

## **EuroCommerce feedback accompanying the answers to the questionnaire of the public consultation on the EU Strategy for Sustainable Textiles**

In the new Circular Economy Action Plan the Commission announced that a dedicated EU strategy for textiles is planned for 2021. We welcome that the Commission is working on a comprehensive strategy dedicated to all textiles and EuroCommerce would like to express that our sector wants to be part of the future dialogue towards a systematic and positive change in the textile ecosystem. We encourage the EU Commission to continue the closest collaboration with retailers and wholesalers in the further materialization of the EU Strategy for Textiles as clarified in the roadmap.

As described in the Commission's Annual Single Market Report 2021 from May 2021, that accompanied the update to the 2020 EU Industrial Strategy, the Retail Ecosystem and the Textile Ecosystem are two separate, but linked industrial ecosystems, because textile retail is one of the biggest subcategories of retailers and the shutdown of retail outlets also impacted the textile producers. Therefore, the Commission needs to differ between retailers and wholesalers and producers within the EU Textile Strategy, because not all retailers and wholesalers have a direct influence of how the products they sell are produced. This distinction is often missing in the questionnaire and should be taken into account in the final strategy.

In light of the Covid-19 pandemic and the current socio-economic context this initiative is needed more than ever. With the closure of non-essential retail, the very low in footfall in town centres, and the dramatic loss of consumer confidence, the COVID-19 pandemic is having a severe economic impact on the whole textile and fashion supply chain.

We have estimated the loss of turnover for European non-food retailers in 2020 to amount to €300 billion. An appropriate recovery plan is therefore essential to ensure the survival and transformation of the whole textile and fashion supply chain. In this regard, the EU Textile Strategy will be central to ensuring that the recovery will lead to more sustainable textiles. Our sector is committed to contributing to this goal, with its all its environmental, circular and social dimensions.

- This statement aims supplement and expand on the response from the retail and wholesale sector regarding the public consultation about the EU strategy for textiles.
- We aim to highlights critical success factors that must be taken into account to make the EU Textile Strategy impactful, sustaining and efficient:
  - Scaling-up innovative technologies and processes and further knowledge valorisation will be key to ensuring the transition towards a circular production and consumption system for textiles, especially financing of and investing in high-value recycling technologies is needed. Retailers and wholesalers need to be involved and financially supported in their efforts to support this.
  - There is an urgent need for increased investment and upscaling of industrial waste sorting and recycling capacities, as this is essential to developing a well-functioning market for secondary raw material that provides safe and secure recycled content at competitive prices. The supply side of post-consumer material needs to be strengthened.

## On question 1.2. “Which of the tools listed below should be given priority at EU level to recover from the crisis and promote resilience and sustainability of the textile industry?”

For the second choice “Propose regulation and policy frameworks (e.g. for emerging technologies and processes)” we choose to answer 3 to express that we think that a framework is needed, but that the Commission should also leave room for innovation. Therefore, a policy framework that helps to achieve the objectives of the EU Textiles Strategy should focus on upscaling and supporting the wider adoption of existing and to be developed technologies (e.g. for sorting or recycling). It should not be based on a regulation, because such an approach would be too prescriptive and detailed and could hamper this development. Furthermore, because this option is not very detailed, we are not sure what kind of regulation the Commission would foresee under this option, which is another reason for us to answer with 3. However, we would also want to highlight the importance of consistency among the different existing and planned pieces of legislation to avoid contradicting measures. It is very important to have a coherent and coordinated policy framework, not only among member states but also with other EU policy initiatives that will contribute to the circular economy, such as the Sustainable Product Initiative, the initiative about substantiating green claims and the initiative about empowering consumers in the green transition.

For the third choice “Set binding requirements at EU level to foster product sustainability” we answered 3 to express that the Commission should only set minimum requirements at EU level to foster product sustainability but should also give businesses the opportunity to go further if they choose so.

For the fourth choice “Require Member States to implement mandatory Extended Producer Responsibility for textiles (and footwear)” we would like to comment that this is already planned in several Member States. Therefore, in our view it would be very important that the Commission provides guidelines, harmonisation and facilitates the exchange of best practices to avoid fragmentation. As with all waste streams the aim should be to create and support a well-functioning Single Market for Waste to ensure the availability of safe and secure secondary raw materials at competitive prices. Similar to the Waste Framework Directive a dedicated Textile Waste Framework Directive could be used to ensure common rules and criteria about secondary raw materials, reutilization and end-of-waste status.

