Chemicals Management, due diligence and circularity in the European Textiles value chain

Mauro Scalia, EURATEX Director Sustainable Businesses
27 February 2023
EURATEX Members 2023 – 24 countries, 11 sector-specific organisations

Partnership programme with companies: cerlkon SAURER, KARL MAYER, INDITEX
The Textile value chain

“A complex value chain and diversity of products”

European value chain:

- **Raw materials**
  - Natural (wool, cotton, hemp, flax, silk, ....)
  - Oil derivatives

- **Fibres**
  - Natural fibres
  - Man made fibres

- **Preparation and Spinning of textile fibers**

- **Yarns**
  - Weaving
  - Knitting
  - Other methods

- **Fabrics**
  - Bleaching
  - Dying
  - Printing
  - Finishing

- **Finished fabrics**
  - Clothing / Accessories
  - Home textiles
  - Technical textiles/Nonwoven
  - Other made-up textiles

- **Final products**
  - Retailer
  - Trader

- **Reuse recycling**

- **143,000**
  - 99% SMEs

- **1,300,000**

- **147 Billion**

**Notes**:

- 99% SMEs
- European value chain:
  - 143.000
  - 1.300.000
  - 147 Billions
Europe is the world’s 2nd exporter in Textile and clothing after China
Fourth highest pressures on average

European consumption of textiles has the **fourth highest impact** on the environment and climate change, after food, housing and mobility.

It is one of the **top three** pressures on water and land use, and the **top five** in terms of raw material use and greenhouse gas emissions.

Source: [Textiles and the environment: the role of design in Europe’s circular economy](https://europa.eu) — European Environment Agency (europa.eu)
The Commission’s 2030 Vision for Textiles

- All textile products placed on the EU market are:
  - durable, repairable and recyclable
  - to a great extent made of recycled fibres
  - free of hazardous substances
  - produced respecting social rights

- “Fast fashion is out of fashion” - consumers benefit longer from high quality textiles
- Profitable re-use and repair services are widely available
- In a competitive, resilient and innovative textile sector producers take responsibility for their products along the value chain
- Circular rather than throw-away clothes have become the norm, with sufficient capacities for recycling and minimal incineration and landfilling


EU Strategy for Sustainable and Circular Textiles
Discussing 16 new/renew legislations

Good dialogue and a long way to go
## 16 new/ renew legislations (selection)

<table>
<thead>
<tr>
<th>Law</th>
<th>Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eco-design (ESPR)</td>
<td>• Set design requirements &amp; Digital Product Passport</td>
</tr>
</tbody>
</table>

DATA exchange in the global value chain
## 16 new/ renew legislations (selection)

<table>
<thead>
<tr>
<th>Law</th>
<th>Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eco-design (ESPR)</td>
<td>• Set design requirements &amp; Digital Product Passport</td>
</tr>
<tr>
<td>Waste Directive</td>
<td>• NEW, will set of EPR across EU and waste reduction</td>
</tr>
<tr>
<td>Waste Shipment Regulation</td>
<td>• Control and limit export of waste</td>
</tr>
</tbody>
</table>

### ReHubs®

- Business voluntary initiative to build a new recycling value chain
However, success is not given and there are multiple ingredients to success of scaling textile recycling in Europe

Ingredients of success for textile recycling in Europe, identified by a McKinsey paper (July 2022)

- Critical scale
- Real collaboration
- Transition funding
- Investments
- Public sector push

McKinsey identifies five ingredients for success in their paper of scaling textile recycling in Europe

Source: McKinsey
### Law

<table>
<thead>
<tr>
<th>Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Due Diligence</strong></td>
</tr>
<tr>
<td>• Large companies to report on their value chain, small ones affected</td>
</tr>
</tbody>
</table>

| **Corporate Sustainable Reporting Directive** |
| • Companies to publish how they relate to environmental protection, CSR employees, human rights, anti-corruption and bribery, etc. |
### 16 new/ renew legislations (selection)

<table>
<thead>
<tr>
<th>Law</th>
<th>Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green Claims</td>
<td>• <strong>stop greenwashing</strong>, Labelling and communication on products</td>
</tr>
<tr>
<td>Product Env. Footprint (PEF)</td>
<td>• Making rules to compare Env. footprint of garments</td>
</tr>
<tr>
<td>Microplastics</td>
<td>• Proposals in May to reduce un-intentional releases from textiles</td>
</tr>
<tr>
<td>Taxonomy</td>
<td>• Defines “sustainable investments”, push by finance industry</td>
</tr>
</tbody>
</table>
Upcoming legislation (selection)

<table>
<thead>
<tr>
<th>Law</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial emission directive</td>
</tr>
<tr>
<td>REACH, CLP revision + ECHA</td>
</tr>
<tr>
<td>PFHxA Restriction</td>
</tr>
<tr>
<td>PFAS</td>
</tr>
<tr>
<td>BPA</td>
</tr>
<tr>
<td>Skin Sensititis. Restriction</td>
</tr>
<tr>
<td>Market Surveillance</td>
</tr>
</tbody>
</table>

This may ban tens of thousands of products in the EU, such as:

- (coloured) clothing
- outdoor and rain jackets
- sports and functional textiles
- surfers’ and divers’ suits
- coloured bedclothes
- sofa seat covers / sofa cushions
- carpets
- further textile recycling possible
- Other industry (see next)
Two take away messages

Global textile value chain facing a transformation: how textiles are made, chosen and disposed

Collaboration beyond traditional value chains for investments, data and transparency
Contact:

Mauro Scalia
Director Sustainable Businesses
mauro.scalia@euratex.eu
@maurscalia

Visit our website euratex.eu
Follow us on Twitter @euratex_eu

EURATEX Publications: