DRESSED TO WASTE

A look into fashion waste and the responsibility of producers

FAIR ACTION

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Fair Action is an independent non-profit organisation with expertise in corporate accountability and sustainability. We work to ensure that companies respect human rights and planetary boundaries throughout their supply chains – from production to waste. We do so by strengthening the influence of rights-holders, by mobilising consumers, and by scrutinising companies. We are the only Swedish member of the global network Clean Clothes Campaign.

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Glossary

Pre-production waste	*Waste generated during production of a product, for example textile scraps*
Post-consumer waste	*Waste that has at one point been used by a consumer, for example used clothing*
Recycle	*Broad process of collecting and processing materials into new materials*
Downcycle	*A specific type of recycling in which the final material quality decreases, reducing its potential for future reuse*
Fiber-to-fiber recycling, Textile-to-textile recycling	*Recycling which reprocesses textiles into new textiles (a form of closed-loop recycling), as compared to other types of recycling in which one product or material is turned into another.*
EPR	*Extended Producer Responsibility, in this report specifically referring to EPR for textiles and footwear*
ESPR	*Ecodesign for Sustainable Products Regulation*
EU	*European Union*
EEA	*European Environmental Agency*

Summary

The fashion industry is extremely wasteful. The expansion of fast- and ultra-fast fashion is increasing the amount of clothes produced, bought, and discarded, while simultaneously lowering the quality and decreasing the times clothes are worn. The result is mountains of used clothing. Even though circular initiatives are increasing, this is not enough – the supply of used clothes far outweighs the demand and the capacity to manage the supply. Thus, the majority of used clothes are exported, often ending up in landfills or simply being dumped in nature. In doing so, we are relocating the environmental and social impacts of the problem. Unfortunately, the focus is all too often on consumer behavior rather than on the producer's responsibility. The EU is now introducing legislation to make the producers pay for the end-of-life treatment of the clothes they put on the market, to increase their transparency and the quality of their products. However, legislation does not deal with volume reductions and if EPR is not implemented wisely it risks becoming a tool through which companies pay to keep the status quo.

This report explores the issue of waste in the fashion industry, from production to end-of life, and surveys six major Swedish fashion companies' transparency and efforts in relation to preventing waste and ensuring circularity. We find that while circularity features prominently in the companies' communication and initiatives, transparency regarding waste flows, unsold stock, and end destinations remains limited, thereby constraining accountability. Moreover, only two companies have set time-bound targets to increase revenue from circular business models, indicating a lack of strategic direction for systemic change. Finally, although a majority of the companies disclose production volumes, none of them demonstrate a clear ambition to achieve absolute reductions, further weakening the transformative potential of their commitments.

This is concerning. The problem of waste in the fashion industry does not start with overconsumption or failure in managing the waste – it starts with massive production volumes. Which is a result of the business models themselves being fundamentally linear. If we cannot reduce volumes of new clothes, circular initiatives will never be able to keep up. Policies and corporate strategies that fail to address absolute production levels therefore risk treating the symptoms rather than the root cause of the problem.

At the same time, circular initiatives must be scaled up. But to ensure that circularity contributes to a genuinely just transition, those currently bearing the social and environmental costs of the fashion industry – particularly workers in global supply chains and communities managing textile waste – must be meaningfully included in the design and governance of solutions. Without doing so, circular business models risk becoming yet another exploitative industry.

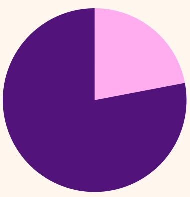
Fashion Waste – What is it All About?

A wardrobe overflowing with clothes, most of which are never or rarely worn – sound familiar? It's not just your wardrobe. This reflects the fashion industry at large; it produces way more clothes than anyone is ever going to need. So, what happens to all these clothes that are never worn or that are used and discarded? And what can we do to reduce the waste? This report analyses the root problem of fashion waste and what is being done to fix it (and what is not being done). We will get to the bottom of waste in the fashion industry.

To get started, let's clarify what we actually mean by waste. It may seem obvious but in reality, it is complex. Waste is commonly defined as unwanted matter, material or objects[1]. Drawing on such a definition, for something to be "waste", it does not need to be either broken, worn-out or unusable, it could still hold value. Clothing which someone donates or throws away is therefore a form of waste, but it could be viewed as a resource to someone else. "One man's trash is another man's treasure" – kind of reasoning.

The Beginning of Waste in Fashion: Overproduction and Overconsumption

No one knows exactly how many clothes are produced each year, as only 12% of the largest 250 fashion companies disclose their annual production volumes[2], but it is in the billions. Global textile fibre production has almost quadrupled in 50 years, to 132 million tonnes in 2024, of which polyester accounts for 59%[3]. All of these clothes will eventually become waste in one form or another.



