LEADING CIRCULAR REPORT 2024

Bleckmann®

THE POWER OF ECOSYSTEM THINKING



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INTRODUCTION

developing a circular ecosystem for fashion

It's my pleasure to welcome you to Leading Circular 2024, Bleckmann's annual report on circularity in the fashion and lifestyle industry. This is the fifth edition of the report, and in the years since we started, we've already seen significant positive changes across the industry. From concerted regulatory action (see page 29) to investments in circularity by brands across the fashion and lifestyle industry (see page 35), it seems that the tide has well and truly turned in favour of a more circular way of doing business.

But while individual efforts are to be applauded, it's only by adopting a more holistic, collaborative approach that we'll be able to bring about the scale of change we need to see. That's why the theme of this year's report is 'Developing a circular ecosystem for fashion'. Inside, we'll explore the many ways in which 'ecosystem thinking' can drive progress on circularity – from building a business case for circular solutions (see page 26) to reducing the financial and environmental costs of returns (see page 22).

Reframing the question of risk

At Bleckmann, we're proud to be playing our part in this transition by steadily expanding our circular fashion offering. Through our on-the-ground experience, one thing has become clear: as an industry, we need to reframe how we think about risk. Investing in circularity always involves risk to the current way of working. Bleckmann took this risk in 2022 when we acquired The Renewal Workshop, our team of experts in circular fashion operations and technology.

We went ahead because we felt that the potential benefits were worth the cost. We're happy to say that we've been proved



right, having helped many fashion and lifestyle brands integrate circular business practices into their existing operations. The key to this success? Promoting an ecosystem-based – rather than an individual-centred – approach to risk. Because when we look beyond the individual, we all benefit.

Towards a circular fashion future

The current economic model can be a major barrier to progress on circularity. Yet when we consider the fashion industry – and, indeed, the world – as an ecosystem, it's obvious that the longer-term losses that would be incurred by NOT taking action are even more serious. As Johan Rockström (who was instrumental in developing the concept of 'planetary boundaries') put it, "We are the first generation to know we are undermining the ability of the Earth system to support human development."

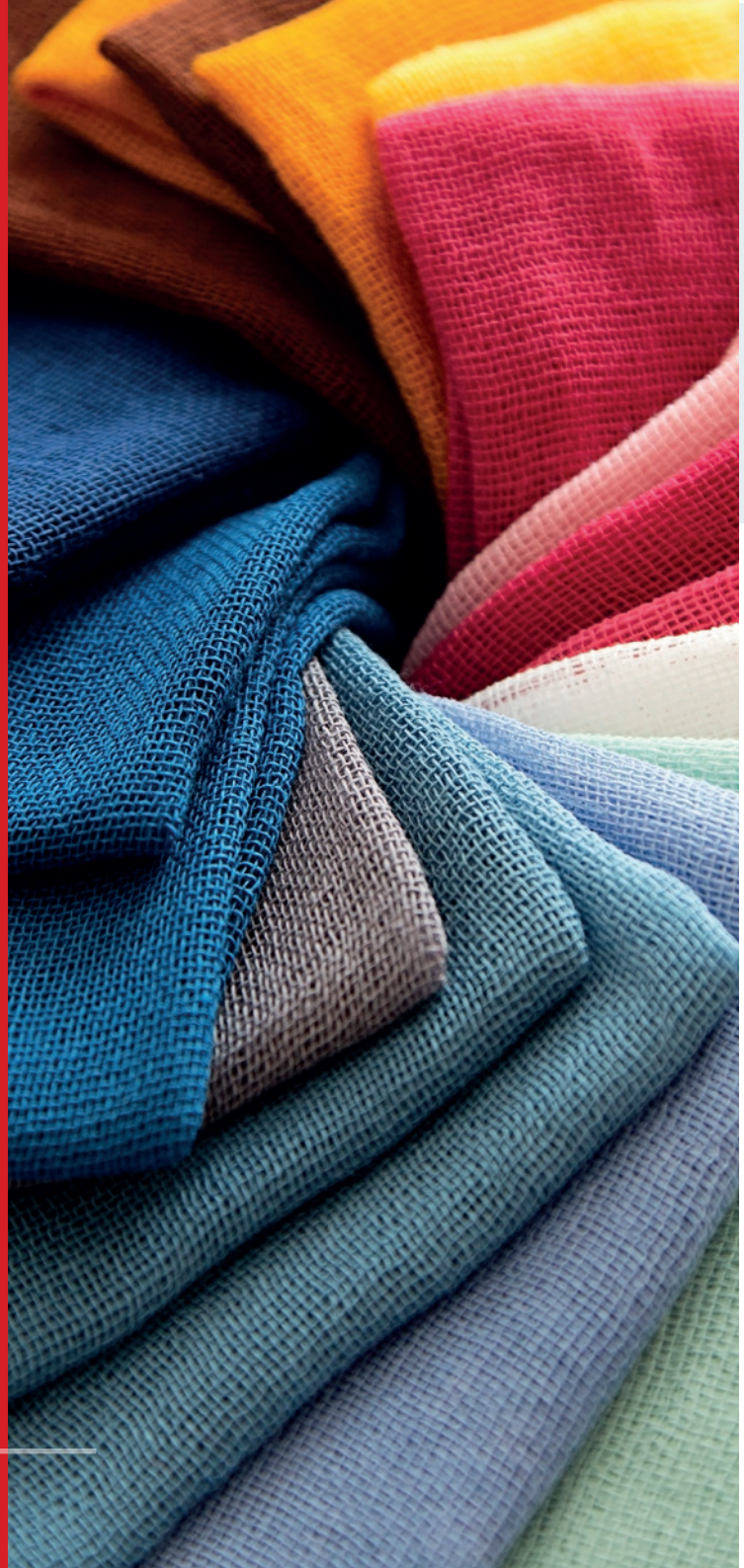
That's why the role of those working in the circular fashion space isn't just about delivering practical solutions. It's also about changing mindsets – working closely with partners across the value chain to reevaluate and rework the systems that have helped fuel the environmental crises we now face. In short, we must find ways to effectively overcome short-term risk aversion and amplify our impact in the circular fashion ecosystem. The systems and technologies are available. It's our job to put them to work.

Nicole Bassett

Circularity Lead at Bleckmann







TOWARDS TRUE CIRCULARITY

an ecosystem approach for apparel and textiles

For over a decade, terms like circularity, sustainability, regenerative practices and eco-consciousness have often been used without clear and consistent definitions. In the apparel and textile sector, it's essential to clarify what these terms mean in order to foster common understanding and promote thoughtful accountability.

Starting with circularity, it's important to define what this concept means at a basic level. Circularity is: something that ends and begins in the same place. True circularity is possible when an ecosystem approach is taken because ecosystems cycle through the environments in which they exist. Achieving true circularity, however, requires a transformation of the entire ecological and economic system.

One major obstacle to achieving circularity and regenerative practices in the apparel and textile industry is the sector's allegiance to the concepts of "scale" and profit maximisation. This focus on scaling up and increasing profits is a key driver of the climate crisis, as it often blocks the adoption of truly sustainable solutions. In contrast, regenerative solutions are place-based, bioregional, and community-centred. While these approaches may not maximise corporate profits, they do promote meaningful economic development and support local communities and ecosystems.

Embracing an ecosystem approach to circularity would position the apparel and textile sector to contribute significantly to the sustainable future we so urgently need. Although transforming supply networks and business

mindsets is challenging, expanding these paradigms is essential to assuming a leading role in the emerging regenerative economy.

To take an 'ecosystem approach', we must first define what an ecosystem is. An ecosystem is a geographical area where living organisms – such as plants, animals, landscapes, topographies, people and microorganisms – **interact to form an intermutually dependent environmental system.**

Each element in an ecosystem is interconnected, either directly or indirectly.

In relation to the textile industry, an ecosystem approach recognises that each stage in the production process needs to be nurtured and aligned, creating a foundation where all parts can thrive and adapt collectively to challenges and technological shifts.

In the apparel and textile industry, circularity cannot simply be 'added' to a supply chain. Indeed, we should not continue to think in terms of supply 'chains' at all. Today's supply chains are based on linear models of sourcing and material flows. In my work, we prefer the term 'supply networks' or supply webs. A supply chain is fragile; if one link breaks, the whole system is disrupted, as we saw at the start of the COVID-19 pandemic.

In contrast, supply networks and webs are more resilient because they inherently allow for gaps to occur without the entire system collapsing. Supply networks are decentralised, responsive to geographical nuances and don't rely on uniformity. This desire for uniformity in traditional supply chains drives linear and centralised models. To move towards a sustainable, regenerative future, the textile and apparel sector must embrace flexibility over uniformity.

Regenerative frameworks can be used as a pathway to circularity. For example, the core tenet of regenerative agriculture is that it starts and ends in the same place: the soil. Fibre and textile production illustrates how regenerative agricultural systems can lead to circular economies. Regenerative agriculture offers strategies for building circular economies that prioritise cultural, environmental and economic equity. The chart below provides an overview of how regenerative strategies can be applied to circularity efforts in ways both large and small.

Working towards true circularity in the apparel and textile sector requires us to reimagine the way we approach production, distribution, labour and consumption. A shift from linear supply chains to resilient supply networks, undergirded by an emphasis on regenerative frameworks, offers a pathway to create sustainable, equitable systems. True circularity requires an ecosystem approach—one that recognises the interconnectedness of all elements in the production cycle. An approach that promotes adaptability and collaboration across communities and geographies. By defining a





shared language to discuss this, and by centring regenerative strategies, the industry can move beyond profit-driven scaling and towards meaningful economic development that supports both local ecosystems and global sustainability. Achieving this transformation will be no small feat, but it's essential for aligning this industry with a regenerative future.



by Teju Adisa-Farrar

Founder and Ecosystems Director at Black Fiber & Textile Network

REGENERATIVE ECOSYSTEM STRATEGIES	CIRCULAR ECONOMY OPPORTUNITIES
Use as much of the raw material as possible // think about production and decomposition.	Retaining more value from materials we use by reducing (or eliminating) waste, and creating cycles of uses.
Work with decentralised ecological networks (e.g. mycelium and other organisms).	Preferring supply networks rather than supply chains to create resilience and honour nuance.
Learn from Indigenous practices of relationship to and reciprocity with our environment.	Focus on cultivating and maintaining equitable (continuous) relationships rather than incentivising profit.

