

Joint position on the EU strategy for sustainable textiles

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General considerations about the sector

The European textile sector is a diverse sector composed predominantly by SMEs. In Europe, there are around 171,000 companies in the textile and apparel sector, employing around 1.7 million workers¹. A big percentage (88.8%) of these companies are micro-enterprises. SMEs in the sector are present in different parts of the value chain from manufacturing to retail and service providers. Some of them are also involved in the production of Personal Protective Equipment (PPE) or medical devices.

The EU has a significant role as producer, exporter and importer of semi-manufactured and final products at the international level. Analysing the production capacity of the European textile value chain in terms of mass flows of materials, the EU produced (data in EU-27 2020 economy in 2018, in tonnes) 2,405,518 million tonnes of fibres, 1,458,168 million tonnes of yarns, 1,943,686 million tonnes of fabrics, 948,957 tonnes of finished products². Most manufacturers specialise in high quality, technical and niche textiles, and the last steps of the textile production chain such as the design or tailoring of textiles.

Nevertheless, it is also important to look at the whole textiles value chain and consider that there are many SMEs working in services connected to textile products such as rental, repair and leasing services or washing and dry-cleaning. There is a lack of figures about this part of the sector at European level, but in Germany, for example, washing and dry-cleaning alone reached a turnover of nearly 4.5 bn EUR in 2018 with a total number of 4,271 companies, of which 4,064 had less than 50 employees³. SMEs in the textile services area serve customers in their region with services and products that are often leased and their business principle is that these products should be re-processable as often as possible – a core concept of a circular economy. Additionally, thousands of tailors offer repair services across Europe. These SMEs already have and contribute to more sustainable circular business models⁴.

The future EU sustainable textiles strategy needs to consider the whole value chain and the key and diverse role of SMEs within the textile sector. The value chains in production, consumption of raw

¹ Euratex, <https://euratex.eu/>

² Köhler A., Watson D., Trzepacz S., Löw C., Liu R., Danneck J., Konstantas A., Donatello S. & Faraca G., 2021. Circular Economy Perspectives in the EU Textile sector, EUR 30734 EN, Publications Office of the European Union, Luxembourg, 2021, ISBN 978-92-76-38646-9, doi:10.2760/858144, JRC125110

³ Source: Destatis

⁴ In addition to the holistic consideration of the entire value chain, a product specific analysis must always be included to ensure that requirements are also applicable and transferable in the context of specific products.

materials and the usage cycle are important for the sustainability of textile products. The usage cycle is where the greatest sustainability potential lies. The application of circular economy principles and the transformation of waste into resources to be re-employed in the production cycle could reduce the environmental impact of the supply chain as it would allow to save raw materials, reduce water consumption and fight climate change. It can also represent a great development opportunity for SMEs if managed in the right way.

The upcoming strategy should outline a clear plan to remove the main obstacles which hamper some SMEs from successfully shifting to more sustainable business models and support those that already have circular business models in place. It should also provide the necessary tools, framework conditions and technical assistance for those SMEs that may face difficulties in this transition.

SMEunited and Small Business Standards (SBS) are presenting their main proposals below in order to achieve the above-mentioned objectives.

Need to support sustainable product design

To ensure textiles are kept in use as long as possible and to make the reuse of waste a reality at the end of life, it would be useful to promote the concept of eco-design. This concept encourages designers to make long-lasting, washable, easy to maintain and repair textiles and use raw materials to simplify recycling operations at the end of the products' lifetime. Eco-design principles can simplify the process allowing both manufacturers and service providers to ensure uniformity across a wide range of textile products. Clear and concise product design guidelines for product categories should be developed at EU level to make sure they are the same across the EU and easier to adopt for SME producers. With the production of long-lasting, recyclable, washable and repairable textiles and clothing, the number of usage cycles can be raised. Embedding eco-design aspects in product standards along the supply chain will therefore play a decisive role in sustainability. Textiles must be designed for the circular economy.

2

In this context, SMEunited and SBS would like to encourage:

- The design of textiles that are less susceptible to trends and more geared towards timeless design. Product design should also facilitate maintenance and repair work and availability of spare parts. Upgradeability, modularity, flexibility in terms of size and shape should also be promoted and ensured in the product design.
- To adequately enhance the preferential use of natural or artificial fibers to curb the carbon footprint and guarantee greater consumer safety.
- The sharing of information by manufacturers on the technical durability and expected service life (approaches specified in the PPE Regulation EU 2016/425) of textiles. Information about the reparability of the product also needs to be shared by manufacturers.
- The consideration of recyclability already in the production process. This is the only way to get recycled fibres back into the cycle.

It is also important that SMEs, and particularly micro and small businesses, involved in textile manufacturing, are supported in this transition, especially by defining criteria and standards that

consider their needs. For this reason, European and national business organisations, Member States and European institutions should work together in this process.

Most SMEs and micro enterprises in Europe are not used to working with concepts such as life cycle analysis (LCA) and do not have the infrastructures and resources to perform tests and in-depth environmental analysis. Any future legislative initiative stemming from the strategy should therefore be based on the 'Think Small First' principle. SMEs should also be supported (technically and digitally) at European and national level to make sure they are able to implement these procedures. Freely accessible online databases in all the EU languages with life cycle analysis (LCAs) for different product groups could be of great help in this area.

Support for circular business models

For the success of any initiative aimed at making the EU textile sector more circular, it is essential that business models based on reuse, reprocessing, repair and recycle are attractive, profitable and viable. Considering the potential that lies in the reuse of textiles in both the B2B and B2C sector, it is important to stress that not only the value chains in production and the consumption of raw materials are important for the sustainability of certain products, but also the usage cycle is of utmost importance. This is where the greatest sustainability potential lies. A recent study⁵ has found that through repairing, the textile services sector cuts the carbon footprint of work wear by half. In order to support more circular business models, it is important to:

3

- provide incentives to businesses and consumers for the use of recycled, reused materials and products and promote the use of circular business models such as Products-as-a-Service or leasing. Incentives need to include micro-enterprises as well as the self-employed;
- adopt measures to support washability, longevity and durability of textile products;
- fiscal measures, such as reduced VAT rates, aimed at supporting recycled and second hand products as well as products developed following circular economy business models;
- ensure that public procurement processes include more elements of circularity and Products-as-a-Service models;
- support smaller producers and retailers who provide quality durable and sustainable products to their customers. This support should help them to be more competitive on the market;
- support innovation in the area of recycling;

Learning from the current pandemic situation, workwear and Personal Protective Equipment (PPE) as well as textile medical devices in the health and medical sector should be particularly considered. Professional service providers not only repair and maintain the textiles, they also ensure they keep their protective functions and the necessary hygienic levels. In different sectors, it is still common that employees themselves buy and clean their own work wear (including PPE) which can result in reduced protective functions. There is a lack of clear regulations and control mechanisms to ensure the safety of

⁵ https://www.cws.com/sites/default/files/2021-05/CWS_CAS_Hintergrundpapier_EN.pdf

workers. Specifically, Directive 89/656/EEC should be mentioned here, which urgently needs to be revised.

At EU level, setting requirements to promote the sustainability of products and measurable mandatory criteria for public procurement through sector-specific legislation should be a priority. A procurement process focused on prices for products and services does not consider the costs during a longer period of time such as the costs stemming from the limited lifespan of products when they have to be replaced earlier than products with longer lifecycles or with possibilities for repair and reuse. It also ignores the environmental costs and loss of resources along production chains. PPE clothing or disposable surgical drapes and gowns, which cannot be reprocessed properly, consume much more natural resources.

Need for common standards, certification and labels

The future strategy should also look at how the development of common standards and criteria can support the objective of achieving a more sustainable textile sector. Eco-design and sustainability criteria and principles will have to be developed for textiles to support SMEs in the supply chain. Common European standards can simplify this process allowing for both manufacturers and service providers to ensure uniformity across a wide range of textile products in use by the industry.

Harmonised standards and certifications for sustainably produced textiles, including compliance with the UN Guiding Principles on Business and Human Rights and the development of specific guidelines for textiles to complement the EU's horizontal provisions on due diligence in sustainable corporate governance, would also be necessary.

It is important to avoid the proliferation of private standards and certification schemes. To date, licensers and certifiers of labels for sustainable textiles are mainly private initiatives, institutes, foundations, NGOs or even companies. Their labels are not affordable for SMEs. Certified textile companies allocate the high costs of the labels or certificates to the final product cost, which makes sustainable textiles a luxury product in most cases and not affordable for the masses. The development of common European standards that can be used as basis for conformity assessment should be promoted. In this context, it is important to ensure that these standards fully consider the needs of SMEs and that administrative burdens and reporting are kept as low as possible. This would help to reduce the costs for SMEs while improving the comparability of information available to consumers. The development of criteria and standards for a clear recognition of repairable and recyclable clothing, like the EU energy labels, should also be explored.

