

# Environmental Audit Committee

## Oral evidence: Fixing fashion: follow up, HC 874

Wednesday 28 April 2021

Ordered by the House of Commons to be published on 28 April 2021.

[Watch the meeting](#)

Members present: Philip Dunne (Chair); Duncan Baker; Dan Carden; Barry Gardiner; Mr Robert Goodwill; Helen Hayes; Ian Levy; Caroline Lucas; Jerome Mayhew; John Mc Nally; Claudia Webbe.

Questions 134 - 208

### Witnesses

**I:** Catherine Salvidge, Sustainable Textiles Sector Specialist, WRAP (the Waste & Resources Action Programme); Nicole Bassett, Co-founder, The Renewal Workshop; and Katharine Stewart, Group Corporate Responsibility Director, Primark.

**II:** Maud Hardy, Circular Economy Director, Refashion; Joe Papineschi, Director of circular economy policy, strategy and operations consultancy, Eunomia Research & Consulting; and Wayne Hubbard, Chief Executive, ReLondon.

Written evidence from witnesses:

[WRAP \(the Waste & Resources Action Programme\)](#)

[Primark](#)

[ReLondon \(formerly London Waste and Recycling Board, LWARB\)](#)



## Examination of witnesses

Witnesses: Catherine Salvidge, Nicole Bassett and Katharine Stewart.

Q134 **Chair:** Good afternoon. Welcome, everyone, to the Environmental Audit Committee for a witness session today. This is a follow-up hearing to the Fixing Fashion inquiry that this predecessor Committee undertook and published in February two years ago, 2019, where we were surprised by the extent of waste going into the waste streams from the fashion industry in the UK and the challenges posed by the fast fashion business styles of a number of the leading retailers. The report gave rise to significant public interest and significant concern exposing examples of modern slavery in our streets in the UK, so it is a topic that we have wished to keep an eye on since. The inquiry today is a follow-up in particular to understand how the industry is responding to the environmental challenges that were unearthed in part through the previous work of this Committee.

We have two panels today. The first is to examine the new Textiles 2030 voluntary industry initiative that has been launched this week, so it is very timely. I would like to welcome our first set of panellists to join us today. Could you introduce yourselves to the Committee?

**Catherine Salvidge:** Hi everyone. I am Catherine Salvidge, the Textile Sector Specialist at WRAP and I have been working on the development of the Textiles 2030 initiative that was launched on Monday.

**Chair:** Thank you. Next, Nicole Bassett, who joins us very early in the morning from near Portland in Oregon. Nicole is from The Renewal Workshop.

**Nicole Bassett:** Thank you, everyone. It is a pleasure to be here. Yes, The Renewal Workshop works in the textile and apparel industry, taking clothes post consumer and helping brands to extend the life of their products and resell them. We have operations in Oregon as well as in Amsterdam.

**Chair:** Thank you. Also on this panel we welcome Katharine Stewart from Primark.

**Katharine Stewart:** Hello. Thank you to the panel for inviting us to be in this session today. My name is Katharine Stewart; I am the Group Corporate Responsibility Director and I have been leading Primark's ethical trade and environmental sustainability team for the last 12 years.

Q135 **Chair:** Thank you. You are one of the organisations that gave evidence to us last time, so we are particularly interested to learn how the corporate policies have changed over the last couple of years. We will come to that shortly.

As I have already said, WRAP has launched this new initiative, Textiles 2030, this week. Catherine Salvidge, it would be very helpful if you could explain to this Committee a little bit about this initiative, how it came



about and what its objectives are.

**Catherine Salvidge:** Textiles 2030 is WRAP's new, ambitious, world-leading voluntary agreement for the UK fashion and textile industry. As you have just said, we launched on Monday, with huge backing from the industry, so we were very pleased with the launch. It has been a culmination of two to three years of stakeholder engagement and one year of very intensive development. With the launch on Monday we had 68 signatories, so we were very pleased with this. There were 19 brands and retailers, which accounts for around 60% of the market share of the clothing that is sold in the UK.

The goal of the initiative is to transform the industry for our planet. The agreement is going to bring together organisations from across the textile value chain to make progress on climate action and to move to a more circular use of products and materials. We want to show that the industry can build back better and build back greener. We also want to show that this is a world-leading initiative, and that British brands can have a competitive edge by being part of this initiative and leading the way on sustainable fashion and circularity.

It leads on from SCAP, our Sustainable Clothing Action Plan, which finished this year, where our signatories successfully reduced their carbon and water footprints by over 15%. They exceeded our 15% reduction targets. Our targets for Textiles 2030 are more ambitious and this was taken from the recommendations from the EAC's Fixing Fashion report. We have two key targets. The first is to reduce the aggregate greenhouse gas footprint of new products by 50%. That is sufficient to put the UK textile sector on a path consistent with limiting global warming to 1.5 degrees, in line with the Paris Agreement on Climate Change, and also achieving net zero by 2050 at the latest. Our second target was around water—to reduce the aggregate water footprint of new products sold by 30%.

There are two key elements. The first key element will be around measurement and signatories adopting our targets and measuring the progress towards those targets. This is to ensure that the agreement makes rapid science-based progress towards those targets for water and carbon.

The second element is circularity. We know that this is a complex issue and it is going to require cross-sector action and collaboration to make the radical change that we need. Textiles 2030 will aim to facilitate this and we have developed a 10-year circularity pathway to guide the industry on the milestones and the outcomes that we need to achieve the goals. That is a brief overview of the initiative.

Q136 **Chair:** You say you are covering 60% of the main brands and retailers in the UK. Can you characterise the 40% who have not signed up and are you endeavouring to work on getting them into the regime over a particular period?



**Catherine Salvidge:** Yes. We have nearly 60% of the market share, but we only launched on Monday so we see this as a positive selection of brands and retailers. To put it in context, SCAP had around 48% of the market share, so we have gone up nearly 12%. From six months ago we had 10 brands and retailers signed up, so we have nearly doubled the amount of signatories. We want to carry on with the momentum from our launch on Monday. Recruitment is still key and that is something we are focusing on to get more market share. Yes, we do want to encourage more brands and retailers to sign up.

Q137 **Chair:** We have seen a significant shift in retail muscle from high street to online during this past year, thanks to the restrictions that we have all been living under. Do you have the main online brands signed up yet or are there some who are not?

**Catherine Salvidge:** Yes, we have ASOS; we have Boohoo. Misguided has just joined in the last few days. I do not have the exact market share of online but we do have those big online retailers signed up to the agreement.

Q138 **Chair:** Finally on the big picture of the scheme, you mentioned water and sustainable fabrics and materials. Is it also addressing what happens at the other end of the circle and how the industry deals with waste and the hundreds of thousands of tonnes of textiles that at the moment go to landfill?

**Catherine Salvidge:** Yes, the end of life is a real focus for this initiative, and the whole circularity piece is to address the waste and the end of life. In that piece of circularity work there will be lots of collaborative action from the industry, led by WRAP. We are going to focus on three key areas. Designing for circularity will include working with the industry to produce best practice guidelines around how we can design durable products that last longer so they do not become waste as soon, and also designing products that are recyclable so that they can be fed back into fibre recycling solutions. We also want to work with the industry to implement circular business models to keep clothing in use for as long as possible.

Our third piece of work will be around closing the loop on materials, which is focusing on where the barriers are, where the opportunities are in the reuse and recycling sector and how we can overcome them together. It will be about how we get investment and innovation into the reuse and recycling sector. Part of that will be getting brands and retailers to set recycle content targets to drive the demand for the recycling, and get that textile waste out of the waste stream and into fibre-to-fibre recycling solutions.

Q139 **Chair:** Thank you. Can I turn to Katharine Stewart now? Primark was one of the original signatories to the SCAP, the predecessor scheme. One of your colleagues appeared before our Committee a couple of years ago—I do not think you did yourself—and was given a pretty rough time by the



## HOUSE OF COMMONS

Committee in relation to the business model of Primark at that time and the way in which you were pricing products to make them essentially viewed as disposable by the consumer. I would like to give you this opportunity to tell us what you have been doing as a business in the last two or three years to improve your environmental performance and to change the perception of the company.

**Katharine Stewart:** I would like to emphasise at the outset that Primark sells affordable product that is designed to last. We do have a big focus on durability in terms of the products that we are producing. The key thing about durability is the way the products are designed, the materials that are used and how clothes are washed and cared for. We hope that our customers will wear them for a long time.

Bearing in mind those steps, we have put a lot of effort into thinking about design and how we can make sure that we are trying to build durability into the clothes right from the outset, but equally starting to think about how clothes can be recycled. We have been members of the Ellen MacArthur Foundation's Make Fashion Circular initiative for a number of years now and are using its focus around jeans redesign and the principles around that. We will be launching some product at the end of the year to demonstrate our work around that. That is the starting point for us in terms of that.

On to materials, Catherine has just talked about the importance of recycled materials. Anybody who has been into a Primark store will have seen a lot more recycled content, whether it is cotton, polyester or nylon, and also more sustainable cotton. In 2013 we started our Sustainable Cotton Programme, which we started with female farmers in India. We have continued to scale that up and draw that cotton into product that we launched in 2017 with our big key line women's pyjamas. We have continued to build that and we now have 160,000 farmers who have either started or been through the whole training programme. We draw that cotton through into our product. There is more work to be done there.

In terms of waste, we are looking not only at the end-of-life aspect of it, but also what happens in terms of waste in the production process. Anybody who has done any dressmaking will know that there are offcuts. What we can do with those has become a focus for us.

Equally, following on from the report, we now have recycling units in all our stores. It took us quite a lot of time to build a model that we felt was right. We wanted to have transparency down the supply chain, both in terms of a clear audit trail of where garments were going, but also in terms of the social standards through that recycling chain, which we felt were important. We wanted to uphold the standards that we have for our factories, so it took us a little bit more time than we liked. We rolled out all those units to all our stores this year and we will continue to roll out into other countries next year.



## HOUSE OF COMMONS

Given the stores have been closed for quite a lot of the year, as you know, we have been genuinely encouraged by the response to those recycling units that we have had from customers. The long-term plan is that we are working with a recycler called Yellow Octopus. At the moment it is looking at what can be reused and what can be repurposed, but the longer-term ambition for us is what Catherine was just talking about—how can we start to use the waste that cannot be re-worn and how do we start to support the technology around that. That is a key focus for us as well.

Q140 **Chair:** On the recycling bins, have you made any estimate yet of what sorts of volumes you are collecting through your stores?