BUILDING EFFECTIVE RE-COMMERCE PARTNERSHIPS

building strong partnerships for a circular future: collaborative strategies for sustainable fashion and effective re-commerce solutions

If you've ever attended a conference on sustainability or circularity, you've probably heard the term 'collaboration' repeated several times – and for good reason. It's certainly something we need more of, and something that every stakeholder in the fashion industry should invest in, if we're going to achieve our social and environmental goals.

However, while collaboration is essential to accelerate change, it can be challenging, especially in an economic environment that encourages winner-takes-all competition. Interestingly, though, over the past



year, we've started to see companies change their behaviour.

Developing impactful circular partnerships

When The Renewal Workshop started in 2015, there were very few active players in the apparel circularity space. As a result, we had to build not only the operations, but also the technology needed to efficiently collect, renew and resell garments. We had to do it all. And thanks to the dedication of our team, we were able to develop a one-stop shop for brands to get all their repair and renewal services through one comprehensive partner.

In 2022, Bleckmann acquired The Renewal Workshop with the aim of becoming a global leader in circular fashion logistics.

Bleckmann is a logistics expert with over a 160 years experience serving apparel and lifestyle brands with freight forwarding, warehousing, customs support, fulfilment and supply chain logistics. Our warehousing operations, transportation network and innovations are designed to serve our brand partners optimally so they can deliver on the promises they make to their customers.

As Bleckmann's core business isn't in business-to-consumer services, we shifted our focus away from direct-to-customer resale after the acquisition. Instead, we concentrated all our resources on integrating our renewal solutions with various resale channels and technology partners in the market. This allows us to use our expertise in reverse logistics to efficiently collect goods for resale and recycling. We then would work with market-leading re-commerce experts to develop branded resale solutions for our clients.

This decision meant that we had to build up an extensive network of resale and re-commerce partners. Companies can't act in isolation if we want to successfully develop a circular economy. Rather, collective effort is required to create an effective ecosystem. So, Bleckmann began building relationships with potential re-commerce partners. We've learned a lot along the way, and from this experience, we've identified seven key steps to building productive circular partnerships.This is by no means an exhaustive list. The partnering process is organic and involves sharing information, building trust and deepening understanding. It's best to think of this list as a set of topic areas you'll cover during the partnership-building phase of your circular fashion journey.

1.effectively integrate specialisms to multiply value

The goal of a productive circularity partnership is simple: to create a situation where each company is doing what it does best. If each partner can refine and perfect its operations in its core competency areas, when we join forces, we can deliver even more benefits and add serious value. But how do we achieve this?

The first step is to be as clear as possible with your potential partners about your level of experience and capacity when it comes to circularity. By expressing a desire to work together to provide an effective service to customers, you are demonstrating a good faith intention to find workable solutions.

It's important to keep an open mind at this stage, as the eventual collaboration may look different from what you'd expected. In our experience, some discussions were relatively straightforward – we could easily see whether we had strong alignment and were a good match for each other. In others, there was more of a grey area. In those cases, however, we always showed a strong desire

to figure out how we could best pool our knowledge and work efficiently side by side.

2.clarify your services and business model to facilitate collaboration

To start a productive partnership between two re-commerce companies, it's important to outline the services you offer and explain your business model. That's because not every company operates in the same way, so it's important to manage expectations from the outset. This is especially important when startups work with more established partners, as venture-backed companies have different metrics for growth and revenue than a public or private company might.

It's also important to be clear about what your services include – and what makes them profitable. This allows all parties to see the unique value that each partner brings to the table. Explaining your offering will help potential partners understand if there's any overlap with your services. Even if this is the case, it doesn't mean a partnership won't work. It just means that more fine-tuning may be required to determine which party will handle which business areas in practice.

3.build trust with your re-commerce partners to ensure compatibility

In addition to operational compatibility, trust is an essential element of any effective re-commerce partnership. This, again, is often based on the authenticity and transparency of your communications. By openly sharing your company's values, you can quickly determine whether you're likely to have an effective working relationship with a potential partner. Building trust and constructing long-term partnerships can take time. In our experience, it often takes more than a few conversations to establish a desire to work with a new partner. It's important to



prioritise transparency at every stage, even if that means walking away. Sometimes, it's best just to accept that your services overlap with those of a potential partner and go your separate ways – there's no shame in admitting that not every partnership is meant to be!

4.demonstrate operational flexibility to manage overlap

In some cases, overlapping services are identified during discussions and each partner wants to keep a particular service for itself. Often, this specific service makes their product offering stronger or is their main source of revenue. In our experience, this doesn't necessarily mean the end of your collaboration; it may simply mean you've got a few more details to iron out. Here's our advice:

o Take a case-by-case approach: We realised we had some overlapping or duplicate services. So, we clarified how we'd adapt our operations if a client met certain criteria – and came to an agreement on who would handle which services.

o Establish rules of engagement: To protect the working efficiency of each partnership, we found it beneficial to agree on a predetermined framework with our re-commerce partners. By identifying our core competency areas, depending on what the brand client was looking for, we could easily identify situations where it would make sense to use one partner's technology or the other's. Having an agreed-upon framework in place ensures that everyone is on the same page from the outset.

o Think about what's best for the brand client: At the end of the day, all re-commerce stakeholders have a common goal: we need more fashion brands to develop circular business models. So, it makes sense to build a solution that's cheaper and more efficient for the brand client. Think about what's best for those clients when making your decisions, because developing solutions that appeal to brands will make your re-commerce partnership more effective.

5.start with a concrete client case

Having established productive relationships with re-commerce partners, the next step is to work together to create tailored circular solutions for client brands. We have several amazing partners that we check in with frequently and who are well prepared to collaborate with us when the right client project comes along. In practice, it really does require a client case to finalise the collaboration. Once that happens, all the groundwork of clarifying services and designing optimal workflows makes it much more straightforward to get started on the project.

6.remove obstacles to collaboration to deliver seamless circular solutions

Once a client case has been identified, it's time to implement a customised re-commerce solution. In practice, this means collaborating with your re-commerce partners in two main areas: integrating your technical operations and data flows, and ensuring effective and transparent communication. Here are some key points to consider:

o Technical: This is where all the groundwork of identifying each other's services comes into play. When you can provide engineers with a clear process and data flow, they can then connect the application programming interfaces (APIs) and understand exactly what they need to make the connection work effectively.

o Cohesion and clear communication: Never underestimate the importance of strong

communication in delivering successful re-commerce programmes. Part of this process is simply identifying how often the two parties will communicate throughout the integration process and once the programme is up and running – identifying the key responsibilities of each party.

7.prioritise transparency to simplify problem-solving

Even the best-managed and most organised projects will inevitably encounter unexpected challenges. There may be something you learn at the last minute,

a miscommunication, or even an issue that nobody has considered. It's at these moments that partnerships can be tested, so it's important to be able to count on an open and honest working relationship. How do you do this? By bringing up any issues quickly and taking ownership of your mistakes. Collective success depends on all parties being focused on their common interests, rather than individual ones. Mutual trust between partners is always best served when issues are identified and addressed at an early stage.

Unlocking the benefits of effective collaboration

While following the recommendations above may require
a significant time commitment, skipping steps risks slowing down the process of building effective re-commerce partnerships. By following these steps, you will not only create a better working relationship but also deliver more impactful benefits to the wider fashion industry – enhancing collaboration to deliver workable and scalable circular solutions.

1.aligning on language and communication with clients

Over the years, companies in the re-commerce space have used varying terms to explain their services to the public, creating confusion in the market about what terms like 'resale' or 'recycle' mean. In collaboration with our partners in the re-commerce space, we've been able to align on a common language for talking about circularity. This ultimately makes it easier for both brands and customers to better understand the circular fashion economy.

In our discussions with various



partners, we have identified opportunities to standardise terminology in a number of key areas. Here are some examples of where standardised language is particularly helpful:

- **Inventory sources:** Products sold under the umbrella term 'resale' originate from a variety of sources. By clearly defining and naming these sources, we can help clarify the language for brands and improve transparency for end customers.

- **Quality standards:** There are dozens of ways to communicate resale quality to customers. Building alignment around standards makes this information more digestible for shoppers.

- **Data requirements:** Providing data on items for renewal is critical to an efficient and transparent circular solution. But defining which data, where it comes from and how it is organised can be complex. Through partnerships, we refine those data points, streamline access to them and agree on the most critical ones to be shared with brands and customers.

Improving your market awareness

One of the unexpected benefits of partnering with other re-commerce specialists was the opportunity to share diverse perspectives on the fashion market. By collaborating, we gained access to a wider range of insights that allowed us to make more informed decisions. This sharing of information helped us to identify trends and opportunities that we might not have noticed on our own.

