CIRCULAR LOGISTICS

A NEED FOR MORE TRACEABILITY? - JAN MERCKX
Agenda

Is there a need to have more transparency in the fashion and textile supply chain?

Can GS1 support?

Photographs are courtesy of Fabrice Montero
The Prophecy

“Fabrice Monteiro travelled to the most polluted places in Africa and created terrifying characters who roamed their midst dressed in eerie debris. They are spirits, he says, on a mission to make humans change their ways”

(The Guardian, June 16th, 2017)
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Brussels, 26.1.2017
COM(2017) 33 final


on the implementation of the Circular Economy Action Plan
The economics of recycled materials are unappealing at present, as for example recycled PE is 10% more expensive compared to virgin materials. Even though, as outdoor brand Patagonia estimates, recycling saves 75% of the energy needed and 40% of the CO2 compared to using virgin PE, companies will make little headway until those numbers change.

To truly close the loop of the fashion value chain, both the technology and economics of recycling need to improve dramatically, ideally with a single standard to help with scaling up to commercialization. Getting there will require technological disruption, industry-wide collaboration and, hence, willingness to invest to truly move the needle.
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Here lies the largest driver of this stage: preventing products from ending up as pure waste.

The Pulse Score here is 9, the lowest of all the stages. As with consumer use, this low achievement level likely reflects little industry attention or a lack of technologically and economically viable solutions.

Across the EU27 nations, only 18% of clothing is reused or recycled.

**ENCOURAGING MOVES**

**H&M**: The brand has partnered with I:CO, a solutions provider for clothing and footwear reuse and recycling. Its facility in Germany receives 25 to 30 truckloads a day from collection bins at H&M stores. The brand has similar facilities in the US and India. In 2016 it collected nearly 16,000 tons, a 29% increase from the year before.
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Earlier this year, H&M announced its aim to be 100 percent circular and renewable by 2030.
Traceability

Generally, traceability and identification of the manufacturer are not a textile-specific labelling requirement in any of the case study Member States, nor are any actions taken at national level in that area.

Neither public authorities nor industry stakeholders consider traceability to be a priority (in 2012).

European Commission
DG Enterprise and Industry

Study of the need and options for the harmonisation of the labelling of textile and clothing products

24 January 2013

Final Report

Disclaimer: the views expressed in this report do not necessarily reflect the opinion of the European Commission

Matrix Insight Ltd
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Offer end-of-use in-store garment collection scheme

Establish industry-wide end-of-use garment collection

Develop technologies enabling full source traceability

Establish labels showing info on environmental LCA
<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>Closed loop recycling</strong></td>
<td>Incentivize companies to collect end-of-life products</td>
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<tr>
<td><strong>Sustainable material mix</strong></td>
<td>Expand and facilitate product collection</td>
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<tr>
<td><strong>Reduced energy footprint</strong></td>
<td>Require product take back at end-of-life</td>
</tr>
<tr>
<td><strong>Chemical &amp; water optimization</strong></td>
<td>Set threshold for share of recycled input materials</td>
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<tr>
<td><strong>Production to demand</strong></td>
<td>Expand and facilitate product collection</td>
</tr>
<tr>
<td><strong>Rebalanced industry economics</strong></td>
<td>Require product take back at end-of-life</td>
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<tr>
<td><strong>Health &amp; safety excellence</strong></td>
<td>Set threshold for share of recycled input materials</td>
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<td><strong>Advocacy of human rights</strong></td>
<td>Enforce regulator set sustainability targets</td>
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<tr>
<td><strong>Transparency &amp; traceability</strong></td>
<td>Mandate environmental impact labeling</td>
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<td><strong>Consumer engagement</strong></td>
<td>Mandate social impact labeling</td>
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Role of regulators

With fashion lagging behind other industries on recycling, policymakers should make it easier to handle clothing waste. They can help make consumers aware of the end-of-life stage and existing collection options as well as simplify the collection process.

Regulators can also awaken consumers to environmental impacts by requiring labels on water and energy use for washing machines and dryers, and by establishing standards for sustainability labels on garments...

These are not hypothetical possibilities. There is a growing political will at least within the European Union to regulate the fashion industry. Initiatives in Germany, The Netherlands and elsewhere have gained momentum among policymakers in response to what they see as the industry’s lack of self-governance of supply chains. Such national initiatives could potentially undermine the all-important efforts at global consolidation and harmonization. To head these off, it is imperative for the industry to develop and showcase large-scale improvements.
COLLABORATION AND INNOVATION NEEDED ON AN UNPRECEDENTED SCALE

Up to now, individual brands and retailers and selected multi-stakeholder initiatives have shown impressive commitment and have already achieved great progress.

Best practices are available across all segments of the industry, and substantial innovations are emerging. Applying and implementing these will do much to improve the industry’s impact. But these will not be enough to capture the full potential. A collective effort with critical mass would enable the industry to make progress on the major pre-competitive goals, such as a network of collection points to promote recycling.
## Good Citizen Principles

<table>
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<tr>
<th>Step in value chain</th>
<th>Minimum Requirements</th>
<th>Industry Best Practice</th>
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<td>Communication of...</td>
<td>General communication in most PoS advocate...</td>
<td>More detailed communication included in most...</td>
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**Explicit labeling to enable later separation of materials**

- At least one item, materials which can be recycled are labeled explicitly on the item to allow easier recycling process.

**Specific education of customer on recycling options**

- Extended optimization of materials (<50% of volume), e.g., no materials mix obstructing recycling and explicit labeling to enable later separation of materials.

- High level education of customer on recycling potential (e.g., donation boxes).

- Specific education of customer on recycling options, e.g., existing infrastructure (internal and external to brand), where to send items for recycling and which items can be recycled.

- Specific communication of recycling offerings by other providers external to brand.

- Offering recycling channels to customers—take-back models in store, pick up services, feed back into second-hand, material processing for new items.

- Taking part in collaborations to push setup of recycling infrastructure in public spaces.

- Offering recycling infrastructure in public spaces to clothes of other brands, engaging in cooperation with competitors to push cross-industry initiatives.

- Piloting new business models (e.g., rental fashion) to reduce waste-culture and invest in new recycling technology.

- Offer recycling services to customers, e.g., take-back models in store, pick up services, feed back into second-hand, material processing for new items.
“Good Practices”
REDRESS

The R Cert is a consumer-facing educational standard for recycled textile clothing that guarantees that brands recycled their own ‘factory fresh’ textile waste into their own recycled textile clothing. The R Cert ensures that brands used a minimum of 20% recycled fibres to produce more environmentally-sustainable recycled textile clothing in a fully traceable supply chain. We have united these three unique sustainability elements, textile recycling, environmental savings and supply chain transparency, to provide consumers with a trusted and more complete sustainable fashion picture.

The R Cert guarantees that brands recycled their own ‘factory fresh’ textile waste into their own recycled textile clothing and it allows you to TRACK your recycled clothing’s journey from factory to retail.
MODE Tracker is a holistic, transparent and verified progress tracking tool to support fashion brands and retailers in improving their sustainability performance through measuring and communicating year-on-year progress. Six brands – G-Star, Haikure, Just Brands, Ted Baker, VIVOBAREFOOT and WE Fashion have published their MODE Tracker results.
Janella

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‘As humans we used to know the importance of respecting and preserving nature. But our endless consumerism has got us lost.’

Fabrice Montero