Can transparency make the economy more circular? A deep dive into the fashion industry

World Benchmarking Alliance

October 2020

Laudes Foundation

World Benchmarking Alliance

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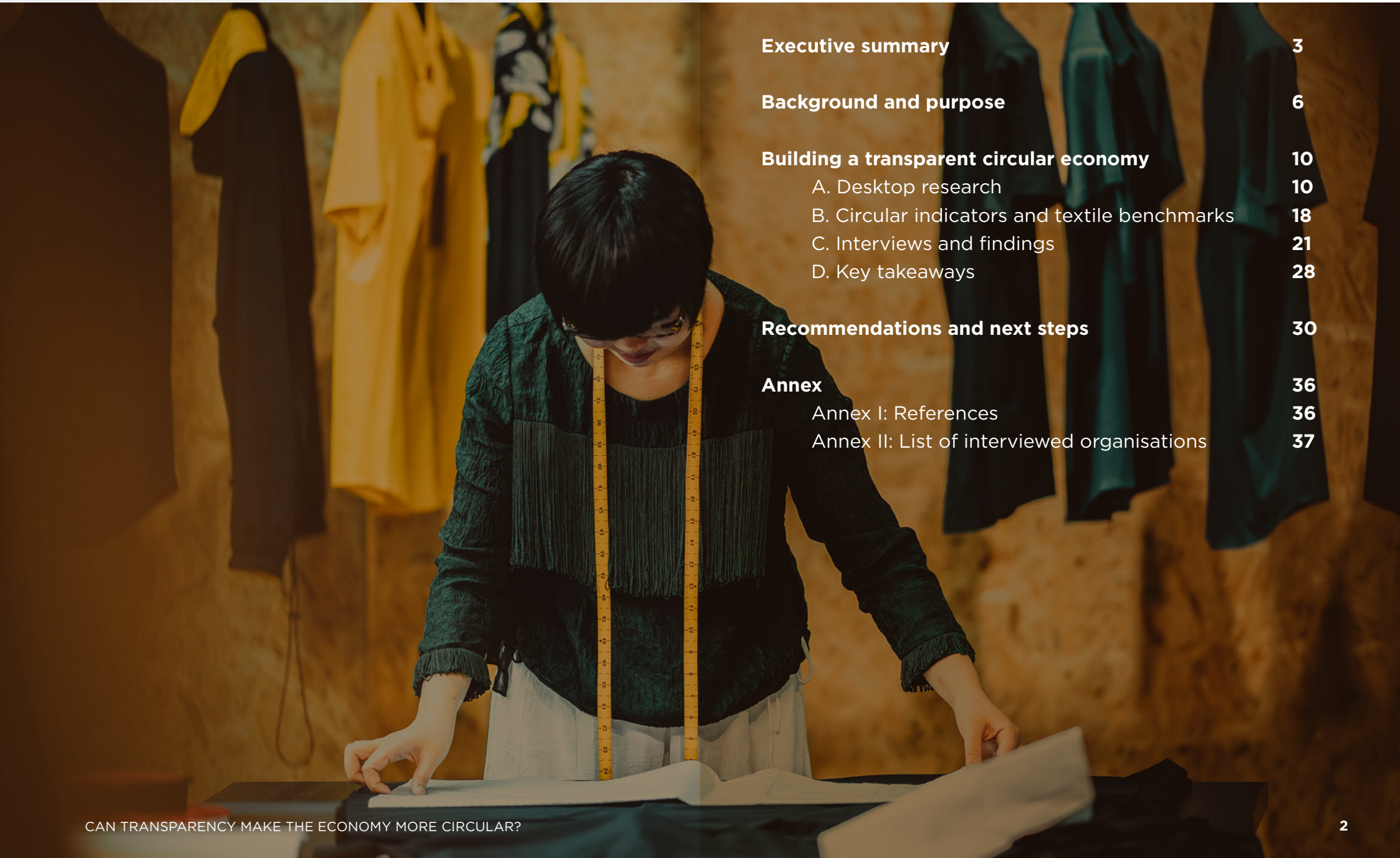

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Executive summary

The circular economy concept has grown more popular among businesses in various industries recently as it implies a positive attitude to sustainability while also promising opportunities for growth.[I] This increasing appetite for circularity was demonstrated by a letter to the Financial Times signed by dozens of chief executive officers, and endorsed by the Ellen MacArthur Foundation, in which they committed to accelerating their transition to circular business models (CBMs).[II] While this interest and uptake is positive, it raises questions about executive boards' understanding of the ideas and commitments behind CBMs. And practically, how will this interest translate into real-life projects and programmes with adequate tracking and measuring mechanisms that enable an understanding of the full effects and potential?

The fashion industry has been at the forefront of efforts to explore the viability of circularity.[III] An estimated 12% of the global fashion industry has committed to the principles of circularity. The fashion industry is highly globalised by nature, with business activities that span complex value chains, from procurement and manufacturing to disposal and end of life. It employs hundreds of thousands of people, particularly in more economically vulnerable places, and has also been under increasing scrutiny following scandals related to the well-being and safety of workers. It is also being affected by changes in consumer behaviours. For instance, younger shoppers are buying more second-hand and vintage clothes. For these reasons, the fashion industry as a whole has implemented initiatives that shift it towards more circular ways of doing business. These include supply-side improvements, such as using recycled materials and increasing the durability of products. Clothing rental, take-back programmes and recommerce (selling previously owned products that are new or used) are among the CBMs many companies are experimenting with. In other words, an increasing number of fashion brands are more closely aligning themselves with consumer behaviours by adopting alternative business models that do not rely on a linear economic thinking.

This report highlights **the potential for transparency to move the circular agenda forward**, with a focus on the fashion sector. Industry is showing growing interest in circularity, companies are committing to it, and new research is emerging on its benefits. But the corporate disclosure needed to achieve it is still lacking.

Executive summary

Between February and July 2020, the World Benchmarking Alliance (WBA) team conducted extensive background research and interviewed nearly 40 experts on the topic of the circular economy. These experts were drawn from circular consultancies, academia, corporations and civil society. The team used a semi-structured interview format to test **four research hypotheses:**

1. A well-designed transparency initiative can a) highlight the lack of available data on CBMs' contributions to reducing lifecycle socio-environmental impact; and b) create incentives to accelerate the capture of this data through the value chain.

2. The fashion industry could demonstrate how effective it was in applying circularity principles if all fashion companies a) tracked their lifecycle socio-environmental impacts; b) measured the contribution of CBMs to reducing this impact; and c) publicly shared their data or results.

3. The adoption of CBMs in fashion would improve if companies collaborated to simultaneously and publicly share additional knowledge, data and methodologies.

4. A corporate benchmark would be an appropriate transparency initiative that could push companies towards broad systemic change by measuring and sharing the lifecycle socio-environmental impact of their efforts towards circularity.

The background research was assessed alongside the interview findings to reach **three main conclusions:**

1. Circularity as a business concept and activity is in its infancy. While there has been a sharp rise in circular rhetoric and innovations, corporate practices are immature when it comes to assessing lifecycle socio-environmental impact. All companies and stakeholders, including those leading the industry, have a lot to learn.

2. The private sector urgently needs to increase its transparency to move circularity beyond words to concrete actions. Specific challenges in corporate disclosure relate to data availability, standardisation and interpretation.

3. Stakeholder groups broadly support capturing existing best practices and establishing a corporate benchmark to inspire actions from others in the sector. The priorities for such a public ranking are that it be granular and actionable, yet remain achievable.

While there was consensus on the challenges that companies face regarding corporate circularity data and metrics, the lack of comparable data on lifecycle socio-environmental impact currently poses **three risks:**

1. Companies may practise 'circular washing' – signalling that they are using a circular economy, to improve their image, without investing in concrete actions or tracking the right data to assess their effectiveness and real impact.

2. Adopting radically new and different business models could result in unintended consequences.

3. It may be difficult to identify success stories that industry peers could learn from and adopt.

This report on the scoping study recommends developing a publicly available and free circular benchmark. **Such a tool would incentivise companies to capture the best circular corporate practices. It would engage companies and inspire them to do more. It would also reveal which CBMs are fit for the future.** To address the lack of comparable data and incentives to encourage company transparency, the benchmark should rely on developing a methodology that finds common factors among existing frameworks.

Building such a methodology and benchmark requires multi-stakeholder dialogues involving the companies themselves, circular experts and the eventual benchmark users, such as investors and policymakers.

