

# TRANSITIONING TO A REGENERATIVE ECONOMY

*& THE ROLE OF FAST FASHION IN DOING SO*

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May 20, 2023

# AGENDA

01

**Introduction,  
Methodology and  
Principles**

02

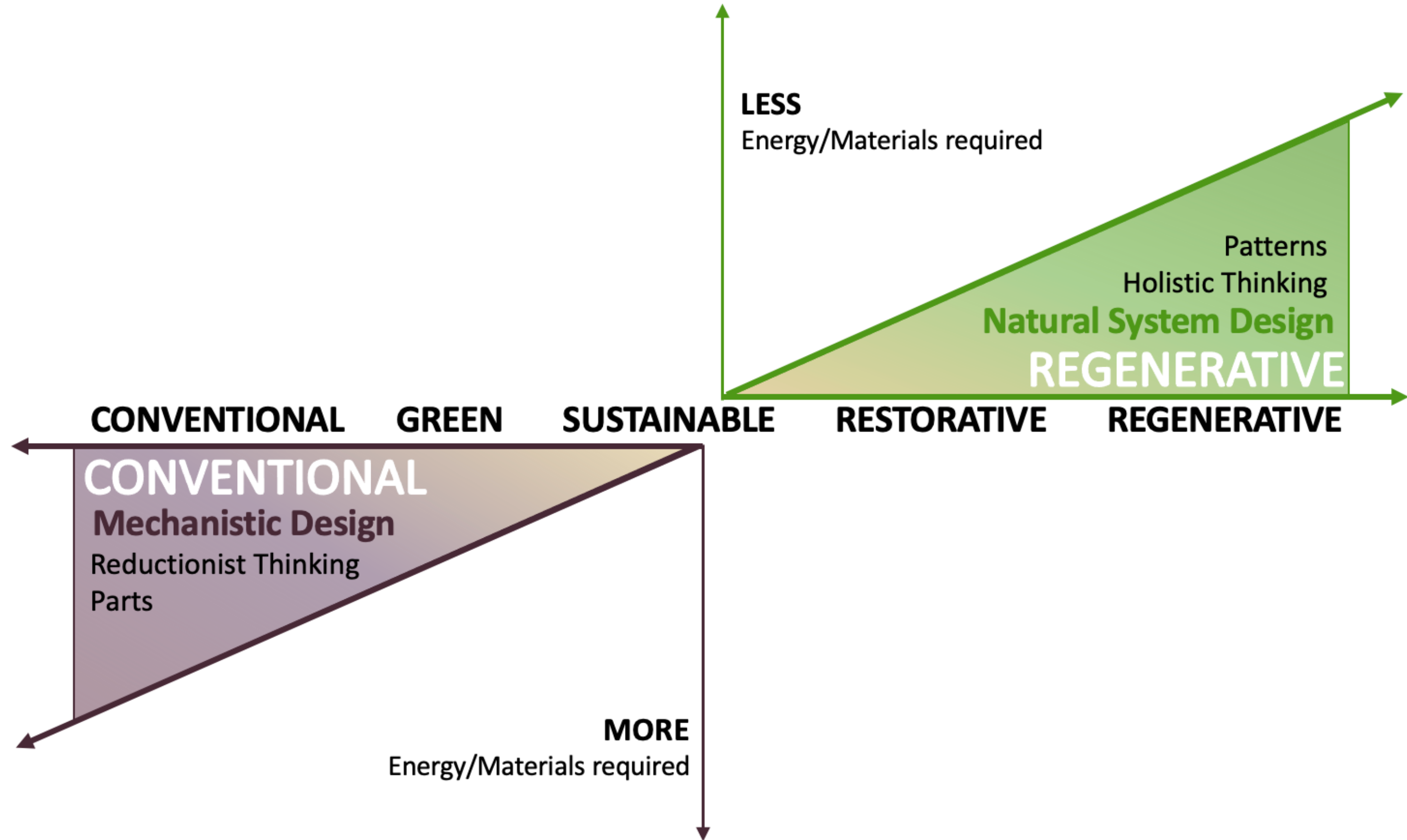
**A Regenerative  
Corporate Strategy**

+ Bridging the gap

03

**Implications for a  
Regenerative  
Economy**

+ Overarching barriers



# METHODOLOGY

## *The Tasks*

- 1 Explore Regenerative Corporate Strategies
- 2 Develop a Regenerative Corporate Strategy Approach
- 3 Explore how this contributes to the Wider Regenerative Economy

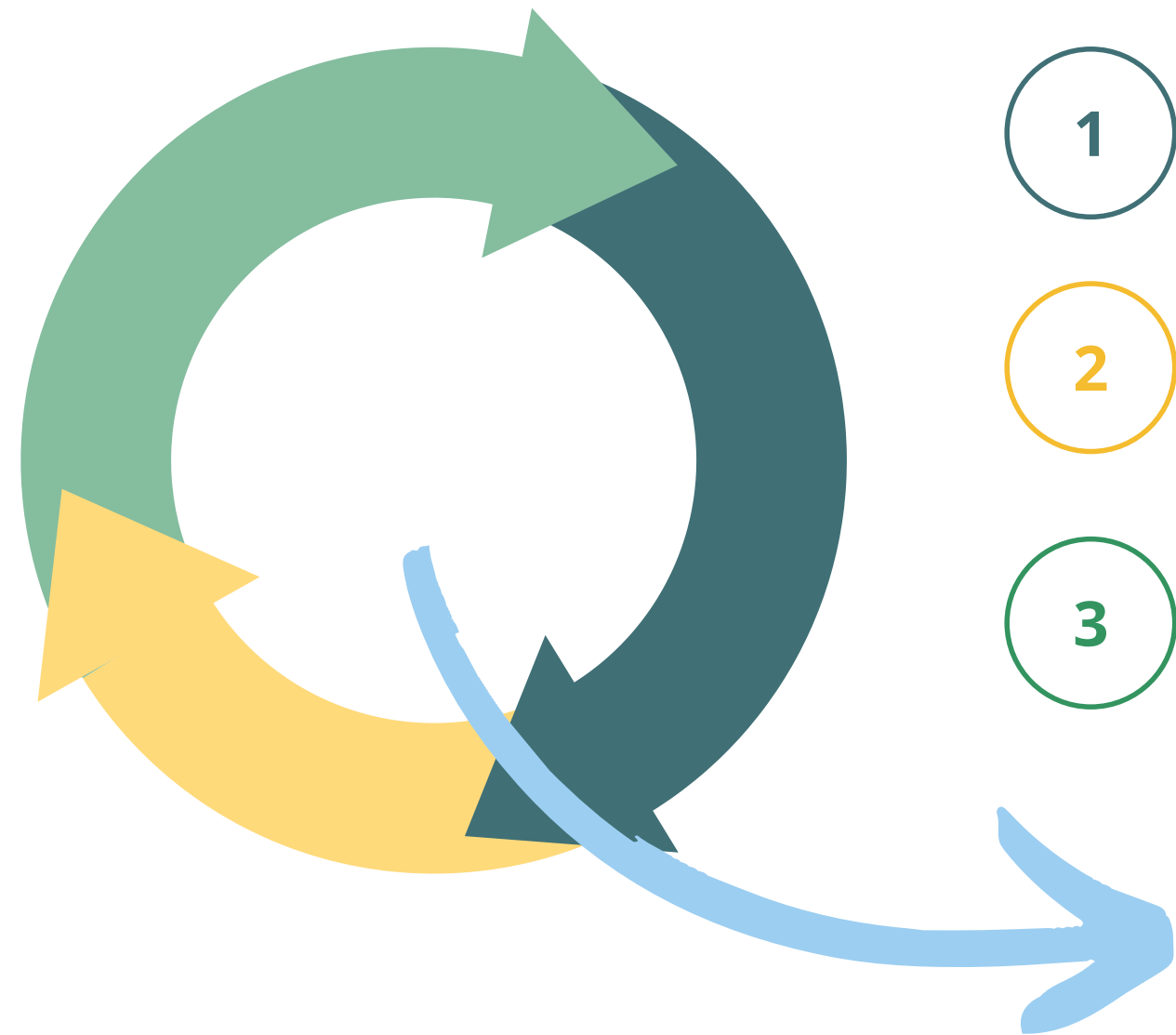


## *Our Methodology*

- 1 Collaboration & Research To Form Principles
- 2 Application of Principles to H&M
- 3 Consideration of Wider Regenerative Economy