DURING PRODUCTION

21, 9%

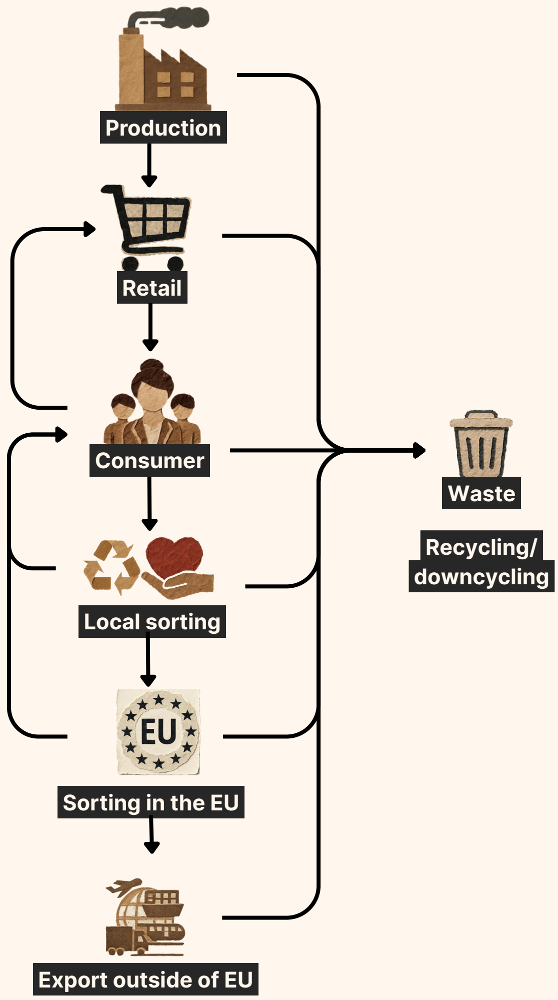
of fiber input is estimated to go to waste.

But the fashion system generates excess textiles before clothes ever reach consumers. First, during production, 21,9% of fiber input is estimated to go to waste[4], so-called pre-consumer waste. Next, a large amount of the produced clothing goes unsold, so-called deadstock. The data on deadstock is scarce, but the European Environmental Agency (EEA) estimates that the average share of unsold textile products is at 21%, out of which about 20% is destroyed[5]. In addition, high return-rates drive the same issue, where up to 43% of returned clothes end up being destroyed[5].

Consumers are often portrayed as the problem - as if overconsumption of clothing is purely a matter of individual choice and not a result of intense marketing campaigns. Research shows that the fashion industry actively drives and shapes consumer demand through rapid product cycles and trend acceleration in fast fashion[6]. Many consumers are however turning to second-hand, and the Swedish second-hand market continues to expand, especially online, with around 12% of consumers buying second-hand fashion each month[7]. Reuse is clearly part of everyday life for many, yet intentions rarely match impact. Structural barriers dominate: repair services are limited and marketing, prices and ever-changing trends favor fast fashion. And the increase in second-hand does not necessarily reduce new consumption; only about 50% of second-hand purchases in Sweden are estimated to replace the purchase of a new item[8]. In fact, knowing that you can later sell your new garment second-hand might make you more willing to buy it in the first place[9].

As a result of fast fashion and ultra-fast fashion, the usage pattern of the clothes are far from sustainable: a typical T-shirt in Sweden is worn ~30 times, cheap fast-fashion items only 7–8 times[10]. To stay within planetary boundaries, a garment should be worn ~270 times[10].

These low usage rates are driven by design, pricing, trends and convenience - not necessarily consumer unwillingness. Fashion sustainability is not only about durability (the material value of a product) but importantly about the symbolic value – the cultural and social meaning we ascribe to it[11]. In other words, if clothes are perceived to be untrendy, they will be discarded even if they are still in good condition. Today fashion companies may release new "micro seasons" as often as every week[12], inevitably shortening the symbolic lifespan of clothing.



Simplified illustration of textile/waste flows

Life after death: The Value Chain of Used Clothing

While most used textiles in the EU end up in mixed household waste, about 28% is collected separately for reuse and recycling[13]. These can be donated to charities, returned through fashion companies' take-back programmes, or sorted at recycling centres. The used textiles may then be resold locally, elsewhere in Europe or abroad, used for insulation or to make cloths (a form of downcycling – making something into something of lesser value), or to a very limited extent be recycled into new clothes.

Reuse and Recycling

In 2025, a new textile law that mandated separate collection of used textiles was introduced in Sweden. This not only called attention to the massive amounts of used textiles in circulation but also the lack of infrastructure to handle the scale of the waste. Many second-hand stores reported receiving increased amounts of torn or unusable clothing, increasing the time and labour required for sorting, while also shifting the burden of disposing of unsellable textiles onto charities[14]. Kristin Ivarsson, secretary-general at Björkåfrihet, a non-profit second-hand, told Syre "It is not realistic that we as a non-profit organisation should bear the costs for managing textile waste"[15].

Marcus Jäger, service developer at SÖRAB, a regional waste management company, similarly explains how volumes of textile waste increased at their facilities following the requirement of separate textile collection. Due to the sudden surge, their partner organisation Human Bridge, responsible for sorting, resale, and export of the collected textiles, reached capacity. In August 2025, they were forced to temporarily stop accepting new inflows of textiles in Stockholm[16]. The same was true for similar enterprises working with managing used clothes and textile waste in Sweden. In other words, while Swedish households were willing to sort their textile waste, the system lacked the capacity to manage it. This raises a crucial question: why were these textiles not directed towards reuse or recycling?

> **It is not realistic that we as a non-profit organisation should bear the costs for managing textile waste**
>
> **Kristin Ivarsson (Syre[15])**

According to Marcus, a fundamental prerequisite for reuse, sorting, and recycling to function is the existence of sufficient demand for the used products and recycled materials – and today the demand cannot match the massive supply. Without a market for reused clothes or recycled fibres, increased collection simply shifts the burden downstream. Recycling is particularly challenging. Most clothes are made from blended materials, include non-textile components that need to be removed by hand, arrive mixed with other textiles, and are often dirty or damaged. As a result, despite growing attention to circularity, it is estimated that less than 1% of used textiles are recycled into new fibres[3,4].

Exporting the Problem

A majority of the used clothing collected in Europe eventually ends up in Asia or in Africa[17]. These exports of used textiles have tripled from Europe over the past 20 years[17]. The exports are intended for reuse or recycling and there are many whose livelihoods depend on this second-hand trade. However, due to poor quality or unsuitable styles, the EEA estimates that in Africa only about 60% can be resold in practice[17]. In Asia, most imports seem to be either downcycled or re-exported to other Asian countries or to Africa[16]. The growing international waste and recycling industry is underreported but case studies show extremely poor working conditions for those working with textile recycling internationally[18]. Here we take a closer look at the reality of the clothing exports in two African countries each receiving over 100 000 tonnes of used textiles a year (equivalent to over one-fourth of H&M Group's annual production volumes)[19,20].

Photo: Paula Martinez

Ghana: Fast Fashion Graveyards

Ghana is one of the world's largest importers of second-hand clothing[21]. Samuel Quashie-Idun, Head of Investigations at Greenpeace Africa and an investigative journalist, explains how the export of second-hand clothing, driven by fast fashion and poor product quality, risk becoming a form of legalised dumping where environmental and social consequences are relocated to countries far from the point of production and intended consumption.

> Our people are suffering because of this
>
> Samuel Quashie-Idun

Ghana houses one of the world's largest second-hand clothing hubs – the Kantamanto Market in Accra, which is a key source of affordable clothing and where many make their living from retailing second-hand clothing, tailoring and repair. But traders here operate under economic risk; they buy sealed bales without knowing their contents and therefore the value of their purchase. Due to poor quality linked to fast fashion, over 40% of these clothes are unsellable upon arrival. Many garments are already falling apart, are heavily worn, or unsuitable for Ghana's climate, such as winter clothing. With limited waste management capacity and already overfilled landfills, unsellable textiles are often dumped, burned, or discarded in nature, accumulating on beaches, wetlands, open dumping sites, and in marine environments. Some wetlands have been described as "fast fashion graveyards"[22].

According to Samuel, field investigations in Kantamanto, coastal areas, and Old Fadama in Accra reveal severe environmental and social impacts from the textile waste. Greenpeace Africa finds that almost all clothing waste they tested at dumpsites, around 89%, contains fossil fuel based synthetic fibres that break down into microplastics and release hazardous chemicals into soil, water, and air[21]. In Old Fadama, textile waste is burned to heat public washhouses, exposing residents to serious health risks. Fishing communities are also affected as discarded textiles clog beaches and fishing nets. Reflecting on the situation, Samuel states, "I can't even explain how being on that beach felt," adding that "the fishing community still works there every day".

Samuel emphasises that effective solutions must be developed based on the actual needs of people in Ghana, by inviting them to dialogue with the exporting actors. A full ban on second-hand clothing imports is not the solution, given its importance for livelihoods and access to affordable clothing. Instead, he calls for restrictions on textile waste exports, clearer quality requirements at the export stage, and greater responsibility from exporting countries and fashion companies.

Uganda: Labour Conditions in the Second-Hand Sector

Irene Lanyero, a trade union activist, has been working with the Uganda Textiles Garments, Leather and Allied Workers Union for years on issues concerning both local textile production and informal second-hand trade. The picture she paints is that of an essential industry, but that is plagued by bad working conditions and harmful textile waste.

Several countries have attempted to ban imports of used apparel, and in Uganda such a ban was declared in 2023[23], however it was not enforced. According to Irene, this is good as imports are needed to meet local demand and as the second-hand sector employs roughly 700,000 people[24], but the imported clothes also include unsuitable or low-quality items.

Irene tells us that Uganda is a hub for upcycling and remake, where traditional African textiles are combined with second-hand clothes otherwise destined for landfill. The solution is therefore not a complete ban, but rather to ensure that labour- and human rights are respected, and that waste is managed correctly. Today Uganda lacks sufficient waste infrastructure, and so unwanted textiles often end up in open spaces such as illegal dumpsites, causing pollution and leakages straight into swamps feeding major freshwater sources. In 2024, a landslide at a major dump site claimed 21 lives and displaced around 1000 people[25].

Photo: Irene F. Lanyero

Sorting facilities are really informal in nature. I would not recommend anyone to work there

Irene Lanyero

Irene further explains that most people working with waste management, in sorting facilities, and the second-hand market, are informal workers who face serious safety and health risks. The exported clothes arrive pressed in heavy bales, often requiring workers to manually haul hundreds of kilograms, straining their bodies. Respiratory issues caused by bad air quality in the second-hand markets, high noise levels due to sewing machines and heat stress from ironing with a traditional charcoal method further expose workers to unsafe working conditions.

As human rights are widely overlooked in the second-hand sector in Uganda, the circular business model risks reproducing the same exploitative labour practices found in the sweatshops in new production.

Looking forward, Irene reiterates the need for including informal sectors in human rights legislation and due diligence, as well as increased cooperation between supply chain entities where workers are included. Awareness-raising about the products' end-life is crucial to ensure meaningful circular practices, where imports meet Uganda's clothing demand without compromising workers' health.

Shifting Responsibility Upstream

The story of fashion waste, from overproduction and consumption to the treatment of used textiles - including the limits of reuse, recycling and the massive exports - reflect the complexity of the waste problem. It also contradicts the common conception that overconsumption is the main culprit of fashion waste, when in reality consumers are a part of a system that incentivises quantity over quality and where we cannot sustainably manage the textile waste. The responsibility cannot rest on consumers alone, not when companies set production volumes, determine quality and durability, and continuously accelerate trends, and not when policymakers shape the regulatory environment that allows this system to keep expanding. Meaningful change must therefore take place where the real power lies: with businesses and lawmakers who can address the structural drivers of waste rather than its symptoms.

The realities on the ground – from environmental degradation, unsafe working conditions in second-hand markets to overwhelmed waste infrastructures – show the urgent need for stronger upstream accountability. Companies must rethink production models that rely on overproduction, and policymakers must ensure that those placing products on the market are held responsible for their full impact, from design to end-of-life. The following sections explore how political initiatives aim to shift responsibility, and how Swedish fashion companies position themselves when it comes to preventing waste.

EU Regulations: Redefining Accountability in the Textile Sector

Voluntary guidelines and principles have long been the norm in the fashion industry – as compared to legislation or legally binding agreements. Guidelines such as the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, have stated that companies have a responsibility to respect human rights and to protect the environment. Yet such voluntary initiatives have proven to be inefficient[26], why legislation is key to a system shift.

To tackle the problem of growing textile waste, the EU is introducing new rules that will reshape responsibility in the sector. While complex and still evolving, the core idea of the new rules is simple: **producers should be responsible for the full life of their products.** A growing point of discussion is the introduction of Extended Producer Responsibility (EPR) for textiles and footwear, a measure that will require brands to take responsibility for the end-of-life management of the products they place on the market[27]. The idea of the EPR is built on the polluter pays principle: companies that place textiles on the market are responsible for financing what happens to them after use. In practice this would entail that producers must register, report volumes by weight and fund collection, sorting, reuse and recycling.

The introduction of an EPR scheme is a step in the right direction, however its possible effect on reducing negative environmental impacts and promoting circularity within the industry hinges on how it is implemented. The EU has set minimum requirements, however Sweden will develop national EPR regulations and here there is an opportunity to shape these regulations in a way that not only make producers pay for waste management but that actually promotes a sustainable shift. The Swedish Environmental Protection Agency raises several such policy considerations[28], for example the introduction of eco-modulation fees and criteria to curb fast fashion weighed against the likely increased administrative burdens and challenges in harmonising requirements. Advocates for such differentiated fees and criteria, such as the Swedish Society for Nature Conservation, argue that they are vital to stimulate innovation and manage fast fashion[29].

Other initiatives focused on promoting product design and transparency complements the EPR. The Ecodesign for Sustainable Products Regulation (ESPR) sets requirements for product design to ensure clothes are designed to last longer[30]. This regulation will introduce binding rules on durability, reparability, recycled material content, transparency and certain chemical aspects, along with a ban on the destruction of unsold clothes and shoes coming into effect in 2026. But while it strengthens requirements for better design and tackles waste from unsold goods, it still does not regulate how much is produced, what happens to unsold exported goods or fully address the environmental impacts from sourcing and production.

