

**EU transition pathway
for a more resilient, sustainable and digital
textiles ecosystem**

Stakeholder Response



**The Public Establishment
HUMANA PEOPLE TO PEOPLE
BALTIC**

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Executive Summary

The textiles sector is estimated to be the fourth most damaging for the environment across the globe (after the food industry, housing and transport). Textile production is expanding rapidly around the world. The clarity of the goals as stated by EU policymakers to increase sustainability and circularity in the textile ecosystem is welcome.

Nonetheless, the EU transitions pathways document¹ emphasises that the main feature of a circular textile ecosystem is having sufficient capacity for ‘innovative fibre-to-fibre recycling’. As such, the paper has two major weaknesses:

- Firstly, this position contradicts the main thrust of the EU Waste Hierarchy which emphasises that reuse should take precedence over recycling since it leads to lower production and has the lowest environmental impact.
- Secondly, the EU’s vision focuses exclusively on European consumers. The transition pathways document refers to the size and capacity of the European textile ecosystem saying little about the global nature of production and the value chain of the sector.

The document does acknowledge that a key strength of the reuse sector is, ‘Increasing experience with business models based on re-use, recycling and circularity’. But it does not explicitly acknowledge that it is *reuse* where the current business model is most advanced and embedded in actual production systems. Although recycling will have an important role to play in the future, uncertainties remain about how the recycling technologies required will be developed alongside their long-term environmental impact.

There are a set of actions that we believe will drive progress towards delivery of the EU’s transition pathways by 2030:

- Pay public subsidies to reuse sorting facilities in order to handle increased levels of waste in collected textiles and still achieve maximum reuse.
- The EU should set mandatory targets for both textile collection and reuse in Europe by 2025. There should be an EU-wide target for the proportion of collected clothes that are reused in a given year. If it is not possible to set binding EU targets, member-states should be encouraged to do so.
- 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.

¹ ‘EU transition pathway for a more resilient, sustainable and digital textiles ecosystem’, European Commission, March 2023

https://single-market-economy.ec.europa.eu/consultations/transition-pathway-more-resilient-sustainable-and-digital-textiles-ecosystem_en

- Set targets for durability and repairability of new clothes, banning the incineration of unsold goods and enforcing use of all new items.
- Ensure that EPR (Extended Producer Responsibility) schemes support the top of the EU waste hierarchy, emphasising waste prevention and reuse.
- Design regulations and certification processes that ensure environmentally responsible value chains for European second-hand clothes: regulations must be clear and unambiguous.
- Promote codes of conduct for collection, sorting and sale.
- Entrench transparency throughout the sector such as on the labelling of clothing products.

The SHC and reuse industry in Europe is a key stakeholder for the EU in achieving its vision. The sector will play a vital role in encouraging the transition of the textile industry towards circularity and sustainability.

Introduction

The EU is rightly seeking to become a ‘global trailblazer’ in forging a circular and sustainable textiles sector over the next decade. Europe can play a global leadership role, shaping an ecosystem and supply chain of both pre- and post-consumer textiles that has the lowest environmental footprint while enhancing sustainability. *Humana Baltic* fully endorses the EU’s strategy of limiting the negative environmental impact of the textile and clothing industry by creating transition pathways to the green transformation. We have forty years of experience operating in the textile sector, both through sorting centres and retail outlets.

However, *Human Baltic* would like to see a regulatory and legislative framework that incentivises the efficient collection of textiles, in particular to maximise their reuse. The SHC and reuse sector enables clothes to be sold on quickly to consumers, making the lowest possible impact on energy consumption while contributing towards the highest standards of environmental protection. The SHC and reuse industry is a key stakeholder in the textiles ecosystem and can be an important partner of the EU in securing the ecological transformation.

We contend that as part of the transition pathways identified, the EU must support existing reuse business models while incentivising the creation of a new generation of circular business models focused on dramatically increasing the *reuse* of textiles and clothing in the production chain. Many such models are already in place in the professionalised and experienced SHC sector across Europe. Reuse businesses collect, sort and process clothing for onward sale to consumers. We know that SHC items that are collected around Europe have generally been well cared for by previous owners. Clothes are donated for collection so they can be sold and reused: around 75 per cent in EU member-states are judged to be

reusable in the present collection system; 20 per cent are recyclable; while only a small fraction (around 5 per cent) go to incineration.

The sector, heavily focused on handling post-consumer textiles, is competent and highly skilled. It has decades of experience in organising the infrastructure required to maximise textile reuse. The EU which is legitimately focused on improving the environmental sustainability of the entire textile industry should seek to build upon the knowledge and commitment that already exists within the sector. The new law that requires EU member-states to establish separate collection systems for textile waste by 2025 will encourage the shift from a linear to a circular model in clothing production and consumption. There is a window of opportunity to dramatically increase the impact of SHC and reuse business models. The primary emphasis of transition pathways should be on *reuse* with recycling only for those items that have reached the end-of-life.

The context for transition pathways: an experienced SHC and reuse sector

Throughout the EU, the rate of clothing reuse is already increasing significantly. There is a growing market for reused clothing within Europe given the emergence of both the environmentally conscious consumer and those from households where incomes are increasingly squeezed for whom SHC is an attractive option. Meanwhile, used clothing is exported around the world to growing markets in Africa, Asia, Latin America, as well as Eastern Europe. The opportunities to expand the SHC sector are vast. But if only items directed at the European market are reused due to restrictions that prevent export of unsorted collected ('original') clothing to global markets, there will be an adverse environmental effect: more new clothing items will need to be produced in Asia.² Such regulations also make it likely that additional items of original clothing will be diverted to the recycling industry having a further negative impact on the climate, as elaborated further below. At present, reuse within the EU only accounts for around 25-30 per cent of the total number of collected clothing items. The estimated global reuse figure for SHC collected by organisations such as *Humana Baltic* is approximately 75 per cent, underlining the sector's potential.

In this stakeholder response, we show that the vital work of putting more clothes to reuse is *already* being done by the SHC sector in Europe. The sector is large and efficient spanning the collecting, processing, sorting, and sale of SHC to consumers. Moreover, the process of sorting and reuse gives multiple opportunities for employment creation. It is estimated that if all discarded clothing in Europe was collected and sorted by social enterprises, a further 120,000 local jobs would be created.³ For every 1000 tonnes of textiles collected for reuse, 20-35 additional jobs are created in second-hand clothing, according to the EU's own figures.⁴ The actual figure is probably higher. In *Humana Baltic's* systems (one of the major

² The Danish Environmental Agency, 'Towards 2025: The Separate Collection and Treatment of Textiles in Six EU Countries', June 2020

<https://www2.mst.dk/Udgiv/publications/2020/06/978-87-7038-202-1.pdf>

³ Reuse/Fondation de France, 'Ethical Principles for the Clothing Reuse Sector', June 2016

<https://www.rreuse.org/wp-content/uploads/2015-06-textiles-position-RREUSE.pdf>

⁴ https://www.interregeurope.eu/sites/default/files/2022-05/Textiles_Factsheet_EC.pdf

European SHC businesses) 1000 tonnes of clothes currently create around 90 green jobs in sorting and retail.⁵

Yet in mapping key pathways towards the creation of a sustainable textiles industry in Europe, the Second-Hand Clothing (SHC) and reuse sector is at present often missing from the approach elaborated in the EU's transitions document. Moreover, by focusing only on developments within the EU, the paper ignores the fact that the production value chain for textiles is necessarily *global* rather than solely European. There is a risk that EU policy makers fail to recognise the inherently global nature of production and value chains. In fact, the entire textiles value chain is global from raw materials to post-consumer reuse. The EU document itself subsequently acknowledges that, '38 per cent of EU production is actually sold on global markets...there is potential through trade agreements and export promotion to increase the market share with our trading partners of high quality and innovative EU products'.

It is vital that EU policymakers take a global perspective in assessing the textile production and retail value chain. The SHC and reuse sector has significant operational experience, creating a series of successful business models that promote sustainability and circularity in the textile ecosystem. The sector's views need to inform future regulations and EU public policy.

