



House of Commons
Environmental Audit Committee

**Fixing fashion:
clothing consumption
and sustainability:
Government Response
to the Committee's
Sixteenth Report**

**Eighteenth Special Report of Session
2017–19**

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Environmental Audit Committee

The Environmental Audit Committee is appointed by the House of Commons to consider to what extent the policies and programmes of government departments and non-departmental public bodies contribute to environmental protection and sustainable development; to audit their performance against such targets as may be set for them by Her Majesty's Ministers; and to report thereon to the House.

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Eighteenth Special Report

The Environmental Audit Committee published its Sixteenth Report of Session 2017–19, *Fixing fashion: clothing consumption and sustainability* (HC 1952) on 19 February 2019. The Government’s response was received on 13 May 2019 and is appended to this report.

Appendix: Government Response

The Government thanks the Environmental Audit Committee for its report, *Fixing Fashion*, following its Inquiry into the sustainability of the fashion industry last year.

The government notes the remit of the committee but nevertheless has been content to provide evidence and a response on the issues of modern slavery, health and safety and the minimum wage. In our response we explain the action already being taken in respect of clothing and outline our plans for the future in line with a number of high level documents including the Industrial Strategy,¹ the 25 Year Environment Plan² and our Resources and Waste Strategy - Our Waste, Our Resources: a Strategy for England.³

We will take forward the best mix of policy measures to tackle the environmental impact of textiles, considering voluntary commitments, eco-design product standards, the potential for Extended Producer Responsibility, the provision of better information to consumers on the sustainability of their purchases such as through improved product labelling, and improving collection systems. We will also consider how best to tackle the impacts of microplastics following collection of the necessary evidence. We will have regard to the 5 strategic principles in the Resources and Waste Strategy in doing so:

- (1) To provide the incentives, through regulatory or economic instruments if necessary and appropriate, and ensure the infrastructure, information and skills are in place, for people to do the right thing;
- (2) To prevent waste from occurring in the first place, and manage it better when it does;
- (3) To ensure that those who place on the market products which become waste to take greater responsibility for the costs of disposal – the ‘polluter pays’ principle;
- (4) To lead by example, both domestically and internationally; and
- (5) To not allow our ambition to be undermined by criminality.

The response sets out how we will ensure workers, including those employed in the fashion industry, have access to the rights and protections they deserve including the. National Minimum Wage, and consideration of the recommendations made as part of the review of the Modern Slavery Act 2015.

1 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf

2 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/693158/25-year-environment-plan.pdf

3 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/765914/resources-waste-strategy-dec-2018.pdf

Fashion & sustainability

Recommendation 1

1. We want to see a thriving fashion industry in the UK that provides decent work, inspires creativity and contributes to the economic success of the UK. The fashion industry's current business model is unsustainable, especially with growing populations and rising levels of consumption across the globe. Over-consumption and climate change are driving widespread environmental damage. The exploitative and linear business model for fashion must change. The various parts of the fashion industry must come together to set out their blueprint for a net zero emissions world. This will require reducing their carbon consumption back to 1990 levels. Given scientists' stark warnings on climate change and biodiversity loss, we need to fix fashion. (Paragraph 22).

As set out in our 25 Year Environment Plan, and developed further in our Resources and Waste Strategy, the Government is committed to increasing resource efficiency and reducing pollution and waste. A crucial part of that is making products last longer and obtaining greater value from materials by ensuring they can be readily reused, repaired and recycled. This will put us on the right pathway to make substantial reductions in the carbon emissions from consumption.

As to the clothing sector in particular, we recognise how crucial it is for the environmental and social and impacts to be well managed, particularly in this era of fast fashion. We recognise the impact of the UK's clothing consumption on the environment in the UK and across the world as a result of global supply chains.

Considering the global nature of the sector and its supply chains, the industry has the primary role to play in achieving change, helped by consumer behaviour and underpinned by support, where appropriate, from Government. The Government has provided, and continues to provide, support for the voluntary Sustainable Clothing Action Plan (SCAP), co-ordinated by WRAP. This involves the industry working towards targets to reduce carbon emissions, water and waste.

