

# **The European Green Deal**

## **Stakeholder Response**



**The Public Establishment  
HUMANA PEOPLE TO PEOPLE  
BALTIC**

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## Introduction

The European Green Deal is an overarching vision of environmental sustainability closely related to the EU Industrial Strategy and the Circular Economy Action Plan (CEAP). As the representative of major textile industry stakeholders, we agree that the shift towards a sustainable, circular economy can be a 'win-win' both for growth and the environment. There is a recognition at the heart of the European Green Deal that improving environmental sustainability is necessarily a global effort: 'The environmental ambition of the Green Deal will not be achieved by Europe acting alone. The drivers of climate change and biodiversity loss are global and are not limited by national borders. The EU can use its influence, expertise and financial resources to mobilise its neighbours and partners to join it on a sustainable path. The EU will continue to lead international efforts and wants to build alliances with the like-minded'. The European textile reuse and SHC sector adopts a similarly global perspective. The industry recognises that creating a more sustainable, circular economy in textiles cannot be achieved within the borders of the EU alone given that value and production chains are inherently global in their reach.

The EU's Strategy on Sustainable and Circular Textiles which adopts the core priorities and rationale of the Green Deal seeks to reduce the environmental impact of the textiles industry, promoting clothing reuse and recycling while limiting the overconsumption of mass-produced clothing. Textiles are identified as one of fourteen European 'industrial ecosystems' that the European Commission regards as 'strategic' for economic recovery in the aftermath of Covid-19.<sup>1</sup>

Moreover, the textiles sector is highly conducive to the green transformation advocated in the European Green Deal. The EU Strategy on Sustainable and Circular Textiles states that: 'The production and consumption of textile products continue to grow and so does their impact on climate, on water and energy consumption, and on the environment'.<sup>2</sup> Every year across Europe, more than 5.8 million tonnes of textiles are discarded: the equivalent of 11 kilos per person according to data compiled by the EU. It is estimated that between 1.7 and 2.1 million tonnes of post-consumer textiles are collected each year for which the primary aim is reuse.<sup>3</sup>

The SHC sector in Europe offers a ready-made textile reuse infrastructure alongside a viable business model for future growth. Currently, more than two million tonnes of

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<sup>1</sup> European Commission, 'Transition pathway for a more resilient, sustainable and digital textiles ecosystem', March 2022

[https://single-market-economy.ec.europa.eu/consultations/transition-pathway-more-resilient-sustainable-and-digital-textiles-ecosystem\\_en](https://single-market-economy.ec.europa.eu/consultations/transition-pathway-more-resilient-sustainable-and-digital-textiles-ecosystem_en)

<sup>2</sup> European Commission, 'EU Strategy for Sustainable and Circular Textiles', March 2022  
[https://environment.ec.europa.eu/publications/textiles-strategy\\_en](https://environment.ec.europa.eu/publications/textiles-strategy_en)

<sup>3</sup> European Commission, 'EU Strategy for Sustainable and Circular Textiles', March 2022  
[https://environment.ec.europa.eu/publications/textiles-strategy\\_en](https://environment.ec.europa.eu/publications/textiles-strategy_en)

textiles are collected each year in Europe.<sup>4</sup> 14 per cent of EU citizens have recently purchased second hand clothing.<sup>5</sup> The influential *Sorting for Circularity (Europe)* report advocates: ‘Increased investment into infrastructure that can sort and prepare textiles for reuse and recycling’.<sup>6</sup> The most effective approach to strengthening environmental sustainability is to maximise reuse rates for clothing and textile garments across Europe, and indeed the globe.

The European SHC and reuse sector has developed a sophisticated operating model over the last forty years to collect, sort, process and sell second-hand clothing for reuse, otherwise considered to be textile waste, in so doing helping to reduce carbon emissions and energy use that contribute to global warming.

