



Transparency in 2024

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Introduction

The fashion and textile industry – a business synonymous with creativity and expression, and one long criticised for its opaque approach to supply chain transparency, material traceability and worker rights – accounts for approximately \$2 trillion in global revenue¹. It also annually generates² over 92 million tons of landfill waste, 10 per cent of global emissions, and accounts for 20 per cent of global water waste.

A collision of global events and technological advances over the last decade has resulted in a reckoning of public perception of the industry in recent years. These include the continued and rapid evolution of digital connectivity, global COVID-19 pandemic disruptions, and revelations of human rights abuses such as the forced detainment and labour³ subjection of over one million Uyghurs and other religious minorities in Xinjiang, China, and its connection to Western supply chains.

Concurrently, the United Nations Climate Change Conference was hosted in Dubai at the conclusion of 2023 – the world’s hottest year on record. Discussions circled the progressively warming planet and reinforced the need for meaningful climate action⁴ through the urgent phase-out of fossil fuels, reduction in greenhouse gas emissions and implementation of risk mitigation measures to combat increasingly frequent and severe extreme weather events and, by extension, supply chain disruptions.

All of which has resulted in varying degrees of market turmoil in 2024. As highlighted in the McKinsey & Co. State of Fashion 2024 Report⁵, 70 percent of chief procurement officers say that improving transparency is critical to navigating this turbulence: “Transparency and communication among all stakeholders in the supply chain will likely be paramount”.

In this way, “transparency” has evolved beyond merely a buzzword for many brands, government bodies, organisations and stakeholders in 2024.

A change in consumer consciousness in recent years – buoyed by increased digital connectivity – has also contributed to an increase in transparency discourse within the fashion and textile industry. Rather than invest in aesthetics alone, shoppers are seeking higher degrees of accountability from the brands they choose to engage with, with the 2024 consumer increasingly seeking out values-driven purchases⁶. The once mysterious journey from crop to coat is now under heightened scrutiny and shoppers, armed with smartphones and social media, are everyday catalysts for change, urging brands to embrace transparency as a non-negotiable principle. Consumers have come to understand they have the right to make the best purchase decisions for not only themselves but for the planet and its inhabitants – but this is a near-impossible task if the required information isn’t available⁷.

In 2024, calls for industry-wide adoption of transparent business and production practices ring louder than ever before. From this paper, you will come to understand the economic, environmental and social impacts of transparency, the role of traceability, the key pillars of transparency in 2024, how industry leaders are achieving and nurturing transparency, ongoing challenges and roadblocks that hinder efforts for transparency adoption, technological innovations, regulatory shifts, recommendations for this year and beyond, and the collective efforts reshaping an industry amid ethical upheaval.

Transparency & Traceability

Transparency

As defined by the European Commission⁸ (and not to be conflated with sustainability), transparency necessitates relevant information to be made available to all elements of the value chain in a standardised way, which allows common understanding, accessibility, clarity and comparison⁹.

Traceability

Traceability, as explored in Transparency 2.0¹⁰ (2023) is defined as the ability to track the history, application or location of a product or material by means of recorded identifications.

Traceability¹¹ is about knowing where our clothes come from, while transparency is about sharing that story with others.



State of Transparency in 2024

Transparency has become a pivotal discussion point in contemporary society. Governments worldwide are facing a growing demand for openness and accessibility of information, under increasing scrutiny to disclose decision-making processes, financial transactions, and policy implementations to ensure accountability and foster public trust.

In the corporate realm, calls for increased transparency have also led to recent changes in many sectors. For example, as of June 7, 2023, it is unlawful for an employer in Australia to include a “pay secrecy clause”¹² in an employment contract element (prohibiting an employee from disclosing their remuneration to someone else or asking someone else about their remuneration), leading many businesses to weigh-up whether to disclose company-wide salaries in full.

The topic is at the forefront of technology and data privacy industries, too. Customers want to know how and why their data is being collected, with researchers increasingly noting the significance of transparency for users’ privacy¹³, and their impression of trustworthiness, integrity and good conduct. Companies like Apple Inc., for example, have adapted their technologies to align with recent consumer sentiment, resulting in the introduction of iMessage Contact Key Verification, Security Keys for Apple ID and Advanced Data Protection for iCloud, utilising end-to-end encryption to provide Apple’s highest level of cloud data security.

In the social sector, the number, size and prominence of non-profit organisations and NGOs only grows¹⁴ as social and political

turmoil increases. In tandem, donors and the public demand visibility into how funds are utilised, and the impact of social initiatives. While many organisations are taking steps towards transparency, there are discussions continue regarding the effectiveness and functionality of various reporting mechanisms.

