RREUSE'S Position Paper on the EU Textiles Strategy

OCTOBER 2022

RREUSE is an international non-profit network representing social enterprises active in the field of re-use, repair, and recycling. Over half of RREUSE's 33 members work with used textiles, collectively managing 281 000 tonnes across Europe annually. With local re-use at the heart of their activities, social enterprises running textile collection, sorting, repair, resale and upcycling operations provide job and training opportunities for people distanced from the labour market or at risk of socio-economic exclusion[1].

Executive Summary

As part of its Circular Economy Action Plan, the European Commission published the "EU strategy for sustainable and circular textiles" on the 30th of March 2022. This communication presents the Commission's vision for the future of the textile industry and related pieces of legislation concerning the sector.

RREUSE puts forward the following recommendations for the effective implementation of the Strategy:

1. Drive systemic changes in textile production's design and consumption patterns

Develop instruments to reduce textile overproduction and consumption and to discourage the linear model.

Set re-use criteria in eco-design requirements while promoting the use of quality raw materials to improve products' reusability.

Provide clear information to each actor along the textile value chains to enhance product reusability.

Promote the use of both social and green clauses in public procurement to encourage circular, sustainable, and socially responsible public purchases.

2. Decrease the amount of textile waste through ambitious waste policies

Ensure that rules banning the destruction of unsold new goods contribute to reducing overproduction in the first place.

Set a waste policy framework that supports re-use activities through guidance for separate collection and preparing for re-use targets.

If implemented, ensure that potential Extended Producer Responsibility (EPR) schemes include social enterprises in their governance, support preparing for re-use activities and as such promote the waste hierarchy.

Increase the potential for local re-use and support re-use operators in their effort to implement the proximity principle.

3. Develop circular and social textile value chains

Promote social enterprises active in post-consumer textile management as essential inclusive circular business actors within the textile chain. Support social enterprises in their skilling and upskilling services while creating jobs in the post-consumer textile management sector.

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[1] RREUSE (2019), Vision for a new fashion season: Social and Circular (Available here).

Introduction

On the 30th of March 2022, the European Commission released its "EU strategy for sustainable and circular textiles" in the framework of the Circular Economy Action Plan. The strategy aims at setting "*a comprehensive framework to create conditions and incentives to boost the competitiveness, sustainability and resilience of the EU textile sector, taking into account its strengths and vulnerabilities[2]*".

RREUSE welcomes the following aspects contained in the strategy:
The recognition of social enterprises active in re-use;
The recognition of the waste hierarchy;
The introduction of reusability and reparability criteria in design requirements;
The ban on the destruction of unsold new goods;
The foreseen attribution of a notable share of EPR fees to waste prevention measures and preparing for re-use activities.

By reacting to the EU Textile Strategy, this paper aims at highlighting the contribution of social enterprises active in re-use, repair, and recycling to the textile sector as well as RREUSE's main recommendations for the strategy to become an effective tool for making the sector more circular and socially inclusive:

1.   Drive systemic changes in textile production's design and consumption patterns
1.1 Reduce overall per capita production and consumption of textiles
1.2 Set strong eco-design requirements to create reusable and longer-lasting textiles
1.3 Use information requirements to enhance products' reusability
1.4 Use public procurement as a tool to enhance socially and environmentally responsible purchase

2.   Decrease the amount of textile waste through ambitious waste policies
2.1 Set an ambitious and adequate ban on the destruction of unsold new goods
2.2 Provide a waste management framework supporting waste prevention and preparing for re-use as a priority
2.3 Ensure that potential future EPR schemes support preparing for re-use activities
2.4 Support re-use operators in their effort to reach the proximity principle

3.   Develop circular and social textile value chains
3.1 Promote existing circular business models as social enterprises active in post-consumer textile management
3.2 Promote and support social enterprises in their skilling and upskilling efforts

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[2] European Commission (2022), EU Strategy for Sustainable and Circular Textiles (Available here).

1.   Drive systemic changes in textile production's design and consumption patterns

1.1 Reduce overall per capita production and consumption of textiles

- **Set quantitative reduction targets for material and consumption footprint**

Fast-fashion production and consumption patterns led to a decreasing products quality which has reduced clothes' lifetime at the expense of working conditions globally and the environment's finite resources. Indeed, garments' lifespan has decreased by 36 % over the last 20 years and on average, a piece of clothing is worn seven or eight times before it stops being used[3]. This figure shows that the strategy needs to tackle overall production, decreasing quality as well as consumers' behavior.

The strategy mentions several times the fast fashion phenomenon and seeks to make "*fast fashion out of fashion*" by extending textile products' lifetime, making them recyclable, and offering consumers "*economically profitable re-use and repair services[4]*". Unfortunately, the strategy does not set any target for production/materials consumption reduction and therefore fails to tackle the fast fashion issue. Companies are only "*strongly encouraged to internalise circularity principles and business models, reduce the number of collections per year, take responsibility and act to minimise their carbon and environmental footprints[5]*". But without clear targets, it is unlikely that this will drive to a systemic change in textile business models. Therefore, the strategy should set an EU-wide quantitative target for material and consumption footprint reduction with specific objectives for textile products for the sector, and an accompanying timeline[6].

- **Use the re-use sector as an alternative to fast fashion**

From an environmental perspective, reducing new clothing production by 5 % thanks to longer-lasting products (through re-use and repair) would "deliver environmental benefits equivalent to 20 tonnes of GHG emissions as compared to the production of a new garment" according to a study focused on the UK[7]. From a social perspective, certain consumers purchase fast fashion goods because they cannot afford more expensive options as sustainable options often tend to remain quite expensive. Re-use, on the other hand, can represent both an environmental and social alternative to fast fashion, presenting more affordable options to consumers. In addition, social enterprises developed innovative online stores to facilitate second-hand purchases such as Label Emmaüs[8] or Thriftify[9] which propose affordable and sustainable alternatives to new products.

- **Set fiscal measures to discourage the linear model**

In order to phase out the existing production and consumption model, the linear model should become unattractive. Setting economic incentives and fiscal measures will be key to changing our

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[3] Lujan-Ornelas, C., et al. (2020), 'A life cycle thinking approach to analyse sustainability in the textile industry: a literature review', Sustainability12(23), p. 10193; Ellen MacArthur Foundation (2017), A new textiles economy: redesigning fashion's future, cited in European Environmental Agency (2022), Textiles and the environment: the role of design in Europe's circular economy (Available here).

[4] European Commission (2022), EU Strategy for Sustainable and Circular Textiles (Available here).

[5] *Ibid.*

[6] RREUSE (2022), Don't lose the thread: the need for an ambitious tangible vision to change the textile sector (Available here).

[7] ECOS (2021), Durable, repairable and mainstream How ecodesign can make our textiles circular (Available here).

[8] Label Emmaüs, E-shop militant (Available here).

[9] Thriftify, Online Charity Shop (Available here).

consumption patterns[10]. Therefore, the strategy should introduce taxes on all virgin resources used in the textile sector, as well as taxes on disposable, non-essential goods and advertising that promotes fast fashion consumption behavior[11]. This should help make resource efficiency the norm as well as disincentivising the purchase of low-quality and short-lasting goods. It is also an interesting way to raise revenue while meeting environmental targets. In addition, such fiscal measures are easy to implement since they benefit from low administrative costs and easy management[12].

Another fiscal incentive that the Commission should encourage member states to implement is the introduction of minimum or zero VAT for the repair and sale of second-hand supply of textile goods and services. This could be done in line with the measures under the EU's recently published Social Economy Action Plan which foresees guidance and capacity-building measures on taxation for member states to support the sector. This is particularly relevant within the context of the changes brought by the newly amended EU VAT Directive which introduces new grounds for VAT reduction or zero rates for goods and services that generate environmental and societal impact. Introducing such measures would make new products more expensive and second-hand products cheaper and therefore more economically attractive.

1.2 Set strong eco-design requirements to create reusable and longer-lasting textiles

● **Set re-usability criteria in eco-design requirements**

Low-quality cheap textile products drive overconsumption, shorter-lasting products discarded earlier, and unfit for re-use. Indeed, between 40 and 60 % of discarded textiles are disposed due to lack of quality, failures in the garment itself, or (functional) changes of garments (hole, worn-out appearance, stains, colour changing[13], pillage, colour fastness properties, tear strength, dimension stability, zipper quality[14]...).

This is why eco-design requirements should not focus on recyclability but instead provide durability, reparability, and reusability criteria. In short, eco-design requirements should be tackled through the prism of re-use to ensure textile products still hold value when reaching the second-hand market. However, at the moment, the legislation covering textile products' design focuses mostly on durability (50 %) and recyclability (45 %), whereas reusability (25 %) and reparability (20 %) are not sufficiently addressed[15].

The EU textile strategy, in line with the Sustainable Products Initiative, will introduce eco-design requirements for textile products: "*The Commission will develop binding product-specific ecodesign requirements to increase textiles' performance in terms of durability, reusability, reparability, fibre-to-fibre recyclability and mandatory recycled fibre content[16]*". Increasing products' durability is key to strengthening their environmental performance. Indeed, doubling the number of times a garment is worn would result in a GHG emissions decrease of circa 44 % compared to producing a new garment[17].

[10] RREUSE (2022), Don't lose the thread: the need for an ambitious tangible vision to change the textile sector (Available here).

[11] Wardrobe Change (2021), Recommendations for the EU Strategy for Sustainable Textiles from Environmental Civil Society Organisations (Available here).

[12] The Ex'tax Project (et al.) (2022), The Taxshift. An EU Fiscal Strategy to Support the Inclusive Circular Economy (Available here).

[13] European Environmental Agency (2022), Textiles and the environment: the role of design in Europe's circular economy (Available here).

[14] ECOS (2021), Durable, repairable and mainstream How ecodesign can make our textiles circular (Available here).

[15] ECOS (2021), Durable, repairable and mainstream How ecodesign can make our textiles circular (Available here).

[16] European Commission (2022), EU Strategy for Sustainable and Circular Textiles (Available here).

[17] WRAP (2013), Design for Longevity Guidance on increasing the active life of clothing.

On the other hand, eco-design requirements are a good way to enhance product's durability but the strategy should make sure that it will support consumers to repair or purchase second-hand textiles in the first place, before encouraging them to purchase "sustainable" new textiles[18]. In order to be effective, eco-design requirements should be associated with sanctions in case of non-compliance. This requires a robust EU market surveillance regime through systemic and effective product compliance checks[19].

● **Set requirements on the use of quality raw materials**

In order to extend products' lifespan and increase their potential for re-use, eco-design requirements should include less complex blending (66,8 % of collected textiles have mixed fibres, which hampers its second-hand and recycling potential[20]) and standardised sizes (as differences between countries in terms of sizes are confusing for consumers). Indeed, avoiding the use of mixed fibres and plastic-based fibres, will not only increase textile products' recycling potential but also raise their value and make them easier to sell second-hand[21]. In addition, RREUSE suggests promoting the use of quality raw materials that make textile products durable and easy to maintain[22].

Considering the introduction of a "*mandatory recycled fibre content*", although encouraging designers to use recycled materials can be a good solution to reduce the environmental impact of the textile industry, the strategy should ensure that this will not compromise the durability, non-hazardousness, and the recyclability of products[23].

