

Final Report

Final evaluation of the “Make Fashion Circular initiative”,
implemented by The Ellen MacArthur Foundation

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1. Executive Summary

Introduction

This evaluation report marks the completion of the first three year ‘mobilisation’ phase of the Make Fashion Circular (MFC) initiative (2018-2021). Implemented by Ellen MacArthur Foundation and part funded by Laudes Foundation, MFC aims to create unstoppable momentum towards a circular economy for fashion.

In implementing MFC, Ellen MacArthur Foundation uses their approach to executing systemic initiatives. This involves following an entrepreneurial, systemic, design-thinking model, which places businesses at the centre to inform and inspire action across stakeholder groups. The initiative brings businesses together to prototype, learn, refine, and scale solutions on circularity with the intended outcome of creating unstoppable momentum of action, a measurable shift in fashion sector material flows from linear to circular and strengthening a policy environment that enables a circular fashion system.

Laudes Foundation commissioned an external evaluation of Make Fashion Circular. This report describes the evaluation methodology, findings, recommendations/opportunities and key lessons. The evaluation was implemented through a participatory process in collaboration with the Make Fashion Circular leadership and implementation staff teams at Ellen MacArthur Foundation and Laudes Foundation.

The evaluation process sought out evidence to confirm, counter, and/or elaborate the contribution claims that were described in the Inception Report, relevant to an agreed selection of collaboratively identified Laudes Rubrics and Learning Priority Questions. The evaluation facilitated a process of learning, which may inform future phases of the Make Fashion Circular initiative and provide timely insights on contextual issues, to inform strategy decisions for Ellen MacArthur Foundation, Laudes Foundation and their learning partners.

Methodology

The Laudes Foundation has developed its own rubrics-based methodology, including 21 rubrics (categorised into four groups) that set a standard for what good looks like at different levels of an initiative, from process to impact. The four groups include:

- A. Process Evaluation Rubrics
- B. Intermediate Outcome Rubrics
- C. 2025 Outcome Rubrics
- D. 2030 Impact Rubrics (not applicable to this initiative)

The Laudes rubrics form the underlying assessment methodology for the evaluation of Make Fashion Circular. For further information on the full set of rubrics, including details on the scale and the documentation defining the rubrics and ratings, see [here](#).

Collaboratively developed learning priorities informed the joint selection of seven rubrics from these groups. For the first phase of the initiative (2018-2021), the process-based ‘A’ rubrics assessed what worked well in the design and implementation processes of MFC, including its role and positioning. This considered design, implementation, monitoring, communication, and capability/capacity. The ‘B’ rubrics were used to assess the degree to which MFC achieved two intended intermediate outcomes. The ‘C’ rubrics were used to assess progress in the fashion industry towards three intended later outcomes and MFC’s progress in contributing. Since the ‘B’ and ‘C’ rubrics are concerned with observations of how an intervention has contributed to change, an evaluative approach called contribution analysis was used to generate evidence-based findings for the ‘B’ and ‘C’ rubrics.

MFC’s main thrust is to inspire and inform fashion industry actors across the global value chain to adopt circular solutions, by working with industry frontrunners and influencers in the wider sector. Therefore, the Laudes rubrics

'B3' and 'C3' were the most logical rubrics to track MFC's key outcomes and to gauge MFC's success through the evaluation.

The full descriptions of rubrics 'B3' and 'C3' are:

- B3. Progressive businesses lead the change, which encourages others to follow and lays the foundation for progressive change in policy, the financial sector and the real economy.
- C3. Businesses promote and implement bold, 3a. climate-positive policies, models and practices.

After agreeing learning priorities for the evaluation, and subsequently selecting the most logical rubrics around these, we (the evaluation team and the EMF MFC leadership team) opted to develop a set of Learning Priority Questions (LPQs). The purpose of this was to focus the evaluation's data collection and analysis approach on the specific things in the rubrics that were most relevant to what MFC was aiming to achieve and how. This helped maximise the usefulness of the rubrics as a tool for addressing (or answering) the identified learning priorities. The four LPQs also helped to structure our evaluation matrix and refine the long list of evaluation questions presented within it, which identified what aspects of MFC would be investigated, how and why.

The 'A' rubrics on design and implementation were used to answer *LPQ 1: What worked well in the design and implementation processes of MFC, including its role and positioning?* The 'B3' rubric on the two priority intermediate-level outcomes was used to answer *LPQ 2: To what extent has a new circular economy narrative gained traction in the fashion industry and to what extent is progress informed and inspired by the Make Fashion Circular Initiative, implemented by EMF?* and *LPQ 3: To what extent has the fashion industry started to mobilise solutions towards a circular economy and to what extent is progress informed and inspired by the Make Fashion Circular Initiative, implemented by EMF?* Finally, the 'C3' rubric was used to answer *LPQ 4: How is MFC on track to achieve intended results in the medium-longer term (2025-2030)?* In summary, we asked learning questions of interest to the EMF MFC leadership team and used the appropriate elements within the rubric to help formulate insightful answers to those questions.

Summary of Findings

The purpose of the evaluation was to assess successes, challenges and missed opportunities for the Make Fashion Circular initiative, as well as to arrive at a focussed set of recommendations/ opportunities and lessons to inform EMF's future work. All findings presented in the report have been triangulated across all the evidence sources captured by the evaluation, including through documentary review and interview-based research methods. Initial findings were challenged and refined through a sensemaking workshop with EMF and Laudes Foundation, and additional interviews.

This evaluation has provided a more complete understanding of the circular economy processes occurring in the fashion industry, and the contribution of Make Fashion Circular to progress in the sector. Based on the analysis conveyed in the report, it can be concluded that Make Fashion Circular was a successful multi-stakeholder collaborative process which instigated capacity strengthening, trust-building, and stronger models of communication across the fashion ecosystem. As for any new large-scale model of collaboration, the initiative was launched with a degree of risk and uncertainty; there were well-evidenced problem and vision statements, and there were some initial financial investments, but there were also many unknowns about the correct process to realise the vision. The subsequent flexible and agile approach enabled EMF to work towards the critical system elements of the initiative, but lessons continue to be learnt on the best way of sharing this approach with partners, due to the accompanying engagement challenges.

The evaluation finds that overall, EMF combined the right resources, staff and membership model needed to steer MFC with knowledge and vision, and it did so with a powerful, independent voice. With a strong funding model and a clear goal, EMF developed overall strategies at the start of the initiative, whilst designing the detailed outputs

iteratively based on input from an advisory board and participating organisations. This enabled MFC to be as responsive as possible to the context and stakeholders. In doing so they were able to strike a delicate balance of convening the key ecosystem players for systemic impact, versus providing practical inputs to strengthen the capacity of individual partners. Getting this balance right enabled MFC to contribute to internal and external narrative change, in alignment with the vision of a circular economy for fashion. In the fashion sector, significant changes continue to be needed to realise the post-2025 outcome goals of the initiative. The evaluation demonstrates that MFC has a strong role to play in contributing further to industry progress. Taking forward the opportunities and lessons highlighted in this report during the next phase of the initiative could help EMF to maximise this contribution.

A1 Ratings:

Learning Priority Question 1: What worked well in the design and implementation processes of MFC, including its role and positioning?	Harmful	Unconductive	Partly conductive	Conductive & supportive	Thrivable
A1. A design that addresses the important issues/needs				●	
A2. Implementation that is inclusive, enabling, empowering and capacity-enhancing			● ●		
A3. Monitoring to inform sound adaptive management				●	
A4. Communication to promote internal and external collective learning			●		
A5. Organisations and networks that have the right capability and capacity to deliver on relevant outcomes				●	

Table 1: A1 Ratings

A1 Overview: The design is rated ‘Conductive & Supportive’. The design of MFC’s three-year ‘mobilisation’ phase was well conceptualized, with a clear goal and overall approach. The design embedded lessons from EMF’s earlier systemic initiatives and integrated successful models of collaboration, such as convening groups of businesses with interest in a topic to collaboratively identify solutions. The initiative included a strong mix of intervention approaches and partners, and this positioned MFC to contribute to the most important issues and needs. The strong funding model coupled with the right expertise empowered the MFC team to invest in diverse and strategic relationships with a small number of leading organisations that could have extensive regional and sectoral influence across the global fashion system. This built trust and enabled information on solutions to flow to these organisations, aligned with the overall goal of the initiative. There was some tension between short- and long-term results, and this challenged the engagement model. For example, a large part of the consortium was unable to benefit, in the short-term, from participating in the two main flagship projects. Ultimately though, the design was successful at informing and inspiring a wide network of fashion industry stakeholders on the circular economy issue, with potential to influence vast global supply chains.

A2 Overview: The implementation is rated ‘Partly Conductive/Conductive & Supportive’. Overall, MFC was implemented with efficiency, thoroughness and professionalism. The model of collaboration helped drive MFC’s progress by capturing a diversity of perspectives on the issues and potential solutions. The process of developing the Vision document successfully engaged a wide range of cross-industry organisations in a new circular fashion narrative.

MFC staff created time for deep dialogues, especially with the group of core partners, affiliate partners, and the groups convened for the two demonstration projects. This catalysed strong relationships, enabling ideas to be shared constructively among members. However, attempts to enhance the capacity of the group of cross-industry organisations were limited. For example, extended delivery schedules and weak visibility of work plans on interventions that were inherently collaborative, prevented organisations from fully utilising the initiative's outputs. These gaps compromised the initiative's potential to engage the consortium of core partners, participants and affiliate partners and led to an increase in tension between short-term and long-term results.

A3 Overview: Monitoring is rated 'Conducive & Supportive'. Overall, the MFC monitoring approach has proved helpful to inform the curation, development, adaptation and improvement of the initiative. Monitoring has ensured that MFC has remained relevant, efficient and effective over the three-year implementation period. The monitoring approach gathered a good mix of evidence to inform effective real-time adaptive management over time, and the leadership facilitated regular learning meetings with internal and external knowledge holders. MFC's approach would have been stronger if it had given greater visibility of planning processes to consortium participants. This would have provided participants with more opportunities to plan at organisational level, in pursuit of mutual goals.

A4 Overview: Communication and collective learning is rated 'Partly Conducive': The initiative did well to unite a powerful group of cross-industry organisations, facilitate learning dialogues and communicate messages to its external audience. There was good collective learning and communication within and between the MFC leadership, implementation and policy teams, and between the MFC teams, co-funders and the core partners. Working most closely with a small group of leaders was a good design decision to empower frontrunners with global influence and to encourage others to move forward, in alignment with the vision of a circular economy for fashion. However, the communication system was weaker with the different consortium membership bands, and this has led to confusion about the initiative's purpose, regarding collectively supporting industry to implement circular economy actions to deliver the Vision. The consortium members also had limited information about the role of MFC pertaining to the wider policy enabling environment.

A5 Overview: Capability and capacity to deliver is rated 'Conducive & Supportive': Overall, MFC has had most of the knowledge, skills and capacity needed to create change and deliver on the important outcomes in effective ways that leverage the strengths of EMF and partner organisations. There was strong leadership and governance, with some minor limitations in apparel sector knowledge and understanding.

B3 Ratings:

<p>Learning Priority Question 2: To what extent has a new circular economy narrative gained traction in the fashion industry and to what extent is progress informed and inspired by the Make Fashion Circular Initiative, implemented by EMF?</p>	
<p>B3. Progressive businesses lead the change, which encourages others to follow and lays the foundation for progressive change in policy, the financial sector and the real economy</p>	
<p>Learning Priority Question 3: To what extent has the fashion industry started to mobilise solutions towards a circular economy and to what extent is progress informed and inspired by the Make Fashion Circular Initiative, implemented by EMF?</p>	
<p>B3. Progressive businesses lead the change, which encourages others to follow and lays the foundation for progressive change in policy, the financial sector and the real economy</p>	

Table 2: B3 Ratings

B3 Overview (LPQ 2): ‘Conducive and Supportive’: Before MFC, businesses that went on to become members of the initiative were starting to make and implement sustainability commitments, but most actions related to resource efficiency, waste management and other end of pipe solutions. By engaging, inspiring, and informing a cross-industry group of organisations, and particularly six globally influential brands and retailers as core partners, MFC has successfully aligned a critical mass of industry actors to use the same language when talking about circular economy. The group of cross-industry organisations that MFC engaged over the period 2018-2021 now largely recognise a compelling business case to change practices and a significant number of the core partners and participants have adopted circular economy company policies. Furthermore, MFC successfully reached a wider network of ecosystem partners with its outputs and messages, enabling the initiative to contribute positively towards the global circular economy narrative beyond its primary audience of the MFC cross-industry group.

B3 Overview (LPQ 3): ‘Partly Conducive’: EMF defines the circular economy as based on the three following principles: eliminate waste and pollution, keep products and materials in use and regenerate natural systems¹. MFC has inspired and informed its members to adopt long-term plans outlining solutions towards a circular economy and has encouraged some businesses to adopt positive practices. However, the initiative has not yet accelerated changes to enabling conditions to the extent required for businesses to take meaningful steps at scale, towards implementing their commitments. As such, most members are still in the nascent stages of implementing any new circular strategies.

¹ <https://www.ellenmacarthurfoundation.org/circular-economy/concept>

C3 Ratings:

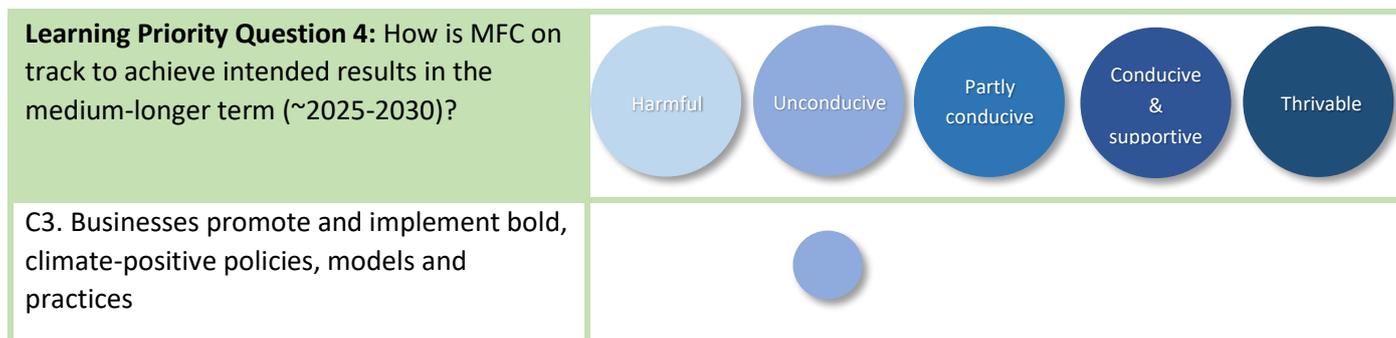


Table 3: C3 Ratings

C3 Overview: ‘Unconductive’: Some globally influential brands and retailers are now in the early stages of transitioning towards circularity, but linear economic models still dominate and underlying endemic problems still characterize the fashion industry. So far, any significant MFC-influenced shifts are, at this point, only within the MFC consortium. Some MFC participants, including manufacturers, retailers, and brands (inclusive of small and medium-sized enterprises) have made progress towards adopting a mix of bold, circular economy company policies. However, few businesses have made meaningful progress towards adopting a comprehensive mix of practices, beyond piloting one-off circular collections, business models or design guidelines. The vast majority of businesses are not transparent about actions in alignment with the Vision, despite the gains in positively shifting internal and external narratives in alignment with the vision of a circular economy for fashion. MFC sought to bring about greater transparency, by building an intervention into the design of the initiative to seek industry-wide commitments for ambitious time-bound targets. However, due to context and timing issues, substantially due to the market impact of the COVID-19 pandemic, this work was not completed during the three-year initiative.

Opportunities for the second phase of Make Fashion Circular

MFC has been successful at bringing about structural changes, such as to internal practices and corporate policies. Yet, a deeper level of systems change is critical if the intended 2025-2030 outcomes are to be achieved. Therefore, in the next phase, MFC has key opportunities that will contribute further to system-wide changes in industry, which in turn will steer policy, investor, and consumer mindsets in the right direction. To help EMF, Laudes and their learning partners understand and support the transformational and systemic changes needed, a selection of key opportunities, drawn from key findings, is outlined below.

- Key Finding 1: **Collectively raising the level of action by industry is critically important to progress towards transformative solutions for circularity in fashion.** MFC’s model of collaboration has instigated capacity strengthening, trust-building, and stronger models of communication across a diverse group of cross-industry stakeholders. This has helped elevate the ambition of a wide range of companies on circularity, whilst emboldening a smaller group of globally influential retailers and brands to exert influence across their global supply chains. A weakness in the approach, so far, has been the lack of interventions/outputs to improve accountability processes. This has prevented MFC from effectively monitoring action, or inaction, of companies relative to their circular economy commitments and plans.
- Opportunity 1: **Continuing to work with a small group of globally influential businesses would enable MFC to mobilise circular economy solutions across a wider range of sectors and geographies.** In its next phase, MFC’s design could be strengthened by incorporating corporate targets on circular economy into the membership model and increasing process transparency to address the growing challenges of marketing claims without bold action behind them. Conducting a mapping exercise to refresh understanding of the complementary initiatives available to support MFC’s system-wide goals, particularly on target setting, investment and regulatory changes, could support the initiative in identifying existing opportunities where there could be good prospects for synergy.

Exploring the work of other ecosystem partners, such as Textile Exchange and Fashion Revolution, which are involved in developing tracking metrics for reporting progress, could help MFC to back the essential work of others to spotlight good practice.

- **Key Finding 2: MFC's model of collaboration enabled members and ecosystem partners to successfully inform the initiative's design over time, enabling it to remain relevant to the system-wide circularity issues in fashion.** Whilst the overall strategies largely remained the same, the detailed outputs were designed iteratively around feedback from the advisory group and participants. This lean way of working enabled EMF to work towards the critical system elements of the initiative, but lessons continue to be learnt on the best way of sharing this approach with partners, due to the accompanying engagement challenges.
 - **Opportunity 2: MFC has the opportunity to drive faster adoption of circular economy solutions by raising awareness among members about the common purpose of the initiative whilst using progress monitoring and communication to update members on key milestones.** During its second phase, MFC could consider introducing more user-friendly systems to inform members about evolving refinements to the strategy and any new or upcoming interventions/outputs. With routine progress updates, this could enhance the model of collaboration by improving communication and strengthening the complementarity of MFC's short-term outputs, with the activities of individual organisations.
-

- **Key Finding 3: By convening the key ecosystem players and strengthening organisational understanding of circular economy principles and opportunities, MFC has convinced a powerful group of globally influential businesses of the value proposition for circular fashion.** MFC's workstreams have advanced the circular economy narrative within these businesses, and there are widespread examples in policy, industry and the media of organisations citing the MFC Vision of a Circular Economy for Fashion. Leveraging EMF's cross-sector experience, reputation, and capital, MFC has challenged the ideas of its participants, and informed and inspired them to begin to develop circular economy company policies. MFC's successes in building the common vision and changing mindsets across companies is an important achievement.
 - **Opportunity 3: Now that a critical group of globally influential businesses understands the value proposition of circular fashion, MFC has the opportunity to catalyse action and impact by businesses, starting with the implementation of circular economy company policies.** This could be approached by working with ecosystem players in fashion and finance, to strengthen knowledge on the links between circular economy, growth and long-term value creation for fashion companies. Knowledge-based interventions could also be used to advance design guidelines for different product categories. On this, MFC could facilitate partnerships between groups of businesses to collectively explore key questions in creating Jeans Redesign-style guidelines for non-denim product categories, and other practical circular design solutions.
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- **Key Finding 4: MFC recognized that policy and regulatory changes are an inherent part of the circularity solution for fashion and contributed to informing policymakers' thinking on circular economy through research.** Bringing alignment across industry narratives by convening fashion industry experts to co-create a comprehensive common definition for circular economy in fashion (detailed in the Vision) supported businesses to communicate MFC messages to others in their network, including policymakers. MFC's policy workstream would have been stronger if there had been greater process transparency in the policy work of EMF and affiliate partners because strengthening understanding of what EMF do in their policy workstream would have helped MFC members to plan complementary company-led work.
 - **Opportunity 4: MFC has an opportunity to better define their role on policy by strengthening the visibility of the policy work carried out by EMF and key ecosystem partners.** MFC could now inform its members about how to reach policymakers (and other stakeholders in their networks) in the messages of MFC. Raising the visibility of circular economy policy conveners, such as The Policy Hub², could also help businesses identify windows of opportunity to positively shift the policy environment in the right direction.
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- **Key Finding 5: Current corporate accounting methods do not capture the impact and dependencies of companies on natural systems.** By reinforcing the fact base and bringing alignment across industry narratives through dialogue, MFC has helped inspire its group of cross-industry organisations to progress in this area. However, there is an urgent knowledge gap that needs filling to strengthen industry and investor understanding of the short- and long-term profitability implications of shifting towards circularity in fashion.
 - **Opportunity 5: MFC could explore the role of knowledge broker to enhance the flow of evidence-based information on the short (and long-term) costs and benefits of circularity.** This would strengthen the business case of investing in circular business models, leveraging the power of financial markets to build further momentum towards a circular economy for fashion.

² The Policy Hub (2021) *The Policy Hub unites the apparel and footwear industry to speak in one voice and propose policies that accelerate circular practices*, <https://www.policyhub.org/>

Key Lessons

Lessons for the second phase of the initiative

1. Continue to invest in mobilising upstream and downstream solutions towards a circular economy for fashion, using research, demonstration projects, workshops and deep dialogues to scale circular economy action by industry. A fundamental part of this approach will be to focus on changing the mindsets and strengthening the capacity of the creative heart of the industry, particularly the next generation of designers and buyers of fashion.
2. Create online collaborative spaces for members to connect, share insights and experiences, pool ideas, and problem solve. Enable pre-competitive discussions to continue to grow organically by empowering members to collaborate and co-create common definitions and guidelines across product categories as peers.
3. Improve accessibility to fashion-relevant research and advice on policy, finance, plastics, climate change, biodiversity etc. An online knowledge hub could include an evidence and gap map (EGM) to inform MFC members about the available evidence relevant to specific topics, whilst flagging issues straddling multiple sectors where evidence is lacking.

Lessons for the collaboration-led model for systemic change

1. Continue to convene global stakeholders from all corners of the value chain and steer the initiative with relationship management, dialogue, knowledge, vision and independence.
2. Consider evolving the membership model to find useful ways to track action and impact. Measuring the adoption and impact of circular practices would generate the information needed to make sure the MFC consortium actually achieves what it set out to do. It would incentivise organisational performance by sparking the desire to achieve tangible results and hold members to account to deliver/scale circular economy actions in line with their commitments.
3. Diffuse the tension between short-term and long-term results by strengthening the ability to clearly explain systemic change to members. Consider sharing a roadmap of short-term results that are key to bringing about the systemic impacts desired and manage stakeholder expectations around achievements.

Lessons for bringing about systemic change in the fashion industry

1. Continue to work with all ecosystem partners to maintain the visibility of the Vision of a Circular Economy for Fashion publication across sectors and at all levels of the value chain. Empower core partners to contribute impact through their global networks, including by extending the reach and uptake of messages from existing, and upcoming, Make Fashion Circular publications.
2. Use research to evidence the short- and long-term profitability implications of investing in circular initiatives/ projects/ project components. To catalyse the flow of resources for circular innovations, extend EMF's pioneering convening work to facilitate dialogues between financial service providers and frontrunners in fashion, to stimulate co-creation of sector-appropriate financial products and services.
3. Raise the visibility of circular economy policy conveners across the Make Fashion Circular network, and continue to inform the development of policy, regulatory and performance measurement frameworks with the messages of Make Fashion Circular.

2. Acknowledgments

This report has been prepared by Standley-Johansen Consulting Ltd. for the external evaluation of Make Fashion Circular - a collaborative initiative to catalyse circular economy within the fashion industry, implemented by Ellen MacArthur Foundation and funded in part by Laudes Foundation.

The evaluation was conducted by a team of consultants over a period of six months from April 2021 to October 2021. The team is composed of staff from Standley-Johansen Consulting and close associate consultants. The team is very grateful to participating team members from Ellen MacArthur Foundation's Executive Management, Make Fashion Circular, and Policy teams, and all individuals from Make Fashion Circular's group of cross-industry organisations that have assisted with the work of this evaluation. The team would also like to thank Lee Alexander Risby, Director of Effective Philanthropy (Evaluation Manager), Savi Mull, Senior Evaluation Manager and Megan McGill, Senior Programme Manager – all of Laudes Foundation – for supporting with the design, management and implementation of this evaluation. Dr. Jane Davidson was the external reviewer for the evaluation.

The views expressed in this report are those of the evaluators. They do not represent those of Ellen MacArthur Foundation, Laudes Foundation or of any of the individuals and organisations referred to in the report, unless acknowledged in references.