Focusing on your core competencies

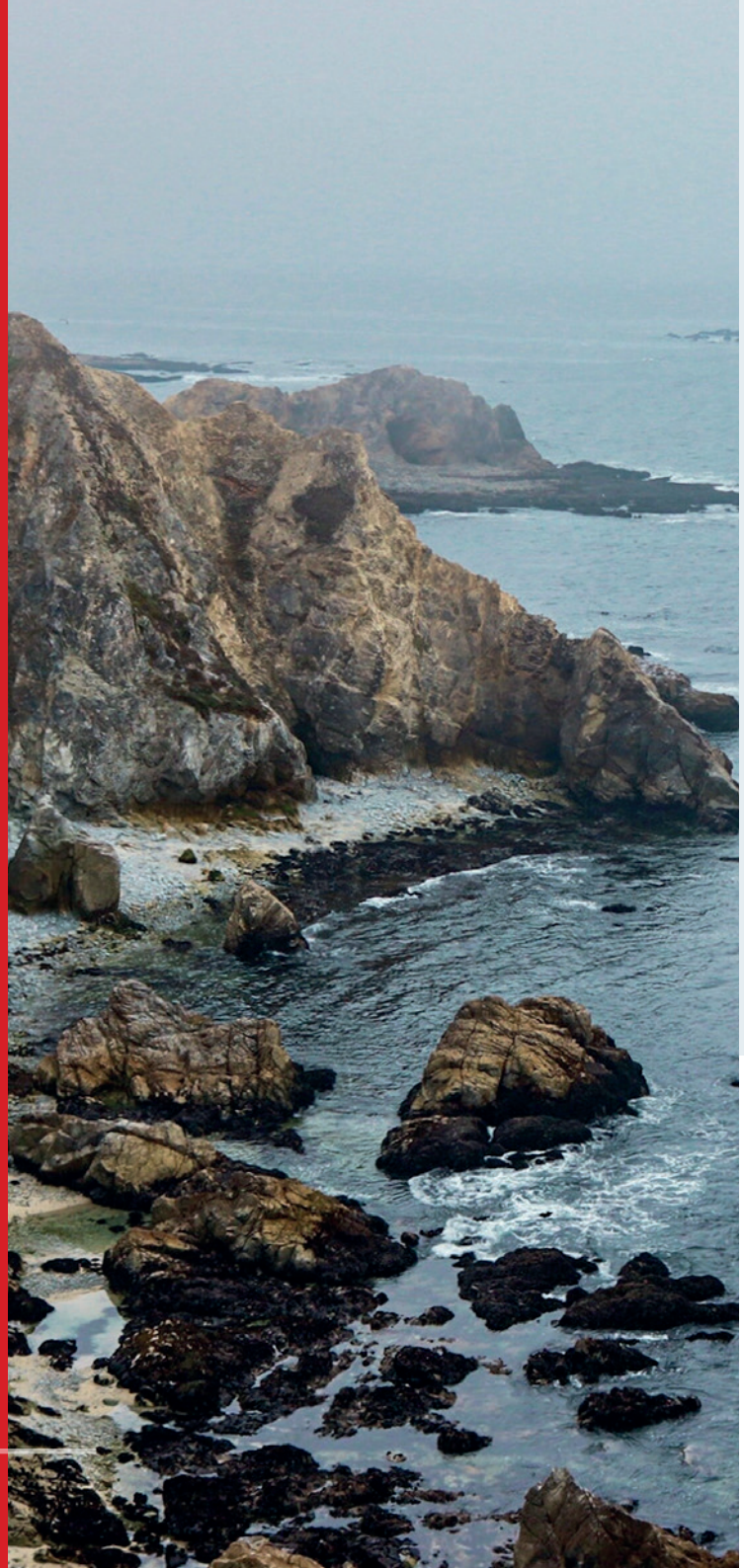
By partnering with companies that complement your operations, you can focus your resources on what your company does best. With your partner taking care of the areas of re-commerce that they specialise in, you can concentrate on your own core competencies and streamline the onboarding process for new clients.

Streamlined and fruitful collaboration

We've also found that by working closely with our partners, the mutual knowledge of each other's operations has helped to facilitate fresh ideas, allowing us to propose practical solutions that benefit our client brands. This has led to some exciting innovations in our joint operations and has even brought new clients to the table, as each circular partner has identified ways in which the other can provide or extend its support. In short, strong partnerships can lead to a wealth of new opportunities for both parties.

Collective action for a circular fashion economy

The concept of a circular economy requires an ecosystem approach to how we do business, where the strength of connections between different stakeholders is paramount. It is therefore crucial to establish robust and effective partnerships to implement such an approach. By investing in these relationships, we facilitate collaboration and innovation across the apparel supply chain. We're confident that, by sharing our experiences, we can encourage more partnerships and contribute to the development of a stronger, more interconnected circular ecosystem.



COYUCHI'S ECOSYSTEM APPROACH TO CIRCULAR TEXTILES

coyuchi is redefining sustainability in home textiles with its innovative ecosystem-based approach to circularity

Coyuchi, a pioneer in sustainable home textiles, has taken many innovative steps to put circularity at the heart of its production processes. Together with its network of partners, including Bleckmann, the brand has developed an innovative, ecosystem-based approach – prioritising waste reduction through the enduring quality of its products and advanced renewal services. Read on to learn how the brand is implementing circular solutions that deliver environmental and business benefits.

Circularity starts with organic

Since its beginnings in 1991, Coyuchi has been committed to providing the highest possible standard of luxury textiles, striving to maintain the integrity of organic cotton's natural fibres in all of its products. For over a decade, the company has been certified according to the Global Organic Textile Standard (GOTS) certification – the leading standard for environmentally and socially responsible practices throughout the textiles supply chain. This demonstrates the brand's commitment to social and environmental responsibility. The exacting criteria of the GOTS, which requires effective monitoring of materials, environmental impacts and labour conditions throughout the supply chain, make it a reliable marker of a brand's environmental and social credentials.

This commitment to excellence helps to ensure that every Coyuchi product is designed to stand the test of time. Each fabric is crafted to be 'heirloom-quality' – luxuriously weighty, deliberately woven, beautifully finished and thoughtfully stitched for a lifetime of conscious luxury. Making products to last is integral to embedding circular practices in the fashion and lifestyle industry, ensuring that a greater percentage of total demand can be met by existing garments and materials. Indeed, keeping materials in circulation for longer is one of the core principles of circularity. In addition, the company is equally committed to another circular principle: extending the life of existing garments.

Coyuchi 2nd Home Renewed™

In 2017, Coyuchi took the next step in embedding circularity into its business model by becoming the first home textiles brand to partner with The Renewal Workshop (acquired by Bleckmann in 2022) to renew and resell pre-loved goods. Initially, the range of renewed products came from a larger pool of returned items, damaged items or other production sources.

In 2019, Coyuchi further expanded its circular programme. In response to customer demand for an end-of-life plan for all Coyuchi SKUs, they launched the Coyuchi 2nd Home Take Back Programme. Coyuchi customers received a 15% discount on their next purchase in exchange for sending the company pre-loved Coyuchi products using a prepaid shipping label. These products could then be restored and resold – reducing waste and enabling the brand to maximise the value of returned items.

Effective circular logistics

Regardless of their origin or condition, all returned Coyuchi items are collected at Bleckmann's facility and undergo a rigorous inspection process to determine their best possible renewal pathway. If an item is in renewable condition, it is cleaned and repaired as needed, repackaged, graded and labelled for sale as 'renewed'. If an item cannot be renewed, it is then assessed to determine the best next step: donation, upcycling, downcycling or recycling. Items are never thrown away.

Many brands and retailers lack systems to maximise the full value of a product over its lifetime. This ultimately means that the creative, physical, natural and financial resources that have been invested in products are lost when they are discarded. This results in



a massive volume of waste, with significant financial and environmental costs. By partnering with Bleckmann, Coyuchi has gone a long way towards mitigating this waste from its products, creating new value from old products and minimising the environmental impact of the disposal of these items.

bespoke circular solutions for every brand

At Bleckmann, we offer a complete range of circular services to help brands recover the highest possible value from every product. By focusing on providing the operational backbone for circular models, specialising in logistics, cleaning and repairing products, and integrations, we enable companies like Coyuchi to efficiently achieve their circularity goals.

This year, for example, Coyuchi announced a significant expansion of its 2nd Home Renewed™ programme through its strategic partnership with Bleckmann and Recurate (now acquired by Trove) – a pioneer in resale solutions. By integrating Trove's ResaleOS™ 2.0 platform with Bleckmann's infrastructure, Coyuchi has seamlessly incorporated the 2nd Home Renewed™ line into its primary e-commerce platform, further enhancing the accessibility of its Renewed products.

The integration of Renewed products facilitates a streamlined customer experience. The Recurate/Trove software enables accurate item listing – matching resale products to the Coyuchi catalogue and providing customers with detailed information on each SKU. And with full operational integration, including order fulfilment, shipping management, order tracking and customer service, customers benefit from the same high standard of e-commerce experience with every product.

Closing the loop

In 2019, Coyuchi went one step further by announcing that it would become the first brand in the home textiles industry to implement a fully circular supply chain solution with the launch of its Full Circle Recycled Cotton Blanket & Throw. 52% of the fibres in this unique product come from the brand's own recycled products, while 48% are sourced from organically grown material.

The recycled Coyuchi cotton used to make the Full Circle Recycled



Cotton Blanket & Throw came from products such as apparel and bedding that were ineligible for renewal, donation or upcycling. These items were stored, sorted and prepared for recycling by Bleckmann, before being sent to recycler Recover. Recover then processed the textile waste, turning it into cotton fibre that could be made into new yarns and eventually new fabrics.

More recently, Coyuchi identified an opportunity for the down products collected through its 2nd Home Renewed™ programme. Through this initiative, excess filling from down products is sent to Allied for recycling. At Allied Down, the filling undergoes a proprietary cleaning and rejuvenation process to ensure it looks and feels like new. It is then re-encapsulated in a new cotton shell. With the launch of these new products, Coyuchi has achieved a 100% closed loop for its feather and down products.

