



Circular Business Models Guide to Fashion

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VISION

Our vision is a thriving world in which climate change is no longer a problem

MISSION

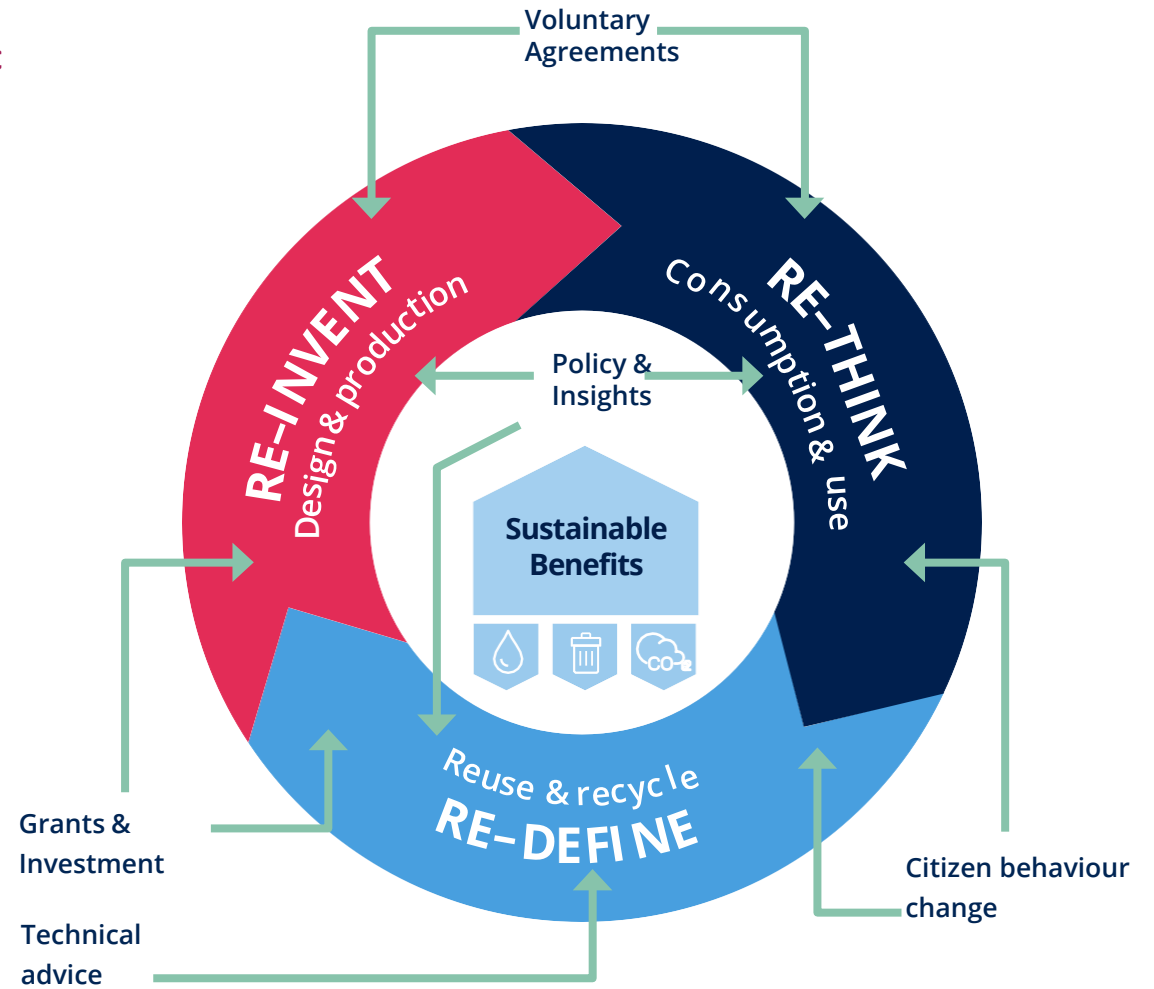
Our mission is to make the world a more sustainable place. We bring people together, we act on the facts, and we drive change

