

Policy Hub – Circularity for Apparel and Footwear on the Revision of the Waste Framework Directive | Position Paper

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The Policy Hub - Circularity for Apparel and Footwear welcomes and supports the European Commission's proposal to revise the Waste Framework Directive (WFD). The ambition of the Policy Hub is to improve the circularity of the textile sector by maintaining as much value as possible of resources used in the production of textile products. It is estimated that the textile waste in EU-27 and Europe will grow from 7.0 million to 7.5 million tons today to 8.5–9.0 million tons in 2030.¹ It is necessary to take measures to deal with this waste through both waste prevention and the end-of-life management of textiles. To ensure an effective regulatory framework for the revised WFD, we recommend the following:

- 1. Harmonise EPR requirements for textiles at the EU level;**
- 2. Set relevant definitions and requirements for textiles;**
- 3. Ensure that sorting for reuse and recycling is done responsibly;**
- 4. Boost sorting and recycling infrastructure significantly;**
- 5. Provide guidance for the separate collection of textiles;**
- 6. Set measures on waste prevention;**
- 7. Ensure consistency of other regulatory initiatives, such as the Ecodesign for Sustainable Product Regulation, the Waste Shipment Regulation, and the end-of-waste criteria.**

We would like to emphasise that the revised WFD framework, through various measures **should ensure the scaling of textiles recycling by 2030**, which is critical to dealing with the increasing amounts of textiles waste and ensuring a market for secondary raw materials. Textile recycling in the EU could also unlock a €1.5 billion to €2.2 billion profit pool and create around 15,000 new green jobs. It would also reduce environmental impact on land use, water use, and chemical-use reductions, and save up to 4.0 million to 4.3 million tons of CO₂ emissions.² Thus, we call on the EU to leverage this potential through the revision of WFD. Please see below our recommendations in detail.

1. HARMONISE EPR REQUIREMENTS FOR TEXTILES ACROSS THE EU

The Policy Hub highly welcomes the EU's objective to harmonise EPR rules for textiles as highlighted in the EU Strategy for Sustainable and Circular Textiles. For a successful implementation of EPR schemes in our sector, we recommend the following:

- **Harmonised EU-level EPR requirements are preferable rather than competing requirements in each Member State. EPR schemes must be industry-owned and run on a not-for-profit basis.** Sufficient transparency will be required to understand how EPR fees are being spent, and for the government to evaluate the performance of EPR.³
- **Moreover, the EU-wide and harmonised EPR requirements should include:**
 - **A clear regulated scope** including garments, home textiles, and footwear;

¹ McKinsey & Company "Scaling Textile in Europe – Turning Waste into Value" (2022), p. 34
<<https://www.mckinsey.com/industries/retail/our-insights/scaling-textile-recycling-in-europe-turning-waste-into-value>>.

² Ibid, p. 43.

³ For more information see Eunomia's report "Driving a Circular Economy for Textiles through EPR" (2022):
<https://eeb.org/wp-content/uploads/2022/03/Driving-a-Circular-Economy-for-Textiles-through-EPR-Eunomia.pdf>

- **Allocation of responsibilities among all relevant stakeholders;**
- **A robust mechanism of monitoring, control, and surveillance;**
- **A transparency and traceability system;**
- **Rules on the appointment of PROs to create efficiency through scale, volume, and experience. It is recommended to have a single PRO per Member State.** A single scheme or PRO at the MS level will ensure a more efficient EPR and will help to foster building the infrastructure capacity needed for the textiles secondary raw materials market. Besides, it will help the authorities to monitor compliance.
- **Rules regarding the obligations of marketplaces to ensure compliance with EPR;**
- **Harmonised eco-modulation of fees to encourage and reward circular design.** The eco-modulation structure must be consistent with complementing EU initiatives, such as the Ecodesign requirements for Sustainable Products Regulation (ESPR), the EU Taxonomy, and the development of the PEF methodology. **This will involve harmonising criteria for what producers need to take into account when designing and putting their products on the market as well as securing a consistent fee structure for eco-modulation**, e.g., if the fee should be based on the same criteria such as recycled content, durability, etc. If this is not harmonised, producers will have no financial incentive or practical resources to put more sustainable products on the EU market – they will pay the max flat fee under EPR schemes instead of getting a real impact in terms of developing and marketing more sustainable products;
- **Reporting:** data points for producers to report on must be harmonised (to base the amount they should pay). The reporting format requirements should be also harmonised;
- **Collaboration between EPR schemes across the EU should be ensured** to support a cross-border circular textile value chain;

Moreover, **financial support beyond EPR obligations should be employed.** EPR schemes struggle to be profitable alone, thus additional financial mechanisms of upfront investment are urgently needed. For more recommendations on EPR for textiles, see our [joint position paper](#).