# COLLABORATION & RESEARCH

*to: explore regenerative corporate strategies*



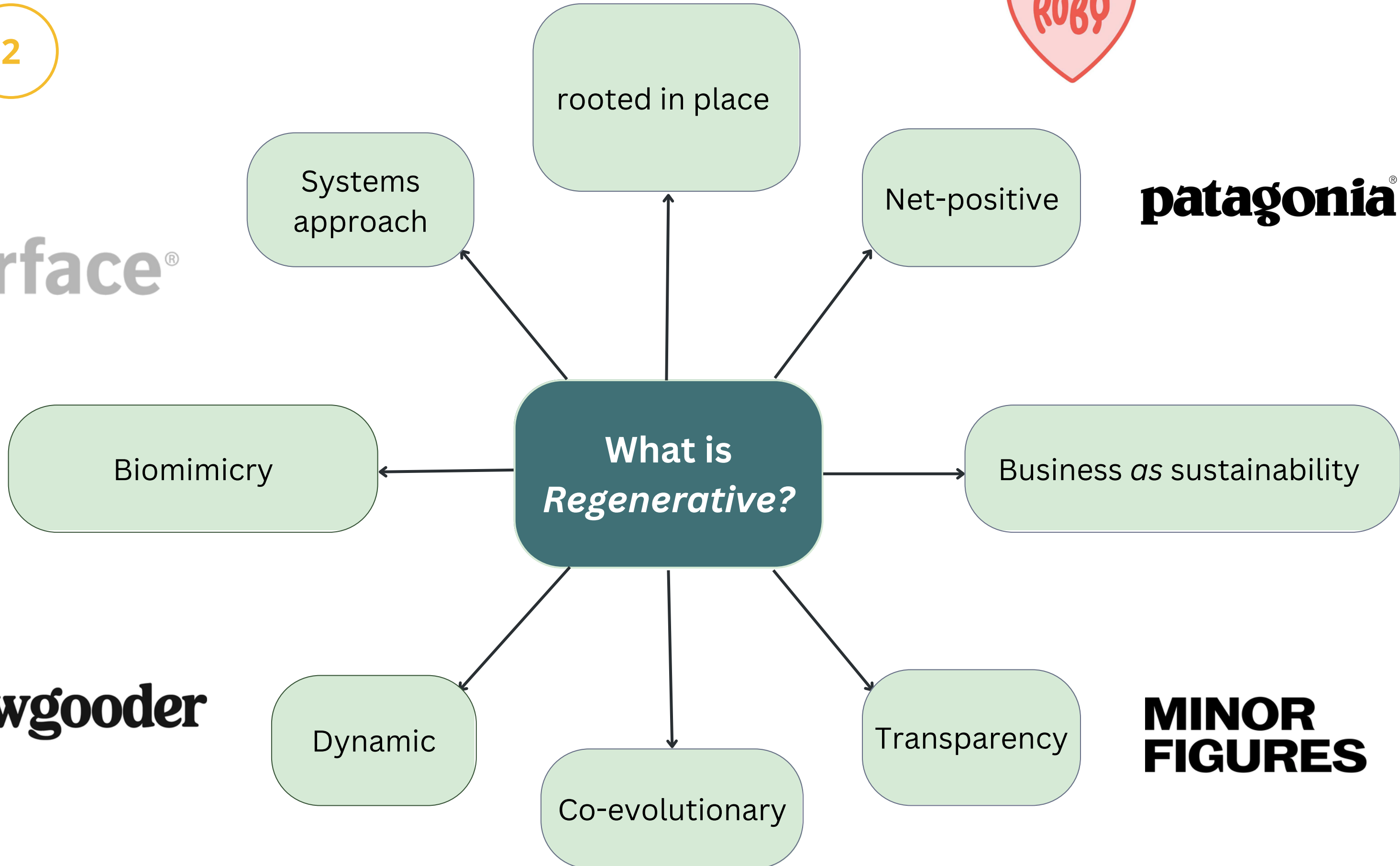
- 1 Understand what a regenerative economy is
  - 2 Look into existing businesses
  - 3 Formulate guiding questions
- 6 regenerative principles

1 2



Interface®

patagonia®



Brewgooder

MINOR FIGURES

## 3 GUIDING QUESTIONS

How can a regenerative corporate strategy **contribute** towards a wider regenerative economy?

Is it possible to have a regenerative business on a **large scale**?

Can you implement regenerative practices into a business whose **value proposition** is not centered around **regenerative values**?



# REGENERATIVE PRINCIPLES



Nature-Centric



Radical  
Transparency



Context-Based



Dynamic



Collaborative



Intrinsic  
Motivation



# APPLICATION OF PRINCIPLES TO H&M

'Fast fashion is built on responding to current trends and producing cheap alternatives as quickly as possible, relying on a 'take-make-waste' model'

- 1 The heavy environmental and social impact of fast fashion (E.g. resource usage, pollution, working conditions).
- 2 H&M's size and place in market, including influence on competitors and smaller brands.
- 3 H&M's reputation issues and current sustainability practices.



90 Million  
Tonnes of Waste



80 Trillion Litres  
of Water



2nd Second  
Largest Global  
Retailer

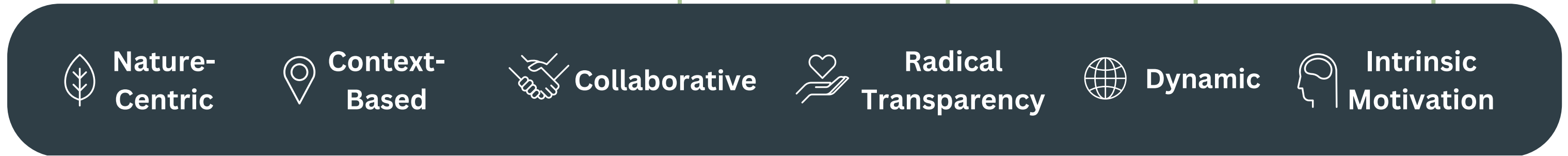
What is the 'ideal' state for a fast fashion company?



**H&M's Regenerative Strategy**



What is H&M currently doing?



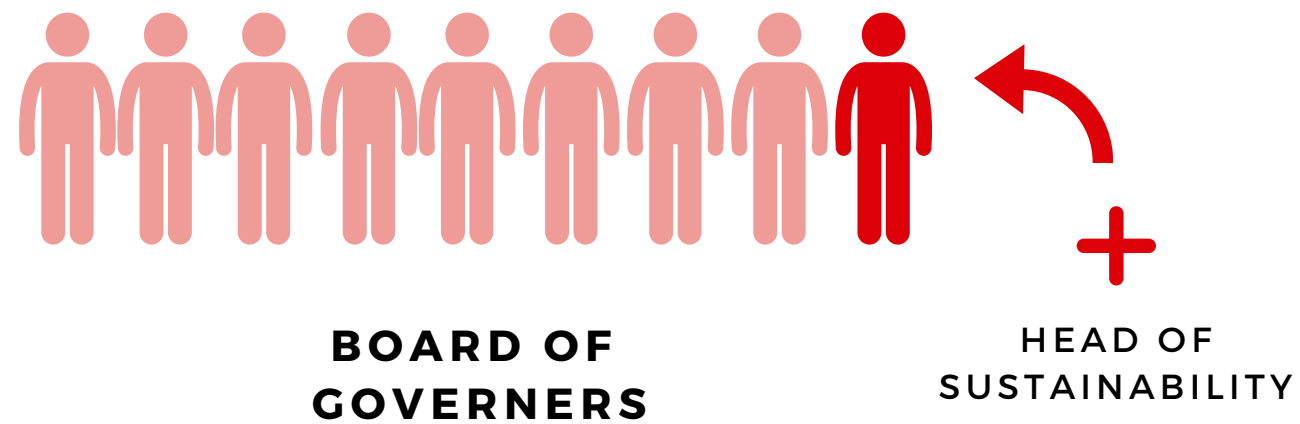
# REGENERATIVE STRATEGY FOR H&M

- 1 Collaborative Governance
- 2 Mapping out all suppliers
- 3 Regenerative Agriculture & Bio-based materials
- 4 Circularity