The benchmark and associated company-level data could also serve as an evidence base for the development of policy regulations and requirements for circularity, relating to such factors as recyclability, repairability and use of plastics.

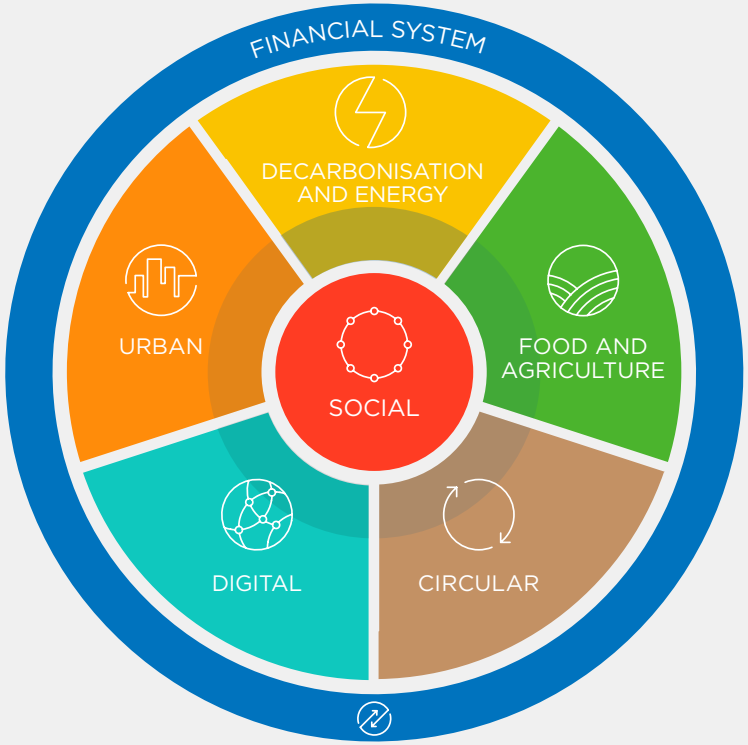
Background and purpose

WBA wrote this scoping study with the support of Laudes Foundation. This is our first step towards exploring a benchmark for circular transformation. Both organisations are interested in improving their understanding of the private sector's roles and responsibilities in the transformation to a circular economy. More precisely, they want to understand the role corporate transparency could play in this transformation.

World Benchmarking Alliance

WBA is an independent organisation that is committed to increasing the private sector's contribution to a sustainable future for all. We do this by incentivising companies to play a critical role in transforming seven systems to achieve the United Nations' Social Development Goals (SDGs), namely food and agriculture, decarbonisation and energy, digital, financial, urban, social and circular systems (see Figure 1).[IV] Based on stakeholder consultations and extensive research, these transformations are deemed necessary to put society, economies and the planet on a more sustainable path and ultimately help achieve the SDGs.

FIGURE 1: WORLD BENCHMARKING ALLIANCE'S SEVEN SYSTEMS FOR TRANSFORMATION



These transformations also offer a strategic framework for WBA to develop benchmarks.

We recognise the challenge ahead to transform economies. By setting a circular transformation, we acknowledge:

- the potential impact on and concerns of all sectors and industries.
- the need to profoundly question materials management and mindsets.
- that circular strategies can greatly contribute to climate mitigation targets.

WBA develops benchmark methodologies and conducts assessments based on corporate disclosures. We then conduct a scoping study that focuses on a specific sector and use the takeaways and learnings to establish benchmarks.

**Adapted from Christian Hudson (2019), unpublished.*

Laudes Foundation

Laudes Foundation is an independent foundation working collaboratively to influence capital and transform industry – particularly the built environment and fashion industries – to tackle the dual crises of climate change and inequality. It has extensive experience in working on circular projects, especially relating to the fashion industry. As businesses have begun implementing circularity principles in the fashion value chain, they have devoted a lot of attention to improving procurement practices and material recyclability, and overcoming other technological and physical challenges. But beyond these important elements, Laudes Foundation is also keen to better understand the social and environmental impacts on the sector of adopting novel CBMs.

These models have been increasingly popular among fashion brands keen to improve their own ecological footprint or to meet consumer demand. Yet, the public literature and evidence base for their true environmental and social impacts is limited. More public data and metrics around CBMs are needed.

Laudes Foundation found three building blocks to develop metrics on the impact of CBMs:

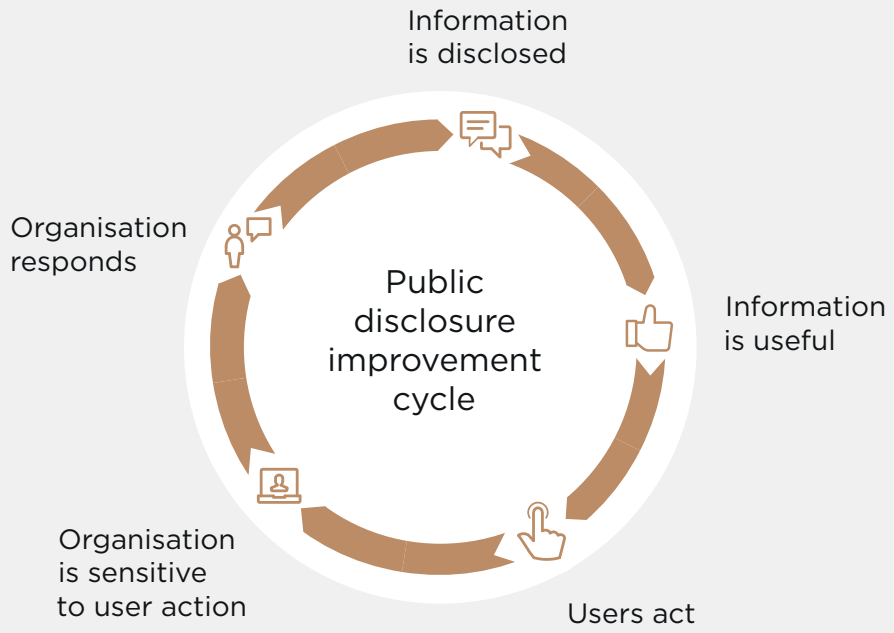
1. low-cost access to lifecycle analysis and social impact data, ideally from an open source, common, global database
2. globally agreed assumptions on methods of accounting
3. traceability systems for materials and products*.

Using standardised metrics to understand the impact of CBMs is key to helping a variety of stakeholders, from investors and policymakers to civil society organisations and consumers. This is especially important when companies are making decisions about their path towards a circular economy that will benefit all people and remain within planetary boundaries. While some building blocks are already in place, there remains a lack of a) incentives for companies to collect data; b) a standardised methodology for the metrics of CBMs; c) a data collection infrastructure; and d) clear science based targets relating to the circular economy.

This scoping study

WBA, with the support of Laudes Foundation, is investigating how to incentivise companies to be more transparent about the impacts of their CBMs so that it is possible to assess and measure those impacts. If more data and metrics were publicly available, change could be accelerated, particularly if they were used to increase the accountability of those with the authority and means to create change.

FIGURE 2: PUBLIC DISCLOSURE IMPROVEMENT CYCLE



SOURCE: C&A FOUNDATION (2018)

Several factors need to be fulfilled to effectively increase transparency:

1. The publicly disclosed data must incentivise decision makers to act.
2. Users of the data need to be identified, along with what these users need to effectively use the data (for example, financing).
3. The scope of information must be clearly defined (that is, the practices, substances, activities or other information that are disclosed).
4. The data should be linked to specific companies, standardised, granular and comprehensive, covering a number of industries and geographies. It should also be regularly updated.
5. If data has not been disclosed by a third party organization, it needs to be verified.

This report aims to address an overarching problem statement:

To what extent can transparency – by which we mean the public disclosure of information – play a role in incentivising the adoption of environmentally and socially sound circular business models?

The following hypotheses were developed after conducting preliminary research and interviews with experts:

Hypothesis 1: A well-designed transparency initiative can a) highlight the lack of available data on CBMs' contributions to reducing lifecycle socio-environmental impact; and b) create incentives to accelerate the capture of this data through the value chain.

Hypothesis 2: The fashion industry could demonstrate how effective it is in applying circularity principles if all fashion companies a) tracked their lifecycle socio-environmental impact; b) measured the contribution of CBMs to reducing this impact; and c) publicly shared their data or results.

