

Textile EPR Strategy 2030

Think *circular*

Contents

03 Introduction

04 Textile EPR Legislation Map

05 Reconomy's Producer Responsibility Organizations

06 Reconomy's Textile EPR Offering

Consultancy & Advice

Regulatory Monitoring

Digital Product Passport (DPP)

Environmental Compliance

Data Management

Material Returns

Repair

07 Our 2025-2027 Strategy

Global Compliance Partner

Industry and Policy
Engagement and Advocacy

Regulatory Readiness
and Proactive
Compliance Planning

Data-Driven Compliance
and Reporting Solutions

Technology Investment:
Redefining Textile Data & Returns

Scalability & Infrastructure Expansion

Circularity Initiatives

11 Our Long-Term Mission (2028 & Beyond)

Global Expansion & Thought Leadership

Expanding Data Horizons

Closed and Open Loop Production Models

Circular Initiatives

Technology & Innovation in Textile Processing
Management

12 A Collaborative Journey





Introduction

Welcome to Reconomy's 2030 Textile EPR Strategy.

The textile sector stands at a turning point. With increasing regulatory demands and growing consumer expectations, brands and retailers have a critical opportunity to lead the shift toward a more circular, responsible future.

Globally, over 92 million tons of textile waste are generated each year, with less than 1% of discarded textiles being recycled into new textile products. This underscores the urgent need for more sustainable and circular systems. New policy frameworks such as Extended Producer Responsibility (EPR) and the Eco-design for Sustainable Products Regulation (ESPR) are reshaping the industry, placing greater emphasis on transparency, durability, and waste reduction.

EPR is gaining traction across Europe, assigning producers responsibility for the end-of-life management of their products, including collection, reuse, recycling, and disposal. These programs introduce environmental fees, eco-modulation incentives, and compliance obligations, driving greater investment in infrastructure and innovation.

At Reconomy, we view these developments not merely as compliance requirements but as opportunities for competitive advantage. By acting strategically, we can ensure that these changes not only meet compliance standards but also provide unique benefits that distinguish our clients from others. We believe that regulation can serve as a catalyst for innovation, foster new business models, and strengthen relationships with customers who are increasingly seeking sustainable choices.

Our strategy is designed to help brands and retailers navigate this evolving landscape. Whether understanding new rules, preparing product data, or piloting scalable recycling initiatives, we work alongside our clients to meet compliance needs and circularity goals.

By working with us, our clients gain confidence in their compliance, knowing they are protected from risk in a fast-changing regulatory environment. Our digital systems streamline data collection and reporting, reducing administrative burden and improving accuracy. With harmonized support across jurisdictions, clients manage global compliance through one trusted partner. We also help our clients shift from reactive compliance to proactive sustainability leadership, supporting ESG objectives and long-term circularity.

Clients become part of a transparent, closed-loop system that enhances their brand credibility. They benefit from shared access to logistics, recycling technology, and traceability tools. This shared infrastructure supports cost savings by improving material flows, lowering energy use, and reducing transport inefficiencies. With our end-to-end service, we handle the administrative work and help our clients build stronger, more stable supply chains that rely on more sustainable materials.

We are accelerating industry transformation, keeping materials in circulation longer, reducing environmental impact, and building a more sustainable textile economy.

Reconomy's Producer Responsibility Organizations

With over 20 years of experience, Reconomy operates the largest number of Producer Responsibility Organizations (PROs) globally of any company. Reconomy not only runs PROs worldwide but also provides PRO services such as technology and logistics.



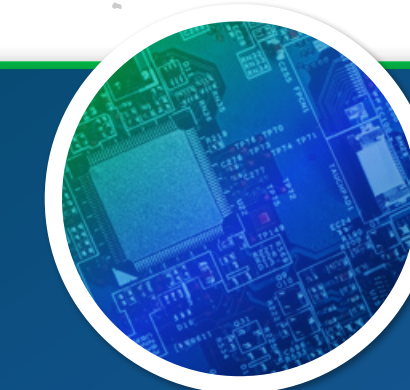
Packaging

UK	(1997)
Germany	(2003)
Hungary	(2008)
Poland	(2009)
India	(2020)
Canada ¹	(2021)
Denmark	(2024)