Government is encouraged by the collective efforts made by SCAP members to date. The latest SCAP report,⁴ released on 18 December 2018, show that between 2012 and 2017 signatories have reduced their water and carbon footprints by 17.7% and 11.9% respectively against a target of 15% per tonne of clothing by 2020, and waste across the product life cycle by 1.1% against a target of 3.5%. More work is required to address waste in the supply chain and SCAP signatories are working on plans to address this, for instance through buying specifications and supplier engagement programmes.

The SCAP along with other actions in our Resources and Waste Strategy reflect the Government's plans in relation to the sector. The Resources and Waste Strategy also outlines our plans to review and consult on measures such as extended producer responsibility (EPR) for five new waste streams, including textiles, so that producers are responsible for the full net costs of managing their products at the end of their useful life, encouraging greater reuse and recycling.

4 http://www.wrap.org.uk/sites/files/wrap/SCAP_progress_%20report_2012_2017.pdf

As to the social and economic aspects of the industry highlighted by the Report, through the Industrial Strategy, we commit to boosting productivity and increasing earning power. Advances in technology and the rise in new employment models are changing the way in which people work. We need to ensure that the labour market continues to work for everyone. That is why the Prime Minister commissioned Matthew Taylor to complete an independent review of modern working practices.

In February 2018, we responded to the Taylor Review,⁵ accepting the vast majority of the recommendations and consulting on the detail of implementation on employment status, agency workers, increasing transparency and enforcement.

On 17 December 2018, we published the Good Work Plan,⁶ which sets out our vision for the future of the labour market and our ambitious plan for implementing the recommendations arising from the Taylor Review.

This important package will ensure workers, including those employed in the fashion industry, have access to the rights and protections they deserve. In addition, it will also create a level-playing field for employers, ensuring that good employers are not undercut by the small minority who seek to circumvent the law.

The social cost of our clothes

Recommendation 2

2. We were shocked by the treatment of Misguided’s auditors. If this is how factory owners treat potential customers, we dread to think of the conditions endured by their workers. (Paragraph 49).

We believe people should be able to carry out their work without the risk of threats or violence. The Government condemns any form of violence and would advise anyone who has experienced this to contact the police so that they can fully investigate the matter.

Recommendation 3

3. ‘Made in the UK’ should mean workers are paid at least the minimum wage in a safe workspace. It is unacceptable that some workers in the UK making clothes for fast fashion retailers are not paid the minimum wage and are suffering serious breaches of health and safety law in their workplaces. We support calls from the Director of Labour Market Enforcement for a more proactive approach to the enforcement of the national minimum wage. HMRC’s National Minimum Wage team needs greater resourcing in order to increase their inspection and detection work. We also recommend that Boohoo engage with Usdaw as a priority and recognise unions for its workers. We recommend that textile retailers operating internationally follow the example of Asos, H&M, Esprit and Inditex in signing up to Global Framework Agreements. These put

5 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/679765/180206_BEIS_Good_Work_Report.pdf

6 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/766167/good-work-plan-command-paper.pdf

in place the highest standards of trade union rights, health, safety and environmental practices, across the retailers' global operations, regardless of local country standards. (Paragraph 50).

The Government is determined that everyone who is entitled to the National Minimum Wage and National Living Wage (NMW) receives it. We continue to crack down on employers who ignore the law. In the last 3 years we have almost doubled HM Revenue and Customs' (HMRC) budget to enforce the NMW from £13.2 million to a record £26.3 million. This additional resource has enabled HMRC to increase the number of officers dedicated to NMW enforcement – rising from 140 staff in 2015–16 to 424 in 2017–18 (measured on a full-time equivalent basis).

HMRC follows up on every worker complaint they receive relating to potential underpayment of the NMW. This includes complaints made to the free and confidential Acas helpline, the HMRC online complaint form, and those received from other sources. HMRC also has dedicated teams specifically geared to carrying out proactive risk-based investigations to identify the most serious cases of wilful non-compliance; increasing the budget allows HMRC to increase the number of compliance officers available to conduct risk-based enforcement within these teams. In 2017/18, this combination of complaint-led and proactive enforcement enabled HMRC to identify a record amount of pay arrears; in excess of £15.6 million for over 200,000 workers.

