# TO OPTIMIZE ECO-DESIGN AND TEXTILE & FOOTWEAR RECYCLING AND ACCELERATE THE INDUSTRY'S CIRCULAR DEVELOPMENT IN FRANCE AND IN EUROPE

# 2024 INNOVATION CHALLENGE RULES

Deadline for submitting projects: May 26<sup>th</sup> 2024 at 11:59 pm (CET)

# **About Refashion**

Refashion is the Producer Responsibility Organization for Clothing, Household linen and Footwear (CHF) accredited by French Public Authorities. Its mission is to federate all stakeholders in the sector and develop eco-design, repair, reuse and recycling of CHF, while optimizing the management of material, financial and human resources.

Further information: https://refashion.fr/pro/en

Refashion's objectives for the 2023-2028 period include: separately collecting 60% of the marketed CHF products, then recovering those with achieving a rate of at least 99.5% recovery and a maximum of 0.5% of residual waste by 2028. In addition, at least 80% of non-reusable textile and footwear waste should be recycled by 2027, with a specific target at 90% for non-reusable textile and footwear waste containing more than 90% of synthetic / plastic material. In addition, Refashion is introducing eco-modulations to encourage marketers to eco-design their products according to criteria such as physical durability and the incorporation of recycled materials.

To achieve this goal, within the framework of its current PRO specifications, Refashion supports research and development (R&D) projects aimed at developing post-consumer non-reusable CHF recycling and eco-design of CHF products.

Since 2010, the eco-organization has organized an annual call for R&D projects and has already supported 64 projects (see the overview of supported projects).

#### The Innovation Challenge has a dual mission:

- To find and scale up innovative solutions that optimize the recycling of non-reusable post-consumer textiles and footwear from household consumption in France;
- To accelerate eco-design and the development of a circular industry within the Textile sector (Clothing, Household linen, Footwear) or in synergy with other industries (building, automotive, etc.).

# THE 2024 INNOVATION CHALLENGE KEYS STEPS:



For the 2024 edition of the Innovation Challenge, Refashion aims to bring out new solutions that address the eco-design and recycling industrialization stakes of the sector.

The eco-organization is seeking to receive innovative projects focusing on one or more of the following <u>strategic areas</u>:

- 1. Eco-design of textiles or footwear to increase their useful life (physical durability, reparability) and/or recyclability;
- 2. Innovative solution for automated sorting and/or preprocessing for recycling of non-reusable post-consumer textiles or footwear;
- 3. Innovative solution for recycling non-reusable post-consumer textiles or footwear and/or incorporation of recycled materials from CHF into industrial solutions.

# TO BE ELIGIBLE FOR THE 2024 INNOVATION CHALLENGE, A PROJECT MUST:

- Address one or more of the strategic areas presented above;
- For all strategic areas: have a TRL (Technology Readiness Level) between 1 and 6, corresponding to research and early development (prototyping) stages up to industrial pilot;

# **Technology readiness level (TRL)**

(at the project start)

- 1. Upstream research / Basic principles
- 2. Technology concept formulated
- 3. Experimental Proof of Concept (POC)
- 4. Experimental prototype (lab validation)
- 5. Demonstration prototype (in relevant environment)
- 6. Industrial system prototyping (relevant environment)
- 7. Industrial demonstrator (operational environment)
- 8. Complete and qualified system
- 9. Commercialized system (operational environment)

For more information on TRL, please refer to: Technology Readiness Level Definitions - NASA.

For the strategic area 1: relate to the eco-design of CHF products aimed at French households; for projects aiming at improving CHF products' recyclability, it is crucial to ensure that the impact on their useful life (physical durability, reparability) is not affected negatively (the "provided service" must be equal or higher);

- For the strategic areas 2 and 3: relate to the recovery of post-consumer textiles (clothing and/or household linen) and footwear derived from household consumption and collected in France;
- For the strategic area 3: aim to develop one or more innovative, technically reliable and economically viable recycled materials or recycling processes, in terms of product, market and process outlets.
  - Upcycling projects are excluded;
  - Projects aiming at recycling products other than used CHF derived from household consumption (such as manufacturing off-cuts, professional clothing, etc.) will not be eligible, unless these products can be combined with the recycling of used CHF in the same process. In that case, such projects must give priority to the recycling of used CHF over the other waste, and clearly highlight it.

# **PROJECT LEADERS**

**Projects led in partnership or consortium are strongly encouraged**, in order to supplement competencies and represent all parts of the value chain. However, **ONLY ONE entity may be a project leader** (*logically*, the entity bearing the most expenses for the project). For projects led in partnership or consortium, a consortium agreement will be required at the start of the project at the latest.

The project leader may be a single federating entity such as (non-exhaustive list):

- O A company, whether subject or not to the L 541-10-3 article of the French Environment Code
- A professional organization or structure (federation)
- O A professional economic development committee
- O An industrial technical center
- A research institute
- A consular organization (CCI, trade chambers)
- An economic development agency
- O A competitiveness or excellence cluster
- O An educational establishment, etc.

Any project leader being a member marketer of the eco-organization must be up to date with its contributions.

The registered address of the project leader must be in Europe; for strategic areas 2 and 3, the proposed solution must be applicable in Europe using feedstock collected in France.

Warning: one entity cannot be involved in more than 2 projects, whether current (following its selection in a previous edition of the Innovation Challenge) or future, and can be a project leader only once. It is however possible to join as a partner in different projects.

Project leaders and their potential partners shall conduct their work in compliance with the best practices for the protection and security of business information that should surround R&D and innovation projects, particularly when exchanging information online.

# PROCEDURES AND SCHEDULE

The application file has to be completed on the 2024 Innovation Challenge platform.

Besides completing the application form, project leader shall provide the following documents:

- The present rules, to be downloaded, read and signed with the written mention "read and approved";
- The completed finance tables in Excel format;
- A cover letter on official letterhead signed by the legal representative of the company submitting the application;
- A letter of commitment from each confirmed project partner or at a minimum a letter of intent, notably regarding the sourcing of post-consumer CHF needed for the project for strategic areas 2 and 3;

- Administrative documents :
  - The entity's KBIS extract / Certificate of registration (must be less than 3 months old).
  - A sworn statement from the legal representative of the entity submitting the application that it is in compliance with its tax, social and environmental obligations.
  - o A statement indicating whether the organization is subject to VAT or not.
  - A Bank Identification Statement (IBAN).

Applications must be completed and submitted no later than May 26<sup>th</sup> 2024 at 11:59PM (CET). No application will be accepted after this deadline.

Applicants are requested to present their projects as accurately as possible. The aims must be clearly stated, and the project must be described from a technical, environmental, economic and financial point of view.

Applications that are incomplete or do not comply with the required format will not be considered.

Applications must be submitted in French or English.

For shortlisted projects, the Jury hearings will be held in French.

# **ELIGIBLE EXPENSES**

Eligible expenses to the eco-organization funding are:

- Personnel costs related to project implementation (salaries and charges);
- Expenses for project management support, engineering, as well as transportation costs directly related to the project;
- Expenses for research equipment and materials, including investment, prototyping, as well as equipment use and analysis costs, etc., related to the project;
- Purchase of materials, consumables and supplies related to the project;
- Overheads or structural costs, up to a maximum of 5% of the total project cost.

All or any of the project may be carried out by subcontractors, up to a maximum of 50% of the total eligible expenses related to the project.

Funding from the eco-organization shall not exceed 50% of the project's eligible expenses.

Funding support from the eco-organization corresponds to **subsidies net of any taxes**. Funding support is paid on the basis of justified expenses, up to the maximum limit specified in the signed agreement between the eco-organization and the project winner. Projects may be co-funded by other public or private bodies, and benefit (if eligible) from the <u>Research Tax Credit (CIR)</u> or <u>Innovation Tax Credit (CII)</u>. Where applicable, this information must be included in the finance tables.

The threshold date for considering expenses incurred for the project is May 26<sup>th</sup> 2024.

Similarly, the considered project financial amount is the one defined in the submitted application at latest on May 26<sup>th</sup> 2024. Costs and allocation of expenses may vary during the course of the project, but not the total amount and therefore the maximum funding support requested to the eco-organization.

The winning projects and the amount of allocated funding are decided by Refashion, under the conditions set out in its statutes, based on the 2024 Innovation Challenge Jury's recommendations.

# PROJECT SELECTION CRITERIA:

- The **innovative nature** of the project: the technological content, the innovative material or process within its market, with the expected results;
- The **environmental benefits assessment of the solution** at the global project level, including the environmental performance of the developed materials/ processes and the specification of the means deployed to execute this part of the project. A <u>simplified Life Cycle Assessment (LCA) or at a minimum a Life Cycle Impact Assessment (LCIA) will be required in the project;</u>

- The **nature** and **potential volumes** (tonnages) **of textiles / footwear impacted by the project** and, for strategic areas 2 and 3: also identify the availability of post-consumer textiles and/or footwear (i.e. sourcing source(s) and sorting keys) recovered by the project (quantified estimate required).
- The project's **ease of implementation**: the project's obstacles and risks are clearly identified and prioritized, and the mitigation levers presented for each of them;
- The **industrial and commercial prospects at the end of the project**: the project must specify a preindustrial and commercial deployment plan, with the scalability and profitability methods;
- The **quality of the multidisciplinary skills** brought to successfully carry out the project, whether it is led by a single entity or with partners;
- The effectiveness of planned provisions for managing the project throughout its development (resources devoted to monitoring deliverables, project management skills, quality of the project financing plan, etc.).
- The "Project Expenses" and "Milestones and Deadlines" tables must be correctly completed, in accordance with the rules set out below the tables.

The 2024 Innovation Challenge Jury is the sole judge of the admissibility and the quality of the submitted projects.

The Innovation Challenge is a competition in which projects are assessed relatively against each other. Each project being confidential, no applicant may have access to the Jury's selection debates. The Jury's deliberation is then compiled in a simple list of selected projects.

Projects funded by the eco-organization will be the subject of an agreement signed between the project leader and the eco-organization.

# OBLIGATIONS, COMMITMENTS AND CONFIDENTIALITY

Signature preceded by the written mention "Agreed and accepted"

The eco-organization commits to observe strict neutrality and impartiality vis-a-vis submitted projects and their applicants. Any member of the 2024 Innovation Challenge Jury tied to a project leader or any of their partners commits to report any potential conflict of interest to the eco-organization and, consequently, shall not participate in shortlisting and selection debates.

The eco-organization is also committed to protecting the confidentiality of submitted application files. These aspects are subject to a written commitment from each member of the Jury.

For any question:
Please contact: <u>challengeinnovation@refashion.fr</u>
Project leader :
Represented by (First name - Last name) :
ocation:
Date :