REDRESS
DESIGN AWARD

SUPPORTING SOURCES AND STATISTICS
(as of 5 January 2024)

Redress, the Hong Kong-headquartered, Asia-focused environmental NGO accelerating the change to a circular fashion industry, is pleased to provide as a general aid the following selection of statistics and reports to support understanding of the issues and solutions underpinning Redress' work. For further information, please contact Shirley Aun, Communications Manager, at shirleyaun@redress.com.hk

THE FASHION INDUSTRY'S VARIOUS IMPACTS AT A GLANCE

Economic: The fashion industry globally is an estimated $2.5 trillion annual business, or approximately 3% of global GDP.[1]

Environmental impact at global level

- **Carbon:** The fashion industry contributed to an estimated 4% of global greenhouse gas emissions.[2] The fashion industry is projected to use 26% of the world's carbon budget by 2050.[3]
- **Water:** 17-20% of industrial water pollution comes from textile dyeing and treatment given to fabric.[4]
- **Waste:** Every second, the equivalent of one rubbish truck of textiles is landfilled or burned.[5]

Social: 1 in 6 people are believed to work in some part of the apparel industry.[6]

THE PROBLEM: FASHION'S LINEAR SYSTEM CONTRIBUTES TO TEXTILE AND CLOTHING WASTE AND THIS IS SET TO WORSEN

Current textile and clothing waste rates

- Every second, the equivalent of one rubbish truck of textiles is landfilled or burned.[7]
- An estimated 92 million tons of textile waste is created annually from the fashion industry.[8]
- In Hong Kong, an average daily quantity of 202 tonnes of textiles were landfilled in 2020 (from domestic and commercial/industry).[9]

Textile waste is not effectively re-used or recycled

- Of the total fibre input used for clothing, 87% is landfilled or incinerated, representing a lost opportunity of more than USD 100 billion annually.[10]

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[1] UBS (2021) $2.5trn industry at risk - What if consumers stop buying disposable clothes.
[2] McKinsey (2020), Fashion on Climate: How the fashion industry can urgently act to reduce its greenhouse gas emissions
[3] Ellen MacArthur Foundation, Fashion and the circular economy — deep dive
[4] Kant, R., *Textile dyeing industry: An environmental hazard*, Natural Science, Vol. 4, 1 (2012), p.23
[5] Ellen MacArthur Foundation (2017), A New Textiles Economy: Redesigning Fashion's Future
[6] The United Nations Economic Commission for Europe (UNECE)
[7] Ellen MacArthur Foundation (2017), A New Textiles Economy: Redesigning Fashion's Future
[8] Business of Fashion and McKinsey & Company, The State of Fashion 2020, New York, 2019
[9] Environmental Protection Department, HKSAR. 2021. Monitoring of Solid Waste in Hong Kong: Waste Statistics for 2020.
[10] Ellen MacArthur Foundation (2017), A New Textiles Economy: Redesigning Fashion's Future

Fashion consumption and waste rates are increasing

- Around 100 billion apparel items are produced per year, approximately doubling from 2006, and the majority of this clothing is landfilled or burned within one year of production[11]
- Global apparel, footwear consumption may rise by 63% in 2030[12]
- Textile waste is estimated to increase by about 60% between 2015 and 2030, with an additional 57 million tons of waste being generated annually, reaching an annual total of 148 million tons, which is equivalent to annual waste of 17.5kg per capita across the planet[13]

Asia has particular waste crisis

- Greater China was expected to overtake the US as the largest fashion market in the world in 2019[14]
- Between 2015-2022 the world's largest clothing exporters by value remain China, European Union, Bangladesh, Turkey, Vietnam, India[15]
- Asia accounts for some 60% of global exports of garments and textiles[16]

THE SOLUTION: WE NEED TO MOVE TO A CIRCULAR FASHION SYSTEM – BUT WE ARE FAR FROM ACHIEVING THIS

Circular economies are not well developed

- The global economy is only 7.2% circular[17]
- When it comes to the fashion industry, less than 1% of material used to produce clothing is recycled into new clothing[18]

Benefits of circular economy:

- **Environmental** Circular business models could reduce GHG emissions by approximately 25%. Every 1% increase in market share, circular business models can reduce emissions by 13 million tons[19]
- **Economic:** Four business models (resale, rental, repair, and remaking) – all of which have the potential to decouple revenue streams from production and resource use – currently represent a $73 billion market. Collectively, they have the potential to grow from 3.5% of the global fashion market today to 23% by 2030, representing a $700 billion opportunity[20]
- **Social:** International Labour Organisation estimates that transitioning towards a circular economy across all sectors around the world could create a net total of 6 million new jobs by 2030, compared to a business-as-usual scenario[21]

