Developing a voluntary circular textile initiative for South Africa

Potential pathways and value proposition

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1. Introduction

The social, economic and ecological impacts of the current linear clothing and textile industry are primarily negative. Notably, the current industry processes are resource intensive, inefficient, ecologically destructive and generate significant wastage. However, clothing and textiles play an integral part of day-to-day life for billions of people, providing comfort and protection, supporting livelihoods, nurturing cultural expression and fostering individuality. As such, clothing and textiles are indispensable, and demand is unlikely to waiver. A new approach to clothing and textile production is needed. In South Africa, these challenges also present opportunities - to divert waste from landfill, create jobs, and derisk local value chains.

Adopting circular economy principles offers a pathway toward unlocking these opportunities. By extending product life cycles and reintegrating materials into local manufacturing, the South African clothing and textile sector can be more resilient and competitive in an increasingly uncertain world.

This approach aligns well with the South African Retail-Clothing Textile, Footwear, and Leather (R-CTFL) Masterplan, the National Waste Management Strategy (NWMS), as well as sustainability goals of major retailers and brand owners.

Achieving system-wide change requires collaboration. Building on extensive stakeholder engagement, and the learnings from the South African Plastics Pact (SAPP), GreenCape seeks to facilitate the development of a co-designed, collaborative, Circular Textiles Initiative for South Africa. This initiative seeks to unite stakeholders around a shared vision of introducing a circular economy for clothing and textiles in South Africa.

This document outlines the outcomes of two years of engagements with key stakeholders and lays out the rationale and value proposition for this initiative. It further presents the strategic opportunity for collaboration, highlights the potential economic, social, and environmental gains, and provides a framework for engagement.

The continued development of this initiative will be guided by the interest, commitment, and support of value-chain stakeholders, with GreenCape facilitating the next phase of its development.

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2. Background

The global clothing and textile industry is built on a linear, take-make-waste model that is resource-intensive and generates significant land-filled waste. South Africa's situation is particularly vulnerable. While the clothing and textile industry is a major domestic employer, its production is heavily reliant on imports from a concentrated few Asian countries. As demand grows, so do the liabilities tied to the supply, the production and the end-of-life management of textiles, undermining the sector's long-term resilience.

In response, South Africa's Department of Trade, Industry and Competition (the dtic) developed the Retail-CTFL Master Plan to localise the value chain. However, the plan prioritises a business-as-usual approach, the environmental ills of linear production instead of solving them.

Overhauling this system presents a key opportunity. Shifting to a circular economy would move the industry from a resource consumption model towards a labour intensive, service-oriented model that integrates local secondary materials. This transition would build resilience, create jobs, and mitigate the negative environmental impacts of localisation.

A circular based textile economy keeps products (clothing), components (textiles), and materials (fibres) at their highest value for as long as possible, ensuring they are far less likely to become waste (see Figure 1). This hinges on four areas:

- Phase out problematic substances and chemicals.
- Transform how clothes are designed, sold, and used to reduce waste.
- Improve recycling by transforming design, collection, and reprocessing.
- Make effective use of resources and move to renewable inputs.

A powerful lever to drive this shift is Extended Producer Responsibility (EPR), which holds producers accountable for their products' entire lifecycle. EPR can be:

Mandatory EPR: Government-regulated systems with legally binding requirements for a product class. Mandatory regulations were introduced to South Africa in 2021 (R1184 of 2020) and make producers of strategic product classes[1] accountable for managing the end of life of these products.

Voluntary EPR: Industry-led commitments which are not legally binding. This allows producers to define their own goals and systems for managing the impacts of their products. This approach is often motivated by its shareholder sentiment, their brand reputation, or to pre-empt future regulations such as mandatory EPR.

To harness the momentum of the Retail-CTFL Master Plan and EPR regulations, GreenCape, with funding from the Anglo American Foundation and supported by WRAP, is exploring the establishment of a collaborative, industry-led voluntary initiative. This initiative aims to leverage circularity to builder a more resilient, sustainable, and competitive clothing and textile value chain for South Africa.

