

Action Plan 2030

Voluntary sector
collaboration on textiles



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What is the voluntary sector collaboration on textiles?

The voluntary sector collaboration is a private-public collaboration for fashion and textile companies. Participation is voluntary, but the signatories are committed to the common goals. Each signatory will contribute to the circular common goals, but all progress will be measured collectively. The collaboration runs until 2030.

On Monday 8 August 2022, the Danish Ministry of Environment and the fashion and textile sector announced the start of a sectoral collaboration between the Ministry and the fashion and textile sector. The steering group consists of 10 companies, three organizations, the Ministry of Environment and the Danish Environmental Protection Agency with ambitions to engage a large part of the Danish fashion and textile companies.

This collaboration aims at transforming the way the fashion and textile sector manufactures, uses and disposes of clothing and textiles, moving from a linear to a circular economy:*

- By committing brands to common goals on circularity within design thinking and in relation to materials and business models
- By measuring circularity in the fashion and textile companies, and enable goal setting and progress within the circularity transitions
- By fostering the sharing of best practices and practical collaboration between companies and other entities within the sector in order to create long-term, systemic changes
- By setting goals across the sector to stem the growing consumption of resources caused by textile products marketed in Denmark.

* For products sold on the Danish market.

The Danish sector collaboration on textiles has three goals



Goal 1: Recycled Materials

Aim/Ambition/Outcome: By 2030, all clothing and textiles from Danish companies will consist of at least 40 per cent recycled material, including at least 10 per cent recycled directly from textile fibres*.

Why? Only 1 per cent of blend textiles are recycled into new textile fibres.¹ The raw material phase of a product's lifecycle generates the biggest environmental impacts, and pre- and post-consumer textile waste deriving from Danish consumption accounts for massive annual volumes of textile waste sent to landfill and for incineration. There is therefore a necessity and an opportunity to increase the use of recycled fibres in new products. Using recycled fibres shifts the environmental impacts away from the production of virgin raw materials and also diverts textile waste from landfill. Increasing demand from retailers for recycled fibres will drive investment into the reuse and recycling sector to build and scale up the infrastructure and innovation needed to support fibre-to-fibre recycling, creating a new opportunity for the Danish economy.

How? Signatories will work together to set up partnerships to supply and use recycled fibres for new products, accelerating the commercialisation of fibre-to-fibre recycling.

* Measured in weight



Goal 2: Circular Design

Aim/Ambition/Outcome: Create common circular design requirements for clothes and textiles from Danish companies to be designed to have more lives and to be part of optimal circular loops.

Why? 80 per cent of a product's environmental impact is determined at the design stage². Design will play a pivotal role in moving away from the traditional linear model to a circular one. We must use circular design principles to: • extend the usable life of textile products; • allow products to be recycled at end of life; • design out waste from the system; and • increase the demand for recycled materials. This will allow maximum value to be extracted from textile products, whilst cutting carbon emissions and relieving the pressure on natural resources associated with the primary production of virgin materials. It will also help to divert textile waste and increase resource efficiency.

How? Signatories commit to agree good practice design principles (including durability, recyclability, use of recycled content and minimizing waste) and implement them as appropriate to their business model and customer base, to lower the impacts of products placed on the market in Denmark.



Goal 3: Circular Business Models

Aim/Ambition/Outcome: A larger part of the turnover in clothes in Denmark comes from resale, and clothes are kept in use for as long as possible.

Why? Extending the life of textile products is the most effective intervention in terms of environmental impact savings, through displacing sales of new products and their associated primary production impacts.

Extending the active life of 50% of UK clothing by nine months would reduce carbon and water footprints by 4-10 per cent each³. On top of this, re-commerce is expected to grow five times over the next five years, whilst traditional retail is expected to decline. With surplus value sitting idle in Danish wardrobes every year, due to clothing under-utilization, there is a huge opportunity for brands, retailers and re-use organizations to profit from circular business models.

How? Signatories pilot re-use business models as appropriate to their product ranges, share learning, and develop large-scale implementation to extend the lifetime of clothing in Denmark – decoupling business growth from the use of virgin resources.

Sources:

1) Ellen McArthur Foundation

2) Murray, B, 2013, Embedding environmental sustainability in product design. Best Foot Forward

3) WRAP's 2017 report, Valuing our Clothes: the cost of UK Fashion

The 2030 vision

The sector collaboration is built on a common vision of accelerating the circular transition of the textile and fashion sector, in order to become international front runners, prepare for coming legislation and have a competitive advantage in a world with growing demands and requirements for products with lesser environmental impact.



