



TEKSTILREVOLUTIONEN

Tekstilpolitisk tænketank

# EU strategy for sustainable textiles

What it is and our standpoints



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## Executive Summary

In this document we discuss the roadmap for the [EU Strategy for sustainable textiles](#) by the European Commission. The European Union (EU) is in the process of developing an EU strategy for sustainable textiles for the EU textile market. Currently, they have published a roadmap on key ideas that the upcoming strategy may hold. While it is still in public consultation and thus still up for discussion, we have written this document to (1) give an overview of why and how the EU is intervening in the industry and (2) what we as a green think tank judge to be appropriate and sufficient means to reach a so-called “sustainable” textile industry.

In the roadmap, it is described that “The aim of the initiative is to set in place a comprehensive framework to create conditions and incentives to boost the competitiveness, sustainability and resilience of the EU textile sector”<sup>1</sup>. In other words, quite a few interests are put under the same strategy with a goal of balancing the safety of our planet and supply chains with economic growth.

We endorse the general trend of pushing environmental responsibility to the center of the stage. The establishment of a level playing field with environmentally friendly actions is necessary to stay within planetary boundaries. Brands, producers, retailers, etc. need to be incentivised and credited to take responsible actions - not just praised by consumers who want to purchase ethically, but as a function of a system we have established.

However, while we welcome this trajectory of a guiding framework, the strategy as described in the roadmap is still too hesitant in taking the decisive leap towards the green transition. Still voluntary approaches, mild business encouragement and consumer awareness have too big of a role in the initiative. Too much of a focus on COVID-19 recovery to status quo and economic viability hinders progressive and a fundamental divergence from the linear economy.

<sup>1</sup> [EU strategy for sustainable textiles](#)



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## Background

The strategy is part of a more comprehensive strategy and thus, in order to understand what the initiative is actually about, it is necessary to zoom out and comprehend what the EU is aiming for and which other initiatives are in play.

In December 2019, the European Commission adopted the [European Green Deal](#)<sup>2</sup>, which is a growth strategy (not a piece of legislation) aiming at creating a modern economy with no net emissions of greenhouse gasses by 2050 and with economic growth being decoupled from resource use. This 'deal' is a framework or recommended mindset for policymakers. Along these lines, the [Circular Economy Action Plan](#) (CEAP)<sup>3</sup> came into being in March 2020 as a core part for the Green Deal. While the Green Deal is relatively short (24 pages), CEAP is an initiative that introduces legislative and non-legislative measures to achieve a circular economy. These documents are precursors to the directives that are going to change operations within business, society and the EU economy.

This is where the EU Strategy for sustainable textiles comes into the picture - as a sector-specific strategy. Like the Green Deal, it is a guiding framework that will pave the way for future policies. The attempt is to frame already proposed initiatives into a textile context. These initiatives are for example [Sustainable Products Initiative](#)<sup>4</sup>, [The New Consumer Agenda](#) and [Environmental performance of products & businesses – substantiating claims](#).

<sup>2</sup> COM(2019) 640 final

<sup>3</sup> COM(2020) 98 final

<sup>4</sup> [EU Sustainable Products Initiative](#)



## Introduction

The [EU Strategy for sustainable textiles](#) is an initiative by the European Union (EU). It is expected to be adopted by the European Commission in the third quarter of 2021. The Strategy is currently in the phase of public consultation. This is where public actors such as companies, NGOs, civil society organisations, academics and citizens can give input to the initiative. When the Commission has organised and integrated the input, the proposal continues its process in the EU system.

At the moment, the Commission has drafted a 'roadmap' that sketches the big lines of the initiative. This description is still vague, yet this does not necessarily mean that it will end up as such. The industry is a vital part of the green transition, which is why the European Green Deal has identified textiles as a priority sector. The industry has large environmental and social impacts that are crucial to address if we want to reduce the pollution and exploitation of workers both in the EU and beyond the borders. Still, it can be argued that this initiative is a somewhat late reaction to huge and, for quite a while, increasing environmental issues. Despite all the talk about sustainability, the world has never before produced the quantity of garments made today<sup>5</sup>.

