While the science and data on the impact of textiles on the environment has reached a consensus, the level of ambition has not. It is clear that we need to act in a more ambitious and urgent manner to reach not only the Paris Agreement but also the 2030 Agenda.

This document forms an annex to the United Nations Environment Programme report, Sustainability and Circularity in the Textile Value Chain: A Global Roadmap, which outlines the key priorities and actions needed to deliver a sustainable and circular textile value chain. This document outlines the role and actions that brands and retailers can take in transforming the textile sector towards sustainability and circularity.

From the Roadmap report, three overarching and interconnected priorities to deliver system change emerge: 1) shifting consumption patterns, 2) improved practices and 3) infrastructure investment.

To deliver on the three priorities, UNEP proposes nine building blocks to achieve a sustainable and circular textile value chain. All building blocks consider the key drivers of environmental and/or socioeconomic impacts within the value chain, support the delivery of the existing industry goals, and require multiple stakeholders to act together.

While the Roadmap report specifically explores the cross-stakeholder opportunities for change, and how collaboration can be facilitated, in delivery against the nine building blocks, it is also important to recognize that each stakeholder group has unique challenges, and a unique role and contribution to make. For this reason, the annexes of the Roadmap report detail the barriers and opportunities, as well as specific actions for each stakeholder group.

This annex outlines the role and actions that brands and retailers can take in transforming the textile sector towards sustainability and circularity.
DEFINITION OF BRANDS AND RETAILERS

Brands are established companies or those that do not have circular and sustainable approaches built into their business model. New innovative companies that are predicated on circularity and sustainability are covered in the annex for ‘innovators and recyclers’.

Large global brands

Large multinational brands tend to the ‘household names’ that many are familiar with. They have operations in multiple countries, and they either sell their products directly to customers or produce items that are sold through retailers. They typically are in one of several subcategories, namely high street or affordable brands, sportswear brands, luxury brands or outdoor and technical brands. Many of these brands create their products through outsourced production – often in Asian production hubs – although luxury brands and some outdoor brands also produce in European and US sites, which they either own or engage through long-term production partners. Many of these brands struggle to make rapid changes to their sourcing and business model due to complex supply chains and large sourcing volumes that exceed the available sustainable raw materials. However, these brands also often have the resources, public positioning and policy sway to take a leadership role on sustainability.

SME brands

Smaller brands operate in a similar way as large global brands, although they often have different dynamics at play. Due to their smaller size, they typically source from smaller or more local producers or make products themselves. They are also more able to implement sustainability targets quickly as their value chains and sourcing volumes are low, although their small size means that they have fewer resources to invest in change programmes and they typically have a lesser influence on producers, consumers and policymakers compared with large global brands.

Traditional retailers

Traditional retailers typically sell a range of products produced by themselves and others within a physical store as well as online. They might sell only textiles and apparel items, or have a mixed profile including homewares, food and other items. Retailers have diminished control over production processes when they do not produce items themselves, although they are able to select the brands that they stock and engage them on sustainability goals. Retailers can be influential but they are also sometimes limited in terms of setting their own goals against what brand collaboration requires them to deliver.

Online retailers and e-commerce

Online-only retailers and e-commerce are a new type of retailer that is growing rapidly in number, and they often engage with a customer demographic that is young and more interested in sustainability. This means that although they do not typically have major impacts within their own operations, they may be strongly engaged in industry efforts and collaboration/target setting with their brands. However, this strongly varies by brand and region, with some platforms not facing any demand for sustainability action or having little control over the brands listed within their platform.

Business associations: What is their role?

