



[CLARASYS] APE

Shaping the future of circular fashion communication

Overcoming barriers, driving engagement, and ensuring compliance

A Guide



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Executive summary

The fashion industry is undergoing a fundamental transformation, as sustainability shifts from a niche concern, to a business imperative. Circular business models (CBMs)—including resale, repair, remake, takebacks, and rental—are emerging as critical solutions to reduce environmental impact while aligning with evolving customer expectations, regulatory demands and importantly, allowing profits to continue to be prioritised. However, despite increasing awareness, **customer participation in CBMs remains low**, revealing a critical gap between intention and action.

While **82% of fashion brands have implemented at least one circular initiative** scaling these models remains a significant challenge. (CFIN, 2024)¹

In fact, **0% of brands with a customer-facing CBM report confidence in their ability to scale**, citing financial margins, operational complexities, and supply chain constraints as key barriers. (CFIN, 2024)¹

However, beyond these structural challenges, **40% of UK brands and retailers identify customer communication as a major obstacle to circular initiative success** (CFIN Interim Report, 2024). Consumers are sceptical, overwhelmed by greenwashing, and confused by inconsistent messaging.

At the heart of this challenge is the **customer engagement triangle**, which highlights **three key barriers to scaling CBMs**:

Legislation pressures

Customer barriers

Internal operational challenges

As regulators tighten restrictions—such as the **EU Green Claims Directive (GCD)**,² which bans vague sustainability claims and mandates third-party verification—brands must navigate compliance while also addressing customer distrust and ensuring their business capabilities and internal teams are aligned on circularity goals. **Without a strategic, transparent, and customer-led approach, circular models will struggle to gain traction.**

This guide provides brands and retailers with a practical roadmap to bridge the communication gap, enhance customer engagement, and **drive adoption of circular fashion initiatives**. This proactive approach strengthens customer trust, enhances brand differentiation, and ensures long-term business success in an increasingly sustainability-conscious market.

40% of UK brands and retailers identify customer communication as a major obstacle to circular initiative success.

CFIN, 2024¹

¹ <https://instituteofpositivefashion.com/resources/441/Report-Measuring-the-State-of-Circularity-in-the-UK-Fashion-Industry>

² https://environment.ec.europa.eu/topics/circular-economy/green-claims_en

A new era for fashion sustainability

The shift from linear to Circular Business Models

For decades, the predominant fashion business model has been linear - based on mass production, short product lifecycles, and disposability. However, increasing environmental concerns and resource constraints have led to a growing emphasis on circularity, where garments are designed for longevity, reuse, and recyclability. **CBM programmes offer a more sustainable alternative but require a fundamental shift in how brands engage their customers.**

The forces driving the circular shift

- 1. Regulatory shift:** The EU Green Claims Directive (GCD) and other policies such as Ecodesign for Sustainability Regulation (ESPR)³ and Digital Product Passport (DPP)⁴, are imposing stricter requirements on how brands report and communicate their environmental impact.
- 2. Customer expectations:** Shoppers, particularly Gen Z and Millennials, are demanding greater transparency, sustainability, and ethical practices.
- 3. Brand differentiation:** Sustainability is increasingly seen as a differentiator, with brands integrating circularity into their core business strategy and leveraging it as a competitive advantage when targeting new market segments.

Yet, despite these pressures, many brands face significant challenges in bridging the gap between their sustainability initiatives and customer engagement, highlighting the need for more effective communication and engagement strategies. Adding to this complexity is the widespread fear of greenwashing, which has led to a "greenhushing" effect, where brands avoid publicising their efforts due to concerns over scrutiny and reputational risk.

³ https://commission.europa.eu/energy-climate-change-environment/standards-tools-and-labels/products-labelling-rules-and-requirements/ecodesign-sustainable-products-regulation_en
⁴ <https://data.europa.eu/en/news-events/news/eus-digital-product-passport-advancing-transparency-and-sustainability>

The Green Claims Directive: a game-changer for fashion communication



The GCD is not just a compliance hurdle, it's a wake-up call.

What it means for brands:

- No more vague claims – Terms like "sustainable" must be backed by scientific evidence.
- Third-party verification required – Brands must prove their environmental impact.
- Self-certified labels are banned – Transparency must be clear, measurable, and verifiable.