Transparency & Traceability in the Textiles Industry

As alluded to in this paper’s introduction, transparency in the textile industry is no longer simply a moral imperative. With consumers becoming increasingly conscientious about their purchases – actively seeking out ethically produced and sustainable products – transparency is both a social and environmental obligation, and the linchpin for building trust and credibility in 2024.

In this paper’s context, transparency is also intrinsically linked with traceability – the ability to trace the journey of a textile product from its origin to the final product on the shelves.

In 2024, traceability must be at the centre¹⁵ of any transparency and sustainability initiative. As well as supply chain mapping, it is integral to the process of product certification management and labelling, calculating the carbon footprint of a product, and accurately communicating a product’s story with the customer. However, many brands currently have limited visibility over their suppliers at best, and therefore lack reliable and standardised data to make meaningful progress.

Industry Regulation & Updated Compliance in 2024

Mirroring shifting consumer expectations, Governments and international bodies are recognising the urgent need to address the industry's impact on both people and the planet. Regulations are evolving, becoming more stringent, and calling for greater accountability.

Several key pieces of fashion and textiles legislation were under discussion in 2023, with some coming into force this year, or readying for future adoption.

1. **Digital Product Passport:** The subject of sustainability¹⁶ has commanded the EU Commission's attention in recent years and two initiatives — the European Green Deal and the Circular Economy Action Plan — have contributed to the development of the “Digital Product Passport”. The passport will provide information about products' environmental sustainability which, according to the commission, “will be easily accessible by scanning a data carrier and it will include attributes such as the durability and reparability, the recycled content or the availability of spare parts of a product.” The function of the Digital Product Passport project¹⁷, which is still in its early stages, is to aid consumers and businesses in making informed choices when purchasing products, facilitate repairs and recycling and improve transparency about products' life cycle impacts on the environment. The passport's implementation timeline will span 2026–2030.

Resources to help prepare

- [The EU Digital Product Passport shapes the future of value chains: What it is and how to prepare now](#)
- [Getting ready for digital product passports: parts one and two](#)

2. **Corporate Sustainability Due Diligence Directive**¹⁸ ensures that environmental and human rights due diligence is enacted across the whole supply chain of businesses. On January 5, 2023, the CSRD entered into force, with the first companies required to apply the new rules for the first time in the 2024 financial year, for reports published in 2025. This new directive modernises and strengthens the rules concerning the social and environmental information that companies have to report. A broader set of large companies, as well as listed SMEs, will now be required to report on sustainability. The new rules will ensure that investors and other stakeholders have access to the information they need to assess the impact of companies on people and the environment and for investors to assess financial risks and opportunities arising from climate change and other sustainability issues.

Resources to help prepare

- [Five Steps to Prepare for the EU Corporate Sustainability Due Diligence Directive \(CSDDD\)](#)
- [Preparing for the Corporate Sustainability Due Diligence Directive](#)

3. **Eco-Design for Sustainable Products Regulation¹⁹:** The Eco-Design for Sustainable Products Regulation (ESPR) aims to maximise sustainability through a focus upon the areas of resource use, repairs and circularity, with regulations scheduled to apply from June 20, 2025. This regulation mandates a ‘Product Passport’ being included with items to ensure consumers are able to make informed decisions.

Resources to help prepare

- [Everything You Need to Know About the Ecodesign for Sustainable Products Regulation \(ESPR\)](#)
- [Ecodesign Directive for Sustainable Products \(ESPR\): 2024 Overview](#)

4. **Fashion Sustainability and Social Accountability Act:** The act, first introduced in 2022 and back on the map thanks to a wave of co-sponsors including the brands Reformation, Patagonia and Stella McCartney²⁰, will require apparel and footwear retailers that operate in New York with a global revenue of at least \$100 million to map their supply chains and subsequently address and remediate the supply chain issues. Non-compliance could carry penalties of up to two per cent of global revenue, with amended versions of the bill expected to be introduced for consideration in the 2024 New York state legislature session.

Resources to help prepare

- [Supply Chain Transparency: A Deep Dive into the New York Fashion Act](#)
- [5 FAQ on the New York Fashion Act](#)

5. **Fashioning Accountability and Building Real Institutional Change Act (FABRIC Act):** The FABRIC Act is federal legislation crafted to protect workers within the US textiles and fashion industry through fair working conditions, fair pay and safe working conditions. The Act was first introduced in 2022. Following pushback, it was formally reintroduced in the Senate in September 2023.

Resources to help prepare

- [FAQ: The FABRIC Act](#)
- [The importance of America’s Fabric Act “can’t be overstated”](#)

6. In January 2024, lawmakers in the European Parliament²¹ voted to adopt a **new anti-greenwashing law** that bans certain commercial practices, including the use of unproven generic product claims such as “environmentally friendly,” or “climate neutral,” or marketing a product as having a reduced environmental impact based on the use of emissions offsetting schemes.

