

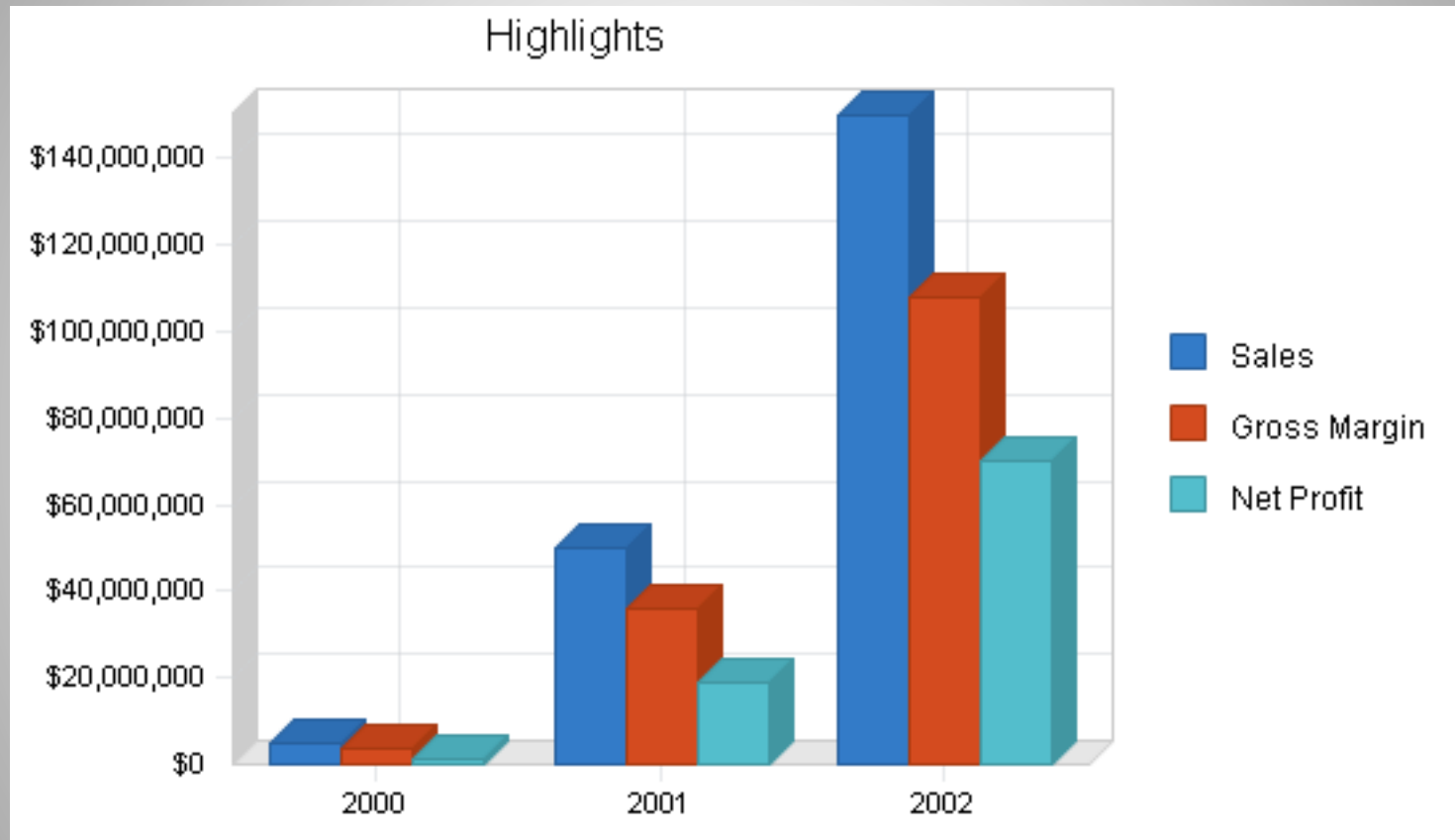
New Business Model for Textile and Apparel Industries

Planning for the Circular Economy

The Current Business Model



Responsibility to Investors





Always Produce More

PRODUCING MORE THAN CAN BE CONSUMED

BLUE: (Series 1)

CLOTHING PRODUCED

2017-150 BILLION

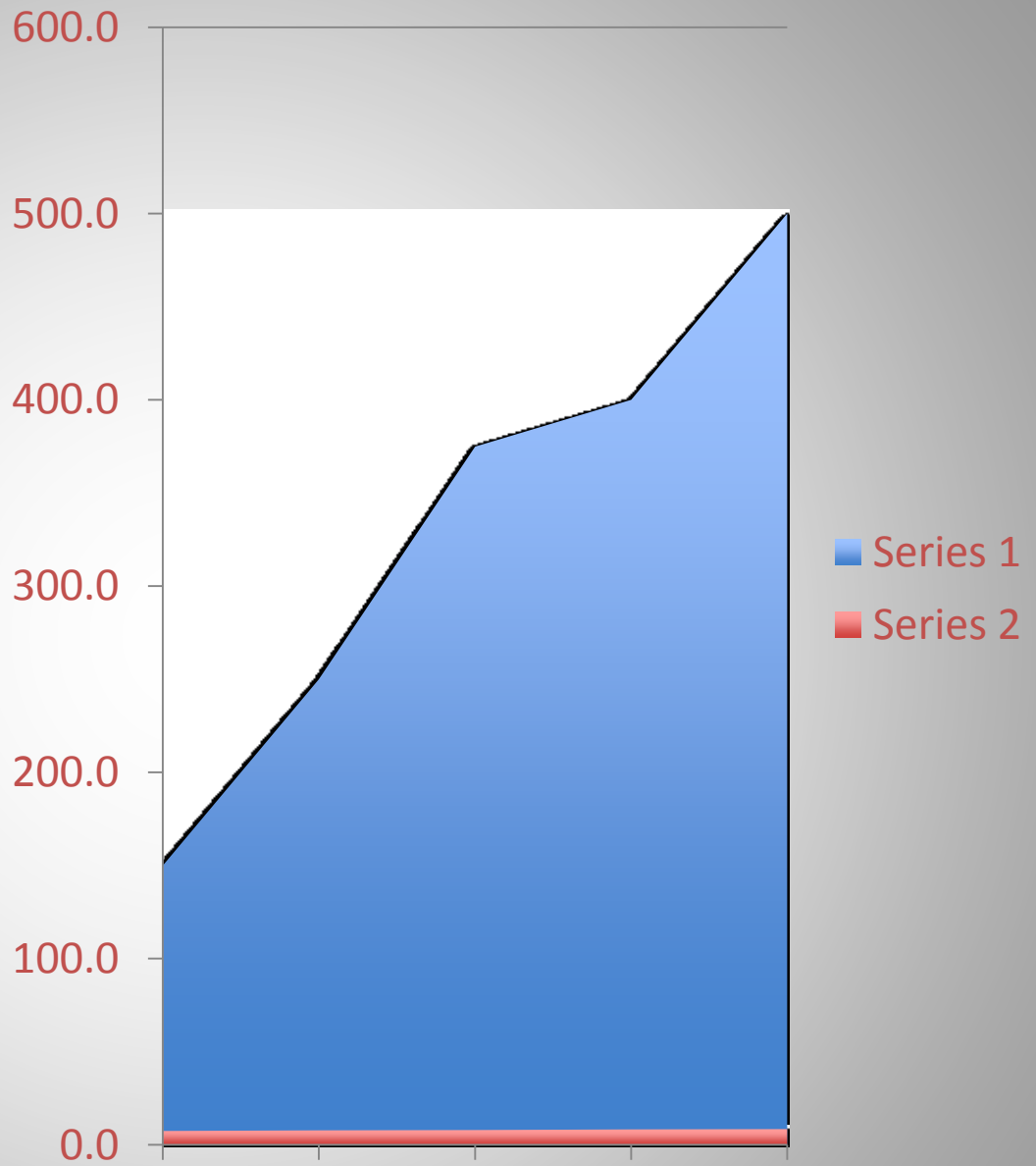
2030-500 BILLION

PINK: (Series 2)