Batteries

Germany	(1998)
Italy	(2009)
Denmark	(2008)
Hungary	(2008)
UK	(2009)
Poland	(2009)
Romania	(2010)
Argentina	(2016)
India	(2022)
Canada	(2023)



WEEE

Germany (2 PROs)	(2007)
Italy (2 PROs)	(2007)
UK	(2007)
Denmark	(2008)
Hungary	(2008)
Romania	(2009)
Poland	(2009)
USA ²	(2013)
Mexico	(2014)
Peru ³	(2014)
Vietnam	(2015)
Colombia	(2017)
India	(2017)
Canada ¹	(2021)



Textiles

Italy	(2024)
Germany	(tbc ⁴)
Romania	(tbc ⁴)
Poland	(tbc ⁴)
Denmark	(tbc ⁴)
Austria	(tbc ⁴)
UK	(tbc ⁴)

¹Canada: PROs in 1 province ²USA: PROs in 9 state ³Peru: additional PRO for tires ⁴The establishment of the PRO ultimately depends on the local legal framework



Reconomy's Textile EPR Offering

Our suite of seven products offers a comprehensive, end-to-end solution for textile brands and retailers managing the complexities of textile EPR compliance:

1. Consultancy & Advice

Our consultancy stands out because we don't just advise; we actively engage with the textile recycling industry, EPR data, and operations. With hands-on experience in these areas, we provide practical, actionable insights that go beyond theoretical guidance. Having successfully completed numerous consultancy projects worldwide, spanning diverse materials and operational setups, we bring a unique perspective and adaptability to every new client engagement.

We offer a comprehensive suite of solutions tailored to help companies achieve their strategic objectives while ensuring compliance with the latest global legislation. In the textile sector, our services include mass-flow analysis, Life Cycle Assessments (LCA), and zero waste to landfill strategies, each designed to optimize operational efficiency and promote sustainable practices.

2. Regulatory Monitoring

Our international compliance team provides expert guidance to help navigate the complexities of global environmental legislation, minimizing risk in a constantly changing regulatory environment. We deliver concise reports on global textiles EPR, supported by quarterly updates, ensuring our clients are always informed. With a team of 30 specialists covering all 195 countries globally, we offer tailored policy development and strategic support to ensure compliance and sustainability.

3. Digital Product Passport (DPP)

As EPR regulations evolve and the European Eco-design for Sustainable Products Regulation (ESPR) takes shape, data viability will become increasingly important. We offer our clients Digital Product Passport solutions through our trusted partners. The DPP is a key component of ESPR and is anticipated to be implemented around the same timeline as EPR regulations. We enable seamless integration by feeding compliance data directly into the DPP technology, ensuring our clients can efficiently meet the requirements of both ESPR and EPR regulations.

4. Environmental Compliance

Reconomy operates over 40 PROs globally across various EPR fractions and is expanding its network of textile PROs in Europe. Our PRO members benefit from the following services:

- Regulatory compliance with national and international EPR legislation to meet legal obligations and reduce the risk of fines
- Streamlined operations with our extensive network for managing the entire lifecycle of products placed on the market, from collection and sorting to sustainable disposal
- Enhanced reporting capabilities, allowing our clients to track and document their compliance efforts.

5. Data Management

We are passionate about how the effective use of data supports informed business decisions. Our services ensure compliance, especially with EPR, so our customers stay focused on their core operations. By leveraging high-quality product data management and innovative tools, we simplify and streamline compliance reporting processes and generate data insights to help clients make confident and impactful changes.

6. Material Returns

EPR includes mandatory take-back programs. Through a combination of integrated logistics software and an extensive logistics network, we provide a complete ecosystem to handle used textile take-back globally.

7. Repair

Producers may be obligated to provide consumers access to repair facilities to extend the product life-cycle. Through our repair network, we restore textiles to a reusable and resaleable condition.

Our 2025-2027 Strategy

Our mission is to empower international textile businesses to confidently navigate evolving Extended Producer Responsibility (EPR) regulations, enabling seamless compliance. We champion circular economy principles and will lead a responsible transformation across the textile industry over the next three years.



Today, five countries have implemented EPR, all in Europe:

France, Hungary, Netherlands, Latvia, and North Macedonia. We are in the 'pre-EPR' phase in the EU and North America, during which most planned country implementations will commence. During this time, we are helping our customers prepare for the upcoming compliance requirements.