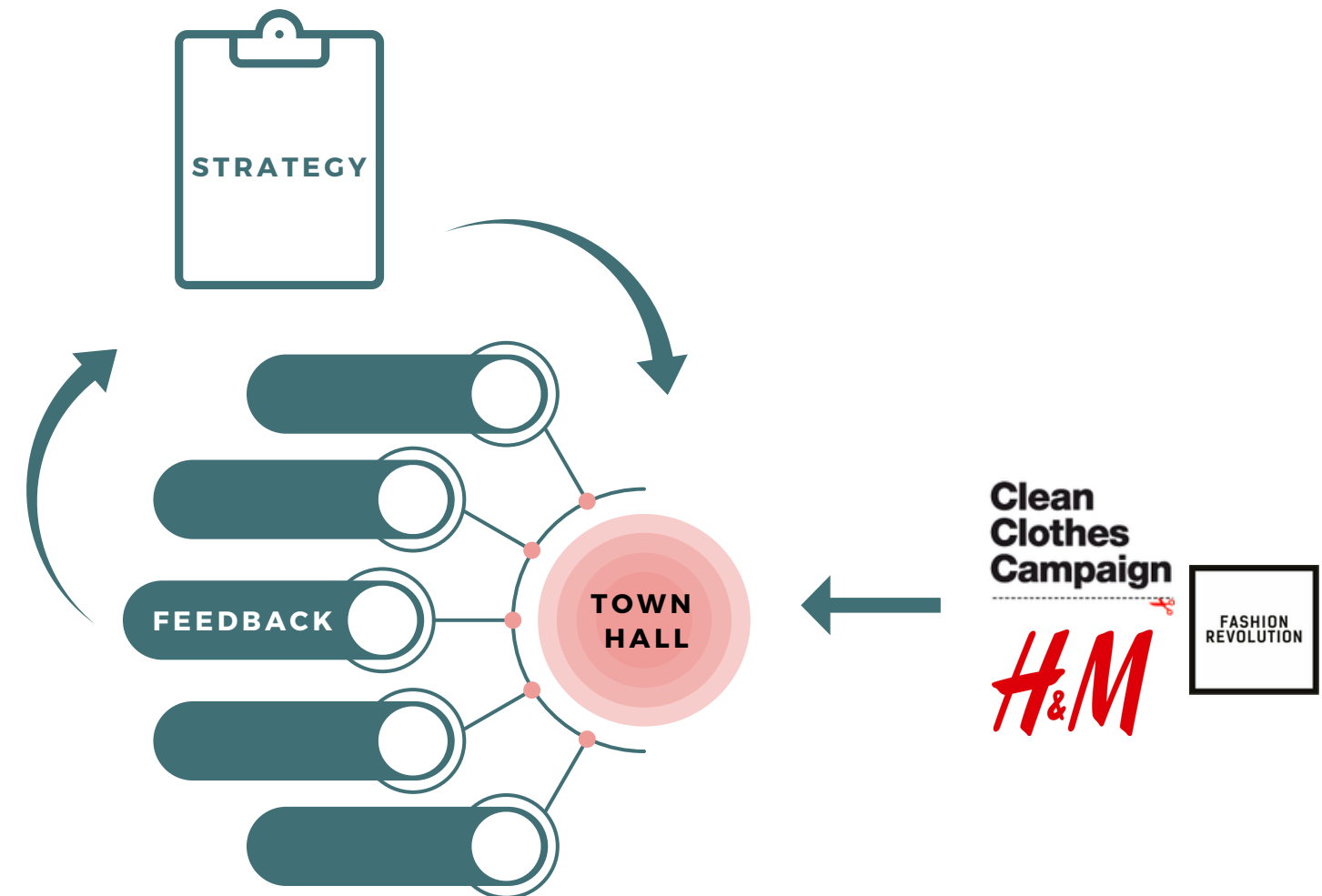
# 1 COLLABORATIVE GOVERNANCE



Involve sustainability leaders in decision-making



Town hall meetings for open consultation and radical honesty



# 2 FULLY MAPPED SUPPLY CHAIN



Raw Materials Production



Component Production



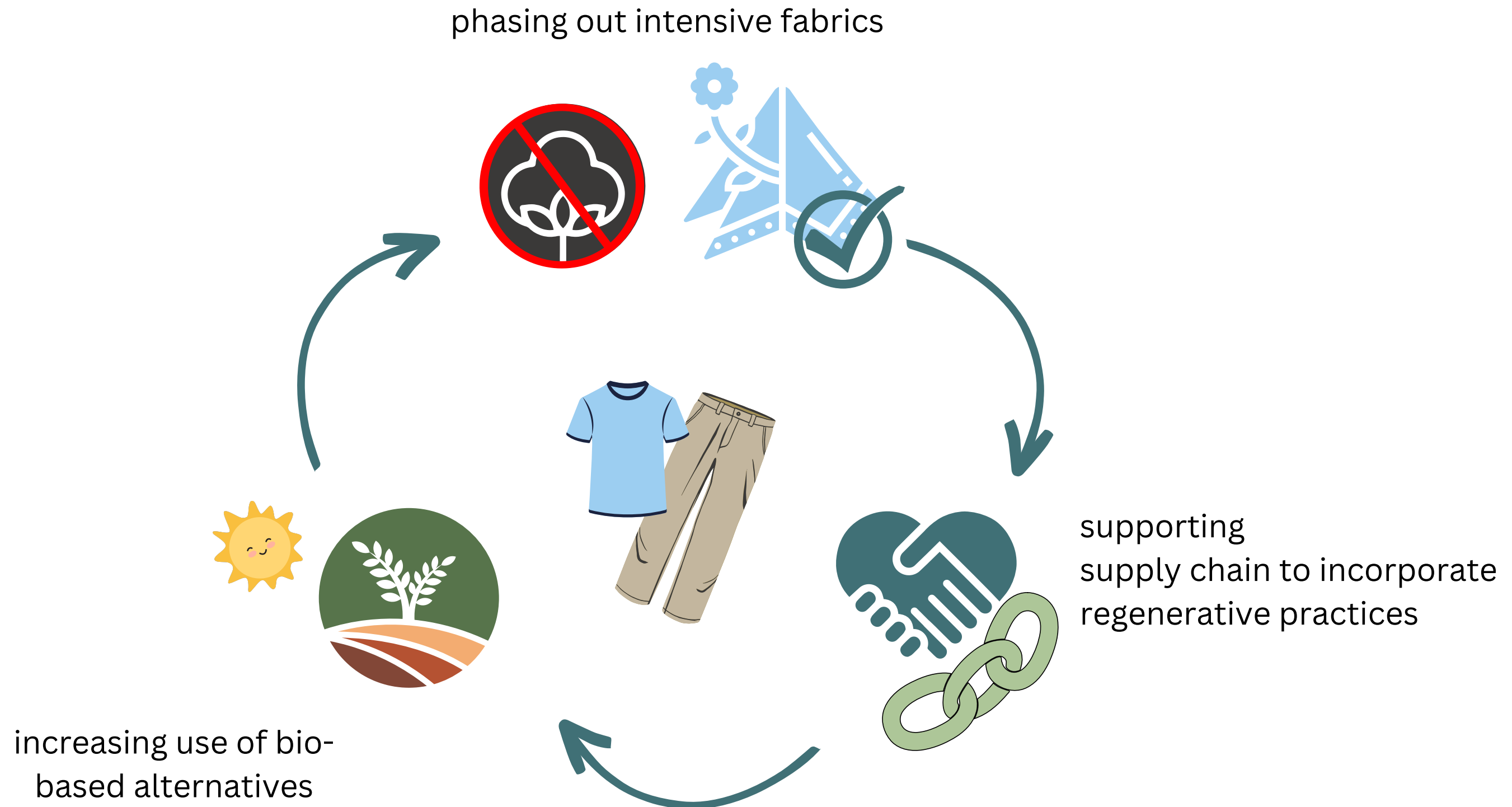
Product Manufacture & Producing

Know the source

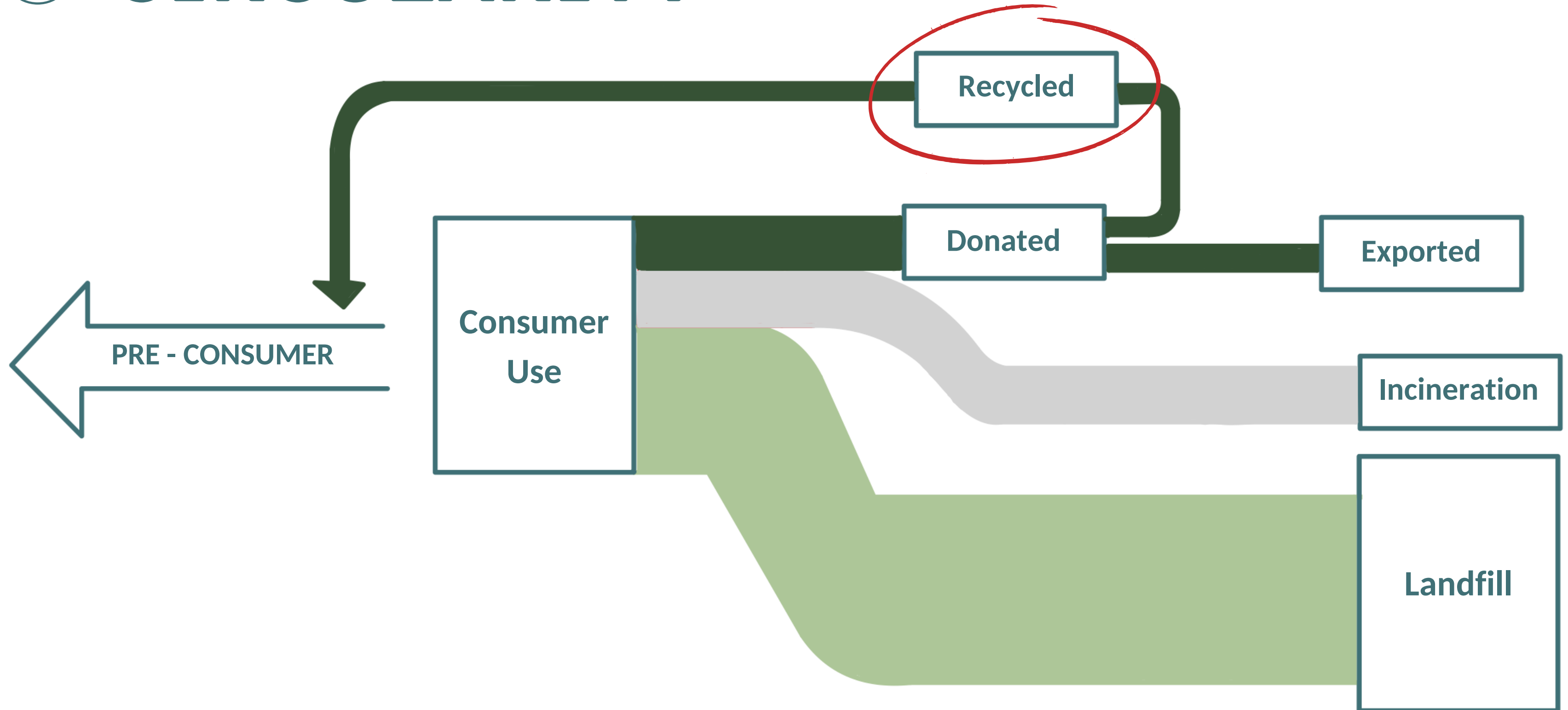
Use local knowledge



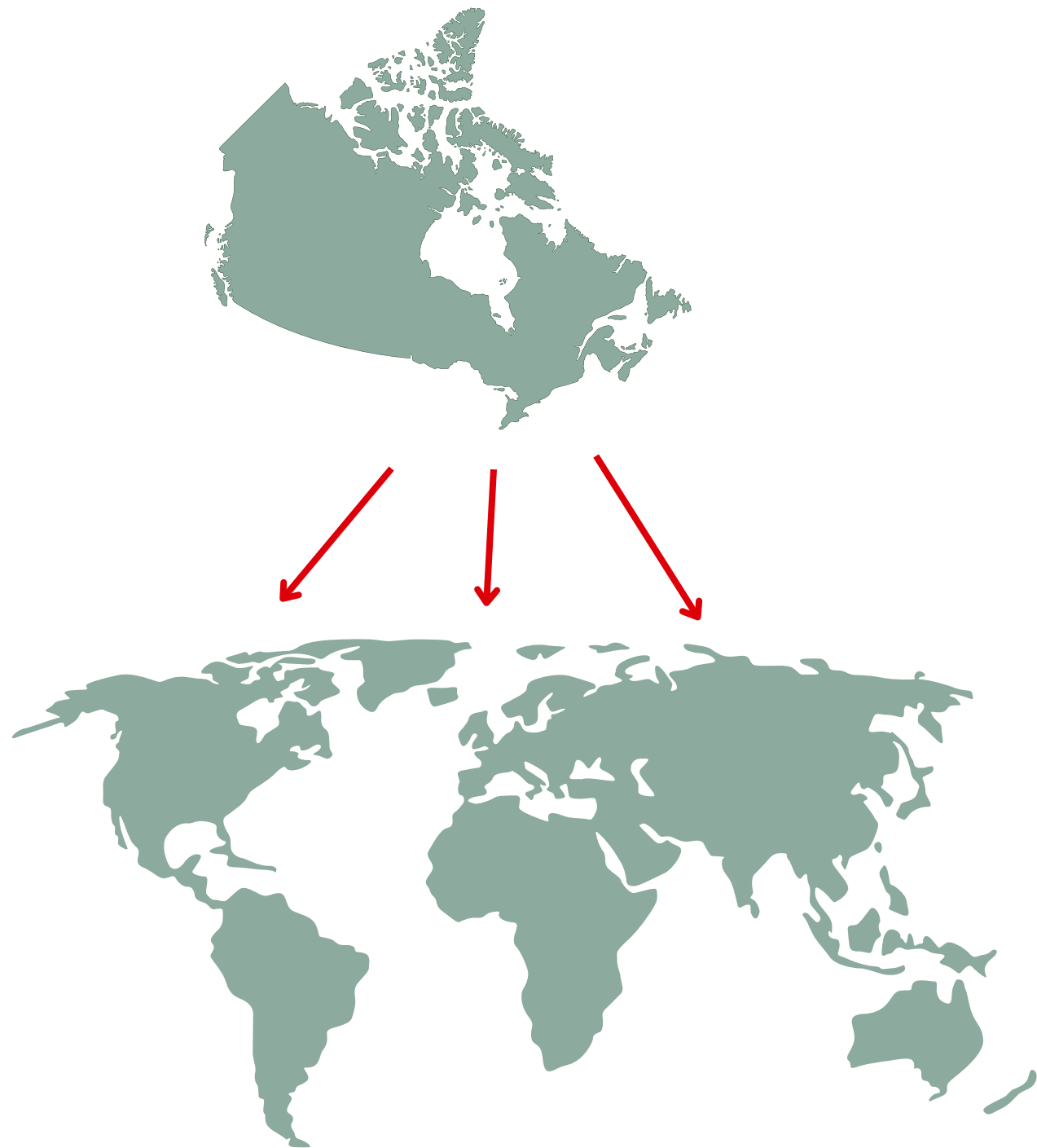
# 3 REGENERATIVE AGRICULTURE AND BIO-BASED MATERIALS



4 **CIRCULARITY**