Prepare

Prepare the textile and fashion sector for coming legislation.



Educate

Research, disseminate and share best practices.



Report

Continuously measure and report on status and progress.



Innovate

Identify, develop and facilitate new solutions to reach and exceed the targets.



Circulate

Uncover processes and business models that keep textiles in use for as long as possible.

Why is this collaboration important?



The industry needs alignment on actions

The textile and fashion sector would benefit from common goals, pooling of resources and work in alignment. The circular transition needed will not be possible without collaboration and common action. This will prepare the textile and fashion sector for coming EU legislation. The aim is to facilitate a Nordic expansion of the voluntary sector collaboration after proof of concept.



Denmark can be a pilot country for a Nordic pact

Denmark is a small country, and many companies operating on the Danish market have a global outlook. Thus, international alignment and a sector collaboration is important. We believe the Danish voluntary sector collaboration can be a pilot for a bigger Nordic collaboration. We share many preferences with our Nordic neighbours, and some see the Nordics as one big home market.



Target-setting, data and measurement are key tools for driving action

Many companies lack data/documentation on their environmental impact, let alone on where they stand compared to the sector. With this collaboration, we will start collecting standardized data and encourage companies to start measuring their own circular business progress.



Circularity is the key to reaching climate targets

The fashion and textile sector is among the top⁴ polluters within Europe, and thus must play its part by reducing its impact to help reach the national and global climate targets. The European Environmental Agency has pinpointed circularity as a key driver in reducing the impact of the industry. Without reducing the use of new materials, reusing and recycling resources and shifting consumption, we will not reach the goals.

Stakeholders to involve in achieving the 2030 vision



Government

The government is already involved, and its continued support is important for the voluntary sector collaboration. There needs to be a natural dialogue between the sector and the legislators, especially right now, when new, textile-specific legislation is being drafted. Government and public agencies can gain insight from the sector, and the sector can propose policies or initiatives.

It is important that government and legislators take a holistic approach to new rules and regulations and are aware how they impact the sector and its stakeholders.



Brands and retail businesses

Brands and retailers within the fashion and textile sector are the primary target group for the collaboration, and responsible for working on the goals and for collaboration across the value chain and sector.



Waste and recycling sector

To close the loop, a collaboration with the waste and recycling sector is crucial, and one we hope to establish. There needs to be feedback from the textile waste sector to the textile manufacturers, in order to learn and innovate.

Furthermore, recyclers are crucial, and close collaboration is important here. Recyclers can inform the sector of possibilities and challenges with regard to recycling the current textile waste, and can also inform future material and design choices.



Research and education

There are still many unknowns and data gaps within the circular transition of textiles, which is why research is crucial. We need researchers in all areas, to test, develop and analyze, as the brands and the recycling sector develop the solutions of the future, and to qualify the data and solutions.

It is also at research and education level that we find the greatest expertise in circular design, and this knowledge needs to be gathered and spread, to give everyone participating in the collaboration the tools to design for a circular future.



Citizens

Citizens and consumers play a big part in achieving the 2030 vision. But, if they are to play their part, we need more knowledge and insight into their behaviour, both at the buying, using and discarding stages.

Citizen research is proposed to investigate common communication guidelines, as everyone has a responsibility to educate the circular citizens of tomorrow.



The secretariat of the collaboration

Lifestyle & Design Cluster has been appointed the secretariat for the voluntary sector collaboration on textiles. The role of the secretariat will be as facilitator and to ensure that the right networks are created.

It is also to ensure that the work is progressing according to the Action Plan and help signatories fulfil their duties of taking action and reporting data.

The international alignment of the 2030 goals

The 2030 vision of the voluntary sector collaboration is aligned with international industry visions from Ellen McArthur Foundation, the EU Commission as well as the Danish Partnership for Circular Economy for Plastic and Textiles. Furthermore, the Danish collaboration is part of the Textile Action Network facilitated by WRAP.

Textiles Action Network:

Members of the Textiles Action Network use the principles of a circular economy to transition the production, consumption, and disposal of textiles, ensuring that:

- More reused clothing is sold than new
- All clothes sold in country are designed and made to be circular
- New clothing consists of more materials made from recycled rather than virgin fibres

Ellen McArthur Foundation's vision for a circular economy for fashion:

In a circular economy for fashion, products (apparel, footwear, accessories) are used more, made to be made again and made from safe and recycled or renewable inputs.

