



# Circular Economy Toolkit for Fair Trade organisations



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## 1. Preface

Dear readers,

The current pandemic and economic situation has strongly highlighted what Fair Trade Enterprises have been advocating for in the past years: the need for a fair and sustainable economy, able to address simultaneously both social and environmental standards.

As highlighted in the report by WFTO Global and others in January 2020 “Creating the new economy: business models that put people and planet first”, Fair Trade Enterprises are leading this revolution in business due to their inner characteristic of being mission-led business models, able to prioritise social and environmental goals in their investments, practices and impacts.

As Principle 10 of Fair Trade has been updated to ‘Climate Crisis and Protecting our Planet’ by WFTO membership in September 2019, a clear call for stronger actions within WFTO in support of environmental standards was launched. Towards this aim, this toolkit is designed to make it easier for Fair Trade and social enterprises to go further in their environmental practices by embracing circular economy.

Circular economy is about constantly repeating cycles of learning to improve our practices, as much as it is about rethinking the trade and production patterns our businesses are built upon. The following pages should give Fair Trade and social enterprises inspiration for both, provide easy tips for improving further and finally, show them where to learn more.

At WFTO-Europe we believe that inspired by these advices, Fair Trade Enterprises could go even further in leading the revolution in business and providing concrete examples for the new fair and sustainable economy we need to create.

Francesca Giubilo  
Regional Coordinator for the European branch of WFTO

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Throughout the publication, the following boxes will guide the reader to complementary resources:



*Best Practice*



*Tool*



*To go further*

## 2. The context in which we operate

### 2.1. Concepts & Definitions

For millennia our economies were circular. Materials used to build tools, shelter or clothing came directly from nature. Over time, craftsmanship and specialisation improved our quality of life by providing a growing range of products, which until recently were repaired for as long as possible, until disposal when their components and materials were recovered to be reused in the fabrication of new products. This circular system closely resembles the life cycle in nature, where living species are born, consume natural resources to live, and upon death are entirely decomposed to feed into a new life cycle.

Yet with the advent of the 1<sup>st</sup> industrial revolution in the early 1800's, humankind was at the dawn of a period of tremendous innovation and increased productivity, which radically grew our impact on the natural environment. For a couple of centuries, the blink of an eye relative to the 3.8 billion years of Research and Development by nature to find optimal circular processes, we believed erroneously that the earth's resources were limitless. We became convince that our economy could be linear, that we could take resources, make products and dispose of them when they were no longer desired. This has even taken us to an absurd situation where obsolescence is actually programmed into the design of products, to reduce their lifespan and encourage their replacement. Yet, as said with a certain self-mockery by American economist Kenneth Boulding, "Anyone who believes in indefinite growth in anything physical, on a physically finite planet, is either mad or an economist".

The negative environmental impact of our linear economy is increasingly at the forefront of global agendas, not only among policymakers and civil society, but also within the business community. Beyond the depletion of natural resources, our current linear models are also having the dramatic effects on the environment through CO2 emissions, climate change, biodiversity loss...

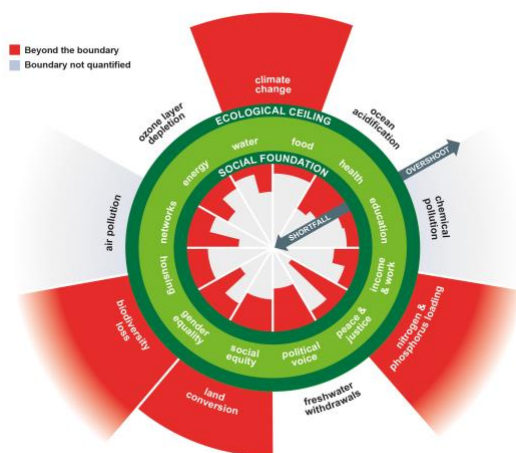


Figure 1- Doughnut Economics  
(<https://www.kateraworth.com>)

Our challenge is to make the transition back from the current linear “take – make – dispose” economy, towards a circular model, where flows of materials and energy are not only preserved but regenerated in an endless cycle. Such an approach will help our economies reduce their environmental impact to remain within the limits beyond which natural resource depletion is faster than nature's capacity to regenerate them.

Combining these upper environmental limits with the lower social minima below which we should not operate in order to ensure the basic rights of individuals are met, leaves us with an “environmentally safe and socially just space in which humanity can thrive”, termed by Kate Raworth as the Doughnut Economy<sup>1</sup>.

<sup>1</sup> <https://www.kateraworth.com/doughnut/>

This toolkit will focus on the outer environmental limits, exploring how Fair Trade organisations might transition to a Circular Economy, defined by the Ellen MacArthur Foundation as “based on the principles of designing out waste and pollution, keeping products and materials in use, and regenerating natural systems”<sup>2</sup>.

#### OUTLINE OF A CIRCULAR ECONOMY

##### PRINCIPLE

# 1

Preserve and enhance natural capital by controlling finite stocks and balancing renewable resource flows  
ReSOLVE levers: regenerate, virtualise, exchange

