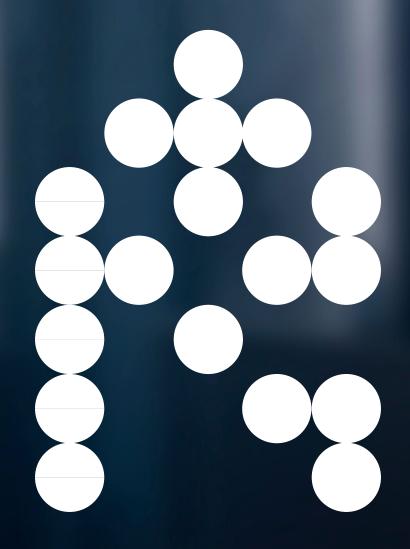
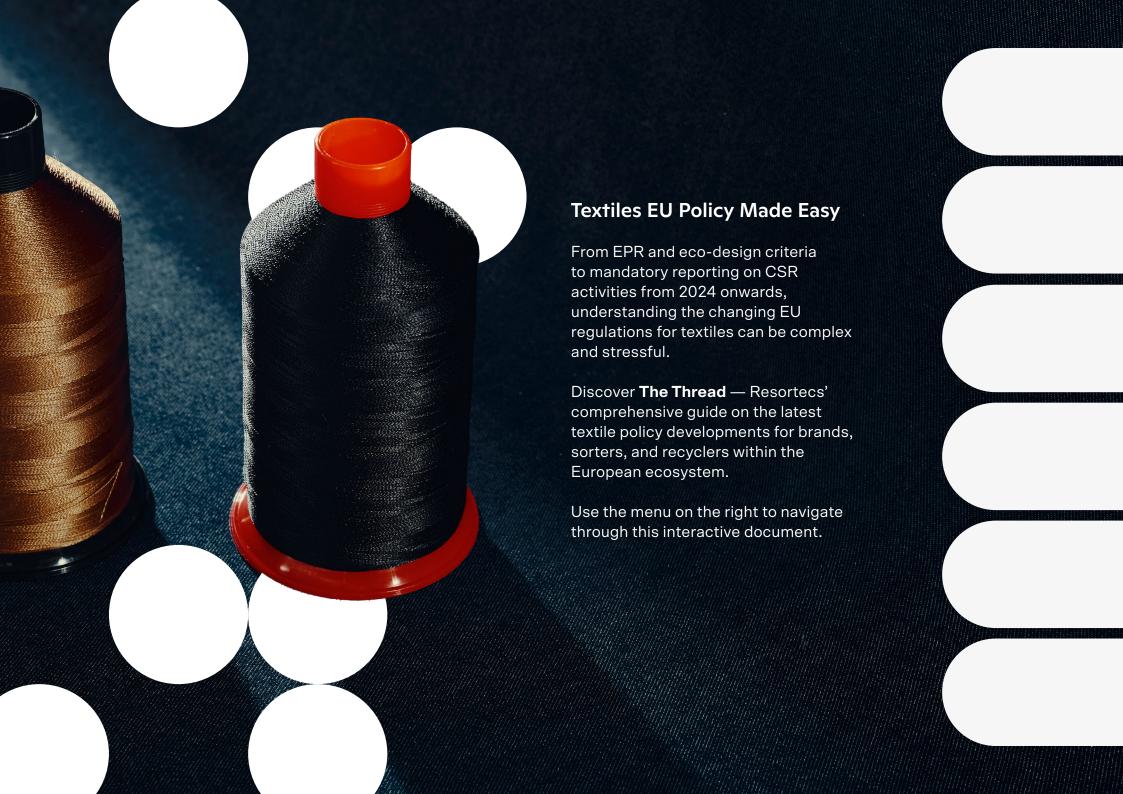
# The Thread

Your guide on the impact of EU policy on textiles





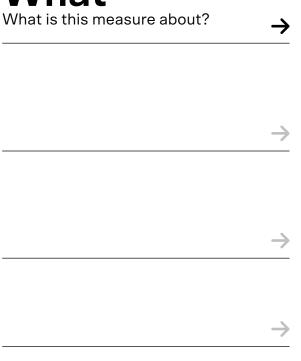


#### All you need to know

	What	Impact	Resortecs	Latest News
Ecodesign (ESPR)	Ecodesign requirements for textile products.	Obligation to integrate new requirements on reusability, upgradability, repairability, recyclability, resource efficiency, etc.	Smart Stitch™ and Smart Disassembly™ enable ecodesigned products through active disassembly.	The EU Parliament and the Council have formally adopted the law. The Commission is developing the technical details on textile ecodesign.
Waste Management (WFD)	Mandatory Extended Producer Responsibility Schemes.	More textile goods collected for reuse and recycling under EPR schemes.	Textiles designed for active disassembly streamline sorting and recycling.	The EU Parliament and the Council have adopted their negotiating positions.
Waste Shipment (WSR)	Facilitate intra-EU waste shipment and stricter rules on waste exports to third countries.	Stronger monitoring on waste shipments and more textile waste to be processed in the EU.	Resortecs' technologies maximise efficiency and minimize costs and material quality loss during textile waste processing.	The law has entered into force.
Labelling (TLR)	New sustainability and circularity requirements for physical and digital labelling.	Mandatory disclosure of environmental and circularity parameters.	Smart Stitch™ boost circularity, reinforcing the goals of new textile labelling.	The legislative proposal is expected in Q4 2024.
Due Diligence (CSDDD)	Promote responsible corporate behaviour through human rights and environment requirements.	Concerns textiles companies with 250+ employees. Applicable from 2025.	Smart Stitch™ and Smart Disassembly™ limit negative environmental and social impact.	A compromise text was found after a political impasse. The law will enter into force in the coming weeks.

## Ecodesign for Sustainable Products Regulation (ESPR)

#### What



The new Eco-design for Sustainable Products Regulation (ESPR) will make sustainable products the norm by establishing a framework through which the European Commission will be empowered to **set ecodesign requirements for individual product categories.** 

It also prohibits the destruction of unsold textile goods.

The ESPR was proposed by the European Commission in March 2022, and is expected to be finalised by the end of 2024.

Flowing from the ESPR, a legislative act regulating textile products specifically will then be adopted between 2024 and 2027 introducing new sustainability performance and information requirements. It will also introduce a mandatory Digital Product Passport for textile products.

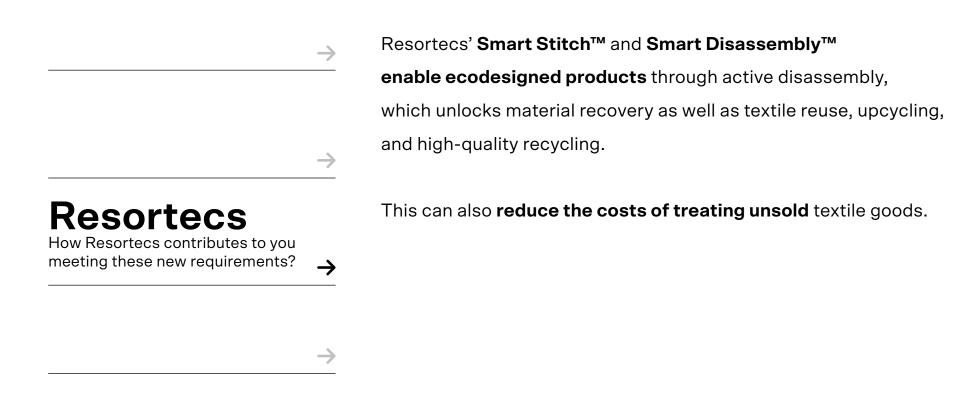
### Ecodesign for Sustainable Products Regulation (ESPR)



Textiles manufacturers will need to integrate **new ecodesign** requirements for textiles into their business models and production processes.

These requirements will relate to durability, reusability, upgradability, repairability, recyclability, substances of concern, resource efficiency, recycled content, high-quality recycling, and environmental and carbon footprints.