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List of Acronyms

A.I.S.E.	International Association for Soaps, Detergents and Maintenance Products	IPCC	Intergovernmental Panel on Climate Change
AAR	After Action Review	IPF	Institute of Positive Fashion
AFIRM Group	The Apparel and Footwear International RSL Management Group	ISO	International Standards
BAU	Business as usual	KEMI	Swedish Chemicals Agency
BFC	British Fashion Council	LCA	Life cycle analysis
BS	British Standard	LPQ	Learning Priority Question
C2C	Cradle to Cradle	LWARB	The London Waste and Recycling Board
CBM	Circular business model	MFC	Make Fashion Circular
CCD	Centre for Circular Design	MRSL	Manufacturing Restricted Substances List
CDGF	Circular Design Guide for Fashion	MSI	Materials Sustainability Index
CEAP	Circular Economy Action Plan	MSM	Multi Stakeholder Movement
CFDA	Council of Fashion Designers of America	NGO	Non-governmental organization
CFI	Circular Fibres Initiative	NIR	Near-infrared
CFMB	Corporate Fiber & Materials Benchmark	NTE	New Textiles Economy
CIRFS	The European Man Made Fibres Association	OECD	Organisation for Economic Co-operation and Development
CLA	Collaboration, Learning and Adaption	PD	Product Development
CM	Cut and Make	PDIA	Problem-Driven Iterative Adaption
CO	Common Objective	PLM	Product Lifecycle Management
COC	Code of Conduct	PSS	Product Service System (or product of service)
COP	Convention of parties	R&D	Research and Development
CSM	Central Saint Martins	RCS	The Recycled Claim Standard
CSR	Corporate Social Responsibility	REACH	Registration, Evaluation, Authentication and Restriction of Chemicals
DAFI	Danish Fashion Institute	RFID	Radio Frequency Identification
DDD	Doing Development Differently	RSA	The Royal Society for Arts, Manufactures and Commerce
DEFRA	Department for Food, Environment and Rural Affairs	RSL	Restricted substances list
DSNY	Department for Sanitation New York	SAC	Sustainable Apparel Coalition
EAC	Environmental Audit Committee	SCAP	Sustainable Clothing Action Plan
EATP	European Association for Textile Polyolefins	SDGs	Sustainable Development Goals
EC	European Commission	SEO	Search engine optimisation
ECAP	European Clothing Action Plan	SIPTex	Swedish Innovation Platform for Textile Sorting
EDC	Economic Development Corporation	SIR	Scottish Institute for Remanufacture
EEA	European Environment Agency	SME	Small and medium-sized enterprises
EMF	Ellen MacArthur Foundation	SPI	Sustainable Products Initiative
EOG	European Outdoor Group	TBL	Triple Bottom Line
EP&L	Environmental Profit and Loss	TE	Textile Exchange
EPI	Environmental Performance Index	TEKO	The Swedish Textile and Clothing Industries Association
EPR	Extended Producer Responsibility	TOC	Theory of Change
ESG	Environmental, Social, and Governance	TWP	Thinking Working Politically
EURATEX	The European Textile and Apparel Confederation	UAL	University Arts London
FESI	Federation of the European Sporting Goods Industry	UKELA	United Kingdom Environmental Law Association
FESI	Federation of European Sporting Goods Industry	UN	United Nations
FFG	Fashion For Good	UNEA	United Nations Environment Assembly
GACERE	Global Alliance on Circular Economy and Resource Efficiency	UNEP	United Nations Environment Programme
GDP	Gross domestic product	UNFCCC	United Nations Framework Convention on Climate Change
GFA	Global Fashion Agenda	UNGA	United Nations General Assembly
GHG	Greenhouse gas	VIS	Visual spectroscopy
GRS	Global Recycled Standard	WRAP	UK Waste and Resources Action Programme
HKRITA	Hong Kong Research Institute of Textiles and Apparel	ZDHC	Zero Discharge of Hazardous Chemicals

3. Introduction

3.1 What is Make Fashion Circular?

In May 2017, Ellen MacArthur Foundation launched the Circular Fibres Initiative at the Copenhagen Fashion Summit. This collaborative research initiative brought together leaders from across the fashion industry, including brands, cities, philanthropists, NGOs, and innovators. The seminal report, *A New Textiles Economy: Redesigning fashion's future*, identified the fashion industry's current take-make-dispose model as the root cause of its environmental problems and economic value loss. It drew the industry's attention to the scale and urgency of shifting the fashion system from linear to circular and reached key industry stakeholders with the following messages:

- Every second, the equivalent of one garbage truck of textiles is landfilled or burned.
- An estimated USD 500 billion value is lost every year due to clothing being barely worn and rarely recycled.
- If nothing changes, by 2050 the fashion industry will use up a quarter of the world's carbon budget.
- Washing clothes releases half a million tonnes of plastic microfibres into the ocean every year, equivalent to more than 50 billion plastic bottles. Its aim is to stimulate the level of collaboration and innovation necessary to create a new textiles economy, aligned with the principles of the circular economy.

One year later, at the 2018 Copenhagen Fashion Summit, the Circular Fibres Initiative entered a new phase and was renamed Make Fashion Circular. The MFC initiative (the initiative) was launched as a three-year 'mobilisation' phase 2018 to 2021, on the premise that to thrive, and not just survive, the fashion industry needs to radically redesign its operating model. In funding proposals, it was described by EMF as "a systemic initiative that has the scale, pace and ambition to address endemic failures within the linear fashion industry and works towards critical ambitions to achieve a circular economy for textiles that works for society and the environment in the long term".

MFC's work was supported by a group of industry leaders (core partners) and other influential fashion brands, businesses, NGOs, public bodies and experts (participants). Core partners and participants contributed financially to the initiative, which was also part-funded by three philanthropic partners, including Laudes Foundation, MAVA Foundation and the People's Postcode Lottery.

MFC aimed to inspire collaboration and innovation aligned with the principles of the circular economy. Through this collaborative model, MFC envisioned supporting the industry's transition to a circular system, where safe materials are kept in use, and unlocking economic opportunities for the industry. MFC's *Vision of a Circular Economy for Fashion*, was published in September 2020 as a blueprint for the fashion industry to help redesign the way clothes are created. Through a series of concurrent strategies, MFC worked to build an industry that designs products to be:

- used more
- made to be made again
- made from safe and recycled or renewable inputs

The Ellen MacArthur Foundation³ was launched in 2010 with the aim of accelerating the transition to the circular economy. Since its creation, the charity has emerged as a global thought leader, putting the circular economy on the agenda of decision-makers around the world. The charity's work focuses on seven key areas: insight and analysis; business; institutions, governments, and cities; systemic initiatives; circular design; learning; and communications.

Text box 1: Ellen MacArthur Foundation

³ ellenmacarthurfoundation.org; @circulareconomy

3.2 What was the aim of the Make Fashion Circular evaluation?

The aim of the evaluation of Make Fashion Circular was to support learning and generate evidence-based findings to strengthen understanding of successes, challenges and missed opportunities from the three-year 'mobilisation' phase of the MFC initiative, 2018-2021. The evaluation was funded by Laudes Foundation. The intention was to provide a summative assessment of the first phase of MFC, but recognised EMF's intention to continue MFC's work through 2021 and beyond. The evaluation was conducted through a participatory, theory-based assessment of strategy effectiveness, using the Laudes Foundation's Rubrics and Ratings System as part of the measurement system.

This approach was applied to help EMF and Laudes to learn from the enormous experience that has been gained through the implementation of the MFC initiative to date. The intent is for the lessons presented in this report to support staff teams as they guide future strategy, direct resources and successfully navigate the complexities of circular economy in the fashion sector. This includes informing planning for the 'institutionalise' stage of EMF's 1, 3, 7 (year) approach to systemic initiatives – "design, mobilise, institutionalise".

The evaluation was designed to respond to the need for information on what difference the initiative is making to mobilise industry action behind the vision for a circular economy.

The evaluation objectives were to:

1. Review the approach and design implemented by Ellen MacArthur Foundation in achieving outcomes.
2. Assess factors (in design and implementation) that have contributed to or impeded achievement of outcomes.
3. Distil actionable and strategic recommendations and lessons from the findings, for the next 4-5 years.

3.3 What was the methodology for the evaluation?

3.3.1 Evaluation learning priorities and assessment approach

We (the evaluation team) began with a set of hypotheses about the causal relationship between the Make Fashion Circular concurrent strategies and outcomes. This was presented to EMF in the form of an outline contribution story diagram during the evaluation inception workshop. The diagram informed a rich set of discussions with EMF about the 'contribution claims' of early and later changes, and the outcomes, brought about by the concurrent strategies. Through internal working meetings, the MFC leadership team refined and finalised the contribution story diagram (see Figure 1, p. 23). We used this as a proxy theory of change for the theory-based evaluation.

The Laudes Foundation has developed its own rubrics-based methodology, including 21 rubrics (categorised into four groups) that set a standard for what good looks like at different levels of an initiative, from process to impact. The four groups include:

- A. Process Evaluation Rubrics
- B. Intermediate Outcome Rubrics
- C. 2025 Outcome Rubrics
- D. 2030 Impact Rubrics⁴

The Laudes rubrics, which use a rating scale from 'harmful' to 'thrivable', form the underlying assessment methodology for the evaluation of Make Fashion Circular. For further information on the full set of 21 rubrics, including details on the scale and the documentation defining the rubrics and ratings, see [here](#).

⁴ The 2030 Impact Rubrics were not applicable to the Make Fashion Circular initiative, because a) they are not designed to be applied at the initiative level and b) it is too early to assess long-term impact.

Collaboratively developed learning priorities informed the joint selection of seven rubrics from these groups. For the first phase of the initiative (2018-2021), the process-based 'A' rubrics assessed what worked well in the design and implementation processes of MFC, including its role and positioning. This considered design, implementation, monitoring, communication, and capability/capacity.

The 'B' rubrics were used to assess the degree to which MFC achieved two intended intermediate outcomes. The 'C' rubrics were used to assess progress in the fashion industry towards three intended later outcomes and MFC's progress in contributing.

Since the 'B' and 'C' rubrics are concerned with observations of how an intervention has contributed to change, an evaluative approach called contribution analysis was used to generate evidence-based findings for the 'B' and 'C' rubrics.

MFC's main thrust is to inspire and inform industry actors across the global value chain to adopt circular solutions, by working with industry frontrunners and influencers in the wider sector. Therefore, the Laudes rubrics 'B3' and 'C3' were the most logical rubrics to track MFC's key outcomes and to gauge MFC's success through the evaluation.

The full descriptions of rubrics 'B3' and 'C3' are:

- B3. Progressive businesses lead the change, which encourages others to follow and lays the foundation for progressive change in policy, the financial sector and the real economy.
- C3. Businesses promote and implement bold, 3a. climate-positive policies, models and practices.

After agreeing learning priorities for the evaluation, and subsequently selecting the most logical rubrics around these, we (the evaluation team and the EMF MFC leadership team) opted to develop a set of Learning Priority Questions (LPQs). The purpose of this was to focus the evaluation's data collection and analysis approach on the specific things in the rubrics that were most relevant to what MFC was aiming to achieve and how. This helped maximise the usefulness of the rubrics as a tool for addressing (or answering) the identified learning priorities. The four LPQs also helped to structure our evaluation matrix and refine the long list of evaluation questions presented within it, which identified what aspects of MFC would be investigated, how and why.

The 'A' rubrics on design and implementation were used to answer *LPQ 1: What worked well in the design and implementation processes of MFC, including its role and positioning?*

The 'B3' rubric on the two priority intermediate-level outcomes was used to answer *LPQ 2: To what extent has a new circular economy narrative gained traction in the fashion industry and to what extent is progress informed and inspired by the Make Fashion Circular Initiative, implemented by EMF?* and *LPQ 3: To what extent has the fashion industry started to mobilise solutions towards a circular economy and to what extent is progress informed and inspired by the Make Fashion Circular Initiative, implemented by EMF?*

Finally, the 'C3' rubric was used to answer *LPQ 4: How is MFC on track to achieve intended results in the medium-longer term (2025-2030)?*

In summary, we asked learning questions of interest to the EMF MFC leadership team and used the appropriate elements within the rubric to help formulate insightful answers to those questions.

3.3.2 Evaluation structure

The evaluation was conducted in two phases to compile and triangulate evidence from interviews and documentary review:

- An evaluation inception phase was conducted between April and June 2021, to build understanding about the evaluation and the initiative. This was documented using a contribution story (which the evaluation used as a high-level theory of change for the theory-based evaluation).
- An evaluation implementation phase that took place between June and October 2021.

The evaluation was timed to coincide with the end of the first three-year 'mobilisation' phase of MFC. Findings, opportunities and key lessons generated by the evaluation, however, are expected to be useful also in the design and implementation of future phases of the initiative, and other systemic initiatives funded or delivered by Laudes Foundation, EMF and their learning partners.

This is the revised evaluation report, based on data compiled and triangulated between June and October 2021. This includes semi-structured interviews with 31 respondents, including from EMF and a sample of the cross-industry group of organisations that make up the MFC membership/ consortium. The findings presented in the report have been challenged and revised following a 'sensemaking' workshop that took place in July 2021 and around feedback provided by EMF and Laudes Foundation on an earlier draft of this report, in September 2021. This aimed to build EMF's engagement and ownership into the evaluation findings, optimizing opportunities for key lessons to be useful and used.

Further detail on the evaluation structure is provided in Annex 2.

The two-phase approach helped to identify learning priorities and structure the evaluation research cycle. To complete an evidence-based assessment of the outcome-based rubrics (B3 and C3), the evaluation research cycle included the following steps:

1. *Hypothesis formation:* We started the process by proposing the relationship between the focus area of the LPQ (rubric) and contribution story claims, as established with the EMF team during the inception phase.
2. *Data collection:* Guided by the agreed evaluation questions in an evaluation matrix, we used the document review process to collect data on each LPQ (rubric) and contribution story claim.
3. *Data analysis:* We analysed the association between each LPQ area and contribution story claim. We applied clear, transparent reasoning to triangulate findings from the interviews and rounds of document review. These findings were used to develop evidence-based syntheses for each LPQ (rubric), relevant to the contribution story claims. For LPQ 1, assessed by the process-based 'A' rubrics, we drew primarily on the findings from the documentary review, supplemented by interview data. For the findings under LPQ 2, LPQ 3 and LPQ 4, assessed by the 'B3' and 'C3' rubrics), we also drew on documentary evidence including a web-based review of company strategies and announcements.
4. *Hypothesis appraisal:* We assessed the confidence in the causal relationship between the focus area of the LPQ and the contribution claims. We interpreted and contextualised our findings using expert judgement and provided a draft rating for each rubric using the Laudes ratings-system.

3.3.3 Data Collection

We collected primary and secondary data using semi-structured interviews and structured desk-based document reviews, following an iterative approach. As displayed in Annex 3, the document review process involved identifying and reviewing evidence across four types of documentary groups. These documents were reviewed concurrently to the process of conducting two rounds of semi-structured interviews. The list of interview respondents is presented in Annex 4.

In summary, we interviewed five core partners, seven participants, three affiliates, and an additional three *Jeans Redesign* project participants. We also interviewed seven members of the MFC leadership, implementation and policy team and two co-funders. We supplemented the predominantly qualitative data from these interviews with additional quantitative data. For instance, to assess the reach of MFC project outputs and messages we conducted social media content analysis and search-tool analysis of 'Circular Economy' using Google Trends.

3.3.4 Data Analysis and Reporting

We assembled the existing evidence for each hypothesis using evidence tables. This helped identify evidence relating to the contribution claims made during the process of developing the Contribution Story. In doing so, we could identify which parts of the Contribution Story had weaker evidence. This helped prioritise outcomes and causal links to focus on in subsequent rounds of data collection.

During the analysis of evidence tables, we used the sorted information to identify emerging themes relevant to the parts of the Contribution Story being assessed. For example, to answer about concurrent strategies and interventions:

- Was it implemented as planned?
- What outcomes were observed?
- Is it plausible to conclude that MFC was a contributory cause?
- What other factors might have influenced?

We paid particular attention to 'other influencing factors' as they are 'at the heart of causality' especially in complex systemic-change approaches⁵. On quality of the evidence: We completed 1) a self-assessment of the strength of evidence to back up the contribution claim followed by 2) peer-review of the contribution story by another evaluation team member.

This evaluation report presents the main conclusions from our objective assessment of successes, challenges and missed opportunities for the initiative and provides a focused set of opportunities and lessons for future phases of MFC, and similar systemic initiatives implemented by EMF, Laudes Foundation and their learning partners.

In this report, we intentionally use the first-person plural ('we') to make the content more active and engaging.

⁵ Mayne (2011) Contribution Analysis

4. Context and Initiative Description

4.1 Underlying Challenges

The global economy is deeply rooted to the textiles and fashion industry, with textiles being one of the most utilised materials in the world. Due to decreased manufacturing costs, streamlined operations and rising customer spending, the production of apparel approximately doubled between 2000 and 2014. In 2016, the clothing industry was generating revenue equivalent to the GDP of France (at that time, the 6th largest economy in the world)⁶. The industry continues to employ millions of people worldwide.

Population increase and economic growth, including an increasing middle-class population, has led to shifts in demand for commodities and energy, including fibre. Consumer behaviour is also shifting; in general, consumers reuse garments less than they used to, preferring to purchase new clothes, more often. Annually, the world buys approximately 80 billion garments and according to a study by British charity Barnardo's in 2015, each one of those items will be worn an average of seven times before being disposed⁷. This can partly be attributed to the sharp growth of fast fashion ecommerce firms, driving inexpensive pricing and shifting traditional supply chain models.

By 2016, recognition had started to build that clothing companies were responding to the rising demand for products by compressing production cycles, but changes to the way clothes were being made was not keeping pace with how they were being designed and marketed. This is largely still the case today, in 2021. The dominant means by which the fashion and textile industry designs and produces clothing, as well as how clothing is used, is almost completely linear.

The consequential environmental impact of this linear system includes extensive use of non-renewable resources in clothing production, and large amounts of material loss to landfill or incineration. This is contributing to rising greenhouse gas emissions, fuelling a climate crisis which is already impacted by fossil fuel-intensive industrial inputs used in textile and clothing production (predominantly fertilisers, pesticides, and petroleum)⁸. The fashion sector is a significant source of GHG emissions and faces increasing risks from rising emissions and subsequent changes in climate, such as water scarcity⁹. This is in addition to the risks to infrastructure, services and facilities brought about by more frequent and intense climate and extreme weather events, unpredictable prices of raw materials among other climate shocks and impacts projected by the latest advances in climate science⁹. Biodiversity implications of the current linear system are wide-ranging, and plastic microfibre leakage and toxicity of materials are evidenced to induce shifts in fragile ecosystems¹⁰.

Before MFC began, there was limited business and consumer awareness of circular economy in the fashion industry. Generally, any changes to the dominant narrative and actions were focussed on end of pipe solutions. Despite many individual efforts to shift away from 'business as usual' (BAU) in the sector, efforts were too disjointed and there lacked a systemic approach. These challenges were compounded by the inherent nature of the textile and fashion sector, which is characterised by geographically dispersed production and rapid market-driven changes with complex supply chains¹¹.

⁶ McKinsey Sustainability (2016) *Style that's sustainable: A new fast-fashion formula*. <https://www.mckinsey.com/business-functions/sustainability/our-insights/style-thats-sustainable-a-new-fast-fashion-formula>

⁷ The Wall Street Journal (2019) *The High Price of Fast Fashion*. <https://www.wsj.com/articles/the-high-price-of-fast-fashion-11567096637>

⁸ McKinsey & GFA 'Fashion on Climate' Report (2020) outlined that the fashion industry needs to reduce CO₂e emissions by ~50% (1,100 Mn tonnes) by 2030 to be on the 1.5-degree pathway, as laid out in the global Paris Climate Agreement. A third of the solution represents about 336 Mn tonnes of Co₂e emissions. <https://www.mckinsey.com/~media/mckinsey/industries/retail/our%20insights/fashion%20on%20climate/fashion-on-climate-full-report.pdf>

⁹ IPCC (2001) AR6 Climate Change 2021: The Physical Science Basis. <https://www.ipcc.ch/report/ar6/wa1/#SPM>

¹⁰ European Parliamentary Research Service (2019) *Environmental impact of the textile and clothing industry*. Briefing. [https://www.europarl.europa.eu/RegData/etudes/BRIE/2019/633143/EPRS_BRI\(2019\)633143_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2019/633143/EPRS_BRI(2019)633143_EN.pdf)

¹¹ ILO (2021) *Textiles, Clothing, Leather and Footwear sector*. <https://www.ilo.org/global/industries-and-sectors/textiles-clothing-leather-footwear/lang--en/index.htm>

4.2 Initiative Description

Between 2013 and 2017, EMF published a series of research reports, including “Towards the Circular Economy”¹², which had identified textiles as a major challenge and an area for significant economic opportunities whilst addressing environmental challenges. Following the success of the New Plastic Economy Global Commitment (NPEC)¹³, led by EMF in collaboration with the UN Environment Programme, and development of EMF expertise in systems change, EMF captured lessons and initiated a more in-depth look into the opportunities for textiles.

In 2017, a new research project was launched, “Research for Roadmap towards a Circular Fibres Economy”, with the intention of addressing the fundamental gap in knowledge that “a systemic view on circular apparel backed up with economic analysis does not exist”¹⁴. This research project became a global circular fashion signature programme co-funded by C&A Foundation (now Laudes Foundation) and three corporate co-funders. It resulted in the publication of the 2017 report, “A New Textiles Economy: Redesigning fashion’s future”¹⁵.

In the End of Project Evaluation Report for the Research for Roadmap towards a Circular Fibres Economy project, EMF made the following observation on the final published New Textiles Economy (NTE) report:

“This vision is aligned with the principles of a circular economy, with better outcomes for business, society and the environment. In a new textiles economy, clothes would be designed to last longer, be worn more, resold and recycled, and not release toxins or pollute the environment. Pioneering innovative business models, exploring new materials, harnessing the power of design, and finding ways to scale better technologies and solutions all have a part to play. The launch of the report convened senior stakeholders from across the industry and the public sector and captured the attention of the public globally.”

Following the report launch, a consortium of stakeholders was assembled to define the scope and approach for a follow-on “Circular Fibres Initiative (CFI)” project. This became the “Make Fashion Circular” initiative. The first three year ‘mobilisation’ phase of the Make Fashion Circular (MFC) initiative was launched at the Copenhagen Fashion Summit in 2018. Between 2018 and 2021, the initiative followed EMF’s approach to systemic change and developed and refined concurrent strategies to intervene with the intention to shift the system. The end-goals and strategies were purposefully refined over time, following an iterative approach. Refinements were informed by the emergent stream of knowledge created from implementing the concurrent strategies.

In May 2021, for the purpose of this evaluation, the concurrent strategies and their interventions were described by the MFC leadership team using the below headings:

Strategy 1 – ‘Promote the opportunity of Circular Economy and highlight key interventions’

- The initiative first sought to strengthen the fact base by using research techniques to deepen knowledge among stakeholders of the underlying problems, solutions and opportunities.
- The initiative further sought to strengthen understanding by using techniques to inspire and engage. Helping stakeholders to realise the benefits of action by connecting progressive businesses with those that were doing less well.

¹² Ellen MacArthur Foundation (2013) *Towards the Circular Economy: Economic and business rationale for an accelerated transition*. <http://w2l.dk/file/401302/emf-report-vol1.pdf>

¹³ *New Plastics Economy Global Commitment*, <https://www.newplasticseconomy.org/projects/global-commitment#:~:text=The%20New%20Plastics%20Economy%20Global%20Commitment%20unites%20businesses%2C,address%20plastic%20waste%20and%20pollution%20at%20its%20source.>

¹⁴ C&A Foundation (2017) *Circular Fashion Signature Programme: EMF Research for roadmap towards a circular fibres economy (Phase 1)*.

¹⁵ Ellen MacArthur Foundation (2018) *A New Textiles Economy: Redesigning fashion’s future*. https://www.ellenmacarthurfoundation.org/assets/downloads/publications/A-New-Textiles-Economy_Full-Report.pdf#:~:text=A%20new%20textiles%20economy%20reflects%20the%20true%20cost,incluing%20environmental%20and%20societal%20externalities%20%28see%20Section%204.2%29.

Strategy 2 - 'Ambitious common vision and collaboration platform'

- The initiative engaged a group of cross-industry organisations ('the consortium'). This included organisations from different parts of the value chain including raw materials and textiles mills, manufacturers, individual/groups of brands and retailers (including those with second-hand and resale business models), care product providers, recycling/collections companies, local authorities, non-governmental organisations and project collaborations.
- Interventions (such as workshops, events and research studies) reinforced what others were doing to embed circularity in business models and worked to amplify existing efforts. The assumption was that this would build further momentum of action, deepen impact, and create change at scale and pace.
- Supporting businesses to understand opportunities together was expected to leverage and amplify the existing good work of the progressives, whilst inspiring further action in the value chain (such as using 'friendly competition' collaboratively to spark brands and retailers to make new circular economy commitments). Designers would be inspired to deliver durability, cyclability and traceability. Governments and international institutions would be informed and inspired to better engage in circular economy-positive policymaking and carry this forward to develop, implement and enforce new and improved rules.

Strategy 3 - 'Demonstrate, inform and inspire'

- The initiative used demonstration projects to demonstrate opportunities and benefits associated with new ways of working, to businesses as well as other actors such as policymakers. The logic model of these interventions was to trigger cycles of engagement, co-creation and demonstration which would deepen knowledge and understanding about the value of circular economy principles, whilst aligning, informing and reinforcing multi-stakeholder collaborations. This would result in later-changes such the ability to showcase leading practice, inspiring other businesses and designers to change, and ultimately leading to more ambitious action in the value chain.

Strategy 4 - 'Shape enabling conditions'

- The initiative set out to inspire and inform the business and policy environment. Interventions included promoting the initial vision from the NTE report at the global-level, strengthening the fact-base (via research and demonstration projects and spotlighting leading practice) and sharing information (via a media campaign, publications and one-to-one conversations with key leadership stakeholders across the globe).

Strategy 5 - 'Scale and ambition'

- The initiative worked to align key actors behind the vision, and behind time-bound, industry-wide targets supporting the raising of industry ambition levels.
- The initiative identified focal points for each part of the value chain and leveraged the influence of these individuals, or in some cases organisations, to achieve the wider coordination goals of the initiative.

All five concurrent strategies evolved over time, and were viewed as necessarily adaptive, iterative, and entrepreneurial based on what Ellen MacArthur Foundation progressively learned about the 'impactful effects' of various efforts. In the third and final year of the initiative, 2020-21, MFC was also required to adapt due to the insurmountable impact of the coronavirus pandemic on the fashion and textile industry.

During the inception phase of the evaluation, we worked with the MFC leadership team to develop an illustrative contribution story diagram (Figure 1) to explain how these concurrent strategies were believed to bring about the intended outcomes. For the theory-based evaluation, this diagram was used as the programme ToC:

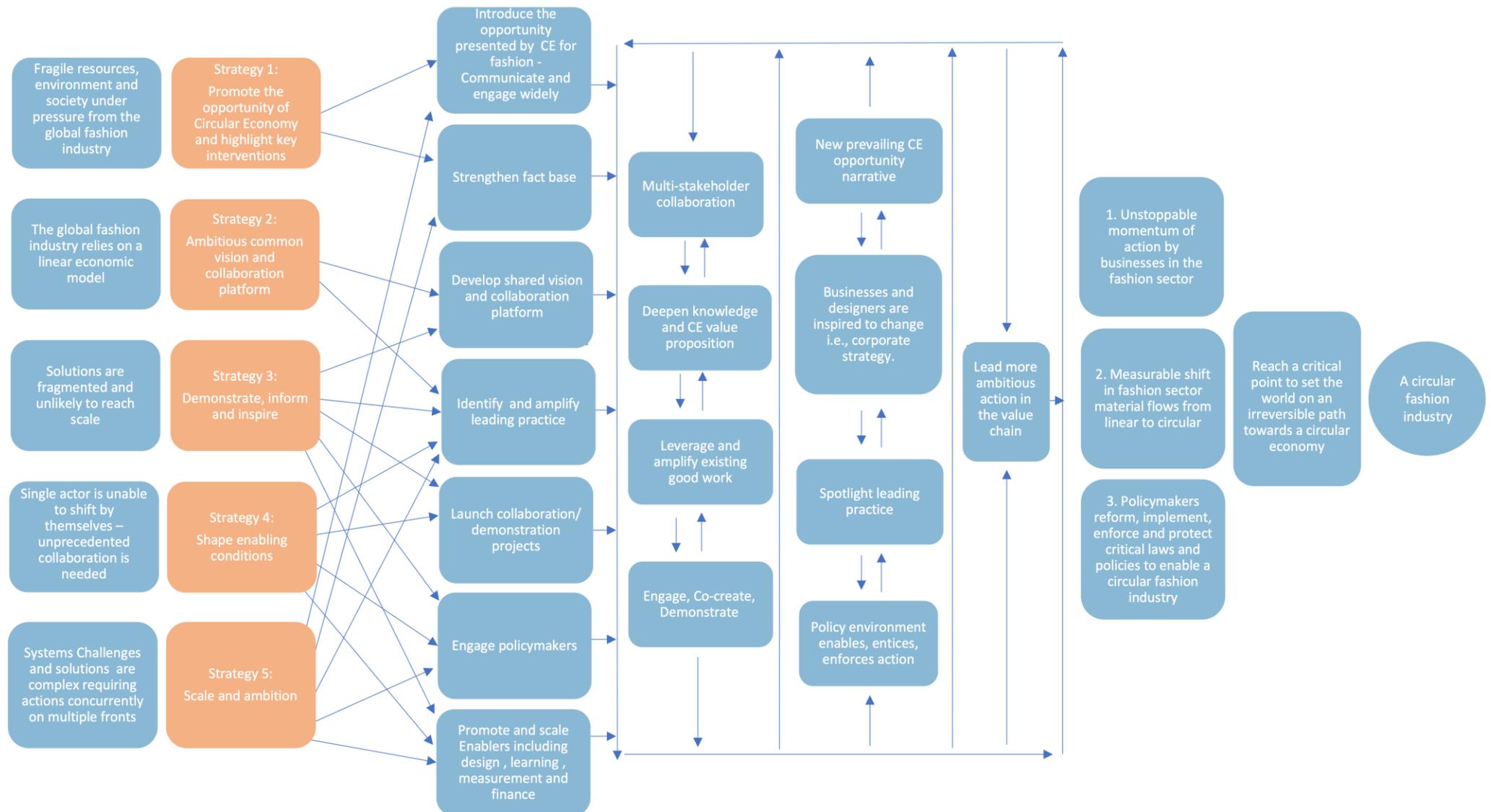


Figure 1: Contribution story diagram

We present a detailed review of the strategies and interventions in the summary of evaluation findings in Section 5.. However, for context, it is important to note here that the initiative published a milestone publication in 2020. The ‘Vision of a Circular Economy for Fashion’ document outlined three pillars, as illustrated below, with an additional focus area of ‘transparency and traceability’. Whilst the document was published in 2020, the participatory process to develop and refine the Vision began much earlier. The pillars outlined have defined the interventions of the initiative under its concurrent strategies. The evaluation findings on MFC outcomes and results (Laudes ‘B3’ rubric) are discussed as per the pillars of this Vision.