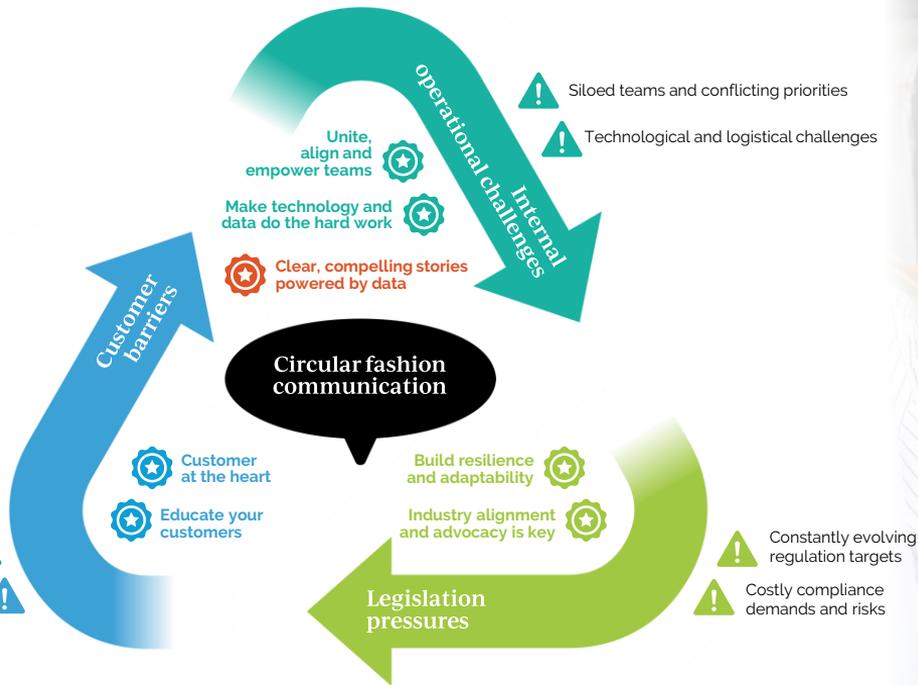
Breaking through the circular fashion engagement barrier

The journey to customer engagement in circular fashion is complex, requiring brands to balance three key challenges: legislation pressures, customer barriers, and internal operational challenges

To succeed, brands must navigate this triangle strategically, making progress across all three dimensions. Only by aligning compliance, customer trust, and internal capabilities can brands unlock the full potential of circular fashion.

-  Challenges
-  Best practice

-  Customers are sceptical, confused and lack trust in sustainability claims
-  Customers have low perception of the value, quality and availability of CBM offerings



Silenced by uncertainty: how fear of regulation is stalling circular fashion

Fashion brands want to embrace circularity, but confusing, inconsistent, and ever-changing regulations are holding them back. Without clear definitions, aligned global standards, or predictable enforcement, many brands hesitate to communicate their efforts — afraid of saying too much (greenwashing) or too little (greenhushing). The result? Missed opportunities for engagement, innovation, and impact.



of green claims give **vague, misleading or unfounded information**

Source: European Commission - Energy, Climate, Environment



of claims have **no supporting evidence**



of all green labels offer **weak or non-existent verification**



Regulatory uncertainty



Inconsistent standards

The lack of universally accepted definitions for circularity, durability, and eco-design makes it difficult for brands to communicate their efforts clearly.



Fragmented regulations

Varying sustainability laws across markets create compliance challenges for brands operating internationally.



Evolving rules and scrutiny

Variety around the implementation timelines and scope of regulations like the GCD leads to confusion and delays in execution.



Compliance burdens

High cost of compliance

Meeting regulatory requirements—such as third-party verification and impact measurement—demands significant financial and operational investment, particularly for smaller brands.



Weak enforcement and accountability

Inconsistent enforcement allows some brands to bypass compliance while others bear the full burden, creating an uneven playing field.



Fear of greenwashing and greenhushing

Brands struggle to balance transparency with the risk of regulatory scrutiny, leading some to under-communicate their sustainability efforts.



