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How to square what’s circular

How to connect circularity to your sustainability strategy and measure it right

Philipp Meister, Fashion & Sporting Goods Lead
meister.philipp@quantis.com

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Our mission

We aim to transform businesses to create a thriving future for people and the planet.

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We guide you through a three-phased Sustainability Transformation Journey

We take a people-centric approach to sustainable **business** transformation along the value chain.
We believe every person has a role to play in achieving the **sustainable transformation**.
We engage with your **stakeholders throughout the value chain**, empowering them to be effective agents of change.

Assess

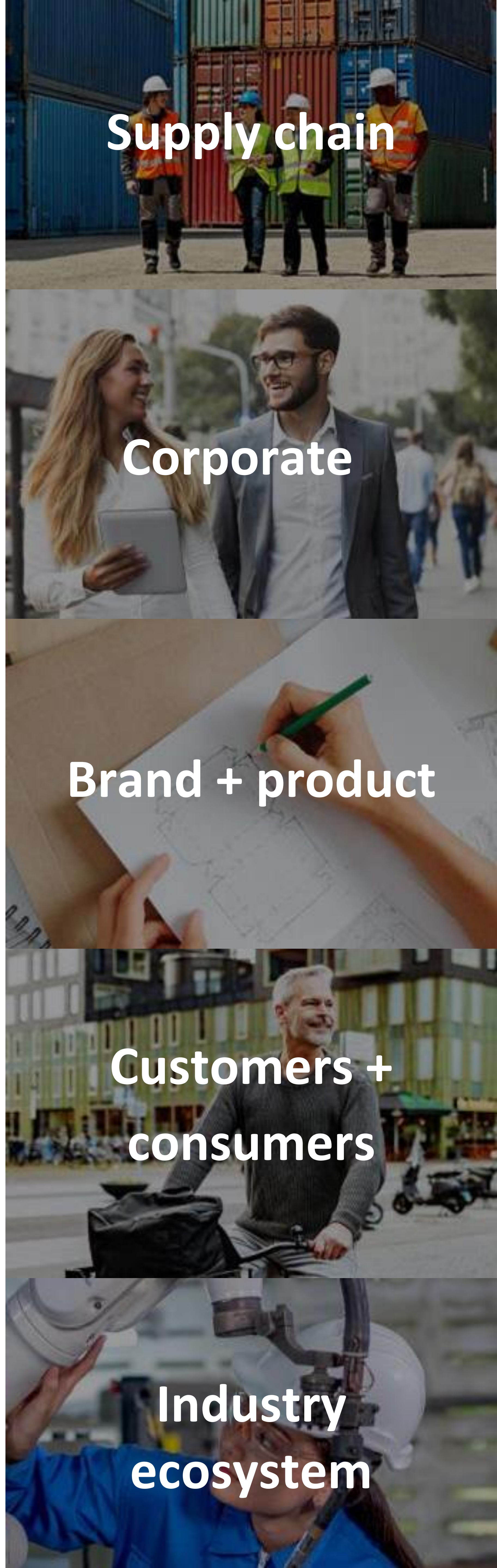
- Environmental risk assessments
- Corporate and Product footprinting
- Strategic insights + business case

Plan

- Strategic sustainability framework
- Science-based targets (SBT, SBTN)
- Roadmap + innovation design
- Business + operating model design

Transform

- Organizational engagement
- Supply chain activation
- Product Portfolio Transformation
- Reporting: CSRD, TCFD
- Product Claims and Communication

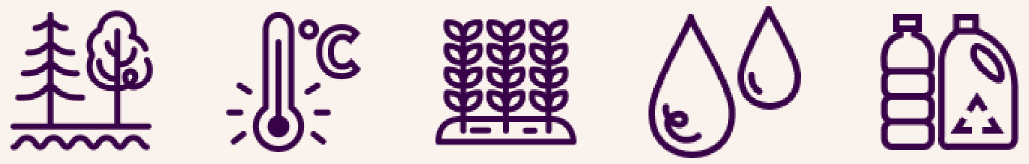


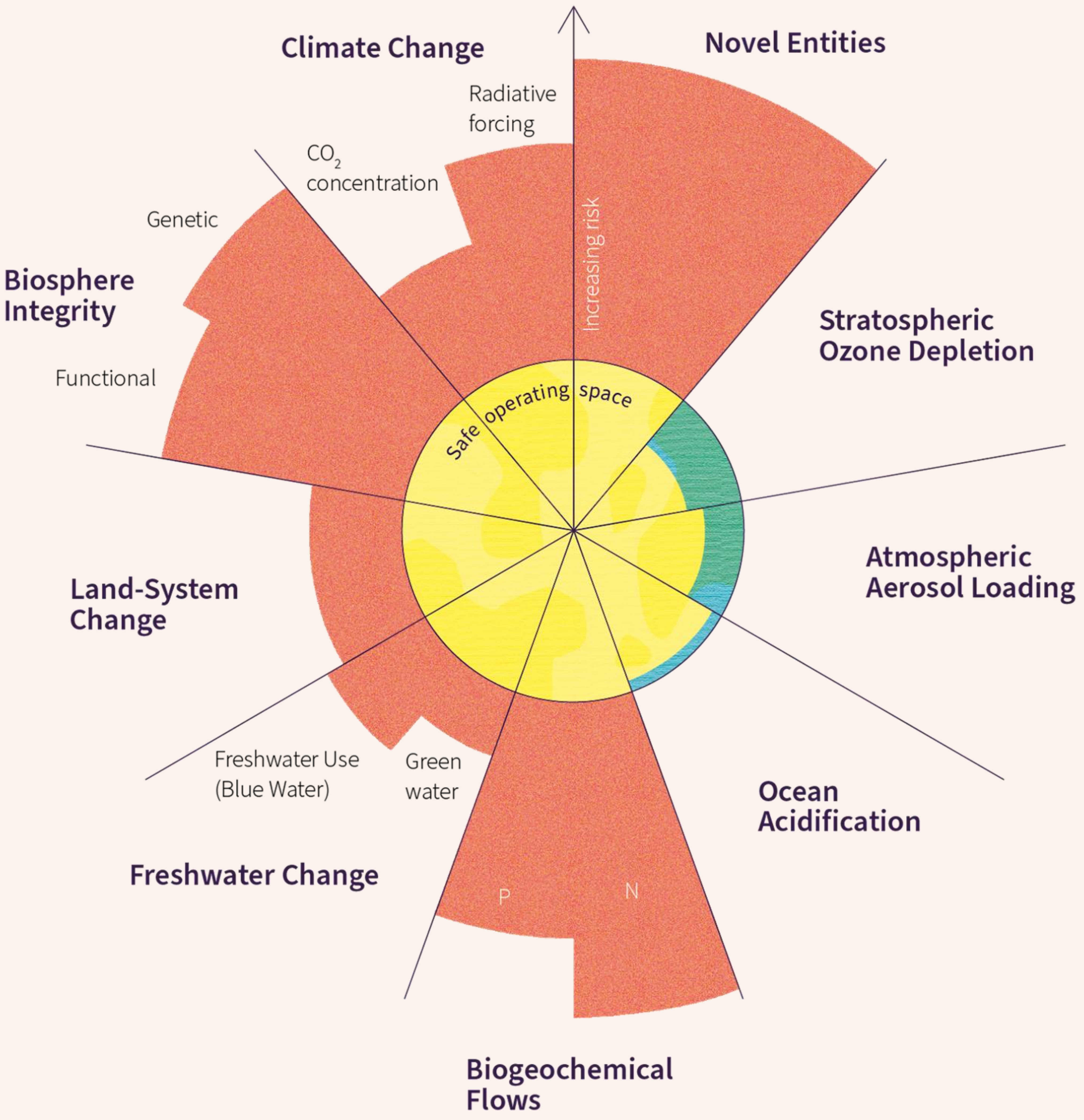
Aligning business with planetary boundaries

