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Targeted stakeholder consultation based on the Staff Working Document “**Scenarios towards co-creation of a transition pathway for a more resilient, sustainable and digital textiles ecosystem**”

Fields marked with * are mandatory.

Introduction

The update of the EU Industrial Strategy highlights the need to accelerate the green and digital transitions of the EU Industry. Among the various instruments, the Commission proposed to co-create, in partnership with industry, public authorities, social partners and other stakeholders, transition pathways for ecosystems, where needed. The textiles ecosystem was identified among those ecosystems to develop such a transition pathway.

The Commission services have prepared a Staff Working Document to outline possible scenarios for a transition pathway for a more resilient, sustainable and digital textiles ecosystem. Through collaborative efforts, the aim is to co-create concrete actions and commitments with all stakeholders of this ecosystem to step up its green and digital transition and strengthen its resilience. These efforts will build upon the EU Industrial strategy update and the EU strategy for sustainable and circular textiles.

Based on the results of the survey, the Commission will organise further meetings with stakeholders to deepen the discussions towards finalising the textiles ecosystem transition pathway by the end of 2022.

You are invited to provide feedback on the Staff Working Document through this online survey that will run until **15 June 2022**.

In case of questions about this consultation, please send an email to EU-TEXTILES-PATHWAY-2030@ec.europa.eu.

About you

* **I am giving my contribution as:**
- ( ) Academic / Research institution
- (•) Business association
- ( ) Company / Business organisation
- ( ) Consumer organisation
- ( ) Environmental organisation
- ( ) EU institution
- ( ) EU citizen
- ( ) International organisation
- ( ) Network of organisations
- ( ) Non-governmental organisation (NGO)
- ( ) Local administration
- ( ) Regional administration
- ( ) National administration
- ( ) Trade Union
- ( ) Other

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Nelly

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Le Dévic

* **Contact email** (this will not be published)

n.ledevic@etsa-europe.org

* **Which organisation or network do you represent?**

ETSA (European Textile Services Association)

* **Country of origin of the organisation or the headquarters of a network**

Belgium (BE)

* **Your organisation or network is mainly active at:**
- (•) EU level
- ( ) Member state level
- ( ) Regional level

- Local level
- Global level

How many people do you employ in your organisation or network?

- (x) 1 to 9 employees
- 10 to 49 employees
- 50 to 249 employees
- 250 employees or more

* **The competences of your organisation or network are mostly related to:**

- (x) The green transition
- The digital transition
- The move to greater resilience
- Other

Data protection provisions and Communication

Unit GROW.G.1 will publish a report on a Europa website with an overview of contributions and a summary of the input received. No personal information of the respondents will be published. The name of your organisation or network may be included in the overview.

- [x] I have read and agree with the personal data protection provisions

Privacy_Statement_Stakeholder_consultation_textiles.docx.pdf

* I agree to be contacted regarding my contribution to the present consultation, as well as for other follow-up contacts and activities in the Textiles Ecosystem Transition Pathway process

- (x) yes
- no

* Would you be interested in being contacted for potential participation in the Stakeholder consultation workshops for the Textiles Ecosystem Transition Pathway planned for September 2022?

- (x) yes
- no
- I do not know

if yes, which workshop(s) in particular:

- [ ] 1. Resilience
- [x] 2. Sustainability

☐ 3. Digitalisation

Consultation questions

You are invited to reflect on the different issues and possible output scenarios for 2030 presented in the Staff Working Document for the key dimensions of Resilience, Sustainability and Digitalisation. You may choose which questions you answer, and leave others empty. Please, in particular, propose specific actions and targets. Quantifiable evidence is very much welcome.

Resilience

Please read and reflect on the issues and scenarios proposed in the **Section 2.1** of the Staff Working Document.

- How does the ecosystem **benefit** from integration in the global economy from the perspectives of **supply diversification and sustained demand** from industrial output?

2000 character(s) maximum

The textile ecosystem will benefit from both regulatory and information integration as soon as it will be in place. A simplification of procedures and norms will be needed to support the growth in the coming years, it will need to compensate the increasing complexity the market is facing and will face even more in the future.

Concretely, ETSA members supply, manufacture, rent, transport, wash and recycle the textiles as required by their customers. In some instances, this service cycle may involve a long, global, supply chain. Both the rental firms and the suppliers to the industry take a proactive approach to ensure full responsibility for the sustainability and ethical behavior of the actors involved in all stages of the rented textile value chain. This also allows them to vary sources of supplies.

As for the benefit from the global economy under the above-mentioned angle, it would require:
- A level playing field for international trade and investments to ensure/secure more diversified sources of supply.
- Investing in EU research and innovation (eco designed sustainable textiles technologies that use less energy and reduce waste) and in education/ skills for workers (new skills, upskilling).
- Reflect on relocating some activities that provide essential raw material/manufactured products

ETSA is also participating to the UN Global Compact. ETSA issued its 6th Global compact report in 2021 featuring how ETSA members commit to responsible business practices in the areas of human rights, labor, the environment, and corruption.

- How can operators in the ecosystem **be supported in internationalisation**?

2000 character(s) maximum

It is possible by:

- Raising awareness and providing clear and user-friendly information on best ways to approach global trade
- A level playing field for international trade and investments
- International agreements that ensure transparent and fair framework for companies
- Efficient and transparent EU market surveillance

- How can the **competitiveness gap** be reduced? Which are the export markets with potential for the ecosystem and for which products?

2000 character(s) maximum

Having the capability to resist or even avoid the impact of a supply chain disruption and the ability to quickly recover from a disruption is of the utmost importance. Operational risk and interruption can threaten multiple areas of the supply chain such as supply chain logistics, suppliers, and workforces. Integrating digital transformation and innovative technologies into supply chain operations will be key to keep up with global business.

- What kind of **issues** have you witnessed as regards the **resilience of value chains** that contribute to the functioning of the textiles ecosystem?

2000 character(s) maximum

The supply chain has to deal with:

- Volatility and availability of raw materials
- dependency upon overseas manufacturers and suppliers
- Logistics (both in terms of costs and lead time)
- Certifications (this field will require a future simplification in order to support competitiveness)
- Traceability is a constant request from the market, this is for sure an added value but also a difficulty
- The lack of a European supply chain platform for our sector (in particular there is no up & down integration of the European supply chain i.e. fibre production or spinning...)
- unexpected competition with sudden market trends, or rapid changes in customer shopping behaviors
- Highly unpredictable trade and political climate do hamper business

- Which **value chains' bottlenecks are the most critical** for the ecosystem? Can you **provide data/evidence**?

2000 character(s) maximum

See above

- Are there **strategic dependencies** that could **reduce the resilience** of the ecosystem inside and outside the EU? Can you specify **actions that can alleviate** such strategic dependencies?

2000 character(s) maximum

See above

- Are the **main regulations** governing the ecosystem agile **enough to strengthen the resilience** of the ecosystem? If not, how can they be made **more flexible**?

2000 character(s) maximum

Simplification of rules (i.e. procedures in sustainability, procedures in general) will be strongly needed to strengthen the resilience of the ecosystem. Automatic and simplified access to state Aids/ emergency tools when global disruptive events arise need to be set up. Also, the main regulations/ incoming ones have to fit the ecosystem particularities to help with flexibility.

- Are there **infrastructure barriers** that reduce the resilience of the ecosystem? Can you specify infrastructure initiatives that could **strengthen the resilience** of the ecosystem?

2000 character(s) maximum

The resilience of the textile ecosystem can strongly benefit from a strengthen of the logistics hub in the areas actors are operating (ports especially).

- Considering the **four resilience topics** mentioned in the Staff Working Document (**Secti on 2.1**), what **other actions** need to be taken by the Commission, national competent authorities and/or industry to **increase the resilience** of the textiles ecosystem?

2000 character(s) maximum

We would strongly recommend incentivizing every program that could promote a European supply chain (investment/incentives, bureaucratic simplification, aid for competitiveness etc.).

We would also call for:

- All stakeholders to be part to the process. Textile care services play a vital role in ensuring sustainable reusable textiles are used as longer as possible in all sectors of the economy and via a circular business model where rental and reuse and repair are the backbones of the activity.

- A secured level playing field for all actors, especially SMEs which need specific attention.

- Help address the workforce shortage in some sectors

The **four resilience topics**, as specified in the Staff Working Document, refer to:

1. Addressing skills gaps.

2. Strengthening the supply and competitiveness of the ecosystem; dealing with raw materials shortages and energy prices.
3. Reinforcing trade negotiations with regard to environmental and labour standards.
4. Improving access to EU funding and the participation in EU research and innovation programmes.

- Based on data available to you, what **intermediary milestones** need to be set for the different **actions towards 2030**?

2000 character(s) maximum

- Are there any **commitments (actions and targets)** ongoing in your organisation that are **relevant for the resilience** of the textiles ecosystem? Can you provide details?

2000 character(s) maximum

ETSA is a proud EU Climate Pact Ambassador. As such, we delivered pledge commitments that are also publicly available on EU Commission website.
With this new role, ETSA has the responsibility and prerogative to disseminate information and best practices that help contribute to the EU's sustainability targets, be it with respect to carbon emissions, chemicals, microplastics or any other priority area for the European Commission in relation to environmental policy. We believe that more sustainable product and process solutions together with a strong focus on technological innovation (not only in sustainability but also towards worker innovation) and lifelong vocational learning can drive success in the market place in the coming years.

- Are there any **new concrete actions** that your organisation is willing to implement (alone or in collaboration with other stakeholders) to **contribute to the resilience** of the textiles ecosystem? Can you provide details?

2000 character(s) maximum

ETSA is a member of the EU TCFL Pact of skills and is dedicated to help with any actions projects coming from the Pact.
We regularly organize workshops/webinars to share best practices and innovative solutions.
We actively participate in raising awareness of existing Educational tools for Textile care workers (EU E-Washboard and ETSA National Associations vocational training/apprenticeship initiatives).

Sustainability

- What are the **main challenges** to ensure the **green transition** of the textiles ecosystem, as part of this pathway? Can you provide **relevant data or evidence**?

2000 character(s) maximum

The green transition will push the industry to face different challenges such as the costs of sustainable fibers or textiles and energy. For textiles, it will be higher than virgin raw materials. The market will need to be ready to absorb this cost.

Also, the industry will have to tackle the performance of fabrics. To ensure a similar level of performance, (especially in the workwear/technical textile department) strong investments in innovation and R&D is/will be required.

The demand for such textiles is very low and impacted by the higher costs of production.

Customers behavior needs to shift from a ‘lower cost possible’ choice base. Info and Education will be required.

Staffing is an issue as well as the multiplication of standards.

- What **actions** are needed **to boost demand for recycled fibres**?

2000 character(s) maximum

To boost the demand for recycled fibers it will be needed an increasing attention to the theme and the solutions proposed. Communication actions at different levels will need to take precise action. We would suggest:
- Promote the use of sustainable textile products via incentives (financial/fiscal measures)/raising awareness and promoting them to businesses and consumer
- Have them as a criteria in GPP
- Ensure the feasibility of closed loop recycling of end-of-life textiles and help with the setup of required structures in the EU
- Friendly, lean and boosting normative EU framework

- Would **waste streams information** (i.e. availability of textile waste, location, etc.), potentially provided through the **new Recycling Hubs**, be an enabling conditions for **bo osting recycling of textiles in the EU**?

2000 character(s) maximum

Yes, it would.
Few platforms and hubs already exist/ are being developed but an EU coordinated approach with practical information at disposal would be a must.

- What **actions** are needed to **improve the sustainability of production process**, including the use of raw materials and hazardous chemicals?

2000 character(s) maximum

To improve the sustainability of production process, it will be very important to have unified standards and certifications for the processes. This will simplify the offer to the market and will guarantee transparency for the final user.

Ensure transparent information on those products (provenance, composition, why they are used, ways to best maintain them, where to dispose of them safely at end of life).

- Based on your experience and data available to you, how can the **digital product passport**, as proposed by the Ecodesign for Sustainable Products Regulation, **contribute to sustainable consumption** and production patterns and **facilitate recycling**? How should this **information** be made available **to consumers**?

2000 character(s) maximum

The Ecodesign Requirement for Sustainable Products regulation is still being consulted upon so a more detailed assessment will be provided by the DDL of 22 June to the EU survey.
Having said that, a Digital Product Passport will for sure help with transparency. The main challenges will be the definition of the criteria to set it/who will be in charge of collecting/maintaining.

The information available will need to be accessible all along the value chain. Information to consumers might need to be more user friendly, harmonized with a mechanism preventing abuse and greenwashing.

- How could the **green transition contribute to improving global competitiveness** of the ecosystem, especially the competitiveness of its **SMEs**, and what challenges could it create?

2000 character(s) maximum

Green transition is an innovation axis that can bring Europe a new competitive advantage compared to other countries. EU Members States need to review Market surveillance so that textile products not compliant with EU sustainability rules are kept away from the off the EU Single Market. International rules/standards also need to be developed. Lastly, sustainability must be implemented in all stages of the life of textile products. Textiles must be produced with sustainable and recycled fabrics they must be longer lasting which means that they must be washable and repairable; only when a textile product is not usable/wearable anymore, it should be recycled; SMEs can make a major contribution to make the life of textile products longer.