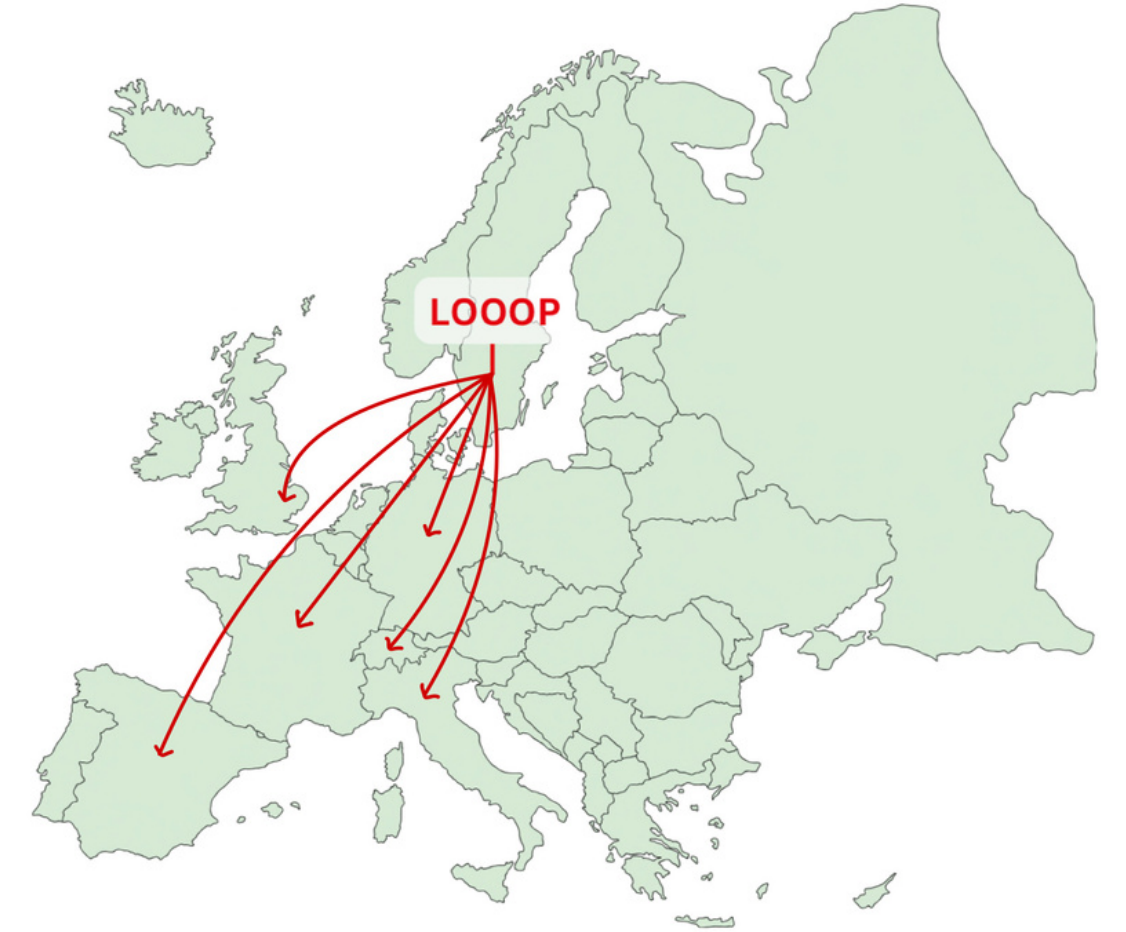
**H&M RE:WEAR**



**REPAIR & SWAP**



**LOOP**





# IMPLICATIONS FOR A WIDER REGENERATIVE ECONOMY

Encourage industrial symbiosis

Increased use of textile producers utilising regenerative practices

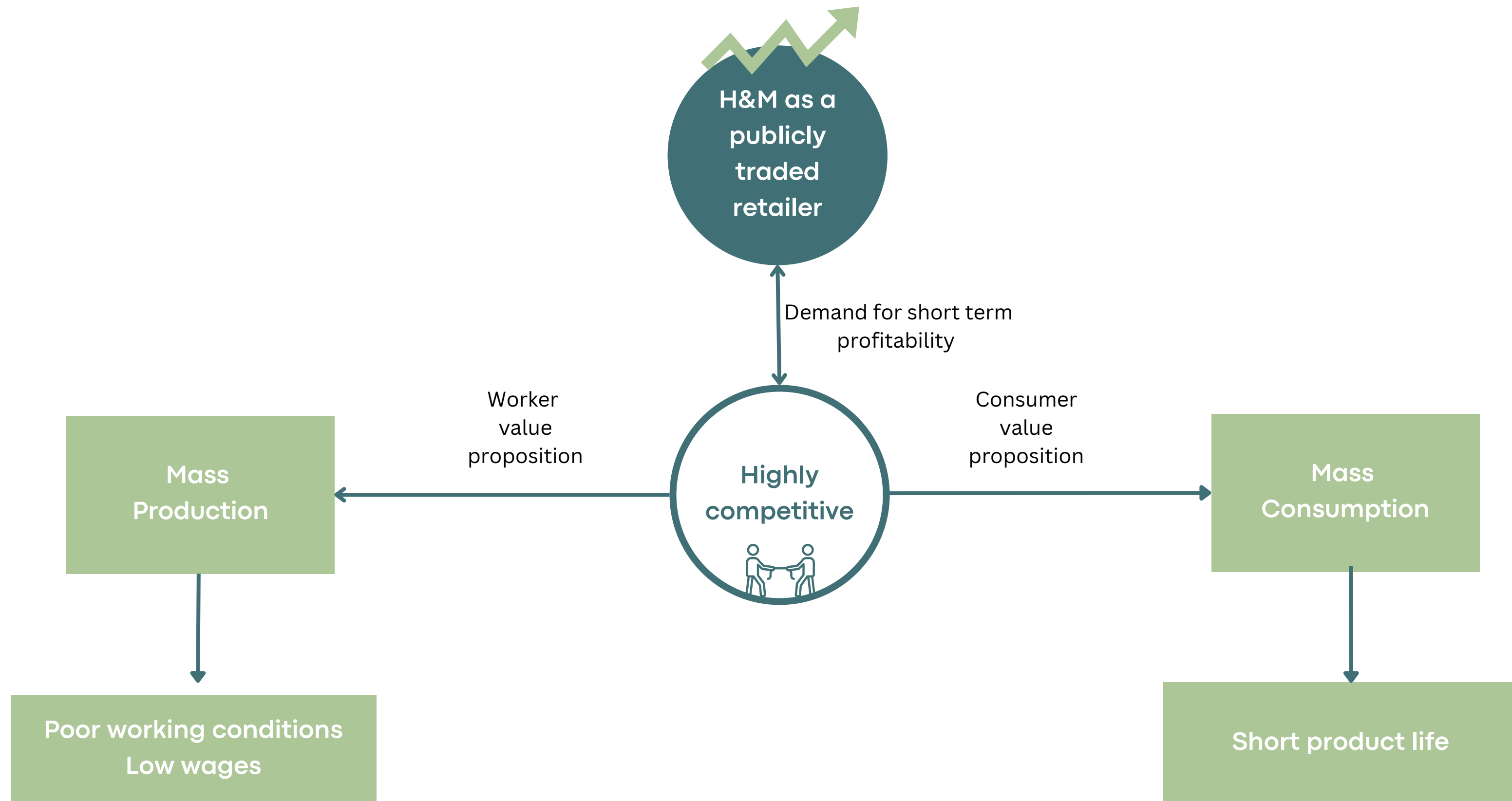
Upskill consumers to extend garment lives

Scale up of regenerative efforts across the industry



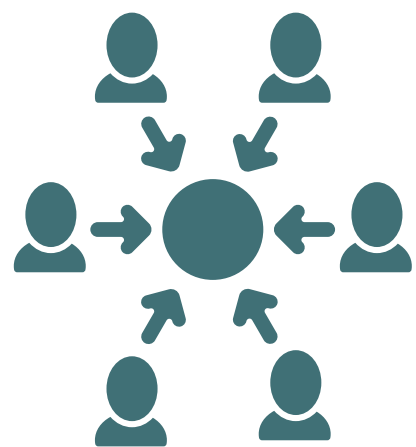
Scale up recycling technologies, like Loop, across the fashion industry