Scientific models such as the Planetary Boundaries define the operating spaces within which we must stay to maintain life as we know it on our planet.

We have already crossed the line on 6 boundaries.

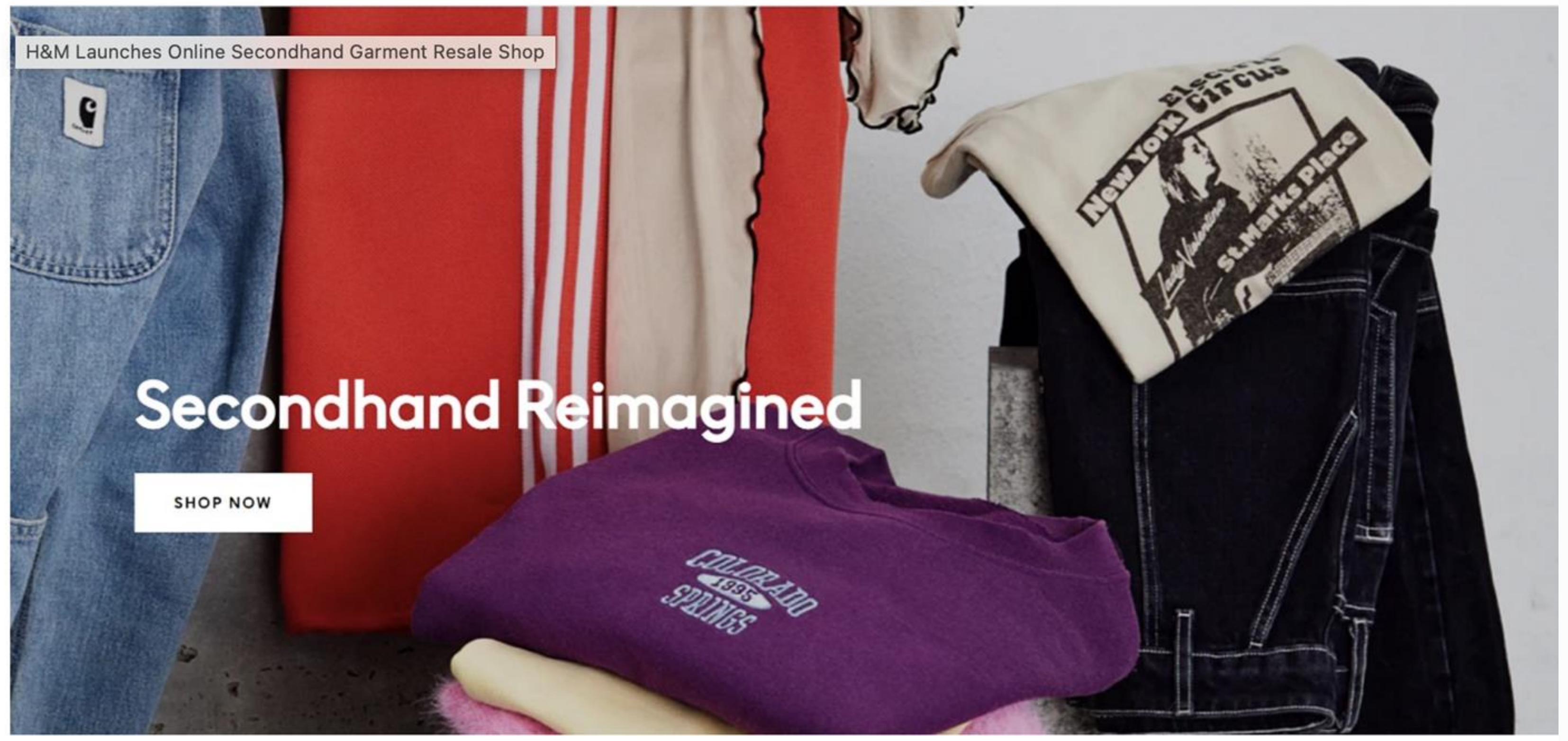
Biodiversity, climate, land + agriculture, water and plastic pollution: Our 5 environmental expertise areas work with clients to measure your contributions and own limits, set reduction goals and chart a roadmap to get business in-line with the planet's limits:





SOURCE: www.stockholmresilience.org, Rockström, J., W. Steffen, K. Noone, Å. Persson, et.al. 2009