**Katharine Stewart:** It has been difficult because we have had so many stores closed. It has been quite difficult for us to measure what we have collected so far. Having heard a figure quoted on Monday from the Salvation Army when I took part in the Textiles 2030 launch, I have to say I was encouraged when I went back and did the maths as to how long we had had stores open. I think that is great. To be honest, we have not had the opportunity, with stores closed, to use our social media channels to push and encourage people, where they want to recycle, to use the recycling units. That will be the intention once we fully reopen.

Q141 **Chair:** Once you have a calculation that you are comfortable with, you could write to us and tell us how it is going. That would be interesting.

Picking up on the sustainable cotton initiative, which sounds very laudable and is in India and Pakistan at present, can you confirm to the Committee whether you source any cotton from Xinjiang in China or from Turkmenistan or Uzbekistan, where there have been allegations of modern slavery?

**Katharine Stewart:** We have a ban in place for all of those three regions. That means that our suppliers are not allowed to source any cotton in those three regions at all for Primark products.

Q142 **Chair:** Thank you. Finally from me before we move on to Nicole, what proportion of your product is manufactured in the UK?

**Katharine Stewart:** We do not produce any garments in the UK.

Q143 **Chair:** Have the challenges with supply that we have experienced this past year led you to think about changing that policy at all?

**Katharine Stewart:** We would always look at opportunities, but as per our statement to the previous Committee, we found real challenges with the UK supply chain in terms of the production of garments so we have not pursued that again since we decided to stop production of garments in the UK in 2014.

Q144 **Chair:** Thank you. Nicole, could you characterise the work that The Renewal Workshop does? Obviously you operate in the States but it would be helpful to understand what you are doing in the UK.



## HOUSE OF COMMONS

**Nicole Bassett:** Yes. The Renewal Workshop started about five years ago. My background was similar to Katharine Stewart's. I was the Sustainability Director for Patagonia and for a company called prAna, which is part of Columbia Sportswear. We were very challenged by this question of, "What do we do with the stuff we make?", so we started The Renewal Workshop as a service provider for brands, specifically to help them enter into the circular economy. We have remanufacturing in the US, and then we went to the Netherlands in 2019 and have operations there. We also have been deeply exploring how to serve the UK market, either through partnerships with manufacturers in the UK already or just serving from Europe.

What we do in our factories is we take all the products that brands have that are damaged returns or through takeback schemes like Katharine was talking about. That product comes to us where we clean everything, we repair it, we inspect it, we make it look like new and the brand resells that using our white-label website technology. Now a brand is selling new products and used products to their customers.

Q145 **Chair:** Are those facilities local? That would be in the UK or are you shipping it off somewhere else to get this repair done?

**Nicole Bassett:** We do not have operations in the UK as of this moment, but in Amsterdam we have our factory there and it serves the EU market. We do sell things to, say, Germany or France. In the US we serve just the US market, but all operations are here.

Q146 **Chair:** Would you intend to set up in the UK?

**Nicole Bassett:** We are exploring that, yes. Our business model is that brands pay us, like they would pay a factory, for our renewal services, and then also for licensing and our technology. What is unique is that we have our manufacturing in the place where the waste is because the product was made and designed for this market and so we want to get this product back into use in that same market.

**Chair:** Thank you. We should move on to allow our Committee members to ask some questions. We are going to turn to Jerome Mayhew to get into more detail on Textiles 2030.

Q147 **Jerome Mayhew:** Nicole, before I start asking questions about that, I am very pleased to see your previous history with Patagonia, one of the great brands. I have followed Yvon Chouinard's career with envy for many years.

Going back to the questions, we have had huge disruption in the textile industry over the last 20 years, the biggest one of course being the rise of e-commerce. For the circular economy to get going, it has to have that opportunity to be the next big disrupter. Do you think it could be, in a commercial sense?

**Nicole Bassett:** Absolutely. There is a huge business model here, if you look at how much product gets made every year and the tie that is



occurring right now between a brand's impact and what they make. If we want to see growth happening within the industry, we are going to see the opportunity to be reselling one's product again and generating new revenue.

I brought a few stats of what is happening in the re-commerce sector right now. Depending on the source, there is a wide variety of growth numbers. What we have seen is general retail is shrinking or is flat-lining. The desire for new product is not where the consumer base is going. There are reports; Depop in this year has seen 160% growth, 200% growth in traffic, 300% growth in items sold. Vestiaire Collective has also had huge growth and thredUP has reported seeing 200% to 400% growth in this resale and re-commerce market. It is sensible; people understand the opportunity to not buy new things, but still want a good quality product.

For us at The Renewal Workshop, we saw 30% growth of brands who came to us and wanted to be partners and grow this part of their business, so there are lots of markers saying this is where the industry is going.

**Q148 Jerome Mayhew:** You have described some real opportunities for any business that takes this on and starts communicating effectively with its customer base, but what are the biggest barriers to scaling up circularity across the fashion industry?

**Nicole Bassett:** As Catherine at WRAP said, there are a lot of different pieces to what circularity means. I will speak specifically to the re-commerce space. One of the challenges definitely is everything that we get is a single item. Even if I have 10 of the same thing, I do not know why it is here. Maybe it is a stain, maybe it is a missing button—why is this thing not getting used? Whereas when you make a product for the first time, it is a very streamlined and efficient process that has been worked on for hundreds of years; you are making tens of thousands of the same thing.

When we look at the ability to scale, the old way of looking at how the costs should be and the way the business structure should be cannot be applied. So there is a little bit of unlocking the linear model of how we do costing, how we do pricing, how we do operations and manufacturing and starting to adjust and make changes so that we can serve up circular. We say often at The Renewal Workshop that we have to lean hard into technology in order to gain the efficiencies that we cannot get by having scale based on repetitive work.

**Q149 Jerome Mayhew:** All these actions have costs associated with them, which suggests that the final product will be more expensive. Where you do not have universal adoption of this kind of approach, you are going to get undercut by those who are not playing ball. Is that one of the barriers we need to address as well?



**Nicole Bassett:** That does not strike me as a key issue. One of the things that is interesting for us is that our cost of goods is zero. The product we get is already here, it has already been made, it exists in the world, so our new cost of goods is the labour that we put into making the product renewed—cleaning, stocking, packaging, getting it ready for that renew sale. We have an understanding that this will get sold at less than its original selling price. Within those constraints, we have been able to create a business model that works for ourselves and the brand.

Q150 **Jerome Mayhew:** Thank you. Cat Salvidge, first of all congratulations on WRAP's launch of Textiles 2030 this week. You say you have nearly 60% of the textile industry market share. That means there is 40% that is missing. One has to ask why they are missing—why they have not signed up. It might be a reasonable assumption to say it is going to be the 40% that is least compliant and has more issues in its manufacturing process. How do we tackle that bit? Is there benefit in moving towards a compulsory compliance with the code rather than making it voluntary? What do you think? I am sure there are pros and cons but perhaps you could talk about that.

**Catherine Salvidge:** As I said before, we have just launched so we are still on a recruitment drive to get that final 40% of brands and retailers involved. It has been a tough year for retail and that could be some of the problems as to why we do not have more of the market share. We will continue to try to focus on that and try to recruit the final 40%. It is trying to convince them of the benefits of joining an agreement like Textiles 2030.

The Government have published their Waste Prevention Programme and there is potential policy and legislation coming. Our links to DEFRA and our policy workshops are a real selling point to our signatories that we already have involved, and how the work that we are going to do in Textiles 2030 will influence those policies. Also the Government are planning to mandate climate-related financial disclosures. We have a measurement tool that is included in our agreement that signatories must use to report. That is something to get those signatories signed up. It is an affordable way of being able to report your carbon footprint.

We are also seeing customer shopping habits changing. We have research from WRAP that shows that 55% of citizens now realise that the effect of clothing on the environment is severe and they are looking for sustainable ways to consume their clothes, whether that is buying clothes made from more substantial fibres or requiring their products to be different models, like reuse or rental. We will help the industry move towards that, so there is a lot of benefit for brands and retailers to join up to Textiles 2030.

Obviously Textiles 2030 with an EPR system would be probably the perfect combination. What we are working on in Textiles 2030, all the evidence and insight that we pull from Textiles 2030 can support the development of those policies that are coming. So yes, they are going to



go hand in hand. It will obviously be stronger if we have some kind of policy and legislation behind circularity as well.

Q151 **Jerome Mayhew:** That sounds like a work in progress. For those who are lucky enough to have signed up to the WRAP initiative last Monday, what support are you going to be giving them?

**Catherine Salvidge:** We will give support to our signatories in two different ways. One area is around the collaboration and that pre-competitive space. We will provide the direction, the evidence and the space for the organisations, the brands and retailers, and the reuse and recycling organisations, to come together in that pre-competitive space to discuss the issues and overcome the barriers. We also have technical expertise in our signatory basis who are our affiliates. That is our NGOs, our universities and research organisations. That is a key area, us coming together and overcoming these barriers together.

The second area is the support on that measurement and taking action. As I said, we provide a footprint tool so our signatories can measure their environmental footprints. That allows them to see where their impacts are and where they need to take action. WRAP then has technical expertise and technical guidance on how to take that action.

Q152 **Jerome Mayhew:** Thank you very much. Katharine Stewart, as a practitioner who has just signed up to the WRAP initiative, can you explain how Primark has approached this signing up and how it has changed your life up to now and where you see it going in the coming months and years?

**Katharine Stewart:** We signed up to SCAP in 2015 so we have been working with the team and the evolution into Textiles 2030 since that time. The key thing for us was to start doing some work around understanding what the footprint looked like. We have completed a very extensive exercise mapping out the carbon emissions right across our supply chain, or Scope 3, as it would be called. That gave us a clear view of where the levers are that need to be pulled. For example, 67% of our Scope 3 emissions sit within our fibre and fabrics selection, the way that we are choosing fibres and fabrics. That was instrumental in focusing us on that in the early days in terms of how we could start to minimise our footprint, which was around the recycled fabrics that we are using but also the development of our cotton programme.

One of the things that will be critical as we move forward on the use of waste is that where clothes cannot be reused, the technology to turn old clothing into new clothing in terms of desegregating fibres is not there at scale yet. Many fibres will be mixed to be made into fabrics. A common mixture would be polyester and cotton. Once those two fibres are mixed together, they need to be separated if you want to use them to make them into clothing again. There needs to be support for some of the technology that sits around this. There is some mechanical technology that exists and we are working with Recover, which are doing mechanical



recovery of cotton already. Equally we need some solutions that do not yet exist at scale. That is where the collaborative leverage of the brands involved in Textiles 2030 can help overcome some of those barriers.

