



## SDG 17, Partnerships for the Circular Economy: The Case of the Textile Sector and the Digital Product Passport

### 1. Introduction

The European Union has entered a pivotal stage in implementing its circular economy vision, positioning sustainable production and consumption, the transformation of products into services, the digitalisation of processes, and access to reliable information throughout the value chain as the foundations of European competitiveness. As highlighted in the Letta Report, we need to embed circular economy principles within the Single Market. This involves not merely acknowledging but actively incorporating sustainable practices and innovations into our economic framework. A truly Circular Single Market is required, as it will support environmental sustainability while simultaneously driving economic growth by fostering innovative business models and consumer behaviours (E. Letta, *Much More Than a Market*, 2024).

This evolution is reflected across all major EU strategic documents and was reaffirmed in September 2025 by President Ursula von der Leyen in her *State of the Union Address*, where she emphasised: ‘I am convinced: the future of clean tech will continue to be made in Europe. But for that, we also need to make sure that our industry has the materials here in Europe. And the only answer here is creating a truly circular economy. So, we need to move faster on the Circular Economy Act’ (*State of the Union 2025*).

The forthcoming Circular Economy Act (CEA), expected in 2026, is intended to establish a Single Market for secondary raw materials, improve access to high-quality recycled inputs, and ensure that circular products can compete on an equal footing with conventional goods (European Commission 2025).

Circularity, however, cannot be achieved by legislation alone. It requires coordination across sectors, technologies and value chains. The textile and apparel industry – a globalised and environmentally impactful sector – offers a crucial testing ground for putting the EU’s circular economy goals into practice.

This article examines the evolution of the EU circular framework with particular focus on the Digital Product Passport (DPP) created under the Ecodesign for Sustainable Products Regulation (ESPR), and analyses how multi-stakeholder partnerships – including initiatives led



in Poland by the Institute for Sustainable Development and Environment at Łazarski University and GS1 Poland – translate legal principles into operational practice (Institute for Sustainable Development and Environment at Łazarski University & GS1 Poland 2025).

## **2. The Circular Economy as an Industrial Policy**

### **2.1 From voluntary frameworks to legal obligation**

Over the past ten years, the idea of a circular economy has moved from a general policy goal to a set of binding EU laws. The Circular Economy Action Plan (CEAP) laid the groundwork by identifying the key sectors – such as textiles, electronics, plastics, and construction – and setting a goal where waste is minimised and resources are reused. The forthcoming Circular Economy Act (CEA) represents the next phase of Europe’s transition toward circularity. Its purpose is to speed up the shift to a more resource-efficient economic model, strengthening the EU’s resilience, competitiveness, and capacity for decarbonisation, while reducing dependence on external resources. The Act will also create an integrated Single Market for secondary raw materials, ensuring a greater availability of high-quality recycled inputs and encouraging stronger demand for them across the EU. This direction reflects the strategic priorities outlined in the Letta and Draghi reports, which emphasise circularity as a key driver of Europe’s economic security and industrial renewal (European Commission 2025).

Together, these measures are meant to make Europe less dependent on imported raw materials and strengthen the EU’s industrial independence.

### **2.2 The textile sector as a test case**

The textile sector is far from black and white. On the one hand, it plays an important economic role, employing around 1.5 million people across the EU. On the other hand, it is highly resource-intensive and environmentally challenging, responsible for significant waste generation, water and chemical use, and microplastic pollution (European Commission 2022).

Because production is often fragmented and global, with a large share taking place outside the EU, ensuring transparency and traceability throughout the supply chain remains a major difficulty (European Commission 2022).

The EU Strategy for Sustainable and Circular Textiles, published in 2022, sets out a clear vision for 2030: textile products sold in the EU should be durable, repairable, and recyclable, made mostly from recycled fibres, and produced in a way that respects human rights



and the environment. As the Strategy puts it, *'fast fashion is out of fashion'*. This vision now has a concrete legal and operational foundation through, among others, the Ecodesign for Sustainable Products Regulation (ESPR) and its key instrument – the Digital Product Passport (DPP) (European Union 2024).

### **3. The Digital Product Passport: A New Legal and Technological Framework**

#### **3.1 Legal foundation**

The ESPR (Regulation (EU) 2024/1781), which entered into force on 18 July 2024, is part of measures for achieving the aims of the Circular Economy Action Plan and fostering the transition to a circular, sustainable, and competitive economy. It will contribute to helping the EU reach its environmental and climate goals, double its circularity rate of material use, and achieve its energy efficiency targets by 2030. It introduces the Digital Product Passport (DPP) as a structured, product-specific dataset enabling information exchange across the lifecycle (Regulation (EU) 2024/1781, arts 9–15).