- Is your organisation **on track to transition successfully** towards a more **sustainable business model**? What are the **challenges** you encounter/foresee?

2000 character(s) maximum

ETSA members have been using a circular model for years. Participation of the textile rental sector will be invaluable to adapting legislation/standards to use circular textile products material, ensuring that the market follows with incentives to use raw materials from recycling and level the playing field with primary materials, require circular design for products and empower sustainable choices through adequate labelling/information for businesses and consumers alike.

- Which elements are **missing** or are **insufficient in the current regulatory framework** to realise the green transition?

2000 character(s) maximum

The EU has identified most of the necessary elements in the current EU regulatory framework and we are waiting for the adoption/implementation of part of the relevant directives/regulations to see in practice if they will be effective. National additional initiatives might prove nonconstructive despite the willingness to accompany the green transition. Their alignment with the EU regulatory framework should be assessed.

- Are there **unmet infrastructural needs** that constitute a **barrier to the green transition** of the textiles ecosystem? Can you specify **actions to meet the identified needs**, with a special focus on SME-specific needs?

2000 character(s) maximum

Most SMEs and micro enterprises in Europe are not used to working with concepts such as life cycle analysis (LCA) and do not have the infrastructures and resources to perform tests and in-depth environmental analysis. Any future legislative initiative stemming from the strategy should therefore be based on the ‘Think Small First’ principle. SMEs should also be supported (technically and digitally) at European and national level to make sure they are able to implement these procedures.

- How important is **public procurement** for the ecosystem and **how** could green public procurement **help create lead markets for sustainable and circular products**

2000 character(s) maximum

With public procurement criteria, Member States have a powerful tool to promote the use of sustainable and circular products via Green Public Procurement. It is crucial that the public procurement leads the way in the green transition. Mandatory obligations from public authorities will push buyers to accelerate the purchase of green solutions hence accelerating the shift to circular economy.

- Considering the **four green topics** mentioned in the Staff Working Document (**Section 3.1**), what **other actions** need to be taken by the Commission, national competent authorities and/or industry **to unlock the potential of the green transition**?

2000 character(s) maximum

On top of the four topics of the SWD, industry should be pushing towards the introduction of a volume of sustainability inside purchase. This will strongly accelerate the transition.

What happened over the years for PPE regulation in the protection field is a valid example.

The **four green topics**, as specified in the Staff Working Document, are:

1. Boosting new circular business models and the EU production and consumption of sustainable and circular textiles.
2. Creating the shift to sustainability: refashioning our consumption patterns.
3. Facilitating textile waste prevention, waste management and secondary materials.
4. Investing in innovation for new and advanced materials.

- Based on data available to you, what **intermediary milestones** need to be set for the different **actions towards 2030**?

2000 character(s) maximum

- Are there **any commitments (actions and targets)** ongoing in your organisation that are **relevant for the green transition** of the textiles ecosystem? Can you provide details?

2000 character(s) maximum

As mentioned earlier, ETSA is a proud EU Climate Pact Ambassador. As such, we delivered pledge commitments that are also publicly available on EU Commission website.
With this new role, ETSA has the responsibility and prerogative to disseminate information and best practices that help contribute to the EU's sustainability targets, be it with respect to carbon emissions, chemicals, microplastics or any other priority area for the European Commission in relation to environmental policy. We believe that more sustainable product and process solutions together with a strong focus on technological innovation (not only in sustainability but also towards worker innovation) and lifelong vocational learning can drive success in the market place in the coming years.

- Are there any new **concrete actions** that your organisation is willing to implement (alone or in collaboration with other stakeholders) **to contribute to the green transition** of the textiles ecosystem? Can you provide details?

2000 character(s) maximum

ETSA members are actively working and investing in circular textile solutions to be implemented so that new fabrics are developed/made with recycled fibers of post-consumer garments.
The challenges are numerous, from keeping the performances of the products to successfully introducing the products into the market.

Digitalisation

- How could the **digital transition contribute to improving global competitiveness** of the ecosystem, especially the competitiveness of its **SMEs**, and what **challenges** could it create?

2000 character(s) maximum

The digital transformation can have a crucial role in improving global competitiveness. From bringing efficiency, to traceability in order to strengthen customer's trust to improving fastness of the process.