GLOBAL POPULATION

2017- 7.5 billion

2030- 8.5 billion



Retailers Know Discarded Clothing Problem

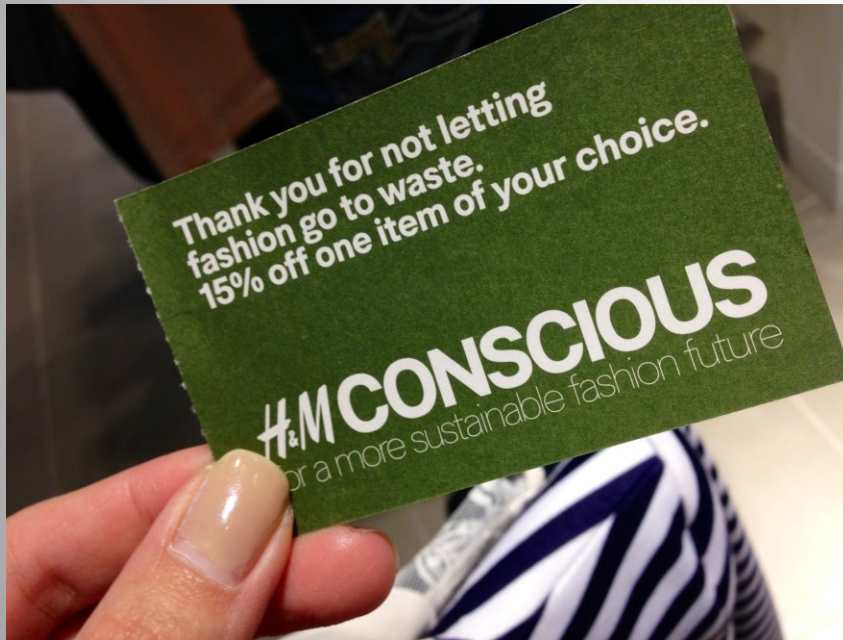
Exchange clothing for
discount to buy more.

Give to textile recycler

Business model remains unchanged



Retailers' Incentives Continue the Current Business Model of Accelerated Consumption





UNIQLO RECYCLE

Bringing Truly Great Clothing to People in Need the World Over

1. Collect

Stop by any store to donate clothing you have purchased from UNIQLO.



2. Sort

Clothing will be sorted to suit the cultural needs and preferences of the people in each destination country.



3. Deliver

UNIQLO will deliver clothing to people in need throughout the world with its partners including UNHCR .

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

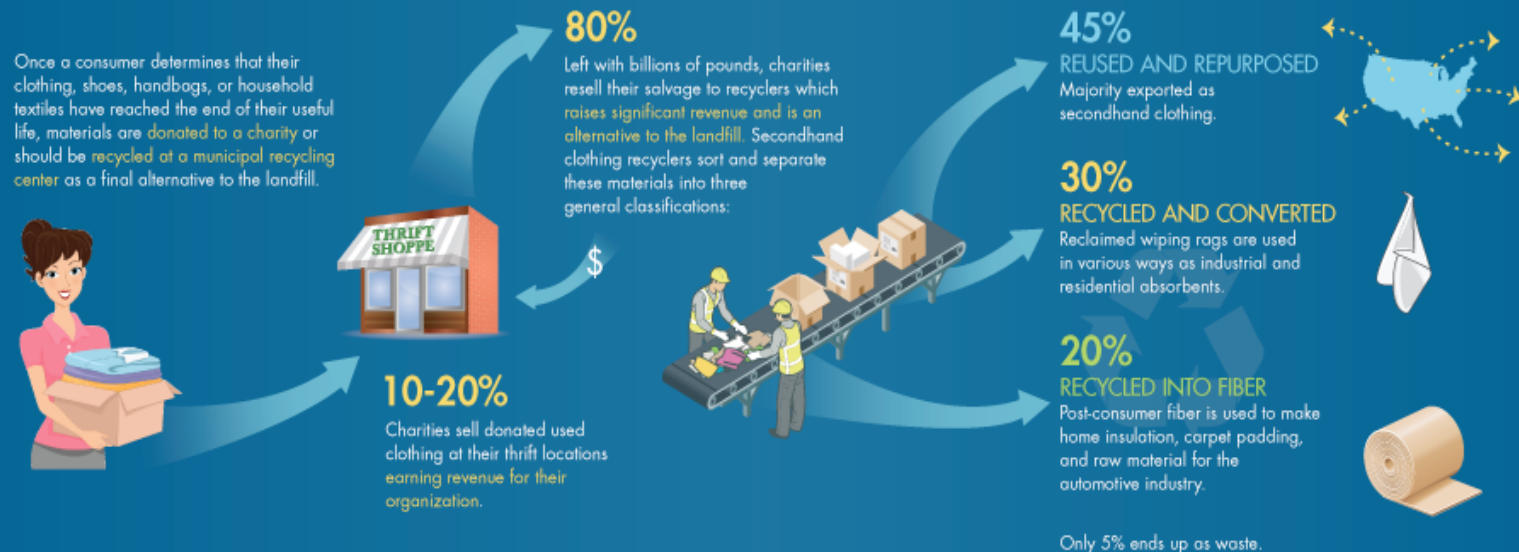
The Life Cycle of Secondhand Clothing

 Council for Textile Recycling
A Nonprofit 501(c)(3) Organization

www.weardonaterecycle.org

What happens to your donated or recycled used clothing?

