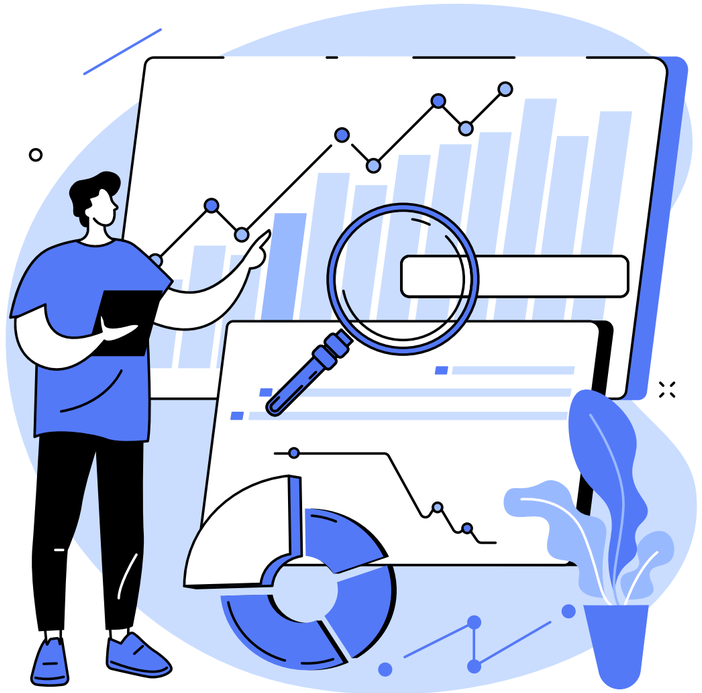

Circular Business Strategy

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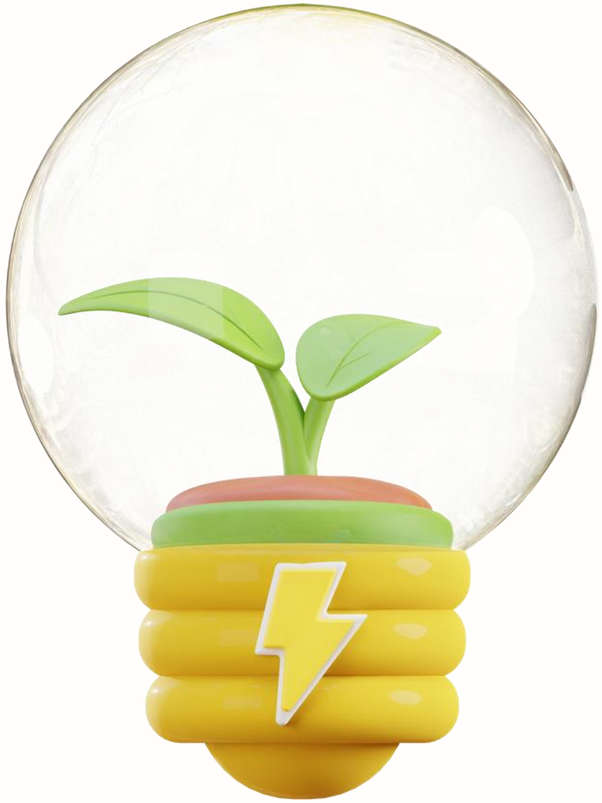
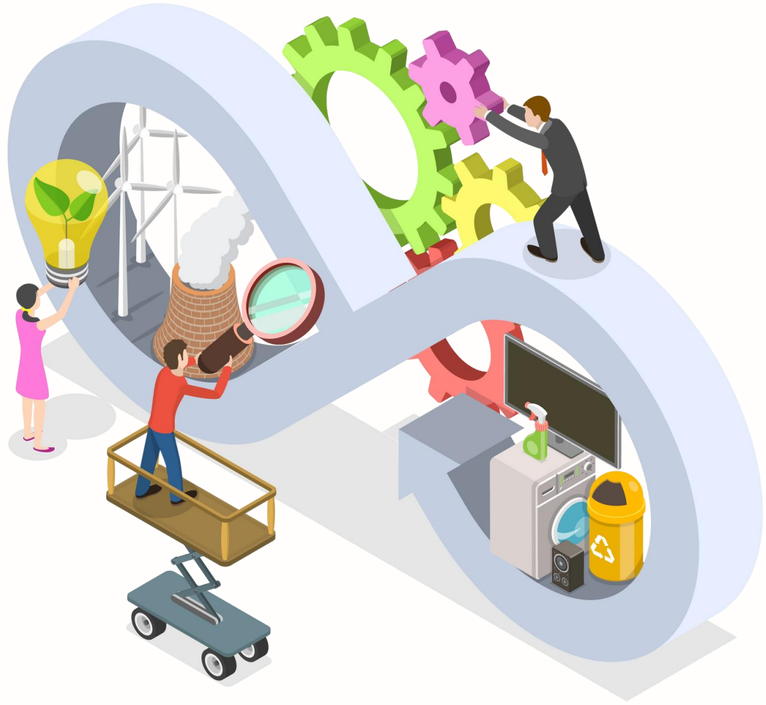
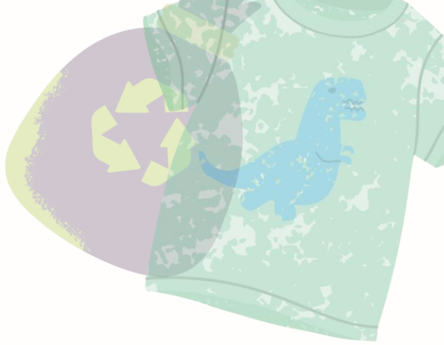