The EU Commission's 2030 Vision for Textiles:

- All textile products placed on the EU market are durable, repairable and recyclable, to a great extent made of recycled fibres, free of hazardous substances, produced in respect of social rights and the environment
- "Fast fashion is out of fashion" and consumers benefit longer from high-quality, affordable textiles
- Profitable re-use and repair services widely available
- The textile sector is competitive, resilient and innovative with producers taking responsibility for their products along the value chain with sufficient capacity for recycling and minimal incineration and disposal of waste to landfill.

Textile collaborations internationally

This collaboration is part of a network of international textile collaborations and pacts.



Three countries and one autonomous region are so far planning to set up, or have set up, a collaborative agreement on textiles and circularity. They are: Australia, Denmark, the United Kingdom and Catalonia.

The voluntary sector collaboration is part of the Textiles Action Network facilitated by WRAP.

WRAP is a climate action NGO working in over 40 countries around the globe to tackle the causes of the climate crisis. WRAP has convened numerous successful collaborative agreements and been an integral part of shaping the Danish collaboration.

WRAP created the Textiles Action Network to put the global textiles industry on the trajectory to net zero carbon emissions.



How does the collaboration support the EU Textile Strategy?

With its tradition of quality, design and sustainability, the Danish fashion and textile sector has great potential to contribute knowledge and experience to fulfil the EU's vision for textiles in 2030. By accepting binding targets, the sector collaboration will contribute to Denmark being among the leaders in the circular transformation of the fashion and textile sector.

Input to legislation

The sector collaboration can feed concrete experience into the realization of the initiatives under the EU's Textile Strategy. The Danish Ministry of Environment has agreed to take part until the end of 2024 and the sector collaboration will provide policy recommendations based on the achievements and experiences it has gained. Dialogue between business and legislators is crucial, especially when implementing new international policies.

Signatories gain insight into policy development

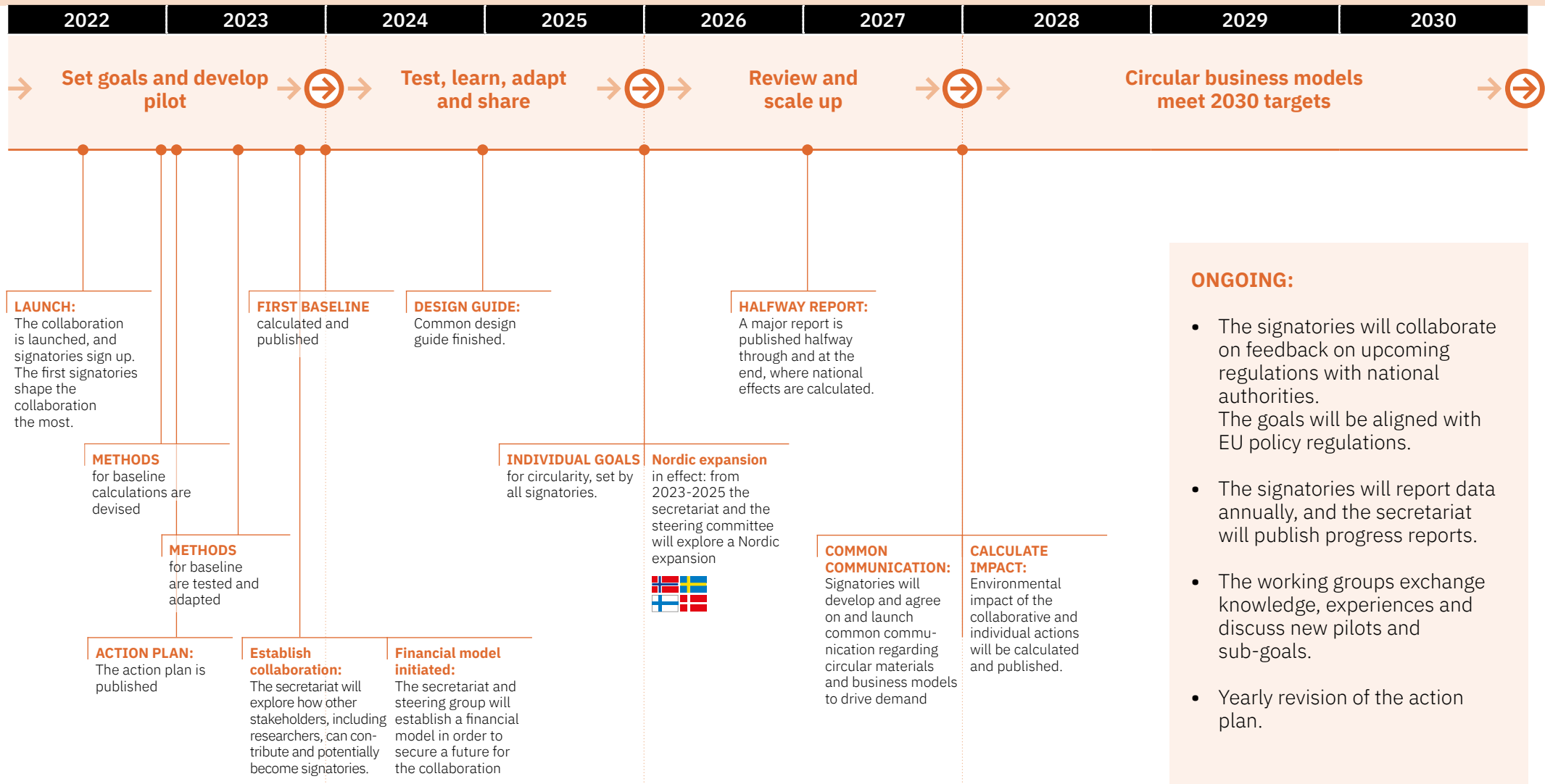
Due to the close collaboration with authorities, companies contributing to the goals, will be prepared for coming legislation and have a competitive advantage.

