

Extended producer responsibility for textiles

— part of the circular economy

Report from
The Inquiry on extended producer responsibility for textiles

Stockholm 2020

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1 Preface

In December 2019 the Swedish Government appointed Birgitta Losman, sustainability strategist at the University of Borås, to lead an inquiry with the task to propose an extended producer responsibility (EPR) for textiles.

The inquiry submitted the report *Producentansvar för textil – en del av den cirkulära ekonomin* (Producer responsibility for textiles - part of the new circular economy) (SOU 2020:72) to the government the 10th of December 2020.

This document contains a translation of three selected chapters from the report:

- Summary.
- Proposed Ordinance on extended producer responsibility for textiles.
- Supplementary measures that should be considered.

The complete report is available here (only in Swedish):
<https://www.regeringen.se/4ada18/contentassets/b6ad93ca7b9a40518355624c010dea7d/producentansvar-for-textil--en-del-av-den-cirkulara-ekonomin-sou-202072>

2 Summary

2.1 The Inquiry's remit

The Inquiry's remit has been to propose a scheme of extended producer responsibility (EPR) for textiles which ensures the separate collection of textiles for reuse and textile waste for recycling.

According to the Committee's terms of reference, the purpose of introducing EPR for textiles is twofold:

- To achieve environmental benefit through the increased collection of textiles for re-use and textile waste for recycling, primarily for preparation for re-use and recycling.
- To place responsibility for waste management and recycling of textiles on the producers, based on the polluter pays principle.

When drafting the proposal, the Inquiry is to take into account the minimum requirements for designing EPR schemes set out in the Waste Framework Directive and the Directive's requirement that all Member States collect textiles separately by 2025 at the latest.

2.2 Points of departure for the Inquiry's proposals

Sweden has determined that we are to be a role model in achieving the Sustainable Development Goals of the 2030 Agenda. The Government has adopted a national strategy for a circular economy in which textiles are one of several prioritised areas in the transition to a circular and bio-based economy.

The Inquiry's terms of reference clearly set out that the proposals drawn up are to be governed by the polluter pays principle and by

environmental benefit. The circular economy is also clearly in focus. It has been the Inquiry's ambition for Sweden to take the lead as the first European country to introduce a circular EPR for textiles, with the hope that, as an important actor in the EU system, Sweden will also be able to drive EU-wide decisions that will ultimately enable the harmonisation of EPR for textiles within the EU.

In the light of this, it is worth pointing out that determining whether the greatest environmental benefit is attained by EPR for textiles or whether alternative measures exist capable of producing a greater environmental benefit, is not part of the Inquiry's remit. The Government and the parties that support it had already chosen the route of using EPR as an instrument when the remit of the inquiry was drawn up. Introducing EPR for textiles is part of the January Agreement entered into when this Government was formed. The point of departure for the Inquiry's deliberations has therefore been how the greatest environmental benefit can be attained within the scope of EPR.

At the same time, we can state that, in the long term, the earth's resources will not be sufficient to meet increased demand for virgin fibre. EPR for textiles is part of the transition to a circular economy, but additional instruments and initiatives – political, industry-wide and cross-sectoral, as well as consumer-driven – will be needed to reduce the influx of new fibre into the textile value chains. There is also a need for continued work on innovation to break up linear textile flows and render circular flows profitable. Sweden's work on Textile and Fashion 2030, the national platform for sustainable fashion and textiles, with its link to business benefit and sustainable consumer trends, is essential.

It is also undoubtedly the case that the greatest environmental benefit will be attained once the textiles placed on the market are used several times before they reach end-of-life and should be sent for recycling. This is because 80 percent of a textile's total environmental and climate impact occurs at the stage when new products are manufactured. The introduction of EPR does not, however, mean the automatic creation of an incentive for producers to switch to a more environmentally friendly production process or, for example, to use a higher proportion of recycled raw materials, because such measures will not necessarily affect the producer's costs of managing the waste. The impact analysis also shows that the

introduction of EPR is expected to lead to a T-shirt becoming SEK 0.23 more expensive. Such a limited price increase will not in itself constitute sufficient incentive for consumers to reduce their consumption or to choose better-quality textiles.

The fibres only affect a small proportion of a textile's total environmental and climate impact, and therefore circulating and recycling textile fibres alone will never make the textile industry sustainable. To reduce the total environmental impact of the textile, the introduction of EPR must therefore be supplemented by measures whose purpose is other than merely allocating responsibility for waste management.

2.3 EPR will be introduced for clothes, household and interior textiles, bags and accessories

The introduction of a new EPR and the obligation to separate textile waste from other waste will affect all Swedish households and all businesses that produce textile waste. Textiles are used in a number of different areas and for a number of different functions. EPR will encompass a large proportion of these areas and functions but not all of them. EPR will be introduced for clothes, home and interior textiles, bags made from textiles and textile accessories, which means, for example, that furniture, technical textiles, filters, fabric by the metre, mattresses and shoes will not be covered by the new EPR scheme. To define the area of application, the Inquiry have taken the provisions of the Waste Framework Directive as guide, and the Inquiry judge that EPR with this scope will lead to Sweden fulfilling the requirements of the Directive regarding separate collection of textiles.

To make application easier for the companies, in the ordinance the Inquiry have chosen to use the Customs Tariff CN codes to define which textiles are to be covered.

2.4 The current textile collection system will be retained

Charities have built up systems for collecting, sorting and selling textiles and textile waste over a long period, and several charities are currently hired by municipalities and companies to collect both textiles and textile waste. Every year, these charities collect about 38,000 tonnes of textiles and textile waste, thus constituting key actors in reaching the target of increasing textile re-use and recycling in Sweden. The surplus that the operations of charities generate goes to non-profit-making purposes in both Sweden and abroad. Collection also takes place on a lesser scale by private second-hand actors and by dealers receiving end-of-life textiles in their business premises. Many households are thus already used to separating textiles and textile waste from other domestic waste. Unlike the products currently covered by producer responsibility, in the textiles sector there is also a well-established desire to donate used textiles to charity.

The Inquiry has viewed it as an advantage that some textile waste is already separated from ordinary domestic waste. Instead of replacing already established collection pathways with a completely new collection system, the proposals of the Inquiry therefore result in the ability to retain today's collection system.

After notifying the Swedish Environmental Protection Agency, collection of textile waste will be allowed in the following cases:

- collection of textile waste arising in or in conjunction with commercial operations
- collection of textile waste in conjunction with the sale of textiles
- collection of textile waste by charities
- collection of textile waste by remake actors
- a municipality's collection of textile waste within the municipality.