Key questions in the transition pathways document

The transitions paper poses key questions for stakeholders about the most effective means of achieving effective transition pathways for the sector towards sustainability and circularity. Our responses are stated below each of the main questions relating to a sustainable textile ecosystem:

i. Based on your experience and data available to you, which changes could represent opportunities for the textiles ecosystem to "bounce forward" in the twin green and digital transitions, and how can they be best explored?

It is said that the overall aim of the transition pathways framework is to achieve the following outcomes:

'By 2030 textile products placed on the EU market are long-lived and recyclable, to a great extent made of recycled fibres, free of hazardous substances and produced in respect of social rights and the environment. Consumers benefit longer from high quality affordable textiles, fast fashion is out of fashion, and economically profitable re-use and repair services are widely available. In a competitive, resilient and innovative textiles sector, producers take responsibility for their products along the value chain, including when they become waste.'

⁵ 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'. The Green Party, 'Green Jobs: Successes and Opportunities for Europe', 2021 https://www.greens-efa.eu/legacy/fileadmin/dam/Documents/Publications/GND/Green_jobs_EN_01.pdf

The circular textiles ecosystem is thriving, driven by sufficient capacities for innovative fibre to-fibre recycling, while the incineration and landfilling of textiles is reduced to the minimum’.

The textiles sector is presently estimated to be the fourth most damaging for the environment across the globe (after the food industry, housing and transport). Textile production uses large amounts of water and raw materials, generating significant carbon emissions. Textile production is expanding rapidly around the world. Yet at present only a small proportion of textile products in the industrialized countries are reused or recycled. The clarity of the goals as stated by EU policymakers is welcome.

Yet the transitions document emphasises that the main feature of a circular textile ecosystem is having sufficient capacity for ‘innovative fibre-to-fibre recycling’. As such, the paper has two major weaknesses. Firstly, the position contradicts the main thrust of the EU Waste Hierarchy which emphasises the importance of waste prevention; as such, reuse should take precedence over recycling as it leads to less production of new clothes and has the lowest environmental impact. Secondly, the EU’s vision focuses exclusively on European consumers. The transition pathways document refers to the size and capacity of the European textiles ecosystem (although it is not clear whether the SHC sector is included in the data) and says little about the global nature of production and value chain of the textile ecosystem.

The transition pathways document does acknowledge that a key strength of the reuse sector is, ‘Increasing experience with business models based on re-use, recycling and circularity’. But it does not explicitly recognise that it is *reuse* where the current business model is most advanced and embedded in actual production systems. Technological innovation in recycling is making progress and will have an important role to play in the future textile ecosystem. Yet uncertainties remain about how far the technologies required will be developed to reduce their long-term environmental impact. The SHC sector in Europe is a key stakeholder for the EU in achieving its vision. The sector will play a vital role in encouraging the transition of the textiles industry towards circularity and sustainability.

Circularity of production

An approach that recognises the circularity of the global production system in textiles is vital. The European Commission President, Ursula von der Leyen, announced her proposal in the ‘State of the Union’ address to launch, ‘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 in textiles and fashion is an end-to-end 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 re-enter the economy after use, never ending

up as waste'.⁶ We fully support this vision of a circular economy in fashion and textiles, as well as the wider economy.

The mandatory separate collection of clothing from 2025 across all EU member-states will mean even greater emphasis on: firstly, reuse; and second, environmentally responsible recycling which is positioned as a great opportunity for companies and social enterprises to deliver significant environmental and social benefits in the EU and globally. Implementation of the directive will represent a significant leap forward for sustainability. But it is important to note that to achieve circularity and sustainability, an infrastructure of SHC businesses will be required capable of maximising the potential for textile reuse. Maximising the rate of textile reuse must be the main priority for public policy.

Growth and social cohesion

We know that clothing reuse plays a key role in strengthening social cohesion. Reuse provides opportunities for low-income households in Europe struggling on low incomes to be adequately clothed. As researchers have stated: 'As inflation and rising energy costs all contribute to a cost-of-living crisis, shoppers are turning to cheaper, non-essential alternatives to brand new clothing, and even the cheaper fast fashion'.⁷ In developing countries, SHC are vital for the growing middle-class as well as the poorest groups in society. Across the world, 'the resale apparel market soared by 109.4 per cent between 2016 and 2021', in part through the appeal to low-income consumers.⁸ These experts note that: 'The resale fashion market is expected to grow as shoppers continue to tighten their belts while seeking ways to save cash. In 2022 the market is expected to grow by a further 31 per cent, and between 2023 and 2026 this is expected to increase by a further 52 per cent thanks to the emergence of new players'.⁹

Social Impact

Over the last five years, *Humana Baltic* and its sister companies owned by Humana Second Hand Fundraising Projects in Lithuania have donated 45.6 million EUR to social development projects and sorted 335,000 tonnes of clothes while employing 3,240 workers. Most of the international project support aligned with the UN's Sustainable Development Goals goes to Africa (75 per cent in 2021) and Asia (23 per cent in 2021). They also support social projects in countries such as Lithuania.

⁶ European Environment Agency, 'Textiles in Europe's Circular Economy', June 2019

<https://www.eea.europa.eu/publications/textiles-in-europes-circular-economy>

⁷ Just Style, 'Fashion resale market grows as cost-conscious consumer emerges', October 2022

<https://www.just-style.com/analysis/fashion-resale-market-grows-as-cost-conscious-consumer-emerges/>

⁸ Global Data, 'Apparel', 2022

<https://www.globaldata.com/store/industry/apparel->

[market/?_gl=1*1z9gox*_ga*NTMyNjk0NDI3LjE2NjgxNzgxMDQ.*_ga_3EX3J953XS*MTY2ODE3ODEwMy4xLjAuMTY2ODE3ODEwMy42MC4wLjA](https://www.globaldata.com/store/industry/apparel-market/?_gl=1*1z9gox*_ga*NTMyNjk0NDI3LjE2NjgxNzgxMDQ.*_ga_3EX3J953XS*MTY2ODE3ODEwMy4xLjAuMTY2ODE3ODEwMy42MC4wLjA)

⁹ Just Style, 'Fashion resale market grows as cost-conscious consumer emerges', October 2022

<https://www.just-style.com/analysis/fashion-resale-market-grows-as-cost-conscious-consumer-emerges/>

ii. Based on your experience and data available to you, what other actions need to be taken by the Commission, national competent authorities and/or stakeholders to increase the resilience of the textiles ecosystem in the areas mentioned above and beyond?

Towards Implementation of the EU Waste Framework Directive

The SHC and reuse sector is a key stakeholder in the textile ecosystem and its resilience relies on according priority to reuse. The EU Waste Framework Directive seeks to increase resource efficiency while reducing the impact created by the generation of waste. It defines a five-step hierarchy of how member-states should most effectively deal with waste items. The preferable approach is, of course, prevention of waste. The key concept is to design waste out of the production system entirely.

The SHC sector contributes directly to this goal by reusing clothes with minimal reprocessing, while avoiding costly and environmentally unfriendly solutions, notably landfill or incineration. The sector's business model focused on sorting and reuse drastically reduces waste, while contributing towards actively reshaping consumer habits in the long term. The practice of reuse of clothing is, quite simply, far less energy intensive. The reuse percentage for SHC in Europe given the current quality of clothes collected by organisations such as Humana Baltic is approximately 75 per cent.

Sustainability and fibre-to-fibre recycling processes

Building resilience links to having effective and environmentally sustainable processes for fibre-to-fibre recycling. The major fashion retailers in Europe are preparing to reshape their production systems to focus on the use of recycled fibres for new clothing. This is a welcome development, but it is important that the supply chain develops in accordance with the core principles of the Waste Hierarchy, emphasising reuse first. Fibre-to-fibre recycling is not currently able to deliver the environmental benefits that reuse can, because after the recycling process begins (where including chemicals adds its own environmental challenges) fibres must be spun, dyed and manufactured into new clothes using many of the same processes that make clothes production environmentally damaging in the first place.

