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Contribution to Call for evidence on Textile Labelling Directive

Introduction

The Danish Chamber of Commerce welcomes the opportunity to provide feedback to the European Commission's call for evidence on the revision of the Textiles Labelling Regulation. We believe that the update of the legislation is necessary to enable and accelerate the needed transformation of our sector and to achieve the objectives of the Green Deal.

In light of the ongoing Commission proposals launched under the new Circular Economy Action Plan, we would like to stress the importance of a coherent and harmonised set of rules that for all EU member states, with the intention of decreasing unnecessary administrative burdens, and to ensure a level playing field and to. Consistency also implies building upon existing legislation and ascertaining coherence with future measures and regulations that must be aligned to have a competitive and coordinated industry.

In addition, it is crucial to make sure that the labelling is understandable for consumers and provides the necessary information to help making more qualified decisions.

Our sector is committed to the transition towards sustainable and circular production and consumption of textiles, as well as of business models. The Danish Chamber of Commerce would like to express that our sector wants to be part of the future dialogue towards a systematic and positive change in the textiles ecosystem.

The Danish Chamber of Commerce would like to raise the following points:

1. Harmonisation of rules
2. Regulatory coherence
3. Consideration of SME's
4. Fibre classification
5. Fibre composition margin for recycled materials
6. Digital Labelling
7. Labelling Exemptions

1. Harmonisation of rules

The Danish Chamber of Commerce believes that it is of utmost importance that the European Commission strive for an EU-wide and global alignment of labelling requirements with regard to indications of origin, care instructions, size and fibre composition. Garments made in each place are destined for multiple geographical areas worldwide (EU, US, etc.), with many different labelling requirements¹.

¹ Examples of such requirements are Canada's Textile Labelling and Advertising Regulations (TLAR) and the US Textile Fiber Products Identification Act.

Global labelling requirements and global harmonised standards need to be considered where applicable. It is important to highlight that the textile industry is used to working with ISO standards, which is why it is essential, when implementing EU standards, to base them on the ones that exist today.

The requirement for maximum harmonisation is linked to a clear policy request from the Danish Chamber of Commerce to avoid further jeopardising the internal market, as more and more disparate requirements on labelling across Member States seem to appear.

The Danish Chamber of Commerce underlines the importance of maximum harmonisation in order to help the sector make a successful transition towards comprehensive circularity.

2. Regulatory coherence

The EU Strategy for Sustainable and Circular Textiles (March 2022) presented an extensive set of actions to address textiles' production and consumption, aiming to create a greener, more competitive sector. The Commission has since published a number of initiatives to implement the Strategy. Sustainability-related and social aspects of the textile sector are already addressed in complex horizontal regulatory proposals, the Ecodesign for Sustainable Products Regulation (ESPR) and the Corporate Sustainability Due Diligence (CSDDD). Moreover, the ESPR introduces the Digital Product Passport to digitalise product information. The Empowering Consumers Directive and the Directive on Green Claims will soon regulate the communication of sustainability claims (such as the organic origin of textile materials), while the revised Waste Framework Directive will address the basic concepts related to end-of-life management.

Regulatory coherence is crucial to ensure a well-functioning policy framework, remove trade barriers and facilitate implementation by economic operators – it is key to provide legal certainty and avoid fragmentation and duplication of requirements. Moreover, a coherent approach regarding sustainability information about textiles is needed, focused on harmonisation and simplification.

We therefore ask the Commission to take into account the interplay between vertical and horizontal initiatives addressing textile products and to ensure a coherence approach to their regulation. Particular attention should be given to the coherence of the vertical Textile Labelling Regulation (TRL) with the horizontal ESPR and the future development of the delegated act for textiles. Sustainability and environmental information on textile products will be provided to consumers on physical and/or digital labels as required under the TRL, but the criteria will be developed under the ESPR Delegated Act. Furthermore, the Danish Chamber of Commerce supports the Commission's commitment to align the revised TLR with the ESPR's Digital Product Passport (DPP) – this would avoid duplication of work when developing solutions for digital labelling. Moreover, we advocate for a consumer centric approach – this means maintaining on physical labels only the essential mandatory information required to take a day-by-day purchasing decision. Additional information providing a more thorough examination of the product's characteristics should be provided through digital labelling and the DPP. This

would allow for physical labels to free up space to accommodate the essential information to consumers when purchasing a product.

Furthermore, clarity is needed regarding the interplay between the future revised EU rules and existing national regulations and country-specific initiatives (e.g. information required in France by the QCE decree 2022-748).

3. Consideration of SME's

The Commission needs to take into consideration that the industry is predominantly composed of small and medium-sized enterprises (SMEs). New legislative requirements require incurring costs and require guidance for implementation. Therefore, the Commission needs to make sure that new requirements are feasible for SMEs.

The Danish Chamber of Commerce calls upon the European Commission to bear in mind the special needs of SMEs in this sector. To prevent further offshoring and given the fact that the sector provides jobs for 1.3 million employees EU-wide², the new Textile Labelling Regulation requirements must provide enough flexibility to address SMEs' needs and capacities so that employment and skills in this sector of the economy are not only kept but can further evolve. For example, a generalised conformity control carried out by a certifying body is not feasible for SMEs, which are the backbone of industrial textile production in the EU.