In the last 3 years, proactive investigations have formed an increasingly important component of HMRC's enforcement activity. In 2015/16, proactive investigations accounted for 22% of all cases closed with arrears; by 2017/18 this proportion had almost doubled to 39%. As part of the Government response to the Director of Labour Market Enforcement's 2018/19 Enforcement Strategy we accepted his recommendation that HMRC, together with other Enforcement Agencies, continue to increase the use of proactive enforcement methods to complement their existing activities.

Employment Agency Standards Inspectorate (EAS) has taken steps to increase the number of proactive risk-based operations carried out, while continuing to investigate every valid complaint made. Further, EAS continues to work to deliver proactive joint operations in partnership with the other enforcement bodies.

The Gangmasters and Labour Abuse Authority (GLAA) uses the National Intelligence Model to identify high risk cases, hot spot areas, or problem sectors and follows up with proactive enforcement operations, ensuring that resources are deployed effectively. GLAA's proactive approaches include prevention and examining how best to engage industries to find innovative approaches to reduce the risk of exploitation.

The Health and Safety Executive (HSE) supports the targeting of resources to tackle non-compliance in the garment business and the sharing of intelligence to tackle exploitation and maximise the impact made by the enforcement bodies. Furthermore, HSE supports the recommendation that textile retailers take action to raise standards within the industry, for example by signing up to Global Framework Agreements, and will continue to work with other regulators to share intelligence and support future initiatives as appropriate.

In the Government response to the Director of Labour Market Enforcement 2018/19 strategy, it was announced that we will also consider the case for a single enforcement body to make it easier for vulnerable workers to enforce their rights, and to ensure employers are better supported to comply.

Recommendations 4 and 5

4. There must be more transparency in supply chains and there is a strong case for the Modern Slavery Act to be strengthened. The current requirement to produce a statement does not ensure that action is taken by big retailers and even this is not adequately monitored. The Government should publish a publicly accessible list of all those retailers required to release a modern slavery statement. This should be supported by an appropriate penalty for those companies who fail to report and comply with the Modern Slavery Act. This will increase transparency and require the establishment of formal monitoring of whether statements comply with legislation. (Paragraph 63).

5. The Companies Act 2006 requires that a statement be made on human rights issues in a company's Annual Report only 'where necessary'. This system lacks accountability and places too much reliance on companies to self-disclose. We recommend that the Companies Act 2006 be updated to include explicit reference to 'modern slavery' and 'supply chains'. Statements on a business' approach to human rights in its supply chain should be mandatory as part of the Annual Report. The Financial Reporting Council's (FRC) Corporate Governance Code and UK Stewardship Code, and the Financial Conduct Authority's (FCA) listing rules should likewise be amended to require modern slavery disclosures on a comply or explain basis by 2022. If this is not possible then a Corporate Duty of Vigilance Law, as in France, should be considered. Fashion retailers must not be allowed to turn a blind eye to labour and environmental abuses in their supply chains. Retailers should be investing in technology that allows them - and their customers - to track where their materials and products are sourced and made. We recommend that the Government strengthen the Modern Slavery Act to require large companies to perform due diligence checks across their supply chains to ensure their materials and products are being produced without forced or child labour. We also recommend that Government procurement should be covered by the Modern Slavery Act. (Paragraph 64).

Combined answer to recommendations 4 and 5:

The Transparency in Supply Chains (TISC) provision in the Modern Slavery Act 2015 has led to thousands of businesses publishing statements setting out the steps they are taking to address slavery in their global supply chains. Senior business leaders are now more focused on this issue than ever before and are forging partnerships to help tackle the root causes of labour exploitation.

The Government agrees that greater transparency is essential to tackle modern slavery and we are committed to improving business compliance with the Act. The Home Office wrote to the CEOs of businesses in scope of the Act on 18 October 2018 to remind them of their legal obligations and have sent further letters ahead of a compliance audit of statements after the end of March 2019. The Home Office may publicly name non-compliant organisations following the audit or take enforcement action through the use of injunctions.