Customers want an accurate and verifiable footprint of their textiles. To achieve this, much more data is needed than what is provided today. If this data did exist, companies that report and collect products with lower footprints would be at a competitive advantage. The largest challenge is the transparency required to get this data. Supply chain information is confidential; giving this away to a customer or supplier is essentially giving them access to your costs and business model.
For SMEs, digitalization presents significant opportunity, specifically within their operational efficiencies. For example, technologies such as digital sizing mean that inventory can be better tailored to the end customer, reducing textile waste, improving supply chain efficiencies, and reducing lead time. Again, looking more holistically, print on demand is another area where only those textiles required are ordered, further reducing waste. Digital marketing is a key enabler to this, with the ability to reach and engage more customers globally and understand customer need, therefore aligning services offered to customer need. However, this must be balanced with the fact that textiles is a category where touch and feel is essential. Digital tools can enhance customer experience, improve efficiencies and engage more customers for SME and international businesses alike, but textiles will always be reliant upon people seeing the end product before making a final buying decision.
Finally, the adoption of low cost, cloud-based business intelligence tools offer businesses of all sizes the data to make better decisions. Critical for everybody to engage here.

- What are the **main barriers to uptake of digital technologies** in the ecosystem? Can you specify **actions that can overcome** the barriers?

2000 character(s) maximum

The main barriers are in the costs of the technologies and in the resistance of human resources to the change. But the technologies are available and accessible, they will for sure drive the changes of the upcoming years. Moreover, often Companies do not want to share their confidential business information.
Education and understanding are also key barriers. Cost is not prohibitive but having the skills to implement and manage towards a digital transition present the most challenges. Pace is another challenge…we need to embrace this fully and do so now.

- Which **digital technologies** are **the most relevant** for the ecosystem? Which ones **are you already applying today** and which will require **more time, funding and coordination**?

2000 character(s) maximum

In the industry, The most relevant are:
- document management (dematerialization of documents)
- improvement of the printing system to optimize processes and reduce environmental waste.
- CRM re-engineering
- Supplier and customer portal
- Replacement of data centre
- Digitalization of the greige inspections

The above are mostly web based applications
Furthermore, as mentioned above, cost is not always the barrier but understanding and time are the major challenges. From a digital marketing perspective, ETSA members are reaching and speaking to more customers than ever before, in a more insightful and valuable thanks to the digital possibilities.

- Is your organisation **on track with the digital transition**? What are the **challenges** you encounter/foresee?

2000 character(s) maximum

ETSA members are absolutely in line and even above the markets standards. Our processes are becoming more digitalized: from production processes to customer service to assistance to clients. They have started our journey. One of the biggest challenges is knowing that digital transformation is not something that is done. You can’t cross it off of a list; you will always be doing it. Nevertheless we must continue to do more and find more innovative features. We continue to adopt more digital tools that enable us to understand our business better and make better business decisions, supporting chosen objectives (whether financial or strategic, e.g., sustainable goals). Challenge is time, not always cost.

- Are there **infrastructural needs** that constitute a **barrier to the digital transition** of the ecosystem? Can you specify **actions to meet the identified needs**?

2000 character(s) maximum

Limited infrastructure due to the many low-cost options from 3rd party providers
Out of the box solutions

- Based on your experience and data available to you, **how can data collection**, use and **sharing** (within and across sectors) be increased to **improve resilience**, **sustainability** and **competitiveness** of the ecosystem?

2000 character(s) maximum

The information needs to go through a neutral third party. Another issue is that our industries don’t have lots of players. So, if we turn in our numbers, and then a compiled report gives numbers, I can almost back calculate what everyone else turned in and who did it.

- Are there **core regulatory barriers** to the realization of the **digital transition** in the ecosystem? Can you specify **revision proposals** that can overcome the barriers, with special focus **on SME specific barriers**?

2000 character(s) maximum

SMEs should also be supported (technically and digitally) at European and national level to make sure they are able to implement Life cycle assessments and other EU mandated procedures. Freely accessible online databases in all the EU languages with life cycle analysis (LCAs) for different product groups could be of great help in this area.

- Based on your experience and data available to you, what aspects of **digitalisation of the administration** are required to **improve efficiency and transparency**?

2000 character(s) maximum

Document digitalization that we are implementing is a necessary step to improve efficiency.
Also, guarantee information is often held confidential.

- **How** can the **exchange of data** among different stakeholders **be fostered**? What **intero perability framework** (common standards, open format, licenses) is needed to **secure** the exchange of data?

2000 character(s) maximum

No one wants to pay for another third-party certification. This is needs to be done as low cost as possible in an open format.

- Considering the **four digital topics** mentioned in the Staff Working Document (**Section 4.1**), what **other actions** need to be taken by the Commission, national competent authorities and/or industry t**o unlock the potential of the green transition**?