Resources to help prepare

- [Stay updated on EU Council approval here](#)

7. In the final quarter of 2024, The European Commission has planned a revision of the textile labelling regulation²² to introduce specifications for physical and digital labelling of textiles, including sustainability and circularity parameters based on requirements under the proposed Regulation on eco-design for sustainable products.

Resources to help prepare

- [Textile Labelling Regulation revision is rescheduled to Q4-2024: How can your brand take advantage of it?](#)
- [Public consultation now open – the Commission would like to hear your views](#)

Innovations Reshaping Transparency & Traceability

In 2024, technology has emerged as a powerful tool in the pursuit of industry-wide transparency and traceability.

Blockchain

Blockchain, once confined to discussions of cryptocurrency, has found new applications in creating immutable and transparent supply chain records. [TrusTrace](#) is an example of this innovative technology – a B2B Service as a Software platform that uses blockchain functionality and machine learning to automate the chain of custody from raw materials to final goods. TrusTrace’s system offers live tracking of the supply chain, enabling users to observe the progress of materials and products throughout the entire process. Additionally, it actively participates in prominent industry networks, contributing to the establishment of industry norms. The platform also provides a feature known as Certified Material Compliance. This function automates the conversion of supplier certificate data into a digital format, establishing a verifiable digital trail for certified materials.

For those starting out with blockchain technology, [FibreTrace® MAPPED](#) is a free traceability option that leverages cloud-based platform hosting, allowing brands to track and map all relevant documents such as product certificates, purchase orders, and shipping documents, to create a complete overview of their product’s journey from raw materials to the final product. Participating brands are also encouraged to invite fellow supply chain stakeholders to join, promoting full-scale visibility of the supply chain. Echoing the SQUARE payment system which supports any bank or payment process, as of 2024 FibreTrace is equipped to integrate with any blockchain-based traceability solution, PLM or ERP system.

Digital meets physical

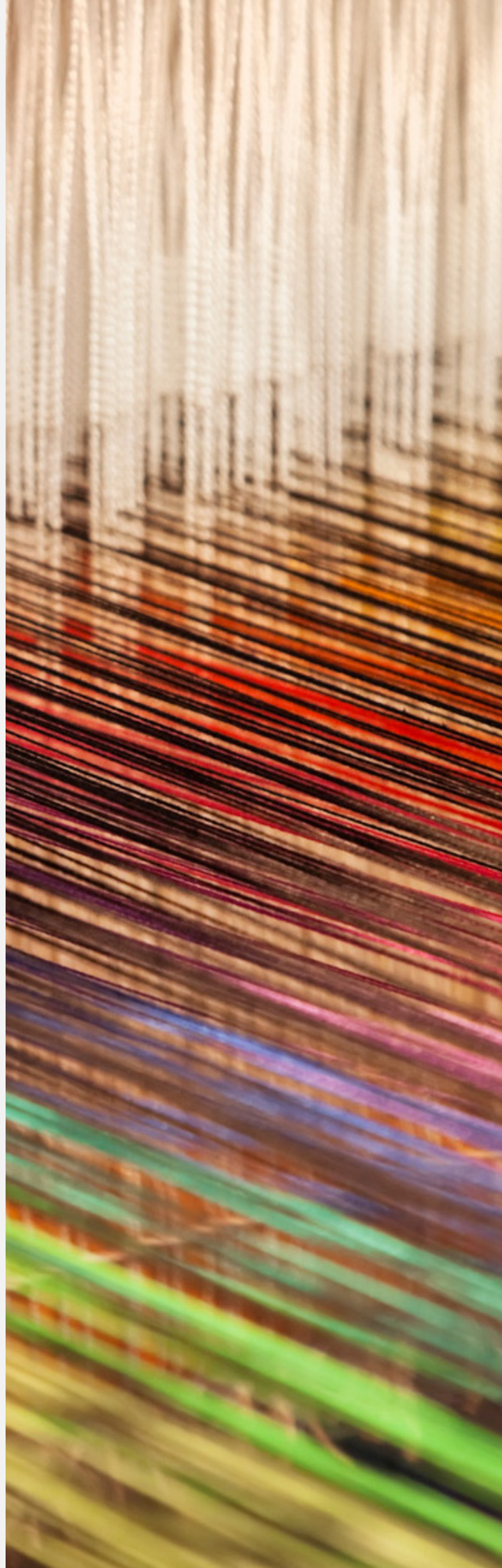
FibreTrace®Verified is a unique extension of FibreTrace® MAPPED, combining physical tracing technology with the digital platform to verify and authenticate fibres including cotton, wool, recycled polyester and other synthetics, responsible viscose and linen. (At present it is under research and development for application to leather and other bast fibres.) FibreTrace®Verified revolves around a patented luminescent pigment that is embedded in raw fibres and can be traced, verified and audited in real-time at each step of the global textile supply chain. The process is facilitated through a proprietary handheld FibreTrace Bluetooth Scanner which identifies and quantifies pigments in fibre, yarn, fabric and finished goods. The encrypted data is then transmitted into a secure blockchain, and software system tailored for the textile and apparel supply chain.

