

## Position Paper

### Implementation of Extended Producer Responsibility based on the EU Strategy for Sustainable and Recyclable Textiles in Germany

Based on the "**EU Strategy for Sustainable and Circular Textiles**" and the "**Green Deal**" requirements as well as the revision of the European Commission's **Waste Framework Directive**, the Confederation of the German Textile and Fashion Industry (textil+mode), the German Textile Research Advisory Board (FKT) and partners intend to actively help shape the implementation of Extended Producer Responsibility in Germany. Due to the specific diversity of the market, sector, product and utilisation variety, the industry associations and manufacturers are proposing a largely **self-responsible implementation of extended producer responsibility (EPR)** and a product- and utilisation-oriented design of the environmental targets to be achieved. Already existing established collection and sorting structures shall be optimised and further developed, while the functionalities and objectives of EPR systems need to be streamlined and effective. In order to ensure uniform standards and procedures throughout Europe, the aim is to implement these on the basis of internationally certifiable industry standards. Regulatory requirements should be reduced to an absolute minimum and essentially limited to monitoring the achievement of environmental and sustainability targets.

Based on this approach, the Confederation of the German Textile and Fashion Industry as well as the sectoral associations and partners recommend that the EPR for textiles be aligned with the following key points, in line with the EU textile strategy:

#### 1. Product and user-orientated design of environmental goals

The central targets of the European Green Deal are the reduction of resource consumption and climate impact. For this reason, as well as due to the enormous market, sector, product and utilisation diversity in the German textile and fashion industry, a **single target in the form of collection quotas for used textiles is unsuitable**. Manufacturers/industry and their organisations should have the option of choosing from various environmental targets set by legislation which contribute equally to defossilisation but also take into account the respective industry and product characteristics.

These could be:

- defined eco-design requirements for products and environmental certifications
- demonstrable reduction of the CO<sub>2</sub> footprint by means of a standardised and life cycle analysis (LCA), where applicable as part of sustainability reporting
- minimum recycled content in new products (% in new products)
- parameters for extending the duration of use (in years, e.g. for rental products)
- second use or secondary marketing (% based on quantity placed on the market)
- achievement of a specific used textile collection quantity (return quantity in relation to the quantity placed on the market in %)
- other industry-specific indications for demonstrable fulfilment of environmental targets

#### 2. Registration of obligated market participants and market surveillance under the industry's own responsibility by a Joint Manufacturing Organisation (JMO) with the aim of Europe-wide standardisation

A sovereign recording and official registration of obligated manufacturers generally leads to inconsistent and possibly 27 (!) different national regulations. In addition, the enforcement of free-rider prosecution on the basis of national regulatory law has so far proven to be ineffective. A civil law registration of obligated market participants organised independently by the industry and market surveillance based on international auditing standards can be implemented more easily and uniformly across Europe. Market surveillance and the prosecution of free riders on the basis of national competition law, e.g. the German Act against Unfair Competition (UWG), is much more effective and powerful. For this purpose, a **Joint Manufacturer Centre** supported by the manufacturer community is to be set up with the following tasks:

- Registration and audit-proof recording of all obligated manufacturers with their products and quantities placed on the market
- Market surveillance on the basis of international competition law (e.g. UWG, see under 2.)
- Notifying body for product conformity (see under 3.)
- Other necessary regulation and monitoring with manufacturer involvement
- If necessary, action to balance the burden (optional)
- Consumer and stakeholder communication
- Supporting and advising the authorities on regulatory and enforcement issues

### 3. Independent monitoring of product conformity by the Joint Manufacturing Organisation (JMO) of the obligated producer and distributors (monitoring as part of an accredited certification procedure)

The European requirements for ensuring product conformity are already very comprehensive. As a result, authorities are already overburdened with the current extent of inspections, and regulations for taking back end-of-life products are becoming less important. This must be taken into account also in the context of the enforcement of Extended producer Responsibility in organisational structures. In order to achieve Europe-wide harmonised standards and enforcement structures, it should be possible to monitor all product conformity requirements on the basis of a certifiable product standard. Certification and monitoring can also be assumed under civil law via the JMO supported by the manufacturer community. Non-compliance with product standards can be prevented quickly and effectively on the basis of the applicable competition law.

