

SUSTAINABILITY

## Circularity is at the core of the future economy: BFC

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*To transition to a circular economy, BFC argues key social and political issues must be overlooked in favor of purely economic considerations. Image credit: British Fashion Council*

By NORA HOWE

The fashion industry which accounts for nearly **5 percent** of global emissions and is the third highest contributor of global greenhouse gases needs to transition to a circular model sooner than later, according to the British Fashion Council.

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The environmental and social impact of the industry and its extensive supply chains have been exacerbated by the COVID-19 pandemic, which has shed a bright light on patterns of overconsumption and wasteful production processes. According to the BFC's "**Circular Fashion Ecosystem**" report, the only way for the industry to combat the current climate crisis is through a circular economy centered around resale platforms, rental services and regenerative technology.

"Driven by industry, recognizing the role of government and the consumer, we challenged ourselves to imagine the future circular fashion ecosystem in the U.K.," said Caroline Rush, CEO of the **British Fashion Council**, in the report.

"By providing an actions-oriented blueprint for the future of fashion, we looked to accelerate the transition towards a circular fashion economy that thrives in its own right and to which other nations can look for inspiration and guidance."

Circularity in the UK

By employing 890,000 people and contributing 35 billion pounds, or \$47.4 billion at the current exchange rate, to the U.K. gross domestic product (GDP), fashion has a significant impact on the British economy.

The BFC suggests a shift toward a circular economy would help the U.K. reach the goals established in the Paris Climate Agreement, and offers fashion the opportunity to address systemic environmental and social challenges within supply chains.



*More than one in three U.K. consumers buy clothes with the intention of using them for a short time. Image credit: British Fashion Council*

In its report, the BCF establishes three target outcomes from a circular economy.

The first is a volume reduction of new physical items. It has determined that the most effective way for businesses and stakeholders to reduce their harmful environmental and social footprint is by reducing consumer demand for new, physical clothing.

Second is the maximized utilization of apparel items through circularity. The U.K. purchases more clothing per capita than many of its European counterparts, and approximately \$500 billion is lost globally each year due to lack of use and recycling.

By improving clothing utilization and adopting circular business models, the BCF believes the value of garments will increase thus adding profitability and stability to the supply chain.

The third is optimized sorting methods and material recovery, which points to the adoption of emerging technologies. Businesses should be planning and investing in technology now, so that it can be implemented to support regenerative recycling efforts.

Announced on Nov. 6, British fashion house Burberry expanded on its climate commitment with a new biodiversity strategy aiming to support global conservation efforts with the label taking action to protect, restore and regenerate nature, helping to slow further global warming in working towards the 1.5 degrees Celsius pathway listed in the Paris Agreement ([see story](#)).

A major determinant in successfully shifting to a circular model is understanding and adjusting consumer behavior. In the U.K., 50 percent of high intensity shoppers those who purchase two or more items and shop at least once per month clear out items in their wardrobes to free up space on a monthly basis.



*Since 2016, Burberry has worked with the resale platform The RealReal. Image credit: Burberry*

These shoppers are purchasing an average of six items of clothing each month; however, 37 percent use rental

platforms. More than half, 58 percent, repair clothing either at home or through professional services.

Rent, resell, repair

Based on the research, potential opportunities for shifting behavior of high intensity shoppers include accelerating the emerging rental market and expanding access to online resale platforms.

Earlier this year, resale platform Vestiaire Collective partnered with British fashion label Alexander McQueen to launch a "brand approved" program, in which consumers are invited to sell their preowned pieces and receive a credit to buy new pieces from specified McQueen stores.

Alexander McQueen was the first luxury fashion house to partner with Vestiaire Collective ([see story](#)). Since then, fashion group Kering has invested in the platform, which is worth \$1.7 billion as of September.

In July, British department store chain Harrods entered the circular fashion game with its newly launched Rental Edit, in partnership with luxury rental platform My Wardrobe HQ.

My Wardrobe HQ is a social shopping platform with sustainability at its core, allowing users to rent and monetize their wardrobes while contributing to a circular economy. Now, U.K. customers can rent a curated selection of Harrods designers through the My Wardrobe HQ platform.

With the launch, Harrods hoped to take a significant step towards solidifying its place as an environmentally-conscious company, incorporating sustainable practices into each part of its business, from waste management to innovative partnerships ([see story](#)).

"The U.K. has all the ingredients needed to create a blueprint for a circular fashion economy that will deliver significant environmental, commercial and societal benefits," Ms. Rush said.

"We are already seeing this with our emerging designers, however with large commercial businesses, re-commerce businesses, academia, innovators, funders, logistics providers, waste management and recycling providers and the broader ecosystem coming together with government, we have an opportunity to create this target state quicker and in doing so creating jobs and skills benefiting the U.K. as a whole."

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