MAKE THE
LABEL COUNTImage: Strain of the strain

KEY TAKEAWAYS:

Although laudable in its intent to dispel consumer confusion and encourage alignment in a common sustainability language, there is concern that the EU's proposal for new clothing labels will use an incomplete methodology to calculate the impact of clothing and footwear, which will result in an oversimplified and inaccurate product label for consumers.

2

A collaboration of experts and organisations are working to promote awareness of this issue amongst European policy makers, asking them to amend the PEF methodology before implementation.

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We are asking for your support to advocate for the methodology to be amended to protect consumer confidence and the accurate reporting of environmental impacts of the textile and fashion industry.

WHAT IS THE EU PROPOSAL FOR CLOTHING SUSTAINABILITY LABELS?

Currently, sustainability language is disparate and inconsistent, largely due to a lack of common language and relatively lax or varying labelling requirements. This leads to high levels of greenwashing, related consumer confusion and has delayed the fashion and textiles industry from truly addressing sustainability.

As part of its work around circular economy and consumer protection, the EU is planning to launch a sustainability label for clothing. While its aims are laudable, the current methodology behind this proposed label – the Product Environmental Footprint (PEF) – is narrowly drawn and fails to take account of key sustainability considerations including the benefits of using renewable and biodegradable fibres, the adverse impacts of microplastic pollution and the full environmental footprint of fossil fuel fibres. As such, the PEF risks misleading customers about the impacts of their products, and ultimately undermining the EU's sustainability objectives.

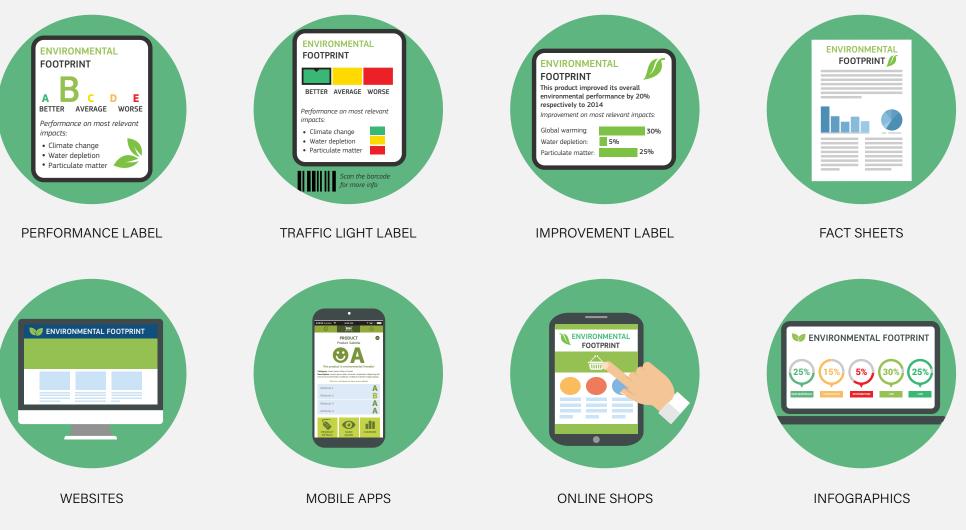
WHAT IS PEF?

PEF was first proposed by the European Commission (EC) in April 2013, under the Building a Single Market for Green Products Initiative. The focus at that time was on developing product footprinting methodologies to provide a harmonised system for measuring and validating environmental claims and a level playing field for competition between products made in different Member States.

Subsequently, the EC partnered with industry experts and private companies to develop a methodology designed to convey a finished good's environmental impact in a common, product-level language that enables consumers to make informed decisions at the point of purchase. The PEF uses lifecycle assessment (LCA) data to evaluate the environmental impact of materials. See more about LCAs in the additional information on page 9 below.

The PEF methodology is now being considered for application on clothing and footwear products and policy is being decided on the timing of adoption and whether it will be mandatory. The expectation is that consumers faced with PEF labels at the point of sale will make purchasing decisions in favour of the planet.

EXAMPLES OF HOW ENVIRONMENTAL IMPACT SCORING MIGHT APPEAR ON ALL CLOTHING AND FOOTWEAR PRODUCTS SOLD IN THE EU.