Isotope Identification

Isotope identification is another method of traceability gaining momentum. Using forensic science, isotope identification tests the natural concentrations of a material’s trace elements – the features that make it unique to the place it is grown – to determine the location and authenticity of a fibre. The elements are then used to produce a unique “origin fingerprint” allowing tracers to detect where the fibres and materials come from. New Zealand-based company Oritain is pioneering isotope identification²³ and can carry out identification tests at various points of the supply chain.

Smart Sensors

Smart sensor integration is ushering in a new chapter of wearable technology, with a report by the European Commission²⁴ predicting the large-scale utilisation of clothing with smart garments will be on a large scale. A rapidly growing field, the technology relies on microscopic sensors being woven into specific fabrications known as “smart textiles”, “e-textiles” or “smart fabrics”, allowing data to be measured and analysed in real-time via Near-Field Communication (NFC), Radio Frequency Identification (RFID), Barcode and QR code technologies – all of which can be integrated and tracked using FibreTrace’s cloud-based platform. Alongside supply chain visibility, smart sensor integration can serve as a powerful catalyst for waste minimisation and reduced environmental impact through garment usage and care instruction monitoring. [Cloud-based networks such as EON](#) harness digital passport technology that draws upon smart sensor data to trace garments post-purchase and help consumers make informed decisions about how to care for their clothes (extending the garment’s lifespan as a result).



Challenges & Roadblocks that Hinder Efforts for Transparency Adoption

While the above regulation developments are a positive step forward for global transparency standards, there are still obstacles that brands, stakeholders and consumers face in achieving full-scale adoption.

Globalisation

The intricate and multinational nature of fashion supply chains poses a significant challenge to transparency. Globalisation and trade agreements mean that a large portion of labour-intensive clothing production takes place in developing economies²⁵. These extended supply chains can remove the end consumer from the garment producers, obscuring their view of issues such as poor working conditions, labour rights, low wages, child labour, and modern slavery, and making transparency and traceability difficult.

Subcontracting

The prevalence of subcontracting within the industry adds another layer of complexity to supply chains. The practice is “endemic” in the apparel industry, writes the journalist and author Dana Thomas in her book²⁶ “Fashionopolis: The Price of Fast Fashion and the Future of Clothes”, leading to a “fractured supply chain in which workers are easily in jeopardy”. Thomas asserts that this engenders a lack of transparency or responsibility, as it is challenging to accurately monitor and disclose information.

Inconsistent Standards

The absence of global accepted transparency standards in the fashion and textiles industry leads to inconsistency in reporting practices. Different brands may use varying metrics and criteria, hindering meaningful comparisons and assessments.

Pushback On Pace

While industry progress is evident, the pace of transformation can fall short of what is needed to prepare for impending regulations²⁷. As recently as February 7, 2024, the European Commission announced a political agreement²⁸ between the European Parliament and the Council on the Commission’s proposal to postpone by two years the deadline for adopting sector-specific European Sustainability Reporting Standards (ESRS). The Corporate Sustainability Reporting Directive (CSRD) requires all large companies and listed SMEs to report using common mandatory standards. The agreement reached yesterday postpones the deadline for these sector-specific standards from mid-2024 to mid-2026, giving companies more time to comply with the standards adopted in July 2023.

Cost Management

For many brands, financial outcomes continue to override efforts to achieve supply chain transparency. In his article published by “Business of Fashion”, sustainability and ESG educator, investor and advisor Kenneth Pucker described his experience²⁹ working alongside the New Standard Institute to help usher in the New York Fashion Act. As recounted by Pucker, conversations with industry participants including brands, suppliers, trade associations, unions and activists were generally constructive, except for pushback from “big fashion brands and trade associations” protesting the “impracticality” of

the Act's mandated disclosure of their supply chains, intended to stimulate transparency and to ascertain the impact of their production.

"In the endless drive to expand gross margins and increase revenue, fashion brand executives continue to press supply chains to speed up product introduction and drive costs down," writes Pucker. "This leads to transience, opacity and complexity which is often accompanied by a reluctance to invest in voluntary disclosure."

Cultural & Language Barriers

The global nature of the industry, and its supply chains, necessitate working with people from diverse cultures and languages. Without sufficient investment in culturally sensitive practices and cross-cultural communication, there is a greater capacity for miscommunication and challenges in building effective, transparent relationships.

Overcoming these challenges requires collaborative efforts from industry stakeholders, including brands, manufacturers, and policymakers, to establish standardised practices, improve supply chain visibility, and address the evolving risks associated with technological advancements.



