

# Policy Paper: Addressing the second-hand textiles crisis

RREUSE members collectively handle 337,000 tonnes of textiles annually, reusing 47,000 tonnes locally. For decades, social economy actors have demonstrated their expertise in collecting, sorting, and reusing textiles. Beyond managing used textiles, they contribute significantly to job creation and social inclusion. For example, a single social enterprise can create 20 to 35 jobs for individuals at risk of social exclusion per 1,000 tonnes of textiles collected.

However, the textile waste management sector is currently experiencing an unprecedented crisis. Without urgent actions, the textile reuse and recycling industry could face collapse.

## The crisis: situation and causes

The EU cross-border second-hand clothing and recycling market is oversaturated. Operators lack viable options for reusable items, they cannot store them indefinitely, and recycling processes remain inconsistent. In addition, second-hand sales face unfair competition from textile producers, such as online platforms using small parcels worth less than 150€ to distribute fast-fashion textiles without paying customs duties.

The crisis manifests in three key ways:

- Economic: Sorting plants are going bankrupt (i.e. Soex), and investments are being lost.
- Social: Thousands of jobs, often supporting individuals at risk of social exclusion, are threatened.
- Environmental: Reusable and recyclable textiles are being incinerated, causing severe environmental harm.

Furthermore, there is a massive funding gap. While the separate collection of textiles became mandatory in January 2025, there is currently no compulsory financing mechanism in place to cover its costs. The implementation of Extended Producer Responsibility (EPR) schemes for textiles is still under discussion and textile EPR already in place (France, Netherlands) shows that current schemes do not solve this crisis.

### Causes of the crisis

- Overproduction: The ever-increasing frequency of collection renewals and the billions of small online shipments are conducting to the massive flow of textiles flooding the EU market every day. It contributes significantly to the overwhelming volume of textiles in both the reuse and waste markets.
- Fast fashion: The influx of low-quality, non-reusable, and non-recyclable clothing is overwhelming recovery systems. Lower-quality clothing leads to a lower reuse rate and increases the amount of waste that needs to be incinerated.
- Rising operational costs: Increasing energy prices and inflation have made reuse operations in Europe prohibitively expensive;
- Geopolitical barriers: Traditional markets for used textiles have been disrupted, exacerbating the crisis.



## How to solve the crisis

### Guiding principles

The priority for collected textiles must be local reuse, aligning with the proximity principle and the waste hierarchy. Producers should be held accountable for the waste and pollution they generate, and their financial contributions to EPR schemes should adequately cover recovery costs.

### A textile Emergency Action Plan

- An interim funding mechanism is needed to sustain the sector until EPR schemes are operational.
- EU policymakers should leverage existing tools, such as the Recovery and Resilience Fund, the Just Transition Mechanism (managed by CINEA), or loans from the European Investment Bank (EIB). Producer Responsibility Organisations should repay these loans at the national level once EPR for textiles is active.
- Grants or loans must be promptly accessible and tailored to the sector's specific needs.
- When a textile PRO is already in place, obligated producers should unlock emergency funding.

### An effective textile EPR scheme including

- Fair distribution of EPR fees: Fees should prioritise waste prevention, reuse, and preparation for reuse ahead of recycling, following the waste hierarchy.
- Inclusive governance:
- Current EPR schemes governed exclusively by textile producers foster monopolistic practices and poor (environmental) outcomes.
- Decision-making mechanisms must include all actors in the circular value chain, especially social enterprises, to ensure better (environmental and social) outcomes.
- Ecomodulation of EPR fees should be based on producers' practices, including production volumes and frequency of collection renewal. Ecomodulated fees should be a real financial incentive to influence production and consumption patterns.

### Ambitious rules for Sustainable Products Regulation:

- Introduce strong ecodesign standards emphasising durability, reusability, and recyclability.
- Tackle business practices under ecodesign rules.

### Under the Circular Economy Act, establish minimum standards for EPR that:

- Align funding with the waste hierarchy.
- Ensure full cost coverage.
- Grant decision-making power to social enterprises.
- Secure social enterprises' ownership of collected waste.
- Earmark funding specifically for social enterprises.

### The signatories:



### Supported by:

