Draft EU Waste Shipment Regulations

Stakeholder Response

The Public Establishment
HUMANA PEOPLE TO PEOPLE
BALTIC

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Executive Summary

The SHC and reuse industry endorses the key aims of the revised Waste Framework Directive (WFD) and the Waste Shipment Regulations (WSR). Nonetheless, we argue it is important to avoid measures that have unintended consequences, undermining the EU's core goals of sustainability and circularity. Policies such as preventing the export of sorted and unsorted clothing from Europe will erode the global capacity for reuse. It is through increasing textile reuse and preventing waste that the EU is most likely to achieve the green transformation of the textile sector. The draft EU Waste Regulations and the revised Framework Directive are concerned with reducing the EU's carbon footprint by preventing unnecessary production of textile waste and ensuring that waste which is generated is dealt with in an environmentally responsible manner. This stakeholder response paper contends that:

- *Textiles should be processed under and Waste Directive and Shipment Regulations using systems that facilitate the export of unsorted clothes to third countries.* Unsorted clothing should be exportable under a certification system that guarantees the items will be dealt with responsibly in the third country, minimising any adverse environmental impact. Sorted clothing must continue being classified as a product rather than waste.

- *Meeting such goals will be made easier if there is active investment in the reuse and SHC infrastructure of third countries, ensuring that clothing items are processed responsibly whether they are sorted or unsorted.* SHC businesses operating in third countries in Asia and Africa have the operational know-how, expertise and credibility to ensure that infrastructure remains effective, helping to deliver the EU's goals of sustainability and circularity across the globe.

- *An EU-led auditing mechanism should be established to oversee the process of shipment of unsorted clothes and ensure adequate oversight.* Checks should be carried out on sorting facilities themselves which means there would be no requirement for intervention at the level of the member-state. This is a more flexible and less bureaucratic solution to the problem of managing textile waste.

We contend that maximising textile reuse requires open access to global reuse markets. For reuse to be maximised, clothes must be manually sorted. With the increased collection of textiles when the separate collection of textiles becomes mandatory in 2025, that sorting process can in all probability not be done in the EU alone.

In the Appendix to this document, we spell out in detail how the draft WSR should be amended to avoid adverse consequences for Europe's SHC and reuse sector, which we argue is critical to achieving sustainability and circularity in the textile ecosystem.

1. Introduction

The EU Commission Vice-President and originator of the European Green Deal, Frans Timmermans, recently argued: 'It's time to end the model of 'take, make, break, and throw away'. Timmermans' approach highlighting the main principles of the Green Deal focuses on the need to dramatically reduce waste in key sectors, notably textiles. The revised Waste Framework Directive, as amended by Directive (EU) 2018/851, alongside the EU Waste Shipment Regulations, establish a legal obligation whereby member-states must create separate collection systems for textile waste by 1 January 2025, raising the new challenge of effective textile waste management in EU member-states.[1] The revised Waste Framework Directive sets the context and provides the regulatory approach which is enshrined in the draft Waste Shipment Regulations.[2]

The volume of collected textile items is expected to increase significantly in the next few years. The EU is seeking to address the consequences, in particular the challenge posed by the export of textile waste outside Europe. The SHC and reuse industry in Europe fully supports the EU's approach of making the textile and clothing sector more sustainable by promoting efficient collection of textiles and their reuse. The Waste Directive is clear that to achieve prevention of waste, reuse should be given priority over new manufacturing of clothing and fibre to fibre recycling, both of which are energy-intensive. SHC businesses ensure that clothes can be reused and sold on to consumers by operating sustainable business models. If clothes are reused, energy consumption and climate impact is reduced. As such, the reuse sector contributes towards the highest standards of environmental protection in accordance with the EU's aim of preventing the needless generation of waste. The SHC sector in Europe is a key stakeholder in the effort to create a more sustainable textile ecosystem. Reuse businesses endorse the main aims of the revised Waste Framework Directive and the EU's Waste Shipment Regulation.

