

3rd EDITION

VENICE SUSTAINABLE FASHION FORUM

OCTOBER 24th AND 25th, 2024

VENICE, FONDAZIONE GIORGIO CINI

PRESENTATION BY

MATTEO MAGNANI



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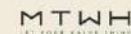
DIAMOND PARTNERS



PLATINUM PARTNERS



PARTNERS





Progress towards a circular economy for textiles in the EU

Matteo Magnani

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24th October 2024





TAKE



MAKE



WASTE





**Eliminate
waste &
pollution**

**Circulate
products &
materials**

**Regenerate
nature**

**Italy generates
1,048,292 tons of
textile waste per year**

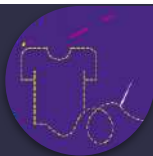
This equals **18 kg per
capita** (against the EU
average of 12 kg)

Source: European Environment Agency, European Topic Centre,
Textile waste management in Europe's circular economy (2024)



Three drivers underpin the generation of textile waste:

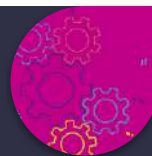
PRODUCT DESIGN



The **quality of products** being placed on the market has declined over time,

making them **less appealing to the recycling market**

INFRASTRUCTURE



Italy separately collects **only 14%** of textiles entering the market

While sorting facilities are well distributed, recycling is largely concentrated in the **Prato region** (22,000 tonnes/year)

Most **sorted textiles are exported** for reuse and recycling

BUSINESS MODEL



Brand revenues today are dependent on **increased unit volumes**, rather than keeping products in circulation through reuse and repair

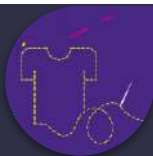
Italian **repair artisans are struggling** due to high tax rates, and less demand for their services

Opportunities for **BUSINESS ACTION**

Opportunities from the **REGULATORY FRAMEWORK**

Opportunities for BUSINESS ACTION

PRODUCT DESIGN



DURABILITY

RECYCLABILITY

RECYCLED CONTENT

SAFE CHEMISTRY

PRODUCT DESIGN



THE JEANS REDESIGN

- **1.5m+ pairs of redesigned jeans** (brands only, 2023)
- 11% of brands redesigned **>40% of their jeans portfolio** (with some reaching 100%)

Opportunities for BUSINESS ACTION

PRODUCT DESIGN



CNMI
SUSTAINABLE
FASHION 2024
AWARDS

- A dedicated **Circular Economy Award** recognised leaders in the industry that have implemented ambitious circular design principles

Opportunities for BUSINESS ACTION

INFRASTRUCTURE



Brands and retailers are joining forces to start taking responsibility for the collection, sorting and recycling of their products

- **7 consortiums**
- Only **50 brands & retailers** have joined them



RE·CREA



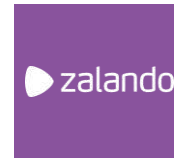
Opportunities for BUSINESS ACTION

BUSINESS MODEL



Moving away from linear take-make-waste business models, brands and retailers are starting to **introduce offerings** such as **resale, repair, rental, and remanufacturing**

Opportunities for BUSINESS ACTION



BUSINESS MODEL



The Fashion ReModel

Participants work together to demonstrate they can **generate revenue without making new products**

Opportunities from the REGULATORY FRAMEWORK

PRODUCT DESIGN



Ecodesign for Sustainable Products Regulation (ESPR)

entered into force on 18 July 2024

- **Aim:** set minimum requirements on key sustainability aspects of certain product categories, including Apparel
- **Businesses can be consulted** in the development of ambitious Ecodesign criteria

Opportunities from the REGULATORY FRAMEWORK



- Our recommendations on how EPR can move **beyond waste management**, and deliver circular economy outcomes
- **Globally relevant** insights on Extended Producer Responsibility policy design

Source: Ellen MacArthur Foundation, [Pushing the boundaries of EPR policy for textiles](#) (2024)

INFRASTRUCTURE



Revision of the **Waste Framework Directive (WFD)** is close to its final text

It will mandate the introduction of fee-based **Extended Producer Responsibility (EPR)** schemes in all Member States

- **Obligated producers:** brands and retailers (national, international, online)
- **Product scope:** Apparel, footwear, household textiles
- Fees calculated on a **'Net cost' basis**
- Producers can fulfil their obligation through a **consortium (PRO)**

*"It's super important for businesses [...] to lean in and be actively involved in shaping the development of those EPR schemes, because **business knows business best and can help advise government**"*

Source: Reuters, [From repairability to rental: how Anna Turrell is riding the circularity wave at Decathlon](#) (2024)

Opportunities from the REGULATORY FRAMEWORK

BUSINESS MODEL



Policy incentives that **make the economics work** for circular business models that are currently facing profitability challenges

- Support for SMEs
- VAT breaks

In 2023, France established a **€154M fund** incentivising citizens to get their clothing repaired

Source: Commons, *France Will Pay for Your Clothing Repairs* (2023)

**URGENCY &
OPPORTUNI
TY**

**BUSINESS
ACTION**

**REGULATOR
Y
FRAMEWORK**

*The question is not **whether we can achieve**
a circular economy for textiles in Italy...*

*...but **how fast and how ambitiously**
we can make it happen together.*



Thank you

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