In July – Nov 2021, the #EUCircularTalks raised attention to the discussion around the circular economy topics in the textile sector. During the 6 July 2021 #EUCircularTalks policy Q&A, EuRIC, RREUSE, RVO, SMEunited, and the ECESP organized an event to get policymakers and stakeholders at a virtual table to discuss challenges and opportunities from the upcoming EU Strategy for Sustainable Textiles and to ensure a proper future policy framework. Exposing during the same webinar the view on a functional policy framework for textiles by the policy experts and a Stakeholder Panel where speakers from across the textiles value chain represented the best practices and raise awareness of existing policy barriers supplied a full view of the status of the sector and the upcoming challenges. An interesting debate was activated thanks to the input coming from the Q&A session and the comments from the audience during the online event.

The present output document contains:
- The policy recommendations and suggestions considering the upcoming EU Strategy for Sustainable Textiles
- A summary of the presentations given during the webinar on 6 of July 2021
- A summary of the main issues raised during the discussions at the webinar

We would like to thank all speakers and participants for their valuable contributions to the #EUCircularTalks on a Functional Policy Framework for textiles.

The policy Q&A event on a Functional Policy Framework for textiles: ‘How can EU policy drive circularity in textiles?’ was the first in a series of three #EUCircularTalks organized within the ECESP Textile Leadership Group.

The scope of the event was to inform about existing EU & national policy initiatives on textiles and inform about the ongoing discussions at the EU level, e.g. the conversations on the dimension, impact, and status of the textile sector, discussions on the enforcement of the environmental and social aspects, considering the upcoming European Commission policy framework represented by the EU Strategy for sustainable textiles.

PRESENTATIONS AND KEY POINTS FROM THE POLICY PANEL

Dutch status and ambitions: what the Netherlands is doing in view of a functional policy framework for textiles

Emile Bruls, Representative from the Dutch government (Rijkswaterstaat)

To reach the circularity goal, an ambitious textile strategy combined with preparatory actions capable of making the textile ecosystem suitable for the implementation of the circular economy are necessary.

In combination with government-level actions e.g., the 2020 policy program on circular textiles presented by the Ministry of Infrastructure and Water Management, the preparatory sectoral actions will impact the whole textile value chain.

- Design & production: introduction of mandatory EPR in 2023; promotion of collaborative approaches as the ‘Denim Deal’ to produce 3 million pairs of jeans with 20% of post-consumer recycled cotton, and the ‘Dutch Circular textiles Valley’ for better recycling; promoting an upgraded international CSR agreement focusing on circular economy
- Buying and use: promotion of campaign on consumers’ purchasing behaviour raising awareness on e-commerce, fast fashion, and microplastics criticalities
- End of life: improving the quality of textile collection through a common guideline e.g., the manual for municipalities; recycling market needs to face profitability of the production of secondary raw materials, and to this extent, improving both mechanical and chemical recycling.

European Union policy intervention has to focalize on:
1. European mandatory EPR for a harmonized textile system
2. Eco-design principles and product requirements
3. Phasing out harmful substance use
4. Mandatory labelling indicating the environmental and social impact of the textile products
5. Ban on destroying unsold stock
6. Investment in recycling capacity: when in 2025 all the garments will be collected separately, EU infrastructures will need a high-quality recycling capacity. Moreover, will be needed demand for recycled fibres to settle and develop a textile secondary raw material market
7. Better harmonized data to analyse and monitor the status of the textile sector.

What to know about the EU Strategy for sustainable textiles and the Circular Economy Action Plan - and what comes next

Paola Migliorini, Deputy Head of Unit - Circular Economy and Green Growth, DG Environment, European Commission
In recovering the EU Community territory from the pandemic crisis and promoting European leadership, it is necessary to build and enforce the pillars of the textile sector with the scope to ensure resilient recovery and support the competitiveness. Next to the announcement of the Green Deal and the Circular Economy Action Plan, the European Commission has launched the public consultation on EU Strategy for sustainable textiles, and a series of thematic workshops.

As a basis, a transition pathway has to be developed: all industry actors must be efficiently included on the road to circularity, particularly SMEs. Different are the defined priorities to encourage and sustain the sector:

- Funding for research and development
- Recycling capacity, infrastructure, new materials, and the technologies to recycle
- Support cohesion policy, with local investment, devoted to fade local territory level in a systemic approach
- Provide new skills to the market forces
- Engage youth in the transition pathway and raising awareness on fast fashion.