2. SET RELEVANT DEFINITIONS AND REQUIREMENTS FOR TEXTILES

Creating an efficient market for secondary raw materials and the transition to a circular economy requires harmonised definitions and requirements across the EU. It will be key that the revised WFD addresses the following:

- **Differentiating reuse from recycling - Specific criteria do not exist today for objective classification of discarded textiles either for reuse or recycling.** This lack of definitions directly hampers the classification of garments, and the application of the waste hierarchy, and creates barriers to the movement of textiles waste. Thus, we recommend:
 - **Define EU sector-specific definitions**, such as “open loop and closed loop recycling”, “reusable”, and “recyclable”. These definitions must be consistent with definitions used in other legislative initiatives, such as ESPR and the end-of-waste criteria for textiles – EU-level standardisation is key.
- **Waste status:** The differentiation in waste and non-waste status as laid out in the current WFD is unclear for textiles waste, which leads to divergent interpretations among the Member States.⁴

⁴ European Commission, Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs, Duhoux, T., Maes, E., Hirschnitz-Garbers, M., et al., *Study on the technical, regulatory, economic and environmental*

- There are also no **EU harmonized rules for when a textile garment becomes waste or ceases to be waste**, which are needed to develop high quality and effective secondary raw materials market for textiles. In this regard, **we welcome the EU Commission’s decision to develop end-of-waste criteria for our sector**, which will help to distinguish between used textiles and textiles waste. It will be essential that such criteria are developed in alignment with the revision of WFD.
- **Textile waste: An EU-wide harmonized understanding of what constitutes 'textile waste' must be ensured to guarantee a harmonized collection of textile waste across the EU as of 2025.** Clear definitions in this regard will be key in ensuring reporting and compliance when it comes to EPR for textiles.
 - **Moreover, when defining textiles waste - categories of discarded textiles should be taken into account as this determines how textiles waste is treated.** Textile waste can be categorised into post-consumer waste (both commercial and household waste) and pre-consumer waste (e.g., from manufacturing processes). Depending on the category of discarded textiles, the rules for becoming and ending waste status need to be different as per below.

Measures for post-consumer textile waste

- Collected textiles that can be reused, must cease to be waste and become (new) products after being prepared for reuse.⁵
- Collected textiles that cannot be reused or prepared for re-use, must cease to be waste once they are recycled and meet the requirements of Article 6 of the Waste Framework Directive on the end of waste status.
- Only textiles that are not reusable nor recyclable sent for energy recovery or landfilling, following the EU waste hierarchy, should be classified as waste.

Pre-consumer textile waste (e.g. from manufacturing processes)

- Product scraps must cease to be waste once they are recycled and meet the requirements of Article 6 of the Waste Framework Directive to become secondary raw materials.
- Other waste derived from textile production is sent for recovery or landfilling (must be classified as waste).

3. ENSURE THAT SORTING FOR REUSE AND RECYCLING IS DONE RESPONSIBLY

The sorting process is integral to getting the quantities and quality of feedstock needed to increase the use of recycled content and create a real market for secondary raw materials. **However, to this date, there is no specific guidance for the objective classification of post-consumer household and commercial waste, either for reuse or recycling.** When sorting garments for reuse, there is no guarantee that garments of reuse quality are truly sent for reuse or sold on the second-hand market. Thus, a significant amount of textile waste leaves the EU with the declared purpose of reuse, however, often it ends up being disposed of instead of reused. To guarantee certainty that the sorting of used garments is done responsibly, it will be crucial to set up certification and auditing standards for waste applicable to sorters and handlers; especially in relation to export. Also, standards for how to undertake high-quality sorting must be put in place.

effectiveness of textile fibres recycling: final report, Publications Office, 2021
<https://data.europa.eu/doi/10.2873/828412>.