Nonetheless, this paper argues that it is vital to avoid regulatory changes that have unintended consequences, undermining the main aims of sustainability and

[1] EU European Regional Development Fund, 'New EEA Report on Textile Waste Prevention', February 2022 https://projects2014-2020.interregeurope.eu//smartwaste/news/news-article/13954/new-eea-report-on-textile-waste-prevention/#:~:text=Last%20but%20not%20least%2C%20the,textile%20waste%20management%20in%20their

[2] European Commission, 'Waste Shipments', 2022 https://environment.ec.europa.eu/topics/waste-and-recycling/waste-shipments_en#:~:text=On%2017%20November%202021%2C%20the,rules%20for%20EU%20waste%20exports

circularity. Enacting measures that reduce the export of sorted and unsorted clothing outside Europe risks eroding the global capacity for textile reuse. It is precisely through increasing textile reuse and preventing waste that the EU is most likely to achieve the green transformation. The SHC and reuse sector wants to work with the EU Commission as a key stakeholder in bringing about that change.

2. The context

The EU Commission is seeking to make the textile ecosystem in Europe more sustainable. We know that textile waste in Europe has been growing in recent decades, and that textiles is one of the biggest sectoral generators of waste (after food, housing and transport). Textile production both globally and in Europe has expanded rapidly over the last thirty years spurred on by falling production costs, rising consumer demand, and the growth of the 'fast fashion' industry which encourages consumers to buy new clothing at frequent intervals. Altering such patterns of consumer behaviour is likely to prove difficult.

The SHC sector endorses the EU's core strategy, as outlined in the EU Waste Hierarchy framework, based on the theory of the circular economy. It defines a five-step hierarchy of how member-states should most effectively deal with waste. The preferable approach is, of course, *waste prevention.* The key concept is to design waste out of the production system altogether. The SHC sector contributes directly to this goal by reusing clothes with minimal reprocessing, while avoiding costly and environmentally unfriendly solutions, namely landfill or incineration. The sector's business model focused on sorting, processing, cleaning and reuse drastically reduces waste, while reshaping long-term consumer habits.

The revised EU Framework Directive and Waste Shipment Regulation seeks to increase resource efficiency while reducing the impact created by the generation of waste. In the last decade, more than two million tonnes of post-consumer textiles have been collected in Europe a year. The estimated reuse figure for SHC in Europe given the current quality of clothes collected by organisations such as *Humana Baltic* is approximately 75 per cent, although there is significant variation across EU member-states. Alternative estimates suggest that 65 per cent (+/- 8) of clothing items in household waste are reusable. This data merely underlines the enormous potential for the SHC and reuse sector.[3]

[3] Norup, N. et. al., 'Quantity and Quality of Clothing and Household Textiles in the Danish Household Waste', Waste Management, Volume 87, March 2019
https://www.sciencedirect.com/science/article/abs/pii/S0956053X19300911

3. EU regulations on waste shipment

As part of the revised Waste Framework Directive and Waste Shipment Regulation, the European Commission has stated its intention to limit the export of 'harmful waste' out of Europe. The EU is concerned about the quantity of textile waste that is being generated and the capacity of third countries to deal with waste in an environmentally responsible manner. There have been cases of textile waste going to landfill or incineration in third countries. Indeed, in Sub-Saharan Africa and Pakistan, for example, end of life clothes may be buried in open landfill or incinerated. That reflects the fact that in these countries, clothes tend to be used much more intensively than in Europe to the point where they cannot be reused by consumers. Developing economies with weaker infrastructure are more likely to face waste management challenges, not only for textiles but across the spectrum of post-consumer waste. As we elaborate further below, the response should be to enable the SHC and reuse sector in Europe to work with facilities in third countries to develop effective sorting and waste management infrastructure.

The proposed rules on shipment of waste state that after 2024 textile waste may only be shipped to non-OECD countries if such countries: i) are willing to accept the waste; ii) demonstrate their capacity to manage waste in a sustainable manner; iii) and there is certification of facilities in third countries. The EU wants to reduce its negative environmental impact across the globe, not only in Europe. In considering EU rules on waste shipment, it is important to distinguish between *types* of clothing. The primary focus of the SHC and reuse sector is sorting for reuse. Such clothing is collected, processed and sorted at centres within the EU before being exported to countries where there is likely to be strong local demand for specific categories of clothing. Another type of clothing is unsorted collected clothes: such items are collected as post-consumer clothes and then packaged in bundles for export to third countries for sorting.

Unsorted collected clothes will be exported as green waste under the EU's proposals, in all likelihood reducing the volume of such items that are exported to non-OECD countries in Asia and Africa. In adopting this approach, however, the EU should maintain a clear distinction between textile waste, and textiles deemed suitable for reuse and repair. The rules defined by the Commission should distinguish clearly between exporting 'original' unsorted collected clothing items that will enter a sophisticated sorting process overseen by experienced SHC operators outside the EU; and sending waste to third countries for dumping. We make the case that even if unsorted collected clothes ('original clothes') are officially classified as waste by the EU, they are still potentially a high value resource. Collected clothes are personal items people have cared for, giving as a donation to be reused. They include vintage clothing and branded products of high quality that were made to last a lifetime.