A measure included in the ESPR is the Digital Product Passports (DPPs) that aims to improve transparency and traceability of products by giving every garment a digital identity card[30]. This supports the ESPR enforcement and allows EPR fees to be calculated based on real product characteristics.

Photo: Yevgenia Belorusets, CCC

Extended Producers Responsibility (EPR) for textiles and footwear will make producers financially responsible for the end-of-life management of the products they put on the market. EPR will apply to all sellers, including online platforms and non-EU companies. EPR fees can be adjusted through eco-modulation, rewarding durable and reusable products while penalising short-lived ones.

The Ecodesign for Sustainable Products Regulation (ESPR) sets requirements for the design of products. It also includes a ban on destroying unsold clothes and shoes. One measure in ESPR is the **Digital Products Passports**, a digital identity card for products ideally including transparent information on materials, design, sourcing and selected chemical and environmental data.

Together, these measures aim to establish a baseline of accountability, by shifting responsibility from municipalities and consumers to producers. This also promotes the waste hierarchy (reduce, repair, reuse, recycle) and improves transparency and traceability. Although these regulations move responsibility upstream to a larger extent, they do not tackle all challenges, for example they do not limit:

Photo: CCC Image-repository

- **Absolute production volumes –** The rules don't control how much clothing is produced or prevent waste at the source, so overproduction continues largely unchecked.
- **Hidden flows –** Pre-consumer waste remains invisible and unregulated.
- **Export outcomes –** Where exported volumes actually end up remains unregulated, opaque and uncertain.
- **Fee design and financing -** It is unclear whether EPR fees should stay local or follow the actual material flows and how this affects support for domestic reuse, recycling and accountability for exported textiles.
- **Environmental and social impacts –** Land, water, biodiversity and social safeguards are not fully or explicitly embedded across the circular value chain.

Assessing Swedish Fashion Companies' Transparency and Circular Ambition

The new EU legislations may contribute to changing the industry at its core by shifting the focus on responsibility from consumers to producers. Considering the challenge of overproduction - waste volumes and the limited capacity to manage waste - this is a necessary shift. However, we already know that there are possible gaps in the upcoming regulations. Moreover, we know that legislation takes time, may eventually be watered down (as in the case of the Omnibus package scaling back CSRD and CSDDD[31]), or suffer from poor implementation. We therefore now direct our attention to the fashion companies directly – how transparent and ambitious are Swedish fashion companies when it comes to preventing waste and ensuring circularity?

We have surveyed six Swedish fashion companies: H&M Group, Kappahl Group, Lindex Group, GANT, Gina Tricot and Lager 157. We have examined how the companies report on production volumes, targets to reduce absolute volumes, unsold stock, textile waste, textile-to-textile recycling, and the collection and treatment of used clothes. We have also assessed if the companies disclose revenues from circular products and services and whether time-bound targets for increasing circular revenues are in place. The analysis is based on publicly available sustainability information, in particular the fashion companies' 2024 sustainability reports. All companies have been invited to review our results and provide further information to clarify any ambiguities. A summary of the results is presented on the next page, a detailed overview of the results can be found in Annex 1.

The companies' transparency regarding their sustainability efforts and their engagement with our survey differs. For example, Lager 157 does not publish a sustainability report, provides only very limited sustainability information on their website, and did not respond to our inquiry regarding validating the survey results. In contrast, the other reviewed companies all publish sustainability reports and engaged in dialogue concerning this study. Gina Tricot refers to reporting in accordance with the GRI Standards but chose not to provide additional comments beyond publicly available disclosures.

