

Renoon

Sustainability compliance status
and adoption from +100 fashion &
apparel companies in **4 cities**.

PARIS

AMSTERDAM

COPENHAGEN

MILAN

In the blur of compliance

4 CITIES

7 DAYS

100+ COMPANIES

opportunities emerge

The idea of the series of Roundtables through European cities was born out of a desire to bring together decision-makers, companies, and key experts in the fashion and textile industry. We are living in unprecedented times and felt the need to dive deeply into the challenges, opportunities, and perspectives surrounding the profound transformation currently reshaping the industry.

To achieve this, we gathered **more than 100 companies** across four of Europe's most influential fashion cities – **Paris, Milan, Copenhagen, and Amsterdam** – to understand how each region is responding to the emergence of new sustainable regulations, including the upcoming Digital Product Passport by 2030. We wanted to create a space where key actors could share their fears, doubts, and hopes for the future of their industry. Questions about how daily responsibilities might evolve, how collaborations with colleagues and governments might change, how customer relationships should be approached, and how to navigate these shifts amidst economic uncertainty were at the heart of our discussions.

While fear and uncertainty about the future were palpable, there was also a great deal of hope and inspiration. It was clear that many in the industry are eager to be active in this critical transition. This report captures the essence of those conversations and the key insights gained throughout our journey. I hope it serves as both a reflection of the challenges we face and a source of inspiration for the future ahead.

"The interest of companies has been overwhelming. In every room, I could sense both the urgency and the gravity of the issues addressed".



Iris Skrami

IRIS SKRAMI
Co-Founder and CEO of Renoon

A heartfelt thank you to the experts who participated as speakers, panelists, and supported during the events: Stephanie Bretonniere, Marie Busck, Zinzi de Brouwer, Stephanie Crespin, Giovanni Faccioli, Pierre-Nicolas Hurstel, Eva Kruse, Michael Lillelund, Jordan Nodarse, Elisa Pervinca Bellini, Bonne Reijn, Willa Stoutenbek, Nathalie Robberse and Olaf Hussein.

A special thank you to our partners – **Fédération de la Mode Circulaire**, **Technogym** and **Soho House** – for supporting us in the success of the events in Paris, Milan and Copenhagen.



Thank you to everyone who participated in the events. Your contributions and willingness to share your perspectives have been invaluable in shaping this report. You have inspired us to create more opportunities and spaces to replicate these meaningful exchanges in the future.

The Renoon team has played a crucial role in the success of the events: Iris Skrami, Gabriele Trapani, Piero Puttini, Nicolo Tresoldi, Sara Ongaro, Marta Bordignon, Harish Koneru, and Anna Spangaro, who has executed the design of the report.

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Disclaimer:

This report is intended for informational and educational purposes only. The recommendations presented within are based on research and analysis of current industry trends, practices, and expert opinions. While every effort has been made to ensure the accuracy and relevance of the content, the findings and suggestions may not apply universally to all companies or industries, and they should be considered as part of a broader strategy.

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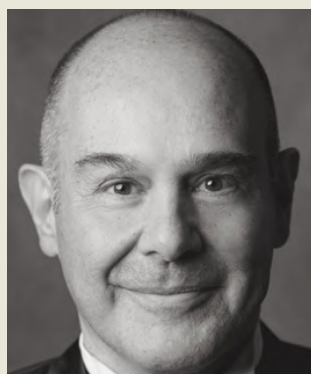
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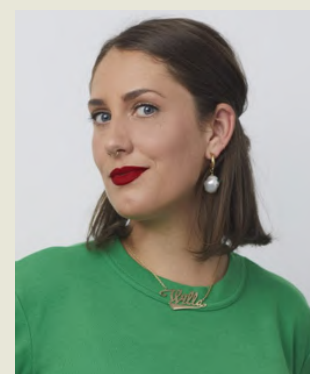
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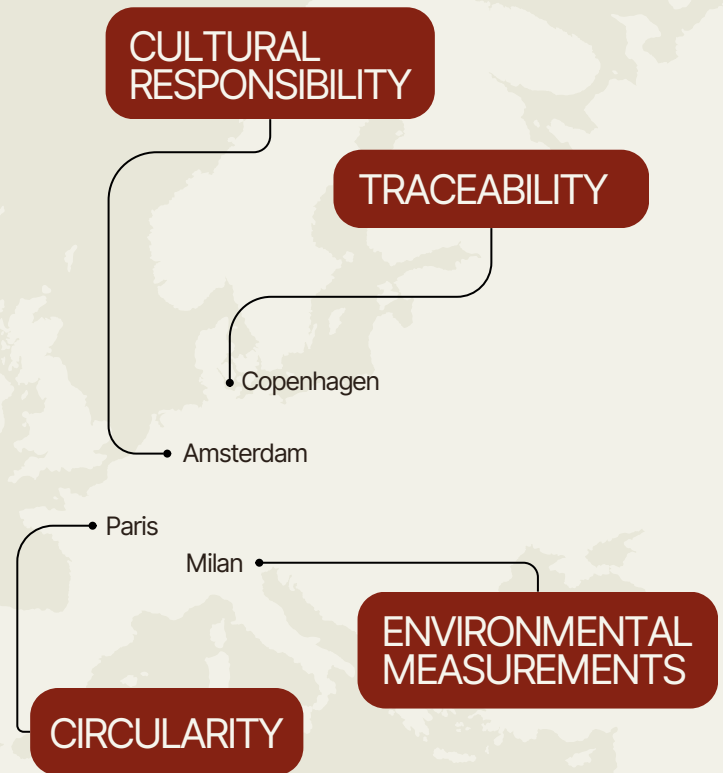
WGreen Agency - Owner

The textile and fashion industry is undergoing a profound transformation.

Key insights across fashion capitals

Parisian brands stand out for their focus on *circularity* and the early adoption of DPP solutions. **Milan**-based brands prioritize *environmental* impact measurements and stronger consumer relationships. **Copenhagen** companies are in an exploratory phase, concentrating on the “backend traceability work”.

Amsterdam-based brands show higher sensitivity towards *social impact* and *cultural responsibility*.



Key theme: turning challenges into opportunities

Leveraging technology, building and openly communicating transparent supply chains and using *compliance* as a platform for engaging brand *differentiation* are only a few of the opportunities available. Moving forward, balancing regulatory demands with *innovation* will be critical.

AMONG THE 100+ PARTICIPATING COMPANIES: 1OFFPARIS, ARTKNIT STUDIOS, BESTSELLER, BOGGI, BOSSA, CHANEL, CHLOE, DELOITTE, DIESEL, DK COMPANY, EKSTER, FERRARI LIFESTYLE, HERMES, KERING, LOUBOUTIN, MC2 ST. BARTH, NIKE, OPERA SPORT, ORGANIC BASICS, PANGAIA, RABANNE, ROCCAMORE, SANTONI, SAMSØE SAMSØE, STINE GOYA, SUNDECK, SUITSUPPLY, TEKLA, TOMMY HILFIGER, YOOX NET-A-PORTER GROUP, YSL.

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“Regulation ensures that those who try to do good are incentivized, while those who don’t are held accountable.”

– **Eva Kruse**, Founder and ex-CEO of Global Fashion Agenda

Introduction

The Textile & Fashion industry is approaching a turning point, with a dual challenge emerging at the forefront.

On one hand, the demand for greater responsibility and transparency in supply chain practices is becoming urgent and unavoidable. On the other hand, economic uncertainty threatens **traditional models of competitiveness**. To navigate the landscape should brands transcend short-term strategies, and craft a strong **long-term vision** with the potential to create lasting relevance and resilience in the industry.

At the forefront of sustainability, **over 16 new regulations are reshaping the industry**, leaving companies with a never-ending compliance checklist to tick off. Among the most pressing are the Ecodesign for Sustainable Products Regulation (ESPR) and Corporate Sustainability Reporting Directive (CSRD), which stand out due to their significant cross-departmental impact and their complexity, compounded by their still-evolving nature. Sustainability professionals are finding their roles increasingly consumed by legal complexities, **transforming the once inspiring and exciting sustainability initiatives into daunting paperwork**.

If the change required is challenging for all kinds of brands, from big to small, there are many opportunities in this ongoing transformation. While slowly changing the way we manufacture clothes and tell stories about them, we are looking for new ways to do business. It's an exciting time to see companies coming up with innovative solutions to reduce their impact, to stay competitive in the market while being compliant with the regulations.

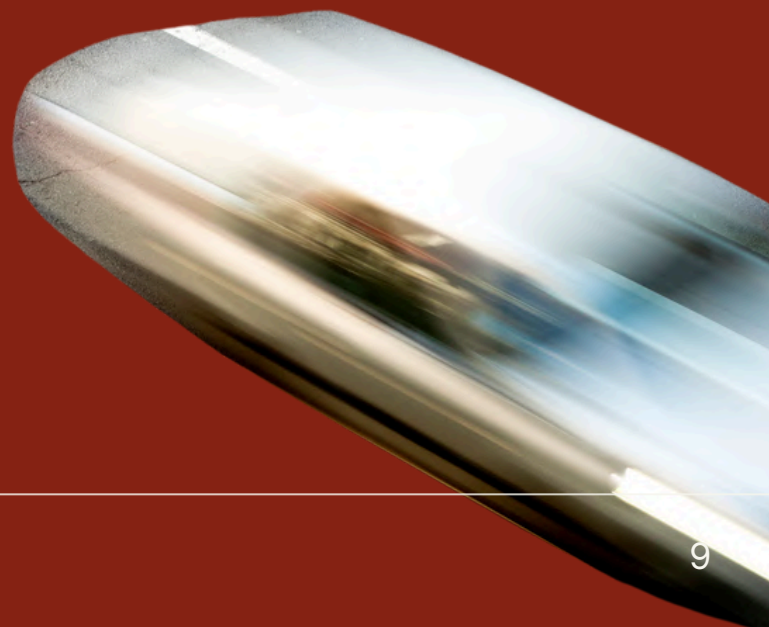
In an attempt to bridge the gaps on the pressing challenges of the industry, Renoon went on a **7-day tour meeting 100+ companies across four key European fashion capitals: Paris, Milan, Copenhagen, and Amsterdam**. The aim was to foster dialogue among industry leaders, exploring how they are addressing challenges and identifying opportunities to expand their businesses while navigating the evolving landscape of responsibility in fashion.