Of these, remake actors may retain the part of the collected waste that they use in their own operations, and charities may retain everything they have collected. Other actors that may collect textile waste must hand over all the collected materials to the producers' licensed collection system. A continued opportunity for municipal

collection is laid down based on the desire that emerged during the course of the Inquiry to protect and develop existing municipal initiatives. The obligation to collect textile waste in each municipality is incumbent upon the producers.

The actors that already operate textile waste collections can choose whether they want to continue to operate as they do today or whether they want to offer their services to the new producers' collection systems.

The collection of textiles that do not constitute waste is not affected in a legal sense by the introduction of EPR. In other words, the second-hand actors, both commercial and charities, that currently only receive textiles for which there is no disposal purpose can continue to do so.

2.5 The producers must sign up to a licensed collection system

Responsibility for the system for collecting textile waste meeting the requirements will not rest with the individual producers. The producers are only obliged to ensure that their products are dealt with in a licensed collection system, and it is the operator of the collection system that is responsible for ensuring that the system is run and functions in line with the requirements. The reason for this is that operating effective supervision of the collection system would be problematic were this supervision need to cover each individual producer. The system proposed will enable the Swedish Environmental Protection Agency, as the licensing body, to instead focus their supervisory measures on the body that operates the licensed collection system.

A producer that places textiles on the Swedish market is only obliged to:

- ensure that a body that holds a licence to run a collection system has undertaken to manage the producer's textiles when they become waste
- notify the Swedish Environmental Protection Agency.

2.6 The requirements for a collection system are linked to achievement targets

As shown above, there are two main purposes for introducing EPR for textiles: increased environmental benefit and for the producers to bear the cost of managing the waste generated by their products.

To achieve these purposes, it is sufficient that the legislator sets requirements for what is to be achieved, while leaving it to the producers themselves to decide how the targets are to be met. This approach creates the best conditions for collection, sorting, re-use and recycling being organised in the most effective way, as it is in the producer's own interest to keep costs down. This also paves the way for the development of large-scale sorting capacity, increased, re-use, and more effective recycling processes being driven by producer demand.

However, it is not enough to demand that targets be attained. This requirement must be supplemented by certain fundamental requirements made of the scheme. To a certain extent, these are derived from the minimum requirements of Article 8a of the Waste Framework Directive. The requirements can be divided into three groups: adequacy requirements, national coverage requirements and other requirements.

The most central requirements are linked to the adequacy of the collection system. To be considered *adequate*, the collection system must

- provide easily accessible collection points where households and businesses alike wishing to dispose of textile waste can do so easily and free of charge
- as far as possible site collection points close to places that a large number of households visit regularly
- operate collection in a way that encourages preparation for re-use and material recycling.

To be considered *national*, the collection system must provide collection points in each municipality, and the geographical spread in each municipality is to be reasonable in terms of population density and the location of operators.

The *other* requirements that must be met by the collection system are of a more administrative nature. These include an obligation to

give producers access to the system on non-discriminatory terms, how the producers' charges are to be calculated, ensuring safety and certain compulsory information.

2.7 Ambitious collection targets

The targets that the collection system is to attain are ambitious, and when licences are applied for, it must be probable that the intended collection system is capable of attaining the targets.

There are two types of target to be attained. The first target is linked to collection and the second to managing the material collected. The two targets complement each other. Without the target to reduce the amounts of waste, in principle the second target could be met immediately, with no need for the new collection system to function.

To measure collection efficiency, the Swedish Environmental Protection Agency is to estimate how much textile waste is thrown away in residual waste and in the energy recovery fraction at recycling centres in 2022 by analysing waste samples. The estimated amount is to be divided by the Swedish population to produce an average that states how many kilogrammes of textile waste each person annually throws away as residual waste or in the energy recovery fraction at recycling centres. The long-term target is for this average to be reduced by 90 percent. The target will be worded such that the average is to fall in three stages in relation to 2022; the different levels of the stages are to be attained at four-yearly intervals after the collection system has taken over responsibility for collecting the textile waste. This means that:

- in 2028 the average is to have decreased by 70 percent
- in 2032 the average is to have decreased by 80 percent
- in 2036 the average is to have decreased by 90 percent.

To monitor developments, the Swedish Environmental Protection Agency is to conduct waste sample analyses every two years.

The target for handling the collected material will be introduced in a single step. From 2028 onwards, at least 90 percent of the textile waste collected by the collection system by weight is to be prepared for re-use or be sent for recycling. The waste hierarchy is to be applied, and where waste is not prepared for re-use, recycling is primarily to take the form of the textile waste being used for remake and secondarily to take the form of the textile waste being used for fibre recycling.

2.8 EPR covers Swedish and foreign actors

The definition of who is to be considered to constitute a producer determines who in the manufacturing and delivery chain is to be responsible for the cost of dealing with the textile once it has become waste. In the first instance, actors established in Sweden will have producer responsibility for textiles placed on the Swedish market. Only in cases where textiles are sold directly to the Swedish end user by distance selling will the producer responsibility be placed on the foreign seller. There will only be one producer responsible for each textile product. Depending on how the product has been placed on the market, producer responsibility may exist for manufacturers, importers, wholesalers, hirers and retailers.

Producer refers to an entity:

- established in Sweden that professionally manufactures, sells, hires out or imports and releases textiles on the Swedish market
- that is not established in Sweden and, through a distance selling contract, professionally sells textiles directly to private households or to end users other than private households in Sweden.

Release on the Swedish market refers to making a textile available to someone else in Sweden for the first time.

When textile waste is used as a raw material in its existing form, this is positive from an environmental perspective, as it demands fewer resources than, for example, recycling the fibre to create new fibre. To facilitate this type of business, a remake actor that manu-

factures textiles at least 80 percent of which comprise textiles released on the Swedish market therefore does not constitute a producer.

Producer responsibility also exists when a waste holder wishes to dispose of textiles which have not been released on the market. This concerns, for example, actors wishing to dispose of clothes that cannot be sold for various reasons.

2.9 Measures to reduce the risk of free riders

There are a number of different practical and legal obstacles that, taken in combination, make it impossible to ensure that all actors are treated equally and take their share of responsibility for the collection and management of textile waste.

Resolving several of these obstacles will require international agreements, amendments to EU legal acts and more provisions on cross-border administrative collaboration. This type of measure cannot be brought about within the remit of a government inquiry.

While there are some measures that can be taken to reduce the obstacles that have been identified, it is not therefore possible for the Inquiry to propose measures that would safeguard the fair treatment of all actors.

There is thus a risk of foreign producers engaged in the distance selling of textiles directly to Swedish end users failing to fulfil their Swedish producer responsibility obligations, either due to a lack of knowledge or deliberately.

To make it easier for foreign actors to fulfil their producer responsibility obligations, it will be possible to appoint a producer representative as an intermediary to act on their behalf.

To reduce the risk of producers who sell textiles via digital marketplaces failing to fulfil their producer responsibility obligations, a responsibility will be imposed on the intermediary. Anyone who acts as an intermediary in the distance selling of textiles to end users in Sweden may only do so for sales from producers that, themselves or through a producer representative, have ensured that a body licensed to operate a collection system has undertaken to manage the textile waste for which the producer is responsible. Due to the restrictions resulting from the e-Commerce Directive, this requirement only applies to intermediaries established in Sweden.

2.10 Information and transparency are important to attaining the targets

To attain the collection targets set, households and other waste holders merely being aware of EPR and the new obligation to separate textile waste from other residual waste is not enough. They must also be prompted to change their behaviour and hand over their textile waste to those licensed to collect it separately. There is thus an extensive need for information. As stated above, as well as information, there is a need for more instruments that encourage more sustainable consumer behaviour. Per capita consumption of textiles in Sweden is high.

Bodies operating licensed collection systems are to provide municipalities with the information they need to inform households in the municipality concerned. Bodies operating licensed collection systems are also responsible for augmenting the municipality's information to households and for informing waste producers other than households. Households are to receive information on

- the obligation to separate their textile waste from other waste
- collection points
- how households can help prevent textile waste occurring
- the importance of extending the active lifetime of the textile
- the environmental benefit to which sorting contributes
- the environmental impact of the textile
- the collection and handling targets and whether these are being met
- the proportion of the collected textile waste that is exported.

Bodies operating licensed collection systems must also inform producers of the opportunities available for recycling of different types of textiles, the measures producers can take to simplify the collection system's handling of the collected waste, and the measures producers can take to extend the active lifetime of the textile.

To make distance sellers abroad aware of the new requirements and make it easier for them to fulfil their producer responsibility obligations, the Swedish Environmental Protection Agency is to

work with the licensed collection systems to produce information in English specially designed for this target group.

To make it possible to monitor whether the targets are being met and obtain a holistic picture of textile collection and handling in Sweden, all actors that collect textile waste must submit data to the Swedish Environmental Protection Agency each year.

2.11 Entry into force

The statutes are to enter into force on 1 January 2022. For practical reasons, EPR will need to be introduced in several stages, and some of the proposed provisions are therefore not to be applied until a later date. Before responsibility for collection can be transferred from the municipality to one or more collection systems, enough time must be available for the licence process, to expand the collection system, and for all producers to enter into contracts with a licensed collection system.

Responsibility for collecting textile waste will therefore not be transferred to the licensed collection systems until 1 January 2024.

2.12 Impacts

The table below summarises the economic impacts of introducing EPR for textiles in Sweden. The Inquiry have based its calculations on the target that states that the amount of textile waste disposed of as residual waste and in the energy recovery fraction at recycling centres is to fall by 90 percent. The deadline for attaining this target is not until 2036. Even if the initial investment cost is significant, this means that the costs linked to collection will increase gradually as the collection targets become more ambitious.

It has not been possible to express all the impacts in monetary terms, mainly due to a lack of data. Where this is the case, the impacts have been described qualitatively, and their importance is indicated in the table by a plus sign if they generate a benefit and a minus sign if they generate a cost.

To avoid costs being counted twice, the costs in the table should not be added together and interpreted as the total cost of the introduction of EPR. The most obvious example here is the annual

SEK 296 million that the licensed collection system is expected to cost, which is also shown on the cost side for the producers.¹

Table 1 Economic impacts of EPR for textiles

	One-off cost (SEK)	Annual cost (SEK/year)
Companies that sell textiles		
Swedish	1,300,000	320,200,000
Foreign	110,000	4,600,000
Intermediaries	850,000	
Collectors of textile waste		
Licensed	720,000	296,000,000
Unlicensed (excluding charities)	24,000	62,000
Charities	7,000	58,000
Waste producers		
Households and consumers		446,000,000
Operators		–
Sorting and recycling companies		
		+
Public sector		
Municipalities		4,200,000
Swedish Environmental Protection Agency	2,500,000	6,888,750
Courts		–
Environment		
		+

A plus sign indicates a benefit and a minus sign indicates a cost.

2.12.1 Consequences for companies placing textiles on the market

Swedish companies

Seen in terms of market share, the companies affected by EPR are mainly (>99 percent) Swedish companies in the textile manufacturing, textile sales, textile hire and laundry sectors. EPR involves the costs of administering applications to the Swedish Environmental Protection Agency and reporting to the collection system. On top of this, there will be the inspection fee payable to the

¹ Ultimately, the cost of the collection system will be passed on to consumers. However, the expected price increases for textiles are not included in the SEK 446 million per year shown in the table. This cost item only denotes the cost in terms of the time that households need to spend on handling textile waste after the introduction of EPR.

Swedish Environmental Protection Agency and payments to the collection system for the textiles placed on the market.

Foreign companies

A large number of foreign businesses distance-sell textiles to Swedish end users, but their proportion of the total textile market is small. The Inquiry that it is unlikely that smaller actors that sell textiles to Sweden on single occasions will fulfil their producer responsibility obligations. The foreign actors that do fulfil their producer responsibility obligations will be affected in the same way as Swedish companies and incur similar types of costs, although it is assumed that many will make use of producer representatives.

Intermediaries

Textile intermediaries are given responsibility for conducting checks, which they are expected to resolve through amendments to their contracts with the sellers who use the digital marketplace to sell textiles.

2.12.2 Consequences for collectors of textile waste

Licensed collectors

Licensed collectors will incur the costs of the licence process, collection and management of textiles, an inspection fee payable to the Swedish Environmental Protection Agency, the duty to provide information and administrative costs. By far the largest cost item is the waste management costs (transport, sorting and incineration).

Unlicensed collectors (excluding charities)

The number of actors judged likely to exercise the opportunity to collect textile waste without a licence is about 65. This group will incur notification and reporting costs. If they enter into agreements

with the licenced collection system, they may obtain compensation for their collection costs.

Charities

The number of charities that collect textile waste is estimated to be about 20. This group will incur the costs of notification and a higher cost for reporting than other actors who collect textile waste without a licence. If they enter into agreements with the licenced collection system, they may obtain compensation for their collection costs.

