

## Our position

# Response to the consultation on the Proposal for a Revision of the Waste Framework



AmCham EU speaks for American companies committed to Europe on trade, investment and competitiveness issues. It aims to ensure a growth-orientated business and investment climate in Europe. AmCham EU facilitates the resolution of transatlantic issues that impact business and plays a role in creating better understanding of EU and US positions on business matters. Aggregate US investment in Europe totalled more than €3 trillion in 2019, directly supports more than 4.8 million jobs in Europe, and generates billions of euros annually in income, trade and research and development.

## Executive summary

The European Commission's proposal to revise the Waste Framework Directive (WFD) rightly aims at reducing food waste as well as better managing textile waste in a more circular and sustainable manner.

The proposal is a welcome step towards establishing circularity for textiles by including mandatory extended producer responsibility (EPR) for textiles, incentives for the development and uptake of fibre-to-fibre recycling technologies, alignment with other EU legislation such as the Eco-design for Sustainable Products Regulation (ESPR) and emphasis for the need to develop end-of-waste criteria for textiles to support further recycling processes.

To allow for swifter implementation, avoid internal market fragmentation and ensure the scalability of sustainable innovation across the EU, the revision should carefully take into account the following recommendations:

- Including a review clause for the Commission to assess targets three-years following the creation of the EPR scheme and collection point.
- Ensuring a realistic timeline, at least 36 months, following the Member State adoption for the establishment of EPR schemes.
- Designing eco-modulation criteria that strike the right balance between encouraging environmental improvements and not overwhelming companies with administrative complexities.
- Clarifying the different kinds of collection points and sorting obligations.
- Ensuring coherence with other pieces of legislation.

## Introduction

On 5 July 2023, the Commission adopted the proposal as part of the comprehensive strategy aimed at ensuring the resilient and sustainable utilization of the EU's natural resources. The proposal urges Member States to achieve a 10% reduction in food waste by 2030 in processing and manufacturing, and a 30% reduction (per capita) collectively at the retail and consumption stages. Aligned with the recent EU Strategy for Sustainable and Circular Textiles, the Commission has introduced regulations to facilitate the sustainable handling of textile waste across the EU. This involves the implementation of mandatory and standardized Extended Producer Responsibility (EPR) schemes for textiles in all EU Member States. Beyond waste management, the proposal seeks to foster research and innovative technologies in the textile sector while addressing the challenge of illegal exports of textile waste to countries ill-equipped to manage it.

The proposal is welcome, however, to allow for a smooth implementation, the following recommendations should be taken into account.

## Textiles

### 1. Harmonisation and clarification of definitions

The legislation's proposed harmonisation of EPR schemes within the EU would allow for better scaling of sustainable product innovations and recycling technologies across the bloc. Outside of the obligation to establish harmonised EPR schemes, the revision should harmonise and clarify the following aspects:

- Establish an **EU-wide database**, rather than requiring companies to register in every Member State's database. This database would include harmonised reporting templates, processes and a fee structure based on units and timelines. This would decrease administrative burden and safeguard financing for advancing other elements of the WFD's objectives, such as investments in recycling infrastructure.
- Define the **roles and responsibilities of relevant actors** involved in the implementation of EPR schemes in a harmonised and transparent manner across the EU.
- Clarify the following terms and requirements: 'social enterprise', 'appropriate level of granularity', different levels of collection and costs covered by collected EPR fees.
- The alignment of eco-modulation of fees is of crucial importance, and the criteria should be set up in a harmonised manner at EU level to promote consistency and prevent market fragmentation. This harmonisation has also been foreseen under the PPWR review for packaging and is the key to allowing for the scaling of more sustainable product solutions across the EU. Without scaling, the incentive effect of eco-modulation cannot be fully developed.
- The chosen criteria for eco-modulation of fees should ensure that compliance is not too burdensome and can easily be applied to the fee reduction, in line with compliance requirements existing under eco-design criteria. Ideally, the ambition of eco-modulation would increase over time to continuously support more sustainable innovation in the EU market.
- EU harmonised criteria for sorting in relation to reuse and recycling will further scalability and ensure no fragmentation in the internal market.