Hypothesis 3: The adoption of CBMs in fashion would improve if companies collaborated to simultaneously and publicly share additional knowledge, data and methodologies.

Hypothesis 4: A corporate benchmark would be an appropriate corporate transparency initiative that could push companies towards broad systemic change by measuring and sharing the lifecycle socio-environmental impact of their circularity efforts.

Building a transparent circular economy

World Benchmarking Alliance

A. Desktop research

The Ellen MacArthur Foundation (EMF) defines a circular economy as being mainly based on three overarching principles:

- designing out waste and pollution
- keeping products and materials in use
- egenerating natural systems.

The linear way of doing business – the opposite of circular – has been the dominant system and is becoming even more so. In *The Circularity Gap Report 2020*, Circle Economy assesses the proportion of cycled materials among the total material inputs into the world economy. It found that the world economy is 8.6% circular, though it was 9.1% circular two years ago. The report highlights factors underlying this trend, including an increase in the extraction of resources, a build-up of physical assets and a lack of processing and cycling for end-of-life recovery. It also notes that all countries are at the 'developing' stage in their transition towards a circular economy.

Using the fashion sector to illustrate the economic and environmental benefits of a circular vision, EMF[V] assessed several linear problems in its 2017 report *A New Textiles Economy: Redesigning fashion's future*. These problems include the loss of more than US$500 billion in value due to underutilisation and poor recycling of clothes, and the emission of 1.2 billion tonnes of greenhouse gases (GHGs) associated with textile production.

EMF's report also details the key steps needed to move the fashion sector towards circularity:

- phasing out substances that are harmful to health or that pollute the environment
- transforming the way clothes are designed, sold and used, to break free from their increasingly disposable nature
- radically improving recycling through design and technology
- making effective use of resources and renewable inputs.

The report calls for a system-level change in the industry so that key players align and collaborate on their efforts towards a circular economy.

Seeking to understand the barriers to a circular textile industry in the European Union, the German development agency GIZ[VI] identified several causes in a 2020 report. These include:

- insufficient data and poor standards for collecting and processing textiles
- underdeveloped infrastructure for recycling
- inconsistent policies and governance mechanisms within textile supply chains.

The report also highlights two interesting dynamics in circular thinking. The first is the difference between **supply-side and demand-driven transformation**. In some markets, solutions will mainly focus on improving supply chains. Other markets are more likely to adopt demand-driven circular models when consumers are keen to change their shopping behaviours (such as by buying used or refurbished clothes). This is problematic as supply-side solutions may ignore the issue of the sheer scale of mass markets. A related problem is that circularity movements tend to view developments through a global North, if not Eurocentric, lens. But the socio-economic impacts of the global fashion supply chains are mainly felt in the global South.

The United Nations Economic Commission for Europe (UNECE) highlights the need for more **transparency** in the textile industry's supply chain.[VII] One UNECE report suggests the industry's current complexity and opacity is a key barrier for change and calls for greater traceability and transparency across the value chain to advance an industry-wide transformation. In addition to building trust and strong relationships with customers and suppliers, traceability also supports the identification of opportunities for increasing efficiency and better managing resources, as well as health, environmental and social risks. The report also highlights that **collaboration** is key to enhancing transparency and traceability. It calls for the development of a sectoral framework across the value chain that enables the rigorous collection and exchange of information. The main elements of such a framework should include developing a technical global standard for traceability and a targeted policy document that allows governments to complement those efforts through regulation.

These findings align with those in Circular Fashion Advocacy: A strategy towards a circular fashion industry in Europe[VIII], which lays out a strategy to move fashion towards circularity in the European Union (EU). The report's five major recommendations are to:

- introduce innovation policies that support investment in circular fashion models
- pass EU regulations that establish a common regulatory framework for transparency and traceability of materials and processes
- implement trade policies that promote circularity and recycling
- encourage voluntary actions through commitments and covenants to amplify engagement with stakeholders
- provide economic incentives such as **Extended Producer Responsibility (EPR)** and value added tax.

The report also highlights EPR schemes as a key policy intervention that several governments implemented to establish a circular paradigm. These regulatory mechanisms require companies or brands to be responsible for the effects of their products over their lifecycle, particularly the end-of-life logistics through take-back, recycling and final disposal, which has important implications for circularity. Product makers carry the financial costs associated with these activities, incentivising them to minimise waste. Depending on national legislation, EPR schemes cover sectors such as packaging, electronics, tyres, cars and batteries. For the fashion industry, the true price of products will reflect high EPR fees on garments lacking circular design and the high cost of waste management, increasing the demand for circular alternatives.[IX]

In 2006, France implemented an EPR scheme across 13 sectors, including on end-of-use of clothing, linen and shoes. This led to a three-fold increase in the collection and recycling rates of textiles. In addition, lower EPR fees work as financial incentives for companies to adopt eco designs using recycled content sourced from post-consumer textiles, supporting the circular transition of the fashion industry.

In the Netherlands, an EPR scheme has been set up for tyres. One paper[X] – How circular is your tyre – found that while the scheme achieves high collection and recovery levels, there are issues regarding the transparency of monitoring and decisions about recycling options. One conclusion is that there needs to be more collaboration in the value chain. Overall, properly designed EPRs can be useful but they have limitations and do not reveal company-level responsibility and actions.

In general, policy interventions relating to the circular economy have aimed to increase recycling rates and discourage landfilling. But more ambitious laws and regulations are coming into practice. One important example is the EU's recently published Circular Economy Action Plan.[XI] It seeks to close the loop on product lifecycles in different industries and involves materials such as fertilisers, plastics, electronics and food. National-level indicators also will be developed to assess progress towards circularity.

Circular business models

The Organisation for Economic Co-operation and Development (OECD) published a report on CBMs in 2019[XII] summarising evidence based on economic and environmental impacts. Figure 3 shows a table from the report that lists the sectors that are more likely to adopt the five categories of CBMs.

Building a transparent circular economy

Topic	Circular supply	Resource recovery	Product life extension	sharing	Product service system
Key characteristics	*replace traditional material inputs with renewable, biobased, recovered ones*	Produce secondary raw materials from waste	Extend product lives	Increase utilisation of existing products and assets	Provision of services rather than products. Product ownership remains with supplier.
Resource efficiency	*Close material loops*	Close material loops	Slow material loops	Narrow resource flows	Narrow resource flows
Business model sub-types	*Cradle to cradle*	Industrial symbiosis	Classic long life	Co-ownership	Product-oriented
		Recycling	Direct reuse	Co-access	User-oriented
		Upcycling	Repair		Result-oriented
		Downcycling	Refurbishment		
			Remanufacture		
		Metals	Automotive	Short term lodging	Transport
Main sectors currently applied in	*Diverse consumer product sectors*	Paper and pulp	Heavy machinery	transport	Chemicals
		Plastics	Electronics	Machinery	Energy
				Consumer products	

SOURCE: OECD (2019)

The following extract from the report summarises the findings:

- *"[...] Circular supply models replace traditional material inputs derived from virgin resources with bio-based, renewable, or recovered materials, which reduces demand for virgin resource extraction in the long run.*
- *Resource recovery models recycle waste into secondary raw materials, thereby diverting waste from final disposal while also displacing the extraction and processing of virgin natural resources.*
- *Product life extension models extend the use period of existing products, slow the flow of constituent materials through the economy, and reduce the rate of resource extraction and waste generation.*
- *Sharing models facilitate the sharing of under-utilised products, and can therefore reduce demand for new products and their embedded raw materials.*
- *Product service system models, where services rather than products are marketed, improve incentives for green product design and more efficient product use, thereby promoting a more sparing use of natural resources.*

Not all of these business models are necessarily new. Recycling, reuse, and repair have existed for millennia. The sharing of under-utilised household possessions also has a long history, and the provision of access to products, rather than ownership of them, is not so different from traditional product leasing. What is new is the growing diversity and sophistication of these business models, as well as the range of sectors they are adopted in."