4. Fibre classification

In recent years, the textile industry has developed a number of novel fibres with proven lower environmental footprints compared to the more traditional fibre options. Although these materials may be based on a similar feedstock, their manufacturing technology and properties often differ significantly from those used in conventional fibres. The novel fibres are currently not recognised by the existing generic fibre classifications in Annex I. Consequently, the innovative fibre types are classified under different fibre names, or as "other" fibre. Considering the green and circular transition, the revised TLR should allow for fibres with distinctive characteristics to be recognised as such in Annex I. The anticipated TLR revision should be better adapted to reflect the dynamic progress around innovative fibres.

The Danish Chamber of Commerce calls for action on the fibre classification system, as the current system is not flexible enough to address the development of innovative fibres, which often have a lower environmental impact than conventional fibres. For many producers of new fibres, this status quo is frustrating because they cannot label their fibres accurately. Furthermore, these novel fibres cannot yet be indicated on textile labels and, thus, identifying them remains a huge challenge for recyclers, which is currently hampering circularity in the sector. The Danish Chamber of Commerce points out that this regulatory gap also negatively affects consumers' perceptions, as some products might in reality be much more sustainable than is indicated on current labels.

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https://euratex.eu/wp-content/uploads/EURATEX_FactsKey_Figures_2022rev-1.pdf

A wide array of novel fibre types with distinctive characteristics is already close to commercialisation or will become available on the market in the future. However, the current process of updating Annex I is not transparent and uncertain for applicants. Therefore, the Danish Chamber of Commerce recommends that EU authorities assess and revise how to make the updating process more transparent and technically accurate.

5. Fibre composition tolerance margin for recycled materials

Considering the transition to the circular economy, the textile industry is increasingly using recycled fibres and materials in production of garments. The current regulation is not perfectly suited to accurately label fibre composition containing recycled content, hampering the transition to a circular economy. Article 20(3) allows for a maximum 3% deviation between the fibre content stated on the label and the fibre composition established based on authority testing. The current state of technical development in textile sorting and recycling technology, however, generates variance in the fibre composition that sometimes surpasses the tolerance level of 3%. This is because, particularly in mechanical recycling, it is not possible to fully ensure that the feedstock for recycling is free from impurities of other textile materials. This calls for a need to explore a higher composition tolerance margin in the revised TLR. Based on the expert input, the Danish Chamber of Commerce recommends that the updated level be 3-5%.

An increased tolerance level should only account for the existing limitations in recycling technology, it should not justify poor manufacturing practice. A minor increase in tolerance levels is a welcome step in removing barriers to the uptake of recycled materials in garment production.

6. Digital labelling

The Danish Chamber of Commerce strongly welcomes the intention of the European Commission to digitalise composition labelling in the revised TLR. In addition, in the context of the Eco-design for Sustainable Products Regulation (ESPR), the Danish Chamber of Commerce welcomes the digital labelling and consumer communication initiatives such as the Digital Product Passport. However, it is crucial that the European Commission align these digital initiatives to create a coherent and effective policy framework.

Digital labels would make things easier for companies, as well as improving information provision to consumers by offering them clear text in the appropriate language versions. There is still a need to provide information to less technologically advanced consumers, but options exist, for example by providing information on demand at the point of sale. To be durable, an indelible "data carrier" type marking on the product can guarantee easy access to digital information.

Even if the Commission decides to leave some information on physical labels, this approach should nonetheless lead to an overall significant reduction in label size. Keeping the symbols for the washing instructions and fiber composition could be a viable option. In order to make sure that the written text/instructions are still readable for the consumer, a minimum font should be agreed upon.

The Danish Chamber of Commerce supports the Commission's view that physical labels, or physical carriers of digital information, should be made more difficult to cut off. Non-abrasive labelling methods are already available. Methods of making labels harder to cut off should ensure durability of information (e.g. information printed directly on the material can be washed out) and

should not reduce the functionality of the product (e.g. sewing a label completely onto a garment could reduce its functionality). Here it is important to make sure that the label is not causing any discomfort when wearing the garment.

The European Commission should assess how the Digital Product Passport can be applied in the context of a digital label under the revised TLR. To enable consistency and facilitate implementation, a TLR digital label could also be put on the same data carrier as the Digital Product Passport.

7. Labelling exemption for some types of products

Annex V in the current Textile Labelling Regulation exempts 42 textile product types from the labelling obligation. These are small items (such as watch straps) where adding a label would reduce the product's functionality. However, the list approach does not provide clear guidance on how operators should label products not listed in Annex V, but which also have reduced functionality with a label. The Danish Chamber of Commerce recommends that the revised regulation provide clarity on how to correctly label products (such as stockings and socks) where mandatory labelling hampers the product's functionality. For instance, the current list approach could be replaced by a definition of products exempted from mandatory labelling.

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