**Q153 Jerome Mayhew:** Could you foresee a big brand such as Primark bringing this circularity in-house or do you anticipate you would always use third-party providers, a bit like The Renewal Workshop, to do the on-processing of garments that have already been used once?

**Katharine Stewart:** We are comfortable with the partners we have at the moment. We spent a long time finding the right partner. At the moment, without that technology that I have just talked about, we have not repurposed garments that cannot be re-worn. As this scales up, we will need more partners and we will need to look at that whole infrastructure that sits behind the collection of textiles and where the collection happens, but also the infrastructure for sorting. It is a very manual process at the moment. There are some trials going on on automated sorting of textiles but at the moment it is a manual process. We are going to need to focus on that whole sector to be able to move forward significantly in terms of how we use waste at the end of the cycle.

**Q154 Jerome Mayhew:** You have signed up to some very challenging targets here—cutting emissions by half and shifting towards a circular business model. You have talked about some of the challenges. What do you think is the biggest challenge facing Primark and other businesses like you to succeed with Textiles 2030?

**Katharine Stewart:** We have some real opportunity. I have to say the buying teams—the generation that are somewhat younger than I am, might I say—who are doing all the purchasing and buying for Primark are behind the work we are trying to do on that. There is a huge appetite to do this. The focus that we have now on how we consider the design of product in terms of the materials we are using but also the recyclability of garments will be key. That is something we are going to put ever more focus on as we move forward through the ambition of Textiles 2030.

But for me it is the whole back end of the recycling piece that we need to think hard about because a lot of the clothing that is also being collected for Primark is not necessarily in the countries where we are producing product. As we start to think about the technology to turn old clothes back into new fibres for new clothes, we are going to need to think about what that landscape looks like in terms of where the product is being collected, where that technology to do that is going to sit and where the production is taking place. There is going to have to be quite a bit of thinking around that and what that looks like, but I am encouraged.

One of the companies that we have been working with in India has been working with us on our programme of sustainable product, focused on producing recycled polyester to go into the pyjamas that are a mix. Some of the pyjamas are a mixture of cotton and polyester, particularly for



## HOUSE OF COMMONS

certain colours. At the moment they are using PET bottles but we have already started to talk to them about what could it look like if we were working with them on being able to use clothing. The ultimate aim within the business is an old Primark T-shirt becomes a new Primark T-shirt, rather than using bottles in the future.

Q155 **Jerome Mayhew:** All of this has cost. Do you think this is the end of the £2 T-shirt?

**Katharine Stewart:** We are absolutely adamant that we have stood for offering value to our customers. For many of our customers Primark is an important part of how they can afford to clothe themselves and their families. We know from our cotton programme, where we were able to set that up so that there was no cost increase, that it is possible, if you think holistically about the whole process, to deliver great value product that is sustainable.

From the business point of view, the cotton programme that we started in 2013 was set up with that in mind. There were three key things. One was about full traceability down the supply chain, which was critical so that we could stand across any claims that we were making, but also to be able to measure some of the things we are going to be doing through Textiles 2030. Unless you understand your supply chain, it is not possible to measure some of the impacts. That was the first thing.

The second thing was that we wanted to continue to deliver great value to the customers, reduce the environmental footprint, but improve livelihoods. We set up a model that was slightly different from other cotton initiatives, working with the farmers. The farmers go through a three-year programme that helps them understand how to grow more cotton with less, specifically less use of chemical pesticides and fertilisers and less use of water. Through the lower input costs of doing that but also improved agricultural techniques, the yield that they are getting is significant. Their livelihoods were impacted directly and we saw increases in income for those farmers of upwards of 200%, which is substantive. Yet it still trades at the same price as conventional cotton so we are able to maintain value to the customer as well. It is about having real clarity of mind about what the objectives are and then leaning into what some of those solutions are going to be, which might be different from what we have seen before.

Q156 **Helen Hayes:** I have some further questions on recycling fibres and microfibre shedding. My first question is for Catherine Salvidge. The original Fixing Fashion report found that developing the technology and market for recycled fibres is a key challenge in the move to a more circular fashion system. How will Textiles 2030 help to shift the dialogue, both for the technology but also developing the market for recycled fibres?

**Catherine Salvidge:** Thanks for that question. With Textiles 2030 we know that we require lots of technical innovation and large-scale



investment into the reuse and the recycling sector to drive the demand for these recycled fibres and allow the clothing to be recycled. In our roadmap we set out some key milestones we want to achieve in this area. One of the things is driving that demand for the recycled fibres from the brands and retailers. As Primark has said, it has been increasing its use of recycled fibres. This is going to be something that is key to driving investment into the recycling sector and we want to encourage the recycling of that post-consumer waste rather using plastic bottles. So the first thing would be to drive the demand for the retailer side.

We also want to encourage brands and retailers to set up takeback schemes so that we can collect more textiles to divert it from going into landfill or incineration. We need to get that volume of textiles so that you can incentivise the commercialisation and the investment into the fibre-to-fibre recycling technologies.

We need to do a landscape review on the recycling sector in the United Kingdom so we can see exactly where the barriers are and exactly where the opportunities are so that we can focus on those areas to develop partnerships and pilots with our signatories. We know that we will need to seek more funding to develop these pilots. It is an area that needs large investment to scale up.

We awarded five grants last year from the Resource Action Fund around the reuse and recycling sector. One of them was with the Salvation Army, who are implementing, as Katharine said before, a fibre sort, which is machinery that can sort unwearable textiles. We know that that sorting process is a key barrier to fibre-to-fibre recycling. As Katharine discussed, it is a very labour-intensive, manual process. We know where a couple of the barriers are and we hope that these grant projects will provide us with insights that will catalyse some investment into the sector and previous demonstration projects. We will aim to funnel funding into pilots to overcome the barriers.

Yes, it is to then use all these insights we are gathering to feed into the potential design of an EPR scheme, because that is where we see the well-designed EPR scheme funding would be used to upscale the reuse and recycling technologies to a commercial scale. Yes, EPR is going to be key for funding in this sector.

**Q157 Helen Hayes:** Thank you very much. My next question is for Nicole Bassett. How do you recycle the fibres of the items that are too damaged to be repurposed and how much capacity is there within the US and Europe to recycle fibres at present?

**Nicole Bassett:** One thing that is important to note is that I feel that often we jump to recycle too quickly. We did a report that came out last year that looked at all the products that we had done either through pilots with brands or researchers or existing partners, and 86% of the things that were considered waste could be cleaned, repaired and resold again. One of the things that is important is that we should be cautious of



jumping straight to recycling. We should be looking at how we ensure our reuse is being incentivised.

That does leave some left over. Interestingly enough, a lot of the products, while they are too damaged to be used again, some of our brands have used them for design inspiration. Their designers have come in, looked at the product and figured out cool ways to patch or repair the product. It is not scalable but it does help in the education and the consumers love it when they do these unique pieces.

Out of the products that were left over, about 76% of that is a blended material, which there is no recycling solution for. There are some innovations and pilots at various places in the stage of progression but not at commercialisation. Those products have no choice, they have to be down-cycled. Some could go into insulation and things like that.

The rest—about 12% of what we found—is 100% pure cotton and we have done recycling projects where we have sent that to a recycler. In the US we are very limited by recycling options. There are one or two that are available. Most are in Spain for cotton recycling and in South America for cotton as well. The majority of innovations around taking cotton and putting it into a lyocell-type material are in Europe. There are some interesting innovators in the US, but a lot of the pure chemical recycling that is happening is in Asia, so it is not in the place of where the waste is, so that is definitely a challenge. Scale and volume is another challenge. For us, because we serve multiple brands, we can aggregate. But even us alone—these recyclers need thousands and thousands of pounds on a continuous basis.

The other big thing that is important is that these recyclers are not just here to recycle for fun. They need to do it because it is a business and so they need someone buying that recycled material when it comes out. So we have also done some linking between our brand partners and the recycler to say, “Here is your material recycler” and then the recycler is like, “And you are going to buy it, right?” so there is a triangle relationship here and that is the only way it will work.

**Q158 Helen Hayes:** Thank you very much. My next question is for Katharine Stewart. Obviously at the moment it is a very challenging time for high street retailers. How can they be supported and incentivised to use a greater proportion of recycled fibres in their product ranges? You have spoken about what Primark is already doing but it would be helpful to have your thoughts more broadly on the industry as a whole.

**Katharine Stewart:** An initiative like Textiles 2030 is a good start. As more retailers have sustainable ranges with sustainable fabrics, we have seen a huge appetite from our customers as we have been introducing more sustainable products. There is more of a call for it. The younger generation have had much more insight, whether it is through education or social media, as to what is going on in terms of the retailers and the



efforts they are trying to make. I think there will be a pull as more and more retailers start to get on this journey.

Catherine talked about 60% of the retailers being involved in Textiles 2030. It would be great if we can try to inspire others to join so we can get that leverage up. Sometimes, having been running the sustainability programme at Primark for a long time, that first step can be the hardest step. It looks like a huge mountain to climb. The more that we can do to demonstrate practical ways of doing it, pragmatic ways of taking an approach—Catherine talked about the tool to help businesses measure their footprint. More of those sorts of tools for businesses to use will be hugely helpful. Until you understand what your starting point is, it is quite difficult to understand where you need to focus, where you need to prioritise and what you need to do.

We recognise that retailers are in challenging times, some more than others. Equally, some have more resources than others. I am lucky that we have a team of over 120 people in the Primark ethical trade and environmental sustainability team. That is pretty unusual and it enables us to drive things and be looking at moving things forward and at a faster rate. Again, the opportunity of Textiles 2030 is that we share what we have learnt and we enable others to leapfrog over some of the things that we have done along the way that have not worked quite so well and where we have adjusted. That collaborative space, used well, and people being very upfront about what they are doing and what are the opportunities and challenges, will get us there faster.

**Q159 Helen Hayes:** Thank you very much. A final question for Catherine Salvidge. We heard at our last hearing that there are currently no targets to reduce microfibre shedding in Textiles 2030 because of a lack of research. What timeline do you foresee for being able to fill that gap and are there any financial barriers to WRAP being able to move forward more quickly on microfibre work?

**Catherine Salvidge:** Yes, we still stand in the same position as we did before. There are initiatives in organisations that are specialising in looking into this issue around microfibres, one of them being The Microfibre Consortium, who are an affiliate signatory to Textiles 2030. It is developing a roadmap to 2030 around the issues of microfibre shedding and fibre fragmentation and we will be working very closely with it. It is the expertise. It is a membership-run organisation and it is backed by a lot of our signatories so we can share information, but it is funded by its business members so its information is not available publicly. To move forward on microfibres, potentially there is more public funding needed to look at this issue.