Many business owners, brands and retailers are members of business associations and industry groups that play a role in supporting the transition to sustainable and circular textiles. They might play a similar role similar to NGOs in helping to educate their members and provide roadmaps, or a more active role in co-developing and co-regulating standards in collaboration with governments or advocating for change in policy forums. These bodies may be conservative and focused on business benefits for their membership. Where this is the case, it is important for business associations to make the case for a shift to sustainable and circular textile value chains, particularly where they previously held policy positions that are contrary to environmental or social regulations. For this purpose, business associations must ensure that internal capacity-building on sustainability is undertaken to understand their members’ role in the global textiles value chain and transition to sustainable and circular textile value chains.
OPPORTUNITIES

By shifting to more sustainable and circular solutions, brands and retailers significantly reduce supply chain volatility and risk, expand business value while reducing impacts and material inputs and create future-proof business models. This could expand their consumer base, generate increased consumer loyalty and increase brand reputation while attracting investments and ultimately enabling them to play a leading role in sustainable textiles.

BARRIERS TO ACTION AND INTERDEPENDENCIES WITH OTHER STAKEHOLDER GROUPS

Lack of an enabling policy environment: There is a lack of incentive to adopt circular models in consumer markets and policy enforcement gaps in production regions. Further, there are policy barriers to key actions such as sourcing renewable energy at scale or a lack of suitable infrastructure for post-consumer fibre collection.

Lack of impact data and coordination of activities: There are major challenges around the lack of clear impact data on circularity, including tools to support decisions around potential trade-offs. The conventional ‘sustainability’ space is already crowded with initiatives and targets, and brands are concerned about the potential duplication of efforts, despite the presence of coordination mechanisms. For circularity, there is a similar proliferation of solutions, and a lack of global coordination mechanism to streamline activities towards a clear, unified direction.

Uncertainty around alternatives: Many brands and retailers are now exploring circular business models at a small scale. However, most are not pivoting their overall business model towards circular alternatives, due to concerns that consumer preferences are slow to shift and the potential negative impact on profits, and investors and current models remain successful in the short term. Further, existing business KPIs are typically developed assuming linear business models and they fail to consider the potential added value of circular business models.

Competing interests from internal and external stakeholders: While sustainability and circularity may be (or become) a company value, adoption of practices towards this transition may face opposition from shareholders concerned with their short- to medium-term financial returns, as well as the possibility of being used for political purposes (for either positive or negative reflections on a brand or retailer).

Competitive versus collaborative space: To shift towards circular solutions, both collaboration and individual business advantages are important in driving successful brand and retailer strategies on circular and sustainable textiles. Collaborative activities may compete against activities that give a business a competitive advantage, and this tension should be considered when planning brand and retailer action.

Internal buy in is needed at all levels: A mandate is needed from senior leadership down to empower all brand and retailer divisions to adapt their practices, as otherwise employees may have little scope to challenge a mandate that encourages higher volume sales at the lowest cost, and their job security may rely on meeting this mandate. Therefore, involving all levels, especially senior decision makers, and all divisions in conversations on sustainable and circular practices, is crucial.

Challenges with supply chain engagement: Brands may struggle to incentivize shifts to circular and sustainable supply chain practices with their producers, due to opacity of the supply chain, challenges with monitoring and incentives for progress, a lacking in-depth understanding of producer limitations and context, or a lack of budgets for effective incentives.

Uncertainty of consumer behaviour change: A lack of knowledge on and certainty of changes in consumer behaviour – for instance, shifting from owning products to renting, sharing, re-using second-hand products, as well as perceptions around recycled materials – cause uncertainty and prompt a perception of material financial risk for brands and retailers.

HOW TO PRIORITIZE

Brands and retailers can leverage their unique role in the textile value chain in its transformation towards sustainability and circularity. While there are a range of key actions listed in the following section, the three ways that brands and retailers should leverage their role and actions can be summarised as:

"Create revenue in a more sustainable way."

Dematerialize business value: Create new and attractive offers for consumers through innovative circular and low-impact business models, and engage and inform consumers to shift towards lower-impact ways to interact with the brand, working towards an increasing percentage of company revenue to come from circular models.
"Prevent problems at the design stage instead of trying to solve them later."

Design for low impact and circularity: Prioritize upstream solutions, i.e. design for durability and recycling (e.g., mono-materials or high production quality), design products to favour lower-impact material (e.g., recycled content, certified materials, or locally sourced materials) and design for low-impact production processes (e.g., phase out high-impact processes or chemicals of concern).

"Make decisive business improvements based on evidence of where your strongest impacts lie."

Decisively reduce environmental and social impacts using science-based evidence: Gather and study the best available information on your own impacts, industry sustainability challenges and potential solutions (e.g., life cycle impact data, risk analysis, opportunity analysis, market research, policy analysis) and use the evidence from this analysis to prioritize actions by addressing the most important impacts first (with the most appropriate solution), working collectively with other companies to address these impacts and sharing this information with external stakeholders and consumers to support transparency.

The following list of actions aims to offer a sense of the most urgent priorities for each stakeholder type, based on industry consultation and scientific analysis (i.e. actions that hold the most potential to address hotspots are prioritized). This does not mean that each stakeholder should undertake each action, but instead it is recommended that you further prioritize actions based on a number of key criteria, including:

- **What has already been done** by the actor (i.e. you might have already implemented some of the actions proposed). Further, identify existing goals or KPIs and evaluate whether they are sufficiently relevant and ambitious.

- **The degree of impact likely to be driven by each action**, based on your organization’s own specific impacts, scale and challenges or the possible influence in the wider value chain. Ideally your organization should have some overall sense or full analysis of impacts in different areas to make informed decisions.

- **Which actions are feasible within the policy, influence and physical limitations** of your organization. For example, rooftop solar panels might not be feasible in a location with no rooftop space, while purchasing renewable energy might not be feasible where private energy purchase is not legally permitted, or a lack of leverage with key stakeholders like the petrochemical industry might make it challenging to address impacts.

- **Whether an activity is likely to ‘unlock’ other actions** – e.g. an evaluation of company or country impacts, an on-site audit of potential investment opportunities, a reversal of a key legal barrier to activity, or infrastructure that unlocks impact reduction – for either your organization or your value chain partners.

- **Whether there are any potential trade-offs that could be problematic** based on the specific situation, if there are important sustainability disadvantages to implementing an action, e.g. a major increase in impacts in another area, or social trade-offs. This should ideally be based on a systems analysis of your organization’s structure and dynamics as well as an analysis of sustainability impacts. Engagement with key stakeholders and actors should be prioritized when developing actions to avoid unintended consequences.

- **The outcomes of consultation with relevant and credible stakeholders** – e.g. NGOs, technical organizations, workforce, affected communities, suppliers, consumers, citizens – and what they would prioritize for your organization.

- **Practical implementation resources required and financial factors** such as available capital and return on investment. These should be considered as a secondary factor after the potential scale of impact of an action, but ‘low-hanging fruit’ with low implementation costs and positive impacts can be implemented immediately compared with large investments that might take more time to authorize or obtain investment for. If you are an SME, smallholder or another actor with lower access to capital, you might find that high-cost activities are not feasible without non-commercial financial support from another actor and thus you should prioritize identifying this financial support wherever possible.

- **The availability of collaboration mechanisms and resources** for a specific action – e.g. collective programmes that can be joined or supported, forums where issues can be raised, funding sources that could be applied for, collective advocacy or influencing opportunities – that can help to deliver either internal or industry-wide solutions.

- **Based on all of these factors**, you can review the relevance of the actions below – or identify additional actions – to create your own plan for circular and sustainable textiles. This report recommends prioritizing upstream and holistic actions, such as on product design, business models or changing aspirations.
ACTIONS TO DELIVER THE NINE BUILDING BLOCKS

1 Sustainable and circular textile business models are adopted globally

This requires a significant shift in perception of what ‘value’ means for consumers, brands and retailers. The focus must be placed on shifting the market and business revenue away from linear models towards circular models that have demonstrated environmental and social impact reduction across the life cycle, or focusing on selling experiences or other non-material goods rather than physical products.