At the EU level, once the textile EPR is published in the Official Journal of the European Union, the implementation timeline for each EU country will start, with most rollouts likely beginning within the next two years. Reconomy focuses on the following activities to support our customers during this critical preparation phase.

Global Compliance Partner

In addition to our textile PRO, ReDress Italy, established in 2024, Reconomy plans to establish textile PROs in all European countries where we already operate PROs: Germany, United Kingdom, Poland, Romania, Denmark, and Austria. Our expansion plans go beyond these European countries, aiming to broaden our reach across Europe and establish textile PROs in our global locations, where we already manage PROs for other fractions in North America, South America, and Asia. In regions where we do not operate as a PRO, we provide a comprehensive environmental compliance solution as we do globally for our clients. As a one-stop shop, we serve customers in over 80 countries, helping them comply with more than 440 pieces of compliance legislation.

Our global partners benefit from a unified global service delivery model that ensures high-quality, standardized operations across all regions, simplifying service management and eliminating the need for multiple ERP vendors. By leveraging our advanced technology applications, we provide comprehensive global insights into their data, enabling informed decision-making.



Industry and Policy Engagement and Advocacy

Reconomy actively engages in policy discussions and industry working groups at both the global and country levels. We are members of key associations such as [EURATEX](#), [AAFA](#), [UKFT](#), and [TRA](#), and maintain ongoing dialogue with legislators and ministries, leveraging decades of established relationships. We have been invited to consult with governmental bodies on topics such as material flow, baselines, textile strategies, and effective PRO setups. Additionally, we have submitted position papers to the Minister of Environment and Climate Change in Canada and the German Federal Ministry for Environment, as well as material flow analyses to the governments of New Zealand and Zero Waste Scotland.

We represent the interests of our customers in various global and local forums. In the EU, we advocate for a competitive PRO landscape that ensures competitive costs and harmonized, practical EPR regulations. By engaging with policymakers and stakeholders, we help shape compliance mechanisms that are fair, effective, and beneficial for both businesses and the environment.



Regulatory Readiness and Proactive Compliance Planning

With new environmental laws on the horizon, producers must act now. Our solutions help producers take a proactive, strategic approach through early-stage impact assessments and scenario planning, ensuring they are prepared for future EPR obligations. We assist our customers in identifying the countries where they'll be obligated, estimating compliance costs based on market data and likely fee structures, assessing readiness, and providing actionable plans to mitigate risks and ensure compliance. With our global reach and local presence, we stay closely connected to global legislative trends, helping customers stay ahead of evolving national EPR regulations.

Data-Driven Compliance and Reporting Solutions

Reconomy is a global leader in environmental compliance data management solutions, overseeing environmental data for over 58 million stock-keeping units (SKUs) across EPR reporting for packaging, batteries, electronics, and textiles. The complexity of item volume, seasonality, and partially regulated supply chains presents unique challenges for textile brands and retailers. We remain at the forefront of the industry, continuously supporting our customers with advanced data solutions. Our efforts will focus on four main areas:



Data Preparation: We will continue to support our customers in preparing for the upcoming reporting obligations. This includes collecting product weights, converting units to weights, categorizing data, and acquiring data from the supply chain.



Data Insight: Our efforts will remain focused on providing data insight about the future cost implications of complying in different geographies. This enables businesses to plan and allocate budgets in advance, achieving cost efficiencies.



Eco-modulation: Through our cost-modelling methodologies, we plan to maintain our focus on supporting our customers in making informed material and design choices, leveraging eco-modulation. We will help our customers by providing the relevant evidence and reporting that they meet the local regulations.



Digital Product Passport (DPP): In November 2024, Reconomy partnered with Fabacus, a leader in DPP solutions. By integrating our extensive textile database with DPP providers, we enable seamless data exchange between our customers' environmental compliance data and product data. Providing a Digital Product Passport solution supports our customers' meeting the requirements of the future European Eco-design for Sustainable Products Regulation.

Technology Investment: Redefining Textile Data & Returns

We leverage cutting-edge technologies to drive internal efficiency and better meet our customers' needs. We are investing over €35 million in digitizing our business to harmonize operations, increase brand engagement, and provide risk management for long-term resilience.

