

Following **THE THREAD**

Tracking value and finance through the apparel industry

Recommended Questions	Report Key Takeaways
<p>Q.1 Question: What visibility do you have on your supply chain?</p> <p>Background: Regulation such as the EU strategy for sustainable and circular textiles, the proposal for an EU Directive on corporate sustainability due diligence and New York's proposed Fashion Sustainability and Social Accountability Act, mean brands will need to have a fuller understanding of their supply chain. Our analysis has shown that investing in traceability systems can address these challenges whilst also providing a potential profit uplift from better management of operations.</p>	<ul style="list-style-type: none"> • Visibility on supply chains is increasingly important for brands. Green claims without supporting evidence are increasingly a target for regulators. • The most significant negative environmental impacts associated with the textile industry occur in the supply chain. Brands cannot make claims of sustainability without accounting for their supply chain. • A just transition for the textile industry will require action across the supply chain. Retailers need to work with suppliers to improve their environmental footprint. We believe these investments can be profitable in and of themselves, as well as improving the industry's environmental footprint. <p>Click to view the report online</p>  <p>Disclaimer: click here</p>
<p>Q.2 Question: What data can you provide to back up your sustainability claims?</p> <p>Background: Recently, we have seen consumer regulators taking a more aggressive attitude on their assessment of corporate green claims. Can, for instance, a particular t-shirt be described as "green" if a brand doesn't know where the raw material is sourced or how it was processed during manufacture? Unsubstantiated claims risk reputational damage, regulatory pressure and even litigation from consumers.</p>	
<p>Q.3 Question: What investment are you making into improving the environmental footprint of your supply chain?</p> <p>Background: Much of the negative environmental impact of apparel manufacture occurs further back up the supply chain and thus outside of the direct control of retail brands. To move to a truly sustainable industry, fashion retailers and brands must pivot to invest in their supply chain partners. We believe these investments can be profitable in and of themselves, as well as improving the industry's environmental footprint.</p>	