PURPOSE

Our core purpose is to help you tackle climate change and protect our planet by changing the way things are produced, consumed and disposed of

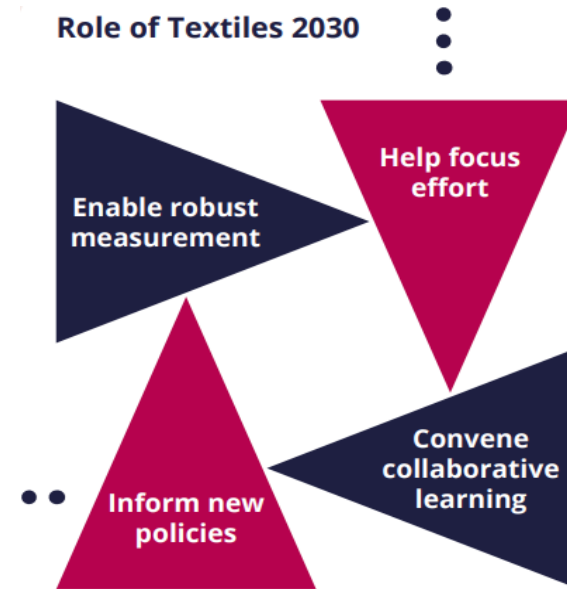
Our model

WRAP works with organizations across the system, along the entire value chain. We connect people and intervene at all levels to create the systemic change we need.



WRAP's global textiles network





Design For Circularity

Agree good practice design principles, including durability, recyclability, use of recycled content and minimising waste, and implement them as appropriate to their business model and customer base, to lower the impacts of products placed on the market in the UK.

Implement Circular Business Models

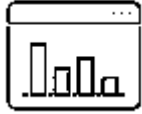
Pilot reuse business models as appropriate to their product ranges, share learning, and develop large-scale implementation to extend the lifetime of clothing in the UK – decoupling business growth from the use of virgin resources.

Close the Loop on Materials

Set up partnerships to supply and use recycled fibres for new products, accelerating the commercialisation of fibre-to-fibre recycling in the UK.

Textiles 2030 Targets

The targets for 2030 are:



1. Reduce the aggregate greenhouse gas footprint of new products by 50%, sufficient to limit global warming to 1.5°C in line with the Paris Agreement on climate change and achieving Net Zero by 2050 at the latest*



2. Reduce the aggregate water footprint of new products sold by 30%*

A third target will be added by 2025:



3. Reduce the amount of virgin textile materials used to meet consumer needs (“materials intensity”) as this will play an important role in displacing supply chain impacts and achieving the stated environmental goals.



Circular Business Models
Guide for Fashion:
Module 1

How to get started



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An exploration of circular business models

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Citizen angle

Why implement a circular business model?

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A just transition

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Partnering approach

Repair



Replacing or repairing components of a garment that are faulty or close to failure back to a usable state, or altering a garment for a better fit/style.

Repair services

Alteration services

Repair cafés

Building repair skills for customers

Resale



1 Recovering own-brand products through a takeback scheme to be resold through the brand or via a partner, alongside only their product or a multi-brand offering.

Commercial retailer (own brand resale, in-store and online)

Charity retailer

Online resale retailer

2 Selling secondhand garments of any brand/origin

Commercial retailer (vintage stores, market stalls, in-store and online retailers)

Charity retailer

Online resale marketplace (peer-to-peer (P2P) resale and business-to-consumer (B2C) resale)

Rental



1 Renting a garment as a one-off at a price less than that of purchase.

Pay-per-use (PPU) rental services

Peer-to-peer rental platforms

2 Payment of a monthly/annual fee to have a fixed number of garments on loan at any one time.

Subscription rental services

Upcycling



Re-manufacturing constituent parts of used or faulty/damaged garment(s) to create other product(s) of higher value, quality, or functionality than the current constituent parts.