On average, each American donates or recycles 12 pounds of apparel, footwear, and household textiles.¹ Here's what happens next...



Did you know?

Worn or torn, all dry clothing, shoes, and textiles can be donated or recycled.

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.²

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.³

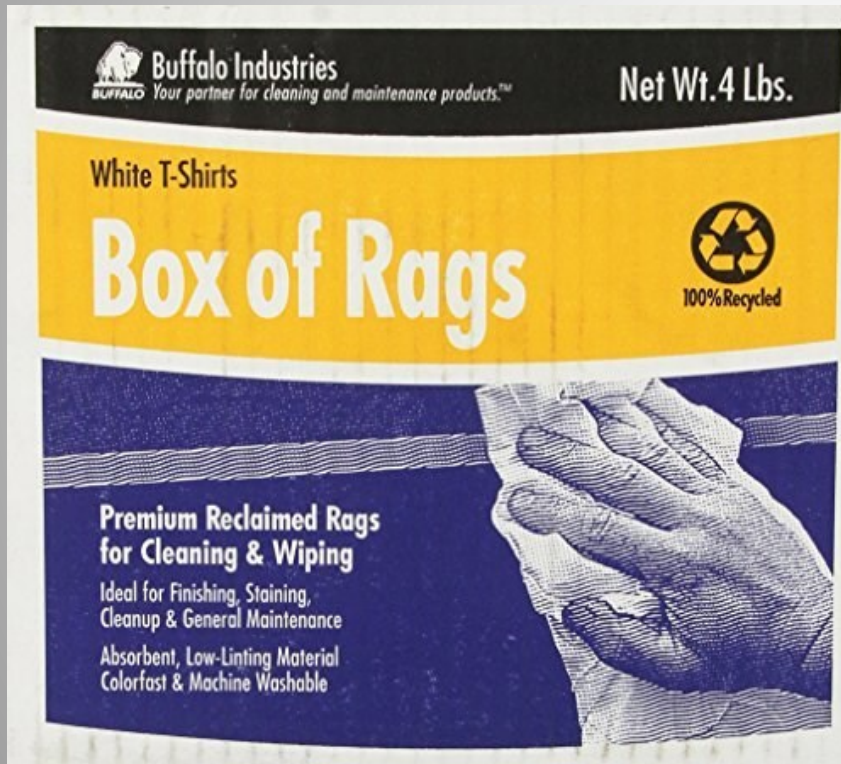
Charities and private sector combined handle 3.8 billion pounds annually.⁴ These tremendous volumes are recycled and processed due to a highly efficient industry. Your secondhand clothing goes through this entire process in just 30-60 days.⁵

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



NO EXCUSES

OUR VISION IS FOR AN INDUSTRY WHERE HUMAN RIGHTS AND SUSTAINABILITY ARE NOT THE EFFECT OF A PARTICULAR INITIATIVE, BUT THE CAUSE OF A BUSINESS WELL RUN. WHERE SOCIAL AND ENVIRONMENTAL INJUSTICES ARE NOT UNFORTUNATE OUTCOMES, BUT REASONS TO DO THINGS DIFFERENTLY. WHERE EXCUSES ARE IGNORED AND ACTION IS TAKEN.

WE'RE WORKING TOWARD A WORLD IN WHICH THE CLOTHES YOU LOVE TO WEAR CREATE NOTHING BUT LOVE.

#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 don't find something you like, our friends from the sharing app yerdle will be on hand to exchange your used Patagonia clothing for yerdle credits.

Free food, refreshments and music

Patagonia Denver
1431 15th St (303) 446-9500
insta: @patagoniadenver fb: PatagoniaDenver

patagonia

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#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

