

Appendix - policy programme for circular textile 2020-2025

Structure of the policy programme

This policy programme sets out the policy for circular textile for the next years. It is important for this policy and the ambitions to be in line with practice. That is why the measures were drafted in collaboration with the partners from the textile chain. One significant contribution came from trade organisations Modint and INretail¹, who wrote a sector plan entitled *Op weg naar een circulaire keten* [The road to a circular chain]. Under that plan, the trade organisations formulate their sustainability ambitions. I am happy with these ambitions and I am grateful to the trade organisations that following consultation, we have been able to increase the ambitions.

As mentioned in the Circular Economy General Consultation of 11 April 2019, I will also discuss the letter from the Textile Recovery Association (VHT). This policy programme furthermore includes the reports about the studies into clothing labels, the study into fast fashion and the report from FFACT about textile collected and imported in the Netherlands. In this policy programme, I discuss elements from the trade organisations' sector plan, as well as the circular textile vision of the collaborating public parties responsible for separate collection of domestic textile. The circular economy action plan of the European Commission, launched on 11 March this year, is also referred to several times.² On a closing note, this policy programme discusses the areas of overlap with the Foreign Trade and Development Cooperation policy area, particularly international corporate social responsibility (IRBC), impact in production countries and social themes in the textile chain.

The policy programme is structured along three lines that cover the various phases of the chain. Line I is about the design and production phase, Line II is about the use phase and Line III is about the disposal phase.

I – Design and production phase: aiming for sustainable products

Halving the ecological footprint of the textile sector will mostly have to take place during the design and production phase. The use of sustainable and recycled materials plays an important role in that. It is good to know that the trade organisations aim to use 100% sustainable materials by 2050 and the highest possible percentage of recycled material.³ By 2025, it should be possible to set the percentage of recycled and sustainable materials in new textile products at an average of 25% (by which I mean recycle from used (post-consumer) textile).

To encourage circular design and production, extended producer responsibility (EPR) for textile is introduced. With the intended Denim Deal, the denim industry shows us what the frontrunners are already capable of on a large-scale, I will talk about the EPR, the Denim Deal, the study into clothing labels, the possibility of a quality mark and transparency about the production process.

Extended producer responsibility

Extended producer responsibility (EPR) will be introduced for textile. In its circular economy action plan, the European Commission announces that it will encourage the sorting, reuse and recycling of textile by legislative measures such as EPR. An EPR system will also be implemented on a national level.

EPR means that the producer (the party who markets the product in the Netherlands) must bear responsibility for his products throughout the product's life cycle, including the disposal phase. Under the new Waste Framework Directive, it is possible - if all producers assume their responsibilities jointly - to set the rates payable by producers on the basis of, among other things, sustainability, repairability, reusability and recyclability and the presence of hazardous substances. The more sustainable the production process, the lower the rate. This rate differentiation forms a significant incentive for producers to follow corporate sustainability practices.

¹ VGT and INretail merged into INretail with effect from 1 January 2020.

² The House will shortly be notified of the government's point of view on the action plan of the European Commission via the BNC file.

³ INretail, Modint and VGT, *Op weg naar een circulaire keten. Sectorplan Nederlandse kleding- en textielsector*, September 2019, p. 14

Trade organisations Modint and INretail have said they are prepared to work out an EPR system, which is positive news. The trade organisations of the textile sector prefer a voluntary EPR that will be declared generally binding (AVV). Producers must be able to collect textile themselves, in clothes shops, for instance, so that they can take responsibility for their products during the disposal phase, independently from local authorities. This requires a general administrative order (AMvB).

To reduce the time frame needed to set up a well-functioning EPR system, parallel to the trade organisations process, I have ordered a study into feasible targets in the fields of, in any case, prevention, reuse and recycling of textile, the costs and (differentiated) rates, the responsibilities in the playing field and possible phasing such as evolving standards. This will help the further elaboration of an EPR and it also serves as a basis for a fully statutory scheme (via a general administrative order) if a voluntary EPR does not materialise or not fast enough. As indicated at the start of this letter, the current coronavirus situation has negative consequences, also for the trade organisations and the textile sector as a whole. If necessary, we will take this into account for the time frame to work out the EPR. The aforementioned study will help in that respect.

In the spring of 2021 - when the House of Representatives will be notified of the progress of the policy programme - I will, partially based on a relevant proposal from the trade organisations - make a proposal for an EPR for textiles.