The European Commission intervention on the green dimension of the textile sector will encompass:

- A strategic framework represented by the EU Strategy for sustainable textiles who pull together all the measures existing and more to come to align the sector players’ on how to operate
- Sustainable Product Policy Initiative will include eco-design measures, expanding the eco-design directive to non-energy related products
- Digital passport and traceability, labelling, microplastics initiatives
- EPR for textiles

The importance of a holistic approach: specific legislative orientation to close the textiles loop

Delara Burkhard, S&D, Member of the European Parliament

The European Parliament strongly calls for specific initiatives and measures for the garment sector, focusing on the environmental impact of textiles industries, and more on the labour and social issues in textiles in third countries.

A holistic approach is required to gain circularity: voluntary self-regulation has produced inefficient results.

- Extend eco-design requirements
- Sustain an ambitious Sustainable Product Policy Initiative

- Clearer the definition of sustainability labels to avoid greenwashing supporting the consumer

The importance of a holistic approach to take part in the industrial change

Gerald Kreuzer, Delegate of the Consultative Commission on Industrial Change (CCMI), European Economic and Social Committee

Recent times have seen a consistent industrial change for different sectors, the textile industry more than others. To efficiently constitute a solid future change of the sector a holistic approach and new industrial partnerships are needed. All together the actors have to be involved in the change, without leaving behind anyone.

Some developing measures will be functional to the new industrial model:

- Design and manufacture phases, and life cycle approach
- Skills, experts and intelligence, to support the new industrial paradigm
- Waste and resource management
- Technologies to recycle and collect
- Regionalism
- Public procurement
- Consumer and young people involvement
- Investors and stakeholder engagement
- Investment and innovation
- Textile system characterized by transparent and traceable information

PRESENTATIONS AND KEY POINTS FROM THE STAKEHOLDER PANEL

The general framework and the challenges faced by small retailers in the textile sector to implement circularity

Guido Lena, Director, Sustainable Development, SMEUnited

Textile sector approach to circularity can be reached only if the capacity building will move in the field of recycling, in terms of recycling capacity, marketability and profitability of secondary raw material market, and a process sustained by the consumers and producers on the willingness to pay for sustainable materials.

Fundamental is to orientate and proportionate the issue to the smaller dimension of the enterprise: in the transition pathway, think small first principle is the first decisive condition. The strategic framework should consider the instances of retailers of all dimensions and not just adapt those of the industrial entities to the smaller ones. The framework measures impact differently on the various dimensions: bureaucratic system, and technical-logistics process risk to be too complicated for those enterprises that can count only on internal capacity.
To facilitate and encourage the system, some specific measures can be considered:

- A system of local infrastructures, and territorial value chains constitution to support the waste collection of small retailer shops and to optimize recovering, reusing and reusing phases
- Employees awareness-raising and training about the correct waste treatment in the shops
- The garments collection is organized by public authorities directly at the shops once a week, as it happens with paper, metal, and plastic waste from households in all the Member States
- Keeping low the fees paid to recover, recycle, and re-use the garments. This would avoid illegal or nonefficient disposal of old unsold clothes.

When the market advantage is not clear, the sector of secondary raw materials will not grow. Some conditions have to be considered:

- Support research and development: the EU and the Member States should foster R&D to be able to recycle different kinds of textiles
- Economic advantage to use secondary raw material respect virgin one
- The EU should set up information campaigns to make consumers, particularly the younger ones, aware of the advantages of buying clothes with recycled contents and their impact on the environment and climate change.

Civil Society role in shaping the future textile sector: the recipe for a textile circularity
Emily Macintosh, Policy Officer for Textiles, European Environmental Bureau

Insufficient and inefficient actions have been taken for the textile sector: Covid-19 crisis impact highlights this status. While EU policy measures were limited, and not sufficient in the action through the corrective cleaning measures, and voluntary approach has failed, greenwashing confused the consumers.

Textile circularity needs a clear direction. The EU Strategy for sustainable textiles when containing measures and resource use reduction targets to change the consumption culture, climate policy, and including all negative externalities, has an enormous potential to boost the secondary raw material market. In particular, four are the ingredients for future textiles:

1. Making sustainable textiles the norm
2. Changing the rules of the consumption culture and the economy in which the products are sold
3. Precise intervention targeted to shift from the linear business model to the circular one
4. Hold the EU textile industry accountable for its role in the world through strong human rights and environmental due diligence rules.

Re-use and repair industry on emphasizing the social economy
Matthias Neitsch, President, RREUSE

The EU strategy for sustainable textiles will affect profoundly the social enterprises working in the field since the circular economy and social economy are connected.

The status of the re-use industry is characterized by increasing competition in the textile collection and recovery between the social entities that historically operate in the sector and the greater presence of private actors and companies.

Other aspects threaten the sector. Since the re-use market is economically dependent on the value of the textiles donated, fast fashion market growth and growing quantities of low-quality textiles that cannot be re-used locally are multiplying the negative economic impact on the sector.

A new challenge for re-use is at the door. Due to the development of internet platforms for re-selling and their facility-to-use, the users prefer to sell used clothes if they are valuable, instead of donating to social enterprises.

The EU discussion on EPR Scheme needs to be detailed. EPR will not solve the problems of over-consumption, over-production, and the cost problem of non-reusable textiles; moreover, the EPR scheme must reflect public and civil society interests, not only industrials.

If European Union implements EPR, it should not be limited only to supporting recycling, but to primarily support the top of waste hierarchy such as re-use, and ideally leaving the re-use part exclusively for the social enterprises to get the most benefits.

Reuse and recycling industries perspective: what are the barriers and the policy measures to adopt
Mariska Zandvliet, President, EuRIC Textiles

EU policy measures and the future strategy for Textiles have to support and drive circularity in the various stages of the textile value chain, and to determine which measures are needed for each.

1. Textile collection - Optimization of the reuse and recycling phases can be achieved if the collection is properly organized and implemented, thus acquiring more value considering reuse potential in the textile
sector is very high in comparison with other sectors. To this extent:
- Set an EU standardized collection system
- EU funds are needed to expand the infrastructure for collection and sorting to ensure the best treatment
- Investment in recycling techniques and technologies

2. Re-use - Since the challenge is the sorting of the different kinds of textiles and their components, to optimize the re-use process is necessary:
- Invest in professional sorting processes
- Incentivize durability of the textiles, through an EU-wide EPR scheme

3. Recycling is not economically viable now. Two are the prohibiting factors: it is technically complex; the secondary raw material market is not profitable if the virgin fibres are cheaper than recycled ones. Growing demand for secondary material/textiles by the producers and the consumers can boost the market. EU policy measures at this stage can act on:
- Eco modulation in an EPR framework promoting recyclability and the use of a mandatory percentage of recycled content in the textile product.

On clearing the road to textile circularity through EU level policy measures
Baptiste Carriere-Pradal, Chair, Policy Hub

The textile sector is mainly represented by the presence of small dimension sector players. Without an EU policy framework having a look at the sectoral specificities, and measures applicable for SMEs and craft enterprises transition will be challenging.

The EU strategy for textiles will be an overarching document representing the sectoral overview and a comprehensive framework, where all the impactful elements are detailed. A clear direction will be supplied since it will help to identify the priorities and the kind of guidelines the sector is asking for.

At the same time, an efficient constitution of the EU strategy for textiles has to capitalize and improve knowledge acquired by voluntary measures while regulating the aspects that didn’t work.

Harmonization will be addressed. Without a harmonization on common topics e.g., EPR, the transparency of processes and materials, infrastructure, and eco-modulation, the risk will be to not achieve both EU level and national targets.

Bottlenecks and view from the R&D: what is needed for the future of textiles
Roberto Vannucci, Multisectoral Research & Innovation Manager, Centrocot

What the EU can do in a strategic framework for textiles in the matter of investments, and funding for new technologies and process needs to be analyzed starting from the nowadays sectoral bottlenecks.
- Unsustainability of textile materials, from natural fibres as cotton to man-made as plastic-derived fibres. Biomaterials are in a growing use phase, but companies are asking for their real sustainability
- Economic problem of the recycling industrial process: dismantle, collection and recycle can’t reach an industrialized scale. Only mechanical recycling is technically working; about chemical recycling, there is a lot of technology improvement, but the recycling industry has to consider the environmental impact of the process
- Eco-design needs textile goods with high performance and fibres with specific characteristics to become a large-scale process.
CONCLUSION OF THE DISCUSSION

This part of the output document gives a summary of the main issues raised during the speakers’ discussions, the Q&A sessions, and the comments coming from the audience on the 6 of July 2021 webinar.