Thanks to the valuable input from +100 companies, it was possible to capture insightful information, delineating an incubation period where companies are seeking knowledge and learning opportunities to craft their own approach. In this report, company leaders will explore the state of the art in the industry, the main concerns and challenges, and the most pressing opportunities revealed during the Roundtables Tour.

Its purpose is not only to share findings, but to offer thoughtful reflections, simplify concepts through practical frameworks, and provide **actionable recommendations** for companies and leaders. In addition to a broader analysis and overarching insights, the report will include city-specific highlights, offering a detailed overview of how approaches and **priorities** differ across countries.

What steps are leaders taking to align with the transformation required by new regulations?

We asked them.



Renoon Roundtables

1.1

AMSTERDAM



COPENHAGEN



PARIS



MILAN



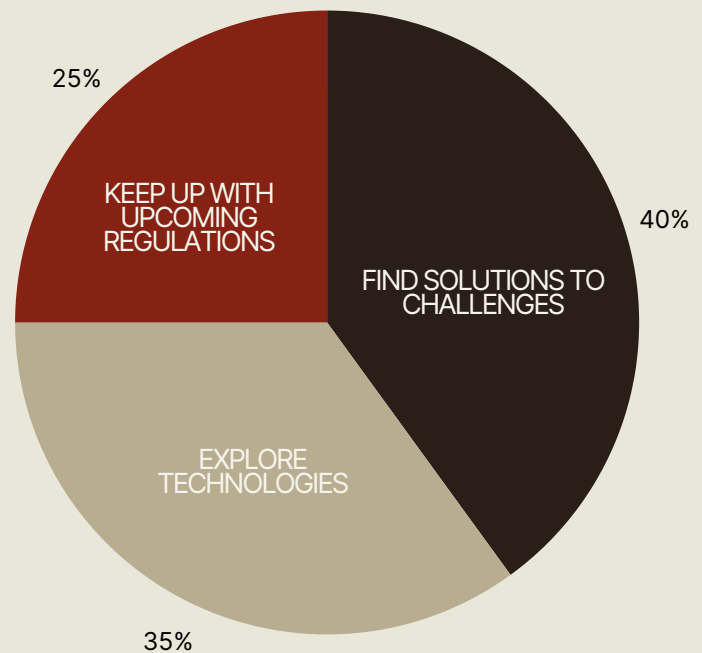
November 2024

Roundtables is a series of **exclusive events hosted by Renoon across major European cities**. These events are designed for company leaders in the Fashion & Textile Industry to share insights, and tackle a major challenge of the next few years: bridging the gap between sustainability compliance, technology, and business operations.

The Roundtables Roadshow held in November 2024, in Paris, Milan, Copenhagen, and Amsterdam, attracted **130 professionals from over 100 leading luxury and fashion companies**. The discussions highlighted a strong appetite for collaboration and a shared commitment to transforming compliance obligations into opportunities for innovation and long-term growth.

During the Roundtable events, we conducted a survey inviting participants to share their insights on the current state of the industry and the future of sustainability, with a specific focus on the role of Digital Product Passports. We gathered input from over 100 fashion and textile companies to gain a deeper understanding of the industry's landscape, how businesses are approaching DPPs, the challenges they face in adoption, their perspectives on upcoming legislation, and their key priorities in this area for the coming years

Why did companies participate?



*7 days,
4 cities,
+100 companies.*

To collect insights on how companies are approaching the transition.

EU keeps sustainability at the top of the industry agenda.



The State of Art

Sustainability can't rely on market demand, but requires reshaping economic incentives.

Sustainability is a keyword that has been around for decades. It's an entire movement that has been moving crowds and shuffling organizations, expanding into companies in sustainability departments, and then making its way into Governmental authorities that are keeping sustainability at the top of companies' agendas.

Consumer behavior reveals a critical challenge: while interest in "sustainable fashion" has grown, trust in "truly" sustainable products remains low. Shoppers are reluctant to pay more for ethical clothing, and the fast fashion industry, valued at \$136.19 billion in 2024, continues to expand rapidly, projected to reach \$291.1 billion by 2032 (Uniform Market, 2024). This dominance stems from its convenience and affordability, which sustainable alternatives struggle to match within the current market infrastructure. This highlights a key limitation: sustainability cannot rely solely on market demand. Addressing systemic barriers requires regulatory intervention, like the recent European legislation, which aims to make sustainability more viable by **reshaping economic incentives** and requiring companies to achieve greater transparency in their practices.

In the past two years major European framework legislations on sustainability have been enforced, urging companies to gain full transparency over their production processes and communicate this information openly. Many companies lack visibility into their supply chains and must now rebuild these networks to meet compliance demands. With the growing complexity and scope of sustainability legislation in the Textile & Fashion industry, it's no surprise that many companies feel overwhelmed. Navigating these challenges will require not just compliance but a reimagined approach to embedding responsibility at the heart of business practices. In this section, we will explore the current state of legislation and how companies are navigating compliance.

A new wave of rules from EU



The state of legislations

2.1

In 2014, European leaders officially recognized the need for action to address pressing environmental challenges for the EU economy, prioritizing the reduction of carbon emissions, combating water pollution, and managing chemical toxicity and waste. Since then, the EU and its member states introduced a range of initiatives to regulate environmental issues, often targeting specific industries. The Strategy for Sustainable and Circular Textiles, launched in March 2022, was the first significant EU legislation that focused on the Fashion and Textile sector.

In the last decade, **more than 16 new laws have been enforced with the aim to reshape the industry**, many without offering clear guidance on compliance. Among the ones presented in the table above, there are four main ones:

CSRD

Corporate Sustainability Reporting Directive

ESPR

Ecodesign for Sustainable Products Regulation

CSDDD

Corporate Sustainability Due Diligence Directive

Green Claims

The **Ecodesign for Sustainable Products Regulation (ESPR)**, which came into force in July 2024, is at the heart of the EU's push toward circularity. The regulation aims at making sustainable products the norm in the EU. A key component of the ESPR is the **Digital Product Passport (DPP)**, a digital tool that tracks critical product data, including materials, environmental impact, and repair options. From 2027, every product sold in Europe must include a DPP, ensuring compliance with sustainability standards. The EU has yet to release specific guidelines for implementing these passports, expected by late 2025, leaving companies to develop their own solutions for the time being. Digital Product Passports, accessible through a QR code or NFC on the garment or on the e-commerce, are expected to become a crucial DTC channel where brands can not only show compliance but also create extra value, by telling the story behind the craft, offering additional services, and launching brand campaigns (See section 5.2). (European Commission, n.d. -a)

The **Corporate Sustainability Reporting Directive (CSRD)**, in effect since January 2023, represents an expansion of sustainability reporting requirements across the EU. The directive mandates a broader range of companies, including listed SMEs and non-EU businesses generating more than €150 million in EU revenue, to disclose information on environmental, social, and governance (ESG) metrics.

The Digital Product Passport is a key component of ESPR, and a new bridge between the brand and its audience.



This ensures that stakeholders, including investors and consumers, have access to reliable data to assess companies' sustainability efforts and impacts. The first reports under this directive are due in 2025, covering the 2024 financial year, marking a major shift toward transparency and accountability. (European Commission, n.d. -b)

The Corporate Sustainability Due Diligence Directive (CSDDD), also effective as of July 2024, takes sustainability beyond corporate boundaries to address risks within global value chains. This directive requires large companies to identify, prevent, and mitigate adverse human rights and environmental impacts across their operations and supply networks. While member states must integrate the directive into national law by 2026, its full application will follow a staggered timeline, culminating in 2029. The CSDDD places significant responsibility on corporations to drive systemic change. (European Commission, n.d. -c)

Lastly, the **Green Claims Directive**, currently under development, aims to eliminate greenwashing by introducing stringent requirements for environmental claims. This legislation will require companies to substantiate their sustainability claims with independent verification and scientific evidence, eliminating vague or misleading terms such as "eco-friendly" unless they are backed by credible data.

By providing clear standards and improving consumer trust, the directive seeks to promote genuine efforts toward environmental protection while holding businesses accountable for their claims. (European Commission, n.d. -d)

Country-specific legislations

In addition to EU-wide regulations, country-specific legislations are adding another layer of complexity for businesses in the fashion and textile industry. France's **AGEC Law** (Anti-Waste for a Circular Economy) emphasizes circular economy practices and enforces extended producer responsibility (EPR), requiring businesses to take accountability for the entire lifecycle of their products, from production to end-of-life management (European Circular Economy Stakeholder Platform, n.d.). Similarly, Italy's **Etichettatura Ambientale** mandates environmental labeling for consumer products, ensuring transparency about a product's sustainability credentials (CONAI, n.d.).

While these legislations aim to bring positive change in the industry, they remain complex and often incomplete. **This lack of clarity creates confusion and hesitation, making it difficult for companies to make informed decisions.**

There's urgency on one hand, as businesses must prepare infrastructure to meet upcoming requirements, but uncertainty on the other, with compliance standards still undefined.

JULY 2024

The Ecodesign for Sustainable Products Regulation (ESPR) officially **entered** into **force**

12-14 MONTHS FOR PILOTING AND TESTING

END 2025

Delegated acts implemented on Apparel & Textile requirements.

18 MONTHS FOR IMPLEMENTATION

2027

End of **18 months buffer** for implementation for Apparel & Textile.

2030

Every product sold in EU **must have a DPP**.

ESRP timeline for DPP adoption

State of implementation and adoption

2.2

The wave of new legislation is pushing companies to centralize their sustainability-related data and ensure it is effectively communicated. A critical component of this infrastructure is the **Digital Product Passport**, which consolidates product-specific information and makes it accessible to all stakeholders.

To implement a DPP successfully, companies must focus on two critical aspects: **collecting, organizing, and managing data on the backend, and presenting this information** clearly and accurately within the DPP on the frontend. As mentioned above, the exact data requirements for DPPs have yet to be fully defined. However, developing or adopting the right DPP solution demands planning and careful execution, creating the need for companies to start preparations now to stay ahead of the deadlines. During the Roundtables, it became clear that **most companies are still in the initial stages of exploring and evaluating**

DPP solutions. Many are hesitant to take action, struggling to define what they need as they wait for clearer legislative directives. This uncertainty has created a significant barrier to progress, making it challenging for companies to commit resources to an initiative that remains largely undefined.