#### **3.2 Objectives and functions**

The Digital Product Passport (DPP) has five main goals that work closely together. First, it improves traceability – making sure information about a product can be tracked clearly from its production to the end of its life. Second, it supports circularity, by providing reliable data that makes reuse, repair, remanufacturing, and recycling easier. Third, it helps with compliance, allowing authorities to check whether products meet environmental and safety rules. Fourth, it strengthens consumer empowerment, giving people access to information that helps them make better purchasing and repair choices. Finally, it ensures data standardisation, so that information can be easily shared and understood across EU countries and different sectors.

#### **3.3 Implementation roadmap for textiles**

European Parliamentary Research Services prepared the study 'Digital product passport for the textile sector' in 2024. This study examines the potential, needs, benefits, and challenges associated with deploying a DPP for all stakeholders throughout the European textile sector's value chain. A DPP could benefit all actors in this complex value chain, including producers, supply-chain tiers, regulatory authorities, sorters, recyclers, and consumers (EPRS 2024)



The study proposes a step-by-step scenario and policy options for the deployment of a DPP in three phases:

Phase 1 (by 2027) will introduce a basic version of the Digital Product Passport (DPP) for textiles, containing only the most important mandatory information and some additional data that is useful for analysing the product's lifecycle.

Phase 2 (by 2030) will expand this into an advanced DPP, collecting more data throughout the product's lifecycle and involving a wider range of stakeholders, based on lessons learned from the first phase.

Phase 3 (by 2033) will implement the fully developed 'circular DPP', making it a complete tool to support sustainability and circularity across the textile sector (EPRS 2024)

A gradual introduction of the Digital Product Passport (DPP) can ensure the success of its implementation. It will help businesses adapt step by step, without being overwhelmed, while at the same time facilitating a smoother and more effective transition towards a fully circular economy model.

## **4. Multi-Stakeholder Partnerships as Drivers of Implementation**

### **4.1 Rationale for partnerships**

Laws alone are not enough to make the circular economy work. Legal frameworks can set directions and obligations, but real progress requires cooperation between governments, businesses, academia, and civil society. Only by working together can we connect legal rules with real-life practice, test new ideas early, and find practical solutions to emerging challenges.

This is exactly what Sustainable Development Goal 17 emphasises. Target 17.16 calls for strengthening global partnerships that share knowledge, skills, technology, and financial resources to help all countries – especially developing ones – achieve sustainability goals. Target 17.17 goes further, encouraging effective public, public–private, and civil society partnerships built on mutual trust and shared experience.

In practice, this means that regulation must go hand in hand with cooperation and dialogue. Partnerships turn legal commitments into meaningful action – they link innovation with implementation, break down barriers, and make the transition to circularity more inclusive and achievable. Only through such collaboration can the shift towards sustainable development become not just a legal obligation, but a shared global mission delivering real, measurable results.

## **4.2 The Polish experience**

An example of actions and partnerships supporting the transition towards circularity in Poland includes the working groups in the textile sector.

The first initiative – Roundtable on Circular Textiles (2022–2023), organised under the UN Global Compact Network Poland – brought together industry leaders, business associations, and academia to share knowledge and prepare micro and small enterprises to adapt to upcoming changes alongside the largest players in the market.

The second – the ‘DPP in Fashion’ Working Group (2023–present), coordinated by the Institute for Sustainable Development and Environment at Lazarski University in cooperation with GS1 Poland – focuses on the practical implementation of the Digital Product Passport (DPP) in the fashion and textile industries, including process design and solutions for new legal obligations (Institute for Sustainable Development and Environment at Lazarski University & GS1 Poland 2025).

Together, these initiatives have built a collaborative ecosystem that connects brands, recyclers, repair and upcycling companies, digital technology providers, and legal experts, working jointly to support circular transformation in the textile market.

## **4.3 Key outcomes**

The ‘DPP in Fashion’ partnership serves as a living laboratory for circular governance, where regulation, technology, and industry expertise come together in practice. The group meets on a regular, ongoing basis, creating a space for knowledge exchange, experience sharing, and collaboration among its members.

On the one hand, technology providers work hand in hand with designers and repair companies, jointly developing prototype product passports that are already being tested in the market by pioneering enterprises. On the other hand, the group actively contributes to the legislative process, preparing recommendations for EU policymakers based on real market experience.

This collaboration provides a valuable source of insight into how the industry operates, what challenges it faces, and what practical barriers must be addressed. It helps ensure that new regulations are well-designed – not a burden or obstacle to competitiveness, but a driver of innovation, growth, and sustainable development.