Through this measure, I hope to start a change towards a structurally more sustainable and respectable production process. This will require changes not only in the Netherlands but also in production countries. The ultimate aim is to have only clean and sustainable factories in those countries and that they use recycled fibres to the greatest possible extent. Not only will this save raw materials but it can also reduce the unnecessary use of water, energy and chemicals. It is not the intention for these clean and sustainable factories to import products to the EU and for the less clean and less sustainable factories to produce products for other regions or the local markets in production countries. Collaboration with and ownership of local governments, producers, trade unions and civic organisations are, therefore, extremely important if we want to ensure that this change towards a clean and sustainable production process is embedded in production countries. Through IFC (the International Finance Corporation), the IRBC Agreement on Sustainable Garments and Textile, IDH and Solidaridad, the Netherlands supports activities aimed at a cleaner and more sustainable production process. The Ministry of Infrastructure and Water Management and the Ministry of Foreign Affairs collaborate in the Valuing Water Initiative (VWI). The textile sector is a big water consumer and polluter, putting extra pressure on businesses, the environment and people. Together with frontrunners from the textile sector, the VWI works on a better decision-making process about water consumption.

Furthermore, I will talk to the European Commission about the possibility of extending the EPR system to the social domain. A lot of post-consumer textile, for instance, is exported to production countries where it is sorted and/or processed. In various countries, this is done in unsafe conditions or through child labour. By linking the current targets from the OECD guidelines for multinational businesses to the Waste Framework Directive, it should be possible for businesses to not only aim for a circular textile chain in the future but also for better working conditions, including the elimination of child labour and the payment of a living wage.

Denim Deal

The denim industry - which is relatively large in the Netherlands - aims to be a frontrunner in the use of recycled cotton fibres in the production of new denim garments. Within this framework, I aim to make ambitious agreements with the denim sector, further encouraging the use of post-consumer recycled denim during the production of new jeans. The aim is to sign this Denim Deal later this year with relevant partners from the denim chain. Foreign weavers and spinners are also expected to take part in this. It is important for these local producers, as well as civic and government parties, to be involved in this deal to achieve sustainable impact in production countries. An analysis of the denim chain by Circle Economy will provide an insight into the effects of the transition on developing countries and is expected to be completed in the summer. This information will be included in the design of the Denim Deal. The experiences gained with the Denim Deal may also be an incentive to make further agreements in other areas of the clothing industry.

Study into clothing labels and possibilities for a quality mark

Partially as a result of a motion tabled by Members of Parliament Dik-Faber (CU) and Van Eijs (D66)⁴, I ordered a study into the accuracy of clothing labels (the labels in clothing that indicate the composition of the garment). The potential consequences of inaccurate labels are set out below, as are suggestions for measures to tackle this issue.

A random analysis of 7,454 discarded garments with a legible and valid label revealed the following. In the case of garments with a multiple fibre composition, 59% of the labels are accurate, 41% are not (21% deviates and 20% deviates strongly). In the case of a single fibre composition, 77% is accurate and 23% is inaccurate. The Circle Economy research agency says that possible reasons for this inaccuracy include unintentional inaccuracy by the complex textile production chain or intentional inaccuracy for financial purposes.

For recycling, inaccurate clothing labels are not a problem, fortunately, because during the study, most recyclers indicated that they do not look at the labels when determining the raw material for their recycling process. The presence of the label itself - mandatory under European Law - does however impede the recycling process. The reason for this is that the label is often made from a different raw material than the garment itself. In that case, the label must be removed first before the recycling process can start. Nevertheless, more transparency is desirable.

I will discuss this with the sector and will also present this report to the European Commission. Within the framework of product policy and a level playing field within the internal market, it would be more appropriate to take measures at a European level. My priority is that the product chain must become more transparent. In this procedure, I will include the experiences gained with the Dutch Agreement on Sustainable Garments and Textile. Under the agreement, many businesses have already offered insight into their production processes and the impact thereof on human rights, animal welfare and the environment. Also, during the coming years, I want businesses to pay more attention to the activities to reduce the ecological footprint in the chain.

