



# Movement in Textile Extended Producer Responsibility in the EU and US

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# 01. About The Author



Beth McCalister, Senior Regulatory Consultant, Compliance & Risks

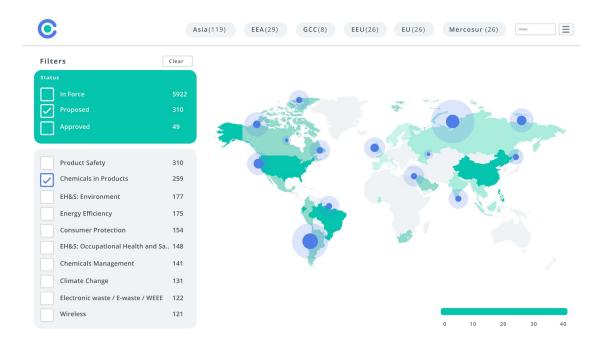
Beth McCalister, MLS, is a Senior Regulatory Consultant in the Global Market Access team at Compliance & Risks.

Beth has more than a decade's worth of experience as a research consultant - monitoring, selecting, and summarizing international consumer products regulations; compiling customized products to address strategic business needs for retailers and manufacturers, including entering new geographic markets; facilitating education and training throughout the supply chain; and developing global best practices around regulatory compliance.

Beth is constantly developing her subject matter expertise in extended producer responsibility in addition to multiple types of consumer products.

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# 03. Introduction

Governments across the globe are taking the initiative to tackle environmental issues at an increasing pace.

With goals of increasing sustainability, environmental quality, and public health, as well as reducing harmful environmental and climate impacts, the European Union (EU) and the United States (US) are taking action.

This white paper will discuss extended producer responsibility (EPR) and sustainability requirements for textiles - both in effect, as well as those to come - in the EU and US, to help you understand the impact of these EPR regulations on the apparel and textile industry.

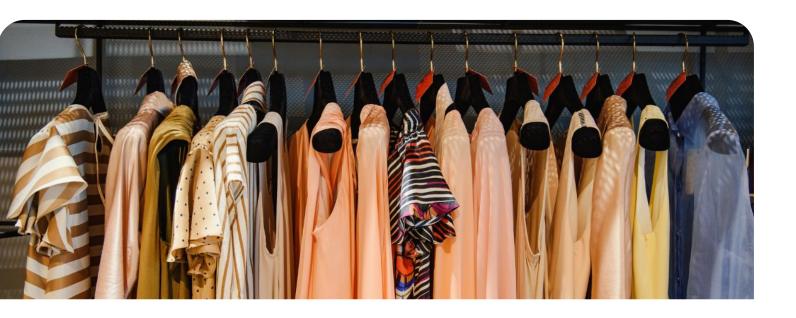
#### We cover:

#### European Union

- Waste Framework Directive Proposal
- Ecodesign for Sustainable Products Regulation

#### United States

- US Federal
- California
  - Fabric Recycling Pilot Project
  - Responsible Textile Recovery Act



# 04. European Union

# 4.1. Waste Framework Directive Proposal

The EU Commission proposed the amendment of the EU Waste Framework Directive (2008/98/EC) in July of 2023, with an objective to reduce environmental and climate impacts, while increasing public health and environmental quality by ways of counteracting the high volume of textile waste generated within the EU and strengthening textile EPR rules.

Amendments include:

- 1. Within eighteen (18) months after the entry into force of the Directive, Member States will need to create EPR schemes for textiles, which shall incorporate the cost of collecting, transporting, and sorting for the recycling or reuse of textile products;
- 2. Producer Responsibility Organizations (PROs) must establish a system to collect, free of charge, textile products and footwear and annually provide collection rate data;
- 3. For textile products meeting eco-design requirements of durability, reusability, reparability, recyclability, absence of harmful substances, and mandatory recycled content, PROs will set lower EPR fees;

- 4. Textile producers placing products into the EU market must register before national registers;
- 5. Online marketplaces must register in the EU before national registers and obtain a "self-declaration" from textile producers stating that products placed on the market in a specific EU country comply with the applicable EPR rules before allowing a producer to use their services; and
- 6. In an effort to combat illegal textile waste exports, the proposed revision clarifies what constitutes waste versus reusable textiles.

Annex IVc lists products, such as apparel, clothing accessories, footwear, bedding, and more, which fall within EPR.

Furthermore, Parliament made changes to expand the scope of Annex IVc to include non-household textile products, in addition to mattresses and carpets. Member States will be obligated to ensure that producers of mattresses and carpets that are primarily composed of textiles and make said products available on the market shall comply with EPR requirements by 31 December 2027.

# 4.2. Ecodesign for Sustainable Products Regulation

The European Parliament adopted the Ecodesign for Sustainable Products Regulation (ESPR) in April of 2024.

As a framework legislation, ESPR paves the way for the future adoption of measures relating to topics including, but not limited to:

- Recycled content;
- Waste generation;
- Reusability, durability, and recyclability.

A focal point of ESPR concerns the destruction of unsold apparel, clothing accessories, and footwear.

The Regulation calls for the European Commission to adopt an implementing act requiring economic operators to disclose the following information on product destruction:

- Number and weight of products destroyed per year;
- Reasons for destroying the products;
- If there is an applicable relevant exemption;
- What the applicable waste treatment operation is; and
- What measures were taken to avoid product destruction.

