



**ELLEN
MACARTHUR
FOUNDATION**

**Valérie Boiten,
Senior Policy Officer**



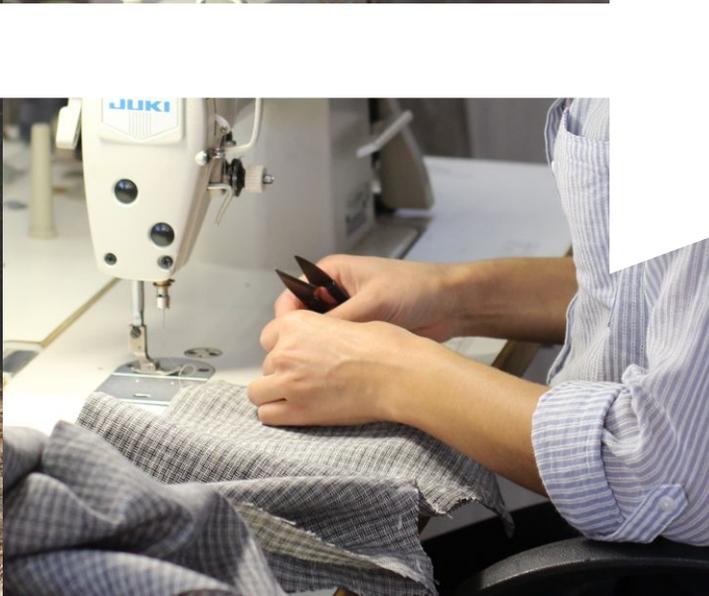
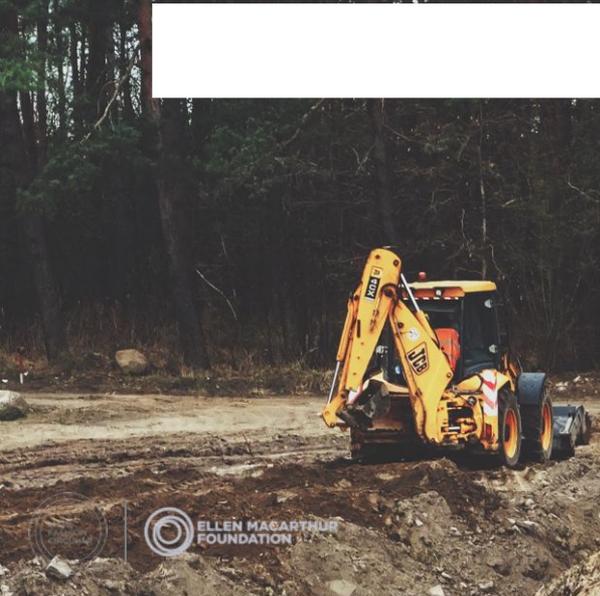
No experience in my life could have given me a better understanding of the word finite.

- Ellen MacArthur

TAKE

MAKE

WASTE



The circular economy idea:



The circular economy is designed to:



Eliminate waste
and pollution



Circulate
products and
materials



Regenerate
natural
systems

Our geographies

The Foundation has offices in Europe, Latin America, China and North America and a global network representing nearly \$5trn in revenue.



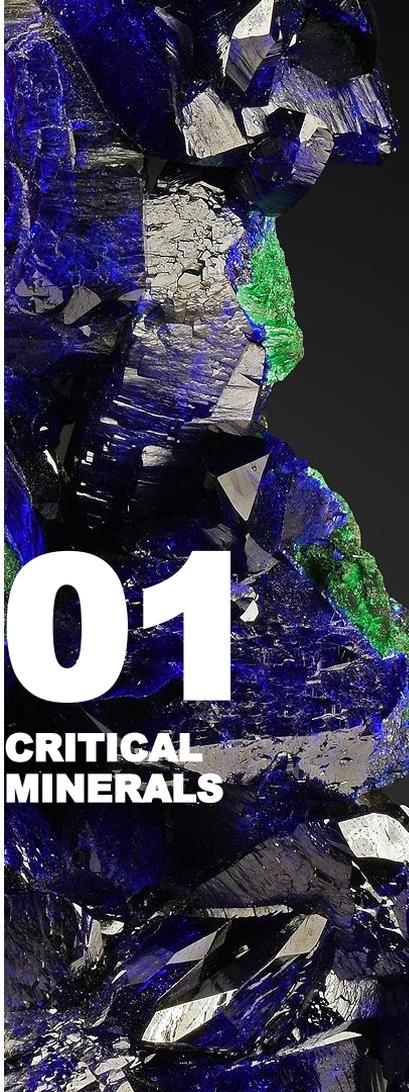
**OUR MISSION IS
TO ACCELERATE
THE TRANSITION
TO A CIRCULAR
ECONOMY**

**WE HAVE SET THE
DIRECTION, NOW WE
ARE FOCUSED ON
DRIVING
IMPLEMENTATION**



OUR THREE MISSIONS

Over the next six years,
we will work at the interface
of business innovation and
policy making to transform
iconic markets.



01

**CRITICAL
MINERALS**



02

**FASHION
AND TEXTILES**



03

**PLASTICS
AND
PACKAGING**

THE CIRCULAR ECONOMY IS IN A NEW PHASE...

IMPLEMENTATION AT SCALE

100 COUNTRIES

HAVE NATIONAL CIRCULAR
ECONOMY ROADMAPS

55% OF BUSINESSES

HAVE CIRCULAR ECONOMY
STRATEGIES

USD 400+ bn

OF CAPITAL HAS BEEN MOBILISED

But momentum isn't the same as transformation. The vision is bold, the reality is much bolder.

Our strategy focuses on breaking down systemic barriers to make the circular economy more competitive now.



For almost a decade,
we have mobilised
action behind a
strong vision for a
circular economy for
fashion and textiles



**YET, WE'RE
HITTING A CEILING**

**FASHION HAS
BECOME
FASTER AND
MORE
DISPOSABLE
THAN EVER
BEFORE.**

FROM

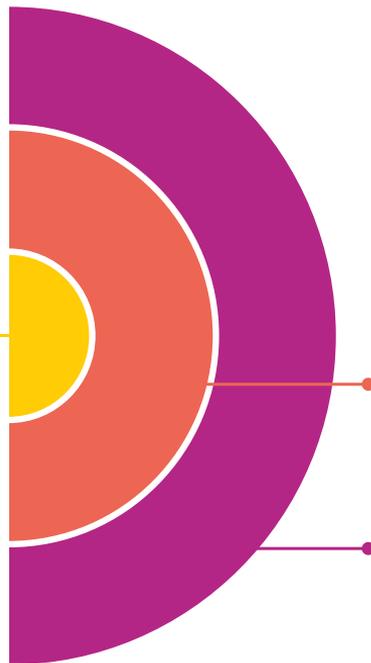
INDIVIDUAL BUSINESS CHANGE

INDIVIDUAL ACTION

IDENTIFY SYSTEMIC BARRIERS

Barriers are **systemic** when circular solutions are not yet competitive with business-as-usual, rely on widespread behaviour change and/or require substantial collective investment.

This means individual businesses cannot overcome them alone.



