HOW TO MAKE THE TEXTILE SECTOR CIRCULAR

G7 ACT – G7 AGENDA ON CIRCULAR TEXTILES AND FASHION

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Post-consumer textile industry, functioning and scalable models

A well-functioning post-consumer textile industry is necessary to address many of the challenges listed by the G7 Agenda on Circular Textile and Fashion for example:

Challenge 1: Separate collection; Sorting and reuse on national and global levels across the G7 members

Challenge 2: Supply Chain Transparency; Development of Voluntary Standards

Challenge 3: Lack of feedstock for recycling (Shortage of Secondary raw materials); Support of sorting and recycling facilities

Challenge 4: Creation of sustainable and circular textile hubs

Challenge 5: Infrastructure for separating and sorting used textiles and pre-consumer textiles

Post-consumer textile industry, some data

Post consumer textiles put into circularity - reuse, and recycling – yearly:

2 million tons (ca 20-25% of the items placed on the market)

160.000 tons

65% of post-consumer textiles is reused.

Thanks to reuse the cost of collection, sorting for reuse and preparation for recycling are covered, together with the cost for energy recovery for items not possible to reuse or recycled.

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Socio-economic impact

«The Socio-Economic Impact of Second-Hand Clothes in Africa and the EU27+» *(Oxford Economics – 2024)*

In Europe SHC stimulated an estimated **total €7 billion** to the region's GDP in 2023; **150,000 jobs** were supported, **8 out of 10** in the workforce were women (79%).

Africa (e.g. Ghana) **$76 million** of total GVA (Gross Value Added) and thousands of jobs in Ghana only from the import of SHC from Europe and UK.

Need for **European End of Waste** criteria to distinguish the good practices (exporting only reusable clothes as "reusable clothing") to have fostering circular economy practices.

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Reuse, a necessity for extending the life span of any item

Reuse reduces CO_2 emission up to 70 times vs new production of a piece of clothes.

There is a need for more durable apparel and reparable apparel, but without re-use these items will hardly be used longer.

A proper collection by professionals and detailed sorting according to defined standards and skilled staff are preconditions for re-use and circular economy.

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Transparency in each step of the value chain

In the post-consumer textiles industry, many players have developed **voluntary models for reaching transparency**. Some members and operators are implementing detailed data collection and verification from a third party to guarantee transparency.

Transparency is a win-win situation giving advantages to all involved parties.

In Italy, there is an obligation for all operators collecting and sorting for end-of-waste treatment to have specific authorization within waste management, have impacted positively on the sector.

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Global transparency

Similar to the new clothing sector, **the post-consumer sector is a global sector** and there is a need for coordinated actions along the global value chain.

Economic sustainability depends on global trade, with quality products suitable for the destination market.

Only **controlled and transparent international supply chains** allow us to maximize the environmental benefits, mainly connected to reuse, and the social ones, both in terms of employment.
The sector can define good standards, for end of waste definition

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Circular and economically viable textile model

The EU market has recorded **a drop in wholesale prices of post-consumer textile material** since autumn 2023. In the first 6 months of 2024, it is equal to 22%.

The crisis originated from the wars in Ukraine and the Middle East, the global economic situation, the legislative uncertainty of the sector, the decline in the quality of the material collected and the lack of channels for material intended for recycling.

The pre-conditions for the sector are changing and there is a need for adaptation.

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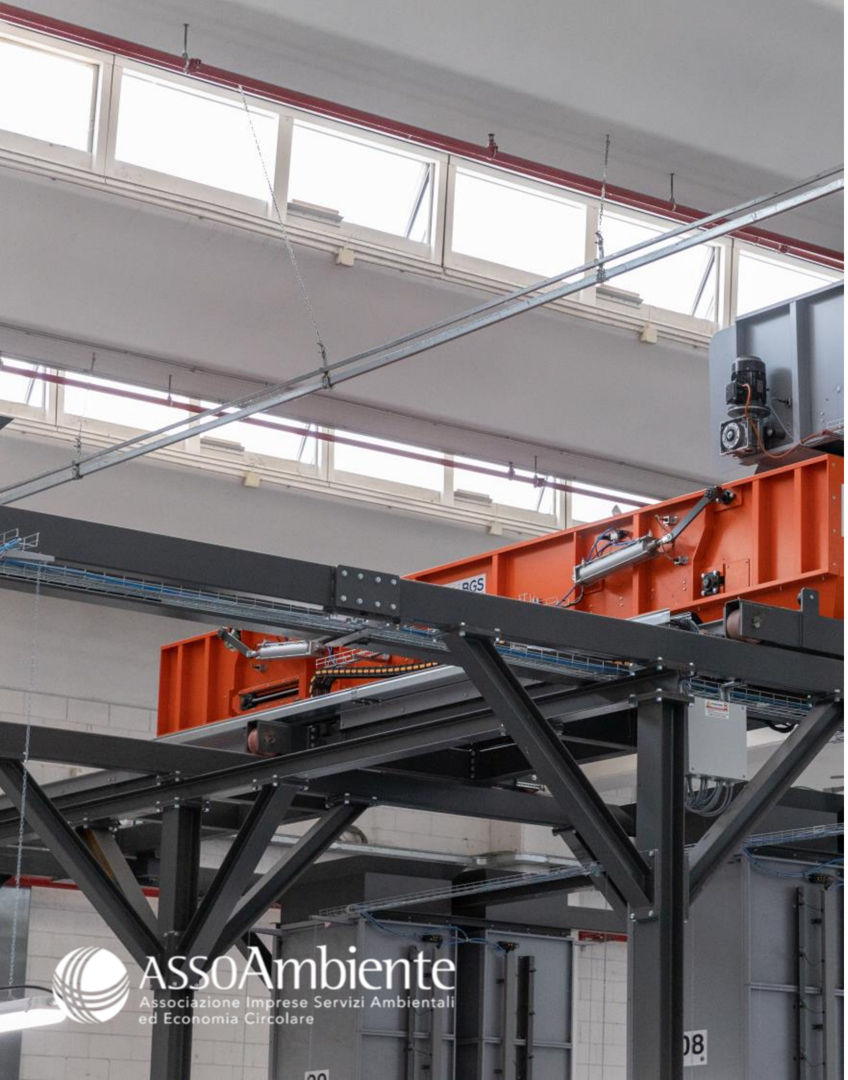

Scalability to face mandatory collection

Over the last 10 years, the sector has invested millions of euros in modern semi-automated systems, enhancing human expertise in quality selection.

The model is solid and until today self-financed, with no cost for either producers or the public waste handling system.

The next step towards a circular textile sector demands a close collaboration between all stakeholders, to build on what is now working well.

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Thank you

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