Clothing label legislation is laid down in the European Textile Regulation (1007/2011). This regulation attaches harmonising conditions to the labelling of clothing, for instance, with washing instructions. With the motion tabled by Members of Parliament Van Eijs (D66) and Dik-Faber (CU), the government was asked to find out how a label system for clothing about the environmental impact during sales can make a low-threshold contribution to the circular economy.⁵

Consumers have a right to know what the composition is of the clothing they buy and the conditions under which the clothing is made. It makes it easier for them to make sustainable choices and it may be an additional incentive for businesses to join a race to the top. I have brought the desirability of a quality mark to the attention of the European Commission and will continue to do so during imminent talks. At a European level, the minimum requirements for sustainability labels/logos are being studied. Quality marks such as the Green Button, a German initiative, are currently not effective enough to fulfil their promises. In the long term, quality marks may offer a solution but to reach that level, more steps are needed. In a European context, the Netherlands will endeavour to offer consumers better information, both for environmental and social aspects.

Review of IRBC policy and policy coherence

The IRBC agreements, including the Dutch Agreement on Sustainable Garments and Textile, are currently being evaluated as part of the 'IRBC measures in perspective' project. This project was set up to find out - in line with the coalition agreement - if, and if so which, mandatory measures can be taken in the field of IRBC. The Minister for Foreign Trade and Development Cooperation has notified the House of Representatives of the progress of this project in the letter to the House of Representatives of 21 February 2020.⁶ Both ministries ensure that the initiatives from this letter and the review of the IRBC complement each other.

II. Purchase and use phase: aiming for responsible use

Like all of us, consumers can have a big influence by thinking about what we buy, or do not buy, and how we look after our clothing. People from the Netherlands buy an average of twenty garments and six pairs of shoes every year. Buying less new clothing will save tons of CO₂

⁴ Parliamentary Papers II 2018/19, 35 000-XII, no. 52.

⁵ Parliamentary Papers II 2018/19, 32 852, no. 90.

⁶ Parliamentary Papers II 2019/20, 26 486, no. 323.

emissions. For instance, if everyone in this country buys three new garments less every year, we will save about 57 kilos of CO2 emissions per person. For the entire country, the saving would be 970 kilotons of CO2.⁷ And *if* new clothing is bought, the aforementioned quality mark would help to make sustainable choices. The government can set the right example.

Exemplary role of the government

The government has an exemplary role, also when it concerns circular procurement. The government's objective is, from 2022, to purchase corporate clothing with a minimum of 10% post-consumer recycled content. From 2025, this ambition is increased to 25%.

Fast fashion

Consumption behaviour has major effects on the system of the textile chain and it has also consequences for social and ecological circumstances. Fast fashion in particular - the phenomenon of the amount and turnover ratio of clothing increasing, while its quality, useful life and intensity of use decreases - has major, negative consequences for the environment. Partially because of the motion tabled by Dik-Faber and Van Eijs⁸, I asked for this to be researched. Consultancy agency KplusV concludes that fast fashion is used as a term for all fast production lines, without this saying anything about the quality of the clothing and it recommends aiming for general measures against the waste and pollution involved in clothing. To that end, the researchers define a wide range of perspectives for action for consumers, producers and the government.

Consumers are often not aware of the effects of their purchasing behaviour, which is why it is important to increase their awareness of clothing so that they can make well-considered choices about purchase and use. This year, I will ask for potential behavioural interventions to be mapped out and I will fund a consumer-targeted communication campaign. In the next few years, I also intend to continue to support the Dutch Sustainable Fashion Week in its mission to inspire and increase awareness of sustainable fashion.

We also need to stop the incentives that result in over-production of clothing. Consumers order more and more clothing in webshops, sometimes several sizes of the same product only for them to be returned free of charge. This creates more transport movements and it contributes to unsold stocks of clothing at clothing companies. I believe this is an undesirable development, which is why I will voice my concerns about this to the State Secretary for Economic Affairs and Climate, who is responsible for this consumer policy. I want to talk to her about the possibilities of mitigating the negative effects of these developments.

E-commerce

The E-commerce sector (via the thuiswinkel.org trade organisation, among others) itself is also working on sustainability. Under the Transition Agenda for Consumer Goods, pilots have been set up to find out what the most efficient packaging is and what the best packaging collection method is and by encouraging demand for more efficient deliveries with fewer CO2 emissions. In line with the Kröger motion, several parties are working on reducing the possibilities of destroying goods that have been returned.⁹ The European Commission has announced legislation to ban the destruction of unsold, sustainable goods. I believe such a ban is desirable because it contributes to stopping any destruction. A European ban is also much more powerful and effective than a national ban.

A lot of webshops already use digital or other resources to reduce the number of goods returned by customers (via virtual reality and other tools, such as the option to assess clothing on screen on the basis of 'does it fit, how does it look?'). This autumn, an expert group of brands, webshops, 'ordinary' shops and producers will present suggestions for improvement to reduce the number of goods that are returned.

