

Feedback from the Organic Cotton Accelerator on the forthcoming Circular Economy Act

November 2025



The Organic Cotton Accelerator (OCA) welcomes the European Commission's commitment to advancing circularity in the EU through the forthcoming Circular Economy Act. We support the Act's objective to strengthen Europe's resource efficiency and resilience. We also urge the EU Commission to maintain a high level of ambition on sustainability, while ensuring coherence with existing legislative initiatives, such as the [Eco-design for Sustainable Products Regulations \(ESPR\)](#) and the New EU Bioeconomy Strategy.

Context

The textile industry remains one of the most resource and emission-intensive sectors in the global economy. Emissions are generated at multiple stages of the value chain, from fertilisers and pesticides in fibre cultivation to land-use change energy-intensive processing and heavy reliance on fossil fuels in material production. Raw material extraction alone accounts for 21% of the textile industry emissions (Circularity Gap Report: Textiles, 2024) and global fibre output remains 88% fossil-based (Textile Exchange, 2025).

The dependence on virgin, fossil-based inputs reveals a key challenge: recycling alone cannot deliver a fully circular textile sector. Current infrastructural and economic limitations make it difficult for secondary raw materials to meet growing industry demand. To achieve true circularity, the Circular Economy Act must therefore look beyond secondary raw materials and recognise the potential of sustainably sourced renewable materials as part of the solution.

The ESPR introduces the concept of "sustainable renewable materials", which offer essential environmental and social benefits that contribute to genuine circularity. While the concept has not yet been legally defined, it is increasingly recognised across industry and policy discussions as a priority area. Several organisations and alliances have issued or are developing position papers calling for clear definitions and criteria to distinguish truly sustainable renewable materials from other natural or bio-based inputs.

Recognising such materials in the Circular Economy Act would help advance the goals set out in the European Green Deal, the Clean Industrial Deal, and the Competitiveness Compass, by regenerating nature, reducing reliance on finite resources, and ensuring that circularity delivers both environmental and social value across global supply chains.

In this context, OCA invites the Commission to consider the role of sustainably sourced renewable materials in advancing circularity in the textile sector, alongside addressing current challenges such as market fragmentation, waste management, and secondary raw material flows.

Our recommendations for the EU Circular Economy Act

1. Broaden the scope of the Circular Economy Act

The Circular Economy Act should broaden its scope to include alternatives to secondary raw materials, such as sustainably sourced renewable materials.

Current infrastructural and economic constraints make it difficult for recycling alone to meet the industry demand for secondary raw materials (i.e., recycling and recycled inputs). Accelerating the transition to a circular economy entails decoupling economic activity from the consumption of finite resources (Ellen MacArthur Foundation, n.d.). In the textile sector, this can only be achieved by replacing virgin fossil-based synthetics and ensuring that all materials, natural or synthetic, are derived from recycled or sustainably sourced renewable feedstocks. However, global fibre output reached 132 million tonnes last year and while recycling is often presented as the main solution for the sector's environmental challenges, textile-to-textile recycling remains below 1% (Textile Exchange, 2025).

2. Promote the use of sustainably sourced renewable materials

The Circular Economy Act should recognise sustainably sourced renewable materials for their contribution to advancing circularity and introduce targeted incentives to support their adoption across the textile value chain.

Incorporating organic cotton and other sustainable fibres into the Circular Economy Act aligns with one of the three core principles of the circular economy, which is: regenerating nature, along with eliminating waste and pollution and circulating products (Ellen MacArthur Foundation, n.d.). The EU Agriculture and Food Vision recognises organic farming as best practice in generational renewal and protection of ecosystem services, reinforcing the need to integrate materials like organic cotton into policy frameworks. Organic farming systems are inherently circular, as they rely on minimal synthetic inputs, use natural resources more efficiently, and regenerate soils.

Cotton is the world's second most used textile fibre and the largest driver among natural fibres (Textile Exchange, 2025). However, conventional cotton production is associated with significant environmental and social costs. By avoiding synthetic pesticides, synthetic fertilisers, and genetically modified seeds, organic cotton represents a sustainable and regenerative approach to cotton production, that benefits farmers and nature. In 2025, the Organic Cotton Accelerator published a regional Life Cycle Assessment study for India, demonstrating that organic cotton consistently delivers lower greenhouse gas emissions, reduced water usage, and fewer pollutants compared to conventional cotton, findings which align with other scientific literature and industry reports.

3. Reinforce the role of primary producers to ensure a just transition

The Circular Economy Act should reinforce the role of primary producers, particularly smallholder farmers, to protect rural livelihoods and ensure a just and inclusive transition to a circular economy within the EU and globally.

In many cases, the cultivation and processing of sustainably sourced renewable materials come with socioeconomic benefits for farmers and farming communities, particularly in third countries. The traceable nature of these fibres enables better supply chain visibility down to the farm-level. In this context, promoting sustainably sourced renewable materials does not only benefit the environment but also protects vulnerable smallholder farmers in deeper tiers of the supply chain. Natural fibres like cotton have the potential to contribute to climate resilience, biodiversity, and rural prosperity, provided farmers are supported when adopting sustainable farming practices. Yet cotton farmers, mostly smallholders in third countries, face systemic challenges: limited market access, scarce financial resources, and precarious working conditions. Without targeted support, these farmers risk deepening poverty, and reverting to unsustainable practices with further environmental consequences.

Conclusion

The circular economy is essential for strengthening the EU's resilience, competitiveness, and progress toward decarbonisation. While secondary raw materials play a key role in advancing circularity in the textile sector, primary raw materials, when sustainably sourced and renewable (e.g., organic cotton), are equally important to achieve true resource efficiency and circularity. Given the systemic barriers to textile recycling, the industry's heavy dependence on fossil-based synthetic fibres, and the need for greater policy coherence and industry-specific relevance, the Circular Economy Act should explicitly include sustainably sourced renewable materials within its scope. Doing so would ensure a more effective approach to advancing circularity in the textile sector while sustaining the sector's competitiveness and supporting a just transition for millions of smallholder farmers whose livelihoods depend on sustainable fibre production.

OCA remains committed to supporting the European Commission in advancing circularity in the pursue of EU broader environmental goals through evidence from our farmer programmes and industry partnerships. We stand ready to engage further with the Commission on the implementation of these recommendations.

About the Organic Cotton Accelerator

OCA is a multi-stakeholder organisation dedicated to advancing farmer prosperity and ensuring a transparent, resilient, and responsible organic cotton supply chain. Established in 2016, OCA brings on-the-ground evidence from over 100,000 cotton farmers and 60 partner organisations, offering practical insight into how EU policy can drive both circularity and social impact.

References

- [Textile Exchange Materials Market Report](#) (2025)
- [OCA's Life Cycle Assessment of Lint Cotton in India](#) (2025)
- [Ellen MacArthur Foundation](#), Circular Economy Introduction (n.d.)
- [Clean Industrial Act](#) (2025)
- [The Circularity Gap Report: Textiles](#) (2024)
- United Nations Department of Economic and Social Affairs, [Circular agriculture for sustainable rural development](#) (2021)

Additional Resources

- [OCA's position on ESPR](#)
- The case for Organic Cotton, available on our website: [organiccottonaccelerator.org](https://www.organiccottonaccelerator.org).



ORGANIC COTTON ACCELERATOR

Uniting the sector to realise the Organic Cotton Effect

Rokin 102, 1012 KZ Amsterdam, The Netherlands
[organiccottonaccelerator.org](https://www.organiccottonaccelerator.org)
EU Transparency Register: 512556252856-43