# FAST FASHION BUSINESS MODEL



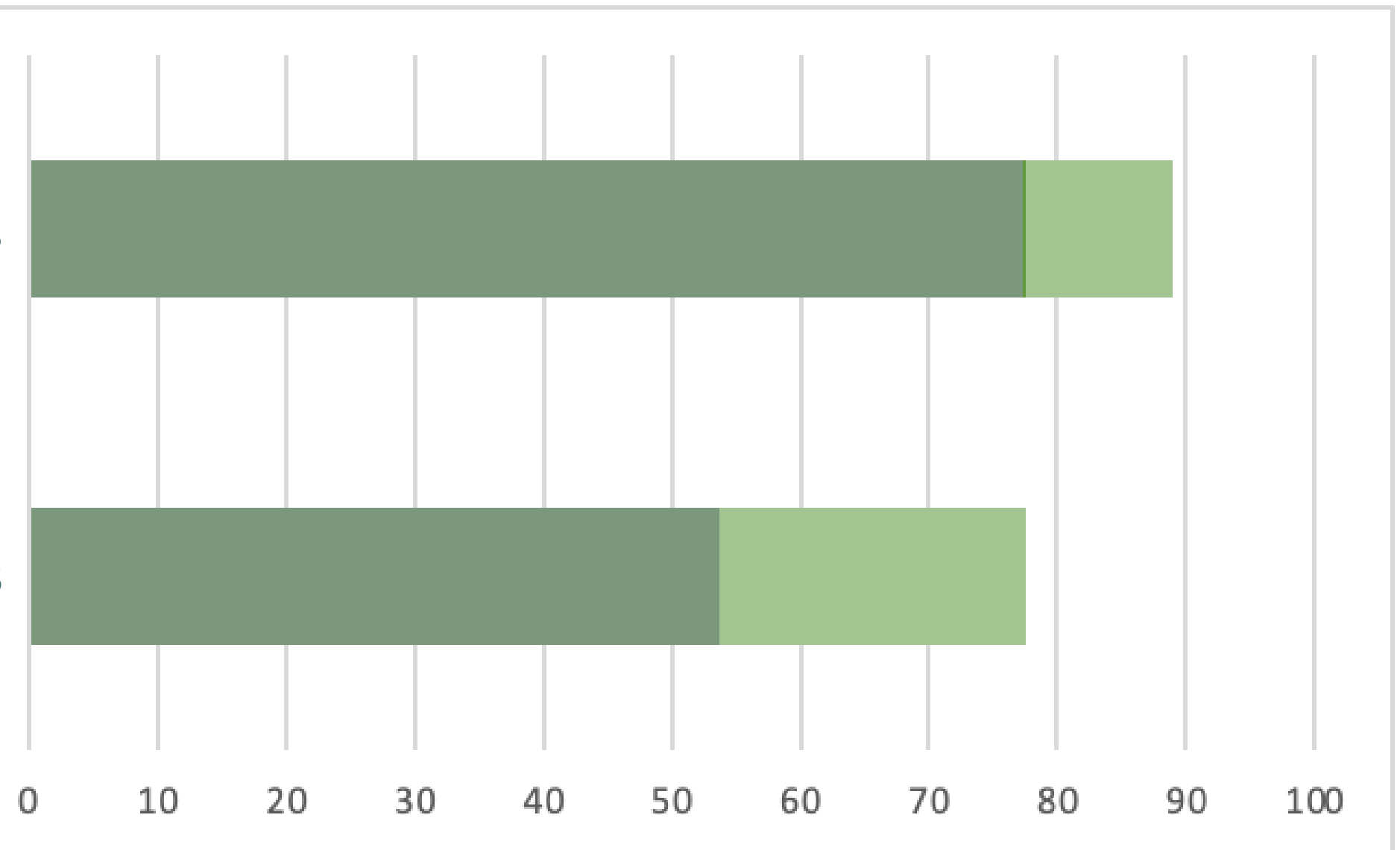
# SHAREHOLDER PRIORITISATION

Duty to ensure continued growth and profit for shareholders



% of voting shares

% of total shares



The Stefan Persson family and related companies

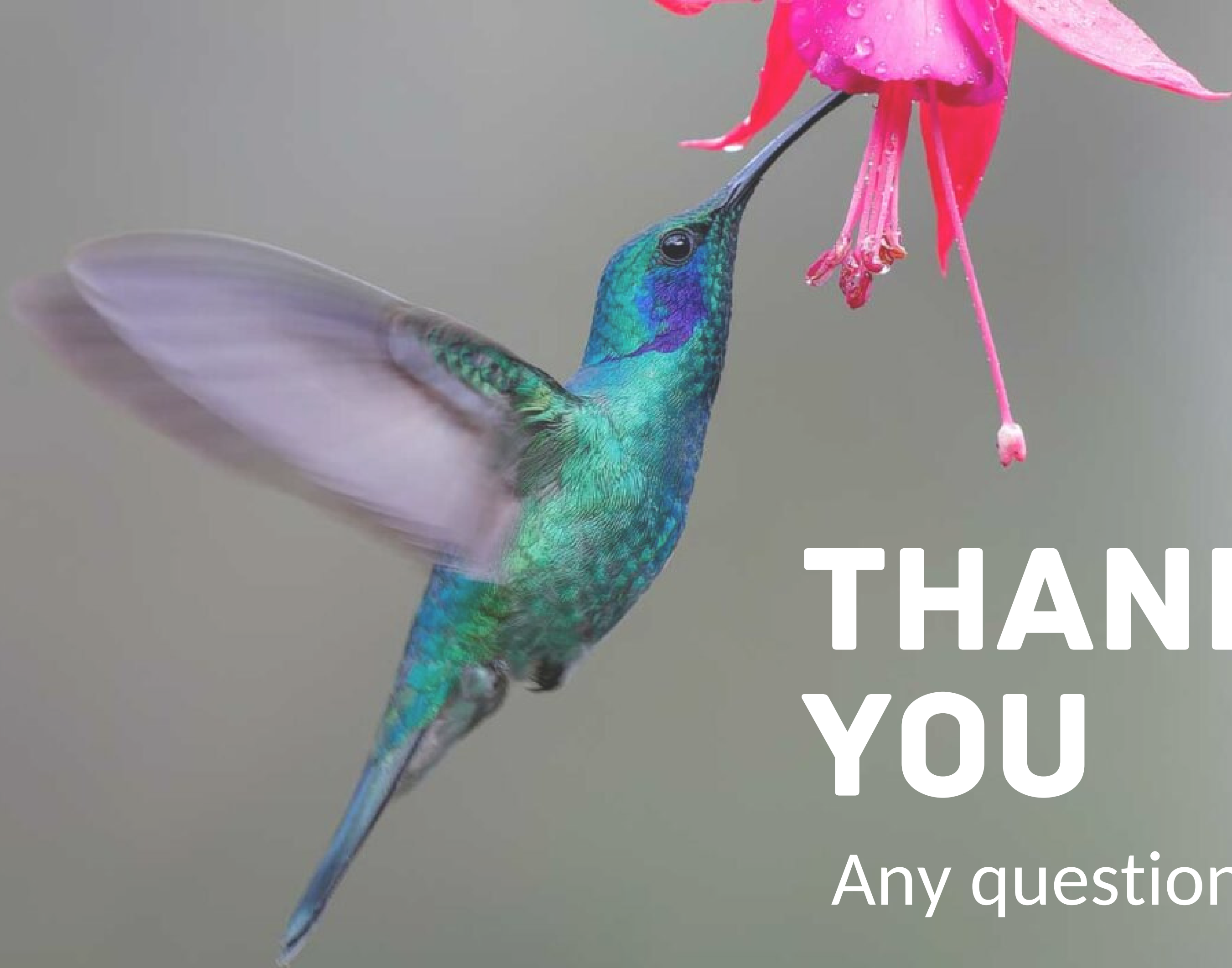


Other Shareholders

# SUMMARY



closing the gap towards a regenerative fast fashion business model



**THANK  
YOU**

Any questions?

# APPENDIX

Organisation	Industry/Sector	Size	Type	About	Regenerative Principles & Characteristics
Brewgooder	Alcoholic Beverages	SME	Non-Profit (Social Enterprise)	Scottish brewery	<ul style="list-style-type: none"> <li>• X100 Impact Model - For every can or pint of beer consumed they are committed to ensuring that 100 times that amount will be provided in clear water on projects undertaken by Charity Water.</li> <li>• Community collaboration</li> <li>• Founded Work in Progress - A group of decentralised brewers coming together to try and make the industry more diverse and inclusive (Putting impacts creation first and not last)</li> </ul>
Danone	Food & Beverage	Large MNC	For Profit	Global food producer	<ul style="list-style-type: none"> <li>• Contributing through culture change - Regenerative Agriculture Knowledge Centre (Open source website dedicated to sharing the wealth of regenerative agriculture knowledge they have at Danone with farmers around world)</li> <li>• Danone Ecosystem Fund and the Livelihoods Funds - Funds to support farmers provided financial and technical support to over 100,000 farmers worldwide</li> <li>• Transparency – Clearly stating their path to carbon neutrality and progress on website</li> </ul>
Eden Project	Education	SME	Non-Profit (Charity)	Eco visitor attraction in Cornwall	<ul style="list-style-type: none"> <li>• Regenerating land - “Twenty years ago, a group of us transformed a China clay pit in Cornwall into a living theatre of plants and people. This visitor destination, cultural venue and global garden showcases our dependence on plants and demonstrates technological ingenuity and the regeneration of landscapes and livelihoods”</li> <li>• Climate positive by 2030 - Nature-based solutions (Carbon sinks, retrofitting site &amp; developing geothermal plant, Future Eden project – replicate model across the World, work closely with partners, suppliers, and visitors)</li> </ul>
Exploration Architecture	Architecture	SME	For Profit	Biomimicry-inspired architect studio	<ul style="list-style-type: none"> <li>• Regenerative design - Have projects, consulting, talks, and research into regenerative architecture</li> <li>• Adaptability &amp; resilience - Services based entirely around regenerative design &amp; puts adaptive capacity &amp; resilience at the forefront of every idea (<a href="http://www.exploration-architecture.com/">http://www.exploration-architecture.com/</a>)</li> </ul>