It is an issue that we will be keeping on top of but we do not want to duplicate the work that experts in that field are doing. There is evidence needed around when a microfibre is released, is it in the production process, is it in the washing process, is it at the end of their life? What fibres shed the most? Is it synthetics? There is research as well around



natural fibres finishing and if they have synthetic finishes on them they are not going to biodegrade either. It is such a complex subject, there is not the evidence for us to set targets yet. But it is on our radar and we are not going to forget about it. We will work with the Microfibre Consortium and make sure we align with its roadmap and we will feed into what it is doing as well.

**Q160 Helen Hayes:** Do you think there is more that the Government can do to push that agenda forward?

**Catherine Salvidge:** Yes, the funding for that research—so that the information is publicly available and we can share information more easily—would be a recommendation.

**Q161 John Mc Nally:** My questions are on transparency and verifications. Congratulations to Cat Salvidge on the launch of your Textiles 2030 and on securing the amount of signatures towards improving.

We talked earlier about the consumer's perception of the textile and the fashion industry and the environmental impact of textiles that we are all very familiar with now. Cat, the brands signed up to Textiles 2030 will self-report. What verification will take place to check that the claims stack up?

**Catherine Salvidge:** Yes, they do self-report but in our reporting process, there are lots of certifications, especially around improved fibres. To report that you are using organic cotton or recycled content, you do need to be able to verify that through certification. Around organic cotton, there is GOTS, the Global Organic Textile Standard. There are Textile Exchange standards around organic and recycled content. There is obviously also the BCI, the Better Cotton Initiative, and Primark's CottonConnect. All these certifications mean that the fibres must be traced back to the farm or back to the feedstock. When retailers submit their data they also need to be able to provide us with those final certificates to prove that certification.

Lots of our brands and retailers also employ external auditors to make sure that they are submitting the correct data. We think that there is no incentive for our signatories to falsify their results and their data because we do not report individual signatory data publicly. We are not going to do that publicly. For those brands and retailers to get the most out of their membership and the most out of their membership fee, to be able to measure correctly is important to them to see where their impacts are and where they need to progress.

The other area is around the consumer perception of those brands and greenwashing issues. If brands and retailers do not report their correct data, there could be real consequences for them if that does come out. As we have talked about, consumers are a lot more aware—the younger generation are a lot more aware. For them to get the most out of this agreement, there is no incentive for them to not report the correct data.



Q162 **John Mc Nally:** It seems to be moving in the right direction and it seems to have been a very good start. Following on from that, Cat, it says that WRAP will report the collective progress of signatories against the targets, but it will not publish data for individual signatories. From a business background, was this level of confidentiality necessary to get the brands to sign up? Should we not just be generally moving towards full transparency on the environmental impact of fashion?

**Catherine Salvidge:** When signatories sign up to Textiles 2030, they are committed to building transparency and visibility into their supply chains. That is one of the requirements that we have added into Textiles 2030 that was not in SCAP. Also to create this circular economy we do need transparency of supply chains and that is going to help us build more resilient supply chains as well.

Q163 **John Mc Nally:** Thank you. My last question is to Katharine Stewart, which is probably following on from what Catherine Salvidge has just said. There is obviously a huge responsibility with Primark with the name that it has in the public. In fact, if you were watching the news last night, it was giving advice to go along to Primark to buy underwear and socks and so on. It was very interesting to watch somebody else doing that.

Katharine, we have just heard about moving towards a more ethical or transparent disclosure of information about how companies and businesses operate, and some good examples that I have read about are from Fashion Revolution and its Fashion Transparency Index 2020 edition. Notably, H&M had the highest scoring brand at 73%, with Primark at between 31% and 40%. Does Primark have any commitment to publicising, or has it published, its full Textiles 2030 data for the foreseeable future? Is there a commitment being made by Primark to publish its data?

**Katharine Stewart:** As I said earlier, we have just benchmarked all our Scope 3 data for carbon specifically. We have done that so that we can start to demonstrate publicly what our progress is going to look like. Transparency is important. We do have on our website all our tier 1 factories where the products are made for Primark. It has been on there for a couple of years now. If you go into our website there is a global sourcing map there. Our anticipation is that we will add to that as well over time.

We have also been reporting on progress, for example, on our environmental programme, for over five years now. Perhaps we are not pushing it out far enough but there is a lot of information on our website in terms of what we have been doing and how we have been doing it. I am happy to share that link specifically with the Committee to enable it to have a look at all the work that we have been doing. I think we probably need to be talking about it a bit more.

**John Mc Nally:** That sounds like a very positive finish.

**Chair:** Caroline Lucas is going to follow up some of my questions about



overseas sourcing.

Q164 **Caroline Lucas:** My questions are for Katharine Stewart as well, please, and pretty much in the context of the pandemic. We were told that even though the cancellation of £98 million of Bangladeshi orders was subsequently rescinded, the reinstated orders would inevitably have been delayed and therefore so would the payments. How late were suppliers being paid?

**Katharine Stewart:** In terms of Bangladesh, any delays are twofold. As we know, and we are seeing it in the news now, Bangladesh is in its second wave of Covid. Equally in terms of the first wave hitting, that started to suppress the ability of factories to be producing as much as they would do normally once all the requirements had been put in place in terms of worker safety. We have had to work very closely with our suppliers and the suppliers' factories to work together to plan production so that we could make sure that the factories were still running, but we were not expecting too much of them given all the Covid restrictions that needed to be put in place. I have to say it has been challenging but is a demonstration of the partnership we have with our suppliers to help them through this process. Equally, with some of stores shut, it has been a balancing act.

The key thing has been to make sure that we are placing new orders, which we have been doing. I know you know that there has been a huge impact to supply chains around the world, with suppressed demand. The critical thing for us is knowing that we keep orders flowing through and working closely with our suppliers to do that. It has meant that we have continued to take stock. Even with stores shut, we took on extra warehousing so that we can keep—

Q165 **Caroline Lucas:** Sorry, we are short of time. Can I take you back to this £98 million-worth? My understanding is that some of the suppliers would have made some of the products, some of them would have been on the way here and some might even have been in the ports. Suddenly for them to have been cancelled would have cost, in terms of hardship to people, quite a significant price before you then rescinded that decision and decided to pay it. My question still stands as to how long people were left waiting for products that they had had to pay out to buy the materials for and so forth.

**Katharine Stewart:** What we put in place very quickly, having taken the very difficult decision to cancel orders, was a wages fund. The wages element of those orders, we set up that fund so that we could flow through any payments to workers that were attributed to products that had been cancelled.

Q166 **Caroline Lucas:** How long did they have to wait to get it? That is my question. How much longer, as a result of the rescinding of the £98 million, did they have to wait before they got paid?



**Katharine Stewart:** In terms of that payment, that went through within four to six weeks of us setting up that fund and working out how—

Q167 **Caroline Lucas:** Sorry to stop you there, but there was obviously a period between the cancellation of the order, you setting up the fund and the six weeks after that before people got paid. My question is how long was the total period between the cancellation of the order, when people would have expected to have been paid, and the time they were paid?

**Katharine Stewart:** It would have been about six to eight weeks.

**Caroline Lucas:** In total?

**Katharine Stewart:** In total, yes.

Q168 **Caroline Lucas:** Can I put it to you that given that Primark's parent company, Associated British Foods, had access, for example, to the Covid corporate financing loan, access to a £1.2 billion bank loan facility, and it apparently had around £1.5 billion cash in hand, it could have afforded to have paid people without having cancelled those orders in the first place?

**Katharine Stewart:** As I have said, we did put in place the wages fund. When that decision was taken on 18 March and all the stores were closed, we did not yet at that stage have visibility of the level of furlough schemes that would be put in place, not only in the UK but in our sourcing countries as well, to see what that level of support would look like. As soon as we started to get a picture of what that support would look like, we were able to reinstate the orders, as we did do.

Q169 **Caroline Lucas:** All I am saying is that for some people in the garments trade, particularly some of those people working in the trade in places like Bangladesh, a wait of six to eight weeks is massive when you are literally living hand to mouth and so forth. A company that has access to significant amounts of money might have acted differently, but I take your point that you cannot know the future.

Let me ask you about sanctions and Myanmar. After sanctions were lifted against Myanmar in the 2010s, Primark began sourcing from garment factories there. Do you plan to continue to source from there following the military coup and suppression of protest in that country?

**Katharine Stewart:** Our primary concern at the moment is that we have staff on the ground in Myanmar who are part of my team. We also have 45,000 people in the Primark supply chain in Myanmar who are very dependent on those jobs. We have orders that we have placed prior to the coup so we are continuing to support the production of those orders.

We are also paying careful attention to the advice and guidance that we are getting. We are working very closely with IndustriALL, the global trade union, through our membership of the ACT initiative to get its support and guidance as well, alongside the UK Government, in terms of how we take this approach. I have to say it is a day-by-day review. We are in touch with our team on the ground on a daily basis and with our



## HOUSE OF COMMONS

suppliers as well. We are monitoring the situation very closely and at the moment we are supporting the orders that we have placed through our strategic suppliers there because it is important and 45,000 people is a big responsibility.

Q170 **Caroline Lucas:** It is. I appreciate what a big challenge that is in those circumstances. I want to check because, for example, the code of conduct says that in the factories there people are able to join trade unions and so forth. Do you have any evidence that any of those rights are being threatened and what monitoring can you do? You mentioned some of that is through international bodies but do you feel confident that you know what is happening there?

**Katharine Stewart:** We have a team on the ground. We have three people on the ground in my team who are our eyes and ears, and they are going in and doing monitoring and support. We also have conversations with local labour organisations that we have been able to develop through having a team on the ground. Any issues or challenges that they are seeing as well as our team that are going in and out of factories—we go in and out of the factories on a regular basis unannounced to make sure that the code of conduct is being met. That is a critical part of our programme.

The partnerships that we have, whether they are local NGOs or through the local labour associations, are critical to getting information. We are working as closely as we can, given the restrictions around movement, to make sure that our code of conduct is being maintained through this difficult period.

Q171 **Caroline Lucas:** Are there areas that you cannot get to because of the restrictions on movements? Are there places where you have factories where you simply—this is no criticism, but I would like to know.

**Katharine Stewart:** Yes. We have only had challenges where there have been Covid restrictions about lack of movement. As it stands at the moment, there is a bit of a challenge around movement of our team from a safety point of view. That is as much as where they are living as to where the factories are, if I am being honest. We have seen—as you would have seen yourselves, I am sure—in the newspapers a few weeks ago some of the protests and some of the damage to factories in certain areas, which seemed to be targeted at Chinese suppliers. We have seen the impact of that with some of our factories.