The Government has also taken steps to address modern slavery risks in public procurement. Bidders for Government contracts are already required to certify that they are compliant with the reporting requirements in the Act. The Cabinet Office has recently issued a Procurement Policy Note with detailed guidance on how commercial and procurement staff across the public sector can better identify and address modern slavery in public sector supply chains. The Home Office has also launched a Modern Slavery Assessment Tool, freely available to public sector organisations, to use with their top suppliers, which will guide suppliers through the good practice they should incorporate to make their business more resilient to modern slavery risks.

Along with the Ethical Trading Initiative, the Organization for Security and Co-operation in Europe, and some of our international partners, we hosted an international conference on tackling modern slavery in public procurement on 27 March 2019 in London to share good practice in the public sector and build greater international collaboration on these issues.

We recognise the importance of being transparent about the steps Government is taking to tackle these risks in our own supply chains. The Prime Minister announced at the G20 in November 2018 that the Government will publish a Modern Slavery Statement in 2019 detailing the steps Government is taking to address modern slavery risks in public procurement.

As the methods used by criminals to exploit vulnerable people evolve, and our understanding of modern slavery develops, it is important to future-proof our approach. The Home Office has asked Frank Field MP, Maria Miller MP and Baroness Butler-Sloss to conduct an independent Review of the Modern Slavery Act 2015 to identify where the legislation is working well, what can be improved in its implementation, and whether specific areas of the legislation need to be strengthened.

The Reviewers have made a number of recommendations to improve business compliance with section 54 of the Modern Slavery Act and widening the scope of the Act. The Government is considering these recommendations and will respond in due course.

The Government is committed to improving enforcement of employment rights for vulnerable workers. In the Good Work Plan, and in our response to the Director of Labour Market Enforcement's last strategy, both published on 17 December 2018, we set out the steps the Government will take to raise awareness of employment rights, improve intelligence gathering of abuses and strengthen enforcement efforts. We have committed to:

- Better protections for agency workers and are increasing resources to enforce these
- Bring forward legislation to introduce state enforcement of holiday pay for the most vulnerable workers
- Consult to ensure accountability through supply chains

In addition, we committed to go further and consider the case for a new single labour market enforcement body and will consult on proposals later this year.

Recommendations 6 and 7

6. *We recommend that the Government works with industry to trace the source of raw material in garments to tackle social and environmental abuses in their supply chains. Digital technology is widely used in other supply chains. We do not understand why a modern high-tech industry like fashion does not have these systems already in place. Some companies told us they can trace their materials down to Tier 4 suppliers. This begs the question - if one can do it, why can't all? This first step is essential if fashion is to tackle its waste, water, chemical and carbon footprint. This also reduces the opportunities for sub-contractors to take their cut along the supply chain. (Paragraph 65).*

Fashion's environmental price tag

7. *We are unwittingly wearing the fresh water supply of central Asia and destroying fragile ecosystems. Consumers can play their part by avoiding products with pre-made rips and tears and seeking sustainable or organic cotton wherever possible. Governments should oblige retailers to ensure full traceability in their supply chains to prove decent livelihoods and sustainably sourced materials. (Paragraph 72).*

Combined answer to recommendations 6 and 7:

In terms of traceability to support the reduction of adverse environmental impacts, WRAP's Sustainable Product Toolkit for SCAP signatories includes sections on fibres and on certification which help address the traceability of sustainable fibres.

There is also increasing uptake of blockchain in the industry to aid traceability, for instance a coalition of fashion brands including C&A, PVH Corp and Kering recently unveiled plans to use blockchain to help bolster the transparency of their cotton supply chains, ensuring the raw materials, fabrics and garments they purchase can be verified as organic or sustainably produced. We will work with the clothing industry, including through SCAP, to explore how Government can facilitate further action in this area.