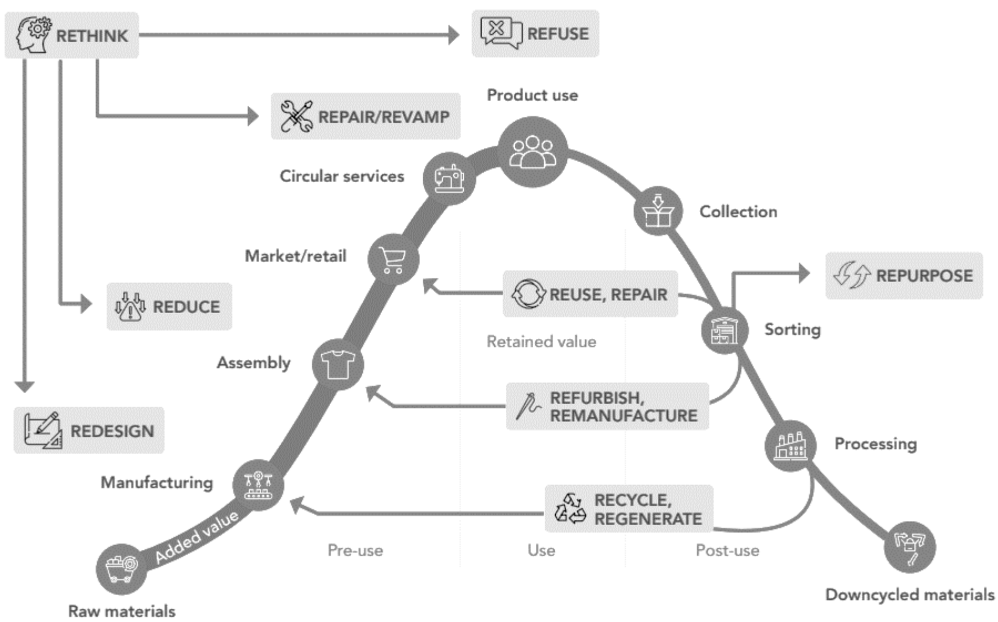

Figure 1: Circular textiles value hill framework **| Source:** Adapted from Circular Innovation Collective (2023)

3. Process followed

Transitioning South Africa's clothing and textile sector from a high-risk linear model to a more resilient circular model requires a shared vision and collective action. Success depends on collaboration across the full value chain. This spirit of collaboration has underpinned the exploratory work facilitated by GreenCape with industry stakeholders to assess the potential for a circular textiles initiative.

To build an impactful and collaborative foundation, GreenCape executed a four-phase process, translating stakeholder insights into a clear strategic direction. Table 2 (below) highlights the major strengths, weaknesses, opportunities and threats to be considered for the initiative's future.

Step 1: Leverage momentum

- Developed an initial concept.
- Mapped stakeholder and value-chain.
- Identified priority focus areas.

Step 2: Stakeholder engagement

- Hosted three workshops - Cape Town, Johannesburg, and Durban.
- Conducted interviews with strategic stakeholders.
- Unpacked the concerns, challenges, and barriers in the industry.

Step 3: Advisory committee

- Established advisory group (Table 1) to represent the value chain and guide the initiative.
- Facilitated meetings to strengthen the value proposition.
- Co-developed objectives with industry stakeholders.

Step 4: Value proposition

- Synthesised insights / inputs from the stakeholders and advisory group.
- Drafted preliminary initiative framework.
- Defined early action areas and collaboration pathways.

