

# Action Plan 2030

The 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 towards 2030. Each signatory will contribute to the circular goals and report annually on progress. An aggregated progress report is published on an annual basis. The collaboration runs until 2030.

In 2022, the Danish Ministry of Environment and the fashion and textile sector announced the start of a sectoral collaboration between the Ministry and the Danish fashion and textile sector. The steering committee consists of a representative selection of Danish companies, industry and knowledge organisations, the Ministry of Environment and the Danish Environmental Protection Agency with ambitions to engage a large part of the Danish fashion and textile companies.

The initial Action Plan was published in 2022. Due to market developments, updated regulations and other key elements of importance the plan has been updated on a regular basis, with the latest update taking place during spring 2025. Please go to pages 20-21 for further information about the most recent update process, involved stakeholders and their recommendations.\*

\* This updated version of the Voluntary Sector Collaboration on Textiles Action Plan has been prepared by the secretariat based on inputs from subject matter experts listed in the appendix. However, their contributions were limited to providing insights and guidance on specific topics and their areas of expertise. The final content, including interpretations and conclusions, has been developed by the secretariat and does not necessarily reflect the views or endorsements of the subject matter experts. Accordingly, they bear no responsibility for the final content or for any errors, omissions, or outcomes resulting from the use of this report.

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

- By committing brands to shared goals on circularity that inform overall strategic direction, including design principles, material choices 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 hands-on collaboration between companies and other entities within the sector in order to create long-term, systemic changes
- By setting sector-wide goals to curb the growing resource consumption driven by clothing and textile products sold in Denmark, aiming to decouple resource use from environmental harm while supporting continued economic development
- By aligning with existing and forthcoming EU legislative requirements and compliance tasks around circularity and sustainability.

\* For products sold on the Danish market.

# The Danish sector collaboration on textiles has three goals



## Circular Business Models

**Aim/Ambition/Outcome:** A larger part of the revenue from clothing and textile products sold in Denmark comes from circular business models such as resale, repair, rental, maintenance, redesign, repurpose and upcycling, resulting in textile products being kept in use for as long as possible.

**Why?** Extending the lifespan of textile products as high in the waste hierarchy as possible 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 clothing by nine months would reduce carbon and water footprints by 4-10 per cent each<sup>1</sup>. On top of this, re-commerce is growing faster than first-hand sales. With surplus value sitting idle in Danish wardrobes every year, due to clothing under-utilisation, there is a huge opportunity for brands, retailers and re-use organisations to profit from circular business models.

**How?** Signatories implement circular business models as appropriate to their product ranges, share learning, and scale activities to extend the lifetime of textile products in Denmark – decoupling business growth from environmental impact.



## Circular Design

**Aim/Ambition/Outcome:** Based on strategic design principles, clothing and textile products from Danish companies are designed to have more lives and to be part of optimal circular loops.

**Why?** 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
- design out waste from the system
- increase the demand for fibre-to-fibre recycled materials
- allow products to be recycled at end of life

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 to systems thinking and good practice design principles (including longevity, durability, repairability, upcyclability, 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 Danish market.



## Recycled Textile Fibres

**Aim/Ambition/Outcome:** By 2030, clothing and textile products 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).\*

**Why?** Only 1 per cent of blend textiles are recycled into new textile fibres.<sup>2</sup> 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 foreign landfill and for incineration. There is therefore a necessity and an opportunity to increase the use of recycled fibres in new products, preferable from fibre-to-fibre recycling. Using recycled fibres shifts the environmental impacts away from the production of virgin raw materials and also diverts textile waste from incineration and foreign 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.

# The 2030 vision - an integrated approach

The sector collaboration is built on a common vision of accelerating the circular transition of the Danish textile and fashion sector, in order to become international front runners in solving the industry's challenges, prepare for coming legislation and have a competitive advantage in a world with growing demands and requirements for products with lesser environmental impact. To succeed, it is essential to integrate goals on circular design, recycled materials and business models, as each area reinforces and enables the others.

## Why Integration Matters

Achieving true circularity in the textile sector requires a systems-level perspective that connects materials, design, and business models. When these areas are treated in isolation, opportunities for innovation, efficiency, and impact are lost. For example, designing a product for longevity only becomes meaningful if the business model supports repair, resale, or take-back, and if the materials used are durable, recyclable, or renewable. Without this integration, efforts under each goal risk becoming siloed: material choices may not support long-term use; circular business models may not align with product lifecycles; and design strategies may be undermined by unsupportive sourcing or marketing practices. Cross-pollination between the three goals is thus not just desirable, it is necessary. Each goal reinforces and enables the others: circular business models depend on appropriate product design and material input; design decisions must take into account how products will be used, reused, and eventually recovered; and material strategies must align with both design requirements and circular value propositions.

A fragmented approach can lead to inefficiencies, contradictory signals, and missed opportunities for system-level transformation. By fostering strong linkages between goals, the sector can move from isolated initiatives toward a shared, scalable, and resilient circular economy.

## Towards a Coherent Strategy

A more coherent strategy would build explicit connections between the three goals, recycled materials, circular design, and circular business models, at both the conceptual and operational levels. This could be achieved by defining shared principles that cut across all goals (e.g., product lifecycle thinking, value retention, and resource decoupling), and by embedding these principles into tools such as a sector-wide product guide template. Joint pilot projects, knowledge-sharing platforms, and aligned KPIs can reinforce interdependencies in practice. For example, targets for recycled content should be linked to design for disassembly and supported by business models that facilitate product return and material recovery. Similarly, a design guide should not only address aesthetic and functional aspects but also anticipate business model pathways and material end-of-life scenarios.