In addition, brands should not be allowed to continue to keep up the same level of (over) production as long as they use certain amounts of recycled content. This is why, before boosting the demand for recycled fibres, the strategy should introduce measures prioritising the waste hierarchy and waste prevention, which will ultimately push companies to extend the lifespan of their textile products[24].

On the other hand, the strategy fails to tackle the issue of fossil-fuel-derived synthetic fibres. In this regard, RREUSE suggests introducing taxes on all virgin resources used by the textile sector, starting with a tax on virgin synthetic fibres[25].

● **Plan phase-out of harmful substances in textile products**

The eco-design requirement is seeking to "*minimise and track the presence of substances of concern[26]*". Yet, the Commission should be more ambitious and take clear regulatory action to phase out the use of harmful substances in textiles throughout the value chain. To do so, requirements on chemicals of concern should be implemented in all steps of the production cycle up to the final product[27]. This requirement should not only focus on textile products made from virgin fibres, recycled

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[18] RREUSE (2021), Response to consultation on EU Strategy for Sustainable Textiles - Annex document (Available here).

[19] RREUSE (2022), Don't lose the thread: the need for an ambitious tangible vision to change the textile sector (Available here).

[20] Modare (2021), Análisis de la recogida de la ropa usada en España (Available here).

[21] RREUSE (2021), Response to consultation on EU Strategy for Sustainable Textiles - Annex document (Available here).

[22] RREUSE (2022), RREUSE's response to the Commission's consultation based on the Staff Working Document "Scenarios towards co-creation of a transition pathway for a more resilient, sustainable and digital textiles ecosystem" (Available here).

[23] RREUSE (2021), Response to consultation on EU Strategy for Sustainable Textiles - Annex document (Available here).

[24] RREUSE (2022), RREUSE's response to the Commission's consultation based on the Staff Working Document "Scenarios towards co-creation of a transition pathway for a more resilient, sustainable and digital textiles ecosystem" (Available here).

[25] Wardrobe Change (2021), Recommendations for the EU Strategy for Sustainable Textiles from Environmental Civil Society Organisations (Available here).

[26] European Commission (2022), EU Strategy for Sustainable and Circular Textiles (Available here).

[27] RREUSE (2022), Don't lose the thread: the need for an ambitious tangible vision to change the textile sector (Available here).

textiles should also be tested for hazardous chemicals (and microfiber loss) before they reach the market[28].

1.3 Use information requirements to enhance product reusability

- **Provide information on environmental and social impacts, and circularity performance**

In line with the new Ecodesign for Sustainable Products Regulation, the Commission will introduce a Digital Product Passport (DPP) for textiles aiming at providing information "*based on mandatory information requirements on circularity and other key environmental aspects[29].*"

The Commission should make this tool available to all stakeholders and reliable for consumers to make informed purchasing decisions. First of all, DPP should appear in the product itself (not on the packaging or through labels that can be removed at a later stage). This would allow second-hand purchasers to still access these details and also independent repairers and re-use suppliers to be aware of the product they are dealing with.

In addition, the DPP should provide information on where products come from and under what conditions: what is the overall environmental impact, if human rights are respected, does it comply with international labour standards, and so forth. To do so, companies should be required to disclose a mapping of their entire value chains (when it can be done without having a negative impact on workers[30]). In addition, making the DPP editable would help highlight the positive or negative impact of a purchase. For example, if a garment passes through a social enterprise, this information should be made available on the DPP in order to promote the socially positive impact of the purchase.

On the other hand, it is crucial that the DPP contains information on how the product should be recycled at the end of life, but also on how the product can be repaired and re-used, and where donated clothing and profits end up[31].

To sum up, the DPP should include the following information:

- Material and chemicals content (bill of materials) and information on possible hazards related to the chemicals contained. Beyond requirements on the disclosure of chemicals of concern used throughout the supply chain, chemicals should be tested and their utilization restricted[32].
- Product origin (including sourcing of raw materials).
- Circularity performance (durability, reusability, reparability, recyclability, and product care guidance).
- Comprehensive environmental footprint information starting with CO_2 emissions.
- Social impacts of production.
- How workers' rights are respected throughout the supply chain and information about worker grievances.

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[28] Wardrobe Change (2021), Recommendations for the EU Strategy for Sustainable Textiles from Environmental Civil Society Organisations (Available here).
[29] European Commission (2022), EU Strategy for Sustainable and Circular Textiles (Available here).
[30] RREUSE (2022), Don't lose the thread: the need for an ambitious tangible vision to change the textile sector (Available here).
[31] RREUSE (2021), Feedback on the Sustainable Products Initiative (Available here).
[32] Wardrobe Change (2021), Recommendations for the EU Strategy for Sustainable Textiles from Environmental Civil Society Organisations (Available here).

-   How environmental and social impacts are dealt with Companies' corporate social and environmental policies, targets, practices, risks, and impacts on human rights, including labour rights[33].

● **Ensure a proper revision of the Textile labeling regulation and EU Ecolabel criteria for textiles and footwear**

As part of the textile labeling regulation revision, the Commission will potentially "*introduce mandatory disclosure of other types of information, such as sustainability and circularity parameters, products' size and, where applicable, the country where manufacturing processes take place[34]*". Here, the Commission should define what is under circularity parameters. For example, it should include information about the negative impacts of purchasing new textiles, as well as about the positive environmental and social impacts of repairing or purchasing second-hand textiles instead.

In addition, labels could include information for consumers on expected products' lifetime. Here, RREUSE recommends providing information on the expected number of washes after which the product starts to wear in a noticeable way. This number could be accessible next to the logo informing the consumer about the recommended washing temperature.