### 4. Industry-, product- and manufacturer-specific establishment of Producer Responsibility Organisations (PRO)

Due to the great diversity of markets, sectors, products and uses, standardised **system structures that are primarily supported by waste management companies**, such as those known from the packaging sector (dual systems), **do not appear to be expedient**. PROs must be able to achieve the different sector- and manufacturer-specific objectives (see point 1) of the diverse textile and clothing industry individually. In the case of take-back systems organised by waste management companies, economic conflicts of interest arise that can have a counterproductive effect on the achievement of sustainability goals. With regard to the eco-modulation stipulated by the EU Regulation, PROs must also be able to structure the operating cost contributions individually. **Non-profit-orientated system structures also avoid economic conflicts of interest**. A transfer of producer responsibility to the actual manufacturing industry is necessary and can in principle also be implemented in a dual system.

### 5. Existing collection and recycling structures

Over the years, public, charity and private organisations have built up functional collection and recycling structures for used textiles. However, these structures are increasingly being criticised as lacking transparency and unclear uses for clothing donations cause uncertainty among many consumers. Often it is not evident how the collected textiles are actually treated, and consumers are often unaware that collected used textiles are traded under the impression that they have been donated. **In this context, social enterprises and caritative organisations should not be given advantage over public and private sector organisations, as proposed by the EU**. The disposal of textiles in a collection container is defined as waste disposal under the German Circular Economy Act (Kreislaufwirtschaftsgesetz). However, as it is requested that only usable textiles are brought in or donated to the collection container, the operators' responsibility will need to be focused more strongly on the handling of textiles for which there are no economic recycling routes. The changes in collection volumes and qualities are essentially the responsibility of the donation-related business and part of the operators organisations' risk.

Despite this critical assessment, the existing structures should continue to be used, provided they make ecological and economic sense; they should however **be further developed to include standardised and effective compliance and transparency requirements**, also in order to promote the attractiveness and sovereignty of the collection structure. **In future, producers should**

**not have to pay EPR fees for the portions of the collection from existing collection and recycling structures that can be economically marketed.**

Producer Responsibility Organisations (PROs) should be free to conclude bilateral agreements on the use of these structures. Operators of collection and recovery structures that cannot enter into direct agreements with these organisations have the option of offering their services to the Joint Manufacturer Organisation (JMO) in compliance with the technical and economic standards created by these organisations. The expenses incurred and the environmental services provided are distributed proportionately among all producers and PRO, taking into account the services already provided by the PRO themselves.

## **6. Independent consumer communication by the JMO of the obligated manufacturers and distributors**

Stakeholder communication and information measures for consumers are essential for achieving sustainability goals. Standardised consumer communication managed by the manufacturer community via the JMO is therefore expedient. The EU attaches great importance to consumer education and communication; however, this task cannot be fully realised by the industry itself. In principle, it is welcomed that the public sector is also actively involved in communication measures for consumer education. The creation of communication campaigns can be actively supported by the manufacturing industry but should not be charged to the industry.

## **7. Focusing official monitoring on the achievement of sustainability goals**

Although current administrative enforcement in sectors such as packaging, batteries and electronic waste emphasises market surveillance, transparency and fair competition, it focuses too much on registration and the financial participation of companies. There is a lack of effective incentives to reduce waste and the prosecution of free riders is inadequate. It is particularly problematic that enforcement is not specifically geared towards achieving environmental goals and **direct participation of manufacturers in these registration systems is currently not possible.**

For this reason,

- manufacturer registration and market surveillance should be carried out independently and be organised by the private sector, and
- the official enforcement should be focused exclusively on monitoring the achievement of objectives (see figure).

