REDRESS
DESIGN AWARD

SUPPORTING SOURCES AND STATISTICS
(as of 23 August 2024)

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

SELECT FASHION INDUSTRY IMPACTS

Economic: The fashion industry globally is an estimated $2.5 trillion annual business[1], or approximately 2 to 2.5% of global GDP[2].

Environmental impact at global level

- **Greenhouse Gas emissions:** The fashion industry contributed to an estimated 1.8% of global greenhouse gas emissions in 2021. Assuming business-as-usual growth for the apparel sector, emissions are projected to increase 42% by 2030, but to stay within a 1.5°C trajectory the sector would need to reduce by 45% by 2030.[3] The fashion industry is projected to use a quarter of the world's carbon budget by 2050.[4]
- **Water:** The volume of freshwater consumed by the fashion industry is nearly 79 billion cubic metres, enough to fill nearly 32 million Olympic-size swimming pools. This figure is predicted to increase by 50% by 2030.[5]
- **Waste:** Every second, the equivalent of one rubbish truck of textiles is landfilled or burned.[6]

Social: 1 in 8 people are believed to work in some part of the apparel industry.[7]

THE PROBLEM: FASHION'S LINEAR SYSTEM GENERATES EXCESSIVE WASTE AND CONTRIBUTES TO THE CLIMATE CRISIS. THIS IS SET TO WORSEN

Consumption - and increasing

- The Asia-Pacific region houses some of the biggest apparel markets in the world, including China, India, and Japan.[8]
- Greater China was expected to overtake the US as the largest fashion market in the world in 2019.[9]
- Global apparel, footwear consumption may rise by 63% in 2030.[10]

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[1] McKinsey & Company & The Business of Fashion (BoF), The State of Fashion 2019
[2] Fashion For Good (2020), Financing the Transformation in Fashion
[3] Apparel Impact Institute (2023), Taking Stock of Progress Against the Roadmap to Net Zero
[4] UNEP (2018), Putting the brakes on fast fashion
[5] Global Fashion Agenda & The Boston Consulting Group (2017), The Pulse of the Fashion Industry
[6] Ellen MacArthur Foundation (2017), A New Textiles Economy: Redesigning Fashion's Future
[7] Common Objective (2018), Faces and Figures: Who Makes Our Clothes?; Data from World Bank (2017) Total Labor Force and See Wiego, Statistics on the Informal Economy; ILO, Informal Economy
[8] Revenue of the apparel market worldwide by country in 2023, Statista Market Insights
[9] McKinsey & Company & The Business of Fashion (BoF), The State of Fashion 2019
[10] Global Fashion Agenda & The Boston Consulting Group (2017), The Pulse of the Fashion Industry

Production

- Asia accounts for some 60% of global exports of garments and textiles.[11]
- Between 2015-2022 the world's largest clothing exporters by value remain China, European Union, Bangladesh, Turkey, Vietnam, India.[12]

Textile Waste - and increasing

- Global: Every second, the equivalent of one rubbish truck of textiles is landfilled or burned.[13]
- Global: An estimated 92 million tons of textile waste are created annually from the fashion industry.[14]
- Global: It is estimated that more than half of fast fashion produced is disposed of in under a year.[15]
- In Hong Kong, an average daily quantity of 388 tonnes of textiles were landfilled in 2022[16] of which 50% is estimated to be clothing[17]. Redress estimates this to be the equivalent of 16 T-shirts landfilled every second.
- Global: Textile waste is estimated to increase by about 60% between 2015 and 2030, with an additional 57 million tons of waste being generated annually, reaching an annual total of 148 million tons, which is equivalent to annual waste of 17.5kg per capita across the planet.[18]

Asia: contributing to and suffering from the climate crisis

- Asia is hit hardest by climate change[19]
- Asia produces 50% of the annual global GHG emissions[20]
- By 2030, extreme weather events could jeopardise $65 billion worth of apparel exports and eliminate nearly one million jobs in four economies (Bangladesh, Cambodia, Pakistan and Vietnam) that are among the most central to the global fashion industry.[21]

THE SOLUTION: URGENT SHIFT TO CIRCULAR FASHION SYSTEM. BUT WE ARE FAR FROM ACHIEVING THIS

Circular economies are not well developed - textile recycling failing

- The global economy is only 7.2% circular.[22]
- When it comes to the fashion industry, less than 1% of material used to produce clothing is recycled into new clothing.[23]
- Of the total fibre input used for clothing, 87% is landfilled or incinerated, representing a lost opportunity of more than US$100 billion annually.[24]

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[11] World Trade Organisation, World Trade Statistical Review 2023
[12] World Trade Organisation, World Trade Statistical Review 2023
[13] Ellen MacArthur Foundation (2017), A New Textiles Economy: Redesigning Fashion's Future
[14] Global Fashion Agenda and The Boston Consulting Group (2017), Pulse of the Fashion Industry
[15] McKinsey & Company, Style that's sustainable: A new fast fashion formula (2016)
[16] Environmental Protection Department, HKSAR. 2023. Monitoring of Solid Waste in Hong Kong: Waste Statistics for 2022
[17] Estimate provided by Hong Kong Environmental Protection Department to Redress, 2023
[18] Global Fashion Agenda and The Boston Consulting Group, Inc. (2017), Pulse of the Fashion Industry
[19] World Meteorological Organisation (WMO) 2024-Climate change and extreme weather impacts hit Asia hard
[20] Climate Watch, Historical GHG Emissions, 1990–2020
[21] McKinsey & Company, The State of Fashion 2024
[22] Circle Economy (2023), Circularity Gap Report 2023
[23] Ellen MacArthur Foundation (2017), A New Textiles Economy: Redesigning Fashion's Future
[24] Ellen MacArthur Foundation (2017), A New Textiles Economy: Redesigning Fashion's Future

- More than US$500 billion of value is being lost annually due to clothing underutilization and lack of recycling.[25]

Benefits of the circular economy:

- **Environmental:** As an example, a comprehensive circular economy approach for the plastic sector has the potential to reduce [...] greenhouse gas emissions by 25%.[26] Every 1% increase in market share, circular business models can reduce emissions by 13 million tons.[27]
- **Economic:** Four business models (resale, rental, repair, and remaking) – all of which have the potential to decouple revenue streams from production and resource use – currently represent a $73 billion market. Collectively, they have the potential to grow from 3.5% of the global fashion market today to 23% by 2030, representing a $700 billion opportunity.[28]
- **Social:** International Labour Organisation estimates that transitioning towards a circular economy across all sectors around the world could create a net total of between 7 and 8 million new jobs by 2030, compared to a business-as-usual scenario.[29]

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

- **Educate and empower designers**
  - Around 80% of a product's environmental impact is locked in at design stage.[30]
- **Involve more fashion stakeholders:**
  - 12.5% of the global fashion industry has committed to circularity. Since its launch at the Copenhagen Fashion Summit 2017, 94 companies, representing 12.5% of the global fashion market, have signed and committed to focus on four key areas of circular fashion: design, collection, reuse and recycling.[31]
- **Increase investment**: Developments in the circular economy are too slow with lack of investment identified. In order to disrupt and scale new business models and innovations, a yield of $20 billion to $30 billion in financing per year is needed to capitalise on sustainability by 2030.[32]

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

Consumers expect better

- 98% of consumers think brands have a responsibility to make positive change in the world.[33]
- 71% of consumers are indicating a shift towards investments in higher quality garments and a deepened interest in circular business models such as resale, rental or refurbishment.[34]

Consumers not willing to pay more for sustainability

- 71% of global consumers are concerned about sustainability in fashion, only 3% of them are willing to pay a premium for it.[35]

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[25] Ellen MacArthur Foundation (2017), A new textiles economy: Redesigning fashion's future
[26] Ellen MacArthur Foundation (2021), Unlocking the value of the circular economy
[27] McKinsey and GFA (2020), Fashion on Climate
[28] Ellen MacArthur Foundation (2021), Circular Business Models - Redefining Growth for a Thriving Fashion Industry
[29] Skills for a greener future. Key findings International Labour Office – Geneva: ILO, 2019
[30] EU Science Hub (2018), Sustainable Product Policy
[31] Global Fashion Agenda 2018
[32] Boston Consulting Group and Fashion for Good (2020), Financing the Transformation in the Fashion Industry
[33] Futerra (2019), The honest generation are here. Are you ready?
[34] Global Fashion Agenda (2020), CEO Agenda 2020: COVID-19 Edition
[35] Sanghi et al. 2022

Greenwashing concerns remain amongst consumers

- 79% of global Gen Z consumers and 66% of Millennials said they had the perception that brands are never honest, or not honest enough about how sustainable their products are, nor willing to pay a premium for it.[36]
- Following a screening of websites, the European Commission revealed that national consumer protection authorities had reason to believe that in 42% of cases of companies making 'green' claims, the claims were 'exaggerated, false or deceptive'.[37]

IMPENDING GOVERNMENT LEGISLATION FOR CIRCULARITY

- France: 2020 New anti-waste law enacted, banning incineration of unsold clothing inventory, and requiring manufacturers, distributors, and stores to donate or recycle.[38]
- China aims to recycle a quarter of all its textile waste and wants to produce 2 million metric tons of recycled fibre annually by 2025. By 2030, aims to be able to recycle 30 % of its textile waste and produce 3 million tons of recycled fibre annually.[39]
- The European Union 'Strategy for Sustainable and Circular Textiles' is in consultation with the goal that by 2030 textile products placed on the EU market are long-lived and recyclable, to a great extent made of recycled fibres, free of hazardous substances and produced in respect of social rights and the environment.[40]

[36] Futerra (2019), The honest generation are here. Are you ready?
[37] European Commission (2021), Screening of websites for 'greenwashing': half of green claims lack evidence
[38] Library of Congress (2020), France: New Anti-Waste Law Enacted
[39] 14th Five-Year Plan (2021–2025) for National Economic and Social Development and Vision 2035 of the People's Republic of China
[40] European Commission (2022), EU strategy for sustainable and circular textiles