The revised textile labeling regulation should include a European standardisation of clothing sizes, based on objective measurement and that avoids the usage of terms that can feel discriminatory (eg. Small, Medium, and Large). Standardised sizes would not only facilitate the purchase of second-hand clothes but also limit the practices of purchasing several sizes of the same items online[35].

On the other hand, the upcoming revision of the EU Ecolabel criteria for textiles and footwear is an opportunity to increase the number of companies that take up the Ecolabel. In this context, the Commission should consider extending the scope of the label to sustainable textiles services contributing to decreasing resource consumption. It could be based on the criteria developed by the Nordic Swan Ecolab[36]. The label should also clearly identify the fabric blends in textile products which is essential to facilitate the management of waste textiles. Allowing better separation of textiles by category for recycling would help some forms of re-use, upcycling and downcycling[37].

● **Limit the proliferation of green claims**

The strategy foresees that "*General environmental claims, such as "green", "eco-friendly", "good for the environment", will be allowed only if underpinned by recognised excellence in environmental performance[38]*". This measure will only have an effect if it results in cleaning the market of misleading claims before making new labels. This is why the Commission should ensure that this will result in reducing considerably the number of green claims[39].

The Commission is also considering using the Environmental Footprint methods to assess green claims: "*The on-going work on the environmental footprint of apparel and footwear products will be*

[33] RREUSE (2022), RREUSE's response to the Commission's consultation based on the Staff Working Document "Scenarios towards co-creation of a transition pathway for a more resilient, sustainable and digital textiles ecosystem" (Available here).

[34] European Commission (2022), EU Strategy for Sustainable and Circular Textiles (Available here).

[35] RREUSE (2021), Response to consultation on EU Strategy for Sustainable Textiles - Annex document (Available here).

[36] Wardrobe Change (2021), Recommendations for the EU Strategy for Sustainable Textiles from Environmental Civil Society Organisations (Available here).

[37] RREUSE (2021), Response to consultation on EU Strategy for Sustainable Textiles - Annex document (Available here).

[38] European Commission (2022), EU Strategy for Sustainable and Circular Textiles (Available here).

[39] Wardrobe Change (2021), Recommendations for the EU Strategy for Sustainable Textiles from Environmental Civil Society Organisations (Available here).

taken into account[40]". Here again, it needs to be associated with a limitation of the proliferation of labels and ensure the sufficient availability of relevant information on a wide range of textiles. It should also include broader environmental aspects (micro-plastic emissions, exclusion of hazardous chemicals, biodiversity) and social aspects (social impact of the production[41]).

● **Limit the proliferation of social claims**

Since the textile sector is not only responsible for huge environmental losses but also for major labor and basic human rights violations, transparency should be made on the societal cost of products and on their compliance with labour standards. This could be made through information requirements on social aspects contained in the DPP. Manufacturers and value chains as a whole should be obliged to comply with labour standards as a starting point. Manufacturers should be encouraged to provide detailed information about the working conditions they offer and watchdogs should be implemented by European authorities to assess their compliance with international labour standards, such as the ILO framework[42].

This would empower consumers and help them to make informed purchase decisions as well as enhance accountability and transparency for textile companies which often label products as "sustainable" without taking into account the social sustainability element. In addition, such transparency could also highlight best practices as those provided by social enterprises active in textile re-use which create local employment and comply with much higher European labor standards than other producers.

1.4 Use public procurement as a tool to enhance socially and environmentally responsible purchase

● **Develop socially responsible green public procurement**

Public procurement should not only focus on environmental criteria but also promote the use of social clauses and reserved contracts for social enterprises in public tenders[43]. In this regard, RREUSE calls on the Commission to implement existing initiatives for socially responsible public procurement at the EU level. By including social clauses in all public procurement procedures, with the view of converging social and circular practices, public purchases would participate in the respect of labour standards, the employment of disadvantaged workers, and the creation of local green jobs for the sake of an inclusive circular transition[44]. Bringing the proximity principle into public procurement would also be a way to foster the link between environmental and social criteria in public tenders. To sum up, the Commission should set a strategy to achieve public procurement tenders which include integrity, environmental and social responsibility as criteria[45]. Such tenders could include re-useable textile collection by social enterprises or financial support to social enterprises for research and development.

RREUSE's members provide good examples of public tenders combining green and social criteria. For example, Humana Nova Čakovec, a Croatian social cooperative employing more than 65 % of workers having a type of disability is active in collecting, sorting, re-using, recycling and designing textiles in its

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[40] European Commission (2022), EU Strategy for Sustainable and Circular Textiles (Available here).
[41] Wardrobe Change (2021), Recommendations for the EU Strategy for Sustainable Textiles from Environmental Civil Society Organisations (Available here).
[42] RREUSE (2021), Feedback on the Sustainable Products Initiative (Available here).
[43] RREUSE (2019), Social public procurement for environmental services: examples from the RREUSE network and beyond (Available here).
[44] RREUSE (2022), RREUSE's response to the Commission's consultation based on the Staff Working Document "Scenarios towards co-creation of a transition pathway for a more resilient, sustainable and digital textiles ecosystem" (Available here).
[45] RREUSE (2022), Don't lose the thread: the need for an ambitious tangible vision to change the textile sector (Available here).

sewing centre. In Croatia, at least 2 % of public procurement contracts need to be reserved contracts. In this context, Humana Nova managed to be granted one of the first reserved public tenders in Croatia in 2017. In the same way, the commonwealth of Pamplona published in 2017 a tender for the collection, transport and valorisation of waste, including textile waste. The tender contained both environmental criteria and social standards since the contract was reserved for entities protecting employment programs, where the majority of the employees have a type of disability or are in a situation of social exclusion and who cannot exercise professional activities under normal conditions[46].

