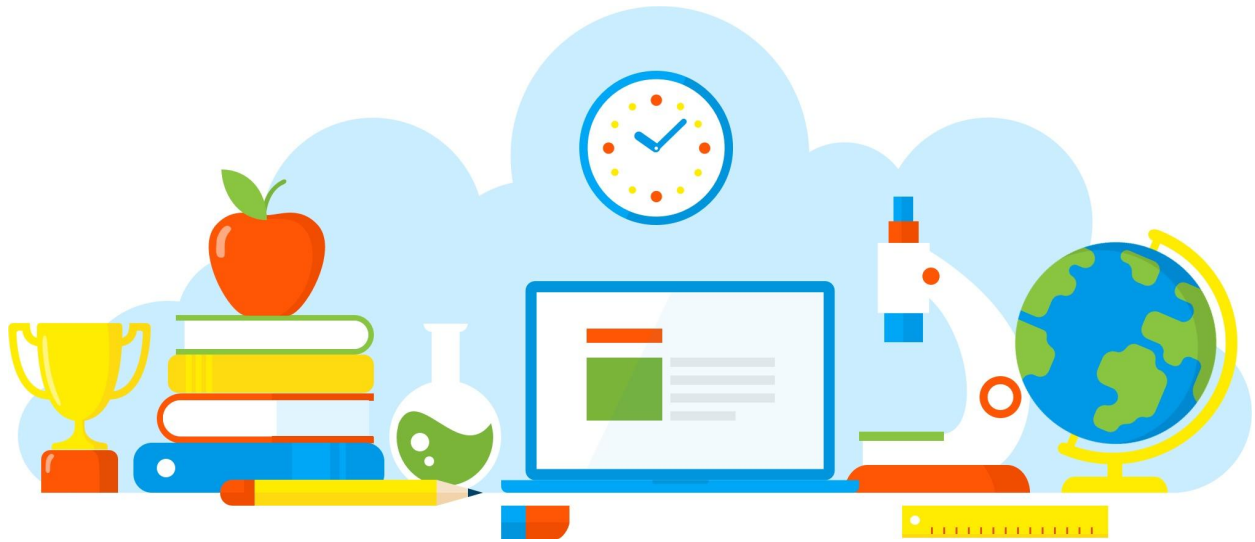




Globally Responsible Business

(BMSP6001)

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Executive Summary

This report is to gather information and knowledge on the circular economy and the linear economy. What is so different about both models and what do they mean? Also how does the sharing economy and the circular economy complement each other? This report will also include the benefits of a business following a circular economy model and why businesses should make this change. This report will also look at companies such as G-Star RAW that input circular economy into their business and what they do to follow this strategy. Included will be a SWOT analysis for G-Star RAW and their long term and short term goals are.

Introduction

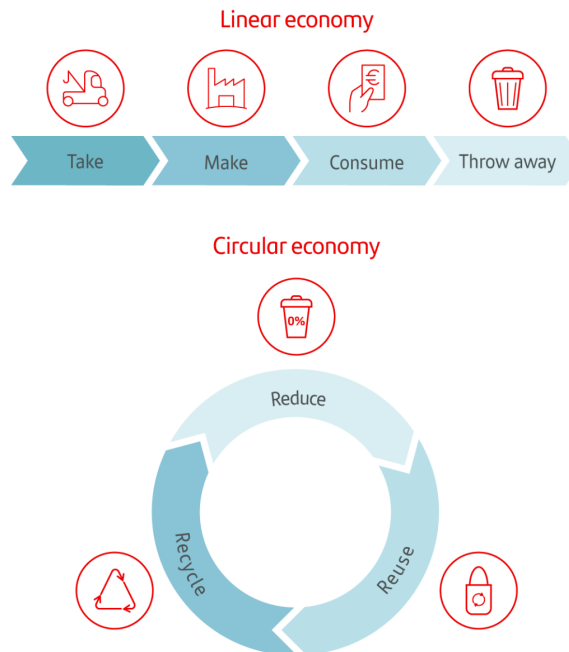
Circular Economy & Linear Economy

Circular economy involves recycling, reusing, sharing, repairing and refurbishing products or materials in hope they can last as long as possible. It is a model of production and consumption, instead of throwing unwanted items, they can be reused to bring it back to life. Circular economy is to help reduce waste, by recycling materials globally. It is possible to reuse materials to create value, time and time again (News, 2023). Goods can be taken apart to be reused and put into new products. Materials become waste and contribute to pollution, circular economy allows a company to reuse materials towards a new product or can be given to another company that would make good use of this (Ferguson, 2016).

Linear economic models involve making something, using it and then throwing it away. The materials that are used are cheap and in bigger quantities. A product will be made to only last a certain amount of time to get customers to buy again, this model is planned obsolescence (News, 2023). Linear economies have no concern for the environment but instead focus on making profit (Santander, 2021).

They are both different models as Linear focuses on its products only, however circular economy focuses on its services. With climate change being a massive issue, linear contributes to this by letting customers throw away their products with a short lifespan to be able to encourage them to buy again, this results in customers buying into the problem. Circular economy focuses on materials that are biodegradable, meaning they

can be used again or recycled back into nature (Impacx, 2021).



(Santander, 2021).

Sharing economy & circular economy

The sharing economy and circular economy are both related, a circular economy helps by reducing waste by reusing materials and the sharing economy focuses on sharing products/goods by a number of people. An example of a sharing economy would be car sharing with others, another example would be Airbnb where hosts are able to share their shared space to guests. They are both similar as the sharing economy has no end of life and continues to share, and the circular economy recycles goods to be reused (Ferguson, 2016). Nothing goes to waste and both models help the environment, they complement each other.

Should businesses input circular economy?

With so much resources entering the economy each year, such as materials, fossil fuels and metals only 8.6% is recycled. If businesses don't make changes now, by 2050 the use of resources will continue to expand. Businesses must consider the damages this causes to the planet, wildlife and the future of humans. Linear economy needs to come

to a stop and businesses need to support the circular economy. The benefits for businesses to follow the circular economy model allows businesses to make better use of resources such as using natural resources like water, soil and minerals. For example a company that produces clothes could make changes by using recycled materials to reduce fossil fuels and water usage. Another benefit would be to reduce emissions as greenhouse gas emissions come from food production and product manufacturing. If businesses follow the circular economy model, gas emissions can be reduced by 39%. By using recycled materials the need to produce synthetic fibers or plastic will be reduced. This would also benefit people's health and land. Career opportunities could be at a rise by creating jobs for roles such as recycling services and a place to repair goods or to create something new from second hand materials (McGinty, 2023).

G-Star Raw on circular economy

G-Star Raw is a popular designer brand that produces clothes. Their mission is to take responsibility for environmental impact across their value chain. They make better choices regarding materials they use, fibers and fabric. They consider what they use all the way through to the end of life of any product they produce. They state to understand any risks they can cause to the environment and have made the change to help the crisis (G-Star Raw, 2023).

Circular

G-Star Raw has received help from The Cradle to Cradle Certified Products Innovation Institute to follow the circular economy model. They are inspired by nature and don't believe in waste, their materials are reused. G-Star Raw (2023) states that the Cradle to Cradle Certified is the only certification designed for a circular product economy. "It looks at design from five perspectives: material health; water stewardship; social fairness; material reutilization; and renewable energy" (G-Star Raw, 2023).

G-star produced the world's first Gold denim fabric in 2018 which is their most sustainable jeans they have ever created. The fabric is 100% organic and was coloured using dye with no harmful chemicals and they did not waste any water. Not only is the fabric sustainable but the buttons and labeling is also certified by Cradle to Cradle Gold. The product is 100% recyclable (G-Star Raw, 2023).

Responsible Materials

G-Star Raw uses recycled cotton that is made from cotton waste, they give the waste resources a new life by saving raw materials. They also save on chemicals and energy. Everything they recycle is in accordance with the Recycled Claim Standard or Global Recycling Standard. They also use Organic Cotton which is made from fibers that have no toxic pesticides or chemicals. Any linen they use is made from fibers from the flax plant which reduces the use of water and energy. The wool G-Star uses is from sheeps only, and focuses on recycled wool (G-Star, 2023).

Recycled Polyamide is made from polyamide waste such as fabric waste, fishing net waste etc. Giving resources a new use instead of throwing it away (G-Star, 2023).

“We have set ourselves some ambitious responsible materials goals for 2025 and 2030. In 2025, 75% of all of our materials will be recycled, organic, bio-based or compostable (indicated by the top two categories in above graphic) and in 2030 this will be 100%. Currently we are at 35%.” (G-Star, 2023).

Fighting ocean plastic

G-Star is passionate about the environment and circular economy, they produced a new collection in 2014 called G-Star Raw for the oceans, which is recycled plastic collected from the oceans and used in recycled plastic in jeans (Levin, 2016).

“Ocean plastic is broken down and woven with other materials to create the fabrics” (Howarth, 2015). Around 700,000 PET plastic bottles have been removed from the oceans to create G-Star’s ocean collection. They produce clothing for men and women which include clothing such as jeans, hats, t-shirts, jackets and more. Bionic Yarn is used to recycle plastic, they started in 2009. Bionic Yarn is partnered with Vortex Project to get the resources they need to be able to produce their recycled fabrics. They have removed 10 tons of plastic from the ocean just for the G-Star project alone (Deprimo, 2014).

H&M take care programme

H&M is also making a change and doing their bit for the circular economy. They have a Take Care programme which allows customers to bring back their clothing for repairs, they also offer tips and hacks to help make their clothes last longer. Their goal is to take fibers from recycled materials and produce new fabric. The new recycling Looop

machine will help the customers turn their old items into new ones (H&M Group, 2021).

“Expressing who you are through fashion doesn’t always have to mean buying something new” (H&M Group, 2021).



