## **EU Strategy for Sustainable and Circular Textiles**

### **Stakeholder Response**



# The Public Establishment HUMANA PEOPLE TO PEOPLE BALTIC

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### **Executive summary**

This paper argues that the Second-Hand Clothing (SHC) sector provides a robust infrastructure and a viable business model for future growth in the sustainability of the textiles industry. The most effective approach to strengthening environmental objectives and circularity in the textiles sector is to maximise the reuse of clothing across Europe, and indeed the globe. Across all of the EU's policies and regulations, we contend *reuse* must take precedence to prevent waste and safeguard sustainability.

The EU Strategy on Sustainable and Circular Textiles aims to reduce the environmental impact of the textiles industry, promoting clothing reuse and recycling while limiting the overconsumption of mass-produced clothing.

It is widely anticipated that under the Waste Framework Directive and law for the mandatory collection of textiles which comes into force in 2025, collection rates for post-consumer textiles will increase significantly. Meanwhile, the EU's Waste Hierarchy emphasises that reuse should be the priority given the focus on waste prevention.

Over the last forty years, the SHC sector has developed a sophisticated model to buy, collect, sort, process and sell second-hand clothing, in so doing helping to reduce carbon emissions and energy use that contribute to global warming. The SHC and reuse industry can help the EU to meet its objectives on sustainability and circularity. The SHC in Europe should be enabled to play its role in ensuring the EU becomes a 'global trailblazer' in sustainable and circular textiles. In so doing, the following recommendations are proposed:

- The EU should set specific targets for collection and reuse across Europe by 2025. The collection target should reflect the scale of the EU's ambition for a sustainable textile ecosystem. Meanwhile, the reuse target should relate to the proportion of collected textiles in the EU that are prepared for reuse. The reuse target should rise as technologies develop and European collection and sorting infrastructure improves. If targets are not set at the EU level, we strongly recommend harmonising targets among EU member-states.
- There should be additional public investment in specialist sorting businesses in
   Europe that know how to sort original clothes effectively. There are legitimate
   grounds for subsidy from public funds or EPR to support sorting facilities that aim to
   maximise circularity and sustainability across the textiles sector. The flow of clothes
   should be organised to ensure that clothes are initially sorted by a specialised reuse
   facility with sufficient market knowledge to maximise reuse rates.
- Public and private sector actors must be encouraged to invest in sorting
  infrastructure and capacity. The EU will must ensure there is additional high-skilled
  sorting capacity in place.
- Boosting the reuse sector in Europe means keeping the global reuse market accessible for European companies, also enabling them to partner with sorting centres outside the EU. Export regulations need to be clear and transparent.

- Original clothes which are unsorted collected clothes should be recognised as a fundamentally different type of waste. We propose in the concluding chapter a simplified procedure by which the EU can permit exporting original clothes to third countries.
- We agree with the EU that it needs to fashion an eco-design policy which ensures that clothes in general last longer. To achieve this, product design has a key role to play. Consumers need to be encouraged to embrace quality over fashion wherever possible.
- To maximise clothing reuse which is the best way to ensure environmental sustainability we want to see improved collaboration across the value chain: that includes retailers, garment makers, yarn and fabric suppliers, collectors and sorting centres. We want to see the development of a textile ecosystem in which textiles that are not suitable for reuse can be recycled using environmentally sustainable and resource efficient processes.
- Other measures and incentives to promote the sector that the EU and member-states should adopt include:
  - Reduce or eliminate VAT on the sale of second-hand clothes and repair services, boosting the sale of reusable clothes in Europe and spurring the creation of green jobs.<sup>1</sup>
  - Setting targets for durability and repairability of new clothes, banning incineration of unsold goods and enforcing use of all new items.
  - Making sure that EPR (Extended Producer Responsibility) schemes support the top of the EU waste hierarchy, emphasising waste prevention and reuse above recycling.
  - Securing appropriate funding for collection and sorting for reuse: for instance, supporting investments in sorting systems that support modern sorting processes, alongside installation of green energy.
  - Designing regulations and certification processes that ensure value chains for European second-hand clothes are environmentally responsible.
  - Introducing codes of conduct for collection, sorting and sale.
  - Promoting transparency throughout the sector such as on the labelling of clothing products.

<sup>&</sup>lt;sup>1</sup> The EU defines a green job as, 'any professional activity that helps to protect the environment and fight climate change by saving energy and raw materials, promoting renewable energies, reducing waste and pollution or protecting biodiversity and ecosystems'. https://www.greens-efa.eu/legacy/fileadmin/dam/Documents/Publications/GND/Green\_jobs\_EN\_01.pdf

- Supporting effective communication with citizens about reuse and repair, promoting long-term alterations in consumer behaviour.

The vital work of ensuring a greater proportion of clothing in Europe is subject to reuse is already being undertaken by the strategically important and increasingly influential SHC sector. The sector is skilled, professional, trained and highly competent. It has forty years of experience in creating business infrastructure to maximise clothing reuse. When clothes are prepared for reuse and sold on directly to consumers, the impact on energy consumption is minimised, contributing to higher standards of environmental protection. Promoting reuse is among the best means to achieve a sustainable, circular textile sector throughout Europe.

### The aim of this paper

This White Paper offers a detailed stakeholder response to the EU's *Strategy for Sustainable and Circular Textiles* published in March 2022. The paper begins by outlining the contribution of the Second-Hand Clothing (SHC) and reuse sector to the textile industry in Europe and globally. Then, the paper elaborates how the sector - with its focus on clothing reuse - can assist the EU in achieving its main objective of a more environmentally sustainable textiles industry with lower net carbon emissions. Finally, the paper proposes concrete policy recommendations through which the EU can maximise the contribution of the SHC industry to the mission of becoming 'a global trailblazer in sustainable and circular textile value chains'.<sup>2</sup>

### 1) Introduction: towards a sustainable and circular textile sector in Europe

The EU's vision of a sustainable and circular textiles sector

The EU Strategy on Sustainable and Circular Textiles seeks to reduce the environmental impact of the textiles industry by promoting clothing reuse and recycling while limiting the overconsumption of mass-produced clothing. Textiles is identified as one of fourteen European 'industrial ecosystems' that the European Commission regards as 'strategic' for economic recovery in the aftermath of Covid-19.<sup>3</sup> Moreover, the textiles sector is highly conducive to the green transformation advocated in the European Green Deal and the European Industrial Strategy. The EU Strategy on Sustainable and Circular Textiles states that: 'The production and consumption of textile products continue to grow and so does their impact on climate, on water and energy consumption, and on the environment'. Every year across Europe, more than 5.8 million tonnes of textiles are discarded: the equivalent of 11 kilos per person according to data compiled by the EU. It is estimated that between 1.7

<sup>&</sup>lt;sup>2</sup> European Commission, 'EU Strategy for Sustainable and Circular Textiles', March 2022 <a href="https://environment.ec.europa.eu/publications/textiles-strategy">https://environment.ec.europa.eu/publications/textiles-strategy</a> en

<sup>&</sup>lt;sup>3</sup> European Commission, 'Transition pathway for a more resilient, sustainable and digital textiles ecosystem', March 2022. <a href="https://single-market-economy.ec.europa.eu/consultations/transition-pathway-more-resilient-sustainable-and-digital-textiles-ecosystem">https://single-market-economy.ec.europa.eu/consultations/transition-pathway-more-resilient-sustainable-and-digital-textiles-ecosystem</a> en

<sup>&</sup>lt;sup>4</sup> European Commission, 'EU Strategy for Sustainable and Circular Textiles', March 2022 https://environment.ec.europa.eu/publications/textiles-strategy\_en

and 2.1 million tonnes of post-consumer textiles are collected each year for which the primary aim is reuse.<sup>5</sup> The concept of 'circularity' refers to a production process in textiles where material inputs are either reused or recycled.