MFC’s Vision pillar ‘**used more**’ refers to keeping products in use for as long as possible, circulating them to capture maximum value. This includes consideration at the design stage of how a product will be made to last and kept in use, for example by being repaired as well as designing the business model through which it will be kept in use. It also considers eliminating unnecessary physical products, or products that will never be used¹⁶.

‘**Made to be made again**’ is the second pillar of MFC’s Vision. It outlines that in a circular economy, products and their materials are designed to be easily reused, remade, recycled and safely composted without the use of landfill or incineration. It is suggested this system is possible through the support of businesses who contribute to the implementation of infrastructure that allows products to be collected, sorted and reused, with governments providing an enabling regulatory and policy environment¹⁶.

The third pillar, ‘**made from safe and recycled or renewable inputs**’ denotes the safeguarding of people and ecosystems through the disuse of hazardous substances within production processes and product, the elimination of microfibres and the minimised use of finite resources. The aforementioned are intended to be achieved through the increased use of existing materials, the recycling of post-consumer waste and the use of renewable inputs and energy¹⁶.

Finally, the Vision highlights that ‘**transparency and traceability**’ is an important enabler to support achieving the three pillars of the Vision. To achieve the Vision, each pillar must be subject to improved transparency through increased availability and clarity of information by businesses – be that in annual reports or fabric information on garment labels – and the full traceability within supply chains, including both environmental and social conditions¹⁶. The proxy programme ToC does not explicitly state transparency and traceability. Rather, this enabler is implicit to strategies 1 and 2, particularly the interventions on strengthening the fact base and developing a shared vision.

Make Fashion Circular was implemented to respond to the contextual realities presented in Section 4.1. This evaluation report presents findings about how the initiative has contributed to changes in the narrative, and how businesses are starting to mobilise solutions in alignment with the Vision. To do this, we first conducted a contextual review of the sector to answer the following baseline question: what evidence is there to show companies were adopting more progressive business practices, pre-2018, relative to the Vision and its pillars. The results of our context analysis are presented in Annex 5. Our best estimate of the ‘B3’ rating before MFC began, based on this analysis, is that it would have been ‘Unconductive’.

¹⁶ Ellen MacArthur Foundation (2020) *Vision of a circular economy for fashion*. PDF

5. Findings

This section presents the main findings for this evaluation. The supportive evidence and analysis build on the contextual backdrop presented in Section 4.1. Our conclusions are structured by the seven Laudes ('A1-A5', 'B3' and 'C3') rubrics selected for the evaluation, which were introduced in Section 3.3.1.

5.1 How strong was MFC's design, implementation, monitoring, learning, and organization and network effectiveness?

MFC was evaluated using five 'A' rubrics. The Laudes 'A' rubrics focus on process aspects of any Laudes initiative being evaluated, such as on design, implementation, monitoring, learning, and organization and network effectiveness. The Learning Priority Question developed in collaboration with EMF for the selected 'A' rubrics was: What worked well in the design and implementation processes of MFC, including its role and positioning?

The ratings assigned for rubrics 'A1-A5' are pictured in Table 4. The conclusions, supporting evidence and reasoning are discussed in the following sections.

Learning Priority Question 1: What worked well in the design and implementation processes of MFC, including its role and positioning?	Harmful	Unconductive	Partly conductive	Conductive & supportive	Thrivable
A1. A design that addresses the important issues/needs				●	
A2. Implementation that is inclusive, enabling, empowering and capacity-enhancing			● ●		
A3. Monitoring to inform sound adaptive management				●	
A4. Communication to promote internal and external collective learning			●		
A5. Organisations and networks that have the right capability and capacity to deliver on relevant outcomes				●	

Table 4: 'A' Rubrics Rating

A1. A design that addresses the important issues/needs

A1 Overview: The design is rated 'Conductive & Supportive'. The design of MFC's three-year 'mobilisation' phase was well conceptualized, with a clear goal and overall approach. The design embedded lessons from EMF's earlier systemic initiatives and integrated successful models of collaboration, such as convening groups of businesses with interest in a topic to collaboratively identify solutions. The initiative included a strong mix of intervention approaches and partners, and this positioned MFC to contribute to the most important issues and needs. The strong funding model coupled with the right expertise empowered the MFC team to invest in diverse and strategic relationships with a small number of leading organisations that have the greatest influence across the global fashion system. This built trust and enabled information on solutions to flow to these organisations, aligned with the overall goal of the initiative. There was some tension between short- and long-term results, and this challenged the engagement model. For example, a large part of the consortium was unable to benefit, in the short-term, from participating in the two main flagship projects.

Ultimately though, the design was successful at informing and inspiring a wide network of fashion industry stakeholders on the circular economy issue, with potential to influence vast global supply chains.

MFC was designed to deliver a series of complementary interventions/ outputs. These interventions were delivered under five, concurrent strategies (these were described in Section 4.2). The initiative was developed with input from leading organisations across the fashion industry and in close collaboration with an advisory board (comprising the seven MFC core partners and philanthropic partners). A powerful consortium comprising a cross-industry group of organisations (core partners, participants and affiliate partners) worked with the MFC team on the interventions. Organisations participated in the interventions to varying degrees depending on the alignment with their business model/ organisational traits. Leading academic, industry, non-profit, and government experts provided additional perspectives throughout the three-year period, particularly during the production of research and publications, including work leading up to the publication, in 2020, of the 'Vision of a Circular Economy for Fashion' (the 'Vision')¹⁷.

The initiative was implemented in the context of EMF's broader work on circular economy, including on plastics and food. MFC did a thorough job of drawing on lessons from these cross-sector initiatives to design the MFC interventions. In addition, the *New Textiles Economy: Redesigning Fashion's Future*¹⁸ report was successful at positioning the MFC initiative for high impact. The high reach of the *New Textiles Economy* report supported the process of mobilising a mass of stakeholders around the early Vision (before the formal publication), which was subsequently developed through a strong participatory process through to its publication in 2020.

At the start, EMF described the five concurrent strategies as the building blocks of the approach for the mobilisation phase of the initiative. These overall strategies provided a good mix of approaches to galvanise cross-sector collaboration around the recommendations of the *New Textiles Economy* report. Whereas the concurrent strategies largely remained the same over time (with some minor changes in focus), EMF planned to design the detailed outputs iteratively based on input from the advisory board and participating organisations. This was a positive feature in the design because it helped implementation remain relevant, and impactful for the industry and the wider enabling environment. Keeping the initiative's portfolio of activities agile placed MFC in a good position to engage the most pioneering members of industry. These leading businesses had the potential (through their global sphere of influence) to bring about disruptive change in the status quo, for example by supporting a common vision aligned with circular economy principles and changing industry narratives around this.

A priority for MFC was to design the initiative and its interventions to accelerate systems change drawing value for the whole group of cross-industry organisations and the wider fashion ecosystem. In this respect, the package of interventions was relevant to all members, with all organisations benefitting from the intended system-level results.

There was some tension between short- and long-term results, and this challenged the engagement model. For example, a large part of the consortium was unable to benefit, in the short-term, from participating in the two main flagship projects. For individual organisations to participate in different MFC interventions they needed to meet certain criteria. For example, they would have needed a US presence to participate in the #WearNext demonstration project in New York or hold a denim-based product category to meaningfully participate in the *Jeans Redesign* demonstration project. Whilst all MFC interventions were designed to deliver outcome-level benefits for the system, individual organisations were also able to draw direct short-term results from the outputs of individual interventions, if they participated. Whilst well-intentioned, this design affected the engagement model because those excluded from specific interventions observed others drawing direct unequal value from the outputs.

¹⁷ Ellen MacArthur Foundation, *Vision of a Circular Economy for Fashion*. 2020. <https://emf.thirdlight.com/link/nbwff6ugh01m-y15u3p/@/preview/1?o>

¹⁸ Ellen MacArthur Foundation, *A New Textiles Economy: Redesigning Fashion's Future*. <https://ellenmacarthurfoundation.org/a-new-textiles-economy>

MFC made good attempts to influence policy through embedding policy-related opportunities into the design of the initiative and working with the EMF policy team. The powerfulness of MFC's policy work would have been stronger if MFC had increased the transparency of its policy workstream. Increasing the flow of information between EMF and the cross-industry group about MFC-relevant policy change aims and interventions would have helped participating organisations align with EMF's policy goals. This was not done to the extent required during the first three-year 'mobilisation' phase.

The initiative was well-resourced with diversified funding streams, and this was effective at managing risk and budget constraints. There has been an underspend in the third year, but resources have been reallocated. The initiative was well-staffed with some limitations on the level of 'design' expertise (this is explored further under 'A5').

Finally, MFC was designed as a global, multi-year ('3 year+') programme that set out to deliver unstoppable momentum towards a new fibres economy based on circular economy principles. The evidence shows that the initiative has started to shift the system, but industry progress remains too slow and there is a long way to go before reaching a critical point to set the world on an irreversible path towards a circular economy. The New Textiles Economy report (which provided the fact base and original vision) and the agile, action-oriented design of the initiative served as a successful springboard to engage and mobilise industry action behind a common vision. In this respect, the MFC design was strong and comparable to EMF's other successful systemic initiatives. There is evidence that EMF incorporated lessons from these initiatives to refine the MFC design over time as well as following the EMF '1, 3, 7 (year) approach to systemic initiatives of design, mobilise, institutionalise'.

MFC's 'mobilisation' phase was intended to identify scalable and transformative solutions. Its design would have built traction on action faster, had there been a clearer plan for identifying and developing outputs as the initiative was ongoing. As mentioned above, the overall strategies largely remained the same over time, whereas the detailed outputs were designed iteratively based on inputs from the advisory board and participating organisations. It would have strengthened the design to have a clearer plan for developing concept notes for potential outputs, with a system for assessing and prioritizing what detailed outputs would contribute most powerfully to the urgent progress needed. This would have helped balance the need for an iterative approach with the need to leverage moments of opportunity presented by the sector. It would have enabled the initiative to galvanize momentum further by efficiently breaking the bigger picture problem down into practical, collaborative problem-solving actions. As MFC moves into the 'institutionalise' phase, it needs to refine the design to respond to the urgent need to shift the system further by scaling tangible results towards the crucial turning point.

Furthermore, the design would have been stronger if it had embedded globally significant cross-sector messages into its work with the fashion sector. For example, the interventions would have been more transformative if they had drawn on the rich evidence and networks established by EMF's initiatives on biodiversity¹⁹, climate²⁰, finance²¹ food²², plastics²³. We note that EMF remained close to others working on the issues of social justice and inclusion (such as

¹⁹ Ellen MacArthur Foundation, *The Nature Imperative: How the circular economy tackles biodiversity loss* (2021)

²⁰ Ellen MacArthur Foundation, *Fixing the economy to fix climate change*, <https://ellenmacarthurfoundation.org/topics/climate/overview>

²¹ Ellen MacArthur Foundation, *Financing the Circular Economy* <https://ellenmacarthurfoundation.org/topics/finance/overview>

²² Ellen MacArthur Foundation, *A circular economy for food will help people and nature thrive*, <https://ellenmacarthurfoundation.org/topics/food/overview>

²³ Ellen MacArthur Foundation, *Designing out plastic pollution*, <https://ellenmacarthurfoundation.org/topics/plastics/overview>

BSR²⁴ and Fashion Revolution²⁵) and region-specific topics (for example, on Africa²⁶, China²⁷ and Cities²⁸) during the design and implementation of the Make Fashion Circular initiative.

A2. Implementation that is inclusive, enabling, empowering and capacity-enhancing

A2 Overview: The implementation is rated 'Partly Conducive/Conducive & Supportive'. Overall, MFC was implemented with efficiency, thoroughness and professionalism. The model of collaboration helped drive MFC's progress by capturing a diversity of perspectives on the issues and potential solutions. The process of developing the Vision document successfully engaged a wide range of cross-industry organisations in a new circular fashion narrative. MFC staff created time for deep dialogues, especially with the group of core partners, affiliate partners, and the groups convened for the two demonstration projects. This catalysed strong relationships, enabling ideas to be shared constructively among members. However, attempts to enhance the capacity of the consortium/ group of cross-industry organisations were limited. For example, extended delivery schedules and weak visibility of work plans on interventions that were inherently collaborative, prevented organisations from fully utilising the initiative's outputs. These gaps compromised the initiative's potential to engage the consortium of core partners, participants and affiliate partners and led to an increase in tension between short-term and long-term results.

The chosen focus of MFC was to apply an iterative approach to accelerate systems change through concurrent strategies, which would guide the delivery of an evolving set of interventions. The intent was for these interventions to collectively deliver value to the consortium at systems level. The iterative approach to implementation helped MFC to work in a positive way with its members to create impact, and it has been effective at building momentum on different circular economy priorities simultaneously (such as strengthening the policy environment, inspiring narrative change and strengthening the fact base). However, the evidence suggests that MFC's iterative approach to systems change placed too much focus on impacts, side-lining other essential elements that are key to bringing about the outcomes that will lead to impacts. This led to an increase in tension between short-term and long-term results.

The deep dialogues facilitated throughout the initiative, as well as the published Vision document and guidelines, successfully empowered and enhanced the capacity of the group of cross-industry organisations, and other stakeholder groups, to change the narrative within organisations and policy. How the narrative has changed, and how well narrative change has been informed and inspired by the work of MFC, and its results, is explained in detail under Section 5.2.1.

Whilst the priority was to bring about outcome-level results, the initiative also sought to initiate short-term tangible progress through two demonstration projects, #WearNext and *Jeans Redesign*. The demonstration projects were conceived to showcase how a collaborative circular economy framework can generate value in different ways at different ends of the value chain. In this respect, both were successful in that they illustrated the power of multi-stakeholder collaboration in delivering upstream and downstream circular economy solutions, such as increasing the global production of a specific type of product with circularity principles incorporated or increasing the number of clothes being reused in a key city or region.

The two demonstration projects were particularly successful at instigating meaningful, solutions-focused dialogues between groups of companies. For example, building a visual identity for the #WearNext campaign was achieved

²⁴ BSR, *Ensuring Circular Fashion is Good for People - as well as the Environment*, <https://www.bsr.org/en/our-insights/blog-view/ensuring-circular-fashion-is-good-for-people-and-the-environment>

²⁵ Fashion Revolution. <https://www.fashionrevolution.org/>

²⁶ Ellen MacArthur Foundation, *Circular economy in Africa: examples and opportunities*, <https://africa-hub.emf.org/>

²⁷ Office for Social Responsibility of the China National Textile and Apparel Council (CNTAC), "Make Fashion Circular: Outlook for a New Textile Economy in China", 2020.

²⁸ Ellen MacArthur Foundation, *Circular cities: thriving, liveable, resilient*, <https://ellenmacarthurfoundation.org/topics/cities/overview>

through a collaborative process and successfully sparked dialogue and debate between participating brands, on the ideal means to convey the campaign's messages to consumers. This process was beneficial to participants, because it challenged companies to think through typical consumer engagement priorities when delivering a circular economy initiative/ project/ project component. Through collaboration, the group arrived at inspirational and informative messages to New Yorkers: "Clothes should never become trash", "New Yorkers can save 200,000 tons of clothes from the landfill this year", "Embrace a new mindset. Give your clothes a new life". The posters also displayed web-links and QR codes linking to an online map of clothing drop-off locations across New York City.

Further evidence of how the demonstration projects illustrated the power of multi-stakeholder collaboration in delivering upstream and downstream circular economy solutions is offered below. Section 5.2.1 discusses, in more detail, how well the #WearNext and *Jeans Redesign* demonstration projects informed and inspired changes in the circular economy narrative through the processes of engagement, co-creation and demonstration.

Evidence of how the demonstration projects illustrated the power of multi-stakeholder collaboration in delivering upstream and downstream circular economy solutions:

- Make Fashion Circular's #WearNext demonstration project was a campaign based in New York City, which involved convening local government agencies and a small, cross-industry group of stakeholders in biweekly working group meetings. Together, these partners coordinated development of artwork for 75 bus stand posters and LinkNYC sidewalk posters. In designing this marketing campaign for #WearNext, industry participants invested significant time and resources exploring consumer-related issues and finding solutions. This focussed the minds of global brands on solving real-world marketing challenges related to engaging the consumer in circular economy initiatives/ projects/ project components. Whilst many dialogues have focused on circular solutions from a production perspective, this campaign focussed the conversation on the consumer which, with their market power, are important enablers for investment decisions from the perspective of global companies¹.
- Companies from across global supply chains were convened under the *Jeans Redesign* project. Non-MFC members were invited to participate alongside members of the MFC cross-industry group. This led to rich dialogues about practical solutions relevant to different parts of the value chain. Partners exchanged examples and insights on techniques to redesign jeans to incorporate circularity principles - durability, traceability, material health and recyclability. A key strength and added value of the *Jeans Redesign* demonstration project was its ability to catalyse new conversations, partnerships and projects, between and inside organisations, to illustrate how to design and get a circular project on the market.

Text box 2: Evidence of how the demonstration projects illustrated the power of multi-stakeholder collaboration in delivering upstream and downstream circular economy solutions

With *Jeans Redesign* focussing conversations on the denim product category, and #WearNext evolving into a place-based campaign, there were some limited inclusion issues with the #WearNext and *Jeans Redesign* demonstration projects. The #WearNext campaign was good for New York City, but it was limited to brands with US presence. With *Jeans Redesign*, participation was only open to actors in the 'denim' product category. MFC partly compensated for these limitations by extending invitations to non-MFC participants. We found this helped MFC reach a wider range of beneficiaries in the messages of MFC, including several leading SMEs and manufacturers.

Key opportunities for similar systemic initiatives:

To maximise engagement in a systemic initiative, including its outputs and messages, consider means to extend the reach of individual interventions/projects to benefit a wide range of participants. For example, if individual interventions, such as demonstration projects, exclude some organisations, communicate the interim outputs or develop written insights/ case studies highlighting examples and lessons that are more likely to be universally relevant. Consider investing in process-transparency, such as regular progress updates/ briefings on the expected system-wide benefits of the initiative, illustrating to all members how value might be drawn, by whom, and when.

Text box 3: Key opportunities for similar systemic initiatives

The MFC team was thorough and professional in their approach. This positively strengthened reputation, reach and engagement in MFC messages. However, the evaluation finds it also impeded the capacity of beneficiaries to put messages into use. Interviewees noted that efficiency and communication trade-offs have been made in the interest of perfecting quality and reputational value. Generally, the quality and thoroughness of MFC outputs has remained high throughout but in the second and third years, MFC was slow to shift gears to focus on longer term actions with potential to transform the way the industry operates, as was the MFC ambition towards the end of year 1²⁹. There is evidence that the inspirational, theory-based and fact-strengthening interventions have been put to good use across industry and other stakeholder groups but those interviewed for the evaluation were clear that now is the moment for MFC to support the industry to implement circular economy actions.

Key opportunities for similar systemic initiatives:

Maximise benefits in the short, medium and longer-term, by considering ways to strike the right balance of quality versus timing interventions for impact.

Text box 4: Key opportunities for similar systemic initiatives

In addition to the demonstration projects, MFC implemented a wide range of other interventions, such as workshops and events, throughout the three-year delivery period. For example, workshops were held in:

- London, June 2018
- New York City, November 2018
- Barcelona, May 2019
- Milan, November 2019
- Copenhagen, June 2020
- Online, November 2020
- Online, May 2021 (Final Workshop)

These events were well-attended and attracted a diverse audience³⁰. The well-planned structure of the events catalysed formal and informal networking opportunities for participants, including via physical events and online collaboration tools. In particular, the initiative adapted well to challenges presented by the pandemic by moving workshops online. MFC used their online presence to extend the reach of some events, such as inviting members of the wider EMF network to the Final Workshop, in May 2021. Compared to the online events, interviewees found the physical events more productive for relationship-building. The physical events were more effective at strengthening the capacity and skills of individual participants, who returned to their organisations feeling better equipped with circular solutions (as compared to the online events). Interviewees said a reason for this was that, compared to the online events, meeting in-person was more productive for building relationships and holding informal conversations.

²⁹ EMF (2019) *Make Fashion Circular: Summary of Advisory Board Meeting, 23rd September 2019 - London*

³⁰ EMF (2021) *List of MFC Workshop Attendances. Internal document.*

This meant more examples could be shared between peers, such as successful actions that had been implemented at company-level and how hurdles had been overcome. MFC made excellent use of technology throughout the 2020/21 COVID-19 restrictions and continued to engage members in the activities and outputs despite the challenges. The collaboration model would have been stronger if MFC had offered a wider range of opportunities for participants to identify, meet and communicate directly with other members of the MFC (and EMF's other systemic initiatives) through its various platforms.

Finally, the fashion industry is lacking a dialogue on the social aspects of circular economy. As we explained under 'A1', MFC chose to focus on achieving global impact through working with organizations of influence across the global fashion system. To avoid diluting this, it was a deliberate decision not to focus on several different topics including the inequality and inequity aspects of fashion supply chains. MFC has remained close to its ecosystem partners working on this topic, such as BSR and Fashion Revolution. Nevertheless, interviewees believe there is an opportunity and need for MFC to scale up its work with ecosystem partners across sectors, to ensure the initiative is effectively contributing towards the global issues encompassed by the Sustainable Development Goals (SDGs)³¹.

Key opportunities for similar systemic initiatives:

Pursue cross-sector 'triple wins' for the systemic initiative by fostering strong relationships with a wide network of ecosystem partners. In the case of circular economy and fashion, this may include working closely with stakeholders in the public, private and non-profit sectors on the nexus of circular economy and/or fashion and/or societal issues.

Text box 5: Key opportunities for similar systemic initiatives

A3. Monitoring to inform sound adaptive management

A3 Overview: Monitoring is rated 'Conducive & Supportive'. Overall, the MFC monitoring approach has proved helpful to inform the curation, development, adaptation and improvement of the initiative. Monitoring has ensured that MFC has remained relevant, efficient and effective over the three-year implementation period. The monitoring approach gathered a good mix of evidence to inform effective real-time adaptive management over time, and the leadership facilitated regular learning meetings with internal and external knowledge holders. MFC's approach would have been stronger if it had given greater visibility of planning processes to consortium participants. This would have provided participants with more opportunities to plan at organisational level, in pursuit of mutual goals.

MFC has applied a simple monitoring approach guided by a routine reporting schedule. This involved submitting routine progress reports and lessons to Laudes Foundation reporting on results relative to the original funding proposal, and these have had a good level of quality and timeliness. End-of-year monitoring reports have been focussed, succinct and engaging. Minutes from the advisory board demonstrate routine, focussed, action-oriented meetings where ongoing findings have been reflected on by the core partners, philanthropic partners and the MFC leadership team. The advisory board meetings have provided opportunities for regular monitoring and dialogue on progress and challenges, whilst contributing to the external learning processes of the core partners.

MFC has monitored the demonstration projects through self-evaluation and routine progress reporting. The *Jeans Redesign* Progress Report has been cumbersome for participants; those interviewed for this evaluation expressed concerns about the inefficiency of the process, which has been unnecessarily time-demanding for industry focal points to assemble data. Similarly, MFC has done well to develop a thorough self-assessment questionnaire for the second phase of *Jeans Redesign*, but there are opportunities to strengthen the questionnaire. For example, questions could

be tailored to recognise the divergent characteristics and roles of different supply chain tiers, which is critical for meaningful delivery against agreed targets.

The initiative was goal-driven, but there were many unknowns about the roadmap required to realise the vision. Part-way through the initiative, a Theory of Change (ToC) for MFC was developed by EMF through a participatory workshop with Laudes Foundation. This provided some clarity on the results pathways at the beginning of year 2, and associated risks and assumptions. EMF did not adopt this ToC as a tool for managing, monitoring or evaluating progress in years 2 and 3 (it was believed it would restrict the agility of the overall strategy). We were interested to discover this, because ToCs are intended to be reviewed and refined over time to account for lessons learned during the process of implementing an initiative. ToCs serve a particularly strong purpose not as 'planning' but as 'navigation' tools in the delivery of adaptive approaches for complex, systemic change programmes³². For example, the Ramalingam et al. 2014 working paper provides a sample of case studies of 'living' and 'complexity-informed' ToCs, which have been used successfully in complex systems approaches to navigate towards short- and long-term results³³.

The decision to keep the strategy fluid opened a number of opportunities for MFC³⁴. MFC's flexible and agile approach enabled EMF to work towards the critical system elements of the initiative in the context of a rapidly evolving enabling environment (such as the continuous stream of new research, draft regulations and company strategies relevant to circular economy in fashion). Building in routine advisory board meetings and regular one-to-one meetings with key informants helped the MFC team navigate this iterative and adaptive approach by creating the space for lessons and suggestions to be shared with ease. Internal and external learning meetings helped the leadership reflect on action taken, results achieved, lessons learned and challenges.

This contributed to emergent understanding about what was needed to shift the system, at strategy-level, over the duration of the initiative. MFC adapted and iterated the approach each year (and when necessary) around lessons learned. Examining this approach through a systemic change lens, this was effective because MFC could build flexibility into the programming at strategy and intervention-level to check-in on action taken and ensure relevance to the ongoing bigger picture changes that were emerging.