2.12.3 Consequences for waste producers

Households and consumers

Households and consumers will incur costs of sorting waste and see higher prices for textiles. The producers are expected to allow the costs of EPR to be passed on in their entirety to consumers, which is equivalent to a price increase of SEK 0.23 for a T-shirt.

Operators

Operators that produce waste will experience similar consequences to households and consumers, and the same arguments as above thus also apply to this group.

2.12.4 Consequences for sorting and recycling operators

Operators that sort or recycle textile waste are expected to experience a higher demand for their services with the introduction of EPR. Provided that such increased demand does arise, this can be expected to mean the creation of new jobs.

2.12.5 Impacts for the public sector

Municipalities

The municipalities will incur the costs of incinerating remaining textile waste in residual waste and of some information initiatives.

The cost of the textiles in residual waste can be financed via the waste charge. The cost of providing information to local residents has been judged to be negligible.

Swedish Environmental Protection Agency

The Swedish Environmental Protection Agency will incur recurring costs of supervision, guidance, processing and analysing waste samples. The Swedish Environmental Protection Agency will additionally incur the one-off costs of producing licence application regulations, processing licence applications from collection systems, receiving and administering notifications from producers and the unlicensed collection systems, and of drafting information in Swedish and English for producers.

Costs linked to supervision will be financed via inspection fees from producers and the licensed collection system. The body or bodies that operate a licensed collection system will also compensate the Agency for its waste sample analysis costs. Other costs will be managed within existing budgets.

Courts

The Inquiry judges that the proposals will only affect the courts to a limited extent and that any additional costs will thus be able to be managed within existing budgets.

2.12.6 Environmental impacts

The impacts for the environment are a smaller carbon footprint, lower energy and water consumption, lower emissions of environmental toxins, less acidification, a lower impact on lakes and seas (eutrophication) and a less negative impact on land use and biodiversity.

Increased separate collection of over 85,000 tonnes of textile waste that previously went to energy recovery and now instead are being prepared for reuse and recycling have the potential to contribute to great environmental benefits in circular cycles. The climate footprint can be almost halved if our clothing is used twice as many times, provided that extended use replaces the purchase of newly produced textiles. Although it is not known exactly how many more times the garment will be used as a result of EPR, it is reasonable to assume a longer lifetime. Recycling of textile waste into new fibre to be used in new textiles can contribute to a reduced climate impact of up to 10 percent per average textile. Using textile waste as material for remake provides an even greater environmental benefit than other recycling. In other words, there is great potential for environmental benefit here.

The Inquiry judges that a combination of EPR and instruments that help consumers to act in a more sustainable way can have a major impact. Exactly how great an environmental benefit can be attributed to the proposal on EPR needs to be studied in more detail but previous studies have estimated an environmental benefit amounting to significant monetary sums (based on slightly different assumptions and data).

3 Proposed Ordinance on extended producer responsibility for textiles

The Government prescribes the following.

Section 1 This Ordinance seeks

1. to promote measures to increase the re-use of textiles and reduce the amount of textile waste,
2. for producers to join a collection system which takes operational and financial responsibility for collecting and managing textile waste,
3. to make it easier for holders of textile waste to dispose of this waste, and
4. to achieve the collection and recycling targets in Sections 43–46.

Section 2 This Ordinance is issued pursuant to

- Chapter 15, Section 12 of the Environmental Code regarding Sections 6, 7 and 12,
- Chapter 15, Section 13 of the Environmental Code regarding Section 13,
- Chapter 15, Section 14 of the Environmental Code regarding Sections 10 and 11,
- Chapter 15, Section 15 of the Environmental Code regarding Sections 12, 15–29, 31, 34, 35, 48, 51–53 and 62(1),
- Chapter 15, Section 18 of the Environmental Code regarding Section 36,
- Chapter 15, Section 21 of the Environmental Code regarding Section 5, paragraph 2,

- Chapter 15, Section 30 of the Environmental Code regarding Sections 37–40,
- Chapter 15, Section 31 of the Environmental Code regarding Sections 54–59,
- Chapter 15, Section 39 of the Environmental Code regarding Section 41,
- Chapter 15, Section 45 of the Environmental Code regarding Sections 49 and 50,
- Chapter 8, Section 11 of the Instrument of Government regarding Section 62(2). and
- Chapter 8, Section 7 of the Instrument of Government regarding other provisions.

Section 3 Provisions on the obligation to separate textile waste from other waste and where textile waste is to be handed in are provided in Chapter 3, Section 5a of the Waste Ordinance (2020:614).

Section 4 Provisions on the obligation to pay charges for the Swedish Environmental Protection Agency’s consideration and supervision are provided in Chapter 7, Sections 8l and 8m of the Ordinance (1998:940) on charges for consideration and supervision under the Environmental Code.

Section 5 Provisions whereby the municipality is to be responsible for transporting and disposing of waste are provided in Chapter 15, Sections 20 and 20a of the Environmental Code.

This responsibility is only limited by this Ordinance as regards waste that is handed over to a party permitted to collect the waste pursuant to this Ordinance.

Terms used in this Ordinance

Section 6 In this Ordinance, ‘textiles’ is used to refer to goods that fall under CN codes 4202 1291, 4202 1299, 4202 2290, 4202 3290, 4202 9291, 4202 9298, 6301, 6302, 6303, 6304, 6505, 9404 30 00 00 and 9404 90, plus the CN codes in Chapters 57, 61 and 62.

Section 7 In this Ordinance, ‘producer’ refers to a party established in Sweden which professionally manufactures, sells, hires out or imports and releases textiles on the Swedish market and, a party not established in Sweden and which professionally sells textiles directly to Swedish end users through distance contracts.

In this Ordinance, ‘producer’ also refers to a waste holder that submits textiles that have not been released on the market directly to a collection system.

A remake actor does not constitute a producer.

Section 8 In this Ordinance

1. ‘collection system’ means professional collection of textile waste,

2. ‘release on the Swedish market’ means making a textile available to someone else in Sweden for the first time,

3. ‘established in Sweden’ means running a business using a permanent place of operation for an indefinite period,

4. ‘remake actor’ means a body that manufactures textiles that to at least 80 percent comprise textiles released on the Swedish market,

5. ‘producer representative’ means a body established in Sweden with written authority to fulfil the obligations that a producer has under this Ordinance,

6. ‘charity’ means a body that operates collection, sorting or sale of textiles or textile waste and is exempt from certain tax obligations under Chapter 7, Section 3 of the Income Tax Act (1999:1229),

7. ‘textile waste’ means textiles that are waste under Chapter 15, Section 1 of the Environmental Code,

8. ‘historic textile waste’ means textiles released on the Swedish market before 1 January 2024 and which have become textile waste,

9. ‘EEA’ means the European Economic Area,

10. ‘remake’ means a recycling process in which the textile waste is used as material for manufacturing new textiles, and

11. ‘fibre recycling’ means a recycling process in which the textile waste is used to manufacture textile fibres that can be used in the manufacture of new textile materials.