Source: European Commission

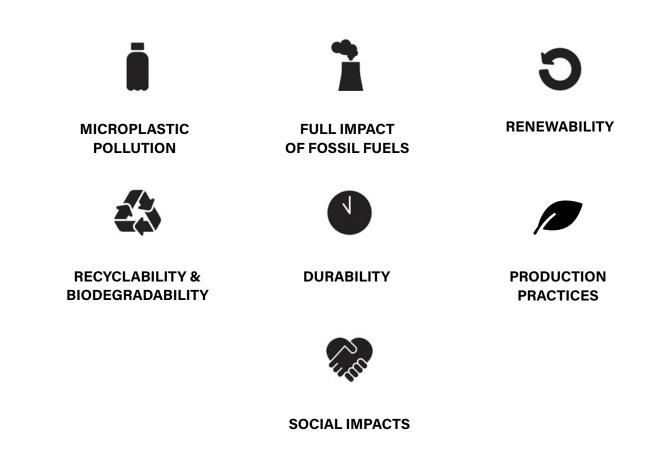
WHAT DOES PEF AIM TO MEASURE?

The PEF focusses on measuring and communicating harmful environmental impacts, with 16 environmental impact categories currently identified in the methodology:

| OZONE DEPLETION | HUMAN TOXICITY - CANCER EFFECTS | HUMAN TOXICITY - NON-CANCER EFFECTS |
|---|---|--|
| ECO-TOXICITY - FRESHWATER AQUATIC | PARTICULATE MATTER/ RESPIRATORY INORGANICS | PHOTOCHEMICAL OZONE FORMATION |
| ACIDIFICATION | EUTROPHICATION - TERRESTRIAL | EUTROPHICATION - AQUATIC FRESHWATER |
| EUTROPHICATION - MARINE | LAND USE | RESOURCE DEPLETION - WATER |
| RESOURCE DEPLETION - FOSSIL FUELS | RESOURCE DEPLETION - MINERALS AND METALS | |

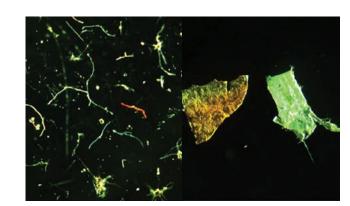
WHAT DOESN'T PEF MEASURE?

However, there are critical environmental impacts that aren't included in the methodology that could significantly distort the credibility and truthfulness of the EU's environmental impact ratings of clothing and footwear products.



WHAT DOESN'T THE CURRENT PEF METHODOLOGY ACCOUNT FOR?

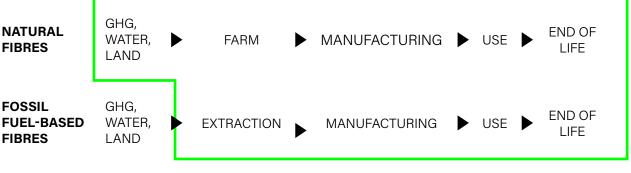
Being LCA-based, PEF suffers from limitations by focusing only on harmful impacts and failing to account for positive environmental impacts.



Microplastic fibres (left) and microplastic fragments (right) both from Tyrrhenian Sea seafloor cores at a depth of approximately 800 metres. *Source: Textile World*

1. Microplastic pollution

Synthetic textiles discharge significant amounts of microplastic fibres through laundering and wear, releasing microplastics into both terrestrial and marine environments, and the human food chain. However, microplastic pollution from synthetic materials is not included in the current environmental impacts of the PEF methodology and therefore does not carry any negative scoring despite increasing scientific evidence of the harmful impact to both planetary and human health. Scientific studies have shown that a typical 5 kg wash load of polyester fabrics can release as many as 6 million microplastic fibres. It is estimated that, by 2030, synthetic fibres will represent 73% of fibre production, of which 85% will be polyester.



