New Business Model for Textile and Apparel Industries

Planning for the Circular Economy
The Current Business Model
Responsibility to Investors

![Graph showing financial highlights from 2000 to 2002, including sales, gross margin, and net profit.]
Always Produce More
PRODUCING MORE THAN CAN BE CONSUMED

BLUE: (Series 1)
CLOTHING PRODUCED
2017-150 BILLION
2030-500 BILLION

PINK: (Series 2)
GLOBAL POPULATION
2017- 7.5 billion
2030- 8.5 billion
Retailers Know Discarded Clothing Problem

Business model remains unchanged

Exchange clothing for discount to buy more.

Give to textile recycler
Retailers’ Incentives Continue the Current Business Model of Accelerated Consumption
Guilt Free Consumption

Assumption of doing “good.” No transparency, no truth. Resource lost to the supply chain.
Non-Transparency for using recycled fiber

Single use...no infrastructure for recycling again... HEADED FOR LANDFILL
Diminished Role of NGO’s

The Life Cycle of Secondhand Clothing

What happens to your donated or recycled used clothing?

On average, each American donates or recycles 12 pounds of apparel, footwear, and household textiles. Here’s what happens next...

80% Left with billions of pounds, charities resell their salvage to recyclers which raises significant revenue and is an alternative to the landfill. Secondhand clothing recyclers sort and separate these materials into three general classifications:

45% REUSED AND REPURPOSED Majority exported as secondhand clothing

30% RECYCLED AND CONVERTED Reclaimed wiping rags are used in various ways as industrial and residential absorbents.

20% RECYCLED INTO FIBER Post-consumer fiber is used to make home insulation, carpet padding, and raw material for the automotive industry.

Only 5% ends up as waste.

Did you know?

Thrift industry employs nearly 100,000 workers in the U.S. with over $1 billion in wages paid. In addition, private sector recyclers create an additional 15,000 to 20,000 jobs nationally.

Most private sector recyclers are small businesses with fewer than 500 employees. Every 1,000 lbs donated and recycled generates two man days of labor. Primary and secondary recyclers account for annual gross sales in excess of $700 million.

Charities and private sector combined handle 3.3 billion pounds annually. These tremendous volumes are recycled and processed due to a highly efficient industry. Your secondhand clothing goes through this entire process in just 30-60 days.
Textile Recyclers Distribute For Low Value
Low Value, Destined For Landfill
Lost to the Textile Supply Chain
The Future: Making Authentic fiber and textiles
Future Industry Based on Local Highest/Best Use

Benefit local community
• Create jobs
• Engage creativity
• Avoid waste

Create local wealth
• Income from the community for the community
• New companies
Future Business Values Based on a Circular Economy

Responsible for Environment

• SOURCE PRODUCTS THAT CREATE LITTLE WASTE
• SOURCE PRODUCTS THAT USE LITTLE WATER OR ENERGY

Reject Over-Production

• PRODUCE WHAT CAN BE CONSUMED
Future Business Values Based on a Circular Economy

Create Local Infrastructure

• CLEAN COLLECTION
• REPAIR/REHABILITATE
• DESIGN/MANUFACTURE
• WHOLESALE
• RETAIL

Seek Truth & Transparency

• NO SINGLE USE DESIGN
• USE RECYCLED PRODUCTS IN DESIGN
• PRODUCTS MUST BE RECYCLED AGAIN.
Taking Action Now

4 steps
#1 Adopt Innovation to a Support Circular Industry

CREATE PRODUCTS THAT CAN BE REUSED AND RECYCLED WITHIN THE
TEXTILE SUPPLY CHAIN
#2 Educate and Motivate Consumers to Know Value
Better Than New

Patagonia Worn Wear Swap
Black Friday 11·28·14 All Day

No longer wearing that jacket? Take a break from the consumer madness this Black Friday and drop by the Patagonia Worn Wear Swap. If you didn’t find something you like, our friends from the sharing app Burrow will be on hand to exchange your used Patagonia clothing for specific credits.

Food, refreshments and music

Patagonia Denver
1621 16th St 1302 864-0500
In-store @ papalynitedervern @ Patagonia/Denver

#2 Educate and Motivate Consumers to Know Value
#3 Create Infrastructure for a Circular Industry

ReTuna Återbruksgalleria: SWEDEN’S SHOPPING CENTER DEDICATED TO POST-CONSUMER PRODUCTS
#4 Public Policy to Direct Product End-of-Life

REQUIRE ALL TEXTILE PRODUCTS TO BE 100% RECYCLABLE BACK TO THE SUPPLY CHAIN.
Where to Begin?

Focus of deep dive

Material waste
Per cent of total production

Processing 23
77
Manufacturing 11
65
Distribution and retail 1
64
Consumer 64

SOURCE: WRAP "Valuing Our Clothes", 2009
Targeted Ask © TO THE CONSUMER
UNDERSTANDING VALUE IN THEIR CLOTHING

• CLEAN COLLECTION: ONE CATEGORY AT A TIME

• VALUE: LOCALLY USED OR SOLD IN THE COMMUNITY
Authentic Products...

...To Become Resources for Future Production