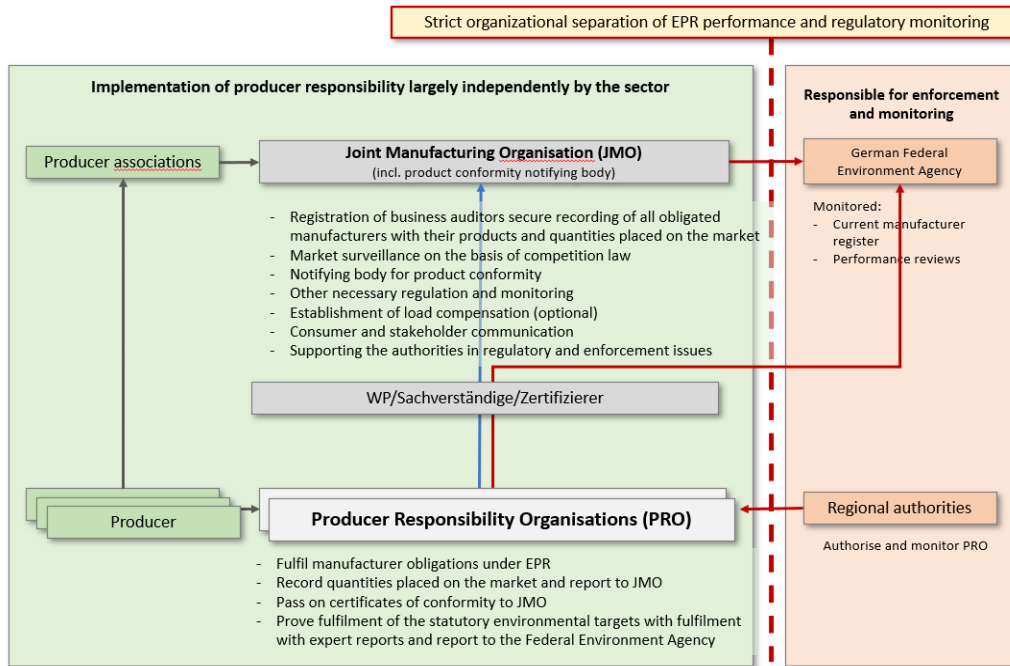


Figure 1: Extended Producer Responsibility (EPR) - systemic design for Germany

### About the authors of this position paper

The **Confederation of the German Textile and Fashion Industry** (Gesamtverband der deutschen Textil- und Modeindustrie e.V. = **textil+mode**) is the national umbrella association representing the interests of the German textile and fashion industry. The organisation comprises 26 member associations, including 10 regional and 16 sub-sectoral trade associations. With around 1,400 companies and more than 120,000 employees in Germany, German textile and fashion is the country's second largest consumer goods industry. German textile and fashion companies generate an annual turnover of around 32 billion euros (60% textiles, 40% clothing and home textiles), making them the leaders in Europe. Textile companies are important suppliers for industries such as automotive, aerospace, medicine, geotechnology, etc. textil+mode represents the interests of the industry in the areas of economic and social policy as well as collective bargaining and education policy. [www.textil-mode.de](http://www.textil-mode.de)

Founded in Berlin in 1903, **Markenverband** is the leading organisation of the German brand industry and is the largest association of its kind in Europe with around 300 members. Its members vary from medium-sized to globally active companies and represent a wide range of industries - from food and beverages to electronics and pharmaceuticals, from fashion and consumer goods to telecommunications and cosmetics. They include leading brands such as Abus, Beiersdorf, Hugo Boss, Coca-Cola, Gardena, Haribo, Henkel, Kärcher, Merz Consumer Care, Miele, Nestlé, Procter & Gamble, Ritter Sport, Rotkäppchen-Mumm, Unilever, Vileda and many other well-known companies. In Germany, the brand sector generates brand turnover of almost 1.1 trillion euro and around 5.2 million jobs. [www.markenverband.de](http://www.markenverband.de)

**Bundesverband der Deutschen Sportartikel-Industrie e.V.** (BSI) is the association of German sporting goods manufacturers, wholesalers and importers founded in 1910. Its members include around 160 leading, mostly medium-sized companies with 220 brands, including international market leaders from various sectors. The companies organised in the BSI generate an annual turnover of around 35 billion euro. The BSI is committed to safeguarding and realising the interests of the industry at national, European and international level. The BSI is also a member of the Federation of European Sporting Goods Industries (FESI) based in Brussels. In 2021, the BSI e.V. has developed a new 5-year strategy. Under the claim 'Sport unites', the main topics of the association's work are sport and politics in society, sustainability and digitalisation. [www.bsi-sport.de](http://www.bsi-sport.de)

