

# EU's 2026 Fashion Overhaul: Unsold Goods Ban, Digital Passports, and AI's C

Fashion Industry · Answer Key · 20 Questions

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**1. What is the primary goal of the EU's Ecodesign for Sustainable Products Regulation (ESPR) as it pertains to unsold textiles and footwear starting in July 2026?**

- A) To encourage brands to create more limited-edition items.
- B) To prohibit the destruction of unsold items and mandate alternatives like resale or recycling.**
- C) To increase the price of unsold goods to encourage faster sales.
- D) To facilitate the donation of unsold items to non-EU countries.

**2. By what date are large companies in the EU prohibited from destroying unsold apparel, clothing accessories, and footwear under the ESPR?**

- A) July 19, 2027
- B) July 19, 2025
- C) July 19, 2026**
- D) August 12, 2026

**3. Which of the following is a key component of the EU's new textile regulations that will require products to have a digital record detailing their composition, origin, and repairability?**

- A) The Green Claims Directive
- B) The Extended Producer Responsibility (EPR) scheme
- C) The Digital Product Passport (DPP)**
- D) The Packaging and Packaging Waste Regulation (PPWR)

**4. What is the projected financial impact of generative AI on the operating profits of the apparel, fashion, and luxury sectors globally within the next three to five years, according to McKinsey?**

- A) \$50-\$100 billion
- B) \$150-\$275 billion**
- C) \$500-\$750 million
- D) \$1-\$5 billion

**5. According to recent analyses, what percentage of unsold textiles are estimated to be destroyed annually in Europe before ever being worn, contributing to significant CO2 emissions?**

- A) Less than 1%
- B) Approximately 10-15%
- C) An estimated 4-9%**
- D) Around 20-25%

**6. What is the deadline for EU Member States to transpose the amendments to the EU Waste Framework Directive, which include new textile EPR requirements, into national law?**

- A) June 17, 2028
- B) June 17, 2027**
- C) April 17, 2028
- D) December 17, 2027

**7. Which EU regulation, in addition to the ESPR, is expected to initiate compliance efforts by brands across industries by Q2 2026, focusing on packaging recyclability and labeling standards?**

- A) The Green Claims Directive
- B) The Supply Chain Due Diligence Directive (CSDDD)
- C) The Pay Transparency Directive
- D) The Packaging and Packaging Waste Regulation (PPWR)**

**8. What is the primary purpose of the EU's Textile EPR Directive, which came into force on October 16, 2025?**

- A) To standardize fashion show protocols.
- B) To hold producers accountable for the end-of-life management of textile products and promote recycling.**
- C) To ban the use of synthetic fibers in clothing.
- D) To establish a minimum wage for garment factory workers across the EU.

**9. What is the projected market size for the global AI in fashion market by 2034, according to market research?**

- A) \$2.98 billion
- B) \$19.73 billion
- C) \$29.82 billion**
- D) \$5.89 billion

**10. Which of the following is a key trend in sustainable fashion for 2026, focusing on materials that actively restore ecosystems rather than just minimizing harm?**

- A) Recycled polyester and Lyocell
- B) Bio-based materials like algae and mycelium
- C) Organic cotton grown without pesticides
- D) Regenerative textiles**

**11. What is the expected date for the European Commission to establish a central Digital Product Passport (DPP) registry, with delegated acts specifying textile requirements to follow?**

- A) July 2027
- B) July 2025
- C) July 2026**
- D) August 2026

**12. Starting July 19, 2026, large EU companies will be prohibited from destroying unsold consumer goods. What are the mandated alternatives to destruction?**

- A) Only donation to charity shops.
- B) Resale, donation, reuse, repair, or recycling.**
- C) Exporting the goods to non-EU countries.
- D) Destroying them in specialized facilities.

**13. What does the EU's Ecodesign for Sustainable Products Regulation (ESPR) aim to ensure regarding textile products starting in 2026-2027?**

- A) Increased production of fast fashion items.
- B) Mandatory use of only natural fibers.
- C) Durability, repairability, and recyclability.**
- D) Reduced focus on supply chain transparency.

**14. Which country's textile EPR framework, governed under the AGEC law, served as a model for the EU's updated regulations?**

- A) Germany
- B) Italy
- C) France**
- D) Spain

**15. What percentage of the global luxury fashion market revenue did Europe hold in 2023, according to Cognitive Market Research?**

- A) Over 18%
- B) Over 28%**
- C) Over 38%
- D) Over 48%

**16. By what date are Member States required to establish operational textile EPR schemes under the EU Waste Framework Directive amendments?**

- A) June 17, 2027
- B) April 17, 2028**
- C) January 17, 2028
- D) October 16, 2027

**17. According to McKinsey, what is the estimated profit potential that generative AI could add to the apparel, fashion, and luxury sectors through design and product development alone?**

- A) Up to 10% of total profit
- B) Up to one-quarter of the total projected value**
- C) Up to 50% of current operating profits
- D) Up to \$50 billion

**18. What is the primary focus of the SOStainables 2026 competition's finalists in the fashion sector?**

- A) Developing new synthetic fabric blends.
- B) Promoting fast fashion consumption through innovative marketing.
- C) Transforming surplus textiles into new products and promoting garment repair.**
- D) Designing luxury haute couture collections.

**19. What is the main impact of the European Union's Digital Product Passport (DPP) on fashion logistics in 2026, according to industry analysis?**

- A) It will simplify customs procedures.
- B) It presents a massive data logistics challenge, requiring enhanced warehousing and tracking.**
- C) It will decrease the need for physical inventory.
- D) It will lead to shorter supply chains by eliminating intermediaries.

**20. What is a significant trend in smart fabrics for 2026, according to Svegea of Sweden?**

- A) They are becoming exclusively for athletic wear.
- B) They are being designed to be biodegradable or recyclable.**
- C) They are being phased out due to high costs.
- D) Their primary function is purely aesthetic.