TO

MARKET TRANSFORMATION

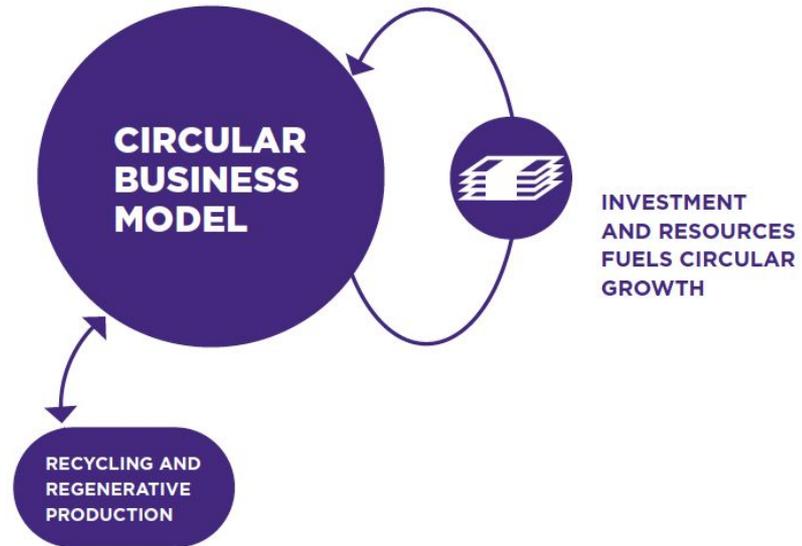
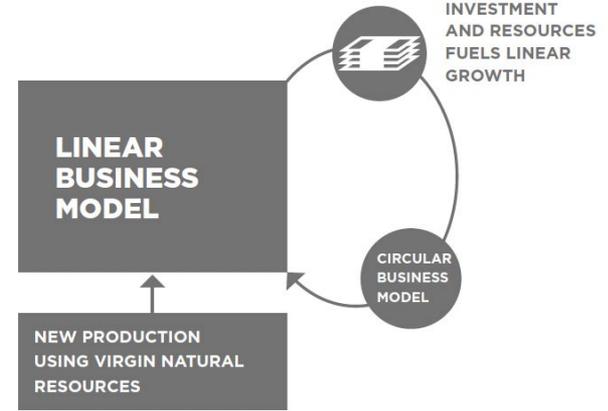
COLLABORATIVE ACTION

