The Policy Hub unites the apparel and footwear industry to speak in one voice and propose policies that accelerate circular practices. Launched in 2019, the Policy Hub has five partner organisations: Sustainable Apparel Coalition (SAC), Global Fashion Agenda (GFA), Federation of the European Sporting Goods Industry (FESI), Textiles Exchange (TE), and the ZDHC Foundation. In total, these organisations represent more than 500 apparel & footwear stakeholders including brands, retailers, manufacturers, and NGOs.

Given that half of the total greenhouse gas (GHG) emissions, over 90% of the loss of biodiversity and water stress occur due to the extraction and transformation of resources, we need to continuously advance to reach an economy that is climate-neutral, efficient in the use of resources, competitive and resilient¹. The Policy Hub’s mission is to help develop a consistent European policy framework that accelerates the transition to a circular system for the apparel and footwear industry, incentivises textile products’ environmental performance at all stages of products’ lifecycle, and stimulates innovation in more sustainable and circular business models, materials, and production processes.

Ultimately the goal of the circular economy is to reduce the impact on the environment and ensure resources never become waste while providing fair labour practices and protecting human rights. We understand that the EU Strategy for Textiles will mostly address the European market, yet we call the EU Commission to consider the potential consequences of this Strategy on the global market. The global supply chain of the textile industry is located – to a large extent – outside the EU and is essential for the income of millions of people.

The COVID-19 pandemic can be a turning point for accelerating the building of a circular, resilient, and carbon-neutral economy while creating new businesses and job opportunities in Europe.² We share the EU Commission’s perspective on what resilience means: “the ability to face economic, social and environmental shocks or persistent structural changes in a fair, sustainable and inclusive way”.³

In light of the ambitions and the experience of the sector it represents, the Policy Hub – Circularity for Apparel & Footwear highlights “critical success factors” that must be taken into account to make the EU Textile Strategy impactful and efficient:

¹ The Policy Hub – Circularity for Apparel & Footwear with its EU Green Recovery Plan Proposal recommended rebuilding resilient value chains through a smart mix of policies that build infrastructure, support circular design and provide economic incentives to circular business models.
² CEO Agenda Covid-19 edition where Global Fashion Agenda and McKinsey & Company present six opportunities for fashion executives to rebuild a resilient and sustainable fashion industry following the pandemics.
Reduction the textiles sector’s impact, particularly its GHG emissions and resource consumption (e.g., energy, water, and land use), and move towards eliminating the discharge of hazardous chemicals and effluents;

- Support the deployment of robust due diligence practices to ensure fair labour practices, social justice, and the reduction environmental impacts;
- Develop clear design requirements in coordination with the industry and based on a comprehensive assessment, while not impeding promising sustainability innovations;
- Build infrastructure to enable garment reuse, repair, and recycling at scale and ultimately foster secondary raw material markets in support of a circular apparel sector;
- Create a level playing field for all circularity aspects throughout an entire lifecycle of textiles: from the product design to new business models and green claims to end-of-life criteria, waste shipment, and EPR.
- Empower the consumer to engage with the sustainability information of the products they purchase;
- Keep the global nature of the textile value chain in mind, while leveraging international agreements and standards building on the industry’s learnings;
- Leverage the industry’s creativity to boost innovation;
- Set EU-wide rules, requirements to avoid fragmentation of the EU single market.

Considering these critical success factors, we recommend the EU Commission to focus on the following topics to developing a meaningful and effective EU Strategy for Textiles.

1. **Addressing policy gaps through harmonisation and ensuring a level playing field**

   **Harmonisation**

   The EU Strategy for Textiles should translate and clarify how the horizontal initiatives will be applied to our sector with sufficient guidance and time for implementation. Many of the horizontal initiatives that are currently being developed by the EU Commission as part of the Circular Economy Action plan (CEAP) are essential for the apparel and footwear sector: e.g., the Sustainable Products Initiative (SPI), the Substantiating Green Claims and Empowering Consumers in the Green Transition initiatives, and the revision of the Waste Framework Directive. It will be key to understand how these initiatives tie together and enable circularity.

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4 Discussions ongoing, a position paper will be released later in 2021.
7 We call on setting science-based decarbonisation targets at company level as well as for biodiversity loss once a reliable framework is developed. Science-based targets (SBTs) are voluntary targets adopted by companies in order to reduce their greenhouse gas emissions. They are deemed to be “science-based” if they are aligned with the actions that the latest scientific research considers to be necessary to undertake in order to fulfil the goals of the Paris Agreement. In regard to decent labour standards we call on the ILO core conventions.
for textiles and footwear products and what additional building blocks will be needed to accelerate the transition towards a circular system.

**Level playing field**

Keeping in mind the global supply chain of the textile industry, the EU Textile Strategy and the upcoming EU policy initiatives for the textile sector should ensure a level playing field among EU Member States and at the same time between the EU and non-EU economic actors. This is particularly relevant regarding the due diligence discussions. Having a coherent and coordinated framework for our sector will be key for stimulating sustainability, competitiveness, and resilience of our sector.

**2. Ingredients for Circular Economy and Circular Textile Products**

To fully leverage SPI’s potential and achieve its intended goal of making products sustainable, the Policy Hub recommends the following:

1. **Expand the Ecodesign Directive to include textiles and establish design requirements in coordination with the industry and based on a comprehensive assessment of the potential environmental impact improvement.**

2. **Provide a common methodology for assessing sustainability performance allowing for consistency and comparability of reported information.** This common methodology should be coherent with the different European initiatives such as the Product Environmental Footprint Category Rules - PEFCRs. We want to note that, so far, the availability of Life Cycle Analysis (LCA) data on textile products is very limited.