The power of positive impact

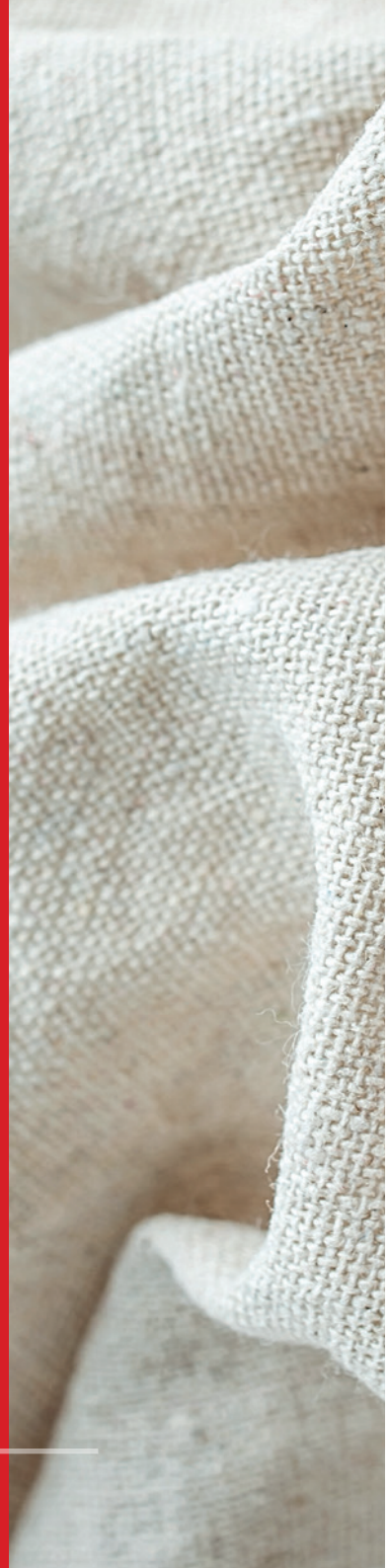
Conscious luxury without compromise is Coyuchi's guiding principle, and the brand's circular initiatives are driven by the belief that there's a better way to produce and use textiles – one that goes against traditional approaches. Today, 21 billion pounds of post-consumer textile waste is generated each year in the US alone. That's why Coyuchi is committed to doing things differently by designing linens to last a lifetime, implementing circular solutions to reduce the need for raw materials and harnessing the potential of regenerative agriculture.

through 2nd home renewed™, coyuchi has:

- **TEXTILE WASTE**
  Diverted 186,754 pounds of textile waste from landfill.
- **SAVED ENERGY**
  Equivalent to 106 homes for a year.
- **GAS EMISSIONS**
  Prevented 22,206 gallons of gas emissions.
- **CONSERVED WATER**
  Equivalent to 55 Olympic swimming pools,
- **CHEMICALS**
  Avoided the use of 252,737 pounds of chemicals.

"Coyuchi leads the industry in circular innovation and business models," says Nicole Bassett, Circularity Lead at Bleckmann.





COYUCHI

"Our partnership extends the incredible sustainability work that the brand does with Fair Trade and organic cotton, taking full responsibility for everything it makes and throughout the life cycle of each product."

She continued, "I am constantly inspired by the company's determination to put forward new ownership models for home goods through the Coyuchi 2nd Home programme. Coyuchi is showing the world a practical approach to product circularity and showing the way to a zero-waste future for the textile business."

Redefining textiles with circular solutions

Textile circularity is still very new to the market. However, the widespread adoption of circular solutions is critical to building a sustainable, circular fashion industry for the benefit of all. This is why many in the fashion and lifestyle sector are advocating for an ecosystem-based approach to improving sustainability and circularity across the industry. In this spirit, Coyuchi and Bleckmann are contributing information and research to various programmes to address this growing need. By questioning established practices and examining their roles in the value chain, stakeholders such as brands and manufacturers can work together to develop viable circular solutions.

RETURNS: A KEY LEVER FOR FASHION CIRCULARITY

explore how our rescue programme turns returns into sustainable opportunities.

An effective returns process is essential for successful brands and an important aspect of ensuring a positive customer experience. However, there is also a significant potential for waste in the returns process, impacting both brand profitability and the environmental impact of the fashion industry. So, how is the industry tackling this issue? Read on to explore the innovative ways in which companies in the fashion space are tackling returns-related waste and the benefits that such measures can bring to your brand.



Assessing the scale of the problem

With up to 40% of all e-commerce fashion orders being returned,[1] returns can have a major financial impact on retailers. Research suggests that the cost of returns to retailers can be as much as 30% of total revenue.[2] This is, in part, due to the large proportion of returns that remain unsold – whether due to wear, damage or styles going out of season. In fact, the European Environment Agency estimates that between 22% and 43% of all returned clothing purchased online ends up being destroyed.[3]

Not only does this represent a significant loss to companies' bottom lines, but this high volume of waste also has a serious impact on our environment. Of all unsold, returned clothing, only 25% is recycled, with the rest either being sent to landfill or incinerated. [4] To address this, many in the fashion industry are implementing innovative and effective ways of minimising the financial and environmental costs of returns.

Tackling the source of returns

Companies can reduce the volume of returns by optimising supply chain oversight. For instance, improving data collection on returned items can help identify recurring issues with specific SKUs, such as faulty zippers or inaccurate sizing. Brands can then use this information to implement solutions like reviewing their manufacturing processes or providing more detailed sizing guides, leading to fewer returns.

Inaccurate sizing or fit is one of the most common reasons why customers return apparel purchases. Technology-based solutions such as AI sizing guides are driving significant improvements in this area. Applications such as Mirrorsize and TrueFit are helping customers make better-fitting apparel purchases and have been shown to reduce return rates by up to 50%. [5]

Improvements in data collection can also help to streamline brands' reverse logistics. Accurate information on product condition allows companies to quickly and effectively triage incoming returns according to whether they can be resold immediately or whether further action, such as repair or recycling, is required. Data is also important from the consumer's perspective, as they need to know exactly what repairs have been carried out on pre-loved items. Data is therefore essential to facilitate the implementation of circular solutions.

Exploring repair and resale

Many items returned because of flaws or defects can be repaired and reintroduced to a company's inventory. More and more brands, often with the help of specialist re-commerce partners, are investing in this approach, to reduce waste and increase profitability with regard to returns (see page 22 for more information on integrating plug-and-play circularity into your reverse logistics process).

Improved margins are not the only benefit of transitioning toward these kinds of circular processes. Research from The Renewal Workshop shows that brands can achieve an average reduction of 51.5% in carbon emissions by renewing an existing product instead of producing a new one, so the environmental and financial benefits environmental benefits of adopting such a model are very clear.

Even items that can't be resold at full price can still retain value to brands. Some items, which are either out of season or have slight imperfections can be sold as 'pre-loved' at a discount. Otherwise, they can be acquired by other brands or initiatives focused on innovative repurposing. For instance, companies like Neem, a zero-waste UK menswear brand, buy returned items and waste from large retailers, recycle



the fabric down to its fibres, and create new products.

This approach not only extends the life of materials but also aligns with sustainable practices. Industry giants are starting to invest more and more in these kinds of recycling methods. For example, Inditex is pioneering new types of recycled fibres, such as Infinna™,[6] showcasing how waste materials can be transformed into valuable resources for the fashion market.

Unlocking the benefits of circularity in reverse logistics

There are many important benefits for companies to reduce their returns-related waste and transition towards more circular business models through better returns processes. Brands can significantly reduce the losses incurred through returns by repairing and reusing returned goods at full or reduced cost. At the same time, brands can reduce the environmental impact of their returns, enhancing their reputation and building customer loyalty. In addition, this approach has the advantage of putting brands in a better position to meet current and future environmental regulations, such as the Ecodesign for Sustainable Product Regulation (ESPR) – enabling more future-proof operations.



MAXIMISING THE VALUE OF APPAREL WITH BLECKMANN'S RESCUE PROGRAMME

rescue is revolutionizing returns by turning minor garment repairs into major opportunities.

For brands unfamiliar with circular business models, the transition to practices such as reuse, re-commerce and recycling can seem daunting. This is often due to misconceptions about the potential impact of circular

business models on profitability, as well as the time and upfront investment required to implement circular solutions. But the success of Bleckmann's plug-and-play RESCUE programme is proof that circular solutions don't have to be costly or complicated. In this article, we'll explore how services like RESCUE can provide a practical route to making your operations more cost-effective and accelerate your shift towards circularity.

What's the difference between rescue and renewal?

While the terms 'rescue' and 'renewal' are often used interchangeably, they represent different processes within Bleckmann's circular fashion ecosystem. 'Rescuing' garments refers to minor repairs that take minutes to complete, such as reattaching a button, cleaning a small stain or re-sewing a seam as part of the returns process. These small repairs restore the item to brand-new condition so that it can be returned to stock, ready for sale. In contrast, the 'renewal' process applies to more extensive repairs on returns or refurbishments carried out on pre-owned items to prepare them for resale.

Behind the scenes with the RESCUE programme

The RESCUE programme offers brands a pragmatic and accessible entry point into the circular ecosystem by addressing the financial and environmental costs of minor, defects as part of the returns process. Rather than treating these garments as being at their 'end-of-life', the RESCUE programme enables brands to make them saleable in the season for which they were designed. The simplicity and speed of our RESCUE programme make it attractive to brands as a cost-effective method of minimising waste and maximising the commercial value of their stock. So, how does the process work in practice?

The RESCUE system begins when garments returned to one of Bleckmann's warehouses are deemed 'damaged' following a detailed returns inspection. The items are then further sorted to identify those suitable for repair. "Returned items are filtered into specific repair categories, ranging from minor stitching to button or zip replacement," explains Reinout Denys, Renewal Project Manager at Bleckmann.



"Repairs should take a few minutes, so we need to focus on items that are only slightly damaged or dirty."

"Any items that need more than a quick repair can become units for a resale programme."

Once repaired, the garments are immediately returned to the brand's inventory. This enables us to achieve the core objective of the RESCUE programme: to repair products with slight imperfections to brand-new condition so that they can be sold at full retail value, helping to protect the profitability of our brand partners. "In total, we process around 45,000 items a year through our RESCUE programme, and we're able to restore 54% of these items to brand-new condition," shares Reinout. "Every single item rescued saves money for the brands we work with and helps to reduce the total volume of garments that remain unsold – enabling brands to reduce their environmental impact."

Building a business case for RESCUE

Thanks to our team of circular fashion experts we're able to collaborate with brands to help them develop a bespoke business case for using our RESCUE programme – providing clear insights into how many garments they are currently losing annually due to small, fixable repairs that are not being addressed. Through this analysis, we can demonstrate how much value these items represent and how much our brand partners can save by implementing RESCUE into their operations.