Ultimately, a coherent strategy replaces fragmentation with integration, ensuring that each action contributes to a unified circular transition.

## Stepwise Progress is Valid

While a holistic and integrated approach is ideal, it is also both understandable and acceptable that not all companies, especially smaller or resource-constrained ones, can engage with all three goals simultaneously. Transitioning to circularity is complex and often requires significant investments in skills, systems, and infrastructure. A stepwise approach allows companies to build momentum by focusing first on the area most aligned with their current capabilities or strategic priorities, gradually expanding to encompass the other goals as capacity grows. While this may mean some synergies and efficiencies are delayed or missed in the short term, it can still contribute meaningfully to the broader transformation if it is pursued with long-term alignment in mind. The key is to ensure that even incremental steps are taken with awareness of how they will eventually connect to a more comprehensive and systemic change.

**Prepare** the textile and fashion sector for forthcoming legislation and circular business potentials.

**Educate.** Research, disseminate and share best practices.

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 existing and forthcoming 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 has the potential to be a pilot for a bigger Nordic collaboration. We share many preferences with our Nordic neighbours, and a substantial number of industry actors 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 as a whole. With this collaboration, we will start collecting standardised data based on assumptions of what forthcoming legislation will include, making it doable to prepare as best as possible. With this approach companies are encouraged to start measuring their own circular business progress.



## Circularity is central 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 extending the life of textile products, reducing the use of virgin materials, reusing and recycling resources and shifting consumption, we will not reach the goals.



## Towards decoupling - separating economic growth from environmental impact

Current levels of production and consumption are putting increased pressure on the planet's resources. The goal of 'decoupling' is to enable economic growth without harming the environment. Fully embracing the circularity goals gives fashion and textile companies the opportunity to grow their revenues while reducing their use of materials and cutting their carbon emissions.



# 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 both on EU-level and in Denmark, taking also the recent Danish Finance Act into consideration (2025-2028).

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.



## 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 analyse, as the brands and the recycling sector develop the solutions of the future, and to qualify the data and solutions.

The research and education sector have a high level of expertise in circular design and circular business models - this knowledge needs to be combined with hands-on applied knowledge from the industry.



## 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.



## 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 and 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 appropriate action and reporting data.

# The international and national 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 (now TRACE). Furthermore, the Danish collaboration is part of the Textile Action Network facilitated by WRAP.

## Textiles Action Network

Textiles Action Network unites national and regional textiles initiatives worldwide to exchange knowledge, share best practice, and work collectively to put the textiles industry on a trajectory to achieve net zero carbon emissions through the transition to a circular economy. Members of the Network are reshaping the production, consumption, and disposal of textiles, by supporting their stakeholders to:

- Increase the proportion of reused textiles sold versus new
- Design and make circular textile products
- Use recycled fibres in the production of new textile products
- Measure and evaluate environmental, social and economic benefits

Members include the UK Textiles Pact, The Canadian Circular Textiles Consortium, Sustainable Textiles Switzerland 2030 and The Danish Voluntary Sector Collaboration.

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

In a circular economy for fashion, products (apparel, footwear, accessories) are used more, designed and 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.

## TRACE

TRACE is a mission-driven association guided by its vision of leaving a positive trace on people and the planet through a circular economy. TRACE drives collaboration and knowledge creation across all actors to set the path for implementing circular solutions within plastics and textiles. The goal for TRACE is to contribute to Denmark achieving the national climate targets in the areas of plastics and textiles by 2050. Initiatives in textiles under TRACE focus on

- how the design and production of particularly garments can help reduce overproduction and eliminate excess production of both fashion clothing and workwear
- how systems and services for more resourceful utilization of existing products can be furthered through collaboration, knowledge sharing, and adjustment of existing procedures
- how recycling practices can be matured in a Danish context



# How does the collaboration support the EU Textile Strategy and prepare the signatories for it?

The Sector Collaboration supports the realisation of the initiatives under the EU's Textile Strategy and follows the legislation process thoroughly. See timeline of most important textile specific policies related to the EU Textile Strategy to the right for an overview of important milestones.

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 by 2030. By accepting binding targets, the sector collaboration aims to contribute to Denmark being among the leaders in the circular transformation of the fashion and textile sector.

Dialogue between business and legislators is crucial, especially during the implementation of new EU regulation to ensure appropriate harmonisation across the EU Member States. Danish industry associations are represented on the sector collaboration steering committee and, among others roles, support the secretariat in enhancing the dialogue and increasing awareness on forthcoming legislation among the signatories.

Due to the secretariat's close monitoring of ongoing policy developments and existing collaboration with authorities and industry associations, companies involved in the Sector Collaboration and working towards the goals, will be better prepared for forthcoming legislation and gain a competitive advantage by simply being ahead of the curve.

Timeline developed in partnership with Danish Fashion & Textile (DM&T). Within the EU, it is common to distinguish between a proposal (made by the European Commission), entry into force (when the law is published in the Official Journal), and application (when companies are required to comply).

