



Circularity Playbook for SMEs

A practical guide for fashion and clothing businesses to plan, implement and scale circularity using international standards.

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Acknowledgements & Disclaimer

This Playbook has been developed with expert input from Professor Martin Charter, Director of The Centre for Sustainable Design at the University for the Creative Arts (UCA) and Chair of the BSI and UK Circular Economy Committee.

Professor Charter is also a leading UK partner in *Just Fashion*, a three-year Horizon Europe project (December 2024 – November 2027), focused on delivering a just transition for the fashion sector in Europe.

While every effort has been made to ensure the accuracy of the data and sources referenced, this Playbook reflects a snapshot of the business and regulatory landscape as of the start of 2026. It includes examples of recent and emerging legislation relevant to businesses trading in or with the UK and Europe.

This Playbook is intended as a practical guide and does not constitute compliance or legal advice.

Executive Summary

This Circularity Playbook has been developed to support small and medium-sized enterprises (SMEs) in the clothing and fashion industry as they navigate a period of significant change.

New regulations, shifting trading practices, and increasing scrutiny from consumers and investors are reshaping how fashion businesses operate. For SMEs, this presents both challenges and opportunities, creating space to rethink how value is created, delivered, and sustained.

This Playbook explains why circularity is becoming essential for long-term competitiveness and how businesses can respond in a practical and structured way. It explores the key drivers shaping

this transition, including evolving legislation and changing market expectations, and highlights the role of standards in turning ambition into credible, actionable steps.

While focused on the UK and European landscape, the insights and tools provided are relevant for SMEs operating internationally or planning to expand into new markets.

The Playbook is structured to support action. It sets out how circularity applies across core business functions (design, marketing, supply chain, and retail) and provides guidance, examples, and standards to help businesses take the next steps with confidence.

Foreword: Why Circularity Matters for Fashion

The fashion and textiles industry is entering a period of significant transformation. New legislation and policy initiatives across Europe, the UK and global markets, are reshaping how products are designed, produced, marketed and managed throughout their lifecycle. At the same time, expectations from consumers, investors, and regulators are rising, placing greater emphasis on responsibility, transparency and long-term value.

This shift is being driven by a new wave of policies focused on ecodesign, extended producer responsibility, as well as sustainability communications. Together, these measures are accelerating the transition towards more circular and accountable business models across the whole value chain.

Consumer expectations are also evolving. Increasingly, people want to understand where products come from, how they are made and what happens to them at the end of their life. For businesses, this can create both pressure and opportunity.

But for SMEs, this will be a pivotal moment. Circularity is not only about compliance, it is a strategic approach to building resilience, strengthening supply chains and differentiating in a competitive market. Businesses that design for durability, offer repair or resale services and communicate transparently are better positioned to respond to these changes and capture new sources of value.

In a fast-changing landscape, circularity provides a practical pathway for SMEs to respond to regulation, to innovate and to create long-term value, for their business and for society.

By Professor Martin Charter, Director of The Centre for Sustainable Design, University for the Creative Arts (UCA), and Chair of the BSI Circular Economy Committee.

How to Use This Playbook

This Playbook is designed to support SMEs in taking practical steps towards circularity. It helps businesses understand the key drivers shaping the transition, from regulatory requirements to market and reputational expectations, and translate them into a clear and actionable business case.

Each section explores what circularity means across core business functions, highlighting where standards can support implementation.



You can use the Playbook to:

- ✓ **Understand the business case for circularity**, including how it can drive innovation, efficiency and competitiveness.
- ✓ **Recognize regulatory and market pressures**, shaping the shift towards more sustainable practices.
- ✓ **Identify opportunities** across design, marketing, supply chain and retail, to apply circular principles.
- ✓ **Explore relevant standards and resources** to guide your next steps.

The aim is to equip SMEs with the tools and insights to act confidently, embedding circularity in a way that makes business sense today and prepares for future expectations.

Industry perspective

The UK Fashion & Textile Association (UKFT) supports businesses across the fashion and textiles sector by helping members stay informed about key developments and global regulatory obligations. Its perspective underlines the importance of practical circularity guidance for smaller businesses.

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This guide focuses on the issues which smaller businesses and members of UKFT face day to day, given the focus on sustainability and circularity within the industry. It highlights some practical steps to deal with regulation and compliance in disciplines like design and communications. This Playbook is a helpful addition to existing resources, particularly for smaller businesses that may find it especially useful.

Ava Kenny Colwell, Compliance Manager, UKFT



1.

Why Circularity Matters Now



The Fashion Industry's Impact

The global fashion and textiles industry has a significant environmental footprint. According to the [EU Strategy for Circular and Sustainable Textiles](#), it is responsible for an estimated 2–8% of global greenhouse gas emissions, comparable to international aviation and shipping combined. Production is resource intensive, consuming around 215 trillion liters of water each year and generating about 9% of ocean microplastics.

Source: [UNEP, 2025](#)



Global fashion and textiles industry is responsible for



2-8%

of global greenhouse gas emissions



Production consumes

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of ocean plastics

In Europe, consumption and disposal patterns further highlight the scale of the challenge. Average textile use increased from 17 kg per person in 2019 to 19 kg in 2022, while around 12 kg of clothing per person is discarded each year. Yet only 1% of used garments are recycled into new clothing.

These trends reflect a predominantly linear “take-make-waste” model characterized by high production volumes, short product lifespans, and increasing levels of waste (2025, [European Parliament, Fast fashion: EU laws for sustainable textile consumption](#)).

The shift from linear to circular models

With finite resources and growing environmental pressures, the traditional linear approach is increasingly unsustainable.