RETAILERS

- Pay infrastructure fee per garment sold
- Send presorted to local collector

CONSUMERS

- Respond to local collector's Targeted Ask©
- New purchase from local collector

#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

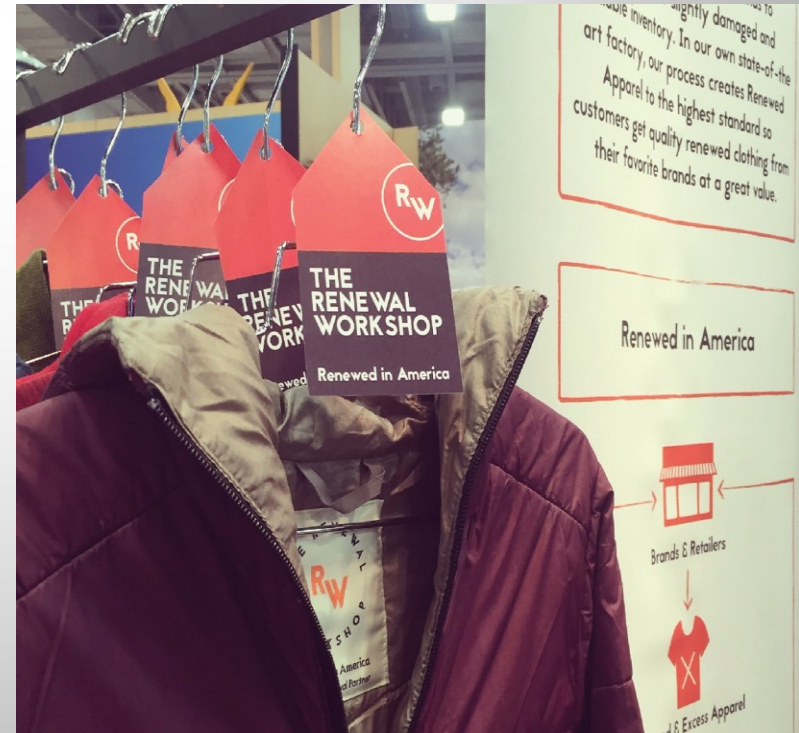


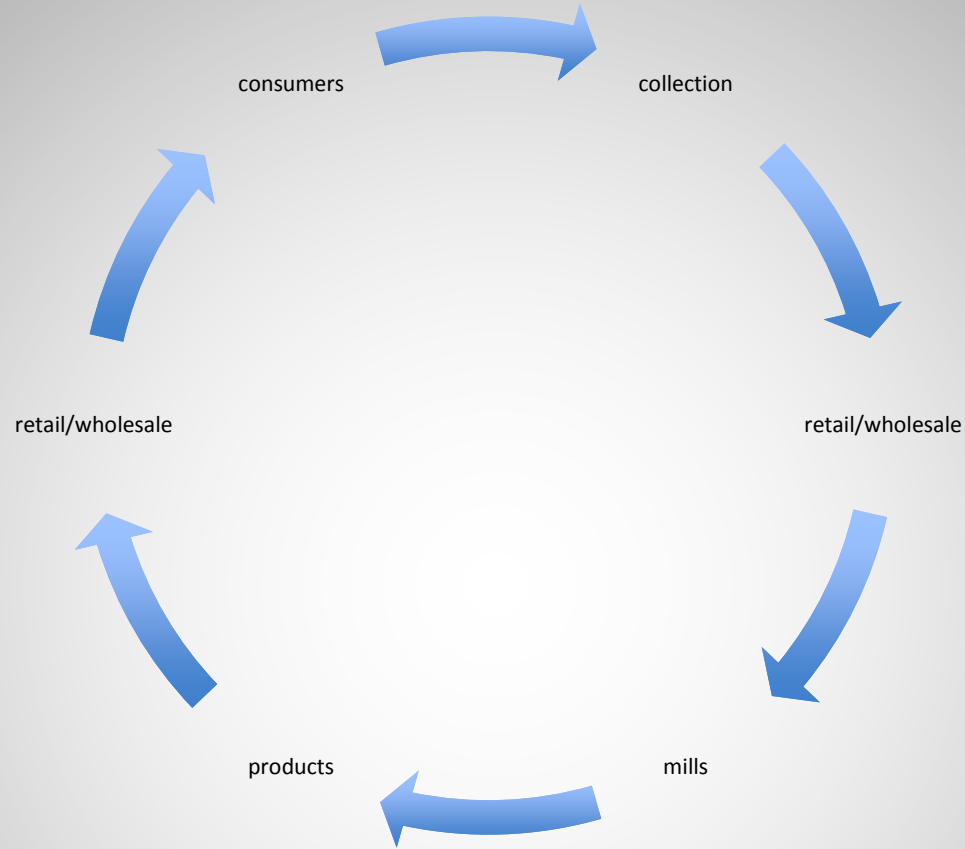
SOURCE: WRAP 'Valuing Our Clothes', 2009

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