This stakeholder response to the European Green Deal focuses on section 1.3 of the document: ‘Mobilising industry for a clean and circular economy’. This section of the paper is of most direct relevance to the European and global textiles sector, stipulating ten core public policy objectives:

- i. *Achieving a climate neutral and circular economy requires the full mobilisation of industry.*

Throughout Europe as awareness of the negative environmental impact of the fashion and textile industry has grown, consumers have been turning to second-hand clothes as the more sustainable choice, reusing clothes rather than buying them new. The EU reuse market is predicted to double by 2025 reaching a value of 34 billion Euros; the resale market is currently growing 11 times faster than traditional retail.<sup>7</sup> Other studies suggest the SHC market will grow by up to 20 per cent in the next five years.<sup>8</sup> While it has been claimed that the SHC market is close to saturation, experience suggests that the market will expand if there are effective distribution systems and businesses are sensitive to patterns of local demand.

Moreover, reuse still accounts for only 3.5 per cent of the global fashion industry.<sup>9</sup> The SHC sector gives consumers across the household income distribution in each

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<sup>4</sup> Euratex, ‘Euratex facts and figures of the European textile industry’, 2022  
[https://euratex.eu/wp-content/uploads/EURATEX\\_FactsKey\\_Figures\\_2022rev-1.pdf](https://euratex.eu/wp-content/uploads/EURATEX_FactsKey_Figures_2022rev-1.pdf)

<sup>5</sup> Euratex, ‘Euratex facts and figures of the European textile industry’, 2022  
[https://euratex.eu/wp-content/uploads/EURATEX\\_FactsKey\\_Figures\\_2022rev-1.pdf](https://euratex.eu/wp-content/uploads/EURATEX_FactsKey_Figures_2022rev-1.pdf)

<sup>6</sup> Fashion for Good, ‘Sorting for Circularity in Europe’, September 2022  
[https://modare.org/wp-content/uploads/2022/09/Sorting-for-Circularity-Europe-Report\\_Fashion-for-Good.pdf](https://modare.org/wp-content/uploads/2022/09/Sorting-for-Circularity-Europe-Report_Fashion-for-Good.pdf)

<sup>7</sup> CB Commerce, ‘The Rise of the Second-Hand Market in Fashion in Europe: Press Release’, 2022  
<https://www.cbcommerce.eu/press-releases/the-rise-of-the-resale-second-hand-market/>

<sup>8</sup> Fashion Network, ‘The Market for Second-Hand Clothes in Europe’, 2020  
<https://fr.fashionnetwork.com/news/La-seconde-main-un-marche-qui-seduit-toujours-plus-de-clients,1252621.html>

<sup>9</sup> Ellen McArthur Foundation, ‘The Development of a Circular Economy in Fashion’, 2021  
<https://emf.thirdlight.com/link/nbwff6ugh01m-y15u3p/@/preview/1?o>

country options and choices, enabling them to adapt their behaviour in accordance with green objectives. We know that across the world, consumer purchasing power is rising. The data indicates that the size of the global middle class increased from 1.8 billion in 2009 to roughly 3.5 billion people in 2017 - more than half the world population - and is expected to grow to reach 5.3 billion by 2030.<sup>10</sup> The global Compound Annual Growth Rate (CAGR) for second hand clothes in the next decade is expected to increase by 14.8 per cent: a significantly faster rate than 7.1 per cent CAGR from 2017 to 2021.<sup>11</sup>

- ii. *The transition is an opportunity to expand sustainable and job-intensive economic activity.*

The Green Deal states that: *'The circular economy offers great potential for new activities and jobs. However, the transformation is taking place at a too slow pace with progress neither widespread nor uniform. The European Green Deal will support and accelerate the EU's industry transition to a sustainable model of inclusive growth'* (page 7).

The second-hand clothing industry creates a significant number of relatively high skilled and well-paid green jobs.<sup>12</sup> Manual sorting is crucial to maximise reuse rates. Only skilled sorters can determine what items can be readily resold in domestic markets. Workers take excellent care of the collected items throughout the process, making sure each item is put to the best possible use: either reused, recycled, repurposed or sold on.

Moreover, because sustainability is at the heart of the sector's operations, SHC jobs are undeniably sustainable and green jobs. It has been estimated that in such a growing market, if all discarded clothing in Europe was collected and sorted, a further 120,000 jobs would be created.<sup>13</sup> For every 1000 tonnes of textiles collected, EU data indicates that 25-30 jobs are created, largely in the sorting process.