Table 1: Advisory group members

Organisation
Cape Union Mart
City of Cape Town
Clothes to Good
Connacher
Cape Peninsula University of Technology
Dept. of Forestry Fisheries and Environment
Economic Development Partnership
Edward Nathan Sonnenbergs (ENS)
Falke
Green Start Ideas
H&M
International Trimmings and Labels
Maytex
Mr Price Group
National Cleaner Production Centre (NCPC)
Pepkor
Pick n Pay
Sealand Gear
Taking Care of Business (TCB)
The Foschini Group (TFG)
Twyg
Woolworths
WRAP

Table 2: SWOT analysis for a voluntary circular textile initiative

Strengths	Weakness	Opportunity	Threats
• Strong cross-value-chain appetite for voluntary collaboration.	• Non-binding nature of voluntary commitments limits enforceability.	• Co-development of local circular metrics, standards and data systems.	• Continued influx / dominance of low-cost fast-fashion imports
• Neutral convenor enabling pre-competitive action and data sharing.	• Voluntary commitments may lack ambition.	• Growing local and global demand for sustainably produced textiles.	• Free-rider advantage for non-participating producers.
• Industry-led model builds ownership and commitment.	• Risk of uneven participation by members and “free-riding”.	• Stronger export compliance with EU due-diligence and eco-design rules.	• Weak or uncertain end-market demand for recycled textile outputs.
• Alignment with existing corporate sustainability goals.	• Dependence on sustained member capacity, resources, and goodwill.	• Shape future EPR requirements using real informed operational data.	• Prevalence of blended textiles that are difficult to recycle at scale.
• Platform for shared learning, capability building, and knowledge transfer.	• Limited short-term financial incentives for early movers.	• Localisation of circular value chains to reduce import dependency.	• Complex and opaque global supply chains limiting traceability.
• Faster to establish and adapt than regulatory instruments.	• Fragmented, low-quality baseline data constrains target setting.	• Strengthen market signals for investors of textile recycling infrastructure.	• Macroeconomic pressures constraining capital investment in innovation.
• Flexible framework allows piloting, learning, and iteration.	• Underdeveloped collection, sorting, and processing capacity.	• Circular job creation aligned with localisation and industrialisation goals.	• Misalignment between policy timelines and industry readiness.
• Cost- and risk-sharing for pilots and innovation.	• High cost and limited availability of circular textile feedstocks.	• Position South Africa as a regional leader in circular textiles.	• Reputational risk if progress and impact are not demonstrated.
• Early-mover advantage in building EPR readiness and institutional knowledge.	• Limited skills and capacity in circular textiles.	• Innovation in circular design and business models.	• Competing internal corporate sustainability priorities.

Source: GreenCape stakeholder engagements

4. Considerations

To succeed, an initiative like this must combine a vision for systemic change with a focus on practical, initial projects that deliver measurable results. It should be managed by a neutral convenor tasked with a dual role: Fostering collaboration and facilitating the implementation of projects that enhance South Africa's clothing and textile's overall competitiveness. There are several elements that the proposed initiative should consider going forward:

Vision

A resilient, inclusive, and competitive South African clothing and textiles industry that is resource efficient, eliminates waste, and drives inclusive growth through innovation, collaboration, and shared responsibility.

Objective

The initiative should drive practical, measurable action towards unlocking circularity across South Africa's clothing and textile value chain.

Impact areas

Stakeholders have prioritised several key impact areas that are considered critical within the industry and align with existing strategies, reporting requirements and liabilities. These impact areas should serve as the primary focus for data collection and inform the development of future goals and targets. These areas include:

- Waste
- Energy
- Climate
- Water
- Social

Action areas

To integrate true circularity into the local clothing and textile sector, several broad circular action areas is needed. These action areas can be structured by drawing on insights from established international initiatives. For example, WRAP's UK Textiles Pact is organised around a number of interconnected work streams that together drive systemic change. In the South African context, these action areas can act as strategic working streams that align closely with the above priority impact areas. These include:

- Data collection and reporting.
- Design for circularity.
- Circular business models.
- Closing the loop on materials.
- Supply chain decarbonisation.