Overview of survey findings

QUESTIONS	H&M GROUP	KAPPAHL GROUP	LINDEX GROUP	GINA TRICOT	LAGER 157	GANT
DOES THE COMPANY PUBLICLY REPORT ITS TOTAL PRODUCTION VOLUMES?	YES	YES	YES	YES	NO	YES
DOES THE COMPANY HAVE TIME-BOUND TARGETS TO REDUCE ABSOLUTE PRODUCTION VOLUMES?	NO	NO	NO	NO	NO	NO
DOES THE COMPANY DISCLOSE THE TOTAL VOLUME OF UNSOLD STOCK?	SOMEWHAT	YES	NO	NO	NO	NO
DOES THE COMPANY DISCLOSE WHAT HAPPENS TO UNSOLD STOCK?*	SOMEWHAT	SOMEWHAT	NO	SOMEWHAT	NO	SOMEWHAT
DOES THE COMPANY REPORT TEXTILE WASTE GENERATED DURING PRODUCTION/PRE-CONSUMER WASTE?	YES	NO	NO	NO	NO	NO
DOES THE COMPANY PUBLISH THE SHARE OF THEIR MATERIALS THAT COME FROM TEXTILE-TO-TEXTILE RECYCLING?	YES**	NO	NO	YES**	NO	YES**
DOES THE COMPANY HAVE A PROGRAMME FOR THE COLLECTION OF USED GARMENTS IN PLACE?	YES	YES	YES	YES	NO	YES
DOES THE COMPANY DISCLOSE THE AMOUNT OF GARMENTS COLLECTED?	YES	YES	NO	YES	N/A	NO
DOES THE COMPANY DISCLOSE THE TREATMENT OF COLLECTED GARMENTS (EG. REUSE, RECYCLING, DESTRUCTION)?*	YES	SOMEWHAT	SOMEWHAT	SOMEWHAT	N/A	SOMEWHAT
DOES THE COMPANY DISCLOSE REVENUE FROM CIRCULAR PRODUCTS AND SERVICES?	YES	YES	YES	NO	NO	NO
DOES THE COMPANY DISCLOSE TIME-BOUND TARGETS TO INCREASE CIRCULAR REVENUE?	NO	YES	YES	NO	NO	NO

**If the company discloses the share of garments being reused/recycled/destroyed, the company receives a "Yes", if only disclosing partner organisations or very limited information, they are denoted as "somewhat"*

***All report the share of recycled cotton and H&M also reports recycled down*

Circularity – talk or action?

The big buzz word for 2025 within sustainability was “circularity”. This is reflected in the fashion companies' sustainability disclosures. In fact, the words “circular” and/or “circularity” appear an abundance of times in their sustainability reports; H&M - 49 times, Lindex - 130 times, Kappahl - 48 times, Gina Tricot - 34 times, GANT - 30 times. On Lager 157’s webpage about sustainability it appears 3 times. Circularity is clearly publicly on their agenda, but is this reflected in measurable and concrete numbers and information?

Photo: Irene F. Lanyero

Only half of the companies (H&M, Kappahl and Lindex) disclose their revenue from circular products and services, and these are all below one percent of their total revenue. Further, only Kappahl and Lindex have time-bound targets to increase revenue from circular products and services. While it is positive that these commitments exist, one may question whether the low ambition level of the targets is enough to have any meaningful impact on system change. Time-bound targets that are ambitious is vital for it to become a strategic priority and to drive business decisions[32]. Thus, this lack of disclosure and targets highlights the gap between circular talk and circular action, as identified in earlier reports by Fair Action[33].

Initiatives which are often emphasised by fashion companies themselves as embracing circularity are in-store take-back programmes, where consumers can donate their used, unwanted products. Five of the six fashion companies reviewed here, have this type of programme in place. However, only H&M discloses data on what happens to these collected clothes, specifying how much is directed for reuse/recycling/or destruction, others mainly refer to partner organisations working with reuse or recycling. As we know, many donated used clothes are exported for reuse or recycling, but their fates are uncertain and a large share eventually ends up being dumped – harming both nature and local populations.

Waste and the myth of recycling

While most of the reviewed companies discuss the issue of waste and mention initiatives to reduce waste in production and their own operations, there is a stark lack of transparency regarding the scope of this waste. Only H&M discloses the amount of textile waste generated during the production of their products. Among the other companies, reasons to not disclose such information range from difficulties in attributing production waste to their specific company as supplier factories often produce for various fashion companies, to simply choosing not to. As we have previously explained, pre-production waste may account for over 20% of all materials used in the production of our clothes[4]. It is therefore important to acknowledge this waste stream and not simply focus on the waste of used clothing.

A majority of recycled textiles are made from PET-bottles

(Textile Exchange[3])

When it comes to recycling, very few of the companies disclose materials from so-called "textile-to-textile recycling", that is, textiles recycled from textiles. This is different from simply stating recycled textile materials, because most often this is polyester from recycled PET-bottles[3]. There are a few problems with this type of recycling: 1) recent studies show that recycled polyester releases more microplastics than virgin polyester[34], 2) once the PET-bottles have been made into polyester they can no longer be recycled (since less than 1% of textiles get recycled into new textiles[3,4]). So, instead of keeping the PET-bottles in closed-loop recycling where they can continue to be recycled many times, they are used for polyester and so we have a growing need for virgin plastic for the PET-bottles.

Three out of the six fashion companies do however disclose the share of recycled cotton and H&M also discloses recycled down, yet none disclose an aggregate of textile-to-textile recycled materials. The share of recycled cotton also remains extremely limited for Gina Tricot and GANT (reflecting the global recycling rate of less than 1%), for H&M it is at 12%. Despite these limits, we welcome these disclosures. By making the effort to disclose this information, the companies create a basis for accountability, as public reporting makes their performance visible and therefore more difficult to justify if progress remains limited.

