

The EU flagship initiative on the garment sector

Euratex position



Considerations on the EU Garment initiative

Euratex, the European Textile and Apparel confederation, welcomes the efforts of the European Commission and the European Parliament to improve the global garment supply chains. With regards to the specific EU Garment initiative, Euratex wishes to draw the attention on the following 8 considerations:

- 1 Voluntary initiatives do work
- 2 One size does not fit all
- 3 Voluntary better than mandatory
- 4 Clarifying responsibilities
- 5 Convergence on hot spots
- 6 Small and medium size Enterprises
- 7 Collaboration with ILO and OECD
- 8 Find the problem, fix the problem (the sustainability compact)

Recommendations

Based on the above considerations which are elaborated in the next two pages, Euratex wishes to contribute to the policy debate advocating for the EU action to:

- Solve the problem on the ground in the most effective manner
- promote voluntary initiatives, avoid new mandatory acts
- promote transparency in the value chain and in line with the SMEs capacities
- promote information with simple IT tools easily accessible by consumers
- valorize existing best practices and success cases as the Bangladesh compact
- enable synergies with exiting public initiative such as the ILO and OECD
- create level playing field for EU and non-EU companies
- consider the complexity of defining good common indicators, as shown in the development of the Product Environment Footprint Category Rules (PEFCR)
- consider risks for level playing field between EU and non-EU companies, as experienced with applications of the REACH legislation.

1 Voluntary initiatives do work

Voluntary actions enable companies to act where it really matters in the different steps of the value chain and based on the business models, the company's size and capabilities.

Such voluntary actions are undertaken in addition to meeting the European strict social and environmental standards and to contribute to solve severe problems in the global value chain.

2 One size does not fit all

Hundreds of sustainability labels, "standards" or conformity assessment systems exist to act, show and promote sustainability in textile and garment productions.

This rightly reflects the complexity of the textile and garment value chain as well as a healthy diversity across Europe and the world. It shall be clear that it is not possible for just 1 label, "standard" or index, to exclusively promote, deliver or monitor sustainability.

3 Voluntary better than mandatory

The Better Regulation approach suggests that EU policy goals shall be achieved in the way which is most efficient. Some contributions to the policy debate suggest that there is a need for new EU law and mandatory due diligence, however there is no information that such option will deliver better results or do so in a short time. On the contrary, voluntary private or public initiatives show the results delivered in thousands of cases. Promotion of successful voluntary initiatives with cooperation and incentives is therefore best placed to meet the goal.

4 Clarifying responsibilities

Sustainability requires every party to play its (different) roles as stressed by the UN Guiding principles. International organizations, governments, law enforcement authorities, companies, NGOs and trade unions and consumers shall all contribute in line with their different responsibilities and capacities.

5 Convergence on hot spots

As the Commission study's early findings point out, there is a general convergence on key areas for action identified across many initiatives to increase sustainability in non-EU garment maker countries, such as: i) gender equity, ii) low levels of adoption on environmental issues, iii) workers' rights, iv) transparency and communication to the consumers.

6 Small and medium size Enterprises

The special needs of the SMEs shall be duly taken into account, in particular the scalability principle following which the company's size reflects its capacity to know, influence and control the value chain. The Risk Management Tool for SMEs has built on the issue of limited resources of SMEs.

7 Collaboration with ILO and OECD

The, non-profit, International organizations ILO and OECD have built up extensive experience in defining action plan and implementing measures which impact in the garment supply chain and specifically in the concerned countries. Collaboration with ILO, OECD and similar initiative shall be fostered and improve the level playing field.

8 Find the problem, fix the problem (the sustainability compact)

The Bangladesh sustainability compact provides a successful example of how targeted solution can deliver real change in garment making countries and without creating cumbersome new legislative acts and related monitoring and enforcement systems.

Examples of sustainable businesses

The European Textile and Apparel industry operates for long time in one of the world most regulated context with very high social and environmental standards.

Continuous innovation and investments in sustainability are logical choices for companies (mostly SMEs) to comply with the consumers' demand, regulatory practices as well as to diversify products against those of competitors. European companies are often small, family owned, with strong bonds to the regions where they were founded and its people.

Example of very diverse sustainability actions led or supported by some of the European textile/ apparel manufacturing companies or associations include: *(non-exhaustive list provided for information purposes and which does not necessarily express endorsement of Euratex)*:

The Risk Management Tool for SMEs led by Euratex and Industry all, the Corporate Responsibility manual led by the Finnish Textile & Fashion (STJM), the German textile partnership, the Danish action plan, the OECD due diligence guidance for responsible supply chains in the garment and footwear, Changer la mode pour le climat, MEDEF Guide for CSR best practices, the G7 Initiative on promoting decent work through sustainable supply chains, BSCI Business Social Compliance Initiative, clean clothes campaign, fair wear foundation, GOTs, BCI, IVN, made by, NICE of the Nordic Fashion Association, Oeko tex standards 100, STeP, Made in Green, ZDHC, Detox, Bluesign, IFDDA code of CSR, Textile exchange organic exchange 100, wrapcompliance, ETI ethical trading initiative, fair labor association, fairtrade foundation, SEDEX Supplier Ethical Data Exchange, sa8000, iso 9000, iso 14000, ohsas 18001.

Who we are

Euratex is the Industry association representing the European textile and apparel industry. **In the EU 28 the industry accounts for 54.000 textile and 120.000 apparel companies**, 99% are SMEs (Small and Medium size Enterprises), which produce in Europe and are integrated in the global supply chains.

Europe is the second largest world exporter of textile products and last year generated €169 Billion turnover, **employing 1.7 Million people**.

The European industry has mostly abandoned low quality mass market products and stands out for high added value products for fashion, interior and technical applications. The latter are textile solutions which are crucial for other sectors like sports, automotive, aerospace, construction, medical, personal protection and others.