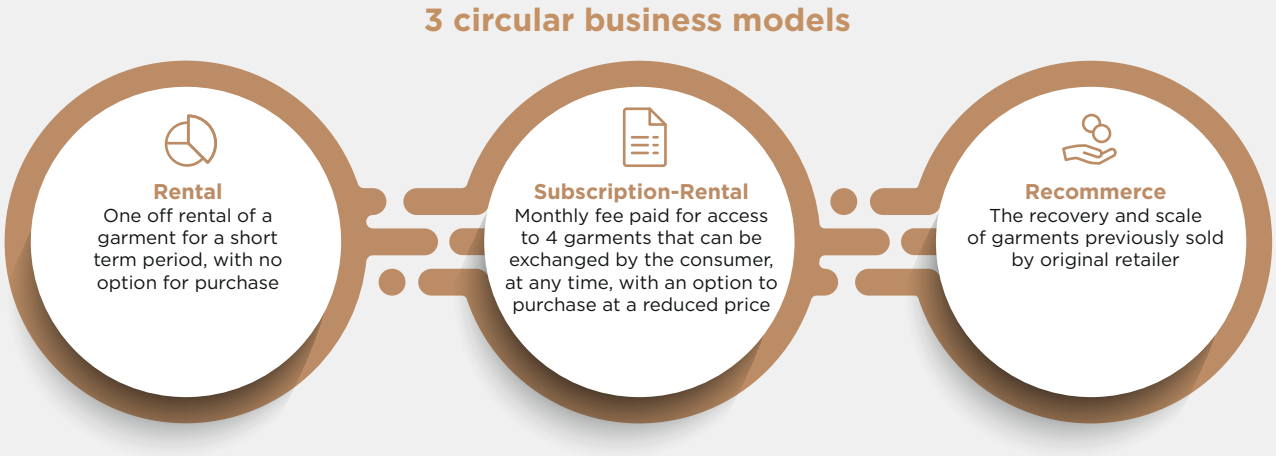
The unexplored potential of circular business models

The report highlights significant opportunities for scaling up. It found that circular products and services typically have a smaller environmental footprint, although any reduction in emissions may not be evenly distributed across a product's value chain. Additionally, rebound effects associated with CBMs – such as increased consumption due to consumer savings – may undermine the environmental benefits.

Fashion and circular business models: a review of recent work

In the fashion sector, CBMs are becoming mainstream and have been adopted by the brands shown in Figure 3.

FIGURE3: CIRCULAR BUSINESS MODELS THAT HAVE BEEN ADOPTED BY RETAILERS



Established retailers adopting circular business models		
Rental	**Subscription-Rental**	**Recommerce**
Filippa K.	American Eagle	Eileen Fisher
Tchibo	Ann Taylor	Filippa K.
	Express	Icebreaker
	Gwynnie Bee	North Face
	New York & Company	Patagonia
	Rebecca Taylor	Prana
	Vince	REI
	Y Closet	Zalando

SOURCE: FASHION FOR GOOD (2019)

However, as the OECD confirmed, CBMs don't necessarily bring environmental benefits. An evidence base needs to be built and shared as companies step up their efforts. Experts in the circular economy are particularly concerned about determining the **displacement effect** on shoppers' behaviours. Displacement means that a garment obtained through a CBM – for example, through a second-hand, refurbishing or rental system – replaces the purchase of a new garment. It is vital to establish this connection because of the possibility that selling products through CBMs only increases consumption.

Three recent studies shine a light on the desirability of CBMs and their potential displacement effect. They are summarised in Table 1.

TABLE 1: THE METHODS AND FINDINGS OF THREE STUDIES OF CIRCULAR BUSINESS MODELS[XIII, XIV]

Topic	Fashion for Good	WRAP-WRI*	QSA Partners
Year	***2019***	**2020**	**2020**
Methods	Leading fashion retailers, circular innovators and industry experts were interviewed. Three business models – rental (one-off), subscription rental (monthly fee) and recommerce – were assessed	2,000 people were sampled per geography via online panel surveys on four business models: recommerce, vouchers, subscription and repair.	2,100 UK respondents completed a set of questions to determine whether they had purchased any used clothing items in 2019. They were then asked up to six detailed questions about their recent purchases, to gain more information on behavioural patterns.
Scope	***Global***	**India, UK, USA**	**UK**
Key findings	Rental appears to be very attractive in higher-value segments. Subscription rental shows consistently strong potential. Recommerce appears to be the most financially attractive of the three. The potential margins significantly vary by segment. Luxury appears to represent the biggest circular business opportunity, while variables costs pose a challenge for the value market (see Figure 4).	There is potential mass market demand for new business models. Around 68% of social media comments examined for this study conveyed an obvious positive sentiment toward reuse of clothing, indicating demand for reused fashion. Propositions tested in our research showed 61% to 90% of citizens across India, the UK and the USA are interested in trying at least one new business model. For four other European countries, the range was 51% to 76%.	The study found that around one in three consumers regularly bought used clothing, highlighting a great opportunity for retailers and brands. The study also estimates that approximately 60% of used clothing purchases displace a new item, signalling the used clothing market as a potential first step for retailers and brands to reduce use of virgin resources. Buying used clothes in addition to new clothes may also delay the frequency of purchasing as it may contribute to the longevity of the other items.

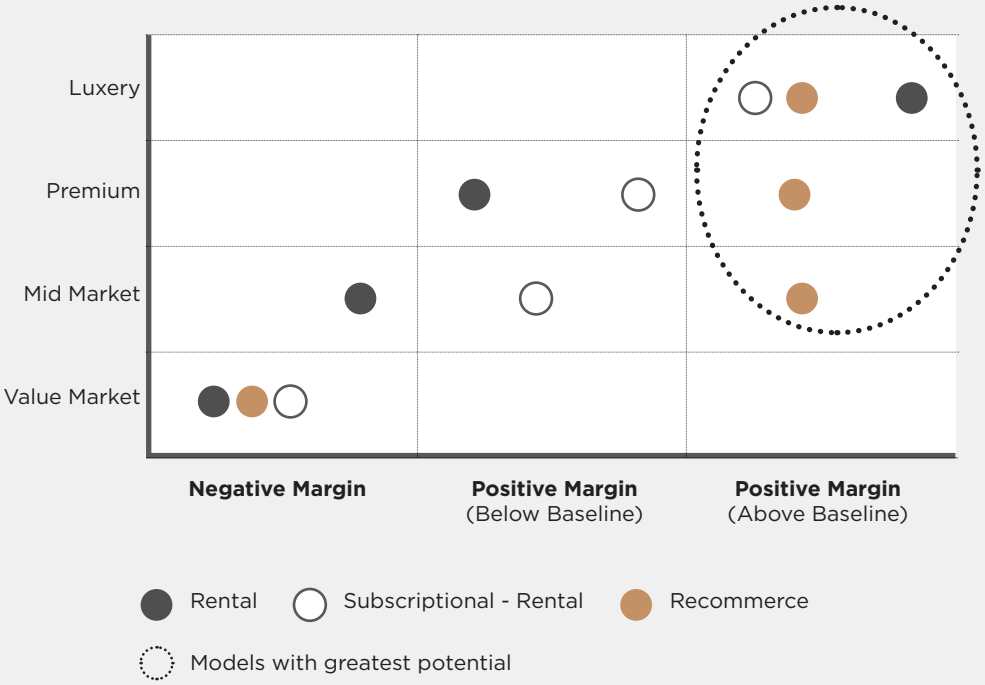
** The Waste and Resources Action Programme (WRAP) and the World Resources Institute (WRI)*

These studies clearly show the potential of CBMs. Consumers are increasingly curious about, if not already familiar with, alternative ways to obtain clothes. This is leading to consumers buying new clothes less frequently or delaying purchases. This has serious implications for demand-driven circularity: a growing set of consumers are less likely to buy new clothes, questioning the long-term viability of fashion supply chains that are based on fast mass production. However, Fashion for Good's study concludes that CBMs may not be feasible for the 'value market', meaning there is no clear consensus on whether CBMs can be replicated for all market segments at this point.

Key takeaways:

- As emphasised by the EU, UNECE and GIZ, **transparency and good data are missing**, particularly in the fashion sector in general. There is a clear need to develop well-designed transparency mechanisms to understand the impact of the linear business model and move away from a wasteful system to a circular business model.
- **Systemic transformation is required**, and the adoption of common tools and metrics needs industry-wide collaboration to align efforts and allow companies to learn from each other's mistakes and good practices, as shown by EMF.
- The OECD report demonstrates that the **impacts of CBMs need to be scrutinised** to avoid unintended consequences and maximise the benefits.
- Legal frameworks, such as EPR, and voluntary initiatives based on commitments, are not effective as accountability mechanisms because they don't distinguish company-level actions and performances.