Set goals around dematerialization of your business model and the percentage of revenue that you aim to come from sustainable and circular customer offers and designs. Ensure that this approach is undertaken through a strategic top management lens rather than merely a sustainability team or marketing-driven approach, and that solutions are available across all relevant markets rather than symbolically in key cities. This means moving to circular models as an alternative practice rather than an additional revenue stream while ensuring that circularity is not used as a method to justify increased consumption overall, while mechanisms like take-back programmes are not used to incentivize increased purchases and consumption. Use clear target setting at the company and industry level to create market signals that will help to open up investment flows.

Communicate with consumers, investors, policymakers and financial institutions about your new customer offers, which should be based on innovative circular and low-impact business models.

Identify fundamental technological dependencies and uncertainties for circular business models, including infrastructure, logistics, consumer behaviour, internal stakeholder perceptions, etc. Create a strategy for circular business models that plans around or addresses these fundamental dependencies and uncertainties.

Report on new criteria such as volumes of returns or overproduction or how much funding your business is investing into adapting its business model.

Engage and actively incentivize value chain partners through capacity-building, financial and technical solutions, supplier performance incentives and multi-stakeholder initiatives to roll out circular solutions across the value chain.

Avoid unintended consequences for less powerful stakeholders, such as cannibalizing existing circular businesses such as resellers and recyclers to create business model return on investment at the brand level, or completely pricing consumers out of access to more circular models.

Develop and tailor alternative customer offers (e.g., lease, rental, resale) with a consideration of geographical and/or local context – such as regions in the Global South – and different markets, e.g. school uniforms, technical workwear, sportswear.

Address current barriers in available volumes and solutions (e.g., low production volumes of organic cotton) through the support of innovative scaling mechanisms such as accelerator funds, incentive credits or through market signals to actors in producer regions.

2 Textile overconsumption and overproduction are addressed

A significant decrease in overconsumption is required, particularly in developed countries. This can be achieved through a combination of increased clothing utility (how long a product is used) and shifting consumer norms and aspirations towards lower consumption through engagement with the social and emotional aspects of behaviour. Reducing overproduction will be important for brands and retailers, and can be achieved through improved stock and demand management, as well as exploring new models such as on-demand production.

Change consumer narratives around consumption, framing durability, recycling and longevity as aspirational qualities. Encourage sustainable consumption patterns through media and advertising as well as in-store/online store messaging, and through attractive consumer offers (e.g., product repair offers). Consider where messaging is in tension and scale back or eliminate consumption-based communications and advertising.

Consider options to reduce materials inputs and consumption levels while protecting business value, including optimizing the production cycle to reduce volumes of output and oversupply issues.

Explore organizational changes that can address overproduction, make stock allocation and production cycles more efficient to achieve better demand forecasting, limiting overproduction and markdowns.

Ensure that claims and communication are driven by science and evidence, and that messages are not selective. Be transparent about business models and value chain practices and use that transparency to enhance consumer knowledge of circularity.

Understand consumer needs and provide appealing products that are also circular and sustainable. Test and scale alternative customer offers and incentivize customer engagement through affordable prices and accessible initiative.

Leverage consumer insight and other consumer behaviour data from physical and online purchases to iterate on products that meet consumer and environmental needs, as well as to shape consumer messaging.

Invest in innovations that will enable a market-wide pivot to more sustainable customer offers; for example, exploring on-demand or customized ordering processes to reduce waste and unsold inventory. Enhance internal digital systems that will improve customer offers, such as the increased accuracy of clothing size guidance.

Enhance or replace products with virtual alternatives such as digital collections or virtual showrooms, while considering possible rebound effects.
### 3. All textile products are designed to minimize impacts and support circular models

- Design must be informed and intentional. Improved data and feedback loops will be critical to take into account knock-on effects of design at each stage of production, use and end of use. Products should be designed to consider the relevant circular business model (e.g., durability for rental), and with the assumption that they will be an input to closed loop recycling.

- Design with lower-impact materials and processes in mind. Collaborate with designers, product developers and suppliers to mitigate key areas of impact, including eliminating chemicals of concern to enhance recyclability potential of materials.

- Train sourcing and design teams in circular and sustainable design and include requirements in performance targets for all teams and roles, including senior management.

