

Conceptualizing circular business models

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Outline of the presentation

1. Why we need circular business models
2. Definitions
3. Types
4. Examples



Why we need circular business models

The fashion and textile industry is a very resource-intensive sector associated with high CO₂-emissions, as well as a heavy use of water, chemicals, energy and land.

The fashion and textile industry accounts for up to 10% of global Green House Gas emissions.


The water use amounts to more than 215 trillion liters of water per year

Approximately 3,500 chemical substances have been identified as used in textile production

Cotton cultivation uses 2.5% of the world's arable land. Wool requires 278 hectares per tonne of fibre. 140 million trees are used for making viscose every year.

The wet processing stages of dyeing and finishing require the heat and electricity from burning fossil fuels



 Nordic Council of Ministers

Mapping Sustainable Textile Initiatives in the Nordic Countries

The report is available here: <https://www.norden.org/en/publication/mapping-sustainable-textile-initiatives-nordic-countries>



TEXTILE PRODUCTION

Global textile fibre production has almost doubled:



from
58 million tonnes
in 2000

to
109 million tonnes
in 2020

and is projected to grow to
145 million tonnes
by 2030

Source: European Environment Agency (ETC-CE Report 2023/5)



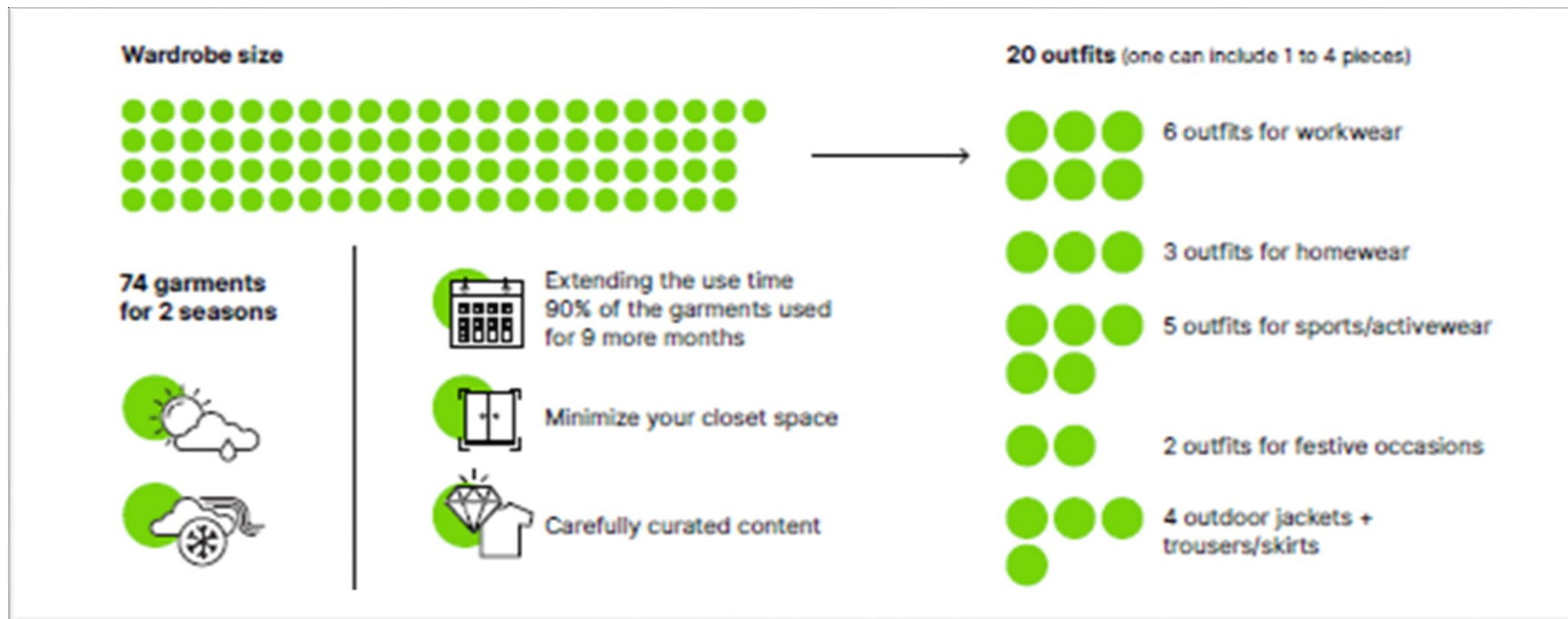
Synthetic fibers have grown from below 20% to 62% of global fiber production

Source: [European Parliament Infographics](#)

In the Nordics, the annual consumption of new textiles per capita is 26-48 garments

The number of times a piece of clothing is worn before it ceases to be used is decreasing while clothing sales are increasing

If each garment is used twice as many times before disposal, almost half the environmental impact is mitigated.