(The Recycling Loop Machine)

(H&M Group, 2021)

H&M offers something that G-Star doesn't by getting customers involved and producing a recycling machine to encourage customers to become a part of the circular economy. Although G-Star does follow the circular economy, they don't seem to get their customers involved like H&M who also offer tips on how to save clothes instead of throwing them away. Customers are key to get involved to work together and spread awareness and the knowledge needed. Although it does take time to take these steps and each business will do things differently, they can learn from each other. One business might do more than the other but the ideas should influence others.

G-Star goals and challenges

Challenges - G-Star states that their biggest challenge is to scale and accelerate innovation ideas faster and bigger. Their goal is to make an impact and collaborate with

others (G-star, 2023). Another challenge is that they would need all resources that can carry out all their innovation for the circular economy to be available in the right places to avoid shipping materials which will create more impact and will go against their values (Birliga, 2022).

G-Star Raw SWOT Analysis

Strength ● Follow a sustainability strategy. ● Changing the way they produce denim and follow their value chain. ● Help build circular economies. ● G-star ensures that all external and internal stakeholders are committed and on board with their sustainability goals. ● Leaders in sustainability innovation. ● Making progress every time. ● Reducing greenhouse gas emissions (G-Star RAW, 2019).	Weakness ● Challenge to be able to go circular economy in a world that follows linear. ● Challenges with investments from key investors resulting in new recycling innovation moving slow . ● Lack of government support. ● No policy in place for other businesses to go circular. ● Getting support from customers (Birliga, 2022).
Opportunities ● Always room for opportunities with going circular, opening many doors for new innovation. ● Working with other brands for support. ● With people being more aware of how important sustainability is, they will support the business more. ● Marketing opportunities.	Threats ● Customers lack interest. ● Recycling innovation moving slowly. ● Not enough support financially. ● Takes time to become fully circular.

Short Term - G-Star Raw are committed to their goals in every way and continuously thinking of ideas. They already have A great sustainability strategy with committed stakeholders on board. G-Star RAW states (2019) they always improve and assess the way they operate and perform. They eliminate chemicals and harmful environmental practices whilst improving their factories environmental performance (G-Star RAW, 2019).

Long Term - Long term goals would be for G-star RAW to continue to work hard towards

going circular with great innovations already they will need to continue with new ideas and better ways of producing fashion to be sustainable. Their long term goals are to bring a new way of designing for the future. They want it to be more than just how a product looks; they want to make sure they have no risk to the environment. Their goal is to produce 90% sustainable materials and for their circular fabrics to be recycled and reused once worn, to avoid waste (G-Star RAW, 2019).

“GOAL 2025: 20% of the entire G-Star RAW collection will be made from Cradle to Cradle Certified® fabric

GOAL 2025: 20% of the entire G-Star RAW collection will be made from Cradle to Cradle Certified® fabrics” (G-Star RAW, 2023).

What more can they do?

G-Star Raw seems to be on the right track and working towards a circular economy. They have made great efforts and continue to work harder by setting goals and continue to assess their performance. They have great values in place and follow their strategy with the correct people behind them. What they could do more is to get other brands on board for more support and getting customers on their side as the customers are key for success. Going circular does not happen overnight, in fact it takes years, they could look into more support and help they could receive from the government. Although they are cradle to cradle certified, there are other great areas they could look at for innovation such as Biomimicry.

“Biomimicry is about valuing nature for what we can learn, not what we can extract, harvest, or domesticate. In the process, we learn about ourselves, our purpose, and our connection to each other and our home on earth” (Biomimicry Institute, 2023).

Biomimicry is innovation through nature. Biomimicry can help businesses become circular by doing things differently, this could be with packaging, product or a completely new innovation eg. There is a website called ‘Ask Nature’ that explains all the different innovation ideas they’ve had through nature and explains in detail how it all works and what it means. Werewool have redesigned textiles for a circular economy. They have developed a platform to produce fibers at the DNA level for sustainable textiles, they have used things such as moisture management, color and stretch. Werewool identifies protein structures that are found in nature, red fluorescent protein is found in species such as *Discosoma* which is a coral relative. This allows them to grow fibers from these proteins which created textiles without the need of toxic dyes and petroleum found in synthetics (Biomimicry Institute, 2023). G-Star RAW could widen their innovation ideas

by doing something completely different to make a bold statement and stand out from the crowd.

Conclusion

Research has given the knowledge on the difference between circular economy and linear economy. It seems that the world is still following the linear economy by wanting the next best thing instead of reusing products or materials to become sustainable and help the environment. Although there is a difference between the circular and sharing economy, they both still seem to be on the sustainable path and have something in common. Looking at a company such as G-Star Raw which is a popular fashion brand, they follow a great circular strategy with set goals for the future and have set high values. They are on the right path to becoming sustainable and have made massive improvements over the years with saving plastic from the ocean and encouraging customers to recycle and reuse materials. They continue with improving and working towards every goal set, they are also cradle to cradle certified. There are other ways businesses such as G-Star could follow to set higher goals and to take the sustainable step further such as following the Biomimicry strategy. Biomimicry isn't something that is well known or not heard of as such, but it is an amazing opportunity for businesses to make the change needed for the environment.

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