In 2024, we launched several large programs focused on consolidating multiple data and workflow orchestration platforms into single global platforms that serve each of our divisions. This aligns our systems and supports our move to a global product strategy, making our operations more effective, agile, and better equipped to support customers quickly. It also creates opportunities for expansion into new markets using our new global products.

Reconomy is investing €35 million in technology from 2023 to 2026. As part of our textile strategy, €5 million of this will be dedicated to scaling up our technology capabilities, enhancing textile data management, and optimizing returns logistics. We are focusing on three core platforms: (1) our reporting tool (Put to Market Portals), (2) our logistics management tools (Order Management, Circularity Portal, and Retail Portal), and (3) our data management platform.

We strategically integrate emerging technologies such as Artificial Intelligence (AI) and Machine Learning (ML) across our business to drive efficiency and improve service. Our global product developments are designed to be 'AI-ready', allowing us to leverage AI/ML capabilities for faster, more accurate services while reducing manual or inefficient processes. Our AI strategy focuses on applying generative AI technology across our brands in a controlled manner, ensuring compliance with security and legal requirements. Recent initiatives include using ML algorithms to automate packaging data grouping. Once operative, this initiative will be expanded and implemented to other material fractions such as textiles.



Scalability & Infrastructure Expansion

Currently, global recycling capacity, especially in Europe, is minimal. With the full implementation of EPR in the EU, the recycling demand is expected to surge, further straining existing capacities. In response, Reconomy is committed to building a robust infrastructure for textile returns, processing, reuse, and recycling. We leverage over 30 years of experience and an established network from other material streams. As part of our mission to empower our customers to harness the full inherent value of their resources, Reconomy managed the flow of 8 billion tons of material in 2024, including packaging, batteries, electronics, textiles, and other materials. While the challenges in the textiles reuse and recycling market are significant, the ability to consolidate multi-country volumes brings advantages in cost reduction, data generation, and innovation opportunities. The EPR framework is the most suitable mechanism for attracting capital to support innovation in textile processing. As part of our textile take-back programs, we partner with emerging technology providers to integrate innovative solutions, including automated sortation systems and closed-loop and open-loop recycling technologies, ensuring that EPR investments reach sustainable solutions.

Circularity Initiatives

As part of our commitment to driving circularity in the textile industry, we are prioritizing circularity initiatives to promote textile repair, refurbishment, and material recovery:



Take-back Programs – We are expanding our multi-channel take-back programs, from stores, consumers, and public locations, into additional geographies. For customers with global operations, we also offer monitoring and tracking services to help assess and improve the performance of their take-back initiatives.



Circularity Network – Through our partners in our circularity network, we offer recommerce, rental, repair, and donation services.



Sortation – To maximize the value recovery and reduce waste, Reconomy is developing our textile sorting partner network, covering more geographies and types of sorting capabilities. Our textile sorting capacities focus on pre- and post-consumer textiles, including textile waste.



Recommerce (Resell) - Our resell partner enables the reselling of textiles, extending their lifecycle and generating additional revenue. The items are resold through brand-owned platforms or websites, as well as through partner channels. The disposition (pick, pack, ship) is facilitated by Reconomy.



Rental – We offer warehousing and logistics support to our rental partners, who provide the rental technology that seamlessly integrates with our clients' existing websites.



Repair - Our repair service extends the life of textile products, supporting sustainability goals and new revenue streams. Items are repaired for existing customers, such as through warranty or after-sales services, or refurbished for resale to new consumers, giving products a valuable second life.



Donate - Reconomy enables brands and consumers to give textiles a second life through our network of trusted charity partners. Brands donate surplus or out-of-season stock, while consumers donate pre-loved items in-store or online via our donation portal. This service supports social impact while diverting textiles from becoming waste.



Recycling - Alongside our ongoing infrastructure expansion, Reconomy has integrated a network of trusted recycling partners capable of supporting both closed- and open-loop recycling solutions. We act as an orchestrator, leveraging our logistics, data management, and stakeholder coordination expertise to enable efficient, scalable recycling pathways that meet



As part of our commitment to advancing textile circularity, we are launching a series of pilot projects over the next three years. These will explore innovative approaches across recycling, repair, rental, and other circular business models. Each project is designed to validate scalable solutions, align with regulatory requirements, and inform future collaboration strategies across geographies.