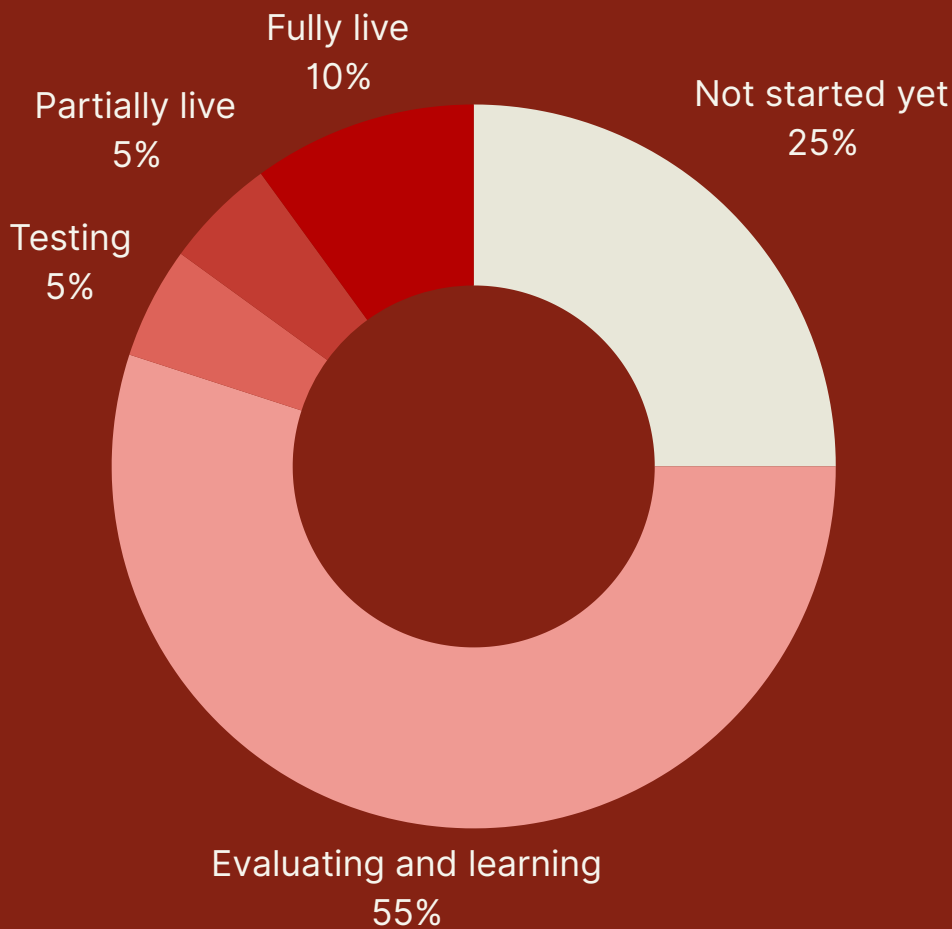
Differences among cities

Across the cities, Amsterdam and Paris stand out for their greater awareness of the legislation and progress in DPP development. Meanwhile, Copenhagen and Milan are taking more time to learn and evaluate, with some companies yet to even start gathering the necessary information.

As **Giovanni Faccioli**, Senior Partner Fashion & Luxury Sector at **Deloitte**, explains, *“We see that most of the companies are still trying to understand what they have to do. Of course, compliance is forcing them to adapt, and to engage with consulting companies, to help them identify the gap between their current practices and the requirements set by the regulations.”*

Uncertainty on requirements is keeping companies stuck in learning and evaluating.

Where are companies in the implementation of Digital Product Passport?



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Companies sentiment toward regulations

2.3

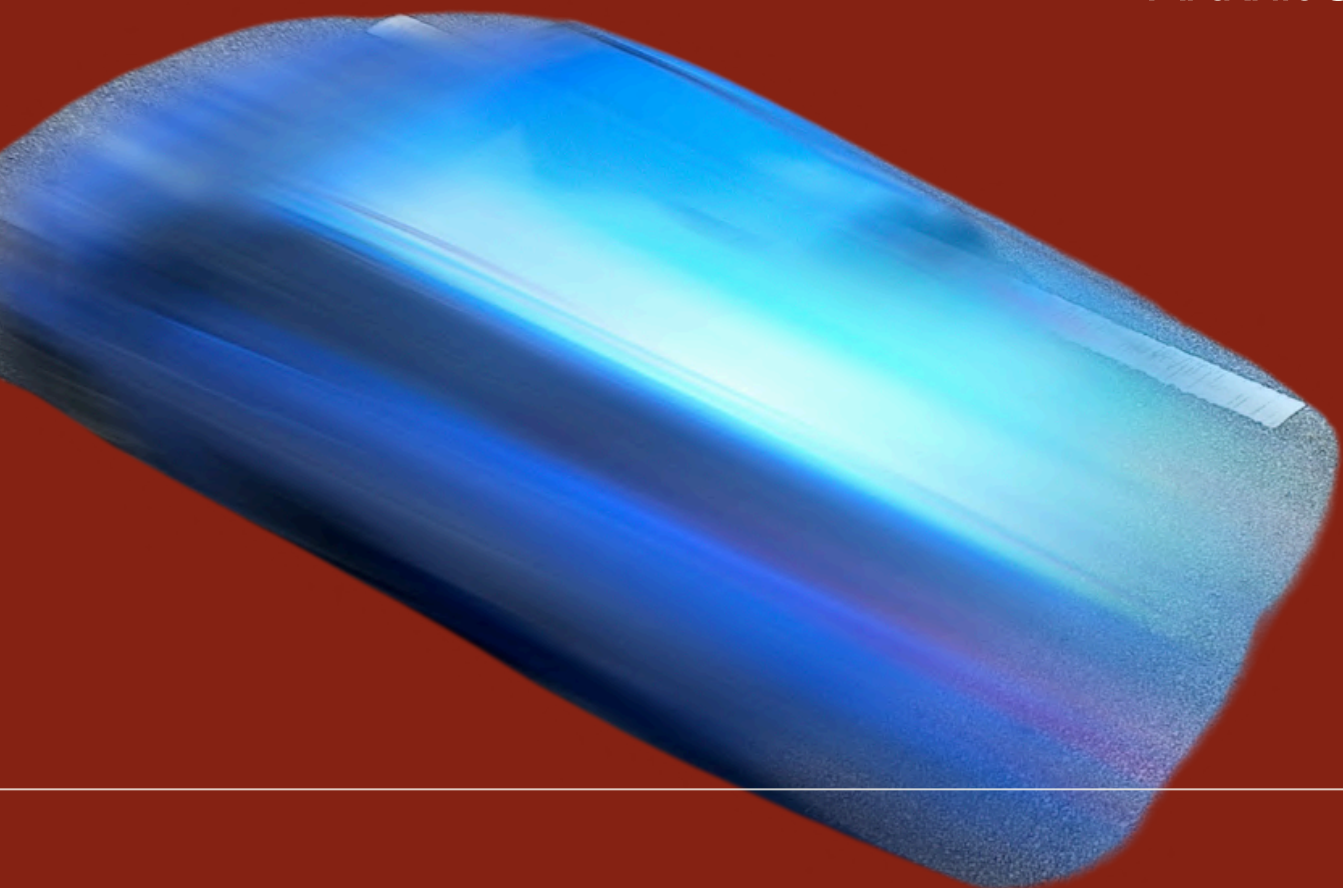
The overall sentiment is one of confusion and frustration, but for those who have prioritized sustainability, it feels like a natural progression.

The initial feeling is that companies view legislation as just another obligation to address a financial burden, all while trying to keep their businesses functioning. **Eva Kruse**, Founder and ex-CEO of Global Fashion Agenda, said *"There is an enormous number of legislations being introduced in the fashion industry. It's overwhelming. [...] How do we break that down? We just want to focus on creating great products, and getting people to buy them."*

While most companies are feeling frustrated, **those who have been investing in sustainability initiatives in previous years now see the legislation as positively enhancing their sustainability efforts.** For brands that built their businesses on responsible practices, the legislation turned into a competitive advantage, setting them apart in the industry.

"It wasn't about seeing the change—it was about feeling the opportunity. We knew transparency would matter, not because of laws, but because it was the right thing to do. We didn't wait for regulations; we built Artknit Studios on that instinct from the start."

– Alessandro Lovisetto, Founder and CEO of Artknit Studios



Areas of action and priorities

2.4

When the legislation gets intricate and incomplete, how do you approach compliance?

Most, if not all the new regulations, require a certain level of transparency to comply. Both the ESPR and CSRD place significant emphasis on companies' ability to gather detailed supply chain data and communicate it clearly and effectively, both to customers and authorities. Without this data, compliance cannot be demonstrated—and **without compliance, selling in the EU will not be an option**. This urgency is reflected in insights from Roundtables participants, who identified **supply chain data collection as one of their top two priorities for the next five years**.

Once data is in place, the next critical step is to enhance performance. **Reducing environmental footprints has become a key goal**, prompting brands to reassess materials, production processes, and logistics. These initiatives not only address regulatory demands, but also position brands as leaders in a market increasingly shaped by responsible practices and consumer expectations.

Differences among cities

Across the four cities, areas of interest and priorities varied significantly, reflecting different approaches to the evolving regulations. **Milan showed a strong focus on strategies to reduce environmental impact** while also exploring how to enhance consumer engagement opportunities through sustainability efforts. **Paris, on the other hand, heavily focused on topics related to Digital Product Passports**, delving into the technical aspects and implementation challenges. Amsterdam took a broader perspective, calling attention to social impacts with discussions that touched on Indigenous knowledge, ethical practices, and the role of fashion in promoting

cultural and social responsibility. Meanwhile, companies in Copenhagen appeared to be in the discovery phase, prioritizing understanding the legislation and evaluating solutions, with concerns on data verification and authenticity.

What does "responsibility" mean to your brand in the next five years?

Impact and community engagement

Ensuring adherence to regulations

Positioning the brand

Minimize environmental footprint

Supply chain transparency

Renoon

Challenges

A transformation calling for major commitments in times of economic turbulence.

While regulations present a big step forward making transparency a must, they also require a substantial transformation, presenting several challenges that are currently slowing adoption.