⁵ This claim is also supported by Eunomia’s report “Driving a Circular Economy for Textiles through EPR”: *The sorting of the reusable fraction constitutes preparation for reuse, which is classified as a waste management operation* (p. 25).

They must guarantee that the garments are sorted in line with the waste hierarchy i.e. guidance on how to apply the waste hierarchy must be set up; staff must be trained accordingly; and waste handlers should track volumes of garments being processed as well as shares of different qualities (e.g., for reuse, for recycling).

In addition, there is no traceability in third countries about textiles' final destination (reuse or landfilling). This can lead to the waste hierarchy not being respected. Therefore, without undermining the waste hierarchy, **WFD should provide guidance on how to allow textile recycling when reuse is not assured. It should also provide more clarity on how to precisely apply the waste hierarchy for textiles** to ensure that textile waste is treated with the highest effectiveness to eliminate waste, e.g., reuse might not always be the most appropriate path from an environmental perspective if used textiles end up in landfills in third countries instead of being recycled in the EU.

4. BOOST SORTING AND RECYCLING CAPACITY SIGNIFICANTLY

It is estimated that by 2030 in EU-27 and Switzerland, the annual gross textile waste could rise from 7.0 million to 7.5 million tons of gross textile waste today (15kg per person) to 8.5 million to 9 million tons (20kg per person).⁶ **To effectively deal with this increase, we need to scale sorting and recycling technology capacity in the EU, which does not exist yet.**

Moreover, to make recycling economically viable, **recyclers need regular incomings of a well-sorted textile waste feedstock of certain qualities.** This is imperative to meet the increasing demand of garment manufacturers for a qualitative and constant supply of secondary textiles raw materials. However, it is estimated that the European demand-supply balance for recycled textile fibers could approach a 60-70% supply deficit by 2030.⁷ To address these challenges, it will be key to:

- **Ensure that the feedstock for recycling is available** by developing guidance on pre-processing of the fraction of textile waste purposed for recycling e.g. trimming, sorting by fiber composition, and/or colour.
- **Incentivise high-quality automatic sorting and innovative recycling technology.** The EU must support, through financial or other incentives, the construction of sorting, and recycling infrastructure, specifically the technology to enable the separation and recycling of mixed materials. **The research, development, and infrastructure for sorting and recycling should be prioritised and scaled out as soon as possible** – so that once the textile collection obligation starts under an EPR scheme, the industry can deal with the increased volumes of textiles. Therefore, **investing in high-quality sorting and recycling innovations will be key**, for example for sustainable innovations that can decontaminate waste streams and recycle blended materials. Moreover, **automated pre-processing (preparation for reuse and preparation for recycling) is critical to be scaled out as soon as possible.**
- **Building a strong and effective infrastructure requires the involvement of the sorting and recycling industries.** Currently, the collection and sorting infrastructure is still fragmented across the EU, as 40-50% is done by small players who have a low capacity to handle large volumes of waste.⁸

⁶ McKinsey & Company “Scaling Textile in Europe – Turning Waste into Value” (2022), p. 14
<https://www.mckinsey.com/industries/retail/our-insights/scaling-textile-recycling-in-europe-turning-waste-into-value>.

⁷ Ibid, p. 48.

⁸ Ibid, p. 37.

To achieve the above it is needed to:

- **Build sorting and recycling hubs**, e.g., the ReHubs initiative, that provide the capacity to deal with the collection levels of post-consumer products. Such hubs should consist of the textile relevant stakeholders like the sorting and recycling industry, brands, manufacturers, and the designated PROs under the upcoming EPR schemes in various countries.
- **Channel up-front investment and EPR fees into constructing the needed automated sorting, pre-processing (trimming), and textile-to-textile recycling infrastructure in the EU by 2030.**⁹ It is estimated that €6-7 billion investments are needed to scale textile-to-textile recycling by 2030.¹⁰

The EU Commission should include sorting and recycling industries in the Textile Transition Pathway as well as in the roadmap of industrial technology for the circularity of the EU Textile Strategy. These industries should be enabled to share the know-how of sorting/collecting and textile recycling, and open-source solutions to enable the green transition. This would allow the EU policymakers to understand the need of achieving strong and effective recycling.