Measuring and tracking progress

"*You cannot manage what you do not measure*." As such, stablishing a system for measuring and tracking progress is fundamental to the initiative's credibility and effectiveness. It translates abstract ambitions into actionable, data-driven strategy. A standardised measurement and reporting protocol provides an objective baseline, enables transparent tracking of improvement, and ensures accountability. Without consistent measurement, it is impossible to validate successes, identify areas for course correction, or demonstrate the collective impact necessary to influence policy and market practices. As such, measurement and tracking should be the priority for the initiative:

- Start with a simple baseline.
- A few core indicators in key areas.
- Increase detail gradually over time.
- Ensure confidentiality in sharing data.
- Establish a sector-wide standard.
- Report data biannually.
- Align with LCA methodology.
- Report aggregated, anonymised data.
- Develop a localised protocol.
- Align with sustainability reporting.

Ambitious targets

Once a baseline has been established and the practical and realistic opportunities assessed, ambitious yet achievable targets should be set. These targets should focus on areas where meaningful impact is desired and be designed to progress incrementally, providing clear signals to the market and supply chain.

Governance

The structure of the initiative should be tailored to the stakeholders that are to benefit. As such, they could be segmented into the following four categories, each with distinctive roles and core responsibilities:

Advisory/Steering committee: A diverse body of senior representatives from both core and supporting members who are responsible for providing strategic direction, governance, and oversight.

Core members: The producers directly responsible for implementing progress of the initiative and are organisations directly involved in the value chain. Core members are expected to lead actions areas, share data and learnings, and drive progress towards commitments. Core members are key to achieving impact, demonstrating leadership within the sector, and would be responsible for guiding the strategic pathway of the initiative.

Supporting members: Organisations that support the initiative by providing in-kind technical expertise, financial resources, or policy support. The supporting members strengthen the impact of the initiative by building capacity, facilitating collaboration, and creating an enabling environment for core members to achieve commitments.

Broader stakeholders: A broad network of interested parties that the initiative keeps informed and engaged through regular communication and consultation. They are not responsible for implementing commitments, and their involvement is to promote transparency, inclusivity, and shared awareness of progress.

Funding models

Funding models for industry-led voluntary initiatives typically combine multiple sources of funding to ensure sustainability, independence, and stakeholder ownership. Common models include:

- **Donor based:** Funding is secured from philanthropy organisations, international development agencies, or public sector funds. Useful for start-up phases, research, or capacity-building.
- **Project based:** Members or partners contribute to specific projects or action aligned with their priorities (e.g., circular design, recycling, data collection). This allows for flexibility and alignment with individual business goals.
- **Membership based:** Core members pay annual membership fees. This ensures buy-in as well as shared responsibility for the initiative's success. Often tiered (by company size, turnover, or level of participation).
- **Combined model:** A mix of donor, project, and membership contributions to support both core operations and targeted activities. This approach offers flexibility while spreading costs and risks across multiple sources, supporting financial resilience, shared ownership.

In practice, successful voluntary initiatives (for example, the UK Textiles Pact, the South African Plastics Pact (SAPP), and the South African Food Loss and Waste Initiative (SAFLWI)) often start with grant or donor funding, then transition to member-funded and project-based models as industry engagement and value become clearer and trust is forged.

Key performance indicators

It is important to track broader system-level indicators that demonstrate the overall impact and value the initiative may unlock. These cross-cutting metrics should reflect how the initiative contributes to economic resilience, environmental sustainability, and social well-being. Examples of relevant indicators include, by are not limited to:

- **Circular material flow:** Tonnes of material recirculated into the economy.
- **Job creation:** Number of local, decent youth and non-youth jobs created.
- **Investment unlocked:** Value of public and private funding mobilised.
- **Member value:** Financial value delivered to core members.
- **Network growth:** Total number of core and supporting members.

Strategic alignment

For the textile initiative to be successful, it must be embedded within existing national policy and industry structures, align with global best practices and methodologies, and must be collaborative, leveraging established networks for knowledge and resource sharing. This approach avoids duplication of effort, builds on existing work, and ensures the initiative has maximum impact and legitimacy.

State of Waste Report: Textiles should be formally recognised as a waste stream within South Africa's new State of Waste Report and incorporated into the NWMS. This step would ensure more government focus and policy development.