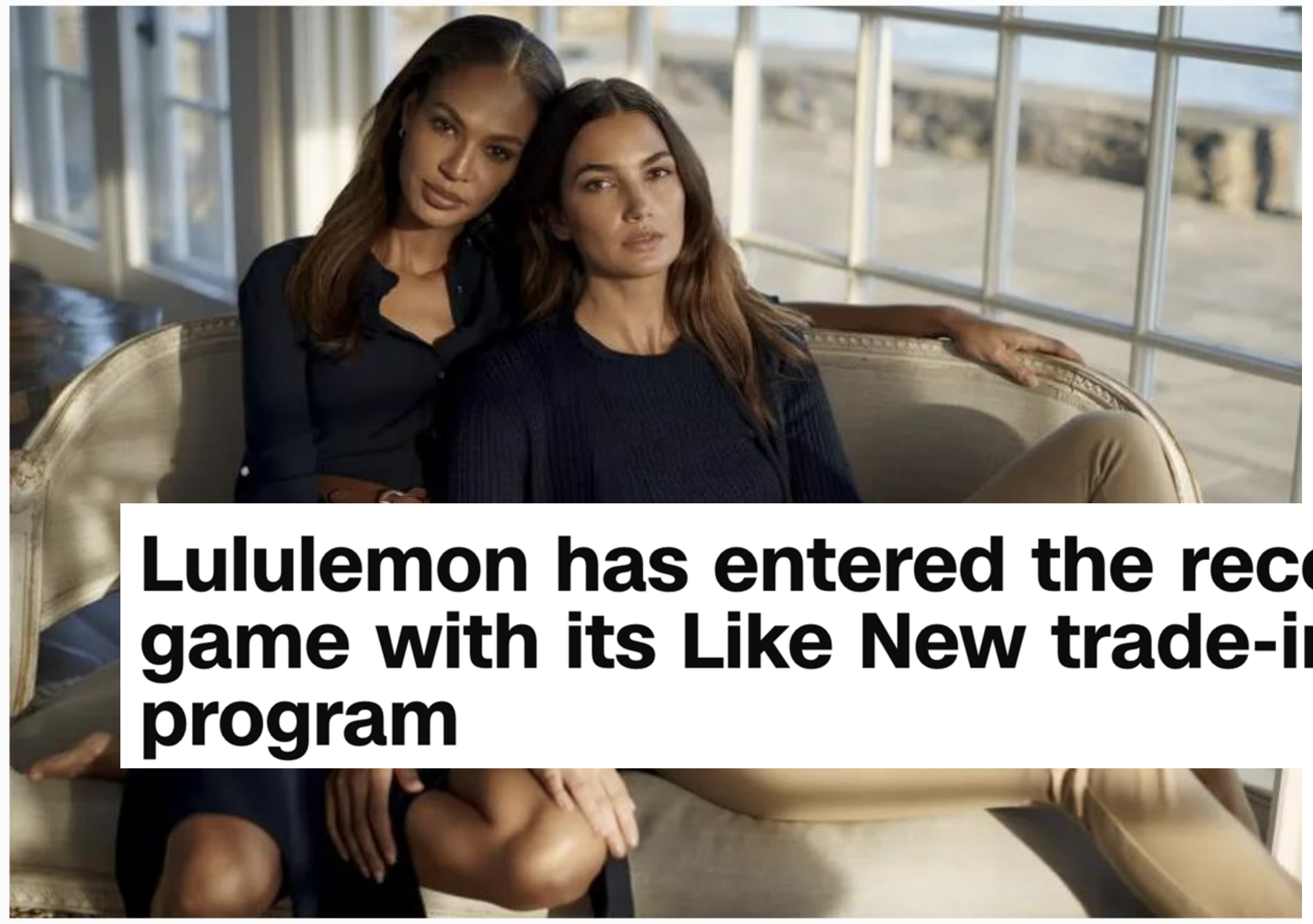
Circular propositions from brands have boomed in the past years:



COMPANIES / ENVIRONMENT

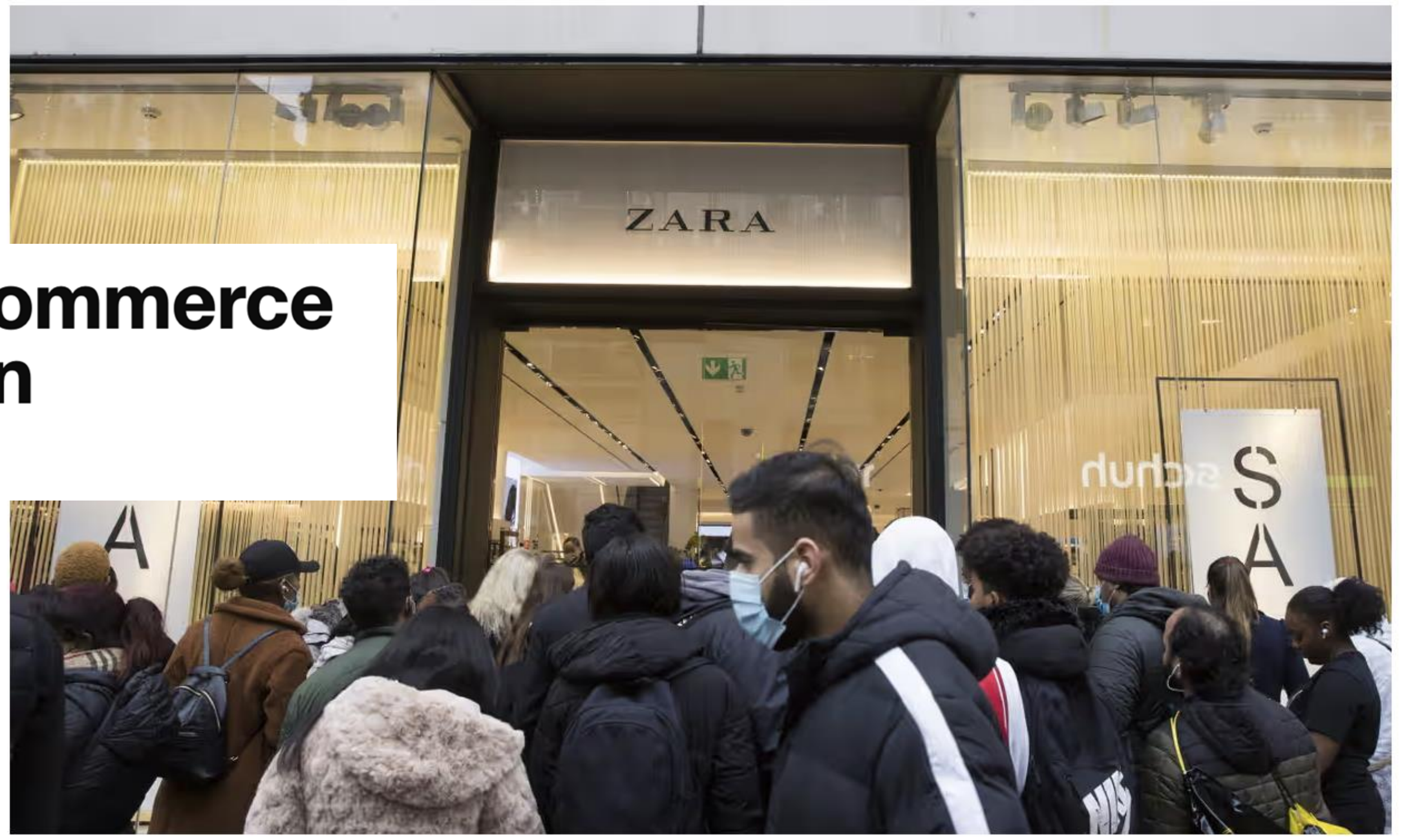
H&M Launches Online Secondhand Garment Resale Shop

The Rewards Outweigh The Risks As Ralph Lauren Launches A Subscription Rental Program



Zara enters resale market with Pre-owned service

Shoppers can book repairs and donate unwanted items as fashion chain seeks to cut carbon footprint