Year	Initiative
2020–2021	<b>Circular Economy Action Plan (CEAP)</b> <ul style="list-style-type: none"> <li>Textiles identified as key value chain needing urgent systemic change</li> <li>Chemicals Strategy for Sustainability prepares ground for future chemical restrictions in textiles</li> </ul>
2022	<b>EU Strategy for Sustainable Circular Textiles</b> <ul style="list-style-type: none"> <li>Goals: durable, repairable, recyclable textiles by 2030</li> <li>Fast fashion curbed</li> <li>Foster a resilient EU textile ecosystem driven by circular business models, innovative recycling technologies, and infrastructure for closed-loop material flows</li> </ul>
2022 Early adoption phase	<b>Ecodesign for Sustainable Products Regulation (ESPR) Proposal</b> <ul style="list-style-type: none"> <li>Extend ecodesign to textiles</li> <li>Design requirements for durability and reparability</li> <li>Inclusion of Digital Product Passport (DPP)</li> </ul>
2023	<b>REACH Microplastics Restriction Proposal</b> <ul style="list-style-type: none"> <li>Restrict intentionally added microplastics (relevant only for synthetic fibres)</li> </ul>
2024 Adoption phase	<b>Waste Framework Directive (WFD) Revision</b> <ul style="list-style-type: none"> <li>Introduce EPR for textiles</li> <li>Member States must collect textiles separately by 2025</li> <li>Harmonised fees based on environmental performance ('eco-modulation')</li> </ul>
2024	<b>ESPR Political Agreement</b> <ul style="list-style-type: none"> <li>ESPR in force, including ban on destruction of unsold goods</li> <li>Initiation of studies to prepare for delegated act for textiles</li> <li>First textile-specific product requirements in development</li> </ul>
2025	<b>Product Environmental Footprint Category Rules (PEFCR) for Apparel &amp; Footwear released</b> <ul style="list-style-type: none"> <li>Establishes harmonized LCA methodology for 13 product categories, including recycled content, durability, and microplastics. Required for substantiating environmental claims under the upcoming Green Claims Directive. Supports standardised metrics in the DPP and ESPR implementation</li> </ul>
2027	<b>First ESPR Rules for Textiles Apply</b> <ul style="list-style-type: none"> <li>Green Claims Directive likely in force (potentially delayed until 2028)</li> </ul>
2028	<b>Textile EPR Schemes Operational</b> <ul style="list-style-type: none"> <li>Right to Repair Directive expected to be formally adopted</li> </ul>
2028- Compliance phase	<b>Major Compliance Year</b> <ul style="list-style-type: none"> <li>ESPR: Meet design criteria on durability, reparability and recyclability + DPP mandatory for textile products placed on EU market</li> <li>Full EPR compliance: fees, reporting, eco-modulation</li> <li>Right to Repair Directive applies to covered products</li> </ul>

# The Action Plan explained

On the following pages you will find the Action Plan for the voluntary sector collaboration. It consists of key outcomes for 2024, 2026 and 2030. There are concrete actions for the immediate years of the collaboration due to more certainty. More general actions are used for the final part of the collaboration due to unknown implications from forthcoming legislation and uncertainties about funding. These actions will be revised yearly, especially when new knowledge and insights are available. The current Action Plan has been updated during spring 2025 and involved extensive input from knowledge and research institutions as well as signatories and industry organisations, as outlined in the appendix.



## Making the goals quantifiable

While the collaboration started off with three goals, each goal needs to be broken down into steps and be quantified: milestones and requirements are developed to operationalize the three goals and enable monitoring and measurement of progress, both at company level and for the voluntary sector collaboration as a whole.



## Who is the action plan for?

The action plan is primarily for and developed with the **signatories** of the collaboration to serve as a foundation for discussing how to achieve the goals.

Secondly, it is for **stakeholders** who are interested in following and supporting the collaboration. By seeing the actions needed and the goals, other stakeholders can align their efforts, provide feedback and suggest new actions that support these goals.



## Align the goals with roadmap for research

In 2021, the Danish research community came together to write a mission-based roadmap on how Denmark could become leading within the circular economy in plastic and textiles by:

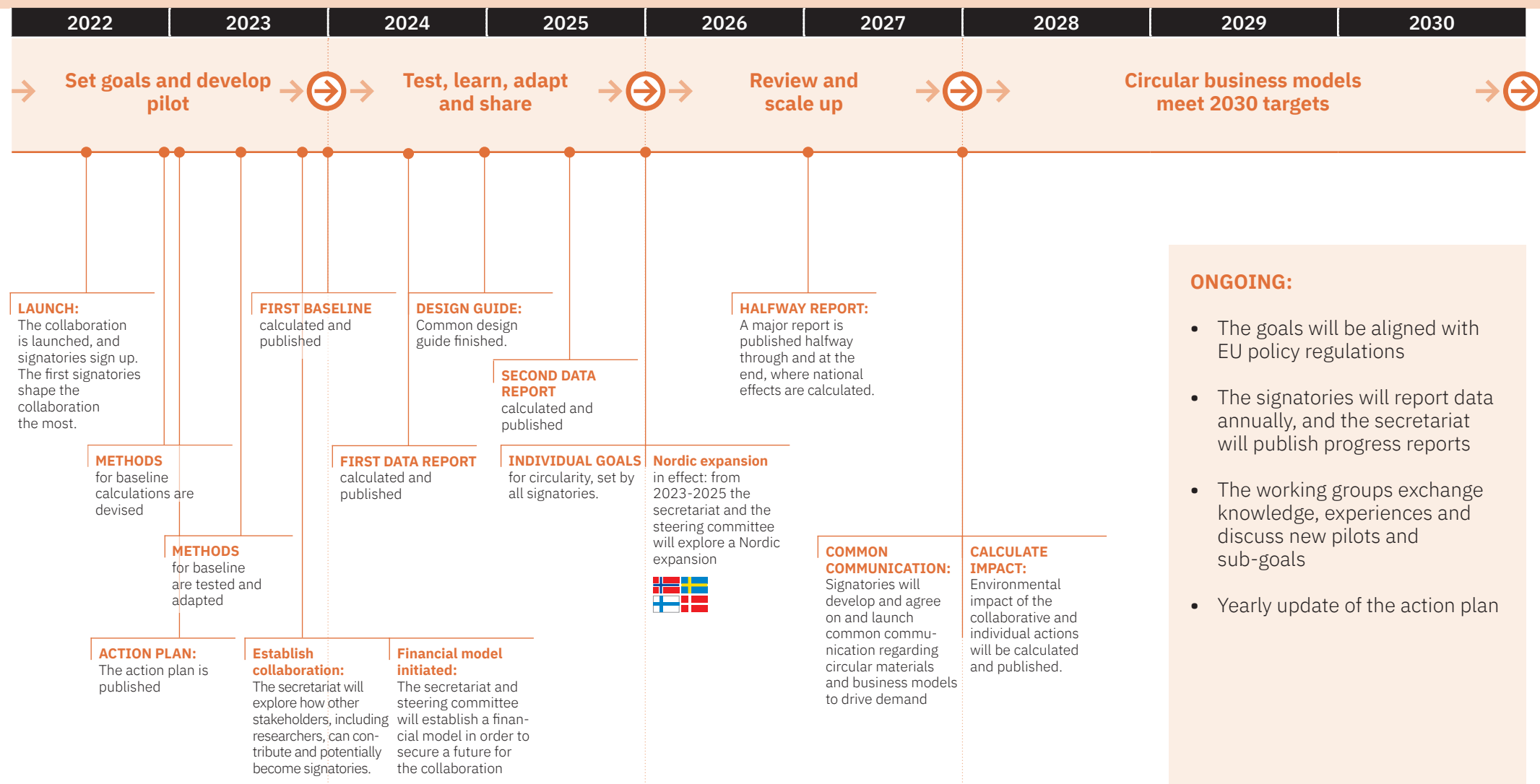
- Reusing and recycling all plastics and textiles
- Securing material recovery at the highest possible level
- Decoupling resource consumption
- And no surplus production.