In recent times, a variety of legislations have been proposed and adopted both in the EU area and by nation states<sup>6</sup>. This EU strategy has the potential to be a game changer in terms of how textiles are produced, used and recycled. It is likely to put a framework in place that in the coming years will increase requirements and expectations for textile companies and help consumers to make better choices.

In Tekstilrevolutionen we welcome this proposal. It is our position that this is a golden

opportunity to set the direction towards a fairer and more responsible textile industry with a lower environmental impact.

### The problems to solve

The EU strategy for sustainable textiles is not a strategy with one single objective. It is an attempt to encapsulate main issues of the textile industry at the same time. And some of these might clash. The challenge is how to create a transition to a lower environmentally impactful global textile industry in a way that is not leaving behind millions of textile workers and poorer regions. At the same time, this should create more resilient supply chains as well as competitiveness and a post-COVID economic boost.

The proposed initiative has formulated the intention in this way: "to set in place 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, after a long period of restructuring and delocalisation, and addressing its environmental and social impacts."

More concretely, the proposal tries to improve on four elements: EU competitiveness, supply chain resilience, global sustainability and post-COVID EU economy.

## Key points of the strategy and the position of Tekstilrevolutionen

### Tackling overconsumption

Overconsumption is undoubtedly the greatest cause for problems related to natural resources and human lives in the textile industry. The document from the Commission itself states that "Textile consumption is the fourth highest pressure category in the EU[...]".

The Roadmap does mention the importance of both "sustainable consumption" and "new consumption models". Although the two expressions seem similar, it is crucial to make sure that "sustainable consumption" doesn't end up being greenwashing of minor and relatively insignificant initiatives, which drown the efforts on addressing the need to change consumption patterns. We are using our clothes less and we are buying more of it. Recently the Chinese-based fast fashion company SHEIN became the largest fashion retailer in the USA<sup>7</sup>. The resource consumption associated with this comes at the expense of working conditions and the environment. The resource consumption curve is far from bending off and we need systemic change rather than incremental improvements on resource efficiency. Changing the business models is crucial. We cannot afford to 'green label' reductions while continuing with business as usual.

Therefore, the incentives should be strong enough to effectively replace the old and linear business models with low-impact ones. We all have a responsibility to consume less

and better and this should be easier to do as a consumer. The political frameworks should decisively favour and reward creative business models and concepts that greatly reduce resource consumption.

### Sustainable lifestyles and business models

The current system of linear economy and mass production needs to be changed. Accordingly, the roadmap proposes to "look into supporting more sustainable lifestyles, for instance by incentivising 'product as a service' and other sustainable business models". In other words, it is emphasised that economic flows shouldn't depend on new material production but rather on services, which have a significantly lower environmental impact.

This approach and perspective is much welcomed and there are examples within the EU of companies working with alternative and low impact business models<sup>8</sup>. The political framework should seek to make it easier and more financially attractive to further develop these. This would tilt the playing field in favour of models that pollute less or even clean up. Especially, 'product as a service' models should be favoured since this model creates incentives for businesses to create longer lasting products and deter fast fashion and overconsumption. Courage should be found to not only support businesses that are committing to these changes, but also to make it less financially attractive to continue the old, polluting, linear business model.

One possibility is to introduce a 'fossil fashion' tax on virgin polyester fibers<sup>9</sup>. This would disincentivize production of garments that rely on new extraction of fossil fuels. The trend in

<sup>5</sup> [Textile Exchange, Preferred Fiber and Materials: Market Report 2020](#)

<sup>6</sup> E.g. see our review of the Action Plan for Circular Economy by the Danish Government [here](#)

<sup>7</sup> <https://www.earnestresearch.com/data-bites/shein-leads-fast-fashion/>

<sup>8</sup> See for example: MUD Jeans' leasing, Nudie Jeans' free repair service, Det Kollektive Klædeskab (the collective wardrobe)

<sup>9</sup> Idea taken from the [feedback by European Environmental Bureau](#)

<sup>10</sup> [Textile Exchange, Preferred Fiber and Materials: Market Report 2020](#)



recent years has been to use synthetic fibers from fossil fuels - which now account for 63% of global fiber production<sup>10</sup>. The revenue from these taxes could suitably be given as tax reductions on profits stemming from circular business models, for instance sale of second-hand clothing.