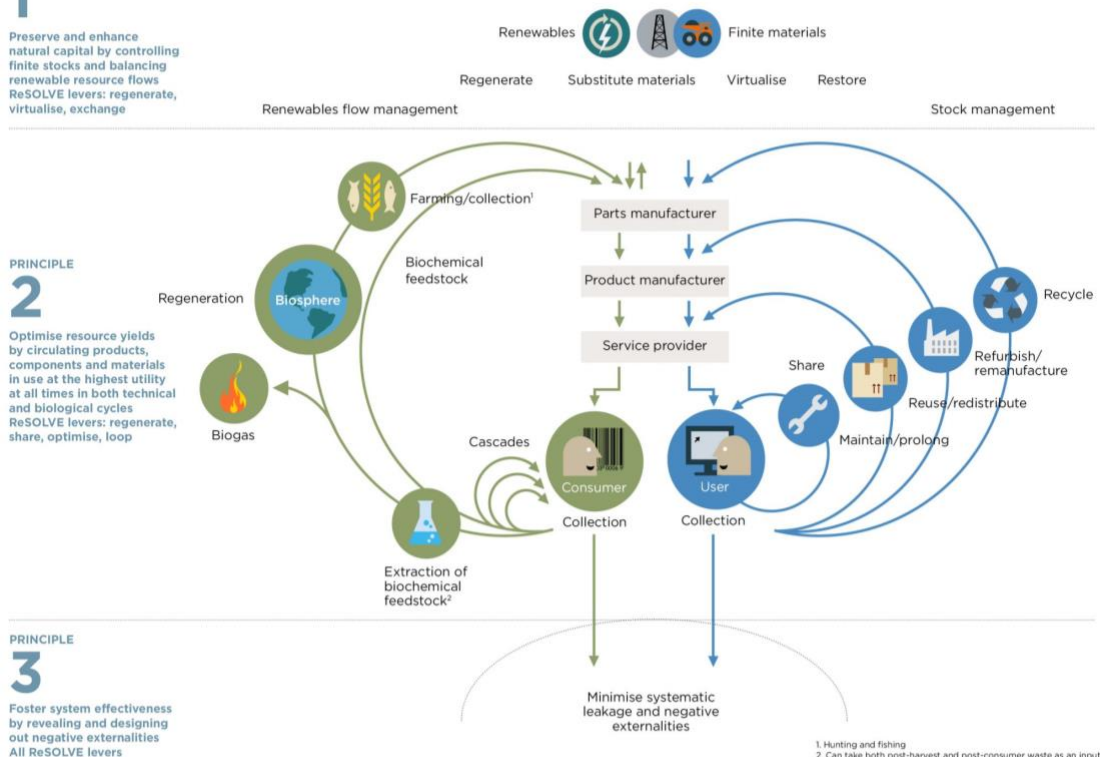


Figure 2 – Ellen MacArthur “butterfly” diagram to outline a Circular Economy  
(<https://www.ellenmacarthurfoundation.org>)

As illustrated in Figure 2 above, the circular economy is divided into two material cycles, that of technical materials which we produce (blue cycles on the right), and that of biological materials from nature (green cycles on the left). Optimising these cycles throughout their life cycle is the basis for a circular economy. In the “butterfly” diagram the inner loops preserve more value than outer loops, enabling us to prioritise among circular options. As an example, the Recycling loop (external loop in technical material flows) preserves less value than Reuse, since with recycling, all the energy and value injected in the production of an initial product will be lost, while finding ways to reuse the product will preserve initial material and energy “investments”.

<sup>2</sup> <https://www.ellenmacarthurfoundation.org/circular-economy/what-is-the-circular-economy>

Another way to understand the priority hierarchies in material flows is Lansink's Waste Hierarchy, termed by Ad Lansink already back in 1979 in his book "Challenging Changes - Connecting Waste Hierarchy and Circular Economy".



Figure 3 - Lansink's hierarchy of waste

Underpinning this approach is Life Cycle Thinking, a means to assess and act upon the impact of a product throughout the different phases of its life cycle: the extraction of raw materials, their transformation through design and production, their packaging and distribution, their use and maintenance, and finally their disposal.

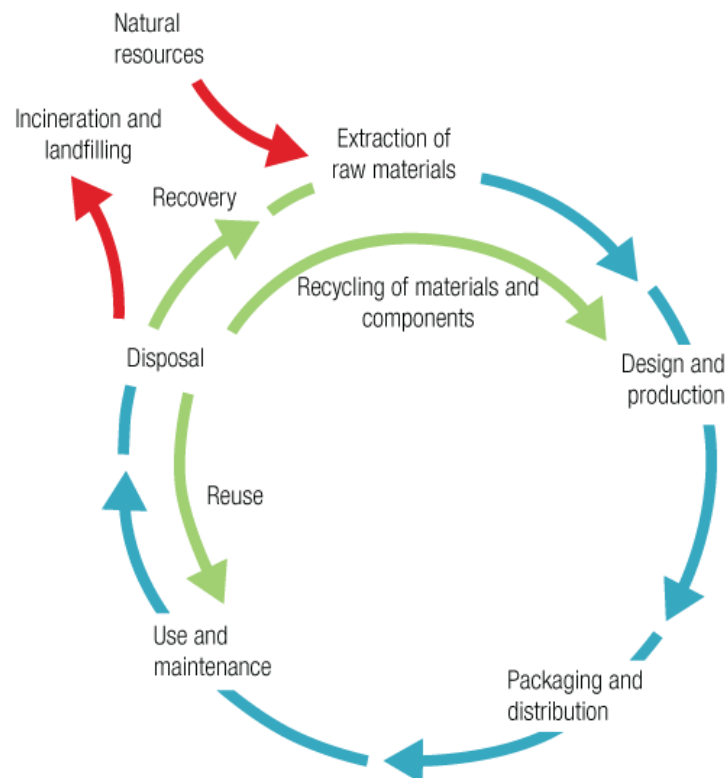


Figure 4 - A typical product lifecycle diagram ([www.lifecycleinitiative.org](http://www.lifecycleinitiative.org))

By looking at a product through this perspective, we can perform a Life Cycle Analysis (LCA) to identify opportunities to reduce environmental impact, but also social impact (where we will speak of Social LCA), or simply reduce costs at a given stage of the life cycle. The complexity of Life Cycle Thinking is that acting at one stage of the life cycle will no doubt have an impact (positive or negative) at other stages of the life cycle. An example from the textile sector clearly illustrates this point:



#### *Recycling is not always the best option...*

*Levi Strauss conducted and published a life cycle assessment on their iconic 501 denim jeans. The study identified two life cycle areas that are major contributors to environmental impacts: cotton production and washing the jeans. It stands to reason that recycling creates opportunities for eliminating the dependence on virgin cotton. However, a closer look at the recycling systems in place shows that cotton textile recycling results in shorter fibre lengths, which reduces their ability to be used in new products. Recycled fibres must be blended with either virgin cotton or with other materials, such as recycled plastics, to create different types of textiles. Of course, recycled fibres can also be used to create new materials for other applications, such as insulation. Facing uncertainty about the best options for recycling, other solutions such as reuse and other recovery options may have more environmental gains. To assess and compare different strategies for Circular Economy, LCA is a very useful technique to consistently and effectively quantify systemic impacts, by answering questions such as: What is the best pathway for improving the circularity of the textile sectors?*

*Source: Position Paper of the Life Cycle Initiative, July 2020*

The approach therefore requires a wholistic and systemic view, where everything is connected.

