

Call for evidence Textile Labelling Regulation

Input from the Fair Trade Advocacy Office

28-09-2023

Human rights violations take place in the garment sector on a great scale¹: One of the contributing factors to this is a lack of transparency. Consumers that want to make an informed choice and buy sustainable products have difficulty finding the right information. Workers that want to address problems don't know who the buyer is and cannot reach them. Garment- and textile labelling could help tackle this problem when used in the right way. Below the response to the call for evidence of the Fair Trade Advocacy Office (FTAO).

WHY SOCIAL ASPECTS SHOULD BE INCLUDED

- **To meet EU goals:** By 2030 the Commission wants textile products placed on the EU market to be made with respect for social rights.² As mentioned in the call for evidence, a specific positive social impact is expected [through labelling], as greater visibility on social aspects of production will foster more socially conscious business models, benefiting workers and suppliers.³ This would also help to reach SDG 12.
- **Regulatory consistency:** Regulation (EU) 1007/2011 is part of REFIT and aims to reduce compliance costs for companies and ensure regulatory clarity and consistency. We therefore strongly suggest that the labelling regulation aligns with existing reporting requirements included in the CSRD/CSDDD. However, these directives have limits in terms of size of companies covered and type of information provided. Thus, it will not provide sufficient information for all individual pieces of garment for consumers to make an informed decision. Therefore, the information listed underneath should be added on/through the label.
- **To meet consumer needs:** The goal of Regulation (EU) 1007/2011 is that consumers can find all relevant information to make an informed choice on a garment. Social aspects are a relevant aspect for consumers. According to a survey from 2020 around 91% of respondents state that they consider compliance with social standards in the manufacture of products to be “very” or “rather” important.⁴

HOW INFORMATION SHOULD BE PRESENTED

It is important that the information is understandable and accessible to different stakeholders in garment supply chains, to consumers and for journalists to fact check information. Where possible, information should be provided on the label, detailed information could be provided through a QR code or other digital means.⁵

¹ Low wages, unpaid overtime, unsafe factories and (sexual) harassment are just a few examples.

² EU strategy for Sustainable and Circular Textiles COM(2022) 141 p. 2.

³ Ares(2023)5383786 - 03/08/2023, p. 4.

⁴ <https://www.umweltbundesamt.de/publikationen/erweiterte-integration-sozialer-aspekte-im>. A conclusion also found earlier by the European Commission in its Green Paper 'Promoting a European framework for Corporate Social Responsibility' (DOC/01/9), p. 23.

⁵ Inspiration could be drawn from the Grüner Knopf initiative (<https://vergabestelle.gruener-knopf.de/unternehmen/252>) or a tracing mechanism from Fairtrade wine (<https://www.iam-fairtrade.net/bosman-family-vineyards-adama-white-2021>). These initiatives are not complete but show that transparent communication on products is possible and realistic.

INFORMATION ON SOCIAL ASPECT TO INCLUDE

For each product all information mentioned below should be specified for Cut-Make-Trim (CMT) level, weaving, spinning and raw materials.

- **Country specific information:** Information such as the minimum wage, ratified ILO- and UN conventions, ranking in trade union busting. Information on trade agreements between the EU and the country (EBA, GSP, GSP+, special agreements).
- **Information on incomes:** The income of workers along the supply chain such as cotton farmers and factory workers, using Living Wage and Living Income benchmarks.
- **Audits, complaints and reports:** Production location and where fabrics are sourced from, if there was a complaint at a production site and how that complaint was handled. Audit information should be made available in a way that does not put workers or smallholder producers at risk.
- **Working conditions:** Average working hours, overtime, health & safety conditions, committees that are active, real democratic trade unions present at the factory, spinning mill or field, collective bargaining agreements settled. Information on types of employment contracts.⁶
- **Purchasing practices:** The purchasing practices of the company: average lead times, what contractual clauses the buying company has in place to enable respect for human rights by the suppliers⁷, the price breakdown⁸, and the time a company has sourced from the factory.⁹
- **Contact information:** Consumers and other interested parties should be able to ask questions related to the product and production process.

⁶ This is an indication of job security for workers. Temporary contracts are common in the garment sector. This creates job insecurity for workers and influences other human rights. Some workers might not receive a new contract when they become pregnant or if they join a trade union.

⁷ Often contractual clauses are unilaterally enforced from brands onto garment factories. Garment brands might set unrealistic CSR-targets without paying a price that makes these investments possible. Also, last minute changes in lead times or design will influence the financial space that a supplier has. It is therefore important to get insight into the power dynamics between companies and the agreements made and whereas the buying company has made binding contractual agreements to enable the supplier to produce sustainability and in respect of human rights.

⁸ This will help wage negotiations between unions and management, plus it will help with price calculations between brands and factory management. Consumers will be able to choose a brand that is committed to buying products that support a living wage.

⁹ Building a long-term relationship between brand and factory helps in improving working conditions and building trust.