Beyond compliance: turning regulation into a competitive advantage

Despite the challenges, the evolving legislative landscape presents an opportunity for brands to embrace a more transparent and sustainable future.

Growing customer demand and advancing policies highlight the increasing importance of sustainability and circularity. Rather than a barrier, regulation offers an equal playing field and a shared framework, enabling brands to confidently engage with customers and lead meaningful conversations about circularity.



To navigate the GCD and evolving ESG legislation, brands must leverage compliance to foster innovation and build long-term resilience

Embracing this future requires collaborative advocacy and industry alignment



Future-proof your ESG strategy

Stay ahead of regulatory shifts by understanding what is material to your business, how this impacts your internal functions and external stakeholders, and where you can build win-win capabilities that cut across multiple regulation.



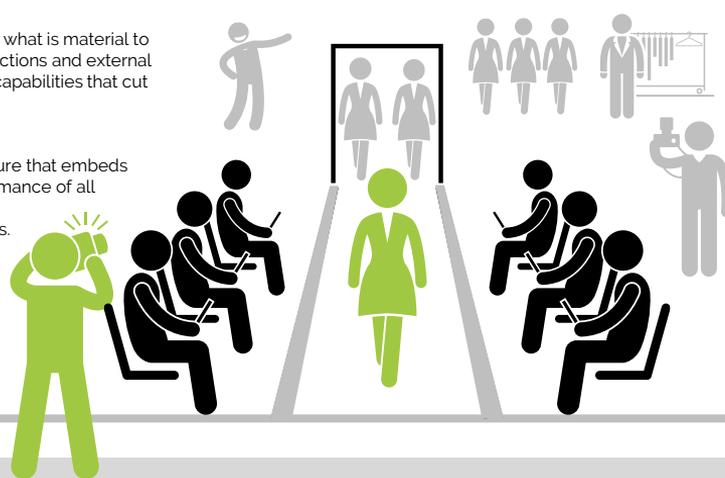
Embed compliance in line with a shared vision

Define a clear ESG vision and governance structure that embeds compliance into the decision-making and performance of all business functions—enabling transparency, accountability, and alignment with business goals.



Scale with agility and impact

Develop an adaptive ESG model by training teams, engaging suppliers, and piloting circular innovations—ensuring regulatory resilience while unlocking new growth opportunities.



Align on industry-wide standards

Work with coalitions to develop common metrics, language, and best practices for circularity.



Engage in policy discussions

Advocate for supportive regulations and incentives that enable CBMs to scale.



Support the wider fashion system

Collaborate with NGOs, local artisans, circular startups, and eco-conscious influencers to drive systemic change and grassroots impact.



Your circular strategy is failing: without trust and convenience, customers won't engage

Trust and ease are non-negotiable. Customers won't embrace circular fashion if they don't believe in it or if participation feels like a hassle. Skepticism around green claims, confusing messaging, and a lack of incentives create friction—pushing customers away instead of drawing them in. To drive real engagement, brands must make circularity convenient and compelling.



of customers say the perceived **limited availability** or **lack of awareness** stops them from engaging in CBMs*

* based on a pulse survey of 100 customers January 2025



Customer scepticism and engagement barriers



Mistrust in sustainability claims

Greenwashing concerns make it difficult for customers to believe in brands' circular initiatives.



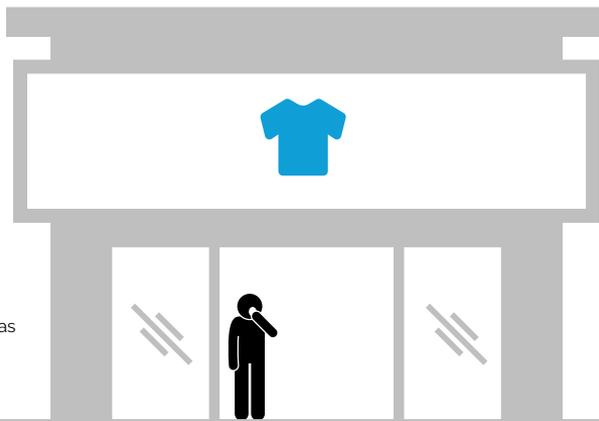
Confusing messaging & labels

The lack of standardised sustainability terminology leads to uncertainty and disengagement.