Recommendation 8

8. *The Government should facilitate collaboration between fashion retailers, water companies and washing machine manufacturers and take a lead on solving the problem of microfibre pollution. Ultimate responsibility for stopping this pollution, however, must lie with the companies making the products that are shedding the fibres. Further research needs to be carried out into how design can be used to limit emissions of synthetic fibres and the lessons applied quickly. The need for more research should not be used as an excuse for inaction by retailers. Fashion retailers should be testing new synthetic garments for fibre release and publishing figures. (Paragraph 92).*

The Government is supporting and will continue to support collaboration between key players through the SCAP. As mentioned in the Government's evidence to the Inquiry, research is underway to explore how plastic particles from various sources, including synthetic materials, enter waterways and the marine environment, and to analyse the

impact of those sources. This is part of a £200,000 Government funded research project being carried out by the University of Plymouth. The outcomes from this work will help inform further action in this area, such as through the SCAP.

Recommendation 9

9. More research also needs to be carried out urgently into the occupational health risks of working with synthetic fibres. *The Government should ask the Health and Safety Executive to review the evidence and take action accordingly.* Manufacturers must be mindful of potential risks now and should seek to reduce the exposure of garment workers to airborne synthetic fibres. (Paragraph 93).

HSE is aware that worker exposure to airborne dust from synthetic textile fibres can potentially cause lung damage. However, HSE's analysis of the evidence suggests a low overall incidence-rate of associated occupational ill-health in GB. Employers have a legal duty under health and safety law to prevent or adequately control worker exposure to respirable dusts, including airborne textile fibres. HSE does not see a current need for further research into the occupational risks associated with synthetic fibres but will continue to review its position.

Recommendation 10

10. Gaining a full picture of the impact of different fibres is important so that businesses, consumers and policymakers can decide on the most effective solutions. The work that WRAP has done to document the impact of fashion consumption and bring businesses together to share best practice and facilitate change is commendable. However, WRAP has faced significant funding cuts, with budget allocation reducing from £56 million in 2009/10 to less than £10 million for 2017/18. The Government must ensure that WRAP's Sustainable Clothing Action Plan (SCAP) is adequately funded to provide its services to any retailer that wants to improve its sustainability performance - regardless of its size. Post 2020, SCAP target ambitions must increase. To ensure the scheme continues we recommend that retailers pay for the funding of SCAP. This should ideally be included in the Extended Producer Responsibility Scheme. This should happen whether or not an EPR scheme is introduced. This could be set relative to revenue with discounts available for SMEs. SCAP does not currently include any commitments to reduce microplastic pollution from synthetic garments. Post 2020 SCAP should include new targets following the Ecodesign Directive, including reducing microplastic shedding. (Paragraph 101).

We envisage that Government will continue to provide support for the SCAP which is currently part funded by signatories, with contributions calculated according to organisation size, once the current phase of action ends in 2020. Planning is beginning on the work of SCAP post-2020 and Government will work with WRAP and SCAP members in developing future plans. The recommendations of the Committee will be taken into account.

In our Resources and Waste Strategy, we commit to take forward policy on EPR, eco-design product standards which could include requirements on micro-fibre shedding, and consumer information such as labelling. We will explore how best to use this mix of policy measures. For EPR, we commit to review and consult on measures for five new

waste streams by the end of 2025, two of which we plan to complete by 2022. Under EPR, producers are responsible for the full net costs of managing their products at the end of their useful life. Textiles is one of the waste streams identified for consideration. Although it is unlikely that consultation on EPR for any of the new waste streams will have taken place by 2020, the Committee's recommendation for potential funding for SCAP as part of any EPR scheme is noted for future consideration. More information on EPR is provided in the response to recommendation 15.

Recommendation 11

11. Members of SCAP have made some progress in reducing their carbon and water consumption, but action has not been swift enough on reducing waste. We are disappointed that just 11 fashion retailers are signatories. These improvements have been outweighed by the increased volumes of clothing being sold. A voluntary approach has failed. A retailers' commitment to SCAP targets should be seen as a 'licence to practice'. We recommend that compliance with SCAP targets should be made mandatory for all retailers with a turnover of more than £36 million—a threshold in line with the Modern Slavery Act. This should be done under a new Extended Producer Responsibility Scheme. The Government needs to provide clear economic incentives for retailers to minimise their environmental footprint. It should implement the EU's Ecodesign Directive in the Circular Economy Package into UK law in its Resources and Waste Strategy and upcoming Environment Act. (Paragraph 102).