Three Key Pillars of Transparency in 2024

As outlined, the fashion and textiles landscape in 2024 is both dynamic and uncertain. This section of our whitepaper explores the key pillars defining transparency throughout this pivotal year: **Communication, Accountability and Embrace of Failure, and Collaboration.**

Communication

In any industry or relationship, open and consistent communication is a bedrock for transparency – openly discussing capabilities, resources, material place of origin and ethics will be more imperative than ever in 2024 for establishing trust and setting realistic expectations. A full-disclosure approach allows stakeholders to align their objectives and strategies effectively, fostering an environment of trust and shared success. Consistent unity on language is also needed to achieve a global taxonomy for key terms including and related to “sustainability”³⁰.

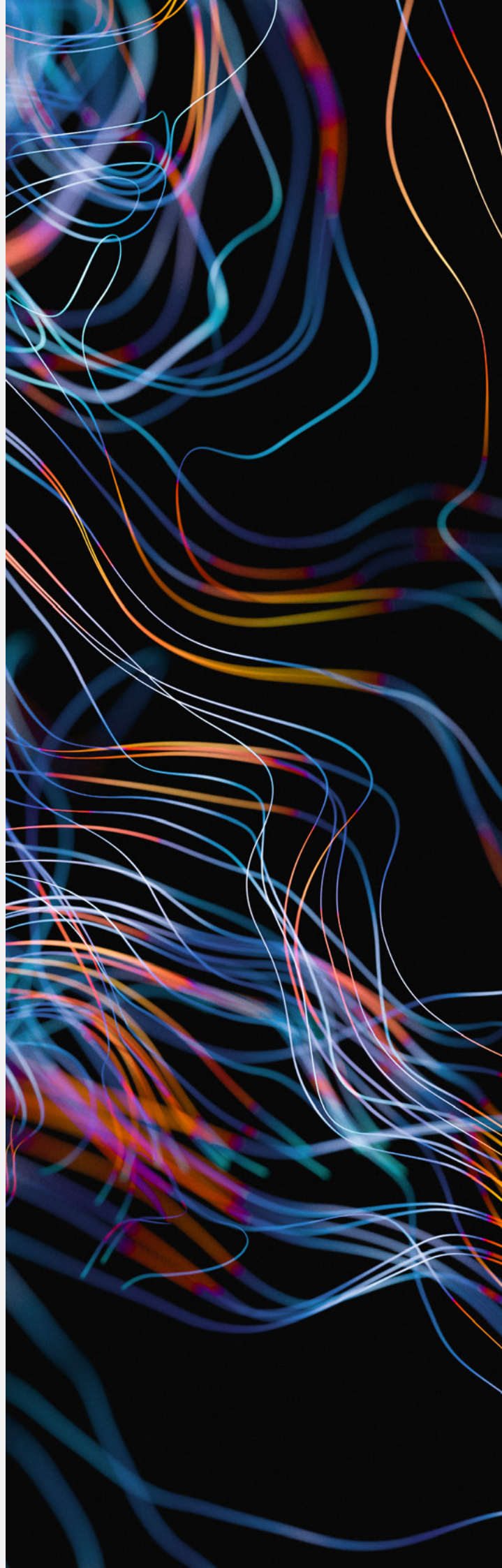
In conveying information to its customers, Everlane adopts an intentional approach to communication – rather than releasing swathes of uncontextualised data. “Thoughtful transparency” is how Katina Boutis, the brand’s Director of Sustainability, describes it. “We don’t want to just put out information, or put out data for data’s sake,” says Boutis. “We really want to take a more thoughtful approach of: What is this actually telling us? What kind of insights can we glean from this information? What’s most important and critical to focus on now? And how do we hold ourselves accountable by sharing what we know.”

Accountability & Embrace of Failure

“Progress over perfection is our best advice”, says Maggie Marilyn’s Business Operations Director Georgia Maney, as the definition of perfection is likely to shift in tandem with evolving social, technological and environmental standards and ethics. While success is the best-case scenario, failure can be an equally important³¹ source of innovation opportunities. Honesty regarding progress, current position and why a company has not yet achieved something enables the establishment of realistic plans and appropriate milestones. In a bid to normalise accountability in the industry, The Fashion Transparency Index incentivises the world’s largest brands and retailers to publicly disclose their social and environmental efforts. As of the Index’s 2023 report, brands that have been reviewed year-on-year since 2017 have demonstrated progressive increases in their scores³².

