# Fashion forward – industry calls on Government to step-up on variable EPR fees for clothing and textiles

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A groundbreaking, industry-backed White Paper urges the Government to implement variable Extended Producer Responsibility (EPR) fees immediately to drive sustainability and establish a circular economy in the UK fashion and textiles sector.

Unveiled at the UKFT Sustainability Conference in London, the EPR Sandbox, presents a once-in-a-generation opportunity for impactful change.

### **Urgent Call for Action**

Developed by <u>QSA Partners</u>, with support from UKFT, British Fashion Council, the British Retail Consortium and several luxury, fashion and retail brands, this White Paper emphasises the need for immediate government action to enable a more circular economy and create a variable EPR textile scheme that works for all.

The UK clothing and textiles industry is responsible for significant environmental and social impacts through textile waste alone, making the shift to a sustainable and circular system overdue. The proposed variable EPR fees would ensure that producers bear the cost of their products' end-of-life treatment, rather than passing this burden onto communities and the environment. An EPR framework is needed for the industry to increase recycling and the reuse of products and materials, whilst reducing unnecessary consumption and the harmful impacts of production.

The fashion and textile industry is a significant player in both economic and environmental landscapes. The industry contributes approximately £62 billion to the UK economy, highlighting its importance in terms of employment, revenue, and cultural impact. However, the environmental cost of the industry is substantial as well. The NGO WRAP, estimated in 2019, that 336k tonnes of clothing is sent to UK landfills annually. These figures underline the urgent need for sustainable practices and innovations within the industry.

### A Circular Solution for Complex Challenges

The current fashion and textiles waste management system is global and intricate, making it unrealistic for producers to manage their products' end-of-life treatment directly. Variable EPR fees would channel funds to local operators who can process these products responsibly, preventing environmental harm. The sandbox project sets out to revolutionise fashion sustainability by analysing extensive producer data to support circular eco-modulation of fees. Data from over 500,000 garment types, spanning hundreds of millions of items, were scrutinised. The project achieved accurate results for over 85% of the data, ensuring robust insights even for incomplete data sets.

This ambitious initiative received backing from UKRI, and included a Steering Committee chaired by UKFT with members from the British Fashion Council, the British Retail Consortium, global luxury brand Burberry, Marks & Spencer, New Look, John Smedley, a global sportswear brand and a leading online resale platform.

## **Key Findings:**

- 1. Data Integration: Developed new methods to rapidly connect large volumes of product, sales, and weight data, allowing for accurate analysis.
- 2. Variable Fee Models: Tested different fee structures, including per-item, perkilogram, and fees based on circular attributes, encouraging sustainable design.
- 3. Circularity Incentives: Proposing a central fund to promote repair, reuse, and recycling, could offer financial benefits to producers engaging in these activities.
- 4. Market Impact: Scaling variable fees across the UK could generate substantial funding for circular activities and reduce costs for producers who adopt sustainable practices.

### Change is long overdue

The UK cannot continue to consume without care. Brands and retailers have a vast influential reach that impacts not only buyer behaviours but can lessen our collective effects around the globe.

But knowing and even accepting a role is one thing, being able to act in a cohesive and implementable way is another. Our work opens doors to the next step, which will be led by a new independent company: WEFT.

Kristina Bull of WEFT said: "This White Paper presents a compelling vision for variable EPR fees, with strong industry backing, thorough research, and rigorous testing. Establishing a variable fee system is essential for the UK to fulfil its responsibility in managing the end-of-life impact of fashion and textile products. We must not turn a blind eye; we call on the Government to consider the evidence, listen to industry voices, and endorse this White Paper."

Throughout this project, major fashion industry organisations are convinced that fair and intelligent variable EPR fees are possible and the right course of action. Adam Mansell, Chief Executive Officer at UK Fashion and Textile Association says: "Working with our partners, we have demonstrated that an intelligent EPR fee based on eco-modulation is possible and could make a real difference to reducing the environmental impact of our industry. An EPR fee scheme based on eco modulation would level the playing field, by rewarding positive action for those designing for end of life and penalising those that don't take their responsibility to the environment seriously. It is the one issue around sustainability that everyone in the supply chain agrees on – legislation is needed to drive progress".

Caroline Rush, Chief Executive at BFC said: "The fashion industry thrives on creativity and passion for change, so it's only natural that the BFC was a key partner in the creation of the Fashion Sandbox. We fully support this work; our industry needs strong support from the Government. As we face some of the most challenging market conditions in recent memory, we recognise our responsibility in driving a sustainable future, but the journey requires collective effort—we cannot do it alone."

Helen Dickinson, Chief Executive at the British Retail Consortium, said: "We are proud to support the Fashion Extended Producer Responsibility (EPR) Sandbox, in partnership with QSA Partners, UKFT and British Fashion Council. A successful Textiles EPR scheme will deliver a more sustainable fashion industry in the UK, encouraging green growth through the onshoring of textile recycling, and will help the UK to meet its climate goals. The Sandbox is a crucial piece of research into the practical implementation of UK Textiles EPR scheme fees, and we urge Government to consider the findings."