As such, we also contend that original clothes should not be exported under green waste procedures. Currently with the existing collection systems, three quarters of the content of collected clothing items are judged to be reusable; a fifth can be recycled; while less than 5 per cent must be incinerated. Original clothes may have been classified as waste for legal reasons by the EU. But the items are fundamentally different to other recyclable waste streams, since they are of relatively high value while many of the clothes can be reused.

Given the high proportion of reusable content, original clothes require their own distinctive EU regulatory framework. Having a straightforward system for exporting original clothes outside the EU is essential since there may be insufficient sorting capacity within Europe given increased collection rates while sorting outside the EU creates economic opportunities in developing countries. Moreover, there is a risk that making exporting clothes to third countries more difficult, as the draft Waste Shipment Regulations propose, will lead to less reuse, undermining the circularity and sustainability of the EU textiles sector.[4] We argue such clothes should be used again rather than having the fibres expensively reprocessed or simply discarded. While the textile industry and major producers want to emphasise the potential for fibre-to-fibre (F2F) recycling, there are still major technological and economic barriers, aside from the adverse environmental impact. While it is likely that in future fibre to fibre recycling will be developed to become more profitable, the climate effect is likely to remain considerable. The impact is the result of both the new clothing production phase and the recycling itself that involves large quantities of water and other energy resources. Of course, fibre-to-fibre recycling technologies are still needed because there is a point at which any textile product can no longer be reused by a new consumer. But recycling should not be inadvertently prioritised through regulations that have unintended consequences in undermining reuse.

Where unsorted collected ('original') clothing items are exported as green waste, they cannot be efficiently moved outside the EU under the proposed rules, weakening the global processing system for SHC. Maximising reuse requires careful manual sorting by skilled operatives with detailed market knowledge. Mandatory collection of clothing in the EU from 2025 will increase the quantity of collected clothes significantly. It is not certain that all the sorting work can be done by operations located within the borders of the EU alone. After post-consumer textiles have been collected, they are normally sorted in-country or exported for sorting elsewhere. As we have seen, 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 risk that it will be more difficult to export SHC products into African and Asian markets, undermining the efficiency of the sorting process leading to less

[4] European Commission, 'Proposal for a new regulation on waste shipments', November 2021 https://environment.ec.europa.eu/publications/proposal-new-regulation-waste-shipments_en See pages 73-74 of the draft regulations.

reuse. Manual sorting also helps to ensure that the most suitable items enter the recycling process.

The classification system proposed by the EU threatens to hamper necessary movement of unsorted collected clothes outside the EU to facilities which already have the capacities and incentives to sort clothes to ensure the highest degree of reuse while maintaining standards of responsible waste management. Of course, the environmental impact of the process should be managed so that material which is not reused or recycled is disposed of in an environmentally responsible way. However, we argue that a system of EU-led inspection and certification of facilities operating such processes could fulfil that objective.

Recycling additional clothing through fibre-to-fibre processes rather than exporting items to third countries is not a plausible solution. If the EU's strategy is to strengthen the sustainability and circularity of the textiles sector, recycling should only provide a remedy for clothes that cannot be reused and should not be prioritised over reuse. While there has been innovation in developing commercial processes to undertake recycling, such processes are still costly for the environment and generate significant carbon emissions, even if the activities are managed within Europe. 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 additional carbon emissions.[5] In particular, they consume water and energy at a time when Europe is already facing a sustained 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 spent on clothing and textiles, of which 80 per cent is in the production phase.[6]

As reuse by a new consumer is the most environmentally sustainable way of dealing with discarded clothing and preventing textile waste, clothing items wherever possible ought not to be treated as 'waste' by the EU. The SHC industry provides the infrastructure to collect, sort, process and sell clothes efficiently. There is a growing market for reused clothing within Europe given the emergence of the environmentally conscious consumer, while 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. Yet if only items directed at the European market are reused while there are restrictions that prevent the export of reusable clothing to global markets, the adverse environmental effect will be

[5] Eionet Portal, 'Textiles and the Environment in a Circular Economy', November 2019 https://www.eionet.europa.eu/etcs/etc-wmge/products/etc-wmge-reports/textiles-and-the-environment-in-a-circular-economy