The disclosure obligation shall be applicable for large businesses the first full year after entry into force and for medium-sized businesses, six years after entry into force.

Micro and small businesses are exempt from this obligation.

Another important aspect of ESPR is the requirement for products on the market to have available a digital product passport (DPP).

The DPP will provide easy access to data about a product's environmental sustainability and circularity, such as its durability and if it contains recycled content.

A business will need to ensure that its product's DPP exists, contains all obligatory and verified information, and conforms to the requirements set out in ESPR, as well as the Delegated Act for the specific product group.



# 05. United States

### 5.1. US Federal

The United States (US) Congress proposed Senate Bill 3878 to establish a regional trade, investment, and people-to-people partnership of countries in the Western Hemisphere to stimulate growth and integration through viable long-term private sector development, and for other purposes (also known as the Americas Act), in March of 2024.

Chapter 3, Section 232, of the Americas Act focuses on reuse and recycling programs for the textiles sector.

Noting that textile products (apparel, footwear, accessories, and household linens) are responsible for more than 10 percent of global greenhouse emissions, this section gives the Secretary of the Treasury the responsibility of providing priority grants or loans as incentives for carrying out programs to reuse or recycle covered products.

Further, the Secretary of Commerce will be responsible for establishing a program to provide grants and loans for supplying components, chemicals, solvents, or machinery needed to - among other things sort, pre-process, reuse, or recycle covered products.

"Pre-process" is the preparation of a covered product to enable it to be recycled.

Per the Act, the term "covered product" means:

- Textiles that are no longer wanted by an individual after purchase or cannot be sold by a business through retail;
- Recycled secondary textile raw materials and fibers; or
- 3. Recycled finished textile products.

In addition, the Americas Act will offer tax incentives for qualified textile production activities.



## 5.2. California

#### **Fabric Recycling Pilot Project**

California's Fabric Recycling Pilot Project, or Chapter 616 of Statutes of 2022, requires apparel manufacturers to partner with Los Angeles and Ventura Counties to conduct a study and report on how practicable recycling fabric is.

The pilot project is currently in effect, may last a maximum of three years, and must conclude by 1 January 2027 at the latest.

Objectives include the following:

- Creation of accessible textile collection sites;
- Development of a hub to consolidate pre-consumer textile scraps to make them available for use by other businesses;
- Remanufacturing fibers;
- Increasing textile sorting capacity to create more efficient streams; and
- Involving and educating the community concerning impacts of "fast fashion" and alternatives to the same.

Annual reports from the project's operator should demonstrate progress towards the goals.

#### **Responsible Textile Recovery Act**

Californa's Legislature proposed SB 707 an act to add Chapter 20.5 (commencing with Section 42984) to Part 3 of Division 30 of the Public Resources Code, relating to solid waste, or the Responsible Textile Recovery Act of 2024, in 2023.

The Responsible Textile Recovery Act, if enacted, is intended to increase the amount of apparel and textile articles (covered products) that are reused, repaired, and/or recycled, rather than disposing of such items in landfills.

The Act will be applicable to any producer who sells, offers for sale, or distributes covered products in the State of California.

The Act is a stewardship program that would require producers of apparel or textile articles to create and participate in a producer responsibility organization (PRO).

The PRO would need to establish a plan for the collection, transportation, repair, sorting, and recycling, in addition to the safe and proper management of covered products in California

Within three months of the plan's approval, the PRO will be required to implement said plan and review it every five years or more frequently.

All apparel and textile articles producers will be required to join a PRO by 1 July 2026.

Those that, upon approval of the PRO's plan, or commencing 1 July 2030 (the earlier of the two), are not a participant of a PRO would be made subject to civil penalties.

The bill defines "apparel" as "clothing and accessory items intended for regular wear or formal occasions and outdoor activities.

For purposes of this chapter "apparel" includes only:

- Undergarments;
- Shirts;
- Pants;
- Skirts;
- Dresses;

- Overalls;
- Bodysuits;
- Costumes;
- Vests;
- Dancewear;
- Suits;
- Saris;
- Scarves;
- Tops;
- Leggings;
- School uniforms;
- Leisurewear;
- Athletic wear;
- Sports uniforms;
- Everyday swimwear;
- Formal wear;
- Onesies;
- Bibs;
- Footwear;
- Handbags;
- Backpacks;
- Knitted and woven accessories;
- Jackets;
- Coats;
- Snow pants;
- Ski pants; and
- Everyday uniforms for workwear.

The bill defines "textile articles" as an item customarily used in households or businesses that are made entirely or primarily from a natural, artificial, or synthetic fiber, yard, or fabric. For purposes of this chapter, "textile article" includes only:

- Blankets;
- Curtains;
- Fabric window coverings;
- Knitted and woven accessories;
- Towels;
- Tapestries;
- Bedding;
- Tablecloths;
- Napkins;
- Linens; and
- Pillows".



# 06. Sources

- 1. Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Directive 2008/98/EC on waste
- 2. <u>Ecodesign for Sustainable</u> <u>Products Regulation (ESPR)</u>
- 3. <u>European Commission:</u>
  <u>Ecodesign for Sustainable</u>
  <u>Products Regulation</u>
- 4. S. 3878 Americas Act
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- 6. <u>Fabric Recycling Pilot Project</u>
- 7. SB 707, as amended, Responsible Textile Recovery Act of 2024