But there are regions of Yangon where we have not seen that level of disruption and workers have been able to go in and out of the factories. I have to say that some of the stories around how workers have tried to keep the factories open themselves through this difficult and challenging time have been very moving and demonstrates to me particularly the importance of those jobs. We are going to have to keep very close to the guidance on what is going on, but if we can, we want to support those 45,000 people.



Q172 **Caroline Lucas:** I have one last question—sorry, under a bit of time pressure. Around half the factories that supply Primark are in China. Can you say a little bit more about what steps you have taken to ensure those factories have no links at all, either direct or indirect, to the detention centres in Xinjiang?

**Katharine Stewart:** We implemented a ban with all our suppliers last year in relation to sourcing anything whatsoever—

**Caroline Lucas:** Anywhere on the supply chain? I know you answered here a little bit earlier.

**Katharine Stewart:** Yes, wherever the supplier is sitting, whether they are in Bangladesh or the States or here in the UK, that ban was for anything—any supplier in relation to anything out of that region. We are also obviously monitoring movement of labour from the region out into the wider China supply base as well. We have our largest team on the ground based in Shanghai, who are out monitoring factories, and we have increased the number of audits we are doing now. We are doing those every six months, as a minimum, in order to try to make sure that we have the right level of oversight to what is going on.

**Caroline Lucas:** Right down the supply chain, even if it is supplying something to someone else who ultimately then supplies to you?

**Katharine Stewart:** Yes, in terms of our supply chain, yes, absolutely.

**Chair:** I am conscious that we have two more sets of questions and we have rather overrun our allotted time for this panel. If we could have concise questions and concise answers, I would be grateful.

Q173 **Duncan Baker:** I shall be as quick as I can. I want to come on to extended producer responsibility in this first question to Nicole Bassett. We know that the French have a system and some of the Scandinavian countries now are progressing schemes, but we often hear that we need a bit of Government help or legislation to bring on board real changes. My first question is what Government policies are likely to drive the transition to a truly circular economy in textiles?

**Nicole Bassett:** EPR is a very important one. Some level of accountability of, "If you make it, you are responsible for it throughout its entire lifecycle", is key. One of the other ones is the requirements around the recycled content, so you have both a push and a pull for brands to accelerate the supply chain for circular as well.

Remanufacturing or extended producer responsibility usually happens in-market, so the other thing to look at is how our Government are incentivising those types of businesses to stay in-market and not end up going overseas: taxing materials, not people; incentivising companies on revenue from resale, be it different from revenue from new product creation. There are a few different ways that it can show up really pushing it forward.



## HOUSE OF COMMONS

I will say that I believe it is a critical piece to this puzzle. I like the collaboration of what Textiles 2030 is doing, along with regulation, because I think that is right. I know in my history of working, we were in some great companies that were doing good things, but as soon as there was a law in place we would go a lot faster.

Q174 **Duncan Baker:** Thank you very much. Katharine Stewart, I am interested in this because before my parliamentary career, my background was somewhat in retailing. We know this is an industry that is experiencing intense technological pressure at the moment and any additional burden on retailers would give me somewhat of a cause for concern, notwithstanding how important this matter is. How could an EPR scheme be designed in a way that supports responsible retailers in this transition to sustainability?

**Katharine Stewart:** Recognising that we wanted to do our bit was why we set up our recycling units. As I mentioned earlier, the key thing is how to support the infrastructure that is going to sit behind it, which is going to be so critical to being able to do this at scale. For us, the focus needs to be on support and oversight—how we can all support that infrastructure to scale up and be able to absorb some of the technology that we need to do this; we have talked about the fibre sort and the manual process that it is now.

Q175 **Duncan Baker:** Okay, but anything that you put in place surely would add to increased levels of bureaucracy and burden. At that point in time you start to erode margins and overheads, so where do you get to the point when decisions are being made in the boardroom? At what point does that start to happen?

**Katharine Stewart:** I can speak for Primark, but all the work we are doing on sustainability is led right from the board level down. We are making progress because it is seen as a key part of the business strategy as opposed to something that sits outside and separately. My experience of leading and developing the cotton programme is that we need to articulate the objectives and clearly think about the problems we are trying to solve.

Maybe that sounds a bit simple, but when we thought about cotton, it was about transparency, being cost-neutral and holistically improving environmental and social. We laid that out and thought about what the model that sat behind that needs to look like. If we approach it in that way, I hope we can start to work through the assumptions around this being an incremental cost and see that as less of a barrier to getting started.

Q176 **Duncan Baker:** I agree. Thank you. Cat Salvidge, how would you advise the Government to design an EPR for textiles in a way that supports Textiles 2030?

**Catherine Salvidge:** Exactly what we want is for this EPR scheme to be designed in a way that does support the cross-sectoral collaboration that



Textiles 2030 is promoting. We need to think about what sustainability means in the context of textiles for an EPR scheme. We would hope from Textiles 2030 that an EPR scheme would focus on carbon emissions and circularity, which are the two main focus points for Textiles 2030. That EPR would provide a clear financial driver for investment in more circular systems.

We need this EPR funding to encourage innovation and investment in the recycling sector and to promote changes in the impacts that clothing has across its whole lifecycle. We need to use an EPR scheme to promote changes in the design process, such as making garments more durable so they can be sold through reuse models or making garments recyclable and promoting changes to design. Incentivising the use of recycled content will be key, as will incentivising these reuse and circular business models so they are on more of a level playing field. There are reuse, repair, remanufacture businesses like The Renewal Workshop. We need to use that EPR funding to feed investment into the recycling sector.

**Chair:** Thank you very much. That concludes our questions to this panel. I would like to thank Cat Salvidge from WRAP, Katharine Stewart from Primark and Nicole Bassett from The Renewal Workshop in Oregon. You are all welcome to stay for the next panel, but I would quite understand, Nicole, if you want to go and have some breakfast. Thank you very much indeed for joining us today.

## Examination of witnesses

Witnesses: Maud Hardy, Joe Papineschi and Wayne Hubbard.

Q177 **Chair:** We move now on to our second panel. The first panel was demonstrating our topicality by focusing on the voluntary Textiles 2030 initiative launched on Monday by the industry. Our second panel is focused on last month's initiative by the Government that we have been hearing about in the questions from Duncan Baker.

The Environment Minister launched the Waste Prevention Programme last month and in particular announced the consultation due on textiles for an extended producer responsibility scheme. Here to discuss that with us, I would like to welcome Maud Hardy from Refashion in Paris.

**Maud Hardy:** Hello, everyone. My name is Maud and I am in charge of circular economy for Refashion, which is the EPR scheme operator for France.

**Chair:** Thank you, and Joe Papineschi from Eunomia Research in Brussels.

**Joe Papineschi:** Yes, I am Joe Papineschi. I am the chairperson of Eunomia, a specialist research and consulting firm working heavily in EPR but specialising in the circular economy and decarbonisation. We are British, but I happen to be Brussels-based because our biggest client is the European Commission.



## HOUSE OF COMMONS

**Chair:** Thank you, Joe. All the way from Hove, Wayne Hubbard from ReLondon.

**Wayne Hubbard:** Yes, my name is Wayne Hubbard. I am the Chief Executive Officer of ReLondon, formerly known as the London Waste and Recycling Board, which is a partnership between the Mayor of London, London's 32 boroughs and the City of London.

Q178 **Mr Robert Goodwill:** Maud Hardy, it seems like in so many areas the French are leading the way on this. You have had an extended producer responsibility scheme operational since 2008. Could you explain how it is working, the positives and the negatives? Could you suggest it as a model for others to follow?

**Maud Hardy:** I hope you all received the documentation I sent previously to this hearing and I hope you all had the opportunity to read it. To make very simple how the EPR works in France, the brands have an obligation to contribute to Refashion. This contribution is calculated on an average weight of the product they are placing in the market. In 2019 the total amount of contribution we received was about €25 million. Under the agreement we have with both the Ministries of the Environment and the Economy, we spend this money on three different options.

The first one is to finance the sorting operators. They received €16 million in 2019. The second destination is to support the local communities that are communicating on separated textile collection. This is on average almost €4 million. The last destination is to support innovative projects, to emphasise the recycling industry and to help provide solutions for recycling our textile waste.

This is the basic business model of Refashion. We are a private company but we are a non-profit company, so all the contributions we receive from the brands are spent on giving financial support to the three destinations. We have an agreement with both ministries. This agreement lasts more or less six years. We are now in our third agreement with the ministries.

If I had to say in a few words the review we would make after 12 years of the EPR scheme, the positive thing is that we are now able to have full traceability of all the textile and footwear waste streams from the beginning when the brands place products in the market until the end of the lifecycle of the product. This has been a tough mission to put in place but we are now able to do the entire traceability of the waste. This is one positive element.

A second positive element is that we have increased the collection rate from more or less 20% to roughly 40%. This is a big increase. We have also been able to double the tonnes of used textiles sorted in the facilities that are under convention with Refashion. These are the positive aspects.

The negative aspect is that we make the conclusion that after 12 years we have not been able to create a profitable recycling industry. So far the



## HOUSE OF COMMONS

products that are being collected and sorted are mainly being re-exported to Africa and Asia for both reuse and recycling. So far, we have not been able to create a profitable industry for recycling those products in Europe or in France. Our next challenge for the coming accreditation period will be to focus all our financial support towards the industry of recycling.

**Q179 Mr Robert Goodwill:** Do you check that the material sent to Africa is actually reused, recycled or disposed of in a responsible way? I have read reports that sometimes this material is not treated in the way we would wish and in fact that would apply to plastic waste and other things as well.

**Maud Hardy:** Exactly. The traceability we have ends when the sorter is declaring who they are selling their material to—the customer—for reuse or recycling. Then we lose the traceability. We are not able to confirm whether the product is being managed in an environmental way once the product is finally used. This is happening in all the sectors, not only for textiles and footwear. It is also happening for packaging, furniture and plastics. It is an issue. Once you have exported your waste outside the regional European area, you lose traceability.

**Q180 Mr Robert Goodwill:** Is France—the home of haute couture—a country where you buy fewer better-quality clothes or are you slipping into the same habits of people over here in the United Kingdom?

**Maud Hardy:** Robert, I would love to say that the French are only buying haute couture but, no, that is not the reality. We are also buying Primark. We are also buying H&M and Inditex products. We are also facing the fast fashion issues. We are all on the same page. We need to focus on eco-designing better products, more durable products that will integrate recycled material and products that will be more easily recyclable. Our key mission is to educate the brands we are working with to focus on changing the way they are designing their products and the way they are manufacturing these products. The first action we have is to engage them in eco-designing their products.

