EU policy developments for the textile and fashion industries

Breaking down EU policy and legislation on sustainable textiles and apparel for circular economy initiatives

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CONNECTED PRODUCTS PLATFORM

Introduction

As part of the overarching EU Green Deal, the 2020 Circular Economy Action Plan and the 2021 update of the EU Industrial Strategy textiles have been identified as a key product value chain.

There is a recognized, urgent need and a strong potential for the transition to sustainable and circular production, delivering new consumption and business models.

Flexible & Fast

5m
daily platform interactions on one single client's software

Integration Friendly

25bn
connected products as of 2022

Purpose Built

>35
countries with activated products in the market

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European Commission vision for textiles

On the 30th of March 2022, the European Commission (EC) outlined its vision for the textile sector for 2030 in its EU Strategy for Sustainable and Circular Textiles 2 (see figure 1 for an overview of the policy landscape). This vision is intended to help the EU shift to a climate-neutral, circular economy where textiles are designed to be more durable, reusable, repairable, recyclable and energy-efficient. In parallel, the EC also proposed a regulation on eco-design requirements (ESPR) for sustainable products (introducing a digital product passport) and an accompanying directive designed to empower consumers for the green transition.
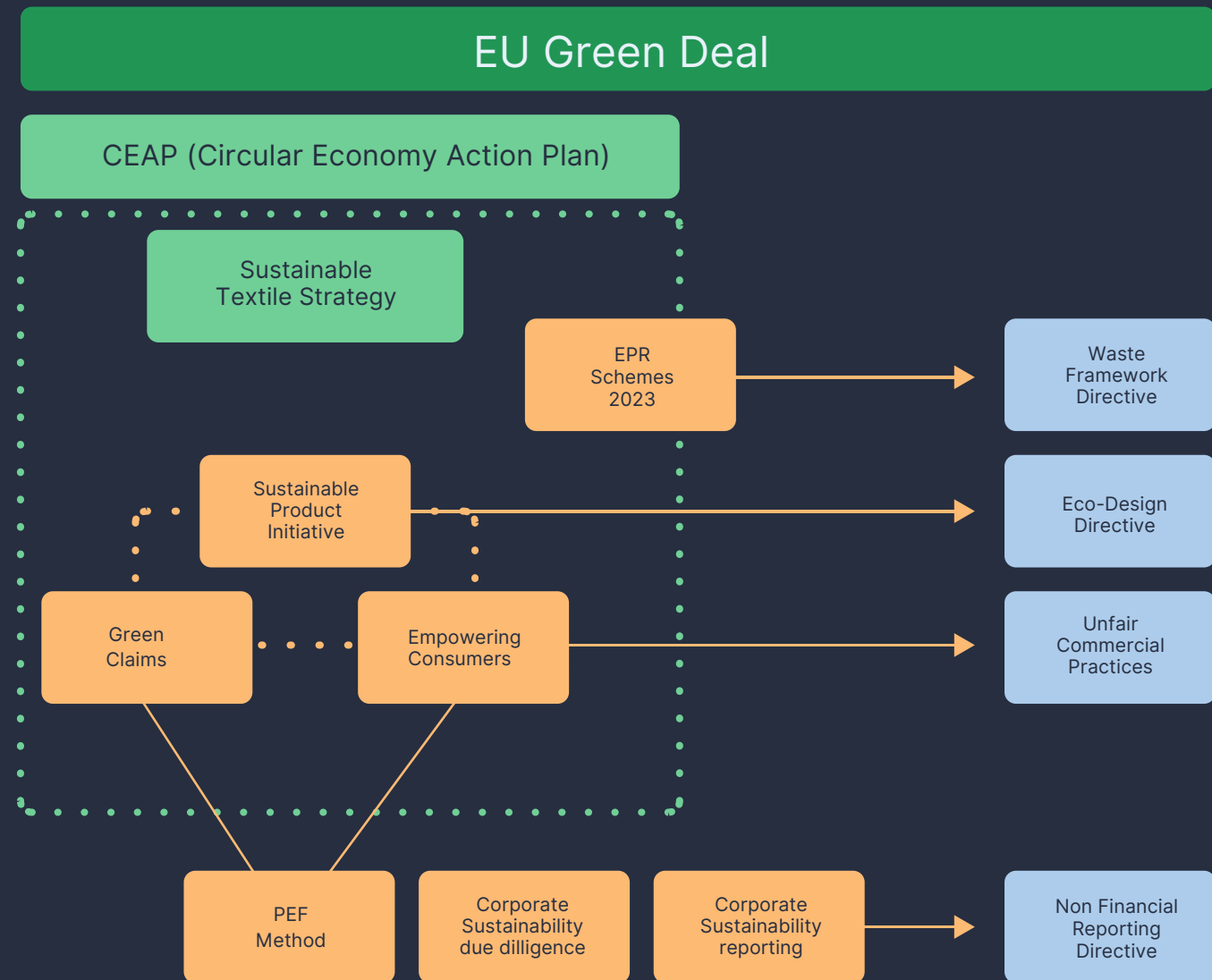
According to the strategy, the EU's overarching goal is to make textile products sold in the EU market long-lived and recyclable, made as much as possible of recycled fibers, free of hazardous substances and produced in respect of social rights and the environment by 2030. Whole industries will have to change their operations, being part of global supply chains (e.g., mining and cotton industry).