Appendix 1: Full list of companies researched

General Mills	Agriculture	Large MNC	For Profit	Large agriculture firm (Manufacturer & marketer of branded processed consumer foods sold through retail stores)	<ul style="list-style-type: none"> <li>• Regenerating land - Aim to advance regenerative agriculture on 1 million acres of farmland by 2030 (Regenerative agriculture practices are based on: Understanding the context, minimize disturbance, maximize diversity, keep the soil covered year-round, maintain a living root year-round, integrate livestock)</li> <li>• Context-based collaboration - Partnership with Soil Health Academy &amp; Understanding Ag = provide 1-on-1 coaching and technical assistance to farmers for 3 years, customized plans for their operations, soil health testing, farmer networking communities, and biodiversity and economic assessments to analyze impact over time</li> <li>• Collaborate with leading conservation organizations within key growing regions</li> <li>• Conduct general farm-level research on the impacts of regenerative management to better strategy over time</li> </ul>
Interface	Manufacturer	Large MNC	For Profit	Manufacturer of commercial flooring	<ul style="list-style-type: none"> <li>• Net positive mission – Interface mission to become carbon positive by 2040, having reach carbon neutrality in 2020</li> <li>• Mimic Nature - Factory as a Forest project (Analyse nearby ecosystems for specific insights on how to operate a factory regeneratively)</li> <li>• Regenerative design – Interface's i2® carpet tiles feature random patterns and gradations of colours that allow the tiles to be installed non-directionally (This means if part of the carpet gets damaged, the individual tile can be replaced, reducing waste and cost)</li> </ul>
Krave Beauty	Heath Care/Beauty	SME	For Profit	Small New York based beauty company with a 5-item product line	<ul style="list-style-type: none"> <li>• Minimised product line - Makes good quality products and not an excess. Bottles are made from recycled materials and designed for the entire product to be used (Silicone balloon in bottle allows access to every drop of product)</li> <li>• Emphasises importance of transparency and philanthropic endeavors</li> <li>• Seeks to educate consumers on their products</li> </ul>
Levi's	Fashion, Clothing	Large MNC	For Profit	First ever and popular denim brand; Seeks to make long-lasting products (Historically aligns with the creation of denim parts)	<ul style="list-style-type: none"> <li>• Transparent goals and progress made to commit to target goals</li> <li>• Good supply chain transparency and working conditions</li> <li>• Uses 'regenerative' cotton</li> <li>• Designs clothes for circularity "Buy better, wear longer" campaign</li> </ul>
Minor Figures	Food & Beverage	SME	For Profit	Vegan milk & coffee seller	<ul style="list-style-type: none"> <li>• Transparent (E.g. not Fairtrade but they have outlined their reasons why their alternative is better)</li> <li>• Core values throughout - Plant-based (Wish to be totally decoupled from animal product sector)</li> <li>• Internal carbon tax</li> <li>• Independently owned, carefully selected investors</li> </ul>
Morning Star	Processing & Packaging	Large MNC	For Profit	Tomato Processing & packing company	<ul style="list-style-type: none"> <li>• Flat management structure - No managers (Not necessarily a regenerative trait)</li> </ul>

Native (Balbo Group)	Agriculture	Large MNC	For Profit	Organic sugar global leader	<ul style="list-style-type: none"> <li>• Putting nature at the centre</li> <li>• Ecosystem Revitalizing Agriculture - Respect soil and revitalize lost productivity of soil</li> <li>Innovative technologies for farming practices creating minimal negative impact on soil and microorganisms</li> <li>• Closing the loop - Using own leaves of plants and natural byproducts from manufacturing as fertilizer (Completely getting rid of chemical fertilizers)</li> <li>• Creating social impact around community where farming and sugar manufacturing happens</li> </ul>
Natura	Cosmetics	Large MNC	For Profit	Mission-led beauty company (4 brands)	<ul style="list-style-type: none"> <li>• Describes itself as purpose driven, with key regenerative principles like care for people and planet as its core:</li> <li>- Gender equality at all levels (50% women in leadership) - valuing people and equity</li> <li>- Preserving Amazon where it has influence, expanding this &amp; working towards zero deforestation by 2025 (rooted in place)</li> <li>- Life at the centre of every business decision</li> <li>- Long-term view</li> <li>- Increase socioecological handprint</li> </ul>
Toast Ale	Alcoholic Beverages	SME	Non-Profit (Social Enterprise)	English brewery (Uses waste bread as key ingredient, giving profit to charity)	<ul style="list-style-type: none"> <li>• Circularity - Waste reduction at core of business strategy</li> </ul>



Scandal	Date	What happened?
Rana Plaza Building	24/4/13	<ul style="list-style-type: none"> <li>In 2013 one of the most devastating garment industry events occurred when a building collapsed killing more than 1,100 people, after multiple reports of the stability of the Rana Plaza Building</li> <li>The factory was a supplier of H&amp;M, and H&amp;M promised better working conditions, though reports in 2018 and 2021 updated that though the buildings have solid foundations, they are not up to fire or electricity codes [67; 68]</li> </ul>
Child Labour	21/8/16	<ul style="list-style-type: none"> <li>One of the factories H&amp;M sources from was exposed for employing 14-year-olds</li> <li>H&amp;M representative claimed it was not a case of child labour laws, due to laws for labour in Myanmar</li> <li>Claimed the overworking of these teenagers was unacceptable [69]</li> </ul>
Marketing Scandal	8/1/16	<ul style="list-style-type: none"> <li>A children's sweatshirt labelled "coolest monkey in the jungle" was modelled by a black child</li> <li>This led to Twitter condemning the brand and the eventual removal of the sweatshirt from the site [70]</li> </ul>
Gender Based Violence in the Supply Chain	1/5/18	<ul style="list-style-type: none"> <li>In 2018 a report was published about the violence women in H&amp;M's garment supply chain faced [71]</li> <li>Including first-hand accounts of physical and mental abuse experienced by the women making the garments that end up in the H&amp;M stores</li> </ul>
Greenwashing	19/8/22	<ul style="list-style-type: none"> <li>SUNY student Chelsea Commodore alleged she overpaid for a garment marketed as sustainable - the piece was marketed due for less water use, when instead the product truthfully used more [72]</li> <li>This was due to the Higg Index scorecard they used, a negative percentage meant a larger percentage of water and it was marketed on the website with the decreased amount of water [73]</li> </ul>
Underpaying producers	11/1/23	<ul style="list-style-type: none"> <li>It was reported that major brands including H&amp;M were paying their suppliers the same rate despite the increased rates of raw materials</li> <li>Highlighting the power, the purchasing companies have in pricing the supply chain leading to the suppliers being unable to pay their workers minimum wage [74]</li> </ul>