For the above reasons, the iterative 'try, learn, iterate, adapt' approach of MFC applied key principles of adaptive management approaches. We found synergies in the monitoring and learning approach with a range of other initiatives that focus on adaptive management, such as Doing Development Differently (DDD), Thinking Working Politically (TWP), Problem-Driven Iterative Adaption (PDIA), and Collaboration, Learning and Adaption (CLA)³⁵.

The initiative's monitoring, evaluation and learning approach would have been stronger if it had given greater visibility of planning processes to the group of cross-industry organisations, particularly the participants in the consortium. This would have provided the consortium with more opportunities to plan at organisational level, in pursuit of mutual goals. Finally, interviewees highlighted the growing challenges of marketing claims within the large cross-industry group, by individual organisations that lack bold action behind such claims. These challenges are similar to those raised by some non-profit and community interest companies³⁶. EMF said that enforcement of EMF credentials and messaging is strictly monitored by EMF legal, risk and communication teams and contracts on this are robust.

³² Tulder, Rob & Keen, Nienke. (2018). Capturing Collaborative Challenges: Designing Complexity-Sensitive Theories of Change for Cross-Sector Partnerships. *Journal of Business Ethics*. 150. 10.1007/s10551-018-3857-7.

³³ Ramalingam, B., Laric, M., Primrose, J., (2014). *From best practice to best fit: Understanding and navigating wicked problems in international development*. ODI working paper.

³⁴ We do not agree that ToC is counterproductive in implementing adaptive or iterative approaches. During implementation of systemic initiatives, routinely reviewing and refining an initial ToC can help to clarify updated understanding and evidence about what is working well/less well, and how the course of the initiative needs to be turned in the right direction to achieve desired goals.

³⁵ As Rogers, P. and Macfarlan, A. (2020). *What is adaptive management and how does it work? Monitoring and Evaluation for Adaptive Management Working Paper Series, Number 2, September*. https://www.betterevaluation.org/sites/default/files/MandE_for_Adaptive_Management_WP2_What_Is_AM_%26_how_does_it_work_202009.pdf

³⁶ Greggs, J., (2021) Don't be fooled – Greenwashing in Fashion. <https://realsustainability.org/dont-be-fooled-greenwashing-in-fashion/>

Key opportunities for similar systemic initiatives:

At the operational level, future systemic initiatives may consider routinely tracking members' actions and impact, relative to any commitments they have made at the point of joining the initiative. At the strategic level, a theory of change (ToC) could be used as a 'navigation' (not 'planning') tool to help deliver the initiative through adaptive management.

Text box 6: Key opportunities for similar systemic initiatives

A4. Communication to promote internal and external collective learning

A4 Overview: Communication and collective learning is rated 'Partly Conducive': *The initiative did well to unite a powerful group of cross-industry organisations, facilitate learning dialogues and communicate messages to its external audience. There was good collective learning and communication within and between the MFC leadership, implementation and policy teams, and between the MFC teams, co-funders and the core partners. Working most closely with a small group of leaders was a good design decision to empower frontrunners with global influence and to encourage others to move forward, in alignment with the vision of a circular economy for fashion. However, the communication system was weaker with the different consortium membership bands, and this has led to confusion about the initiative's purpose, regarding collectively supporting industry to implement circular economy actions to deliver the Vision. The consortium members also had limited information about the role of MFC pertaining to the wider policy enabling environment.*

By design, there was a correlation between the level of MFC membership and the level of collective learning between MFC and organisations in the consortium³⁷. The routine advisory board meetings stimulated a high level of dialogue with core partners; this was rich and led to mutual learning with the MFC leadership team. This approach to working with a small group of core partners with influence across global supply chains was effective at changing mindsets and narratives around the idea of circular fashion. Five (of seven) core partners were interviewed for the evaluation. These said that MFC had helped with organisational learning on the idea of circular fashion, but MFC could have provided greater direction to utilise their role and positioning to lever changes in industry and policy. There was an opportunity for the core partner organisations to better support the high-level goals of MFC, but they lacked the required direction and coordination from MFC to do so effectively.

Key opportunities for similar systemic initiatives:

Leaders of systemic initiatives that engage changemakers or leaders, could offer suggestions to these organisations on how to act on the knowledge acquired from their participation. For example, leaders could be guided on how to use their niche role to contribute to greater, system-wide changes by leveraging changes in the enabling environment (policy and regulation, investor, or private sector action) to support achievement of mutual goals at the systems level.

Text box 7: Key opportunities for similar systemic initiatives

MFC consulted widely with the consortium when they delivered the interventions, for example in developing written outputs (research studies, policy briefs, definitions, product guidelines). Interviewees from the consortium said they had observed a good level of responsiveness to the suggestions and advice provided to the MFC team. EMF said they used workshops, semi-regular written updates on the strategy and email updates to communicate information back to the cross-industry group.

³⁷ The consortium, as a large and diverse group of cross-industry organisations, includes members that contribute different amounts of financial resources and time. Core partners contribute more than participants and have a greater level of involvement. Core partners are part of the advisory board and receive more direct technical support from the MFC team.

However, whilst the core partners benefited from the advisory board meetings, there was a weaker flow of information between the MFC leadership and the members of the consortium 'participant' membership band. MFC has been reluctant to share planning documents with participants and this has contributed to fluctuating levels of understanding about MFC's purpose and any expected short-term results. For example, it was unclear to participants when flagship studies would be published. Participants were also unclear if MFC would be responding to the general industry demand for a wider set of product creation guidelines for non-denim products (though it should be noted that this industry demand was partly created by the success of the novel MFC demonstration project, *Jeans Redesign*).

MFC's monitoring, learning and adaptive management approach has helped shape decision-making on strategy around the emerging understanding of high-level issues. The initiative has also successfully organised and acted on internal learning and sensemaking processes. However, untimely sharing of work plans and timelines has hindered the capacity of industry actors to plan complementary strategies, as they have needed to await guidance on common definitions or guidelines before launching internal projects. Similarly, there has been some disjointed communication with complementary initiatives, such as event clashes targeting the same joint audience.

Key opportunities for similar systemic initiatives:

Use internal learning and sensemaking processes to routinely monitor, review and refine existing strategies for systems change. Also, convey to participants the intended short-, medium- and longer-term goals of the initiative, highlighting the system-wide benefits to their participation and the timeline of any additional short-term results that may be expected.

Text box 8: Key opportunities for similar systemic initiatives

Members' expectations for MFC to provide greater process transparency is partly driven by the financial contributions that participants make to the initiative. These expectations are unlikely to reduce unless, for example, MFC were to adapt the existing membership model to find useful ways to track action and impact. For example, another systemic initiative seeking to achieve global impact on a complex issue (climate change) is C40 Cities³⁸. A performance-based network, membership is conditional on meeting a set of agreed 'Leadership Standards'. This works well to encourage members to increase action over time (on GHG emissions reductions). Measuring what organisations actually achieve relative to what they set out to do also helps to hold members to account.

A5. Organisations and networks that have the right capability and capacity to deliver on relevant outcomes

A5 Overview: Capability and capacity to deliver is rated 'Conducive & Supportive': Overall, MFC have had most of the knowledge, skills and capacity needed to create change and deliver on the important outcomes in effective ways that leverage the strengths of EMF and partner organisations. There was strong leadership and governance, with some minor limitations in apparel sector knowledge and understanding.

The MFC team is well known and respected for their capabilities, networks, and knowledge on circular economy in the fashion sector. MFC is extremely well known for being the expertise on the circular economy topic, for pulling in the right data, science and collating the weight of the industry into their reports.

A key strength and added value of the MFC team lies in its power to bring together a range of multilevel stakeholders. This was critical in engaging its key target audiences of designers, business leaders and key influencers. For MFC's upcoming publication, Circular Design Guide for Fashion (CDGF), the initiative has engaged a fundamental audience

³⁸C40 is a network of the world's megacities committed to addressing climate change. C40 supports cities to collaborate effectively, share knowledge and drive meaningful, measurable and sustainable action on climate change. See: www.C40.org

for industry shift not previously included in the conversation on circular economy. The MFC team has harnessed their networks and persuasive power to attract contributions from iconic creatives across the fashion industry. This is likely to elevate the power of the CDGF as an inspirational reference tool with strong potential to aid and inspire the circular designers at the centre of the industry.

The team has made good use of its brokering and convening capabilities to identify innovation gaps through its working groups on product creation, storytelling and circular business models. Similarly, they have demonstrated strong capabilities in facilitating research for the Circular Business Models Research Paper, which is due for publication in late 2021.

Interviewees have, however, detected a lack of apparel sector knowledge and understanding during the first phase. The level of knowledge around textile and clothing manufacturing processes, as indicated by use of appropriate terminology, was found to be lagging during the working groups, workshops and events. Additionally, the MFC team has demonstrated limited policy awareness during events, sometimes failing to connect the MFC-led dialogues to today's main policy issues relevant to the goal of making fashion circular.

There is some evidence that the way in which MFC has communicated technical terms in workshops has influenced the confidence and engagement of industry actors. This is important because the success of the initiative to inspire businesses to adopt circular business models is partly dependent on the strong relationships that can be maintained with the consortium, and particularly the members from industry.

Key opportunities for similar systemic initiatives:

Demonstrate strong understanding of the key policy, regulatory and technical issues, relevant to the sectoral focus of the initiative, when implementing events and engaging with stakeholders. This will help to sustain the vital engagement of participants throughout the initiative.

Text box 9: Key opportunities for similar systemic initiatives

5.2 How well has MFC contributed to fashion businesses' adoption of circular practices and narratives?

Laudes 'B' rubrics focus on the early and later changes that need to happen to help create the conditions for medium-longer term (at the time of writing, circa 2025) outcomes to occur. The following section presents our conclusions, supporting evidence and reasoning for rubric 'B3'. Supplementary evidence syntheses are embedded in the narrative to illustrate our findings about how businesses have started to mobilise solutions in alignment with the Vision. As explained in Section 3, we used two guiding questions to structure the 'B3' data collection and analysis³⁹:

Learning Priority Question 2: *To what extent has a new circular economy narrative gained traction in the fashion industry and to what extent is progress informed and inspired by the Make Fashion Circular Initiative, implemented by EMF?*

- This question guided the collection and analysis of data on how a new circular economy narrative has gained traction, since the initiative began in 2018, and how well MFC has contributed to observed progress.
- Progress was assessed using the 'B3' rubric by reviewing evidence of businesses recognising a compelling business case to change practices (this relates to the value proposition aim of MFC). We also used the 'B3' rubric to assess evidence of businesses going further to adopt climate (or circular economy) positive policies.
- To make considered judgements on how much traction has been gained since the beginning of the initiative, we compared our findings with the findings of our sector context analysis (see Section 4 and Annex 5), which developed a picture of the status quo pre-2018. Our best estimate of the 'B3' rating (relevant to LPQ 2) pre-2018 is that it would have been 'Unconductive'.

Learning Priority Question 3: *To what extent has the fashion industry started to mobilise solutions towards a circular economy and to what extent is progress informed and inspired by the Make Fashion Circular Initiative, implemented by EMF?*

- This question guided the collection and analysis of data on how businesses are beginning to mobilise solutions beyond climate (or circular economy) positive policies, corporate strategies.
- As above, we compared our findings with the results of our sector context analysis, which developed a picture of the status quo pre-2018, before the initiative began.
- Our best estimate of the 'B3' rating (relevant to LPQ 3) is that it would have been 'Harmful'.

³⁹ NB each guiding question - 'Learning Priority Question' - included a list of sub-questions to focus the data collection and analysis. Please refer to the Evaluation Matrix, annexed.

The ratings assigned for rubric 'B3' (for both questions) are pictured in Table 5. The conclusions, supporting evidence and reasoning are discussed in the following sections.

<p>Learning Priority Question 2: To what extent has a new circular economy narrative gained traction in the fashion industry and to what extent is progress informed and inspired by the Make Fashion Circular Initiative, implemented by EMF?</p>	
<p>B3. Progressive businesses lead the change, which encourages others to follow and lays the foundation for progressive change in policy, the financial sector and the real economy</p>	
<p>Learning Priority Question 3: To what extent has the fashion industry started to mobilise solutions towards a circular economy and to what extent is progress informed and inspired by the Make Fashion Circular Initiative, implemented by EMF?</p>	
<p>B3. Progressive businesses lead the change, which encourages others to follow and lays the foundation for progressive change in policy, the financial sector and the real economy</p>	

Table 5: 'B' Rubrics Ratings

5.2.1 Learning Priority Question 2: To what extent has a new circular economy narrative gained traction in the fashion industry and to what extent is progress informed and inspired by the Make Fashion Circular Initiative, implemented by EMF?

B3 Overview (LPQ 2): ‘Conducive and Supportive’: Before MFC, businesses that went on to become members of the initiative were starting to make and implement sustainability commitments, but most actions related to resource efficiency, waste management and other end of pipe solutions. By engaging, inspiring, and informing a cross-industry group of organisations, and particularly six globally influential brands and retailers as core partners, MFC has successfully aligned a critical mass of industry actors to use the same language when talking about circular economy. The group of cross-industry organisations that MFC engaged over the period 2018-2021, now largely recognise a compelling business case to change practices and a significant number of the core partners and participants have adopted positive circular economy company policies. Furthermore, MFC successfully reached a wider network of ecosystem partners with its outputs and messages, enabling the initiative to contribute positively towards the global circular economy narrative beyond its primary audience of the MFC cross-industry group.

In this section, we highlight the evidence and reasoning that supports our conclusion relevant to ‘B3’ (LPQ 2), that the MFC initiative has contributed to shifting (circular economy narratives in) the fashion industry from ‘Unconducive’ to ‘Conducive and Supportive’ over the period 2018-2021.

To effectively assess progress against the ‘B3’ rubric, we analysed the sectors and regions that were the focus of MFC’s business-oriented work. We interpreted a list of the different organisations belonging to the MFC consortium/ cross industry group of organisations and triangulated findings with a review of the information on company websites, and in annual reports and company strategies.

As explained in Section 4, MFC specifically selected individual organisations to become core partners, participants, affiliate partners, philanthropic partners or collaborators. MFC’s reasons for selecting organisations for each of these members bands, are listed in Table 6, below.

Membership groups of the MFC consortium:	List of organisations belonging to each group:	Reason for selection:
Core Partners:	Burberry Group plc; Gap Inc.; H&M Group; HSBC; Inditex; PVH; Stella McCartney.	The core partners were specifically selected due to their diverse expertise and their powerful influence across the global system, including through global supply chains.
Participants	Adidas; Aditya Birla Fashion & Retail Ltd; Apex Spinning & Knitting Mills Limited; Arvind; ASOS; Bank and Vogue; BESTSELLER; C&A; Circular Systems; Dupont Biomaterials; Farfetch; Fast Retailing; Fung Holdings Limited; Guess, Hallotex; Hirdaramani; HP; I:Collect; Intesa Sanpaolo; Kering; Lacoste; Lee; Lenzing Group; London Waste and Recycling Board (LWARB); Marks & Spencer; Nanushka; Nordstrom; NYC Department of Sanitation; OUTERKNOWN; P&G; Primark; RadiciGroup; Reformation; ReGain; Salvatore Ferragamo; Solvay; TEXAID; ThredUp; TINTEX; Unilever; Vestiaire Collective; VF Corporation; W.L. Gore and Associates; and Wrangler.	The participants were included because they were the leading organisations within the industry, and because of their representation across each sector of the fashion industry.
Affiliate Partners	Cradle to Cradle Products Innovation Institute; Fashion For Good; Fashion Positive; Global Fashion Agenda; Royal Society of Arts, Manufactures and Commerce (RSA); Textile Exchange; the Hong Kong Research Institute of Textiles and Apparel (HKRITA); The Mills Fabrica; The Sustainable Angle and ZDHC.	Selected for their vital role in delivering systemic change; and to enable the initiative to draw on their expertise, experience and network.
Philanthropic Partners	Laudes Foundation; MAVA Foundation; People’s Postcode Lottery Dream Fund.	
Collaborators	Art Partner	

Table 6: List of MFC core partners, participants, affiliate partners, philanthropic partners and collaborators

The evidence that has been compiled and triangulated from interviews and documentary review for this evaluation confirm that the group of businesses that were engaged by MFC represented the main market segments and product categories in the fashion industry. In summary:

- MFC’s membership list aligned strongly with the main segments of the fashion industry global value chain, for example it included business representation from the sub-sectors of: Raw materials and textiles mills (e.g. Apex Spinning and Knitting Mills Ltd); Textiles innovators (e.g. Circular Systems, Lenzing); Manufacturers (e.g. Arvind); Individual (e.g. Burberry, Outerknown) and group fashion brands (e.g. PVH, Bestseller, VF Corporation); Retailers (e.g. ASOS, C&A, H&M Group, GAP Inc) and; Fashion supply chain groups (e.g. Hallotex, Hirdaramani Group).

- MFC also engaged businesses in the sorting, collection and resale market segments of the fashion industry. Such as remanufacture and secondhand retail (e.g. Bank and Vogue); Fashion resale platforms (e.g. ThredUp and Vestiare Collective) and; materials collection and recycling (e.g. Texaid, I:Collect).
- MFC engaged businesses focusing on a range of product categories: Footwear (e.g. Adidas; VF Corporation's Timberland and Vans); Luxury retail (e.g. Burberry); Luxury resale (e.g. Vestiare Collective) and; Lifestyle (e.g. Kering).

To contribute to global impact through the consortium, MFC decided to concentrate efforts on shifting the outlook and mindsets of a smaller group, namely the seven core partners, with potential for global influence (see Table 6).

Remaining close to a few, powerful organisations helped address variation in engagement and responsiveness across the consortium. It was not within the scope of the evaluation to review the forces of influence at play between the individual core partners (brands and retailers), and their global networks (of suppliers and consumers).

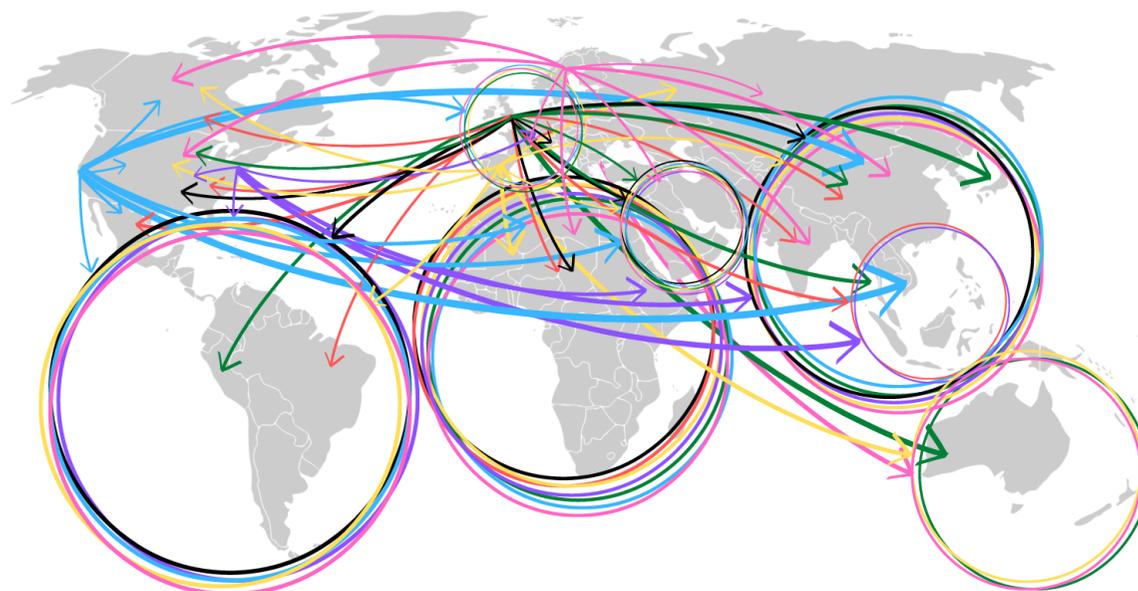
However, by reviewing their websites and annual reports we have been able to create a map illustrating the potential global reach of each core partner. The map, which is displayed on the following page (Figure 2), displays the location of the head office, with arrows showing the countries and regions, in which the core partner has stated suppliers, stores and/or online markets⁴⁰.

There is evidence from interviews, triangulated by the results of the desk-based complementary analysis, that some core partners have started to use their global reach to influence the commitments and plans of their suppliers. However, further research would be needed to investigate these forces of influence and strengthen understanding about how well MFC empowered its core partners to bring about the desired changes in its regions of focus.

Whilst we can't state with confidence how well core partners have influenced their networks; we can verify that MFC has had success in influencing the mindsets and commitments of its core partners (how and why is evidenced in the remainder of this section). We can also verify the potential for MFC to reach a wider range of country and regional audiences, in its key messages, through its group of core partners and their global networks.

⁴⁰ If a core partner has mentioned specific countries in their annual report, this is represented by the arrow heads in the diagram. If they have stated regions, this is displayed as circles around the region (circle size is irrelevant).

A map displaying the potential global reach of Make Fashion Circular and its messages, through the initiative's seven core partners, illustrated by the location of suppliers, stores and online markets⁴¹.



Key:

Gap Inc.

Head office: San Francisco, USA
Stores and online markets: Canada, UK, France, Ireland, Japan, Italy, China, Taiwan, Mexico, Asia, Europe, Latin America, the Middle East, and Africa
Stated suppliers: 800 within 30 countries primarily including Vietnam and Portugal and China

Inditex

Head office: Spain
Stores and online markets: 96 countries and 216 online markets including South America, North America, Canada, New Zealand, Europe, Russia, Asia and Africa
Stated suppliers: 1,805 suppliers and 8,543 factories worldwide including Europe, America and Asia

HSBC

Head office: London, UK
Stores and online markets: 64 countries in Europe, Asia, the Middle East and Africa, North America and Latin America
Stated suppliers: N/A

Burberry

Head office: London, UK
Stores and online markets: Americas, Europe, Middle East, India and Africa (EMEA) and Asia Pacific
Stated suppliers: 34 largely within Europe including Italy, the UK

Stella McCartney

Head office: London, UK
Stores and online markets: 77 countries and 100 online markets including in New York City, London, Los Angeles, Paris, Milan, Tokyo, Shanghai and Beijing
Stated suppliers: 77 manufacturing suppliers and 400 product suppliers within Italy, China, Portugal, Hungary, Spain, India, Turkey, France, Romania, Bulgaria, Ukraine, Thailand, USA, Austria, South Korea, UK, Peru, Japan, Germany, Austria, New Zealand and Australia.

PVH Corp.

Head office: New York, USA
Stores and online markets: North America, Europe, Latin America and the Asia Pacific
Stated suppliers: 1,200 in over 40 countries and regions including Asia, Africa, South America, North America, Central America, the Caribbean, Europe and the Middle East

H&M Group

Head office: Stockholm, Sweden
Stores and online markets: 74 countries including in North America, South America, Europe, Russia, Australia, the Middle East, South Africa and Asia
Stated suppliers: 20 countries within Asia, India, Europe, Africa and the USA

*Arrows and circles represent store, online market and supplier presence within individual countries and regions alike
**Data gathered from core partner's websites and annual reports
***Lists of territories stated in key not exhaustive

Figure 2: A map of MFC's potential global reach, MFC evaluation, 2021

⁴¹ Sources include: Stella McCartney, 'Social Sustainability' page, <https://www.stellamccartney.com/gb/en/sustainability/social-sustainability.html>; Inditex website, 'About Us' page, <https://www.inditex.com/about-us/inditex-around-the-world#continent/000> + online store locator analysis; H&M Group Annual report 2020 <https://hmgroup.com/wp-content/uploads/2021/04/HM-Annual-Report-2020.pdf>; Gap Inc. Annual report 2020 https://s24.q4cdn.com/508879282/files/doc_financials/2020/ar/Gap-Inc.-10-K-FY2020_FINAL_print-version.pdf; PVH Annual report 2020, <https://www.pvh.com/-/media/Files/pvh/investor-relations/PVH-Annual-Report-2020.pdf>; HSBC website, 'About us' page, <https://www.about.hsbc.co.uk/>; Burberry Annual report 2020/21, https://www.burberryplc.com/content/dam/burberry/corporate/oar/2021/pdf/Burberry_2020-21_Annual_Report.pdf.

During the evaluation, we found a consensus among stakeholders that the circular economy narrative has gained traction since MFC commenced in 2018. This finding is supported by Google Trends and social media analysis as well as secondary data quantifying how the term 'circular economy' and related terms are mentioned in academic and media articles.

This is reflected widely in the creation of new/extended circularity teams and roles, and changes to sustainability and corporate strategies. Changes are also starting to emerge in corporate performance management structures. The perception among circularity leads is that senior leaders largely buy-into the business case to change practices in alignment with the Vision. However, some circularity leads require further support to translate the Vision into engaging messages for corporate leaders, and they would like to see MFC support them with this.

There exist some recognised frontrunners in the industry; some of whom are MFC core partners. Industry actors recognise other actors as circular economy role models and use social media and industry events to keep track of latest innovations.

Some frontrunners are using MFC publications and messages to inform regular social media content on circularity; one example is where impressions revealed videos were reaching competitors and supply chain partners that were further behind on understanding and planning for circularity. The presence of perceived frontrunners in the core group motivated others to engage in MFC.

The evaluation finds the MFC Vision process and product has significantly influenced the circular economy narratives of MFC core partners and participants, many of which have adopted new or improved climate-positive policies in the past three years. Of these, a significant share of sustainability policies published since 2018 include chapters, visuals and reference to 'circular economy'. Many of these reflect core messaging of the Vision and its pillars.

How has the circular economy narrative gained traction overall?

Internet search data for 'circular economy' showed a clear increase in searches over the 12-month period July 2020 to July 2021. Similar growth was also seen in data gathered from a keyword search using Google Trends from 2016 to 2021 (see Figure 3).

The below two graphs show the gradual and consistent increase in searches of 'circular economy' and 'circular fashion' throughout MFC's timeline. In both, there is also a spike in searches in September 2020. This could be attributed to the publication of the MFC Vision of a Circular Economy for Fashion document and/or the launch of the ASOS 'Circular Collection' in collaboration with Centre for Sustainable Fashion⁴².

⁴² ASOS (2020) *Reimagine Fashion: the ASOS DESIGN Circular Collection* <https://www.asos.com/discover/circular-design/>

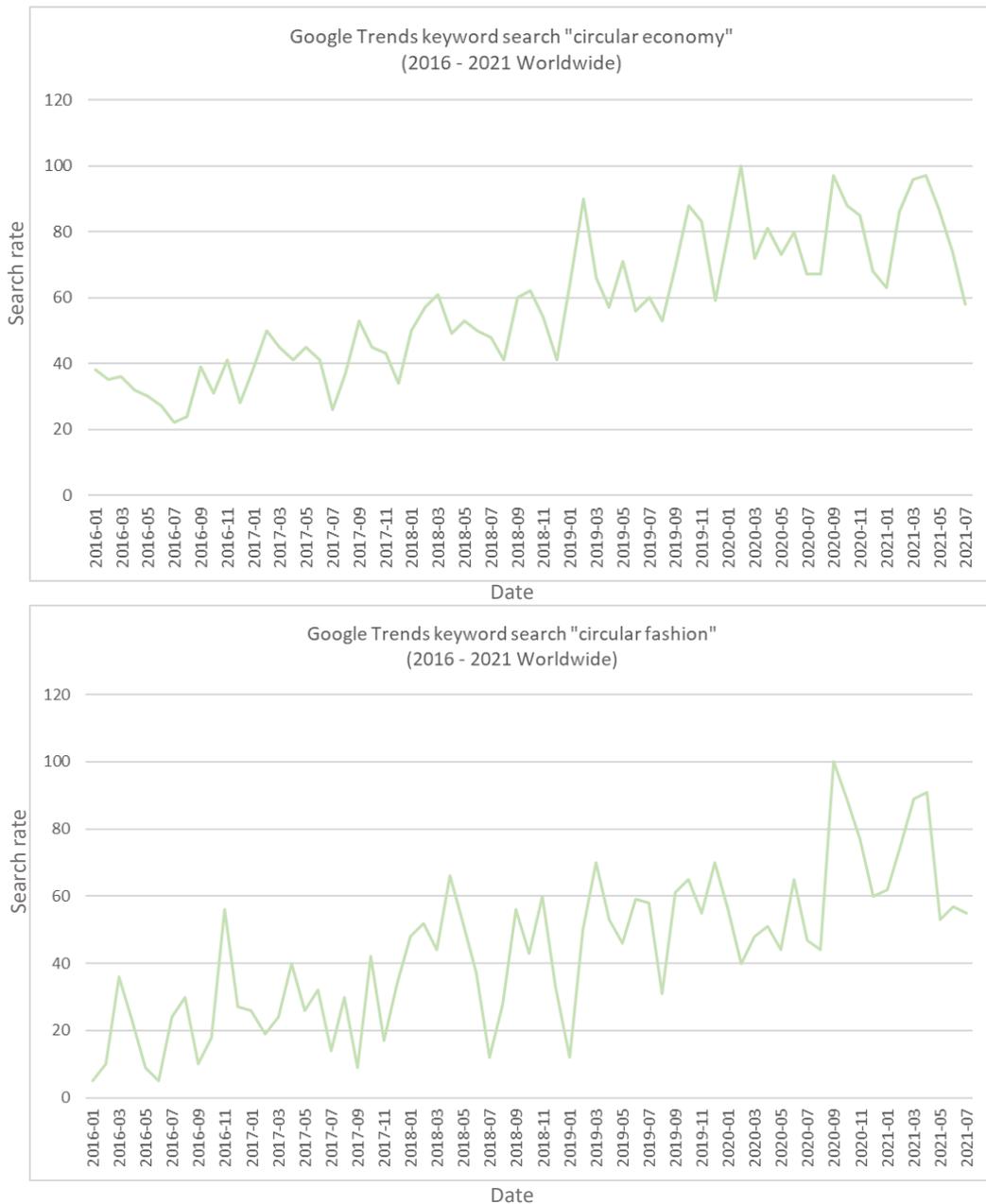


Figure 3: Google Trends keyword search, MFC evaluation, 2021

Google Trends analysis searches terms as a proportion of all searches on Google at a requested time and location, then ranks data from zero to 100. Zero denotes there is a lack of data for the term and 100 is the maximum search interest. On the above graphs, this is what the Y axis outlines.

Text box 10: Google Trends algorithm

In the next section, we turn to look at how the narrative change has been informed and inspired by the work of MFC – and its results around:

- Multi-stakeholder collaboration.
- Deepening of knowledge and value proposition.
- Leveraging and amplifying existing good work.
- Inspiring businesses and designers to change.
- Policy environment.

Multi-stakeholder collaboration

MFC has been instrumental in offering opportunities for collaboration. The diversity of channels and voices has provided opportunities for messages to be co-constructed and amplified. Processes to develop the shared Vision, #WearNext and *Jeans Redesign* demonstration projects, product creation guidelines, and research on circular business models and design guides, have all been highly participatory.

Systematic and ongoing collaboration with smaller working groups of core partners, participants and affiliates has supported widespread acceptance and uptake of MFC messages. Regular dialogue sustained by MFC has helped stakeholders to understand, utilise and reproduce messages in corporate ecosystems. For example, these collaborations have helped get the messages from the NTE report, which set out the early vision for the project, into use prior to the formal publication of the Vision document in September 2020. The workshops have provided increased frequency and intensity of communications between participants, with the informal connections particularly valued. For example, new relationships have formed on the sidelines of events, and these were later leveraged as informal working groups performing ‘critical friend’ feedback on circularity ideas and actions.

In year 3, MFC began opening invitation lists to a greater number of industry representatives. This was a good strategy to extend the reach of MFC outputs and key messages. Those interviewed observed the number of same-company participants invited to a given MFC event correlated with the level of internal thought leadership that was subsequently sparked by participating in the event.

MFC has done well to convene industry actors around the most important issues. Companies have benefitted from sharing a table with other companies on alternative business models and circular design considerations. This is because the MFC platforms provided a platform for solutions-focused, pre-competitive dialogues that would not usually take place. Forums provided a fact-finding resource and were valued as levers for both new and extended relationships. For example, small and medium-sized enterprises (SMEs) benefitted from networking with the corporate responsibility teams of larger companies. Whilst they were already connected to these companies through supply chains, the MFC networking catalysed different types of conversations, because CEOs/founders could meet other teams from their existing supply chain partners.

“Internally, since joining [MFC] our circular strategy has evolved dramatically. In the industry the narrative is ballooning. It takes cross-collaboration. MFC has helped move from siloed working to aligned working”

Interviewee, anon., MFC evaluation, 2021

Deepening of knowledge and value proposition

Year 1 of MFC was successful at establishing a strong consortium of cross-industry organisations. The group was a strong platform for collaboration, helped to identify priority needs of the industry and jump-started progress with short-term actions. In September 2019, the MFC strategy for years 2 and 3 was established, with three key activities proposed following a series of individual dialogues with members of the MFC advisory board. They included:

1. Setting industry-wide targets and kick-starting industry action (hereafter 'Inform Industry Action').
2. Stimulating creative thinkers to adopt circular economy principles ('Stimulate Creative Thinking').
3. Informing policymakers of circular economy for fashion: Using the outcomes of the target setting and definition work to inform policymakers ('Inform Policy').

The first of these activities (Inform Industry Action) was intended to support the industry in defining 'what good looks like' and raising industry-wide ambition on circularity. This would see MFC setting circularity targets for brands, fabric mills and manufacturers, and establishing a system for supporting participating actors to progress towards these targets (this was known as 'the vehicle'). MFC achieved this definitions work through the successful process of establishing the 'Vision of a Circular Economy for Fashion', which was published in September 2020. The MFC team scheduled the target-setting work to be delivered in year 3, but this was postponed due to the pandemic.

The second activity (Stimulate Creative Thinking) proposed to support approximately fifteen 'leading' creatives on a 1-to-1 basis to encourage adoption of the new, shared definition of 'what good looks like' in their work. This would subsequently see MFC establishing an online open-source platform to provide access to tools, inspirational material and collaboration opportunities. The platform was intended to reach designers, product managers and developers, marketers, editors, influencers, among other types of creatives in the industry. The intention was to promote widespread adoption of circular economy across individual ecosystems in the industry.

The third activity (Inform Policy) set the initiative a clear policy focus for years 2 and 3. This activity proposed to use the outcomes of the first and second activities, to inform policy makers on circular economy.

The Vision document was a strategic resource for advancing circular economy narratives. This was likely due to how it strengthened understanding on definitions to advance mutual understanding of the issues across teams. There has subsequently been increased engagement on circularity within corporate ecosystems and greater alignment on definitions. Pre-2018, the different facets of circular fashion were on the agenda of some companies, but this was limited to sustainability, waste management and end of pipe solutions. Since MFC began, the industry has aligned individual definitions with those of MFC and there is strong evidence that influential actors were informed and inspired through MFC's participatory process to establish and publish the Vision document.

Core partners that participated in MFC found the initiative elevated awareness and understanding of the different aspects of circular economy across different teams; this has helped stimulate cross-partner collaboration in the value chain on circular economy-products. Companies have used the MFC materials to create internal training products and videos.

However, some interviewees noted that several MFC members are not currently following agreed principles on circularity. Those we interviewed feel more needs to be done to encourage or entice companies to demonstrate knowledge of circular economy through action, particularly those that are harnessing marketing benefits from utilizing the EMF and/or MFC brands. This reinforces the demand and need for an industry-wide target-setting exercise, as well as accountability systems and processes for monitoring claims and the actions taken towards circular commitments.

The EMF New Plastics Economy initiative has also helped businesses in the fashion and textile industry recognise a compelling business case to improve corporate strategies in alignment with circularity goals. All participants had access to EMF's work on plastics and where requested, the MFC team set up calls to specifically explore issues which crossed

over into fashion, providing support and guidance. Participants that were involved in both the EMF plastics and fashion initiatives said that it was useful to advance knowledge simultaneously on both issues. Nevertheless, MFC's approach to deepening members' knowledge would have been stronger if they had more actively shared (or 'pushed') tailored information to members. This could have been a useful way to convert knowledge (e.g., facts and solutions identified by other EMF sectoral initiatives) into practical action (by fashion sector actors, as the members of MFC). By allowing the flow of knowledge between MFC and other EMF initiatives to be demand-led, some brands believe MFC missed opportunities to explain to its participants the value proposition of implementing NPE recommendations throughout the fashion system. There was limited evidence that MFC events and products were used as a vehicle to actively extend the reach of the New Plastic Economy recommendations to MFC members, for example. Such an active approach to supplying MFC members with relevant, cross-sectoral knowledge would have engaged fashion industry actors with significant influence across the global fashion system, in the vital messages of EMF's complementary initiatives (important particularly due to the widespread use of plastic packaging by MFC participants). During the second phase, MFC has the opportunity to continue to explore and explain cross-sector issues to MFC participants, including the value proposition of implementing New Plastics Economy recommendations throughout the fashion system.

Key opportunities for similar systemic initiatives:

Successfully addressing the complex challenges that are at the centre of many systemic initiatives depends largely on aligning different backgrounds, values, ideas and resources. Actively disseminating knowledge between complementary systemic initiatives could help to strengthen the potential to achieve the system-wide changes envisioned. Initiatives can go beyond simple processes of knowledge diffusion (where potential users need to search out information) to implement active knowledge dissemination (where active processes are used to communicate results to potential users by targeting, tailoring and packaging messages for a particular target audience)⁴³.

Text box 11: Key opportunities for similar systemic initiatives

Leveraging and amplifying existing good work

MFC has worked to reinforce existing efforts on circularity, including those of its consortium members – the core partners, participants and complementary affiliate partners of the initiative. The key focus of MFC to produce a shared vision helped to identify and align existing efforts across this cross-industry group of organisations. Fostering and encouraging collaboration between organizations was instrumental in MFC successfully involving and collating the input of many types of stakeholders in the vision process, and inspiring participants to share their experiences of implementing circular solutions with others outside of the MFC network. For example:

- We found several examples where participants had taken within-company educational work further by promoting MFC messages on social media channels. One *Jeans Redesign* (manufacturing) participant who has been tracking social media impressions of their monthly circular economy videos posted to LinkedIn, which were “inspired by MFC” messages, noted they have been viewed by competitors including those with weaker records of environmental, social and governance (ESG) performance.
- One MFC participant that had created a solution relevant to the ‘made from safe and recycled or renewable inputs’ pillar of the Vision, reported they had successfully “raised money in private equity genuinely because of solid voices like EMF” amplifying their story.
- Contributions by the MFC team to publicly declare the problem, and the size and scope of the resulting opportunities, were found to have contributed to economic gains by innovators over the 2018-2021 period.

⁴³ Tulder, Rob & Keen, Nienke. (2018). Capturing Collaborative Challenges: Designing Complexity-Sensitive Theories of Change for Cross-Sector Partnerships. *Journal of Business Ethics*. 150. 10.1007/s10551-018-3857-7.

In addition, MFC's strategy of engaging 10 complementary affiliate partners from a wide range of technical and policy areas worked well to draw knowledge and expertise into the initiative at scale, whilst feeding key messages from MFC into the complementary work of others. The affiliate partners were involved in various working groups, attended workshops, received participant updates/information, and space was provided for affiliate partners to identify collaboration opportunities with MFC, especially where they held greater expertise⁴⁴.

The 10 complementary initiatives, with examples of how MFC cooperated with them, are listed below⁴⁵:

1. Cradle to Cradle Products Innovation Institute: MFC exchanged expertise on material health and material reutilization.
2. Fashion For Good: MFC shared early drafts of, and gathered inputs on, their Vision and business models work.
3. Fashion Positive: MFC supported the development of the Circular Materials Guidelines to ensure alignment with the Vision.
4. Global Fashion Agenda: Informing thinking on policy insights, and speaker roles including at the CEO Agenda Event.
5. Royal Society of Arts, Manufactures and Commerce: MFC co-created tools, resources, events and projects to inspire designers on circular principles and practices.
6. Textile Exchange: MFC supported on integration of circular economy into the programmatic areas of Textile Exchange, including helping to embed the Vision in the Corporate Fibre and Materials Benchmark.
7. The Hong Kong Research Institute of Textiles and Apparel (HKRITA): MFC invited inputs on the Vision and Jeans Redesign demonstration project.
8. The Mills Fabrica: MFC has been invited as a judge for 'TechStyle for Social Good 2021'.
9. The Sustainable Angle: MFC used speaking roles at key events to share the Vision.
10. ZDHC: Collaborated on chemicals management expertise, speaker roles at the ZDHC Annual Conference and inputs into Roadmap to Circularity.

MFC also worked with:

- WRAP: MFC informed the Textiles 2030 work.
- Circular Apparel Innovation Factory: MFC provided input to their support to entrepreneurs to India including joining the jury of their Idea Presentation Day.
- CNTAC: MFC collaborated with CNTAC to help build their China reputation and to align the report 'Make Fashion Circular – Outlook of a New Textiles Economy in China', with the MFC narrative.
- PACE: MFC provided input to the 'Circular Economy Action Agenda: Textiles', which directly references and aligns with the Vision.

MFC reached these organisations in the messages of the initiative by inviting (and giving) feedback on early drafts of written outputs as well as offering (and accepting) presenting roles at events. However, there were some missed opportunities to influence narratives via these organisations and their networks; interviewees noted that MFC was selective in allocating resources to the right initiatives, due to the complex landscape of organisations seeking to change the status quo, and this limited how well they proactively participated in the activities of complementary initiatives. For example, compared to other organisations, MFC was not as well represented in the meetings and events hosted by its complementary initiatives, unless MFC had a defined role like co-hosting or speaking on a panel.

MFC purposefully elevated brands that were well-known in industry and consumer settings in order to leverage the outreach opportunities of a powerful brand with a large network. Whilst SME circular economy frontrunners were

⁴⁴ The Ellen MacArthur Foundation (2020) Final Laudes Foundation MFC Year 2 report 2020

⁴⁵ The Ellen MacArthur Foundation (2021) Laudes Foundation Final Report – MFC Year 3. June 2021.

valued and drawn on as thought-leaders, MFC provided less of a platform to amplify the positive work of SMEs, compared to the visibility provided to the larger companies. This was a missed opportunity because it limited full engagement in the initiative for SMEs, which often lack the proper technology and/or expertise and/or financial resources to implement and invest in circular activities⁴⁶. This also limited the degree to which SME success stories could be used as a lever to bring about broader and deeper industry narrative change, when their potential to influence is significant (SMEs are the predominant type of firm in most economies⁴⁷).

Key opportunities for similar systemic initiatives:

In many regions, including Europe, SMEs represent the vast majority of enterprises. To achieve the system-wide goals of circular economy and related initiatives, it is therefore vital to maximise SME engagement. This will help build understanding about the factors that underpin SMEs' transition from linear production-consumption models towards sustainable, circular models, whilst harnessing the collective power and influence of SMEs across the public and private sectors.

Text box 12: Key opportunities for similar systemic initiatives

⁴⁶ European Resource Efficiency Knowledge Centre (EREK) (2019) *Perspectives of EU industry cluster managers and regional policymakers. The Implementation of the Circular Economy in Europe, European Union.*

⁴⁷ OECD (2019) *OECD SME and Entrepreneurship Outlook 2019.* OECD Publishing, Paris.

Engaging, co-creating, demonstrating

The initiative launched two demonstration projects as a means of showcasing replicable, collaborative examples of how circular economy projects can generate value across the system. During the 2018-2021 phase of MFC, these have been #WearNext and the *Jeans Redesign* project. Below, we present a description of these demonstration projects followed by some key insights on how they have contributed to the narrative on circular economy gaining pace.

Demonstration project 1: #WearNext

Summary of the Make Fashion Circular #WearNext demonstration project

The #WearNext demonstration project on collection and reuse in New York City was a 6-week joint-industry communication campaign, which took place between 4th March and 12th June 2019. It brought together a strong group involving EMF, New York City government agencies, fashion brands, collectors, recyclers, and resale companies. These used existing collection channels, such as infrastructure provided by NYC's Department for Sanitation New York (DSNY) and NYC Economic Development Corporation (EDC), and collection points in participating stores. DSNY created an online interactive map which marked over 1100 clothing collection points across the city, allowing New Yorkers to easily find their local drop-off point⁴⁸.

The integral purpose of #WearNext was to demonstrate that competitors could come together and share common voice on a pre-competitive topic, and to better understand the conditions under which this would be most effective. The demonstration project also intended to pilot the use of a cross-industry collaboration model to increase local reuse of clothing and textiles.

A key aim was to strengthen understanding of how to design and deliver further demonstration projects under the initiative. Specifically, the campaign was a key part of an original priority of MFC under 'Focus Area 3 – Solutions so used clothes are turned into new ones'. This priority for MFC included a goal to develop an action plan towards the following 2025 commitment: "to reach 25% recycled post-consumer input to clothes by 2025, to derive principles and a set of commitments for the industry to follow"⁴⁹. The #WearNext campaign, and planned replications of this campaign, had the goal to inform the development of the action plan through practical, on-the-ground activities.

There were two focus areas for the demonstration project:

- Focus 1 was a communication campaign – this would engage customers to bring back their clothes.
- Focus 2 was to increase local reuse – to increase the utilisation of clothing locally.

For six months prior to the event, participants met bi-weekly in working groups to plan the campaign. They signed formal legal agreements ensuring compliance with anti-competition laws. Tasks were developed by the MFC team, and participants were asked to drive forward the assigned work.

The first task was to 'create common messaging and narrative'. MFC led the discussion to arrive at an agreement on the message and narrative. Following this, the cross-industry group collaborated on identifying potential communication channels, common campaign branding, asset creation (75 bus stand and LinkNYC posters, in-store advertising and social media). The participants also coordinated press and influencer outreach and collaboratively defined metrics of success.

Table 7: Summary of the #WearNext demonstration project

⁴⁸ MFC (2019) *MakeFashionCircular_NYC DEMO PROJECT_Feb2019.pdf*

⁴⁹ MFC (2018) *MFC Action 4_Demonstration Project_Kick off call, October 2018*

Evidence from DSNY tracking download data suggests that the 75 bus stand posters and LinkNYC posters with inspirational and informative messages successfully directed consumers to the online map of NYC clothing collection points (described in Table 7). This successfully raised awareness about NYC's existing clothing collection infrastructure as well as pop-up collection sites within participating stores. Those interviewed pointed out that there were several contributory factors that may have influenced the number of clothes collected during the period, so it is impossible to attribute changes directly to #WearNext. However, the number of clothes collected during the 6-week timeline of #WearNext, compared to BAU, showed an increase in collection rates compared to the year before.

Collectively, MFC and complementary initiatives helped to shift consumer awareness about the problems and needs in the fashion sector, in NYC during 2019. The #WearNext campaign was particularly successful at reaching large numbers (tens of thousands) of consumers in the messages of MFC, via social media. MFC encouraged partners to use the hashtag #WearNext and proactively reached out to influencers, industry partners and the online media for their support. Subsequently, examples of reuse were shared by brands, collectors, design schools, materials producers and MFC participants.

Scheduling the campaign to coincide with 'Earth Day 2019' was a wise decision as it elevated (and piggybacked on) existing discussions about sustainability in the United States. This helped consumers alerted to the messages of 'Earth Day' to make the link to circularity and the linear 'take-make-waste' system in fashion. To illustrate how MFC used the power of social media to reach consumers in the messages of the campaign, the following three statements posted on Instagram by online influencers collectively reached over 10,000 Instagram users:

1. Lousie Follain, a model with a following of 291,000 Instagram users, received 4,923 impressions ('likes') on her 19 April 2019 Instagram post. She used her post to directly appeal to her New York City followers to announce the launch of #WearNext and provided a link to the online map of clothing drop off points.
2. London-born photographer and director Harley Weir, who has 359,000 followers on Instagram, received 3,854 impressions ('likes') on her 24th April 2019 Instagram post about Make Fashion Circular and its New York campaign. Appealing directly to her followers, she posted "YOU! Can drop off old clothes at over 1,100 locations across the city to save them from being #LANDFILL" using the @make_fashion_circular handle and the recommended hashtags for the #WearNext campaign.
3. 'SuperRoleModel' Brana Dane, a model with a following of 50,000 Instagram users, received 1,346 impressions ('likes') on her April 2019 Instagram post about Earth Day, in which she tagged #WearNext.

The campaign led to a significant increase in Instagram followers for Make Fashion Circular (+1500 followers, equivalent to a 20% increase associated with 70k impressions in the 20 days following the launch of the campaign). MFC also received a number of requests to get involved in the campaign⁵⁰. MFC convinced brands to participate in the #WearNext social media campaign. ASOS, Banana Republic, Athleta, H&M, I:CO, Lenzing, Reformation, ThredUp and Zara all posted about the #WearNext campaign, and clothing collection points, on their social media channels (e.g. Facebook, Instagram, Twitter).

Mainstream and fashion media were also supportive in sharing the story of the #WearNext campaign. For example:

- World Economic Forum: "New York City has a plan to fight fast fashion waste. Here's how it works"⁵¹.
- Ecotextile News: "Big Apple seeks big change with textile waste campaign"⁵² and "Fur-free New York's sustainable fashion drive"⁵³.

⁵⁰ EMF (2019) C&A Foundation Status Report, 5th April 2019.

⁵¹ World Economic Forum (2019) <https://www.weforum.org/agenda/2019/03/new-york-city-is-fighting-fast-fashion-waste/>

⁵² Ecotextile News (2019) <https://www.ecotextile.com/2019030524113/shows-events/big-apple-seeks-big-change-with-textile-waste-campaign.html>

⁵³ Ecotextile News (2019) <https://www.ecotextile.com/2019040824218/fashion-retail-news/fur-free-new-york-s-sustainable-fashion-drive.html>

- WWD: “Brands, Recyclers and NYC Department of Sanitation Team Up to Recycle Fashion: An online map created by the NYC Department of Sanitation will guide people to more than 1,100 locations across the city where they can take clothes they no longer wear”⁵⁴.

Whilst the social media reach of #WearNext significantly extended the audience that was coming across MFC content, the process of setting up the campaign was a “heavy lift” and required substantial time investments from participants, relative to the outcomes achieved⁵⁵. This was an unintended result of the #WearNext campaign, which placed a particularly heavy burden on the local authority partners, due to the need to adopt resource intensive coordination roles at city-level. The campaign was resource intensive for the following reasons:

- The local authority needed to obtain robust, city-wide data on local rates of clothing waste. This was needed to generate statistics for powerful, messages on advertisements.
- The local authority needed to manage and interpret government records locating existing clothing waste collection infrastructure. This was needed to generate a user-friendly online map, which could be included on advertisements to direct consumers to clothing drop off points.
- All partners needed to invest time in fundraising and networking, to identify/purchase/obtain high-impact advertising space in the city.
- After the preparatory work began, all partners discovered the need to extend work plans, and embed flexibility into the strategy, due to the nature of corporate marketing strategies. The lesson that was learnt by the team was that marketing strategies are planned more than one year in advance and are therefore challenging and time-intensive to influence. All partners discovered that individual brand priorities slowed agreements between organisations on issues that at first seemed simple to rectify. For example, developing the joint advertising strategy involving several different brands required endorsement from senior managers, and brand-alignment on visuals and messaging. The time needed to facilitate conversations internally was underestimated.

It is likely that these issues would be present for other place-based campaigns with the same design and model of #WearNext New York. Due to the New York demonstration project, there is a better understanding of the likely efficiency challenges, and how to identify and mitigate potential risks for a similar project. However, it is unlikely that future projects, of the same design, would be immune to the resource challenges experienced by participants in planning #WearNext New York.

For similar reasons, whilst replication was an integral purpose of the campaign, MFC took the strategic decision not to replicate the demonstration project in other cities following implementation of #WearNext New York (at least during the first phase of MFC). Rolling out additional #WearNext campaigns in different cities was expected to be too time intensive for the expected outcomes and there was a strong call from the advisory board to focus efforts where MFC was best placed to provide support to the industry and to achieve maximum impact⁵⁶.

Instead of replicating #WearNext during the 2018-2021 period, MFC have instead provided advisory support to other cities, such as Los Angeles, Amsterdam, Paris and Barcelona, which have contacted EMF expressing interest in replicating the scheme. There also remains a vision to replicate #WearNext in other geographic locations during future phases of MFC - MFC is currently undertaking a feasibility study on a potential #WearNext Shanghai.

There is also evidence that the #WearNext Campaign has already inspired other initiatives, such as the #LoveNotLandfill initiative in London⁵⁷. Run by parent organisation ReLondon (formerly the London Waste and

⁵⁴ WWD (2019) <https://wwd.com/fashion-news/fashion-scoops/brands-recyclers-and-nyc-department-of-sanitation-team-up-to-recycle-fashion-1203067184/>

⁵⁵ Interviewee (anon.) MFC evaluation, 2021.

⁵⁶ Final Laudes Foundation MFC Year 2 report 2020.

⁵⁷ <https://www.lovenotlandfill.org/>

Recycling Board and a participant of MFC) the #LoveNotLandfill initiative, “inspires young fashion fans to take positive action in a way that really grabs their attention”. The website of ReLondon includes substantial content on circular economy, with some alignment to EMF circular economy publications and messages.

Demonstration project 2: Jeans Redesign

Summary of The Make Fashion Circular Jeans Redesign project

The original aim of the *Jeans Redesign* project was to increase the value that can be recovered from jeans once customers no longer use them. This aimed to respond to the problem that jeans are typically designed in a way that makes it difficult to capture value at the end of their use. As a result, a vast amount end up in a landfill or incinerated.

The aim of the project was to have a group of companies working to design and manufacture jeans that increase the value that can be recovered from jeans through reuse, repair, recycling. The project sought to demonstrate the critical role of design decisions to inform a broader agenda on MFC focus area 3: Solutions so used clothes are turned into new.

The project was conceived in 2018 and launched in 2019 focusing on aligning 80 industry experts to input on a set of guidelines to create denim jeans aligned with the principles of the circular economy. By 2021, 72 organisations from across the global fashion value chain including 40 fabric mills & garment manufacturers, 31 brands & retailers and 1 laundry, had joined the project and committed to create fabric and jeans in line with ambitious minimum requirements.