- Ensure that products are designed to deliver maximum longevity and optimum recyclability to be reused, repaired, repurposed, recycled and potentially — after maximum use — safely composted. Use virtual design processes to minimize the impact of sample production.

- Work with technical organizations and other companies to design and use decision support tools and programmes to help optimize material inputs, and design out impacts such as chemicals of concern, or social-, labour- or development-related issues.

- Align product design with the business models being used to deliver them (e.g., durability for rental models) through active dialogue and analysis between departments.

- Establish circularity metrics for product design and adopt circular design principles within your brand, guiding decision-making during the design process (e.g., using EMF’s Circular Design Guidelines).

- Engage with consumers and technical innovators to understand important design levers for increasing the physical and emotional durability of products.

- Collaborate and consult with all key actors in the value chain when implementing system changes, specifically on disseminating shared standards for circular design, materials and models.

- Create on-product branding or information mechanisms to demonstrate recyclability or durability, e.g., a universal branding for circularity or recyclability, such as mono-materials.

- Work with suppliers to increase product durability, addressing common challenges such as seaming, fit, pilling, staining, fraying and wear and tear.

- Provide financial support to holistically evaluate the impacts and risks of design decisions.

### 4. Better product care reduces impacts and improves product durability

- The consumer ‘use’ phase for textiles has chemical, energy, and water impacts, alongside microfibre and product durability issues. However, most textile brands do not include the consumer use phase in their impact evaluations and there are no large initiatives working on this phase. There is especially a need for more data on product care impacts and behaviour, also considering that consumers are diverse and global:

- Actively engage customers on garment care behaviours that improve longevity, along with ways in which items can be maintained and adapted to suit their requirements and prevent boredom or dissatisfaction. Launch programmes that educate and engage consumers about the use phase and how to optimize their benefits from new business models (e.g., considering durability and resale price for purchases that can be placed on resale platforms).

- Transform customer garment care behaviour through direct customer outreach and engagement, clear and consistent on-product garment care information, or the direct provision or facilitation of garment care and repair services. Place a focus on high-impact areas, such as washing, drying and dry cleaning.

- Recognize that reuse and longevity enhancing behaviour is already a reality in some markets around the world, from which lessons can be drawn.

- Leverage circular design and alternative customer and business models to drive minimized impacts throughout the consumer use phase of the product, including decreasing product care requirements and increasing overall product lifespan and emotional longevity.

- Invest in higher-item prices to ensure that high quality is delivered, and increase and share testing requirements on the number of wears that a product can last.

- Invest in use phase impact studies to gather improved data around consumer decision-making and behaviours to support better engagement strategy and design. Consider mechanisms to support consumer understanding of use phase impact, e.g., a clothing care calculator.

- Collaborate with white goods, FMCG companies and the laundromat industry to innovate and improve product care technologies.

- Find new mechanisms to reduce the cost of repair services as part of an attractive customer offer.
Textile production sites – especially wet processing sites – require major support and investment to substitute machinery and apply circular production methods. This is particularly important for sites beyond tiers 1 and 2 of large multinational brands, or production countries without strong policy enforcement on cleaner production:

Engage and actively incentivize value chain partners through capacity-building, financial and technical solution providers, supplier performance incentives and joining multi-stakeholder initiatives to roll out circular solutions across the value chain, aiming to:

- power all possible processes with renewable energy, noting that market conditions may differ depending upon specific geographic locations and functions to be powered;
- eliminate chemicals of concern and pollutants (including addressing microfibre and water quality issues through capture and water treatment) and create chemical extraction and recycling programmes;
- implement on-site water recycling technologies and invest in water stewardship programmes;
- address social and labour issues to the highest standards throughout the production phase;
- minimize production by-products, and where unavoidable using them as high-value resources.

Work with technical organizations to engage and share best practice with suppliers that are not directly supplying to large multinational enterprises.

Collaborate with other brands to offer support to suppliers and set aligned procurement criteria.