Low awareness & emotional connection

Many customers don't understand circular fashion or see it as aspirational.



Practical and economic challenges

Cost vs. value misalignment

Circular options are often perceived as lacking financial appeal and being less convenient than traditional fashion.



Limited availability & quality perceptions

Circular products are not always accessible, and second-hand or repaired items may be seen as lower quality.



Lack of rewards & incentives

Without financial benefits or engaging experiences, customers are less likely to participate in circular fashion.



Turn customers into advocates: Nurture your customer and they'll advocate for your circular initiatives

Customers value honesty and accountability more than ever, so trust becomes a key differentiator in crowded markets. Building trust with customers is one of the most powerful investments a brand can make. Take the time to understand your customer's motivations and put their needs at the heart of your circular experience design and engagement campaigns.



Truly understanding your customers and the world they live in places them at the heart of your circular design and communication strategies.



Design experiences "outside-in"

Focus on solving customer problems and creating value rather than just promoting circularity.



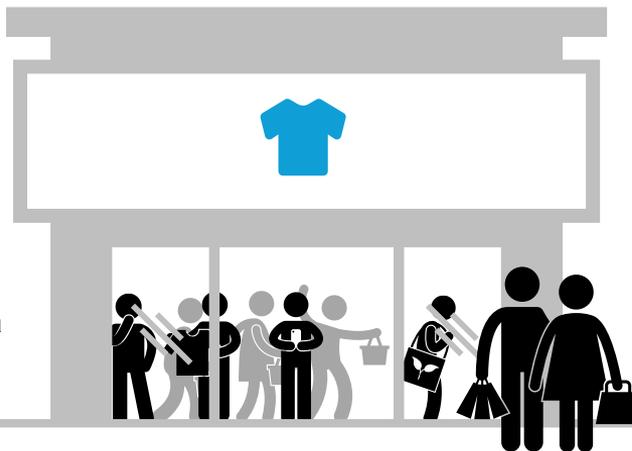
Simplify complexity

Translate technical sustainability efforts into relatable, humancentred stories that resonate with customers.



Develop persona-specific engagement tactics

Meet customers where they are by tailoring messaging and experiences to their needs, considering factors like trust, identity, and hygiene.



Transparency, authenticity, and consistent communication foster loyalty, turning customers into advocates who champion your brand. This is your opportunity to educate and engage your customers.

Host interactive experiences

Offer workshops, gamified challenges, and in-store events to excite your customers.



Leverage digital tools

Use Digital Product Passports, QR codes, Augmented Reality, and AI-powered recommendations to enhance understanding of circular fashion.



Incentivise participation

Provide discounts, loyalty rewards, and exclusive perks for engaging in circular behaviors like take back schemes.



When vision meets reality: the organisational barriers preventing circularity from scaling

Bold commitments to circularity often clash with the realities of execution. Siloed teams, competing priorities, and resource constraints make it difficult to align vision with action. At the same time, technological and logistical hurdles, like supply chain traceability and scaling circular processes, prevent brands from engaging customers and delivering on their promises. Overcoming these barriers is essential to turning ambition into impact.



say that **internal organisational barriers** and **technological challenges** are the biggest challenge to overcome for their brand*



* Survey conducted with attendees at the CFIN Clarasys Circular Fashion and Communications workshop January 2025

Internal organisational barriers



Siloed teams

A disconnect between marketing, sustainability, product, innovation and legal teams leads to inconsistent messaging and strategy execution.



Conflicting priorities and leadership buy-in

Circularity initiatives often compete with short-term financial goals, and without strong executive support, they lack the necessary investment and strategic prioritisation.



Limited expertise and resources

Many brands lack the internal knowledge and dedicated budget to navigate evolving regulatory landscapes and implement circular strategies effectively.



Technological and logistical challenges

Traceability and transparency

Achieving full supply chain visibility remains a major challenge, hindering customer trust in sustainability claims.



Scalability of circular processes

Many recycling, upcycling, and takeback initiatives are not yet cost-effective or operationally viable at scale, making it challenging for brands to offer a full suite of offerings to customers.