It is widely anticipated that from 2025 when EU member-states will be required to collect textile waste under the Waste Framework Directive and law on mandatory separate collection of textiles, the collection rate of post-consumer textiles will increase significantly. Given the primary importance in the EU Waste Hierarchy of waste prevention, in this framework reuse should take precedence over recycling. A succession of robust scientific studies has concluded that greater economic and environmental benefits accrue from the reuse of clothing.

### Our position on textile reuse and recycling

The key argument of this paper is that the SHC sector provides a ready-made textile reuse infrastructure alongside a viable business model for future growth. Currently, more than two million tonnes of textiles are collected each year in Europe. <sup>6</sup> 14 per cent of EU citizens have recently purchased second hand clothing. <sup>7</sup> The influential *Sorting for Circularity (Europe)* report advocates: 'Increased investment into infrastructure that can sort and prepare textiles for reuse and recycling'. <sup>8</sup> The report confirms that the most effective approach to strengthening environmental sustainability is to maximise reuse rates for clothing across Europe, and indeed the globe.

In this paper, we contend that the priority across each of the EU's strategies must be *reuse*. While the importance of reuse is acknowledged in the Waste Hierarchy framework given the focus on preventing waste at the outset, there are concerns that regulatory and policy changes will strengthen incentives to recycle over reuse. Yet the SHC sector has developed a sophisticated model over the last forty years to collect, sort, process and sell second-hand clothing for reuse, otherwise considered to be textile waste, in so doing helping to reduce carbon emissions and energy use that contribute to global warming. The sector provides consumers around the world with high quality clothing that contributes to social justice and well-being.

The SHC and reuse industry is already contributing to the circularity and sustainability in the textile sector that the EU is seeking to champion. In this document, we outline concrete approaches that can strengthen the contribution of the sector, while avoiding regulatory changes that might inadvertently undermine SHC and reuse businesses.

<sup>&</sup>lt;sup>5</sup> European Commission, 'EU Strategy for Sustainable and Circular Textiles', March 2022 https://environment.ec.europa.eu/publications/textiles-strategy\_en

<sup>&</sup>lt;sup>6</sup> Euratex, 'Euratex facts and figures of the European textile industry', 2022 https://euratex.eu/wp-content/uploads/EURATEX\_FactsKey\_Figures\_2022rev-1.pdf

<sup>&</sup>lt;sup>7</sup> Euratex, 'Euratex facts and figures of the European textile industry', 2022

https://euratex.eu/wp-content/uploads/EURATEX\_FactsKey\_Figures\_2022rev-1.pdf

<sup>&</sup>lt;sup>8</sup> Fashion for Good, 'Sorting for Circularity in Europe', September 2022 <a href="https://modare.org/wp-content/uploads/2022/09/Sorting-for-Circularity-Europe-Report Fashion-for-Good.pdf">https://modare.org/wp-content/uploads/2022/09/Sorting-for-Circularity-Europe-Report Fashion-for-Good.pdf</a>

#### Achieving EU objectives for inclusion and sustainability

The SHC and reuse sector makes a major contribution to achieving the core economic, environmental and social inclusion objectives of the EU:

- In Europe as awareness of the negative environmental impact of the fashion and textile industry has grown, consumers are turning to second-hand clothes as a more sustainable choice, reusing clothes rather than buying them new. The EU reuse market is predicted to double by 2025 reaching a value of 34 billion Euros; the resale market is currently growing 11 times faster than traditional retail. Other studies suggest the SHC market will grow by up to 20 per cent in the next five years. 10 While it has been claimed that the SHC market is close to saturation, experience suggests that the market will expand if there are effective distribution systems and businesses are sensitive to patterns of local demand. Moreover, reuse still accounts for only 3.5 per cent of the global fashion industry. 11 The SHC sector gives consumers across the household income distribution in each country options and choices, enabling them to adapt their behaviour in accordance with green objectives. We know that across the world, consumer purchasing power is rising. The data indicates that the size of the global middle class increased from 1.8 billion in 2009 to roughly 3.5 billion people in 2017 - more than half the world population - and is expected to grow to reach 5.3 billion by 2030. 12 The global Compound Annual Growth Rate (CAGR) for second hand clothes in the next decade is expected to increase by 14.8 per cent: a significantly faster rate than 7.1 per cent CAGR from 2017 to 2021. 13
- The second-hand clothing business creates a significant number of green jobs. Workers take excellent care of the collected items throughout the process, making sure each item is put to the best possible use: either reused, recycled, repurposed or sold on. Moreover, because sustainability is at the heart of the sector's operations, SHC jobs are undeniably sustainable and green jobs. It has been estimated that in such a growing market, if all discarded clothing in Europe was collected and sorted, a further 120,000 jobs would be created.<sup>14</sup> The EU data indicates that 25-30 jobs are created presumably in the sorting process alone.

https://www.futuremarketinsights.com/reports/secondhand-apparel-market#thankyou

<sup>&</sup>lt;sup>9</sup> CB Commerce, 'The Rise of the Second-Hand Market in Fashion in Europe: Press Release', 2022 <a href="https://www.cbcommerce.eu/press-releases/the-rise-of-the-resale-second-hand-market/">https://www.cbcommerce.eu/press-releases/the-rise-of-the-resale-second-hand-market/</a>

<sup>&</sup>lt;sup>10</sup> Fashion Network, 'The Market for Second Hand Clothes in Europe', 2020 <a href="https://fr.fashionnetwork.com/news/La-seconde-main-un-marche-qui-seduit-toujours-plus-de-clients,1252621.html">https://fr.fashionnetwork.com/news/La-seconde-main-un-marche-qui-seduit-toujours-plus-de-clients,1252621.html</a>

<sup>&</sup>lt;sup>11</sup> Ellen McArthur Foundation, 'The Development of a Circular Economy in Fashion', 2021 <a href="https://emf.thirdlight.com/link/nbwff6ugh01m-y15u3p/@/preview/1?o">https://emf.thirdlight.com/link/nbwff6ugh01m-y15u3p/@/preview/1?o</a>