FIGURE 4: VISUAL REPRESENTATION OF THE FINANCIAL VIABILITY OF CIRCULAR BUSINESS MODELS BASED ON OUR ANALYSIS



SOURCE: FASHION FOR GOOD (2019)

B. Circular indicators and textile benchmarks

Within the last two years, multiple frameworks and methodologies on company-level circularity have been published. These demonstrate both the momentum and appetite of civil society and the private sector to understand and assess circularity. This section introduces frameworks with metrics that apply to all companies in all industries. This is followed by initiatives and benchmarks that include circular metrics and indicators that are specific to the textile industry.

a) Industry-agnostic circularity metrics framework for all companies

Circular Transition Indicators (World Business Council for Sustainable Development)

Purpose: "Simple, objective and quantitative framework that can be applied to businesses of all industries, sizes, value chain positions and geographies."

Categories:

- Close the loop: calculates the company's effectiveness in closing the loop on its material flows
- Optimise the loop: provides insights into resource use efficiency
- Value the loop: illustrates the added business value of a company's circular material flows.

Circulytics (Ellen MacArthur Foundation)

Purpose: "Measuring progress gives us the ability to know where we are in the transition towards a circular economy, and how fast we are moving towards it. As this is a transition of the economy, it is then important that we measure the progress of its main actors: companies."

Categories:

- Enablers (the critical aspects to enable company-wide transformation): strategy and planning for people and skills systems, processes, infrastructure, innovation and external engagement
- Outcomes (measuring a company's circular inputs and outputs): inputs and outputs.

GRI 306: Waste 2020 (Global Reporting Initiative)

Purpose: "The disclosures in this standard are designed to help an organization better understand and communicate its waste-related impacts, and how it manages these impacts. The disclosures require information on how the organization prevents waste generation and how it manages waste that cannot be prevented, in its own activities and upstream and downstream in its value chain."

Categories:

- Disclosure 306-1 Waste generation and significant waste-related impacts.
- Disclosure 306-2 Management of significant waste-related impacts.
- Disclosure 306-3 Waste generated.
- Disclosure 306-4 Waste diverted from disposal.
- Disclosure 306-5 Waste directed to disposal.

Cradle to Cradle Certified Product Standard V4 (Cradle to Cradle Products Innovation Institute)

Purpose: "The standard provides designers, manufacturers, and suppliers with a framework for continually improving what products are made of and how they are made. Cradle to Cradle Certified is a respected mark of products and materials made for the circular economy."

Category:

- Product circularity requirements: category intent, technical and biological cycle definitions, active cycling, materials passport, incorporating cycled or renewable content, designed for disassembly, opportunities and innovation.

Key takeaways:

While these frameworks and methodologies were designed with separate objectives in mind, they share some technical definitions on circularity-related metrics. EMF has also published a list that helps companies understand commonalities to align their data reporting and set circularity targets[XV]. However, in the short term, an additional in depth look at all existing methodologies and frameworks is needed to determine the shared and widely accepted definitions. This will also help companies to adopt circular metrics and targets, particularly those that have social and environmental impacts.

b) Fashion and textile benchmarks with relevance to company's circularity performance:

Higg Brand & Retail Module (Sustainable Apparel Coalition)

Purpose: "By using the Higg Brand & Retail Module, conscientious businesses can track, measure, and share their sustainability progress with value chain partners, consumers, investors, and other key stakeholders. Developed by the industry, this trusted assessment helps brands and retailers establish and maintain strong corporate social responsibility strategies and practices that promote the well-being of workers and the planet."

Categories: One question explicitly refers to circular design. Other relevant indicators include the management system, product, supply chain, packaging, use and end of use.

Fashion Transparency Index 2020 (Fashion Revolution)

Purpose: "... reviews and ranks 250 of the world's largest fashion brands and retailers according to how much they disclose about their social and environmental policies, practices and impacts. The Fashion Transparency Index comprises 220 indicators covering a wide range of social and environmental topics such as animal welfare, biodiversity, chemicals, climate, due diligence, forced labour, freedom of association, gender equality, living wages, purchasing practices, supplier disclosure, waste and recycling, working conditions and more."

Categories: The 2020 edition includes 'consumption' as a spotlight issue (ensuring sustainable production and consumption patterns, minimising excess, tackling textile waste and moving towards circularity). It discloses whether a brand

- offers repair services.
- offers take-back schemes.
- discloses progress on reducing pre-consumer waste.
- has a strategy for reducing pre-consumer waste.
- discloses the quantity of products destroyed.
- discloses product/textile waste generated during the annual reporting period.
- discloses the quantity of products produced.

Material Change Insights Report 2019 (Textile Exchange)

Purpose: "Textile Exchange's Material Change Index (MCI) is a voluntary benchmark that tracks the apparel and textile sector's progress toward more sustainable materials sourcing, as well as alignment with global efforts like the Sustainable Development Goals and the transition to a circular economy. As a voluntary benchmark, the MCI is based on companies' willingness to be transparent and disclose their materials."

Categories:

- Circularity strategy (scope, relation with SDGs, integration, investment and reporting).
- Resource use (decoupling, preventing and reporting on pre-consumer waste).
- Design (strategies and scope).
- Business models.
- Textile collection.
- Recycled content.

Types of stakeholder

1. Circular experts/consultants working with or for companies.
2. Businesses or trade associations affiliated with the textile sector and employees in the sector.
3. Reporting organisations, transparency initiatives and standard setters, particularly in civil society.
4. Governmental or international governmental organisations.
5. Academics and university researchers.

Key takeaways:
These initiatives demonstrate fashion companies can and do publicly share data on circularity metrics, although the levels of transparency differ greatly between companies. The Higg Brand & Retail Module and the MCI ask detailed questions, but the level of disclosure in the MCI does not allow for drawing conclusions about company-specific actions. The Fashion Transparency Index's circularity metrics are binary ('yes/no') and therefore lack granularity. However, companies' publicly available information indicates they have taken initial steps towards circularity and are transparently reporting on these. Taken together, this reveals the existence of some precise company-level data as well as some incentives to publish it. Clearly, there is a need to further incentivise additional data disclosure.

C. Interviews and findings

Our research team conducted semi-structured interviews to allow a free-flowing, broad conversation in which both the interviewer and the interviewee could acquaint themselves with each other's work, background and expertise. The problem statement was used as a guiding research question for the interviews. All interviews touched on data and the metrics of circularity, particularly the effects of CBMs. Corporate transparency and the sustainability impact of fashion in general were addressed with all participants.

During the inception phase of the research, four hypotheses were identified that encapsulate interlinked elements. The team asked expert stakeholders about each hypothesis to assess which were worthy of further investigation. They were presented to the majority of interviewees with enough direct engagement with the fashion industry.

Participant sample:
The team interviewed individuals from 36 organisations spanning each stakeholder group, to reflect a diverse set of actors, expertise, opinion and geography. This meant participants were either consultants on circularity and/or individuals representing companies that need to integrate circular principles, experts on the reporting standards, or from national or intergovernmental organisations and could offer a policy perspective. The majority of participants work in the fashion industry or are involved in the industry to a certain degree.

Ethical considerations:
The interviewers gained interviewees' consent to participant and to use their answers and personal information (name and role). On initial contact, each participant was briefed on the wider aim of the research and the intent of the interview. At the start of each interview, the team reiterated that participants could provide information anonymously and have their personal information anonymised. In addition, where we planned to use a participant's direct quotes or findings in this scoping report, we gave them a draft of their answers to review and accept or amend, as well as the option to be quoted anonymously.

a. Interview results by hypothesis

Hypothesis 1: A well-designed transparency initiative can a) highlight the lack of available data on CBMs' contributions to reducing lifecycle socio-environmental impact; and b) create incentives to accelerate the capture of this data through the value chain.

Experts overwhelmingly agreed with the hypothesis, but most cautioned that the lack of data and standards would be the biggest challenge initially.

While the vast majority of experts agreed with the statement that a transparency initiative has the potential to advance circularity, there was also general consensus that obtaining relevant data was far from straightforward. Several interviewees, including a representative of a textile brand, said a key element was the lack of standards or the difficulty in applying existing standards (such as a GRI disclosure). Standardising disclosure is deemed particularly important to prevent companies skewing data to cast it in a positive light. This insight is supported by research around corporate sustainability disclosures, which have identified confusion over standards and a lack of comparable metrics in disclosures[XVI].