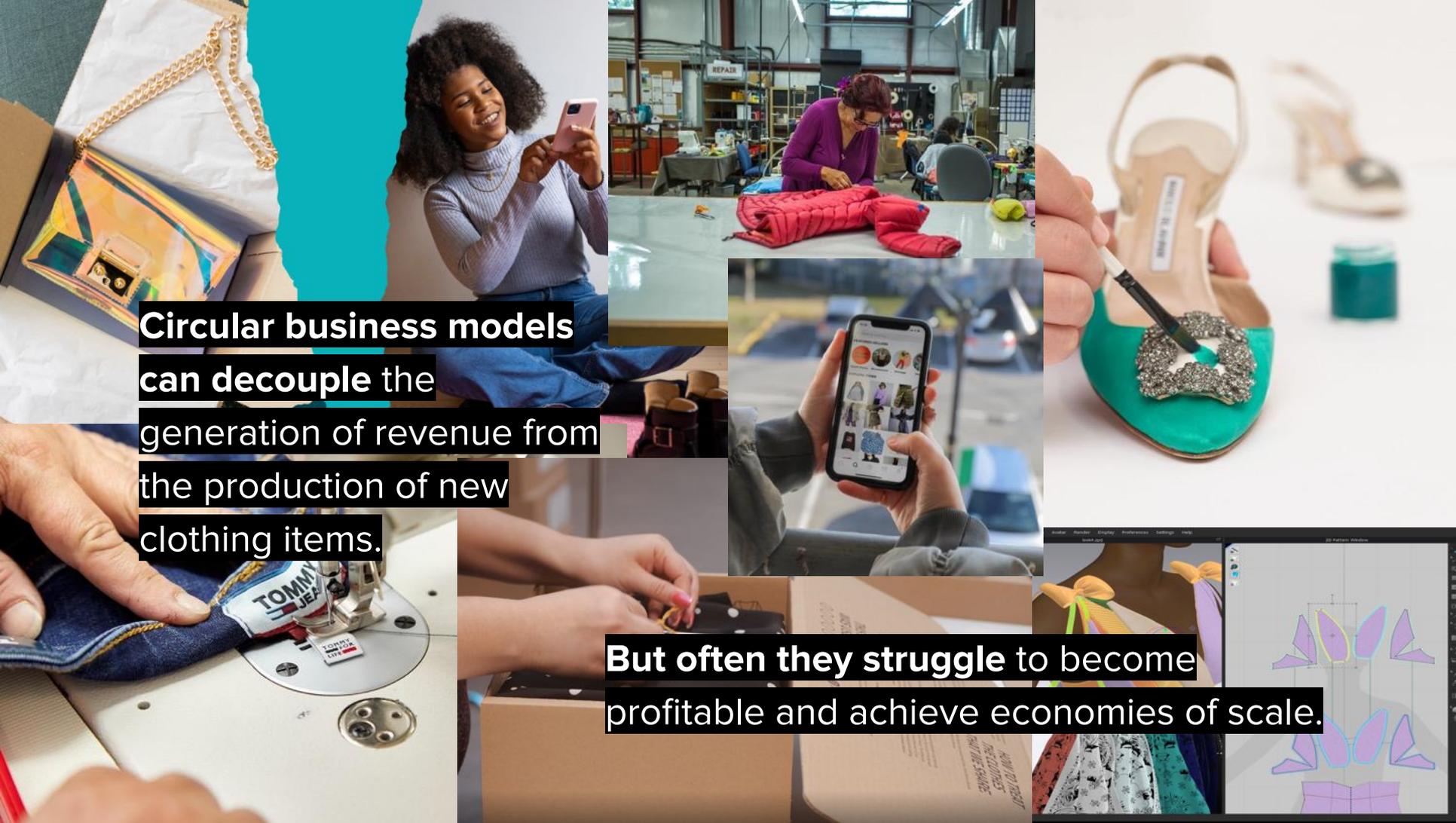
MOBILISE INVESTMENT

COLLECTIVE ADVOCACY

CHANGE THE RULES

Clothing is generally delivered through linear, single-sale business models, which do not provide for take-back, resale, or repair operations.





**Circular business models
can decouple the
generation of revenue from
the production of new
clothing items.**

**But often they struggle to become
profitable and achieve economies of scale.**

Circular business models depend on highly variable inflows of used goods, which differ significantly in both quality and quantity. This variability makes processes labour-intensive and difficult to standardise, resulting in lower labour productivity.

Circular business models do not achieve economies of scale benefits in the way that linear models do.