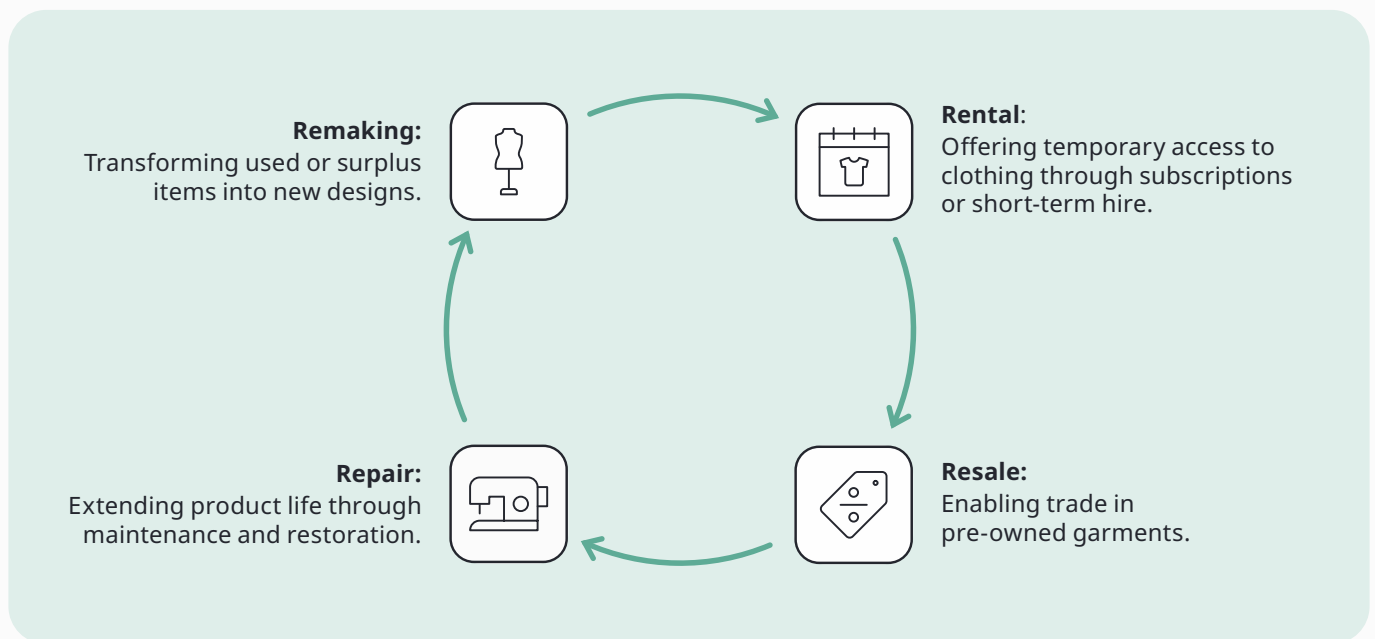
A circular economy offers an alternative. Defined in [ISO 59004:2024 – Circular economy: Vocabulary, principles and guidance for implementation](#), it is *"an economic system that uses a systemic approach to maintain a circular flow of resources by recovering, retaining or adding to their value, while contributing to sustainable development"*.

For the fashion industry, this shift means reducing waste, improving repairability and increasing transparency across the value chain. It also presents a clear commercial opportunity, extending product lifecycles, strengthening customer trust and creating new revenue streams through innovative business models.

While sustainability concerns often initiate the shift towards circularity, the business case is increasingly compelling. For fashion SMEs, circular models can unlock new sources of value, efficiency, and resilience.

Consumer expectations are also evolving. [BSI research, based on a survey of more than 8,000 people](#) across eight countries, found that 62% of consumers believe products, including clothing, should be designed to prioritize future reuse, repurposing and recycling, even if this increases costs. The same research found that one-third (32%) of consumers say a lack of trust in sustainability claims could discourage them from purchasing circular products, highlighting the importance of transparency and credible communication throughout the value chain.

Research from the Ellen MacArthur Foundation identifies four approaches driving this transition:



Key benefits

Circular practices can:

- ✓ **Reduce costs and increase efficiency:** Designing for longevity and reuse reduces material dependency and waste.
- ✓ **Enhance brand reputation:** Consumers increasingly favor businesses that act responsibly and transparently.
- ✓ **Drive innovation:** Circular design constraints often spark new ideas, products, and collaborations.
- ✓ **Build customer loyalty:** Services such as repair, resale and rental create long-term engagement and repeat business.
- ✓ **Support future readiness:** Early adoption positions SMEs ahead of regulatory and market expectations.

Circularity is not only a sustainability imperative: it is a pathway to growth, competitiveness and long-term business value.

The role of standards in enabling circularity

As the UK's National Standards Body, BSI supports businesses in transitioning from linear to circular ways of working. Standards provide a shared framework for defining good practice, measuring progress, and embedding sustainability into everyday operations.

Key resources include:

BS 8001:2017 – a framework that guides organizations on how to apply circular economy principles.¹ (Currently under revision in 2026 - refer to BSI website for up to date information).

ISO 59000 series: international standards supporting circular transition, including:

- **ISO 59004:2024** (principles and implementation)
- **ISO 59010:2024** (business model transformation)
- **ISO 59020:2024** (measuring circularity performance)

TCI/100/3: A UK committee focused on circular economy for textile products and the textile value chain, contributing to:

- **CEN/TC 248/WG 39** (textiles and circularity)
- **ISO/TC 38/WG 30** (biodegradability testing)
- **ISO/TC 38/WG 35** (environmental aspects)

Together, these standards enable fashion and clothing SMEs to translate circular ambition into practical action, supporting sustainable growth while preparing for future policy requirements.

Note: This Playbook is not intended to provide guidance on compliance. However, as regulations evolve, understanding the wider policy landscape can help SMEs plan ahead, embed circular practices strategically, and prepare for future requirements.

1. BS 8001 is currently under revision. Readers are encouraged to refer to the [BSI Knowledge website](#) for the latest information on the standard and any published updates.



2.

Circularity and Key Business Functions

Circularity is not just about responding to new regulations. It is about building a stronger, more resilient business.

For fashion and clothing SMEs, circular practices offer a practical way to extend product lifecycles, reduce costs, and unlock new revenue streams. As consumer expectations evolve and regulatory requirements increase, circularity is becoming a key marker of credibility and competitiveness.