In parallel, Reconomy is leading a dedicated workstream on recycling infrastructure within the 2025 Textile EPR PRO Forum hosted by EURATEX. Through this initiative, we are mapping the current EU recycling landscape, identifying gaps in technology and capacity, and sharing insights with forum members. These findings will directly inform the design and location of our pilot projects, ensuring they are strategically placed to best support the needs of producers and the wider textile industry.

We are set to launch pilot projects over the next three years that will explore innovative approaches in textile recycling, repair, rental, and other circularity initiatives. This strategic rollout will validate our scalable solutions across different circularity areas and significantly expand our reach by entering new geographies, reinforcing our commitment to a more sustainable and efficient textile industry.

Our Long-Term Mission (2028 & Beyond)

By the end of 2028, with all EU countries fully implementing textile Extended Producer Responsibility (EPR), the regulatory landscape will have undergone a fundamental transformation, setting the stage for a global shift. As more countries outside Europe adopt textile EPR, our long-term mission is to lead and shape a sustainable, circular future for the global textile industry.

Global Expansion & Thought Leadership

We will expand our textile EPR footprint beyond the EU into geographies where we already have a strong operational foundation, including the Americas—covering the US, Canada, and Latin America—and Asia, with a focus on India, Singapore, and Vietnam. This global expansion will leverage existing local insights and strategic partnerships to support our customers as a global compliance partner.

Expanding Data Horizons

In 2028, we anticipate that producers and retailers must report their product data to a PRO in all 27 EU countries and integrate it into the Digital Product Passport. We see a longer-term period in which more detailed data is needed, and most countries have introduced their data requirements, which is an opportunity to expand our data offering. This will include providing more data insights through our digital platform on material choices, capturing more product attributes, incorporating further environmental data points, feeding more granular data, and reaching additional upstream suppliers in the textile supply chain.

Closed and Open Loop Production Models

As the world's largest PROs operator, we are uniquely positioned to leverage our extensive network of infrastructure partners to support brands adopting both open-loop and closed-loop production models. This strategic approach enables companies to reduce the environmental impact of their garments. Reconomy will continue to act as the reverse supply chain orchestrator, managing the entire post-production supply chain—from collection and sorting to processing and recycling—ensuring seamless integration across all stages.

Circular Initiatives

The long-term circularity strategy focuses on creating and operating a global platform that optimizes product disposition through a wide network of partners. This will play a key role in closing the circularity gap in the textile industry.

To build a truly sustainable and circular logistics ecosystem, returned textiles must be reintegrated into the value chain through scalable, innovative pathways. Investments in advanced reverse logistics systems are essential, enabling us to sort returns by condition, brand, value, quality, and resale potential. This approach will facilitate a waste-free end-to-end flow. Each returned item will be triaged for direct resale, repair, upcycling, or textile recycling, with Artificial Intelligence (AI) guiding the decision-making process.

Strategic partnerships with certified refurbishers and material recovery facilities will be critical in achieving these goals. By closing the circularity loop, this strategy reduces landfill waste and emissions while simultaneously unlocking new revenue streams through recommerce, material resale, and service offerings, positioning circularity as a core business pillar for the future.

Technology & Innovation in Textile Processing Management

We will expand the boundaries of what's possible in textile circularity through partnerships with cutting-edge startups and innovators. This includes automated, AI-powered sorting, advanced mechanical, thermal, and chemical recycling, and smart logistics solutions for circular flows. Our ambition is to make high-tech recycling economically viable at scale, accessible across key geographies, and seamlessly integrated into our customers' operations.

A Collaborative Journey

Our long-term strategy is rooted in action. We're not just responding to regulation; we are building the infrastructure, intelligence, and partnerships that will define how the textile industry evolves. With Reconomy, producers are not just compliant; they are competitive, circular, and future-ready.

The next five years will bring rapid change but also immense opportunity. As the regulatory environment transforms, Reconomy remains committed to solutions that prioritize prevention, reduction, and reuse, putting sustainability at the heart of compliance. Our efforts are focused on closing the gap between current practices and a fully circular system, ensuring that no materials are wasted and all resources are maximized.

We embrace these challenges, and we invite you to shape the future with us. Together, we can lead the shift to a truly circular global textile industry.





Our comprehensive Textile EPR solution is delivered to you by:



To find out more, visit
reconomy.com