The TRACE roadmap showed the path towards substantial GHG reductions and a closed loop and TRACE continues to excel in facilitat-

ing cross-sectoral collaboration by uniting key stakeholders across the value chain to address critical challenges, such as overproduction and low-quality clothing. Through its systemic approach, TRACE ensures the textile industry progresses toward circularity while staying within planetary boundaries.

TRACE highlights important needs for re-research priorities, and the voluntary sector collaboration will be aligning its efforts with the roadmap and following updates as much as possible.

# General timeline of the collaboration



## ONGOING:

- 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 update of the action plan

# Circular Business Models

Outcome	Activity*	Delivered by			Stakeholder involvement
		End 2024	End 2026	End 2030	
<b>1.1 Signatories develop an understanding of circular business models</b>	<b>1.1.1 Landscape mapping of business models</b> 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
	<b>1.1.2 Test circular business models</b> Signatories begin testing circular business models, either through pilots or at full scale, adopting a full value chain perspective and recognising that business models are embedded in both upstream and downstream activities	✓			Signatories / Researchers
<b>1.2 80% of signatory companies engage in circular business models**</b>	<b>1.2.1 Impact assessment of circular business models</b> Gather available impact data and best impact-related argumentation for companies to engage in circular business models, aligning with the latest developments in measuring circularity on company level (e.g. ISO 58020)				Researchers / Signatories / Waste and recycling sector
	<b>1.2.2 Identify changes in consumer demand</b> Explore consumers' commitment and buy-in to circular business models and empower signatories to act accordingly, potentially in collaboration with peer-to-peer platforms				Secretariat / Researchers / Signatories / Citizens
	<b>1.2.3 Develop business case for circular business models</b> Identify best practice cases related to infrastructure availability and value chain readiness providing signatories with robust arguments to secure internal buy-in for circular business models. Develop a practical briefing to support signatories in making the internal business case for circular initiatives as measured by feedback from signatories and uptake of the materials				Signatories / Researchers / Secretariat
<b>1.3 Signatories engage in strategies for extending lifetime of products through repair</b>	<b>1.3.1 Test repair as a business model</b> Identify best practice cases related to infrastructure availability and value chain readiness providing signatories with robust arguments to secure internal buy-in for circular business models. Develop a practical briefing to support signatories in making the internal business case for circular initiatives as measured by feedback from signatories and uptake of the materials				Signatories
<b>1.4 A larger part of signatories' sales revenue in Denmark comes from circular business models</b>	<b>1.4.1 Define proportion of sales revenue</b> Gain consensus amongst signatories and experts around what levels are both ambitious and plausible in order to define baseline and milestones, potentially with variations across various product categories to fit purpose				Signatories / Researchers / Secretariat
	<b>1.4.2 Scale up circular business models</b> Signatories scale up the viable models they have tested and create roadmaps to inspire others and accelerate action				Signatories
<b>1.5 The consumption of new clothing and textile products in Denmark have decreased***</b>	<b>1.5.1 Research pathways to decouple resource consumption and growth</b> To encourage more fashion and textile companies to adopt circular business models, gather evidence showing how circular initiatives can drive a thriving economy and demonstrate that growth can be achieved through these models, rather than only through increased production and resource consumption – thereby illustrating decoupling				Researchers / Signatories
	<b>1.5.2 Environmental impact of business models</b> Publish findings on the impact of signatories' circular business models and services drawing on data around deadstock materials usage, number of styles offered etc. while building on learnings from 1.2.2 and 1.4.2				Secretariat / Signatories

\* Please note that any references to future research activities are subject to securing additional funding

\*\* 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.