One interviewee said that at the inception of a transparency initiative, simple metrics were needed to reveal decoupling trends on resource intensity. A second stakeholder stated that care must be taken to not just ask for more data, but also to ensure the data is relevant and useful. Another interviewee highlighted the need for a material passport that ties data directly to a product, to help with its end-of-life treatment (or disposal).

On the impacts of CBMs, one interviewee expressed doubts that a significant number of consumers would be willing or able to understand and properly handle products' end-of-life treatment. They suggested that a business-to-business approach would help to ensure the correct disposal of products. On lifecycle data, opinions varied. One expert was enthusiastic about the need for brands to have a broad view and use lifecycle analysis or methods. Another was sceptical, saying it had limitations, particularly in relation to the underlying assumptions that are required in lifecycle analysis.[XVII] A third expert supported the lifecycle vision, but lamented that it usually produces a static snapshot.

Overall, a couple of interviewees supported the theory that transparency would create incentives for companies to capture data. Two interviewees, however, were sceptical that transparency would be effective, saying it should be seen more as an eventual benefit of circularity, rather than a driver of it.

Standardised data across the value chain is still missing, which is particularly crucial for systemic and collective change to take place. Experts overwhelmingly agreed with the hypothesis, but most cautioned that the lack of data and standards would be the biggest challenge at first. An effective transparency initiative needs to improve disclosure over time, not merely take a snapshot of what exists today. Time will tell if the recently published circular methodologies become more widely adopted. Material traceability and supply chain mapping are tools that are needed to engage companies in limiting linear business risks and increasingly adopting circular practices. Regulation and voluntary participation provide two ways forward.

"...An effective transparency initiative needs to improve disclosure over time, not merely take a snapshot of what exists today."

Hypothesis 2: The fashion industry could demonstrate how effective it was in applying circularity principles if all fashion companies a) tracked their lifecycle socio-environmental impact; b) measured the contribution of CBMs to reducing this impact; and c) publicly shared their data or results.

While interviewees agreed with the essence of this hypothesis, they generally doubted the feasibility of fashion companies carrying out all the actions. One expert said many fashion brands were successful due to their lack of transparency, and expecting them to become more transparent would be a radical departure from the norm. Another thought that the main results of increased transparency and supply-chain mapping generally was to make companies look worse. The lack of credibility of fashion brands was also highlighted, and it was repeatedly suggested that external accreditation must take place.

The experts' feedback was that for this hypothesis to remain true, rigorous metrics must be considered. But they are tough to design and when possible must be based on actual data, rather than gross assumptions. One interviewee raised the issue of data interpretation, saying it can be more important than the data itself.

One brand representative thought CBMs must be clearly defined. A consultant expressed that CBMs often give a competitive advantage, which would make companies unlikely to share many details other than on small pilot projects. Another interviewee said that for this reason, it may be necessary to carefully 'read between the lines' of annual reports and extrapolate information to understand the economic success of a company's circularity initiatives.

Finally, one expert declared that brands don't directly address the issue of overproduction, which is at the core of the problem.

Our background research showed that several organisations call for collaboration. To an extent, the Sustainable Apparel Coalition's Higg Index embodies such efforts. Studies by Textile Exchange and Fashion Revolution also show that collaboration and sharing is not a pipedream, although incentives are still lacking for a high level of disclosure.

The concept of displacement (from linear to circular products) is particularly relevant for shoppers. Brands need to demonstrate that their programmes cause displacement to prove the effectiveness of their CBMs.

Hypothesis 3: The adoption of CBMs in fashion would improve if companies collaborated to simultaneously and publicly share additional knowledge, data and methodologies.

Most of the experts we interviewed for this study agreed that collaboration and knowledge sharing would be helpful. But many expressed scepticism about whether it was realistic to expect such activities to become mainstream. One expert mentioned the need for more publicly available methodologies and information. Another said EPR schemes would complement data sharing.

The tension between collaboration and competition surfaced again, with one expert highlighting both the hyper-competitive spirit in the fashion sector and the fact that a lot of knowledge is already publicly shared. The experts suggested that – together with competition – customer demand was the real bottleneck. Another expert mentioned the example of Kering, the French luxury company, which shared a very detailed open-source sustainability reporting methodology that did not end up being widely adopted. This expert explained that this lack of uptake as the reason why more incentives (such as societal and consumer pressure, or changes to regulations) were needed before a collaborative spirit takes hold. A circular consultant also expressed doubts that a company would invest money and time in a research project and then publicly share its insights and results. However, one financial expert mentioned that the Dutch banking sector had worked collaboratively on a community of practice and definitions for circularity.

Some disagreements also emerged regarding whether fashion companies, big and small, could be expected to collaborate. Three experts (from a brand, civil society and consulting) agreed that smaller companies – except highly innovative, niche companies ¬– may struggle to invest in tracking systems and transparency mechanisms as they have fewer resources.

Experts were generally sceptical that a change to publicly sharing knowledge, data and methodologies would take place on its own because the ultra-competitive nature of the industry makes collaboration difficult. Given the growing appetite for alternative business models (such as second-hand and rental), as shown by the WRAP–WRI study, the ultra-competitive nature of the fashion industry could also lead to companies racing to adopt CBMs for economic reasons. Policy changes that call for additional reporting requirements could also lead to companies increasing their disclosures.

Hypothesis 4: A corporate benchmark would be an appropriate corporate transparency initiative that could push companies towards broad systemic change by measuring and sharing the lifecycle socio-environmental impact of their circularity efforts.

All but three interviewees agreed that a benchmark – which is a public ranking of how companies perform relative to each other and a methodology – could help companies demonstrate their circularity efforts. Interviewees described benchmarking as highly relevant, and even 'the missing piece', as many companies, particularly in the fashion industry, have recently committed to benchmarking. It could harness the competitive spirit. But one expert said it should go beyond calling out laggards and leaders, and support companies to understand what constitutes circular best practices, especially by providing constructive feedback. This is necessary because only a handful of companies have initiated their transformation to circularity.

This supports earlier research findings that when a range of stakeholders, such as investors and the companies themselves, use publicly available benchmarks, they can be effective in creating change. [XVIII] For instance, in the *Rate the Raters* 2020 report, investors insisted that greater transparency on both rating methodologies and companies' data was crucial.

In addition, for a benchmark to work, experts agreed on the need to keep the methodology **simple, standardised, actionable, granular and free**. Without simplicity, it could be too expensive and complex, which would paralyse rather than incentivise companies. A consultant on circularity recommended that the methodology should evolve over time, as circularity gains traction and progresses. A researcher called for dynamic data, and not just a static snapshot in time, to highlight progress and what still needed to be accomplished. A fashion brand professional also said that companies could use benchmarked results internally to learn and adjust their programmes.

A few interviewees also mentioned that benchmarks could be useful to investors such as asset managers. A non-profit professional emphasised that a publicly available methodology was essential so that finance professionals could use the benchmark results. Another recommended building the benchmark methodology in a multi-stakeholder fashion that also involved investors.

Some experts were more sceptical about a benchmark's potential on its own. One believed that it was relevant for the fashion sector, but was less sure about its relevance for other industries. A fashion professional said a benchmark would not be a silver bullet, but should be part of a larger set of changes and activities. Similarly, a consultant stated that systemic change requires a lot more than changing corporate behaviour. This interviewee also pointed out that it would be tricky to benchmark companies with very different profiles.

Most experts agreed that benchmarking could be a key incentive to speed up companies' actions on circularity. A benchmark can complement existing legal tools such as EPRs, but because these are not effective in understanding company-level actions, the need for an accountability mechanism remains. Voluntary actions, such as commitments and covenants (which Circular Fashion Advocacy has called for) could also be used to push companies towards more circularity. But an external mechanism would still be required to critique and track progress.

Further discussions with interviewees

Overall, the respondents expressed three different views about the potential of transparency initiatives or a corporate benchmark to drive the circularity agenda forward. Some were excited, saying it was a timely and essential task that should be started soon because commitments to circularity were becoming mainstream, particularly in the fashion industry. A larger set of stakeholders said transparency could certainly help, but it may not be enough to bring about change. They also said it may be difficult to achieve right now because of serious challenges, particularly relating to data and standards, and company willingness. The least enthusiastic interviewees said it won't help to drive the agenda forward because circularity implies that companies ask significant internal questions about their operations. They said it wasn't feasible to expect companies to disclose much information, especially sensitive sustainability and social information they may not be able to collect or assemble at this stage.