**Q181 Mr Robert Goodwill:** Merci. Mr Hubbard, in the United Kingdom, how much textile material do we throw away and where is it currently ending up?

**Wayne Hubbard:** I cannot speak for the UK; I can only speak for London. We think about 70,000 tonnes of clothing from households is unwanted each year in London. About 42,000 tonnes of that is exported, about 22,000 tonnes is reused indigenously and a small amount is recycled.

It is a similar picture to the one we have just heard from Maud. The major issue here is that we have too much unwanted clothing and we consume too much clothing. Secondly, we do not have the appropriate infrastructure to sort and recycle that clothing for reasons that this Committee has discussed historically. There are difficulties with blending and difficulties with the infrastructure.



In my view, an EPR scheme would be useful to start thinking about how we could invest in local indigenous sorting and recycling capacity, but also, more importantly, promoting and encouraging as much as we can more circular business models at the outset so that we can reduce the quantum of material on the market.

**Q182 Mr Robert Goodwill:** Mr Papineschi, France has taken the lead, but I understand that Sweden and Holland are also following along similar lines, as we probably will in this country. In terms of end-of-life vehicles and waste electronic equipment, generally the European Commission and the European Union would be taking the lead. Is the European Union looking at this or are countries expected to do their own thing? If so, where are member states in this particular situation?

**Joe Papineschi:** You have mentioned the three countries that are furthest advanced in their thinking, and France is well ahead in terms of implementation. There is a lot to learn from France. Over the last three years, the EU has been talking about—and some of this has made its way into the resources and waste strategy and the Waste Prevention Programme from DEFRA—firstly, mandatory separate collection of textiles across the EU from 2025.

Then, most importantly from your point of view, the circular economy action plan, published a year ago, is where we start to diverge a little bit in the UK from the level of ambition we are seeing from the Commission at the moment. It is looking at textiles as a priority material within the Green Deal framework, driven by the long-term objective of net zero, but working backwards from that.

There is a commitment for an integrated textiles strategy to fit a wider product policy framework to drive circularity across lots of product categories in Europe. That will include a mandatory EPR scheme across the EU, by the looks of it. It is not an absolute commitment but it is one of the main initiatives that has been flagged.

That has to follow the requirements of the Waste Framework Directive now for that to be a full-cost coverage EPR scheme. Unlike the French scheme, which at the moment covers only a small part of the costs of textiles at end of life, across the EU we will see schemes that will need to cover at least 80% of the cost and with a strong drive towards 100%. If DEFRA follows the model that it has followed with its consultation on the packaging EPR a couple of weeks ago, we expect to see a commitment to 100% cost coverage and that then becomes a dramatically different scheme from what we see in the EU at the moment and anything like what you were looking at in your previous report.

**Q183 Mr Robert Goodwill:** Historically, before the advent of manmade fibres, cotton, wool or flax was turned into shoddy, which could be remanufactured or often used as a soil conditioner to improve soil quality and to act as a mulch. Is there any practicality to separating out the natural fibres? Given we have so many composite materials and so many



fabrics that are overlaid with a plastic type of covering, could we even look at that or has that ship sailed?

**Joe Papineschi:** To be honest, we have to look at that. The direction of travel at the moment is towards more and more technical fabrics, but there is a strong recognition that disruptors of recycling will massively hamper that circularity. Some of those might enhance durability. There is a complex picture here. We cannot recycle our way out of what textiles' contribution to net zero needs to be. That is an important message. We have to look at how we reduce consumption of material substantially. We are talking about one of the highest emitting product categories globally. Recycling just does not work hard enough for us in carbon emissions terms.

However the EPR scheme is designed, it has to recognise that reuse—and, within that, durability—are absolutely fundamental. Companies like Primark, which are in the affordable fashion space, if they will make the contribution needed to reduce the footprint of their products, will need to look at business models where they are spreading the cost of those products over a longer period and giving customers access to more durable products without making them unaffordable. An EPR scheme needs to incentivise those shifts.

Q184 **Mr Robert Goodwill:** In that context, would you suggest that natural fibres have a lower carbon footprint, are more sustainable and are easier to recycle than some of the manmade artificial fibres used?

**Joe Papineschi:** That is an open question. The data is quite poor at the moment. There is a widely used index that gives a much lower footprint to synthetics like polyester. There is a lot of focus on microfibre release, but there are also issues with microfibre release of natural fibres. The data behind those indices is incredibly limited. It is quite gobsmacking how lacking we are in the fundamental evidence that is driving a lot of the statements made about the footprint of textiles. It is not adequately understood. It is understood enough to know that the footprint is large and important, but in terms of determining the more sustainable fibres, genuinely we are nowhere near that point at the moment. You would need to be careful not to drive too hard in one direction without the evidence being there.

Q185 **Claudia Webbe:** Thank you to the panel for being with us here today. I want to ask a few questions about how we scale up our circularity and recycling of fibres, notwithstanding the important point made about the extent to which we can rely on recycling as opposed to a reduction in consumption.

Wayne, the UK Government have committed to introducing separated collections of textiles for all local authorities by 2025. How do we capture more material but maintain the quality so that as much clothing can be resold as possible?



**Wayne Hubbard:** At the moment, collections of kerbside textiles are patchy. There is good coverage with banks but less so with kerbside. About half of London boroughs offer kerbside collection but they all offer good bank collections. The banks, generally speaking, have good quality but the kerbside collections are not so good. In fact, some local authorities use kerbside collections to keep the bank quality high. It is really tricky.

As Joe said, it is worth remembering the holistic nature of this. We do need to improve our infrastructure and an EPR scheme can help with the investment in that. It is vital because exporting clothing predominantly to the global south is not a solution. It is certainly not a sustainable solution in the long term. We need to do that as a first step.

The longer-term solution here is around the circular economy business models that these companies will need to adopt. They will have to adopt them. The linear way of producing clothing and textiles and in fact goods in general is reaching its end. That system is not sustainable. We need to move to circularity. That job is for civil society, for Government and for business in partnership, in a symmetrical relationship, to implement. We work with lots of SMEs and a fair few corporates to develop innovative circular business models around repair, resale, sharing and leasing models for clothing, textiles and other goods. That is important.

If we can reduce that quantum and then improve the technology and sorting of what is left, we will solve this. An EPR scheme has an important role to play in investment in those technologies, which are at the moment quite sparse in the UK.

**Claudia Webbe:** Let's explore that a bit more. You will appreciate that I am a Leicester MP.

**Wayne Hubbard:** I am from Leicester, Claudia.

Q186 **Claudia Webbe:** You will know that in Leicester we produce a significant amount of textiles and garments, but I do not necessarily see the collections of these materials for recycling. How do we ensure that we have the matching infrastructure and circular business model? Where is that infrastructure for recycling and what do we need to do? The extended producer responsibility, of course, can help to fund that infrastructure once something exists, but what do we need to do? Leicester is a city where we produce a lot of textiles and garments.

**Wayne Hubbard:** To move away from a linear system we need to think about how we can repair garments and how they could be made more durable, maybe even made modular. I remember separate collars and cuffs to keep shirts in use for longer. The idea that we can sustain the current model is not sustainable. In Leicester and other places where there is great manufacturing of clothing, we will be moving to other systems for resale, remanufacturing and repair.



## HOUSE OF COMMONS

Nicole Bassett on the last panel had a fantastic example of how we can keep clothing in use for longer. We should be talking to Nicole. In fact, we have had a conversation with Nicole about how we can attract her to come to London and employ her locally within the UK to do those activities. There are lots of things we can be doing.

**Claudia Webbe:** Joe, do you want to come in on this point? I see your hand waving.

**Joe Papineschi:** What does this look like? How do we solve this problem? What will the textiles recycling economy end up looking like? There is a collection and sorting bit that we are not quite getting right at the moment, but that is pretty fixable. We know how to do that quite well. The incentives, engagement and behaviour change probably are not there enough and that is part of the problem.

We have a big gap with the actual recycling—the shoddy of the 21st century—and we need a lot of investment in R&D and scaling up and commercialising. Some of those technologies can address mixed-fibre textiles, but they will be pretty expensive and those costs will have to be covered somehow.

The other piece of the jigsaw, as Wayne was hinting at, is much more takeback, and effectively incentivising consumers to get products back to where they bought them from—either the brand or the retailer. They could end up back in Leicester to be refurbished rather than recycled, and the fabric could be made into new articles.

In the long term we are likely to end up with the stuff collected for recycling being at the lower-quality end, which will need these new recycling technologies that need a lot of investment. The stuff that is too good to recycle will end up in a much more circular business model that consumers are quite used to engaging with to get it back into repair, reuse, resale and so on.

Q187 **Claudia Webbe:** Thank you for that, Joe. I will come back to you a bit later because there were two challenges in what you said. One is how we stop the fact that we are now in a fast fashion business in the garment industry in Leicester, so the consumer has been told that this is throwaway fashion and they are purchasing it for only a short period of time because it does not last. It is not like when I was growing up in Leicester and my parents were instilling into me that we buy clothes to last. The products that were being produced in the garment industry that my mother worked in were clothes to last. That is one issue.

The other problem is that in the fast fashion context, who is thinking about whether the materials being used to produce those garments are recyclable in the first place? In that kind of industry, where profit is the driving force, how will that work?

Maud, as you have collected more garments and textiles in France, has it meant that a greater proportion of the items are fit only for recycling?



## HOUSE OF COMMONS

How important will it be to scale up fibre recycling capacity if we want to reach full circularity?

**Maud Hardy:** You are absolutely right. The more you collect, the less you can reuse. This is a key learning we have after 12 years of an EPR scheme in France. The first key thing to do is not to increase collection because you will have tonnes of unusable clothing sitting in a sorter's warehouse.

The emergency here, like Joe said, is to create a profitable industry of recycling. Recycling as a closed loop—creating new fibre or recreating a new yarn based on a used textile to create a new textile—is a fantasy. It will never happen in the next five to 10 years. We have to address open-loop recycling as an emergency in Europe. We have to consider that our used textiles are perfect materials for insulation, for the car industry, for the plastic industry and for all those sister industries that are very much welcoming our used textiles because they can stop using virgin material. We have to focus on these opportunities we have and that our waste textiles and footwear can be fantastic new materials for those industries. We also have to pursue the fantasy of being able to recreate a yarn with a used textile, but this will be only a small percentage of our used garments and footwear.