# Circular Design

Outcome	Activity*	Delivered by			Stakeholder involvement
		End of 2024	End of 2026	End of 2030	
<b>2.1 Signatories have an understanding of circular design in practice</b>	<b>2.1.1 Mapping standards and existing design guides</b> In preparation for making a Danish design guide, international guides and standards need to be mapped, examined and discussed	✓			Secretariat / Researchers / Signatories
	<b>2.1.2 Pilot and test strategic product guide format</b> Engage in iterative processes to test relevancy and applicability to Danish context and forthcoming legislation	✓			Signatories / Researchers / Signatories
	<b>2.1.3 Circular design training</b> Collaborate with design schools and other stakeholders to implement and carry out circular design training	✓			Signatories / Researchers / Signatories
<b>2.2 A working version of the strategic product guide is made available to all signatories</b>	<b>2.2.1 Co-create and publish strategic product guide</b> Taking a full value chain perspective the guide integrates both strategic planning considerations and forthcoming legislation. The guide is a practical tool tailored to company needs with a focus on ease of implementation. The guide covers key aspects such as renewable material use, durability, repairability, fit and grading, recyclability etc. placing particular emphasis on extending product lifetimes. The guide will be updated iteratively based on ongoing feedback from implementation experiences.	✓			Signatories / Researchers / Signatories
<b>2.3 All signatories have practical experiences with circular design practices</b>	<b>2.3.1 Test circular design in practice</b> Signatories test circular design practices in collections or products that are made based on a strategic product guide				Secretariat / Researchers
	<b>2.3.2 Strategies to minimize waste</b> Research and publish a catalogue of business strategies to minimise waste and overproduction in fashion and textile companies				Researchers / Signatories / Citizens
	<b>2.3.3 Identify consumer needs</b> Explore and align expectations and needs around intended product design and the experienced purpose of the product by the (end) user, potentially by researching products' resale value on various market places and secondhand retailers				
	<b>2.3.4 Build common understanding of durability</b> With forthcoming legislation focused on emotional, aesthetic, functional and technical durability, signatories need a better understanding of this field and how it related to both circular design practices and customer satisfaction				
	<b>2.3.5 Identify alignment opportunities with forthcoming legislation</b> Signatories assess how their current product development practices align with forthcoming requirements on ecodesign and foster best practices that exceed the minimum legal thresholds e.g. by setting voluntary targets for extended product lifetimes, enhanced modularity, or closed-loop design				
<b>2.4 70% of all clothing and textile products from signatory companies follow the principles of the strategic product guide**</b>	<b>2.4.1 Communication playbook for circular design</b> Create communication guidelines so all signatories are supported to communicate in accordance with existing legislation towards their customers and end consumers				Secretariat / Signatories
	<b>2.4.2 Best case guide for circular design</b> Publish the best-case examples among signatories who have worked with circular design principles (on a continuous basis). The case guide will be subject to an iterative process of updates based on ongoing developments				Secretariat / Researchers / Waste and recycling sector
	<b>2.4.3 Provide list of preferred materials</b> A list of preferred materials from internationally recognised body is referenced				
<b>2.5 All signatories have trained their staff in circular design practices and have a functioning strategic product guide in place.</b>	<b>2.5.1 Develop internal circular design guides</b> Based on the working guide, all signatories develop their own product specific circular design principles, internal training practices and ongoing communication				Signatories

\* Please note that any references to future research activities are subject to securing additional funding

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

# Recycled Textile Fibres

Outcome	Activity*	Delivered by			Stakeholder involvement
		End of 2024	End of 2026	End of 2030	
<b>3.1 Signatories start to test recycled materials as part of their material strategies</b>	<b>3.1.1 Recycled material inventory</b> Gather research on availability of recycled materials that can help guide signatories in their recycled materials strategy	✓			Researchers / Signatories / Secretariat
	<b>3.1.2 Test and pilot recycled materials</b> Work with knowledge institutions to test durability of existing recycled fibres and apply knowledge in pilot collections among signatories	✓			Researchers / Signatories / Secretariat
<b>3.2 All signatories make internal baseline for use of recycled materials</b>	<b>3.2.1 Fibre gap analysis based on baseline</b> Based on 3.1.1 & 3.1.2 the signatories will be able to access to their internal fibre demand vs. global availability and potential obstacles, and make an informed internal fibre strategy	✓			Researchers / Signatories / Secretariat
<b>3.3 All signatories have tested relevant recycled materials in some products</b>	<b>3.3.1 Explore user perceptions</b> Collaborate with researchers to explore user knowledge and perception of virgin and recycled materials in relation to product preferences and product purpose				Researchers / Signatories / Citizens
	<b>3.3.2 Continuous assessment of main fibres</b> A list of preferred recycled fibres from an internationally recognised body is referenced and recommended for signatories to use in climate reporting (potentially using LCA) and inspire new products				Researchers / Signatories / Secretariat
	<b>3.3.3 Explore co-funding options for final testing</b> In order to bridge the potential financing gap, explore possibilities for external funding from national government and EU funded programmes for value chain collaborations and innovative materials				Secretariat / Signatories
<b>3.4 All signatories have developed a material strategy including milestones for their use of recycled materials</b>	<b>3.4.1 Guide signatories to set own strategy</b> Share best practice in order to help signatories to make their own material strategy for use of recycled material (preferably fibre-to-fibre), blends etc. and collaborate with suppliers and the waste and recycling sector and sorters to ensure optimal implementation				Secretariat / Researchers / Signatories / Waste and recycling sector
<b>3.5 Clothing and textile products from signatory companies will consist of at least 40% recycled material, including at least 10% recycled directly from textile fibres (average across signatories)**</b>	<b>3.5.1 Communication playbook for recycled materials</b> Create a set of common communication guidelines so all signatories are supported to communicate in accordance with existing legislation and use common language towards their customers and end consumers				Signatories / Secretariat
	<b>3.5.2 Research pathways to decouple resource consumption from growth</b> To encourage even more fashion and textile companies to use fibre-to-fibre (or other) recycled materials, gather evidence on its impact in reducing resource consumption and how it is supporting successful product outcomes				Secretariat / Signatories / Researchers
	<b>3.5.3 Best practice guide for recycled fiber substitution</b> On a continuous basis publish the best case examples among signatories who have worked with recycled fibres, prioritising examples using fibre-to-fibre recycled materials				Secretariat / Researches