Home Login | Feedback

# Mapped in Bangladesh

Search for a factory name or an area

3752 results found. Summary

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## Filters Clear All

**Brands**

Select brands

**Type of Product**

e.g. T-Shirts

**Memberships / Inspection Listing**

Select Memberships / Inspection Listing

**Certifications**

e.g. BSCI

**Factory Type**

e.g. Knit

**Exported Countries**

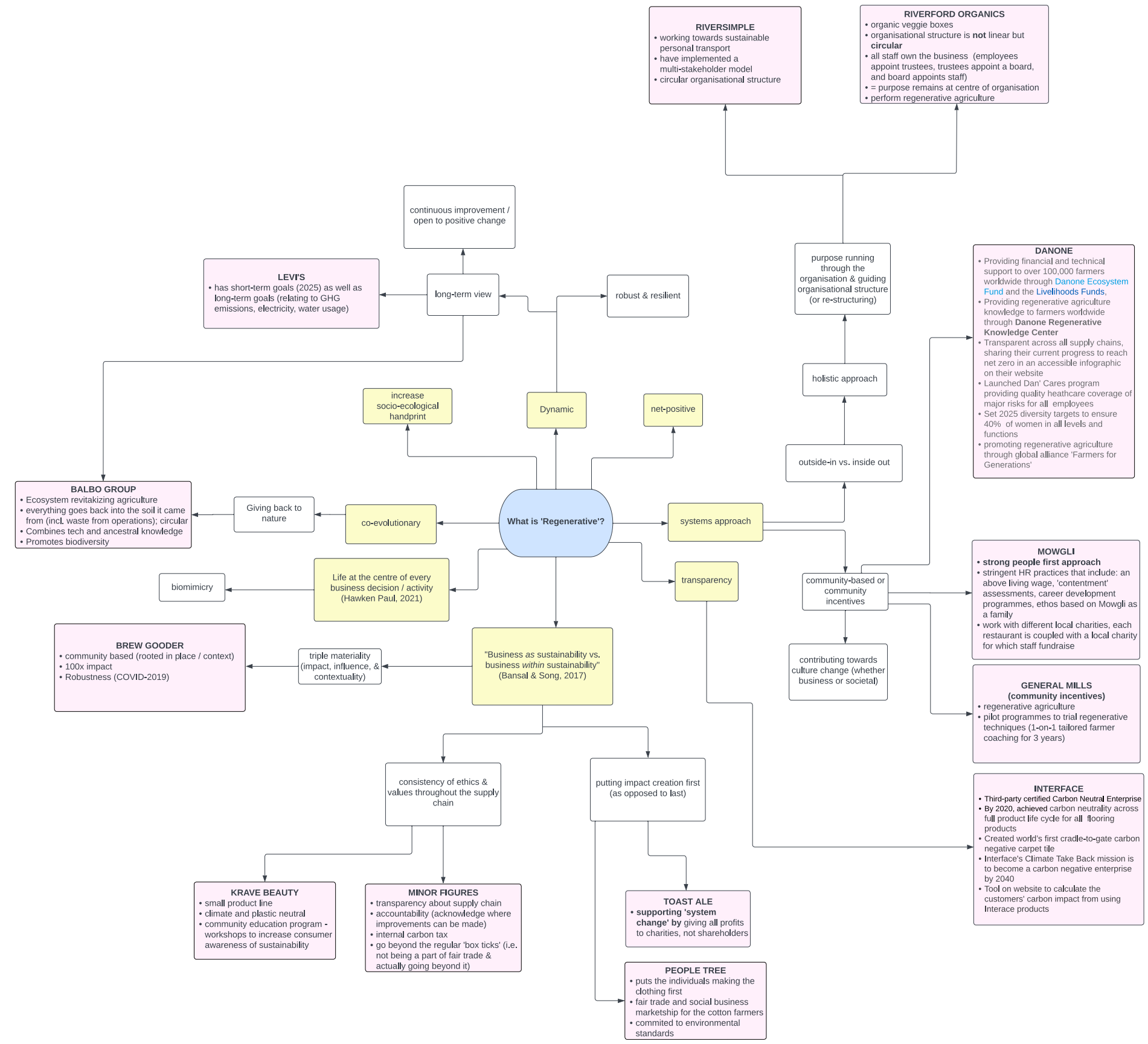
e.g. United Kingdom

**Memberships**

- BGMEA
- BKMEA
- Both
- Non-Member

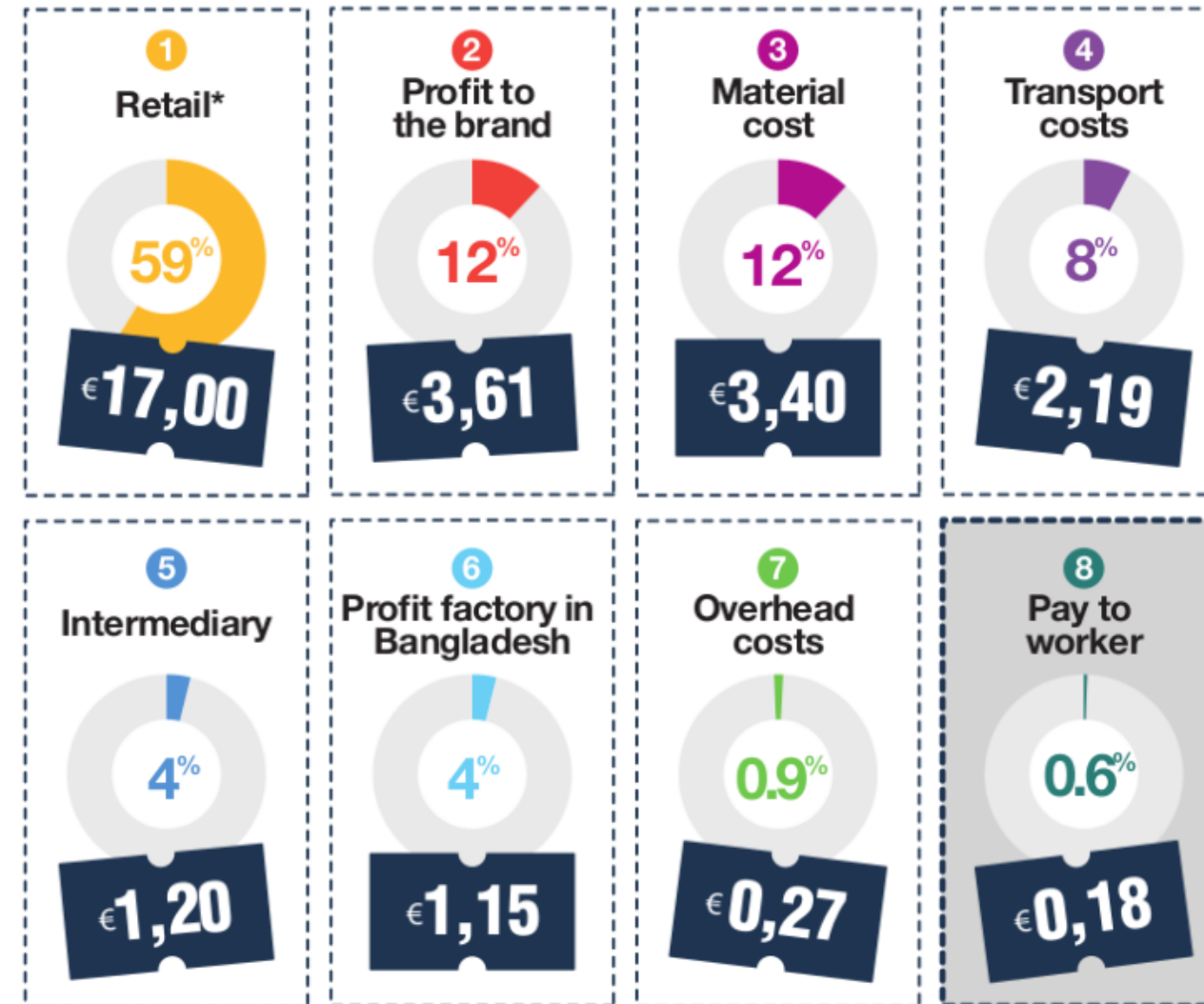
Map data ©2023 Terms of Use Report a map error

Appendix 3: Screenshot of Brac University's online supply chain mapping tool



Appendix 4: Lucidchart exploring 'What is 'Regenerative?'

# BREAKDOWN OF COSTS OF A T-SHIRT



\* Includes all costs at a retail level including staff, rent, store profit, VAT etc.

H&M is a founding member of ACT – Action, Collaboration and Transformation, alongside 18 other brands and the global union IndustriALL. Created in 2014, ACT sets out five commitments for responsible purchasing.

- Purchasing prices include wages as itemised costs.
- Fair terms of payments.
- Better planning and forecasting.
- Undertake training on responsible sourcing and buying.
- Practice responsible exit strategies.

**BUT**

These commitments help us to design and continually improve our purchasing practices.

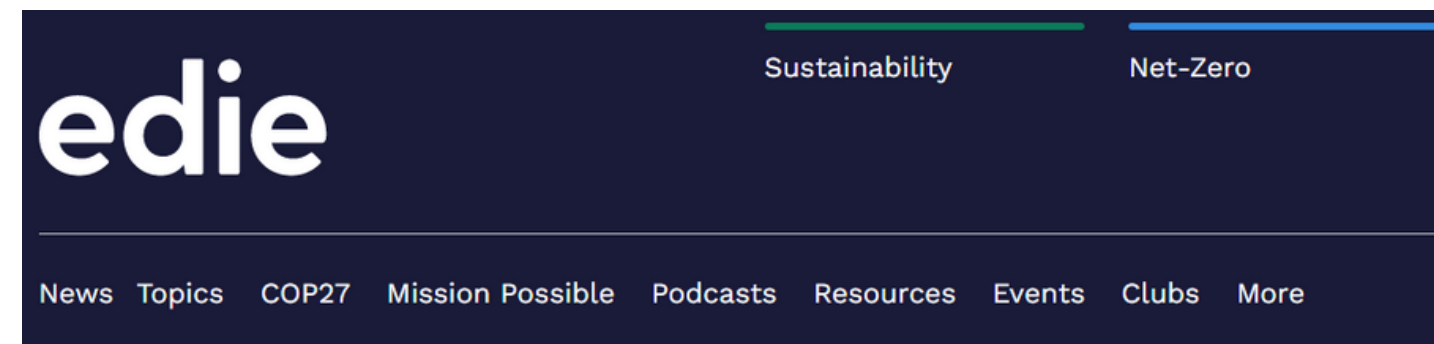


Human rights in focus

## World's garment workers face ruin as fashion brands refuse to pay \$16bn

Analysis of trade figures reveals huge power imbalance as suppliers and workers in poorest parts of the world bear cost of Covid downturn

Coronavirus - latest updates



## H&M accused of failing to ensure living wage for supply chain workers

Fashion giant H&M has been accused of failing to fulfil a commitment to pay all garment workers enough to keep them above the poverty line, a week after claiming that almost one-million employees are covered by its "fair living wage" approach.

1st October 2018

Even in the UK, average H&M hourly pay ranges from approximately £7.57 per hour for Retail Sales Associate to £14.41 per hour for Warehouse Associate.

# Possible questions for Q&A

You've said that it's not possible for the fast fashion industry to become regenerative, do you think other industries could become regenerative?

How was the 6 week process for you? Did you ever get stuck on a section and how did you work through it?

Do you think its possible in the current state that we're living in to have a regenerative economy?

Can fast fashion not exist in a regenerative economy?

Do you have examples of businesses that are applying x (ie bio-based materials) and if not, why is no one doing this?

How do you prevent the town hall from being just a talking shop with no enforceable action?

How do you scape Re:Wear globally?

You mention biomimicry in nature-centric. Do you have any examples of biomimicry that H&M could follow?