Signatories gain insight into policy development

2022	2023	2024	2025
EU Textile Strategy	Revision of Waste Framework Directive - EPR for textiles	Digital Product passport	Deadline for separate collection of textiles in EU
Eco-design Directive	Substantiating green claims + PEF methodology	Disclosure of unsold goods	
Empowering consumers	Microplastic prevention	Revision of the EU Ecolabel for textiles	
Corporate Sustainability Due Diligence (CSDD)	REACH revision	Implementation of initiatives	
Taxonomy criteria for textiles	Review of textile labelling Directive		

Timeline developed by DM&T. Still to be explained with disclaimers for when the different initiatives are introduced and when they will be put in action.

General timeline of the collaboration



- ONGOING:**
- The signatories will collaborate on feedback on upcoming regulations with national authorities. The goals will be aligned with EU policy regulations.
 - The signatories will report data annually, and the secretariat will publish progress reports.
 - The working groups exchange knowledge, experiences and discuss new pilots and sub-goals.
 - Yearly revision of the action plan.

Overall plan for key outcomes

	➔ Set goals and develop pilot		➔ Test, learn, adapt and share		➔ Review and scale up		➔ Circular business models meet 2030 targets		
	2022	2023	2024	2025	2026	2027	2028	2029	2030
Recycled materials	Signatories start to test recycled materials in their own material development		All signatories set internal baselines for use of recycled materials						
			All signatories have tested recycled materials in some products						
			All signatories have developed a material strategy including goals for their use of recycled materials						
							All clothing and textiles from signatory companies will consist of at least 40% recycled material, including at least 10% recycled directly from textile fibres (average across signatories).		
Circular design	Signatories have a shared understanding of circular design in practice, including recyclability								
	New goals for circular design have been drafted, including more sustainable material use, durability and limiting waste								
	A beta version of the design guide is under development								
	A working version of a design guide agreed on by all signatories								
			All signatories have tested circular design practices in collections or products based on the working version of the design guide						
					70% of all products from signatory companies follow the principles of the design guide				
							All signatories have trained their staff in circular design practices and have a functioning circular design guide in place		
Circular Business Models	Signatories develop a common understanding of circular business models established								
	Quantifiable goals for percentage of resale set								
	New goals explored for extending lifetime of products								
			80% of signatory companies engage in resale projects and circular business models						
	More signatories engage in strategies for extending lifetime of products i.e. repair service and retail service								
					A bigger part of signatories' sales revenue in Denmark is coming from circular business models and resale				
							The consumption of new clothing and textile products in Denmark has decreased		