Section 9 In this Ordinance, ‘waste’, ‘waste prevention measures’, ‘re-use’, ‘waste recycling’, ‘preparing waste for re-use’, ‘recycling of

waste’, ‘waste disposal’, ‘waste management’ and waste collection are defined as in Chapter 15 of the Environmental Code.

In this Ordinance, ‘distance contract’ means the same as in Chapter 1, Section 2 of the Distance Contracts and Off-Premises Contracts Act (2005:59).

The Ordinance’s references to CN codes refer to the wording of the Combined Nomenclature (CN) according to Council Regulation (EEC) 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff as at 1 October 2020.

Producer representative in Sweden

Section 10 A producer who is not established in Sweden may appoint a producer representative.

Section 11 If a producer representative has been appointed under Section 10,

1. the obligations incumbent on the producer under Sections 12 and 13 and Chapter 7, Section 8m of the Ordinance (1998:940) on charges for consideration and supervision under the Environmental Code are to be fulfilled by the producer representative, and

2. the producer representative is to inform the Swedish Environmental Protection Agency of which producer it represents.

Obligations of the producer

Section 12 A producer is to ensure that a party that holds a licence to run a collection system under Section 17 has undertaken to manage

1. the textile when it becomes waste, and

2. the part of the historic textile waste that corresponds to the producer’s proportion of the Swedish market for new textiles.

Section 13 Before a producer places a textile on the Swedish market, they must notify the Swedish Environmental Protection Agency.

The notification must contain

1. the producer's name, contact details, organisation registration number, or if it does not have one, an equivalent national identifier, and

2. information on which collection system under Section 12 has undertaken to manage the textile once it has become waste.

The Swedish Environmental Protection Agency is to be informed of changes to details previously submitted.

Section 14 The Swedish Environmental Protection Agency is to ensure that it is possible to provide notification under Section 13 via the internet.

It must be possible to make such notification in Swedish or English.

Obligation of the intermediary

15 § A body established in Sweden and which professionally acts as an intermediary in the distance selling of textiles to end users in Sweden may only do so for sales from producers that, under Section 12, have ensured that a body licensed to operate a collection system has undertaken to manage the textile waste for which the producer is responsible.

Textile waste collection systems

Section 16 A licence is required to run a textile waste collection system.

The requirement to hold a licence to run a collection system does not apply to

1. a municipality's collection of textile waste within the municipality,

2. collection of textile waste arising in or in conjunction with commercial operations,

3. collection of textile waste in conjunction with the sale of textiles,

4. collection of textile waste by remake actors, or

5. collection of textile waste by charities.

Requirements for a licence to run a collection system

Section 17 To obtain a licence to run a textile waste collection system, the collection system must be adequate under Section 18 and national under Section 19 and the criteria in Sections 20–24 must be met.

Section 18 For the collection system to be considered adequate, the following criteria must be met:

1. the collection system must include easily accessible collection points where anyone who wishes may dispose of textile waste easily and free of charge,
2. collection points for household textile waste must as far as possible be sited close to places that a large number of households visit regularly,
3. it must be possible for waste holders to report the need for cleaning of one of the system's collection points or the need for emptying of one of the system's collection bins,
4. textile waste from households which is collected by the municipality must be collected free of charge from at least one of the municipality's waste management sites or at a site that the municipality and the body running the collection system have agreed,
5. collection must be operated in a way that encourages preparation for re-use and recycling,
6. collection must be operated so as to achieve the targets set out in Sections 43–45,
7. recycling of the collected waste must be run so as to achieve the target set in Section 46, and
8. it must be possible for the operators holding textile waste that should not be prepared for re-use or be material-recycled to submit this type of waste separated from other textile waste.

Section 19 To be considered national, the collection system must provide collection points in each municipality, and the geographical spread in each municipality is to be reasonable in terms of population density and the location of operators.

Section 20 The collection system must give the producer access to the system on non-discriminatory terms.

Section 21 The charge for an individual producer must be based on the amount of textiles the producer has placed on the Swedish market.

There must be procedures for repaying charges or that otherwise take into account situations in which textiles that the system has undertaken to manage under Section 12 do not reach end consumers in Sweden.

Section 22 Where it is possible, the producers' charge must be adapted based on the characteristics of the textile that the collection system has undertaken to manage when it becomes waste.

When calculating the charge, a life cycle perspective must be applied and special consideration must be paid to characteristics that affect the active lifetime of the product and its material recyclability.

Section 23 A body intending to run a textile waste collection system must

1. consult with other actors that hold or have applied for a licence to collect textile waste to determine how the costs of the textile waste that has been collected and the costs of handling historical textile waste are to be allocated between the collection systems when costs arise,

2. set out how charities can be integrated in the collection system,

3. put up security equivalent to the costs of running operations in a way that meets the requirements made of a collection system for five years, and

4. have set procedures for internal control that guarantee that the amounts that producers are charged fulfil the requirements and that the information the collection system is to provide under Sections 54 and 55 maintains high quality.

Section 24 A body that intends to run a textile waste collection system must undertake to publish the following information on its website:

1. Information on achievement of the targets set in Sections 43–46 §§ and information on the details submitted to the Swedish

Environmental Protection Agency under Sections 54(2) and (3) and Section 55.

2. Information on the board and shareholders of the company that runs the collection system.

3. Information on which producers have tasked the collection system with managing the waste for which the producer is responsible.

4. Information on charges paid by producers per sold textile or per kilogramme of textiles that the producer sells on the Swedish market, including information on whether differentiated charges have been introduced under Section 22.

5. Information on the procedure for choosing actors for waste management.

Section 25 The requirements in Section 18(1–4) and Section 19 may be fulfilled by other licensed collection systems.

Section 26 Sections 18–24 must not be applied if the party applying in another EU or EEA country fulfils equivalent requirements, or requirements whose purposes are essentially comparable.

Section 27 A party that has been granted a licence to run a textile waste collection system must provide the municipalities with an exhaustive account of

1. how the system is to be organised and run,
2. how the system is to be coordinated with the waste collection that takes place under other producer responsibility,
3. how the system is to be coordinated with the municipalities' waste collection obligation, and
4. which dispensations, licences and permits exist or must be applied for in relation to operations.