Q188 **Claudia Webbe:** Wayne, on this notion of resale or reuse, how big is the resale and second-hand market in the UK? How does it compare to other countries and how much scope is there to grow it?

**Wayne Hubbard:** I cannot say how much it compares to other countries but I certainly can say that it has increased massively. Certainly over lockdown we have seen huge increases with resale platforms. ReLondon has supported a number of resale platforms and we have worked closely with sites like Depop. We have a campaign aimed at 16 to 24-year-olds called Love Not Landfill. We did a pop-up shop a couple of years ago, which was incredibly popular with 16 to 24-year-olds who are into vintage second-hand shopping. There is a niche there.

We also see this starting to become much more mainstream. Again, people like Nicole in The Renewal Workshop have different models. We have worked with a number of companies that have started to understand how they can reuse their own materials through their own websites or they can use other third-party websites to recirculate clothing. It will become one of the ways we can improve clothing circularity and certainly key to stopping clothing leaking out of the system and going into open-loop recycling.

Q189 **Claudia Webbe:** This is a huge challenge and I always have to think about the wider picture and look beyond what I see happening in Leicester. Some of the textiles and materials just crumble away after a few wears. What we do about that is quite concerning—this whole concept of what is now known as the fast fashion industry. I have one final question. I wonder if any of the panellists have any more to say



## HOUSE OF COMMONS

about how to meet the challenges of the concept of fast fashion. The UK can do only so much down-cycling of garments with the tonnages that we already have at the moment.

Joe, how much investment in recycling infrastructure and technology do we need if the UK is to achieve the goals of Textiles 2030?

**Joe Papineschi:** On fast fashion, in the context of an EPR scheme, we could set some minimum standards for placing different types of products on the market that at least get everything up to a minimum level of durability. It is not completely straightforward how to specify that, but given that we know this needs to be addressed and cannot be ignored in the long term, it could be sent out with some lead time for industry to adapt.

In terms of how much investment we need in infrastructure, if we extrapolate Textiles 2030 out to the whole market and assume that an EPR scheme is trying to achieve something similar, we are looking at, frankly, enormous investments, way beyond the scale of what we have seen funded by EPR schemes so far. DEFRA's consultation on packaging last week is talking about a scheme funded by producers to the tune of a net contribution of about £2.7 billion a year. We could easily see textiles being in a similar ballpark, at least until we have ramped up the circularity infrastructure that is not there at the moment at that scale.

That is quite challenging to do in a short period and there would probably need to be a transitional period, but we are talking about some huge investments and some huge opportunities. On the recycling side, it would almost certainly take billions of pounds worth of additional capex with a lot of R&D investment needed before we can even get to that stage.

**Claudia Webbe:** Maud is indicating.

**Maud Hardy:** Yes. Claudia, I wanted to give you some key data and some examples. We are financing a huge new recycling line in France. This line will be able to operate 20,000 tonnes per year. This line costs €10 million. It will have automated sorting, automated disassembly of the textile used and then automatic shredding and preparing of the material for both open-loop and closed-loop. This is one line only, costing €10 million, addressing 20,000 tonnes. Imagine—the overall textiles we have to recycle in France are more than 100,000 tonnes per year. That gives you the scale of investment.

Secondly, regarding fast fashion, the EPR scheme has what we call the contribution. This is what the brands are paying to the Refashion company. We have eco-modulation, which is a system of scale—barème—depending on different criteria. If the product the brand is creating on the market is more durable, has integrated recycled material or is more easily recyclable, it will get a bonus and it will pay a lower contribution. On the other hand, if the product is only here to last one week and is not recyclable and is not using any recycled material, it will get a penalty. At



the end of the day, the brands would be advised to work on more durable and more recyclable products than the other brands.

**Joe Papineschi:** That modulation will be mandatory in all textiles EPR schemes in the EU.

Q190 **Barry Gardiner:** I suppose in France all politicians are transparent and they own up to their mistakes. In Britain that is not always the case, so I will say this only once: I think our Committee may have got it wrong. Originally our EAC Fixing Fashion report called for a 1 pence extended product responsibility charge based on your French scheme, where you charge 1 cent. But we have heard from Refashion that some retailers, Hennes & Mauritz in particular, do not bother to fill out the paperwork for the French scheme because the admin costs more than the savings. Do we have it wrong, or do you have it wrong in the French scheme and should we take advantage of your mistake and think about charging a bit more?

**Maud Hardy:** Yes, you are absolutely right, Barry. The question is how painful it is to pay the contribution and then how much investment and time you need to produce the paperwork. You are right that today we know some brands are not doing the eco-modulation paperwork because it is too consuming. This will change because the contribution will be higher every year and we will move from 1 cent per unit to probably 3, 4, 5 or maybe 10 cents in the coming years.

We will need to support the real cost of the recycling industry we want to build. Today we are not financing the cost of this recycling industry because the reuse part, which is the profitable part, is balancing the cost. But tomorrow, if we want to collect and sort the entire tonnage of product we are placing on the market, we will have to build this industry, which will cost a lot of money and the brands will have to pay for it.

Q191 **Barry Gardiner:** To be clear, was this idea of starting low and then building slowly to encourage people to get involved and feel that it would not cost them too much and then you could ramp it up? Is it still a good idea to start as low as 1 pence per garment or should it be set higher?

**Maud Hardy:** Honestly, Barry, when the EPR scheme was put in place 12 years ago, we had no idea what the industry was costing and we had no idea what this amount of contribution was able to finance. Now, because we have 12 years of experience, we know that is not enough. Our advice to all the countries asking for our advice is that they should start now financing the real cost of the recycling industry.

Q192 **Barry Gardiner:** I am sure we will incorporate that thinking in our own recommendations when we make them. That was helpful, thank you.

I want also to challenge this idea that we are doing an extended producer responsibility scheme because "extended" sounds as if we extend it longer in time. I wonder whether we should be thinking of it as an expanded producer responsibility scheme. We have looked at the



## HOUSE OF COMMONS

emissions at different stages in the lifecycle of garments and, in the UK, the fibre production creates almost 11 megatonnes of CO<sub>2</sub>, the processing almost 9.5 megatonnes and the use—washing, drying, ironing—about 8.5 megatonnes, but the disposal, including reuse and recycling, creates 2.7 megatonnes of negative emissions.

Are we placing the emphasis in these schemes in the wrong place? Should we focus more on reducing emissions in the design, the extraction, the manufacture and the processing elements, and giving a harder time to manufacturers and retailers for those elements of the lifecycle?

**Maud Hardy:** This is a great question. I want to share with you a great programme we are working on: the Product Environmental Footprint Category Rules or PEFCRs. This European project will create a unique database of all the environmental impacts of the textile and footwear industry. This is a paramount project with 20 different structures working together. It will last three years. It aims to be achieved in 2023. At the end of this period these documents will be the only guidelines to create an analysis of all the environmental impacts of the products. Based on these guidelines, we will include in the contribution barème the products rated A or B, for instance, which will have the least impact on the environment. They will have an eco-modulation, so they will have a bonus. Products rated D or E will have penalties because their impact on the environment will be higher. This will address the fact that when you look at the entire lifecycle of a product, the major impacts are made during the production phase. This is a way to include that in the total EPR scheme.

Q193 **Barry Gardiner:** That is helpful. In producing our recommendations as a Committee, should we ask the Government to set up a scheme that looks at that product footprint across the whole lifecycle of a product?

**Maud Hardy:** Absolutely. I would also recommend not focusing only on CO<sub>2</sub> emissions. It is one key criterion, but when you look at the PEFCR work we are doing at the European level, we are considering 16 different impacts including biodiversity, water, soil and so on. We have a full panorama of all the environmental impacts of the industry.

Q194 **Barry Gardiner:** If there is further information you could send us on that, I am sure the Committee would welcome it and then look to incorporate it in the recommendations we make. Joe and Wayne, are there points you wish to add at this point?

**Wayne Hubbard:** It is worth looking at a report written by C40 Cities—a network of some of the world's biggest cities—a couple of years ago called "The Future of Urban Consumption in a 1.5°C World", which looked at pretty much what you have just said: allocating carbon emissions to the end user rather than where they are emitted in the first place, which is the way we currently calculate carbon emissions. Doing that tracks the carbon emissions through the lifecycle of stuff. Londoners consume about 12.6 tonnes of consumption-based emissions per year. To hit our 1.5°C



target, we have to reduce that to 0.7 tonnes by 2050. That will mean a massive change in behaviour and a massive change in the way we consume and produce stuff.

Q195 **Barry Gardiner:** That is not just from textiles.

**Wayne Hubbard:** That is from everything, exactly. Basically, we cannot just send our carbon emissions offshore. We have to take responsibility for them.

**Joe Papineschi:** Bear in mind that textiles is a big chunk of that—maybe as much as a third of that piece Wayne has just talked about. That is why, when we are thinking about the design of these policies, we need to think about that huge objective of 2050 and working backwards from there. What textiles footprint can we afford per capita in the UK and what trajectory do we need to follow to get there? Textiles 2030 is great and it will drive a lot of innovation, engagement and behaviour change within businesses, but even in the best-case scenario we almost certainly will not hit the trajectory we need, working backwards from the textiles footprint we can afford in 2050.

To build on what Maud said, the products environmental footprint that she talked about is an interesting tool that can be used for evaluating a wide range of impacts of products. When you are designing a set of instruments for textiles, you do not want to try to do everything through EPR. If you are trying to drive eco-design, it is important that the signals you are sending to producers are reasonably clear. If it is a composite of absolutely everything, there is a risk that you will not see much change in the areas that are of the highest priority.

The products environmental footprint approach is vital when thinking about the big picture, but the way you design the modulation of EPR fees can be quite focused on driving that circularity. We know that reuse delivers something like three or four times the savings in carbon emissions that recycling does. Recycling is a good thing to do with textiles in itself, so we need to do all of that and have our EPR scheme incentivising the priority behaviours from producers.

Q196 **Barry Gardiner:** Thank you for all of that. Finally, how do we get stakeholder engagement across the whole of the clothing supply chain? Can we learn lessons from elsewhere that would be helpful in the way we go about this?

**Maud Hardy:** Being in France, the only recommendation we can share with you is that “mandatory” is the key word.

**Wayne Hubbard:** Yes. I wanted to re-emphasise my point that there has to be a symmetrical relationship between Government—not just national, but regional and local—and business, and citizens and civil society. We can change the world one neighbourhood at a time if we think about how this circular economy plays into recovering from the pandemic and rebuilding our neighbourhoods around reuse, repair, second-hand and so



on. There is a great opportunity. To a certain extent the public is ahead of us a little bit here. From where I sit, I am quite optimistic that we can make that change with some regulation, some behaviour change and some help from national, regional and local government.