<sup>&</sup>lt;sup>12</sup> European Commission, 'Competence Centre on Foreight: Consumer Trends, 2022
<a href="https://knowledge4policy.ec.europa.eu/foresight/topic/growing-consumerism/more-developments-relevant-growing-">https://knowledge4policy.ec.europa.eu/foresight/topic/growing-consumerism/more-developments-relevant-growing-</a>

 $<sup>\</sup>frac{consumerism\ en\#: ^: text=Poverty \%2C\%20 middle \%20 class \%20 and \%20 purchasing \%20 power \& text=The \%20 size $\%20 of \%20 the \%20 global, reach \%205.3 \%20 billion \%20 by \%20 2030.}$ 

<sup>&</sup>lt;sup>13</sup> Future Market Insights, 'Second-Hand Apparel Market', 2022

<sup>&</sup>lt;sup>14</sup> Reuse, 'Ethical Principles for the Clothing Sector', June 2016 https://www.rreuse.org/wp-content/uploads/2015-06-textiles-position-RREUSE.pdf

- The SHC sector in Europe and the wider world includes a significant number of
  enterprises that help to achieve social cohesion. The SHC sector is making an
  extremely important social contribution to those in third countries, especially
  families who must survive on very low incomes, making decent clothes available
  at an affordable price. Good quality second hand clothes give choices to
  communities in developing countries with lower-than-average disposable
  incomes.
- The sorting processes managed by the SHC sector, although focused on reuse, also contribute to the goal of an increased rate of recycling of textile products. Inevitably, as Figure 1 demonstrates, some items that are collected and sorted are ultimately found not to be reusable. This clothing can be diverted into recycling operations. The largest sorting centres have the capacity to sort 50,000 tonnes of clothing a year or more, operated by teams of up to 550 skilled staff. While automation may be a solution for clothing that is already destined for recycling, manual processes supported by semi-automation are still necessary for the unsorted clothing market: 'Manual sorting is likely to remain the first step for sorting any PCT with rewearable content'. Moreover: 'There are no technologies available that could replace the categorisation of textiles based on their value for reuse on domestic and global second-hand markets'. The highly skilled manual sorting processes overseen by the SHC sector and reuse businesses ensure the optimal distribution of clothing between the reuse and recycling pathways.
- Approximately three quarters of clothes currently collected in Europe are judged to be fit for reuse within Humana Baltic's system elaborated further below. Around a fifth are viewed as suitable for recycling, while roughly 5 per cent are sent for incineration. Such data underlines the vast potential for growth of the sector.
- Finally, the sector is investing in capacity and infrastructure to ensure more efficient and sustainable sorting of SHC in third countries, maximising reuse rates and reducing the environmentally irresponsible disposal of waste. This approach is consistent with the EU's efforts to harmonise standards of waste management, promoting the circular economy not only in Europe but across the world.

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<sup>&</sup>lt;sup>15</sup> Fashion for Good, 'Sorting for Circularity in Europe', 2022 https://modare.org/wp-content/uploads/2022/09/Sorting-for-Circularity-Europe-Report Fashion-for-Good.pdf

#### Figure 1: How Humana Baltic in Lithuania categorises clothes

Humana Baltic in Lithuania operates a major sorting centre, 64 retail shops and one e-shop for second-hand clothing. Its turnover is 41.2 million Euros, while last year the business sorted 27,643 tonnes of clothing. Humana employs 431 workers in the sorting centre and has 419 employees in its retail outlets. For every 1000 tonnes of clothes that are sorted in its centres, approximately 90 additional jobs are created.

All clothes are sorted into 42 main categories (which are then divided into smaller categories) according to quality and fashion standards.

As a result, 76 per cent of clothes and shoes that enter Humana's sorting facilities are made available for reuse.

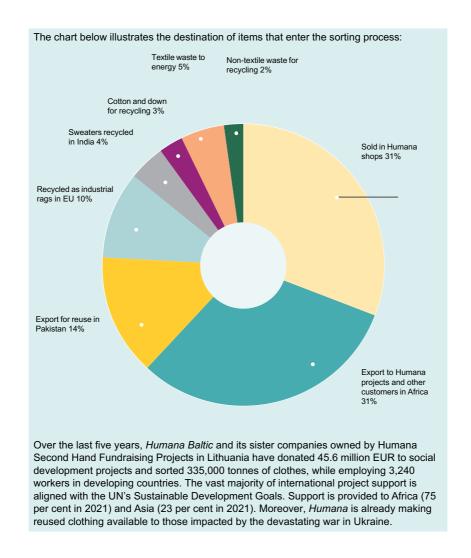
The clothes suitable for second use distribution are sold as follows:

- Approximately 31 per cent of the clothes, textiles and shoes are sold in Humana shops in Europe.
- Around 14 per cent of clothes and shoes are sold to wholesalers in Lithuania and customers in Asia.
- 31 per cent of the clothes and shoes are transferred to projects in Africa and sold to other customers.

Meanwhile, 17 per cent of clothes are worn too much to be used again but constitute fabric or fibres that may be suitable for traditional recycling processes that have a low environmental impact. Of that 17 per cent:

- 10 per cent of coloured and white cotton is exported to local recycling companies for industrial rags production.
- 4 per cent are knitted sweaters that are sold to India's market for new yarn production.
- 3 per cent of cotton and feathers are sent for recycling. Humana Baltic have sufficient industrial dryers to recover any wet clothes received for reuse or recycling. Moreover, all paper, plastic, glass, metals, and batteries are distributed to other recycling facilities. The energy used at the sorting centre comes from solar panels located on the building's roof.

Overall, only around 5 per cent of the items that Humana receives are not considered suitable either for reuse or recycling and are hence incinerated.



Summary: building on SHC business models to achieve circularity and sustainability

The vital work of ensuring a higher proportion of clothing in Europe is subject to reuse is already being carried out by the strategically important and increasingly influential SHC sector. The sector is skilled, professional, trained and highly competent. It has forty years of experience in maintaining operating infrastructure to maximise clothing reuse. When clothes are prepared for reuse and sold on directly to consumers, the impact on energy consumption is minimised, contributing to higher standards of environmental protection and sustainability.

The European Commission is right to insist that 'more systemic solutions' are required, 'in line with the European Green Deal ambition to make growth sustainable, climate-neutral, energy and resource-efficient and respectful of nature, and built around a clean and circular economy'. <sup>16</sup> The EU strategy for sustainable and circular textiles should build on the knowledge and commitment that already exists throughout the SHC and reuse sector. There is a business model which is delivering in practice and will help to achieve the goal of a sustainable and circular textiles industry across Europe.

<sup>16</sup> European Commission, 'EU Strategy for Sustainable and Circular Textiles', March 2022 https://environment.ec.europa.eu/publications/textiles-strategy\_en

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### 2) How the textile reuse sector can help the EU deliver its compelling vision for environmental sustainability

Introduction: reducing the long-term environmental impact of the textiles sector

We strongly support the EU's vision of making the textile and clothing sector more sustainable, promoting the efficient collection of textiles and their reuse. Our sector enables clothes to be reused and sold on to consumers while making the lowest possible impact on energy consumption, contributing towards the highest standards of environmental protection. Reusing clothes means that fewer new clothes need to be produced, minimising the environmental impact.

The context is that over the last forty years, textile production in Europe and around the world has expanded exponentially. Consumer demand for new clothing has continued to rise while production costs have declined as a long-term consequence of the globalisation of supply-chains. The 'fast fashion' industry that incentivises shoppers to purchase clothes more frequently has been the dominant trend in western economies over the last forty years. Reusing clothes was commonplace in Europe until the late nineteenth and early twentieth centuries. After 1900, SHC began to lose its appeal and was increasingly exported to African countries. The recent decades, the culture of changing clothes frequently while wearing the latest trends has become deeply rooted in consumer psychology, and hence difficult to shift.

We know that the textiles sector across the board has a huge environmental impact, generating significant carbon emissions by using large quantities of water and raw materials. As the EU itself points out: 'These negative impacts have their roots in a linear model that is characterised by low rates of use, reuse, repair and fibre-to-fibre recycling of textiles, that often does not put quality, durability and recyclability as priorities for the design and manufacturing of apparel'.<sup>18</sup> Moreover, the low-cost production model in textiles has a detrimental impact on women around the world who tend to populate this comparatively low-waged, low-skilled sector. For that reason, 'improving the sustainability of the supply chain also has an important gender equality dimension'.<sup>19</sup>

In recent years, more environmentally conscious consumers have begun to react against fast fashion, as they are increasingly aware of its damaging social impact and the consequences for climate change. Long-term changes in consumer attitudes and behaviour will doubtless take time to evolve.

https://medium.com/@ethitudeblog/a-little-history-of-second-hand-clothes-8fb95d08fe38

<sup>&</sup>lt;sup>17</sup> 'A Little History of Second-Hand Clothes', *Medium*, 2022

<sup>&</sup>lt;sup>18</sup> European Commission, 'EU Strategy for Sustainable and Circular Textiles', March 2022 https://environment.ec.europa.eu/publications/textiles-strategy e

<sup>&</sup>lt;sup>19</sup> European Commission, 'EU Strategy for Sustainable and Circular Textiles', March 2022 https://environment.ec.europa.eu/publications/textiles-strategy\_en

#### The EU's vision of circularity and sustainability

We strongly endorse the EU's strategy which sets out a vision and set of concrete actions to ensure Europe will become, 'a global trailblazer in sustainable and circular textile value chains...securing the green and digital transitions, addressing social challenges and ensuring that sustainability requirements are complied with'. This strategy, if combined with an approach that prioritises textile reuse, will drastically reduce the release of micro-plastics. Release is highest when washing new synthetic clothes, although the synthetic textile industry is scaling back its environmental footprint.<sup>20</sup> Putting the greatest possible emphasis on clothing reuse will help to deliver the objectives of the strategy to ensure that by 2030, 'textile products placed on the EU market are long-lived...Consumers benefit longer from high quality affordable textiles, fast fashion is out of fashion, and economically profitable reuse and repair services are widely available'.<sup>21</sup>

### The EU stipulates four central objectives in its strategy for sustainability and circularity:

- Ensure all textile products on the EU market are durable and repairable, where possible made using recyclable fibres produced respecting environmental sustainability and social inclusion.
- Reduce dependency on 'fast fashion' and ensure that consumers are able to benefit from high quality clothing products.
- Ensure there are widely available reuse and repair services.
- Build a competitive and resilient textile sector with producers working towards the creation of a circular economy in textiles.<sup>22</sup>

The SHC and reuse sector in Europe wants to support the EU to become a global trailblazer realising its compelling long-term vision. There is a risk, however, that the contribution of the SHC sector to the EU sustainability strategy for textiles could be undermined by the unintended consequences of particular decisions on regulation and public policy. To avoid that fate, the following core priorities need to be pursued in any strategy for sustainable and circular textiles:

<sup>&</sup>lt;sup>20</sup> European Environment Agency, 'From Microplastics to Textiles: Towards a Circular Economy', March 2022 https://www.eea.europa.eu/publications/microplastics-from-textiles-towards-a

<sup>&</sup>lt;sup>21</sup> European Commission, 'EU Strategy for Sustainable and Circular Textiles', March 2022 https://environment.ec.europa.eu/publications/textiles-strategy\_en

<sup>&</sup>lt;sup>22</sup> European Commission, 'EU Strategy for Sustainable and Circular Textiles', March 2022 https://environment.ec.europa.eu/publications/textiles-strategy\_en

### Reuse must take precedence at each stage of the EU's plan for the sustainable and circular economy

The key purpose of the EU's strategy is, 'to reduce the environmental footprint of textiles along their life cycle, increase the sector's resilience and competitiveness, improve working conditions according to international labour standards and ensure the value of textiles is retained in the economy for as long as possible, reducing dependencies on virgin raw materials'. 23 For the EU to achieve its vision, the primary emphasis of the circular economy in textiles must continue to be on reuse instead of investing exclusively in recycling processes. At the core of the EU strategy is the concept of a 'Waste Hierarchy'. The top priority of the waste hierarchy is the prevention of waste. As such, the reuse of textiles should always be emphasised rather than prioritising recycling. The evidence suggests that reuse achieves significantly greater economic benefits and substantially higher environmental gains than recycling. The waste hierarchy framework is based on the influential paradigm of the circular economy. Shortly after her appointment, the European Commission President, Ursula von der Leyen, announced in her 'State of the Union' address that she, 'will propose a new circular economy action plan focusing on sustainable resource use, especially in resource intensive and high-impact sectors such as textiles and construction'.

The aim of the circular economy is a textile production system that is, 'restorative and regenerative by design and provides benefits for business, society and environment. A system in which clothes, fabrics and fibres are kept at their highest value during use, and reenter the economy after use, never ending up as waste'. We fully support this vision of the circular economy in fashion and textiles. The EU's Waste Framework Directive and law on mandatory separate collection of textiles comes into force in 2025 (requiring all EU member-states to collect textile waste), aiming to further strengthen resource efficiency and reduce waste. In the five-step hierarchy of the EU framework, the first step is waste prevention, aiming to design waste out of the production system altogether. Of course, reuse of clothing does the most to reduce waste; reuse requires minimal reprocessing and is far less energy intensive than many recycling processes. Furthermore, it markedly reduces the requirement for landfill and incineration.

### Unsorted collected 'original' clothing is a valuable resource requiring separate regulation and certification

The EU's definition of waste is 'any substance or object which the holder discards or intends or is required to discard'. Although original clothes are classified as waste under EU regulations, they still contain valuable resources for reuse and recycling. Where clothes are classified as green waste, that textile waste requires its own distinctive framework of regulation and certification given the potential for recycling and reuse. Within the existing collection systems, three quarters of the content of collected items are considered reusable; a fifth can be recycled; while less than 5 per cent must be incinerated. As such, original clothes are fundamentally different to other recyclable waste streams, since they are of

<sup>&</sup>lt;sup>23</sup> European Commission, 'EU Strategy for Sustainable and Circular Textiles', March 2022 https://environment.ec.europa.eu/publications/textiles-strategy\_en

<sup>&</sup>lt;sup>24</sup> European Environment Agency, 'From Microplastics to Textiles: Towards a Circular Economy', March 2022 https://www.eea.europa.eu/publications/textiles-in-europes-circular-economy

relatively high value while many of the items can be reused. Given the high proportion of reusable content, original clothes require their own distinctive EU regulations. Having a transparent and non-bureaucratic system for exporting original clothes outside the EU is vital if there is insufficient sorting capacity within Europe. There is a risk that making importation to third countries more difficult will lead to less reuse and recycling, undermining the circularity and sustainability of the EU textiles sector.

Maximising reuse in particular requires careful manual sorting of clothing items by skilled operatives with detailed knowledge of local and international markets. Mandatory separate collection of textiles in the EU from 2025 will significantly increase the quantity of collected clothes. It is likely that not all of that sorting work can be undertaken by operations located within the borders of the EU. After post-consumer textiles have been collected, they are normally sorted in-country or exported for sorting elsewhere. Proposed EU rules on waste shipments will only permit the export of used textiles to non-OECD countries 'under certain conditions'. As such, there is a danger that it will be more difficult to export original clothes into African and Asian markets thereby lowering reuse rates and undermining circularity.

While original clothes are classified as green waste, they are recognised as a valuable resource within many EU member-states. 'Premium quality clothing' - for which there is high demand in Europe - constitutes up to 15 per cent of the total collected items; meanwhile, the remaining textiles can be sold to Eastern European or global markets depending on local demand. Collected clothes are personal items that consumers have cared for, often given as a donation to be reused. They include vintage clothing and branded products of high quality intended to last many decades. Most items are reusable without any other process beyond transportation to a viable market. It is important not to undermine the core objective of maximising the rate of textile reuse.

A system of EU-led inspection and certification of facilities would ensure that any waste arising from the reuse process was disposed of in an environmentally sensitive way. We agree that receiving countries and facilities must demonstrate that they can treat and manage textile waste in accordance with the EU's objectives of environmental sustainability. We do not want to see items being diverted to landfill in developing countries due to a lack of adequate infrastructure to reuse or recycle effectively. At the same time, if more used clothes are exported, fewer low-quality new clothes will need to be produced in Asia, leading to reduced environmental damage. Moreover, if EU recycling companies had additional capacity and environmentally sound processes, they could purchase end-of-life recyclable clothes from sorting centres in third countries, manually sorted to fit their recycling process. We know that in general, transportation has a far lower environmental impact than new textile production. Exports of second-hand clothing products globally are estimated to achieve a net saving of 193,000 tonnes of greenhouse gases and 72 million cubic metres of water use in the Nordic countries alone. The SHC sector should be seen in a global, as well as a European, context.

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<sup>&</sup>lt;sup>25</sup> European Commission, 'The Environmental Impact of Textiles', 2022 <a href="https://www.europarl.europa.eu/news/en/headlines/society/20201208STO93327/the-impact-of-textile-production-and-waste-on-the-environment-infographic">https://www.europarl.europa.eu/news/en/headlines/society/20201208STO93327/the-impact-of-textile-production-and-waste-on-the-environment-infographic</a>

<sup>&</sup>lt;sup>26</sup> Watson, D. et. al, 'Exports of Nordic Used Textiles: Fate, Benefits and Impacts', 2016 http://norden.diva-portal.org/smash/get/diva2:1057017/FULLTEXT03.pdf

### The European SHC sector must be incentivised to invest in global value chains

In so doing, it will be necessary to support future investment in effective sorting and distribution infrastructure in third countries, upgrading capacity to reuse clothing – a business model that the SHC and reuse sector is already pursuing. The EU's strategy acknowledges that sustainable textiles value chains are global. We agree as to the importance of, 'Promoting greener and fairer value chains across borders and continents', ensuring that, 'textile products consumed in the EU and beyond are manufactured taking into consideration both social environmental aspects across the globe'. <sup>27</sup> While the value chain for new clothing is global, the value chain for reusable clothes must be too. A global market makes it possible to reuse up to three times more clothes than if the reuse market was confined to the EU alone. The SHC sector in Europe continues to play a crucial role in international development, helping to ensure that quality clothing is available to low-income households and consumers in the poorest countries in the world.

Even where original clothes are classified as waste for EU legal purposes, they require a regulatory system that acknowledges many items are a valuable resource that can be easily reused and recycled. That requires efficient access to the global reuse and SHC market. It should be possible for the product to be readily exported into Asia, Africa and other world markets providing there is oversight through an audit system that prevents mismanagement of textile waste. So doing creates jobs and economic development opportunities in African and Asian countries. Reuse is a sophisticated industry with social and environmental objectives at its heart. Mainstream businesses in the SHC sector have never practised dumping of environmental waste in third countries. Decisions by African states such as Kenya to ban importation of SHC in 2020 were motivated by concerns about Covid-19 transmission through contaminated clothing. Yet such bans have been quickly reversed. The loss of employment in a large informal sector such as SHC harms the economy of the country and prevents low-income families from accessing cheap, good quality second hand clothes, instead having to purchase ultra-low-quality clothing from countries such as China. Sorting is a sophisticated process in which skilled operatives sort clothes in specialist centres. As such, processing second-hand clothes creates relatively well-paid jobs and economic opportunities for people in developing nations, particularly women, helping to promote gender equality.

We appreciate the EU's concern that clothing waste may be mislabelled as original clothing and shipped outside the EU. The European Commission is right to be concerned about waste being exported to countries that do not have the capacity to dispose of material in an environmentally sustainable manner. It is to be welcomed that the EU will be, 'intensifying its co-operation on issues of common interest related to textile waste shipment...with third countries and regions to increase the sustainability dimension of its trade policy'. <sup>28</sup> Moreover, it is important that there are clear criteria to distinguish between genuine

<sup>&</sup>lt;sup>27</sup> European Commission, 'EU Strategy for Sustainable and Circular Textiles', March 2022 https://environment.ec.europa.eu/publications/textiles-strategy\_en

<sup>&</sup>lt;sup>28</sup> European Commission, 'EU Strategy for Sustainable and Circular Textiles', March 2022 https://environment.ec.europa.eu/publications/textiles-strategy\_en

second-hand clothes and waste, given the EU is currently exporting 1.4 million tonnes of textile waste.<sup>29</sup>

That said, the SHC sector already provides capacity and infrastructure to ensure that in non-EU countries, the potential for reuse is maximised through state-of-the-art sorting facilities, while any surplus clothing waste can be dealt with safely and sustainably to avoid the mismanagement of waste. Rather than making importation more difficult, the EU should focus on supporting the SHC sector to ensure clothing reuse is maximised, while any resulting waste is dealt with in an environmentally sustainable manner.

### Understanding the impact of fibre-to-fibre recycling processes

Recycling technologies such as fibre-to-fibre recycling processes are important for achieving a sustainable and circular textile sector. Even the best quality garments will at some stage be so worn out that they can no longer be reused; the items will eventually move down the waste hierarchy to the next level: recycling. Yet these technological advances are costly and require both financial investment alongside a stable flow of raw materials in the form of recyclable textiles.

We contend that while the EU Waste Hierarchy gives precedence to waste prevention and therefore reuse, the unintended consequences of EU regulatory decisions could weaken the position of the SHC sector, in so doing undermining the EU's core sustainability objectives. EU regulations will be needed to ensure that the flow of raw materials for fibre-to-fibre recycling processes supports the overarching goal of the EU strategy of maximum protection of the environment. The corporate fashion industry is focusing on the development of innovation technologies to improve the recycling process. Of course, the recycling of textile fibres is an important advance in strengthening sustainability in the textile ecosystem, while new technologies for recycling are progressing rapidly. We recognise that some collected clothing will only be suitable for recycling, and that recycling is the best outcome where items cannot be reused.

Even so, it is important to recognise that the fibre-to-fibre technologies are not yet fully tested, while there is robust evidence base which suggests that recycling processes can have an adverse environmental impact. There are textiles that are not easily recycled. As the EU's strategy paper itself notes: 'Fibres are often blended with others (e.g. polyester with cotton) which makes recycling more difficult due to low availability of technologies to separate textile waste by fibre'.

<sup>&</sup>lt;sup>29</sup> Eurostat, 'Where does EU waste go?', 2020. <a href="https://ec.europa.eu/eurostat/web/products-eurostat-news/ddn-20210420-1">https://ec.europa.eu/eurostat/web/products-eurostat-news/ddn-20210420-1</a>

<sup>&</sup>lt;sup>30</sup> Recover™ is an example of investment in technological innovation for recycling. Recover recently received an investment of \$100 million in a minority stake investment from Goldman Sachs. With these investments, the growth initiative of Recover will be supported. The company is seeking to increase their output to over 35,000 tons of recycled cotton fibre per year by 2026. This could save up to 5 trillion litres of water annually. The development of new locations such as Bangladesh, Pakistan and Vietnam hub are considered to increase production and support the surging global demand for sustainable fibres.

Of those clothing items that are recyclable, it is important to recognise that existing recycling processes may have a significant and potentially damaging environmental impact. Fibre-to-fibre recycling is, at present, highly energy intensive, requiring large quantities of water and chemicals. Recycling synthetic fibres remains an expensive process. The EU strategy itself acknowledges that, 'elastane, often added to increase the functionalities of fabrics, can act as a contaminant in almost all textile fibres recycling technologies, impacting the economic feasibility and environmental cost of the recycling process'. Moreover: 'For thermo-mechanical recycling, blending of different types of polyester can also adversely affect the processing of textile waste and the quality of the recycling output'.<sup>31</sup>

Meanwhile, the claim that recyclable textiles are necessarily environmentally sustainable is questionable. While fibres may be recycled, the impact of the reprocessing itself may be detrimental to sustainability. Recent innovations notably technological processes that, 'depolymerize and dissolve polyester and cotton in PC textiles to extract these from the polycotton blend, producing cellulose pulp', are likely to remain energy intensive, generating significant carbon emissions.<sup>32</sup>

#### The environmental impact of textile production

A report by *Siptex* in Sweden comparing the production of a cotton t-shirt made of 50 per cent mechanically recycled cotton and 50 per cent primary cotton demonstrates that the carbon impact of the recycled t-shirt is only marginally lower than the new cotton t-shirt.<sup>33</sup> As the report points out: 'Sorting and recycling do not automatically lead to environmental gains – these rely on resource-efficient sorting and recycling, and the impact of the materials that are being replaced'. <sup>34</sup>

According to the academic experts Sandin and Peters: 'When reuse and recycling are both considered, the former is found to be more beneficial than the latter except for under certain circumstances with regard to transportation distances. Thus, the literature strongly supports the waste management options preferred according to the waste hierarchy, as promoted by, among others, the EU directive on waste'. Other experts have independently concluded that recycling is not necessarily, 'beneficial for certain environmental impacts'. <sup>35</sup> Further studies have justified the emphasis on reuse within the

<sup>&</sup>lt;sup>31</sup> European Commission, 'EU Strategy for Sustainable and Circular Textiles', March 2022 https://environment.ec.europa.eu/publications/textiles-strategy\_en

<sup>&</sup>lt;sup>32</sup> Eionet Portal, 'Textiles and the environment in a circular economy', 2019 <a href="https://www.eionet.europa.eu/etcs/etc-wmge/products/etc-wmge-reports/textiles-and-the-environment-in-a-circular-economy">https://www.eionet.europa.eu/etcs/etc-wmge/products/etc-wmge-reports/textiles-and-the-environment-in-a-circular-economy</a>

<sup>&</sup>lt;sup>33</sup> Siptex, 'Swedish Innovation Platform for Textile Sorting', 2022 <a href="https://www.diva-portal.org/smash/record.jsf?pid=diva2%3A1706502&dswid=-951">https://www.diva-portal.org/smash/record.jsf?pid=diva2%3A1706502&dswid=-951</a> According to the report, 'the project conducted life cycle assessments (LCAs) of four cases reflecting value chains that can utilize Siptex sorted materials'.

<sup>&</sup>lt;sup>34</sup> G. Sandin & M. Peters, 'Environmental Impact of Textile Reuse and Recycling', Journal of Cleaner production, Volume 184, May 2018. <a href="https://www.sciencedirect.com/science/article/pii/S0959652618305985">https://www.sciencedirect.com/science/article/pii/S0959652618305985</a> In the paper, Sandin and Peters cite a range of academic studies that support these conclusions.

<sup>&</sup>lt;sup>35</sup> G. Sandin & M. Peters, 'Environmental Impact of Textile Reuse and Recycling', Journal of Cleaner production, Volume 184, May 2018. <a href="https://www.sciencedirect.com/science/article/pii/S0959652618305985">https://www.sciencedirect.com/science/article/pii/S0959652618305985</a>

EU's waste hierarchy as the most effective means of strengthening environmental sustainability. Chemical recycling of clothing items such as cotton t-shirts is energy intensive and has a significant climate impact. The negative environmental consequences of chemical recycling of polyester are particularly acute.

At present, recycling processes tend to consume significant quantities of water and energy at a time when Europe is already facing an energy price and resource crisis. The fashion industry uses significant quantities of non-renewable energy: 10 per cent of the entire global carbon budget is used for clothing and textiles, of which 80 per cent is in the production phase. The Siptex report concludes: Reuse is known to provide significantly higher environmental benefits than recycling. The manual pre-sorting is resource intensive and requires experienced and trained employees. An important Belgian study illustrated that reuse of clothing and footwear will reduce primary textile raw material consumption by 24 per cent, while the greenhouse gas emissions of the textile value chain will fall by 16 per cent compared to 8 per cent for fibre recycling. It is estimated that 80 per cent of the climate impact of clothing items comes from the initial production stage: A further 3 per cent occurs in distribution and retail, 14 per cent in the use phase (washing, drying and ironing), and 3 per cent during end of life (collection, sorting, recycling, incineration and disposal). Between the initial production is a per cent of the collection, sorting, recycling, incineration and disposal).