Goal 1: Recycled Materials

Outcome	Activity	Delivered by			Stakeholder involvement
		End of 2024	End of 2025	End of 2030	
1.1 Signatories start to test recycled materials in their own material development	1.1.1 Recycled material inventory Gather research on availability of recycled materials that can help guide signatories in their recycled materials strategy.				Secretariat / Waste and recycling sector
	1.1.2 Test and pilot recycled materials Work with knowledge institutions to test durability of existing recycled fibres and apply knowledge in pilot collections among signatories.				Researchers / Signatories
1.2 All signatories set internal baselines for use of recycled materials	1.2.1 Fibre gap analysis based on baseline Based on baseline data, conduct a gap analysis of fiber demand versus global availability, including financing gap in order to reach target.				Secretariat / Waste and recycling sector
1.3 All signatories have tested recycled materials in some products	1.3.1 Explore collaborative investment initiatives In order to bridge the financing gap, explore possibilities for collaborative investment or purchasing among smaller signatories interested in innovative materials.				Secretariat / Signatories
	1.3.2 Citizen and user research Collaborate with researchers to explore user understanding of materials.				Researchers / Signatories / Citizens
	1.3.3 Lifecycle assessment of main fibres Gather available LCA data of main recycled fibres for signatories to use in climate reporting.				Researchers / Signatories
1.4 All signatories have developed a material strategy including goals for their use of recycled materials	1.4.1 Guide signatories to set own strategies Share sourcing and documentation best practice in order to help signatories to set their own material strategies and goals. Include data and feedback from the recycling sector and sorters to ensure the optimal use of materials in future collections.				Secretariat / Researchers / Signatories / Waste and recycling sector
1.5 All clothing and textiles from signatory companies will consist of at least 40% recycled material, including at least 10% recycled directly from textile fibres (average across signatories)	1.5.1 Common communication guidelines The collaboration will develop common communication around recycled materials to help customers make informed choices.				Signatories / Secretariat
	1.5.2 Support collaborative investment initiatives The secretariat will continue to support potential collaborative investment and purchasing initiatives.				Secretariat / Signatories
	1.5.3 Best practice guide for recycled fiber substitution. After 8 years of working with recycled materials, the collaboration will have tested many different fibers and production methods. The best cases will be gathered for international inspiration.				Secretariat / Researches

Goal 2: Circular Design

Outcome	Activity	Delivered by			Stakeholder involvement
		End of 2024	End of 2025	End of 2030	
2.1 Signatories have a shared understanding of circular design in practice, including recyclability	2.1.1 Mapping standards and existing design guides In preparation for a Danish design guide, international guides and standards need to be mapped, examined and discussed.				Secretariat / Researchers / Signatories
2.2 New goals for circular design have been drafted, including more sustainable material use, durability and limiting waste	2.2.1 Common understanding of durability Signatories need to set the scope for areas within the design guide, including durability for materials.				Signatories / Researchers
2.3 A beta version of the design guide is under development	2.3.1 Develop new goals Circular design covers many areas, and specific goals for sub-categories of design will help the collaboration be more targeted. New goals can include goals for renewable material use, goals for durability and repairability, goals for fit and grading, returns, overproduction and recyclability. Durability and extended product lifetime are key priorities. This should guide decisions when selecting materials for a product				Signatories / Researchers
2.4 A working version of the design guide agreed on by all signatories.	2.4.1 Circular design training Collaborate with design schools and other stakeholders to implement and carry out circular design training.				Secretariat / Researchers
	2.4.2 Citizen and user research into durability To research how the users of the products understand durability in order to achieve a better user-product fit.				Researchers / Signatories / Citizens
2.5 All signatories have tested circular design practices in collections or products based on the working version of the design guide	2.5.1 Baseline of new goals Establish a baseline for new goals regarding materials, durability, repairability, returns, overproduction and recyclability.				Secretariat / Signatories
	2.5.2 Strategies to minimize waste Research and publish a catalogue of business strategies to minimize waste and overproduction in different fashion and textile companies.				Secretariat / Researchers / Waste and recycling sector
2.6 70% of all products from signatory companies follow the principles of the design guide*	2.6.1 Common communication about circular design Based on citizen and user research, create a set of common communication guidelines so all signatories use common language towards their customers and end-consumers.				Signatories / Secretariat / Citizen
	2.6.2 Best case guide for circular design Research and publish the best case examples among signatories who have worked with circular design principles.				Secretariat / Signatories
	2.6.3 Common list of preferred materials A common list of preferred materials can be made or an international version can be agreed upon. This will help the signatories to move in a unified direction, and can be used in the common communications.				Secretariat / Signatories / Researchers / Waste and recycling sector
2.7 All signatories have trained their staff in circular design practices and have a functioning circular design guide in place.	2.7.1 Develop internal circular design guides Based on the common guide, all signatories develop their own product specific circular design principles.				Signatories

* This percentage has been set in dialogue with signatories and experts, according to what is both ambitious and plausible.