To achieve a circular economy based on Life Cycle Thinking, several circular business models can be of guidance, and these will be detailed in different sections of this toolkit:

- implementing a circular supply of consumed resources, where materials consumed are bio-based rather than technical materials, and return to nature at the end of their life
- recovering the intrinsic value of elements and composites in existing products, by giving them a second life
- extending product life-span rather than programming its obsolescence
- implementing a sharing or collaborative economy, where under-used resources are shared
- transforming a product into a service through a functional economy

These business models are by no means isolated from each other, and many enterprises implementing circularity actually use blended approaches which tap into them differently according to variables such as sector and scale of activity, materials and processes used for production, technicity of products, but also external considerations such as policy measures or natural resource availability.



## 2.2. Policy Context

The circular economy is increasingly at the forefront of the policy agenda.

Local and regional authorities worldwide are actively creating enabling environments to foster a circular economy. With 1750 members, ICLEI - Local Governments for sustainability brings together the world's pioneering local and regional governments committed to sustainable urban development.



*ICLEI is a good starting point for Fair Trade Organisations wishing to know more about the engagements and commitments of local and regional authorities on the circular economy, and to identify opportunities for developing markets with public authorities. Green Public Purchasing (GPP) will be developed further under the chapter on the business case for a circular economy. [www.iclei.org](http://www.iclei.org)*



*A number of measures are being implemented by urban policy makers to accelerate the transition to a circular economy. The paper "City governments and their role in enabling a circular economy transition" provides an overview of urban policy levers and over 100 cases from 70 cities from which the private sector, including Fair Trade, can benefit. City Governments & Urban Policy Levers (<https://www.ellenmacarthurfoundation.org/our-work/activities/circular-economy-in-cities/policy-levers>)*



*Eurocities, the network of major European cities, is also actively addressing the issues of the circular economy, and recently published Full Circle, "a collection of case studies from 15 members of the EUROCITIES circular economy task force, which showcase some of the efforts cities are already starting to develop and implement on the circular economy. "[http://nws.eurocities.eu/MediaShell/media/2017cities\\_and\\_circular\\_economy-web-spreads.pdf](http://nws.eurocities.eu/MediaShell/media/2017cities_and_circular_economy-web-spreads.pdf)*



*Amsterdam is among the European cities going beyond a circular economy strategy. In April 2020, the city authorities announced the launch of the Amsterdam Doughnut Coalition, fully integrating social considerations to the city's sustainability strategy.*





At EU Level, the European Green Deal of December 2019 is the Commission's roadmap for making the EU's economy sustainable. It has been followed closely in early 2020 by a series of proposed strategies and action plans, including some particularly relevant to Fair Trade. The Circular Economy Action Plan of the EU Green Deal presents concrete proposals for innovative and sustainable business models for textiles, packaging, plastics, electronics and waste management. The Farm to Fork strategy is proposing a roadmap for a fair, healthy and environmentally-friendly food system.

Another prominent and visible initiative at EU level has been the EU Plastics Strategy of 2018, which is preceding legal requirements banning certain plastic products, mainly single-use and packaging, curbing plastic waste, but also improving product design. In July 2020 Germany announced that a wide range of single use plastics would be banned nationwide by July 3<sup>rd</sup> 2021.

### 2.3. *The business case for a circular economy*

There are many drivers to support the business case for implementing circular business models. While often the cost of transitioning from a linear to circular economy is costly, benefits are becoming increasingly clear if we look at them from a systemic and long-term perspective.

Risk mitigation is one such critical perspective. From a purely financial perspective, the degradation and depletion of natural resources will drive costs up in coming years, reducing their affordability and competitiveness. When looking at the same risks from a Fair Trade perspective, the vast array of social and economic consequences linked to soil degradation and climate change to name but a few is bringing about significant risks to the livelihoods of populations in the South.

Responding to increasingly stringent environmental policy requirements is another significant risk of not engaging in circular business models. Stronger legislation reflects increasing expectations for transparency and accountability on how our food and consumer goods are produced. An example is the European Plastics Strategy, providing obligations and incentives in terms of plastic design, production, packaging and waste.

Engaging Fair Trade in a circular economy opens opportunities to better respond to consumer expectations. While Fair Trade customers adhere to equitable social conditions, their expectations are increasingly also relating to the environmental impact of goods they consume, since these are particularly associated to preserving good living conditions of local craftspeople and agricultural workers in the South.

Furthermore, Fair Trade organisations increasingly respond to public procurement, the purchase of products by public sector organisations through public tenders. Green Public Purchasing (GPP) strategies are flourishing in many regions, and at European level, while it remains voluntary, Green Public Procurement is strongly encouraged and

supported. This website also provides a wide range of good practices by sector, information, events, legal guidance including action plans.



*For more information on Green Public Procurement criteria by sector, detailed technical documents are available here:*  
[https://ec.europa.eu/environment/gpp/eu\\_gpp\\_criteria\\_en.htm](https://ec.europa.eu/environment/gpp/eu_gpp_criteria_en.htm).