**Joe Papineschi:** We can say pretty clearly that we need to get back to something like Claudia remembers from her childhood. That was not that long ago at all in the scheme of things. We need to get there as quickly as we can, but we have seen during the pandemic how quickly we can achieve behaviour change. We need to be clear where we are trying to get to and then drive in that direction. It is not as impossible as it feels. That is the message.

**Barry Gardiner:** Yes, I had detachable collars in my childhood and I still have extendable cuffs on my shirts. Thank you very much. They were helpful answers.

**Chair:** Thank you. That is quite enough fashion advice from members of the Committee.

Q197 **Dan Carden:** Maud, you made an earlier point that the current levels of modulated fees were not providing an incentive and some companies were not filling out the paperwork. You said you are looking at increasing those levels, which may bring about the change you are looking for.

Is the complicated system of modulated fees the best way to go? What are your thoughts on other alternatives such as VAT reductions on recycled content products or eco-design regulations?

**Maud Hardy:** That is a great question. The EPR scheme that we built 12 years ago has not changed at all. The contribution has been the same over the last 12 years. Even though the amount has increased year after year, the construction of the barème is the same.

We realised last year that maybe we need to have a big pow-wow and rethink completely the construction of the contribution barème because time has changed, things have changed and companies have changed. We are currently running a full analysis and a full audit of the construction of the barème. We are also interviewing brands, operators, local communities and even foreign advisers to see how we should construct this new contribution barème to make more efficiency possible.

You are right that the more you add eco-modulation and the more criteria you add to your core barème, the more complex it gets and the brands will adopt it less easily. We have to find the right balance and a contribution barème that will be simple but will also be able to facilitate the engagement of the brands towards eco-designing their products. I do not have any final answer to that to share with you, but I can update monthly on our progress and we can share with you our thoughts on this new barème to make the more efficient possible.



To answer your question regarding VAT reduction, we are absolutely convinced that we need to push for that on a European level. The integration of recycled material in textile products and also products from other sectors is key to facilitate and increase the circularity of the industry.

Q198 **Dan Carden:** Joe, what are your thoughts on the alternatives and also on the possibility of some form of carbon tax? Are there more effective policies out there?

**Joe Papineschi:** EPR is suited to its core purpose, which is putting full financial responsibility on the producers of the end-of-life cost of their products and then getting that money into a pot to make sure it is being effectively investing in minimising those end-of-life impacts.

Modulation can send the right signals for eco-design, the supply chain, raw materials or whatever the key criteria are, but it is difficult to see that it is realistic with textiles to modulate to a degree that would drive all of those behaviour changes from producers and in the supply chain that we need to hit textiles' contribution to net zero. It is almost certain that this will need to be a composite of different measures, with EPR being important and modulation probably being an important part of the EPR, but using it to drive particular eco-design objectives maybe around exactly the things Maud has talked about like durability, design, recyclability and so on.

We are not too far away from a level of consensus that would allow fiscal instruments and the tax system to be used more effectively towards the net zero goals. We run into international trade and competitiveness issues. It is difficult to solve those quickly as an individual country, but there are strong arguments with textiles to be looking at a differential tax or levy mechanism to reflect the footprint of primary versus reused versus secondary raw materials, for instance. That would have much more of an upstream impact than you would probably achieve with modulation of EPR fees.

Q199 **Dan Carden:** Thanks Joe; that is very helpful. Wayne, what is the right mix of regulations versus incentives? What more would you like to see from the Government to increase circularity in fashion and textiles?

**Wayne Hubbard:** One thing is the support of innovative SMEs in this space and finding a way to get those SMEs through the valley of death, so to speak, so they can be a testbed for innovation. We have supported 45 textile SMEs with various circular economy models. Some will succeed; a lot of them will fail. Corporates are watching that space and looking to see the best ideas. If the Government can find some way of supporting organisations like ours or other organisations regionally in order to support local innovation, that would be useful.

More support for repair would be useful. I do not know if there is any space here for a right to repair. When I buy new clothing, I look at the



## HOUSE OF COMMONS

company I am buying from to see its attitude to repair. I do not mind whether it has a menu and I have to pay to get my products repaired or if there is a guarantee for that to be free, but if they have a good repair backup during its lifetime, there is an incentive for that garment to be durable. We have worked with organisations like Farfetch, an outdoor brand, which saw that offering a guaranteed repair reduced its overheads because it was paying less on meeting warranty claims, interestingly.

There are some good learnings here from supporting innovative SMEs and smaller companies that are doing good stuff. I would like to see the Government thinking about how some of that EPR money could go in that direction.

Q200 **Chair:** Maud, you indicated that in France €10 million is being spent on a recycling facility to recover 20,000 tonnes. Who paid for that capital cost?

**Maud Hardy:** This is a shared cost between our national environmental agency, ADEME, which is dependent on the environmental ministry. The sorter is called Synergies TLC, and a consortium of different companies—including a yarn manufacturer, a spinner and a compounder—pay for the second half, supported by public funds.

Q201 **Chair:** Is the aim to make this self-financing or is it a non-profit activity?

**Maud Hardy:** It is a profitable activity. I hope so.

Q202 **Chair:** Is there a mechanism by which the EPR scheme in France ensures that international retailers, like the online retailers not based in France, can be compelled to contribute?

**Maud Hardy:** They already are. Almost 100% of the products placed in the French market by French companies, British companies, American companies and Chinese companies have to pay the contribution. We are working hand in hand with French customs to be sure that all the products entering the French market are traced and chased and in the end are contributing to Refashion.

Q203 **Chair:** This is the mandatory nature of the scheme?

**Maud Hardy:** Absolutely, yes.

Q204 **Chair:** How do you check whether a garment registered for the EPR is designed to be durable?

**Maud Hardy:** This is more complicated because we are asking the brands to provide evidence that the garment is durable. They have to provide the test of durability and the invoice for recycled materials they are integrating in the products. This is the paperwork and the logistics to track all the evidence that we were referring to.

Q205 **Chair:** Joe, we heard in our first panel that the WRAP scheme will reply on self-reporting. Given what we just heard from Maud, we assume that the EPR the Government will consult on is also likely to be a self-reporting system. Is that the right thing to do? Is there some way to



## HOUSE OF COMMONS

verify and enforce either a voluntary or a regulatory sustainability scheme to be effective?

**Joe Papineschi:** Third-party verification or certification is vital to consumer and citizen confidence in this kind of thing. Brands understand that. There is not massive resistance at the moment to the idea of verification through third-party certification of these schemes. The pertinent question at the moment is how good those certifications are. I am seeing a slight risk in the way that the UK Government seem to be a little bit more relaxed and a little bit more liberal in terms of the standards, measurement rules and the different criteria then implemented on the ground through certification schemes.

It is important to have clear and consistent rules that create a level playing field and do not incentivise a race to the bottom. If you put something in place that is not robust, you are penalising the companies that want to do the right thing. There are ways of getting the rules right even with complex issues like clothing durability. They are not straightforward but they are where we need to get to. Quite a lot of work is being done on solving those technical issues alongside simple ideas like minimum warranty periods. That gives a simple overlaying instrument for the industry to adapt.

Q206 **Chair:** Wayne, are there any insights from the work you are doing at ReLondon about verification and certification?

**Wayne Hubbard:** We have seen that companies offering resale or repair or rental schemes have a pretty good insight into the durability of their clothes because they are getting them back and can assess their durability. Some big companies like Patagonia are doing this.

There is also some emerging technology around QR codes and RFID tracking that can show the durability of clothes over time, although this is just emerging. Certainly if you have the business model in the first place, you can start to generate some good information on how durable your clothing is.

Q207 **Chair:** Will each of you give me your impression? Given the focus on textile waste streams and trying to reduce them and improve sustainability of the fashion sector—we have heard about this initiative launched this week in the UK—how hopeful are you that the UK fashion industry gets it and will achieve 100% sustainability in 10 years? Is that realistic? In the UK they are talking about 50%.

**Maud Hardy:** That is a tricky question, Philip. I am confident because it is my nature. I want to believe that the fashion industry has understood the dilemma we are facing and is now able to transform the business model and work in a circular model. To be honest, I am not sure that 10 years will be sufficient even though we are trying to support them in the changes they are starting. I can see many positive European initiatives. Look at the Policy Hub, the Fashion Pact and Global Fashion Agenda. All these initiatives are showing that the brands want to commit themselves



to the changes they have to do. I would be positive but I am not sure I can confirm that 2030 will be the final destination. The journey will be long, but if we all work together we will manage it.

**Joe Papineschi:** I will try not to be so obviously negative compared to Maud's view of the world, but if you look at the industry as a whole—and there are lots of exceptions to this—it is fundamentally broken from a circularity point of view. We have talked about lots of the issues with it. The scale of change required, consistent with what Maud was saying, is huge. The level of awareness and understanding of what needs to be done, even in a big-picture sense, let alone in detail within the industry globally at the moment, is at its early stages. There are lots of great initiatives but they are scratching the surface in terms of driving corporate behaviour.

However, we can be clear about where we need to get to. Policy makers have a crucial role in setting out the destination and the main steps on that journey. This industry has been incredibly unregulated historically compared to many others. Having that roadmap set out clearly from a policy point of view will massively help to accelerate that awareness and that change in strategy within the industry.

Q208 **Chair:** Wayne, how do you see the UK playing its part in encouraging the textiles industry to get its act together? We have heard that France is some way ahead of us. Can we overtake France in the next 10 years in getting this right?

**Wayne Hubbard:** I will make three points quickly. First, this is not normal. Fast fashion is not normal. It has happened only relatively recently. For most of our history as human beings, we have not consumed in this way. That is grounds for optimism. Secondly, the document that WRAP has produced is good. We will be talking to WRAP next week about how we in London can do our part to deliver this. Thirdly, I re-emphasise that there has to be a symmetrical relationship between citizens, civil society, Government and business. We need some of that funding to enable us to do that.

Finally, I went to the Copenhagen Fashion Summit in 2017 and came back with a tote bag, which I still use, that says, "If we can change fashion, we can change everything". I am optimistic.

**Chair:** Thank you for that. We like to think that this Committee is doing its bit to try to change fashion. The focus we have placed on some of the practices we have discovered within certain parts of the industry in the UK is delivering change. Let us hope we can all make our own contributions through the work we continue to do in this area.

I conclude the panel by thanking Maud Hardy from Paris, Joe Papineschi from Brussels and Wayne Hubbard from London via Hove for your contributions to us today.