Goal 3: Circular Business Models

Outcome	Activity	Delivered by			Stakeholder involvement
		End 2024	End 2025	End 2030	
3.1 Signatories develop a Common understanding of circular business models	3.1.1 Landscape mapping of business models To create an overview of new and established business models for keeping clothes and textiles in use for as long as possible				Secretariat / Signatories / Researchers
	3.1.2 Test circular business models Signatories start to test circular business models, either in pilots or full scales				Signatories
3.2 Quantifiable goals for percentage of resale	3.2.1 Research textile tracking As part of TRACE, it will be explored how textile tracking and blockchain can accelerate resale business models				Researchers / Signatories
3.3 New goals for extending lifetime of products explored	3.3.1 Consumer behavior research Gather existing research into consumer behaviour around reuse models and define knowledge gaps				Researchers / Secretariat
3.4 80% of signatory companies engage in resale projects and circular business models*	3.4.1 Lifecycle assessment of circular business models Gather available LCA data for keeping clothes and textiles in use through new business models				Researchers / Signatories / Waste and recycling sector
	3.4.2 Track changes in consumer demand To see how consumers are responding to growing market of circular business models				Secretariat / Researchers / Signatories / Citizens
	3.4.3 Encourage textile tracking Based on findings from research into textile tracking, signatories will be encouraged to engage in models for tracking and transparency				Signatories / Researchers / Waste and recycling sector
3.5 More signatories engage in strategies for extending lifetime of products	3.5.1 Test service as business models Building on business models for circular consumption, signatories are encouraged to test business models for keeping clothes and textiles in use longer, such as service, repair etc.				Signatories
3.6 A bigger part of signatories' sales revenue in Denmark, is coming from circular business models and resale	3.6.1 Measure progression in citizen attitudes To see how consumers continue to respond to new business models, and help signatories match their expectations.				Secretariat / Researchers / Citizens
	3.6.2 Research pathways to decouple material consumption and growth To encourage even more fashion and textile companies to pursue circular business models, gather evidence of how growth can come from these, rather than new production				Secretariat / Signatories
	3.6.3 Scale up circular business models Signatories scale up the viable models they have tested				Signatories
3.7 **The consumption of new clothing and textile products in Denmark have decreased.	3.7.1 Environmental impact of business models Publish findings on the impact of signatories circular business models and services				Secretariat / Signatories

* This percentage has been set in dialogue with signatories and experts, according to what is both ambitious and plausible.

** This goal is from the TRACE roadmap.

Challenges and solutions

Goal 1: Recycled Materials

GOAL: By 2030, all clothing and textiles from Danish companies will consist of at least 40 per cent recycled material, including at least 10 per cent recycled directly from textile fibres (for products placed on the Danish market).

The working group has worked on a common definition for recycled textile materials that will be used for data collection

Potential challenges:

- **Lack of materials:** Currently there are not enough available recycled materials. Demand currently far exceeds availability on the market (2023)
- **Price of materials:** Along with availability, prices of recycled materials on the market are currently higher than for conventional. With the added cost of documentation, it is a concern that signatories with lower price points may not meet the goals.
- **Test capacity and price:** New materials require testing, especially for companies with high demands for physical properties. But tests are expensive and can take long, which may persuade some signatories from implementing new materials.
- **Documentation and definition:** There is no clear definition of what recycled textile materials are or how to document them. Relying on definitions and certifications from private organisations poses challenges for many signatories.
- **Data collection, time and resources:** A potential challenge is that signatories will find the yearly reporting and documentation requirements too time-consuming and will not comply.

