

# RENEWCELL/ CIRCULOSE

Swedish innovator, Renewcell (now called Circulose), launched the world's first commercial-scale Next Gen dissolving pulp mill for Man-Made Cellulosic Fibre (MMCF) in November 2022. Its technology uses millions of old jeans and t-shirts, rather than forests, to produce pulp for viscose-grade textiles, consuming 90% less water and emitting five tonnes less CO2 per tonne of product than conventional viscose<sup>1</sup>.

## THE CANOPY CONNECTION

Canopy connected Renewcell with a major viscose producer and speed-dated that producer with our brand partners, leading to Renewcell's first offtake agreement. That five-year offtake, for two thirds of production, unlocked Renewcell's financing and led to the construction of their first commercial scale mill. Since then, Canopy has supported in accelerating demand and market pull-through of CIRCULOSE® fibres.

However, first-to-market technologies often navigate bumpy terrain. Renewcell shouldered significant hurdles within the conventional supply

chain, and was forced to declare bankruptcy in February 2024. Renewcell was a trailblazer in the Next Gen textile sector. The considerable learnings from their scaling journey are now being leveraged by other innovators as they grow their businesses and used to inform exciting new value chain collaborations. As Renewcell gets its second life with new owners, they have a stronger foundation to build upon and are re-emerging better, wiser, and with continued ambition to make fashion circular.





# RALLYING THE INDUSTRY



Canopy rallied many of our brand partners, large and small, that helped build the path forward for Circulose. We conducted information webinars specifically for our partners, and secured over 30 letters from brands expressing an intent to purchase CIRCULOSE® products, as well an industry collaboration to streamline the initial supply chain. Agreeing on matters such as optimizing one blend has helped to prime the value chain, setting the flagship material up for stronger adoption.

Backed by firm market support, CIRCULOSE® pulp will continue to churn. Altor Equity Partners acquired the assets in June 2024, re-emerging under the new name: Circulose. The mill in Sweden is preparing to come back online in the near future.

# IMPACT

Compared to conventional wood pulping, CIRCULOSE® uses no tree fibre — leaving forest habitat and carbon storage intact. Each tonne of CIRCULOSE® avoids four tonnes of CO<sub>2</sub>

emissions compared to dissolving pulp from trees. The company's second chance and commercialization progress are driving further market interest and building investor confidence into the textile recycling and alternative fibre sector.



# POTENTIAL IF SCALED

More Circulose mills — and scaled production of other textile-to-textile technologies — enable the fashion industry to stop using climate-critical forests to make fabrics and to reduce waste. They provide a supply chain for used cotton textiles to go back into a circular economy rather than to the landfill.



# GET INVOLVED

## FOR INVESTORS

Debt and equity investors can support innovators, like Circulose, at commercialization phases to catalyse quicker acceleration of circular textile and help to meet climate goals.

## FOR BRANDS

Brands can purchase MMCF products made with CIRCULOSE® through Tanshan Sanyou, Birla Cellulose, Yibin Grace, and Jilin Chemical Fibre Stock.

## CONTACT US

For more information, contact our team at [nextgensolutions@canopyplanet.org](mailto:nextgensolutions@canopyplanet.org)

<sup>1</sup> Based on 2017 SCS LCA  
<sup>2</sup> Based on 2017 SCS LCA