## Extended Producer Responsibility

In the roadmap, the Extended Producer Responsibility (EPR) is written as something that will be “considered”. The EPR is a policy approach in which companies are responsible for treatment or disposal of products after the use phase. Through this ‘polluter pays principle’, companies are financially or physically responsible to clean up after their products. Thus, companies that produce fewer material products, pay less. This incentivises the transition towards business models such as product-as-service or free repair services. Later this year, we will publish a more extensive publication solely on extended producer responsibility. [Sign up here to become a member](#) and receive it as soon as it hits the streets.

We endorse the implementation of EPR and are disappointed that such an important and impactful mechanism is only “considered” and not a firmly established part of the strategy already. A firmer and more confident phrasing would have an impact on business strategies and transitions would pick up speed more rapidly. While textile waste is to be collected separately in 2025<sup>11</sup>, implementation of EPR is a natural opportunity to direct the expenses of collection and management towards the actors responsible for the waste.

<sup>11</sup> Waste Framework Directive 2008/98/EC as amended by Directive (EU) 2018/851.

## Transparency, Traceability and Due diligence

The EU strategy for sustainable textiles will explore how to reinforce the protection of human rights and the environment. To do this, two mechanisms are mentioned: Environmental Duty of Care and Due Diligence, both of which include transparency and traceability across the value chain.

Environmental Duty of Care is an extension of the duty of care which requires directors (an elected group of individuals that represent shareholders) to make decisions that are financially, ethically, and legally sound thus minimising the self-interests that each director may have. However, in many cases, this means to act in the interest of shareholders, who often pursue short-term financial gains, hence leading to short-termism. Environmental Duty of Care includes the responsibility for the environment which is an attempt to stop the exacerbation of the environment for the benefit of short-term profits. At times, the concept is used to also include a broad range of stakeholders, such as employees, workers upstream as well as the local community where the company operates.

As we also describe in [our publication on the topic](#), Due Diligence can be said to be “how a business understands, manages and communicates about risk. This includes the risks it generates for others, and the risks it encounters through its strategic and operational decisions and actions.” In the initiative, there are efforts towards making directors responsible for their company’s actions regarding the environment and human rights.

We strongly believe that these measures, implemented right, will create fairer and more

responsible businesses and lead to a just transition towards a more responsible textile industry.

Traceability and transparency are two concepts key to creating a foundation for the making of responsible companies and successfully implementing the two former measures. Information for consumers is not enough. However, public information on companies’ supply chain, production and environmental impact can be leveraged by civil society organizations and NGOs to change behavior. As we have seen in the food industry, disclosure of information about nutrients combined with knowledge from NGOs and other actors can have an impact on consumption patterns. We need the same combination in the textile industry.

Currently there are various digital projects already being developed to address difficulties related to transparency and traceability. In the EU, the digital ‘Products Passport’ is currently being discussed within the Sustainable Products Initiative. While collecting information from all stages of a product’s life cycle, the Product Passport will enable consumers to have more information on their products, authorities to have more control over the market (e.g. protecting against counterfeit), waste managers to more easily manage waste streams, and more. What information will be available is still up for debate, however<sup>12</sup>.

Although more transparency and better information is a step in the right direction, making it more attractive for businesses to engage in low impact business models is far more crucial.

<sup>12</sup> For more about this concept and our position on the Sustainable Products Initiative, [read our publication on the topic](#)

<sup>13</sup> COM (2020) 456

<sup>14</sup> [Ellen MacArthur Foundation, Universal Circular Economy Policy Goals \(2021\)](#)



## Investments

The roadmap proposes to use money from the post-COVID recovery plan<sup>13</sup> (€750 billion stimulus package) and ‘sustainable’ investments to boost production processes, design, new materials, new business models, infrastructure and capacity. To enable the digital and green transition, funds will also support technological innovation for innovative textiles, tackling the release of microplastics, manufacturing and recycling processes.

