

The German Textile Act

Introducing Extended Producer Responsibility for Textiles in Germany

1. Textile Industry: Current challenges

The textile industry is among the most resource-intensive industrial sectors worldwide and has therefore become a key focus of environmental policy. A sector that has long been only marginally regulated is now evolving into a comprehensively regulated policy field.

In recent years, the rapid growth of fast fashion and ultra-fast fashion has led to a substantial increase in textile waste. The overproduction of textiles and the disposal of clothing have become a growing waste management challenge, both in Europe and globally. Across the European Union, approximately 6.95 million tonnes of textile waste are generated each year, equivalent to around 16 kg per person annually. At the same time, the average lifespan of clothing has declined considerably over recent decades (European Environment Agency (EEA), 2024).

2. European Framework for a Circular Textile Economy

Against this background, the European Union revised the Waste Framework Directive (EU) 2025/1892, requiring Member States to tranfer new provisions on textiles and apparel into their national waste and Circular Economy legislation.

In Germany, the German Circular Economy Act (Kreislaufwirtschaftsgesetz – KrWG) constitutes the central legal framework for waste prevention, resource conservation and environmentally sound waste management. The current version of the Act has been in force since 1 June 2012.

Following the new EU requirements, the German Federal Government announced in March 2026 its intention to amend the German Circular Economy Act by introducing new provisions specifically addressing textiles. In public debate, this legislative initiative has frequently been referred to simply as the "German Textile Act". As part of this revision, textiles will be incorporated into the national waste management system as a separate waste stream. Consequently, textile products, clothing, household textiles and footwear will be collected separately throughout the European Union, comparable to the existing collection systems for paper, packaging, glass and batteries.

At the same time, the amendment introduces, for the first time, a mandatory Extended Producer Responsibility (EPR) scheme for textiles. In general Extended Producer Responsibility is already established in Section 23 of the German Circular Economy Act for several other product groups, its application to textiles represents a significant expansion of producer obligations by extending responsibility across the entire product life cycle.

Implementation timeline

The following deadlines apply to the implementation of the new requirements by the EU Member States:

Member States are required to transfer the new provisions into their national waste and Circular Economy legislation by 17 June 2027. Extended Producer Responsibility systems for textiles must be established no later than 17 April 2028 and be fully operational by the summer of 2028 (BMUV, 2026, p. 1). Several European countries, including France and the Netherlands, have already implemented such systems. Germany is therefore required to catch up.

3. Extended Producer Responsibility as a Policy Instrument

The German Circular Economy Act already provides the legal basis (Section 23 KrWG) for assigning producers responsibility for the entire life cycle of their products.

This concept of Extended Producer Responsibility (EPR) is based on the polluter pays principle. Producers are held responsible not only for manufacturing and marketing their products, but also for their collection, sorting, recovery and disposal at the end of their useful life. The objective is to internalise environmental costs while creating incentives for the development of products that are more ressource-efficient, durable, repairable and recyclable.

The envisaged introduction of Extended Producer Responsibility for textiles therefore represents an important step towards strengthening the Circular Economy. By transferring both financial and organisational responsibility to producers, the long-term financing of textile collection and treatment is intended to be secured while simultaneously the design of longer-lasting, repairable and more recyclable textile products is encouraged.

For the purposes of the legislation, producers include not only manufacturers, but also importers and retailers placing textile products on the German market for the first time under their own name or private label (BMUV, 2026, p. 2). In addition, all affected companies placing textile products on the German market are required to register and participate in a Producer Responsibility Organisation (PRO) (BMUV, 2026, pp. 2–3). Online marketplaces and fulfilment service providers are likewise required to verify that producers are properly registered before distributing their products or providing fulfilment services on their behalf (BMUV, 2026, p. 3).

4. Separate Collection of Textile Waste

Even before the introduction of Extended Producer Responsibility, important prerequisites had already been established at the European level. Since 1 January 2025, textiles, clothing, clothing accessories, household textiles and footwear have been required to be collected separately as a distinct waste stream. By contrast, product groups such as bags, backpacks and soft toys are not covered by the future German Textile Act.