- **Prioritise donations for re-use and purchase of re-used items in public procurement**

The Commission will introduce "*a mandatory criteria for green public procurement*" and "*prioritise products with the highest potential and impacts in terms of environmental sustainability[47]*." Here, the Commission should not prioritise new products considered sustainable but instead second-hand products in view of the waste hierarchy and given that purchasing re-used items is always the most sustainable option. Indeed, public purchase of second-hand goods should be largely prioritised as buying a used textile item instead of a new one reduces its carbon footprint by 82 %[48]. As such, public procurement should specify that the materials considered waste should go to social enterprises to be re-used.

Public purchase of re-used textile items could include workwear but not only. Here, it is important to prioritize the purchasing of clothes that can be easily debranded or used in other contexts. For instance, logos should not be printed but instead attached to the uniform so they can be easily removed.

2. Decrease the amount of textile waste through ambitious waste policies

2.1 Set an ambitious and adequate ban on the destruction of unsold new goods

- **Ensure that rules banning the destruction of unsold new goods aim at limiting production in the first place**

As the quantity of textile products placed on the market keeps increasing, RREUSE is worried that donations to charities or social enterprises (as a solution to avoid paying for the destruction of unsold products) will flood our organisations and as such, force them to destroy the received goods that they cannot absorb. Therefore, we welcome the destruction ban if it aims at limiting overproduction in the first place and directly reducing material flows rather than counting on cheap alternatives to solve the issue of unsold goods.

In France, where such a ban has been implemented in 2022, social enterprises are receiving more donations of new items. Since donations of unsold products are exempted from taxation, producers are not incentivised to produce less. In addition, donations of unsold items are not covered by the EPR scheme and therefore, re-use operators do not receive any eco-contribution to deal with those volumes. Without the financial support of a Producer Responsibility Organisation (PRO), they will not have enough resources to absorb the textile flow. The solution could be to integrate unsold goods into the existing EPR scheme or at least require the PRO to support producers in their effort to reduce their overall production. Likewise, an extra fee for overproduction could be included in potential EPR schemes.

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[46] RREUSE (2019), Social public procurement for environmental services: examples from the RREUSE network and beyond (Available here).
[47] European Commission (2022), EU Strategy for Sustainable and Circular Textiles (Available here).
[48] ThredUp (2019), Resale report (Available here).

The Commission will introduce a "*transparency obligation requiring large companies to publicly disclose the number of products they discard and destroy, including textiles, and their further treatment in terms of preparing for reuse, recycling, incineration or landfilling[49]*". However, it is impossible to assess if banning the destruction of new items will result in decreasing the production given that the volume of unsold textiles is not measured. To be effective, the rule banning the destruction of unsold and returned items should be associated with other measures, such as a regulation of return policies and reporting obligations for the producers/retailers/importers. There should be a mandatory measurement of the textiles placed on the EU market and post-consumer textile flows.

Another risk is that banning the destruction of textiles would lead to uncontrolled export of unsold goods. Regulation should introduce a monitoring system to evaluate the treatment of those volumes. To avoid perverse effects, regulation should start at the point of production and put a real cost on production in order to make the investment in overstock and big volumes extremely expensive and incentivise producers to cut down.

- **Implement an appropriate ban on the destruction of unsold new goods**

The strategy foresees the implementation of "*bans on the destruction of unsold products, including as appropriate, unsold or returned textiles[50]*". Here, we would like to stress the attention to the wording "*as appropriate*". In order to be effective, the ban needs to be clearly defined: the strategy should ban the destruction of excess inventory, deadstock, and returned items, with a particular focus on returns through e-commerce[51]. RREUSE welcomes this measure as a good first step. However, we want to highlight the importance of respecting clear implementation timelines. The ban should also include SMEs (which are currently exempted from the strategy). In addition, the strategy should tackle sampling and materials consumption reduction.

2.2 Provide a waste management framework supporting waste prevention and preparing for re-use as a priority

We are pleased that the EU strategy recognises the need to tackle the problem by first prevention, then preparing for re-use, and in the end recycling.

- **Create a framework to ensure the correct implementation of the separate collection obligation**

Good management of the mandatory separate collection is crucial to make sure that collected used textiles are locally re-used and go to sorting facilities that separate residual waste from reusable items and recyclable ones[52]. To do so, investment in infrastructure is needed. The strategy should develop a plan to finance and facilitate the development of an integrated textiles collection system supporting in particular those run by social enterprises (including traditional methods like door-to-door collection, container collection, collection in re-use shops, and innovative ways of collection) taking into account existing actors and their needs, local conditions and cultural circumstances[53]. In addition, costs for disposal of residual waste must be covered by municipalities or EPR schemes should they be in place.

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[49] European Commission (2022), EU Strategy for Sustainable and Circular Textiles (Available here).
[50] European Commission (2022), EU Strategy for Sustainable and Circular Textiles (Available here).
[51] RREUSE (2022), Don't lose the thread: the need for an ambitious tangible vision to change the textile sector (Available here).
[52] RREUSE (2021), Response to consultation on EU Strategy for Sustainable Textiles - Annex document (Available here).
[53] *Ibid.*

Finally, the collection systems set in place post-2025 should not disrupt existing and functioning systems and should be set up in a way that stimulates as many textiles as possible to be re-used locally.

- **Set clear preparing for re-use targets separate from recycling targets**

The Commission should propose a quantitative target for the total reduction of textile waste in the EU as a basis for its waste policies strategy as well as targets for re-use and preparing for re-use away from recycling targets. Indeed, at the moment, countries that do not have separate re-use or preparing for re-use objectives usually favour recycling. This is why setting separate quantitative re-use and preparing for re-use targets is necessary to implement the waste hierarchy, and prevent premature recycling while creating job opportunities for vulnerable individuals[54].