Upcycled brands and/or product ranges

Building customer's skills

Strategic



- Delivers on a company's ambition towards climate impact reduction goals.
- Demonstrates leadership to stakeholders – from customers and employees, to investors, peers and activist groups.
- Futureproofs the sustainability of the business by moving away from a linear consumption model.
- Diversifies supply chains, making businesses less susceptible to the volatility of supply, logistics, and/or international markets (e.g. COVID-19).
- Reduces the risk of being left behind by early adopting businesses who take up market share.
- Demonstrates positive action in readiness for possible textiles policy options in the UK and worldwide.
- Reduces reputational risk as customers and media demand more circular options.

Environmental



- Extends the life, and ultimately the value, of products.
- Reduces carbon, water, raw materials, waste and biodiversity impacts.
- Appeals to investors who want to see businesses disclose impact reductions and/or strategies to do so.
- Can displace the purchase of new clothing items, according to our latest consumer insights⁴.
- Meets customer demands on 'doing the right thing' for the planet.

Why implement a circular business model?



There are a number of strategic, environmental, financial, operational, reputational and social reasons for a business to consider implementing CBMs.

While there are recognisable benefits to implementing a CBM which can deliver both environmental savings and increased profits, there are barriers to entry that need to be considered across different aspects of the business.



The challenges



vs

Financial



- Creates an additional revenue stream with potential for increased revenue per garment^{2a}.
- Can attract new customer segments and therefore increases market share.
- Can improve customer engagement and increase early engagement of a customer base who demand more environmental credibility from businesses.
- Can help businesses maintain competitiveness in the market.

Operational



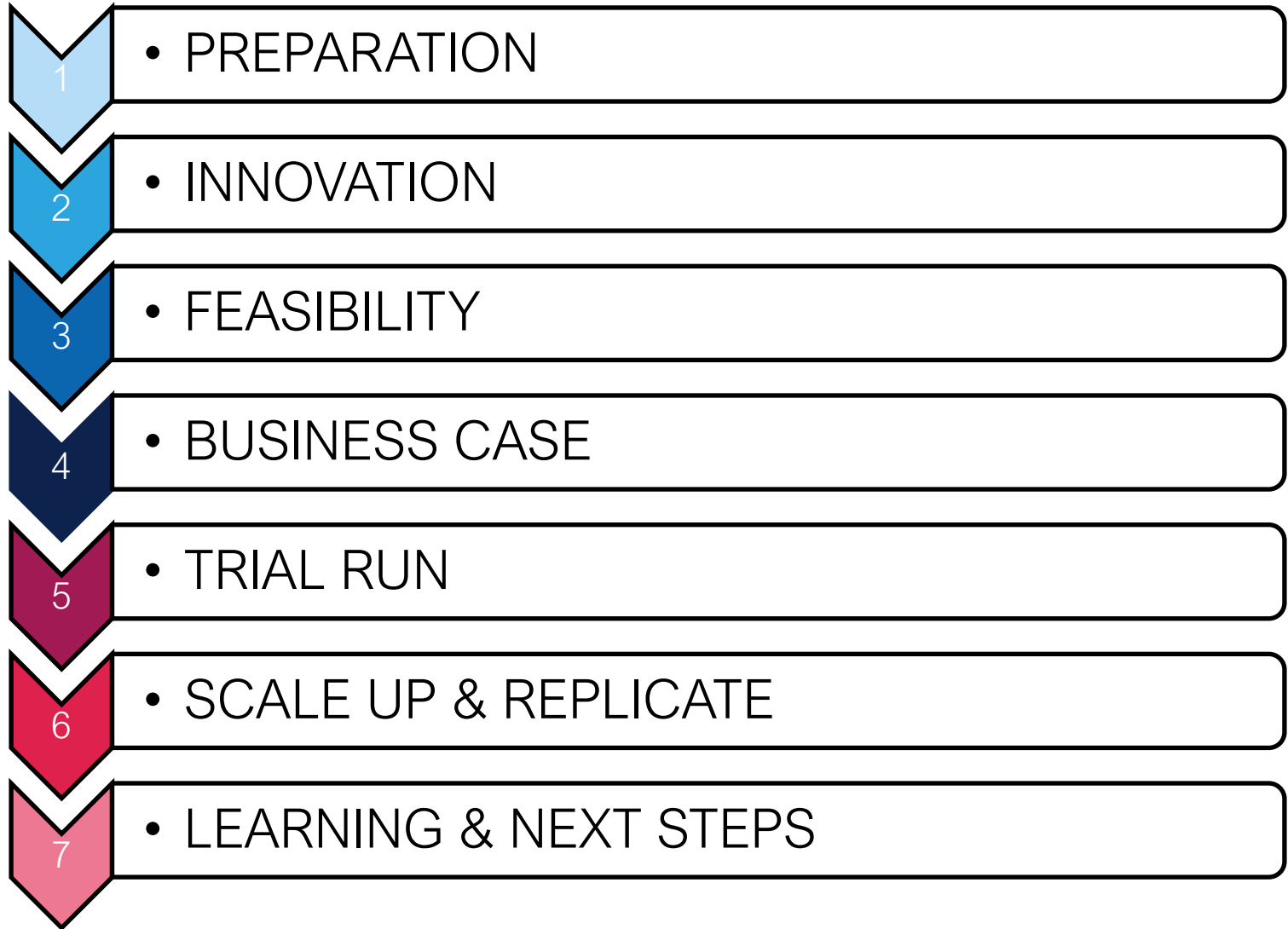
- Delivers an enhanced service that compliments the retail core offer.
- Can help to increase collaboration within the sector and within the supply chain, thereby increasing transparency and traceability.
- Infrastructure is becoming cheaper due to the increase of service providers in the market and advances in technology for collecting, sorting and reselling clothing.
- Can give brands greater oversight and control of how their fashion products are presented and their price points in end markets.
- Can leverage digital technologies to gather product data such as garment durability and failure modes beyond point of sale or service, which can feed into future design improvements.

Social




- Can increase local and national employment through sector growth and onshoring re-manufacturing (upcycling) or repair.
- Can increase traceability of supply chains if onshoring some services.
- Provides opportunities to retrain, upskill and reskill the UK workforce.
- Provides opportunities for charities and [social enterprises](#) to increase revenue through increased desire for secondhand sales and by offering services to brands and retailers.
- Promotes a sharing economy in the UK.

How to implement?



Conclusion and next steps



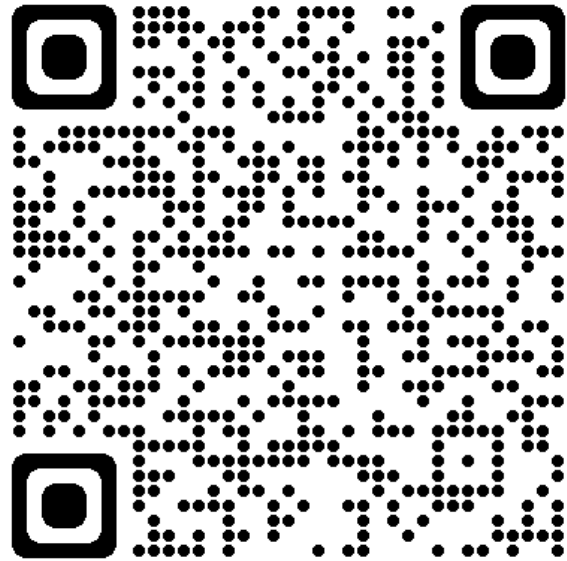
CBMs offer a clear pathway to disrupting the current linear operating model which encourages the overproduction and overconsumption of fashion.





Thank you

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Download a copy of the CBM Guide