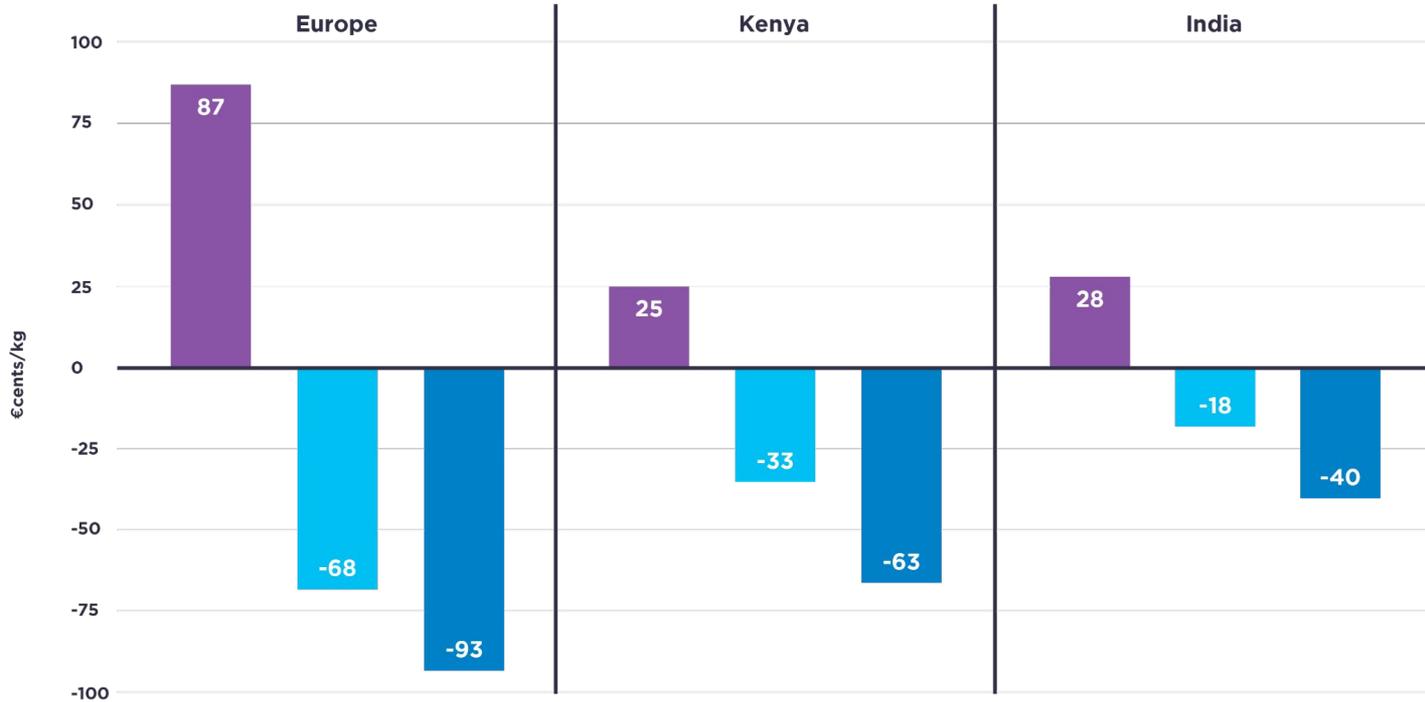




The business case for sorters in Europe, Kenya, and India

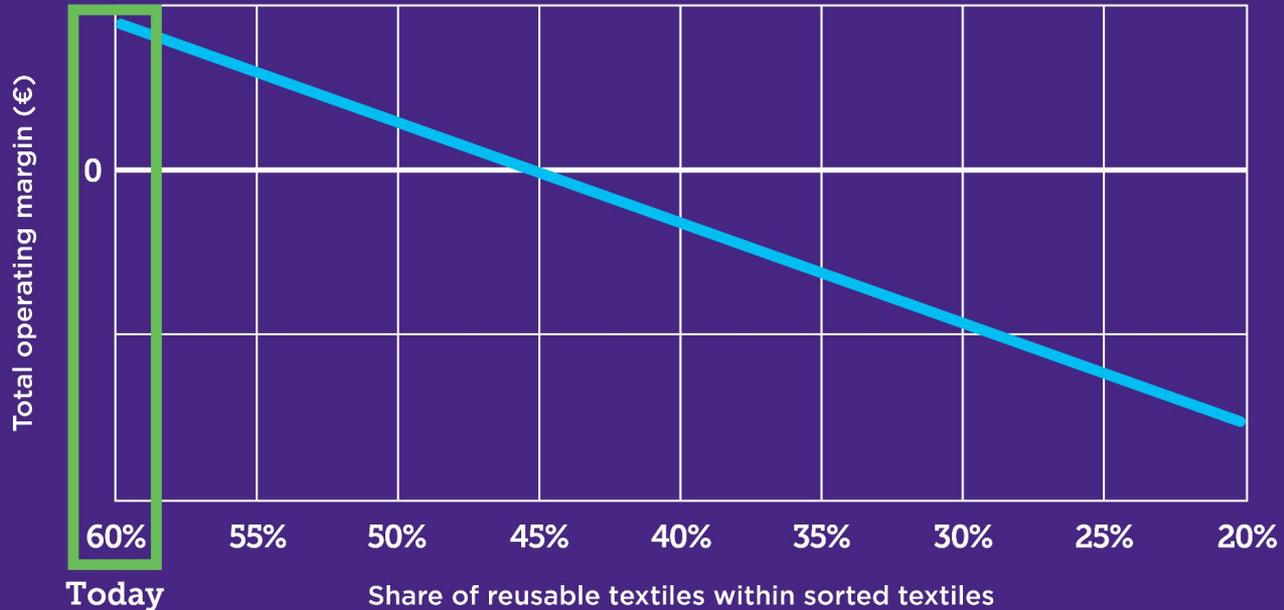
While sorters are able to turn a positive operating margin for reusable clothing, the non-reusable clothing fraction (sold to downcyclers or recyclers) is operating at a loss, based on current market prices. See Appendix F for a detailed breakdown of the values reported in this figure.

■ Margin generated by the reusable fraction ■ Margin generated by the non-reusable fraction ■ Margin generated by the waste fraction



The operating margin of the average EU sorter is likely to become negative when reusable share of collected textiles falls 45% (from today's 60%).