Collaboration

The fashion and textile industry's journey toward transparency is not a solitary one – collaboration with like-minded disruptors and innovators is crucial for collective success. The pursuit of agile, resilient supply chains demands end-to-end collaboration³³ across all facets of the value chain, rather than siloed functions. Technological interactivity is another means of collaboration. For example, the exploration of disparate blockchain systems – how they interact and integrate – will be useful for partners that work with several suppliers or buyers on multiple blockchain networks³⁴. “We are here to encourage people to produce products in a more positive way,” says Maney. “Be a conduit for connection and encourage others to do the same by sharing amazing manufacturers and suppliers when you find them.”



Transparency in Action (case studies)

Supplier Demand with Everlane

San Francisco–quartered men’s and womenswear ready–to–wear brand Everlane was founded in 2011 with a philosophy described as “radical transparency”; the understanding that customers have a right to know where their clothes are made and what they cost to produce. From the launch of Everlane’s first product it revealed the true costs behind every stage of the production process, from the materials to labour to transportation and markup – a practice it continues to this day.

Everlane became aware of FibreTrace technology when it launched in market as a solution provider for the fashion and textiles industry. “It was something from the very beginning we were really intrigued by,” says the brand’s Director of Sustainability, Katina Boutis. In 2022, Everlane’s supply chain partner Saitex encouraged the integration of the technology. “He had clearly invested a lot of personal time and effort in understanding the technology in a bigger way, and he was deciding on his own without any request from any brand partners or anyone else that it was something he really believed in,” says Boutis.

Boutis describes supply chain partner resistance as a general challenge for new process adoption. “The confluence of [Saitex] coming to us and us being interested was sort of a perfect scenario for us to bring it forward.”

Following months of integration and development, Everlane’s partnership with Good Earth Cotton and FiberTrace was formally introduced into its product offering in 2023. “We were really able to get two things out of it: One is a verified, quantifiably climate–positive regenerative cotton scheme, and on the other side we were able to get a validated supply chain with details that transparently trace and document that full material journey from the farm to the finished garment,” says Boutis.

“Being able to have real concrete evidence to be able to tell the story of both the fibre origin [and the] transparent supply chain story is also very cool, and not something that you can credibly or verifiably do in such a fast–paced digital way. A lot of the existing certifications and standards that are still out there are paper document based, so you’re always getting the verification of details in a slight lag after they’re happening.

“With Fiber Trace, it’s a much more current and real–time experience.”

EVERLANE

Progress Through Partnership with Country Road

“When we can trace where a garment has come from, we can support better working conditions, improved environmental impact, and validate claims.” Iconic Australian lifestyle brand Country Road has been evolving its approach to sustainability and transparency over the past five years. Beyond publishing its supplier lists, the Woolworths Holdings Limited–owned label has adopted a narrative approach in portraying the stories of the many and varied suppliers it works with to bring its products to life. Technological integration has been another focus for Country Road says Brand Sustainability Manager, Erika Martin. “We’ve also introduced different technologies to verify our Australian grown fibres, including FibreTrace, to provide greater assurance around the origin of our fibres.”

Despite working with Good Earth Cotton for a few years, Martin says the brand are still at the start of its journey working with the FibreTrace technology, having launched its first FibreTrace Verified styles in August 2023 following nine months of collaboration and development. “We are expanding our use of Good Earth Cotton across both our menswear and womenswear divisions, increasing from a handful of styles made with Good Earth Cotton and FibreTrace last year to a broader offering, with plans to continue to grow this into the future.”

To grow this program, Country Road will need to onboard a greater number of its suppliers. “We started with sourcing Good Earth Cotton for our men’s t-shirts through one of our local suppliers, ABMT Textiles, and we’re now working with some of our key offshore suppliers to integrate Good Earth Cotton and FibreTrace into the ranges they are producing for us, including developing a Good Earth Cotton woven fabric which is a first for an Australian brand.”

The ability to share the full supply chain of a product with its customers in a transparent and accessible manner through QR codes was a key consideration for Country Road when onboarding with the FibreTrace platform. At this stage, the brand is not sharing the QR codes with customers (“as we are still in the process of setting up the full supply chains on the platform and want the information to be meaningful and complete when we do share it”) but has plans to introduce this option in the coming year through swing tags QR codes and its online portal. In the meantime, Country Road is communicating the story of its Good Earth Cotton and FibreTrace partnership through online copy and supplier stories, such as the [August 2023 Aus Made T-Shirt campaign](#).

“Partnerships, such as the one with Good Earth Cotton and FibreTrace, are key to achieving our transparency objectives. We can’t solve these issues on our own, and we rely on innovators within the industry to develop the technical solutions needed to trace our materials and share supply chain information easily and transparently.”

COUNTRY ROAD



Traceability and Liveable Luxury with Maggie Marilyn

The New Zealand-based ready-to-wear womenswear brand Maggie Marilyn specialises in an aesthetic described by its Business Operations Director Georgia Maney as “liveable luxury”: A combination of pieces worn on high rotation, such as “the perfect white t-shirt or a timeless blazer”, mixed in with special occasion garments.