SCAP, as a voluntary industry-led programme, has led to significant environmental savings, in particular in terms of carbon and water (see response to recommendation 1). As set out in the response to recommendation 10, planning is now beginning on the work of SCAP post-2020. Our aim is to encourage the wider industry to take part in SCAP and to ensure targets are ambitious and achievable.

However, as we implement the Resources and Waste Strategy we will also be considering how to supplement this important and well-regarded voluntary initiative with other policy measures. Through similar mechanisms to the EU Ecodesign system we will seek to drive change in product standards by gradually removing from the market the least resource efficient products and demanding a certain level of resource efficiency. We will match or where economically practicable exceed the ambition of the EU's Ecodesign standards which to some extent currently allow for material efficiency standards, by legislating to expand the scope to cover more resource intensive product groups, such as textiles and furniture.

We have also set out our intention to provide consumers with better information on the sustainability of their purchases through consumer information and better product labelling. We recognise that certification marks can provide a level of trust for consumers in 'green claims' by manufacturers and brands. We will seek to ensure consumers are provided with better information, starting by working with key stakeholders including industry, trade associations and standard-setting bodies to develop options for a domestic ecolabel scheme.

Information on our EPR proposals is provided in the response to recommendation 15.

Recommendation 12

12. A kneejerk switch from synthetic to natural fibres in response to the problem of ocean microfibre pollution would result in greater pressures on land and water use - given current consumption rates. Encouraging a move from conventional to organic cotton and from virgin polyester to recycled PET (in garments designed to minimise shedding) could help to reduce the impact of the clothing industry. *We recommend that the Government reforms taxation to reward fashion companies that design products with lower environmental impacts and penalise those that do not. The Government should investigate whether its proposed tax on virgin plastics, which comes into force in 2022, should be applied to textile products that contain less than 50% recycled PET to stimulate the market for recycled fibres in the UK. As part of the new EPR scheme, Government and industry should accelerate research into the relative environmental performance of different materials, particularly with respect to measures to reduce microfibre pollution.* (Paragraph 103).

Our commitment to review and consult on measures such as EPR and product standards in relation to e.g. textiles and furniture, includes consideration of a modulated fee approach which would have the effect of rewarding companies that design products with lower environmental impacts. This is covered in the response to recommendation 15.

The Government's call for evidence last year on single-use plastic waste made clear the public interest in addressing plastic packaging waste. Plastic packaging makes up 45% of UK plastic use, but 67% of UK plastic waste and that is why the Chancellor announced at Budget a world leading new tax on plastic packaging which does not contain at least 30% recycled plastic material. Our current focus is on introducing this brand new tax on plastic packaging, rather than extending it to other areas, such as clothing.

WRAP's Sustainable Product Toolkit for SCAP signatories includes guidance on the environmental performance of different materials based on the evidence currently available and as explained earlier research is underway at the University of Plymouth into microfibre pollution.

Recommendation 13

13. While incineration of unsold stock 'recovers' some energy from the products, it multiplies the climate impact of the product by generating further emissions and air pollutants that can harm human health. Incineration of clothes made from synthetic fibres may release plastic microfibres into the atmosphere. Climate changing emissions will have been generated when the products were created and more CO₂ will be produced when they are burnt. The waste hierarchy suggests that reuse and recycling comes first. This should be a priority means of dealing with unsold stock. Incineration should only be used as a last resort where there is a health and safety case for destroying the stock. *The Government should ban incinerating or landfilling unsold stock that can be reused or recycled.* (Paragraph 122).

The Government agrees that the priority for dealing with unsold stock should be reuse and recycling, ahead of incineration and landfilling. This priority is embedded in the waste hierarchy and legislation is in place to support this. We believe that positive approaches

are required to find outlets for waste textiles rather than simply imposing a landfill ban and, as set out in the Resources and Waste Strategy, we are developing a mix of policy measures to support reuse and closed loop recycling.