- **Support social economy enterprises in the textile waste management activities**

Social economy enterprises collecting and re-using textiles should be promoted as a partner in the collection and waste management obligations and targets of local authorities and Producer Responsibility Organisations when they exist[55]. Here, the new Spanish law provides best practices that should be replicated as it foresees to mandate 50 % of tenders related to the collection, transport, and treatment of second-hand products to social and circular enterprises[56].

2.3 Ensure that potential EPR schemes support preparing for re-use activities

- **Ensure that potential EPR schemes prioritise and finance preparing for re-use**

RREUSE welcomes the fact that the strategy mentions that EPR should be in line with circularity principles and will be dedicated to creating "*an economy for collection, sorting, reuse, preparation for reuse and recycling[57]*".

However, the assumption that "*EPR requirements have proven to be effective in improving separate collection of waste and its subsequent management in line with the waste hierarchy[58]*" is in our experience with other waste streams not always the case since EPR schemes are actually not designed to reduce material flows. EPR schemes often present a barrier to re-use activities and limit access to reusable goods, these ending up in recycling prematurely. Especially in countries where access to donations by social enterprises is very limited, there is a major risk that setting an EPR scheme will result in recycling monopolies and in the exclusion of social enterprises active in re-use activities. Therefore, if EPR for textiles becomes mandatory, it should be associated with an obligation for PRO or producers to guarantee that collection practices and sorting facilities will prioritise re-use over recycling while promoting circular design (in line with eco-design requirements[59]).

Especially in the context of the separate collection for textile requirement which would certainly result in higher collected volumes but not necessarily reusable ones, EPR schemes must compensate for the costs of non-reusable items. In addition, EPR should compensate for the cost linked to the high volumes of low-quality textiles before future eco-design requirements come into force and ensure that re-use organisations have access to reusable items.

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[54] RREUSE (2022), Re-Use Targets: why they matter and what initiatives already exist in the EU (Available here).
[55] RREUSE (2022), Don't lose the thread: the need for an ambitious tangible vision to change the textile sector (Available here).
[56] RREUSE (2022), New Spanish law mandates 50% of tenders to social and circular enterprises (Available here).
[57] European Commission (2022), EU Strategy for Sustainable and Circular Textiles (Available here).
[58] *Ibid.*
[59] RREUSE (2021), Response to consultation on EU Strategy for Sustainable Textiles - Annex document (Available here).

Besides, there is a risk that EPR schemes incentivize other actors such as waste collectors to position themselves in the used textile sector and compete with social enterprises, without producing the same social and environmental benefits[60]. Given that social enterprises always prioritise re-use, unlike other stakeholders, there is a risk that their competing models would undermine the waste hierarchy. More generally, setting up EPR schemes may encourage producers to devise their own collection models and start competing with existing waste and donation collection models designed by social economy enterprises for re-usable products (e.g. clothing collection bins) [61].

In addition, the Commission should be careful that harmonizing EPR rules at European scale does not undermine textile waste collection and re-use ambitions. Considering the highly different quality level of textile waste management between member states, the risk is that member states with limited capacities or infrastructures in place will not be able to comply with the EU rules, and countries with good collection rates will not be sufficiently supported to improve their management.

- **Ensure a fair representation of social economy actors in EPR governance bodies**

Existing EPR schemes' governance models mostly give decision power to producers/PROs, data and prices tend not to be transparent, and social enterprises and other actors of the value chain are not represented in its governance. The decision-making power of the EPR fees' redistribution, which is a general interest, should not be decided only by producers who own the PRO. Instead, the Commission's objective should be to place social economy actors at the center of decisions, in line with Art. 8a.1a of the Waste Framework Directive. Social enterprises are indeed the main actors in the distribution of the tonnage collected, sorted, and reused as well as the main provider of employment in the sector (for all the activities of collection, sorting and sale of re-used textiles).

The strategy fails to recognize the role of social enterprises, municipalities, and civil society actors in the governance of the EPR schemes as an effective way to provide democratic and transparent governance of the funds and responsibilities. Yet, social enterprises present major advantages thanks to their nature, composed of a "participatory or democratic governance structure and an explicit social objective[62]". In addition, if introduced, an EPR scheme should be linked to employment targets valorising the role of social economy actors. In this regard, the OECD report "Designing Legal Frameworks for Social Enterprises: Practical Guidance for Policy Makers[63]" provides useful guidance to legally support social enterprises.

If an EPR scheme for textiles is to be implemented, the model could foresee a strong involvement of municipalities which should encompass the perspective of social enterprises. This would allow social enterprises to control collection, sorting, and treatment. The collection should be done by social enterprises in a preferential way and only if no social enterprises are interested in doing so, it should be left to private actors. In short, EPR should introduce prioritisation for social enterprises. Social economy actors should be prioritized for the preparation for re-use since they have the best expertise in this activity and they should therefore be paid with the producers' contributions to do so.

- **Develop strong solutions for eco-modulation of fees**

Although the strategy foresees that: "*The Commission will propose that a notable share of contributions made to EPR schemes will be dedicated to waste prevention measures and preparing for*

[60] RREUSE (2021), Job creation in the re-use sector: data insights for social enterprises (Available here).
[61] RREUSE (2020), Extended Producer Responsibility and the role of social economy re-use operators: Implementing a socially inclusive waste hierarchy (Available here).
[62] Foundation for European Progressive Studies (2022), The Circular Economy and Green Jobs in the EU and Beyond (Available here).
[63] OECD (2022), Designing Legal Frameworks for Social Enterprises: Practical Guidance for Policy Makers, Local Economic and Employment Development (LEED), *OECD Publishing*, Paris (Available here).

reuse[64]", the Commission must make sure that it will be indeed implemented in practice. EPR fees should be attributed according to the waste hierarchy primarily to waste prevention and preparing for re-use over recycling.