Lululemon has entered the recommerce game with its Like New trade-in program

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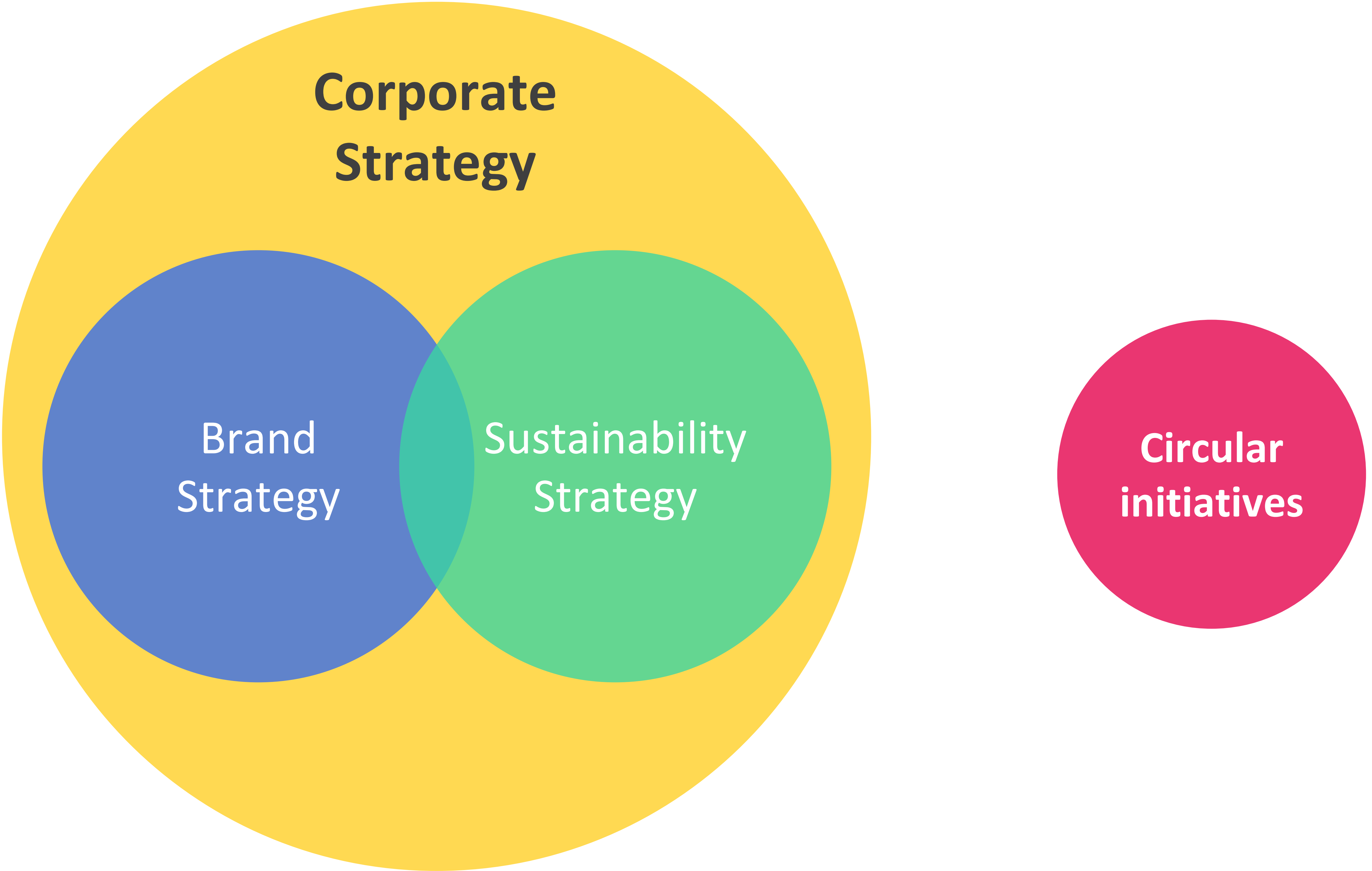
But there is still a disconnect…

We've observed that if these initiatives are not integrated with a brand sustainability and business strategy, they're often left behind:



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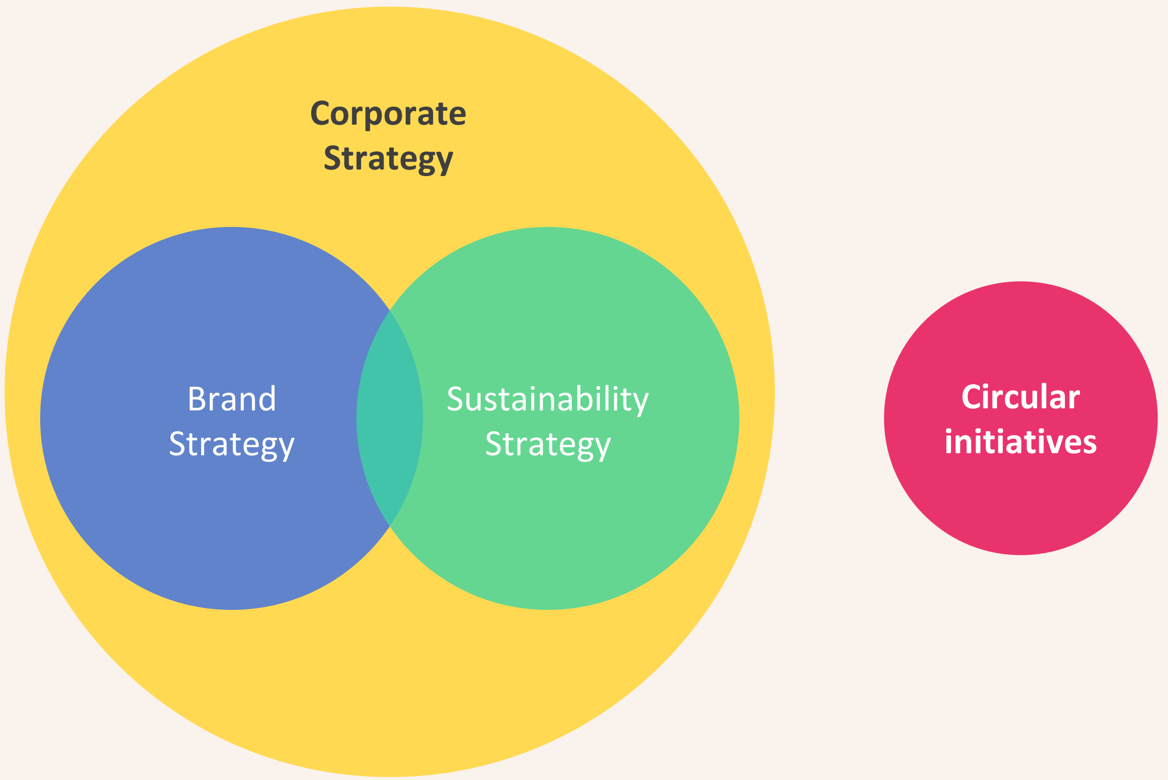
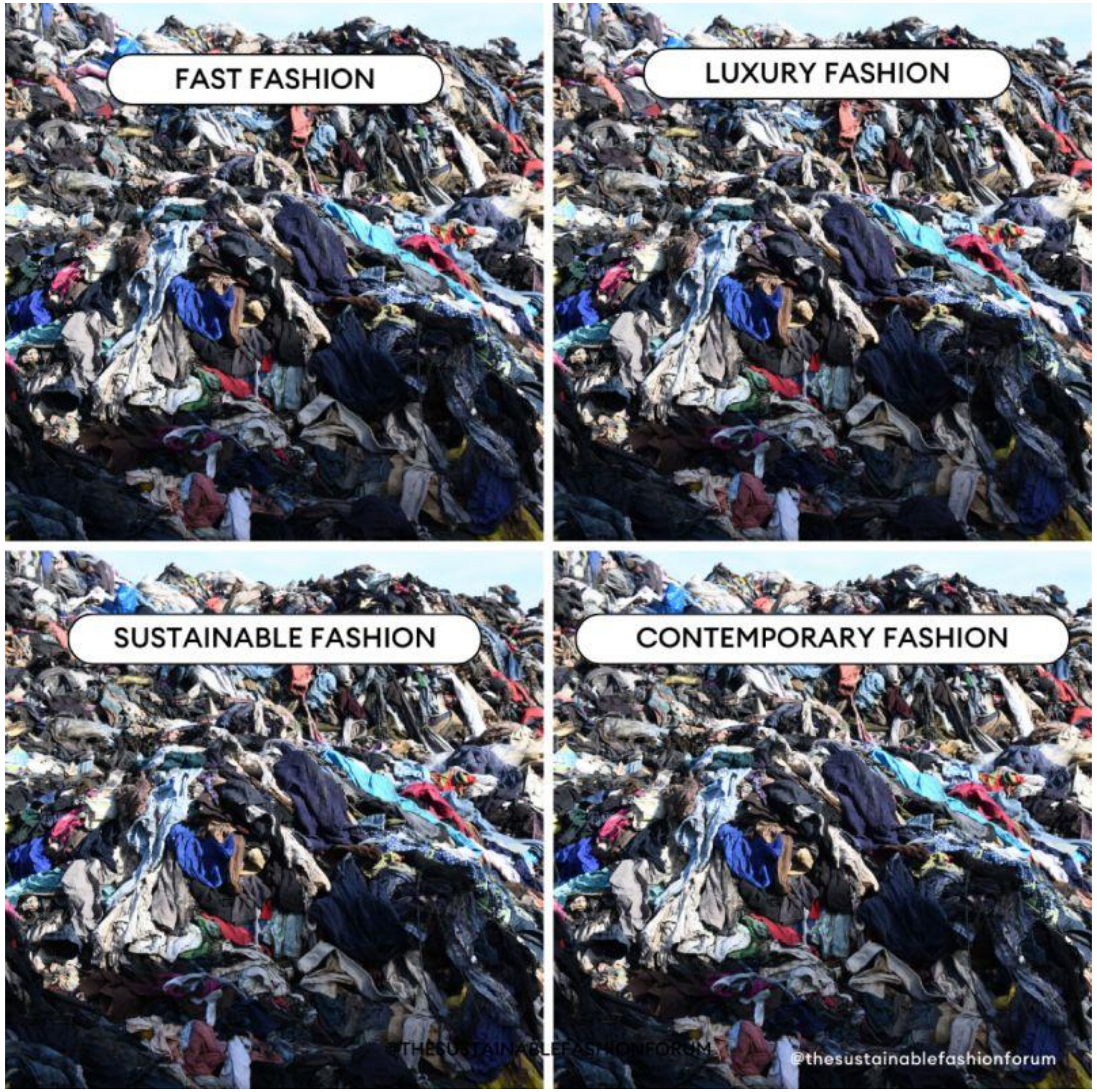
What we constantly catch ourself wondering: what is the environmental impact of circularity?





We see circularity at risk…

Sustainable fashion: does the circular economy really work?

‘Circular economy’ initiatives ranging from take-back programmes to rental services ar enabling fashion retailers to enhance their green credentials. But how effective are such schemes in reality?

Put a ring on it: Fashion circularity must be more than a proposal

Fashion Is Overselling Circularity And Recycling —But There Is Hope

Circularity: Sustainable Fashion’s Holy Grail or Greenwashing?

For many fashion brands, circularity begins and ends with marketing campaigns or capsule collections featuring recycled materials, an approach some activists liken to greenwashing.