SYSTEM BOUNDARY

Calculations are not the same for farmed natural fibres versus mined or 'extracted' synthetic fibres. Source: IntegrityAg

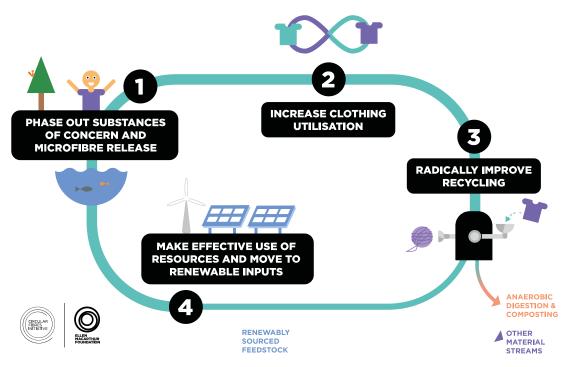
2. Environmental impact of fossils

The full environmental impacts of the formation of crude oil – a base material for producing synthetic fibres - are not accounted for in the PEF methodology. PEF accounting for synthetic fibres commences at extraction at the wellhead, rather than the raw material formation. By contrast, all the impacts of forming natural fibres are fully taken into account, including the greenhouse gas emissions and land and water use. Given that textile fibres often show the greatest lifecycle impacts during the fibre formation stage, this limitation of PEF magnifies the inequity between products made from natural and fossil fuel-based fibres. It's impractical to capture and account for the ancient environmental impacts of forming crude oil, so methodology improvement is needed to enable equitable comparison of fibre types.

WHAT DOESN'T THE CURRENT PEF METHODOLOGY ACCOUNT FOR?

3. Renewability, recyclability & biodegradability

The circular attributes of natural fibres, such as renewability at the start-of-life, high levels of reuse and recycling during life and biodegradability at end-of-life are not counted or only minimally counted in the current PEF methodology. Natural fibres are renewable resources that can be regenerated by living systems, as opposed to the extraction of finite fossils to produce synthetic fibres.



A New Textiles Economy. Source: Ellen MacArthur Foundation

Raw materials grown on farms are inherently circular. They can be grown and regrown indefinitely and biodegrade at end-of-life, returning their nutrients to the soil to be used again. PEF does not offer any positive scoring for biodegradable fibres, while nonbiodegradable fibres are not penalised for continually adding solid waste to the world's landfills and further releasing microplastics to the soil, oceans and air.

This limitation could be addressed by including parameters that account for biological circularity in the overall score. Combining material circularity indicators i.e. Ellen MacArthur Foundation and Granta Design) with lifecycle indicators such as PEF could provide a solution.

4. Durability

The European Environmental Agency (EEA) recognises that natural fibres, such as wool, have better durability and lower impacts in the use phase and end-of-life, compared to synthetic fibres. Inherent attributes of wool clothing, including its odour resistance and wrinkle resistance result in it being washed less often than other fibre types, saving the water, energy and detergent associated with laundering. Less frequent laundering retains the 'as new' appearance of wool clothing, enabling a longer serviceable lifetime. This important sustainability consideration is currently omitted in the PEF.

WHAT DOESN'T THE CURRENT PEF METHODOLOGY ACCOUNT FOR?

5. Production practices

Under PEF, the impacts of production practices are modelled without considering how they are derived, meaning the use of renewable resources and sustainable management practices aren't accounted for, or incentivised. For example, the PEF method doesn't differentiate for farming practices that may reduce environmental impacts of producing natural fibres, such as regenerative agriculture or organic farming, and will in fact reward unsustainable practices by applying a generic calculation method.



6. Social impacts

The socio-economic impact of fibre production and textile manufacturing is not considered in the EC's current labelling proposal. If the aim of labelling is to encourage consumers to purchase more sustainable garments, causing brands to source more sustainable fibres, exactly who is going to be impacted must be carefully considered. The globally agreed definition of sustainability is consumption that meets the needs of the present without compromising the ability of future generations to meet their needs, and within needs, those of the world's poor must be given priority.

This means that traditional, localised and rural industries that support the thriving of communities must be considered. These industries include the production of wool, alpaca, cashmere, silk and cotton, which financially and socially support rural farmers, communities and regional supply chains across the globe. The social impacts of manufacturing textiles are also not accounted for by PEF, with important considerations such as meaningful wages and working conditions necessary for a truly sustainable fashion and textile industry.

Growing natural fibres provides an income for rural, remote, and poor communities which is inseparable from their sustainability. Cotton is



Cotton farming. Source: Dinesh Khanna for C&A Foundation

50% of Benin's export income. Alpaca sales are crucial to 46 of Peru's poorest provinces, where 35.3% of the population had insufficient income to meet their basic needs in 2018. Consumers shouldn't be told to purchase or not purchase garments made of farmed fibres based solely on environmental impact. Socio-economic impacts must be considered as part of a sustainability label on clothing and footwear.