Potential solutions:

- **Innovation and new technologies:** Right now, there are a lot of investments in recycled materials and new technology. While there is still a substantial investment gap, we believe that the high demand and new legislation will drive the investments and solve the availability and price issues. The signatories and the collaboration can help this further, by joining together to invest or buy larger quantities.
- **Support for tests and research:** Along with new investments in material technology, it is likely that we will see more testing. Companies can also join forces both when buying and testing new materials to reduce cost.
- **Public scrutiny calls for definitions:** As recycled materials are expected to be part of future legislation, and with increased scrutiny from consumer watchdogs, these are areas requiring attention. The collaboration is based on industry standards and will be aligned with official definitions when available.
- **Data collection will become the norm:** The textile and fashion sector will be met with demands for better data from all sides in the coming years. The data required to participate in the sector collaboration is data that all companies must, in any case, find and organize.

Challenges and solutions

Goal 2: Circular Design

Goal: Create common circular design guidelines for clothes and textiles from Danish companies to be designed to have more lives and to be part of optimal circular loops

Potential challenges:

- **Diversity of product groups:** The signatories within the collaboration are very diverse, with very different product requirements. This could prove difficult when making common design guidelines useful across the industry.
- **Guidelines not aligned with legislation:** While the voluntary sector collaboration is developing its own design guide, the EU Commission is working on updated requirements for the Eco-design legislation, and the final versions are not known yet.
- **Capacity of circular design experts:** It may be a concern that not enough professionals within or outside the sector have in-depth knowledge of circular design, and this could make it difficult for companies to carry out the proposed staff training.
- **Waste streams hard to map:** It is important to have valid information about a company's waste to inform future design choices. However, textile waste streams are not always analyzed in depth nor available.
- **Lack of data around preferred materials:** The science and data behind material sustainability within textiles is under scrutiny, and it can be hard to determine which materials are best, both in terms of CO2 emissions and circularity potential.

Potential solutions:

- **Diversity can be a strength:** It can be challenging to create common guidelines for diverse products, but different perspectives can inspire: some segments in the sector are at an advanced level and can inspire others, e.g workwear.
- **Close collaboration with authorities and researchers:** The voluntary sector collaboration will strive to work closely with authorities who know about the developments in the new eco-design standards. Likewise, the collaboration will seek to collaborate with researchers and other experts who have been studying eco-design for many years and who can offer expertise both in validating the design guide and in capacity building and circular design training.
- **Denmark will start textile waste collection early:** When Danish municipalities start to collect household textile waste in 2023, two years before all EU countries, it could provide an opportunity for Danish brands to gain unique insight into how their products end their life.
- **Guidelines must be updated as new data emerges:** With little data, it is hard to be too specific in our preferred materials guidelines, so it is important to leave room to update the guidelines as we go. However, there are already clear indications of which materials have very poor circular potential, and which have proven good for longevity and recycling.

Challenges and solutions

Goal 3: Circular Business Models

Goal: A larger part of the turnover on clothes in Denmark comes from resale, and clothes are kept in use for as long as possible

The working group has worked on a definition for resale that will be used for data collection

Potential challenges:

- **Secondhand consumption is still in its early days:** The promise of reducing resource consumption when consumers shift to circular consumption patterns is an appealing one. However, the global revenue levels from resale, rent- and repair- services are still too low to replace significant levels of new production.
- **Circular business models are yet to be seen as a new revenue stream:** B2C, Business to consumer, resale is at an early stage and still lack broad brand adaptation and prioritization as a new revenue stream. While many brands are already testing resale the propagation of the models is mostly documented within the charitable or peer-to-peer sectors.
- **Reverse handling and infrastructure are complicated:** The current system is not built for an effective reverse logistic: One of the challenges is the high cost of handling, another is the many handling points in the supply chain. Coordinated common infrastructure for this purpose is at its infancy and remains an obstacle.
- **Diversity and competition may stop collaboration and fast transition:** The companies within the textile sector are very diverse in terms of size, infrastructure, value proposition and product portfolios. They face different challenges and starting points for starting up circular business models. Competitive parameters may also stop possible collaboration and it will require a new mindset and new collaboration across supply chains.

Potential solutions:

- **Scale and collaboration will increase profitability:** We see more support companies come into being, from services facilitating resale to larger repair services. In the future, we also predict shared sorting, maintenance, and handling services. Just as brands today share stock and fulfilment services, we believe the same will happen for the infrastructure needed for thriving circular business models. Furthermore, there are real opportunities associated with private-public partnerships because the municipalities of Denmark now form part of the textile eco-system and wish to see the resources put to best use.
- **Circular consumption may de-couple financial growth from accelerated resource use:** While it is true that we are still not seeing consumers replace new purchases with circular consumption (at scale), we do see the potential for circular business models to help replace linear business models. In Denmark, actors within the resale business are currently seeing signs that indicates a direct displacement - a lower level of sale of new products and an increase in the resale revenue.