This section sets out what circularity means in practice across core business functions, explaining why it matters, what is changing and how SMEs can act.



Before you begin: leadership and planning

A shift to circularity starts with strong leadership. SMEs can take simple, practical steps to embed circular thinking into everyday decision-making:

- ✓ **Create a strategy and action plan:** Define what circularity means for your business; start with achievable goals.
- ✓ **Assign responsibility:** Nominate a lead to coordinate work across design, supply chain, marketing and retail.
- ✓ **Build a cross functional team:** Bring together colleagues from key departments to align objectives.
- ✓ **Integrate circularity into existing routines:** Add circularity to sustainability, quality or environmental meetings.
- ✓ **Track a few key indicators:** For example, waste reduction, product lifespan or return rates.

These early actions help ensure circularity becomes part of ongoing business strategy.

2.1. Design & Product Development

Why it matters

Design decisions are among the most consequential choices a fashion business makes. Research indicates that up to **80% of garments' environmental impact is determined at the design phase.**

Designing for durability, repairability and recyclability helps SMEs reduce resource use, extend product life and strengthen brand reputation. It also enables new circular services, such as repair, resale, and rental.

What's changing

Under the **Eco-design for Sustainable Products Regulation (ESPR)**, clothing is likely to need to meet various new requirements in future - see [References](#).

Digital Product Passports (DPPs) will require detailed product information materials, repair options, traceability and environmental footprint, accessible in digital form.

While textile-specific standards are still in development, SMEs can begin preparing by collecting and digitising key lifecycle data, including material origin, production methods, and repair guidance.

There are also implications for **Green Public Procurement** and requirements relating to **substances of concern**.

How to act

- 1 Design for durability:** Use robust materials, consider the need for "timeless" pieces (given seasonal nature of fashion) and test for wear and tear; publish repair instructions for core products.
- 2 Adopt modular principles:** Standardize components (zips, buttons) to make garments easier to repair and disassemble.
- 3 Plan for transparency:** Record key data on material sources, fibre blends and recyclability to prepare for DPP and buyer expectations.





Relevant standards to consider

Framework for implementing the principles of the circular economy in organizations (*currently under revision in 2026 - refer to BSI website for up to date information*).

Circular economy. Product circularity data sheet - (PCDS) for consistent product information exchange.

Method to achieve circular designs of products

Circular economy — Vocabulary, principles and guidance for implementation.

Circular economy for textile products — Part 1: General principles and guidance (*in development*).

Environmentally conscious chemical fibres (*in development*).

Environmentally conscious chemical fibres (*in development*).

Environmental management systems. Guidelines for incorporating Ecodesign.

Environmentally conscious design (ECD). Principles, requirements and guidance

Circular design strengthens product longevity, reduces waste, and positions SMEs to compete in a market where responsibility and quality are increasingly important differentiators.

2.2. Marketing & Communications

Why it matters

Clear and credible sustainability communication is essential for building trust. Nowadays consumers are well informed and regulators are tightening rules on environmental claims. For SMEs, effective communication strengthens reputation, reduces risk and supports relationships with buyers, partners, and investors.

What's changing

In the EU, the Directive on Empowering Consumers for the Green Transition (ECGT) addresses greenwashing by requiring environmental claims to be specific, evidence-based, and verifiable.

From 27 September 2026, organizations marketing or selling products to EU consumers will need to substantiate sustainability claims or risk regulatory and reputational consequences. For more information on preparing for the ECGT, see Preparing for the EU's New Era of Sustainability Claims.

In the UK, the Green Claims Code, supported by the **Digital Markets, Competition and Consumers Act (DMCCA) 2024**, sets similar expectations for clear, accurate and substantiated environmental marketing. Government guidance helps businesses check whether their claims meet legal requirements.²



How to act

- 1 Gather evidence:** Keep documentation to support every environmental or ethical claim. Ensure product-related data is available to support them (e.g. via websites or QR codes).
- 2 Be transparent:** Share clear information about materials, production processes and how customers can extend product life (note: this is voluntary but considered good practice).
- 3 Avoid misleading terms:** Use words like “biodegradable” or “carbon neutral” only where they can be verified.

Relevant standards to consider

Type I environmental labelling.

Type II self-declared environmental claims.

Type III environmental declarations (*confirmed in 2020, revised standard due 2026 or early 2027*).

Ethical claims and supporting information.

2. <https://greenclaims.campaign.gov.uk/> and <https://www.gov.uk/government/publications/green-claims-code-making-environmental-claims> and <https://greenclaims.campaign.gov.uk/check-your-green-claims/>

3. https://environment.ec.europa.eu/topics/waste-and-recycling/waste-framework-directive_en

2.3. Supply Chain & Operations

Why it matters

Improving circularity within the supply chain can increase efficiency, reduce waste, and strengthen business resilience. It also supports growing expectations from buyers seeking traceable, responsibly sourced materials.

Greater transparency builds trust and can help SMEs access new markets and partnerships.

What's changing

Regulatory changes are being introduced first at the level of larger companies, but their impact is cascading through supply chains. SMEs supplying major brands can expect increased requests for:

- ✓ Sustainability data
- ✓ Evidence of responsible sourcing
- ✓ Visibility over material flows

How to act

- 1 Map your supply chain:** Start with key Tier 1 suppliers and main materials; identify any gaps in data.
- 2 Engage suppliers early:** Communicate expectations and request environmental and sourcing information.
- 3 Stay informed:** Assign responsibility for monitoring relevant regulations (this may require external support).
- 4 Reduce waste:** Review material use and set reduction targets; consider implications of reporting requirements for unsold goods.
- 5 Prepare for reporting:** Maintain basic records on supplier environmental performance.



Relevant standards to consider

Guidance on transitioning business models and value networks.

Measuring and assessing circularity performance.

Framework for implementing circular economy principles (*currently under revision in 2026 - refer to BSI website for up to date information*).

Sustainable procurement guidance.

Strengthening supply chain transparency and collaboration enables SMEs to meet evolving expectations and build more resilient, future-ready operations.

2.4. Retail & Consumer Engagement

Why it matters

Consumers increasingly expect transparency, repair options as well as access to products with credible sustainability credentials.

For SMEs, this creates opportunities to build loyalty, differentiate their offer and develop new revenue streams through services such as repair, resale and rental.

What's changing

Under the **Eco-design for Sustainable Products (ESPR)**, there will be a delegated act for apparel and textiles to introduce **Digital Product Passports (DPPs)**. Under the EU's Strategy for Sustainable and Circular Textiles, the production and consumption of textiles is addressed, while recognizing the importance of the sector. There is already a ban in place (under ESPR) on destroying unsold clothing (for larger organizations). The expected DPPs will provide customers with verified information on materials, repairability and recyclability at point of sale.

In the UK, guidance under the **Green Claims Code** sets expectations for how sustainability information should be presented to consumers.

Together, these developments make transparency a central part of the retail experience.

How to act

- 1 Encourage repairability:** Offer in-house repair services or partner with local providers; provide spare parts or repair guidance for your products.
- 2 Pilot resale or rental:** Test small scale circular models for suitable categories such as outerwear or occasion wear.
- 3 Educate consumers:** Provide clear care instructions and guidance on repair, return, and disposal options.
- 4 Display transparency:** Use QR codes or product tags to share lifecycle information and sustainability data.

Relevant standards to consider

Measuring and assessing circularity performance, helping demonstrate progress to customers and stakeholders.

Type I environmental labelling. Principles and procedures - Best practices for eco-labelling and certification.

Circular economy. Vocabulary, principles and guidance for implementation.

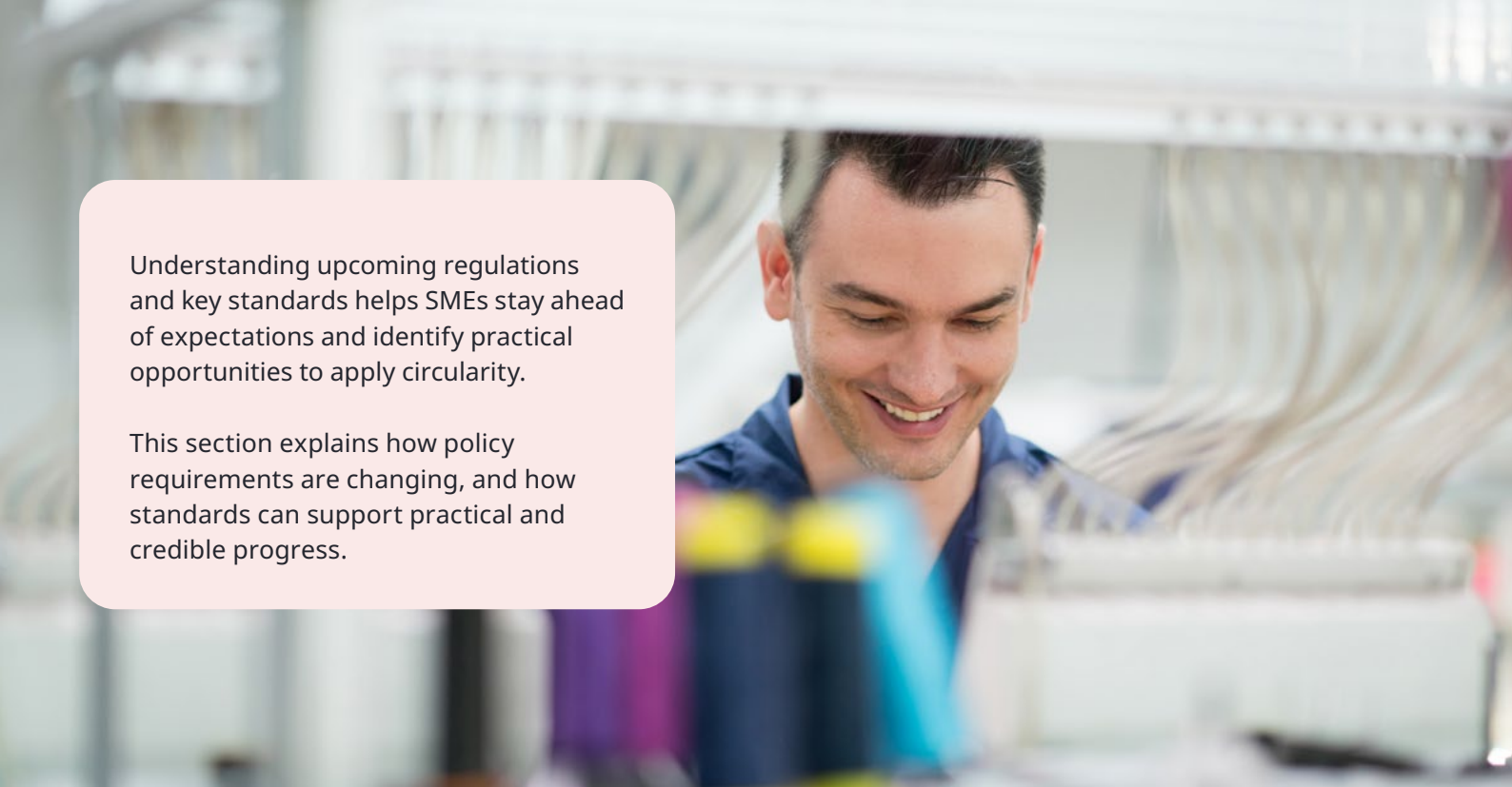
Consumer engagement completes the loop. Turning circularity from an internal principle into a shared experience.

Acting now allows smaller businesses to futureproof operations, reduce risks and position themselves as credible, trusted players in a changing marketplace.



3.

Navigating Regulations & Standards



Understanding upcoming regulations and key standards helps SMEs stay ahead of expectations and identify practical opportunities to apply circularity.

This section explains how policy requirements are changing, and how standards can support practical and credible progress.

3.1. Regulatory Context and Drivers for Textiles

Circularity is increasingly shaped by evolving policy frameworks. While this Playbook focuses on developments across the EU and UK, similar regulatory trends are emerging globally.

Legislation is raising expectations around product durability, traceability, and accountability across the value chain, changing how clothing is designed, produced, marketed and managed at end of life.

In Europe, the EU Strategy for Sustainable and Circular Textiles (2022) set the broad direction for the sector. Upcoming legislation is accelerating the shift towards more circular and longer-lasting products, improved transparency and stronger environmental responsibility. It should be noted that the expected EU Circular Economy Act is anticipated to strengthen circular economy expectations across sectors. While its final scope is still evolving, it may introduce measures relevant to the textiles sector alongside the broader ambitions of the European Green Deal and the Circular Economy Action Plan.

In the UK, following extensive expert and stakeholder consultation, the government's Circular Economy Growth Plan (due later in 2026) is expected to address ways to embed circular practices across key sectors, including textiles.

3.2. Keeping Pace with Emerging Legislation

New rules across the EU and UK are reshaping how fashion products are designed, produced, and sold.

For SMEs, this means staying informed, understanding the potential impact of upcoming regulation, and preparing to adapt operations as requirements come into force.

Industry bodies, such as [UKFT](#) (UK) and [EURATEX](#) (Europe), alongside official government sources, provide useful updates and guidance to support this process.

Key regulations by business function

The table below summarizes major regulatory developments and how they affect core business functions. It highlights where early action can help SMEs prepare and respond effectively.*

Business Function	Key Regulations to Watch	Why it matters	How to act now
Design & Product Development	- Eco-design for Sustainable Products Regulation (ESPR) - Digital Product Passports (DPPs) - Microplastic-shedding controls (forthcoming)	Introduces binding requirements for durability, repairability, and recyclability. Digital Product Passports will make product data more transparent and traceable.	Begin collecting lifecycle data on materials, sourcing, and repair options to prepare for future requirements.
Marketing & Communications	- Directive on Empowering Consumers for the Green Transition (ECGT) - UK Green Claims Code	Tightens rules on environmental marketing, requiring all claims to be clear, specific, and evidence-based.	Review existing claims, ensure supporting documentation is in place, and replace vague terms with substantiated information.
Supply Chain & Operations	- Extended Producer Responsibility (EPR) - Corporate Sustainability Due Diligence Directive (CSDDD)	Expands accountability across product lifecycles and supply chains, increasing expectations for traceability and responsible sourcing.	Engage suppliers, request sustainability data, and begin integrating traceability into procurement processes.
Retail & Consumer Engagement	- ESPR – Digital Product Passports (DPPs) - Directive on Empowering Consumers for the Green Transition (ECGT)	Makes transparency a central part of the customer experience, with greater expectations around accessible product information.	Organize verified product information (e.g. materials, repairability, recyclability) for display online or in-store.

***Note:** This is not exhaustive. Many chemicals-related regulations are not included.

3.3. Using Standards Strategically

Standards transform ambition into action. They provide a shared language, practical methods and recognized benchmarks that help businesses implement circularity, measure progress and communicate results with confidence.

The most effective approach for SMEs is to prioritize areas of greatest risk or opportunity and build capability over time.

Using standards by focus area

The table below outlines how different standards can support key areas of action, and how SMEs can begin applying them in practice.



Focus Areas	Relevant Standards	Purpose	How to Apply
Laying the groundwork	• BS 8001:2017 – Principles of the Circular Economy in Organizations (<i>currently under revision in 2026 - refer to BSI website for up to date information</i>) • BS ISO 59004:2024 – Circular Economy: vocabulary, principles, and implementation	BS 8001 establishes the foundations of circular thinking and practical steps to implement. BS ISO 59004 provides shared terminology	Use these standards to align your strategy, define circular objectives, and embed them into business planning.
Measuring and improving	• BS ISO 59010:2024 – Transitioning Business Models and Value Networks • BS ISO 59020:2024 – Measuring and Assessing Circularity Performance	Supports the transition from linear to circular models and provides frameworks for tracking performance through clear indicators.	Identify where circular improvements can be made across your value chain and use metrics to set targets and track progress.
Communicating with integrity	• BS EN ISO 14021:2016+A1:2021 – Environmental labels and declarations. Self-Declared Environmental Claims (Type II environmental labelling) • BS EN ISO 114024:2026– Type I Eco-Labeling • PD ISO/TS 17033:2019 – Ethical Claims	Ensures that marketing and labelling are accurate, verifiable, and aligned with regulatory expectations such as the Directive on Empowering Consumers for the Green Transition (ECGT).	Review claims and labelling practices to ensure they are supported by evidence and aligned with recognized standards.
Managing environmental performance	• ISO 14001:2026 – Environmental Management Systems	Embeds sustainability within day-to-day operations through structured management processes and continuous improvement.	Integrate environmental objectives into your management system and link them to circularity targets.

Focus Areas	Relevant Standards	Purpose	How to Apply
Emerging focus: Circular design standards (specific principles for textiles and clothing)	• CEN Technical Committee (TC) 248 Textiles and Textile Products) • ISO Technical Committee (TC) 38: Textiles • prCEN/TS 18272-1 Textiles — Circular economy for textile products — Part 1: General principles and guidance (currently in development) • BS EN ISO 5157:2023 Textiles — Environmental aspects — Vocabulary (published) • ISO/AWI 25957-1 and -2 Textiles — Environmentally conscious chemical fibres (currently in development)	Supports the development of circular design principles for textiles, aligned with emerging regulatory requirements such as ESPR and Digital Product Passports.	Monitor developments and adopt relevant guidance early to future-proof design processes.
Packaging	The EU Packaging and Packaging Waste Regulations (PPWR) came into effect February 2025 and must be implemented by 12 August 2026 • BS EN 18120 series (2026) – Design for recycling of plastic packaging (published April 2026)	Introduces stricter requirements for packaging design, recyclability, and reporting.	Assess packaging use and begin aligning with circular design and recycling requirements.



Key Takeaway

Remember: Regulations define what must change; standards show how to make it happen.

Using both together enables SMEs to demonstrate credibility, measure progress, and move confidently towards a circular future.





4.

Applying Circular Principles: Practical Actions for Clothing SMEs



Many clothing SMEs already prioritize quality, longevity, and customer trust. Circularity builds on these strengths and is helping to extend product life, deepen customer relationships, and unlock new sources of value.

The following seven practical actions can be adapted to different business sizes and levels of resource.

1 Ensure leadership owns circularity

Circularity requires clear ownership. Assign responsibility to lead the transition by:

- ✓ Setting a circular economy strategy
- ✓ Developing an action plan with clear timelines
- ✓ Tracking relevant regulations and standards

2

Align performance goals with sustainability outcomes

Look beyond short-term sales metrics and consider measures such as:

- ✓ Profit per product lifespan
- ✓ Customer retention through repair or resale
- ✓ Material efficiency and waste reduction

These indicators link financial performance to long-term, sustainable value.

Further guidance: PAS 808:2022 Purpose-Driven Organizations. This Publicly Available Specification is now being advanced to the international level as ISO 37011. It is currently under development and expected to be published by the end of 2026.

3

Introduce customer incentives that support longer use

Encourage circular behaviour through incentives that reward care and reuse, such as:

- ✓ Loyalty points for repairs or returns
- ✓ Access to exclusive collections or services
- ✓ Partnerships with repair or alteration providers

These approaches strengthen customer relationships while reducing waste.

4

Make circular options practical and accessible

Circular services are most effective when they are simple and convenient. SMEs can:

- ✓ Provide clear repair and care guidance
- ✓ Offer accessible options (e.g. online repair requests or in-store drop-off)
- ✓ Communicate benefits such as cost savings and extended product life

Accurate and transparent product information will also support upcoming Digital Product Passport requirements and green claims regulations.

5

Design for circularity

Strengthen existing design practices by focusing on:

- ✓ **Durability:** Long-lasting materials and timeless design
- ✓ **Repairability:** Components and fabrics that can be easily fixed
- ✓ **Recyclability and reusability:** Designs that can be disassembled or repurposed

6

Strengthen collaborative supply networks

Circularity relies on collaboration. SMEs can:

- ✓ Share circularity goals with suppliers
- ✓ Work with local partners on repair, restoration, or upcycling
- ✓ Collaborate on waste reduction and reverse logistics

7

Explore circular opportunities that fit your business

Start small by testing initiatives such as:

- ✓ Seasonal resale events
- ✓ Rental models for high-value or occasional products
- ✓ Upcycling or repurposing unsold stock with local partners

These pilots help extend product life while identifying commercially viable opportunities.



Key Takeaway

Circularity is about strengthening and adapting existing practices. By extending product lifecycles, engaging customers in new ways, and measuring success beyond sales alone, SMEs can build resilience, reduce waste, and prepare for the future of fashion.

References

The following is not an exhaustive list and is intended to highlight some key regulations and initiatives which will, both now and in due course, impact the textiles and apparel sector. The focus of the information is on UK and Europe.

Regulation and policy initiatives	Provisions
Eco-design for Sustainable Products Regulation (ESPR)	 EU: Eco-design for Sustainable Products Regulation (ESPR) introduces a series of six measures: Product Regulations (Ecodesign Requirements); EU Ecolabel; Digital Product Passport (DPP); Ban on Destruction of Unsold Goods; Green Public Procurement (GPP); and Substances of Concern. [Framework regulation passed on 18th July 2024: <i>Delegated Act (DA) covering textiles ecodesign requirements currently under development, with adoption expected in Q1 2027 and a DA covering textiles DPP also in development and expected in Q2 2027</i>]  UK: The EU regulation will impact those trading with EU from UK and because the EU is the UK's largest export market, UK businesses selling into Europe must comply with ESPR. The UK is conducting an overhaul of its own product safety and metrology framework.
Substances of concern (SoCs)	 EU: substances of concern are chemicals that pose risks to human health or the environment. These are primarily regulated under REACH (<u>Registration, Evaluation, Authorisation and Restriction of Chemicals</u>) and supported by related regulations. EU REACH impose controls on substances such as Per- and Polyfluoroalkyl substances (PFAS), phthalates, and certain dyes, which may be present in performance textiles, moisture-wicking treatments, or dyes and colouring. [<i>Existing REACH regulation remains in force; although the previously proposed broader REACH revision ("REACH 2.0") was shelved in 2026, the EC continues to develop stricter substance-specific restrictions under the existing REACH framework, particularly broader group restrictions targeting PFAS and other high-risk chemicals.</i>]  UK: In the UK REACH regime, Substances of Concern usually refer to Substances of Very High Concern (SVHCs). UK REACH is the regulatory framework for the manufacture, import, and supply of chemical substances in Great Britain (England, Scotland, and Wales). UK REACH was implemented on 1 January 2021 and replicates the core principles of EU REACH to ensure chemicals do not adversely affect human health or the environment. UK REACH and EU REACH are separate regimes and businesses must ensure compliance with both regimes if trading within both EU and UK.
Textile Labelling Regulation (TLR) (Regulation (EU) No 1007/2011)	 EU: Requires clear and durable labels showing fibre composition and the presence of non-textile animal materials. Future updates will align labelling with sustainability and care information under the EU textiles strategy. Textile Labelling Regulation revision will require clearer information on fibre composition, origin and potentially disclosure of hazardous substances. [<i>Revision expected in Q2 2026</i>]  UK: Environmental labelling in the UK is primarily governed by packaging recycling symbols and anti-greenwashing regulations: i.e., all eco-claims must be fully substantiated to comply with the Competition and Markets Authority (CMA) Green Claims Code.