Founded in 2016 by its namesake, Maggie Hewitt, the brand was established with climate action and transparency at front-of-mind³⁵, shaped around the ethos: “Use Fashion to Create a Better World”.

Hewitt and her team at Maggie Marilyn were first introduced to FibreTrace technology through a fortuitous introduction with Good Earth Cotton’s Danielle Statham. “FibreTrace brings to light for the customer what goes into constructing a single garment, as well as providing Maggie Marilyn with a tool that supports our mission of using business as a force for good,” says Maney. “To be able to have technology that goes beyond a certification and instead is literal DNA that can confirm the location of where the fibre is grown is an absolute game-changer for Maggie Marilyn, and made this partnership incredibly exciting for us.”

The brand first integrated FibreTrace’s technology in 2022 via its 01 Blazer, constructed using a blend of Good Earth Cotton and ZQRx Merino (regenerative merino), before expanding to include best-selling styles such as the 01 Singlet, 01 Blazer, Mini T-shirt, 01 T-shirt and 01 Singlet Mini Dress. At January 2024, 36% of units sold by the brand were made using Good Earth Cotton, powered by FibreTrace.

On the brand’s online platform, each product description features a breakdown of its supply chain, including the location of sourced materials, the location of any additional processing and manufacturing, and then which of Maggie Marilyn’s Sydney or New Zealand “Homes” (brick-and-mortar boutiques) the product arrived in.

“Never before have we been able to have an interactive experience where we can ‘scan’ a garment that confirms the content of material we have purchased,” says Maney. “We are able to QC check that what we purchased – for example, [that] Good Earth Cotton is, in fact, 100% Good Earth cotton at the time we sell to customers. That kind of confidence in the transparency we share with our community is such a game-changer.”

Maggie Marilyn

Image source: Maggie Marilyn

Future Outlook & Recommendations

This whitepaper has presented the current state of the fashion and textiles industry as it pertains to transparency and traceability. Based on those findings, this section seeks to present a future perspective on transparency throughout 2024 and beyond, and transparency adoption suggestions from industry thought leaders.

The Year Ahead

As climate and nature disclosures become mandatory, transparency and traceability will increasingly be required of brands.

“Companies will need to measure and report scope 3 emissions³⁶, and to understand the climate risks and opportunities right across their value chains,” foresees Country Road’s Erika Martin. “This will require greater visibility into supply chains, and the need for data to be collected from suppliers at all tiers.”

Martin says that technology and AI will also continue to drive traceability and transparency in the coming months and years, with a growing number of software platforms offering digital chains of custody supported by verification and blockchain technologies. “Product level transparency will be provided through technologies such as NFC tags and RFID threads, linked to apps and QR codes that facilitate dynamic storytelling, and will provide transparency on a garment’s journey beyond the first purchase right through to end-of-life.”

End-of-life developments are also predicted to grow in 2024. “Tracing a garment’s full lifecycle is something that has huge potential to develop into commercial viability for brands, and change the landscape dramatically,” says Maggie Marilyn’s Georgia Maney.

Everlane’s Katina Boutis says that the changing regulatory landscape will have the most significant influence on brands’ disclosure requirements. “It’s something that is happening very quickly and it’s happening now,” she says. “It’s going to change the way things are done internally and operationally on various teams, but I think also this is going to have a really big reverberating effect, particularly with all of the due diligence laws that are coming out.”

Recommendations

Throughout 2024, Maggie Marilyn’s Georgia Maney advises brands to strive for incremental progress. “If you can make small changes on a daily or weekly basis, like encouraging suppliers to ask questions about where they are sourcing raw materials from, these are the kinds of actions that compound for the greater good,” she says. “With each new collection or garment creation, challenge yourself to make a small step in the direction of problem-solving. Small positive actions compounding leads to progress.”

Cultivating an environment of curiosity and question-asking will also be paramount. “Be bold and stay curious,” says Maney. “Never be too afraid to ask questions because transparency is born out of those conversations.”

Country Road’s Erika Martin urges brands to publish their supplier lists in 2024. “And,

if you haven't already, start the traceability conversation with your suppliers – ask them who is supplying the fabrics and yarns in your products, and where the raw materials are coming from. Traceability should be a consideration when selecting materials and suppliers.”