The most enthusiastic interviewees were concerned there was a lot of talk about and commitments to circularity, but little concrete evidence that companies are implementing initiatives that are having a large and positive effect. They also said it was important to make credible comparisons between companies, and that better and more precise reporting on circularity is needed.

These interviewees said it is necessary to build on existing frameworks, such as the Cradle to Cradle Certified Product Standard, the Circular Transition Indicators tool and the EMF platform. Many experts emphasised the need to provide constructive feedback when assessing companies. This is because **circularity is in its relative infancy and all companies, even those considered leaders in their industry, have a lot to learn**. At the same time, the vast majority of companies would fall in the 'laggards' category if assessed on circularity from a physical and technical standpoint.

Finally, they said there is still limited understanding of the social implications and consequences of CBMs. This aspect needs further consideration to avoid unintended and potentially negative consequences, especially for developing countries, which often rely on virgin resource extraction or manufacturing labour for export markets.

"...circularity is in its relative infancy and all companies, even those considered leaders in their industry, have a lot to learn."

The second and more popular idea interviewees expressed is that increasing transparency and establishing a benchmark would be worthwhile but challenging at the moment, emphasising huge data gaps. A couple of experts indicated that in addition to needing more data, good data interpretation is necessary. This will require the adoption of relatively similar agreed standards across a large number of companies. Individuals representing retail and fashion companies also emphasised the lack of standards and differing national legislations, which have delayed the adoption of the existing circular metrics framework.

Interviewees also emphasised that while many companies have launched pilots and undertaken early work, there is still very little concrete, rigorous and measured evidence that CBMs provide clear environmental benefits. It is in this context that studies on displacement effects are needed. Civil society and academic experts also raised another vital point: the mass consumerism, overconsumption and overproduction that most industries, and fashion in particular, experience. These experts thought that without radically changing the business paradigm and consumer behaviours, none of the solutions offered by CBMs or recycling technology could fix sustainability issues.

A third and relatively limited subset of interviewees rejected transparency as the way forward at this time. They highlighted that companies have too much to learn and that it is too early for them to disclose much in terms of the effectiveness of CBMs. These stakeholders expressed that it would be more effective to work with companies on improving the technical performance of their supply chains. They recommended sharing best practices rather than seeking to incite them to compete on circularity.

All interviewees agreed that the methodology for a benchmark should be kept simple, not only because of large data gaps but also due to companies' lack of understanding of circularity.

D. Key takeaways

Circularity principles have not yet been applied across an entire company. In this sense, circularity is still in its infancy. Interviewees confirmed the literature findings that standardised circularity metrics have not yet been adopted for company-wide impact assessments of CBMs. Nonetheless, recently developed circular methodologies now provide a clear starting point for companies, complementing existing lifecycle and material flow assessments. These methodologies should be aligned and complementary to minimise discrepancies, especially as companies show a growing appetite for circular frameworks. Work by Textile Exchange and Fashion Revolution reveals that companies already have data about circularity that they can publish, although interpretation is necessary in the absence of standardisation.

Building a transparent circular economy

Greater transparency about CBMs' social and environmental impacts is essential for companies and investors, to learn which ones work and in what markets and context. In addition to the adoption of standardised metrics, incentives to share data are crucial. Although interviewees were often sceptical about collaboration due to the ultra-competitive nature of the fashion industry, voluntary transparency mechanisms are growing (for example, the Global Fashion Agenda and the Higg Index). Compulsory transparency initiatives, similar to the work of Fashion Revolution, could help to increase transparency, especially if companies adopt metrics that provide more granular details.

It is essential that a compulsory transparency mechanism is based on existing methodologies. This would help in assessing companies and comparing them to see whether they are walking the circular talk. Such a mechanism could look at metrics related to current, linear activities and their risks to the environment and people, to encourage the design and adoption of CBMs. Proper data collection would ensure that circular objectives were also serving social and environmental goals. Policy and regulations have played a key role in inciting better corporate behaviours and disclosure, and current legislative momentum indicates this may increase.

Recommendations and next steps

Generally, it is believed that corporate transparency has a role to play in moving the circular agenda forward. Increased transparency could inspire and equip companies to adopt practical strategies and suitable CBMs. A move away from a linear economy is urgently needed because the system generates extreme amounts of waste and exacerbates the climate crisis. However, Circle Economy's recent research suggests that the global economy might be drifting further away from a circular ideal. In addition, while companies increasingly show willingness to develop – and talk about – circular commitments, no mechanism exists to publicly hold them to account. As such, a transparency mechanism can help to fill the gap between rhetoric and reality.

This raises the question of what tools could be rapidly ramped up to tackle the urgency and trend away from circularity by a) incentivising companies with best-practice examples to implement concrete, environmentally and socially sound actions; and b) adopting ambitious circular targets. Based on our interviews and research, this scoping report recommends two realistic complementary approaches: **introduce a circular benchmark and a stronger policy framework on corporate circular disclosure.**

Recommendation #1: Develop a circular benchmark

While the application of a circular agenda is still evolving at the company level, the following key elements could serve as a starting point for frank discussions with stakeholders willing to contribute to this work and ultimately develop a circular benchmark.

What data should be used in the benchmark?

Lack of data is a significant challenge for anyone trying to assess and categorise the circularity performance of companies. Nonetheless, the current open and broad interpretation of circularity means relevant and useful metrics and data sets are available. Complexity and future change, therefore, need not hinder progress. Metrics include GHGs (now standardised following decades of multi-stakeholder efforts), renewable energy consumption, water consumption, waste generation, procured materials, quantity of goods produced, and other environmental data that many companies track for legal or environmental, social and corporate governance (ESG) reporting requirements. Using these metrics in a circularity context would represent a first step, potentially indicating whether a company is already following a circular path.

Additionally, assuming that circularity is worth pursuing, companies could follow several ambitious indicators that could serve as a North Star, even if the achievements are unrealistic in the short term. These could be inspired by existing methodologies; for example, those developed by the World Business Council for Sustainable Development and EMF. They could include more precise material procurement and waste data, particularly that showing whether or not materials come from renewable sources.

Beyond the circularity sphere, the benchmark should make full use of existing transparency initiatives with related objectives. For instance, companies with GHG reductions strategies approved by the Science Based Targets Initiative should be given credit.

The experts we interviewed who collect data for the indicators mentioned in this report on circularity in textile benchmarks said the gaps between a company's strategy, its commitment and its actual investment often indicate a lack of circularity. When tracking circularity, it's feasible to question companies about whether and how they invest in circularity – through pilots or innovative programmes.

"...with a well-designed, multi-stakeholder-informed and publicly available methodology, a benchmark ranking could encourage companies to disclose comparable and verifiable data, enhancing transparency."

When examining sectors, focusing on the textile industry, it would be interesting to study the adoption of innovative CBMs through rental or take-back schemes and ask companies whether they track or monitor their impact. In the electronics sector, the repairability of products is becoming a well-known topic and could also be fairly easily measured.

Overall, with a well-designed, multi-stakeholder-informed and publicly available methodology, a benchmark ranking could encourage companies to disclose comparable and verifiable data, enhancing transparency. A benchmark would then provide an evidence base that could drive the adoption of circularity – provided the results are used and acted upon.

Who is the benchmark for?

Using a benchmark is key to successfully incentivising companies to progress towards circularity. Companies would make up one group of users, including their governing bodies and employees. A public ranking would help companies to understand their position, including in relation to their peers. This would enable them to decide which circularity practices to adopt, and to see what best practice looks like in the sector.

Investors would account for another group of users. Some asset managers, banks and other financial services firms already look at the circularity performance of companies. We interviewed representatives of two such organisations (Circularity Capital and Planet Tracker) for this study. The world's largest asset manager, BlackRock, has its own circular funds. EMF recently noted that the number of public equity funds, corporate bonds and private market funds that focus on the circular economy is rapidly expanding.[XIX] As circularity is more widely adopted, understanding its effectiveness and the impact it has on companies' environmental and economic performance becomes key. As a result, the investor community will be likely to seek out company-level circularity information.

Policymakers and governments would likely make up the third group of users (see Recommendation 2).

Who would develop the benchmark?