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Figure 1

Overview of textile policy landscape

Communication/Strategy
aims to inform about the orientation of EU legislation and the articulation between different laws.

New EU texts
New legislative initiatives that are not yet laws. Initiatives that will trigger a transition in the textile industry

Existing EU laws; in force today, passed several years ago.

EU Green Deal

CEAP (Circular Economy Action Plan)

Sustainable Textile Strategy

EPR Schemes 2023

Waste Framework Directive

Sustainable Product Initiative

Eco-Design Directive

Green Claims

Empowering Consumers

Unfair Commercial Practices

PEF Method

Corporate Sustainability due dilligence

Corporate Sustainability reporting

Non Financial Reporting Directive

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Proposals planned by the EU in the short term relevant for textiles and apparel

Upcoming revision (expected in Q1-Q2 2023) of the regulation on the registration, evaluation, authorization and restriction of chemicals (REACH), which will address the presence of hazardous substances used in textiles.

Revision of the Waste Framework Directive in 2023, which should harmonize EU extended producer responsibility (EPR) for textiles, with the main objective to provide incentives for producers to ensure that products are designed in line with circularity principles.

Revision of the Waste Shipment Regulation will address shipments of problematic waste outside of the EU, while the EC will work on developing criteria for distinguishing waste from secondhand textile products, to avoid falsely labeled waste streams.

Revision of the Textile Labelling Regulation in 2023 will introduce mandatory disclosure of sustainability and circularity parameters on textiles' labels.

Revision of the EU Ecolabel criteria for textiles and footwear in 2024, which will support its uptake among producers and help consumers choose eco-friendly textile products.

A legislative proposal on reducing the release of microplastics in the environment will include measures also on microplastics in textiles.