Recommendation 14

14. Our desire for fast fashion, fuelled by advertising, social media and a supply of cheap garments, means we are disposing of over a million tonnes of clothes every year in the UK. Under the UN Sustainable Development Goals, the UK is committed to ‘to ensure sustainable consumption and production’. We need to reduce the environmental footprint of the UK’s textile production and consumption. To do that, we need to reduce textile waste, improve resource efficiency and reduce the carbon emissions and water footprint of the clothes we buy. We need to simply buy less, mend, rent and share more. To support this we recommend that lessons on designing, creating, mending and repairing clothes be included in schools at Key stage 2 and 3. The creative satisfaction of designing and repairing clothing can offer an antidote to the growing anxiety and mental health issues amongst teenagers. As well as providing a space to promote creative expression, the skills learnt can also provide a potential pathway towards job opportunities. (Paragraph 130).

It is the aim of the SCAP to reduce the environmental footprint of textile production and consumption. As noted in the response to recommendation 10 we envisage that Government will continue to provide support for SCAP post-2020 and will work with WRAP and others in developing future plans. The Love Your Clothes campaign, managed by WRAP and linked to SCAP, aims to influence consumers to make their clothes last longer through guidance on clothing selection, care, repair and reuse.

Research and studies have been carried out by WRAP and others which will help contribute to the sustainability of clothing. Recent and upcoming publications include:

- WRAP’s Fibre to fibre recycling: An economic & financial sustainability assessment⁷ (January 2019) which examined the economic viability of fibre to fibre chemical and mechanical recycling and informs the potential for larger scale production.
- A WRAP Case Study on management of leftovers from Garment Manufacturing in Sri Lanka which will be published on the WRAP website shortly and looks at the more efficient use of fabric leftovers from garment manufacturing.
- Research carried out by Nottingham Trent University for Defra into Strategies to improve design and testing for clothing longevity. It will include a toolkit - the Clothing Durability Dozen - for use by designers and educators and identifies 12 key areas for longevity including designing and testing for durability; understanding consumers; laundry and care; enabling repair and alternative business models. This will be published on the Defra website.

It is important that children are made aware of issues that impact on the environment and how they can help tackle them. There is scope for pupils to study how to design, create and repair clothing within the key stage 2 and 3 design and technology curriculum. Pupils

7 http://www.wrap.org.uk/sites/files/wrap/Fibre_to_Fibre_report.pdf

are taught the knowledge, understanding and skills they need to engage in the process of designing and making products using a variety of different materials including textiles. Pupils will also need to know about developments in design and technology and its impact on individuals, society and the environment, and the responsibilities of designers.

Pupils can also be made aware of the issue of clothing consumption and its impact on the environment in other curriculum subjects. For example, in key stage 2 science they will look at how the environment can change, which can include the positive and negative impact of human actions. In key stage 3 science, they will be taught about the importance of recycling. As part of key stage 3 geography, they will cover how human and physical processes interact to influence and change landscapes, environments and the climate.

Recommendation 15

15. *The Government must end the era of throwaway fashion. It should make fashion retailers take responsibility for the waste they create by introducing an Extended Producer Responsibility scheme for textiles and reward companies that take positive action to reduce waste. A charge of one penny per garment on producers could raise £35 million for investment in better clothing collection and sorting in the UK. This could create new ‘green’ jobs in the sorting sector, particularly in areas where textile recycling is already a specialist industry such as Huddersfield, Batley, Dewsbury and Wakefield in West Yorkshire. The Government’s recent pledge to review and consult on how to deal with textile waste by 2025 is too little too late. We need action before the end of this parliament (2022).* (Paragraph 131).

As outlined above, we are now looking at how to build on and complement the voluntary approach through the SCAP.

As stated earlier, in our Resources and Waste Strategy we committed to reviewing and consulting on measures such as EPR and product standards for five new waste streams by 2025, with two these to be completed by 2022. One of the waste streams identified is textiles, including at least all clothing, as well as other household and commercial textiles such as bed linen. Although we are not yet in a position to confirm when each of the five waste streams will be considered, the Committee’s recommendation is noted.

As part of the process for reviewing options for EPR, or other measures in the textile sector, we will be exploring a number of environmental factors relating to the sector, including the environmental performance of different materials.