Regulation and policy initiatives

Provisions

Waste Framework Directive (WFD)⁴



EU: Waste Framework Directive (WFD) introduced mandatory separate collection of textiles across the EU from January 2025, requiring textiles to be collected separately from mixed municipal waste to improve textile waste collection, sorting, reuse and recycling systems. *[Became mandatory across EU Member States from 1st January 2025, although implementation and infrastructure readiness currently varies between countries.]*

Additionally, the revised WFD has introduced mandatory Extended Producer Responsibility (EPR) requirements for textiles, requiring producers to contribute towards the costs of textile waste management and recycling. *[Revised Directive entered into force in October 2025; Member States must transpose the textile EPR rules into national law by June 2027. Textile EPR schemes must be fully operational within 30 months (April 2028), with micro-enterprises given an additional 12 months (April 2029).]*

Key points: Sets requirements for waste management, recovery, and recycling.

The 2025 revision introduces two main sets of measures to tackle impacts of textile waste:

- EPR - mandatory schemes must be established by EU Member States for textiles and footwear
- Textile waste management rules: all separately collected textiles will be considered waste, to ensure harmonised interpretation across EU states.



UK: The EPR framework is designed to incentivize businesses to reduce excess packaging and design more recyclable products, directly impacting producers' bottom lines.

Waste Shipment Regulation (WSR)



EU: Waste Shipments Regulation significantly restricts the export of textile waste to non-OECD countries, accelerating the need for domestic recycling and robust take-back systems. *[Entered into force on 20th May 2024; from 21st May 2026, the mandatory Digital Waste Shipment System (DIWASS) begins applying, digitalisation waste shipment and tracking across the EU. Additional export restrictions for textile waste shipments to non-OECD countries will apply from 21st May 2027.]*

Adopted under the EU Green Deal and Circular Economy Action Plan, the WSR aims to:

- Ensure environmentally sound waste management
- Prevent illegal waste shipments
- Improve traceability of waste flows.



UK: UK waste shipment regulations govern the international movement of waste, ensuring it is managed safely and legally. The framework is based on retained EU legislation, specifically Regulation (EC) No 1013/2006, combined with the UK Plan for Shipments of Waste and domestic regulations.

<https://www.gov.uk/guidance/importing-and-exporting-waste>

4. https://energy.ec.europa.eu/news/new-eu-rules-empower-consumers-green-transition-enter-force-2024-03-27_en

Regulation and policy initiatives

Provisions

Directive on Empowering Consumers for the Green Transition (ECGT)⁵



EU: The Directive on Empowering Consumers for the Green Transition (ECGT) prohibits misleading environmental claims and requires evidence-based communication of durability and repairability. *[Entered into force on 26th March 2024; Member States must transpose rules by March 2026, with requirements applying from September 2026.]*

Strengthens consumer protection by:

- Banning greenwashing
- Requiring clear and verifiable product information
- Introducing third-party verification for sustainability claims



UK: Environmental Claims in the UK are governed by the Competition and Markets Authority (CMA)'s Green Claims Code, which asserts that such claims must be fully substantiated: <https://www.gov.uk/government/publications/green-claims-code-making-environmental-claims>

Green Claims Directive (GCD)[†]



EU: Note: The GCD is currently **on hold**.



UK: In the UK, the area of environmental claims is governed by the Green Claims Code. <https://www.gov.uk/government/publications/green-claims-code-making-environmental-claims>

Microplastics regulations



EU: The EU is developing measures to reduce microplastic pollution, including addressing microfibre shedding from textiles. Future requirements may include mandatory filters in washing machines. In the meantime, there are controls implemented for microplastics under EU REACH (for glitter, etc).



UK: An overarching national roadmap for reducing microplastic emissions has not been established under UK REACH, and the HSE (Health and Safety Executive) is currently responsible for the management of microplastics. In the meantime, the UK is progressing regulatory controls on specific plastic-containing consumer items, such as microbeads in cosmetics: [The Environmental Protection \(Microbeads\) \(England\) Regulations 2017](#) and wet wipes, and also other single use plastics.

Packaging and Packaging Waste Regulation (PPWR)*



EU: From August 2026, this regulation will introduce stricter requirements for:

- packaging design
- recyclability
- reporting

SMEs should expect increased expectations around circular packaging practices.



UK: packaging waste is primarily governed by the **Producer Responsibility Obligations (Packaging and Packaging Waste) Regulations 2024**, which introduced Extended Producer Responsibility (EPR) for packaging to make businesses fund the net cost of managing household packaging waste. <https://www.legislation.gov.uk/uksi/2024/1332/contents/made>

[†] Green Claims Directive is currently on hold (from June 2025).

* Due to become the Packaging and Packaging Waste Regulations Aug 2026

Regulation and policy initiatives

Provisions

Wider regulatory landscape to be aware of:

The regulations below do not directly apply to most SMEs, or specifically to textiles yet, but they are shaping supply chain expectations:

Extended Producer Responsibility (EPR)

EPR shifts the cost of end-of-life management and waste treatment onto producers.



EU: Applies to key waste streams, including:

- Packaging and Packaging Waste Directive (PPWD)
- Waste Electrical and Electronic Equipment (WEEE) Directive (Covering E-waste / WEEE (Waste Electrical & Electronic Equipment))
- EU Batteries Regulation (replacing the former Batteries Directive).[‡]



UK: The EPR framework is designed to incentivize businesses to reduce excess packaging and design more recyclable products, directly impacting producers' bottom lines. Currently, existing EPR regulations cover packaging, electrical equipment, batteries and vehicles.

Corporate Sustainability Reporting Directive (CSRD)⁶



EU: Requires detailed ESG disclosures, increasing transparency and data requirements. The Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD) are complementary EU regulations designed to make global supply chains more ethical and environmentally responsible. (The CSDDD might be seen as the “toolkit” for action, and the CSRD as the “rulebook” for reporting.)



UK: Corporate Social Responsibility (CSR) in the UK has been historically voluntary and driven by brand reputation and employee engagement. However, sustainability reporting has shifted to mandatory disclosures (e.g., those aligning with the ISSB's IFRS S2 standards).

Also, the impact of the CSRD means that large UK companies or those with significant subsidiaries operating in the European Union must now navigate the EU's Corporate Sustainability Reporting Directive (CSRD), with its requirements for disclosing environmental and human rights impacts.