If damaged goods aren't rescued, brands not only lose out on the full retail value of those items but also incur the additional cost of storing faulty stock in warehouses. "Most damaged but repairable items end up sitting in warehouses – often for months – costing brands storage fees before they are simply disposed of," explains Reinout. "The RESCUE programme both preserves the commercial value of the products and reduces the financial burden of storing and disposing of unsaleable stock, offering brands a win-win solution in terms of profitability and sustainability."



Expanding RESCUE beyond apparel

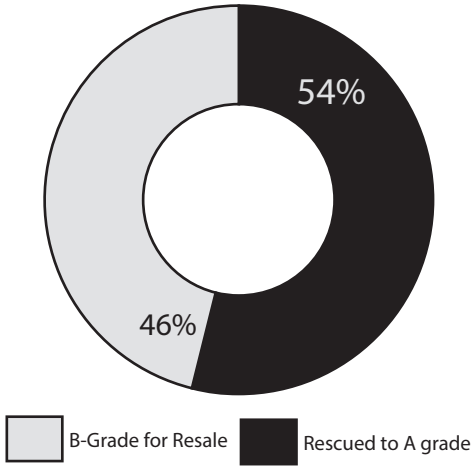
While the RESCUE programme initially focused on apparel, we have since extended it to include a range of other fashion items, including accessories, footwear and luggage. "By diversifying our operations, we've been able to better align our RESCUE services with the evolving needs of brands and the increasing demand for sustainable practices across different product categories," Reinout adds. "Thanks to our investment in new repair expertise and technical tools, we aim to further improve our efficiency and enable our repair operators to handle even larger volumes of items with speed and precision."

RESCUE: A gateway to the circular fashion ecosystem?

Integrating RESCUE into a brand's supply chain isn't just a sustainable choice that makes good business sense – it's also an opportunity for brands to see how pragmatic and effective circular solutions can be. By demonstrating that circularity can be impactful, profitable and affordable to implement, the RESCUE programme can encourage brands to explore a wider range of circular initiatives, such as recommerce or rental models – helping to pave the way for a fashion industry where waste is history.

"This case is illustrative and not all cases will be the same. Assumption – 20K units of damaged returns, 100% sell through on all items RESCUED."

Average rate of RESCUE from damaged returns

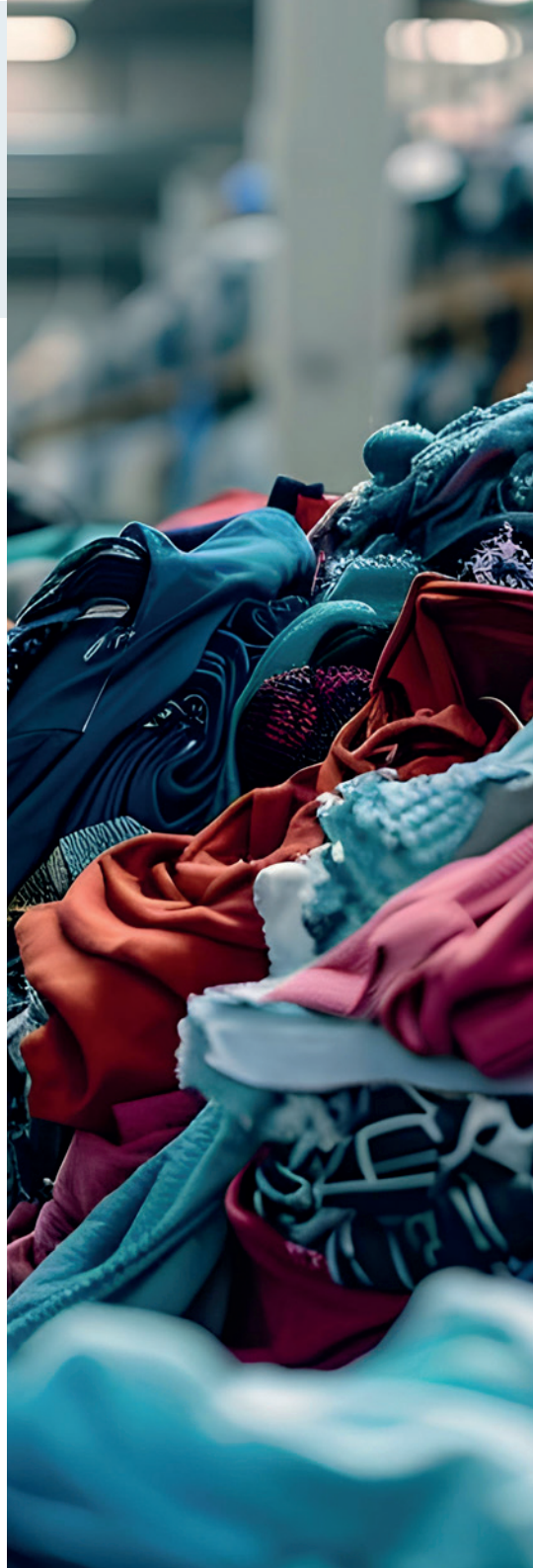


THE BUSINESS CASE FOR RESCUE	
Rescue to A Grade	€ 70,200
Inspection	€ 30,00
TOTAL COST	**€ 100,200**
Original MRSP per unit	€ 150
TOTAL REVENUE	**€ 1,620,00**
MARGIN	**94%**

CIRCULARITY NOW!

consider this scenario: you're faced with an important purchasing decision and want to select the most sustainable option. you do some online research, consult trusted sources and perhaps seek advice from a knowledgeable friend. but despite your best efforts, the most definitive answer you can find is: 'it depends.'

This frustrating scenario is all too common in the sustainability sphere, where decisions often involve unclear data and complex trade-offs. Take, for example, a recent study from Australian researchers that evaluated the life cycle impacts of switching between fibre types—specifically polyester and cotton, polyester and wool, or bio-based and petro-based polyester.[7] Across 16 life cycle assessment indicators, they found that there are trade-offs associated with each fibre switch. For example, switching from cotton to petro-based polyester reduced water scarcity and land use, but increased greenhouse gas emissions and fossil fuel consumption.[1] This reflects a wider trend in life cycle assessment: synthetic fibres often score worse on industrial process-related impacts – such as fossil fuel use, greenhouse gas emissions and ozone depletion – while natural fibres typically score poorly in land-related impacts such as water scarcity, terrestrial eutrophication and acidification. This can make it extremely difficult to assess the environmental impacts of different fibre choices. However, not all benefits in the study were so ambiguous. Researchers also explored a second strategy to reduce the environmental impacts of textiles: **extending garment lifespans**. They found that increasing the number of times a garment is worn is beneficial across all fibre types and impact indicators. In other words, longer garment use consistently reduces environmental impacts without trade-offs.



Circularity: Delivering unambiguous benefits

The above findings highlight the importance of extending the lifespan of garments when trying to address the environmental impact of the fashion industry. Indeed, there are a number of strategies designed to achieve this important goal that can be implemented now – without waiting for the next generation of fibres or production technologies to be developed. And both customers and legislators are becoming increasingly aware of the need to extend garment lifetimes.

In Europe, the textile industry has never been under such intense regulatory scrutiny, particularly when it comes to the durability and reparability of garments. For example, the EU's recently adopted Right to Repair (R2R) Directive aims to make repair services more accessible and attractive to consumers as an alternative to buying new products. In addition, the updated Waste Framework Directive means that brands selling garments in the

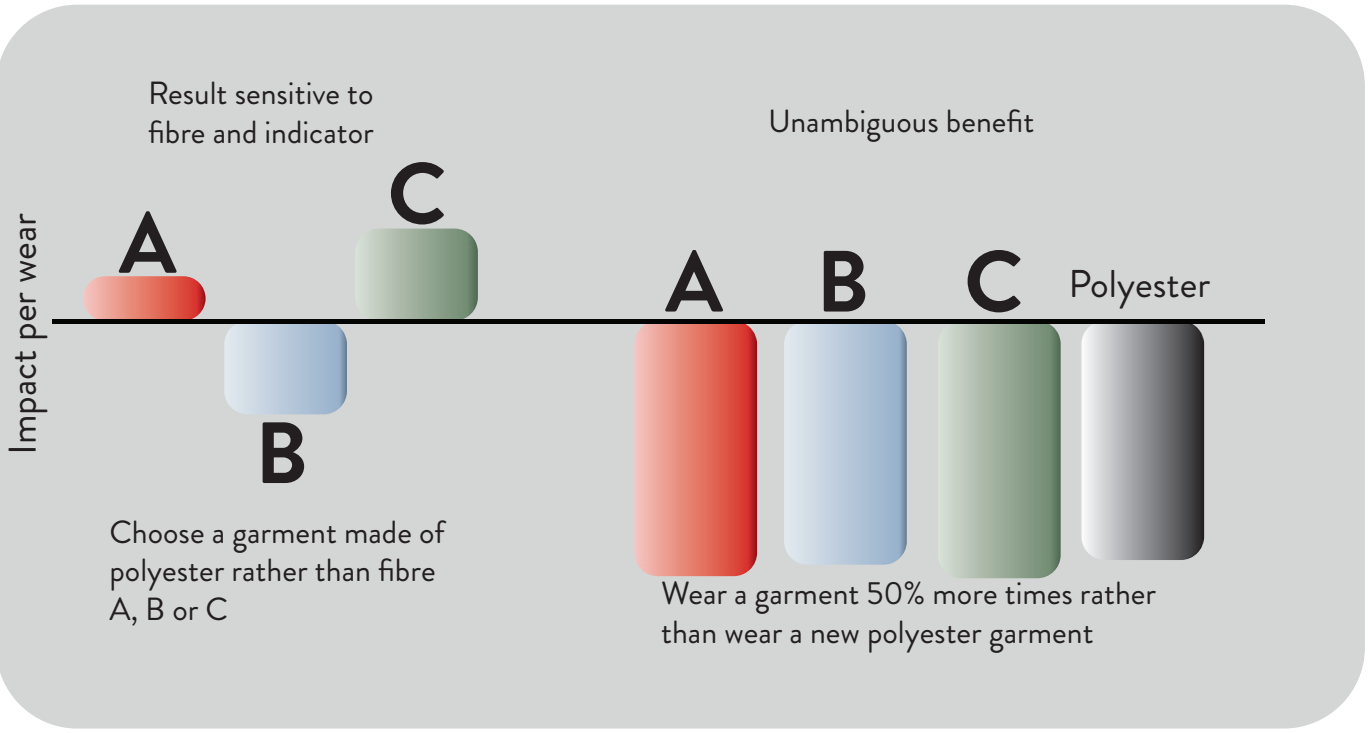


Figure 1: The relative benefits of switching fibres versus extending garment life cycles (image source: Wiedemann et al., 2023)



EU must comply with *extended producer responsibility for textiles* – making them more accountable for the entire life cycle of their products. In both cases, making garments more robust can facilitate regulatory compliance.Meanwhile, improving the durability of the clothes in your wardrobe can lead to cost savings for shoppers. This is highlighted in the 2024 Circularity Report produced by high-end fashion resale site Vestiaire Collective. In it, the company reports a study showing that pre-loved items sold on the site (which prioritises quality pieces) were 33% cheaper per wear than comparable new fast-fashion items. [8] This highlights the importance of considering the entire life cycle of the product when evaluating its impact on your wallet. And the same goes for environmental impacts.