R-CTFL Masterplan: The initiative should be integrated into the R-CTFL Masterplan's Sustainability Working Group to ensure alignment with national industrial policy and secure industry buy-in. As the sector's key policy framework, the Masterplan provides a platform to align goals such as circular design and recycling infrastructure with existing sustainability outcomes.

South African Plastics Pact: The initiative could collaborate with the SAPP to tackle plastic packaging associated with the textiles value chain, ensure inclusion of packaging waste into sustainable textiles, and to leverage the SAPP's collaborative, target-driven platform model to enhance knowledge sharing and coordinated action across stakeholders.

UNEP InTex Project: The initiative should align its data collection protocol with that of UNEP's InTex Life Cycle Assessment (LCA) methodology to ensure scientific credibility and international comparability. By adopting UNEP's standardised data and reporting protocols, the initiative can generate robust, high-quality evidence to guide decision-making. It should also contribute South African textile Life Cycle Inventory (LCI) data to the UNEP database, strengthening the global dataset with African-specific insights.

Textile Action Network: The initiative should seek participation within WRAP's Textiles Action Network (TAN) to draw on the framework and global experience, exploring shared goals around design, reuse, and recycling, and engaging in cross-regional knowledge exchange. Connecting locally while learning from international best practices may help the initiative contribute to wider progress toward a circular textile economy.

Secretariat's role

The secretariat should serve as a neutral convenor and facilitator. GreenCape is facilitating the initiative in the interim until such time as a Secretariat is officially appointed. The core responsibilities of the secretariat should include:

- **Facilitation and coordination:** Bring together core members and supporting members, align activities across action areas, and maintain communication between relevant partners.
- **Technical support:** Oversee data collection, reporting, and analysis in line with the agreed data protocols, ensuring consistency and comparability.
- **Administration:** Support the existing advisory committee, manage the membership processes, monitor KPIs, and prepare progress reports.
- **Stakeholder engagement:** Build and maintains partnerships with the aligned initiatives, communicate progress to all stakeholders, and facilitate knowledge sharing and capacity building.
- **Resource mobilisation:** Coordinate and maintain funding efforts.

5. The value proposition

GreenCape takes the position that a collaborative initiative will contribute significant value to the sector and will act as facilitator on an interim basis while this initiative is being developed.

What is being offered?

A collaborative platform with a clear action plan, structured working groups, and a shared measurement system to establish baselines and drive measurable progress.

Who it is for?

The proposed initiative is primarily aimed at strengthening the competitiveness of South Africa's clothing and textile value chain. As such, the initiative will focus on supporting producers, and who will be referred to as Core Members and include:

- Brand owners / retailers.
- Tier 1 manufacturer of finished goods.
- Tier 2 manufacturers of finished goods.
- Tier 3 manufacturers of finished goods.
- Importers of finished goods.

The initiative will welcome organisations that are able to support the Core Members in meeting their agreed upon commitments.

Why it is valuable?

The initiative will support its members in driving collectively impact across the South African clothing and textile value chain. The outcomes of the initiative are important for following reasons:

Establish baseline: Co-creating a shared and data driven foundation for measuring circularity internally and across the sector.

De-risk supply: Reduce import reliance by building a more resilient local market for secondary materials / products.

Enhance competitiveness: Unlock costs savings and delivering more affordable products through improving the resource efficiency across the value chain.

Unlock markets: Meeting circularity, due diligence, and eco-design requirements for key export markets, notably the EU.

Inclusive growth: Creating local circular jobs in collection, sorting, reuse, repair and recycling that replace offshored linear jobs.

Reduced environmental degradation: Reducing resource consumption, landfilling waste, and greenhouse gas emissions support internal sustainability goals.

What makes it different?

Unlike standalone corporate efforts, this collaborative initiative provides a pre-competitive platform for coordinated action. It merges national policy alignment with a proven, target-driven pact model. A key differentiator is the neutral secretariat, GreenCape, which offers direct access to internal and external experts in critical impact areas like energy and water, ensuring context-specific support. This unique combination allows members to share transition costs and risks effectively while leveraging international best practices.

