Sustainability and Circularity in the Textile Value Chain

The role of traceability in enabling circularity in textile value chains

Environmental and Social Impacts of the Textile Sector

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2-8%

is its share of the world's greenhouse gas emissions

86 million

Olympic-sized swimming pools of natural water is used annually

9%

of microplastic pollution in our oceans comes from the sector

Textile workers are at risk of **exploitation, underpayment, forced labour, health risks and abuse**

Women are particularly vulnerable as they represent **68%** of the garment workforce and **45%** of the overall textile sector workforce

Sustainable Textiles: **Central and Eastern Europe**
Consultation Findings: Barriers & Needs

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Need for common definitions on:

- Sustainable cotton
- Circular business models
- Microfibre pollution
- Fair compensation and living wage

Fibre production and recycling

- Clear interest in **reducing use of virgin fibres** and becoming a fibre **recycling hub**
- At the same time, **insufficient access to resources and technologies** for fibre recycling
- Brands **reluctant to pay higher price for recycled materials** due to fibre performance issues

Transparency and traceability

- High demand for **policy incentives on traceability of supply chain data**, including traceability passports
- **Insufficient mapping of supply chain** beyond first tier suppliers, especially missing **connection to growers and farmers** (Tier 4)

Social norms and protections

- More **worker training on rights** needed
- **Stricter monitoring for child and refugee labour** – intersectional perspective needed
- **Access to skilling and upskilling programs needed**, particularly digital and automation

Three priorities to deliver system change
in the textile value chain

Shifting Consumption Patterns
Optimising design, business models and consumer behaviour

Improved Practices
Optimising practices and behaviour in existing sites, companies and processes

Infrastructure Investment
Investing in shared physical technology and systems

Nine building blocks needed to deliver the three priorities

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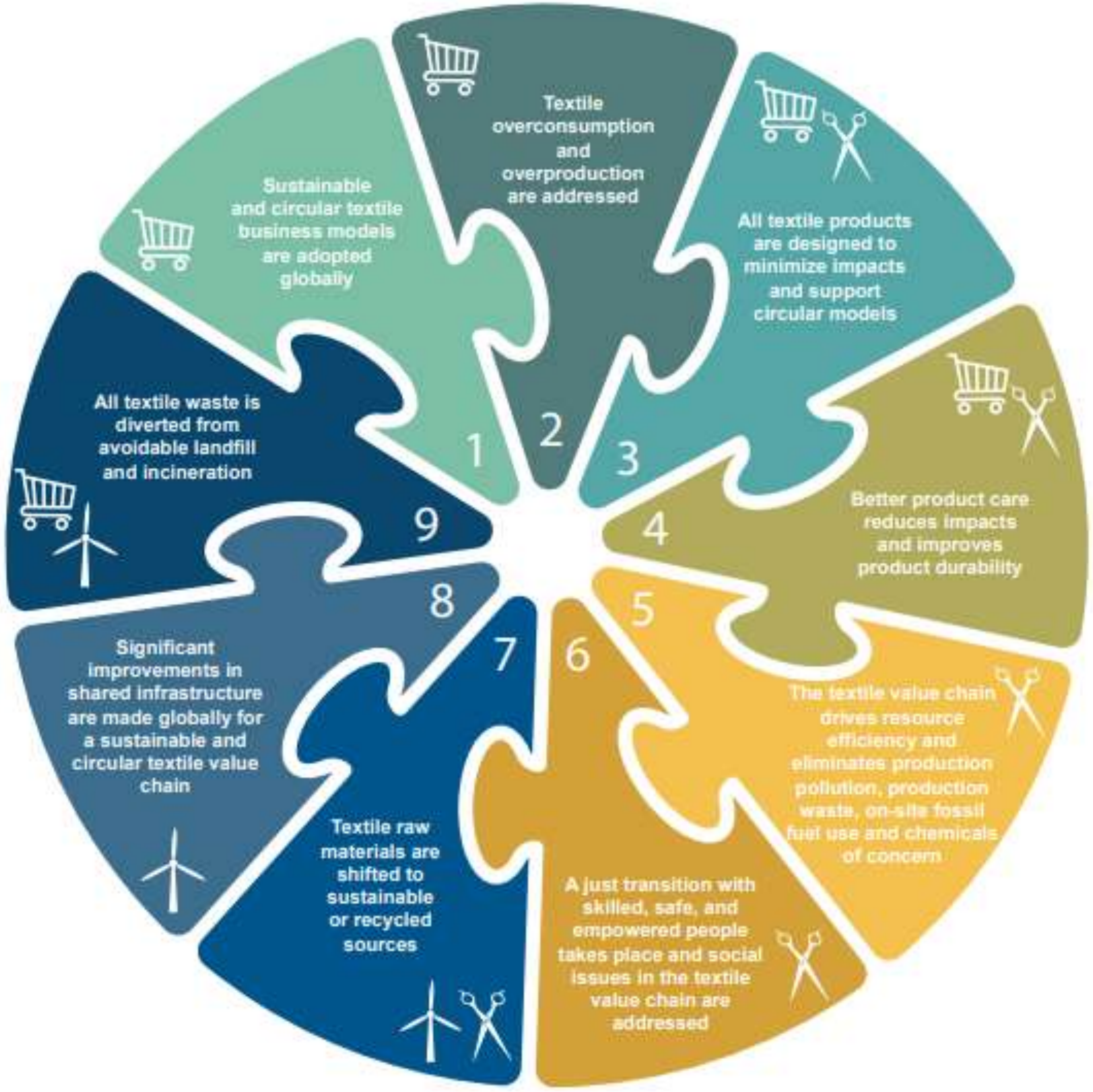