There are recycling methods that have long been used in Europe, focused on products such as industrial rags. For example, cotton-based industrial rags can be recycled with minimal processing. The current recycling processes that have a relatively low environmental impact are i) use of white and coloured cotton for cleaning rags; ii) recycling of knitwear to new yarn; and iii) processing of blended materials and mixed compositions into filling which are used in multiple products. New recycling processes and technologies also need to have a low impact on the environment and climate.

And then there are new recycling methods. As a case in point, many of the most developed fibre-to-fibre recycling companies focus on cotton. Cotton is one of the most heavily demanded recycled fibres. Most of the current fibre-to-fibre processes require clothes with a minimum content of 90 per cent cotton. Yet clothes with this level of cotton content constitute only a small fraction of the collected clothing. Clothes with high cotton content are at the same time in high demand in the booming European second-hand market.

While there has been significant business investment in hi-tech fibre-to-fibre recycling processes, many tehnologies are not yet ready for launch into the market. Even where they are, it is recognised that not all textile materials can be processed; recycling companies do not yet have a reliable system for acquiring clothing materials; there is not

<sup>&</sup>lt;sup>36</sup> European Environment Agency, 'Textiles and the environment: the role of design in Europe's circular economy', 2022. <a href="https://www.eea.europa.eu/publications/textiles-and-the-environment-the">https://www.eea.europa.eu/publications/textiles-and-the-environment-the</a>

<sup>&</sup>lt;sup>37</sup> Saunders, J. 'Can Design for Disassembly Principles Inform Policy for E-Textiles Waste?', MDPI April 2022 https://www.mdpi.com/2673-4591/15/1/14/htm

<sup>&</sup>lt;sup>38</sup> European Environment Agency, 'Textiles and the environment: the role of design in Europe's circular economy', 2022 . https://www.eea.europa.eu/publications/microplastics-from-textiles-towards-a

yet a solid customer base for such recycled products; and most fundamentally, the adverse environmental impact of the technology may be considerable.

As such, it is preferable where possible for clothes to be reused rather than recycled. EU regulatory structures and policies must incentivise the prevention of waste through higher reuse. That is the work that the SHC sector in Europe is already doing, thereby contributing to stronger sustainability and circularity.

### To achieve sustainability objectives, the EU regulatory landscape should incentivise the continuing development of reuse businesses

We argue there is a significant danger that the EU's aim of sustainability and circularity will be compromised if the EU's plans focus on promoting recycling and do not emphasise reuse. We recognise that fibre-to-fibre recycling has a role to play, but it should not be at the expense of the reuse sector. For example, large clothing corporations — who have an important role to play in the textiles value chain — may nonetheless be able to advertise that their clothing is 'green and sustainable' because such clothes contain a high proportion of recycled fibres. To obtain that, they may then end up buying reusable second-hand clothes which would otherwise go to enterprises that sort for reuse, or directly use clothes collected in fast fashion stores for recycling - jumping over reuse.

Such changes in the textile value chain are not consistent with the EU's goal of becoming a 'global trailblazer' in sustainable circular textile value chains. The future viability of SHC businesses across Europe should be recognised as strategically important for achieving the EU's objectives. The SHC and reuse sector wants to work closely with those developing fibre-to-fibre recycling processes as there are synergies that can benefit both, particularly where clothing items are no longer fit for reuse. But it must be recognised that reuse is still the most viable solution for preventing waste and promoting sustainability.

### Innovation funding must be available to develop reuse business models not only new fibre-to-fibre technologies

EU innovation funding needs to be channelled to develop existing and impactful clothing reuse business models, rather than focused exclusively on developing fibre-to-fibre recycling technologies and automated sorting processes. EU public support must be invested in reuse models at least as much as recycling. The European Commission is currently committed to, 'co-finance projects on technological innovation for circular fashion business models under LIFE', and further support is to be provided under the European Regional Development Fund.

It is vital that co-financing and EU support for public/private partnerships are not confined to investment in fibre-to-fibre recycling technologies and automation but are also used to advance reuse-orientated business models. Independent experts have concluded that there are limits to automating sorting processes for clothing reuse. The process requires manual pre-sorting and skilled human operatives with experience and judgement. There is a once in a generation opportunity to mobilise private and public sector investment to advance textile reuse business models through EU innovation funding.

### 3) Summary, conclusions and action points

The opportunities to expand the SHC and reuse sector for textiles in Europe are vast. Yet if unnecessary restrictions which treat textiles as any other form of waste are imposed on the export of original clothes to markets outside Europe, reuse rates will decline. Moreover, EU regulatory changes may then inadvertently incentivise investment in recycling over reuse. As it stands, reuse still accounts for only 25-30 per cent of clothing items collected in Europe. There is a major gap between potential and current performance in the sector.

The EU's strategy emphasises that: 'The key objective will be to create an economy for collection, sorting, reuse, preparation for reuse and recycling, as well as incentives for producers and brands to ensure that their products are designed in respect of circularity principles'. <sup>39</sup> As this White Paper response makes clear, however, the EU must resist imposing incentives that promote fibre-to-fibre recycling technologies over investment in infrastructure for clothing reuse. The key to forging a viable circular economy in textiles is to significantly increase the rate of reuse. Reuse offers the highest level of environmental protection.

It is vital that future EU legislation and regulations aimed at incentivising the use of recycled material in the industry will promote rather than deter the practise of textile and clothing reuse. We know, for example, that the requirement to label new clothes with the content of recycled fibres risks creating additional demand for fibres that would then push large quantities of reusable clothing into the recycling process, contrary to the EU's intention of promoting circularity. Policymakers must recognise the dangers of unintended consequences arising from regulatory and policy decisions.

However, it is also vital that within the EU's strategy to promote sustainable and circular textiles there is a positive approach to increasing reuse rates. It would undermine the EU's own objectives on circularity and sustainability if regulatory changes were enacted that led to clothing items being diverted from reuse into recycling processes which then had a negative environmental impact.

We believe the following recommendations will help to secure the EU's objective of circularity and sustainability minimising waste in textiles, particularly by encouraging innovation in new and more scalable business models for reuse:

#### **KEY POLICY RECOMMENDATIONS**

The EU should set specific targets for collection and reuse across Europe by 2025. The
collection target should increase to reflect the scale of the EU's ambition for a
sustainable textile ecosystem. Meanwhile, the reuse target should relate to the
proportion of collected textiles in the EU that are prepared for reuse. The reuse
target should rise as technologies develop and European collection and sorting

<sup>&</sup>lt;sup>39</sup> European Commission, 'EU Strategy for Sustainable and Circular Textiles', March 2022 https://environment.ec.europa.eu/publications/textiles-strategy\_en

infrastructure improves. If targets are not set at the EU level, we strongly recommend harmonising targets among EU member-states.