Who will be secretariat?

GreenCape will serve as the facilitator on an interim basis for Phase 1 of the initiative, subject to the availability of funding. This will involve coordinating activities, facilitating collaboration, and tracking progress. Once the formal initiative is launched, governance processes will be implemented for the formal appointment of a Secretariat.

What is the ask?

Core members will likely need to fund, fully or in part, the initiative beyond Phase 1 through member-based fees. The funding model and annual fees will be determined during Phase 1 and will be based on guidance and direction provided by the advisory committee.

Thus, prospective core members are encouraged to begin engaging their financial decision-makers and to start planning for budget allocations for Phase 2 and beyond.

6. Long term pathway

Transitioning South Africa's clothing and textile sector toward circularity will require a structured, collaborative, and incremental approach. The following approach outlines a clear roadmap for establishing a long-term, credible, industry-led initiative that evolves from early collaboration to industry informed regulatory alignment. This incremental approach ensures that producers can move at a practical pace, while steadily building the institutional capacity, trust, and policy alignment required for long-term impact across the clothing and textile sector.

Phase 1: Coalition of the willing (2025-2026)

Leverage existing work and networks to unite a group of committed producers and stakeholders around a shared circularity ambition. This foundation phase aims to onboarding strategic stakeholders, develop a harmonised data collection protocol, narrow down key action areas within impact areas, and establish a platform for knowledge exchange and alignment.

Key activities:

- Raise funding to support the ongoing development of the initiative
- Onboard additional willing participants
- Identify hotspots / action areas
- Co-create a data measuring and reporting protocol for impact areas
- Draft a commitment to establish formal initiative (Phase 2)

Phase 2: Formal initiative (2026-2027):

Build on the momentum of Phase 1 to formalise the establishment of a funded, structured initiative capable of driving coordinated action. The focus being to finalise governance, defining membership structures, and developing a credible baseline to inform action areas and track industry-wide progress. Phase 2 includes confirmation of long-term governance arrangements, including the appointment of a Secretariat, which may differ from the interim arrangements in Phase 1.

Key activities:

- Finalise body structure.
- Finalise membership fee structure.
- Develop a formal website.
- Develop baseline to measure progress.
- Aggregate / channel funds to projects.
- Workshops and knowledge products.
- Co-create industry led commitment.

Phase 3: Roadmap (2027-2032)

In alignment with strategic frameworks and initiatives, use the established network, data baseline, and action areas to set ambitious circularity targets in the agreed impact areas. The Secretariat will provide support and guidance to Core Members in working towards these targets. This will be documented in a 5-year Roadmap.

Key activities:

- Establishing a formal secretariat.
- Revise membership fee structure.
- Set targets against impact areas.
- Develop a roadmap to success.
- Provide support to meet targets.
- Draft a EPR concept note.

Phase 4: Extended Producer Responsibility (2032):

Leverage insights to lobby policy makers to develop an informed mandatory EPR requirements for the clothing and textile sector. The aim being to build off of the voluntary initiative to ensure that relevant producers, including free riders, across the board are playing on an even field that ensures competitiveness.

Key activities:

- Engage DFFE / dtic to draft EPR regulations.
- Set realistic and informed EPR targets.
- Facilitate the establishment of a textile Producer Reasonability Organisation.

7. Conclusion

This document presents the outcomes of two years of stakeholder engagement and sets out the rationale and value proposition for a voluntary, collaborative circular textiles initiative in South Africa. It highlights the strategic opportunity for coordinated action across the value chain, alongside the potential economic, social, and environmental benefits of advancing circularity. The continued development of this initiative will be guided by the interest, commitment, and support of value-chain stakeholders. Achieving system-wide change requires collaboration across the value chain, and this initiative aims to bring stakeholders together around a shared vision of developing a circular economy for clothing and textiles in South Africa.

Organisations across the value chain are invited to participate in shaping and advancing this initiative. To express interest or learn more, please reach out to the GreenCape Circular Economy team via the following email address: ceteam@green-cape.co.za