DPPs implementation

While promising, DPPs require significant investment and industry-wide adoption to be effective.



From silos to synergy: uniting teams for a stronger circular strategy

Driving meaningful change starts with alignment, innovation, and a shared commitment to transformation.

With any organisational change its important to start small; begin with a focused initiative, build momentum, and create the structure for lasting impact.

Engage your organisation at every step—align internally, communicate openly, and bring customers along on the journey.



Make data and technology do the hard work for you.



Implement reliable data management & traceability

Implement centralised systems to collect, standardise, and verify data across the entire supply chain. Give marketing professionals the information they need to drive engaging communications.



Seamless collaboration through digital integration

Foster collaboration with external stakeholders, including suppliers and regulators, by adopting interoperable digital solutions that align with industry-wide standards.



Introduce automation & AI for compliance and reporting

Use AI-driven tools to streamline compliance tracking, generate real-time sustainability reports, and ensure accurate product lifecycle data. Automate data validation processes to reduce the risk of greenwashing and regulatory non-compliance.

To drive real change, businesses must embed circularity at every level



Establish a cross-functional taskforce

Align sustainability, marketing, product and legal functions to ensure consistent messaging, compliance and innovation.



Embed circularity into business KPIs

Link leadership incentives to sustainability goals to drive long-term commitment.



Prioritise training and upskilling

Equip employees with knowledge of circular business models, sustainability regulations, and best practices for responsible communication.



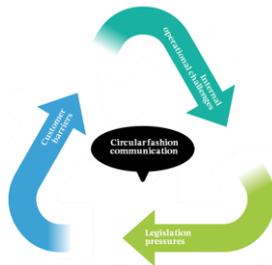
The key to success? A story that resonates

The future of circular fashion isn't just about regulations or operations, it's about people.

Customers are at the heart of this transformation, and the brands that thrive will be the ones that earn their trust through transparency, action, and compelling storytelling.

By aligning strategy with sustainability, embracing collaboration, and using data to backup your commitments, you can turn challenges into opportunities. Every step toward circularity is a chance to inspire, engage, and build lasting relationships with customers who demand more than just promises - they want proof.

Now is the time to take action and make circularity a reality.



The brands that tell the most authentic, data-driven stories will not only lead the change but will also shape the future of fashion.



Make circular fashion fashionable

Use storytelling, influencer partnerships, and high-quality visuals to make sustainability desirable.



Use measurable impact metrics

Clearly communicate sustainability efforts with quantifiable data (e.g., CO₂ savings, % recycled materials).



Ensure third-party verification

Leverage certifications like B Corp and Cradle to Cradle to validate claims and avoid greenwashing.



[Additional Resources](#)

A practical roadmap for fashion brands

This roadmap offers a phased approach for fashion brands to engage customers in CBMs, operationalise circularity, and ensure compliance—while maintaining business growth and brand trust.

Phase 3: Circularity Leadership: Embed circularity & influence industry-wide change



- **Redesign supply chains and logistics** to enable seamless circular product flows and a portfolio of circular offerings to customers
- **Adopt impact-driven metrics**, measuring customer engagement, circularity adoption, and sustainability outcomes
- **Lead industry collaboration**, co-developing sustainability standards and compliance frameworks
- **Foster cross-brand collaborations** to scale circular fashion solutions
- **Engage policymakers** to shape future regulations, ensuring alignment with business realities
- **Cultivate a circular-first mindset** across the organisation and beyond.

Phase 2: Acceleration: Scale circularity across core operations and communication



- **Continuously improve and scale circular business models** from pilot to mainstream offerings
- **Develop incentive models** that resonate with your customers and encourage engagement in CBMs
- **Embed compliance into customer-facing communications**, ensuring all sustainability claims are transparent and verifiable.
- **Leverage digital tools** (e.g., DPPs, AI-driven personalisation) to enhance circular engagement and track impact.
- **Strengthen data and technology infrastructure** to measure circularity impact and customer participation
- **Empower teams** to activate circularity at scale by embedding into daily workflows and role expectations