Ecosystem thinking in action

If we take a myopic view of a problem, we can't fully understand the potential impact of individual decisions. For example, when we look only at the environmental cost of producing a material when evaluating the overall impact of a product, we severely limit the effectiveness of our assessment. However, if we broaden our focus to consider the garment's overall durability, and therefore its lifetime 'per wear' footprint, we gain a much clearer picture. By taking this more holistic approach, ensuring that products are optimised for durability – and uncovering new opportunities to extend the life of products – the fashion industry can make important progress. So, if you've been waiting to make a big difference to your company's environmental impacts because next-generation materials aren't yet cost-effective, wait no longer; the time for circularity is now!

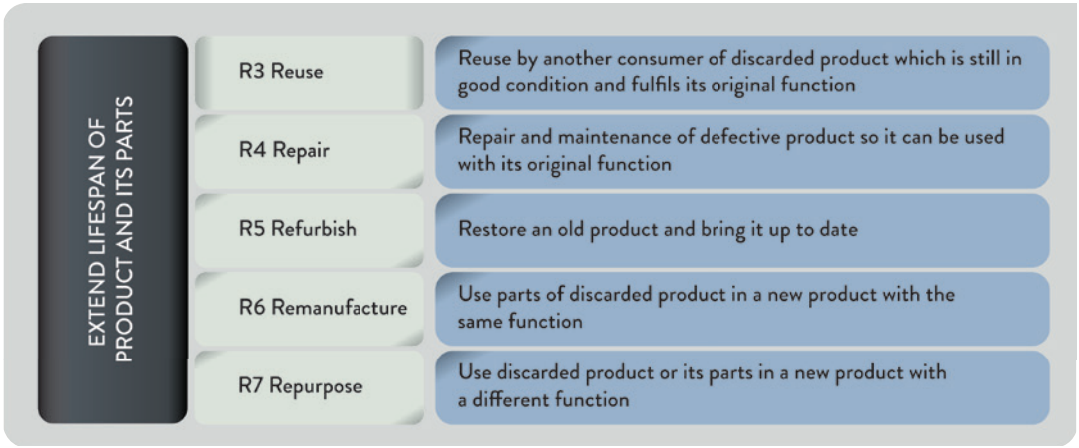


Figure 2: Strategies extend product lifetimes (source: Kirchherr et al., 2017)



By Libby Sommer

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CIRCULARITY IN FASHION AND ITS REGULATORY ECOSYSTEM

the fashion industry is undergoing a significant transformation towards circularity, where regulatory pressure, consumer demand, and company initiatives are converging to reshape production, consumption, and end-of-life practices.

The fashion industry is entering a new phase, one in which regulation is playing an increasingly important role in brands' strategies. However, this shift isn't being driven by legislators alone, especially when it comes to circularity. It's underpinned by the fact that many stakeholders in the fashion ecosystem – including companies, customers and legislators – have a role to play in influencing each other to adopt more circular practices.



We believe that understanding this 'ecosystem perspective' is key to improving collaboration and driving progress to create a more future-proof industry.

A rising need for circular legislation

It's becoming increasingly clear that the sustainability of the fashion industry is a key concern shared by customers, legislators and fashion brands themselves.

- **Around two-thirds** of fashion consumers consider sustainable materials and a brand's promotion of sustainability to be important factors in their purchasing decisions.[9]
- **The EU has already embraced** circularity as one of the main building blocks of the European Green Deal.[10]
- **In the fashion industry**, key players have begun to provide circularity-focused services to their customers, such as Zara's repair, resale and donation services in the US.[11]

However, the consensus is that **fashion brands are still lagging behind the demands and expectations of consumers and legislators.**[12] It's still a wasteful industry: in the EU, about 12 kg of textile waste is generated per person per year, and only 22% of textile waste is collected for reuse or recycling [13]. Globally, the figures are even worse: **only 1% of the raw materials used in clothing production are currently recycled into new clothing.**[14]

Regulators are taking notice, with the EU 'leading the charge'.[15]

The EU's vision for the textile industry has been set out in the Circular Economy Action Plan (CEAP) [16] and Strategy for Sustainable and Circular Textiles. The aim of this strategy is to establish standardised rules and guidelines on product design, end-of-life management and other topics to facilitate the transition to more sustainable practices.

One example is Extended Producer Responsibility (EPR) for textiles, which is already in force in the Netherlands. It requires that by 2025, 50% of





garments being sold be 'prepared for reuse or recycling'. [17] EPR is expected to be extended across the EU in the coming years if the proposed amendments to the Waste Framework Directive are adopted. [18]

Another example is the Ecodesign for Sustainable Products Regulation (ESPR), which sets minimum design standards for recyclability, durability, reusability and repairability for all individual products sold within the EU. It will also require products to carry a Digital Product Passport (DPP), making it easier for customers, resellers and recyclers to access information on sustainability, repairability and material composition, among other topics. Finally, the ESPR introduces a ban on the destruction of unsold textiles and footwear. For many brands, these regulations will require a radical rethink of their sourcing, manufacturing and end-of-life processes. Of course, in Europe it's not just about what the EU says but also what individual countries are doing:

- **In Belgium,** CircleTex is a cross-sector, not-for-profit initiative that aims to set up a national collection system to facilitate textile circularity. [19] Major brands, such as JBC, have already signed up, paving the way for wider adoption. [20]
- **In France,** accredited 'producer responsibility organisations' (PROs) such as ReFashion have been set up to help producers take responsibility for the end-of-life stage of their products. [21]
- **The Dutch** National Circular Economy Programme 2023-30 aims to increase high-grade recycling capabilities. [22]

The data indicates that innovative industry solutions like these are indeed having a positive impact on the wider adoption of these measures within their respective countries. This trio of countries is currently leading the way in terms of circularity: a 2022 Eurostat study found that the circularity rate – the proportion of material resources used that comes from recycled waste – was highest in the Netherlands (27.5%), followed by Belgium (22.2%) and France (19.3%). [23] These examples demonstrate that, for a circular fashion economy to thrive, there needs to be a concerted, collaborative effort between companies and legislators to drive change.

Recycling isn't the end of the story, either.

That's because simply increasing the recycling rate doesn't address one of the core principles of circularity: keeping products and materials in use. To achieve this, it's necessary to implement effective solutions to minimise the need to discard clothing in the first place.

This is the rationale behind the EU's Right to Repair (R2R) Directive,[24] under which extending the life of products by facilitating access to repair services is set to become the new normal for many brands. The legislation aims to make repair services more accessible, transparent and attractive – encouraging consumers to prioritise repair over replacement for damaged or defective goods.

The Directive is currently focused on household appliances and electronic goods, and it is envisaged that fashion could be the next industry to be brought within its scope. Indeed, the EU's Strategy for Sustainable and Circular Textiles aims for a shift to a climate-neutral circular economy – where products are designed to be more durable, reusable, repairable, recyclable and energy efficient.[25]

While the EU has been at the forefront of circularity legislation, other countries are following suit. In October 2024, the state of California – which, if it were a country, would be the world's fifth-largest economy[26] – enacted the first apparel and textile recovery law in the US. The legislation, which will come into force on 1st July 2026, aims to shift the cost and responsibility of managing end-of-life products from taxpayers and local governments to the producers and sellers of those products.

Fashion brands have the tools to succeed and play a crucial role in the transition to a circular fashion industry.

While circularity requires brands to rethink the way they do business, many of the ingredients for truly circular practices already exist. Take recycling: according to the Textile Exchange Materials report, cotton and polyester remain the most widely used fibre types. This is reflected in the number of existing and in-development technologies that are focused on cotton and polyester recycling. As brands gain a better understanding of the textile recycling landscape, this will influence the design process and help to increase the use of recycled materials. This is a crucial step in creating a more accessible **and cost-effective circular model for the fashion industry.**



Repair services are another promising pathway toward circularity

Several brands are already adopting repair services. For example, luxury e-commerce company Farfetch has set up a 'sell, donate and repair' programme that allows customers to send in used clothing and accessories in return for store credit.

While many fashion and lifestyle brands are looking to adopt more sustainable practices, it can be difficult to know where to start. However, support is becoming increasingly available. At Bleckmann, for example, we have developed RESCUE, a streamlined solution to help brands restore damaged returns to like-new condition – allowing them to be resold and avoiding waste. This can support compliance with existing legislation, such as the ESPR, alongside mitigating the financial losses associated with the disposal of damaged returns.

Designed as a first step towards circular business practices, RESCUE can be easily integrated into a fashion brand's returns process. It can be added to the existing logistics services that Bleckmann provides to a brand or set up as a stand-alone service.

When we rolled out the RESCUE service with online retailer Otrium, we repaired 50% of their damaged goods.