What is a Circular Business Model?

A circular business model organises a company's operations to **increase efficiency** and **reduce environmental impact**.

It articulates the logic of how an organisation creates, delivers, and captures value to its broader range of stakeholders while **minimising ecological and social costs**.





Embracing the Circular Economy - The 6Rs Framework

Redesign

Streamlining production to minimize material usage, energy consumption, and waste generation.

Modular Design: Designing garments using interchangeable parts. This not only allows for customization but also makes it easier to replace parts of the garment instead of the whole, reducing waste.

Wholegarment Technology: This is a knitting technology that produces an entire garment in one piece on the machine, meaning there is no leftover fabric from the cutting process.

Optimized Marker Making: This involves arranging pattern pieces on the fabric in a way that minimizes waste.

Box Fit Silhouettes and Full-Width Kaftans: These designs use the full width of the fabric, helping to eliminate leftover fabrics.

Reduce

Minimization of Waste Generation

Reducing Water & Chemical Consumption

- Low Water Manufacturing Processes: Some companies are exploring manufacturing processes that require less water. For example, the "ecodye" technology developed by Schoeller and Textilcolor accelerates the dyeing process, reducing the water requirement by 25%.
- Efficient Manufacturing Processes: to implement Chemical management system to optimize use of chemicals and reduce wastage.

Reducing Hazardous Chemical Waste

- Eco-Friendly Chemicals: Using eco-friendly chemicals in the production process can significantly reduce the amount of hazardous waste produced.
- Waste Management Programs: Implementing waste management programs can help to properly dispose of chemical waste, preventing it from entering the environment.

Embracing the Circular Economy - The 6Rs Framework

Reuse

Establish reuse systems in collaboration with brands for returned or unsold garments, reducing demand for new materials.

Eileen Fisher's Renew Program: This program collects and cleans used Eileen Fisher clothes and sells them at reduced prices1. This initiative not only reduces the demand for new materials but also extends the lifecycle of each garment.

The North Face's Clothes the Loop Program: This program encourages people to drop off unwanted clothing and footwear at The North Face Retail and Outlet Stores2. This reduces waste by reusing and recycling clothing and footwear.

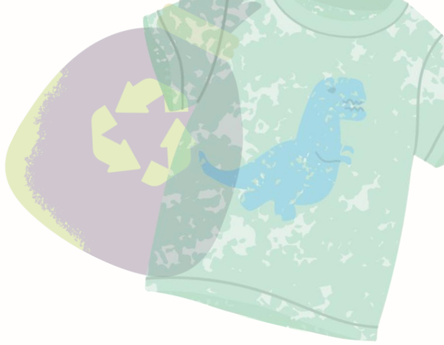
Remanufacture

Develop initiatives to repurpose textile scraps, promoting material reuse across production cycles.

Paper Hangers/Tags from Cotton Chindi: To repurpose cotton scraps is to transform them to create cardboard hangers. This not only gives a second life to the cotton scraps but also provides a sustainable alternative to plastic hangers.

Sell textile Scrap at Premium Rates: To collect and sorts fabric scraps and then sell these scraps to crafters, designers, and artists who can use them for various projects, preventing the material from going to waste.

Fashion Accessories from Scrap: To collect and sorts fabric scraps and remanufacture into fashionable accessories like wallets, cardholders, and bags.



Embracing the Circular Economy - The 6Rs Framework

Recycle

Implementing closed-loop systems to recycle materials

Reducing Fresh Water Consumption: Implementing advanced water-saving technologies like low-flow systems and water recycling within manufacturing processes.

Reusing and Recycling Water: Incorporating closed-loop water systems to treat and reuse water within the production cycle.

Regenerate

Implement water-saving technologies and rainwater harvesting to rejuvenate local water sources.