Compliance requires companies to invest in data collection, aggregation, and display. This involves adopting solutions that provide both robust back-end systems for data management and front-end platforms to communicate this information effectively to end consumers.

Such investments come at a time when the economic landscape is pressuring brands.

Many are facing declining profits, as highlighted in McKinsey & Company's State of Fashion 2025 (2024), which describes a long-anticipated cyclical slowdown. Consumers are becoming more price-sensitive as a result of the prolonged high inflation and the ongoing shifts in global trends.

One of the most pressing challenges in achieving **compliance is data collection**, which serves as a foundational step yet proves particularly difficult due to the inherent complexity of supply chains.



GAPS IN
LEGISLATIONS

DATA
CHALLENGES

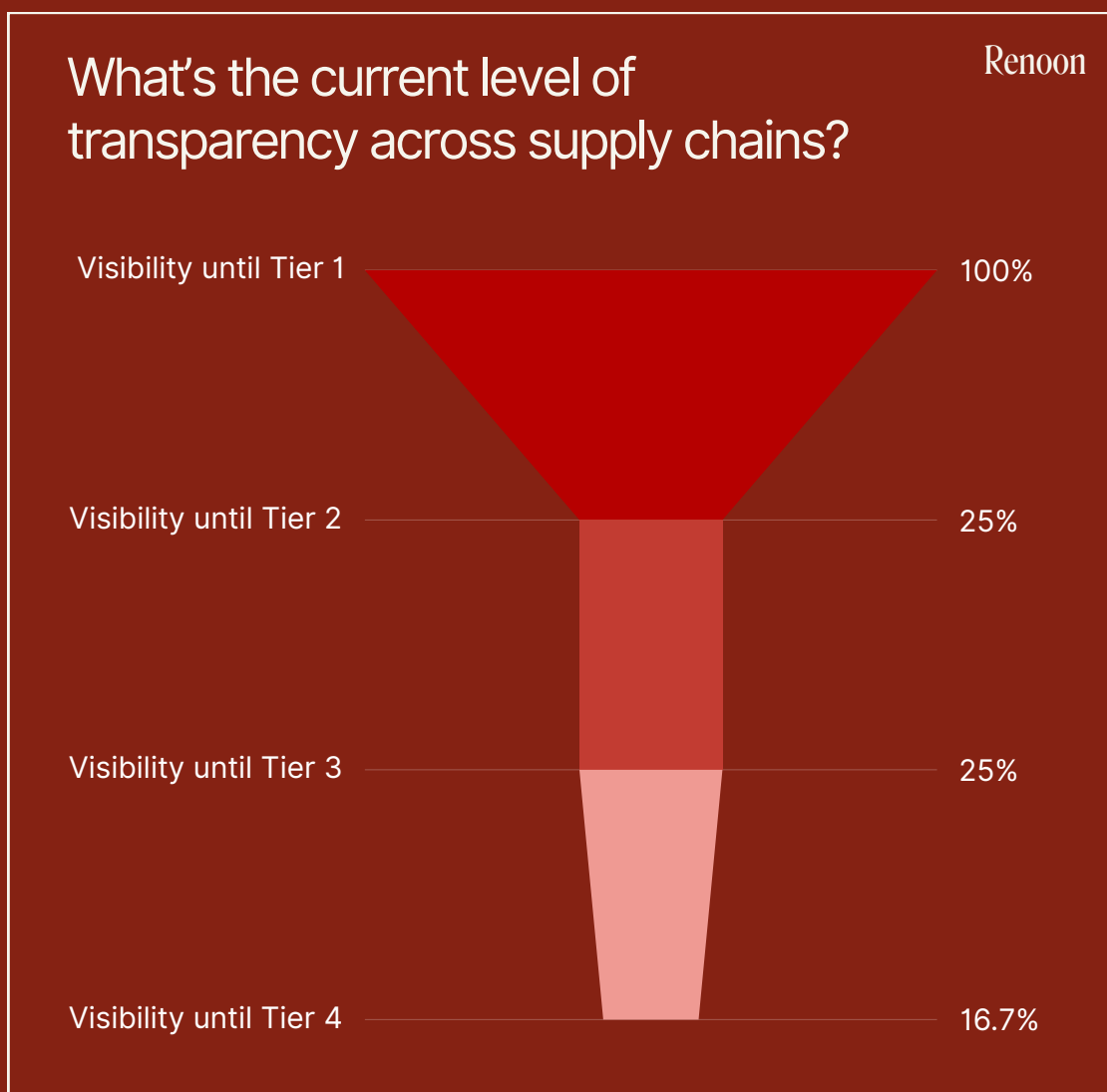
MARKET
COMPETITION

SMEs LACK OF
RESOURCES

Fashion and textile supply chains are often global, involving multiple tiers of suppliers, manufacturers, and distributors across various regions. This complexity makes it challenging to trace and gather consistency, requiring substantial investments in technology and resources to ensure compliance.

make operating within the EU more challenging. In Copenhagen, a key topic of discussion was the challenges these legislations pose for small and medium-sized enterprises (SMEs), highlighting the importance of developing regulations that consider the constraints and limited resources of smaller brands.

Additional concerns center around the competitiveness of the European market in the global landscape, as the new regulations could



Gaps to bridge in legislations

3.1

As introduced in section 2.1, most of the regulations entering the fashion industry remain unclear, leaving companies struggling to navigate a path forward. One of the main missing pieces of the puzzle is the data requirements for Digital Product Passports. The adoption of the first ESPR Delegated Acts for Textile may happen in Q3-Q4 2025, so **companies are waiting to know more before adopting solutions**. They are unsure of what kind of data exactly is required, hence how to manage compliance.

As **Giovanni Faccioli** notes, *“Most companies are still trying to understand what they need to do, forced by compliance to identify the gaps between what’s required and their current state.”* For instance, compulsory information is expected to include technical details such as durability, reusability, reparability, recycled content, and the presence of substances of concern, but companies remain unsure about how to report these metrics, and what thresholds will define compliance.

While some larger companies in cities like Milan are piloting consumer-facing DPP solutions, **they often neglect the foundational back-end work of data collection and management**. Many smaller businesses, overwhelmed by the demands, are choosing to withdraw, seeing the complexity as insurmountable. As **Iris Skrami** observes, *“It’s complicated... There’s a lot going on, and some companies just want to forget it exists.”*

Although the direction the industry is taking is still unsure, **waiting for the legislation to be complete is not a strategic move** for companies. By investing in technological infrastructure and strengthening supplier connections, companies can simplify compliance and address the gaps in the rules. (See section 4).

“We need to shorten the distance between the creative process and the supply chain, two aspects that are currently too disconnected from each other.”

– **Andrea Rosso**, Sustainability
Ambassador at Diesel

Data collection & management concerns

3.2

Data is the new gold, isn't it? That's precisely the direction regulations are taking. They demand data, requiring companies to understand their operations and report on them, laying the groundwork for setting standards on environmental and social impact. As **Iris Skrami**, Founder and CEO at Renoon, explains, *"Many companies haven't made a move yet because one of the biggest challenges is figuring out how to standardize their data systems and infrastructure."*

This is where many companies find themselves stuck: **What data should they collect? How should they gather it? How should it be communicated to end customers?** This confusion stems from two main facts. On one hand, companies still lack clarity on specific data requirements. On the other hand, they have never been asked before to collect and manage such an amount of data on their long and complex supply chains, leading to a need

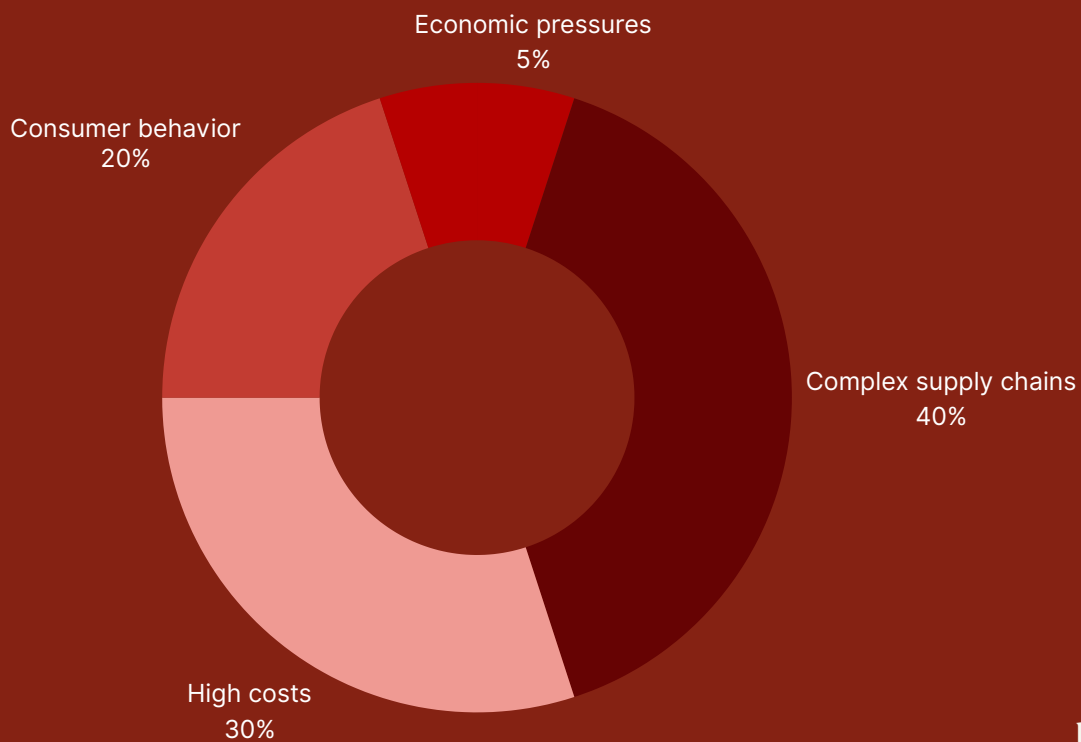
to set up time consuming and expensive processes.

Collecting data is no small task with globally scattered supply chains.

Complex supply chains

Over the past century and into the present, companies have progressively expanded their supply chains across the globe, often leveraging less regulated markets, with a consequential **gradual oversight of the different steps in the supply chain**. According to the survey we conducted, the majority lack visibility even at the first tier of the supply chain, leaving them essentially navigating in the dark (see graphic on page 21).