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<sup>10</sup> European Commission, 'Competence Centre on Foresight: Consumer Trends, 2022 [https://knowledge4policy.ec.europa.eu/foresight/topic/growing-consumerism/more-developments-relevant-growing-consumerism\\_en#:~:text=Poverty%2C%20middle%20class%20and%20purchasing%20power&text=The%20size%20of%20the%20global,reach%205.3%20billion%20by%202030](https://knowledge4policy.ec.europa.eu/foresight/topic/growing-consumerism/more-developments-relevant-growing-consumerism_en#:~:text=Poverty%2C%20middle%20class%20and%20purchasing%20power&text=The%20size%20of%20the%20global,reach%205.3%20billion%20by%202030).

<sup>11</sup> Future Market Insights, 'Second-Hand Apparel Market', 2022 <https://www.futuremarketinsights.com/reports/secondhand-apparel-market#thankyou>

<sup>12</sup> The EU defines a green job as, 'any professional activity that helps to protect the environment and fight climate change by saving energy and raw materials, promoting renewable energies, reducing waste and pollution or protecting biodiversity and ecosystems'. [https://www.greens-efa.eu/legacy/fileadmin/dam/Documents/Publications/GND/Green\\_jobs\\_EN\\_01.pdf](https://www.greens-efa.eu/legacy/fileadmin/dam/Documents/Publications/GND/Green_jobs_EN_01.pdf)

<sup>13</sup> Reuse, 'Ethical Principles for the Clothing Sector', June 2016 <https://www.rreuse.org/wp-content/uploads/2015-06-textiles-position-RREUSE.pdf>

We argue that the reduction or elimination of VAT on the sale of second-hand clothes and repair services would significantly boost the sale of reusable clothes in Europe while spurring the creation of green jobs.

- iii. *In March 2020, the Commission will adopt an EU industrial strategy to address the twin challenge of the green and the digital transformation.*

The Green Deal states: *'Together with the industrial strategy, a new circular economy action plan will help modernise the EU's economy and draw benefit from the opportunities of the circular economy domestically and globally. A key aim of the new policy framework will be to stimulate the development of lead markets for climate neutral and circular products, in the EU and beyond' (page 7).*

Maximising the rate of clothing reuse is the best way to ensure greater environmental sustainability and deliver the goals of the CEAP. We would like to see improved collaboration across the value chain among retailers, garment makers, yarn and fabric suppliers, collectors and sorting centres to achieve greater circularity in the textile value chain and ecosystem. If more clothing is to be reused, quality needs to continue to improve with greater emphasis on eco-design. Reuse is the least environmentally damaging way of dealing with used clothing since it actively prevents waste and reduces the need for new production. While we fully recognise the future importance of recycling in the textile ecosystem, particularly for textile garments that have reached the end-of-life stage, the evidence suggests that fibre-to-fibre recycling of post-consumer textiles may still have an adverse environmental impact.

To further strengthen clothing reuse in Europe and across the world, EU regulations need to be drafted in order to avoid a negative impact on the sector which was not intended by legislators. We fully support the EU's vision of a circular economy in textiles, while we are ready to work with the European Commission towards the goal of greater environmental sustainability and the circular economy through implementation of the CEAP. We recognise that our sector has a critical role to play in delivering greater useability of clothing and textile garments both in Europe and the wider world in accordance with the objectives of the European Green Deal.

- iv. *Energy-intensive industries, such as steel, chemicals and cement, are indispensable to Europe's economy, as they supply several key value chains.*

The Green Deal states that: *'The decarbonisation and modernisation of this sector is essential. The recommendations published by the High-Level Group of energy-intensive industries show the industry's commitment to these objectives' (page 7).*

The textile industry is also highly energy intensive. The sector is estimated to be the fourth most damaging for the environment across the globe (after the food industry, housing and transport). Textile production uses large amounts of water and raw materials, generating significant carbon emissions. Textile production is expanding rapidly around the world. Yet at present only a small proportion of textile products in the industrialized countries are reused or recycled.

Other EU policy documents such as the draft paper on Transition Pathways argue that the main feature of a circular textile ecosystem is having sufficient capacity for ‘innovative fibre-to-fibre recycling’. However, this approach arguably has weaknesses that ought to be recognised in future iterations of the strategy.