### An opportunity for Government

The White Paper released today lays out a clear call to Government, backed by research and developed in partnership with industry. The EPR Sandbox highlights a once in a generation opportunity to incentivise sustainability and secure funding for the development of high-impact circular infrastructure, jobs and skills in the UK.

### Ends

### Notes to editor

This white paper was researched and authored by QSA Partners, with thanks to our collaborators and partners UK Fashion & Textiles Association, the British Fashion Council, the University of Exeter's NICER Hub and the British Retail Consortium. We would also like to thank Innovate UK for co-funding this project.

**QSA Partners** was established in 2013 to support businesses to implement circular economy business model which are better for customers and commercial performance, and better for the planet.

**WEFT** is on a mission to drive circularity in fashion and textiles working side by side with industry. Created in summer 2024 by QSA Partners, WEFT is an independent start-up with innovation and collaboration at its heart. We believe that data-driven circular business model will bring about industry wide systemic change.

WEFT has been created to inspire, inform and quickly implement fair and high-impact global EPR fee systems for fashion and textiles.Weft.org.uk

**UKFT** is the largest network for fashion and textiles in the UK. As the industry's leading trade association and Sector Skills Body, we are committed to delivering sustainable growth for the entire UK fashion and textile supply chain.

We bring together brands, designers, manufacturers, suppliers, educators and retailers to promote their businesses and our industry, both in the UK and throughout the world. We offer practical advice and technical support to help member companies grow and trade internationally.

With a growing focus on sustainability and innovation, UKFT is driving meaningful action in the transition to a circular economy.

We work to elevate the skills of the UK fashion and textile industry to maintain our competitive position for the future.

We support businesses with complex global supply chains, as well as helping to drive a resilient and innovative UK manufacturing sector.

Our President is HRH The Princess Royal.

#### www.ukft.org

The **British Fashion Council** (BFC), formed in 1983, is a not-for-profit organisation focused on the relentless innovation, responsible growth and local and global amplification of the British fashion industry. Its mission is to champion British fashion on the world stage by pioneering world class programmes that unlock and elevate British creative talent. This is fuelled by an extraordinary diverse and inspiring community of advocates, icons, experts, and fans.

The BFC amplifies excellence in creativity and its role in the UK's cultural influence through The Fashion Awards and London Fashion Week. The BFC prepares businesses for positive change through relentless innovation with a focus on Diversity, Equity, Inclusion and Belonging (DEI&B), Web 3.0 and pivotal areas of the UK Circular Fashion Eco-system through the Institute of Positive Fashion (IPF). The BFC enables responsible growth through a dynamic, inclusive, and unified community that advocates for creativity, innovation and collectively supports the industry to grow and talent to gain access.

The BFC Foundation (Registered Charity Number: 11852152) was created in 2019 for charitable purposes and grant giving; attracting, developing, and retaining talent through education and business mentoring. The BFC Foundation offers support to designers through four talent prizes:

BFC/Vogue Designer Fashion Fund, BFC/GQ Designer Fashion Fund, BFC NEWGEN and the BFC Fashion Trust. With the support of the BFC Colleges Council, the BFC Foundation offers BA and MA scholarships to students, as well as links with industry through design competitions and Graduate Preview Day. The Fashion Awards is the primary fundraiser for the BFC Foundation.

For more information visit: britishfashioncouncil.co.uk / londonfashionweek.co.uk / instituteofpositivefashion.com

# Quotes from brands and retailers involved:

## Burberry

At Burberry, we are working to support a more circular economy through our aftercare services and circular business models. These services help our customers keep their luxury products in use for longer. By contributing to this industry-led EPR Sandbox project, our aim is to positively influence the future of the fashion industry in adopting more circular practices.

Sumit Dargad, VP, Quality and Engineering, Supply Chain at Burberry

## John Smedley

As a 240-year-old 8th generation family-owned business, we are committed to manufacturing sustainably. Traceability and raw material partnerships form a huge part of our sustainability journey. The EPR Sandbox project has enabled a steering committee from various sectors within the textile industry to create a process for EPR that is fair to all involved. Everyone needs to become aware of the EPR process and help us shape the future for product end of life and beyond. Incremental gains for reducing our CO2 emissions create huge benefits for the planet.

#### Tim Clark, Technical Director, John Smedley

## Marks & Spencer

At M&S, we ensure our clothes are made well and made to last and, through Plan A, we've been taking action for over 15 years to help customers give their clothes Another life. In 2008, we were the first UK retailer to launch a clothes recycling scheme, and this year we launched a clothing repair service. We are proud to be a part of the Fashion Extended Producer Responsibility Sandbox project and support steps to scale textile recycling in the UK but want to work with Government so that it drives tangible change. A successful EPR scheme must incentivise good business, encourage circular design and invest in UK recycling infrastructure if we are to achieve positive change.

Katharine Beacham, Head of Sustainability in Clothing & Home at Marks & Spencer