2000 character(s) maximum

Two big challenges that will drive the future are cyber security and all themes related to big data. Topic 2 “Digital reskilling and upskilling of the ecosystem” is the most important. As the next generation comes into the workplace, this will drive change but those responsible today need more support in making the transition.

The **four digital topics**, as specified in the Staff Working Document, are:

1. Digital transformation and industrial uptake of innovation in the textiles ecosystem.
2. Digital reskilling and upskilling of the ecosystem.
3. Supporting the data economy.
4. Investing in e-commerce and increasing market surveillance for online sales.

- Based on data available to you, **what intermediary milestones** need to be set for the different **actions towards 2030**?

2000 character(s) maximum

Everyone should sign up for Science Based Targets. That will get people collecting their footprint data, so they can turn it in.

- Are there any **commitments (actions and targets)** ongoing in your organisation that are **relevant for the digital transition** of the textiles ecosystem? Can you provide details?

2000 character(s) maximum

See above, many ETSA members have committed to Net Zero Science Based Targets.

- Are there any **new concrete actions** that your organisation is willing to implement (alone or in collaboration with other stakeholders) **to contribute to the digital transition** of the textiles ecosystem? Can you provide details?

2000 character(s) maximum

A "digital first" marketing strategy, underpinned by access to information, support and knowledge sharing.

Horizontal and cross-cutting issues

Funding and Financing

- Are there any **systemic barriers** specifically for the textiles ecosystem **to access to funding** for the green and digital transition - particularly **for SMEs**? Can you specify **acti ons** that can **overcome the barriers**?

2000 character(s) maximum

We must say that unfortunately there are some barriers. We see lack of understanding of our industry and majority of the program for modernization doesn't consider investment into machines or program development. Or we can buy some software which not every time meets our needs or maybe we can buy some solar panels, as an example(which is nice but not every time sufficient). We don't need program for laundries, but we need some program which can be more generic and where company can "assemble" what is really needed. For example, some ETSA members would prefer to develop tailor made heating system, but can't because it's excluded. Or If they want to make new way of water recycling they can't because we must find one company which will form the project until it's the final work or it won't be funded.

- Where do you see **gaps in the current funding landscape** which put at a disadvantage the textiles ecosystem?

2000 character(s) maximum

We are facing huge challenge as industry - we would like to be as green as possible and make new investments, but we are coming from covid times- where part of the SMEs (especially SMEs are washing hospitality) were left without stable state support during covid and many were under 50% of capacity of washing. So those SMEs are not in good financial health because of those last two years. To be able to access any kind of funding, usually a company must be in positive financial gain. So basically any or the majority funding programs doesn't take into consideration the pandemic and we think this should be changed! Because we as industry might be discriminated - we need to keep up with other machinery industries but we are limited because our production in many cases decreased or stopped completely for certain period of the time.

- Which **specific investments** are needed **to strengthen the resilience** of the textiles ecosystem and **ensure the green and digital transition**?

2000 character(s) maximum

We believe tax credits and non-refundable incentives in order for the companies to buy machineries that accelerate the green transition will help. On top of that we should push (thanks to incentives/tax credits) buyers to purchase an increasing volume of product made of sustainable materials. As stated before the incentivisation to the creation of a European supply chain would be of high importance.

Some SMEs are in need of complete transition. Many need new a fleet and would like to go electric- but there is no program for electric cars, as an example. They are in need of formation because many directors are left without help and they even don't know how to ask for funding or they need to go thru agencies and those not every time work. They should be able to invest into new technologies and some ETSA members are able to even develop systems in incubators (as an example) but also need some funding for it, and there we meet still with same problems mentioned above… 1) fleet, 2) machines 3) recycle of water 4) energies -they need machines which can recuperate energies have less consumption, for this they require additional support from the EU to boost their resilience.

Furthermore, Product design should also facilitate maintenance and repair work and availability of spare parts. Upgradeability, modularity, flexibility in terms of size and shape should also be promoted and ensured in the product design. This can greatly help SMEs. The sharing of information by manufacturers on the technical durability and expected service life (approaches specified in the PPE Regulation EU 2016/425) of textiles would also be of great service to SMEs Information about the reparability of the product also needs to be shared by manufacturers.

- Is there any **incoherence** between the **funding schemes** which affects the transition in the ecosystem and **how can this be addressed**?