Firstly, the position contradicts the main thrust of the EU Waste Hierarchy which emphasises the importance of waste prevention; as such, reuse should take precedence since it leads to less production of new clothes and has the lowest environmental impact.

Secondly, the EU’s approach in this instance focuses exclusively on European consumers. The transition pathways document refers to the size and capacity of the European textile ecosystem, having relatively little to say about the global nature of production. We fully acknowledge that recycling is likely to play an important role in the future textile value chain, and we understand the EU’s concern about the export of textile waste outside Europe which is not properly managed. However, we argue that from the perspective of climate neutrality, it is essential that EU regulations promote reuse. To promote reuse, it must be possible to export unsorted collected clothing items efficiently outside Europe since it is possible to sustain a bigger sorting infrastructure if third countries are involved, while non-OECD countries are important markets for high-quality SHC.

- v. *The circular economy action plan will include a ‘sustainable products’ policy to support the circular design of all products based on a common methodology and principles.*

The Green Deal states that the EU, *‘will prioritise reducing and reusing materials before recycling them. It will foster new business models and set minimum requirements to prevent environmentally harmful products from being placed on the EU market. Extended producer responsibility will also be strengthened’* (page 7).

The document also states that: *‘While the circular economy action plan will guide the transition of all sectors, action will focus on resource-intensive sectors such as textiles, construction, electronics and plastics. The Commission will follow up on the 2018 plastics strategy focusing, among other things, on measures to tackle intentionally added micro plastics and unintentional releases of plastics, for example from textiles*

*and tyre abrasion...and will develop a regulatory framework for biodegradable and bio-based plastics, and will implement measures on single use plastics' (page 7).*

We welcome the emphasis in the Green Deal on the primacy of reuse. The SHC and reuse sector in Europe provides a ready-made textile reuse infrastructure alongside a viable business model for future growth. The EU's strategy should build on the knowledge and commitment that already exists throughout the SHC and reuse sector. This is a business model which is delivering in practice and will help to achieve the goal of a sustainable and circular textiles industry across Europe.

As such, we argue that EU innovation funding needs to be channelled to develop existing and impactful clothing reuse business models, rather than focused exclusively on developing fibre-to-fibre recycling technologies and automated sorting processes. EU public support must be invested in reuse models. The European Commission is currently committed to, 'co-finance projects on technological innovation for circular fashion business models under LIFE', and further support is to be provided under the European Regional Development Fund.

It is vital that co-financing and EU support for public/private partnerships are not confined to fibre-to-fibre recycling technologies and automation but are also used to advance reuse-orientated business models. For example, independent observers have concluded that there are limits to the utility of automating sorting processes for clothing reuse. The process requires manual pre-sorting and skilled human operatives with experience and judgement. There is a once in a generation opportunity to mobilise private and public sector investment to advance textile reuse business models through EU innovation funding.

- vi. The circular economy action plan will also include measures to encourage businesses to offer, and to allow consumers to choose, reusable, durable and repairable products.*

*The Green Deal states that, 'It will analyse the need for a 'right to repair', and curb the built-in obsolescence of devices, in particular for electronics. Consumer policy will help to empower consumers to make informed choices and play an active role in the ecological transition. New business models based on renting and sharing goods and services will play a role as long as they are truly sustainable and affordable' (page 8).*

We agree that the EU must fashion an eco-design policy which ensures that clothing items in general last longer. As the EU circular textiles strategy notes: 'Extending the life of textile products is the most effective way of significantly reducing their impact on climate and the environment. To achieve this, product design has a key role. Failures in quality such as colour fastness, tear strength or the quality of zippers and seams are among the main reasons for consumers to discard textiles'. Consumers need to be encouraged to embrace reuse. There should be much greater emphasis



on longevity through the design and production process. It should be expected that clothing products will change hands several times over their life-course, particularly given advances in eco-design.

We agree with the EU that, 'increased durability will enable consumers to use clothing for longer and at the same time support circular business models such as reuse, renting and repair, take-back services and second-hand retail'. Currently only one fifth of European consumers purchase reused clothing items. The SHC sector needs regulations and incentives that promote reuse and encourage producer responsibility.