What is the most significant obstacle in achieving the desired sustainability transition?



Project ownership

For companies, a crucial step in starting data collection activities is assigning ownership. **Who should be responsible for managing these activities? Who possesses the necessary skills?**

This role requires a deep understanding of legislation to identify the data requirements, the ability to engage with suppliers and leverage sourcing connections, and the expertise to oversee implementation. The challenge highlighted by Giovanni Faccioli was a **lack of awareness in the market about the complexities of manufacturing and the technical expertise required** to implement and manage processes like the Digital Product Passport (DPP). Assigning ownership of the DPP is crucial, but this decision often comes down to the CEO or managing director's expertise. This is a decision where companies tend to get stuck.

Non collaborative suppliers

Companies that have begun the process of gathering information often face significant challenges with uncooperative suppliers. **Supplier collaboration is critical for data collection, yet many suppliers experience "data fatigue"**—a sense of being overwhelmed by repeated requests for information. This resistance can delay progress and complicate compliance efforts. The issue is that many suppliers, particularly those further upstream in the value chain, fail to see the

Data is
gold
and
hard
to get.



immediate benefit of engaging in the process. For them, it requires time and resources they are unwilling to invest, as they do not perceive a clear incentive in sharing such detailed information. This lack of alignment with suppliers' priorities exacerbates the situation companies face.

Data verification

Now, fast forward to 2030: all companies have fully implemented Digital Product Passports across their product lines and are accurately reporting their sustainability performance. **How can we verify the information?** This emerged as a challenge in Copenhagen, where a participant raised the question where a participant raised the concern by asking, "How do we verify that the story is actually true?". The issue was underscored by a recent case involving Dior, accused under Italian law of lacking transparency and failing to meet ethical standards (Forbes, 2024). Given the industry's long history of greenwashing, its ability to deliver truthful information is understandably questioned. Though it is always hard to reach 100% transparency, what companies can do to mitigate the concern is establish robust verification mechanisms, collaborate with independent organizations to certify their sustainability claims, and leverage supplier relationships to incentivize data accuracy.

Data privacy

Another significant concern raised about data is **privacy on the consumer end side**. DPP solutions will enable companies to gather extensive data points as consumers engage with and interact through these systems. As **Pierre-Nicolas Hurstel**, CEO & Co-founder at Arianee, noted, "*The challenge is that data will generate an overwhelming amount of information: data about every product, every item we own, and how it intersects with our daily lives. What's in my kitchen? What's in my wardrobe? And if we've learned anything from past waves of data accumulation, it's that such growth comes with its own set of challenges and consequences.*", highlighting a need for regulation to account for data privacy without hindering innovation.

Regional and global competitive landscape

3.3

For companies that have been heavily investing in sustainability, innovative materials, and ethical practices, the new regulations feel more like an enhancement than a burden. Brands like Ganni have long been pioneers in the world of responsible fashion, maintaining close connections to their supply chains and taking full accountability for their impact. Transparency has been intentionally woven into their DNA, becoming a defining feature of their brand (Futurevworld, 2024). This happens with many brands born in Scandinavia, but also a few new entries in Italy are trying to bring back the real Made in Italy into our wardrobes in a refreshing way, emphasizing quality, heritage, and craftsmanship. **For these forward-thinking companies, the regulations strengthen their competitive position in the European market.** In contrast, more conservative companies view this transformation required by the EU as overwhelming, costly, and a barrier to their business growth.

Looking beyond the European market, the enforcement of stringent standards and regulations for companies selling within the EU market raises concerns about the global competitiveness of European businesses.

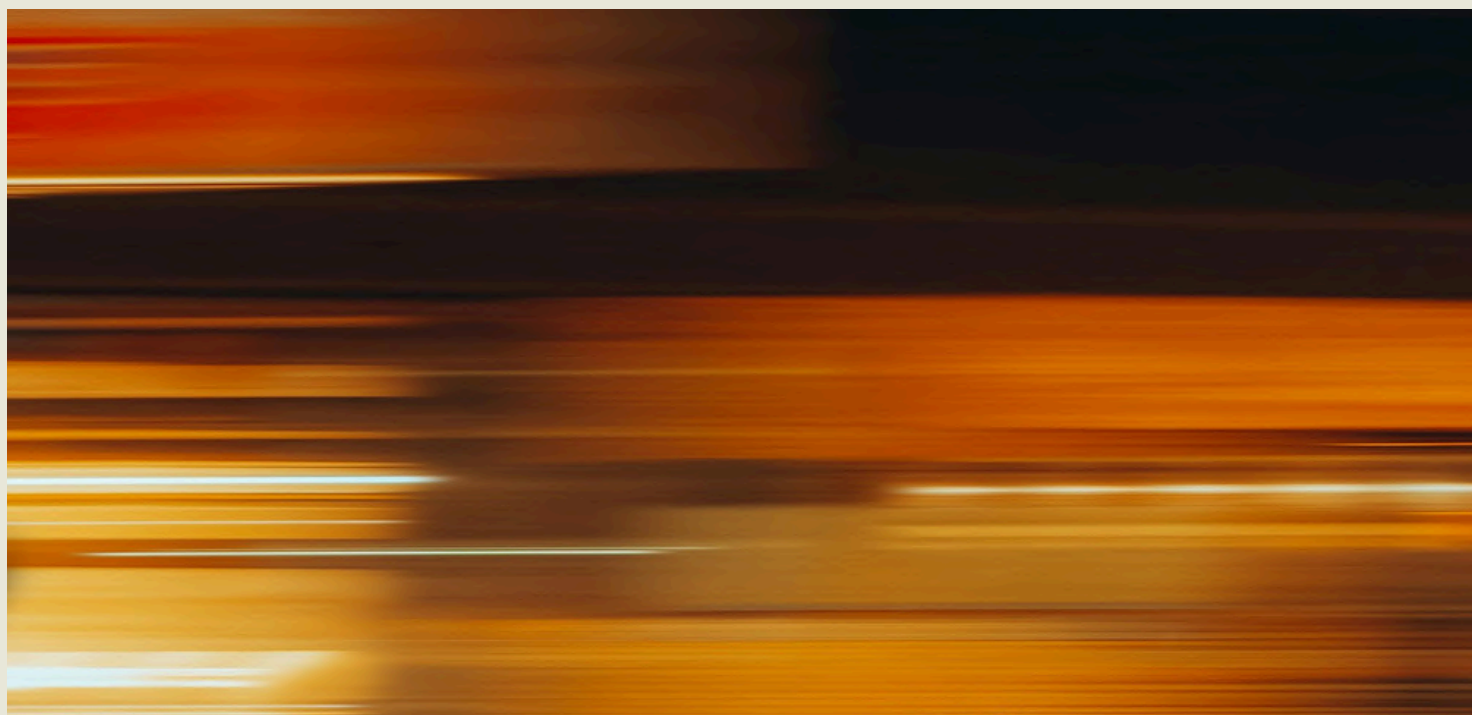
Marie Busck, Chief Sustainability Officer at Danish Fashion & Textile, highlights this issue, stating, *“European competitiveness is at risk because it’s becoming increasingly difficult to operate a company in the EU with all the new requirements.”*

European native fashion companies are already heavily investing in Asian markets that seem to be more profitable and less regulated. A standout example is Moncler, whose group sales rose by 15% year-on-year to €2.98 billion for the year ending December 31, 2023, driven largely by booming sales in Asia (Vogue Business, 2023). This year, the brand hosted a high-profile event, “The House of Genius,” in Shanghai, attracting 57 million people and signaling a bold commitment to the rapidly expanding Asian market.

The European Union is trying to take the leap on a shift that is both bold and expected. **There's always more urgency on action, but it is equally crucial for the EU to safeguard the competitiveness of the European market.** Eva Kruse highlights the importance of balance in this transformation, stating, *"We must ensure that regulations reward those who strive to do good, offering incentives for their efforts, while holding accountable those who fail to meet the standards."*

"European competitiveness is at risk, while Asia is booming."

– **Marie Busck**, Chief Sustainability Officer at DM&T



SMEs: Lack of resources

3.4

From engaging with over 100 companies, a key concern that emerged is the challenge that small and medium enterprises face in meeting regulatory requirements. **Michael Lillelund**, Founder, CEO & Investor at MATE.bikes and multiple industry brands - gave an example that tells the story: *“This year, one of the fashion brands I’m involved in wanted to participate in Copenhagen Fashion Week for the first time. We signed up, paid the deposit, and then the sustainability report came. Unfortunately, as a company of our size, we simply didn’t have the resources or the personnel to meet the requirements. So, after the 60-day report, we had no choice but to back out. Not only did we lose the deposit, but we also likely missed out on significant business opportunities by not being part of that presentation.”*

While discussions often center on established brands, participants in Copenhagen and Amsterdam shifted the focus to the majority of companies in the fashion industry—SMEs. These businesses are facing increasingly challenging industry conditions and

struggling to remain competitive while operating within constrained budgets. **They lack the financial and human resources to invest in the technology, processes, and reporting infrastructure necessary for compliance.** On the other hand, we could argue that SMEs tend to be more agile, connected to their supply chains, and have a reduced level of operational complexity to deal with.

Because of their agile nature, these smaller companies tend to be more keen for innovation and oftentimes bring to life solutions that are later implemented by the bigger corporations. As **Eva Kruse** summarizes it, *“The majority of companies in this industry are small and medium-sized enterprises with limited resources. Naturally, they must prioritize and allocate those resources to compliance. But this often comes at the cost of driving change, developing better products, and fostering innovation.”*

The ability of SMEs to invest in sustainability-driven innovation is crucial for the long-term growth of the industry and for meeting evolving consumer expectations. Compliance must support, not hinder, their vital capacity for progress.

To level the playing field, the European Commission should take into consideration the relative ability to invest and consider tailoring requirements to company size. Also, giving financial incentives for smaller companies would mitigate the risk of withdrawal, allowing them to focus on innovation and growth while still meeting sustainability requirements.



The success of regulatory initiatives depends not only on the compliance of large corporations but also on empowering SMEs to participate in the shift.

1

Regulations in the fashion industry demand a massive transformation, requiring brands to **rework** their **operations** and **strategies**.

2

The **lack of clarity** around specific data requirements leaves brands uncertain about the path forward.