[6] European Environment Agency, 'Textiles and the Environment in the Circular Economy', February 2022 https://www.eea.europa.eu/publications/textiles-and-the-environment-the

considerable, since more cheap new clothing will need to be produced.[7] Reuse within Europe accounts for around 50 per cent of the total number of collected items.[8]

We believe the export of clothing items outside the EU is in keeping with the Commission's sustainability strategy. Firstly, to maximise reuse rates and optimise environmental benefits, there must be sufficient manual sorting capacity available. Secondly, and for that reason, it is necessary to be able to sort original clothes for reuse outside the EU itself. Maximising reuse means ensuring untrammelled access to the global reuse market, since the EU alone cannot absorb all the reusable items.

At the same time, a major part of the market for reusable clothes is in non-OECD countries. 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.[9] 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 cubic metres of water use in the Nordic countries alone.[10] The impact is particularly great 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 will be necessary to support future investment in the sorting and distribution infrastructure of third countries, upgrading capacity to reuse clothing – which the SHC sector is already doing.

The draft EU Waste Shipment Regulations propose that for textile waste to be exported, the following conditions must be satisfied:

The receiving country must be prepared to import the items.
That country must demonstrate that it has the capacity and infrastructure to handle the waste in accordance with EU standards.
Those receiving facilities must receive certification from the EU confirming that they operate in accordance with satisfactory waste management protocols.

We propose below a less centralised and bureaucratic procedure whereby the sending facility and the receiving facility are obliged to operate according to prescribed EU standards and regulations. An EU auditing mechanism would be established to oversee the shipment process and ensure adequate oversight. Checks

[7] Danish Environmental Protection Agency, 'Towards 2025: Separate Collection and Treatment of Textiles in Six EU Countries', 2022
https://www2.mst.dk/Udgiv/publications/2020/06/978-87-7038-202-1.pdf
[8] https://www.cbi.eu/market-information/apparel/recycled-fashion/market-potential
[9] 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
[10] Watson, D. et. al. 'Exports of Nordic Used Textiles', 2016
http://norden.diva-portal.org/smash/get/diva2:1057017/FULLTEXT03.pdf

are carried out on the sorting facilities themselves which means there is no need for intervention at the level of the member-state. This is a more flexible and less bureaucratic solution to the problem of managing textile waste:

Proposal on Waste Shipments

- *It should be possible to export unsorted collected ('original') clothes outside the EU after 2024 under a certification arrangement where the EU can be satisfied that textile items will be processed in accordance with the highest standards of environmental protection and sustainability.* Original clothes are often well kept and are given away in the belief they will be reused. Maintaining sorting facilities in non-EU countries is crucial since maximising reuse rates requires detailed manual sorting which it is not possible to do solely within the boundaries of the EU.

- *Regulations should be put in place that do not destroy well-functioning value chains.* Sorted mixed clothes such as Humana's Tropical Mix Category (just one of many examples) are at risk of being classified as waste under the new EU end-of-waste definition since they contain both men's, women's and children's clothing. Yet Tropical Mix is sorted according to requirements stipulated in African markets, while further sorting required on arrival creates jobs and economic opportunities in those countries. Making it harder to export such items will undermine sustainability. It will lead to more cheap new clothes being produced; even if clothes are recycled instead, such processes are energy intensive and have an adverse climate impact.

4. Developing sorting processes and infrastructure in third countries

All in all, we argue that the best course of action, rather than seeking to limit the exports of textiles outside the EU, is to provide support to third countries so they develop cutting-edge capacity to process, repair and then reuse exported clothes. The Second-Hand Clothes (SHC) that are collected around Europe are those that in general have been well cared for by previous owners. Clothes are donated for collection so they can be sold and reused. Maximising the reuse of clothing requires a focused sorting process in which there is attention to detail. The sorting process for reuse is largely manual while there are limits to automation despite technological advances. The process still demands well-trained, experienced sorters who can exercise discretion and make judgements about the reusability of individual items. The largest sorting centres have capacity to sort 50,000 tonnes of clothing a year or more and are operated by teams of up to 550 skilled staff.

We know that generally it takes around 12 months to train a good sorter. There is structured, on-the-job training focused on how to handle sorting items in to around 200 categories. The sorting centre must know the markets it sells clothing to in order to sort clothes into the right categories at a viable price. The higher the quality of that clothing, the greater the proportion that can be collected and sorted for reuse. In Europe, it is invariably the case that clothing is sent for second hand collection while it is still in a good state of repair. The SHC and reuse sector has the experience and know-how to efficiently manage sorting centres, also in third countries.