2000 character(s) maximum

For some ETSA members the biggest incoherence is that some programs can't be even accessed (because they are made for car producers for example) or they are too specific so some members can't access because they need maybe part of it. For example, on software 1) to access it you need to buy already made thing and you need to spend 40000€ but you can't buy computers. Thus, on what you should run that software? Also, what if you need tailor made one? You can't have it. The same is true in regard to the water recycling program, you must have one company which will make you everything, but they can't develop something new. And you must fit exact numbers of consumption. So again, funding schemes will be accessible only for few.

- Which types of **actors can support private sector investments** for resilience, green and digital solutions in the textiles ecosystem (**particularly SME dedicated finance**)?

2000 character(s) maximum

Actors that should be in the front line to support the private sector should be Banks, Investment Funds and Governments. This is and can be very tricky, we can't forget that usually SMEs are owned by one or just a few owners and usually those are not seen as very resilient towards private investments. It's difficult to find figures for the European level with respect to the textile service industry, but for in Germany, for example, washing and dry-cleaning alone reached a turnover of nearly 4.5 bn EUR in 2018 with a total number of 4,271 companies, of which 4,064 had less than 50 employees. It is vital these actors have access to equal financial opportunities and aid from the part of both private investor and banks.

- **How can private sector investments be best mobilised to support** the green and digital transition and also strengthen resilience of the textiles ecosystem?

2000 character(s) maximum

The private sector investment can be mobilized thanks to R&D support through subsidized and non-refundable financial support together with stringent European regulations. We would definitely prioritize showcasing how sustainable and innovative ETSA members are, make them more visible and interesting for private investments.

Research and Innovation

- What are **the unmet needs** to enable **research and innovation** in realising the green and digital transition of the ecosystem?

2000 character(s) maximum

Unmet needs to enable research and innovation in realizing the green and digital objectives are i) support to the transferability of research project outcomes to the green and digital ecosystem; ii) promotion and support of organizational change and industrial adaptability to the new trends and challenges; iii) data availability for research to improve knowledge circulation and re-usability; iv) awareness of the sectors involved in the green and digital transition, not everybody is aware of the potentials of the different sectors; v) definition of key performance indicators (KPIs) to measure the current state of play and the progress achieved, the impact created, and gaps to be bridged, finally; vi) Goal oriented policies and legislation that support the transition. Furthermore, Scholarships to foster synergies between universities and manufacturing industry could be extremely fruitful.

- Are there **barriers to technology transfer** from research institutions to industry? What are they? And **how can they be addressed**?

2000 character(s) maximum

Transferring technology to the industry is still a challenge, there are barriers impeding the development of innovative entrepreneurship, for the purpose of our contribution to this report we considered the following groups of barriers: barriers comprise technical, organizational-economic, and system.

Organizational-economic barriers include e.g. imperfect technical information transmission and insufficient co-operation between research institutions and the industry. Technology transfer is deprived if the industry and research institutions work is silos i.e., when it comes to addressing fundamental challenges in innovation, multiple initiatives often work in a stand-alone manner to address the same issues from multiple directions, incurring in inefficiencies and being incapable of delivering their full potential. This barrier can be addressed through partnerships, bringing together different actors from different industry sectors, and connecting them in a systemic approach,

System barriers include the lack of developed infrastructures, market, and public incentives e.g., the incorporation of circular economy principles requires adaptation, to this end it is necessary to invest in technical knowledge, reskilling, and upskilling of the workforce. This barrier can be addressed by creating an enabling environment supported by the design of goal-oriented policies and regulations, and the development of use cases

Technical barriers include the need to test and demonstrate thoroughly new technologies before they are accepted in competition with other, well-established technologies. This barrier can be addressed through the development of pilots

Skills

- What are **your projections of the employment and reskilling needs** for your enterprise, segment and product group? To what extent will up/reskilling be achieved in your sector?

2000 character(s) maximum

Textile care services are a service industry, not a productive industry. More and more focus will be put on logistics to satisfy the customer’s demands for which we will need more digital skills. The manual labour will continue to exist, but less than now due to automatization. Upskilling will be needed for about 20% of the workers, because we may not forget that the majority of the workers in our sector are low-skilled, low-educated people.

- What **actions** have you taken **to attract new workforce**? What are the **main difficulties** you encounter? What is the **impact** on your enterprise? What **remedy** measures have you put in place?

2000 character(s) maximum

The sector has almost expired all the means to attract new workers for the sector, but the result is minimal. There are several reasons why people don’t have a job in the textile care on top of their wish list, but the most important will always be that our industry is not known by the vast majority of the people. Working in our sector is not considered as “sexy” and it is certainly not a job that you can really shine with. The war on talent is not a war we can win, so the sector will have to invest especially in foreign workers for whom special training (language among others) will be needed.