3

Tracing and gathering data across complex global and multi-tiered supply chains requires **technological investments**.

4

Many suppliers experience "**data fatigue**" from repeated requests, leading to resistance and complicating data collection.

5

The EU's stringent standards place its market at risk of losing **competitiveness** as Eastern markets continue to rise.

6

The **economic landscape** pressures brands, as many face declining profits due to inflation and shifts in global trends.

7

SMEs may lack the financial and human capacity to invest in the necessary technology and processes.

Overview

Opportunities

Regulations lay the foundation for business model innovation.

The transformation initiated by the European Union with the enforcement of new legislations like the ESPR and CSRD presents significant challenges for industry leaders, while unlocking numerous opportunities for those willing to embrace change.

The discussions at the Roundtables in Milan, Paris, Copenhagen, and Amsterdam provided valuable insights into how companies can approach legislation with a forward-thinking and innovative mindset.

LEVERAGE
TECHNOLOGY
TO AUTOMATE

CIRCULARITY
PRACTICES TO
BOOST REVENUE

COLLABORATION
AS KEY TO
CHANGE

BUILD
NARRATIVES
ON DPPS

A NEW CHANNEL
TO PROVIDE
VALUE

NEED FOR LONG
TERM VISION

Leverage technology to automate

4.1

With the latest advancements in technology, and specifically the introduction of quite sophisticated machine learning algorithms, it's easier to envision solutions that can make it easier for companies to build, manage, and display data as required by law.

Compliance is a daunting task, no sustainability team has signed up to do paperwork. For brands, navigating the maze of legislation and implementation by themselves would be both time-consuming and costly. That's why the market has seen the rise of companies crafting solutions to help brands overcome the obstacles that legislation is presenting. They want to make compliance simple, as **Eva Kruse** envisions it: *"Third-party solutions like Renoon simplifies the process by handling the complex technology involved. Looking ahead, this doesn't have to be difficult."*

New SaaS solutions are transforming the way companies manage compliance and sustainability. By incorporating AI, these tools simplify data collection and automate the categorization and organization of uploaded information and documents, eliminating the need for time-consuming manual tasks, such as completing forms or handling supplier certifications. Additionally, the automatic processing and classification of data enable seamless generation of compliance outputs. As a result, businesses can move away from error-prone Excel spreadsheets, significantly reducing the administrative workload for teams.

In a way, technology can give fun back to sustainability. Instead of dedicating all their time to analyzing legislation and processing vast amounts of data, teams can leverage tech solutions to alleviate these burdens.

“Companies want to avoid filling out forms, managing supplier certifications, and dealing with back-end processes. This is where solutions like Renoon come into play.”

– **Iris Skrami**, Co-Founder and
CEO of Renoon



Traditional Life Cycle Assessments (LCAs), which were often consultancy-driven and out of reach for smaller companies, can now be seamlessly integrated into modern tools. For instance, as Iris Skrami highlighted in Amsterdam, Renoon's **automated LCA feature extracts data in bulk from product information**, offering insights across 16 environmental indicators in line with the European Union's Product Environmental Footprint guidelines. These platforms can be scalable, catering to organizations of all sizes and democratizing access to advanced compliance tools.

Renoon 3.0 introduces a modular system, enabling companies to customize the platform to their unique needs. This adaptability allows businesses to meet diverse compliance demands without disrupting their systems.

Another critical area where technology adds value is in authentication and traceability. Blockchain technology transforms supply chain management through its decentralized, immutable ledger system. By recording each transaction across a distributed network, blockchain ensures that once data is entered, it cannot be altered, providing a tamper-proof history of a product's journey from origin to consumer. This transparency enables stakeholders to verify product authenticity and monitor compliance with sustainability standards. Additionally, integrating blockchain

with Internet of Things (IoT) devices allows for real-time data capture, further strengthening the accuracy and reliability of traceability information.

To conclude, **finding the right solution to support compliance activities should really be the priority**, as *"Technology is essentially the foundation— to create a base infrastructure that aligns with regulations and provides the groundwork for a step-by-step journey toward innovation"* – **Iris Skrami**.

“We can lean into tech solutions to actually help take the problems out of our hair—and maybe even make it something fun.”

– **Eva Kruse**, Founder and ex-CEO of Global Fashion Agenda

Circularity practices boost revenue

4.2

The shift towards circular economy practices incentivized by sustainability regulations opens up significant opportunities for brands to rethink their business models. Key among these practices are **resale, repair, and maintenance**, initiatives that not only extend product life cycles but can also create sustainable revenue streams and foster deeper customer engagement.

BCC (2024) defines the resale market as a “surging market with a cool reputation”, as wearing second-hand clothes has been normalized and even glamoured by celebrities. The industry is presenting quite interesting opportunities for brands to differentiate their revenue streams and at the same time, improve their sustainability performance while complying with regulations. The trend is especially strong in France, where resale and upcycling has gained significant traction, making it one of the most influential markets in Europe.

By contrast, the appeal of this movement is less pronounced in Milan.

Digital Product Passports are an amazing tool to attach to every product service like repair or resale options, helping the customer extend the product lifecycle.

“DPPs are meant to create efficiencies in the resale market.”

– **Stephanie Crespin**, CEO
at Reflaunt

This happens on four main levels that **Stephanie Crespin** CEO and co-founder of Reflaunt explains as:

1

Digital Product Passports reduce the complexity and cost of resale operations, addressing the traditionally expensive and resource-intensive processes involved.

2

By ensuring product traceability, DPPs combat counterfeiting, which is a common issue in the resale market. As **Stephanie Crespin** explains, DPPs *“drive more trust around secondhand and accelerate adoption among customers.”*

3

DPPs facilitate the collection of key data points after sale, such as details on buyers and product usage. This data is invaluable for brands to better understand their customers and optimize their strategies.

4

DPPs support brands in scaling circular economy initiatives, using resale as a tool for growth. **Stephanie Crespin** emphasizes that this approach helps brands *“grow better through circular models utilizing DPPs and resale.”*

The new regulations are presenting opportunities to integrate even more services into the post-purchase experience, playing a crucial role in the next few years to mitigate overproduction and consumption, while opening new business opportunities for brands. *“By monetizing on resale, brands have been*

able to drive 3 times more lifetime value from their customers, increase the frequency of purchase, and 25% of these customers are new to the brand” (Stephanie Crespin). Also, by regaining ownership of their second-hand market, enhancing their Direct-To-Consumer strategy.

Collaboration as the key for change

4.3

Regulations serve as a call to action for these diverse stakeholders to unite their efforts and drive meaningful change. They push companies to take more decisive steps forward, thus invigorating the entire ecosystem that supports them in this transformation.

For brands, **the critical area for action lies in reconnecting with their suppliers**—where the largest environmental footprint is created and therefore the greatest potential for impact resides. Close collaboration is essential, as suppliers often lack the experience or systems needed to provide accurate data. Without support, there is a risk of receiving incomplete or incorrect information, undermining compliance and sustainability efforts. Brands must take the lead in supporting suppliers by simplifying the data collection process and providing training to ensure accuracy. As **Stephanie Bretonniere**, founder & CEO of WE IMPACT.WORLD, explained in Paris:

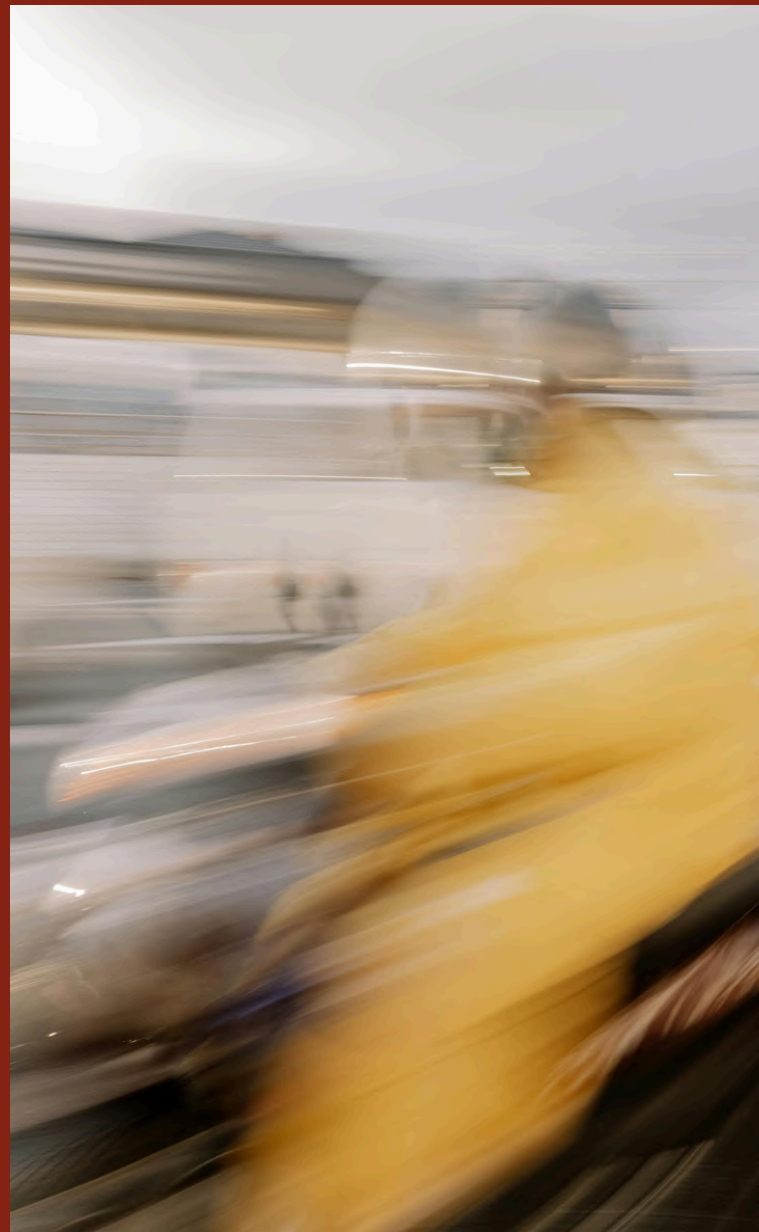
"It's on the brand to help suppliers upskill because if the data they provide isn't accurate, everything else falls apart".