- We propose a simplified procedure by which the EU can permit the importation of original clothes to third countries:
  - The receiving facility should be certified to receive original clothing according to EU guidelines and following a procedure approved by EU. The guideline should be in the line with the proposed audit requirements stated in Annex 10 of the proposal for Waste Shipment Regulation 2021/0367.
  - This certification will ensure that the facility sorts clothing according to the
    principles contained in the Waste Hierarchy. As such, reusable clothes are
    reused, recycled clothes are recycled, and waste is kept to a minimum, always
    disposed of in a responsible way.
  - The certification will also ensure that the facility maintains reasonable labour conditions following International Labour Organisation (ILO) guidelines.
  - The shipments of clothing will be covered by a contract between the exporter and the receiver which will refer to the EU certification.
  - The procedure will be simple and clear. There should be no ambiguity. It must be transparent for customs officers and other authorities both in EU and receiving countries.

We wish to contribute towards the development of guidelines that determine which facilities are trusted to carry out sorting in an environmentally and socially responsible manner, overseeing effective waste management infrastructure in accordance with EU standards.

- Public and private sector actors must be encouraged to invest in sorting infrastructure and capacity. The introduction of EPR regulations and the requirement that EU member-states must have systems in place to collect household textile waste for reuse or recycling by 2025 will increase demand for textile sorting and reuse. The EU Strategy for Sustainable and Circular Textiles notes that: 'Several EU Member States already have or are considering the introduction of EPR requirements for textiles, given the obligation under EU waste legislation to establish separate collection of textile waste by 1 January 2025'. The EU must ensure there is additional high-skilled sorting capacity in place. While it is assumed that the additional clothes collected will be of lower quality, recent test sorting of textiles collected for recycling and waste disposal from households in three Danish municipalities showed they contained an average of 34 per cent reusable clothes; a similar test in Finland demonstrated 62.5 per cent reusability.
- There should be additional public investment in specialist sorting businesses that know how to sort original clothes effectively. When the waste law for the mandatory

and separate collection of textiles comes into effect in 2025, the demand for sorting facilities across Europe will rise exponentially. The risk is that low-cost operators are allowed to become established who are less focused on their environmental impact. There are legitimate grounds for public subsidy from the EU under EPR to support sorting facilities that aim to maximise circularity and sustainability across the textiles sector. The subsidy should be given to reuse processing businesses who do the first sorting of original clothes. These reuse sorters have specialised knowledge of more than 300 sorted products in a very dynamic and diverse market. Currently many new players, including fibre-to-fibre companies, do not have this knowledge. Sorting original clothes to get feedstock for recycling processes is not very efficient for optimizing reuse. On the other hand, reuse processing businesses would be well placed to provide the fibre-to-fibre recyclers with exactly the feedstock they need. To this end, they should be supported by a public subsidy.

- The EU needs to fashion an eco-design policy which ensures that clothes in general last longer. As the EU strategy states: 'Extending the life of textile products is the most effective way of significantly reducing their impact on climate and the environment. To achieve this, product design has a key role. Failures in quality such as colour fastness, tear strength or the quality of zippers and seams are among the main reasons for consumers to discard textiles'. Consumers need to be encouraged to embrace reuse. There should be much greater emphasis on longevity through the design and production process. It should be expected that clothing products will change hands several times over their life-course, particularly given advances in ecodesign. We agree with the EU approach such that, 'increased durability will enable consumers to use clothing for longer and at the same time support circular business models such as reuse, renting and repair, take-back services and second-hand retail'. Currently only one fifth of European consumers purchase reused clothing items. The SHC sector needs regulations and incentives that promote reuse and encourage producer responsibility.
- To maximise clothing reuse which is the best way to ensure environmental sustainability, we want to see improved collaboration across the value chain: that includes retailers, garment makers, yarn and fabric suppliers, collectors and sorting centres. While many campaigners strongly object to 'fast fashion', it is unlikely to disappear given ongoing consumer demand for relatively cheap products. If more clothing is to be reused, the long-term quality of such items must continue to improve with greater emphasis on longevity. We know that reuse is the least environmentally damaging way of dealing with used clothing. The evidence indicates that fibre-to-fibre recycling of consumer textiles can have an adverse environmental impact using scarce energy resources, notably water and chemicals. Moreover, even fast fashion items tend to be of relatively good quality so even here there should be a much greater emphasis on reuse. Of course, items that are not suitable for reuse can be diverted into recycling. It is hoped that over time, the adverse environmental impact of fibre-to-fibre recycling can be reduced. In our experience, it would be more efficient and maximize reuse if the sorting facilities that sort for reuse and have the skills and market knowledge to see what can be reused sort clothes first; then they should pre-sort the recycling part of the items according to the

specifications of facilities that do the recycling, splitting multi-layer garments from single layer garments. This approach differs from the recycling facilities presorting the clothes. We want to see the development of a value chain in which textiles that are not suitable for reuse can be recycled using environmentally sustainable and resource efficient processes.

- Boosting the reuse sector in Europe means keeping the global reuse market
  accessible for European companies, enabling them to partner with sorting centres
  outside the EU. Export regulations need to be clear and transparent. Regulating the
  trade in original clothes by recognising that such items are a unique resource will
  promote the EU's strategic goals. The reuse sector is best positioned to achieve
  greater environmental sustainability in textiles.
- Other policy measures and incentives to promote the sector that the EU and member-states might adopt include:
  - Reduce or remove VAT on the sale of second-hand clothes and repair services to boost the creation of green jobs.
  - Setting targets for durability and repairability of new clothes, banning incineration of unsold goods and enforcing use of all new items.
  - Making sure that EPR (Extended Producer Responsibility) schemes support the top of the EU waste hierarchy, emphasising reuse above recycling.
  - Securing appropriate funding for collection and sorting for reuse: for instance, investing in sorting systems that support manual sorting, alongside installation of green energy for treatment of clothes that cannot be reused.
  - Designing regulations and certification processes that ensure environmentally responsible value chains for European second-hand clothes: regulations must be clear and unambiguous.
  - Promoting codes of conduct for collection, sorting and sale.
  - Promoting transparency throughout the sector particularly on the labelling of clothing products.
  - Supporting effective communication with citizens about reuse and repair, promoting long-term alterations in consumer behaviour.
  - Strengthening dialogue and collaboration across the textile sector.

#### Conclusion

To maximise the potential for clothing reuse in Europe and around the world, EU regulations need to be judiciously drafted in order to avoid a negative impact on the reuse sector which was not intended by legislators.

We fully support the EU's vision of a circular and sustainable economy in textiles, and we are ready to work with the European Commission and European agencies towards the goal of greater environmental sustainability.

Ultimately, our sector can deliver greater reuse of clothing items both in Europe and the wider world in accordance with the objectives of the European sustainability strategy and the European Green Deal. The SHC industry needs clarity, a long-term regulatory framework, and where necessary public investment in innovation and scalable business models to ensure there is an infrastructure both in Europe and third countries that delivers the environmentally responsible management of waste. Given the urgency of addressing climate change across the world while forging a more sustainable textiles sector, there is not a moment to lose.

#### November 2022