CCES 2025
Textiles & Apparel Track Session Summary

EPR Success Stories: How to Prepare and Operationalize EPR in Canada

What can the Canadian fashion industry learn from existing EPR programs? Join Olivia Barker, Vice President at Clear Strategy Inc., Chelsea Murtha, American Apparel & Footwear Association,, and Jennifer Liu, Gap Inc., as they discuss their experience with EPR across different geographies, next steps for implementing the first EPR for textiles program in California, and share insights on the crucial takeaways as the fashion community considers what successful EPR for textiles could look like in Canada.

Speakers

- Olivia Barker, Clear Strategy
- Chelsea Murtha, AAFA
- Jennifer Liu, Gap

April 15, 2025, Montreal, Canada

SUMMARY

The Rise of Textile EPR

Barker, whose firm helped establish the first US packaging EPR organization, noted that Canada has been ahead in EPR implementation. The US has recently passed its first textile EPR law in California (SB 707), with other states considering similar legislation. This signals a growing global momentum for textile EPR, further evidenced by new EU regulations requiring member states to set up their own programs.

Brand Perspective on EPR Evolution

Jennifer Liu of Gap Inc. highlighted the significant shift in corporate engagement with EPR. Four years ago, EPR was barely on Gap Inc.'s radar; now, it's a central focus. She observed that the apparel industry, especially those with primarily US operations, has been slower to engage with EPR compared to other sectors. However, the increasing number of EPR programs in Canada and the California textile bill are forcing brands to recognize the financial impact of EPR, leading to greater engagement in advocacy and industry working groups. Liu urged brands to proactively educate their teams about EPR's implications.

Political Dynamics of California's Textile EPR (SB 707)

Chelsea Murtha of the American Apparel & Footwear Association, who was a lead negotiator for SB 707, explained that the bill was spearheaded by the California Product Stewardship Council (CPSC), an external group funded by local municipalities aiming to reduce waste management costs. Murtha emphasized that the CPSC's primary goal was landfill diversion, not necessarily circularity, which created initial friction with industry stakeholders who sought to build a more circular program. The bill's traction also stemmed from California's financial challenges, as EPR offers a way to shift waste management costs from the state.

The Harmonization Challenge

A major theme was the critical need for harmonization across different EPR programs, especially concerning data collection and design requirements. Jennifer

Liu detailed the burden of varying material categories and reporting methods across Canadian provinces and US states, which makes compliance complex and inefficient for brands operating across North America. She also stressed the importance of aligning eco-modulation benefits and design requirements to enable the scaling of necessary infrastructure for textile-to-textile recycling.

Barker added that conflicting policy goals, such as California's focus on plastic reduction versus Oregon's life cycle assessment-based fees, create "impossible choices" for producers and hinder consistent environmental outcomes. From a Producer Responsibility Organization (PRO) standpoint, a lack of harmonized definitions for "producer" also creates significant confusion and inefficiency.

Key Features of California's Textile EPR Bill

Murtha elaborated on SB 707:

- **Scope:** The bill covers almost all textiles, including apparel, footwear, and travel goods, with some exclusions for hazardous items. This broad scope means even hotels will be responsible for their curtains and bedding.
- **Precedent Setting:** AAFA aimed to craft a flexible, "copyable" bill to prevent disparate state-level regulations. They prioritized an extended timeline and a needs assessment built into the bill. This initial study will analyze textile waste flows, identify service providers, and assess end markets before detailed regulations are developed. This data-driven approach is seen as crucial for building an effective and implementable program, unlike some previous EPR laws that were "not implementable."
- **Reuse and Repair:** Crucially, SB 707 formally incorporates reuse and repair as program activities, allowing brands and the PRO to partner with existing entities like Goodwill or resale platforms. This ensures that valuable items are kept in circulation and prevents "skimming," where profitable items are diverted from the PRO, leaving only expensive-to-manage waste.
- **"Recycling Bill" Misnomer:** Murtha clarified that despite being commonly called a "recycling bill," SB 707 doesn't mandate recycling. It prioritizes reuse as the most impactful circularity strategy, and there are no recycled content mandates.
- **Online Marketplaces:** A significant challenge was ensuring online marketplaces, which facilitate sales from numerous foreign sellers, contribute to the program. Initially, only brands selling directly would pay, meaning they would subsidize free riders. By referencing Ontario's producer definition, SB 707 now holds online marketplaces responsible for ensuring their sellers either pay into the PRO or are blocked from selling in California.

Industry Engagement and Collaboration

Jennifer Liu emphasized the need for greater engagement between policymakers and industry stakeholders. She stressed that brands are not trying to avoid EPR fees but want to ensure programs are implementable and allow businesses to remain viable. She highlighted the critical need for policymakers to understand the nuances of recycling technologies, particularly the role of chemical recycling in scaling textile-to-textile solutions.

Murtha noted that while the industry may be behind on EPR compliance, there's a strong interest in circularity, with many companies already having take-back programs. Harnessing this existing interest and using needs assessments to demonstrate a commitment to understanding how to make EPR work for the industry is crucial for building trust and achieving results.

Regarding the flow of funds to charities and other collectors, the PRO will have overall operational costs, including paying collection sites like Goodwill. Brands will be charged based on their sales volume in California (e.g., if a brand sells 5% of textiles in California, they pay 5% of the PRO's costs). While direct "credit" for individual brand items collected by charities isn't currently feasible, eco-modulation could allow brands to receive a reduction in fees for running their own take-back programs or making sustainable design choices. However, for California, the initial focus (likely until around 2028-2030) is on scaling collection efforts before addressing more complex eco-modulation schemes or highly specialized recycling.

Looking to the future, Liu advises brands to proactively collect data and educate leadership. She suggests that EPR discussions should move beyond basic introductions to deeper engagement, and policymakers must ensure sufficient time and resources for needs assessments. Murtha added that while new state bills continue to emerge, driven by states' interest in cost-shifting, industry engagement is vital to ensure these policies genuinely foster a circular economy rather than just shifting costs. The panel concluded by emphasizing the importance of collaboration between PROs, brands, and all other players in the material management chain to scale textile EPR programs effectively.