

H&M Group's contribution to the European Commission's request for feedback on the roadmap on the EU strategy for sustainable textiles

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H&M Group's vision is to use our size and scale to lead the change towards circular and climate positive fashion while being a fair and equal company. We want to make sustainable, good quality fashion available to as many people as possible. To achieve this, we need to change the way our products are made and used by decoupling business growth from the use of resources. H&M Group has committed to becoming climate positive throughout its entire value chain by 2040 at the latest. We also working towards our 100% circular vision and biodiversity ambition.

At H&M Group, we believe that an EU textile strategy is the right approach to create a level playing field to drive systemic change and to accelerate circular economy in our industry. We support the holistic approach taken on the European textile strategy. Harmonisation and definition of one common legal and implementation scheme, will allow the sector to contribute to the Green Deal vision and transition to a circular and carbon neutrality by 2050. To put sustainability at the core of our industry is a big opportunity to accelerate the pace of change and drive for a Green Recovery.

Following a constructive dialogue with civil society, the European Commission and the European Parliament over the past year, H&M Group welcomes the opportunity to provide input on the roadmap for the European strategy for sustainable textiles. Recognising the European Commission is still assessing the best way forward, we would like to provide the following recommendations to ensure a successful to a sustainable textile industry.

Define a level playing field for textile businesses in and outside the EU

The European textile strategy shall be based on a vision that goes beyond one company's strategy or individual member states' vision to initiate a systemic change and develop an ecosystem that will really change the industry:

- **The European Commission should define resilient supply chains in a global context as a driver for sustainable development**, and not as a protectionist measure. At H&M Group, we believe **resilience is the ability to anticipate, adapt, evolve to turn threats into opportunities, and so to develop with change**. Hence a resilient supply chain does not equal a short supply chain, but rather a strong partnership between its actors and the end of a silo way of working.

Create an impactful and coordinated European textile strategy

We call on the European Commission to establish a coordinated policy framework to drive an impactful and successful strategy across the various sustainability policies developed in the coming years:

- We urge the leading services to **ensure coherence and complementarity with the New Consumer Agenda and the Sustainable Corporate Governance Initiative**, and so to include DG Justice in the development of the European textile strategy. These two initiatives cover key policies mentioned in the roadmap: due diligence and transparency.
- To create a systemic change within the textile industry, we call on the European Commission to **coordinate their efforts by**
 - **developing one single due diligence policy under the Sustainable Corporate Governance Initiative**. One horizontal approach should be followed, supporting by sector specific guidance clarifying how legislation would apply if needed;
 - **aligning efforts on consumer and corporate transparency** between policies under development, i.e. Green Claims, Empowering consumers in the green transition and the review of the Non-Financial Reporting Directive, and with industry initiatives, such as the Higg Index suite of tools. This will more effectively enable the transition and provides transparent, trustworthy, comparable and clear information empowering customers to make sustainable choices for the environment, people and communities.
- Securing **alignment between policies, and with industry initiatives**, will allow for developing one harmonised baseline regarding data and methodology to drive systemic change.

Enhance circular economy as a key driver for a sustainable textile industry

We fully support and encourage the strong focus on circular economy:

- **Over-consumption should be tackled across the whole textile industry.** The strategy should initiate a durable change in consumption patterns, decoupling growth and resource use. We need new ways of producing and using products;
- **The Sustainable Product Policy framework should be flexible enough to adapt itself to future innovations** which will influence the definition of 'sustainable products' and new business models in the coming years;
- **Design for sustainability should be based on the 'design for purpose' principle.** The intended product purpose will have an effect on both the choice of components and design strategies. Designing for intended product purpose will be influenced by how long the product will be relevant for, how often the product will be used, how much wear and tear it is exposed to and how the product is accessed. The 'design for purpose' principle should be included as a design requirement under the Sustainable Product Policy framework.
- **New business and product access models, beyond 'product as a service', should be incentivized** – such as recommerce, rental, repair, etc. The strategy shall aim at decoupling resource use from growth by increasing the lifespan and utilisation of products.

Secure a seamless and efficient secondary raw materials market in the European Union and worldwide

The European strategy for sustainable textiles will be successful once the secondary raw materials flow will be ensured. We therefore recommend the European Commission to further investigate the following measures, some already supported by the European Parliament in their own initiative report on the New Circular Economy Action Plan – still under development:

- **Propose harmonised European end-of-waste criteria for textile** in line with the Waste Framework Directive. These new criteria will re-define secondary raw materials as resources and not waste, as well as facilitate material movement within and outside the European Union;
- **Harmonise the European textile waste management system** through EU-wide guidelines on textile extended producer responsibility schemes. An EPR system for textiles should maximise textile waste flows to be recycled back into the system to truly realise a circular system;
- **Develop European textile sorting and recycling standards** to enhance higher reuse and recycling rates;
- **Increase the industry knowledge on chemical content in collected recyclable textiles.** Unfortunately, few large-scale studies have been conducted on the chemical contents in collected recycled textiles. In 2019, H&M Group and IKEA have joined forces to conduct a large-scale study, reviewing chemical content in collected recyclable textile, beginning with over 8,000 tests on recyclable cotton textiles. Next up: wool and polyester. These studies are intended to collectively increase understanding among both industry and policymakers about which tests are needed to safely use recyclable cotton textiles. This is a start by industry, but more large-scale, government supported studies are needed to understand the complete picture;
- **Develop financial incentives** to establish a real single market and a level playing field for high-quality secondary raw materials.

Create the right framework for innovation and scalability of these innovations

Innovations along the product life cycle will represent the corner stone to achieve circular economy within the textile industry. We recommend the European Commission to take into consideration the following principles:

- **Foster innovations at all stages of the product life cycle:** materials, sorting and recycling technologies, transport, etc;
- **Digital Product Passport could accelerate the transition to circular economy.** We call on the European Commission to agree on a common definition first then to develop the concept further;
- **Leverage Horizon Europe and Just Transition Fund** to finance innovations, scale up existing sorting and recycling technologies and to address the lack of infrastructures across the European Union.

Additional publications to take into account

In addition to the publications referred to in the roadmap, we recommend the following inputs:

- Ellen MacArthur Foundation's [Universal circular economy policy goals: enabling the transition to scale](#)
- Ellen MacArthur Foundation's publications under [Make Fashion Circular](#)
- The Policy Hub – Circularity for Apparel & Footwear's [Green Recovery Plan Proposal](#) for greening the recovery of the apparel, textile and footwear industry in Europe. The proposal builds on the European Commission's plan for a European recovery from the COVID crisis.
- [Report](#) and [microsite](#) "Fashion on Climate", Global Fashion Agenda, McKinsey & Company, 2020
- [CEO Agenda 2020 and CEO Agenda Covid-19 edition](#), Global Fashion Agenda, 2020
- [2020 Circular Fashion System Commitment Final report](#), Global Fashion Agenda, 2020



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