If sorting processes are efficient, each piece of reusable clothing will find its next consumer. This sorting process is necessarily labour intensive. The mandatory collection of used clothes will undoubtedly create many more green jobs in Europe. Yet to maximise reuse, it will be necessary to continue to establish sorting centres outside Europe to ensure sufficient capacity for manual sorting. There should be collaboration between enterprises that undertake collection and operate sorting centres in Europe with sorting plants outside Europe, in order to increase the global capacity for reuse. This approach will help to strengthen social and environmental benefits while building infrastructure for the circular, green economy around the globe. It is important that the EU legislation provides a clear path to sort collected unsorted clothes outside Europe, maximizing the potential for reuse while guaranteeing the environmental sustainability of the process through certification of sorting facilities.

The sorting processes managed by the SHC sector also contribute to the goal of an increased rate of recycling of textile products where that is appropriate. Even the best quality garments will at some stage be worn out such that they can no longer be reused. During the sorting process, those items that are not reusable can be diverted into the recycling process. It is hoped that over time, technological innovation will ensure that fibre-to-fibre recycling becomes less energy intensive and more environmentally sustainable.

5. Strategic contribution of the SHC and reuse sector

The SHC and reuse sector, heavily focused on managing post-consumer textiles, is professional and competent. It has 40 years of experience in organising the infrastructure required to maximise clothing reuse, both in Europe and in African and Asian countries. The EU which is focused on improving the environmental sustainability of the industry should seek to build upon the knowledge and commitment that already exists within the sector. The SHC sector is doing this work in a number of countries, as demonstrated by the work of the *Humana International Network*, and it has great expertise which can help to deliver the EU's objectives.

We acknowledge that Europe wishes to reduce its environmental footprint across the globe, contributing towards the world-wide battle against catastrophic climate change. Yet the continuing export of both unsorted and sorted SHC items outside the EU is consistent with the Commission's approach. In non-OECD countries, there is a significant market for sorted reusable SHC. Moreover, the sector can support countries to manage unsorted and recyclable products in an environmentally sustainable way given the know-how and experience of the SHC industry. The sector is already investing in 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 globally. Doing so will help to:

Strengthen the circularity and sustainability of the European and global textile ecosystem;

Provide more good quality clothing options and opportunities for local populations; and

Create more sustainable, green, high-quality jobs both in the EU and in third countries.

As such, there should be a much greater emphasis on investing in reuse infrastructure beyond the EU's borders.

6. Summary

The revised Waste Framework Directive and the draft Waste Shipment Regulations are legitimately concerned with reducing the EU's carbon footprint by preventing unnecessary production of textile waste and ensuring that waste which is generated is dealt with in an environmentally responsible manner. This stakeholder response paper argues that:

Textiles should be processed under the Waste Directive using systems that facilitate the export of unsorted clothes to third countries. That unsorted clothing should be exportable under a certification system that guarantees the items will be dealt with properly in the third country to minimise any adverse environmental impact. Sorted clothing should be classified as a product rather than waste.

Meeting such goals will be made easier if there is active investment in the reuse and SHC infrastructure of third countries, ensuring that clothing items are processed responsibly whether they are sorted or unsorted. SHC businesses operating in third countries in Asia and Africa have the operational know-how, expertise and credibility

to ensure that infrastructure remains effective, helping to deliver the EU's goals of sustainability and circularity across the globe.

An EU-led auditing mechanism should be established to oversee the process of shipment of unsorted clothes with adequate oversight. Checks should be carried out on sorting facilities themselves which means there is no requirement for intervention at the level of the member-state. This is a more flexible and less bureaucratic solution to the problem of managing textile waste.

The SHC and reuse industry endorses the main aims of the EU's Waste Framework Directive and Waste Shipment Regulations. Nonetheless, it is important to avoid measures that have unintended consequences, undermining the core goals of sustainability and circularity. Enacting policies such as preventing the export of sorted and unsorted clothing from Europe will merely erode the global capacity for reuse. Relying on fibre-to-fibre recycling alone is not a solution to the challenge of climate change. It is precisely through increasing reuse and preventing waste that the EU is most likely to achieve the green transformation, creating a sustainable textiles ecosystem.

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