The Strategy has also set out our core principles for developing EPR schemes, which includes making producers responsible for the full net costs of managing their products at the end of their useful life, using modulated fees or other measures to encourage producers to make more sustainable design, production and purchasing decisions in line with the waste hierarchy and our resources and waste priorities. For example, producers may pay a lower fee for products which are easy to reuse, repair or recycle and a penalty for those that are not. As well as EPR we are examining other policy options as described elsewhere in this response.

Recommendation 16

16. The Resources and Waste strategy should incorporate eco-design principles and offer incentives for design for recycling, design for disassembly and design for durability. It should also set up a new investment fund to stimulate markets for recycled fibres. (Paragraph 132).

As set out in the response to recommendation 11, through similar mechanisms to the EU Ecodesign system we will seek to drive change in product standards by gradually removing from the market the least resource efficient products and demanding a certain level of resource efficiency for durability, repairability and recyclability. We will match or exceed where economically practicable the ambition of the EU's Ecodesign standards to expand the scope to cover more resource intensive product groups, such as textiles and furniture. As stated in recommendation 10, we are also developing policy measures to ensure consumers are provided with better information on the sustainability of their purchases through for example better product labelling, with the aim of using information to encourage the application of eco-design principles.

Facilities for taking textiles and recycling them into new fibre are at an early stage of development. As mentioned in the response to recommendation 14, in January 2019 WRAP published a report 'Fibre to fibre recycling: An economic & financial sustainability assessment'. Defra has recently made available £10 million to WRAP to pioneer innovative approaches to boost recycling. This will include support for facilities for mechanical and chemical recycling of textiles.

New economic models for the fashion industry

Recommendation 17

17. We need new economic models for fashion which are based on reducing the material consumption associated with growth. The Government should explore how it can support the sharing economy. The Chancellor should use the tax system to shift the balance of incentives in favour of reuse, repair and recycling to support responsible companies. The Government should follow Sweden's lead and reduce VAT on repair services. (Paragraph 145)

In the Resources and Waste Strategy we have welcomed the fact that consumers are starting to take advantage of a growing range of collaborative and sharing business models, which offer good value to the customer and are also less harmful to the environment. Examples of clothing businesses in this space are provided in the response to recommendation 18 below.

At this stage there is little evidence a VAT reduction has been effective in Sweden or that savings have been passed on to consumers.

VAT is a broad based tax on consumption and the standard rate of 20% applies to most goods and services. While exceptions to the standard rate do exist, these have always been strictly limited by legal and fiscal considerations. While it may be possible to introduce a

reduced rate of VAT on repairs, VAT is an important source of revenue for the Exchequer, raising £125 billion in 2017/18 and funding the government's spending priorities such as education, health and defence.

This proposal must be viewed in the context of almost £40 billion of requests for relief from VAT since the EU referendum. Any loss in tax receipts must be balanced by reduced public spending, increased borrowing or increased taxation elsewhere.

Recommendation 18

18. Retailers must take responsibility for the social and environmental cost of clothes. They should use their market power to demand higher environmental and labour standards from suppliers. Offering rental schemes, lifetime repair and providing the consumer with more information about the sourcing and true cost of clothing are all measures that can be more widely adopted. Shifting business practice in this way can not only improve a business's environmental and social impact but also offer market advantage as they respond to the growing consumer demand for responsible, sustainable clothing. (Paragraph 146).

The retail sector is the UK's largest private sector employer. It recognises that it has a responsibility for the issue of human and labour rights abuses and is pioneering responsible sourcing practices. The Government welcomes campaigns such as the British Retail Consortium's "Better Retail Better World" and Oxfam's "Behind the Barcodes".

In terms of environmental costs there are indications of shifts to more sustainable business practices such as the rental models offered by companies such as Mud Jeans⁸ and Rentez-Vous.⁹ As mentioned in the Government's evidence to the Inquiry a number of high street retailers are now offering in-store take-back and resale clothing collection services. We welcome these good practice examples and would encourage other companies to consider what more they can do.

8 <https://www.ellenmacarthurfoundation.org/case-studies/pioneering-a-lease-model-for-organic-cotton-jeans>
9 <http://www.rebus.eu.com/wp-content/uploads/2016/11/REBus-Case-Study-Rentez-Vous.pdf>