Section 28 The party running a licensed collection system must inform the municipality concerned of reports made under Section 18(3).

Section 29 The party running a licensed collection system must constantly ensure that the system fulfils the requirements of the

Ordinance, engage in consultation under Section 23(1) to determine the division of costs and inform the Swedish Environmental Protection Agency of such changes in how the system is organised or run that may affect the assessment of whether the system complies with the requirements of the Ordinance.

The Swedish Environmental Protection Agency is also to be informed of consultations held with municipalities or charities under Sections 34 and 35 and of the result of these consultations.

Considering applications for a licence to run a collection system

Section 30 Questions regarding licences under Section 17 are considered by the Swedish Environmental Protection Agency.

Section 31 An application for a licence to run a collection system must contain

1. the applicant's name and contact details,
2. the information required to consider whether the system is adequate under Section 18 and national under Section 19, and
3. the information required to consider whether the requirements in Sections 20–24 are met.

Section 32 A licence must be linked to the conditions needed for the operation to fulfil the requirements throughout the licence period.

Section 33 The Swedish Environmental Protection Agency may revoke a licence if the collection system no longer meets the requirements of the Ordinance.

The licence may not be revoked if the shortcomings are only of minimal significance.

Consultation when operating a licensed collection system

Section 34 The party operating a licensed collection system must, where necessary or where a municipality so requests, consult with the municipality on

1. how the system has been organised and is run,

2. how the system has been coordinated with the waste collection that takes place under other producer responsibility,
3. how the system has been coordinated with the municipalities' waste collection obligation, and
4. other significant questions concerning the system.

Section 35 The party that operates a licensed collection system must, on request, consult charities to investigate the opportunity to integrate these actors in the collection system.

Operating a collection system that does not require a licence

Section 36 The party that intends to operate a collection system that does not require a licence under Section 16, paragraph two, must notify this to the Swedish Environmental Protection Agency.

Such a notification must contain

1. the name and contact details of the collector,
2. information about which municipalities the collection is to be operated in, and
3. a description of how the collection is to be run.

The Swedish Environmental Protection Agency is to be informed of changes to details previously submitted.

Section 37 The Swedish Environmental Protection Agency is to inform municipalities concerned and the party with a licence to run a collection system of the notifications made under Section 36.

Section 38 The party that runs a collection system that does not require a licence under Section 16, paragraph two, points 1–3 must hand over the collected waste to a licensed collection system.

Section 39 The party that runs a collection system that does not require a licence under Section 16, paragraph two, point 4 must hand over the collected waste that is not used as a raw material in its own operation to a licensed collection system.

Section 40 The party that runs a collection system that does not require a licence under Section 16, paragraph two, point 5 may retain the collected textile waste.

This also applies when the collection takes place in partnership with other actors permitted to operate an unlicensed collection system.

Section 41 The party that runs a collection system that does not require a licence under Section 16, paragraph 2 is to manage and process the textile waste in a way that promotes preparation for re-use and recycling.

Collection and recycling targets

Section 42 In 2022, the Swedish Environmental Protection Agency must estimate by analysing waste samples how many kilogrammes of textile waste have been thrown away in residual waste and in the energy recovery fraction in the municipalities' recycling centres during the year.

A new sample analysis and estimate must be carried out every two years thereafter.

The estimated amount is to be divided by the Swedish population to produce an average that states how many kilogrammes of textile waste each person annually throws away as residual waste or in the energy recovery fraction at recycling centres.

The Agency is to share the results with the party licensed to run a collection system.

Section 43 In 2028, the average is to have fallen by 70 percent compared with 2022.

Section 44 In 2032, the average is to have fallen by 80 percent compared with 2022.

Section 45 In 2036, the average is to have fallen by 90 percent compared with 2022.

Section 46 From 2028 at least 90 percent by weight of the textile waste collected by a licensed collection system is to be prepared for re-use or sent for recycling.

The waste hierarchy is to be applied, and where waste is not prepared for re-use, recycling is, in the first instance, to take the form of the textile waste being used for remake and in the second instance fibre recycling.

Information responsibility

Section 47 The Swedish Environmental Protection Agency is to work with the licensed collection systems to produce information in English specially geared towards foreign distance sellers.

The information must be available on the Agency's website but must also be disseminated actively to foreign distance sellers that the Agency judges to be covered by extended producer responsibility.

Section 48 The body that runs a licensed collection system must provide the municipality with information on the following

1. the households' obligation to separate their textile waste from other waste
2. how sorting is to work,
3. accessible collection points,
4. how households can help to prevent textile waste,
5. the importance of extending the active lifetime of the textile in the first instance,
6. how households can contribute to more textile waste being prepared for re-use,
7. how households can contribute to greater recycling, and
8. the environmental benefit to which sorting contributes.

Section 49 The municipality is to give the body that has reported that it collects textile waste within the municipality in line with Section 36 an opportunity to submit views on the information obtained under Section 48.

Section 50 The municipality is to inform households of the information the municipality obtains under Sections 48 and 49.

Section 51 Those who run licensed collection systems must, individually or jointly, ensure that households receive information on

1. the environmental impact of the textile,
2. the opportunity to material-recycle different types of textile,
3. how households can help to prevent textile waste,
4. the collection and recycling targets set in Sections 43–46 and whether these targets are achieved, and
5. the proportion of the collected textile waste that is exported.

Information must be produced and provided to households at least every two years.

Section 52 The party that runs a licensed collection system must ensure that waste producers other than households receive information

1. corresponding to that given to the municipality under Section 48, and
2. on which types of textile waste that should be provided to the collection system in particular order and how the waste producer is to go about handing over these types of waste.

Section 53 The party that runs a licensed collection system must ensure that producers receive information on

1. the opportunities to material-recycle different types of textile,
2. the measures producers can take to simplify the collection system's management of the collected waste, and
3. the measures producers can take to extend the active lifetime of the textile.

Reporting

Section 54 The party that runs a licensed collection system must submit to the Swedish Environmental Protection Agency by 31 March each year information

1. about the organisation registration number or, if it does not have one, an equivalent national identifier for the producers for which the collection system has undertaken to manage textile waste

under Section 12, and the weight of the textiles these producers have placed on the Swedish market in the previous calendar year,

2. on carbon dioxide emissions from transport in connection with collection and recycling in the previous calendar year, and

3. on the weight of the textile waste that in the previous calendar year has

a) been collected in Sweden,

b) been collected in the municipality in question,

c) been collected separated from other textile waste in line with Section 18(8),

d) been processed in Sweden,

e) been processed in another EEA country, and

f) been processed in a country outside the EEA.