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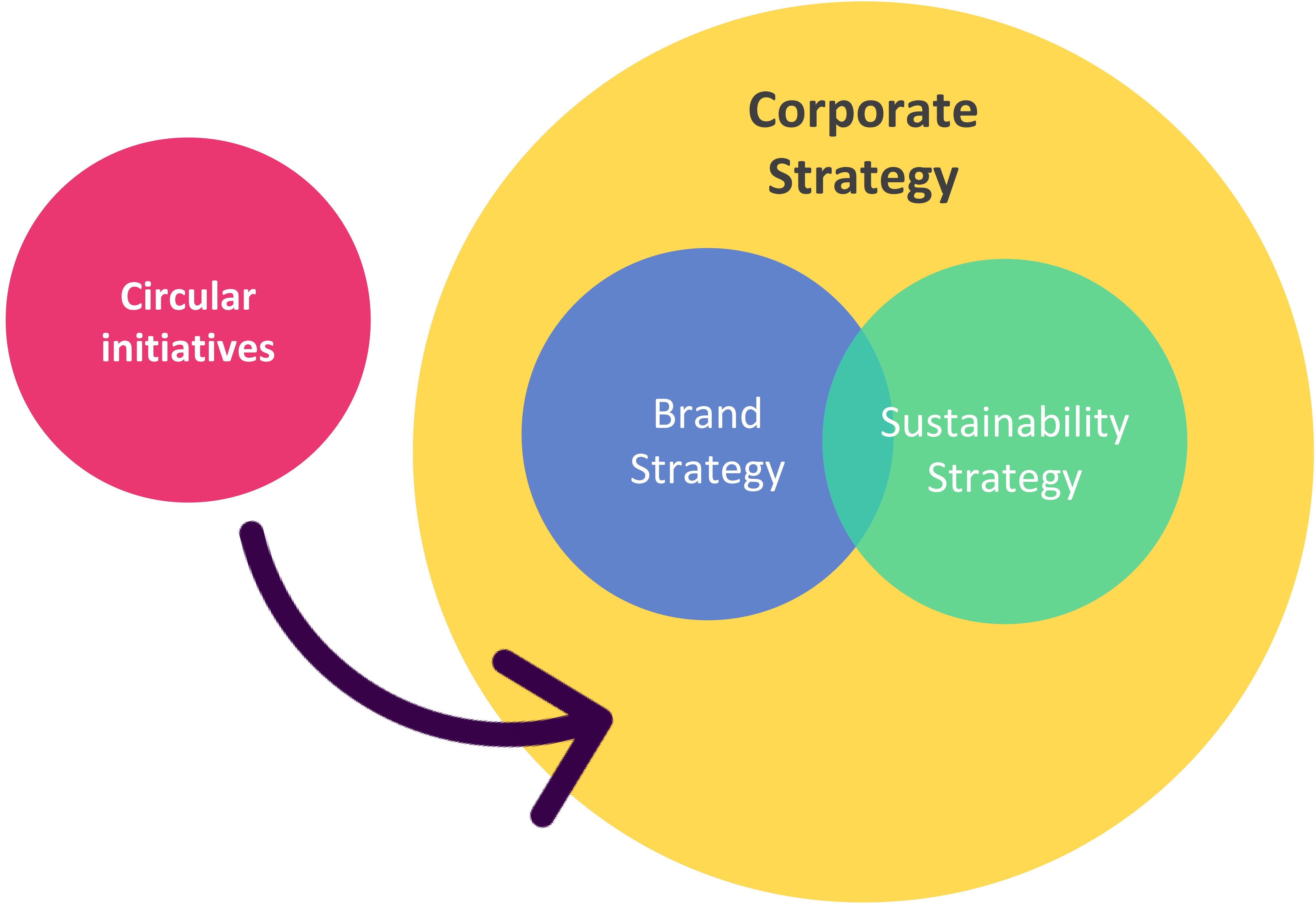
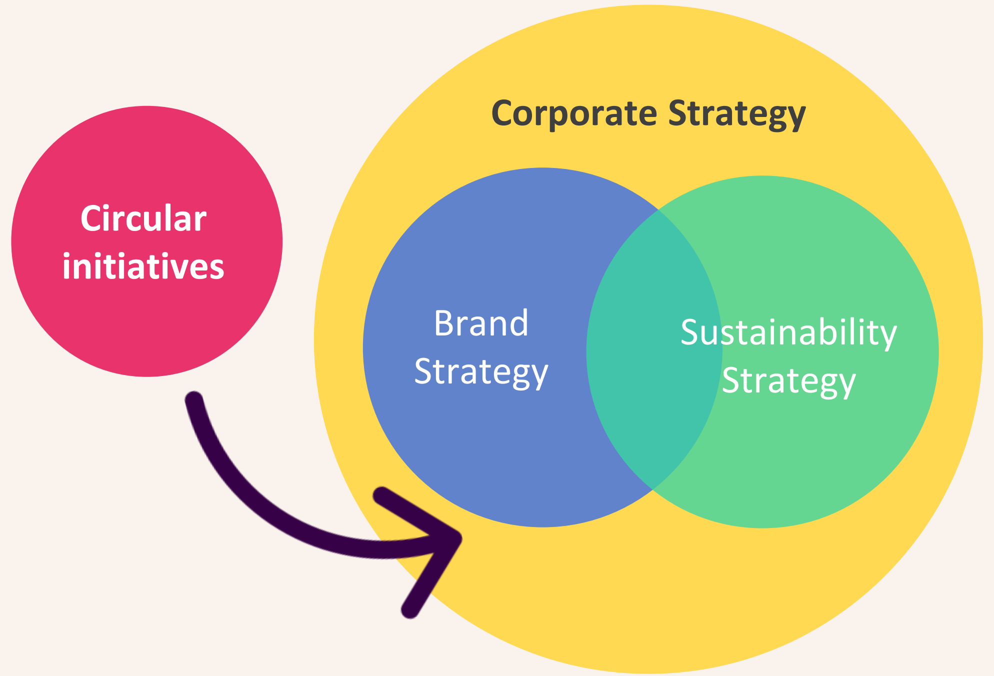
How to square what's circular?



How to measure circularity

The example of CLiFF:

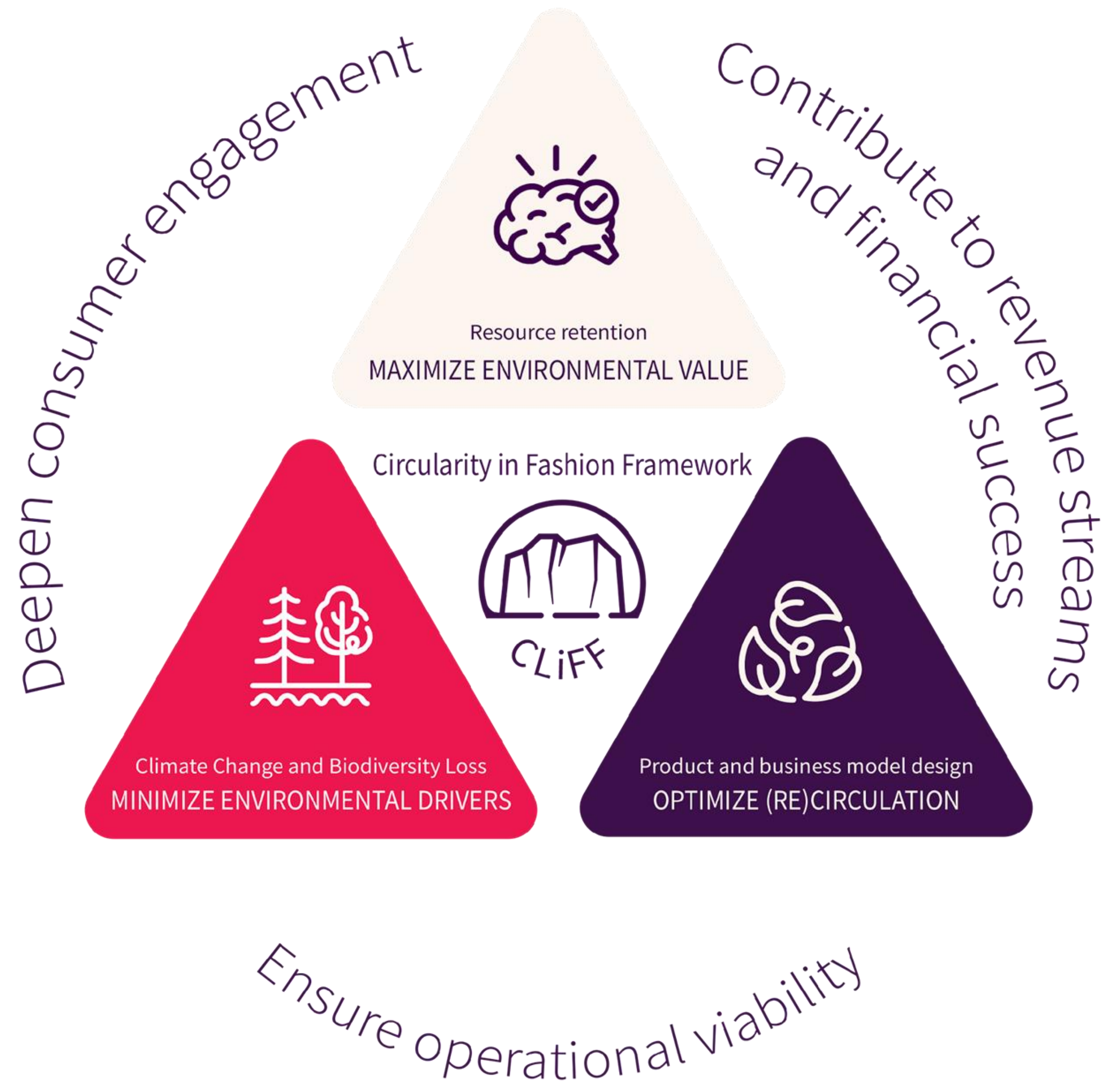


Developed by Quantis experts in 2022

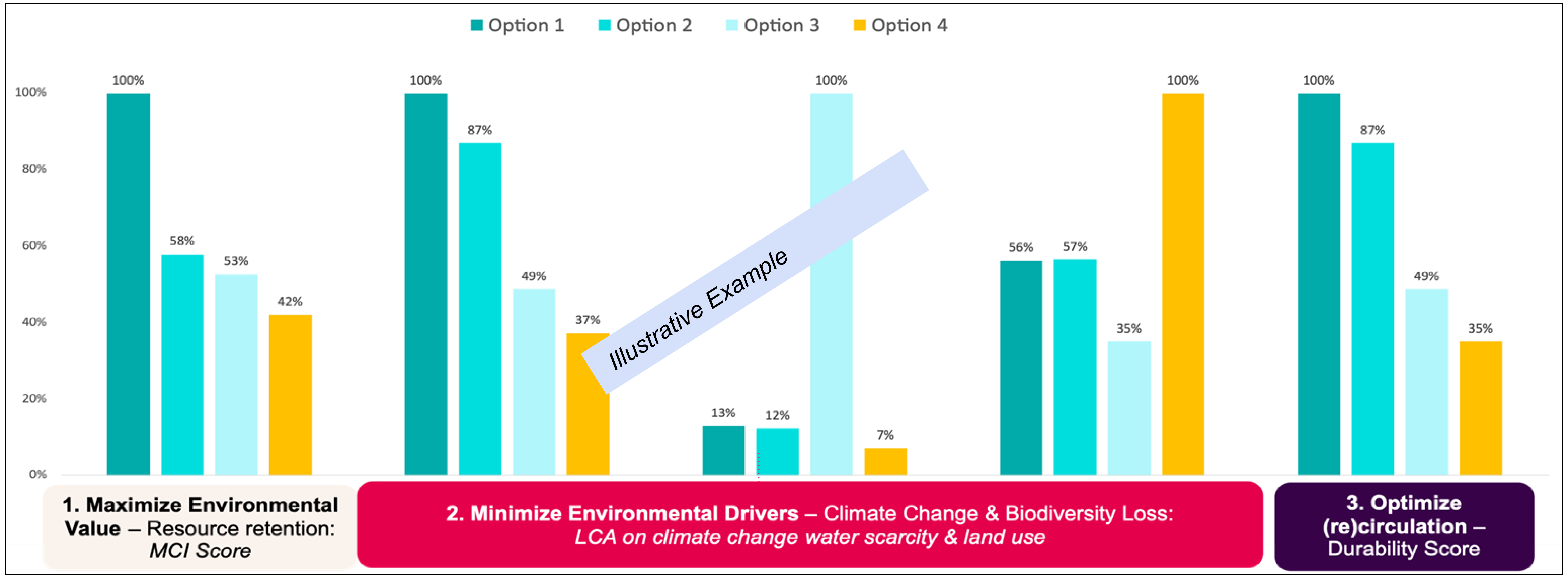
1. Maximize Environmental Value – Resource retention
(e.g. MCI, Retained Environmental Value, etc.)

2. Minimize Environmental Drivers – Climate Change & Biodiversity Loss
(e.g. LCA on climate change, land use, water quality)

3. Optimize (re)circulation – Product and business model design
(e.g. Durability scores, Displacement rates, repairability scores, etc.)



The CLiFF framework is intended to serve as a decision making tool



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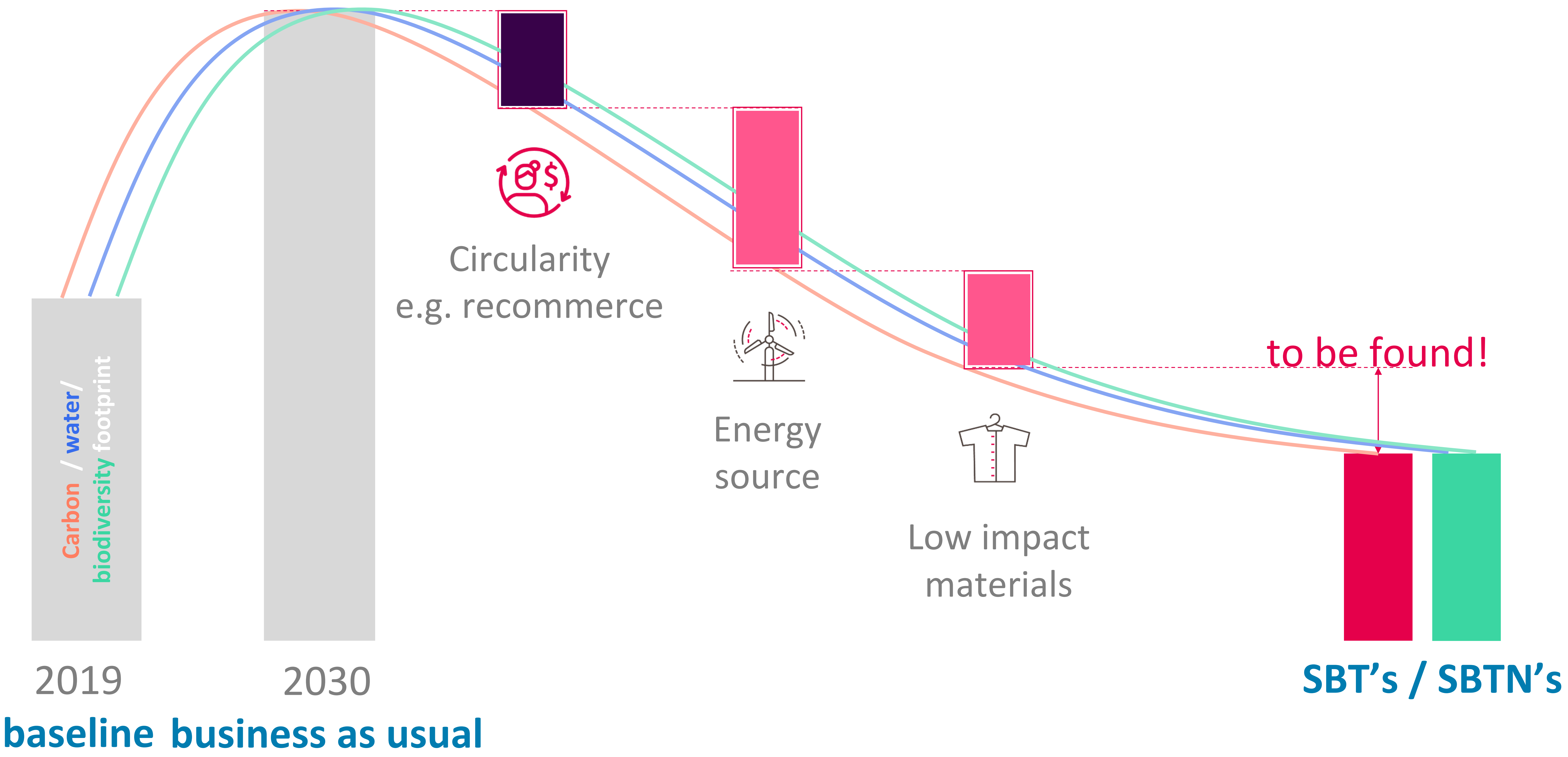
How to integrate your circular initiatives within your sustainability strategy