As an example, a guidance document for the GPP in the textiles sector was issued by the European Commission's Joint Research Centre, mainly destined to public authorities wishing to integrate environmental considerations in their public tenders, but also to help economic players intending to apply for tenders which include environmental criteria.



*For organisations seeking public tender opportunities, a starting point is the EU Portal Tenders Electronic Daily (TED), the main repository of public tenders in Europe. All economic sectors are covered, with over 100,000 public tender market opportunities are open to public access.*

*Individual tenders can be browsed using the Common (public) Procurement Vocabulary, or CPV code. A very practical search engine is available to search relevant CPV Codes in English, French and Spanish. The CPV codes can then be used in the EU TED portal to search or create automatic email alerts to be kept informed of relevant tenders.*

*A number of sectors are particularly applicable to Fair Trade organisations, such as Clothing, footwear, luggage articles and accessories (CPV 18), Furniture incl. office furniture, furnishings... (CPV 39), Musical instruments, sport goods, games, toys, handicraft, art materials and accessories (CPV 37), Agricultural, farming, fishing, forestry and related products (CPV 03) or Food, beverages, tobacco and related products (CPV 15).*

*An EU GPP helpdesk managed by ICLEI is available here to answer questions you may have*  
<https://ec.europa.eu/environment/gpp/helpdesk.htm>

Green Public Procurement is thus providing unique opportunities and competitive advantage to companies and organisations engaged in a circular economy by imposing environmental criteria in tender selection. Public spending represents 45% of GDP in the European Union, a significant opportunity into which Fair Trade organisations can tap to explore new market opportunities.

In addition to GPP opportunities to serve the public sector, Fair Trade organisations have an opportunity also to enter business-to-business markets by selling to private companies. Small and Medium Enterprises (SMEs) which account for 99% of businesses in the EU, represent significant market opportunities for the sale of Fair Trade furniture, office supplies, accessories, textiles and other such products.



*WFTO-Europe has developed a toolkit on public procurement to help Fair Trade and other Social Enterprises access the (EU) market via public tenders.*

<https://wfto-europe.org/tools-and-resources/public-procurement-for-sustainable-enterprises/>

## 2.4. Some dilemmas facing the circular economy in Fair Trade

The circular economy poses a certain number of challenges to our market economies, which all sectors, not excluding Fair Trade, must grapple with. For instance, linear economies are clearly volume-based: the more a company sells, the more it earns. So, when the circular economy encourages reducing consumption, business must find alternative ways to generate revenue by moving to a value-based model.



*Fairphone has taken a clear stance against volume-based profitability and programmed obsolescence. The phone maker has adopted a fair, sustainable and value-based business model for producing mobile phones, by ensuring that production of phones respect strict social and environmental criteria.*

*Going beyond this, the Fairphone is designed against programmed obsolescence, a trend which, particularly in the electronics industry, encourages frequent purchases of newer versions of a product.*

*To counter potential losses in sales, Fairphone provides a series of high value-added services to ensure clients can repair, upgrade and adapt their phone to their needs. This has earned Fairphone a unique score of 10/10 on the iFixit reparability ranking. [www.fairphone.com](http://www.fairphone.com)*



The circular economy also encourages local sourcing and short circuit markets, which comes in a certain contradiction to purchasing products in Europe produced

in Africa, Asia or Latin America. The carbon footprint of transporting these products across the globe is a key challenge in reducing their environmental footprint. This dilemma can be addressed through two approaches:

Firstly, we must take an overall life-cycle approach when comparing the environmental impact of products. While Life Cycle Thinking will be explained later, it can be said here that while the carbon footprint of transporting a product thousands of kilometres may be higher than purchasing locally produced goods, other environmental impacts may be reduced. For agricultural products for instance, a Life Cycle approach will enable us to look not only at transport, but also water or energy consumption, which might be significantly lower in other climatic regions, thus reducing the overall environmental impact.

A second approach to explore is the development of local Fair Trade markets: how might we develop Fair Trade sales locally, close to production? Selling to local or national companies and public authorities as described earlier can be interesting options to explore, as well as developing Fair Trade production in northern countries to serve local markets.

WFTO-Europe is actively engaging in promoting short-circuit Fair Trade markets throughout the globe, encouraging production and consumption through local, short-circuit markets both in the global North and South.

### 3. Steps to initiating a circular journey

While engaging in a circular economy is a complex process involving a re-think of entire business processes, some relatively simple steps can be taken to get started. The steps below provide some “quick-start” guidance, which are developed in more detail in following chapters and in some external resources proposed below.

1. Understanding the metabolism: A first step is assessing what comes in and what goes out of our business process and throughout the life cycle of our products: materials, water and energy, pollution, waste, etc.
2. Understanding the wider business environment will be the next crucial step in getting started: what other business in your sector are doing, what your customers and business partners expect, policy regulations which may impose, encourage or support circular practices.



*Two useful resources to get you started, providing worksheets, templates, exercises:*

- [\*Circular Economy Guidelines of EU project R2π\*](#)
- [\*Circular Design Guide of the Ellen MacArthur Foundation\*](#)

3. Mobilising expertise & knowledge: Based on understanding the organisation and business environment, expertise in relevant areas should be sought. Specialists, best practices, sector studies etc. which can guide you in finding more sustainable alternative to current processes.

4. Ideating: bringing together experts, business partners, and internal members of the organisation will enable ideation of different solutions which could be explored. A number of creative approaches based on design-thinking

can facilitate ideation processes leading to identification opportunities for improvement.

5. Innovation strategy: Results of the ideation process can be prioritised in terms of feasibility, cost, short / long term impact, in order to design a circular innovation: early on it is interesting to seek “quick wins”, easy and cheap forms of (frugal) innovation which will have rapid impact, thus encouraging teams to pursue the journey.
6. Design: implementing the innovation strategy through designing products, service and processes and processes which reduce material and energy consumption, environmental degradation and resource depletion is the next step in implementing circular business models.
7. Validate and measure: measuring and assessing the impact of changes, internally and with key stakeholders, will be critical to ensure you are moving in the right direction.