The signatory commitment*

The role of the signatories:

By signing up to the pact, signatories will:

- Decouple growth from resource consumption in the Danish textile industry
- Set goals across the organization, follow up and quantify these as well as act on these goals
- Engage customers to buy, use and dispose of clothing and textile products in new ways that reduce resource consumption
- Participate in knowledge sharing and discussions across the sector to share insights, identify priorities and develop solutions within the objectives.

Signatories must act on:

- Measuring the impact and circularity of their product portfolio sold on the Danish market
- Setting goals to reduce the use of resources
- Preparation and implementation of an action plan
- Reporting progress to the secretariat annually
- To influence consumers to engage in more sustainable behaviour
- Provide inputs to inform decision makers in policy development.

The role of the secretariat:

As the secretariat for the sector collaboration, Lifestyle & Design Cluster will:

- Secure support for sector collaboration across the industry
- Provide and update an effective tool to collect data and report on companies' progress against goals. The tool developed by Norion, will be tested and adapted in 2023, ready for baseline reporting by late 2023
- Collect the participants' data in anonymized reports, where each participant can benchmark itself against the other companies
- Draw up an action plan that specifies the cooperation and offers suggestions on how to meet the goals by 2030.
- In collaboration with the Danish Environmental Protection Agency, prepare an overall baseline across the sector, so that the overall progress of sector cooperation can be measured
- Work closely with the Danish government to inform future textile policy using members' results and insights
- Mobilize partnerships and funding to develop and pilot system-wide changes
- Contribute to initiating pilot trials and development projects where it makes sense, in conjunction with the cluster's basic grant
- Ensure the collaboration's consistency with the research and development that takes place through other Danish partnerships
- In cooperation with national and international partners, ensure international compliance and knowledge sharing.

* Please follow this link to see the current members:

[Frivilligt sektorsamarbejde om tekstiler - LDCluster.com](https://www.ldcluster.com/da/frivilligt-sektorsamarbejde-om-tekstiler)

Glossary

Baseline

– A starting point for comparison. In this context, it is the level at which the companies are at in 2023, regarding the three goals.

Circular Economy

– an economic system based on the reuse and regeneration of materials or products, especially as a means of continuing production in a sustainable or environmentally friendly way.

Circularity – See above.

Citizen research

– scientific research conducted with participation from the public, and regarding the actions and behaviours of the public.

Climate Goals

– Can refer to any goals set, with the aim of reducing negative climate change. There are multiple big frameworks, such as the climate goals of the Paris Agreement, company goals as part of scientific target initiative, and the sustainable development goals.

De-coupling

– a situation in which two or more activities are separated, or do not develop in the same way. In the context of the circular economy, it is especially important to decouple economic growth, with a growing demand for natural resources.

EU Textile Strategy

– A Strategy for Sustainable and Circular Textiles, published in March 2022 by the European Commission. It set out plans to bring more sustainability to the textile industry.

GHG reduction/emissions

– A greenhouse gas (GHG or GhG) is a gas that absorbs and emits radiant energy within the thermal infrared range, causing the greenhouse effect.

LCA

– Life cycle assessment or LCA is a methodology for assessing environmental impacts associated with all the stages of the life cycle of a commercial product.

Norion

– Norion is a Danish consultancy company, previously known as PlanMiljø. They were hired by the Danish Environmental Protection Agency to develop a tool to measure the baseline of the collaboration.

Pilot

– A pilot project is an initial small-scale implementation that is used to prove the viability of a project idea. In fashion, it is often a small part of the collection and confined to few products for a limited time.

Recycled materials

– There are many definitions for recycled materials. This collaboration will decide on a common definition. To be published by 2023.

Resale

– There are many definitions for resale. This collaboration will decide on a common definition. To be published by 2023.

Renewable materials

– A renewable material is a material made of natural resources that can be replenished, generation after generation.

Signatories

– companies and organizations which have committed to being part of the voluntary sector collaboration, and thereby signed on to report on the three goals etc.

Textiles Action Network

– is an international network which brings together businesses, supply chains and governments to work towards one clear goal – to create a circular economy for fashion and textiles.