When discussing textile recycling we should also not forget that there are concerns over the labour conditions, as there have been reports of unsafe and exploitative working conditions[18]. Textile recycling in its current state is therefore not the magic solution to waste management and circularity.

Speaking of volumes

As the demand and capacity for reuse and recycled textiles is limited, we must address the issue of production volumes. A majority of the companies (five out of six) publicly report production volumes. Compared to the global share of major fashion companies it seems that Swedish fashion companies are more transparent in this regard.

However, even though transparency on production volumes is largely good, creating a basis for accountability, none of the reviewed fashion companies have targets to reduce their absolute volumes. **In general, the companies more frequently disclosed their initiatives rather than measurable targets.** When refraining from disclosing time-bound targets, the companies lack a clear direction for progress, as measurable and time-bound commitments are necessary to guide systemic change and enable meaningful evaluation of performance.

Instead of targeting absolute volumes, the preferred action by many of the companies appears to be “optimisation” of production volumes. That is, aiming to reduce unsold stock. In our survey, only Kappahl clearly states the share of their produced products that go unsold, amounting to 0,1% of their produced goods. This is a lot less than the average 20% unsold products estimated from available studies[5]. Both Lindex and GANT inform us that they will enable this information in coming reports.

Not setting targets to reduce absolute volumes speaks volumes.

Conclusions

This report makes one thing clear: today's fashion system generates more waste than our societies can meaningfully manage. From pre-consumer waste in production to mountains of unsold stock and the enormous volumes of used clothes discarded after short life spans – the system produces waste at every stage. Even when consumers act responsibly (sorting, donating, or returning clothes) the capacity to reuse or recycle these textiles is far from sufficient. As shown, only a fraction can be resold locally or be recycled, while the majority is exported to countries that, while also relying on the imports, are struggling to keep up with the large quantities of low-quality or damaged items. The environmental and social costs of this overflow are therefore shifted to workers and communities far from the point of production and initial consumption. Which brings us to the next question – what can we do to fix it?

The new EU regulations, including the Extended Producer Responsibility (EPR), represent an important step toward shifting responsibility upstream. By making producers financially accountable for the end-of-life of their products, the legislation can help reduce the burden currently placed on consumers, municipalities, and communities managing imported textile waste. The regulations also promise improvements in durability, design, traceability, and transparency. However, crucial gaps remain.

The legislation does not regulate absolute volumes, nor does it clearly define responsibility for exported waste or embed social protections for workers in the circular value chain. As such, if not implemented wisely, EPR risks becoming a mechanism through which companies pay to compensate for growing volumes – rather than being incentivised to prevent waste at the source. Without requirements or hard incentives to reduce production or guarantee labour rights, circular systems risk replicating the same social and environmental harms associated with fast fashion.

If not implemented wisely, EPR risks becoming a mechanism through which companies pay to compensate for growing volumes – rather than being incentivised to prevent waste at the source.

Our survey of Swedish fashion companies reveals a persistent gap between circularity rhetoric and measurable, transparent ambition. Only two of the six companies have set time-bound targets to increase revenue from circular business models, indicating limited strategic direction for a structural shift.

And the targets that are displayed show too low ambitions. While circular initiatives such as in-store take-back programmes are becoming more common, most companies primarily refer to partner initiatives, with little transparency regarding where collected items ultimately end up. At the same time, disclosure of pre-production waste and unsold stock is largely absent. Textile-to-textile recycling is frequently presented as a key solution, yet its current technical and commercial capacity remains extremely limited – a reality reflected in the fact that only half of the companies disclose data on such recycling, and only for specific materials, not an aggregated share. More broadly, limited transparency across these areas constrains meaningful accountability, as stakeholders lack the information necessary to assess performance and progress.

> **If your bathtub is overflowing, do you start to mop or do you first turn off the tap?**
>
> **Malin Wennberg**

Although improved disclosure of production volumes is a positive development, none of the reviewed fashion companies have adopted time-bound targets to reduce volumes in absolute terms. Taken together, these findings suggest that while circular initiatives are steps in the right direction, their limited scale and insufficient transparency cannot compensate for continued high production levels. Without clear targets, comprehensive disclosure, and a commitment to reducing overall production volumes, circularity risks functioning as a peripheral strategy rather than a transformative one.

Increased reuse

+

Increased new production

=

Even more clothes in circulation

(and we already have more than we need)

As long as trend cycles accelerate and clothing becomes symbolically obsolete long before it is physically worn out, ever-increasing volumes of clothes will be produced, bought and discarded. Even if reuse and recycling increases the mathematics of circularity does not add up if new production continues to grow. As Malin Wennberg, marketing researcher with a focus on the phenomenon of sustainable fashion and part of Fair Action's board, nicely put it: "If your bathtub is overflowing, do you start to mop or do you first turn off the tap?".