3. **No product can be considered truly sustainable if it contains hazardous, toxic, and harmful substances beyond scientifically established limits. A key component for reaching sustainability and circularity is to phase out hazardous substances directly from production and materials (“Beginning of Pipe approach”) and that is why “Safe and Sustainable by Design” is the key element in a circular economy.** To achieve the full circular economy potential of sustainable textiles it is essential that these materials only contain chemicals that are safe and sustainable. To reach this goal, it is necessary to prioritise the creation and availability of safer alternatives that can be used in the production market and production processes. This should be addressed through REACH.

A. **Develop Digital Product Passport with sector-specific information requirements**, whereas interoperability with other databases must be ensured (e.g., SCIP database, Ask REACH app), and technology standards need to be clarified. The Digital Product Passport shall only include reasonable, relevant, non-confidential and with purpose information provided to the right audience to allow scalability and fit for purpose.

4. **Support further development of standardised test methods to measuring unintentionally released fibers.** Through research, development, and funding opportunities, innovative production processes that can reduce fibre-shedding (prevention) and technologies to separate and capture microfibers

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8 Cross Industry Agreement: [https://euratex.eu/cia/](https://euratex.eu/cia/) and Microfibre Consortium: [https://www.microfibreconsortium.com](https://www.microfibreconsortium.com)
from wastewater (capture) at the industrial and consumer level should be supported.

5. Stimulate circular business models (e.g., reuse, resale, recycling) through creating the right market conditions for the circular business models to flourish using incentives and not through the enactment of binding requirements. The latter would only stall innovation and could lead to market barriers.


The Policy Hub is convinced that textile waste shall ultimately be considered as a new material resource.

We outline below our key recommendations\(^9\) on the new infrastructures needed for sustainable textile waste management in Europe and on how to secure a constant flow of high-quality secondary raw materials. The Policy Hub strongly recommends:

1. Harmonise EPR and waste collection rules across the EU;
2. Bring textile recycling solution at scale through research, development, and funding opportunities;\(^10\)
3. Set a definition of textile waste, harmonising end-of-waste criteria at EU level to secure a constant flow of high quality secondary raw materials;
4. Invest in sustainable innovations that can decontaminate waste streams and increase safe recycling;
5. Simplify and digitalise the authorisation process under the revised Waste Shipment Regulation when post-consumer recoverable waste is shipped within the EU and globally for the purpose of sorting, preparation for reuse, or recycling.

We firmly believe that EU-harmonised rules for EPR should be established as a key enabler for championing the transition to a circular and climate-neutral apparel and footwear sector in the EU.\(^11\) The Policy Hub – Circularity for Apparel and Footwear seeks an open dialogue\(^12\) with European policymakers to jointly drive the debate on EPR for textiles forward.

4. **Transparency**

The Policy Hub – Circularity for Apparel and Footwear believes that engaging, comparable, and trustworthy sustainability communication at the product level is key to driving more sustainable customer behaviour and operational change within businesses. The key ingredients for a legislative framework\(^13\) that to provide better information to consumers are:

1. The EU Commission needs to establish clear rules on the types of sustainability claims that are allowed and how to substantiate them. We propose to ban vague

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\(^10\) Bringing fibre-to-fibre recycling to sufficient scale will be a key enabler realising a circular textile model and may be boosted by the ReHubs Initiative.

\(^11\) 14 June 2021, Joint Letter to the European Cabinets asking for EU harmonised rules and requirements for EPR. Available [here](#).


and ambiguous environmental claims (e.g., “sustainable”, “ethical” or “eco-friendly”). Marketers must only use specific attribute claims (e.g., “50% organic cotton”) or comparative claims (“more sustainable than...”) if they are qualified and verified, either via the disclosure of the process or chain of custody or through credible, verified impact data such as a Life Cycle Analysis (LCA). This would raise the bar significantly for many brands and retailers.

2. **A common method - the PEFCR for apparel and footwear - and a shared database are needed to calculate the sustainability performance of a product** to ensure that a product’s sustainability information is accurate, trustworthy, comparable, and reliable.

3. The industry’s research and experience have shown that simply providing factual information or third-party assurance is not enough to drive behavioural change. Therefore, one of our key recommendations is to ensure that the language used when communicating about sustainability is easily understandable for consumers to understand, and consistent across the industry. Another recommendation is to develop a framework for communicating sustainability information that can be harmonised across digital and physical environments, this is something the textile industry has started working on.

### 6. Due Diligence

The Policy Hub – Circularity for Apparel & Footwear supports the current efforts of the EU authorities to establish smart-mix, risk-based, and proportionate due diligence (environmental and social) requirements for companies placing products on the EU market. In alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, the EU should define minimum harmonised requirements regarding the necessary due diligence processes. This would provide a level-playing field with one integrated data framework in reporting ensuring that all sectors are measured and assessed in the same way.

We would like to highlight that the due diligence requirements for our industry should be addressed through the currently developed legislative proposal on the Sustainable Corporate Governance Initiative and mandatory due diligence led by DG JUST and DG GROW. We caution the EU Commission services against duplicating their efforts in this regard. Complementary guidance on how to implement due diligence for the textile sector would fit within the EU Textile Strategy to ensure proper compliance with due diligence regulations.