EBCA's position on the Textile Labelling Regulation

29 September

The <u>European Branded Clothing Alliance</u> (EBCA) welcomes the European Commission's proposal for a legislative initiative on the Textile Labelling Regulation (TLR) and is in favour of this revision, as it represents a significant step towards harmonisation.

EBCA would like to present the following recommendations for the Commission's proposed revision of the TLR:

- 1. Support for establishing **uniform definitions and compositions**, which would greatly enhance clarity and consistency within the industry.
- 2. Maintain **alignment with existing regulations**, avoiding additional circularity and sustainability information beyond what has been agreed upon in the ESPR Delegated Acts.
- 3. Introduce a more efficient and transparent process for **classifying and labelling novel fibres** ready for commercial use.
- 4. To **facilitate the uptake of recycled fibres** and ensure precise consumer information, a suggested acceptance of around 5% (or higher) tolerance is recommended.
- 5. Given the global scope of the textile sector, it is crucial to consider **international alignment** and collaboration in the revision of the TLR. The Commission should ensure coherence with the World Customs Organisation and the current revision of the HS codes. Our members recommend adopting ISO standards as other accepted test methods in the revised Regulation
- 6. Greater **clarity regarding products exempted from labelling requirements**, by transitioning away from the list approach towards adopting a definition for exempt products.
- 7. Guarantee **policy coherence** in the revision of the TLR by considering that any digital information should be unified under one data carrier within the Digital Product Passport.

Industry Perspectives on Textile Labelling Harmonization

First and foremost, there is unanimous support for establishing uniform definitions and compositions for main fabrics globally, which would greatly enhance clarity and consistency within the industry. Additionally, the alignment of Member States' rules for interpreting exceptions (Art. 17 Derogations) is seen as a vital aspect of streamlining the regulation. The proposal to use language-independent fibre symbols/codes on a voluntary basis instead of local languages (Art. 16 Use of textiles fibre names and composition) has garnered widespread approval for its potential to simplify labelling while preserving comprehensibility.

Moreover, there is a clear consensus on the necessity of limiting national additions to labels to safeguard the integrity of the single market. The focus on key elements such as fibre composition, trademarks, and care labels is seen as essential, with the expectation that environmental information display will align with the proposed Eco-design for Sustainable Products Regulation (ESPR) and the revisions to the Waste Framework Directive.

However, there is some hesitation regarding the introduction of harmonized sizing. **In essence, sizing is not an isolated or secondary consideration but an integral part of design specifications**. Mandating a uniform sizing standard across the industry threatens to homogenize the artistic process and distort a trend towards increased body inclusiveness, compelling designers to conform to a rigid framework that may not align with their creative intent, ultimately stifling the diversity and innovation that characterize the textile industry.

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Consistency with other legislation

In our view, it is essential to maintain alignment with existing regulations and ensure that no additional circularity and sustainability information is mandated beyond what has been agreed upon in the ESPR Delegated Act.

Additionally, we oppose the incorporation of social labelling within this regulation, as we believe that the assessment of social aspects should be conducted at the factory or industrial plant level rather than at the individual product level. This position, which we have successfully upheld in ESPR, must be maintained and extended to maintain regulatory coherence with other related regulations such as ESPR, the Corporate Sustainability Due Diligence Directive (CSDDD), and the Green Claims Directive. Overall, our approach is grounded in ensuring consistency, efficiency, and effectiveness across multiple regulatory frameworks.

Classification of new fibre composition names under Annex I

Members are in agreement that the **TLR should undergo significant updates, particularly** regarding the inclusion of new textile fibre names, especially those derived from sustainable sources like man-made cellulose or novel fibers in Annex I.

This proposal is driven by the recognition that the current list of textile fibre names and their compositions in Annex I is outdated, having remained largely unchanged for a decade. As part of the textile industry's commitment to reducing its environmental impact, substantial efforts have been invested in developing novel, fibres with a lower environmental impact fibres to replace conventional ones. Presently, these new fibres either lack classification or are incorrectly categorized, leading to labelling challenges for stakeholders call for a more accessible, efficient and transparent process for classifying and labelling novel fibres ready for commercial use. Industry members advocate for a streamlined comitology procedure, where Commission experts collaborate with Member State representatives to regularly update the annex of existing regulations.

In connection to this, members request a review of Articles 5 and 6 to simplify the process for both industry and textile sector stakeholders to propose new fibre denominations for inclusion in Annex I. Members also recommend that the Commission conducts a regulatory assessment to establish a classification process that aligns with industry developments, considers international standards, and fosters regulatory cooperation on this issue.

Recycled fibres through increased tolerance levels in Article 20

EBCA wants to increase the current inadequate 3% tolerance margin for the fibre composition stated on the label versus the fibre composition determined by laboratory testing. Particularly in light of the complexities in accurately separating recycled fibres. Due to traces of other fibres coming from the disassembly process, recycled materials exhibit more significant variations in their composition compared to virgin materials. Technical advances in textile recycling often exceed this percentage limit due to impurities in the recycled feedstock, making the existing 3% tolerance levels challenging to adhere to, especially when authorities conduct compliance tests. **To facilitate the uptake of recycled fibres and ensure precise consumer information, a suggested acceptance of around 5% (or higher) tolerance is recommended, applicable even when the article is made from one recycled material.**

Additionally, our members emphasize the importance of clarifying exception rules pertaining to market surveillance checks (Article 18, 19) to ensure consistency in determining fibre composition and exception rules, promoting regulatory coherence and clarity.