Phase 1: Foundation: Build the case for change and strengthen internal readiness



- **Develop a case for change**, linking CBMs to customer demand, competitive advantage, and compliance requirements
- **Audit existing circular initiatives and compliance risks**, in light of GCD and the wider regulatory landscape (e.g. ESPR)
- **Understand the world your customer exists in** and how your circular model impacts their day-to-day
- **Design the target circular customer experience**, with a focus on both customer engagement and compliance requirements
- **Map out marketing strategies and comms** against touchpoints and personas to identify engagement opportunities
- **Define cross-functional leadership and governance**, ensuring alignment across the organisation
- **Run internal campaigns** to win hearts & minds and upskill teams

Conclusion

The future of circular fashion belongs to brands that can communicate their circular practices with transparency, credibility, and impact.

Circularity is no longer a niche experiment, it is a business imperative. The brands that embed circularity into their core strategy, customer experience, and communication will not only comply with evolving regulations but also lead the industry's transformation.

By implementing this roadmap, fashion brands will be equipped to:

- ✔ **Navigate the GCD with confidence**, ensuring transparency, legal compliance and trust.
- ✔ **Engage customers in circular business models effectively**, overcoming behavioral barriers and driving participation.
- ✔ **Transform operations, marketing, and supply chains**, embedding circularity at the heart of the brand.
- ✔ **Lead the industry's transition toward a regenerative fashion ecosystem**, setting new benchmarks for sustainability and innovation.

This roadmap is not just a **compliance tool**, it is a blueprint for business transformation. It enables brands to build **long-term resilience**, **enhance customer loyalty**, and **drive competitive differentiation** in a era where the industry is undergoing a lot of change.

This is the moment to reimagine fashion — where creativity, responsibility, and innovation come together to build a lasting, circular future.



About us



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The Circular Fashion Innovation Network

The Circular Fashion Innovation Network (CFIN) is an industry-led programme managed by the BFC and UKFT in partnership with UK Research and Innovation (UKRI) to accelerate the UK towards a circular fashion ecosystem.

The network brings together industry, innovators, NGOs, academia and broader stakeholders through an action-led roadmap. CFIN's framework for change is split across six different themes, namely – Circular Business Models (CBMs), Recycling Infrastructure, Sustainable Manufacturing, Novel Technology, Diverse and Futureproof Workforce, and Green Growth.

The Advisory Board spans luxury and high street businesses, as well as representatives from UKRI, Academia and NGOs. CFIN is a key initiative within the Institute of Positive Fashion (IPF).

British Fashion Council

The British Fashion Council is a not-for-profit organisation that aims to further the interests of the British fashion industry and its designer businesses.

Based in London and formed in 1983, the British Fashion Council is funded by industry patrons, commercial sponsors and the government including the Mayor of London and the European Regional Development Fund.

The British Fashion Council promotes leading British fashion designers to an intensely competitive global market. It is the central co-ordinating body for London Fashion Week, organiser of the British Fashion Awards and has developed several support schemes for emerging design talent in London.

Clarasys

Clarasys is a fresh and exciting consultancy based in the UK and US, working across industries to solve business challenges and drive sustainable growth. We are a dynamic, pragmatic, and customer-focused consultancy, solving our clients' challenges at the pace their businesses demand.

Everything we do is about creating engaging, smart-working, and connected experiences that drive efficiency, loyalty, and growth. We help businesses collaborate, optimise workplaces, and enhance customer interactions.

Sustainability is embedded in our approach. We break complex challenges into clear, actionable steps, ensuring meaningful impact for people, the planet, and prosperity—helping organisations build resilience and drive lasting change.

APE Studios

Ape Studios are predominantly an environmental innovation studio. We measure environmental impact (carbon scopes 1-3, product impact, both to GHG Protocol); apply design-thinking to developing environmental products, services and business models; develop and write corporate environmental strategies; develop and deliver environmental training programmes; and offer third-party verification.

We also work with companies to develop their purpose, deliver market and consumer insight (specialising in sustainability trends), we develop brand strategy and have an in-house publishing and events company.



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The contribution to the guide or reference of third-party organisations do not indicate any kind of partnership nor an endorsement of the guide's conclusions.

Shaping the future of circular fashion communication



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