We know that high-tech solutions are being developed in Europe to recycle clothing materials; production is expected to begin soon as technologies evolve. Yet doubts remain about how far those technological processes can minimise negative environmental effects while remaining profitable for producers. Moreover, some textiles are not in fact suitable for recycling, however much they are reprocessed. The reprocessing of textiles may be presented as environmentally responsible and consistent with the EU's sustainability agenda and the European Green Deal. Yet such technologies are often energy intensive, requiring additional supplies of chemicals and water. Claims by fashion producers about the ease of reprocessing and the sustainability of their textile products can easily amount to 'greenwashing' unless they are backed up with robust scientific evidence that confirms such processes do not have a damaging environmental impact.

While there has been innovation in fibre-to-fibre recycling, such approaches are presently costly for the environment and generate significant carbon emissions, even if the activities are managed within Europe. Recent innovations such as 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 additional carbon emissions.¹⁰ In particular, they consume water and energy at a time when Europe is already facing an energy price and resource crisis. The fashion industry already uses significant quantities of non-renewable energy: 10 per cent of the entire global carbon budget is expended on clothing and textiles, of which 80 per cent is in the production phase.¹¹ The corporate fashion sector may have the financial strength to invest in recycling processes without making profit for several years. But there are questions as to whether the recycling technologies will be compatible with the promotion of sustainability and circularity.

It is in our view a mistake to drive the transition towards a new textile ecosystem simply by boosting demand for recycled fibres. EU regulations should not incentivise the recycling of clothing items that are in fact reusable. Recycling has a key role to play in the textile ecosystem, not least because all textile garments will eventually reach the end-of-life stage and cannot be resold to other consumers. Yet the first step should instead be to strengthen reuse in every conceivable way, not least by ensuring that the production of new clothes is undertaken so that they last longer (through improvements in eco-design, for example), and can be used many more times before they go into recycling. Another priority is to maintain a competitive and constructive environment for existing reuse businesses.

Working with consumers

At the same time, it is vital to ensure that consumers are educated as to the difference between reuse and recycling, so they can make informed decisions. Labelling clothes with the content of recycled fibres is important, but it can contradict the main tenets of the Waste Hierarchy approach focused on waste prevention. There is a risk that such labelling creates artificial demand for recycled fibres which is filled by recycling clothes that are, in fact, perfectly reusable.

The EU and member-states need to provide clear information to consumers about the qualitative difference between reuse and recycling of textiles in relation to their impact on the environment. All stakeholders should support effective communication with citizens about reuse and repair, supporting long-term alterations in consumer behaviour towards the goal of sustainability and green transformation. In particular, the EU Commission and member-states should avoid labelling regulations that inadvertently promote recycled clothing products at the expense of reuse, especially where the actual environmental and climate impact of recycling is still unclear.

¹⁰ Eionet Portal, ‘Textiles and the Environment in a Circular Economy’, November 2019
<https://www.eionet.europa.eu/etc/etc-wmge/products/etc-wmge-reports/textiles-and-the-environment-in-a-circular-economy>

¹¹ European Environment Agency, ‘Textiles in Europe’s Circular Economy’, June 2019
<https://www.eea.europa.eu/publications/textiles-and-the-environment-the>

iii. What kind of issues have you witnessed, and when, with regards to the resilience of value chains that contribute to the functioning of the textiles ecosystem?

Developing regulation to promote reuse

The resilience of value chains can be undermined if EU policymakers implement regulations that inadvertently damage the SHC and reuse sector. The EU Commission is currently focusing on how to support innovation to promote recycling of fibres when garments are past reuse through investment in technology. However, the EU Commission should plan how it can best stimulate the development of reuse business models. The promotion of reuse means:

- Ensuring that collected clothes are sorted according to the Waste Hierarchy's priorities.
- Making sure that sufficient manual sorting capacity is easily accessible, where necessary going outside the EU.
- Focusing on securing access to global reuse markets.
- Having the right blend of financial incentives. The reduction or elimination of VAT would certainly benefit the reuse market in the EU. Meanwhile, financial support for investment in sorting facilities would help to keep green jobs in the EU. Moreover, public subsidies through EPR funds for handling of waste or low-quality segments of collected clothes for reuse sorters would benefit the entire process.

iv. Which value chains' bottlenecks are the most critical for the ecosystem? Can you provide data/evidence? What actions should be taken, and by whom, to address the issues you have witnessed?