In addition, we have several additional options not listed under 1.2. that should be also considered. Because the textbox in the questionnaire does not allow for answers with more than 200 characters, we would like to list our additional options hereafter:

- Industrial scale waste collection and sorting capacities
- Secondary raw material market with recycled material available at scale and competitive price
- Targets and commitments concerning product features based on impact of these features
- Upscale textile to textile recycling
- Common guidelines and assessment methods based on scientific methodology
- Incentives for recycled content
- Harmonized EPR requirements (reporting, eco-modulation)
- Tools to ensure traceability and common reporting framework on end of life/textile waste
- Financial support during the transition for companies of all sizes

## On question 1.3. “In your opinion which of the following technologies will contribute most to support a competitive and sustainable textile sector in the EU?”

Regarding the option “Customisation, production on-demand and virtualisation (e.g. digital twins, bodyscanners, 3D-printers)” we would like to comment while there are useful applications for customisation and similar technologies, we think that the limitations of this technologies will reduce their role in supporting a competitive and sustainable textile sector. The Commission should keep the use of any technology voluntary and not prescribe the use of these technologies, because this would damage SMEs and will hinder innovation. Furthermore, we have doubts that this can be practices at scale and are concerned that this could lead to problems for the second-hand market, because very individualised products would not appeal to everyone and might not be sold, and for recycling, because unusual material used on the request of individual consumers can hamper sorting and recycling processes.

### **On question 2.1.1. “Which elements of circularity in the value chain do you consider should be tackled as a priority?”**

For the third choice “Promoting slow fashion (e.g. slowing down the rate of clothing consumption)” we choose to answer 2 to express the speed level is not what determines if a product or a business model is sustainable or not. What should be promoted are the right business models, those able to adapt to consumer preferences at all times, including changing fashion trends, thus avoiding unnecessary production and consumption of raw materials. Slow fashion should not be an objective itself, as it does not necessarily imply a lower environmental impact - demonstrated by the high levels of markdown activity due to leftovers resulting from models with slow and long lead times. We agree with efforts to make business models more efficient, aiming to minimize virgin materials consumption at the beginning of the cycle and waste generation at its end, thus decoupling business performance and its impacts. Therefore, we answered 2 to also express that the Commission should focus on supporting this transformation towards a sustainable textile eco-system.

Regarding the choice 6 “Ensuring transparent, traceable, verified consumer and business information (e.g. on material and chemical content, environmental and social aspects)” we would like to comment that coordination with related policy-initiatives like the Sustainable Products Initiative, the Digital Product Passport, the EU due diligence legislation and international initiatives like the policy recommendation of the UNECE traceability project is absolute necessary to ensure coherence and avoid diverging requirements.

In the context of choice 7 “Ensuring that no textile products are landfilled/incinerated without ever having been used (e.g. unsold clothes)” we would like to comment that we support the goal to stop landfilling/incineration of textiles, because these practices lead to the loss of material that, depending on the waste and recycling infrastructure could be used as a secondary raw material. As stated above we would like to highlight again that industrial scale waste collection and sorting capacities as well as recycling technologies and capabilities are needed – once these are in place it will be easier to ensure that no textile products are landfilled/incinerated.

### **On question 2.2.1.”Which element of raw material selection do you consider should be prioritised in order to promote sustainability?”**

On choice 1 “Promoting the utilisation of sustainably sourced/produced fibre types in the EU and globally (e.g. through certification)” we would like to comment that we answered 5 “high preference” to express that the Commission should utilise existing certification to support sustainably sourced/produced fibre types in the EU and globally. We are not in favour of creating new certification to support this goal. Furthermore, we would like to highlight that certification is not the only instrument to promote and improve sustainability. Many companies, especially SMEs, are improving and changing their internal processes to increase the sustainability of their own operations and cannot

or don't want to rely on using third party certification schemes due to high costs or because the certification doesn't fit or only fits parts of their own operations. However, the Commission should support SMEs economically if they want to use certification to increase their knowledge and open new business opportunities.

### **On question 2.4.1. “In order to facilitate the transition to a more circular economy, how would you assess the relative importance of the following product features?”**

For the first option “Technical durability and information on the expected lifetime” we choose to answer no opinion because for us it is not clear what the Commission means with this option. For us the options mixes two different issues – information about technical durability and information on the expected lifetime, which not necessarily belong together. In our experience it is not always feasible to exactly state an expected lifetime, because the lifetime of non-technical textiles depends on the individual usage of the textile product (washing, use, maintenance, etc.) which can differ from one consumer to another. Therefore, we decided here to choose “no opinion”.

For the third option “Reparability: Availability of information on product repair” and the fourth option “Reparability: Product design facilitating maintenance and repair activities and availability of spare parts” we also choose to answer with no opinion to reflect that, while we think that reparability is an important part of the transition to a more circular economy, we would need further information about the possible measures the Commission foresees under these two options. In our view establishing, maintaining and supporting a repair eco-system that also allows for third-party repair is needed, but also measures improving consumer culture and behaviour regarding reparability. If consumers are not using repair services even the best repair service network will not lead to more repair and reuse of textiles. Therefore, we would oppose measures that would forcing companies to offer repair services if they do not want to specialise in these activities. The end of use of textiles and the potential for repair are closely linked to consumer maintenance and daily care of these products. Features like composition, temperature of laundry, types of ironing etc. are directly linked to possible damages to the garments, which in turn influence reparability. Better consumer awareness will be key to ensuring that textiles can find a second life and companies can play a part by providing information and guidance to consumers about proper maintenance, care and ways of prolonging the use of the products.