Corporate Sustainability Due Diligence Directive (CSDDD)⁷



EU: As mentioned above under CSRD, this Directive requires large companies to address environmental and human rights risks across supply chains.



UK: UK-based companies (and non-EU parent companies) that meet specific EU turnover thresholds must establish robust due diligence processes across their global value chains.

Whilst there is no direct equivalent legislation in the UK for human rights and environmental due diligence, the following cover similar areas:

- **The Modern Slavery Act 2015:** larger commercial organizations are required to publish annual statements detailing their actions to ensure slavery and human trafficking are not taking place in their business or supply chains.
- **Environment Act 2021:** Implements due diligence requirements aimed at tackling illegal deforestation in UK supply chains

[‡] Due to become the Packaging and Packaging Waste Regulations Aug 2026

6. <https://eur-lex.europa.eu/eli/dir/2022/2464/oj/eng>

7. https://commission.europa.eu/topics/business-and-industry/doing-business-eu/sustainability-due-diligence-responsible-business/corporate-sustainability-due-diligence_en

About BSI

BSI is the UK's National Standards Body. We work with government industry and society to support public policy, address emerging challenges and build trust across markets and sectors.

By developing and promoting best practice standards, BSI helps organizations innovate open market access, strengthen trade and build consumer confidence. Our work spans all industries and focuses on delivering outcomes that support safety sustainability and long-term value.

BSI brings together a global community of more than 12,000 experts. Through this collaborative approach, we give voice to consumers to enable shared solutions to complex challenges and support the development of purpose-driven standards that respond to real-world needs.

As the UK member of the International Organization for Standardization (ISO), BSI contributes UK expertise to the development of international standards including those focused on climate, environmental sustainability and circularity. ISO brings together more than 170

national standards bodies worldwide and operates in line with World Trade Organization principles to avoid unnecessary barriers to trade.

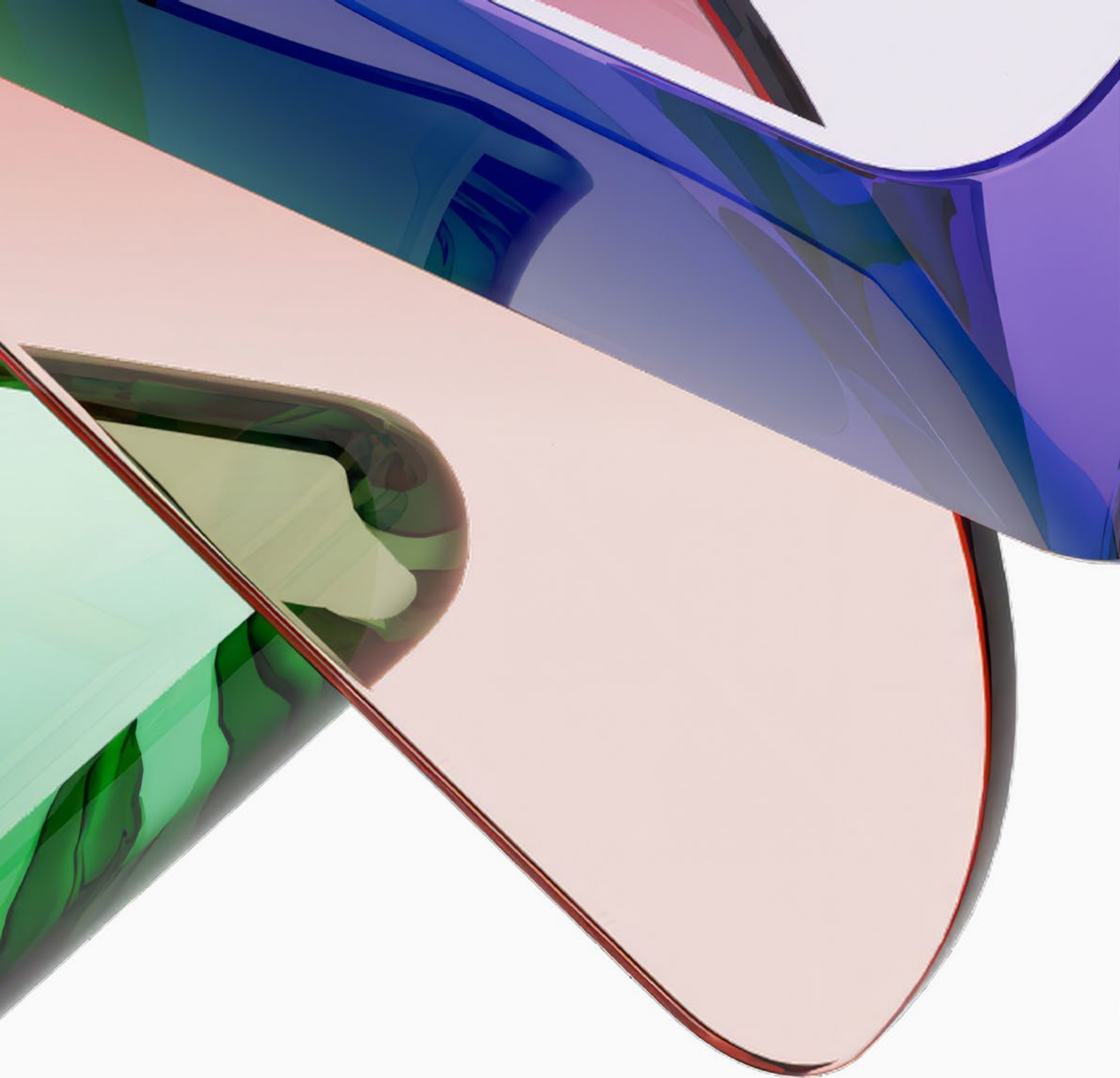
BSI has a record of working with national and international stakeholders, government and policymakers, to ensure alignment of standards with regulatory and business needs. BSI aims to support the efforts of government and industry in the continued transition to a growing circular economy,

Next Steps

Learn about BSI's role as the [UK National Standards Body](#).

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