Within seven weeks, 70% of the repaired goods were sold again! Circularity in fashion is here to stay, and brands that implement circular practices now are likely to have a competitive advantage that can only grow in the coming years. By adopting more durable designs and incorporating recycling and renewal capabilities into their operations, brands can 'kill two birds with one stone' by:

- **responding** to consumer demand for more durable and sustainable products (the 'buy less, buy better' trend),
- **facilitating** compliance with current and future regulations.

Fundamentally, fashion brands are not alone in the development of circular solutions.

Circularity must be seen through the lens of "ecosystem thinking"; it is driven by collaboration between customers, legislators and brands themselves. After all, there can be no circularity if companies don't invest in providing it; circular solutions like repair services can't succeed if customers don't use them; legislators can't develop effective regulations without drawing on success stories; and fashion brands can't embrace recyclability if governments and



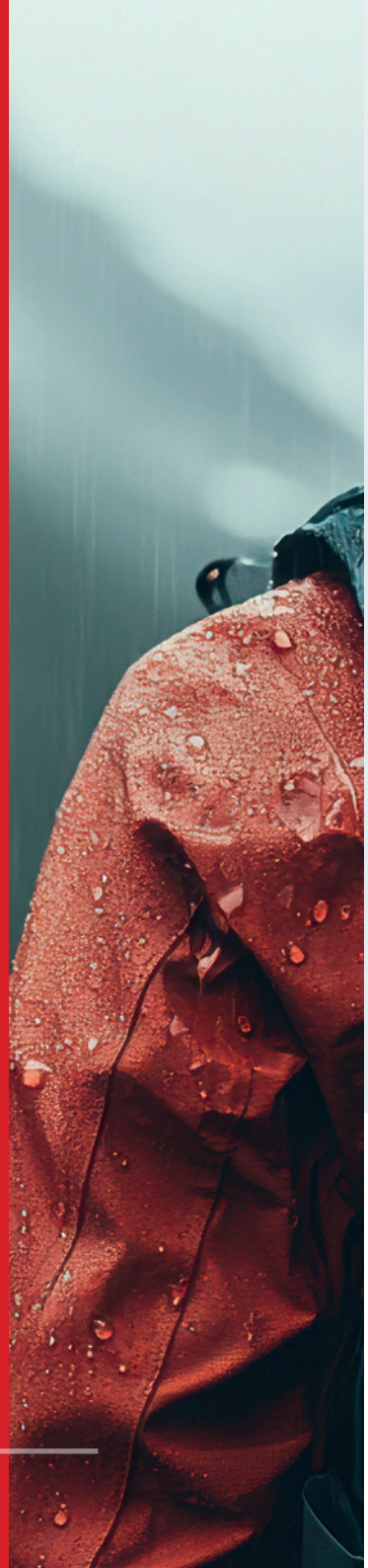
supply chain partners don't invest in increasing recycling capacity.

fashion brands can play a leading role in the circularity ecosystem

Brands that implement new practices, technologies and circular services enable several important benefits: they can subtly influence customer behaviour, provide application cases for legislators and peers to learn from and encourage supply chain partners to invest in circularity alongside them. By exerting influence through their relationships with these respective stakeholders, brands help to create positive feedback loops that make it easier to further implement and scale circular business models.

We believe that much of the knowledge to support the transition to a circular economy for fashion already exists – in fact, this shift may have already begun. Importantly, the impetus isn't coming from one source. Fashion brands are encouraging their customers to adopt more environmentally responsible practices, and customers are putting pressure on legislators and businesses to adopt more sustainable policies. Legislators are driving change through reform, but they can be supported in this task through dialogue with business. And supply chain partners like Bleckmann also have a role to play. Through this 'ecosystem approach' to regulatory compliance, the fashion industry must analyse its practices across the value chain, from raw material sourcing to waste management and reporting. Together, we can make circularity a reality.





ROBUST, RESILIENT, REUSABLE: WHAT THE FASHION INDUSTRY CAN – AND MUST – LEARN FROM THE OUTDOOR SECTOR

known for its durable products, provides a strong model for circular practices that the wider fashion industry can adopt to become more sustainable.

There's no denying that the fashion landscape has shifted over the past decade, with more and more brands exploring circular services and business models. This has been particularly pronounced in the outdoor category, a trend that's reflected in our latest industry circularity study. In this article, we unpack the findings, discuss why the sector consistently outperforms the rest and explore what the wider industry can learn from its approach.

The state of circularity in fashion

Keeping a close eye on how markets, companies, supply chains and customers are responding to regulatory and consumer pressure for circularity is vital – both to measure progress on sustainability and to help us understand how we can best support our clients. That's why Bleckmann conducts an annual survey of the apparel and lifestyle market to see how brands in different categories are evolving in line with the changing business landscape.

This year, we looked at 75 brands to find out what circular services they offer their customers. This research revealed that more brands across categories are exploring circular services, indicating that companies are open to exploring new ideas beyond traditional value creation models. However, outdoor apparel brands are significantly further ahead, offering more circular programmes and services than fashion brands in all areas assessed.

What services are brands providing?

The survey focused on five specific circular services, assessing each brand's 'circularity buy-in' based on the total number of services offered:

Warranty

An assurance that a company will repair or replace a product that develops a defect within a specified period after purchase. This usually covers manufacturer defects.

Customer repair

By providing spare parts, companies can enable customers to repair products themselves. Brands can also offer repair services if the fault was caused by the customer or occurred outside the warranty period. Both options help to keep products in use for longer.



Trade-in/collection

These services include any programme or incentive scheme designed to encourage customers to return a brand's products to them at the end of their use. These products may be sent to the brand itself or to a partner that will extend their usable life.

Resale

There are many ways in which brands can incentivise the resale of used products, including a branded resale programme (either in-store or online), authenticated peer-to-peer reselling or a strategic resale partnership between the brand and a resale marketplace.

Recycling

Some brands facilitate the recycling of end-of-life textiles, helping to reduce the industry's reliance on virgin materials. We focused on public partnerships between brands and textile-to-textile recyclers. This reflects a public commitment to investing in supply chain circularity – from design for recycling to expanding the market for recycled fibres.

Outdoor: An outperforming category

The results of this year's study are shown below. As you can see, brands in the outdoor category performed significantly better than fashion brands across all circular services. This was particularly evident when you look at warranty and repair services, with 85% of outdoor brands offering warranties and 76% offering repair services. This contrasts with 57% and 24% of fashion brands offering the same services. So, why does outdoor outperform?

Durability, quality and confidence

One potential reason for the superior performance of outdoor brands is customer expectations. Often, the main reason why shoppers choose one outdoor product over another is that it will help them stay dryer, warmer, cooler, or safer than another. Performance and durability are key, which is why the industry has a strong culture of standing by its products. This is reflected in the high proportion of brands that offer warranties.

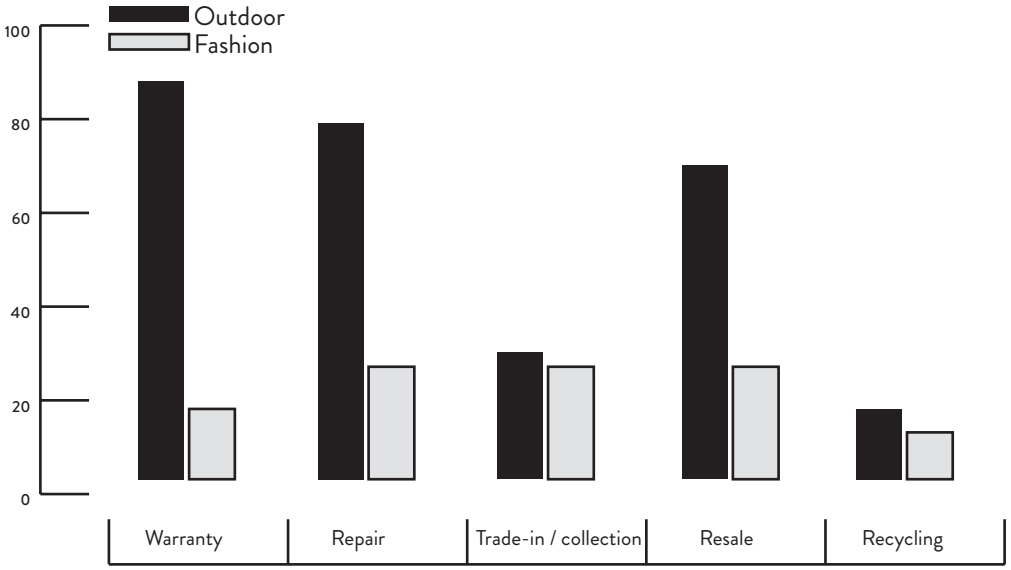
This focus on durability has led to higher quality expectations. For example, NEMO Equipment is an outdoor gear brand that makes sleeping pads, tents, sleeping bags and other equipment. They're so confident of the quality of their products that they offer a lifetime warranty. As stated on the NEMO website: "All NEMO products carry a lifetime warranty against defects in workmanship and materials to the original owner, with proof of purchase from an authorised NEMO dealer." This commitment to quality and durability isn't reflected in the same way in the wider fashion industry, where lifetime warranties are rare.



Extending product life further

Both warranty and customer repair are essential to keep products and materials in use. While warranties only cover what is within the control of the brand and its supply chain, NEMO offers customers access to expert repair services. The brand also sells spare parts so that customers can repair products themselves. This hands-on approach to repair helps keep products out of landfill and builds brand loyalty with eco-conscious customers.

In addition, providing these services can facilitate compliance with upcoming legislation. For example, the European Union's Ecodesign for Sustainable Products Regulation (ESPR) sets minimum design standards for recyclability, durability, reusability and repairability for all products sold in the EU. Meanwhile, extended producer responsibility (EPR) in the EU makes brands more accountable for product life cycles – encouraging holistic circularity practices. Brands outside the outdoor category have much to learn from this approach.



Exploring trade-in and resale

Before you can adopt a circular business model, it's important to understand how a circular supply chain differs from a linear one – and where brands may need to change their practices to adapt. In a circular business model, products aren't sourced from factories but from customers who are no longer using the products that they bought. One common example of this type of sourcing in the outdoor category is collection or trade-in schemes. Brands use these approaches to get their products back so they can be inspected, cleaned, repaired and resold.