Regarding the choice 10 “Increased content of recycled fabrics or fibres” we would like to comment that the Commission needs to take technical feasibility and availability of recycled fabrics or fibres into account. If there is lack of secondary raw materials on the market due to missing industrial scale waste treatment capabilities and recycling technologies, companies will struggle to improve this product feature.

On option and 11 “Increased content of natural and sustainably grown fibres” we would like to highlight that the Commission needs to analyse the impact of switching towards more natural fibres before taking any measures.

### **On question 2.4.2. “How can the environmental impact from microplastics shed from clothing/textiles best be tackled without causing environmental problems in other areas?”**

Regarding choice 1 “Reducing the use of synthetic fibres in textile products in favour of natural fibres” we would like to state again that the Commission needs to analyse the impact of switching towards more natural fibres before taking any measures.

## **On question 2.5.1. “How would you assess the relative importance of the following measures to promote sustainable consumption behaviour at EU level?”**

In the context of option 3 “Provide stronger protection of buyers against false and misleading information in environmental claims (greenwashing)” we would like to comment that this is very important and that our sector supports efforts to fight greenwashing. To be effective these efforts need to be based on clear definitions and standards and accompanied by guidance/guidelines like the guidance on the application of the Unfair Commercial Practices Directive as well as proper market surveillance and enforcement actions.

For the last option “Encourage economic incentives to buy sustainable/circular textiles (e.g. through differentiated taxation levels depending on products’ resource efficiency)” we decided to answer “important” to express that we fully support economic incentives to promote sustainable consumption behaviour. However, we have concerns regarding using different taxation levels because this could lead to additional red tape while not achieving a real behaviour change if such measures are not well-designed.

## **On question 2.5.2. Which of the following business models contributing to a circular economy do you believe have most potential for economic viability and upscaling?**

On choice 1 “Selling quality durable products with high personal value (e.g. partially designed by or tailored for the consumer)” we would like to comment that there are potential problems for the second-hand market if products are too much customised. For example, several companies stopped offering “company branded products” like vest with the company name and/or logo because these customised products could very fast become obsolete if the buyer changes jobs.

Regarding option 3 “Second-hand retail (of others’ products)” it is unclear for us what this part of the question refers to. We believe that second-hand can play an important role and these shops are selling products originally sold by other companies to consumers. However, in the context of the option before about “Take-back and resell of own brand products” one could interpret option 3 as asking about the potential for economic viability and upscaling of a business model where businesses would engage in the second-hand retail of competitors products. While some companies might decide to deploy such a business model, we believe most would prefer to focus on second-hand sales of their own-brand products, as they know them and their features. Therefore, we would like to state that our answer regarding this option should be understood as support for the traditional second-hand business. However, we would like to highlight that there should be no requirement to engage in second-hand, this should be a voluntary business decision.

## **On question 2.6.2 How would you assess the relative importance of the following challenges to recycling of post-consumer waste textiles into new textiles in the EU?**

Regarding choice 2 “Lack of targets for reuse and recycling to be implemented at national level” we choose to answer with not very important because the Waste Framework Directive already requires that Member States set up separate collection for textiles by 1 January 2025 and to set effective and realistic targets, we need to have background data and, currently, there is no data about reuse and recycling rates available. Furthermore, to achieve the possible targets, first barriers for reuse and recycling, like the lack of both industrial capabilities and recycling technologies for textiles, need to be addressed.

On choice 3 “Lack of traceability of chemical content in textile waste” we would like to comment that the lack of reliable recycling technologies for reprocessing efficiently textile products and effectively recover legacy chemicals may hamper the recycling capabilities needed to reach the circular economy for textiles. Therefore, we call on the Commission to increase investing in and supporting of the development of new recycling technologies and sector-specific standards.

**On question 3.1. Which of the following aspects are in your opinion more effective to promote sustainability (including fair wage, decent working conditions and labour and human rights) across the value chain?**

Regarding option 7 “Developing specific guidance on textiles to supplement the EU horizontal due diligence rules in the upcoming sustainable corporate governance initiative covering environmental protection, human and labour rights” we would like to ask the Commission to build upon and base the EU guidance on the existing sector-specific guide from the OECD (“OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector”). Complementary guidance or guidelines on how to implement the new due diligence rules within the companies would be welcome to ensure proper compliance with the regulations.