We welcome investments, but we are worried about where the funds will go. This historic recovery fund has been created by indebting all people living in the EU, consequently we highly warn against using it on re-establishing the pre-pandemic status quo of the textile industry. Instead, all money should be ear-marked for projects that are fundamentally within the scope of a sustainable, circular economy and be invested on the background of what public investment can do - that is, to ensure basic research in key areas and steering society towards desired pathways. We echo the three areas described by the Ellen MacArthur Foundation<sup>14</sup>:

1. Riskier, longer-term business models and material innovations, especially those that are asset-heavy

Public funds can engage risky and long-term oriented investments. This should be taken advantage of by investing in early stages of development, in pilot projects, in research on business model innovation, in basic research, and as mission-oriented public innovation funds.



## 2. Infrastructure and related costs

The transition from the linear model to the circular requires investment in re-shaping waste flows, most importantly facilitating that products and materials can be (re)used for as long as possible. Also, developing digital connectivity, for instance through the digital Product Passport, will enable the creation and processing of data and information for enhancing material flow logistics, transparency, and the overall complex demands of circular supply chains.

## 3. Investment in skills and employment

Digitalization, automation, and forthcoming reorganization of value chains will make many current job positions redundant. Vice versa, the circular economy will induce novel employment opportunities. Investment should be in people by qualifying (re)education with circular economy principles and training programmes that will develop new capabilities and peer networks.

tile waste in 2025, particularly because mixing of fibres and presence of chemicals make textile-to-textile recycling challenging.

Setting targets is a good step towards dealing with a problem, so we of course welcome the more ambitious targets for reuse and recycling. Especially raising targets on reuse could have a significant positive impact on the resource consumption since reusing schemes are increasing the active lifetime of the products and thereby slowing down the need for purchasing new. As well, this is likely to cause the quantities of textile waste for recycling to decrease.

The major problem and source of growing textile waste is overconsumption; Setting targets on recycling is treating symptoms rather than the disease. And although the symptoms are important, there is a clear hierarchy in importance. We deem it relevant to set targets that are in line with planetary boundaries<sup>16</sup> so that this industry takes its fair share of the responsibility. Hopefully, this will conduce more actions towards product as a service and reduced production of new garments since these initiatives are low hanging fruits for reaching minimal environmental degradation.

Green public procurement can be a major road builder paving the way for low impact business models, materials and processes. The fact that public actors buy large quantities at a time, makes it possible to push boundaries, which opens up technology, production methods and business models for private consumers. Evidently, we endorse progressive, green public procurement.

## Setting targets on reuse and recycling

It is proposed that the initiative should set targets on reuse and recycling efforts as well as green public procurement in the EU. On a global scale, less than 1% of textiles are recycled into new textiles<sup>15</sup>. Further, nothing is to indicate that it will be possible to process anything close to the volume needed when all EU countries begin separately collecting tex-

<sup>15</sup> Ellen MacArthur Foundation, *A new textiles economy: Redesigning fashion's future (2017)*

<sup>16</sup> Look out for our coming publication on the topic.



## Voluntary approaches

Voluntary approaches, such as certification with the EU Ecolabel, is portrayed as a natural part of the initiative. Although we support the use of rigorous certification schemes, this should not be a part of the strategy.

We strongly oppose making voluntary approaches a part of an EU strategy that aims at correcting environmental damage occurring in the industry. Voluntary approaches can be a means for forward looking brands to show responsibility or for industry players to implement resource efficient methods. However, for steering an entire economic model towards a different path, voluntary approaches fall short. After two decades with the belief that free market capitalism naturally will lead to the optimal social, environmental and economic solutions, we must recognize that textile workers have horrible wages and environmental issues have been brushed aside for the benefit of economic gains. It is time to take a conclusive stance on issues in the old system and decisively leap into the green transition.

## Effects and recommendations

How may this initiative affect businesses, legislators, consumers and designers? The following section will outline the possible effects from this initiative as well as recommendations on how to act in order to be in the forefront of the coming transition.