## 4. The Product Life Cycle – How might we...

Before responding to the “how might we” question, it is important to note that Life Cycle Thinking, operationalised by the Life Cycle Analysis or LCA, is a complex analysis well beyond the means of many small organisations. LCAs must be undertaken for each product, quantifying flows of energy and materials at every stage of the life cycle. Nevertheless a number of simplified LCA tools have been developed specifically to help SMEs, for instance:



*Ecoinvent is the largest life cycle inventory database, containing over 17000 datasets for different products. Ecoinvent works with different partners, who use these datasets to propose simplified Eco-design tools. These are available for different sectors and processes, and can be consulted on the ecoinvent website: <https://www.ecoinvent.org/partners/ecodesign-tools/ecodesign-tools.html>*

### 4.1. ...design a circular business model?

Before entering into the specifics of the circular economy at different stages of the life cycle, it might be useful to explore wider circular business models for Fair Trade organisations.



*The Circulator is a well-design tool which groups circular business models into 3 types of strategies:*

- 1. Circular value creation strategies: strategies that directly act upon the material and product resources in the business model*
- 2. Value proposition strategies: strategies that help deliver circular value to the customer;*
- 3. Value network strategies: strategies to engage with actors beyond the company borders in order to achieve circular value networks.*

*Each strategy type is broken down into ingredients (both of which explained) which can be selected and combined in a “mix”, based on which case studies are presented which best suit your (target or existing) circular business model.*

*<http://www.circulator.eu/mix-your-strategies>*



*Inhabitat provides inspiring examples of innovative and attractive circular design in all sectors, many of which can be of inspiration to Fair Trade organisations. [www.inhabitat.com](http://www.inhabitat.com)*

#### 4.2. ...sustainably source our materials?

A first step in adopting a Life Cycle Approach is understanding the flows within our product. And this begins with understanding where our materials are sourced, and how we might shift towards sourcing bio-based or recycled materials, but also keeping in mind that the material sourcing choices we make will be determinant in the later stages of the life cycle.

Replacing technical materials with bio-based is an interesting opportunity to explore at this stage. Sustainable use of natural materials can provide viable alternatives to industrial materials, keeping in mind that we must consider the environmental impact also of the extraction, transformation and processing of these materials to properly compare them to alternative materials.



*Industrial hemp is increasingly being used in various sectors, from insulation to the textile industry. Requiring half as much water and land to grow than cotton, hemp is a sustainable alternative in the apparel industry.*

*The Fabric of Change Network, carried by Ashoka and the C&A Foundation, supports this and many such initiatives by providing research, foresight, crowd sourcing, and support to innovators. [www.changemakers.com/fabricofchange](http://www.changemakers.com/fabricofchange)*





Another inspiring case is Ecovative, which grows materials from agricultural waste and mycelium.

This case is particularly relevant for the Fair Trade sector not only in the circular crafts which can be designed and “grown”, but also for the innovative and sustainable packaging solutions which can be grown in just 7 days through this process.

[www.ecovative.com](http://www.ecovative.com) and  
[www.ellenmacarthurfoundation.org/case-studies/growing-alternatives-to-petroleum-based-packaging](http://www.ellenmacarthurfoundation.org/case-studies/growing-alternatives-to-petroleum-based-packaging)



In the textile industry, alternatives to cotton (even organic) are appearing due to the high water and pesticide required to grow cotton. As an example, bamboo grows without pesticides or fertilizers, requires 30% less water, and is a self-replenishing resource. As textile, it is significantly stronger yet softer than cotton, more absorbent and breathable for more comfort. Moving from cotton to bamboo is a good example of how Fair Trade can turn to more sustainable solutions and produce higher quality products.



Sewport, an intelligent garment sourcing platform, brokering relations between designers / manufacturers and brands. It provides organisations with support in making the transition to alternative textile solutions, including bamboo. <http://www.sewport.com>



As mentioned previously, our natural environment is the result of 3.8 billion years of trial and error to find optimal systems, materials, material and energy flows. Biomimetics, the science of mimicking biological systems, enables us to tap into this wealth of knowledge.



*Asknature is a mine of information on how nature can help us better design products and systems: from materials to strategies, this website provides us with knowledge on biological functions and living systems which can help us make, assemble, move, process knowledge, build communities inspired by nature. [www.asknature.org](http://www.asknature.org)*

Sustainable sourcing does not necessarily mean using bio-based materials. Very interesting business models can be achieved by identifying materials at their end of life, and transforming them into new products.



*An interesting example comes from the UK with Elvis & Kresse, which recycles diverse materials into fashion accessories. It began with fire-hoses, which represent a complex challenge in terms of recycling due to their indestructible nature. Since 2005, the company began diversifying its material sourcing to parachute silk, coffee or tea sacks, and even auction banners. [www.elvisandkresse.com](http://www.elvisandkresse.com)*



Belgian startup FLAGBAG which produces wide range of fashion and home accessories out of recycled flags, providing social employment and upcycling for waste. [www.flagbag.be](http://www.flagbag.be)



Increasing pressure to reduce single-use items also presents interesting opportunities for Fair Trade crafts.

Chop Value for instance recycles chopsticks into homeware and décor products, ranging from chopping boards to tables. <https://chopvalue.com>



Ecobirdy won the prestigious Good Design Award for its circular design of children's furniture using recycled plastics. An innovative plastic sorting process enables the production of ecothylene®, plastic material to produce unique and colourful furniture items. [www.ecobirdy.com](http://www.ecobirdy.com)





*Product Journey Mapping is a tool to help ensure products remain in a useful state for as long as possible, and that value be added at every stage.*

[www.circulardesignguide.com/post/product-lifecycle-mapping](http://www.circulardesignguide.com/post/product-lifecycle-mapping)



*Smart Material Choices – a tool to help mapping and identifying alternatives in materials which compose our products.*

[www.circulardesignguide.com/post/materials](http://www.circulardesignguide.com/post/materials)

#### 4.3. ...ecodesign crafts & textiles?

The design phase of the product life cycle is critical since it determines 80% of its environmental impact. While this includes the selection of materials described above, here we will focus on subsequent phases: how a product will be assembled, transported, maintained in use, repaired, and disposed of at end of life.