DOES PEF ALIGN WITH THE EU'S OWN SUSTAINABILITY AND CIRCULAR ECONOMY GOALS?

The EC has targeted the textiles industry as one of several priority sectors to enable Europe to achieve a climate neutral, circular economy by 2050. The EU has several strategies in this regard, including the European Green Deal, Circular Economy Action Plan (CEAP) and the Industrial Strategy and is currently working on the EU Strategy for Sustainable Textiles.

The Green Deal and the plethora of other initiatives adopted under it and in parallel to it, are far more focused on achieving sustainability and pollution reduction than the initial intention of the PEF methodologies, which were proposed with an emphasis on the need for harmonisation, simplification, clarity and transparency in order to achieve the objectives of the single market. As a result, the product eco-credentials that are highly valued in the EU's CEAP – such as 'renewable', 'recyclable' and 'biodegradable' – are currently omitted from the PEF methodology.

If the PEF does not have full regard to these essential circular product eco-credentials, it will undermine true sustainability and rather misguidedly focus on the reuse of materials that are by their nature damaging and unsustainable, i.e. fossil fuel based materials such as plastics. This is particularly the case if recyclable materials (for example plastic bottles) are turned into non-recyclable textiles, which then harm the environment when disposed of. There is also significant danger in the measurement of products by reference to the quantity of 'recycled material' that they contain, whilst failing to properly examine how much non-recyclable material they create. An approach ignoring or minimising these factors will undermine the EC's stated objectives in relation to circularity, recycling, emissions and zero pollution.

In its current form, the PEF methodology does not adequately reflect the EU's own sustainability and circularity considerations. However, with some revisions it can be made fit for purpose for clothing and footwear products.

WHY IS IT SO IMPORTANT TO GET THIS RIGHT?

The EU's labelling initiative is likely to set a global standard and could deliver great environmental outcomes if the PEF methodology is amended. It's important to act now and get it right to help establish the system's credibility and ensure wellintentioned consumers are not misled.

We owe it to the planet to produce sustainable clothing, and we owe it to consumers to make sure they know how sustainable that clothing is – and the label on their products needs to reflect that.

HOW CAN YOU BE INVOLVED?

We invite you to join us in raising awareness and providing solutions to support the EC to achieve its objective for this labelling initiative.

The EC is currently in its consultative stage on relevant fashion textile industry policies, so we have the collective opportunity to submit responses to the EC's consultation over the course of 2021. There is also opportunity to raise awareness with Members of the European Parliament who will be voting on the EC's legislative proposal for labelling.

Sign up to the Make the Label Count newsletter to stay up to date on the latest news and events at www.makethelabelcount.org

SHARE THE CAMPAIGN!



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www.linkedin.com/company/ make-the-label-count #MakeTheLabelCount



TIMELINE FOR IMPLEMENTATION

The EC is currently preparing the policy and legislative proposal for clothing and footwear labelling requirements. This is expected to be presented to the European Parliament to vote on by the end of the year.

2021

Labelling using the PEF methodology is anticipated to be roll-out.

2023

ADDITIONAL INFORMATION

Useful Resources:



European Commission's: Product Environmental Footprint (PEF)

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Was It Polyester All Along? Veronica Bates Kassatly

The Great Greenwashing Machine

What is an LCA?

A Lifecycle Assessment (LCA) is a detailed study of the total environmental impact of a product, activity or service's raw material acquisition and manufacturing phases. It can also examine the active use and end-of-use phases. Generally, LCA results are often used to inform decisions and enable comparisons between materials, products, and services. However, comparisons are only valid where analyses are made 'on like terms' and consider the same life stages to ensure equivalence between the products being compared.

Lifecycle Assessment (LCA)

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PURPOSE

Generally, LCA results are used to inform decisions and enable comparisons between materials, products, and services.

CRADLE TO CRADLE

A specific type of cradle to cradle assessment that reconnects the end of use phase with material extraction and production through recovering and recycling post-consumer materials CRADLE TO GATE

- Measures environmental footprint of material extraction and production phases
 Does not consider impact beyond
- Does not consider impact beyond
 manufacturing
- Active use and end of use / disposal
 phases are not considered



 Measures environmental footprint from production to end of use
 Measures environmental footprint of complete lifecycle and considers all inputs and outputs of all phases

Measuring the full lifecycle of a garment. Source: Eco-Age

 \blacksquare

End of Use

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Active Use

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