### 2. Protective industrial and medical apparel

The proposed EPR requirement would apply to chapters 61 and 62 of the Integrated Tariff of the European Communities code as well as many other codes that cover footwear (63), headgear (64) and fabric materials for garment products (56). The requirement would not differentiate between general apparel and technical textiles, such as industrial and medical apparel, and including medical nonwovens and other personal protective equipment (PPE).

However, it is important that the legislation make this distinction. Specific technical textiles differ from general apparel due to their role in protecting and saving lives (eg provide a protective barrier

for chemical, biological, thermal and ballistic protection) or protect and increase the life of products (eg high pressure hoses, cargo covers, industrial particulate filtering). Most textiles used for these special applications must meet stringent certification standard and are defined in, for example, the PPR or Medical Device Regulations.

Depending on their properties, durability, uses and risk of contamination, the recyclability and reuse potential of these garments varies greatly. The types of contaminants that these fabrics encounter completely change the waste streams they fall into. Contaminated PPE, whether medical or industrial, must be incinerated due to safety concerns. The difference between these products and everyday clothing is stark and must be treated differently in the legislation.

### **3. Producer Responsibility Organisation (PRO) governance**

To promote textiles' circularity and support more and better recycling infrastructure across the EU, good governance principles are crucial for PROs' functioning. The following additional aspects are recommended:

- Ensure a collaborative governance model and representation of the entire value chain to guarantee that all expertise across the textile chain is represented.
- Allow economic operators to fulfil their EPR requirements outside of a PRO to foster a competitive landscape.
- Safeguard investments made into innovations by requiring full transparency, adequate tendering processes and consultation with value chain stakeholder representatives.

### **4. Consumer communication**

Increasing knowledge about textile waste, proper sorting and recycling/reuse capacities is crucial for the WFD to succeed as well as to further public trust in EU waste management operations. As currently drafted, it is important that EPR fees be used to disseminate this information to consumers. PROs should apply their expertise to waste. Other elements of communication campaigns such as environmental impacts outside of waste treatment should be included under other adequate policy initiatives such as the Corporate Sustainability Reporting Directive (CSRD), the Ecodesign for Sustainable Products Regulation (ESPR) and the Corporate Sustainability Due Diligence Directive (CS3D).

### **5. Timelines**

The current proposal of allowing only 12 months following Member State adoption for the establishment of EPR schemes is very ambitious, as demonstrated by the packaging of EPR. Instead,

the revision should require Member State adoption 12 months after the entry into force and the establishment of EPR schemes 36 months after adoption.

Although setting collection and recycling targets would be a positive step, the relevant infrastructure still needs to be developed, as assessed by the Commission. The Commission's decision to exclude such targets at this point in time is therefore appropriate.

However, such targets will be an important signal to the market and should be introduced based on initial experience with the separate collection of textiles in the EU. Therefore, a specific review clause requiring the Commission to assess whether it is feasible to establish specific targets for collection and recycling rates three years after the establishment of EPR schemes should be included.

## **6. Waste Shipment**

The proposal should ensure that companies directly involved in waste shipment are responsible for any related illegal actions.

## **7. Coherence with other pieces of legislation**

The revision of the WFD should be coherent with other pieces of legislation, and it is positive to align it with the ESPR. However, the revision should also be aligned with the currently discussed proposal for the Packaging and Packaging Waste Regulation and ensure that the Waste Shipment Regulation will apply.

# Conclusion

The proposal puts forward measures to reduce food waste as well as bring about more circular and sustainable management of textile waste. The revision should carefully take into account the abovementioned recommendations that would allow for swifter implementation, avoid fragmentation of the internal market and ensure the scalability of sustainable innovation across the EU.