

Fashion Faces Recycling Fees Similar to Other Industries

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A garment-sorting site contracted to Looper Textile Co. in Germany.

Photo: Remondis SE

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Electronics and packaging companies have banded together to help pay for recycling programs under government rules. Now, clothing makers are investing in recycling infrastructure as they prepare for similar requirements in Europe.

Around 85% of textiles end up in landfills or are incinerated when most of the materials could be reused, according to the United Nations. Some \$500 billion is lost every year because clothes are underused and unrecycled. Further, the fashion industry contributes about 10% of global greenhouse-gas emissions, more than aviation and shipping combined, in large part because of farming, manufacturing, shipping and fossil-fuel based chemicals.

So-called extended producer responsibility programs are one answer to textile waste. EPR programs charge producers tiny fees—often a fraction of a penny—on individual items to fund waste collection and recycling. The fees from the relevant products, such as packaging,

electronics or clothing, then fund recycling, including infrastructure, collection, sorting and public communications.

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Several U.S. states have recently adopted EPR legislation for packaging, and EPR policies have existed for years for paint and electronics in some states. There is a patchwork of EPR policies in European states for a variety of goods, but the European Union's executive branch plans to propose EPR rules for the textile industry across the 27-member states in June, an official said.

Meanwhile, fashion-retail giant [H&M](#) Hennes & Mauritz AB is helping build infrastructure that would support such programs. On Wednesday, H&M Group said it formed a joint venture with German waste manager Remondis SE to collect, sort and sell unused and unwanted garments.

The new company, Looper Textile Co., will collect unwanted clothes from H&M Group's stores and street collection, such as garment collecting bins found in many cities and countries. H&M has gathered unwanted clothes in-store since 2013 for sorting and processing, which Remondis took over in 2022 and the European efforts will be handled by Looper Textile.

"This collect-and-sort infrastructure is so sorely needed," Looper Textile Chief Executive Emily Bolon said. Ms. Bolon was previously head of commercial, advisory and strategic partnerships for H&M Group.

Looper Textile plans to sell unwanted garments and textiles to secondhand businesses and various recyclers, including Renewcell AB, which H&M has a stake in. The venture aims to process 40 million garments this year and be profitable, Ms. Bolon said.

The company currently has two sites in Germany, contracted through Remondis, and envisions opening up to three more plants in the next two to three years. Construction on a plant in central Europe is in advanced planned stages.

Recycling success

EPR programs can significantly boost recycling rates, according to a study published this month from the Recycling Partnership, a nonprofit group. The group is supported by donations from nearly 100 companies, including [Coca-Cola Co.](#), [Amazon.com Inc.](#) and [PepsiCo Inc.](#) EPR programs drove collection and recycling of targeted materials, such as printed paper and packaging, to more than 75% in British Columbia, Belgium, Spain, South Korea and the Netherlands, with Portugal and Quebec reaching more than 60%.

Recent and emerging state EPR laws are now targeting packaging waste and recycling. Four U.S. states, including California and Colorado, have launched programs for packaging so far, according to Dylan de Thomas, vice president of public policy and government affairs at the Recycling Partnership. California regulator CalRecycle will start receiving money from the fees before 2027, though the date will be set by regulators in the coming months, Mr. de Thomas said. He said he expects more than a dozen other states to consider similar policies this year.

Raising Recycling
Extended producer responsibility programs have helped boost recycling rates of paper and packaging in a variety of countries and regions.

Source: The Recycling Partnership

“Brands know that consumers expect the packaging to be recyclable and to be recycled and to include recycled content,” Mr. de Thomas said. “For that to happen, you have to have a really good, well-run recycling system.”

But recycling clothes is a different challenge compared with waste made from one material, such as an empty plastic water bottle. Garments often contain a mix of synthetic fibers derived from petroleum such as polyester, and organic materials such as cotton from farms and viscose harvested from trees.



One approach uses [enzymes to break down polyester](#) that can be mixed with other fibers for recycling. The emerging technology of France’s [Carbios SA](#) is backed by apparel sellers such as [Patagonia Inc.](#) and [Puma SE](#).

U.S.-based [Unifi Inc.](#) has recycled waste products, such as polyester fabric offcuts and plastic bottles, to produce nearly 600,000 pounds of recycled fiber since 2019 through a program it piloted in 2011. It is expanding its textile recycling beyond its customer network, which includes [Levi Strauss & Co.](#) and [VF Corp.](#)-owned [The North Face](#).

Targeting textiles

The European Commission, the EU’s executive branch, published a [sweeping strategy last March](#) that aims to make apparel “long-lived and recyclable, to a great extent made of recycled fibers” by 2030. The plan would affect all clothes sold in the 27-member bloc,

including from non-European companies.

Existing EU rules require member states to separate out textile waste from other trash by 2025 as the European Commission prepares its EPR proposal to advance its broad strategy.

For more than a decade, France has had an EPR program called Refashion that charges clothes sellers a fee to fund the management of its waste. In 2021, more than 6,000 member brands paid Refashion around €51 million (equivalent to \$55 million) in fees, with the largest share going to sorting centers. Refashion said collection of textiles for recovery in France reached only 34% in 2021, suggesting that more funding and infrastructure is needed.

Ms. Bolon of Looper Textile says she would be “extremely supportive” of an EU-wide EPR policy because “it directly enables our business model” and creates clarity for the fashion industry on how to deal with waste.

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