

Position Paper 2021/132

# A future EU Textiles Strategy which protects workers and the planet

European workers in the textile, clothing, tanning and leather, and footwear sectors (TCLF) call for an ambitious EU Textiles Strategy which tackles various challenges throughout the entire supply chain and protects workers and the planet. Trade unions insist that a truly sustainable and circular transition for the textile ecosystem must look at workers' rights, create decent jobs, insist on high environmental standards internationally, be supported at regional, national, European and international level, and most importantly, should be established via stakeholder engagement and social dialogue with the social partners.

## Introduction

In 2020, the European Commission launched a '[New Circular Economy Action Plan For a cleaner and more competitive Europe](#)'. Part of this plan included a proposal for a **comprehensive EU Strategy for textiles**. The sector was highlighted due to the fact that the textiles sector is the **fourth highest-pressure category for the use of primary raw materials and water** (after food, housing and transport), and fifth for greenhouse gas (GHG) emissions<sup>1</sup>. Furthermore, it is estimated that **less than 1% of all textiles worldwide are recycled into new textiles**<sup>2</sup>. As such, there is a clear need to look at the whole life cycle of textiles with the aim to transform the ecosystem into a truly circular economy.

The global apparel and footwear sector accounts for 8% of global GHG emissions and in a "business as usual" scenario, these emissions are expected to increase<sup>3</sup>. The pressure on the sector to become greener is mounting. However, for this transition to be just, workers insist that policy makers work with all stakeholders to ensure that all necessary support is provided to **ensure that no worker or region is left behind**. The EU Textiles Strategy must be ambitious and must look at all policy areas to ensure that the European sector can lead the way in becoming greener and more sustainable while also remaining competitive on a fierce global market which continues to focus on low cost production, focused on low wages. Consumers will also play a key role in this transition and changes in citizens' behaviour will be essential.

This includes not only a move to longer use, re-use and recycling, but also a change in consumer habits with regards to their purchasing behaviour. **Consumer behaviour has the power to lead to profound changes in the European textiles sector**, but action needs to be taken to establish clear labelling (to promote sustainable consumption) and to make sustainable products more affordable. It should be noted

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<sup>1</sup> EEA Briefing report Nov 2019

<sup>2</sup> Ellen McArthur Foundation (2017), A new Textiles Economy

<sup>3</sup> <https://quantis-intl.com/report/measuring-fashion-report/>

that many workers in the European textiles sector are themselves badly paid and are therefore unlikely to be able to afford more sustainable products due to their higher costs. This paradoxical situation of asking European workers to make more sustainable products which they might not be able to afford themselves, needs to change.

IndustriAll Europe calls for the EU Textiles Strategy to tackle bad purchasing practices and increase the rights and working conditions of all workers. For trade unions, this means **going further than the minimum legal working conditions** and working towards higher standards via collective bargaining.

## EU Textiles Strategy

The European Commission has already identified the key aims of the forthcoming EU Textiles Strategy: to strengthen industrial competitiveness and innovation in the sectors; to boost the EU market for sustainable and circular textiles and to “address” fast fashion and drive new business models. IndustriAll Europe welcomes the holistic approach of the European Commission but calls for **special attention to be given to the potential impact on the current European workforce of the transition**, insisting that trade unions play a key role in the transition in order to ensure that current jobs are safeguarded, while also working on **creating more quality jobs** especially in relation to the circular economy.

It is clear that any real attempt to improve the sustainability of the textiles sector will require a supportive and robust **EU policy framework**. To date, the European Commission has made some initial proposals including: applying a new sustainable product framework, improving the business and regulatory environment for sustainable and circular textiles in the EU, providing guidance to achieve high levels of separate collection of textile waste and boosting the sorting, re-use and recycling of textiles. These are all welcome proposals. However, EU policy makers must also ensure that they pay special attention to the potential impact on workers - **a truly sustainable EU Textiles Strategy must focus on people as well as the planet**.

The impact on people can be clearly seen in the way in which the sector focuses on low cost production. The European TCLF sectors are forced to compete on a fiercely competitive global market with an **incredible pressure on low cost production, and in turn, low wages**. IndustriAll Europe supports the move to more sustainable and higher quality production in Europe, and therefore, increased investment in the current production facilities and workforce (working conditions and skills). However, it will be essential that EU policy makers ensure that this transition to a more sustainable and circular textiles sector, is fully championed by providing incentives, support, necessary legislation, and policy cohesion. Furthermore, European consumers must also take responsibility and change their behaviour by supporting more sustainable products made in Europe. **IndustriAll Europe insists on a Just Transition for the TCLF sectors in Europe and will not accept any worker or community being left behind.**

## A sustainable and circular EU textiles sector

European trade unions insist that sustainability focuses on both **people and the planet**. Our position on sustainability is broad and ambitious, and it requires joint commitments and action from all stakeholders, including consumers, with a clear role for the social partners. The global textiles sector is unfortunately known for its negative environmental and climate impact, including resource consumption, land use, climate change and the release of pollutants. While decreasing the environmental impact of the sector by looking at all relevant aspects, from raw materials to collection and recycling, it is also important to include **the role of workers and their conditions in the sector**.

## Raw materials

Most raw materials for the EU textiles sector are imported from outside the EU. In fact, a [EEA report](#) found that **1.3 tonnes of primary raw materials** and **104 m<sup>3</sup> of water** per person were used in the manufacturing and handling of clothing, footwear and household textiles purchased by EU consumers in 2017. Furthermore, they estimated that around 85% of the primary materials, and 92% of the water use, took place outside the EU which was the highest of all consumption domains. This huge demand for raw materials, and its water use, has led to resource depletion and biodiversity loss especially for cotton and wool. However, synthetic materials are also problematic, with fibres and yarns being produced using fossil-fuels and production causing microplastic pollution.

In response to various issues in relation to accessing raw materials, industriAll Europe has released a [policy paper](#) on securing a sustainable raw materials supply in Europe, calling for a **fair and industrialised circular economy at European level which can promote and better allow the use and re-use of raw materials**. In particular, the paper focuses on reuse/repair, funding and support for circular and recycling projects, a review of the current exportation of waste, support for intra-European circularity, and an improvement in the working conditions of those working in waste industries amongst other points.

## Design

The transition to a circular European textile sector needs to start from the beginning of the process, the design of the product, and as such, the recyclability of textiles must be considered at the design phase. EU regulation is required to define and mandate **Eco-design standards** to ensure that products are fit for the industrialised circular economy and the re-use of materials, while also being designed for longevity and repairability. There is a need for strong EU commitments regarding the revision of the **Eco-design Directive**, through the future **Sustainable Products Initiative**, which will have to take this into consideration, while also including social aspects in the definition of sustainability. With this in mind, mandatory display standardised information regarding the product's expected Circular Economy features, such as life duration, failure rate, repairability, maintainability, upgradability, and dismantle-ability, using standardised methods to objectively assess them, will also be key. The possibility to create a **Digital Product Passport** which could include information on both production location and working conditions (such as collective bargaining agreements, the right to unionise and the payment of a living wage) could prove to be an extremely useful tool in increasing the working conditions of workers throughout the global supply chain.

## Production

The global production of textiles doubled between the years 2000 and 2015<sup>4</sup>, which has in turn, increased the amount of energy consumption, chemical use, greenhouse gases and waste from the sector. As such, there is pressure for the European sector to decarbonise by using renewable raw materials and feedstock and ensuring a more effective and efficient production processes: less waste and lowering the impact of production. There is a clear need to move from fossil fuels to renewal energy and to decrease water use and chemical waste. However, the European sector faces tough global competition in a sector where low price is key. As such, national and European support is essential for **research and development into more environmentally friendly processes including upscaling pilot projects**. The industry itself must take action to **use more renewable energy and reduce/reuse their waste** and should be backed by national or European incentives and support. The role of consumers will be vital, as the transformation to more sustainable production will be costly and as such, customers must be willing to support this transition by investing in more sustainable products which will be more expensive to produce.

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<sup>4</sup> [https://www.ellenmacarthurfoundation.org/assets/downloads/publications/A-New-Textiles-Economy\\_Full-Report\\_Updated\\_1-12-17.pdf](https://www.ellenmacarthurfoundation.org/assets/downloads/publications/A-New-Textiles-Economy_Full-Report_Updated_1-12-17.pdf)

## Use/reuse

Consumers will also play a key role in the use and reuse of textiles products, with a move to **buying more sustainable products made in Europe** being vital in developing a more sustainable ecosystem. These products may cost more than the cheap imports of today's fast fashion obsession and consumers will be responsible for ensuring that items are used for longer periods of time, and even reused, moving away from the "one season only" lifeline of many of today's garments.

Large scale consumers, such as industrial customers (e.g. automotive and aerospace) and public authorities, will also have a role to play and should be provided with incentives to buy sustainable products made in Europe. **Green and social public procurement rules** should play an important role in encouraging public authorities to invest in more sustainable products, noting that authorities have a responsibility to use public money to promote cohesive social and economic development, good quality employment and quality services and products.

## Collection and recycling

The global waste produced by the TCLF sectors is huge, with around 92 million tonnes of waste each year<sup>5</sup> and it is estimated that EU citizens throw away around 11kg of textiles per person per year<sup>6</sup>. Unfortunately, this waste is rarely put to good use and **most used clothes are exported out of Europe or are incinerated or landfilled**. There is a real opportunity to create a sustainable circular economy for used textiles, but the amount of work needed to undertake this should not be underestimated. New infrastructures will need to be created and supported, to ensure the efficient recycling of textiles in Europe including collecting, sorting and recycling. National and EU support will be required, and EU citizens must also play their role seeing as **EU collection rates are as low as 25%**<sup>7</sup>. Ambitious joint initiatives, such as Euratex's proposal on [ReHubs](#) should be supported in line with the positive increase in collected textile waste from 2m tonnes (2014) to 2.8m tonnes (2019). Furthermore, the potential positive impact of the updated EU waste legislation in place by the end of 2024 should not be forgotten.

The increase in collection and recycling will not only benefit the planet, it should also be seen as an opportunity to **create jobs in Europe in collection, sorting and recycling**. IndustriAll Europe insists that these should be quality jobs created in areas of need with a strong social dimension including workers' rights, health and safety measures, effective social dialogue and attention to skills and high-level environmental standards.

## Due diligence

The TCLF sectors are very much global sectors with the EU remaining a net importer of raw materials, semi-finished and finished products. A sustainable EU Textiles Strategy must focus on the whole supply chain, which includes ensuring due diligence in the TCLF sectors - all high risk sectors. Trade unions keenly await the European Commission's Proposal on an EU legislative initiative on Sustainable Corporate Governance and industriAll Europe [submitted to the European Commission's consultation calling for mandatory due diligence](#).

IndustriAll Europe understands due diligence as the process through which a company identifies, prevents, mitigates and ceases actual and potential adverse impacts on human beings, and the environment, caused by its own activities or as a result of its business relationships (e.g. subsidiaries, downstream and upstream subcontractors, suppliers), and it accounts for how these impacts are addressed.

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<sup>5</sup> Pulse of the Fashion Industry. Global Fashion Agenda and The Boston Consulting Group. 2017

<sup>6</sup> <https://www.eea.europa.eu/publications/textiles-in-europes-circular-economy>

<sup>7</sup> <http://www.ecap.eu.com>

Using this definition, industriAll Europe calls for **mandatory due diligence to cover all companies in the EU**, regardless of size and location, with SMEs receiving extra assistance via a dedicated support scheme. It is a reality in our industries that smaller firms in Europe often have extended global supply chains at risk of labour exploitation and environmental damage. Therefore, EU proposals must take a risk and not purely quantitative threshold into account. Furthermore, the **involvement of trade unions is seen as vital** including in enforcement and any grievance procedures, and trade unions call for sanctions and liabilities which are effective, proportionate and dissuasive. A truly sustainable EU Textiles Strategy must protect people and the planet and as such, due diligence plays an important role.

### Unfair trading practices/purchasing practices

The need to extend the understanding of sustainability to people, and in particular workers, in the textiles ecosystem includes the need to tackle the current **unfair trading practices which are rife in the sector and lead to low wages and working conditions**. This imbalance of power was highlighted during the COVID-19 crisis with some brands/retailers cancelling or changing orders at the last minute which negatively impacted manufacturers and their workers. There is a real concern that the textile supply chain has become even more buyer-driven, which has led to **low prices, short delivery times and poor payment terms**. These purchasing practices can in turn increase the risk of labour rights abuses in the TCLF sectors<sup>8</sup>.

IndustriAll Europe and Traidcraft Exchange drafted a joint paper proposing that EU Member States **expand the scope of the transposition of the 2019 Directive on Unfair Trading Practices** in the agri-food sector to garment brands, retailers and manufacturers, as these new rules and procedures could significantly improve responsible business conduct in the garment sector.

On an international level, trade unions have been trying to reform purchasing practices and they have been instrumental in establishing [ACT](#) (Action, Collaboration, Transformation), a ground-breaking agreement between trade unions and global brands/retailers to transform the TCLF industry and achieve **living wages for workers through collective bargaining** at industry level linked to purchasing practices. As the EU TCLF sectors have a global supply chain, attention must be given to purchasing practices at international level as part of moving to a more sustainable eco-system.

### Trade/level playing field

Trade policy is central in ensuring a successful transition to a more sustainable and circular textiles ecosystem, both within the EU and globally. EU trade policy is needed to ensure that the **TCLF sectors in Europe can become more sustainable while remaining competitive**, and as such safeguard the industry and its workers.

EU trade policy is vital in creating a more sustainable textiles sector globally by providing incentives for third countries to increase their environmental standards and working conditions. The forthcoming **Revision of the Generalised Scheme of Preferences (GSP)** (Council Regulation (EU) No 978/20120) post-2023 provides a real opportunity to improve the current system and increase the living and working conditions of workers worldwide. This is of particular importance to the TCLF sectors.

IndustriAll Europe released a [position paper](#) on the Review of GSP calling for a **more structured and transparent system** and for a revised list of International Conventions to be ratified by GSP and EBA beneficiaries, including the Paris Agreement. The GSP Revision provides a real opportunity to increase the environmental standards and working conditions of the TCLF sectors in third countries and in turn, would increase the sustainability of the textiles sectors both in the EU and abroad. The EU's GSP should contribute to building a just and prosperous economic relationship between the EU and developing countries, a

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<sup>8</sup> [A Background Analysis on Transparency and Traceability in the Garment Value Chain](#)

relationship in which **labour exploitation and environmental degradation are no longer accepted means of international competition**. A revised GSP should create good jobs in third countries while not negatively impacting the TCLF industry or its workers in Europe.

Many GSP beneficiaries graduate to EU Free Trade Agreements (FTAs), which provides yet another opportunity for the EU to use trade policy to improve environmental and working conditions with third countries, many of whom have strong TCLF sectors. European trade unions highlighted their ambitions for the EU in the [ETUC position on EU trade policy review](#), which welcomes the review, but calls for a reform of EU trade and investment policy that puts at its core: the creation of decent jobs and the protection of fundamental and human rights, including workers' and trade union rights; the preservation of the environment and biodiversity and the conformity with the Paris Agreement on climate change; the safeguarding of high-quality public services; and the strengthening of Europe's industrial basis.

Trade unions believe that through such a reform, EU trade can become a more effective tool to strengthen economic performance with quality and decent jobs and can boost sustainable and inclusive development. Indeed, trade unions look forward to the Review of the European Commission's [15-point Action Plan](#) to make **EU trade and sustainable development (TSD) chapters** more effective. The review should aim to secure commitments to the environmental (e.g. Paris Agreement), sustainability (including circular economy) and workers' rights in FTAs, which must have teeth, via incentives, monitoring and appropriate sanctions. This would have a real impact on the global TCLF sectors.

The European Commission must use trade measures to increase the international environmental and social standards in the TCLF industry, while also ensuring that the European sectors can compete fairly in a fiercely competitive market. The transition to more sustainable production will be costly and the industry must survive and provide jobs for workers and communities, in order for the transition to be a success.

## Workers in the European TCLF sector

The European TCLF sectors encompasses around 200,000 companies, generates over 200 billion Euros turnover, and employs nearly 2 million people (2019). The sectors provide vital jobs in many regions across Europe where there are few other employment opportunities for European citizens. Unfortunately, the European sector has already lost out with thousands of jobs being relocated to Asia and the MENA region with the focus on low cost being cited as the reason. This pressure on the "lowest cost" linked to the "fast fashion" trend continues to drive down wages and increases the precarious nature of work for both employees in Europe and abroad. Trade unions demand an end to the race to the bottom in low wages and instead a focus on quality manufacturing with workers being paid a fair and just wage, while working in safe and secure conditions.

The transition to a more sustainable and circular textiles ecosystem provides an **opportunity to improve the working conditions and pay of European workers** who will play a central role in this transition. Europe has a proud history of textiles manufacturing and now is the time to invest in the workforce to ensure that they are **fully capable of meeting the skills needs for this transition**. The current EU Blueprint project for the sectors, [Skills4Smart](#) is underway and a [Pact for Skills](#) for the sectors has been established. All policy makers should come together to undertake **workforce planning** and **an impact assessment** of the sectors to establish the impact on workers plus the future skills needs and mismatches in the ecosystem. **Sector apprenticeships and ongoing training on sustainable textiles** needs to be strengthened to ensure that not only does the current workforce remain employed, but that more employers invest in sustainable production in Europe which could lead to job creation. As such, the **upskilling and reskilling of workers will be essential** for Europe to remain competitive in making sustainable textiles and trade unions will not allow any workers to be left behind as part of this transition.

In order for a transition to be just, the process must ensure the **active participation of all stakeholders**, this includes workers' representatives and trade unions. The green and digital transformation must be a

Just Transition for textile workers, and this can only be achieved with **improved worker participation** which goes beyond the basic EU rights to information and consultation.

**Collective bargaining** and **social dialogue** are crucial when discussing the sustainability of the textiles sector, and the role of workers and trade unions must be respected in collaborating, monitoring, and ensuring that production is truly sustainable. The role of **Environment/Sustainability Delegates** or **Sustainability Committees**, which are included in **Collective Agreements** in certain manufacturing sectors, should also be established in the textiles sector.

Furthermore, the creation and use of “**social technology**” tools, such as observatories, forums, industrial tables and other similar initiatives, would help ensure sustainability throughout the value chain and lead towards a Just Transition. Full engagement of all stakeholders is essential to ensure a Just Transition of the European textiles sector.

### **New Industrial Policy Strategy**

The EU Textiles Strategy will follow the European Commission’s communication ‘[Updating the 2020 New Industrial Strategy: Building a stronger Single Market for Europe’s recovery](#)’ which took note of the COVID-19 pandemic and highlighted that extra efforts were needed to meet Europe’s green and digital industrial transition. This is particularly true for the European TCLF sectors which face tough global competition especially in the area of “fast fashion” where low wages are seen as a positive and labour rights and environmental standards take a back seat.

In response to this Communication, the TCLF social partners released a [Joint Statement](#) welcoming the promotion of an ecosystem transition pathway for the sectors, while continuing to call for a **coherent and holistic approach which supports industry and workers**, by considering all relevant aspects: trade, competition, skills, decarbonisation, authenticity and sustainability, amongst others.

The EU Textiles Strategy will feed into the Transition Pathway for the textiles’ ecosystem, and as such, it is even more important the the Strategy takes a broad holistic view looking at all aspects of the textiles ecosystem and **focuses on employment and production in Europe**. Workers will be central in the transition and industriAll Europe and other European trade unions insist that worker participation and functioning social dialogue continue to be the bedrock for an inclusive Just Transition. **As such, social partners must be involved in creating and implementing these Transition Pathways in order for them to become a reality.**

## IndustriAll Europe's demands

Concretely, industriAll Europe calls for the following in the forthcoming EU Textiles Strategy:

### Focus on workers:

- A **full impact assessment** on the transition's potential effects on the current workforce (including the supply chains).
- Detailed future **workforce planning** in relation to the transition with a focus on strong **social dialogue** (including adherence to information and consultation rights).
- A complete analysis on **future jobs and skills needs** broken down to regional level.
- The creation and recognition of an **Environment / Sustainability Delegate** to represent workers within the company, with functions and powers to participate in discussions and decisions on relevant issues and exercise vigilance in the transformation processes within the company.
- National and European support for the current **Skills4Smart project** and the newly established **Pact for Skills** for the textiles ecosystem to ensure that workers are skilled for the transition.
- A **Just Transition** for any affected worker including reskilling/upskilling and opportunities for internal mobility.
- High levels of **social protection** for all affected workers, both in Europe and outside Europe, noting the large number of precarious and low-paid workers in the sectors.
- Commitment to **creating additional jobs** in Europe within the sectors, especially in recycling and circular economy, with the assurance that these jobs are quality jobs with good working conditions.
- The establishment of concrete mechanisms and tools to ensure **stakeholder participation** throughout the value chain when working towards more sustainable industry.

### Focus on sustainable production in Europe:

- European industry to focus on producing **good quality, long lasting products made by skilled workers with good working conditions**, as opposed to lowest cost production.
- A holistic, strong, and cohesive **EU policy framework** to support the transition including combatting the potential challenges facing the sectors (e.g. increased costs).
- **National and European support and incentives** for the European textiles industry to become more sustainable (e.g. move to renewable energy, schemes to reduce/reuse waste, industrialised circular economy, industrial symbiosis etc).
- Investments in **textile collection and recycling** plus a review of the current exports of textiles outside the EU.

- Assist and support new economic and business models to support the growth of recycling activities.
- Increased funding for **circular economy projects** in the textiles sector with the aim of increasing the use of secondary raw materials.
- **Investment in R&D**, including pilot projects and upscaling, with regards to processes to decrease emissions, waste and energy use during the production phase and better recycle.
- EU legislation to define and mandate **eco-design** in the forthcoming **Sustainable Products Initiative**.
- Strong incentives to be made available to **attract customers** who must change their behaviour and opt for longer life products which are more sustainable and can be recycled.
- Incentives to encourage **green procurement** to increase the demand for more sustainable products made in Europe.

### Focus on fair trade

- EU action to guarantee that the **European textiles ecosystem remains competitive**, including ensuring a level global playing field.
- European and international action to combat the current imbalance in purchasing power and joint efforts to **tackle unfair purchasing practices** including extending the implementation of the Unfair Trading Practices Directive to the textiles sector.
- EU legislation to support **mandatory due diligence** through the entire supply chain in relation to the TCLF sectors, which should be used to improve national labour legislation and standards in some third countries which can be very poor.
- A **review of the GSP** which creates quality jobs in some of the poorest third countries while not negatively impacting production or workers in Europe.
- An ambitious review of the effective enforcement of **Trade and Sustainable Development chapters** to increase the environmental standards and working rights in the textiles supply chain outside Europe.

### Conclusion

A successful transition to a more sustainable and circular European TCLF sectors will require all European stakeholders to come together and agree on a truly combined effort. The transition must be supported by a strong EU policy framework which is cohesive and tackles the challenges which will face the sectors including higher costs (e.g. changes in production processes), technical difficulties which will require investment in R&D, and legislation (e.g. for waste). **Textile workers will be at the heart of the transition to a more sustainable and circular textiles ecosystems and they, and their communities, must be supported to ensure that it is a success.**