Brands in the outdoor industry started to resell their pre-loved products in earnest around 2018. This trend, which started mainly with pilot projects, has slowly evolved into a broader cultural shift for brands and their customers – setting new expectations for what outdoor brands can offer. This gradual process can serve as a blueprint for fashion brands looking to enhance their own circular buy-in. By starting small and learning from the results of pilot projects, you can ensure that your resale programmes are the right fit for your customers.

Several brands in the outdoor industry now have trade-in programmes where customers can send in their old items in



exchange for a voucher. Some brands have in-store collection points, while others also offer online programmes. Patagonia, The North Face and Arc'teryx, for example, allow customers in the US to mail in items or drop them off at stores. These items are then repaired and used in the brand's resale programmes. Brands can manage trade-ins in a variety of ways. Some only offer discounts on new items, while others also offer discounts on their used products. The quality requirements for returned garments also vary.

Facilitating material reuse

Another key aspect of circularity in the fashion industry is textile-to-textile recycling. This category had the lowest engagement rate of all circular services across the industry, with each sector facing its own unique challenges.

Outdoor brands and fashion brands use textile-to-textile recycling in different ways. Outdoor garments and accessories often contain more complex materials – as well as lower volumes of materials – which makes recycling more difficult. This means that recycling is more likely to be seen as a final step in the circular process, with the emphasis on reuse and repair first. Some examples of textile recycling partnerships include Arc'Teryx with Ambercycle, Patagonia with Eastman and Jeplan, Trex with REI Co-op, Houdini with Teijin and The North Face with NREL. Fashion brands, meanwhile, face their own challenges. It's often the case that the rapid cycle of new styles means that there is excess inventory that could be beneficially recycled into new fibres as an end-of-life strategy. This means that there is potentially a huge reserve of material for recycling, but brands need to act with care. The largest impact factor for a textile brand is in product creation, so producing a surplus of garments that are simply recycled will do little to improve a brand's overall environmental impact. Therefore, while textile recycling can be a critical pathway to developing a circular business model in fashion, it must be accomplished with complete transparency and a strong awareness of the potential impacts. Some examples of major brand partnerships include H&M's work with Syre and Infinited Fiber, as well as Zara's collaboration with Circ, Ambercycle and Cycora.

Customers and regulators drive progress on circularity

As we continue to develop our circular offering within Bleckmann, it's vital to stay aware of the market's attitude to circularity and where it's heading. More and more brands are investing in the various circular services required to create a circular economy, particularly sectors such as the outdoor industry that are being driven by strong customer tailwinds.

But what we're also seeing is that the wider fashion industry is beginning to be affected by similar tailwinds,

from multiple sources. For example, circularity legislation in Europe and a growing interest in reuse among fashion customers, are shaping the market in various ways. While the outdoor sector is undoubtedly a frontrunner on circularity, this status is becoming increasingly precarious. Therefore, fashion brands could greatly benefit from the experiences of outdoor brands as they look to implement their own circular strategies.

Our role as a circular service provider and operational partner is to make this knowledge available to brands so we can support them in launching circular initiatives. By facilitating integration with the different aspects of the circular ecosystem – from collection to repair to resale and recycling – we play a key role in removing the obstacles to a circular fashion economy.



CONCLUSION

want to create a circular ecosystem for fashion?

don't neglect the 'breakfast effect'...

In this year's report, we've seen many examples of why taking an 'ecosystem' approach is essential to making consistent progress on circularity. Quite simply, whether you're calculating the life-cycle impact of materials or reducing waste in the returns process, the broader your perspective, the more effective you can be – ensuring benefits for more stakeholders. But the truth is that no matter how comprehensive your solutions are, you can't achieve lasting change without a critical mass of adoption by fashion customers.

And there is encouraging progress on this front throughout the fashion industry. According to the latest ThredUp Resale report, **two in five** apparel items bought in the last 12 months were second-hand. And by 2028, the global second-hand market will be worth **$350 billion**.[27] But there is still significant progress to be made. The global shift away from take-make-dispose business models in the fashion industry must be underpinned by a continual behavioural shift on the part of shoppers. And experience shows that patterns of behaviour are much more difficult to change than suppliers or processes.

Difficult, but not impossible. New ideas are only novel until they become commonplace and we start to take them for granted. And there's a lot we can do to speed up this process so that

ideas like circularity become second nature for more people.

One such example is the institution of breakfast. Many of us take it for granted that breakfast is 'the most important meal of the day'. But this assumption is, in fact, the brainchild of advertising and public relations experts. So, how did they change perceptions so successfully?

Quite simply, they made breakfast about more than just sustenance. For example, early General Mills adverts encouraged Americans to 'Eat a good breakfast, do a better job', linking



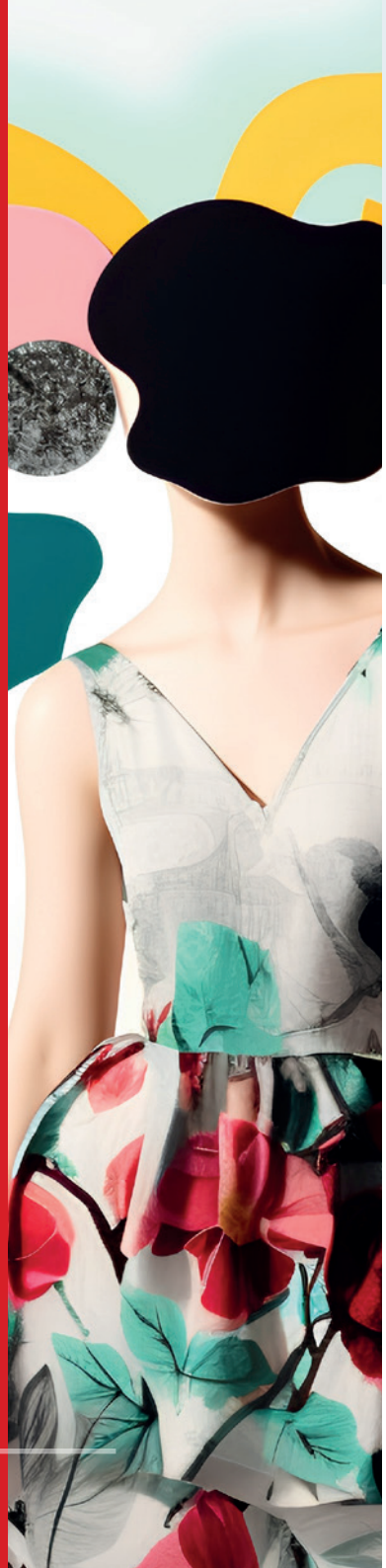
the supposed health benefits of cereal to improved performance at work.[28] Likewise, PR guru Edward Bernays played on anxieties around wellbeing to position bacon and eggs as the ideal way to start the day. In short, changing behaviours starts with examining people's motivations and exploring how we can meet these 'core needs'.

Similarly, how we position circularity needs to accurately reflect people's core motivations. The importance of this is underlined in a 2023 paper by the Merz Institute, which argues that to address the climate crisis, we must treat it as a 'Human Behavioural Crisis'.[29] An illustration of this principle is a classic urban planning problem. A motorway is constantly congested, so the authorities carry out expensive roadworks to add an extra lane in each direction. This reduces congestion temporarily, but after a few months it's just as gridlocked as before because people's core motivation didn't change – they still need to get from A to B. Applying 'ecosystem thinking' is essential to solving the problem by addressing the core motivation differently, e.g. by providing better public transport.

Therefore, when it comes to making circularity second nature, we've got to think holistically about how it responds to people's 'core motivations' – whether it's a desire to stand out, budget considerations or concern for the planet. And we'll need to ensure that circular solutions meet these needs as effectively as possible, by matching the right consumer with the right circular model.

To make an impact in the long term, circularity must move at the speed of commerce. Change won't happen overnight. But it can only happen if we respect the driving forces of the fashion ecosystem in which we operate.





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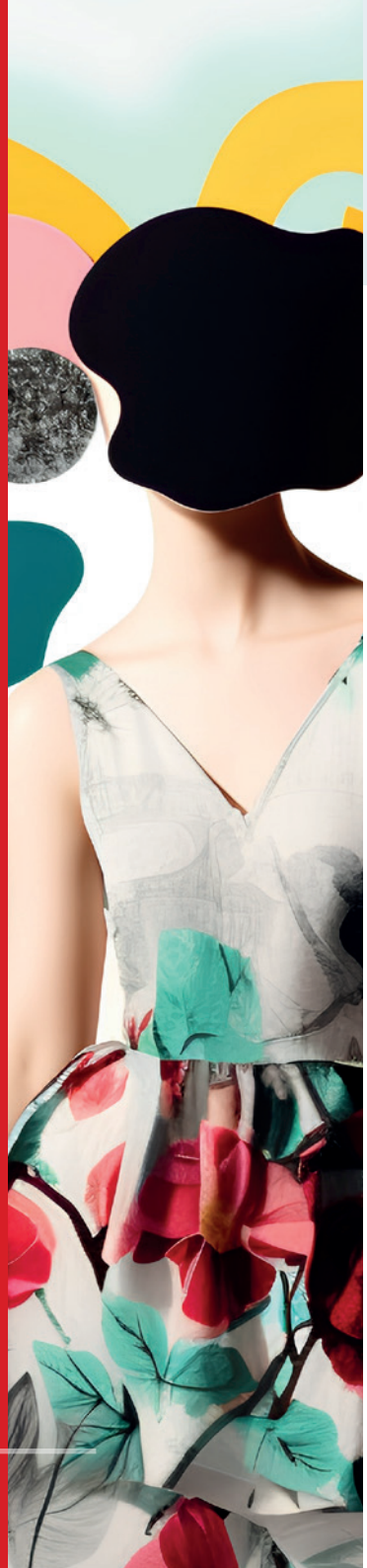

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