Working in third countries

We acknowledge that the EU is seeking to reduce its environmental footprint across the globe, contributing towards the world-wide battle against catastrophic climate change. Nonetheless, continuing to be able to export both unsorted collected clothing items outside the EU is consistent with the Commission's approach to sustainability and circularity. In non-OECD countries, there is a significant market for unsorted clothing items. Moreover, the sector can support countries to manage textile products sustainably given the know-how and experience within the SHC industry.

The sector is already investing in operational capacity and infrastructure to ensure more efficient sorting and distribution of clothing in third countries to maximise reuse. We endorse the EU's efforts to harmonise standards of waste management across the world, and to regulate exports of unsorted clothing outside the EU. EU regulation can help to ensure that products exported are of sufficient quality. It would undermine the EU's own environmental policy agenda if regulatory changes led to the reduction of exports of good quality garments, replaced by increased production of low-quality new clothes. We believe

the export of these items outside the EU is in keeping with the Commission's strategy for a sustainable textile ecosystem given a major part of the market for reusable clothes is in non-OECD countries.

It is crucial to remember that the circular economy operates on a global basis. The textiles industry itself is a global enterprise. The production of raw materials, whether they are plant, animal or oil-based, is worldwide, while the manufacturing process is global. If the SHC business does not operate globally, there will be more production of low-quality clothing in other parts of the world that inflicts even greater long-term social and environmental damage. 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)'.¹² Any intervention by the EU Commission has to be considered on a global rather than solely European basis.

As soon as clothes are discarded by the consumer, they re-enter the global circular economy. Currently the highest degree of collection for reuse or recycling in the industrialized part of the world occurs in EU countries, which ensures the best possible protection of the environment. Yet maximising reuse rates cannot be achieved by focusing on production and consumption in Europe alone. The reuse market is, unquestionably, a *global* market.

In low and middle-income African countries, reuse rates are even higher than in Europe. The EU needs to promote the shift to a global circular textile production and consumption system not only by improving the rate of recycling, but by incentivising the efficient reuse of clothing. Encouraging reuse entails: effective infrastructure to collect, sort and distribute reusable clothing to consumers; greater focus within the industry on designs that promote product durability and longevity;¹³ it is also necessary to educate consumers and promote behavioural changes with a greater focus on 'timeless design' ('slow fashion'). If consumers are going to be encouraged to reuse textile items, it is crucial that products are designed to focus on longevity. This concept consists of three fundamental design principles: i) design for durability; ii) design for long-lasting style; and iii) design for disassembly.¹⁴

If fewer used clothes are exported, larger quantities of low-quality new clothes will be produced in Asia creating more environmental damage. Moreover, we know that the environmental impact of transportation is relatively low, particularly since it off-sets new textile production.¹⁵ Exports of second-hand clothing products globally are estimated to achieve a net saving of the equivalent of 193,000 tonnes of greenhouse gases and 72 million

¹² European Environment Agency, 'Microplastics from textiles: towards a circular economy for textiles in Europe', 2019

<https://www.eea.europa.eu/publications/microplastics-from-textiles-towards-a>

¹³ European Environment Agency, 'The role of design in Europe's circular economy', 2021

<https://www.eea.europa.eu/publications/textiles-and-the-environment-the>

¹⁴ Saunders, J. 'Can design for disassembly principles inform policy for e-textiles waste', April 2022

<https://www.mdpi.com/2673-4591/15/1/14/htm>

¹⁵ Mistra Dialogue, 'Investor Brief: Sustainability in Textiles and Fashion', 2020.

https://www.mistra.org/wp-content/uploads/2020/09/mistradialogue_rapport_investor_brief_textiles_final.pdf

cubic metres of water use in the Nordic countries alone.¹⁶ The impact is particularly significant in countries that do not have domestic markets large enough to absorb the continuous supply of used clothing (where items would otherwise be incinerated). As such, it is necessary to support future investment in the sorting and distribution infrastructure of third countries, upgrading capacity to reuse collected clothing – a task on which the SHC sector has already embarked and has significant operational experience.

v. Based on your experience and data available to you, what other issues in relation to resilience would you propose to be considered for this pathway?