It is hard to map out a potential destruction of returned items because businesses do not tend to acknowledge this is happening. Previous studies did not yield any information, which is why another study was held, initially focusing on the textile chain, to map out the interventions needed to stop the destruction of goods (in various places in the chain, for instance, also from

⁷ Source: Milieu Centraal.

⁸ Parliamentary Papers II 2018/19, 35 000 XII, no. 52.

⁹ Parliamentary Papers II 2018/19, 32 852, no. 67. The motion calls for the government to find out how many usable goods/products are destroyed in the Netherlands and for the House of Representatives to find out about the possibilities to take measures.

stock and for waste streams). I expect to receive the results from this study by the summer. I will inform the House of Representatives accordingly. I will also look at examples of action taken by other countries, or how we can or must improve this together.

Microplastics from textile

About 45% of clothing in the Netherlands consists of synthetic (plastic) fibres, particularly polyester, polyamide and acrylic fibre. Microplastic fibres are created when clothing wears out when it is produced, worn and washed. The majority of these microplastic fibres are created during washing but they are also released into the air when clothing is being produced and worn. Fortunately, sewage water treatment plants remove up to 50 to 90% of these microplastic fibres and some studies even estimate this at 87 to 99%.¹⁰ The remaining fibres do, however, end up in the surface water after filtration.

For this source of microplastics, the National Institute for Public Health and the Environment (RIVM) looked into possible measures that can be taken to reduce the amount of microplastics that end up in the environment through clothing.¹¹ The institute looked at perspectives for action for all parties in the chain: textile and clothing production and retail, consumers, white goods manufacturers, detergent producers, sewage water treatment and authorities. This is necessary because there is no single balanced measure that will ensure microplastic fibres will no longer end up in the environment. That is why I am consulting with these stakeholders to come to a joint approach to microplastics from textile, one in which everyone makes a contribution based on his responsibility. I expect to be able to further inform you of this at the end of the year. Via Milieu Centraal (a practical guide for sustainable tips and advice), I inform consumers of microplastics from textile and what they can do about it themselves.

In its new circular economy action plan, the European Commission has indicated to implement specific measures to combat microplastics and to also pay attention to microplastics from textile. One of the possible ways of reducing emissions of microplastics from textile is to install washing machine filters. Various commercial filters are being developed but their use depends on the willingness of consumers to install them. I believe these types of measures will be most effective at a European level because of the market size and the importance of a level playing field. The regulations for washing machines and driers under the Ecodesign directive will be reviewed in 2025. During that review, the European Commission will find out if setting new requirements to reduce the amount of microplastics in the water discharge (by using filters, for instance) is possible and effective. I am closely following these developments. I also call for the Commission to pay attention to microplastics in their textile strategy because the (material) choices made during the design process (yarn and textile) also have an effect on the extent of microfibre loss.

III- Disposal phase - aiming for more and better collection and recycling

In a circular textile chain, all discarded textile is collected and reused or recycled at the highest possible quality. Currently, about 45% of textile is collected separately in the Netherlands and of that, 53% is reused and 33% is recycled. Based on the European Waste Framework Directive, textile must be collected separately throughout Europe by 2025.

The ambition for 2025 is for 30% of all (raw) materials and products sold on the Dutch market to be recycled after collection - if immediate reuse is no longer possible - after which the fibres are again used in new (textile) products in the form of recycle. This could be as much as 50% by 2030. Based on the study into EPR for textile, the recycle target can be adjusted and/or elaborated further (for instance, in percentages of high-quality and low-quality recycling).

Together with the Minister for Foreign Trade and Development Cooperation, I will do everything to ensure this ambition is combined with attention for the working conditions in the recycling industry in developing countries. Also, thousands of jobs in the formal and informal sector depend on the exports of textile to production countries. The Netherlands aims to hold on to these jobs abroad.

¹⁰ Rezenia et al, 2018.

¹¹ National Institute for Public Health and the Environment, 'Microplasticvezels uit kleding. Achtergrondrapport mogelijke maatregelen', 2019.

The collection of textile

Both the letter from the VHT and the Circular Textile Vision argue that separate waste collection and recycling at households are no longer cost-effective under most of the current tenders won.¹² On the one hand, this is related to the deteriorated marketing opportunities of textile for reuse and the lack of recycling capacity and marketing opportunities for recycled textile and demand for textile fibres in new textile in the Netherlands and Europe. On the other hand, some textile is of increasingly poorer quality and it becomes unusable because of waste and moisture in the textile containers.