Adequately benchmark, monitor and reward circular and sustainable action by suppliers, particularly through business benefits, investment resources or other practical support. Work with others to explore what ‘sufficient’ supply chain action looks like, as well as how to most effectively collaborate and incentivize suppliers, particularly taking into account the need to address barriers and engage efforts to streamline approaches and avoid audit/reporting fatigue.

This includes collaborating with less-developed countries and previously marginalized communities, including – but not limited to – women, young people, indigenous and tribal peoples and persons with disabilities, which will help to avoid significant trade-offs and negative consequences:

Work with organizations such as the ILO to understand best practices around social and labour issues, and implement leading practices across your operations, supply chain and any other relevant business areas.

Use best available technical knowledge and third-party expertise to run due diligence on potential social and labour risks, and measure and monitor impacts and risks, wherever feasible.

Transparently share progress on social and labour issues, and report the outcomes publicly.

Adopt a ‘supplier-centric’ approach to building improvement programmes and adapting approaches to maximum relevance to the specific condition in each production location.

Bridge the gap between actors in the Global North and producers/brands in the Global South, particularly considering the important role of intermediaries such as NGOs, development organizations and industry bodies.

Better understand the impact of specific brand purchasing practices on the value chain, and commit to sharing the responsibility for mitigating harm by potentially needing to pay higher prices, waiting for longer lead times, etc. Share responsibility for material sourcing choices with suppliers and be willing to pay for the more expensive sources requested.

Monitor the social impacts of circularity interventions, including identifying the job impacts of circular innovation and including findings in further developing circular strategies, e.g. jobs created/lost, impact on wages. Use extra revenue earned via circular models – e.g. multiple sales from resale – to better share value with the value chain and reward circular and sustainable products and inputs.

Engage with the supply chain on potential support needs or impacts from a shift to circular and sustainable solutions, including job implications, skills and training.

Use the best available technical knowledge and third-party expertise to run due diligence on potential social or environmental challenges arising from a switch to new models, such as possible development impacts in producer countries, labour issues or increased environmental impacts.
There is a need to rapidly scale new and more sustainable production and cultivation practices for virgin raw materials, and to mainstream fibre-to-fibre recycling through improved practices as well as investment in waste management systems and infrastructure:

- Source the maximum percentage of lower-impact recycled materials that have credible verification of impacts and sources and mechanisms to address child labour and other labour rights issues within the recycling value chain. Source fibre-to-fibre closed loop materials where available rather than sources that recycle inputs from other industries.

- Support the development of shared solutions to closed loop recycling, including joining industry programmes, investing in R&D, and understanding potential solutions and technology (including collection and sorting solutions and incentives, as well as technical recycling solutions for fibres).

- Support fibre-to-fibre recycling through design and production choices, e.g. eliminating chemicals of concern, reducing or eliminating blends, engaging with design for disassembly. Eliminate chemicals of concern from raw materials production; for example, through the purchase of certified fibres where the scheme takes verifiable action on circular solutions, investing in field-level programmes focused on implementing circular solutions with raw materials producers or direct engagement with producers on best practices.

- Where there is a need to source virgin materials, invest in the scaling of virgin renewable raw materials sources that incorporate circular and sustainable technologies and approaches, such as the use of renewable energy, water recycling, reduction in chemicals and regenerative practices as well as addressing social and labour issues in the value chain.

- Support efforts to measure impacts and benefits from more sustainable and circular materials, including better data collection and analysis, better mechanisms for benchmarking, usable tools for product development and design teams to support their understanding of benefits and trade-offs and support for relevant assessments for innovative fibres.

This includes renewable energy, waste management and water treatment, as investment in shared infrastructure is essential to unlock the potential of individual actors to make changes in their own systems:

- Understand and engage with opportunities and barriers for improved shared infrastructure for renewable energy, waste management and water treatment for both operational and supply chain locations. Work with other brands, technical organizations and other stakeholders to capture the needs and potential solutions from an industry perspective.