Textiles are therefore treated as a separate material stream and, similar to other recyclable materials, are intended to undergo high-quality recovery (BMUV, 2025). Separate collection provides the basis for improved reuse and higher-quality recycling of post-consumer textiles and is regarded as a key prerequisite for the implementation of future EPR systems. Across Europe, many cities and municipalities are therefore currently installing dedicated collection containers for textiles, clothing and footwear.

5. The German Textile Act

In Germany, the introduction of Extended Producer Responsibility for textiles and clothing is to be implemented by extending the German Circular Economy Act (KrWG) to include the product group "textiles." In public debate, this legislative initiative has commonly been referred to as the German Textile Act. Its key principles were first outlined in a policy paper published by the Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV) in March 2026 (BMUV, 2026).

The policy paper sets out the objectives of the proposed legislation. It aims to strengthen the responsibility of textile and apparel manufacturers for the end-of-life management of their products while addressing the current challenges facing the textile waste market, particularly those associated with the growth of fast fashion and ultra-fast fashion (BMUV, 2026, p. 1).

The need for the new legislation is justified not only by environmental objectives but also by the economic challenges facing the existing textile waste management system. As the spread of fast fashion has led to increasing volumes of collected textile waste, its quality has declined at the same time. As a result, many garments are no longer suitable for either reuse or high-quality recycling.

6. Producer Responsibility Organisations (PROs)

The practical implementation will be carried out by so-called Producer Responsibility Organisations (PROs). These kind of bodies are already well established in other areas of waste management, including packaging, waste electrical and electronic equipment, and batteries (Grüner Punkt, 2025). The underlying system is therefore not new to textile and apparel manufacturers, as they have long been required, as producers placing textile packaging products on the market, to license them under the national packaging recovery systems.

In Germany, the Producer Responsibility Organisations will be responsible for the practical implementation of producer responsibility and will therefore require official approval. In some countries, only one state-authorised PRO exists for the respective industrial sector, such as ReFashion in France.

Requirements for approval include, among other things, a nationwide collection and take-back network, sufficient financial resources, data management systems, and concepts for internal monitoring and eco-modulation (BMUV, 2026, p. 3). The policy paper also envisage the provision of at least one collection container per 1,000 inhabitants (BMUV, 2026, p. 3).

Producer Responsibility Organisations (PROs) will assume the primary financial and organisational responsibility for the collection and recovery of end-of-life textiles. Public waste management authorities and charitable collection organisations may continue to operate their existing collection systems (BMUV, 2026, pp. 1, 4). Collection services provided by public waste management authorities will be financially compensated by the Producer Responsibility Organisations.

Second-hand shops and social welfare stores remain outside the scope of the legislation, provided that the textiles they receive have not yet become waste (BMUV, 2026, p. 6).

7. Eco-modulation and Ecodesign as Key Policy Instruments

A central element of Extended Producer Responsibility is the financing of the system through producer fees. These are initially based on the quantity of textiles placed on the market and therefore follow the polluter pays principle (BMUV, 2026, p. 4). In addition, qualitative criteria are to be taken into account through so-called eco-modulation. The level of the fees will depend, among other things, on the durability, reparability, reusability and recyclability of textile products (BMUV, 2026, pp. 4–5).

Eco-modulation is intended to create economic incentives for more sustainable product design and to encourage manufacturers to consider environmental aspects already during the product development phase. This is based on the fact that a product's future recyclability is largely already determined during the design phase, for example through material selection or the avoidance of hazardous substances. The Ellen MacArthur Foundation considers such differentiated fee structures to be an important stimulating instrument for the Circular Economy and resource-efficient product design (Ellen MacArthur Foundation, 2024).

The importance of eco-modulation is further reinforced by the new Ecodesign for Sustainable Products Regulation (ESPR) at product level. The Regulation aims to encourage the design of more durable, repairable, and recyclable products. While eco-modulation within the framework of Extended Producer Responsibility provides financial incentives for environmentally preferable products and forms part of environmental legislation, the ESPR establishes product-specific requirements referring to product design,

recyclability and the use of recycled materials as an aspect of a product related legislation. Together, these two instruments – product legislation and environmental law – pursue the common objective of improving the circularity of textile products already at the design stage.