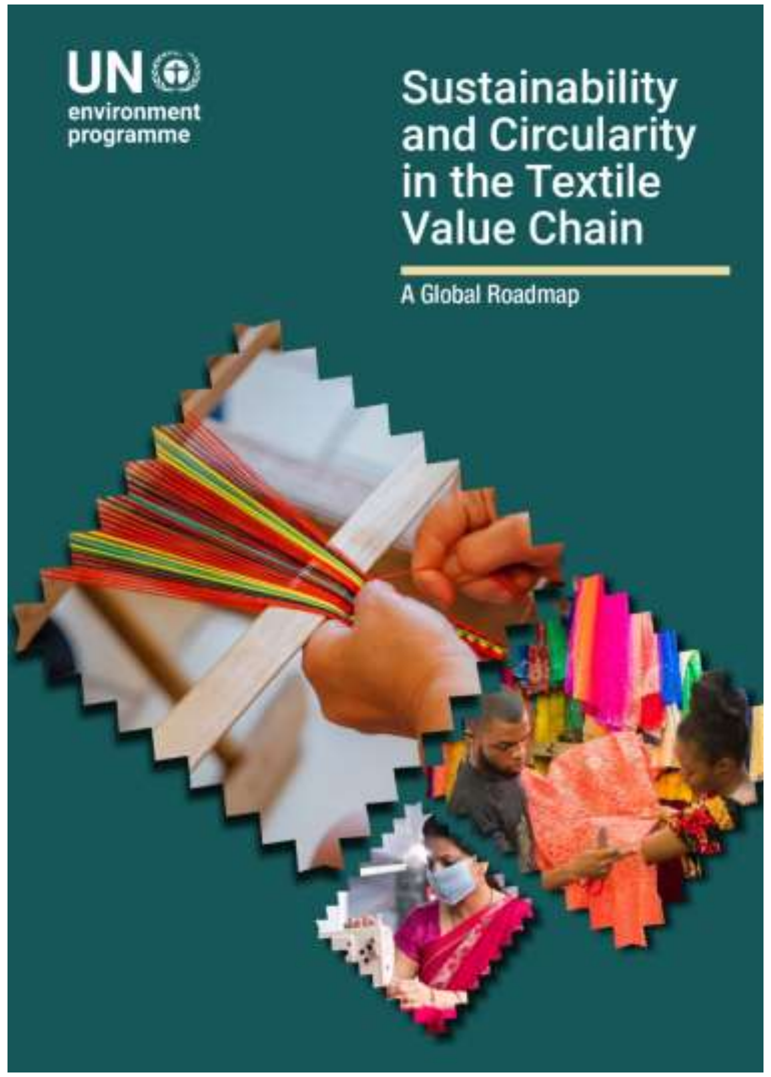

SHIFTING CONSUMPTION PATTERNS

We need to shift what ‘value’ means for consumers, brands and retailers

Circular business models could cut around 143 million tons of GHG emissions in 2030. A 1% increase in the market share of circular business models is likely to reduce emissions by 13 Mn tCO2e.

The focus must be on shifting the market and business revenue away from linear models **towards circular models** that have demonstrated environmental and social impact reduction across the life cycle, or on selling experiences or other non-material goods rather than physical products.

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KEY ACTIONS

01

Circular business models are normalized and 'social proofed' through a change in narrative for the textile industry, across brand campaigns and advertising, as well as traditional and social media.

02

Companies invest revenue in circular business models, so that the majority of their business value shifts away from linear business models towards more sustainable circular business models.

03

Value chains are adjusted and optimized to support new business models with minimum impacts.

04

Improved impact data and tools are made available and allow companies and external stakeholders to evaluate the sustainability benefits of circular business models and product offers to ensure that they are substantially improving on conventional models.

Identified gaps
to achieve sustainability and circularity in the textile value chain

Shared global industry **targets** on sustainable and circular textiles

Data is gathered and analysis tools improved to support effective decision-making

Policymakers create a **cohesive global policy strategy** and formalize measurable national plans

Knowledge on consumer communications and behaviour for circularity is delivered to policymakers and the private sector


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THANK YOU