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[11] UBS (2021) $2.5trn industry at risk - What if consumers stop buying disposable clothes.
[12] Pulse of the Fashion Industry report (May 2017) The Global Fashion AgendaThe Boston Consulting Group
[13] Global Fashion Agenda and The Boston Consulting Group, Inc. (2017), Pulse of the Fashion Industry
[14] State of Fashion 2019 report by McKinsey & Company and the Business of Fashion (BoF)
[15] FASH455 Global Apparel & Textile Trade and Sourcing (2015)
[16] Environmental Impacts of the garment Sector, International Labour Organization (2022)
[17] Circle Economy (2023). Circularity Gap Report 2023
[18] Ellen MacArthur Foundation (2017), A New Textiles Economy
[19] McKinsey and GFA (2020). Fashion on Climate
[20] Ellen MacArthur Foundation (2021) Circular Business Models - Redefining Growth for a Thriving Fashion Industry
[21] International Labour Organization (2018). World Employment Social Outlook 2018: Greening with Jobs

<u>*Select*</u> factors needed to transition towards a circular economy include the need to:

- Educate and empower designers
    - It is estimated that 80% of a product's environmental impact is determined at the design stage[22]
- **Involve more fashion stakeholders:**
    - 12.5% of the global fashion industry has committed to circularity. Since its launch at the Copenhagen Fashion Summit 2017, 90 companies, representing 12.5% of the global fashion market, have signed and committed to focus on four key areas of circular fashion: design, collection, reuse and recycling[23]
- **Increase investment**: Developments in the circular economy are too slow with lack of investment identified. In order to disrupt and scale new business models and innovations, a yield of $20 billion to $30 billion in financing per year is needed to capitalise on sustainability by 2030[24]

<u>CONSUMERS EXPECT BETTER PRACTICES – MORE CONSUMER ACTION NEEDED</u>

Consumers expect better

- 98% of consumers think brands have a responsibility to make positive change in the world[25]
- 71% of consumers are indicating a shift towards investments in higher quality garments and a deepened interest in circular business models such as resale, rental or refurbishment[26]

Consumers not willing to pay more for sustainability

- 71% of global consumers are concerned about sustainability in fashion, only 3% of them are willing to pay a premium for it[27]

Greenwashing concerns remain amongst consumers

- 79% of global Gen Z consumers and 66% of Millennials said they had the perception that brands are never honest, or not honest enough about how environmentally friendly their products are[28]
- Following a screening of websites, the European Commission revealed that national consumer protection authorities had reason to believe that in 42 % of cases of companies making "green" claims, the claims were 'exaggerated, false or deceptive'[29]

<u>NO COMPREHENSIVE GOVERNMENT LEGISLATION FOR CIRCULARITY – ONLY SELECT LEGISLATION COMING ONTO THE HORIZON</u>

- France: 2020 New anti-waste law enacted, banning of incineration of unsold clothing inventory, requiring manufacturers, distributors, and stores to donate or recycle[30]

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[22] EU Science Hub (2018): Sustainable Product Policy
[23] Global Fashion Agenda 2017
[24] Financing the Transformation in the Fashion Industry - Boston Consulting Group and Fashion for Good - 2020
[25] Futerra Consumer research (2019) The honest generation are here. Are you ready?
[26] Global Fashion Agenda (2020) CEO Agenda 2020 COVID-19 Edition
[27] Sanghi et al. 2022
[28] Futerra Consumer research, June 2019. The honest generation are here. Are you ready?
[29] European Commission; Screening of websites for 'greenwashing': half of green claims lack evidence, Jan 2021
[30] Library of Congress: France: New Anti-Waste Law Enacted, Mar 2020

- China aims to recycle a quarter of all its textile waste and wants to produce 2 million metric tons of recycled fibre annually by 2025. By 2030, aims to be able to recycle 30 percent of its textile waste and produce 3 million tons of recycled fibre annually[31]
- European Union ‘Strategy for Sustainable and Circular Textiles’ in consultation with the goal that by 2030 textile products placed on the EU market are long-lived and recyclable, to a great extent made of recycled fibres, free of hazardous substances and produced in respect of social rights and the environment[32]

[31] The State Council, The People’s Republic of China: China to up its recycling capabilities, Apr 2022
[32] European Commission (2022) EU strategy for sustainable and circular textiles