In the past, local authorities started outsourcing the collecting of clothing and textile because various parties (often charitable organisations) were happy to pay for the collected clothing. The falling revenue for the purchasing parties has caused a discrepancy between the rates charged by local authorities and the actual revenue in the chain. This is also referred to as the 'weaving error' in the collection and processing of discarded clothing and textile. I pay attention to this in the domestic waste policy. Improving the quality of organic waste and textile is one of the main themes of the VANG Domestic Waste Implementation Programme. A study conducted into these sub-streams last year showed that quantity was up, but quality was not. That is why the Directorate-General for Public Works and Water Management, the Association for Refuse and Cleansing Management (NVRD) and the Dutch Waste Management Association have joined forces to improve the quality of these sub-streams. The projects in the action plan cover the entire chain, from civilians and collectors to processors. The projects aim to stimulate both the quantity and quality of the sub-streams. Attention is also paid to the outsourcing of textile collection by the local authorities in terms of the quality of the collection, as well as the realistic costs and revenue thereof.

Through the EPR, for that matter, producers will also bear responsibility for the costs (and as such the quality) of the collection, sorting and recycling of textile. Some retailers are anticipating this by collecting textile themselves.

Recycling textile

The trade organisations indicate that the business case for recycled textile has seen a poor start. Also, from 2025, textile must be collected separately under the European Waste Framework Directive. This development merely increases the need for sufficient recycling capacity. It is also important for these developments to result in a respectable recycling system of clean production and good working conditions, both in the Netherlands and elsewhere.

Apart from mechanical recycling, chemical recycling also has a lot of potential for promoting textile recycling. Examples include the chemical recycling of polyester (PET) but also of cotton via an innovative process that converts the fibres into cellulose. To find out what is needed to scale up the innovations and, perhaps, tap new ones, I will ask for a so-called technical innovation system analysis to be carried out. Also, the Dutch Circular Textile Valley (DCTV) plays an important role in helping along initiatives and to reinforce the regional collaboration between governments, businesses and among businesses in the chain.

To further promote recycling, I will ask for a study to be conducted into the possible recycling objective for the new EPR for textile. This will also include a study into the possibility of phasing in time, with both the total percentage of recycled textile and the share increasing considerably. On a final note, I will make an effort in Europe for product requirements in the field of textile to increase the share of recycled textile in new products and, as such, demand for recycled textile. This is in line with the carried Dik-Faber (CU) and Von Martels (CDA) motion, in which the government is asked, in consultation with the sector, to make it mandatory for clothing to have an appropriate and feasible percentage of recycle per substance.

European Textile Strategy and European collaboration

I am pleased with the European Commission's announcement of an all-encompassing and ambitious strategy for textile and the announced sustainability framework with product requirements, as well as the strategy regarding hazardous substances in textile. During the plenary hearing of the Implementing Act to change the EU Waste Framework Directive on 10

¹² Textile Recovery Association, *Branche luidt noodklok; Textielrecycling lijdt onder toename vervuiling en verlies aan kwaliteit*, 15 July 2019, p. 2, CirkelWaarde - AVU, ROVA, Circulus-Berkeel -, NVRD, Rd4, MidWaste, OMRIN, Twente Milieu, Metropool Regio Amsterdam, Municipality of Amsterdam, Municipality of Utrecht, MidWaste, Zaanstad, HVC, *Visie Circulair Textiel: Onze publieke visie op een circulaire textielketen*, February 2020, p. 4.

March earlier this year, I promised to come back to the use of PFAS in textile. On 1 November 2020, the restriction on the use of CMR substances comes into force under REACH. This will limit the use of substances that cause cancer or that are harmful to posterity in clothing and footwear, among other things. As mentioned before, in collaboration with several other countries, I have started the preliminary work for a general restriction that aims to ban all applications and products with PFAS, except essential applications. I expect this to result in the first bans by 2025. The EPR in textile can also contribute to reducing hazardous substances in textile, such as PFAS.

The European Textile Strategy, expected in 2021, is a major driving force, also for policy at a national level. I want to find out if, ahead of that, other forms of European collaboration are possible, for instance by analogy with the recently concluded European Plastic Pact. One must, however, realise that progress in this type of collaboration is also under pressure due to the corona crisis.