Over the project timeline, the *Jeans Redesign* participants - operating in 21 countries across Africa, Asia, Europe, North America, South America and the Pacific - identified ambitious actions needed and began to apply this in their businesses.

EMF reported in 2021 that most participants have achieved the volumes of jeans they set out to produce, with some exceeding these targets despite the pandemic challenges. Many new companies are still requesting to join the project and MFC plans to continue with this to drive scale, during its second phase⁴⁵.

Table 8: Summary of The Make Fashion Circular Jeans Redesign project

The MFC initiative was successful at using the second demonstration project, *Jeans Redesign*, to inform and inspire industry actors to align around a common circular economy narrative for fashion and textiles.

Those interviewed said that *Jeans Redesign* had provided a highly practical set of product creation guidelines (the *Jeans Redesign* Guidelines) which could be used by design teams with ease. The evaluation finds that the Guidelines provided a practical solution into the hands of design teams, enabling designers to directly embed the four focus areas of the Vision into their products.

The *Jeans Redesign* project can be considered a success story for MFC in terms of contributing to a change in the circular economy narrative used in industry. The Guidelines have not only informed designers and contributed to the acquisition of knowledge on durability, material health, recyclability and traceability, but they have inspired corporate leadership to invest in replicating the Guidelines for other product categories. Those interviewed praised the *Jeans Redesign* interventions for assembling industry actors around the table and catalysing learning processes within companies. We also noted that MFC responded to appetite created by the *Jeans Redesign* by expanding the approach to address all three fibre types: natural cellulose, man-made cellulose, and plastic-based fibres⁵⁸.

Furthermore, the project has contributed significantly to awareness-raising among consumers. The supporting communications campaign achieved an unprecedented number of impressions on social media (more than 13 million).

⁵⁸ EMF (2020) Final Laudes Foundation MFC Year 2 report 2020

Follow-on partnerships between *Jeans Redesign* participants have further helped raise awareness about the circular economy among consumers. For example, in February 2021 H&M (core partner) and Lee (MFC participant) launched a collection of 'more sustainable denim' that was manufactured with advancements at every stage of design and production. The collaboration also provides an enhanced quality of consumer information in the product descriptions. For example, in stores and online, clothing labels state the production methods and sustainable materials in the production of each item (Figure 4)⁵⁹.

The evaluation findings validate the MFC lessons articulated in the MFC year 3 monitoring report to Laudes Foundation. These include: *"the importance of getting started, putting progress over perfection for organisations to rapidly engage with a circular idea...having a clear common direction...and moving the industry dialogue forwards, the need to collaborate with all supply chain actors to resolve barriers to scaling, including greater supply of regenerative materials that can be recycled at scale"*⁶⁰.



Figure 4: H&M x Lee denim collaboration

Conscious • Lee x H&M

Lee x H&M. Jacket in supersoft denim made from a LENZING™ ECOVERO™ viscose and TENCEL™ lyocell blend. Collar, buttons down the front, a yoke, flap chest pockets with a button and discreet front pockets with Lee's classic reinforcing X-stitches. Lee logo in fabric made from recycled polyester on one chest pocket. Dropped shoulders, long, wide sleeves with buttoned cuffs, and a tab and button at each side of the hem. Sewing thread made from recycled polyester. The denim is made without the use of environmentally harmful chemicals in an energy-saving, water-efficient manufacturing process.

Composition — Lyocell 50%, Viscose 50%

More sustainable materials — TENCEL™ lyocell 50%, Lenzing™ ECOVERO™ viscose 50%

Inspiring businesses and designers to change

The initiative has inspired more businesses to adopt circular economy positive policies. Our review of corporate strategies published since MFC began in 2018, found evidence that several MFC core partners and participants have reflected MFC messages in sustainability and annual reports. For example, in May 2021, Kering (MFC participant) published its Circularity Ambition. EMF is referred to throughout and the pillars of the Vision are quoted as introductions to Kering's priorities on circularity. The EMF (2017) NTE report is cited, and the following is stated prominently: *"It is in this context, and guided by the Ellen MacArthur Foundation's report Vision of a Circular Economy for Fashion, that Kering is working on a holistic and strategic approach to changing the linear 'take-make-waste model' to one that keeps products and materials in use while regenerating nature"*⁶¹

⁵⁹ H&M (2021) Press Release: Lee X H&M: Collaborating for the next generation of more sustainable denim. 20 January 2021. <https://about.hm.com/news/general-news-2021/lee-x-h-m--collaborating-for-the-next-generation-of-more-sustain.html>

⁶⁰ EMF (2021) MFC Year 3 Monitoring Report to Laudes Foundation

⁶¹ <https://keringcorporate.dam.kering.com/m/4188d2a9d3d67c90/original/KERING-CIRCULARITY-AMBITION.pdf>

In another example, a keyword search using 'circular economy' in (MFC participant) Lenzing's 2020 sustainability strategy, which included a chapter and vision on Circular Economy for the first time, shows the term 'circular economy' was mentioned 66 times. Triangulated evidence suggests a line can be drawn between this change in narrative and the substantive participation of Lenzing in MFC.

MFC has made some progress in inspiring corporate leaders to create new roles on circularity. In some instances, MFC participants have strengthened the capacity of their circularity teams by reallocating non-ESG strategic leaders into circularity leadership roles.

Finally, there is evidence that companies are talking about the enabler of transparency and traceability more than they were before joining MFC. Whilst some progress has been made, there is still limited action in this area despite momentum building on the development of monitoring frameworks and tools.

Policy environment

Postponing the target-setting work relieved pressure on industry actors during a time of crisis, when the coronavirus pandemic was impacting the sector deeply. However, the target-setting exercise had been confirmed as necessary for MFC to shift gears (in years 2 and 3) to focus on longer term actions with the potential to transform the way the industry operates. Removing the target-setting exercise changed the powerfulness of the initiative to motivate commitment and action. Whilst organisations had a common direction of travel with common goals, businesses did not have the advantage of using standards to gauge their progress relative to the leaders, when deciding how to act. Postponing the target-setting is also likely to have reduced opportunities to realise MFC's policy influencing objectives, because voluntary action by corporates is known to encourage more progressive policy.

MFC heeded some advice from its advisory board "to build on existing partnerships, such as those with affiliate members (ZDHC, FFG, HKRITA, Textile Exchange, Fashion Positive), and to seek alignment with other organisations (e.g. SAC) or industry-wide agendas (e.g. UNFCCC)". For example:

- At the national level, in the UK, MFC contributed to WRAP's Textile 2030 process and engaged the support of local MPs in the Student Design Awards workshops run by RSA (MFC affiliate).
- At the regional level, MFC worked to inform a range of relevant initiatives including providing thought leadership and event facilitation with the European Environment Agency (EEA) and the Circular Economy Show; informing the 2020 UNEP reports on sustainability and circularity in the textile value chain and participating in EC consultations on the 2019 European Green Deal and Textiles Strategy 2021.
- At the international level, MFC secured speaking slots at the OECD Forum on Due Diligence in the Garment and Footwear Sector to join a dialogue on microplastics and synthetic textiles. The team also participated in the G7 Alliance for Resource Efficiency on Value Retention Policies in Paris in November 2019. EMF has developed a very privileged relationship with the G20, holding a partnership agreement with the Italian Government (who currently hold the G20 presidency). MFC has been able to leverage this relationship to reach the G20 audience in its messages on transforming the industry towards circularity; at the 2021 meeting, MFC presented its work during a half-day event on circular textiles, which included reaching audience members about circular design, circular business models, and collection systems for circularity.

Raising the profile, in policy discussions, of the endemic challenges characterizing current systems, and the opportunities, was the main outcome-level change to which these efforts contributed. There is particularly strong evidence that MFC influenced policy discussions at EU-level. Appointing an EMF senior policy officer in Brussels (in year 2) focused MFC's work on informing policymakers in the EU during the latter half of the initiative. This was in line with the strategic priority to focus initially on the EU, whilst exploring opportunities across other geographies such as the US and China. During the second and third years of the initiative, EMF's presence in Brussels helped direct MFC messages into the EC Stakeholder Platform events, including on the EU Sustainable Products legislative Initiative

(SPI)⁶². This was an important and strategic achievement for MFC to influence the enabling conditions for circularity in fashion, because the EC's intention is for the upcoming SPI to correct the following critical market and regulatory failures⁶³:

1. Product-related externalities are not fully internalised: the linear production and consumption pattern of 'take-make-use-dispose' does not provide producers with sufficient incentives along the supply chains to make their products more sustainable. The average lifespan of many products has become shorter over the last decades. Many products break too quickly, many cannot be easily and safely reused, repaired or recycled, and many are made for single use only. Furthermore, there are concerns over the environmental impact and working conditions in which materials are sourced and/or products produced.
2. EU initiatives and legislation only partially address sustainability aspects of products, either on a mandatory or voluntary basis. The Ecodesign Directive successfully regulates energy efficiency and some circularity features of energy-related products covered by implementing measures. At the same time, instruments such as the EU Ecolabel or the EU green public procurement (GPP) are broader in scope but have reduced impact due to the limitations of voluntary approaches. In fact, there is no comprehensive set of requirements to ensure that all products placed on the EU market become increasingly sustainable.
3. The lack of reliable information on sustainability along value chains related to many products placed on the EU market de facto reducing the ability of economic operators upstream in the value chain to offer more sustainable products, and for consumers and procurers to choose products with the lowest environmental footprint.

The European fashion sector is at a critical moment in time due to the existing SPI proposals. Part of the 2019 European Green Deal, the SPI will begin to fill important regulatory gaps by proposing additional legislative measures for products placed on the EU market. It will do this by revising the existing Ecodesign Directive, with the intention to use the revised legislative framework to help make products "fit for a climate neutral, resource efficient and circular economy, reduce waste and ensure that the performance of frontrunners in sustainability progressively becomes the norm"⁶⁴.

The SPI will propose the vital changes to the legal framework required to achieve the objectives set out in the Circular Economy Action Plan (CEAP) 2020 and will help to impel businesses to lower their consumption of resources and reduce their environmental impact. It will ultimately enhance the regulation of all product categories, bringing all products produced or sold in the EU, including through the textiles and fashion sector, in line with technical standards for sustainability.

⁶²

⁶³ EC (2020) Sustainable Products Initiative https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12567-Sustainable-products-initiative_en. The Sustainable products initiative, which will revise the Ecodesign Directive and propose additional legislative measures as appropriate, aims to make products placed on the EU market more sustainable, including Textiles products. It will address the need to make products more durable, reusable, repairable, recyclable, and energy-efficient, and considerate of the presence of harmful chemicals.

⁶⁴ EC (2020) Inception impact assessment - Ares(2020)4754440

“As a legislative proposal, SPI intends to widen the scope of the Ecodesign Directive⁶⁵ beyond energy-related products so as to make it applicable to the broadest possible range of products (including services where appropriate) and make it deliver on sustainability, including circularity. This may be complemented by other legislative proposals and other (non-legislative) actions if necessary. The SPI may also establish product sustainability principles and other ways to regulate sustainability-related aspects in a wide range of products”.

Extract from the European Commission’s Public Consultation for The Sustainable Products Initiative, 2021⁶⁶

The effect of MFC’s actions to inform the policymakers working on the SPI is yet to be seen (at the time of writing, the EC was in the process of reviewing stakeholder feedback received on draft plans for the legislative proposal). However, a review of the published feedback shows that MFC informed the content of an EMF policy paper, which explained to policymakers the key opportunity to use the SPI legislation as an outline policy framework for stimulating circular design solutions by businesses⁶⁷. The paper was focused, succinct and engaging and described the added value of a comprehensive and integrated policy framework for supporting the EU’s transition to a circular economy through enhanced regulation.

Additionally, through the SPI policy paper, EMF identified and optimized a key opportunity to draw the attention of policymakers and businesses to the higher-order policy requirements that are critical for enabling circular economy to flourish across sectors. They did this by introducing the new 2021 EMF Universal Circular Economy Policy Goals: five goals published as a framework for national governments, cities and businesses to work together and align on the necessary society-wide transition to a circular economy.

The MFC messages have also reached the SPI policy process through secondary channels. When we reviewed the published feedback on the EC’s plans for the SPI, we found evidence of organisations citing EMF publications in their feedback submitted to the EC. For example, the European Remanufacturing Council⁶⁸ cites EMF and CE100 (2018) in their white paper “BetterThanNew” Designing new products for many lives⁶⁹.

Interestingly, whilst there was an abundance of feedback from other materials goods sectors, we noted there was relatively less feedback from textile industry actors in the published SPI feedback. Stakeholders that had published feedback included The European Apparel and Textile Confederation (EURATEX) and the Fédération de la Haute Couture et de la Mode⁷⁰ and of the documents reviewed, there was no clear alignment with the established MFC Vision or definitions. Our findings from the documentary review suggests that the fashion industry was disjointed in their approach to conveying feedback to the EC on plans for the SPI. This supports our findings from interviews, that there

⁶⁵ Directive 2009/125/EC of the European Parliament and of the Council of 21 October 2009 establishing a framework for the setting of ecodesign requirements for energy-related products <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32009L0125>

⁶⁶ Extract from the European Commission’s Public Consultation for The Sustainable Products Initiative, 2021 https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12567-Sustainable-Products-Initiative/public-consultation_en

⁶⁷ Carsten Wachholz, Valérie Boiten (2021) *The Sustainable Products Initiative: A key opportunity to establish a level playing field on designing solutions for a circular economy*. EMF, 2021.

⁶⁸ European Remanufacturing Council (2020) *Submitted Feedback – SPI* https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12567-Sustainable-products-initiative/F1235308_en

⁶⁹ EMF and CE100 (2018) <https://www.ellenmacarthurfoundation.org/assets/downloads/Reman-White-Paper-V9.pdf>

is an industry-wide demand for fashion sector policy convenors, such as The Policy Hub, to better rally industry and association actors around policy and regulatory goals in alignment with the Vision.

Finally, whilst MFC has contributed to helping policymakers to set tighter targets to drive circular action, existing tools by governments to help encourage businesses to meet these targets are insufficient. Businesses in the fashion industry do not currently have the sufficient policy incentives (e.g. grants and tax credits) or regulatory penalties (e.g. taxes and fines) enticing them to make their products more sustainable⁷¹.

The existing ‘carrots and sticks’ are therefore not yet adequate to encourage and entice businesses to take meaningful steps towards circularity.

Key opportunities for similar systemic initiatives:

Identifying the powerful policy convenors in the sector of focus may help participants evolve their mutual understanding of how to define the issues and align strategies for informing or influencing policy and legislative changes, around the systems change goals of the initiative.

Text box 13: Key opportunities for similar systemic initiatives

⁷¹ EY Global (2021) *How businesses need to navigate environmental incentives and penalties*. https://www.ey.com/en_uk/tax/how-businesses-need-to-navigate-environmental-incentives-and-penalties

5.2.2 Learning Priority Question 3: To what extent has the fashion industry started to mobilise solutions towards a circular economy and to what extent is progress informed and inspired by the Make Fashion Circular Initiative, implemented by EMF?

In this section we present findings under the second part of the Laudes 'B3' rubric relevant to the third Learning Priority Question, LPQ 3. We present our findings about how the fashion industry has started to mobilise solutions towards a circular economy and explain how MFC contributed to this observed change. This section also includes examples from a document review of selected MFC participants' post-2018 annual and/or sustainability reports. Where possible, we have highlighted how the examples are aligned with the Vision's three pillars, and the enabler 'transparency and traceability'.

B3 Overview (LPQ 3): 'Partly Conducive': *EMF defines the circular economy as based on the three following principles: eliminate waste and pollution, keep products and materials in use and regenerate natural systems⁷². MFC has inspired and informed its members to adopt long-term plans outlining solutions towards a circular economy and has encouraged some businesses to adopt positive practices. However, the initiative has not yet accelerated changes to enabling conditions to the extent required for businesses to take meaningful steps at scale, towards implementing their commitments. As such, most members are still in the nascent stages of implementing any new circular strategies.*

MFC was successful at kick-starting industry action by encouraging several businesses to adopt climate-positive practices. There is evidence, for example, that core messaging from the Vision is being used at operational level across a number of fashion companies in MFC's cross-industry group. Sustainability policies published since 2018 include chapters, visuals and/or references to 'circular economy' and many reflect core messaging of the Vision and its pillars: 1) Used More; 2) Made to be made again; 3) Made from safe and recycled or renewable inputs (as well as the enabler of 'transparency and traceability', although this is currently receiving less focus than the three core pillars).

The initiative has stimulated creative thinkers to adopt circular economy principles and MFC's work on the *Jeans Redesign* project has done well to steer core partners and participants in a better direction to design for circularity. There is evidence that industry actors have been sufficiently inspired and informed by the Guidelines to invest in the development of circularity guidelines for other product categories.

Members of the consortium (particularly the core partners and participants) that have connected during MFC events have formed informal peer-support groups and are acting as 'critical friends' on promoting alternative business models. These new partnerships between MFC participants and others are paving the way for creatives to action practices that are essential for achieving an inclusive and regenerative fashion industry. There is evidence that MFC core partners and participants have launched circular collections since joining MFC in 2018. Progressive businesses that are leading the change within their organisations are actioning steps to encourage suppliers to change practices too. This is laying the foundation for broader and deeper progressive change in the industry and demonstrating, to policymakers, the presence of cross-sector appetite for change.

However, stakeholder engagement in circular economy policy processes is more restrained in the fashion industry, relative to other economic sectors (as explained in Section 5.2.1). Policymakers have been informed by the MFC interventions directly through MFC speaking engagements and publications, which have been submitted through formal stakeholder consultation processes. Citations of MFC outputs and messages in policy documentation suggests some MFC outputs have successfully empowered the EMF policy team to shift UK, European and global policy processes in the right direction. Indirectly, policymakers have been reached in the messages of MFC via the parallel activities of core partners and participants, some of whom co-chair relevant policy working groups, implement obligations as signatories to relevant global policy commitments and/or participate individually in speaking

⁷² <https://www.ellenmacarthurfoundation.org/circular-economy/concept>

engagements and policy consultations. In their interviews with us, MFC core partners described how their participation in textile and fashion sector policy processes conveys lessons from MFC on circular economy into such processes. There does, however, remain a perceived gap in coordinating policy advocacy on circular economy in the textiles and fashion sector. As the fashion sector already has a policy convenor (the Policy Hub), the evidence suggests that MFC could have done more, during its first phase, to catalyse the flow of information between its members and key policy convenors.

In the next section, we turn to look at how the observed actions to mobilise solutions have been informed and inspired by the work of MFC and its results around:

- Multi-stakeholder collaboration.
- Deepening of knowledge and value proposition.
- Leveraging and amplifying existing good work.
- Engaging, co-creating, and demonstrating.
- Policy environment.

Multi-stakeholder collaboration

MFC used multi-stakeholder collaboration to bring about changes to how industry actors were mobilizing solutions towards a circular economy. In our interviews and documentary review, we found evidence that industry actors at all levels of the value chain have used the participatory Vision process (and document) as an information framework to guide planning on alternative business models. The Vision document can be viewed as a success story for MFC in terms of reach, influence and informing goal setting on circular economy for a diversity of different business types.

Core partners have benefited significantly from the direct line of communication with MFC. The collaborative approach enabled collective thinking between this small group of industry actors with influence across global supply chains, and the MFC team via emails, advisory group meetings and direct phone conversations. Core partners also benefitted from the high-quality support provided by the MFC team in reviewing draft corporate strategies and operational guidelines.

There are examples of MFC participant companies taking the messages of MFC forward, to develop their own non-denim product design guidelines, circular design glossaries and training for internal design teams on designing for circularity.

MFC also successfully provided a collaborative platform for participants to persuade others to change practices. Businesses leading the change could use MFC to inform and inspire others on circular economy for fashion, such as speaking at workshops and events and using MFC messages in marketing material.

The initiative was proactive at inviting frontrunners to inform and advise ongoing iterations to the MFC strategy over time. Frontrunners noted during interviews that MFC were responsive to suggestions and advice provided to the MFC team, such as via interviews or advisory phone calls on research and guidelines conducted under MFC.

Table 9 synthesizes some case studies about how MFC core partners, participants and affiliates have collaborated with other MFC members (and wider ecosystem partners) to mobilise solutions on circular fashion, in close alignment with the three MFC Vision pillars (plus the enabler 'traceability and transparency').

Case studies from MFC core partners, participants and affiliates	Used more	Made to be made again	Safe and recycled or renewable inputs	Transparency & traceability
In 2018, a new collaboration between MFC participants, Reformation and ThredUp, was launched and this reflected action aligned to the Vision’s ‘used more’ pillar.				
In 2020, VF Corporation-owned Timberland® collaborated with non-profit partner Circularity on a project called ‘Second Chance’ that enables shoes to be donated to people in need ⁷³ . The partnership has reused and recycled more than 47 tons of clothing and footwear since it began. In the UK, Timberland® also collaborated with the charity TR Aid and has diverted over 2,500 tons of clothes away from landfill and incineration every year.				
The North Face® and Timberland® (MFC participants) also offer take-back reward schemes that encourage consumers to return secondhand clothes for reuse and recycling ⁷⁴ .				
In 2019, luxury fashion brand Farfetch (MFC participant) partnered with Thrift+ to launch a new donation service, enabling consumers to switch used clothes for store credit and charitable donations ⁷⁵ .				
In 2019, Stella McCartney (MFC core partner) and Adidas (MFC participant) developed the ‘first ever fully recyclable hoodie’ prototype in collaboration with Evrnu ⁷⁶				
In 2019, Unspun partnered with dissolvable thread producer Resortecs during EMF’s <i>Jeans Redesign Project</i> ⁷⁷				
In 2019, Good On You partnered with Farfetch’s conscious label in 2019 to implement voluntary sustainability criteria ⁷⁸				

Table 9: Some examples of how MFC core partners, participants and affiliates, are starting to mobilise solutions on circular fashion, relevant to the Vision pillars

⁷³ <https://www.businesswire.com/news/home/20200903005799/en/>

⁷⁴ VF Corporation (2018), Sustainability and responsibility report. <https://d1io3yog0oux5.cloudfront.net/vfc/files/documents/Sustainability/Resources/VF+2018+Made+for+Change+report.pdf>

⁷⁵ <https://thrift.plus/pages/get-started-farfetch>

⁷⁶ See Mobray, 2019

⁷⁷ See Resortecs, 2019

⁷⁸ See Good on You, 2021b

Deepening of knowledge and value proposition

Participants share the view that industry actors involved in MFC now largely recognise the business case to change practices. MFC's studies and publications have contributed to the observed mindset changes in industry, by strengthening the fact base on the issue and needs. By developing written products in combination with the significant less-tangible work of the MFC team (one-to-one discussions, group conversations, workshops and behind-the-scenes collaborations) MFC has succeeded in catalysing knowledge transfer within its cross-industry group, on circular business models and circularity.

As we mentioned in Section 5.2.1, under LPQ 2, core partners and participants have set and defined new circularity goals since joining the initiative in 2018. Many of these MFC members directly attribute their corporate progress on defining circularity plans, to their participation in MFC. Furthermore, when discussing with interviewees their observations of how the circular economy narrative had changed in the fashion sector, over the past three years, we noticed respondents frequently cited examples as relating to the three pillars of the MFC Vision. It is evident that the Vision process and publication made a strong impression on the mindsets of MFC members and empowered individual representatives in fashion to talk about circular economy with greater confidence. There was less evidence that respondents had embraced the enabler of 'transparency and traceability', which is included in the Vision; interviewees repeatedly talked about progress relevant to the "three pillars" without mentioning this enabler. More could have been done by MFC to elevate 'transparency and traceability' as a vital circular economy principle, due to its importance in enabling and enticing businesses to meaningfully progress towards the shared Vision through action.

The work of MFC has focused on promoting the development of creative, imaginative ideas to solve fashion industry challenges, as well as informing and inspiring its partners in understanding the benefits of a circular fashion industry. The initiative has done well to inject energy into collaborative problem-solving on circularity in the sector. For example, after joining the initiative, in 2019, RadiciGroup (MFC participant) progressed to launching a research and innovation consortium on circular models.

The level of satisfaction among MFC core partners and participants is lower in relation to the information that MFC has been able to provide on actions businesses can take towards accelerating the transition. Those participating in MFC's first phase had expected MFC to be able to provide more tangible guidance to deepen knowledge on industry practices. To an extent, MFC has generated the demand for deeper and broader guidance during its implementation, due to the success in transferring knowledge to participants of the *Jeans Redesign* demonstration project. Those reached by the *Jeans Redesign* Guidelines are united in the need for the Guidelines to be replicated for non-denim product categories, due to their proven and demonstrable influence on designers.

MFC has navigated the challenge of managing a large network (part-funded by financial contributions from all members) by working towards delivering universal system-wide benefits (its primary purpose) and short-term results to its contributing members. As a systemic initiative, MFC has brought about several early results by directing business leaders, designers, industry bodies, policymakers and consumers to advance the circular economy agenda (in alignment with the intended early-stage results displayed on the MFC contribution story in Section 3). However, MFC has been slow to bring about the intended later changes, particularly the intended outcome to 'lead more ambitious action in the value chain'. Whilst the initiative has had far-reaching impact in terms of 'informing and inspiring' stakeholders to change internal business practices, policies and strategies, MFC has been comparatively slower at leading action on material flows by directing/leading value chain actors to implement plans and commitments.

It was unfortunate that the market impact of the COVID-19 pandemic instigated the postponement of MFC's target setting exercise, because this limited MFC's ability to encourage companies to implement their circularity plans and commitments. As a result, MFC did not devise levers to enable industry members to implement action. This could have been possible within the limits available to EMF as a strong, independent voice. MFC continues to work with frontrunner companies on mobilizing circular economy initiatives/ projects/ project components, whilst retaining their

ability to push the wider ambition of the industry. It continues to be important to provide direction to business leaders on the setting of targets and increasing process transparency to address the growing challenge of businesses making marketing claims without bold action behind them.

Table 10 synthesizes some case studies about how MFC core partners, participants and affiliates have collaborated with other MFC members (and non-members) to mobilise solutions on circular fashion, in close alignment with the MFC Vision pillars (plus the enabler ‘traceability and transparency’).

Case studies from MFC core partners, participants and affiliates	Used more	Made to be made again	Safe and recycled or renewable inputs	Transparency & traceability
<p>In 2021, MFC core partner (anon.) has “been refining a circularity strategy. This includes adopting a circular economy glossary, which will be used to guide future operations. After a resource-intensive review of a range of relevant glossaries used by different organisations, the one set of definitions chosen was the EMF one. We are now internalising the Vision”⁷⁹</p>				
<p>In 2019, RadiciGroup (MFC participant) founded a consortium for research and innovation called Radici InNova which is dedicated to the development of circularity models through collaborative projects with research centres outside of the business. It aligns with European legislation and circular bioeconomy, with the aim of decoupling economic growth from the use of non-renewable resources⁸⁰.</p>				
<p>Research by Fashion Revolution’s 2021 Fashion Transparency Index reports that, in 2021, 27% of brands explain how they’re developing circular solutions that enable textile-to-textile recycling, up from 18% in 2020</p>				
<p>In 2021, MFC partners Balenciaga and Gucci are 2 of only 8 brands disclosing data on design for circularity to Fashion Revolution’s 2021 Fashion Transparency Index. They use parent-company Kering’s Material Circularity Index to publish the percentage of their products that are designed to enable circularity – which allows for the raw materials in disused clothes to be transformed into raw materials for new clothes. The Index draws on the methodology developed by EMF⁸¹.</p>				

Table 10: Some examples of how MFC core partners, participants and affiliates, are starting to mobilise solutions on circular fashion, relevant to the Vision pillars

⁷⁹ Interviewee (anonymous) for the evaluation of Make Fashion Circular, 2021.

⁸⁰ <https://www.plasticstoday.com/materials-research/radicigroup-establishes-consortium-power-research-and-innovation>

⁸¹ Fashion Revolution (2021) Fashion Transparency Index. NB the other brands using the index are Bottega Veneta and Saint Laurent –

Leveraging and amplifying existing good work

We discussed in the contextual summary (Section 4 and Annex 5) that long term industry transformation takes place over many years and noted that industry actors were beginning to take steps to reduce the harm of current models before MFC was launched in 2018. In the lead up to, and over the course of the initiative, MFC did well to keep abreast of changes in the industry. The interventions were well-researched through participatory processes and, in line with the chosen iterative approach to systems change, ample time was built into planning for concentrated dialogues with key stakeholders. This set the team in good stead to amplify relevant good work as it emerged.

Throughout the delivery period, MFC helped elevate the lesser-known business models of frontrunners. Those interviewed said that MFC added to dialogues that were beginning but added a lot more weight to these dialogues, and this helped a lot of players. For SME brands, being able to speak about MFC when presenting their work to potential supply chain partners elevated them to a retailer with greater purpose. It was also the informal support that benefitted SMEs greatly – our interviewees said the MFC Team Leader was publicly encouraging of individual businesses, and proactively announced the actions of specific brands on social media channels. The MFC team were alert to climate-positive news stories and were quick to point out positive collaborations publicly.

“I want to applaud [the Team Leader’s] style of working, collaboration...they were encouraging of good behavior. Especially outside of the working group. This was rewarding. Chiming in on LinkedIn and being a cheering voice.”

Interviewee, anon. MFC evaluation

MFC purposefully favored well-known brands for conveying good-practice examples of MFC message adoption, drawing value from brands global reputation and social media following. This led to larger brands receiving comparatively greater levels of marketing and media benefits from MFC participation than SMEs, including from within and outside of the fashion industry. Whilst this strategy was visibility-enhancing for MFC, and its messages, it undervalued the achievements of SME frontrunners and risked undermining the critical relationships essential for systemic change. Those interviewed observed that SMEs leading on circularity ideas and technologies in the fashion and textile industry had inputted heavily into stakeholder consultations for the fact-strengthening and knowledge-enhancing parts of the initiative yet gained less from their membership relative to the larger companies. This is not a sustainable engagement model for SMEs who, despite contributing financially to the initiative, have felt like informal service providers for circular economy conversations.

By offering the MFC platform for experience-based learning, the initiative has elevated the voices of frontrunners to the benefit of other stakeholders. MFC used email newsletters, social media channels, online and offline workshops and panel presentations to showcase real-world examples from the fashion industry of circular economy in action. The initiative did well to write meaningfully about positive case studies, rather than simply sharing content. For example, MFC justified why each case study represented ‘circular economy in action’ to its audience, citing MFC outputs and key messages (see the June 2021 case studies of ThredUp, Napapijri and Resortecs⁸²).

The model to include a mix of industry actors and non-profit partners worked well to amplify and leverage complementary work. Through the events and projects, core partners and participants networked with affiliate members, increasing awareness about relevant complementary multi-stakeholder initiatives. This has led to new partnerships with complementary initiatives to pursue circular business model goals. One MFC participant reported

⁸² EMF (2021) Latest Circular Economy News: Case Studies: Napapijri Circular Series, Resortecs Dissolvable stitches that improve clothing recycling; thredUP Keeping clothing in use - save money and reduce waste

that 100% of their designers have been trained in circularity in accordance with their Global Fashion Agenda commitment (MFC affiliates).

MFC events that have built in time and space for networking have been particularly effective at catalysing conversations between corporates that would not usually link up. Such as the frontrunners and laggards, the multi-billion-dollar brands and the \$50 million brands; the resale platforms and the retailers. This has leveraged the persuasive power of the role models and frontrunners to encourage peers to change practices.

However, when discussing the findings under the Laudes 'A' rubrics, we mentioned that interviewees observed some process transparency issues. MFC was not able to clearly explain to the consortium, the evolving roadmap for achieving the intended systemic change. Identifying the systemic changes and the ways of supporting change through the interventions of the initiative proved challenging and members sometimes found the initiative's strategy and interventions ambiguous and difficult to grasp. Core partners and participants would have benefitted from MFC sharing work plans and updates on the intervention goals and outputs, for example. Due to these challenges, MFC missed opportunities to leverage industry appetite and ambition to invest in circular fashion models, projects or products. For example, some members had identified that it would have added value to launch their new circularity projects to tie in with the finalization of key MFC reports but delays and confusing timetables for the publication of these reports prevented this from happening.

Those we interviewed had a good level of awareness of other EMF circular economy initiatives and milestone publications, particularly on plastics. Core partners and participants had been supported by the MFC team to sign the New Plastics Economy Global Commitment⁸³. As regards wider complementary initiatives, MFC participated in advisory groups – notably, the former team lead sat on the methodology committee for Fashion Revolution's Fashion Transparency Index. Our findings suggest, however, that MFC could have further leveraged the moments created by MFC events to amplify the good work of related initiatives to businesses and designers. Workshop participants would have found it beneficial for MFC to routinely present the landscape picture of complementary initiatives during events, to clarify the collective understanding of MFC's niche role in bringing about longer-term transformative action on circular economy for fashion, relative to the work of similar initiatives.

Furthermore, the initiative succeeded in amplifying non-EMF complementary initiatives through publications and online channels but was limited in the extent to which they integrated and mainstreamed vitally important and relevant topics into MFC communications and projects (such as climate change, biodiversity loss, pollution, social fairness).

MFC was diligent at signposting readers of the Vision to complementary initiatives to mitigate any shortcomings in the report on related cross-sector topics. For example, the Vision highlights the importance of social fairness in the fashion industry but includes the caveat that the topic is not the key focus of the vision statement - readers are directed to Fashion Revolution, the International Labour Organisation, and the UN Alliance for Sustainable Fashion. Whilst this is useful, those interviewed had higher expectations for the integration of MFC processes and products and complementary initiatives on vital topics.

Inviting several complementary initiatives into the MFC participant group was effective at catalysing circular economy-positive changes across wider industry narratives. For example, the Textile Exchange used the definitions to measure circular economy progress through their CFMB survey and report, and WRAP have used it as a foundation for their Textile 2030 Targets. The former team leader of MFC sat on the methodology advisory committee of Fashion Revolution's Fashion Transparency Index, which included more than 20 experts and organisations. However, those interviewed with joint membership of MFC and other complementary initiatives reported that alignment gaps remain,

⁸³ EMF (2020) *New Plastics Economy Global Commitment* <https://www.newplasticseconomy.org/projects/global-commitment>

and more could be done by the leaders of these initiatives to co-evolve their mutually reinforcing strategies, goals and methods.

Table 11 synthesizes some case studies about how MFC core partners, participants and affiliates have collaborated with other MFC members (and non-members) to mobilise solutions on circular fashion, in close alignment with the MFC Vision pillars (plus the enabler ‘traceability and transparency’).

Case studies from MFC core partners, participants and affiliates	Used more	Made to be made again	Safe and recycled or renewable inputs	Transparency & traceability
<p>In 2019, Adidas (participant) and Stella McCartney (core partner) launched a hoodie made from garment waste that is 100% recyclable. The Infinite Hoodie is made from Evrnu’s NuCycl fibre with organic cotton⁸⁴.</p>				
<p>In 2019, H&M (core partner) started to use fibres derived from agricultural waste within their collection. This has progressed the work of early pioneers, such as Salvatore Ferragamo drawing on materials from regenerative feedstock technologies in 2017⁸⁵.</p>				
<p>In 2021, a collaboration between <i>Jeans Redesign</i> participants, H&M (MFC core partner) and Lee (of parent company Kontor Brands, (MFC participant) saw the launch of ‘more sustainable denim’. The denim is manufactured with advancements at every stage of design and production. The collaboration also provides an enhanced quality of consumer information in the product descriptions. For example, in stores and online, clothing labels state the production methods and sustainable materials in the production of each item.</p>				

Table 11: Some examples of how MFC core partners, participants and affiliates, are starting to mobilise solutions on circular fashion, relevant to the Vision pillars

⁸⁴ The Retail Bulletin (2019) <https://www.theretailbulletin.com/fashion/adidas-and-stella-mccartney-launches-100-recyclable-hoodie-08-07-2019/>

⁸⁵ See Petter, 2019

Engaging, co-creating, demonstrating

The claims for MFC having influenced practices are most apparent among the *Jeans Redesign* demonstration project participants. This can be regarded as a success story for MFC. We found multiple lines of evidence supporting the claim that *Jeans Redesign* has catalysed industry actors to engage around a common challenge, co-create solutions and demonstrate success in practical implementation of circularity, from textile production through to garment manufacturing and retailing. The *Jeans Redesign* guidelines have inspired MFC participants to form new partnerships for the creation of similar guidelines for other product categories. The *Jeans Redesign* guidelines are also used as a framework to inform practical guides, glossaries, trainings and toolkits.

There was scope to increase the scale and pace of solutions-focused outputs such as the Guidelines, including for other product categories, to change the ‘made to be made again’ narrative and influence action sooner. As mentioned under LPQ 2, the *Jeans Redesign* demonstration project was not very relevant to members that did not manufacture or sell denim products. Furthermore, the project targets could have been tougher, and MFC did not have measures in place to routinely monitor how accurately individual businesses were interpreting project definitions in their plans and operations. The annual monitoring process was also limited, in that it did not effectively recognize the different roles of suppliers and brands and other diversity and context considerations.

The degree to which the #WearNext campaign contributed to changes in textile collection volumes is uncertain due to a multitude of contributory factors which influenced collection rates in 2019. However, compared to the same time in 2018, collection volumes increased by 583 tonnes across several city collection points⁸⁶. Some interviewees said the campaign underestimated the quality of existing clothes collection infrastructure in the city of New York. If the campaign is replicated in the future, the implementation team should double up efforts to engage private and non-profit collectors to safeguard essential relationships with existing circularity champions.

The degree to which MFC has enabled co-creation of circularity solutions for fashion across different geographies requires further investigation. The fashion industry is global in nature, yet the majority of MFC core partners and participants have their global head offices in North America and Europe. MFC were keen to point out that the initiative is not contributing to global impact through the location of company headquarters, but through their power and influence across the global value chain in the fashion industry. We reviewed the potential reach of MFC via the networks of the seven core partners and mapped the location of their supply and consumer hubs (See the diagram included in section 5.2.1). This verified that the seven core partners collectively do have strong networks across all global regions and there is potential for MFC to reach a wide range of sectors across the globe in its key messages by leveraging their influence. Due to time, the evaluation was not able to collect detailed data to explain how well MFC has supported its core partners to disseminate MFC messages and lessons through their networks.

Furthermore, one of the two demonstration projects implemented during the first phase of MFC, #WearNext campaign, only benefitted retailers with a US consumer base. While the majority of global fashion sales are made inside North America and Europe, the majority of manufacturing occurs outside of the US and Europe. If MFC want to contribute meaningfully to global impact, it would take some concentrated effort by MFC to educate and empower its members on how to work through their global networks to catalyse uptake of the Vision and key messages by suppliers and consumers.

Table 12 synthesizes some case studies about how MFC core partners, participants and affiliates have collaborated with other MFC members (and non-members) to mobilise solutions on circular fashion, in close alignment with the MFC Vision pillars (plus the enabler ‘traceability and transparency’).

⁸⁶ <https://www.ellenmacarthurfoundation.org/case-studies/city-and-industry-in-collaboration-to-save-clothes-from-landfill>

Case studies from MFC core partners, participants and affiliates	Used more	Made to be made again	Safe and recycled or renewable inputs	Transparency & traceability
<p>MFC-participants BESTSELLER and ASOS have both recently trained their buyers and designers, through workshops and online trainings, in circular design principles. Both companies have also included circular styles in recent collections and BESTSELLER-owned OBJECT’s Project & Sustainability Manager Gitte Skals Hauge says “since this initial capsule, we have included between 16 to 36 circular design styles on each main collection”.</p>				
<p>Between the launch of the NTE Report and in the run up to the official launch of MFC, in August 2018, C&A (MFC participant) partnered with Fashion for Good (MFC affiliates) and two India-based garment manufacturers to launch the first C2C certified jeans. Cradle to Cradle Products Innovation Institute is also an MFC affiliates⁸⁷.</p>				
<p>In 2021, Fashion for Good (MFC affiliates) launched the Sorting for Circularity multi-stakeholder project to address the scalability issues within post-consumer textile feedstocks; with catalytic funding from Laudes Foundation (MFC co-funder) and facilitated by joint FFG and MFC brand partners, adidas, BESTSELLER, and Zalando, as well as MFC core partner Inditex⁸⁸</p>				
<p>In 2020, second-hand retailer Beyond Retro and parent company Bank & Vogue (MFC participant) signed a multi-year agreement with Renewcell ‘a circular fashion company’ to supply pre-and post-consumer waste for new clothes at Renewcell’s recycling plant in Sweden. Ensuring upcycling of thousands of jeans and other cotton garments that could not be sold second hand.</p>				

Table 12: Some examples of how MFC core partners, participants and affiliates, are starting to mobilise solutions on circular fashion, relevant to the Vision pillars

⁸⁷ https://fashionforgood.com/wp-content/uploads/2018/08/FashionForGood_Denim-Case-Study-FINAL-1.pdf

⁸⁸ Fashion for Good, 2021a

Policy environment

Participants and core partners are participating in policy processes but not yet strongly advocating for policy change in a coordinated manner. In addition to the policy initiatives outlined under our response to LPQ 2, the below complementary initiatives are supporting actors to engage in policy processes.

MFC has worked to influence policy through a diversity of interventions:

- In 2019, there was an increasing emphasis on climate change with the 2019 G7 Summit of world leaders in Cornwall, UK. President Macron of France requested the chair and CEO of Kering (MFC participant) to present the 'Fashion Pact' during the summit. The 'Fashion Pact' is an initiative signed, at the time, by 32 fashion firms committed to putting measures in place to reduce environmental impact. This process has since engaged several MFC core partners, participants and affiliate partners.
- MFC continued to influence political leaders through the G7 two years later at the 2021 G7 Summit of world leaders, Cornwall, UK. At the 2021 summit, Stella McCartney (MFC core partner) spoke to world leaders to ramp up regulation of the fashion industry: “Fashion is one of the most harmful industries and least policed. Sadly, the idea of us self-regulating [is] not a fair thing to ask of an industry. We need to be helped. If we could just have some regulation, some policies, some [standardised] methods to measure our impact,”⁸⁹.
- Stella McCartney is also exerting influence on the enabling policy and financial conditions needed for circular fashion through HRH Prince Charles’ Sustainable Markets Initiative (SMI) and its Terra Carta charter. This is a roadmap guiding businesses towards an ambitious and sustainable future by 2030. Stella was the only fashion designer invited to the visionary document’s signing at the G7 Summit in Cornwall⁹⁰.
- MFC has held interviews and speaking slots with the British Fashion Council. Notably, the current MFC Lead joined a high-level panel at the 2021 inaugural Institute of Positive Fashion Forum (IPF Forum). The IPF is a thought leadership event designed to galvanise the British fashion industry alongside international businesses into global collaboration and local action, ahead of COP26, the 2021 United Nations Climate Change Conference, hosted in Glasgow in November 2021.
- Technical inputs towards the Textiles 2030 and REBus government funded initiatives in the UK, that are preparing industry for new Extended Producer Responsibility (EPR) legislation (WRAP, 2021).

In addition, since MFC was established in 2018, MFC core partners, participants and affiliates have participated in complementary initiatives with the intention of strengthening the policy environment for circular fashion:

- Policy Hub, which was launched in 2019, is a fashion sector multi stakeholder initiative addressing policy for a circular economy. Its membership comprises of the Sustainable Apparel Coalition (SAC), the Federation of the European Sporting Goods Industry (FESI), Global Fashion Agenda (GFA), Textile Exchange and ZDHC (Policy Hub, 2020). Together, these organisations represent more than 500 apparel and footwear stakeholders, including brands, retailers, manufacturers and NGOs. MFC has informed several position papers, including recommendations for: The EU Green Recovery Plan; Better Design for Circularity; EPR in the Fashion Industry; and Building Blocks for a Circular Economy.
- Launched in March 2020, bringing together governments and relevant networks and organisations, the Global Alliance on Circular Economy and Resource Efficiency (GACERE) aims to provide a global impetus for initiatives related to the circular economy transition, resource efficiency and sustainable consumption and production, building on efforts being deployed internationally. GACERE members will do so by working together and advocating at the political level and in multilateral for a, in particular at the United Nations General Assembly (UNGA), the United Nations Environment Assembly (UNEA) and in G7/G20 (EC, 2021).

⁸⁹ Financial Times (2021) *The Art of Fashion: Stella McCartney*.

⁹⁰ Stella McCartney (2021) *Future of Fashion: An innovation conversation with Stella McCartney*, <https://www.stellamccartney.com/gb/en/stellas-world/future-of-fashion-an-innovation-conversation.html>

- In Switzerland and Germany, TEXAID (MFC participant) cooperates with several municipalities on defining and implementing best practice standards for collecting and recycling of used textiles. On a federal and EU-level, they are in constant contact with government officials, authorities, and various organizations to create and improve constant awareness for the regulatory issues and requirements associated with the collection, sorting and recycling of used textiles.

It is noted that textile, and fashion industry stakeholder engagement in policy processes on circular economy is still limited, relative to other economic sectors. The reasons for this were highlighted in Section 5.5.2, including the evidence of poor alignment on circular fashion definitions between industry actors. For example, our online desk review of published feedback submissions under the SPI policy consultation processes showed disjointed presentation of circular economy issues by fashion and textile consultees⁶².

Those interviewed made repeated comments about the need for an independent organisation to further lean forward on circularity and fashion policy conversations, including to improve the way the industry is regulated. EMF is a respected thought-leader with a large following and is ideally placed to do more on policy, for example by working more closely with existing policy convenors in fashion, and strong voices in its business network, to inform government on how the fashion industry could be better regulated.

5.3 How strongly has MFC influenced fashion industry adoption of climate-positive practices and business models so far?

In this section we present findings under the Laudes ‘C3’ rubric relevant to Learning Priority Question 4, which asks: How well is MFC on track to achieve intended results in the medium-longer term (2025-2030)?

Laudes Foundation developed the C3 rubric to offer a framework and standard, and create a shared language, for what ‘good’ looks like in tackling the combined climate and equity crises. This is aligned with the mission of the Laudes Foundation, which is to “support brave action to inspire and challenge industry to harness its power for good”. The C3 rubric is intended to empower organisations to monitor and evaluate systems change across Laudes Foundation’s programmes, and the programmes of its learning partners such as The Ellen MacArthur Foundation.

For this evaluation, we have used C3 as a ‘yardstick’ to measure and learn about the progress of the fashion industry in transitioning to a circular economy for fashion, and MFC’s contribution to that.

The findings described in this section are designed to inform future discussion and reflection on what needs to happen to steer the fashion sector further towards MFC’s 2025-2030 outcomes. These are:

- Unstoppable momentum of action by businesses in the fashion sector.
- Achieve a measurable shift in fashion sector material flows from linear to circular.
- Policymakers reform, implement, enforce and protect critical laws and policies to enable a circular fashion industry.

Structured by the above three outcome areas, this section presents the conclusions, supporting evidence and reasoning behind the assigned rating for rubric C3, which is displayed in Table 13.

Learning Priority Question 4: How is MFC on track to achieve intended results in the medium-longer term (~2025-2030)?	
C3. Businesses promote and implement bold, climate-positive policies, models and practices	

Table 13. ‘C’ Rubrics Ratings

C3 Overview: ‘Unconductive’: Some globally influential brands and retailers are now in the early stages of transitioning towards circularity, but linear economic models still dominate and underlying endemic problems still characterize the fashion industry. So far, any significant MFC-influenced shifts are, at this point, only within the MFC consortium. Some MFC participants, including manufacturers, retailers and brands (inclusive of small and medium-sized enterprises) have made progress towards adopting a mix of bold, circular economy company policies. However, few businesses have made meaningful progress towards adopting a comprehensive mix of practices, beyond piloting one-off circular collections, business models or design guidelines. The vast majority of businesses are not transparent about actions in alignment with the Vision, despite the gains in positively shifting internal and external narratives in alignment with the vision of a circular economy for fashion. MFC sought to bring about greater transparency, by building an intervention into the design of the initiative to seek industry-wide commitments for ambitious time-bound targets. However, due to context and timing issues, substantially due to the market impact of the COVID-19 pandemic, this work was not completed during the three-year initiative.

Outcome 1: Unstoppable momentum of action by businesses in the fashion sector

MFC has helped to push the fashion system in the desired direction, towards what may be termed ‘a tipping point’ characterized by “unstoppable momentum of action by businesses in the fashion sector” – the first of three intended outcomes for the initiative to achieve by 2030. However, whilst the evidence shows that the system has started to shift since the launch of the MFC initiative, industry progress remains too slow and there is a long way to go before this tipping point will be reached.

MFC, through its concurrent strategies and interventions, has started to transform organisational culture among its business consortium members. The evaluation’s results demonstrate that the processes and products of MFC have empowered individual organisations, and their sustainability/circularity teams, to suggest and do things they could not have done previously. A simple example is a corporate sustainability strategy. MFC developed a shared “Vision of a circular economy for fashion” through a multi-stakeholder process, which secured ownership of a critical group of individual organisations. This ownership catalysed greater alignment of efforts between companies working concurrently on their corporate sustainability strategies. The Vision has subsequently enabled groups of companies to align their definitions of circularity for fashion. This has contributed to greater alignment in terms of speaking the same language, within individual organisations, but also as partners and peers in other parts of the value chain etc. Corporate teams leading these internal narrative changes within sustainability strategies profited further when the Vision was published as a document, as it provided additional credibility and accountability to their work.

The foundation upon which MFC was launched is still valid - circular economy has the potential to contribute to the root causes of global challenges such as climate change, biodiversity loss, and pollution. In the fashion industry, circular economy also has the potential to create opportunities for more inclusive, equitable growth, in alignment with the Sustainable Development Goals. Across the group of cross-industry organisations assembled by MFC, there is evidential progress on alignment around a common vision for circularity, and MFC has contributed to this alignment alongside other contributory factors. The narrative is beginning to change, and the industry is heading in the right direction to ensure that products are used more, are made to be made again, and are made from safe and recycled or renewable inputs.

However, to achieve transformative progress on circular economy, there needs to be a common understanding and alignment not just on definitions, but also on minimum levels of action. MFC has put the circular economy firmly on the fashion industry agenda and united organisations around a common vision for circularity in fashion. However, there is a risk of backtracking on the structural transformations achieved to date without informing and inspiring similar alignment around ambition on circularity. The postponed target-setting work, whilst a response to the pandemic, has resulted in slower progress than anticipated during the first phase. Raising industry ambition levels is now critically important to reach the tipping point of unstoppable momentum by businesses. At the close of the first phase, MFC is presented with the urgent need to identify

The Laudes Systems Baseline for the Laudes Foundation’s Theory of Change, which was completed in 2021 by Future Impacts, in cooperation with 4CF, included a chapter on the fashion industry. It assessed the status quo of the sector using the same Laudes Rubrics used for this evaluation of Make Fashion Circular.

The two independent assessments have reached the same conclusion, that as it stands today, the fashion sector – while no longer ‘harmful’ – is assessed as ‘unconducive’.

This reflects a picture of very limited progress in the industry, in terms of introducing effective legislation, policies and practices that would bring about climate positivity.

The fact that these issues are now on the agenda of businesses, policy makers and others, meant the industry did not receive a ‘harmful’ rating.

Text box 14: The Laudes Systems Baseline

the optimum means of defining ambitious, industry-wide, time-bound, quantified targets, and align industry behind them.

The initiative has not yet fully responded to the demand from cross-industry organisations for support in implementing the Vision. Over the past year, the pandemic and the climate and biodiversity crisis has informed businesses and the wider audience (for example citizens, industry associations, non-governmental organisations and policymakers) about global weaknesses in the current economic system, and the need for resilience. This has contributed to a rising level of ambition, engagement and commitment to circularity in fashion, despite the hardships experienced by the industry over the 2020-21 period. The growing body of evidence on the profitability of circular business models has also increased the appetite for change on the markets, for example models that keep clothes in use are now seen to be profitable for retailers. The fashion rental market is projected to be worth \$1.9bn globally by 2023 – a doubling in value from 2017⁹¹.

The *Jeans Redesign* demonstration project has further contributed to the rising appetite - half a million pairs of jeans aligned with ambitious minimum design criteria from leading fashion brands have now been launched because of *Jeans Redesign*⁹². MFC intentionally planned to catalyse enthusiasm across the group of cross-industry organisations engaged in MFC, and with this forecasted that *Jeans Redesign* would result in an increased demand for additional practical guidance, such as minimum design criteria in the form of guidelines. MFC was also undecided about whether fulfilling these demands would add value to the long-term systems-level focus of the initiative and postponed decisions as a result. From the perspective of the group of cross-industry organisations united by MFC, the reticence on this issue has embedded uncertainty in the initiative about its offering. MFC could not effectively empower the group of cross-industry organisations that it successfully united, because the group lacked information about the scope of the initiative.

The cross-industry group lacked a full understanding of MFC's short- and long-term results and had this been clearer, the initiative could have better empowered them to start to mobilise more transformative solutions in pace with rising ambition on circularity. The evaluation recognizes that the focus of MFC was to accelerate systems change, drawing value for the full group of cross-industry organisations in the medium-to-longer term. However, there was a level of ambiguity for members about the intended results of the initiative, over various time horizons. Information was variable on the short-term, tangible outputs from the initiative, and this limited industry awareness about how they could draw value from the collection of interventions. The process of elaborating the NTE vision through to the publication of the Vision document in September 2020 was undeniably valuable to a great number of organisations.

Overall, the industry is still overwhelmingly following linear models. There is a long way to go before the industry has reached a point where the momentum of action is unstoppable. The initiative has been able to build some important foundations, such as changing the outlook and mindsets of leaders of global significance in the fashion industry and supporting these businesses to develop and publish circular plans and strategies. The initiative has built reputational value due to the strong, independent voice of MFC and these relationships are critical to reach the tipping point. MFC could have galvanised momentum further by establishing common purpose, managing short- and long-term results and effectively empowering individual actors to mobilise solutions in line with circularity plans. Now is the time for MFC to support businesses on translating the Vision into action, balancing the need for an iterative approach with the need to leverage moments of opportunity presented by the sector.

⁹¹ AMR (2017) *Online Clothing Rental Market by End-Users (Women, Men, and Kids) and Clothing Style (Ethnic, Western, and Others) - Global Opportunity Analysis and Industry Forecast, 2017-2023* <https://www.alliedmarketresearch.com/online-clothing-rental-market>

⁹² MFC (2021) *Laudes Foundation Final Report – MFC Year 3. June 2021.*

Outcome 2: Achieve a measurable shift in fashion sector material flows from linear to circular

Long term industry transformation takes place over many years. Before the launch of MFC, industry actors were beginning to take steps to reduce the harm of current models, such as through resource efficiency, sustainability and end of pipe solutions. However, because concern about the linear fashion system was barely on the agenda, pre-2018, the situation in the industry would have been rated as ‘harmful’ against Laudes rubric ‘B3’. Harmful processes and practices were hardly recognized, and awareness of upstream circular solutions was mostly lacking across the MFC consortium. Since 2018, through deep dialogues and close collaboration with ecosystem partners, MFC has been able to use the early vision set out in the EMF NTE report to develop an adaptive systemic initiative for global impact.

Throughout the three-year ‘mobilisation’ phase of MFC, the initiative refined the NTE vision together with its members and others (over 100 stakeholders) and set common definitions of terms, which were finally published in the Vision document in September 2020. MFC successfully used this multi-year process as a pivot to direct the energy and resources of the group of cross-industry organisations further towards a shared goal on shifting material flows from linear to circular. The Vision document was an excellent written output of the initiative in that it strengthened the capacity of individual companies to articulate internally, and externally, the definition of circular economy issues and opportunities in relation to fashion. Interviewees from the consortium said that the value drawn from the published Vision document was so significant that the benefits would have multiplied had it been published sooner, such as during year 1 or 2 of the initiative.

To effectively shift fashion sector material flows from linear to circular, there is an urgent need for more transformative action on supply chain traceability and transparency. Supply chain transparency and traceability remains a voluntary measure in the current fashion system. The context analysis in Annex 5 outlines progress in the industry related to retailers taking up sustainability scoring systems, including on traceability. MFC included transparency and traceability in the Vision and could, in phase two, further shift the narrative on this issue as it has done for the three pillars. Information that could be shared with consumers, and businesses in the supply chain, includes⁹³:

Supply chain traceability and transparency information to be shared with consumers:	Information to be shared among businesses in the supply chain:
<ul style="list-style-type: none"> ○ Product information: composition, manufacturer details ○ Social information: names and addresses of all suppliers, social certifications/ inspections ○ Environmental information: carbon footprint, environmental certification, and recycling data 	<ul style="list-style-type: none"> ○ Product information: composition, origin, manufacturer details ○ Social information: names and addresses of all Tier 1, 2, 3 suppliers, social certifications/ inspections ○ Environmental information: carbon footprint, environmental certification, and recycling data ○ Process information: related to process details, tracking, and specifications

Table 14: Transparency & traceability information

⁹³ Blum, P., (2021) *Circular Fashion: Making the Fashion Industry Sustainable*

Current corporate accounting methods do not capture the impact and dependencies of companies on natural systems. Therefore, there is an urgent knowledge gap that needs filling: the short- and long-term profitability implications of shifting towards circularity in fashion. By reinforcing the fact base and bringing alignment across industry narratives through dialogue, MFC has helped inspire participants to progress in this area. MFC participant, Kering, created the Environmental Profit and Loss (EP&L) accounting tool to measure, monetise, and manage environmental impacts across supply chains¹⁰⁹. By assessing its environmental impact from raw materials to product delivery, Kering has been empowered to make better decisions in the road towards circularity. The methodology was published as open-source, and other MFC brands have followed Kering's lead: Gucci has now launched its own digital environmental profit and loss account, also on an open-source platform. Meanwhile, Stella McCartney (core partner) has recently started to participate in the pioneering Sustainable Markets Initiative of HRH The Prince of Wales⁹⁴. There is a role for further knowledge brokering on the markets-circularity nexus, to enhance the flow of evidence-based information on the short (and long-term) costs and benefits of circularity to profitability.

Designing for circularity is integral to achieving meaningful shifts in material flows. MFC made the right decision to prioritise engaging with the creatives, at the heart of the industry, on circularity for design. Whilst action was slow at the start, the initiative has worked well at embedding the circularity narrative into the next generation of designers. In 2020, the partnership with RSA on the MFC Student Design Awards was effective at challenging design students on the design of textiles, textile processes and systems that enhance nature. Students and lecturers were provided with resource packs including outputs from MFC. A further four-month programme of activities, co-created with the RSA, has successfully strengthened the capacity of 12 inspiring creatives. Four of the participants, with experience from different parts of the fashion system (a manufacturer, denimwear designer, marketer, and bi-material designer), were sufficiently inspired by this MFC-RSA intervention to launch a new collaboration together. They are now looking at transparency and circular economy flows across their respective organisations.

MFC has helped to strengthen the fact base about the unprecedented economic, environmental and climate opportunities offered by circular business models. MFC's successes with the *Jeans Redesign* project and its communication campaign has drawn significant interest at the global level. The initiative is on track to shift industry and consumer mindsets further with the upcoming Circular Business Models Research Paper, which will publish research into the circularity potential of the fashion market.

The uptake of circular business models has gathered pace across the industry since the initiative was launched, in 2018. Design guidelines for multiple product categories and circularity training for designers has become more mainstream, and over the last two years there has been a sudden increase in resale, repair and extended life. Those interviewed observed that MFC has helped promote leading practice. By leveraging the extensive EMF network to amplify the work of frontrunner companies, MFC has helped to transform a very niche part of the industry into a market that is attracting genuine interest and investment. However, even though momentum is building, there is still a long way to go to engage a critical mass of businesses in circular business models to change the status-quo in the flow of materials: in research completed for Fashion Revolution's 2021 Transparency Index, just 14% of major brands described the implementation of new business models, such as renting and reselling, and 18% said they offered repair services, which would enable their customers to keep clothes in use for longer⁸¹.

Meaningful shifts in material flows from linear to circular is also reliant on the pace and scale of investments in new recycling technology – including for pre- and post-consumer waste. This needs to be a priority for the industry to action the 'safe and recycled or renewable inputs' pillar of the vision. Recently, new fibre to fibre technologies have addressed the more complex challenges associated with post-consumer clothing waste⁹⁵, building on the early prototypes introduced by Worn Again Technologies and Evrnu (in 2005 and 2014, respectively – see the context

⁹⁴ *Building Sustainable Markets* https://www3.weforum.org/docs/WEF_Narrative_Sustainable_Markets_Iniative_2pager.pdf

⁹⁵ For example, Mobraj, 2019

assessment in Annex 5). The textiles recycling industry still faces challenges in managing post-consumer waste, such as sorting and collection processes⁹⁶. Technological solutions are gathering pace, but action has been limited beyond non-commercial pilots⁹⁷. The MFC #WearNext campaign helped to raise awareness and understanding of clothing collection and recycling challenges in New York City, but it was designed to draw value for brands and retailers - understanding better how to navigate post-consumer material flow challenges through retail - than shifting volumes of material flows (this was purposeful and aligns with the systemic change focus of the initiative).

Public-private partnerships could help to shift gears and transform waste management and recycling infrastructure for circularity. Comparisons can be drawn with the traction gained from pioneering investments in renewable energy technologies over the past 20 years. Experience shows that a combination of government, innovation, investment and industry action led renewable energy to boom, and this is now urgently needed in the textiles and fashion sector.

Circularity is part of the sustainability puzzle and closely relates to social, biodiversity and climate issues. MFC has tapped into initiatives that establish means to tackle these issues, though cautiously so as not to dilute the focus. Further action is needed by ecosystem partners to unpack the complex sustainable development issues relevant to the transition towards a circular economy for fashion – overconsumption, overproduction, waste, and social fairness. The targets setting exercise could have helped to achieve this by breaking down barriers to better incentivise businesses in the sharing of transparency and traceability information to consumers and supply chain partners. Again, there is a long road ahead: the 2021 Transparency Index published by Fashion Revolution finds that just 6% of brands disclose data on the amount of pre-production waste generated annually (offcuts, scarps, end-of-roll fabrics), while 2% disclose the amount of post-production waste generated annually (deadstock, overstock, unsold goods, samples)⁹⁸.

Outcome 3: Policymakers reform, implement, enforce and protect critical laws and policies to enable a circular fashion industry

MFC has served as good holders of knowledge for policymakers and are a strong voice at policy tables. In the third year alone, the EMF policy officer for fashion attended 48 policy events including several speaking engagements. The reach of MFC messages, via the EMF policy team, has been particularly impressive at EU-level. For example, this has included participation in online panel sessions for the Green New Deal and publishing op-eds in Euractiv, which is a media network specialised in EU policies with a policymaker audience. The initiative has also recognised the synergies between the pandemic and textiles policy, engaging in policy-relevant meetings on the 'Impacts of COVID-19 on Textile Policy in the EU'. Nevertheless, given the urgent need for better regulation in the fashion industry, to reward good practice and instigate penalties for poor performance, MFC has been slow to use its independent voice strategically, and within its limits, to meaningfully target shifts in the regulatory environment.

In 2019, the EC identified textiles (apparel and fabrics) as a 'priority product category for the circular economy'⁹⁹. The new European Commission President announced in her 2019-2024 My Agenda for Europe, the vision for Europe to be "a world leader in circular economy and clean technologies" and proposed "a new circular economy action plan focusing on sustainable resource use, especially in resource intensive and high-impact sectors such as textiles and construction"¹⁰⁰.

⁹⁶ See for example, *Fashion for Good*, 2021a

⁹⁷ See, for example, Remington, 2019a; Wedin et al., 2017

⁹⁸ *Fashion Revolution (2021) Transparency Index*

⁹⁹ EC (2019) *Sustainable products in a circular economy — Towards an EU product policy framework contributing to the circular economy*. https://ec.europa.eu/environment/pdf/circular-economy/sustainable_products_circular_economy.pdf

¹⁰⁰ Ursula von der Leyen (2019) *My Agenda for Europe: POLITICAL GUIDELINES FOR THE NEXT EUROPEAN COMMISSION 2019-2024*. https://ec.europa.eu/info/sites/default/files/political-guidelines-next-commission_en_0.pdf

MFC's messages have filtered into several policy documents at EU level:

- In 2019, the European Green Deal was adopted¹⁰¹. In November 2019, the ETC/WMGE report 'Textiles and the environment in a circular economy' provided detailed analysis to underpin further influential European Environment Agency (EEA) policy briefings in support of circularity in fashion under the European Green Deal¹⁰². MFC messages were reflected in these influential reports: the November 2019 report included fifteen references to the EMF (2017) New Textiles Economy Report and a half-page summary of the MFC *Jeans Redesign* project synthesising key messages from the Guidelines. Readers of this report would have received synthesised information on the minimum requirements for jeans, created under the MFC initiative, including an overview of requirements relevant to the Vision categories of durability, material health, recyclability and traceability¹⁰³.
- These reports further informed the influential EEA "Textiles in Europe's Circular Economy" briefing¹⁰⁴ and have contributed to the enabling environment surrounding progress on textiles under the EC Circular Economy Action Plan (CEAP) 2020.
- The CEAP continues to shape the EU strategy for sustainable textiles, among other relevant regulatory and policy frameworks planned for 2021, which will support materials use from linear to circular including in the textiles and clothing sector. This includes SPI, of which MFC has contributed to stakeholder consultations. The SPI is a key enabler for achieving the medium-to-longer term goals of the initiative because it will seek to build a legal framework establishing minimum design criteria for textile products⁶⁰.

At the level of governments and cities:

- MFC has contributed to national-level certification schemes.
- MFC has contributed to EMF's Cities programme to facilitate an exchange of best practices in textiles collection amongst cities in the EU technical discussions convened around the launch of the UNEP Sustainable Textiles report.
- MFC has also provided insights to cities that have ambitions to launch campaigns like #WearNext New York.

At the international level:

- MFC (or EMF) is not yet a signatory of the UNFCCC Fashion Charter (Text box 15). Although many organisations in the MFC cross-industry group are signatories, which includes a commitment (in article 10) to, "Support the movement towards circular business models and acknowledge the positive impact this will have towards reducing GHG emissions within the fashion sector"¹⁰⁵. The extent to which the MFC businesses and affiliate partners are represented is impressive:
 - All MFC core partners are signatories (Gap Inc., H&M, Inditex, PVH, Burberry Group plc, HSBC and Stella McCartney). H&M is also the co-chair of Working Group IV: Policy Engagement.
 - MFC participant signatories include Adidas Group, Farfetch, Kering, Lenzing and VF Corporation. Adidas is also the co-chair of Working Group III: Manufacturing/Energy and Kering is the co-chair of Working Group II: Raw Materials.
 - MFC affiliate participant signatories include: Textile Exchange, Fashion for Good, ZDHC Foundation and Global Fashion Agenda. Textile Exchange is co-chair of Working Group II: Raw Materials.

¹⁰¹ The European Green Deal (2019). <https://eur-lex.europa.eu/legal-content/EN/TXT/?%20qid=1588580774040&uri=CELEX:52019DC0640>

¹⁰² <https://www.eionet.europa.eu/etcs/etc-wmge/products/etc-reports/textiles-and-the-environment-in-a-circular-economy>

¹⁰³ EEA and ETC on Waste and Materials in a Green Economy (2019). *Textiles and the Environment in a Circular Economy*. Eionet Report - ETC/WMGE 2019/6 <https://www.eionet.europa.eu/etcs/etc-wmge/products/etc-reports/textiles-and-the-environment-in-a-circular-economy>

¹⁰⁴ <https://www.eea.europa.eu/publications/textiles-in-europes-circular-economy/textiles-in-europe-s-circular-economy>

¹⁰⁵ UNFCCC (2018) *Fashion Industry Charter for Climate Action* <https://unfccc.int/sites/default/files/resource/Industry%20Charter%20%20Fashion%20and%20Climate%20Action%20-%202022102018.pdf>

The Fashion Industry Charter for Climate Action

The Fashion Industry Charter for Action set the mission to drive the fashion industry to net-zero greenhouse gas emissions no later than 2050 in line with keeping global warming below 1.5°C.

Convened by UN Climate Change, it provides a framework for multi-stakeholder dialogue and engagement on climate across brands and suppliers in the fashion sector.

The signatories are committed to support the implementation of the principles contained in the Charter, both by pursuing the principles within their own organizations and by working collectively with other signatories.

Since its launch, 125 companies and 41 supporting organisations have signed the Charter. A good number of organisations from the MFC cross-industry group are signatories. As are MFC's complementary initiatives: Sustainable Apparel Coalition, Fashion Revolution, Sustainable Fashion Business Consortium, British Fashion Council.

The eight working groups constitute a delivery mechanism of the Fashion Charter by identifying and amplifying best practices, strengthening existing efforts, identifying and addressing gaps, facilitating and strengthening collaboration among relevant stakeholders, joining resources, and sharing tools and knowledge to enable the sector to achieve its climate targets.

Text box 15: *The Fashion Industry Charter for Climate Action*

- MFC has informed and inspired industry progress under the UN Fashion Industry Charter, though this is indirectly through the MFC group of cross-industry organisations. In September 2020, the Fashion Industry Charter Signatories collaboratively developed the UNFCCC Playbook for Climate Action. Developed by and for industry stakeholders, The Playbook was published as a “living guide to enable all actors of the Fashion industry to identify what climate actions to take and which initiatives and programmes could support them in undertaking their decarbonization journey”¹⁰⁶. Signatories created the Climate Action Playbook to help the sector join together and take action, including through circularity in fashion. Notably:
 - The Playbook features a standalone chapter on Circular Economy.
 - The Circular Economy chapter acknowledges the circular economy topic is not a new one, before spotlighting the EMF definition of circular economy and affirming to readers that “EMF has synthesized and amplified the frameworks and concepts mentioned above under the concept of circular economy”.
 - The Playbook is written in alignment with the MFC Vision, including explanations of the Circular Business Model concept and real-world examples from MFC core partners and participants of circular economy in action.
 - MFC participants have used the Climate Action Playbook to showcase examples of solutions implemented in alignment with the MFC Vision. Examples include MFC participant Timberland (part of VF Corporation) implementing regenerative leather practices in 2019, MFC participant Banana Republic’s (part of GAP Inc.) launch of a clothing rental subscription service (also in 2019).
 - Most notably, the Playbook includes a standalone text box amplifying the key messages from the MFC demonstration project *Jeans Redesign* Guidelines:

¹⁰⁶ UN Climate Change (2020) Signatories of the Fashion Industry Charter Launch Guide to support Collaborative Climate Action <https://unfccc.int/news/signatories-of-the-fashion-industry-charter-launch-guide-to-support-collaborative-climate-action>

“Ellen MacArthur Foundation Jeans Redesign Guide: In its Jeans Redesign Guidelines, EMF provides a set of minimum requirements for jeans on durability, material health, recyclability, and traceability to ensure that jeans last longer, can be easily recycled, and are good for the environment and garment workers. The criteria for recyclability call for a minimum of 98% cellulose fibers (by weight), the minimization or removal of metal rivets, and easy disassembly for other components”¹⁰⁷.

- MFC has also participated in the 2020 consultations under UNFCCC to develop an Industry Action Table: This document outlined how various change levers can accelerate progress towards exponential sector transformation, including in the apparel sector. With the purpose of highlighting specific, promotable, and time-bound actions with a sector-based approach, this document has the potential to influence the enabling environment for momentum to build in alignment with the MFC outcomes. MFC has informed this solutions-oriented document:
 - EMF New Textiles Economy (2017) document is cited several times.
 - The action table for the Plastics sub-sector guides policymakers “to endorse and commit to key industry programs addressing product recyclability and reuse (e.g. Ellen MacArthur Foundation Global Commitment)” by 2021 and “Realise objectives of key industry programs e.g., Ellen MacArthur Foundation Global Commitment” by 2025.

Finally, the collection of EMF and MFC reports has remained valid over the lifespan of the initiative. Documents published in 2021 have continued to cite statistics and utilise illustrations from the EMF NTE report, Vision of a Circular Economy for Fashion, and the *Jeans Redesign* Guidelines (as well as the NTE Plastics report). For example, in 2021, a paper on reducing the environmental and social impacts of fashion and clothing textiles included no less than thirty citations of EMF sources¹⁰⁸. The introductory text to sustainability in fashion, *Circular Fashion*, published in 2021 by award-winning university professor Peggy Blum, has referenced MFC interventions and best practice case studies from MFC core partners and participants, and includes a one-page feature of “Circular Leader: Dame Ellen MacArthur”¹⁰⁹.

¹⁰⁷ Source: UNFCCC Fashion Industry Charter for Climate Action, Chapter 7. Circular Economy, Page 58.
https://unfccc.int/sites/default/files/resource/20_REP_UN%20FIC%20Playbook_V7.pdf

¹⁰⁸ Rouch, D. A. (2021) *Fashion and clothing textiles: how to reduce the environmental and social impacts*, Working Paper No. 20, Clarendon Policy & Strategy Group, Melbourne, Australia.

¹⁰⁹ Blum, P. (2021) *Circular Fashion: Making the fashion industry sustainable*. Laurence King Publishing. 1st Edition. 6 May 2021.

6. Opportunities for the second phase of Make Fashion Circular

MFC has been successful at bringing about structural changes, such as to internal practices and corporate policies. Yet, a deeper level of systems change is critical if the intended 2025-2030 outcomes are to be achieved. Therefore, in the next phase MFC has key opportunities that will contribute further to system-wide changes in industry, which in turn will steer policy, investor, and consumer mindsets in the right direction. To help EMF, Laudes and their learning partners understand and support the transformational and systemic changes needed, a selection of key opportunities, drawn from key findings, is outlined below.

- **Key Finding 1: Collectively raising the level of action by industry is critically important to progress towards transformative solutions for circularity in fashion.** MFC's model of collaboration has instigated capacity strengthening, trust-building, and stronger models of communication across a diverse group of cross-industry stakeholders. This has helped elevate the ambition of a wide range of companies on circularity, whilst emboldening a smaller group of globally influential retailers and brands to exert influence across their global supply chains. A weakness in the approach, so far, has been the lack of interventions/outputs to improve accountability processes. This has prevented MFC from effectively monitoring action, or inaction, of companies relative to their circular economy commitments and plans.

 - **Opportunity 1: Continuing to work with a small group of globally influential businesses would enable MFC to mobilise circular economy solutions across a wider range of sectors and geographies.** In its next phase, MFC's design could be strengthened by incorporating corporate targets on circular economy into the membership model and increasing process transparency to address the growing challenges of marketing claims without bold action behind them. Conducting a mapping exercise to refresh understanding of the complementary initiatives available to support MFC's system-wide goals, particularly on target setting, investment and regulatory changes, could support the initiative in identifying existing opportunities where there could be good prospects for synergy. Exploring the work of other ecosystem partners, such as Textile Exchange and Fashion Revolution, which are involved in developing tracking metrics for reporting progress, could help MFC to back the essential work of others to spotlight good practice.

 - **Key Finding 2: MFC's model of collaboration enabled members and ecosystem partners to successfully inform the initiative's design over time, enabling it to remain relevant to the system-wide circularity issues in fashion.** Whilst the overall strategies largely remained the same, the detailed outputs were designed iteratively around feedback from the advisory group and participants. This lean way of working enabled EMF to work towards the critical system elements of the initiative, but lessons continue to be learnt on the best way of sharing this approach with partners, due to the accompanying engagement challenges.

 - **Opportunity 2: MFC has the opportunity to drive faster adoption of circular economy solutions by raising awareness among members about the common purpose of the initiative whilst using progress monitoring and communication to update members on key milestones.** During its second phase, MFC could consider introducing more user-friendly systems to inform members about evolving refinements to the strategy and any new or upcoming interventions/outputs. With routine progress updates, this could enhance the model of collaboration by improving communication and strengthening the complementarity of MFC's short-term outputs, with the activities of individual organisations.
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- **Key Finding 3: By convening the key ecosystem players and strengthening organisational understanding of circular economy principles and opportunities, MFC has convinced a powerful group of globally influential businesses of the value proposition for circular fashion.** MFC's workstreams have advanced the circular economy narrative within these businesses, and there are widespread examples in policy, industry and the media of organisations citing the MFC Vision of a Circular Economy for Fashion. Leveraging EMF's cross-sector experience, reputation, and capital, MFC has challenged the ideas of its participants, and informed and inspired them to begin to develop circular economy company policies. MFC's successes in building the common vision and changing mindsets across companies is an important achievement.
- **Opportunity 3: Now that a critical group of globally influential businesses understands the value proposition of circular fashion, MFC has the opportunity to catalyse action and impact by businesses, starting with the implementation of circular economy company policies.** This could be approached by working with ecosystem players in fashion and finance, to strengthen knowledge on the links between circular economy, growth and long-term value creation for fashion companies. Knowledge-based interventions could also be used to advance design guidelines for different product categories. On this, MFC could facilitate partnerships between groups of businesses to collectively explore key questions in creating Jeans Redesign-style guidelines for non-denim product categories, and other practical circular design solutions.

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- **Key Finding 4: MFC recognized that policy and regulatory changes are an inherent part of the circularity solution for fashion and contributed to informing policymakers' thinking on circular economy through research.** Bringing alignment across industry narratives by convening fashion industry experts to co-create a comprehensive common definition for circular economy in fashion (detailed in the Vision) supported businesses to communicate MFC messages to others in their network, including policymakers. MFC's policy workstream would have been stronger if there had been greater process transparency in the policy work of EMF and affiliate partners because strengthening understanding of what EMF do in their policy workstream would have helped MFC members to plan complementary company-led work.
 - **Opportunity 4: MFC has an opportunity to better define their role on policy by strengthening the visibility of the policy work carried out by EMF and key ecosystem partners.** MFC could now inform its members about how to reach policymakers (and other stakeholders in their networks) in the messages of MFC. Raising the visibility of circular economy policy conveners, such as The Policy Hub¹¹⁰, could also help businesses identify windows of opportunity to positively shift the policy environment in the right direction.

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- **Key Finding 5: Current corporate accounting methods do not capture the impact and dependencies of companies on natural systems.** By reinforcing the fact base and bringing alignment across industry narratives through dialogue, MFC has helped inspire its group of cross-industry organisations to progress in this area. However, there is an urgent knowledge gap that needs filling to strengthen industry and investor understanding of the short- and long-term profitability implications of shifting towards circularity in fashion.
 - **Opportunity 5: MFC could explore the role of knowledge broker to enhance the flow of evidence-based information on the short (and long-term) costs and benefits of circularity.** This would strengthen the business case of investing in circular business models, leveraging the power of financial markets to build further momentum towards a circular economy for fashion.

¹¹⁰ The Policy Hub (2021) *The Policy Hub unites the apparel and footwear industry to speak in one voice and propose policies that accelerate circular practices*, <https://www.policyhub.org/>

7. Key Lessons

Lessons for the second phase of the initiative

1. Continue to invest in mobilising upstream and downstream solutions towards a circular economy for fashion, using research, demonstration projects, workshops and deep dialogues to scale circular economy action by industry. A fundamental part of this approach will be to focus on changing the mindsets and strengthening the capacity of the creative heart of the industry, particularly the next generation of designers and buyers of fashion.
2. Create online collaborative spaces for members to connect, share insights and experiences, pool ideas, and problem solve. Enable pre-competitive discussions to continue to grow organically by empowering members to collaborate and co-create common definitions and guidelines across product categories as peers.
3. Improve accessibility to fashion-relevant research and advice on policy, finance, plastics, climate change, biodiversity etc. An online knowledge hub could include an evidence and gap map (EGM) to inform MFC members about the available evidence relevant to specific topics, whilst flagging issues straddling multiple sectors where evidence is lacking.

Lessons for the collaboration-led model for systemic change

1. Continue to convene global stakeholders from all corners of the value chain and steer the initiative with relationship management, dialogue, knowledge, vision and independence.
2. Consider evolving the membership model to find useful ways to track action and impact. Measuring the adoption and impact of circular practices would generate the information needed to make sure the MFC consortium actually achieves what it set out to do. It would incentivise organisational performance by sparking the desire to achieve tangible results and hold members to account to deliver/scale circular economy actions in line with their commitments.
3. Diffuse the tension between short-term and long-term results by strengthening the ability to clearly explain systemic change to members. Consider sharing a roadmap of short-term results that are key to bringing about the systemic impacts desired and manage stakeholder expectations around achievements.

Lessons for bringing about systemic change in the fashion industry

1. Continue to work with all ecosystem partners to maintain the visibility of the Vision of a Circular Economy for Fashion publication across sectors and at all levels of the value chain. Empower core partners to contribute impact through their global networks, including by extending the reach and uptake of messages from existing, and upcoming, Make Fashion Circular publications.
2. Use research to evidence the short- and long-term profitability implications of investing in circular initiatives/ projects/ project components. To catalyse the flow of resources for circular innovations, extend EMF's pioneering convening work to facilitate dialogues between financial service providers and frontrunners in fashion, to stimulate co-creation of sector-appropriate financial products and services.
3. Raise the visibility of circular economy policy conveners across the Make Fashion Circular network, and continue to inform the development of policy, regulatory and performance measurement frameworks with the messages of Make Fashion Circular.