Strengthening the EU infrastructure for production and recycling

The lifecycle of textile products greatly varies and depends on the quality of the raw materials and manufacturing process. Thence, manufacturers in the future will have to take a more holistic approach to sustainability, addressing solutions to improve every aspect of the process, from raw materials and production to transportation and logistics to the customers. As mentioned above, it is also important to achieve a longer life for textiles by promoting their re-use, reparability and, at the end of their life,

recycling. Therefore, it is essential to support the development of the right infrastructure. It is important to:

- set up and/or strengthen local and regional networks in charge of collecting and recycling old textiles;
- support the development of value chains which turn the reused/recycled old textiles into new products to be placed on the market;
- restrict the use of low-quality materials which cannot be recycled at the end of their life;
- ensure that the price of secondary raw material is cheaper than new raw materials. New sorting technologies need to be developed to reduce the cost of secondary materials. Public administrations should support innovation in such technologies and the acquisition of new technologies;
- raise the awareness of consumers, particularly the younger ones, on the environmental footprint of their textile purchase choices as well as on other important aspects, such as the washability, longevity, reparability and recyclability of their garments. This is fundamental because if garments with recycled components and recycled textiles in general don't sell, there is no future for them.

These measures should result in high quality secondary raw materials being available in the required amount for the EU companies which plan to use them to start and/or strengthen new business models.

EU end-of-waste criteria

5

The setting up of end-of-waste criteria at EU level for textile waste would also be important. This would guarantee a smoother circulation of the reusable products obtained from textile waste treatment and selection, and a higher management and control uniformity in the Internal Market, thus creating equal conditions for the operators in the EU Member States.

In addition to these general measures, SMEunited and SBS also have suggestions on the following specific aspects:

- sustainability must be implemented in all stages of the life of textile products. Textiles must be produced with sustainable, recycled and environmentally harmless fabrics; they must be longer lasting which means that they must be washable and repairable; only when a textile product is not usable/wearable anymore, it should be recycled; SMEs can make a major contribution to make the life of textile products longer;
- rather than forbidding to destroy unused textiles, the strategy should set up a system which prevents excessive textiles to be put on the market. This system could be based on the model adopted to prevent food waste;
- in relation to prevention of textile waste, it would be beneficial to incentivise local production and support technologies that can take smaller orders through just-in-time or per order production and thereby avoid the production of huge quantities that end up never being sold;
- the strategy should define exactly the concept of sustainable source in order to avoid confusion and only focus on practices worthy of support.

Extended Producer Responsibility schemes

Adequate support could be provided by introducing a voluntary/sector-led Extended Producer Responsibility scheme accelerating the transition to a more sustainable sector. This scheme should be based on the 'Think Small First' principle, which means that it should be proportional and created in such a way that it can be applied by all businesses, including SMEs. The benefits generated via this scheme should be attributed to the industry as a whole and should not only focus on the collection and recycling elements of it. Initiatives on design, production, use, end-of-life and research and innovation should all receive support from the scheme. Additionally, the allocated money should be invested in responsible business conduct.

Moreover, considering some peculiar textile manufactures, especially with regards to the contractors involved in intermediate processing steps, this model urges a sort of "supply-chain responsibility" advocating SMEs in their outsourcing production. In this context, it would also be necessary to define an adequate consortium model of products reuse and recycle, which regulates in a balanced way the relationships between the different actors.

However, in no case actions to address key value chains such as textiles should be based on the model of the Single Use Plastics Directive. From our perspective, this Directive has an Extended Producer Responsibility scheme with an excessively large scope which makes businesses pay for behaviours totally outside their control. This approach skyrockets costs and red tape for businesses in this sector, including SMEs, and discourages responsible behaviour among other actors of the society, such as consumers. Consequently, any new legislative proposal should be developed in cooperation with business representatives and should start from a balanced approach by which responsibility is shared equally among all actors, up to consumers, involved in the life cycle of a product.

6

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About SMEUnited: [SMEUnited](#) is the association of crafts and SMEs in Europe with around 70 member organisations from over 30 European countries. SMEUnited is a recognised employers' organisation and European Social Partner and acts on behalf of crafts and SMEs in the European Social Dialogue and in discussions with the EU institutions.

About SBS: [Small Business Standards \(SBS\)](#) is the European association representing and supporting SMEs in the standardisation process at European and international levels. The association, co-financed by the European Commission and the EFTA Member States, represents the interests of 14 million SMEs across Europe through 21 SME member organisations.