- **What** different **skills and/or workers profiles** are needed to enable the **digital** transition in the ecosystem?

2000 character(s) maximum

Elementary knowledge of digital devices is a priority because all equipment (hardware) in our sector will be more and more sophisticated, meaning that it will be more important to understand what the machine “wants to tell you” Rather than programming it yourself.

- What **other actions** than those mentioned in the Staff Working Document (Section 2.1 and Section 4.1) need to be taken by the Commission, national competent authorities and/or industry **to support the workforce to be better equipped** to improve the resilience of the ecosystem and facilitate the green and digital transition?

2000 character(s) maximum

In one of the discussions, we had recently about the greening of energy carriers, we discovered that machine manufacturers are not queuing up to make big contributions to improve the impact of their machines on the environment, because our industry – also worldwide – is not seen as “big enough” to make great transitions. So, one of the measures competent authorities will have to take is to obligate these machine producers to invest in (perhaps small) improvements for a greener world.

- Do **cultural and mind-set barriers** to the green and digital transition exist in the ecosystem? Can you specify **actions that can overcome** the barriers?

2000 character(s) maximum

We don’t suppose that there are cultural barriers to the green transition: everybody wants to improve the quality of work and life. On the contrary, we believe that there are mind-set barriers which we have already discussed above. It will be greatly appreciated that the EU (and others) are convinced of the importance/the essence of our industry for the well-being of a great majority of people.

Social dimension

- What are the **social implications** (including for workers) **inside and outside of the EU** of the green and digital transition in the textiles ecosystem? Are there **specific SME-related social implications**? Can you specify **actions** that can **accommodate the identified implications** if problematic?

2000 character(s) maximum

With the green and digital revolution upon us, it is an imperative that the EU invests sufficiently in upskilling and training. SMEs may not always have the resources to upskill and reskill employees for the needs of the changing economy. It is therefore necessary for adequate investments to be made in skills acquisitions on the part of the European Commission. Naturally, new skills in demand will require additional positions and for companies to create a clear path forward in terms of career growth for employees, therefore, the green and digital transition has the possibility to be mutually beneficial for all parties

- Can you specify **actions** that can **ensure a long-term positive effect on the social factors** and thereby **increase the resilience** of the ecosystem?

2000 character(s) maximum

As a proud member of the UN Global Compact, ETSA members believe that sustainable development goals must be supplemented with just social progress. We believe that showcasing the sustainable element in our business and emphasizing the role of the worker in advancing sustainability can help workers find purpose in their work and avoid social alienation. Moreover, we believe an overall renewed commitment to gender equality and a concentrated effort to defeat racial bigotry will be key with respect to diversity.

Key performance indicators

- Considering all elements presented in the Staff Working Document, what **specific key indicators** should be used **to track the successful transition in the ecosystem**?

2000 character(s) maximum

Since the early 2000's ETSA has been working within its membership via its WECO studies to assess the resource consumption of water, electricity, detergents as well as oil and gas amongst its membership. ETSA is currently supporting the creation of another WECO study for 2022-2023 and preliminary results showcase an impressive reduction in water usage, as well as slight reductions in electricity and energy usages. While reducing overall energy and water usage is of tremendous importance, there is a floor with regard to these figures and a base amount of water and energy must be used in order to conform to hygiene standards, thus, a societal transition toward renewable energy sources and a greater emphasis on water treatment and recycling would also be optimal.

- What **indicators / data are currently collected** and used by actors in the ecosystem **to measure** their **performance** with regards to the **green and digital transitions and their resilience**?

2000 character(s) maximum

Key indicators include, energy (heat and electricity) usage, the type of energy used. The amount of water as well as chemicals and detergents used and indeed overall CO_2 footprint. Product Data (i.e. recycled bottles for recycled polyester), employee satisfaction and customer satisfaction are also critical. It must be stressed that standards cannot be applied uniformly, as different textile types require different amounts of resource input. These include flat linen, garments, CRTs, mats and wipers. Any quantitative analysis on the part of the Commission (or indeed any other reputable body) with respect to industrial laundries and textile services must take this into account.

Other comments

What other comments would you like to give?

2000 character(s) maximum

ETSA secretariat and Secretary General, Elena Lai are at your disposal would you want to expand on the ETSA answer.

Further information on Textile care services is available on ETSA website: https://www.textile-services.eu/

You may upload any relevant documents here

Background Documents

Staff Working Document (2022)105

Contact

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