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Global test methods for fibre composition tests

Given the global scope of the textile sector, it is crucial to consider international alignment and collaboration in the revision of the TLR. The Commission should ensure coherence with the World Customs Organisation and the current revision of the HS codes as well as with the commitments in the WTO Technical Barriers to Trade Agreement on use of international standards. We also advocate for the incorporation of ISO Standards for test methods within the TLR, citing their equivalence in methodology to the existing legislation. Furthermore, we endorse the idea of streamlining the process for adding new fibre name compositions by leveraging global mechanisms, such as ISO or CEN, to align the regulation with international standards effectively. Given the global nature of the textile industry, our members recommend adopting ISO standards as other accepted test methods in the revised Regulation, reducing the financial and costly burden on companies that commercialize outside the EU, as they have to implement both test methodologies to comply with the EU framework. Additionally, members underscore the importance of exploring innovations in more efficient test methods and fibre detection technologies in the regulatory revision, recognizing the industry's significant advancements in this area. The TLR revision also presents an opportunity to seek enhanced alignment and mutual recognition of fiber name application processes in the EU and other jurisdictions, e.g. US and Canada. Different application processes currently lead to different generic names for the same fiber (e.g., rayon vs. Viscose and Lycra vs. Spandex vs. Elastance).

<u>Clarity on labelling requirements for products in exemptions list in Annex V</u>

Our members highlight the need for **greater clarity regarding products exempt from labelling requirements** considering that the current list-based approach lacks precision for compliance when a specific product is not included.

To enhance efficiency, our members recommend transitioning away from the list approach towards adopting a definition for exempt products, for example, by suggesting that if adding or removing a composition label would impair the product's functionality, permanent labelling should not be mandatory.

<u>Unlocking the advantages of digital labelling while ensuring policy consistency with other</u> <u>consumer communication initiatives</u>

EBCA seeks policy coherence between the Digital Product Passport (DPP) and the revised TLR to establish an effective framework for enhanced product transparency.

In alignment with the DPP concept, we advocate for minimal information on physical labels, retaining only essential data necessary to take a day-by-day purchasing decision and information necessary for third-party regulations acceptance in various markets, with the goal of shifting additional information requirements to digital labelling. Digital labelling technologies offer durability and ease of updates, making them an optimal choice, including for care labels. They also reduce the carbon footprint. However, if both physical and digital labels coexist, **clear distinctions are necessary to determine which information belongs on each type of label to ensure proportionality and realism**, potentially limiting the size of physical labels by providing certain information digitally and by simplifying physical labelling requirements, e.g. number of languages used in the labelling. In terms of consumer experience, it would be essential that this digital information be unified under one data carrier within the Digital Product Passport that will be further developed in line with the ESPR Delegated Act. Such an approach avoids consumer confusion (i.e. "which trigger should I scan"?) and leverages technology to provide comprehensive product information.

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Also, in recognition of data storage limitations for companies, and taking care of the need to store information in multiple languages to accommodate to the needs of various markets, we recommend shorter storage periods to ease the burden on businesses while ensuring compliance.

Our members support the provision of information on the species declaration for fur and leather, with a preference for incorporating this requirement into digital labelling on a voluntary basis. On the other hand, members warn against the inclusion of deforestation-related leather aspects under the TLR considering that currently the EUDR does not oblige companies to investigate deforestation aspects of leather-containing products imported from outside the EU and therefore, traceability systems have not been developed by companies yet.

Additionally, members express interest in voluntary incorporation of flammability aspects. However, concerns arise regarding the potential inclusion of allergenic substances, highlighting the need for clear alignment and concise updates in accordance with REACH and CLP regulations, particularly concerning skin sensitizers, where Commission regulation remains pending. Furthermore, our members oppose the integration of a "made in Europe" label, citing potential issues for products distributed outside the EU, which could lead to questions regarding its recognition by other states and substantial economic costs for companies. Ultimately, we do not support exhaustive traceability on social labelling to be included at the product level due to economic and supply chain complexities. This labelling requirement would better align with the industry's recognition and effort to enforce traceability on social aspects at the factory or industrial plant level rather than at the product level. This differentiation has been referenced by the European Parliament in other pieces of legislation that are more appropriate for inclusion of this issue, notably the CSDDD.

About EBCA:

The European Branded Clothing Alliance is a coalition of leading global retail companies brands that represent over 60 brands. The alliance works to ensure a positive trade agenda and a more predictable business environment for a leading industry sector in the EU that contributes to jobs, innovation and research and development. Via their global value chains, members also contribute to jobs and sustainable development in countries in which they source and produce. Please visit our website at <u>http://www.ebca-europe.org/</u> for further information.

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