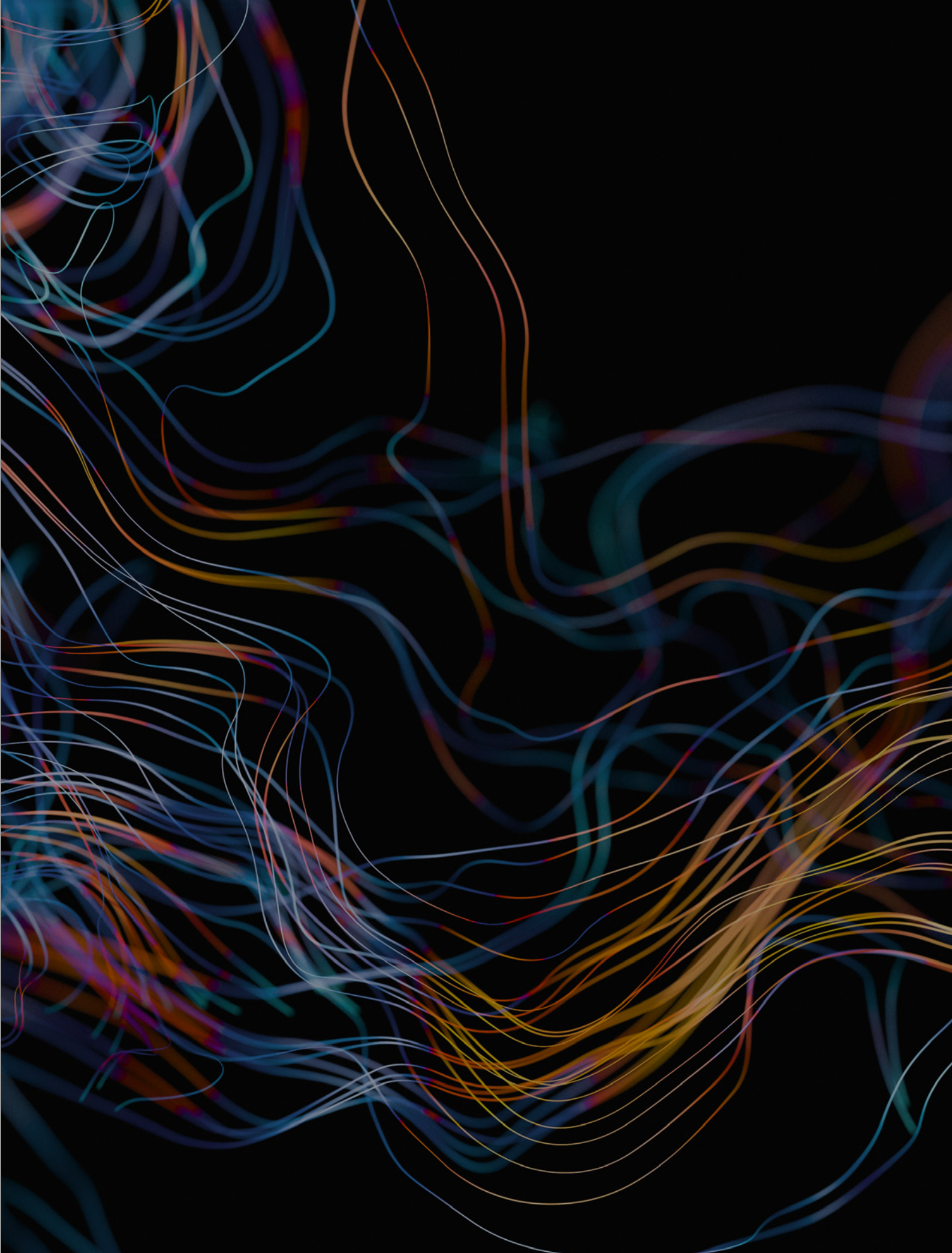
Katina Boutis of Everlane reiterates the need for brands to embrace supply chain disclosure this year. “If you want to have a seat at the table for any type of sustainability conversation, or be a responsible brand of some kind, you have to be doing things like disclosing who your suppliers are – at least your tier one suppliers,” she says. “You have to be speaking about really important topics about our industry that are well known now for being challenge areas.”

Conclusion

As outlined in this whitepaper, the first quarter of 2024 sees the fashion and textiles industry positioned at a market-defining precipice, where transparency and supply chain traceability are shifting from moral pursuits to social and environmental imperatives.

Whilst acknowledging continuing limitations and barriers to immediate industry-wide transparency adoption (relating to the prevalence of subcontracting, cost management obstacles, the ripple effect of globalisation and inconsistency of global standards and governance), this paper, through case studies and research, puts forth transparency and traceability solutions and recommendations intended to empower brands, consumers, and stakeholders to embrace the physical and digital innovations reshaping the xxx – including, but not restricted to, blockchain functionality, isotope identification, smart sensors, and supply chain disclosure through storytelling.

This paper also highlights the updated and forthcoming legislation changes regarding transparency and traceability adoption, echoing the change in consumer expectations and recognising global governments' growing focus on addressing the industry's ethical and environmental impact, alongside the critical pillars that will continue to define transparency in the fashion and textiles industry throughout 2024: Communication, Accountability and Embrace of Failure, and Collaboration.



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