Section 55 For the information that must be submitted under Section 54(3) points d–f, it must be stated how much

1. has been prepared for re-use,

2. has been used for remake,

3. has been used for fibre recycling,

4. has been used for recycling by other means,

5. has been recycled by other means, or

6. has been disposed of.

Section 56 The party that runs a collection system that does not require a licence under Section 16(2), points 1–3 must provide information on the weight of the textile waste that has been collected in Sweden in the previous calendar year to the Swedish Environmental Protection Agency by 31 March each year.

Section 57 The party that runs a collection system that does not require a licence under Section 16(2) point 4 must provide, by 31 March each year, the Swedish Environmental Protection Agency with information on the weight of the textile waste that

1. has been collected in Sweden in the previous calendar year, and

2. has been used as a raw material in its own operations in the previous calendar year under Section 39.

Section 58 The party that runs a collection system that does not require a licence under Section 16(2) point 5 must provide to the

Swedish Environmental Protection Agency by 31 March at the latest each year information on the weight of the textile waste that in the previous calendar year has

1. been collected in Sweden,
2. been handed in to a licensed collection system,
3. been processed in Sweden,
4. been processed in another EEA country, or
5. been processed in a country outside the EEA.

Section 59 For the information that must be submitted under Section 58(3–5), it must be stated how much

1. has been prepared for re-use,
2. has been used for remake,
3. has been used for fibre recycling,
4. has been used for recycling by other means,
5. has been recycled by other means, or
6. has been disposed of.

Supervision

Section 60 Provisions on supervision are provided in Chapter 26 of the Environmental Supervision Ordinance (2011:13), and provisions on the supervisory responsibility that covers this Ordinance are provided in Chapter 26, Section 3, paragraph three of the Environmental Code and Chapter 2, Sections 4, 24, 29 and 30 of the Environmental Supervision Ordinance.

Sanctions

Section 61 Provisions on penalties are provided in Section 29 of the Environmental Code.

Provisions on environmental sanction charges are provided in the Ordinance (2012:259) on environmental sanction charges.

Authorisation

Section 62 The Swedish Environmental Protection Agency may issue regulations on

1. which further information is to be provided under Section 31, and
2. implementation of this Ordinance.

Appeals

Section 63 The provisions on appeals are provided in Chapter 19, Section 1, paragraph three of the Environmental Code.

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1. This Ordinance enters into force on 1 January 2022.
 2. The provisions in Section 5, paragraph two, Sections 16, 48–50, 51(1), (2) and (4), 52 and 54(1) are not to be applied until after the end of December 2023.
 3. The provisions in Sections 12 and 13 regarding textiles placed on the Swedish market are not to be applied until after the end of December 2023.
 4. The provisions in Sections 14 and 47 are not to be applied until the end of June 2023.
 5. The provisions in Section 15 regarding textile intermediaries are not to be applied until after the end of December 2023.
 6. The provisions in Sections 17–26, 30–32, 36 and 37 regarding collection systems intended to be run are not to be applied until after the end of December 2023.
 7. The provisions in Section 51(4) and (5) are not to be applied until after the end of December 2024.
 8. The provisions in Section 54(2) and (3) and Sections 55–59 regarding reporting information are not to be applied until the 2024 calendar year.

4 Supplementary measures that should be considered

4.1 The Inquiry has identified a need for supplementary measures

Sweden has laid down that we are to be a role model in attaining the goals of the 2030 Agenda, and as part of this, the Government has produced a Swedish strategy for the circular economy in which textiles are highlighted as one of several areas to be prioritised in the transition to a circular and biobased economy (Swedish Government 2020). Textile management is affected by many goals, not least those in the 2030 Agenda. Extended producer responsibility will contribute to some of these goals. To maximise opportunities to achieve targets and help to mitigate the environmental and health impact of the textile industry, the Inquiry sees a need for the introduction of extended producer responsibility to be supplemented by further measures. The Inquiry proposes such supplementary measures below. The Inquiry also judges that Sweden should consider introducing milestone targets for more sustainable consumption in general, not just for textiles. This is because the Inquiry considers that it is important that consumer demand for more sustainable products goes hand in hand with business undergoing a transformation and offering more sustainable products and services.

4.2 Rapidly investigate additional consumer-oriented instruments

The Government's strategy for a circular economy states that the vision is a society in which resources are used efficiently in non-toxic circular flows, replacing virgin materials. The transition to a circular economy has great potential to reduce resource use, thereby limiting climate and environmental impacts. Enterprise and innovation, based on circular material flows and business models, can strengthen the development of a resource-efficient, non-toxic, circular and bio-based economy throughout the country. One element in the January Agreement between the Social Democratic Party, the Green Party, the Liberal Party and the Centre Party is that a wide-ranging tax reform, plus a green tax reform, is to be implemented.

The question of reducing emissions from textile and fashion consumption becomes more urgent, however, if Sweden is to attain its stated ambitions for a circular economy with stronger competitiveness and greater environmental benefits. One recommendation is therefore to immediately appoint a Government Inquiry to review the opportunity for concrete measures that further promote sustainable consumption and production of textiles and fashion, with a focus on consumer choice and keeping the products in circulation for as long as possible. The Inquiry's terms of reference should include relating to the upcoming extended producer responsibility for textiles and, based on Sweden's ambitions in terms of the circular economy, providing concrete proposals, e.g. on

- lower VAT on all secondhand
- a quota obligation for secondhand, remake and recycled fibre
- instruments to encourage remake
- incentives for mendability
- demands for a deposit system for certain textiles.

Furthermore, the guarantee undertakings are significant and should be reviewed if a system is to be designed that rewards products that last a long time. Here it can be pointed out that information and information initiatives are valuable, but that information alone

will not be sufficient as an instrument to change consumer behaviour. On a competitive market, it is vital to have instruments that support consumers and producers drawing closer together in their sustainability efforts. Otherwise, there is a major risk that those companies at the forefront of change will lose out in terms of competitiveness in the short term in an industry already under financial pressure with major imports and exports.

Today the consumption of secondhand clothes is estimated to account for about 7 percent of total clothing consumption in Sweden. This proportion needs to increase and a future inquiry ought to investigate how this can be supported. Today, collection and management of clean and intact garments produces a much greater return than rags. It is vital that the extended producer responsibility system does not compete negatively with collection for re-use. Stimulating these behaviours is crucial for the transition to sustainable consumption. A supplementary inquiry with a focus on a combination of appropriate incentives for more sustainable consumption should therefore clearly link producer responsibility for textiles to our consumption and to the Swedish environmental objectives that are to steer towards more sustainable consumption.