Despite the challenges, the path toward a more sustainable and just fashion system is within reach. Sweden now has a unique opportunity: through strong, forward-looking implementation of EPR and related EU policies combined with ambitious companies, the country can set a higher bar for responsibility, transparency, and waste prevention. A Swedish EPR framework implementation that includes eco-modulation, clear responsibilities for exported textiles, and alignment with workers' rights- both upstream and downstream – would meaningfully accelerate the transition.

Change is possible. But it requires speed and ambition. If circularity is truly the vision that the fashion companies claim it to be, then the next step is unavoidable: new primary production must decrease, while circular services grow in scale and credibility. This requires meaningful collaboration with workers and communities affected by the circular transition. Ambitious and swift implementation in Sweden is not only key – it is the lever that can turn circularity from rhetoric into a fair reality.

Recommendations

Progress is being made; companies increase the use of recycled materials, aim to optimise production, and increase circular revenue; new legislation and policy is developed; and consumers are now more prone to buying second-hand and donating unwanted clothes. These efforts matter.

There are indeed challenges to reducing waste in fashion – it is a complex system involving a wide variety of stakeholders. Which is also why true circularity requires environmental and social justice from the start. This entails rethinking business models, managing production volumes, and collaborating across the value chain when developing solutions. Not least to identify areas often overlooked in legislation, such as labour conditions upstream and downstream, the fate of exported textiles, and what factors drive overproduction.

In the coming pages we have included recommendations to companies, policymakers, and consumers to consider when taking the next step.

Companies

1. **Improve transparency and accountability:** Disclose production volumes, waste, unsold stock, returns and collected clothes - and where it all ends up.

2. **Reduce absolute volumes:** Set targets to reduce absolute production volumes to shift focus away from quantity-driven growth.

3. **Scale circularity:** Set ambitious targets for circular revenue, scale circular services to decouple revenue from new production, and design for longevity, reusability and recyclability – taking into account both material and symbolic values.

4. **Integrate social and environmental justice as a condition for circularity:** Including living wages and safe working conditions upstream and downstream.

5. **Integrate meaningful stakeholder engagement:** Collaborate with workers as well as suppliers, charities and waste handlers when developing circular roadmaps, ideally also together with other companies, authorities and local communities.

6. **Support union approaches** towards safe working conditions for all workers.

Policymakers and Legislators

1. **Involve all stakeholders** in the development of legislation, including but not limited to workers, unions, charities, local communities, companies, suppliers, and waste handlers.

2. **Ensure that policy reflects the environmental and social impacts** across the value chain.

3. **Ensure that producer responsibility does not end at export.**

4. **Implement eco-modulated fees** that rewards durability, repairability, quality, reuse and volume reduction, not just payment compliance.

6. **Use EPR fees to strengthen domestic circular action while also considering real cross-border flows.**

Consumers

Consumer behaviour alone will not solve the problem of waste, but you still have power to reinforce new norms.

1. **Ask questions to companies:** Demand transparency and action on production volumes, waste flows and labour conditions.

2. **Take action:** Contact policymakers, organise manifestations, sign petitions, join movements in solidarity with workers, donate to a labour rights organisation, or join a mailing list – opportunities are endless.

3. **Consume consciously:** Use what you have, repair instead of replace, and buy fewer, better-quality items. Choose resale, rental, and sharing to reduce new production, keep clothes in circulation for as long as possible, and sort textiles responsibly when they can no longer be used.

Method

This report is based on information collected through desk study, interviews, and a survey of six Swedish fashion companies; H&M Group, Kappahl Group, Lindex Group, GANT, Lager 157 and Gina Tricot. They were selected based on their revenue in 2024, their focus on ready-to-wear fashion, and mainly selling their own brand items. Information regarding annual turnover was collected from Allabolag.se.

The survey was conducted by reviewing the fashion companies' 2024 sustainability reports. Lager 157 does not release sustainability reports, instead information found on the web page https://www.Lager157.com/sv-se/hallbarhet/ was included in the survey. All fashion companies were reviewed based on the same set of questions, a detailed overview of the questions and results can be found in Annex 1. The questions in the survey were chosen to reflect both circular ambitions and potentially hidden waste streams, to assess the companies' efforts in preventing textile waste.

The findings were then sent to each of the companies for verification along with some questions of clarification which the fashion companies had the possibility to respond to. All fashion companies except Lager 157 responded to this inquiry, Gina Tricot informed us that we should refer to their public information with no further comments.

To better understand the issue of fashion waste, conversations with actors in the supply chain of used clothing were held. These were with; Sam Quashie-Idun Greenpeace Africa, head of investigations at Greenpeace Africa and an investigative journalist who have been working on issues related to textile waste; Irene Lanyero, trade union activist working with the Uganda Textiles Clothes, Leather and Allied Workers Union; and Marcus Jäger, Service Developer at SÖRAB, a regional waste management company.

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