- Engage with and encourage policymakers to act on barriers and needs to create key enabling conditions or directly invest in shared solutions.

- Consider establishing blended financial solutions for infrastructure development in partnership with other companies, NGOs and technical organizations and policymakers. Join existing collaborative platforms to develop these solutions.

- Work with policymakers, innovators and recyclers to scale solutions for the collection and recycling of post-consumer items, for example, through take-back schemes, road-side collections and recycling solutions for blends and contaminants.

Shifting consumer behaviour and global dynamics are required to avoid the need for landfill and incineration, for example, through circular solutions that reduce waste outputs. Solutions are needed to avoid shifting responsibility for waste disposal, such as trade of used textiles to locations that cannot use them and lack the infrastructure to adequately process textile waste:

- Where overproduction has not been adequately addressed (see building block 2), identify high-value solutions for utilizing unsold stock, such as outlet sales, resellers or responsible donations with a clear approach to selling and optimizing stock value rather than ‘dumping’ stock on unknown global markets.

- Invest in and develop key innovative infrastructures for textile end of life, such as for clothing collection, sorting and recycling, considering the role of reverse logistics and the waste supply chain (collectors, sorters, etc.). Ensure that these solutions do not rely on exporting textiles for processing without taking responsibility for its final outcomes, and that a risk assessment is carried out for any proposed solutions to understand social risks.

- Implement a clear policy that eliminates products sent to landfill and provides a protocol for all relevant recycling streams. This applies to textile items as well as other materials such as packaging.

- Create clear mechanisms for identifying the level of risk from counterfeit stock or contaminated stock, with a set of best practices to follow that identifies which items can be safely inputted into resale or recycling schemes and identifies any solutions in line with international safely requirements that can process items without incineration to ensure that only truly hazardous materials are disposed of through incineration.

- Work with expert organizations to improve the understanding of global textile waste dynamics and joint shared industry programmes to engage with locations that struggle to process textile waste.
INTERNAL AND EXTERNAL COORDINATION

Coordination is crucial in achieving a sustainable and circular textile value chain. Coordination actions that cut across all building blocks are outlined below.

**Build internal capacity and systems**
- Roll out training for all departments and implement organizational incentives such as senior pay incentives.
- Integrate the transition to circularity within corporate due diligence and risk assessment processes, creating a holistic action plan based on best available data, leveraging guidance such as OECD guidance.¹
- Increase organizational consistency, communication and aligned decision-making between central and local parts of the business and different business units.
- Re-evaluate existing company goals to include a core focus on sustainability and circularity, ensuring that targets overarchingly encourage the core business activities to incorporate circularity principles.
- Report environmental risks in financial reporting and encourage value chain changes in this direction.
- Be transparent about due diligence for a just transition and any issues or trade-offs identified.
- Understand profitable business models that ensure planetary sustainability, taking account of global developments such as population growth and income trends.
- Gather market intelligence around more circular business models and customer offers, and build an internal business case for these approaches.

**Coordinate with other value chain stakeholders**
- Collaborate with the entire value chain to drive change, given that the necessary scale of change cannot be achieved by working in silos and focusing solely on individual responsibility. Reducing the impacts and risks of key sourcing regions will help to support the creation of more stable sourcing locations for the future.
- Collaborate with suppliers, financial institutions, and policymakers to address financial and policy barriers to circular transformation for producers in key regions through identifying key levers, engaging in brand advocacy and the creation of innovative solutions through models such as blended finance.
- Be aware of the potential strong influence on policymakers and ensure that all policy engagement is undertaken responsibly.

This document is intended for brands and retailers within the textile value chain; for the full report, as well as Annexes for other stakeholders, please visit: [www.unep.org/resources/publication/sustainability-and-circularity-textile-value-chain-global-roadmap](http://www.unep.org/resources/publication/sustainability-and-circularity-textile-value-chain-global-roadmap).

For more information on UNEP’s ongoing work on textiles, please visit [www.unep.org/sustainabletextiles](http://www.unep.org/sustainabletextiles).

**Endnotes**