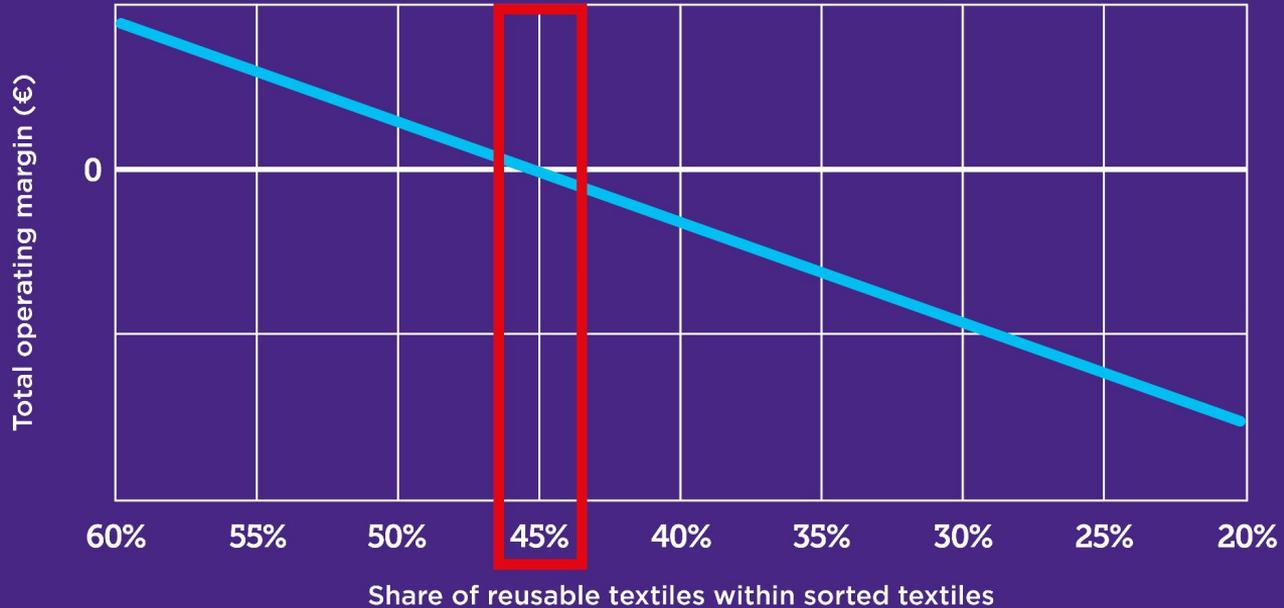
Margin of average EU sorter (difference between revenues and costs)



Sources: EMF analysis based on data from Fashion For Good (2022), McKinsey & Company (2022), EigenDraads (2022)

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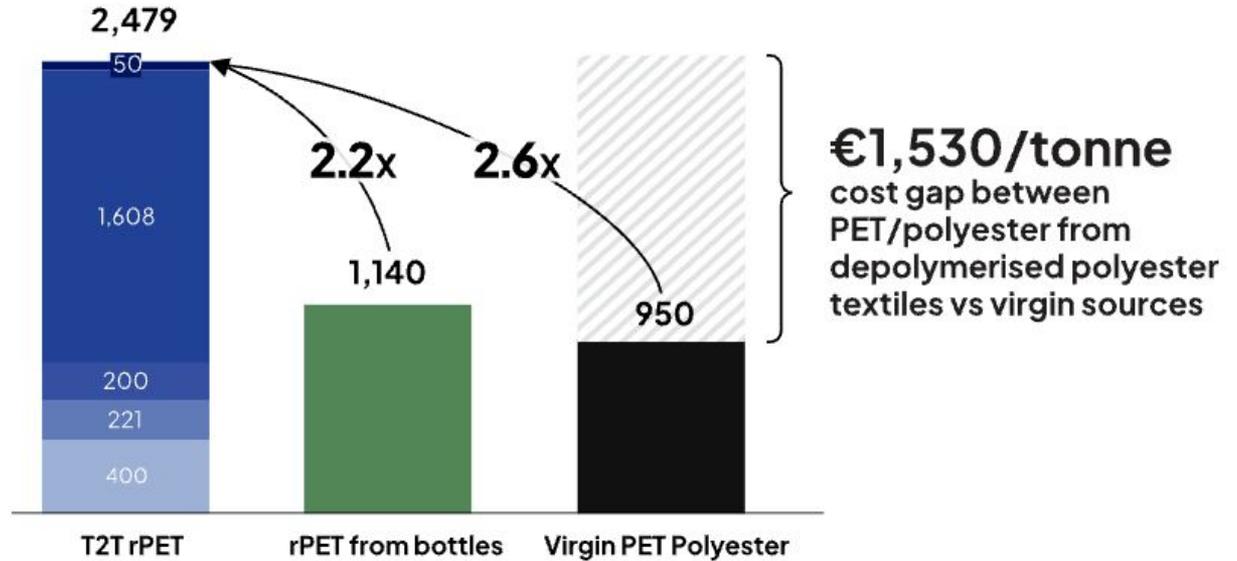
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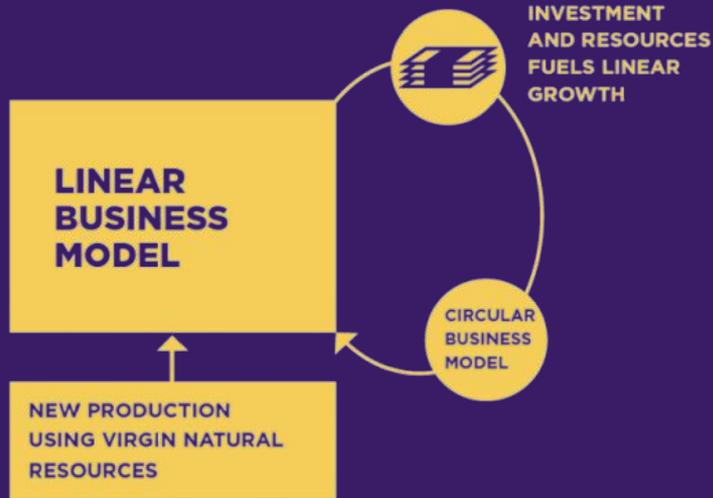
2025 annualised cost comparison of feedstock sources for polyester textiles