\* Please note that any references to future research activities are subject to securing additional funding

\*\* Measured in weight. The 10% fibre-to-fibre equals 40 grams per kilo (of the 400 grams recycled fibres per kilo)



# Challenges and solutions

## Circular Business Models

**Goal:** A larger part of the revenue from textile products sold in Denmark comes from circular business models such as resale, repair, rental, maintenance, redesign, repurpose and upcycling, resulting in textile products being kept in use for as long as possible.

### Potential challenges:

- **Secondhand consumption is growing but brands are missing out:** The promise of reducing resource consumption with consumers' shift to circular consumption patterns is a very appealing one. However, the global revenue levels from resale, upcycling, rent and repair services and other circular business models are mostly happening outside the companies producing the textile products (e.g. via market places and pure-play secondhand retailers).
- **Circular business models are yet to be seen as a new revenue stream:** Resale as a business model for companies producing clothing and textile products is still at an early stage and continues to lack broad brand adaptation and prioritisation as a new revenue stream. While many brands are already testing resale the propagation of the models is best documented within charities, marketplaces and secondhand retailers. Early adopters and front-runner brands have started to document significant results showcasing profitability and decoupling.
- **Reverse handling and infrastructure require new ways of working:** The current operating model is not built for an effective reverse logistic: One of the challenges is the cost of manual handling, another is the many handling points in the supply chain. Coordinated common infrastructure for this purpose has been introduced but lacks wider adoption from brands.
- **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 ways of collaboration across supply chains.

### Potential solutions:

- **Scale and collaboration will increase profitability:** A growing number of service providers are entering the market with solutions and infrastructure to support circular models, from services facilitating resale to larger repair platforms. Looking ahead, shared and scaled infrastructure for logistics, processing, and product handling is expected to be a key enabler for wider adoption. Just as brands currently share inventory and fulfilment systems, similar collaboration will be essential for the infrastructure that supports thriving circular business models.
- **Including further actors in building the infrastructure is needed for the circular transition:** In connection with the above, IT infrastructure providers need to be further included as their innovations build the foundation on which the various circular services build on. Furthermore, financial infrastructures to substantiate the circular business models are important. Finally, the appropriate level of knowledge infrastructure is important to secure the delivery of next-generation candidates with the right knowhow to implement further circular business models.
- **Circular consumption may de-couple financial growth from accelerated resource use:** While resale and other circular business models have not yet led to a reduction in overall consumer consumption, they hold clear potential to slow the growth of production over time and to partially replace existing linear models. In Denmark, companies that have added resale to their business are beginning to see indications that this new revenue stream does not cannibalise sales of new products and may even attract new segments at a reduced customer acquisition cost.
- **Turn claims and unsellable returns into an opportunity:** Claims and unsellable returns in the fashion sector present a challenge to circularity, often resulting in additional transport, repackaging, and products that are ultimately discarded or downcycled. This not only increases waste but also undermines sustainability efforts. However, returns can be transformed into an opportunity by using them as a valuable data source to improve sizing, product design, and the overall customer experience. In addition, returned items can be redirected into circular pathways such as resale, rental, repair, or recycling—helping to extend product lifespans and reduce environmental impact.

# Challenges and solutions

## Circular Design

**Goal:** Based on strategic design principles, clothes and textiles from Danish companies are 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 strategic product guide based on expected legislation, the EU Commission is working on updated product requirements as part of the forthcoming delegated act under the Eco-Design for Sustainable Products Regulation (ESPR). It is expected to include minimum requirements for key elements such as durability, reparability, recyclability as well as overall environmental performance considerations for textiles.
- **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 analysed 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 contextual guidelines can help and 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, industry associations and researchers:** The voluntary sector collaboration will work closely with authorities, industry associations and knowledge institutions with expertise in the developments in the Ecodesign for Sustainable Products Regulation (ESPR) to help validate the strategic product guide and assist in capacity building and circular design training.
- **Exploit options for enhanced product design for circularity:** By closely monitoring resale platforms fashion and textile companies can better understand how products hold up over time, identify common quality issues, and gather insights from consumer and user feedback to inform more durable, repairable, and desirable designs.
- **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 and include contextual guidelines. 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 Recycled Textile Fibres

**GOAL:** By 2030, 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).\*

## Potential challenges:

- **Lack of scale:** The lack of scaled initiatives around recycled textile materials is primarily due to challenges in ensuring consistent quality, cost-effectiveness, and supply chain infrastructure. Additionally, technical barriers related to fiber durability and sorting complexities hinder large-scale adoption and manufacturing.
- **Price of materials:** Prices of most recycled materials on the market are currently higher than for conventional and often seen as inferior in quality. 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 technical tests are almost non-existing and are expensive and can take long, which may prevent some signatories from implementing new recycled materials.
- **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.

\* Measured in weight e.g. the 10% fibre-to-fibre equals 40 grams per kilo (of the 400 grams recycled fibres per kilo) and 4% of the total

## Potential solutions:

- **Innovation and new technologies:** Significant investments are being made in recycled materials and new technology. However, despite the increased demand and upcoming legislation including minimum requirements for recycled content, challenges remain, and it is uncertain whether these factors alone will fully address the issues of availability and pricing. The investment gap persists, and additional efforts within areas such as public procurement may be necessary to achieve meaningful progress.
- **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.