## **Ecodesign for Sustainable Products Regulation (ESPR)**



### **Ecodesign for Sustainable Products Regulation (ESPR)**



- 1. The EU Parliament, the Council and the Commission formally adopted the ESPR on 23 April and 28 May respectively. The scope includes textiles (clothes and shoes). The EU Commission is working on the detailed ecodesign criteria for textiles ('delegated acts').
- 2. The ESPR will **enter into force** 20 days after its publication in the Official Journal of the EU.

## Ecodesign for Sustainable Products Regulation (ESPR)

Wha	at	Ecodesign requirements for textile products.
Impa	act	Obligation to integrate new requirements on reusability, upgradability, repairability, recyclability, resource efficiency, etc.
Resort	rtecs	Smart Stitch™ and Smart Disassembly™ enable ecodesigned products through active disassembly.
Late		The EU Parliament and the Council have formally adopted the law. The Commission is developing the technical details on textile ecodesign.



The targeted revision of the Waste Framework Directive (WFD) proposed by the European Commission in July 2023 mandates the introduction of Extended Product Responsibility (EPR) for textiles across the EU to boost collection for reuse and recycling.

The Waste Framework Directive of 2008 sets the basic EU regulatory framework and principles for waste management. For example, it includes definitions of waste and recycling, and introduces the waste hierarchy.



Mandating Extended Producer Responsibility Schemes for textiles in the EU will **increase the quantity of textile goods collected** which will subsequently need to be reused or recycled.

This will also **drive the scale-up** of an industrial ecosystem and technologies that facilitate collection, sorting, reuse, and recycling.



Textiles designed for active disassembly, as enabled by Resortecs, streamline sorting and recycling. This, in turn, minimises material quality loss and costs, as well as boosts waste prevention.

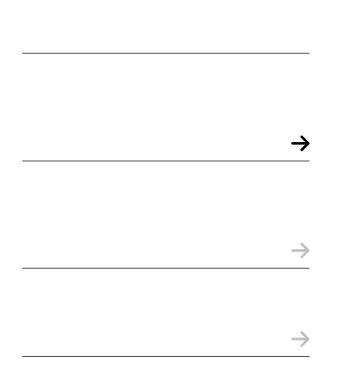


- 1. The European Parliament's Plenary adopted its negotiating position on 13 March. The Council's position was adopted on 17 June. EPR schemes, ecomodulation, sorting, pre-recycling techniques and specific waste management targets are within the scope of the draft law.
- Negotiations between the EU Parliament, the Council and the Commission will start after the institutions have taken office following the EU elections.

	What	Mandatory Extended Producer Responsibility Schemes.
$\rightarrow$	Impact	More textile goods collected for reuse and recycling under EPR schemes.
<u>→</u>	Resortecs	Textiles designed for active disassembly streamline sorting and recycling.
	Latest news	The EU Parliament and the Council have adopted their negotiating positions.



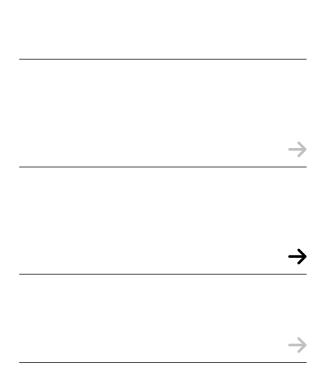
The revision of the Waste Shipment Regulation (WSR), proposed by the European Commission in November 2021, intends to **facilitate intra-EU waste shipments and strengthen rules on waste exports** to third countries, including textiles to non-OECD nations, in order to combat illegal waste shipments and enhance the EU's reuse and recycling systems.



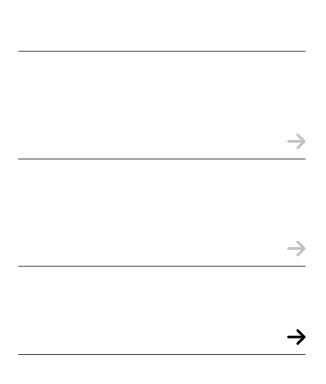
More textile waste will stay and need to be processed in Europe.

The proposed rules **restrict textile waste exports to non-OECD countries** unless they prove their capacity to manage them sustainably. Waste shipments to OECD countries will be monitored and can be suspended if they generate serious environmental problems in the country of destination.