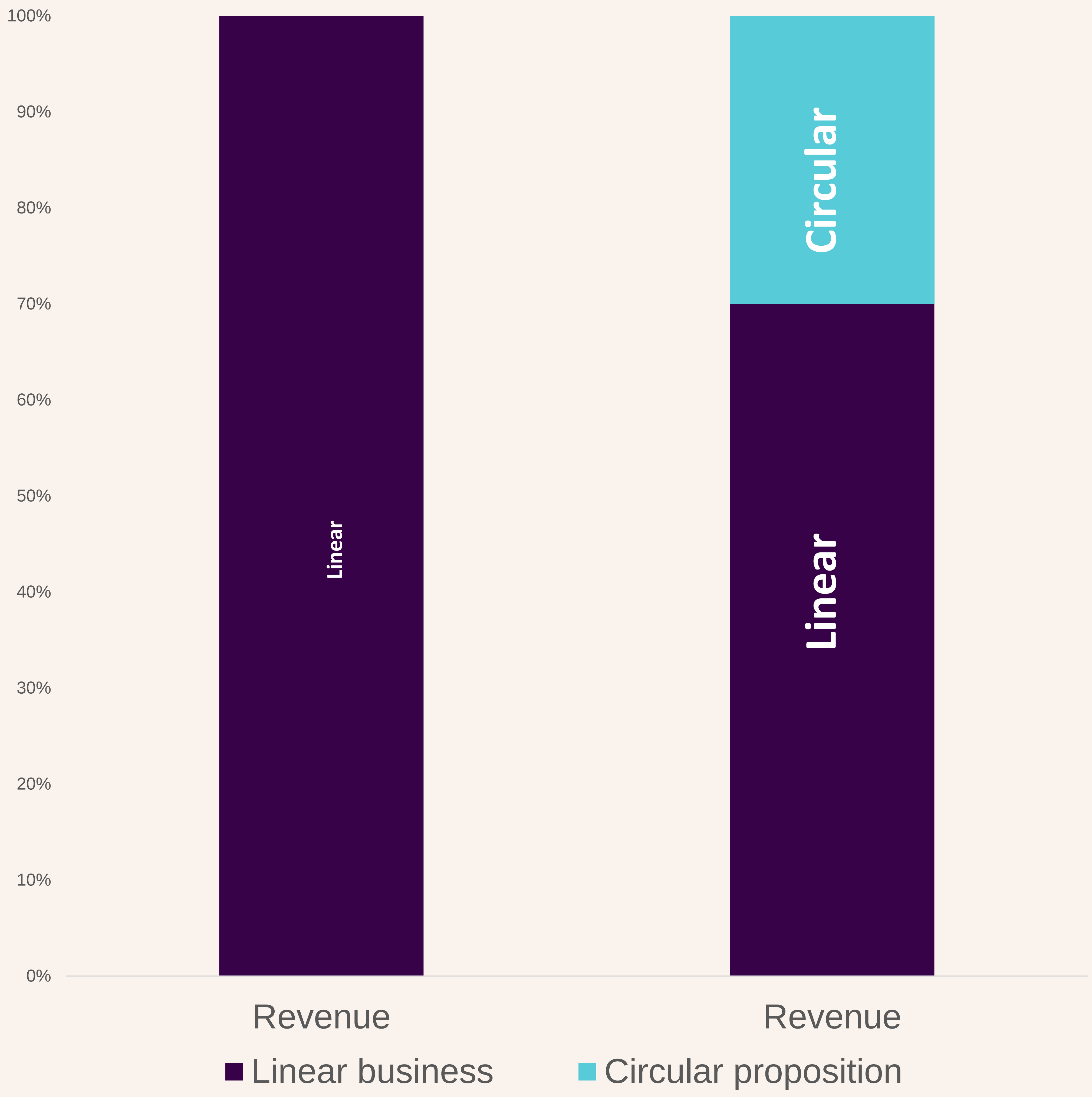
Circular initiatives have the potential to lower your impact by **up to 20% depending** on the propositions*

* based on a specific brand scenario

The importance of replacement vs additionality

To be able to quantify the **environmental impact** of a circular action, we must focus on understanding **its effect on replacing the demand** in the market of a linear product

REPLACEMENT RATE: the extent to which the purchase of a used or refurbished product can replace the market demand and production of a newly manufactured product.



Key challenges and unlocks

Key challenges

Unit economics: Technology’s early stage of maturity >> unit economics not yet comparable with linear business.
(indicatively -30% / -90% of margin depending on product categories)

Consumer engagement: Consumers newness >> higher investments in marketing activation, education and engagement.
(spent could go up to x10)

Potential unlocks

Focus at first on the products that are most suitable for your circular propositions and that **show the best financial** potential.

Leverage existing touchpoints to educate and engage consumers about the new circular proposition.
(e.g. Brand’s app; e-Commerce; in-store as touchpoints)

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Key success factors

Ensure your circular initiatives are **fully integrated** and part of your wider sustainability and business strategy

Measuring circularity through a set of dedicated KPIs is key to monitor success and guide you and your teams towards the right path

Financial viability and consumer engagement are key to ensure the long term success of your initative. Focus at first on those propositions that best suit your product portfolio and leverage existing touchpoints with consumers to drive engagement

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