*In ecodesigning a textile (or craft) product, here are some relevant questions to ask:*

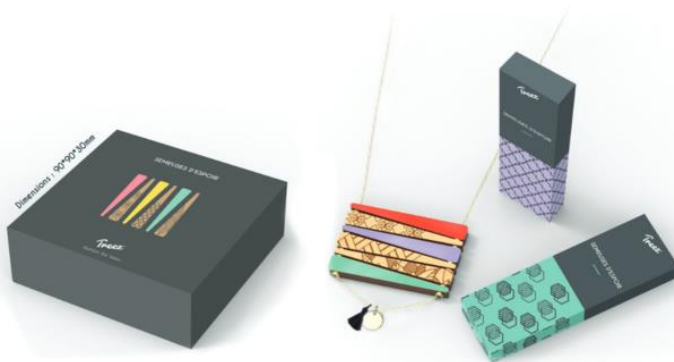
- *How can I make the product versatile for different situations and conditions?*
- *What is the intended lifespan of the product? Can it be extended?*
- *Can the product be designed to last longer and not date as quickly?*
- *How can we promote longevity and durability?*

Source: <http://www.ecodesignlink.com/en/textiles>



*Innovative design can provide alternative uses to improve the consumer experience. For instance, Treez is a Fair Trade jewelry kit composed of a chain, a medal and a small cotton pompom, it is possible to personalize - your necklace in a "do-it-yourself" spirit, thanks to wooden elements. Each wooden element is coded to one can know its origin, and trees are planted for each piece of jewelry sold.*

Source: article in *We Demailn* magazine



Ecodesign also implies the choice of paints, dyes, adhesives, etc. which will reduce environmental impact.



*Bezema dyes were nominated for the German Federal Ecodesign Award in 2015, thanks to innovation which facilitates highest fixing degrees at lowest dyeing and rinsing temperatures in shorter process times, enabling a 50% reduction in energy and water consumption compared to conventional dyes.*

Source: [CHT Group](#)

Designing for reparability brings significant opportunities in the provision of services and other product sales. This entails assembling parts so they can be dismantled, avoiding wherever possible the use of glues.

The possibility to purchase spare parts for crafts, the provision of access to thread, buttons, or cloth to repair textiles can provide Fair Trade organisations not only with new revenues, but maintain a relationship with customers after their initial purchase.



*iFixit is an open community lobbying for the right to repair products, in an effort extend product life and thus avoid disposal through waste or recycling. The organisation provides services such as tutorials, but also sells tools and spare parts on its website [www.ifixit.com](http://www.ifixit.com)*

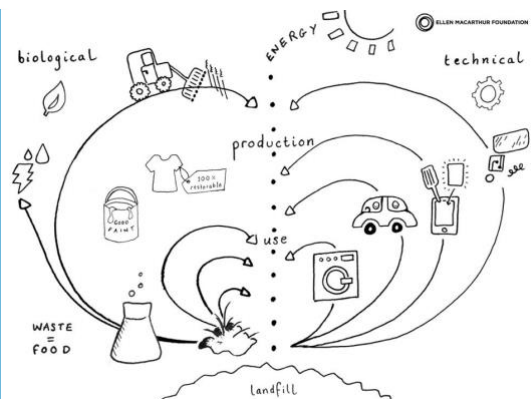


*A 2020 study from the University of Wageningen “Textiles for Circular Fashion - Fibre Resources and Recycling Options” provides guidance on circular textiles and fashion: introduction to natural fibres, yarn spinning, dyeing, and recycling alternatives. [Textiles for Circular Fashion](#)*



*“Circular flows” is a simple tool which enables us to understand and map out current or desired biological and technical material flows in our value chain. Using the Ellen MacArthur Foundation’s “Butterfly” circular economy diagram, it also enables us to prioritise between different circular loops to preserve material value, the inner loops in the diagram preserving more value and embedded energy than the outer loops.*

[www.circulardesignguide.com/post/loops](http://www.circulardesignguide.com/post/loops)



#### 4.4. ...produce food in a more circular way?

According to the Ellen MacArthur Foundation, benefits of nearly 3 billion US\$ can be achieved by 2050 if three ambitions are achieved:

1. Food is grown regeneratively, and locally where appropriate
2. Food by-products are transformed and valued rather than wasted
3. Healthier food products are designed and marketed.

For Fair Trade, food production can be significant in opening the door to local markets in addition to more traditional ones. Transnational shipping of food products may have high value added, but the environmental costs associated are high.

Moving from a linear to circular food system is essential not only from an environmental perspective, but for economic, social and health reasons

also. Currently less than 2% of the valuable biological nutrients in food by-products and organic waste (excluding manure) is composted or otherwise valorised, which leaves tremendous opportunity for valorisation. Reducing water, energy and artificial fertilizer use also brings significant financial benefits in addition to reducing the environmental footprint of foods.



*The Ellen MacArthur Foundation's Food Initiative is pioneering research on sustainable and circular agriculture. The initiative brings together key public and private stakeholders, providing research, guidance and best practices. [www.ellenmacarthurfoundation.org/our-work/activities/food](http://www.ellenmacarthurfoundation.org/our-work/activities/food)*

#### 4.5. ...package and transport our products more sustainably?

Transporting goods in protective and sustainable conditions is a critical challenge for the Fair Trade movement operating in a global context, particularly when it comes to food.

Providing systems where packaging is returned after use may be more challenging in the global distribution chain, but can be envisaged by partnering with global logistics services or could be envisaged as new business development opportunities within the Fair Trade sector, providing mutualised services to different Fair Trade organisations.



*Repack provides "packaging as a service" solutions, where returnable packaging composed of durable and recycled materials can be returned to a postbox anywhere in the world. [www.originalrepack.com](http://www.originalrepack.com)*







For food packaging and labelling (required for all loose food products sold in the EU) innovative solutions exist also. For naturally-packaged products such as bananas, simple alternatives such as natural branding of the product using laser technology, which in the long run are significantly cheaper than product labelling.

Esko packaging innovation provides information on such alternatives and many other innovative and sustainable packaging solutions for food and other products.

[www.packaginginnovation.com](http://www.packaginginnovation.com)

Using natural packaging such as banana leaf wrapping can provide innovative, environmentally friendly and low-cost alternatives to traditional packaging solutions for food products.



Bio-based packaging solutions for more fragile products have been developed, including the Ecovative mycelium-based material which can be used also for customised or standard packaging solutions. <https://mushroompackaging.com>



In terms of logistics and transport, while alternatives are emerging rapidly for local and last-mile logistics (mainly in urban areas with the use of electric vehicles, cargo bikes, but also

examples such reversed logistics where delivery vehicles also collect recyclable waste such as paper from their clients), the key challenge in Fair Trade is the global nature of the transport chain, one of the dilemmas of fair trade when sustainability entails local / short circuit markets.

Furthermore, in many cases less sustainable solutions are chosen by Fair Trade organisations simply because lower impact alternatives such as shipping containers require higher volumes which smaller Fair Trade Organisations cannot reach.



Consolidated logistics strategies provide alternatives by regrouping organisations operating in a region around grouped shipping, to reduce costs and environmental footprint of shipping. WFTO-Europe has undertaken initial exploration of member services including development of an online wholesale portal. For more information contact [projects@wfto-europe.org](mailto:projects@wfto-europe.org)

But small-scale, low impact transport solutions are emerging for global transport. Trains and sailboats are examples of such alternatives, which historically dominated the transport industry. While they may seem slower than traditional means, they can provide viable alternatives, for instance using smaller ships which can reach local, smaller ports with faster freight management. The UK Clean maritime plan<sup>3</sup> estimates that the market for wind propulsion in the UK alone will grow from £300 million/year to £20 billion/year in 2050.



 *TransOceanic Wind Transport (TOWT) announced in July 2020 the construction of 4 new cargo sailboats to complete its fleet, providing a competitive alternative for trans-Atlantic transport of non-perishable products, such as wine, coffee, tea or clothing. While still relatively limited in scale, wind-powered maritime transport will in coming years grow significant, becoming more efficient and responding to the need for carbon-neutral transport.*  
[www.towt.eu](http://www.towt.eu) and [www.fairtransport.eu](http://www.fairtransport.eu)



*The International Windship Association (ISWA) offers a wide range of resources on sustainable shipping, such as market information, guidance on innovation, alternative technologies (wind assisted, hybrid, wind powered) and service providers in sustainable shipping. <http://wind-ship.org/en/qrid-homepage>*

#### 4.6. ...generate more value by integrating service design into our offer?

Combining a product design with service delivery is an option to be explored in certain areas of Fair Trade. As mentioned elsewhere the Fairphone is a high-tech Fair Trade product ensuring environmental and social responsibility, which couples value-added services to the sale of a product. Services to ensure reparability, upgrading, or recycling of products can be coupled to sales, or in certain cases replace sales by fully entering into a service economy model.

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<sup>3</sup> <https://www.gov.uk/government/publications/clean-maritime-plan-maritime-2050-environment-route-map>





*Mud Jeans is pioneering a leasing model for organic cotton jeans composed of 40%-recycled material, which are rented by the month. The enterprise has been widely promoted as a model for circular entrepreneurship, and significant research has been undertaken, for instance within the EU project R2π and by the Ellen MacArthur Foundation*



*Service Flip is a tool of the Circular Design Guide helping us to explore turning common products into a service model. [www.circulardesignguide.com/post/service-flip](http://www.circulardesignguide.com/post/service-flip)*

#### 4.7. ... better manage end-of-life of our products?

As mentioned previously by intervening upstream in the life cycle of products, end-of-life will be integrated into the design to maximise life extension, re-use and other alternatives higher in the Lansink hierarchy of waste management. Recycling material components or landfill disposal are to be the solution of last resort once all other value has been taken.

## 5. Measuring circularity

Measuring circularity helps companies in their journey towards sustainability, providing guidelines, benchmarks and evaluation opportunities to assess and celebrate progress. Below are several tools which can help Fair Trade organisations measure their circularity and implement improvement strategies.



*The Ellen MacArthur Foundation has developed Circulytics, a comprehensive tool to measure a company's overall circularity, support decision making, highlight strengths and areas for improvement, communicate to stakeholders and open new opportunities to generate brand value. This tool can be used in conjunction with the Material Circularity Indicator, which assesses material flows for selected products.*



*The World Business Council for Sustainable Development, WBCSD, has developed the Circular Transition Indicators (CTI) tool, an online assessment tool to help businesses in all sectors accelerate their circularity.*

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## 6. Labels and standards

Labels and standards are a crucial way to measure, benchmark and assess the environmental impact of a given product or process. While in Nevertheless a wide range of labels and standards exist, which is often criticised by consumers and engaged organisations by the lack of clarity and trustworthiness it entails.

Nevertheless, a number of well-established labels and standards enable Fair Trade organisations to guide their sustainability strategies in view of obtaining labels and climbing the recognition ladder. Depending on the sector of activity and level of environmental maturity, Fair Trade organisations will choose differently among the many options available, but before choosing one, we must make sure of its credibility, but also its accessibility for less advanced organisations.