Based on a multi-stakeholder approach, developing a circular benchmark would require input from a variety of organisations. It would rely on the existing knowledge and expertise of a wide range of actors. This is why it is preferable that an independent organisation that aims to create free and publicly accessible reports and analysis coordinate a benchmark. Spanning civil society, government organisations and the private sector is key to having a successful benchmark. It will be developed through constructive engagement with companies to push for greater transparency on circular impact metrics.

In addition to bringing a collaborative spirit, the circular benchmark host organisation would have an affinity for working across related topics such as decarbonisation and human rights. Since circular objectives need to be environmentally and socially sound, it is all the more important that the host organisation habitually works across streams, avoiding a siloed vision.

Recommendation #2: Establish a policy framework for corporate transparency on circularity

Policy in relation to circularity is rapidly changing, particularly at the EU level. This means a circular benchmark could further feed into policy discussions. At the same time, policy should also set specific expectations about company-level disclosures regarding circularity.

Several organisations, including WBA, are working on establishing a feedback loop that will allow policymakers to access the data they need to develop appropriate legislation and regulations that will hold companies accountable for their performance. Companies will also need to perform in line with globally accepted standards and norms on promoting transparency and responsibility, and protecting people and the planet. Company accountability and government policy in relation to circularity are in their infancy. This means that creating connections between the two would ensure constructive, parallel developments that are mutually beneficial.

Recommendations and next steps

ESG reporting requirements will evolve in the EU and could lead to additional requirements in relation to circularity. This includes sustainable finance taxonomy, which emphasises activities that contribute to the circular economy. Additionally, there is the Circular Economy Action Plan, which seeks to promote 'initiatives along the entire lifecycle of products, targeting, for example, their design [and] promoting circular economy processes'. The plan also aims to foster sustainable consumption[xx].

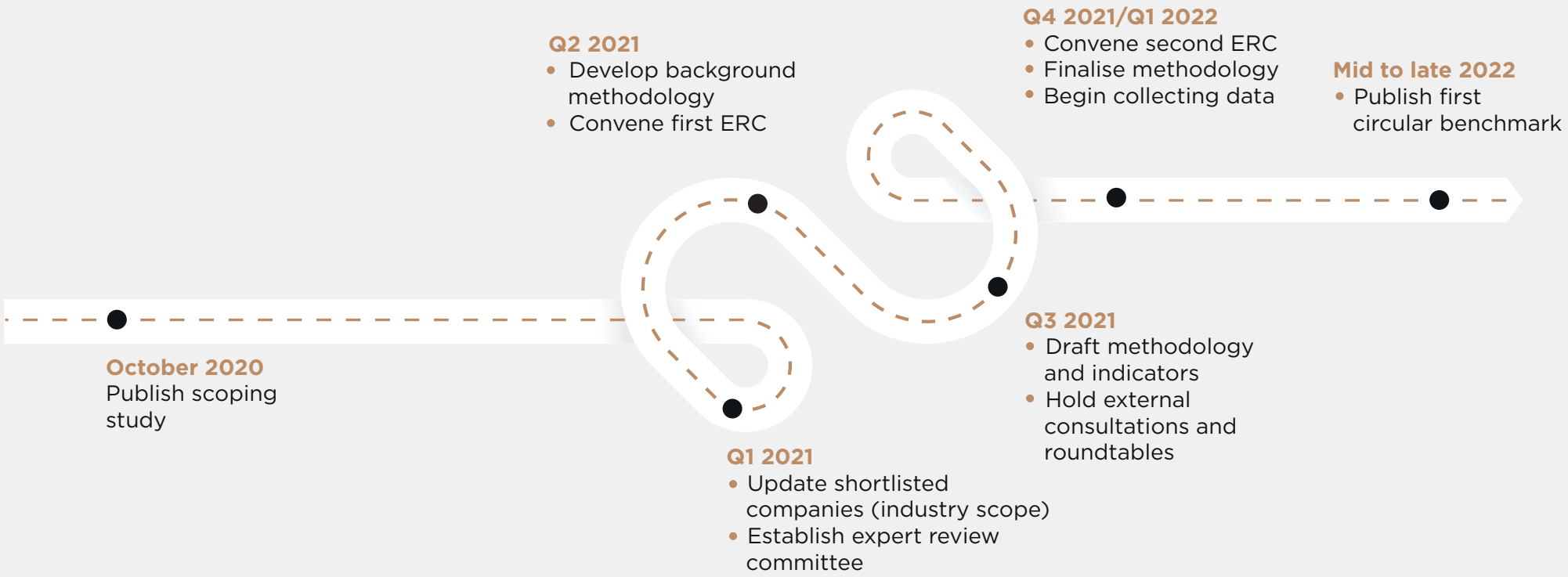
Following the presentation of the European Green Deal in December 2019, the European Commission initiated the reform of the EU Non-Financial Reporting Directive. It aims to improve the quality, consistency, comparability and accessibility of critical information that companies disclose about sustainability. WBA has played an active role at the institutional level, both in the reform and wider corporate reporting agenda. This includes promoting the move towards global principles, standards, measurements and reporting frameworks to support the drive for sustainable finance, as well as the dialogue around impact investing.

"...The concept of the circular economy is at a crossroads. It is being more widely adopted – at least at a high level – through corporate commitments and in some corporate social responsibility documentation."

The policy moves towards mainstream integrated ESG reporting will make it necessary to accelerate the transition to a circular economy. Establishing a circular benchmark would therefore address the need for collaboration across value chains and provide the catalyst for change. Equally, the benchmark would raise the profile of circularity and provide a framework for capturing performance metrics, standards and pricing mechanisms that reflect positive and negative aspects across the social, economic and environmental spheres. This would enable targeted investing in companies that provide long-term value.

"...WBA recommends establishing a coalition of stakeholders relevant to the fashion industry to help develop a ground-breaking mechanism that will increase uptake of CBMs"

FIGURE 5: PLANNING AND MILESTONES FOR DEVELOPING A CIRCULAR BENCHMARK



World Benchmarking Alliance

Conclusions

The concept of the circular economy is at a crossroads. It is being more widely adopted – at least at a high level – through corporate commitments and in some corporate social responsibility documentation. But there is a risk it will lose its meaning – like 'sustainability' – and become another greenwashing term. Meanwhile, planetary boundaries are being overrun and supply chains are heavily disrupted by the COVID-19 pandemic.

This study has found that increasing corporate transparency through a publicly available ranking of how companies perform relative to peers could trigger action. It would shine a spotlight on company leaders using exemplary and effective circular strategies. This would inspire sceptics and laggards, who need to better understand the feasibility and desirability of circularity, while also holding them to account where necessary. A benchmark can greatly help investors, policymakers and innovative businesses to track and understand companies' progress, and to adopt bold plans to move away from a linear way of doing business.

WBA recommends establishing a coalition of stakeholders relevant to the fashion industry to help develop a ground-breaking mechanism that will increase uptake of CBMs. Stakeholders would come from fashion and textile businesses, civil society, trade associations and governments, and would also include investors in the industry. The mechanism would be based on insights from stakeholders and the experiences of other industries in adopting circularity. It would be a call to action, an ambitious yet practical – and hopefully simple – way of incentivising companies to increase their transparency and accountability.

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Annex II: List of interviewed organisations

Circular experts/ consultants	Businesses or trade associations	Governmental or related international organizations	Academics or published researchers	Other from sustainability or fashion
Cradle to Cradle Institute	ABN Amro	ADEME	IDEAL&CO	African Circular Economy Network
Circle Economy	Burberry	French Ministries (Ecological	Centre d'Etudes et	EON
Circular IQ	Circularity Capital	transition and foreign affairs)	de Recherches sur le	Fashion Revolution
Circular Vision	Fast Retailing	GIZ	Développement International	Impact Management Project
Corporate Citizenship	Rabobank		(CERDI)	New Standard Institute
Ecochain	Sustainable Apparel Coalition		SRC	WRI
Ellen MacArthur Foundation	(SAC)		Utrecht University	
Fashion for Good	VF Corporation			
GRI	Wates Group			
KPMG	WBCSD			
Metabolic				
PACE				
Planet Tracker				
QSA Partners				
Textile Exchange				
WRAP				

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The World Benchmarking Alliance is funded by

AVIVA Foundation
Ministry of Foreign Affairs of Denmark DANIDA International Development Cooperation
Federal Ministry for Economic Cooperation and Development
giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
Ministry of Agriculture, Nature and Food Quality of the Netherlands
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