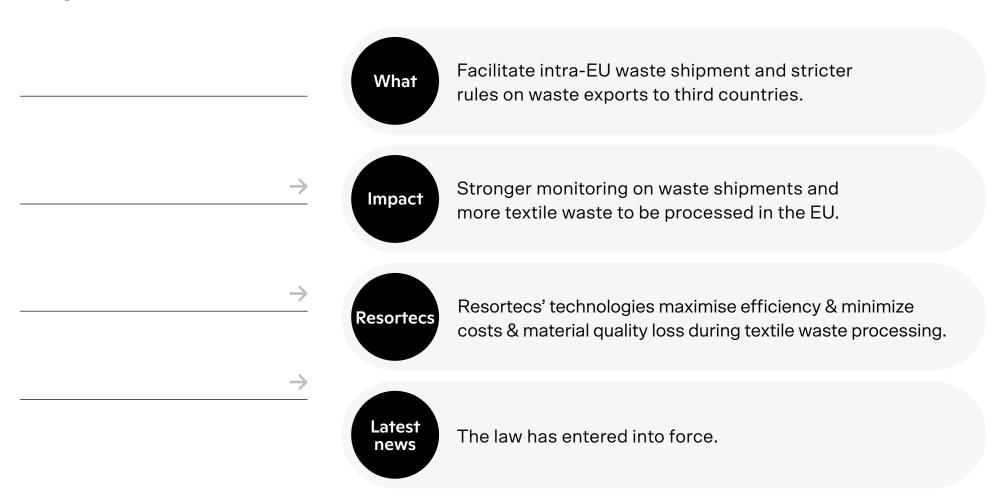
To prevent mislabeling, the Commission may establish EU criteria distinguishing waste from second-hand textile products in the future.

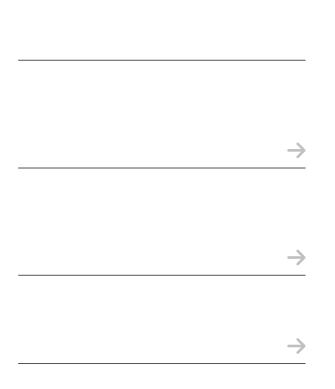


To process higher quantities of textile waste, textiles designed for active disassembly, as enabled by Resortecs maximise efficiency and minimises costs as well as material quality loss.



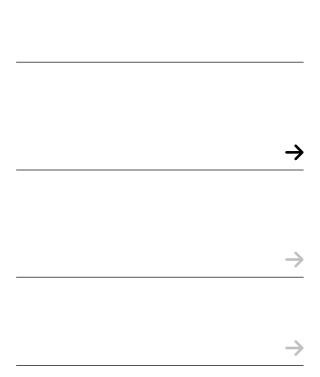
- 1. On 16 November, the co-legislators reached a provisional political agreement on the file. On 27 February, such agreement was approved by the European Parliament Plenary. On 27 March, it was approved by the Council of the EU. The text introduces a ban on waste export to third countries or non-OECD countries. It also includes stricter rules regarding the export of plastic waste and prohibits all shipments of waste destined for disposal within the EU. The new rules include stricter administrative requirements related to written notifications, consent and information prior to waste shipments.
- 2. The new Regulation, directly applicable in all EU countries, **entered into force** on 20 May.





The revision of the Textile Labelling Regulation will introduce **new requirements for physical and digital labelling** as well as a sustainability and circularity label. It will also update rules on fibre identification.

The proposal to revise the Textiles Labelling Regulation is expected in Q4 2024.



Textile manufacturers will be obliged to **disclose environmental** and circularity parameters related to their products, increasing transparency for consumers and industry stakeholders.



Including Resortecs Smart Stitch™ boosts a product's circularity performance and can contribute towards achieving the sustainability and circularity label the European Commission is considering introducing.