### Selection of sustainability standards

- **Global Reporting Initiative (GRI)** (<https://www.globalreporting.org/standards/>), the reference standards for sustainability reporting. Used by companies in their wider sustainability agenda, these sectorial standards may be useful to Fair Trade organisations in identifying measurement criteria relevant to their sector of activity. For instance, in 2020 the GRI published its latest Waste standard for the implementation sound waste management, prevention and reduction of waste production.
- **Cradle to Cradle certification** (<https://www.c2ccertified.org>) a globally recognized measure of safer, more sustainable products made for the circular economy. Different achievement levels enable organisations to evolve and improve their performance, while already demonstrating engagement through this standard.
- **B-Corporation certification** (<https://bcorporation.net>) is a wider certification for companies balancing purpose and profit. It entails legal obligation to consider social and environmental impact of their activities.
- **The WFTO Fair Trade Standard**, part of the WFTO Guarantee System, covers 10 Fair Trade principles, including "Climate Crisis and Protecting our Planet" (<https://wfto-europe.org/the-wfto-guarantee-system-2/>)
- **EcoVadis sustainability rating** ([www.ecovadis.com](http://www.ecovadis.com)) is particularly interesting in supply chain management, working companies and organisations of all sizes to assess their performance.
- **Fairtrade standards** ([www.fairtrade.net/standard](http://www.fairtrade.net/standard)) are mainly aimed at Fair Trade certification, but most include also environmental criteria such as soil degradation, sustainable water use, climate change.
- **UEBT ethical sourcing system certification** ([www.ethicalbiotrade.org](http://www.ethicalbiotrade.org)) sets good practices for how companies and their suppliers source specialty ingredients for the food, cosmetics and natural pharmaceutical sectors
- **iFixit** ([www.ifixit.com/Right-to-Repair/Repairable-Products](http://www.ifixit.com/Right-to-Repair/Repairable-Products)) proposes ratings on the reparability of products, well worth exploring if this is a key feature of a Fair Trade product.
- **Oeko-Tex** ([www.oeko-tex.com](http://www.oeko-tex.com)) focuses specifically on textiles, providing standards in various areas leather, harmful substance use, or working conditions.

### Compilations of labels

- The European Commission also maintains regularly updated lists of existing ecolabels as part of its Green Public Procurement strategy. (<https://ec.europa.eu/environment/gpp/pdf/ecolabels.pdf>)
- European Commission page on standards and labels: [https://ec.europa.eu/info/energy-climate-change-environment/standards-tools-and-labels\\_en](https://ec.europa.eu/info/energy-climate-change-environment/standards-tools-and-labels_en)



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Communicating sustainability engagements through adherence to widely accepted criteria, standards and labels brings strong credibility to your engagement. It will prevent omitting certain aspects of your sustainability strategy which might attract criticisms of greenwashing or at least false claims on your sustainability.

## 7. The circular journey for Fair Trade support organisations

The circular journey of Fair Trade also implies more sustainable impact of support organisations, networks, and Fair Trade shops based principally in the North. This implies exploring sustainable alternatives to organisational management in the service industry.

A number of tools exist to help small and / or non-profit organisations engage in sustainable organisational management. In comparison to the production of goods (food, textile, crafts etc.) highlighted earlier in this document, the circular economy for service industry is a somewhat easier journey to implement.



*The Sustainable Management Toolkit provides a number of simple yet effective measures to be taken in offices to improve environmental performance, focusing more on energy management, waste management, space optimisation, sustainable purchasing of office supplies, staff mobility etc.*

<https://www.sustainablebusinesstoolkit.com/going-green-tips-for-the-office/>



*Circulab is a community of actors engaged in the circular economy. It provides tools including the Circular Canvas (adapted from the Business Model Canvas), value chain canvas, partner mapping and other useful tools to help organisations position themselves and design their circular actions and strategies.*

<https://circulab.com/home/>



Illustration by Irene Rinaldi

Motivating teams to engage in sustainability might be challenging in certain environments, and a certain amount of research has been undertaken on tips and tricks to motivate teams.

The Stanford Social Innovation Review proposes “eight ways to engage employees on the company’s sustainability journey”, which are detailed in this [article](#):

1. Define the Company’s Long-term Purpose
2. Spell Out the Economic Case for Sustainability
3. Create Sustainability Knowledge and Competence
4. Make Every Employee a Sustainability Champion
5. Co-create Sustainable Practices with Employees
6. Encourage Healthy Competition Among Employees
7. Make Sustainability Visible Inside and Outside the Company
8. Showcase Higher Purpose by Creating Transformational Change

Another article in Network for Business Sustainability, [How to motivate people towards sustainability](#), proposes interesting analysis and recommendations to effectively mobilise and engage teams on the environmental agenda.

Guidance on greening offices comes also from management schemes which can provide orientation in terms of steps to implement to achieve recognition which can be communicated internally and externally.



*“The EU Eco-Management and Audit Scheme (EMAS) is a premium management instrument developed by the European Commission for companies and other organisations to evaluate, report, and improve their environmental performance”.*

*For Small and Medium Enterprises, EMAS has developed EMAS “easy”, which guides organisations of less than 10 people in 30 steps towards improving the environmental footprint of their organisation.*

*EMAS Easy publication: <https://op.europa.eu/en/publication-detail/-/publication/a46da1ae-edee-47aa-b871-d13baa946379>*

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## 8. Networking platforms

A number of networking platforms exist around the circular economy, providing learning and exchange opportunities. A starting point to identify key networking opportunities are the following:

- The Circular Economy Club has over 200 chapters on every continent, and can provide location-based networking opportunities, but also a wealth of online networking opportunities through their online community (<http://www.circulareconomyclub.com/>).
- The European Commission maintains an online database of European Circular Economy networks and platforms (<https://circulareconomy.europa.eu/platform/en/dialogue/existing-eu-platforms>).

Additionally, we recommend Fair Trade organisations explore sector-based networking platforms working on similar products or in the same geographic region, most of which will be addressing sustainability issues as part of their discussions.

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