- vii. *Reliable, comparable and verifiable information also plays an important part in enabling buyers to make more sustainable decisions and reduces the risk of 'green washing'.*

The EU Green Deal states: *'Companies making 'green claims' should substantiate these against a standard methodology to assess their impact on the environment. The Commission will step up its regulatory and non-regulatory efforts to tackle false green claims. Digitalisation can also help improve the availability of information on the characteristics of products sold in the EU. For instance, an electronic product passport could provide information on a product's origin, composition, repair and dismantling possibilities, and end of life handling. Public authorities, including the EU institutions, should lead by example and ensure that their procurement is green. The Commission will propose further legislation and guidance on green public purchasing' (page 8).*

It remains the case that claims by fashion producers as to the ease of reprocessing and the sustainability of their textile products can easily amount to 'greenwashing' unless they are backed up with robust scientific evidence that confirms such processes do not have a damaging environmental impact.

While there has been welcome innovation in fibre-to-fibre recycling, such approaches can be costly for the environment and generate significant carbon emissions, even if the activities are managed within Europe. Recent innovations such as technological processes that, 'depolymerize and dissolve polyester and cotton in PC textiles to extract these from the polycotton blend, producing cellulose pulp', are likely to remain energy intensive generating additional carbon emissions.<sup>14</sup> In particular, they consume water and energy at a time when Europe is already facing an energy price and resource crisis.

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<sup>14</sup> Eionet Portal, 'Textiles and the Environment in a Circular Economy', November 2019  
<https://www.eionet.europa.eu/etcs/etc-wmge/products/etc-wmge-reports/textiles-and-the-environment-in-a-circular-economy>

The fashion industry already uses significant quantities of non-renewable energy: 10 per cent of the entire global carbon budget is expended on clothing and textiles, of which 80 per cent is in the production phase.<sup>15</sup> The corporate fashion sector may have the financial strength to invest in recycling processes without making profit for several years. But there are questions as to whether the recycling technologies will be compatible with the promotion of sustainability and circularity.

It is in our view a mistake to drive the transition towards a new textile ecosystem simply by boosting demand for recycled fibres. EU regulations should not incentivise the recycling of clothing items that are in fact reusable. Recycling has a key role to play in the textile ecosystem, not least because all textile garments will eventually reach the end-of-life stage and cannot be resold to other consumers. Yet the first step should instead be to strengthen reuse in every conceivable way, not least by ensuring that the production of new clothes is undertaken so that they last longer (through improvements in eco-design, for example), and can be used many more times before they go into recycling. Another priority is to maintain a competitive and constructive environment for existing reuse businesses.

*viii. A sustainable product policy also has the potential to reduce waste significantly.*

*The Green Deal states: 'Where waste cannot be avoided, its economic value must be recovered and its impact on the environment and on climate change avoided or minimised...The Commission will consider legal requirements to boost the market of secondary raw materials with mandatory recycled content (for instance for packaging, vehicles, construction materials and batteries). To simplify waste management for citizens and ensure cleaner secondary materials for businesses, the Commission will also propose an EU model for separate waste collection. The Commission is of the view that the EU should stop exporting its waste outside of the EU and will therefore revisit the rules on waste shipments and illegal exports' (page 8).*

We argue that the efficacy of the EU's system for efficiently collecting and reusing textile garments and clothing items depends on maintaining an open export market with third countries. As such, maximising textile reuse requires open access to global reuse markets. For reuse to be optimised, clothes must be manually sorted wherever possible. With the increased collection of textiles when the separate collection of textiles becomes mandatory in 2025, that sorting process can in all probability not be done in the EU alone.

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<sup>15</sup> European Environment Agency, 'Textiles in Europe's Circular Economy', June 2019 <https://www.eea.europa.eu/publications/textiles-and-the-environment-the>

We contend that textiles must be processed under the Waste Directive and Shipment Regulations using systems that facilitate the export of unsorted clothes to third countries. Unsorted clothing should be exportable under a certification system that guarantees the items will be dealt with responsibly in the third country, minimising any adverse environmental impact.

Meeting the goals of circularity and sustainability will be made easier if there is active investment in the reuse and SHC infrastructure of third countries, ensuring that clothing items are processed responsibly whether they are sorted or unsorted. SHC businesses operating in third countries in Asia and Africa have the operational know-how, expertise and credibility to ensure that infrastructure remains effective, helping to deliver the EU's goals of sustainability and circularity across the globe.

An EU-led auditing mechanism should be established to oversee the process of shipment of unsorted clothes and ensure adequate oversight. Checks should be carried out on sorting facilities themselves which means there would be no requirement for intervention at the level of the member-state. This is a more flexible and less bureaucratic solution to the problem of managing textile waste.

- ix. *Promoting new forms of collaboration with industry and investments in strategic value chains are essential.*

The Green Deal states: *'The Commission will continue to implement the Strategic Action Plan on Batteries and support the European Battery Alliance...The Commission will also support other initiatives leading to alliances and to a large-scale pooling of resources, for example in the form of Important Projects of Common European Interest, where targeted time-bound State aid can help build new innovative value chains'* (page 9).

We argue that EU innovation funding needs to be channelled to develop existing and impactful clothing reuse business models, rather than focused exclusively on developing fibre-to-fibre recycling technologies and automated sorting processes. EU public support must be invested in reuse models at least as much as recycling. The European Commission is currently committed to, 'co-finance projects on technological innovation for circular fashion business models under LIFE', and further support is to be provided under the European Regional Development Fund.

It is vital that co-financing and EU support for public/private partnerships are not confined to investment in fibre-to-fibre recycling technologies and automation but are also used to advance reuse-orientated business models. Independent experts have concluded that there are limits to automating sorting processes for clothing reuse. The process requires manual pre-sorting and skilled human operatives with experience and judgement. There is a once in a generation opportunity to mobilise

private and public sector investment to advance textile reuse business models through EU innovation funding.

- x. *Digital technologies are a critical enabler for attaining the sustainability goals of the Green Deal in many different sectors.*

The Green Deal states that: *'The Commission will explore measures to ensure that digital technologies such as artificial intelligence, 5G, cloud and edge computing and the internet of things can accelerate and maximise the impact of policies to deal with climate change and protect the environment'* (page 9).

We recognise that digital technologies can play a key role in enabling the achievement of the EU's sustainability goals. However, we contend that second-hand clothes intended for reuse should be exempt from future EU regulations on Digital Product Passports (DPP). The aim of DPPs is 'to enhance the traceability of products and allow consumers and manufacturers to access all the information concerning a specific product'.<sup>16</sup> We welcome the emphasis on increased transparency for consumers.

Nonetheless, the SHC and reuse sector in Europe already has established protocols to provide clear and transparent product information to consumers. The DPP is a relatively bureaucratic approach that will disadvantage SMEs in comparison to large fashion companies by imposing additional costs. The SHC sector in Europe is overwhelmingly comprised of SMEs. Undermining those SMEs reduces Europe's potential for textile reuse.

## Summary

Ultimately, our sector can deliver greater reuse of clothing items both in Europe and the wider world in accordance with the objectives of the European sustainability strategy and the European Green Deal. The Green Deal ambition, 'is to make growth sustainable, climate-neutral, energy and resource-efficient and respectful of nature, and built around a clean and circular economy'.<sup>17</sup> The textile reuse and SHC sector is highly conducive to the green transformation advocated in the European Green Deal. SHC businesses are seeking to reduce the environmental impact of the textiles industry by promoting clothing reuse and recycling while limiting the overconsumption of mass-produced clothing.

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<sup>16</sup> Generation Climate Europe, 'Digital Product Passport: what is it and what does it imply for the textile industry?', October 2022

<https://gceurope.org/digital-product-passport-what-is-it-and-what-does-it-imply-for-the-textile-industry/>

<sup>17</sup> European Commission, 'EU Strategy for Sustainable and Circular Textiles', March 2022

[https://environment.ec.europa.eu/publications/textiles-strategy\\_en](https://environment.ec.europa.eu/publications/textiles-strategy_en)

To have maximum impact, the SHC industry needs clarity, a long-term regulatory framework, and where necessary public investment in innovation and scalable business models. These measures will help to ensure there is an infrastructure both in Europe and developing countries that delivers greater sustainability and circularity in the future textile ecosystem and value chain.

*December 2022*