As the Commission is planning on harmonising the EPR rules for textiles with eco-modulations of fees, the strategy should include research on how EPR and eco-modulation can work best in practice. This would include targets on how they can encourage transparency, what are optimal levels of EPR fees to provide sufficient incentives for companies to improve the quality and durability of products, and how to increase local re-use. Eco-modulation criteria could also include fee thresholds that depend on the number of new products placed on the market by a company each year[65].

Since PROs are competing with each other, one element of competition is the fees. Hence, fees must be regulated outside this competition, and collected fees should go to a joined fund which will then finance re-use or preparation for re-use activities.

The French situation shows that eco-modulation of fees is hardly effective in practice. Since the eco-modulation is extremely low – the eco-modulated fee for a "medium piece" being set at 0.01EUR/piece whereas the standard contribution is set at 0.02EUR/piece – it has a limited impact on contributions' costs. In addition, durability and recycled content criteria are separate but subject to the same eco-modulation rate[66]. The eco-modulated fee should be lower for durability criteria to create a better incentive. On the other hand, eco-modulation of fees does not take every aspect of production and waste treatment into account.

In addition to eco-modulated fees, financial and legislative instruments should be put in place at a European scale, to make unsustainable production more expensive and really tackle the overproduction issue.

2.4 Support re-use operators in their effort to respect the proximity principle

- **Promote the proximity principle first**

The revision of the Waste Shipment Regulation should be an opportunity to ensure that Member States favour local re-use over export for recycling. However, this is not foreseen by the Commission's proposal to revise the regulation[67]. Therefore, European Institutions should strongly implement the waste hierarchy and encourage local re-use and recycling of collected textiles based on the EU proximity principle.

The strategy could investigate initiatives that facilitate the local re-use of textile products, such as:
- Finance domestic re-use, through financial support to domestic re-use shops for instance. The re-use potential is often much higher than the actual capacities and opening new local second-hand shops has the highest job creation and remuneration potential.
- Develop repair and upcycling as well as innovative selling practices (sell-off, sale per kilo).
- Develop local recycling in the EU to deal with large quantities of low-quality textiles.

RREUSE's members provide good examples of innovative solutions to reach the proximity principles. For example, a number of De Kringwinkel re-use centres in Flanders, Belgium, have opened shops dedicated to the sale of second-hand products that have not been sold in other shops. They manage

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[64] European Commission (2022), EU Strategy for Sustainable and Circular Textiles (Available here).
[65] RREUSE (2022), Don't lose the thread: the need for an ambitious tangible vision to change the textile sector (Available here).
[66] Re_Fashion (2022), Rapport d'activité 2021, p.22 (Available here).
[67] European Commission, Waste shipments – revision of EU rules (Available here).

to sell those products based on a price-per-kilo or per-meter concept which makes the products especially cheap and accessible to households on budget and local creatives[68].

● **Ensure financial support to social enterprises to shift away from textile waste export**

The Commission should only allow the export of textiles which have been prepared for re-use or recyclable textiles and have been approved by the recipient country. In addition, waste trade data and data on shipment for re-use should be made available[69]: export of sorted textiles should be strongly controlled and clients should be audited, they should be able to respect social and environmental requirements.

In addition, it is essential to have a clear vision about the articulation and timing of implementation of pieces of legislation related to textile waste. For example, a possible EU ban on the export of textiles considered waste must not take place before the adoption of a harmonized end-of-waste regime for textiles. This status should be harmonized at the European scale and social economy must be represented within the processes of elaboration of the end-of-waste criteria for textiles.

Should the export of textile waste be banned, costs should be compensated to social enterprises. Today, the European textile recovery sector still depends greatly on exports. Among textile collectors and sorters, about 50 % of income comes from sales on the international second-hand market[70]. In the same way, in Austria, only 10 % of collected items can be sold domestically, which accounts for 60 % of revenues. It is therefore essential to find an economically acceptable solution to prepare for any possible restrictions on the export of textile waste.

3. Develop circular and social textile value chains

3.1 Promote existing circular business models as social enterprises active in post-consumer textile management

● **Support and promote social enterprises as key circular actors**

We welcome the fact that the Commission recognizes the role of social enterprises and the need to support their business models as they carry a long history of working towards an inclusive circular economy and textile sector. In the words of the European Commission: "*Boosting social enterprises active in the reuse sector is particularly important, as they have considerable potential to create local, green and inclusive businesses and jobs in the EU[71]*".

Beyond this recognition, the Commission should promote textile collection by social enterprises as an integral part of the circular value chain. Social enterprises represent a unique business model by developing local re-use practices while creating tangible social and economic benefits for communities around them. In addition, they use their benefits to further develop their operations and create job opportunities for individuals at risk of socio-economic exclusion[72]. Furthermore, citizens strongly link textile donations to social objectives, which boosts their motivation to donate pre-owned clothes rather than throwing them away[73]. On the other hand, a solution to facilitate the development of

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[68] Circularium, Magasin Kilomet (Available here).
[69] Wardrobe Change (2021), Recommendations for the EU Strategy for Sustainable Textiles from Environmental Civil Society Organisations (Available here).
[70] McKinsey & Company (2022), Scaling textile recycling in Europe - turning waste into value (Available here).
[71] European Commission (2022), EU Strategy for Sustainable and Circular Textiles (Available here).
[72] RREUSE (2019), Vision for a new fashion season: Social and Circular (Available here).
[73] TRAID (2019), Taking stock (Available here).

circular business models would be to build partnerships along the textile value chain together with social enterprises, as this is foreseen in the framework of the Social Economy Action Plan.