# The signatory commitment\*

## The role of the signatories:

By signing up to the Sector Collaboration, signatories will:

- Help accelerate the decoupling of economic development from resource consumption in the Danish fashion and textile industry
- Set goals across the organisation, follow up and quantify these to measure progress as well as act accordingly on reaching these goals
- Engage customers to buy, use and dispose of clothing and textile products in new ways that significantly reduce resource consumption
- Participate in knowledge sharing and discussions across the sector to share insights, identify priorities and develop solutions within the framework of the sector collaboration goals and activities.

## 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
- Influencing consumers to engage in more sustainable behaviour
- Participating in relevant fora to inform decision makers in policy development.

## The role of the secretariat:

As the secretariat for the Sector Collaboration, Lifestyle and Design Cluster will:

- Secure support for the Sector Collaboration across the Danish industry
- Provide and update an effective tool to collect data and report on companies' progress against goals.
- Collect the participants' data in aggregated and anonymised reports, where each signatory can benchmark itself against the other companies
- Draw up and regularly update the action plan that specifies the cooperation and offers suggestions on how to meet the goals by 2030.
- Work closely with the Danish government and industry associations to help inform future textile policy using signatories' results and insights
- Mobilise 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 and initiatives
- In cooperation with national and international partners, ensure international compliance and knowledge sharing.

\* Please see the Sector Collaboration website to see the current members: <https://ldcluster.com/en/projects/cross-sectoral-collaboration/>

# Glossary

## Baseline

– is 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 aimed at eliminating waste and keeping materials and products in use for as long as possible through strategies such as reuse, repair, remanufacturing, and recycling. It replaces the traditional linear model of “take-make-dispose” with one that is regenerative by design, reducing resource consumption and environmental impact while supporting long-term economic resilience.

## Climate Goals

– are targets set to reduce greenhouse gas emissions and limit global warming, in order to mitigate the impacts of climate change. These goals can be set by governments, companies, or international bodies. There are multiple big frameworks, such as the climate goals of the Paris Agreement, company goals as part of Science Based Targets Initiative, and the Sustainable Development Goals.

## De-coupling

– refers to breaking the link between economic growth and environmental degradation. Most importantly, it means reducing the use of natural resources and environmental impacts, such as emissions and waste, even as the economy continues to grow. De-coupling can be relative (impacts grow more slowly than the economy) or absolute (impacts decline while the economy grows).

## EU Textile Strategy

– outlines a comprehensive policy framework to make textiles more durable, repairable, reusable, and recyclable. The strategy aims to ensure that all textile products placed on the EU market are sustainable and circular by 2030, addressing the entire life cycle of textiles, from design and production to consumption, reuse, and end-of-life management.

## 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.

## 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

– follows the ISO standard 14021:2017 for Environmental Labels and Declaration: “proportion, by mass, of recycled material in products. Only pre-consumer and post-consumer materials shall be considered as recycled content.” This can include but is not limited to:

- Recycled PET from plastic
- Recycled Nylon from fishing nets
- Recycled Cotton from industry off-cuts
- Recycled Wool from post-consumer goods

## Redesign

– is about altering an existing product’s design, such as its fit, function, or aesthetics, to extend its life, improve usability, or adapt it for new use while preserving its core materials.

## Repurpose

– is to use a product or material for a new function different from its original purpose, without significant processing. For example, turning a damaged garment into a cleaning cloth or tote bag.

## Resale

– covers products that were previously possessed, either owned or leased/rented, by a consumer. These are categorized as post-consumer products. Importantly, this definition explicitly excludes new products, deadstock, returns, claims, 2nd sorting products, and re-designed products.

## Renewable materials

– are derived from natural resources that can regenerate over time, either through natural processes or sustainable management. Examples include cotton, wool, hemp, and other plant- or animal-based fibers, provided they are sourced responsibly.

## Signatories

– companies and organisations which have committed to being part of the voluntary sector collaboration, and thereby signed on to report annually on progress 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.

## Upcycling

– is about transforming discarded or unwanted materials into new products of higher value or quality, typically through creative or artisanal processes that enhance their appeal or functionality.

# Update process description

## Updating the Action Plan: Expert involvement and methodology

To ensure the Action Plan remains relevant and reflects the latest developments in legislation, market dynamics, and circular practices, the Lifestyle and Design Cluster (LDC) initiated an update process in early spring 2025. The process involved a wide range of subject matter experts from Danish universities and knowledge institutions as well as industry association and brand representatives, who were invited to provide feedback and expert input on selected sections of the existing action plan. The goal was to simplify and update the plan while maintaining its ambition level, based on the latest available knowledge, sector developments and legislation.

The update process with the universities and knowledge institutions was structured around a series of group and individual meetings supplemented by written feedback. Experts were asked to review the existing action plan, consider the secretariat's draft changes, and comment on preliminary data findings from the 2024 reporting cycle. Specific topic areas, such as recycled fibres, circular design, decoupling, and business models, were assigned based on each expert's background and prior involvement in relevant sector collaboration innovation projects. In total, the estimated time commitment per participant was approximately 10–20 hours, spread across reading, consultation, commenting, and correspondence over the March to June 2025 period.

The secretariat held the overall responsibility for managing the process, including coordinating feedback, facilitating meetings, compiling contributions, and drafting the updated plan. Participants contributed on a voluntary basis and were supported by the secretariat throughout. The secretariat would like to express its sincere gratitude to all contributors for their time, insights, and commitment. We hope this marks a continued collaboration with all involved and look forward to engaging many of the same contributors, and potential new ones, in future update rounds.

Please see the following page for a summary of received feedback and its implementation status.

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## Disclaimer

This updated version of the Voluntary Sector Collaboration on Textiles Action Plan has been prepared by the secretariat based on inputs from subject matter experts listed above. However, their contributions were limited to providing insights and guidance on specific topics and their areas of expertise. The final content, including interpretations and conclusions, has been developed by the secretariat and does not necessarily reflect the views or endorsements of the subject matter experts. Accordingly, they bear no responsibility for the final content or for any errors, omissions, or outcomes resulting from the use of this report.



# Feedback summary and implementation status

	Feedback Theme	Feedback Points	Feedback implemented in current update	Feedback considered for next update*
Action Plan Specific Feedback	Overall direction and strategic framing	<ul style="list-style-type: none"> <li>• <b>Holistic and systemic approach:</b> The Action Plan must present a more coherent strategy that integrates business models, materials, and design - moving beyond a narrow and siloed focus where each goal is linked conceptually and operationally to reflect their interdependence in achieving circularity.</li> <li>• <b>Balance ambition with feasibility:</b> While experts support ambitious goals, some targets, especially around recycled content, are seen as potentially problematic due to favouring of rPET and are even seen as unachievable due to market and regulatory uncertainty</li> </ul>	X	
	Circular business models	<ul style="list-style-type: none"> <li>• <b>Broaden the scope of CBMs:</b> The current emphasis on resale (particularly own-brand) is viewed as too narrow. Stakeholders urge the inclusion of rental, repair, upcycling, redesign, remanufacturing, modularity, and service-based models.</li> <li>• <b>Make outcomes measurable:</b> Several outcomes and activities lack SMART indicators. Category-specific baselines and targets should be defined to improve measurability and relevance across fashion, workwear, household textiles, etc.</li> </ul>	X	X
	Circular design	<ul style="list-style-type: none"> <li>• <b>Use full-chain terminology:</b> Replace "design guide" with "product guide" to reflect value chain thinking and broaden the narrow perception of design as limited to product.</li> <li>• <b>Define durability comprehensively:</b> Functional, aesthetic, emotional, and technical durability must all be included. "Timeless design" is not a strategy and should be replaced by approaches aligned with brand DNA and customer use.</li> <li>• <b>Avoid material reductionism:</b> Design should not be judged only by material choices, blended materials may be optimal in some cases. Preferred materials must be context-sensitive.</li> </ul>	X	X
	Recycled textile fibres	<ul style="list-style-type: none"> <li>• <b>Clarify targets and terminology:</b> The 40% recycled material / 10% textile fibre-to-fibre-recycled target ambiguous. It should be clarified that the 10% fibre-to-fibre share is part of the total, not additional and equals 4% of the total.</li> <li>• <b>Harmonize with EU policy and terminology:</b> Targets should align with the forthcoming ESPR and other EU legislation, particularly on fibre-to-fibre definitions, and support a shift away from a potentially problematic one-sided focus on rPET.</li> <li>• <b>Develop recycled material strategies:</b> Preferred materials lists are not enough. There is a need for activities that encourage the development of circular-ready products from the outset.</li> </ul>	X	X
	KPIs, data and targets	<ul style="list-style-type: none"> <li>• <b>Ensure SMART targets:</b> Annual milestones are needed in addition to the current 2024, 2026, and 2030 checkpoints. KPIs should reflect both uptake and performance of circular models and approaches.</li> <li>• <b>Bridge qualitative and quantitative data:</b> The Data Report lacks consistency with Action Plan and important terms are used inconsistently. More precision is needed in metrics (e.g. what is "many" or "strong commitment"?).</li> <li>• <b>Track material flows and decoupling:</b> Include reporting on stock usage and deadstock transformation as well as increase data on resale-driven revenue to demonstrate real-world decoupling from virgin inputs.</li> </ul>		X

	Feedback Theme	Feedback Points	Feedback implemented in current update	Feedback considered for next update*
Sector Collaboration feedback	Consumer and market dynamics	<p>engagement. Regular representative surveys and better insight into BtB and peer-to-peer markets can inform action around e.g. circular design and improve relevance.</p> <ul style="list-style-type: none"> <li>• <b>Validate assumptions:</b> Brands should not assume consumers will pay a premium for circular options. Future research could include AI-driven trend tracking to anticipate shifts in consumer preferences.</li> </ul>		X
	Research and knowledge sharing	<ul style="list-style-type: none"> <li>• <b>Form research groups:</b> Create more structured collaboration with universities, research initiatives, GTS institutes, and others to accelerate circular transition. Companies should help identify practical research needs based on lived challenges during first 3 years of Sector Collaboration participation.</li> <li>• <b>Map internal competences:</b> Assess gaps in design, product development, and management expertise related to circularity to guide future training and support initiatives.</li> </ul>		X
	Governance, partnerships and participation	<ul style="list-style-type: none"> <li>• <b>Widen the signatory base:</b> Include relevant non-fashion and textile actors (e.g. sports equipment, commercial laundry services, costume producers, independent sellers etc.) to broaden impact.</li> <li>• <b>Engage sector enablers:</b> Highlight the role of IT providers, logistics firms, and financial partners in enabling circular strategies, not just brands - and find ways to better include them in the Sector Collaboration.</li> <li>• <b>Leverage external platforms:</b> Consider closer alignment with other industry data efforts (e.g. Danish Fashion &amp; Textile, DAKOFA etc.) for more robust insights and improved comparability.</li> </ul>		X