– Stephanie Bretonniere,
Founder & CEO of WE
IMPACT.WORLD

This collaboration also offers the opportunity to innovate and elevate supply chains. With more proactive engagement with suppliers, there is the potential to not only foster real transparency but also to **create a shared framework for tackling industry-wide challenges** like supply chain disruptions, resource inefficiencies, and excess. By rethinking their approach to manufacturers

and suppliers and emphasizing long-term strategic partnerships, brands can increase the efficiency and resilience of their supply chains. Historically, fashion brands and suppliers have been cautious about making joint investments due to the highly competitive nature of the apparel market. However, the rising disruptions and volatility in sourcing footprints make closer and more effective collaboration essential for maintaining efficient operations. Companies should leverage the diverse skills and knowledge within the supply chain to address these complex challenges through shared learning and innovation.

Stephanie Bretonniere advocates for solutions that include "*co-innovation, empowerment, upskilling programs, and incentives for suppliers.*" These approaches not only enable effective collaboration but also ensure suppliers can provide accurate data, helping brands remain compliant while driving change across the supply chain and regaining control.



In restoring the connection with suppliers, there's a big opportunity to build more resilient and efficient supply chains.

Build a powerful 4.4 narrative on DPPs

Humans have built empires on stories people wanted to hear. This is how genuine brands can live long and flourish over time. However, **the fashion industry is facing a decline in brand differentiation, with many becoming increasingly commoditized** due to competition from fast-fashion giants and the pervasive counterfeit market. The value of luxury brands has also been going down, exacerbated by a post-COVID world where consumer priorities are shifting (Business Of Fashion, 2024). As economies face turbulence, people are losing interest in idealized imagery and uninspired, repetitive advertising. Disillusioned by such narratives, **audiences are now craving something deeper and more authentic**, forcing brands to reimagine their storytelling to rebuild trust and foster genuine connections. The upcoming transparency regulations are urging brands to gather more data about the value chain behind their craftsmanship.

"The key is to invite your customers to join you on a journey of discovery. As brands connect with their supply chains, they're bringing these stories to the forefront of their products—not just confining them to the sustainability section."

– Jordan Nodarse, Denim Consultant

But what if these data could unlock untold, authentic stories for your brand to share?

Clothing isn't just about design and aspiration—it's also about the people who create it, the materials sourced, the processes followed, and the intricate details that bring it to life.

Digital Product Passports offer a new platform to bring these stories to life, on a product-specific level. From giving full visibility on the supply chain to gathering claims on product and supply chain values with their proofs to footprint information on the product, **DPPs can really be the way for all this information to uplift the value of your products and create trust among your consumers and stakeholders.** Beyond DPPs, reconnecting with suppliers offers a unique chance to create engaging content that highlights the quality and values behind the products people buy.



“By shifting our perspective, data collection becomes more than just a reporting tool— we can use it as a rich source of inspiration for meaningful and engaging storytelling.”

– **Eva Kruse**, Founder and ex-CEO of Global Fashion Agenda

In this reconnection with the supply chain lies the opportunity to reposition as a brand by telling a new, authentic story. As Eva Kruse explains, *“There’s an opportunity here, like in the early days of sustainability, when brands could stand out by sharing how their products were made. While that narrative might feel a bit overused now, finding creative and engaging ways to tell the story of a product’s origins, craftsmanship, and journey could reignite interest and bring fresh energy to the conversation.”* This sentiment aligns with a broader trend of nostalgia shaping the current market, where records, film cameras, and vintage movies are making a comeback. Perhaps what resonates now is the image of a craftsman making shoes by hand—a nod to a time when items were lovingly created in a shop just around the corner. In periods of economic uncertainty, society often romanticizes the past, seeing it as a simpler, better time. For younger generations, however, this nostalgia doesn’t represent a return to what they know but rather a novel experience, one that feels fresh and exciting precisely because it’s unfamiliar to them.

Storytelling emerged as a central theme across all four cities—Paris, Milan, Amsterdam, and Copenhagen—fueling optimistic discussions. It seems like it’s the way to turn regulations into a quite exciting opportunity to build a new narrative, because *“Of course, you need to provide all this data to meet legislative requirements, reporting, and compliance standards. But what if you could also transform it into a strong narrative about your company, your product, the materials used, and the craftsmanship behind it? How can we take this information and turn it into something truly engaging and meaningful?”* – **Eva Kruse.**



THIS IS NOT JUST A JACKET THIS IS ALL THE STORIES BEHIND IT.

"Fashion isn't about pushing products—it's about pulling people in. It's not just a garment; it's an entry point into a story, a connection, a lifestyle they want to be a part of."



– **Michael Lillelund**, Founder, CEO & Investor
at MATE.bike & Shamballa Eyewear

A new channel to provide value to consumers 4.5

With the introduction of Digital Product Passports, the ESPR is opening doors to uplift the value that companies provide to customers. This is all about creating services and experiences that increase retention, and loyal customers that keep your brand alive. It's about creating **ecosystems—seamless combinations of products and services that keep customers immersed in your brand universe**. It's similar to how Apple conquered the hearts of its audience, making them feel comfortably 'trapped' in a beautifully designed experience.

As mentioned above, the second-hand market has a huge potential to increase customer retention and capture value from the extension of products' lifecycle. *"If you facilitate resale and create a second-hand market for your items – providing liquidity – your products will hold significantly more value than the products compared to those that lose their worth immediately upon purchase."* – **Stephanie Crespin**.

Additionally, **services related to care, maintenance, reconditioning, and even insurance present opportunities to enhance the value of garments** for customers. These added layers not only elevate the product experience but also create new touchpoints that keep customers engaged.

"Because we need to produce less volume, but make it more valuable"

– **Eva Kruse**, Founder and ex-CEO of Global Fashion Agenda

When companies discuss Digital Product Passports and immediately tie them to customer data collection, there's a potential disconnect with the market's growing emphasis on data ownership and privacy—a central concept driving the promise of Web 3 as the next evolution of the internet. In Paris, an engaging discussion unfolded around “data collection” and “customer centricity,” where **Pierre-Nicolas Hurstel** highlighted a critical point: *“Let's make sure that if we put customers first, we're not just focused on gathering even more data on customers. That's what people tend to do, and it's not an easy problem to solve.”*

The DPP shouldn't be just another instrument to extract data and run product campaigns; instead, it represents a new, innovative, product-specific channel where brands have the opportunity to explore new ways of delivering added value. **The goal should be to enhance the value of their products, making them inherently more desirable,** rather than resorting to heavier marketing tactics or pursuing a race-to-the-bottom strategy.

New generations are looking for authenticity, meaning, and connection more than ever. Thanks to DPPs companies will be able to directly communicate with existing customer base and craft specific events, both online and offline, and diversified experiences to foster a deeper sense of community and increase loyalty. This approach not only strengthens the

brand-customer connection but also builds resilience, helping the company navigate market fluctuations with a solid community.

ADDED
SERVICES,
EVENTS &
STORIES.

A common concern among companies is whether consumers will even bother to scan the QR codes. Iris Skrami raised a common concern companies express: *“What’s the real incentive for a consumer to scan the QR code? What’s in it for them? If it’s just a story, they might do it once out of curiosity, but after that, it’s unlikely to hold their attention.”* This highlights the critical need to embed real value into the experience—offering not just a list of information but also services, rewards, and experiences.

As Iris points out, fashion brands have a long history of generating hype and desire, and this strength should be harnessed for DPPs. She references the iconic “golden ticket” from Willy Wonka’s Chocolate Factory, a brilliant example of building anticipation and delight. Similarly, brands can design DPPs to offer exclusive perks, interactive experiences, or other engaging features, turning them into tools for discovery and excitement.



The Need for a Long-Term Vision

4.6

Recent decisions by brands like Moncler and Nike to dismantle their sustainability teams have created the impression that the industry is stepping back from environmental accountability. Instead, this may reflect a paradigm shift: **the need to stop treating sustainability and responsibility as standalone initiatives or siloed departments.** Instead, these principles must become fully integrated into the core operations of a business, driving systemic transformation across all levels.

As brought up at the Roundtable in Copenhagen “*Many continue to separate board-level strategies from sustainability strategies. On a micro level, this results in siloed efforts—each team focusing on their own reports and initiatives without a cohesive approach. [...] We need to move away from the common notion of integrating sustainability thinking into business. Instead, we should flip the approach: bringing*

business thinking into sustainability”.

When companies assess their investments in solutions to comply with new regulations, they often fall into the trap of short-term thinking. They focus on the gap in legislation, and the uncertainty, and boost current operations to keep surviving in the market. They are stuck with questions like: How do we keep up, sustain employment, and meet shareholder expectations—or balance all these demands in the short term?

These regulations are not merely about compliance—they are part of a paradigm shift in the market, moving from linearity to circularity. Embracing this change is not just about meeting legal requirements; it’s about staying competitive and thriving in an evolving landscape.

In today's industry landscape, there is room for visionaries—brands willing to take bold steps and lead the way forward. These are the companies that inspire others by setting the direction for the future. **Those who view the regulations as overwhelming may be missing the opportunity to see the bigger picture** and the transformative potential within the industry. This is why it's important to take a step back and create a long-term vision.

According to The Guardian (2024), there are enough garments on earth to dress six generations. If we stopped producing clothes today, we could still dress the world for years to come. **Companies should start shifting the focus from producing more to recycling, reselling, and repairing**—a change that requires a fundamental transformation of business models. As **Pierre-Nicolas Hurstel** explains, *"The challenge is to turn linear economies into circular ones to reduce waste and limit production. When you examine any product, 70-80% of its impact lies in the raw materials. The question is, how can we reduce this impact? It's about producing less. But how can we produce less when current business models are based on selling more?"*

To address this challenge, companies must innovate—**build new services and experiences around their products that not only extend the product lifecycle but also unlock new revenue streams.**

From linearity to circularity.

As we see, opportunities lie in the growing secondhand market, repair, and maintenance services, and creating new experiences that add value. These avenues offer a potential solution for balancing sustainability goals with growth.

Ultimately the difference is gonna be between players that can craft a long-term vision or brands that will just look at legislation and do compliance without actually capturing the long-term perspective. Perhaps we should take a cue from the Asian market, where, as **Stephanie Bretonnière** observes, *"companies do not approach sustainability out of conviction. They see it as a tool for innovation, a way to future-proof their business and make it more resilient. This approach is particularly fascinating in the context of today's economic and geopolitical challenges."*

*Transcending
short-term
strategies, and
crafting a strong
long-term vision.*



2

Adopting **circular practices**, such as resale, repair, and maintenance, not only extends product lifecycles but also opens new revenue streams.