- **Promote sustainable supply chains while boosting existing circular business models**

The EU strategy mentions circular business models but does not propose a broad vision of the business models and the entire supply chain. The Commission should focus on supply chains and therefore develop tools to oversee and control them. The strategy should also investigate revisions of the supply chain models, such as promoting shorter supply chains, to empower companies over suppliers.

Secondly, circular business models should be assessed and compared to analyse which models should be promoted. Systemic changes will only be reached through an integrated vision of business models. On the contrary, promoting only isolated circular activities, which are not aiming at changing the company's core business and rely on high consumption of textiles, will not bring the needed impact.

Then, new legislation would be needed to make circular business models, like those provided by RREUSE's members, the norm. While exploring new business models, the textile strategy should not lose sight of existing and functioning social enterprises active in the collection, management, sorting, and resale of post-consumer textiles for decades, as they already provide circular and sustainable solutions that should be safeguarded and promoted[74]. In this regard, social responsibility should be defined as a compulsory element for business models to be considered "circular".

- **Make sure that new business models do not compete with existing circular business models**

The strategy explores new business models for the textile sector: "*Re-shaping the purchasing habits of consumers is difficult unless companies provide for new circular business models, such as product-as-service models, take-back services, secondhand collections and repair services[75].*"

RREUSE would like to stay careful with the promotion of product-as-a-service and brands' own take-back services model and its proven record in supporting sustainable production/consumption patterns[76]. Here, we see a risk that this kind of business model would result in repair monopolies without giving an incentive to companies to produce more durable and sustainable products. Indeed, the risk is that it would result in producers having full ownership of what happens to used textiles when collected, which can result in re-useable items being prematurely recycled or discarded at a large scale since re-using them is often not in the interest of the business model of major players. Having a monopoly of the material flow does not give an incentive to reduce the overall volumes being put on the market or produce more durable and sustainable clothes. This is why the strategy should ensure that the development of new business models does not compete with re-use operators.

3.2 Promote and support social enterprises in their upskilling and reskilling efforts

- **Support social enterprises as upskilling and reskilling actors in the textile sector**

The strategy recognizes that the repair and re-use sector represents an important employment opportunity. However, it fails to mention the positive impact of social enterprise in this context and their upskilling and reskilling efforts. In fact, social enterprises present decades-long experience in promoting green and transferable skills and lifelong learning opportunities, including in the textile

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[74] RREUSE (2021), Response to consultation on EU Strategy for Sustainable Textiles - Annex document (Available here).
[75] European Commission (2022), EU Strategy for Sustainable and Circular Textiles (Available here).
[76] The Guardian (2021), Renting clothes is 'less green than throwing them away' (Available here).

sector. Indeed, managing used textiles requires a wide range of skills such as transport, quality checks, sorting, cleaning, ironing, storage, upcycling, or sale[77].

In addition, social enterprises do not only participate in the transition towards an inclusive and circular economy but are also active in promoting digital skills (both basic digital skills and more advanced skills on website development, e-commerce…). They provide training opportunities in the digital sector, and as such are ensuring an inclusive digital transition[78]. This is why the strategy should support social economy actors, among which social enterprises active in circular activities, in their reskilling and upskilling activities[79].

- **Create jobs in the post-consumer textile management**

Following the implementation of measures such as the EU Pact for Skills, the Commission should develop measures such as certified training schemes, guidance to member states in terms of developing formal qualifications, and guidance on how to include skills related to the prevention and sustainable management of waste textiles in VET curricula. Especially since the mandatory separate collection of waste textiles starting in 2025 will probably result in increasing quantities of collected clothes, the strategy should foresee a plan to create jobs in post-consumer textiles management[80].

Conclusion

RREUSE is pleased with the Commission's commitment to making the textile sector more sustainable and circular. We welcome some of the foreseen measures as promising steps to achieve this objective. However, to ensure that textile value chains effectively become more circular and sustainable – both on the environmental and social level, RREUSE would like to highlight three main challenges:

First, the Commission needs to address the overproduction and overconsumption problem. Drastically reducing production, beyond changing the way we produce, is the only viable solution to make the textile sector more sustainable. To phase out the linear model, European institutions should regulate the sector through fiscal and legislative means while supporting the re-use sectors as the more sustainable, circular and socially responsible alternative.

Secondly, together with reduced production, strong waste policies in favour of re-use and preparing for re-use should be implemented. To do so, the Commission should develop guidelines so that the foreseen mandatory separate collection of textiles as well as potential EPR schemes result in an increase of collected tonnages going to re-use, especially domestic re-use with particular attention to the proximity principle.

Finally, we would like to stress the importance of linking environmental and social concerns through the development of circular and social business models. Social enterprises active in post-consumer textile management provide best practices, in terms of promoting both circular and social economy, providing skills, and creating jobs, and their activities should as such be widely supported and promoted.

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[77] RREUSE (2021), Briefing Job creation in the re-use sector: data insights from social enterprises (Available here).
[78] RREUSE (2021), How social enterprises contribute to the digital transition (Available here).
[79] RREUSE (2022), RREUSE's response to the Commission's consultation based on the Staff Working Document "Scenarios towards co-creation of a transition pathway for a more resilient, sustainable and digital textiles ecosystem" (Available here).
[80] RREUSE (2021), Response to consultation on EU Strategy for Sustainable Textiles - Annex document (Available here).

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