use of recycled materials in all its products, and reusable, recyclable or compostable packaging by 2025

Lojas Renner

launched a collection of recycled clothing using technology to recycle discarded textiles from their suppliers

GAP Inc

committed to circular design and exploring circular business models (e.g. with thredUP, a leading fashion resale platform)

The RealReal

sells authenticated second-hand luxury goods and was valued at over USD 1 billion at IPO

Rent the Runway

offers one-off or subscription clothing rental and has been valued at over USD 1 billion

Examples: Innovators

The Renewal Workshop

turns unsellable apparel into renewed products, made from used or recycled materials feedstock

Stuffstr

partners with retailers to buy back and recirculate used clothing, increasing clothing utilisation

YCloset

is a fashion rental platform, with more than 15 million customers across China (it has partnered with H&M to test the subscription model)

AHLMA

sources over 80% materials from leftover fabric, open sources designs, and has a repair lab

Lizee

helps brands set up a rental service model using their logistics and managed service solution

Depop

is a peer-to-peer vintage and pre-owned fashion marketplace and online community

HireStreet

offers a clothing rental service for high street apparel

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