However, the specific design of eco-modulation remains the subject of ongoing debate. Although the policy paper requires German Producer Responsibility Organisations to develop concepts for eco-modulation, it does not yet define specific criteria, fee levels or bonus-malus systems. The discussion about potential competitive effects between different PROs mainly concerns the German implementation of the system. For product development, however, manufacturers are increasingly likely to be influenced not only by national EPR schemes but also by the requirements of other European markets, such as France and the Netherlands.

8. Recycling Targets and the Ban on the Destruction of Unsold Textiles

In addition, the policy paper proposes specific targets for recovery and recycling. In the future, 95% of separately collected textiles are to be recovered, while 85% are to be recycled or prepared for reuse (BMUV, 2026, p. 7).

Particular emphasis is placed on high-quality recycling processes such as fibre-to-fibre recycling, in which used textiles are processed into raw materials for the production of new textile products (BMUV, 2026, p. 7). At present, high-quality fibre-to-fibre recycling is still under development and is only being implemented to a very limited extent. Nevertheless, significant technological progress is expected over the coming years.

In addition, stricter requirements for the export of used textiles will be introduced in order to prevent waste from being falsely declared as reusable clothing and exported abroad (BMUV, 2026, p. 7).

Since 19 July 2026, a new EU regulation – forming part of the EU Ecodesign Regulation – has been in force, stipulating a ban on the destruction of unsold and new apparel and footwear. Until now, this practice, quite often, proved to be easier and more cost-effective that storing, donating or refurbishing the aforementioned items. Exceptions, however, are allowed for hazardous or damaged goods or for counterfeit products.

Furthermore, the option to destroy stock is intended to curb deliberate overproduction, which in the past has often proved more cost-effective than attempting to produce a more appropriate quantity of goods.

9. EPR Systems in a European Context

The German initiative is part of a broader European development. France and the Netherlands are regarded as pioneers in the introduction of textile-specific EPR systems as part of the revision of their Circular Economy legislation. In both countries, producers already contribute to the costs of collecting, sorting and recovering textile waste. The

experience gained in these countries serves as an important reference for many other Member States currently implementing the European requirements.

The objective is to establish harmonised framework conditions within the European Single Market while avoiding competitive distortions that could arise from differing national regulations. These include differences in producer fees, eco-modulation criteria, reporting obligations and collection targets.

According to the Öko-Institut, several European countries have already introduced corresponding regulations, while additional Member States are currently developing their national systems (Öko-Institut, 2024). The long-term objective is to establish a functioning Europe-wide system for financing and organising textile collection and recycling. By 2026, France, the Netherlands, Hungary and Latvia had already introduced mandatory textile EPR systems, while further Member States are currently preparing their implementation.

10. Fast Fashion and International Online Platforms

At the same time, the European Commission is pursuing additional measures to curb the growth of ultra-fast fashion within the European Union. In particular, international online platforms such as Shein and Temu continue to place large quantities of low-cost textiles on the European market, thereby contributing significantly to increasing volumes of textile waste.

According to the European Commission, approximately 91% of all low-value e-commerce parcels originate from China. A considerable share of these shipments consists of clothing and other consumer goods. Against this background, the European Union is currently working on a revision of its customs legislation aimed at placing online platforms such as Shein and Temu under greater responsibility and improving the control of imported goods (Europe Table, 2026).

11. Outlook: Opportunities and Limitations of the New System

The current debate shows that the effectiveness of the new system will largely depend on its specific design. In particular, the environmental steering effect of eco-modulation, the integration of international online platforms, the promotion of high-quality recycling technologies, as well as effective customs and market surveillance, will determine the success of the new German Textile Act.

However, the impact of the German legislation should not be considered in isolation. Many internationally operating textile and apparel companies already align their product development with existing EPR systems, particularly those in France and the Netherlands, since these systems already apply to companies marketing their products in neighbouring European countries via online platforms such as Amazon or Zalando.

As textile products are generally developed for international rather than individual national markets, progressive national legislation is increasingly influencing product design across the European market.

12. Conclusion

The amendment of the German Circular Economy Act to include textiles as a separate waste stream primarily represents a regulatory challenge. The key objective will be to establish an effective system that ensures the long-term financing of textile collection and treatment while at the same time providing sufficient incentives for the development of environmentally superior and circular textile products. In addition, the new framework should encourage investment in industrial-scale textile recycling and sorting facilities.

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