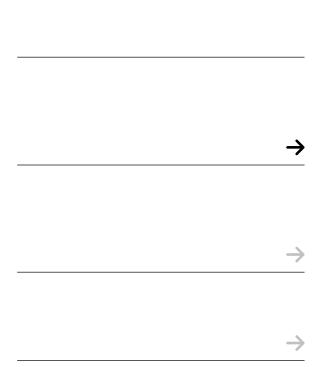


- 1. The Commission conducted a **public consultation** in April 2024.
- 2. This means that a legislative proposal will only come during the new mandate of the European Commission, following the European elections in June 2024. It is expected in Q4 2024.

	What	New sustainability and circularity requirements for physical and digital labelling.
	Impact	Mandatory disclosure of environmental and circularity parameters.
<u>→</u>	Resortecs	Smart Stitch™ boost circularity, reinforcing the goals of new textile labelling.
$\rightarrow$	Latest news	The legislative proposal is expected in Q4 2024.

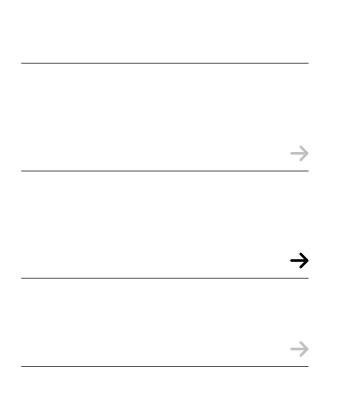


The Corporate Sustainability Due Diligence Directive proposal seeks to **promote responsible corporate behavior** by integrating human rights and environmental factors into companies' decision-making.



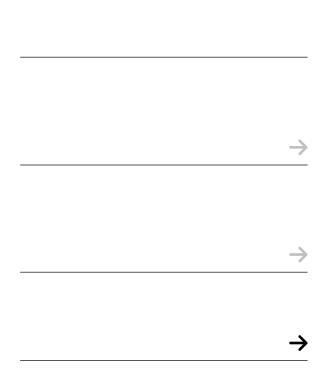
Companies with 250+ employees operating in high-risk sectors, like textiles, will need to **identify, bring to an end, prevent, and mitigate the negative human and environmental impacts** of their own operations, their subsidiaries, and their value chains.

These requirements are expected to apply by 2025 at the earliest.



Active disassembly technology contributes to **limiting the negative environmental and social impacts** of the textiles industry.

Smart Stitch™ and Smart Disassembly™ enable the replacement of textiles designed for waste with eco-designed ones for smart disassembly, facilitating high-quality recycling, material recovery for reuse, and waste prevention.



- The European Parliament, European Commission and Council of the
  EU reached a provisional agreement on 14 December. Unexpectedly,
  12 EU countries voted against the draft law during the final Council
  vote on 28 February. However, the Belgian Presidency of the Council
  was able to find a compromise text that gathered sufficient
  support from EU countries.
- 2. The law will **enter into force** in the coming weeks, 20 days after its publication in the Official Journal of the EU. Member States will have **two years to transpose it** into national law.

	What	Promote responsible corporate behaviour through human rights and environment requirements.
<u>→</u>	Impact	Concerns textiles companies with 250+ employees. Applicable from 2025.
$\rightarrow$	Resortecs	Smart Stitch™ and Smart Disassembly™ limit negative environmental and social impact.
	Latest news	A compromise text was found after a political impasse. The law will enter into force in the coming weeks.

#### **About Resortecs**

Resortecs is an **eco-design frontrunner leading the circular transition in fashion** with heat-dissolvable stitching threads and thermal disassembly systems that make recycling easy.

Through targeted innovations in the way clothes are assembled and disassembled, our solutions empower fashion brands to rise to today's environmental challenges at the pace and scale Earth needs. All without compromising the creativity, design, and quality of clothing.

Resortecs' patented thermal disassembly solution is five times faster than traditional disassembly methods and makes it possible to recycle as much as 90% of a textile product:

- Smart Stitch™, our heat-dissolvable stitching thread with different melting points (150 °C, 170 °C and 190 °C), enables brands to transform their products into recyclable, circular pieces from the manufacturing stage.
- Smart Disassembly<sup>™</sup>, our thermal disassembly system, enables recyclers to unlock higher volumes of premium-quality material, processing up to 4M textile products/ year with low CO₂ emissions.



Resortecs, Recycling made Easy.