## **5. Insights from the Public Consultation on DPP for Textiles**

Between 8 April 2025 and 1 July 2025, the European Commission conducted a public consultation on the proposed Digital Product Passport (DPP) regulation for the textile sector. As part of this process, the ‘DPP in Fashion’ partnership submitted an open letter presenting cross-sectoral recommendations developed through dialogue between business, academia, and industry experts (Institute for Sustainable Development and Environment at Lazarski University & GS1 Poland 2025).

### **5.1 Main findings**

The recommendations – developed over several months of dialogue, exchange of ideas, and collaboration among representatives of business, academia, and institutions – addressed the following key areas. They were formally submitted in the form of an open letter as part of the public consultation process on the Digital Product Passport (DPP) regulation for textiles.

The consultation process highlighted several essential areas that must be addressed to ensure that the Digital Product Passport becomes a practical, efficient, and inclusive tool for supporting the circular economy in the textile sector.

First, data management and flow must be based on clearly defined and proportionate requirements. Second, the recommendations emphasise the need for support mechanisms for recyclers, sorters, and other operators handling textiles at the end-of-life stage. Access to essential data must be ensured even for products placed on the market before DPP obligations take effect, enabling effective waste management and promoting true circularity. Third, the consultation calls for formal recognition of upcycling as a distinct regulatory category within EU law. Clear criteria should differentiate between repair and creative transformation, ensuring transparency for consumers while protecting intellectual property rights and supporting innovation. Establishing minimum quality and safety standards for upcycled products reintroduced to the market would also strengthen consumer confidence and reduce legal uncertainty. Fourth, data security and competition safeguards are vital. The DPP system must clearly define data ownership, management, and access rights at each lifecycle stage. Fifth, the DPP framework must ensure full interoperability and consistent product identification across Member States. The recommendations also propose financial instruments – such as grants and tax incentives – to support SMEs in digitalisation, particularly through AI and IoT technologies



for product tracking and lifecycle monitoring. Finally, the success of the DPP depends on consumer and business education. Transparent, standardised, and accessible product information (both on physical labels and online) will enhance trust and promote responsible purchasing. Public awareness campaigns, supported by government, industry, and NGOs, are needed to explain the system's benefits and encourage consumer engagement. For producers, the DPP's implementation should be seen not as a regulatory cost but as a strategic investment in sustainable competitiveness.

Overall, the consultation reinforced that the DPP's effectiveness will depend on a balance between ambition and feasibility – clear legal rules, open technological standards, and strong collaboration among all stakeholders in the textile value chain.

## 6. Conclusions and Recommendations

The circular economy transition rests on a triangular foundation: clear legal frameworks, interoperable digital systems, and collaborative partnerships. The Digital Product Passport, as introduced under the ESPR, sits at this intersection – merging regulatory enforcement, technological innovation, and market participation.

Lessons from the textiles industry include:

1. Legal coherence and proportionality must guide delegated acts;
2. Open data standards are essential for interoperability and cost efficiency;
3. Upcycling and reuse merit explicit recognition as circular practices;
4. Capacity-building for SMEs should accompany new obligations; and
5. Institutionalising partnerships within EU governance can accelerate learning and reduce compliance friction (Institute for Sustainable Development and Environment at Łazarski University & GS1 Poland 2025).

If designed and executed coherently, the DPP can transform transparency from a mere reporting obligation into a genuine driver of competitiveness, positioning the textile sector as a model for responsible and resilient industrial transformation. However, achieving this vision requires more than regulatory precision; it demands continuous cooperation and strong multi-stakeholder partnerships. Only through structured collaboration between legislators, businesses, technology providers, and academia can the Digital Product Passport evolve from a legal instrument into a functional ecosystem that supports innovation, compliance, and market trust. In this sense, partnership becomes not an adjunct, but a fundamental condition for the success of circular governance in the European textile industry.



## Questions

1. What is the main purpose of the forthcoming Circular Economy Act (CEA) within the EU's circular economy framework?
2. What are the key objectives and functions of the Digital Product Passport (DPP) introduced under the Ecodesign for Sustainable Products Regulation (ESPR)?
3. What is the role of the 'DPP in Fashion' Working Group coordinated by the Institute for Sustainable Development and Environment at Łazarski University and GS1 Poland?
4. What were the main findings and recommendations that emerged from the public consultation on the Digital Product Passport for the textile sector?
5. How does Sustainable Development Goal 17 support the implementation of the circular economy through multi-stakeholder partnerships?

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