Forging a resilient ecosystem

The resilience of the SHC and reuse sector means ensuring that new initiatives should not be detrimental to the existing sector's capacity for reuse and environmentally sustainable recycling methods. There is a risk that demands to produce good quality recycled fibre contents in response to market competition and EU regulation drive more reusable clothes to be recycled, contrary to the principles of the Waste Hierarchy. EU regulation must be consistent with the primary goal of waste prevention and increased reuse.

For instance, the capacity being created by major 'green' investment in fibre-to-fibre recycling of cotton garments will create demand for fibres not only from end-of-life garments, but from good reusable cotton garments in European and African markets. Some recycling requires cotton clothing items that are at least 90 per cent cotton. There is a danger that as recycling expands, cotton clothes that should be reused to minimise the adverse environmental impact are diverted into the recycling process. Fibre-to-fibre recycling will play a critical role in the future textile ecosystem but should not displace reuse business models that are already ideally positioned to achieve sustainability and circularity.

Green waste classification

A related issue is green waste classification and not enacting measures that make the efficient export of unsorted collected clothing to third countries more difficult. A potential solution is exempted export to certified sorting facilities which follows agreed environmental and social norms. Supporting the establishment of companies that sort SHC and add value to clothing items (through sorting, processing, cleaning, low tech refurbishing, repairing and remaking) is an environmentally and socially responsible approach that will provide additional support for global sustainability and the environment. The EU needs to establish a system of regulations and certifications to achieve such goals.

¹⁶ Watson, D. et. al. 'Exports of Nordic Used Textiles: Fates, Benefits and Impacts', 2021 <http://norden.diva-portal.org/smash/get/diva2:1057017/FULLTEXT03.pdf>

vi. Based on data available to you, what intermediary milestones need to be set for the different actions towards 2030?

Action towards 2030

In regulatory terms, there are a set of actions that we believe will drive progress towards delivery of the transition pathways by 2030:

- Pay public subsidies to reuse sorting facilities in order to handle increased levels of waste in collected textiles due to mandatory requirements in place following implementation of the Waste Framework Directive by 2025. The flow of collected clothes should be organised to ensure that clothes are initially sorted by a specialised reuse facility with sufficient market knowledge to maximise reuse rates. Sorting facilities have trained sorters who understand how to safeguard quality and ensure that there are markets for the reused items. These could come from ERP funds or from the savings in the municipal waste systems when waste is taken off their hands. 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. Meanwhile, it is necessary to ensure that second-hand clothing shops and online sales are exempt from the proposed EU digital passport given they are by far the best environmental solution.
- The EU should set mandatory targets for both textile collection and reuse in Europe by 2025. There should be an EU-wide target for the proportion of collected clothes that are reused in a given year. If it is not possible to set binding EU targets, member-states should be encouraged to do so.
- 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.
- Set targets for durability and repairability of new clothes, banning the incineration of unsold goods and enforcing use of all new items.
- Ensure that EPR (Extended Producer Responsibility) schemes support the top of the EU waste hierarchy, emphasising waste prevention and reuse.
- Design regulations and certification processes that ensure environmentally responsible value chains for European second-hand clothes: regulations must be clear and unambiguous.
- Promote codes of conduct for collection, sorting and sale.
- Entrench transparency throughout the sector such as on the labelling of clothing products.

Conclusion

It is essential that future EU legislation and regulations are not detrimental to the promotion of textile and clothing reuse. For instance, a requirement to label new clothes with the content of recycled fibres risks creating additional demand for fibres that would push large quantities of reusable clothing into the recycling process, contrary to the intention of the EU Waste Hierarchy.

To maximise the potential for clothing reuse in Europe and around the world, EU regulations need to be drafted judiciously to avoid a negative impact on the sector which was not intended by legislators. We fully support the EU's vision of a circular economy in textiles, and we are ready to work with the European Commission towards the goal of greater environmental sustainability through transition pathways to a circular textile ecosystem. Ultimately, our sector can deliver greater useability of clothing items both in Europe and the wider world in accordance with the objectives of the European sustainability strategy and Green Deal.

November 2022