1

Advanced technologies simplify compliance processes, automate data collection, and enhance traceability, reducing administrative burdens.

4

Digital Product Passports offer brands a platform to share authentic stories about the craft, rebuilding **trust** with consumers and standing out in a competitive market.

3

Strategic partnerships with suppliers and stakeholders create transparency, improve data accuracy, and build **resilient** supply chains.

6

Shifting from linear to circular **business models**, by innovating around reuse, recycling, and new consumer experiences, will position companies to thrive in a changing market.

5

By integrating DPPs with added services like care, resale, or experiences, brands can deepen customer **engagement**, foster **loyalty**, and enhance product value.

Overview

Final suggestions

New regulations bring challenges but also open the door to meaningful change for the industry. To navigate this shift, brands need a balanced approach that strengthens their internal systems on the **backend** while finding new ways to connect with consumers on the **frontend**.

The DPP framework (see section 5.2) illustrates how this tool can be used to enhance brand performance and drive business model innovation.

From obstacles to opportunities

5.1

To address the challenges posed by new regulations, **companies must adopt a dual approach that integrates backend infrastructure with an effective frontend communication and engagement strategy.**

These two dimensions work together, enabling brands to transform their operations while effectively engaging their audiences and maintaining competitiveness.

On the backend, the key lies in building robust systems for data collection and management. Regulations require companies to **select third-party solutions that can streamline and automate the process of data collection and management**, and act as a central hub, allowing for easy aggregation, analysis, and reporting of data. Choosing the right third-party solution for managing compliance and transparency is a complex decision. The market is saturated with tools and platforms, each offering different features and capabilities, making it challenging to assess which one best fits a company's unique needs.

Moreover, the effort involved in building the infrastructure and integrating a solution into existing systems means that switching costs can be high if the initial choice doesn't work.

When assessing a third-party solution, companies should start by **clearly defining their priorities**. For instance, does the solution offer end-to-end supply chain visibility, or is it focused more narrowly on one aspect, such as product labeling or carbon footprint tracking? **Compatibility with existing systems** is another critical factor, as seamless integration reduces both time and costs during implementation. Beyond functionality, companies should evaluate the **broader support offered by solution providers**.

Choose the right third party solution.

Companies need good tools to help them manage compliance internally and overall in the supply chain.

– **Laura Dittmann**, Social Responsibility Specialist at Samsøe Samsøe



A critical piece of the puzzle is internally assigning **clear ownership of the activities** required to develop solutions like Digital Product Passports. This step is essential for ensuring accountability, efficiency, and progress in a process that normally spans multiple departments and requires careful coordination. As already mentioned, clear ownership, miscommunication, and gaps in compliance could undermine their efforts to meet regulatory demands.

Beyond technical skills, those assigned to oversee the DPP implementation should mainly possess strong project management capabilities. Developing DPPs involves coordinating data collection, validation, and reporting across various touchpoints in the supply chain, making it a complex, time-sensitive undertaking. Companies should recognize the importance of internal collaboration and cross-functional input. While ownership provides direction, the expertise of teams from sustainability, IT, legal, and supply chain departments is critical for creating a robust solution.

Internal cross-functional collaboration is key to implementing effective solutions.

Leverage opportunities

5.2

Ultimately, legislation is making a must a transformation that industry experts, researchers, and professionals all over the world have long anticipated and predicted. The need for brands to rethink and adapt their business models has never been more clear. In many ways, **the new regulations provide companies with a clearer roadmap for the industry's future direction.**

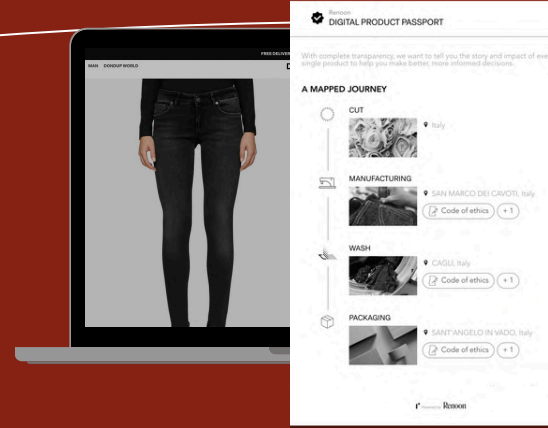
The introduction of Digital Product Passports represents a game-changing opportunity. As **Iris Skrami** puts it: *“Digital Product Passports are not just a compliance checkbox—they’re a strategic canvas for companies to paint a revolutionary landscape of interconnected product intelligence. Imagine transforming fragmented data into a living, breathing narrative that empowers brands to redefine transparency, sustainability, and customer engagement.”*

Digital Product Passports open new DTC channels.

To make the most of these passports, brands must go beyond compliance and design an interface that resonates with consumers and tells a story. **Transparency alone isn’t enough; brands must educate and inspire their audience through narratives** that highlight the value of responsible practices. If the priority is to set up a data carrier and display the information through a QR or NFC on the garment, there’s time to experiment and play with new experiences and potential services that help them adapt the business to the evolution of the industry.

The opportunities presented by Digital Product Passports on the frontend have the potential to revolutionize how brands connect with consumers and deliver value. By leveraging DPPs, companies can tap into three transformative areas:

1 Sharing **Storytelling** and the Origin of Products to Increase Trust



2 Enabling post-purchase **Services** and Increased Brand Loyalty



3 Engaging with **Activation** Campaigns for Brand Engagement



1 **DPPs offer a platform to tell the full story of a product**, from its raw material origins to the craftsmanship behind its creation. Transparent, verifiable insights help brands build trust with consumers who are increasingly seeking authenticity and ethical practices. This storytelling moves beyond regulatory compliance, allowing brands to create emotional connections by showcasing the human and environmental efforts that make each product unique.

2 **DPPs unlock opportunities to enhance the product lifecycle through value-added services** like authentication, warranties, resale platforms, and repair services. These features provide tangible benefits to consumers, creating ongoing touchpoints that encourage repeat interactions and build brand loyalty. For instance, a seamless resale or repair service tied to a DPP not only extends the product's lifespan but also reflects the brand's commitment to quality and sustainability. These services deepen consumer relationships, transforming one-time buyers into lifelong advocates who can make circularity happen.

3 **DPPs also serve as a versatile tool for driving creative marketing and activation campaigns.** Brands can use them to launch exclusive collaborations, offer tailored benefits, or gamify consumer interactions through immersive experiences on virtual worlds like Roblox and Spatial. These campaigns create excitement

and foster a sense of belonging, turning consumers into active participants in the brand's journey. By leveraging DPPs to engage their audience, brands position themselves as more than just product providers—they become visionaries whom consumers aspire to align with.

Three main
areas of
value
creation
on DPP.

Stephanie Bretonniere reinforces this, stating, *“We will have many sources of data. There’s a tremendous opportunity to connect the dots between social media, retail, and DPPs. Shifting the way we address regulation as a foundation for building a new ecosystem—a new way to do business—is something we must consider.”*

DPPs can function as a central framework that brings together insights from multiple touchpoints, enabling businesses to make more strategic and informed decisions.

DPPs also serve as a platform to integrate tailored services and experiences directly with products, creating a new digital dimension around garments that might hold the answer to *“How can we produce less while maintaining profitability?”*. As seen in industries like automotive and entertainment in developed markets, the shift from product-centric models to service-oriented approaches is a natural progression. It is time for the Textile and Fashion industry to embrace this transformation by creating valuable services that achieve a dual objective: extending product lifecycles and reducing waste while simultaneously delivering value to customers hence generating new revenue streams for businesses.

As **Giovanni Faccioli** states, *“The DPP, in the end, will push companies to rethink their value chain, production processes, and how to create circular systems because the goal is a more sustainable industry.”* This perspective

underscores the potential of DPPs to catalyze a fundamental shift in business models, paving the way for a more circular, efficient, and sustainable future in the fashion industry. By embracing this evolution, brands can position themselves as visionaries—innovative leaders that not only meet regulatory requirements but also inspire consumers to align with their forward-thinking approach.

Conclusion

The introduction of new regulations in the textile and fashion industry represents more than just compliance—it signals a necessary transformation that industry experts and professionals have long anticipated. These regulations provide a clear direction for navigating the challenges of sustainability, enabling companies to move toward circular business models that are both innovative and resilient.

By looking beyond the narrow lens of compliance, businesses can unlock significant opportunities. While the challenges are undeniable—particularly in terms of cost, complexity, and time—these are important catalysts for innovation. Upstream, companies have the chance to reconnect with their supply chains, gaining greater control over practices, fostering innovation, and enhancing efficiency and sourcing. Downstream, consumer engagement can be redefined through Digital Product

Passports, which act as a digital layer around each product, enable brands to offer value-added services and create ecosystems that extend product lifecycles and unlock new revenue streams. This presents an unprecedented opportunity to transform company operations from a linear to a circular approach.

As legislation takes shape, companies should start implementing or adopting the right solution to support the compliance process. Companies should prioritize a modular, scalable platform that leverages automation to streamline the challenging process of data collection, aggregation, analysis, and display. Because of the complexity and technicality of sustainability regulations, it's crucial to partner with a team of experts who can facilitate a smoother transition, providing professional support throughout the implementation process.

Ultimately, the future of the textile and fashion industry lies in embracing this transition with the right mindset. Companies that craft a strong vision for the future and start to incrementally integrate circularity into their core operations, and build stronger connections with their customers will not only comply with regulations but thrive in the business. These businesses will emerge as visionaries, proving that it's possible to build strong business models on more ethical practices. While the journey may be challenging, leaders in this transformation stand to build resilience against economic volatility and strengthen their connection with a solid base of customers who are just loving it!

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In the blur of compliance...

...opportunities emerge

ABOUT RENOON

Renoon is the go-to modular solution to unlock transparency in fashion and retail. A set of tool-kits empowers companies to map their supply chains, manage, interpret, and present key information about products' origin in compliance with legislative requirements. Renoon generates Digital product passport accessible through QR codes and widgets for e-commerce.



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