### Businesses

For businesses in the industry, the effects of this initiative will depend upon how the final strategy ends up and how it will be imple-

mented. But although it is still uncertain how far the strategy will take us this time around, the direction is very clear. This means that demands will come. Some sooner, some later but frameworks will be installed and only further tightened with time. This initiative will push expectations and will push the industry forward. With rising expectations from public procurement, more focus on greenwashing and competition on sustainability among peers, companies with the intention of taking or keeping market shares will have to step up. If your business is not already prioritising sustainability, it is high time to start.

Taking steps towards low-impact business models will be a great engagement no matter how far you are on the journey. Start by keeping yourself up to date on textile sustainability. Another recommendation is to strive towards having a collection of apparel products with high sustainability performance. The performance is measured by looking at parameters like strong durability, material composition, and environmental impact during production. To understand how well your product is doing in the latter parameter, do a life cycle assessment. This is to target the heavy processes and find smarter alternatives and to communicate about their path. This is a way more credible approach than making green logos and setting fluffy targets. And although the cheap strategies might work for some time, you will end up way behind when legislation and consumers raise their demands.

Product as a service, it cannot be stressed enough, it will be the dominant business model. Develop take back schemes as a starter. Resell it as preloved clothes. Down the line look into services like rental, leasing and other similar concepts.



## Consumers

As a consumer, you will notice that new and more creative business models will emerge and that more information will be available to you. Although supporting the brands that are trying to make a difference is a good idea, don't do it at the expense of overconsumption. If you have doubts on how to have the lowest impact through your use of clothing, have a look at our [impact guide](#).

Look more carefully at the clothes that you intend to buy. Oftentimes information is missing and in that case, go ahead and ask the shop assistants. Are you in doubt about what to ask, here is a list for your inspiration.

1. What is the expected longevity of this piece?
2. Has minimising the consumption of resources been taken into account in the production?
3. Under which conditions were the clothes produced?
4. What do the certifications that the clothes have, mean?
5. How do I recycle it in the most environmentally friendly way possible when it cannot be used any longer?
6. What is your brand doing to work towards a textile industry with a lower environmental and social impact?
7. What is your brand not doing?

## Legislators

As a national legislator, you will find that the EU is starting up quite a few initiatives that will have a major impact on the textile sector. When the EU develops directives, make sure to implement these in a thoughtful and ambitious manner. Be aware that loopholes exist and focus on rather insignificant elements is quite common, such as unambitious targets and resolving to voluntary approaches. Seek more information about the impact of the textile industry and possible solutions to lower it. Be bold regarding new ideas. Remember, legislation that once seemed ludicrous has now become trivial.

## Designers

While designers have always been pivotal in what garments look like, they are now starting to get an increased responsibility in other phases in the garment's life cycle. How garments are made and how garments optimally can be recirculated in the sector are to a greater extent becoming part of the job as a designer. If you are rusty on what is happening in terms of sustainability, brushing up on that will increase your merit in the industry significantly. However far you are working with sustainability, keep your eyes open for new perspectives and ideas. It is easy to think that you have the golden solution. What matters most might surprise you, but for at start, focus on prolonging life rather than better materials.



# ABOUT TÆNKETANKEN TEKSTILREVOLUTIONEN

Tekstilrevolutionen is an independent think tank working towards a textile industry in which production and consumption has a positive impact on the world and its inhabitants. We believe in inspiration, information and co-creation are the tools that will bring us there. We want to develop an environment where scientists, scholars, brands, consumers, politicians and authorities are collaborating to find, cultivate and realize the best solutions.

We collect data, come up with ideas and pinpoint barriers and possibilities connected to the green transition that the industry is bound to undergo. To brands, we assist in reaching their green potentials; to politicians, we provide industry knowledge and push for progressive legislation; to customers, we share knowledge and develop tools which can guide towards informed decisions and cognizant consumer behaviour.

We want a nourishing textile industry where stock prices can grow, revenue streams flow, and business life can take centre stage, yet it cannot be at the expense of flourishing ecosystems where trees endure, rivers are pure, and all people can earn a living wage.