# REGENERATIVE PRINCIPLES



## Nature-Centric

- Considering nature and ecosystem services at **every** business level and decision
- Looking to nature to see how business practices can utilise **biomimicry**
- Embedding **circularity**



## Radical Transparency

- **Transparent** about impact, successes, and failures across initiatives
- **Honest** about current vs. desired state
- Reporting in an **accessible** and **explicit** manner



## Context-Based

- Addressing the socio-ecological **impact** of industry and business practices on specific geographical locations
- Valuing **all** types of capital essential to the business operations



## Dynamic

- Actively **implementing** innovation within business and across the industry
- Being **proactive** rather than reactive to issues that arise
- Having continual **critical analysis** and being **reflexive** on areas of improvement



## Collaborative

- Collaborate and share information **within** the industry to share best practice
- Collaborate **outside** of the industry where relevant
- Engaging in **innovation** for regenerative practices



## Intrinsic Motivation

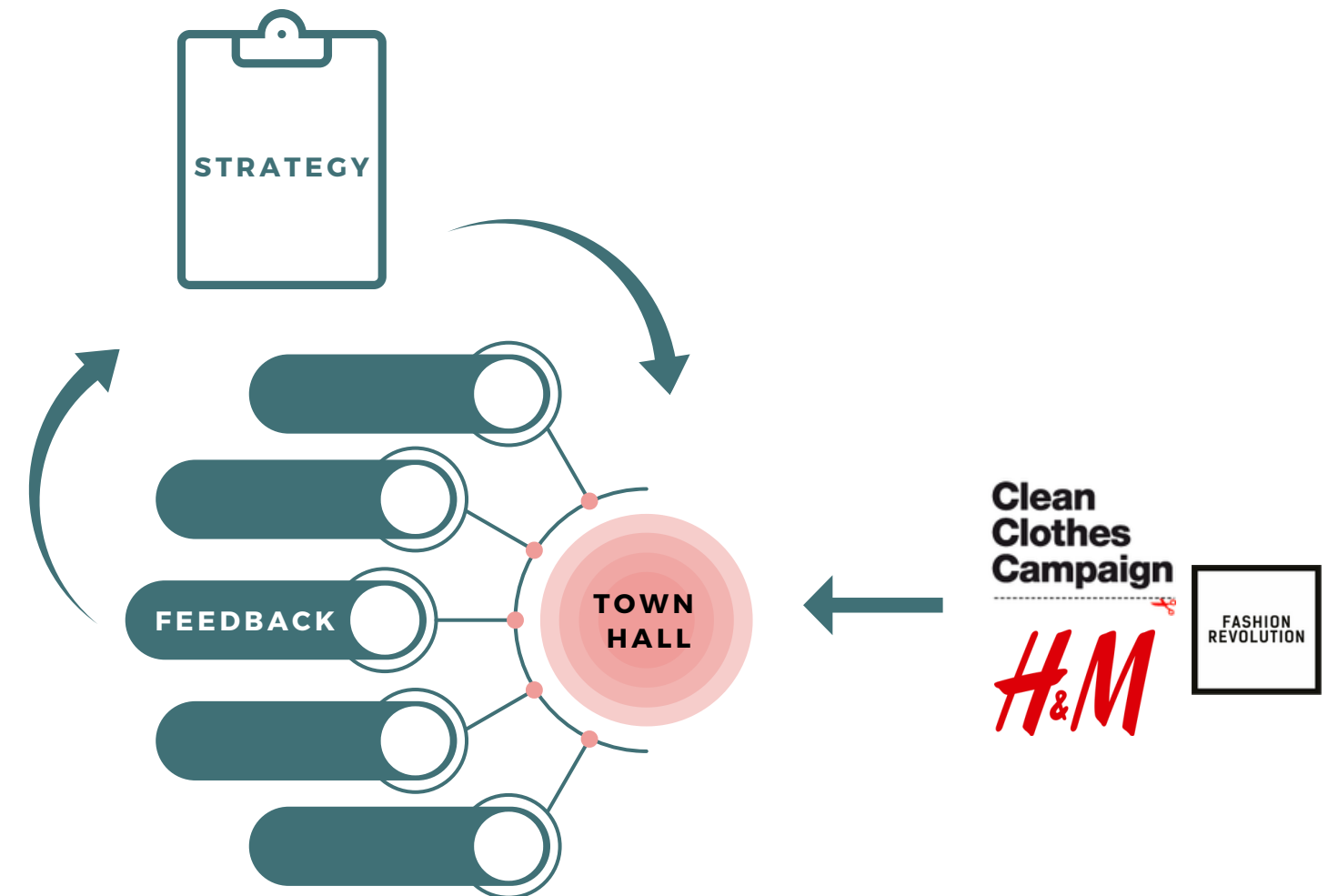
- Always considering the **triple bottom line** in business decision making
- Having a business structure that **drives** employee motivation

# Collaborative Governance



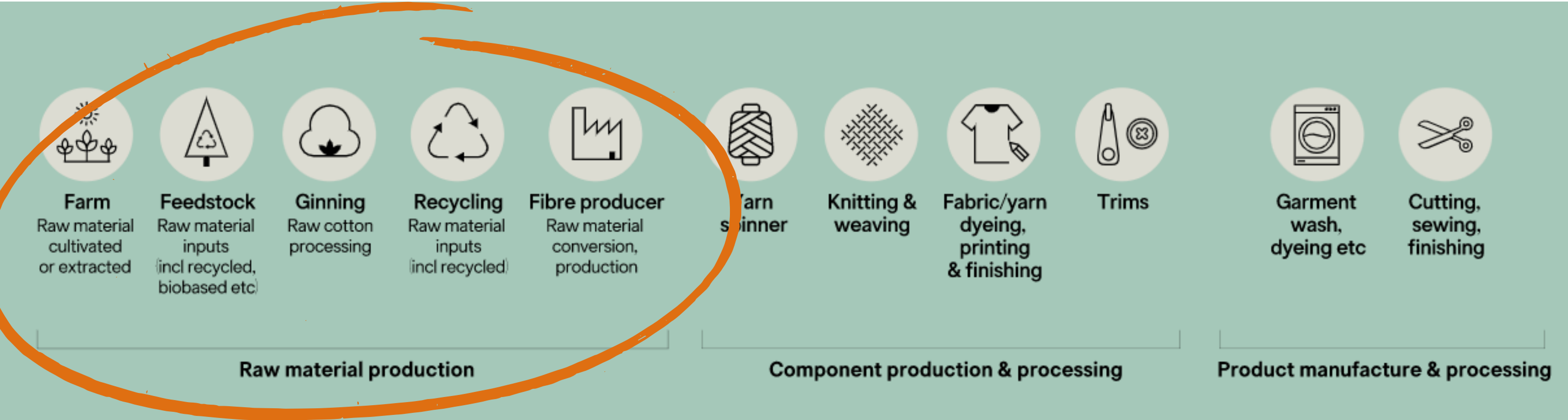
Involve sustainability  
leaders in decision-making

Town hall meetings for open  
consultation and radical honesty



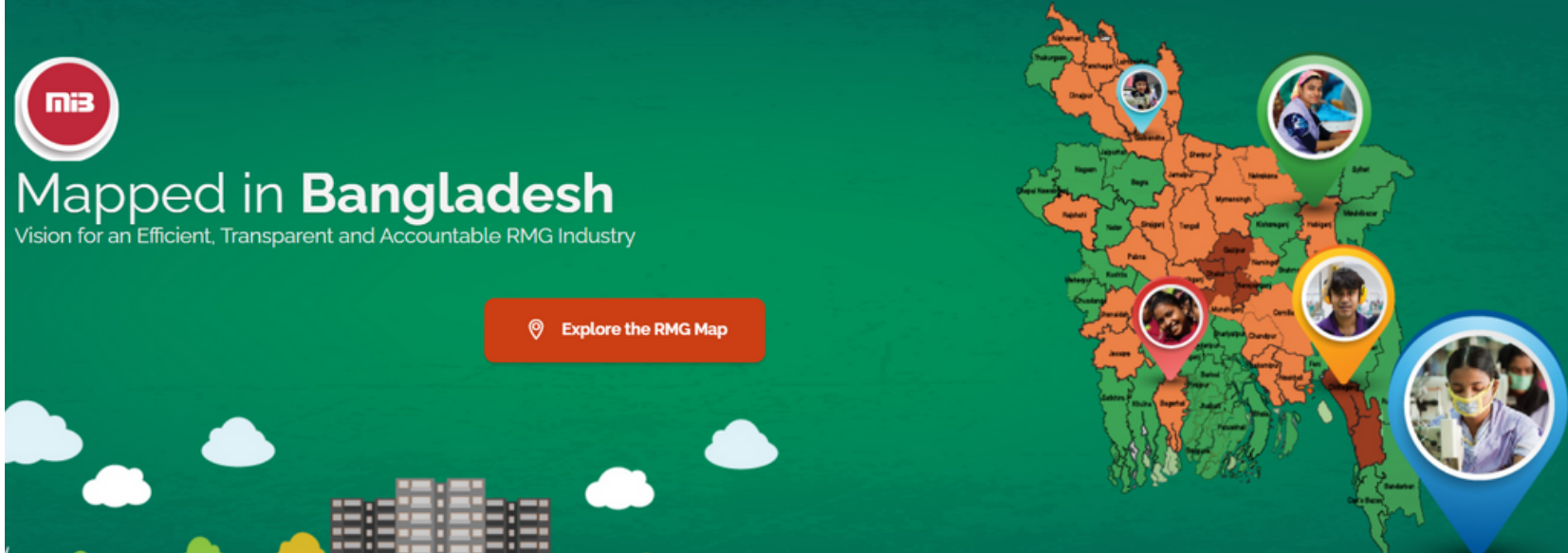


# FULLY MAPPED SUPPLY CHAIN



Know the source

Use local knowledge



# REGENERATIVE PRINCIPLES



## Nature-Centric

- Considering nature and ecosystem services
- Implement **biomimicry**
- Embedding **circularity**



## Dynamic

- Actively **implementing** innovation
- Being **proactive** rather than reactive
- Continual **critical analysis** and being **reflexive**.



## Context-Based

- Addressing socio-ecological **impact**
- Valuing **all** types of capital



## Intrinsic Motivation

- Always considering the **triple bottom line**
- **Driving** employee motivation



## Collaborative

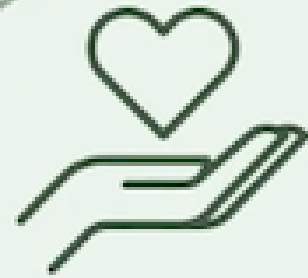
- Collaborate and share information **within** industry
- Collaborate **outside** of the industry
- Engaging in **innovation**



## Radical Transparency

- **Transparent** about impact, successes, and failures
- **Honest** about current vs. desired state
- Reporting **accessibly** and **explicitly**

**Radical  
Transparency**



**Collaborative**

**Intrinsic  
Motivation**



**Principles**



**Dynamic**

**Context-Based**



**Nature-Centric**