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Digital Product Passport and textile labeling rules
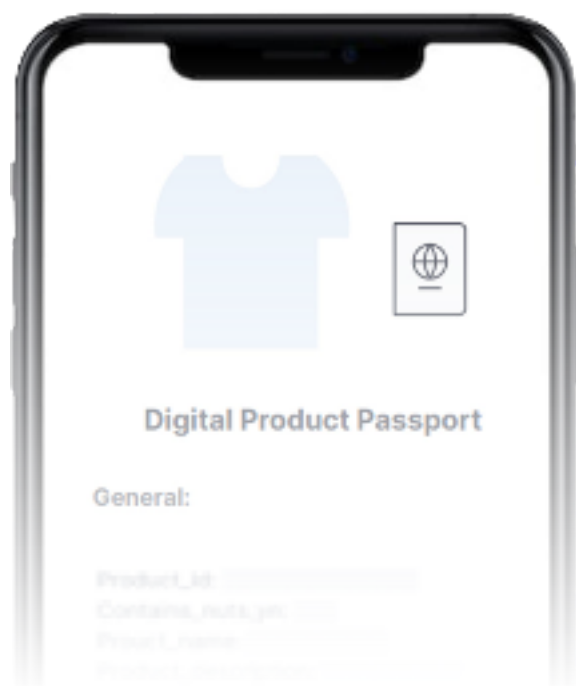
The ESPR lays down the minimum requirements for all products on the internal market regarding circularity. The regulation introduces digital product passports (DPPs), a tool that electronically registers, processes, stores and shares information about the product across the whole supply chain – from manufacturers to consumers, other businesses, and competent authorities. The proposed regulation also introduces an obligation for businesses to make public information on the destruction of unsold products and gives the EC the authority to ban such practices.

Although the categories of products to be covered by the DPP will be laid out in the EC's three-year working plans and depend on additional analyses and consultations with the relevant stakeholders, the EC has already announced its intention to prioritize and fast track the implementation of the regulation for the textile sector, specifically personal and household textiles. This will lead to concrete measures on product requirements, digital passport requirements, green consumer sales, and disclosure of banned products and measures banning the destruction of unsold textiles, all planned provisionally for 2024. In the meantime, the legislative negotiation process is ongoing at EU level.

All business manufacturers and retailers/service providers operating in the EU (including SMEs, online marketplaces/search engines and third-country based importers) will be obliged to ensure compliance before placing their products on the market and/or putting them into service.

In parallel, the EC recently awarded two million euros to the CIRPASS project (Cooperative Standardisation and Implementation of a Digital European Product Passport for Stakeholder-Specific Sharing of Product Information for the Circular Economy) to deliver digital passport prototypes (also for textiles) and prepare the ground for a gradual deployment as of 2024.

The project was launched in October 2022 for a period of 18 months, and is led by a consortium consisting of 31 participants representing industry and academia (including GS1 in Europe, InnoEnergy, Global Battery Alliance, Fraunhofer Institute, Digital Europe, Politecnico Milano, TAL TECH, Energy Web and Circular Economy Internet).

In addition to the Digital Product Passport, the EU will also review the Textile Labelling Regulation by establishing new mandatory disclosure information on sustainability, circularity and country of manufacture. EC considerations are also underway regarding the introduction of a digital label.

Digital Product Passport

General:

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Substantiating green claims for products and organizations
The Green Claims Initiative and Product Environment Footprint (PEF)

The fashion industry will also be subject to stricter rules related to sustainability claims about their products as part of the initiative on Empowering Consumers for the Green Transition.

In 2023, the European Commission announced that companies will be encouraged to substantiate their environmental claims using the EU Products and Organisation Environmental Footprint methods, which measure the environmental performance of a product or organization throughout the value chain. The key objective of this proposal will be to accelerate the uptake of truly green products (including apparel and footwear).

As such, general environmental claims (such as "green," "eco-friendly" or "good for the environment") will be allowed only for textiles with a certified environmental performance based on the EU Ecolabel for clothes and footwear (which will also be reviewed in 2024) to support its implementation among producers and offer consumers an easily recognizable and reliable way to choose eco-friendly textile products. Moreover, the 2022 'Green Claims Initiative' will empower consumers to receive information about a commercial guarantee of durability and details about repairing products at the point of sale. The EU is also exploring the idea of introducing a repairability score, illustrating how easy it is to repair the product.

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Reducing microplastics and synthetic fibers

Textiles are a major source of microplastic pollution. According to the EU, textiles made of synthetic fibers (such as polyester) are the main source of unintentional release of microplastics in the environment. To tackle this issue, the EC plans to adopt an initiative to address the unintentional release of microplastics from textile products in 2022 with binding requirements to be applicable to companies indicatively in 2024 or 2025.