Kilotonnes

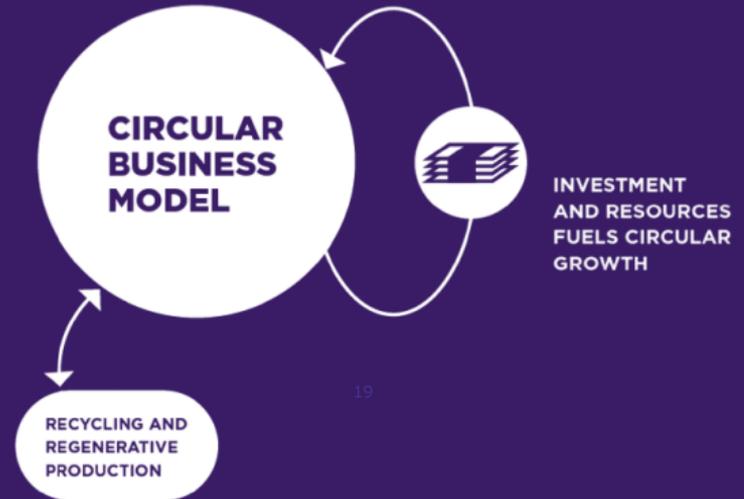
● Shipping ● Depolymerisation ● Pre-processing ● Automated sorting for recycling ● Collection



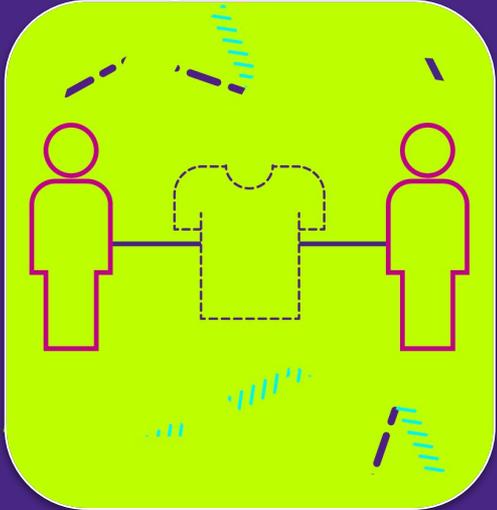
The circular economy today



The circular economy at scale



19



The Fashion ReModel

ARC'TERYX

ARKET

COS

rys al

DECATHLON

ebay

H&M Group

JOHN LEWIS
PARTNERSHIP

PRIMARK®

Reformation

tapestry

WEEKDAY

zalando



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