5. PROVIDE GUIDANCE FOR THE SEPARATE COLLECTION OF TEXTILES

The Policy Hub **calls for harmonised measures on the separate collection of textiles across the EU**, which will be essential for an effective circular closed-loop system. The separate collection of post-consumer garments must become as easy as possible and readily accessible for consumers throughout the EU. We further recommend the following:

- **The collection systems should be tailored to the reality of each Member State and its regions;** however, the revised WFD should **establish guidance on how to implement efficient and conveniently available textile collection systems.** This will ensure convenience for customers and will lead to higher capture rates.
- **Separate collection in store as well as separate collection by online retailers and online platforms should remain possible** (e.g., online take-back systems). It should be ensured that the collection of textile waste by online retailers is possible throughout Europe, whereby it must be possible to use the same logistics route as for the sale of the products. **The return of goods that are to be regarded as waste must therefore not be subject to any further requirements under the Waste Shipment Regulation (e.g., parcel returns from the customer must not be subject to European or national waste or waste shipment law).** A circular economy in online retailing will only be possible if it is ensured that the companies that carry out parcel shipping can also take care of the return of items that have become waste (without additional requirements).
- **The Commission should also address the issue of the proliferation of unharmonised labelling requirements for waste disposal across the EU Member states. This impedes sorting and recycling efforts.** The proliferation of disparate national labelling schemes and individual Member States' requirements have already caused market fragmentation, burdened companies, and confused citizens. In this regard, there **should be harmonised and simplified rules for communicating information on the separate collection to the consumers** (e.g., harmonising recycling symbols (e.g., pictograms) and material codes; separate collection,

⁹ McKinsey & Company "Scaling Textile in Europe – Turning Waste into Value" (2022) <<https://www.mckinsey.com/industries/retail/our-insights/scaling-textile-recycling-in-europe-turning-waste-into-value>>.

¹⁰ Ibid, p. 46.

limiting the use of text on the packaging). This should be aligned with the ESPR to ensure harmonisation.

6. SET MEASURES FOR WASTE PREVENTION

The Policy Hub agrees with the EU's intention to include measures on waste prevention. As part of such measures, we recommend the Commission **focus on stimulating circular business models**. Prolonging product life is a crucial contribution to waste prevention and realising the circular economy. Business models such as resell, repair, remanufacture, re-commerce, product-as-a-service systems, and others will help to safeguard the value of products and make sure that they are used until the actual end of their service life. Today such models are often not profitable yet, and therefore need further policy support such as economic incentives to be scaled.

It will also be important to **set targets for preparing for reuse and recycling in line with the development of relevant sorting and recycling infrastructure** in the Member States/ EU and the market demand for secondary raw materials. **These targets should be achievable and can be progressively increased; and should be reviewed using the comprehensive data on quantities of materials**, collected through the EPR reporting requirements.

7. ENSURE CONSISTENCY WITH OTHER REGULATORY INITIATIVES

To guarantee the efficiency and effectiveness of the provisions on waste prevention and handling, it will be important to ensure coordination with other initiatives impacting textiles. This means that **the revision of the WFD must be completely aligned with the criteria set in other EU Initiatives for the textiles sector**, such as the development of end-of-waste criteria for textile waste in 2023, ESPR including the Digital Product Passport, Substantiating Green Claims Initiative, Empowering Consumers in Green Transition Initiative and the EU Taxonomy.

- **Regarding design:** The WFD lays the foundations for waste prevention policies, which are linked to product "eco-design". Thus, **the alignment with the WFD and ESPR needs to be ensured. In particular, the eco-design requirements and definitions anticipated under ESPR must be aligned**. For more information regarding the ESPR, see our [position paper](#).
- **Regarding the movement of waste:** we call the EU to make sure that any provisions regarding textiles waste are also aligned with the proposed Waste Shipment Regulation in particular regarding the legal definition of waste.

ABOUT

The Policy Hub – Circularity for Apparel & Footwear 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 four partner organisations: Sustainable Apparel Coalition (SAC), Global Fashion Agenda (GFA), Federation of the European Sporting Goods Industry (FESI), and Textiles Exchange. In total, these organisations represent more than 700 apparel & footwear stakeholders including brands, retailers, manufacturers, and NGOs.