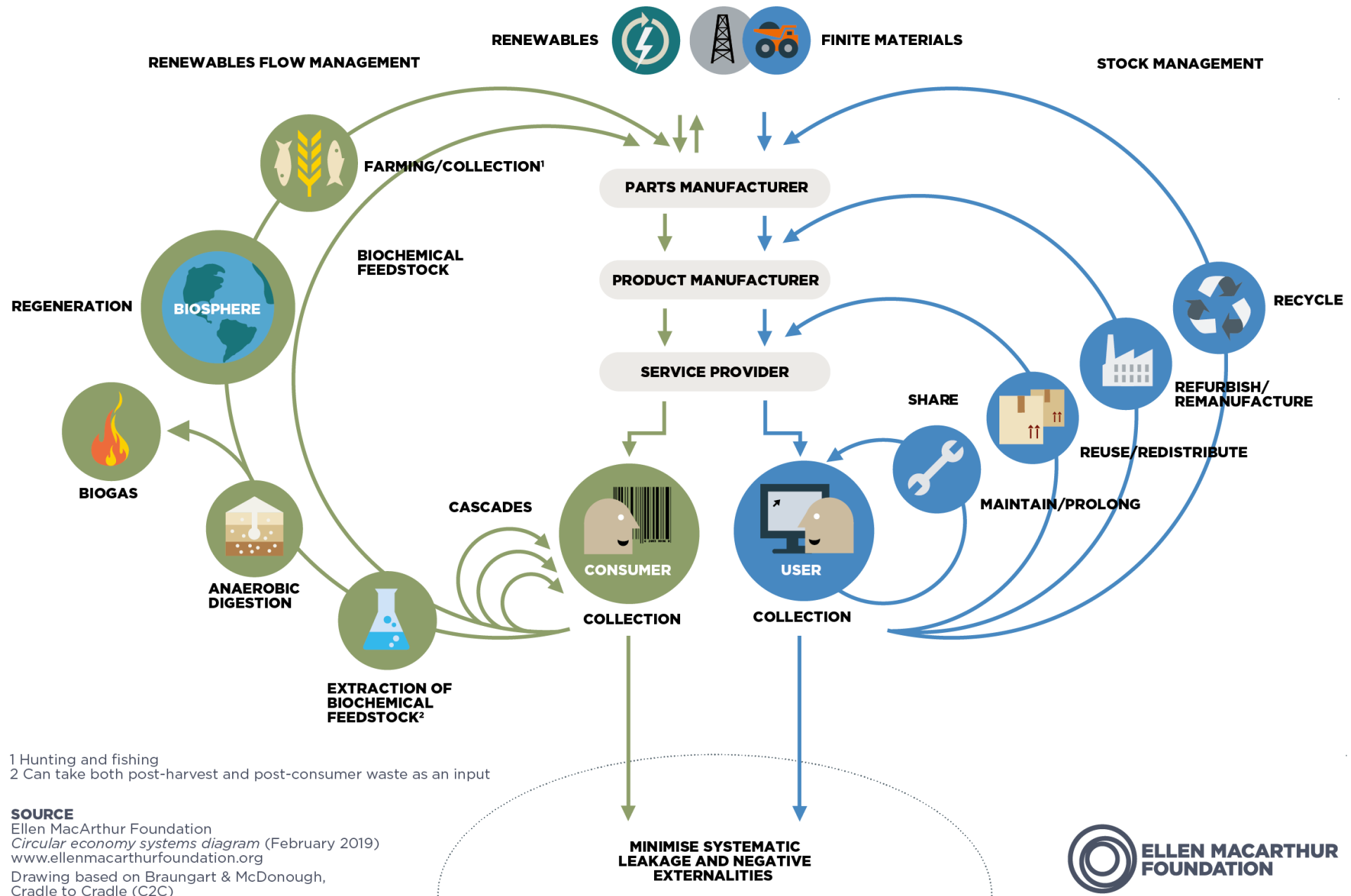




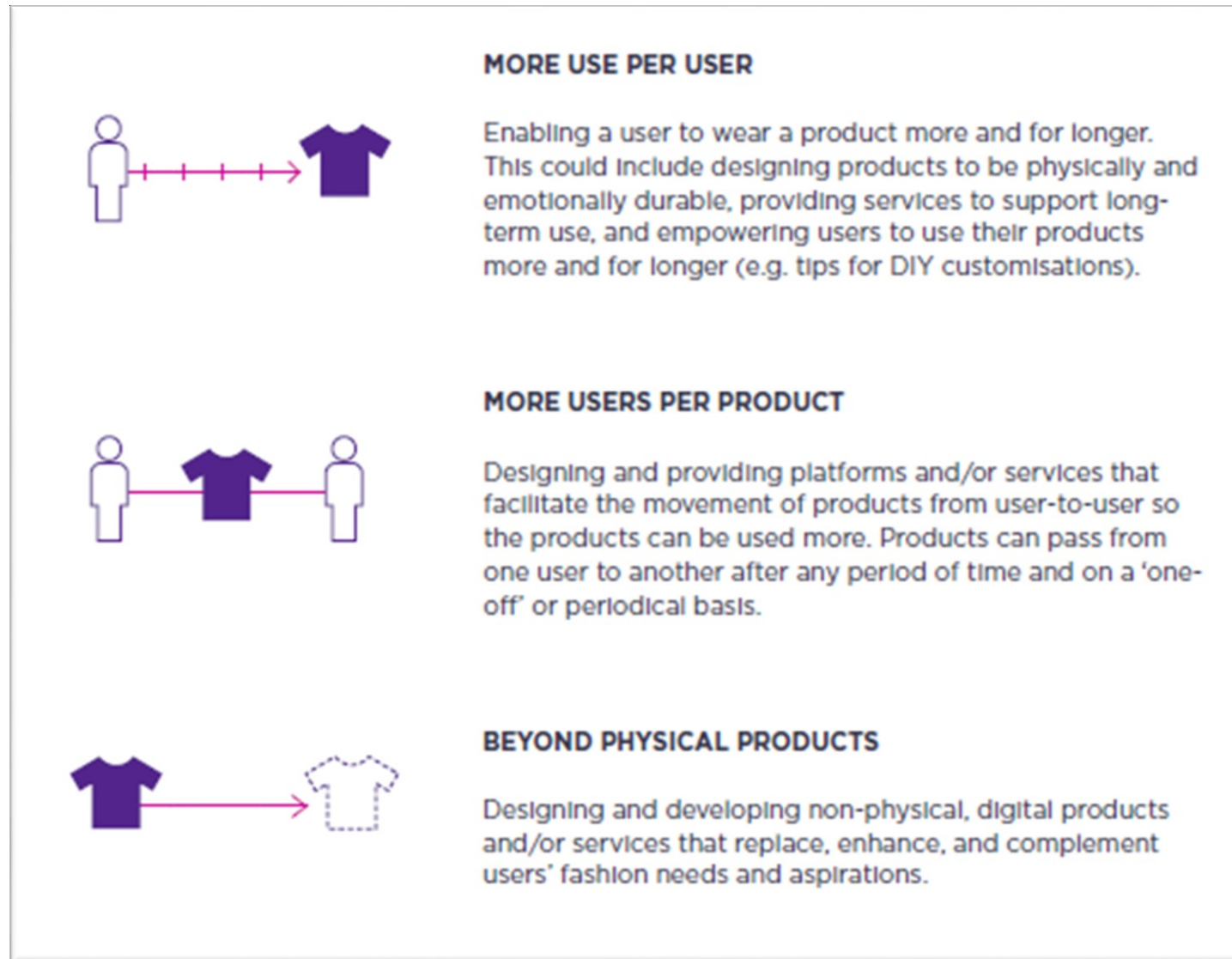
We need circular business models to reduce the environmental impact of traditional business models *and* of current consumption trends.

Definition: Circular economy





Types of circular business models



[Ellen MacArthur Foundation \(2021\) Circular business models: Redefining growth for a thriving fashion industry](#) (p. 13)

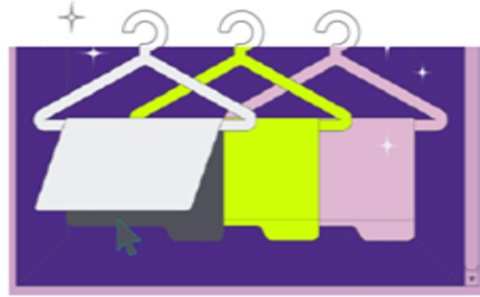


Examples



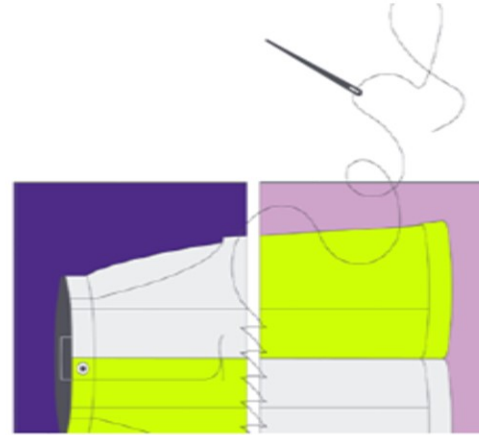
RESALE

This includes peer-to-peer sale of second-hand items (online and offline), third-party marketplaces (online and offline), and own-brand re-commerce and take-back (online and offline)



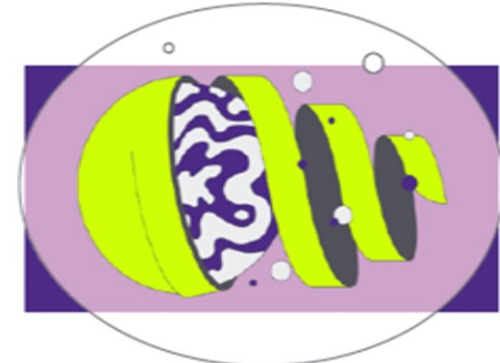
RENTAL

This includes one-off peer-to-peer rentals by private owners, as well as large-scale rental and subscription models by multi-brand platforms or individual brands



REPAIR

This is the operation by which a faulty or broken product or component is returned back to a usable state



REMAKING

This is the operation by which a product is created from existing products or components. This operation can include disassembling, re-dyeing, and repurposing

[Ellen MacArthur Foundation \(2021\) Circular business models: Redefining growth for a thriving fashion industry](#) (p. 14)



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Thanks for your attention

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