The legislation will likely establish labeling, certification, standardization and regulation measures. Actions to encourage the capture of microplastics across the lifecycle of products are also envisioned.

The Commission identified as a priority to develop improved measuring methods for unintentionally released microplastics, particularly from tyres and textiles, and to deliver harmonized data on the presence of microplastics in sea water.

Banning the destruction of unsold textiles

In an attempt to address the overproduction and waste of unsold or returned textiles, the EC proposes to ban the destruction of unsold consumer products, including textiles and footwear. As such, the European institutions are currently considering the introduction of a general transparency obligation for all economic operators under which companies will have to disclose information on the number of textile products placed on the market and of unsold products discarded per year, why they were discarded and subsequent waste treatment operations.

In terms of preventive measures, the EU also plans to work with the industry to explore how emerging technologies, such as digital precision technologies, could reduce the high percentage of returns of clothes bought online or even foster on-demand custom manufacturing.

The transparency obligation is established in the proposed Eco-design Regulation and is expected to be approved by the co-legislator in 2023. The introduction of bans on the destruction of unsold products for specific product groups, such as textiles, is subject to endorsement from both the European Parliament and the Council of the European Union and, if approved, may follow via delegated acts adopted by the EC as of 2024 onwards.

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Textile waste and Ex Responsiblity (EPR)

The EU strategy on textiles published in March 2022, proposes actions for the entire lifecycle of textile products. It addresses how textiles are designed, produced, used/reused/repaired, retuned, collected, recycled and disposed of also considering sustainable technological solutions and innovative business models which could be introduced to support these steps.

The EU Waste Framework Directive introduces harmonized EU extended producer responsibility (EPR) rules to be set up by member states including for textiles at the latest by 2025. This means that textile manufacturers should be obliged to take financial and operational responsibility for the separate collection, recovery and subsequent management of collected waste, incentivizing more sustainable design (with less blended materials), reuse and recycling. The directive sets mandatory targets for general municipal waste reuse and recycling of 55% by 2025, 60% by 2030 and 65% by 2035.

The Directive also requires the EC to consider, by the end of 2024, whether targets for textile waste reuse and recycling should be introduced as well.

France is currently the only EU member state to have an EPR scheme in place for textiles, while several other states (such as the Netherlands and Sweden) are in the process of developing EPR requirements.

To avoid national fragmentation and favor harmonized criteria, new requirements for textiles with eco-modulation of fees will be proposed during the revision of this Directive at the EU level in 2023.

Although not specifically aimed at textiles and clothing other existing directives, such as the Package and Packaging Waste Regulation (which introduces labeling, marking and information requirements pertaining to packaging to be included in the DPP) or the Landfill Directive could play a role in reversing some of the environmental impacts of the textiles and fashion industry.

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What does all this policy and regulation mean for the apparel industry?

Apparel brands face greater scrutiny and responsibility than ever in the regulatory environment of new EU policy. Digital ID will be the backbone of any solution. Digital ID refers to the concept of a unique code being assigned to each item produced, and then workflows and solutions being built on that code.

One of the first areas brands will focus on is the carrier – the unique mark such as a QR code or an NFC tag – attached to each garment or accessory that connects to all of the information desired by consumers or required by regulators.

That data carrier creates new opportunities for brands that choose to build Digital ID into their way of working. The same information required to satisfy the regulators - raw materials, factory working conditions, miles traveled, logistics partner, retail outlet and more – will also deliver measurable value for the brand. Digital ID delivers dynamic consumer experiences, authenticated resale, production visibility, authentication and much more.

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Kezzler solutions provide an ideal framework for compliance and reporting as well as a helping hand in achieving supply chain and apparel life cycle visibility, sustainability and circularity goals.

To learn more about what Kezzler can do for your luxury, fashion or sportswear brand, get in touch with us today.

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