Proactively support recycling capacity to advance the circularity and the market of secondary raw materials as well as re-use

It is necessary to strengthen and support the economic profitability of circular business models, the production cycle, the technical and technological capacity of textile recycling, and secondary raw material markets.

- Investment in recycling capacity, in terms of high-quality recycling capacity
- Market support by leveraging on the willingness to pay for sustainable materials of the consumers and producers: develop growing demand for recycled fibres to boost a textile secondary raw material market
- Taxation and financial leverage: lowering VAT and/or taxes on labour for the second-hand, repair, recycling markets and the eco-circular textile processes, in particular for the enterprises active on the circular business models; disadvantaged VAT for enterprises based on the linear model; solve VAT problem with the donation of goods to social economy
- Disincentive effects leverage: to tax in terms of companies (taking account the past) not products in order to cut out the greenwashing
- Focus on the industry of regenerative fibres

Constituting a transition pathway in supporting SMEs

- In a scenario in which micro and small enterprises provide a significant contribution in terms of number of enterprises, employees, turnover and added value, the strategic proposal must not aim to fall on the generic context of the ecological transition and circular economy in the textile sector, but must provide a precise perspective on the different sizes of companies, with particular attention to the small-sized ones

Building dialogue and new industrial partnership with non-EU countries on greening textiles

- Several questions and some attention have been presented regarding the production in non-EU countries, underlining the need to engage them in the safer and greener textile industry, to avoid the risk of making the European economy and industry disadvantaged
- Enable dialogue between the competent EU authority and the counterparts in non-EU countries, especially Asian ones, to build a sustainable textile industry

If the EU will put the limits to PFAS [Perfluoroalkyl chemicals], will our non-EU competitors do the same things?

About EU competitiveness, the actual business model is based on production in lower wage countries and resell in central EU and global markets. This kind of model is unsustainable for our economies and productions.

The European Union as one of the larger producer operators in the textile fashion industry has a big role corresponding to a big responsibility for our industries, connected to a role to bring change in different regions of the world.

How will textile strategy affect brands not producing in the EU?

Legislation has to be applied exactly in the same way, both to headquarters and the production countries plants avoiding differentiation between production countries: we are talking about requirement product level in the EU market, so all the competitors have to beat by the same rules.

Creating Consumer Awareness: the leverage of spreading the information

- Need to change consumers behaviour through education leverage starting from the school and adults all the way
- Spreading information about the need to focus on secondary materials to change the way of use and costume
- Big information campaign is needed from policymakers

Textiles key measures, initiatives, and certifications

Could you list all the upcoming initiatives related to circularity on textiles? Environmental performance of products & businesses – substantiating claims, eco-design, labelling, etc
The reason for the adoption of the EU strategy for sustainable textiles is the nowadays absence of a comprehensive place where are listed all the textiles key measures. So, the upcoming policy document will be a strategic framework pulling together all the initiatives, and measures, both mandatory and voluntary, that will impact the sector. The main goal is to give a map of what exists and what it is coming.

**What social certifications are recommended for textiles companies?**

At the international level, they are not existing certification of social enterprises. There are certifications on the nation level: currently, in Belgium, France, Spain and Italy there is Solid’re, a European collective mark for social enterprises active in re-use of textiles; in Germany Fairwertung is a label for the social organization on textile collection.

**EPR Schemes for Textiles**

Some attention and a unique view from all the speakers came about the discussion on the Extended Producer Responsibility on Textiles; the EU needs a harmonized scheme on EPR. EPR scheme will be fundamental, but it will not solve all the sectoral gaps.

The scheme comes from a linear way of thinking making producers responsible for waste, in an optic in which waste is a linear way of thinking. EPR should be based on a circular framework, so the producer has to be responsible for the product on the market and the time it is on the market during the whole life cycle.