4.3 Circular textile flows and successfully functioning extended producer responsibility will require adaptation of the EU's regulatory framework

Working for a common EU regulatory framework that makes it possible for the Member States to work with circular textile flows is essential. This partly concerns the opportunity to gain legal room for manoeuvre for the work of the individual Member States, but it also involves harmonising the regulations at EU level to make it easier for producers to take responsibility without forfeiting competitiveness.

During the work of the Inquiry, a number of challenges have emerged that demand a solution at the level of EU law. It is therefore the recommendation of the Inquiry that Sweden work for the following changes in EU regulation:

- The EU's textile strategy is to primarily steer towards extended lifetime for textiles and secondly towards fibre recycling.
- Producing a common EU standard for measuring the environmental impact of textiles which includes aspects such as long lifetime, recyclability, recycled fibre and mendability.
- Introducing common labelling requirements that enable consumers to compare the environmental impact of different textiles and increase transparency. There are parallels, for example with energy labelling of home appliances that facilitate consumer choice.
- Introducing bans of chemicals that are undesirable in circular textile flows. In the long term, undesirable chemicals should be banned globally.
- Introducing a horizontal extended producer responsibility regulation which will be applicable both when the EU introduces secondary legislation on extended producer responsibility for certain product groups and when individual Member States choose to move more quickly. The Regulation should contain rules on
 - administrative collaboration
 - requiring the appointment of a producer representative
 - requiring that intermediaries ensure that the sellers that use a digital marketplace have fulfilled their producer responsibility in the recipient country.
- Adapting the Waste Framework Directive and introducing a common definition of textiles and remake.
- Adapting the waste hierarchy in the Waste Framework Directive introducing a hierarchy also for different forms of recycling adapted to the properties of different waste fractions. For textiles, for example, it should be the case that recycling is primarily achieved through remake, secondarily through fibre recycling and subsequently through down-cycling.
- Encouraging the Commission to adopt implementing acts in line with Article 8.5, paragraph three of the Waste Framework Directive to set criteria for uniform application of Article

8.5(4)(b) of the Waste Framework Directive. The use of differentiated charges as instruments risks having a limited effect if the product characteristics that result in a lower charge differ between countries.

- Introducing traceability requirements such that information on fibre content, chemicals content and treatments that the textile has undergone accompanies the textile at every stage of the value chain from production and the user stage to waste management. Such information renders effective recycling easier and facilitates ensuring that new remake products and new fibres are toxin-free and can live up to applicable product legislation.

4.4 Promotion projects are important spearheads that should continue

There are a number of national, regional and local initiatives in Sweden and internationally to make the transition to sustainable production and consumption in textiles and fashion. These initiatives are of great importance for demonstrating best practice. It is particularly important to strengthen and further develop projects that provide a concrete effect and which combine business benefit with environmental benefit. Initiatives that only work theoretically may, in terms of resources, need to make way for more action-focused initiatives, given that both public and private resources in the form of time and funding are limited, while measures are urgent due to Sweden's ambitious targets. Now in 2020, the deadline for the 2030 Agenda is only 10 years away. During the course of the Inquiry, two national initiatives by a number of actors have been highlighted as particularly important: the Government mandate Textilsmart, with the Swedish Environmental Protection Agency as a driving actor, and the Government mandate Textile and Fashion 2030, organisationally based at the University of Borås.

4.5 Sorting as a profession – demands qualifications and high cross-sectoral expertise

During the Inquiry, it has emerged that the sorting profession is of vital importance for the actors that currently work on sorting. Here there is a need for highly-qualified expertise on fashion, trends and materials. Today the work is often manual and of low status compared with the high ambitions Sweden as a country has for sustainable textile management. In pace with achieving the targets of extended producer responsibility, the Inquiry sees a need to scale up and automate sorting in Sweden and so reduce manual processing where possible. At the same time there are elements in the sorting stage that demand professional and flexible assessment by trained personnel – a profession that needs to be safeguarded. Here the State may need to review the training available.

4.6 Industrial infrastructure for sorting, re-use and fibre recycling in Sweden?

During the course of the Inquiry, many actors have expressed a desire for textile waste to stay in Sweden for sorting, re-use and fibre recycling. There are examples of other industries, e.g. the vehicle industry, where public and private actors have worked together to put infrastructure in place to enable the Swedish industry to strengthen its competitiveness. Asta Zero² is one example that we can learn from as Sweden seeks to become a leader in sustainable textiles and fashion. Regarding infrastructure, the State may need to review the infrastructure investments required to produce industrial infrastructure capable of handling a higher amount of collected textile waste. Parallels can be drawn with other sectors where there has been cooperation between industry and the public sector to build industrial infrastructure that places Sweden in the vanguard.

Fibre recycling is an important second-choice alternative in the circular economy. The Inquiry's terms of reference clearly state that the proposals are to build on collection for re-use in the first instance and for remake and fibre recycling in the second instance. However,

² <https://www.astazero.com/> Retrieved 22.11.2020

when textiles, in the best case, have circulated a number of times on the market and incineration is no longer permitted or desirable, fibre recycling takes over. There are already initiatives on the market, and these need to be scaled up for a large-scale effect. To ensure that fibre recycling does not compete negatively with measures such as extended lifetime, for example re-use of textiles, there is a need for cooperation, measures at the design stage, during production, and in choice of material, with several measures that effectively combine work on re-use with fibre recycling. It is of great importance that fibre recycling does not become the primary alternative for textiles on the market, because the environmental benefit from extending the lifetime of textile material is considerably greater. If recycled fibre replaces virgin fibre, the environmental benefit increases.

4.7 Sweden's role

There is a great deal going on at the moment in the field of textiles, both in Sweden and internationally. During the Inquiry, actors from the business community have emphasised the hard work being performed in the companies' own transitions to more sustainable textiles and circular business models while they are attempting to contribute to work on Swedish EPR, the EU's textile strategy and the work of drawing up an international standard in the sector. Companies active in many markets prefer collaboration and harmonisation over different national solutions. The Green Deal is a fantastic opportunity for Europe to make the transition to a much more sustainable economy through intelligent legislation. Sweden possesses high skills in textiles and fashion and awareness of what a transition will require. Thanks to Government mandates to actors keen to take action and that make a difference, combined with a willingness for change among businesses and other stakeholders, Sweden is in the forefront. Sweden has high capacity for national and international cooperation and good opportunities to take on a leading role in the work of finding common solutions that protect both the environment and cross-border trade. Sweden thus has major opportunities to be a leader in the transition to a more circular economy in the textile and fashion industry.