Rainwater Harvesting: It is being considered as an alternate solution to address the problem of depleting groundwater levels and worsening of surface water quality.

Operationalizing Circularity - Departmental Initiatives

Merchandising & Supplier Engagement: Leverage data-driven forecasting to align production with demand and engage suppliers to ensure sustainable practices.

- **Zara**: Zara uses data-driven forecasting to align production with demand1. They have a quick turnaround time and limited production runs, which helps to reduce overproduction and waste.
- **H&M**: H&M uses data analytics to forecast trends and manage inventory, reducing the amount of unsold stock.

Fabric Sourcing & Quality Management: Prioritize suppliers with verifiable sustainability credentials and implement robust quality systems to minimize fabric waste.

Stella McCartney's commitment to sustainable sourcing is a case in point.

Pattern Making & Design: Utilize advanced software for fabric utilization and encourage modular designs for easy repair and extended product lifecycles.

Adidas' Futurecraft.Loop, a 100% recyclable performance running shoe, is a testament to this approach.

Operationalizing Circularity - Departmental Initiatives

Trims & Inventory Management: Source eco-friendly materials and adopt just-in-time inventory systems to minimize waste.

Nike's Move to Zero campaign, with its goal of zero carbon and zero waste, can provide valuable insights.

Cutting & Sewing Efficiency: Adopt lean principles to enhance efficiency and invest in worker training to improve quality and minimize waste.

Segregating textile cut pieces based on their color and fiber composition.

Circular Design

- **Circular design** refers to an **approach** where **brands** create **clothing** while considering the entire lifecycle, aiming to follow the **6R principle** that leads to minimize waste, maximize product longevity, and promote recyclability.

- It advocates for **sustainability** and **environmental** responsibility as a **starting point**, and involves **designing** products with **recyclability/regeneration** in mind, making it easier to **recover** and **reuse** materials at the end of their life cycle.

Case Studies

Jeans Redesign project:

The guidelines establish a beginning for the industry to design and manufacture jeans using circular economy principles at scale. Leading brands, mills, and manufacturers are encouraged to change jeans production to focus on durability, material health, recyclability, and traceability.

Nike Circular Design:

It prioritises long-lasting, end-to-end products and progress hourly, daily, weekly, and annually. The guide outlines materials, packaging, durability, waste minimization, and adaptability.

Close-loop Recycling

- **Closed-loop garment recycling** is becoming increasingly popular in the **fashion industry**, with companies adopting **circular business models** that focus on **circular design**, making it easier to **recover** and **reuse materials** at the end of their life **cycle**.

- It involves **collecting** and **sorting recycled materials**, **disassembling** it , and using the **resources** as **raw material** in the **products manufacturing** of practically identical to the **original**.

Close-loop Recycling Model Benefits

Supply Chain Resilience:

Incorporating closed-loop recycling practices enhances supply chain resilience by reducing dependency on finite resources and promoting a more resilient and sustainable sourcing model.

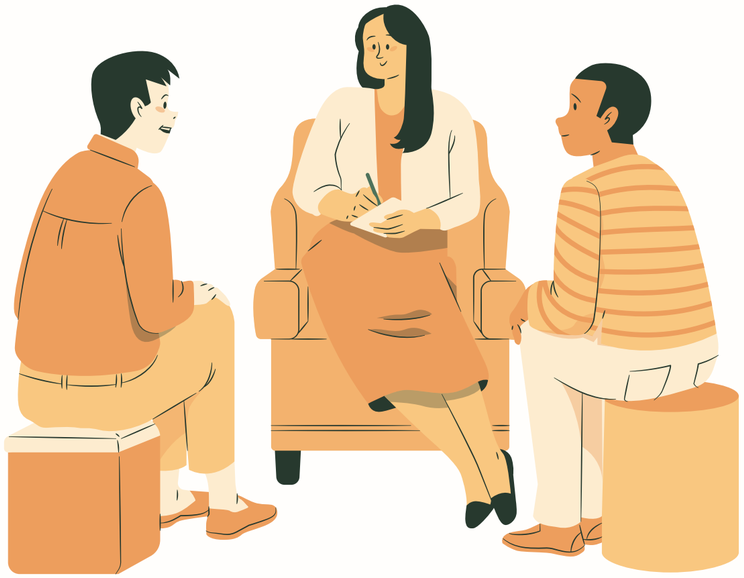
Regulatory and Compliance Advantages:

Meeting or exceeding environmental regulations and standards strengthens a brand's position as a responsible corporate citizen, potentially gaining regulatory advantages..

Cost-Efficiency and Resource Optimization

Implementing recycling practices contributes to cost-efficiency in the long run by optimizing resource usage, reducing waste, and potentially lowering production costs.

CBM Implementation Strategies



Discussion Session