

9 October

## EBCA's position on the targeted revision of the Waste Framework Directive

The <u>European Branded Clothing Alliance</u> (EBCA) welcomes the European Commission's proposal for a targeted revision of the Waste Framework Directive (WFD).

EBCA recognizes that a targeted revision of the Waste Framework Directive can improve the environmental impact of the textiles industry and deliver concrete advantages for both the industry and the planet. However, EBCA would like to make the following recommendations to ensure that the Directive can contribute to the principle of a single market and support the ongoing efforts of the textile industry to boost its circularity:

- 1. To secure a harmonized implementation of the EPR schemes at European level it is necessary to provide guidelines for their implementation at EU-level.
- 2. Provide increased legal clarity and avoid overlaps with other EU legislation
- 3. Provide mechanisms by which producers can be incentivised to design for reduced impact
- 4. Ensure appropriate burden sharing
- 1. To secure a harmonized implementation of the EPR schemes at European level it is necessary to provide guidelines for their implementation at EU-level.

EBCA supports the Commission's acknowledgement of Extended Producer Responsibility (EPR) being an important tool, as part of a broader policy mix, to reduce the generation of textile waste, whilst supporting the availability of secondary raw materials. The set up of EPR schemes can play an important part by financing practices that will improve the circularity of the textiles industry, such as separate collection, sorting, re-use and the necessary high quality recycling infrastructure. However, to contribute to the goal of a single market and to ensure a level playing field for companies operating across EU Member States, it is essential for the WFD Revision to lay down more detailed guidelines which Member States could implement when putting in place national EPR schemes. Investigating the opportunities and challenges associated with the roll-out of EPR schemes for textiles, with the support of the consulting firm Eunomia, the industry has already put forward policy recommendations on this topic¹. In a nutshell, industry believes that harmonisation will be critical to amplify environmental benefit, ensure well-functioning reuse and secondary raw material markets, and reduce the burden on obligated entities. Additionally, harmonised EPR schemes could ensure that producers are not disproportionately burdened by regulation due to their origin or size.

Hence, we believe that the Commission's proposal could be strengthened by explicitly calling for harmonisation of EPR schemes at EU-level in Article 22a, to avoid the further proliferation of a patchwork approach across the EU. Increased harmonisation can be incentivised by:

- Providing binding definitions in the legal text of the proposal, including sector -specific definitions for obligated producer, used goods, final sorting and producer responsibility organisation (PRO) but also calling for alignment and consistency with other legislation on waste, such as the Packaging and Packaging Waste Regulation.
- Developing reporting rules, and accompanying guidelines, based on the Harmonised System

<sup>1:</sup> Further Considerations to Textiles EPR and Complementary Measures - Eunomia



(HS) codes. To maintain and encourage a harmonised approach across the single market, stronger emphasis should be placed on the harmonisation of reporting rules, including timing, frequency, and operationalisation. Such a harmonised reporting mechanism would help save costs, streamline the process, and motivate participation.

- Setting targets at Member State level, as done for other recycling streams, for collection, sorting and recycling, possibly extending it to re-use when the infrastructure is in place.
- Defining union-wide criteria for the eco-modulation of fees in line with ESPR product performance (art.7).
- Setting a EU-wide register for companies to report the product placed on the market. This
  would avoid free -riding and ensure a consistent and efficient manner to report on the
  volume of products placed on the EU market.

## 2. Provide increased legal clarity and avoid overlaps with other EU legislation

To ensure businesses are supported when making their investment decisions, it is essential to strive for alignment with other regulations relevant for the textiles industry, such as the Eco-design for Sustainable Products Regulation (ESPR) and the Waste Shipment Regulation (WSR). Moreover, it is important that JRC continues its work on the end-of-waste criteria, which will also provide more detailed definitions in this context. In this regard, implementation timelines should be considered as well, otherwise there is the risk of implementation gaps and loopholes inadvertently causing unstable market dynamics that result in delayed investments in large-scale capital projects that are crucial to achieving much higher levels of recycling capacity.

# 3. Provide mechanisms by which producers can be incentivised to design for reduced impact

As the Commission pointed on multiple occasions, the choices made at design stage can influence the entire life cycle of products. To ensure companies are incentivised to design for reduced impact, it is important to recognize and account for ongoing efforts in this direction. EBCA believes such step forward could be made for instance when defining eco-modulated fees for textiles, as well as eco-contributions. Although this process has been announced under the framework of the Eco-design for Sustainable Products (ESPR) delegated acts, given the timeline laid down in the WFD revision, EBCA suggests clarifying and mandating the interface between WFD and ESPR via delegated act sooner rather than later.

To ensure consistent and cost-effectiveness, the eco-contribution and eco-modulation fees should be based on harmonised and consistent criteria.

Industry welcomes the intended alignment on the eco-modulation of EPR fees in line with the future ESPR's ecodesign requirements and assessment methods or other Union law establishing harmonised sustainability criteria and measurement tools for textile products, ESPR priorities and the waste hierarchy. However, while the ESPR will set the minimum requirements that a product needs to fulfil to be placed on the market, eco-modulated fees need further differentiation (e.g., identifying the characteristics of the best-performing products). Even if based on the ESPR, the member states can still develop their own approaches to fee modulation (e.g., differences in documentation), which will result in little to no incentive for companies that sell on various EU markets to meet those requirements. Therefore, harmonisation of fee eco-modulation principles, priorities, and documentation (i.e., reporting) is urgently required. Following this approach legislator would ensure that modulated fees are applied consistently and in a harmonized manner across the EU. This would



the establishment of a level playing field, and would also provide companies with additional certainty, to ensure ecodesign and sustainability are duly reflected in the practices of the textiles industry.

# 4. Ensure appropriate burden sharing

In accordance with the principles of the WFD, the costs encountered by textile producers should not exceed those necessary to provide waste management services in a cost-efficient manner. While companies can limit their environmental impact at design stage, thus facilitating the burden on waste management operators, it is important to recall that waste management and actual recycling remain a responsibility of Member States. Even when considering waste steams more established than textiles, according to the latest data provided by Eurostat, certain Member States are falling short on meeting the recycling targets set for 2025 and 2030. For this reason, EBCA believes it is important to limit the involvement of textile producers, also when considering the development of EPR schemes, to recognize that companies should not be held accountable for national waste management practices. While, we appreciate the inclusion of Research and Development (R&D) investments in the proposal, careful implementationis needed to ensure it is fit for purpose. The EPR schemes bared by producers should only cover the costs of collection, sorting, preparation for reuse, and preparation for recycling but exclude operational support for recycling, hence focused on funding the CAPEX of recycling facilities rather than their OPEX.

#### **About EBCA:**

The European Branded Clothing Alliance is a coalition of leading global retail companies brands that represent over 60 brands. The alliance works to ensure a positive trade agenda and a more predictable business environment for a leading industry sector in the EU that contributes to jobs, innovation and research and development. Via their global value chains, members also contribute to jobs and sustainable development in countries in which they source and produce. Please visit our website at <a href="http://www.ebcaeurope.org/">http://www.ebcaeurope.org/</a> for further information.

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