Guide for Export of Sustainable Textiles to the EU

Future-proofing textile exports to the EU

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Introduction

The European Union is undergoing a major transformation toward a **circular and climate-neutral economy**. In this context, the textile and apparel sector is under increasing regulatory and market pressure to reduce its environmental and social impact across the value chain. For companies exporting to the EU, this shift is not only a challenge but also a clear signal: sustainability is no longer optional; it is a condition for market access and long-term competitiveness.

This guide is designed to help textile producers and exporters, particularly those in countries like North Macedonia, Serbia, understand what these new EU rules mean in practice. It outlines the main regulatory frameworks introduced under the European Green Deal, including product- and production-related rules such as the ecodesign regulation, as well as broader rules on corporate sustainability, supply chains, and reporting.

The guide is more than a regulatory overview. It aims to empower companies with the know-how needed to implement sustainability practices that are both compliant and commercially beneficial.

Exporters who proactively adapt to these changes will not only avoid the risk of market exclusion or penalties, they will also improve their **positioning in global supply chains, attract sustainability-conscious buyers, and enhance their brand credibility**.

With the help of this overview, companies can strengthen their internal capacity to meet new market expectations and seize emerging opportunities in the evolving EU market. Whether you are a small, medium-sized, or large supplier or manufacturer, this document serves as your starting point for navigating a more demanding, yet ultimately more resilient and responsible, textile economy.

To fully understand these regulatory changes, it's essential to start with the overarching framework driving them: the **European Green Deal**. As the EU's strategic roadmap toward climate neutrality by 2050, the Green Deal underpins nearly all recent and upcoming sustainability legislation, including those that directly affect textile exporters.

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The EU Green Deal
The foundation of the EU sustainability policy

> *"Striving to become the world's first climate-neutral continent"* *

The Green Deal is the European Union's long-term strategic vision to become the world's first **climate-neutral** continent by **2050**. It serves as the foundation for nearly all recent and upcoming sustainability legislation, aiming to decouple economic growth from resource depletion, restore biodiversity, and ensure a just transition for businesses and society across all sectors.

For the textile and apparel industry, the Green Deal represents a fundamental shift in **how products are designed, produced, used, and re-used**. It is not only about protecting the environment but also about increasing transparency, improving social responsibility, and creating long-term economic resilience.

The Green Deal outlines key objectives for the textile sector, including:
- Promoting circular design - Textiles should be more durable, easier to repair, and more recyclable.
- Reducing environmental impacts - Production processes must become more resource- and energy-efficient, with fewer emissions and less waste.
- Enhancing transparency - Companies are expected to share more information about material origins, production methods, and environmental impacts.
- Strengthening supply chain responsibility - Businesses are required to identify and address environmental and social risks across their value chains.
- Improving accountability - There is growing pressure on companies to report their sustainability efforts and performance in a structured, reliable way.

This policy direction demands deep transformation in how companies operate, design their products, and manage relationships across the value chain. For exporters outside the EU, such as in North Macedonia and Serbia, understanding and responding to this shift is essential not only to **maintain access to the EU market**, but also to enhance **competitiveness** in a rapidly evolving global industry.

* quote from the European Commission, under the leadership of Ursula von der Leyen

The Circular Economy Action Plan (CEAP)
Driving sustainable product policy

To **put the Green Deal into action**, the European Commission launched several targeted **strategies**. One of the most important for the textile sector is the CEAP, which lays out how the EU will shift from a linear "take-make-dispose" model to a more circular, resource-efficient economy. CEAP builds on the vision of the Green Deal by translating high-level sustainability goals into **concrete legislative and policy actions that impact both producers and consumers**.

The Action Plan targets sectors with the greatest potential for circularity, and textiles are a top priority due to their high environmental and social footprint. CEAP sets the direction for new rules on product durability, reparability, recyclability, transparency, and waste prevention. It also promotes business models based on reuse, sharing, and longer product lifecycles. While CEAP itself is not a regulation, understanding it is essential because it outlines the EU's priorities for **future legislation** and **market expectations**. It helps companies **anticipate** legal changes, align with buyer demands, and strategically position themselves in a circular economy.

To **respond effectively**, companies can:
- Rethink product design to prioritise durability, reparability, and material recyclability.
- Map material flows and supply chains to identify areas for resource efficiency and waste reduction.
- Explore business models focused on product-as-a-service, rental, resale, or repair.
- Train staff and suppliers on circular economy principles and their practical implications.
- Engage early with clients and EU partners on upcoming compliance requirements and traceability systems.

These actions not only help with regulatory alignment, but also position companies as forward-thinking, sustainable partners in a shifting global market.

The following pages provide an overview of the most relevant EU legislative instruments impacting textile and apparel companies, including a brief explanation of each initiative, its relevance for different stakeholders, and its legal status.
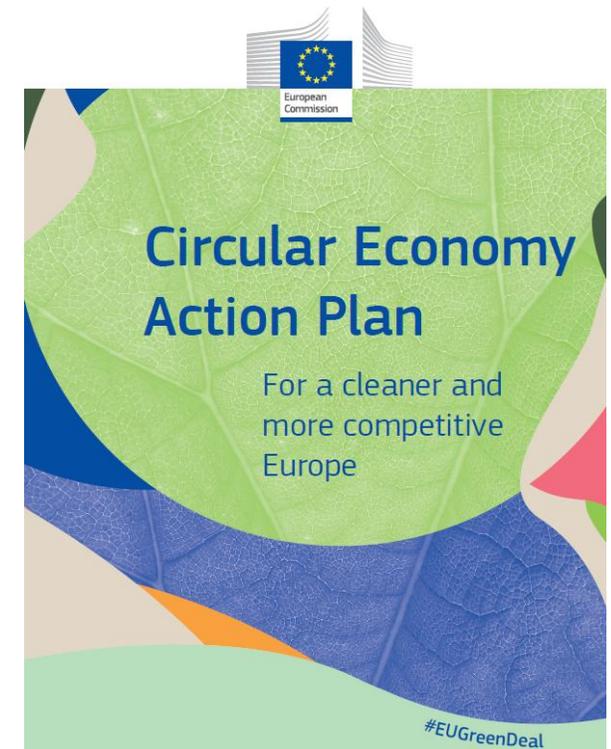
*Source: European Commission, Circular Economy Action Plan. Publication Office of the EU - https://op.europa.eu/en/publication-detail/-/publication/45cc30f6-cd57-11ea-adf7-01aa75ed71a1 ***

* Illustrative use of the EU emblem. This image does not imply endorsement by the European Union.

EU legislation explained
Types of EU legislation relevant to the textile sector

Textile companies will need to comply with both **EU-wide** AND **national laws**.

New legislation is usually proposed by the European Commission and must be approved by both the European Parliament and the Council of the EU.

Source: European Commission - https://commission.europa.eu/law/law-making-process/types-eu-law_en *

The EU creates legislation through **regulations** and **directives**:

- REGULATIONS are <u>uniformly applicable</u> to all EU member states, as soon as they enter into force. Regulations do not need to be transposed (implemented) into national law.

    Examples: Ecodesign for Sustainable Products Regulation (ESPR), EU Deforestation Regulation (EUDR), Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH).

- DIRECTIVES set goals or minimum standards, that all member states must achieve. Member states can <u>decide how to transpose the goals</u> in their national laws, in the most suitable form and method. They may also choose to go beyond the minimum requirements set out in the directive. Directives must typically be transposed into national law within two years, unless otherwise specified.

    Examples: Waste Framework Directive (WFD), Corporate Sustainability Reporting Directive (CSRD), Corporate Sustainability Due Diligence Directive (CSDDD).

<u>Other</u>, related forms:
Digital Product Passport (DPP) - a requirement within the ESPR regulation.
Product Environmental Footprint (PEF) - a methodology or tool.
Extended Producer Responsibility (EPR) - a mechanism or concept, implemented via the Waste Framework Directive.

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1. Extended Producer Responsibility (EPR)

Extended Producer Responsibility (EPR)
Driving circularity through accountability

What is it
The Extended Producer Responsibility (EPR) holds producers responsible for managing the waste generated by their products **after consumer use**. This includes collection, sorting, recycling, or eco-friendly disposal. The responsibility can be financial, organisational, or both. EPR is regarded as a principal policy tool to support implementation of the European Waste Hierarchy, aiming to increase waste **prevention, reuse, and recycling**, in that order of priority.

Eco-modulation is a central element: fees imposed on producers are adjusted, based on the environmental performance of their products. This incentivises better design choices and production practices, such as using recyclable materials or reducing hazardous substances. Companies that adapt early will benefit from lower eco-modulated fees, improved compliance, and stronger market positioning in the EU.

Under EPR systems, **Producer Responsibility Organisations (PROs)** are entities that act on behalf of producers to collectively manage their obligations. PROs typically **collect fees** from producers and **coordinate the financing and logistics** of post-consumer waste management, including: collection, sorting, recycling, and reporting.

These organisations often **partner with local authorities or waste processors** to build the necessary infrastructure and ensure compliance with national EPR regulations and environmental targets. By pooling producer contributions, PROs help streamline operations and reduce the individual burden on companies.

Who is affected
The term 'producers' includes apparel manufacturers, fashion or textile brands, retailers with their own private label, and importers who place textile products on the EU market. While the **core legal obligations** of EPR lie with **brands, importers, and private label retailers** placing products on the EU market, manufacturers outside the EU will feel its effects.

Textile product **manufactures** should stay informed, as buyers will increasingly request:
- Use of recycled fibres and more sustainable materials.
- Better product traceability and environmental data.

This is driven not only by EPR (through eco-modulated fees) but also by the upcoming Ecodesign for Sustainable Products Regulation (ESPR), which will require more durable, recyclable, and transparent products. Proactive alignment with these trends will strengthen supplier relationships and ensure continued access to EU markets.

Extended Producer Responsibility (EPR)
Driving circularity through accountability

Current status
- The Waste Framework Directive (WFD) is currently in effect, by January 1, 2025.
- National EPR schemes are expected EU-wide by 2025–2026.
- Some national EPR systems are already in place, as is the case in countries such as: France, the Netherlands, Hungary, and Latvia.

Harmonized EPR schemes for textiles are being developed, to align rules across member states.

National EPR systems:
- France: Implemented a comprehensive EPR scheme for textiles in 2008, requiring producers to manage the end-of-life of their products, including financing waste collection and recycling.
- Netherlands: Introduced EPR legislation for textiles in 2023, mandating producers to register and report the quantities of textiles placed on the market, and to finance the collection and recycling processes.
- Hungary: Implemented a national EPR system in 2023, requiring producers to register and contribute financially to the collection, treatment, and recycling of textile products. The system is managed by a central concession company (MOHU) under government oversight.
- Latvia: Established EPR for packaging earlier, and introduced the textile-specific EPR in 2024. Producers must pay a natural resource tax to fund the collection and recycling of textiles and footwear.

Example: **EPR Implementation in the Netherlands**
Since mid-2023, textile producers and importers placing goods on the Dutch market must register with UPV Textiel, report product volumes placed on the market, and join a Producer Responsibility Organisation (PRO). The PRO organizes and finances post-consumer textile collection, sorting, and recycling via producer fees. Non-compliance may lead to fines or exclusion from the market.

The Dutch government supports textile circularity via the publication "**The Dutch Circular Textile Industry: The Time for Circularity Is Now**" (RVO, 2024). It includes a catalogue of more than 100 textile organisations, grouped into eight circular business models and principles, such as reuse schemes, recycling innovations, material- or service-based loops. The catalogue provides concrete and practical examples for suppliers and partners in the textile value chain, useful for aligning with EPR and ESG expectations.
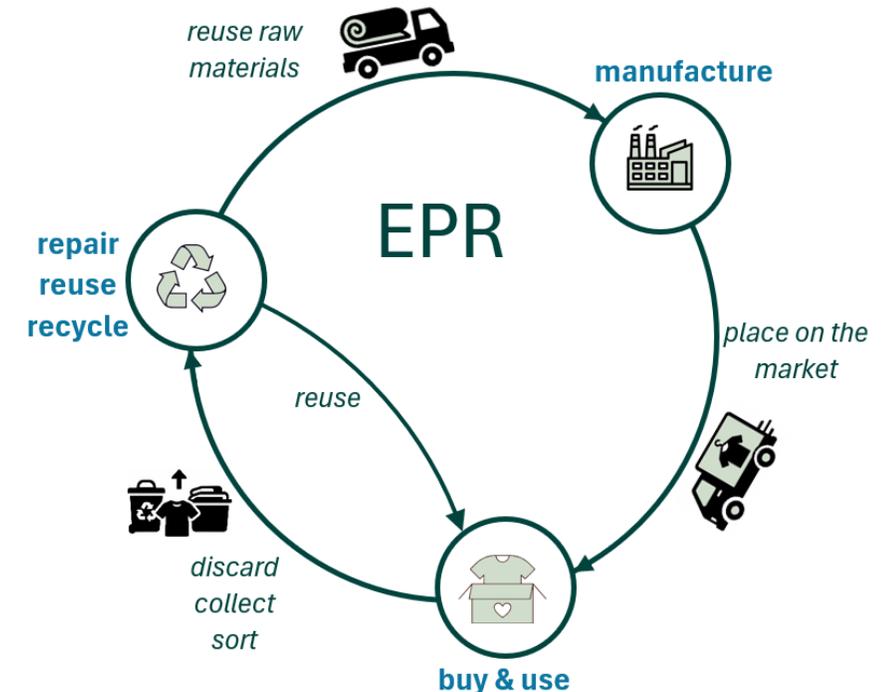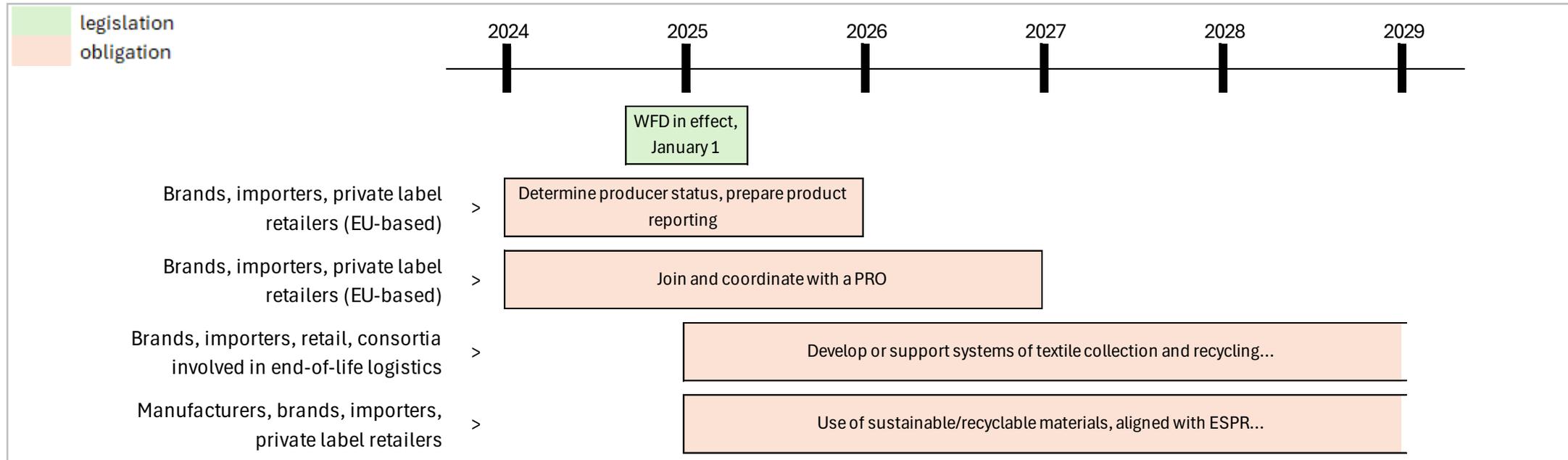
Extended Producer Responsibility (EPR)
Driving circularity through accountability

Overview :

Affected Businesses (primarily)	Obligation	Expected Timing	Suggested Preparations
Brands, importers, private label retailers (EU-based)	Determine producer status, prepare product reporting	2024-2025	Registration and reporting under EPR schemes
Brands, importers, private label retailers (EU-based)	Join and coordinate with a PRO	2024–2026	Financial and/or organisational responsibility, aligned with PRO
Brands, importers, retail, consortia involved in end-of-life logistics	Develop or support systems of textile collection and recycling	2025–2026 onwards	Financing collection and recycling, develop local infrastructure
Manufacturers, brands, importers, private label retailers	Use of sustainable/recyclable materials, aligned with ESPR	2025	Prepare ecodesigned products and discuss eco-modulation

legislation
obligation

2024   2025   2026   2027   2028   2029

WFD in effect, January 1

Brands, importers, private label retailers (EU-based) > Determine producer status, prepare product reporting

Brands, importers, private label retailers (EU-based) > Join and coordinate with a PRO

Brands, importers, retail, consortia involved in end-of-life logistics > Develop or support systems of textile collection and recycling…

Manufacturers, brands, importers, private label retailers > Use of sustainable/recyclable materials, aligned with ESPR…

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2. Ecodesign for Sustainable Products Regulation (ESPR)
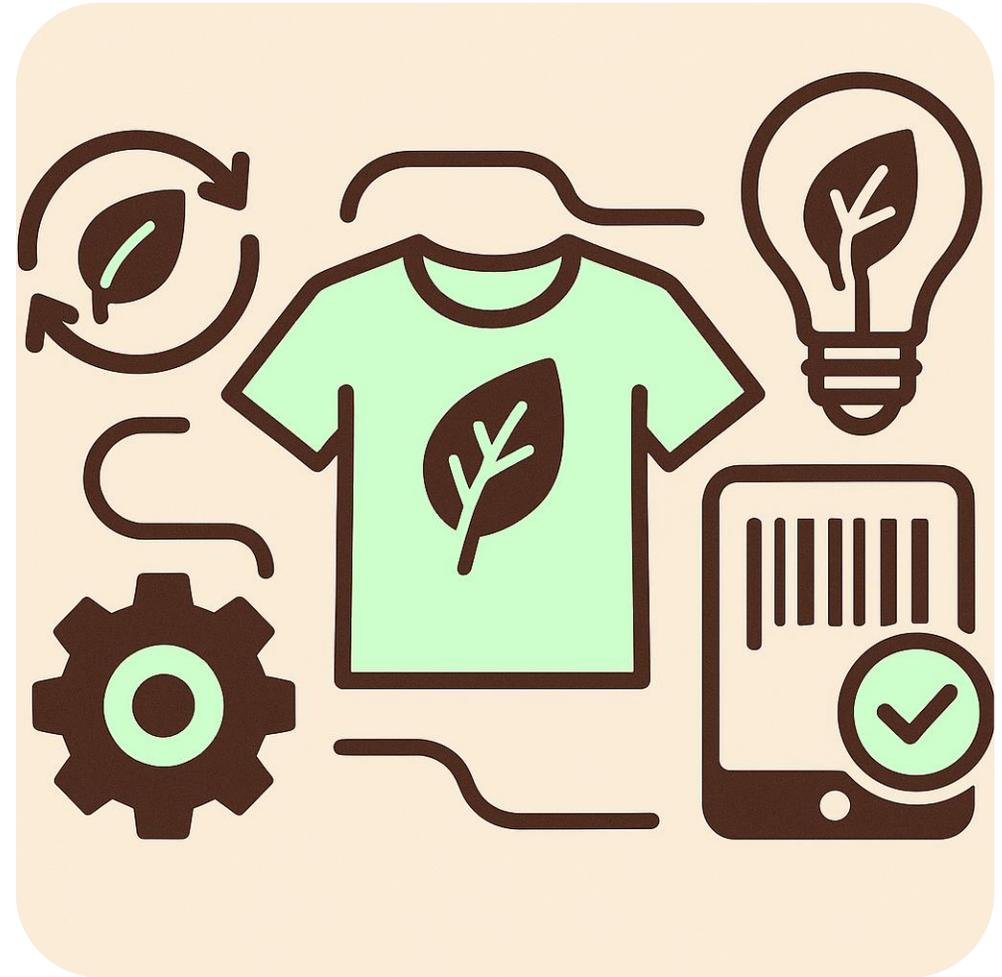
Ecodesign for Sustainable Products Regulation (ESPR)
A new standard for sustainable products in the EU

What is it
The Ecodesign for Sustainable Products Regulation (ESPR) is the EU's flagship framework to improve the environmental **sustainability of products across their life cycle**. It applies to most categories of physical goods - including textiles and footwear - and sets requirements for product performance, information transparency, and circularity.

The ESPR provides a legal basis for the EU to establish product-specific requirements aimed at improving sustainability, enabling circularity, and ensuring market fairness. It empowers the European Commission to adopt delegated and implementing acts that define minimum criteria across product groups. The regulation links design, data, enforcement, and market surveillance under a single, harmonised framework.

The ESPR introduces several key obligations:
- Minimum product requirements, both in terms of performance and information (e.g. environmental footprint, material content).
- Introduction of a Digital Product Passport (DPP) to enable traceability and transparency across the value chain. Further details on the DPP methodology, expected data requirements, and practical guidance for textile companies are provided in the dedicated DPP chapter.
- A ban on the destruction of unsold consumer products, starting in 2026 for large enterprises (brands), and in 2030 for Small and Medium-sized Enterprises (SMEs).
- Requirements to support durability, repairability, recyclability, and reduced environmental impact.
- Promotion of circular business models, use of recycled content, fewer hazardous substances, and energy- and water-efficient manufacturing.
- Application of Green Public Procurement (GPP) rules, requiring public authorities to buy products meeting high sustainability and circularity standards.

Textile-specific rules will be detailed in a '**Delegated Act' for the textile sector**, expected by 2026. The ESPR will work in synergy with the Textile Labelling Regulation, currently under review.

Who is affected
The ESPR affects not only EU-based brands and retailers, but also **non-EU exporters and their supply chains**. Early adaptation is crucial:
- Build systems for data collection on materials and environmental impacts.
- Redesign products with ESPR criteria in mind.
- Prepare to implement and update Digital Product Passports.

Companies that comply early will gain competitive advantages in business to business (B2B) procurement and public contracts.

Ecodesign for Sustainable Products Regulation (ESPR)
A new standard for sustainable products in the EU

Current status
- The general ESPR and Energy Labelling Working Plan 2025–2027 has been formally adopted and published April 2025.
- This Working Plan defines which product groups will be prioritised in the first regulatory cycle.
- Textiles have been confirmed as a priority product group, meaning that regulatory efforts and delegated acts will focus on this sector early in the ESPR implementation phase.
- A 'Delegated Act For Textiles' is expected to be adopted by 2026. After that the specific obligations for textiles will come into effect.

Key Provisions and Timelines:
- The ban on the destruction of unsold consumer goods will apply in 2026 for large enterprises (brands) and 2030 for SMEs (brands).
- Physical product requirements and data-sharing requirements, including the Digital Product Passport are expected to apply from 2027/2028 onwards , depending on the adoption date of the delegated act.
- Enforcement will be supported by enhanced **market surveillance and customs controls**, and mandatory **Green Public Procurement** criteria will apply to public buyers. These measures are designed to ensure level playing fields and prevent non-compliant imports.

Once adopted, companies will typically have 18 months to comply with the new rules. Companies are advised to start preparing by establishing data systems for material composition, environmental impact, and Digital Product Passport (DPP) readiness.

Note: For more background on the governance structure, enforcement mechanisms, and legal basis of ESPR, see **Appendix 1 ESPR: Governance & Implementation**.

Key actions for circular and sustainable products:

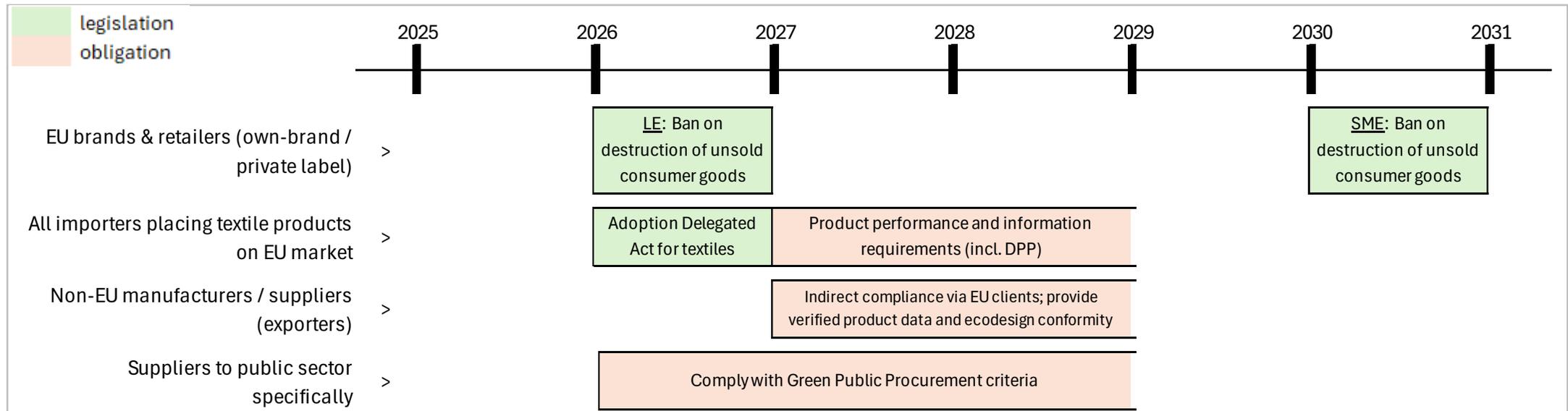| green products	product information	waste prevention	sustainable business	green public procurement
Make products greener, circular and energy efficient through ecodesign requirements.	Improve products environmental sustainability information for consumers and supply chain actors by introducing Digital Product Passports.	Prevent destruction of unsold consumer products.	Promote sustainable business models.	Set requirements for green public procurement.

Ecodesign for Sustainable Products Regulation (ESPR)

A new standard for sustainable products in the EU

Overview

Affected Businesses (primarily)	Obligation	Expected Timing	Suggested Preparations
EU brands & retailers (own-brand / private label)	Ban on destruction of unsold consumer goods	Large enterprises (LE): 2026 SMEs: 2030	Develop reuse/recycling policies, avoid overproduction
All importers placing textile products on EU market	Product performance and information requirements (incl. DPP)	2027–2028 (after the Delegated Act for textiles, adoption expected 2026)	Develop data systems for traceability and compliance
Non-EU manufacturers / suppliers (exporters)	Indirect compliance via EU clients; provide verified product data for DPP and ecodesign conformity	2027–2028	Align production specs with EU requirements; enable transparency in material composition and environmental performance
Suppliers to public sector specifically	Comply with Green Public Procurement criteria	2026–2028 onwards	Align offerings with high sustainability standards

legend: legislation / obligation

Timeline 2025–2031

EU brands & retailers (own-brand / private label) — LE: Ban on destruction of unsold consumer goods (2026); SME: Ban on destruction of unsold consumer goods (2030)

All importers placing textile products on EU market — Adoption Delegated Act for textiles (2026); Product performance and information requirements (incl. DPP) (2027 onwards)

Non-EU manufacturers / suppliers (exporters) — Indirect compliance via EU clients; provide verified product data and ecodesign conformity (2027 onwards)

Suppliers to public sector specifically — Comply with Green Public Procurement criteria (2026 onwards)

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3. Digital Product Passport (DPP)

Digital Product Passport (DPP)
The digital thread of every product: Trace. Trust. Transform.

What is it

The Digital Product Passport (DPP) is a digital record that stores and shares key product data, including information on composition, sustainability, environmental impact, and circularity, across the entire life cycle of a product. It is a key pillar of the Ecodesign for Sustainable Products Regulation (ESPR). The DPP aims to provide structured, **easily accessible data**, based on **international standards**, in order to improve transparency and traceability, enable more informed decision-making by consumers and businesses, and support efficient reuse, repair, recycling, and regulatory enforcement.

The DPP is designed as a **decentralised system** linked to each product via a **unique identifier** (e.g. QR code, RFID). It will include both public and restricted data, accessible based on user roles (e.g. customs vs. consumers). For textiles, the DPP is expected to cover: material composition, certifications, care instructions, repair/recycling data, and environmental footprint. These elements will be finalised in the Delegated Act for Textiles.

A European Parliamentary Research Service study has identified sixteen categories of information that could be contained in the DPP. Information on **material composition** and any **substances of concern** in the product will be included, together with information for **safe use, recycling** and **disposal**, facilitating end-to-end product life cycle management. The categories are subject to refinement in the forthcoming Delegated Act for Textiles, under the ESPR.

The DPP will enable:
- Improved traceability across supply chains;
- Make informed, more sustainable choices by buyers and consumers;
- Efficient repair, reuse, and recycling by third parties;
- Enforcement and oversight by EU authorities.

Product Information
- Product description
- Composition
- Supply chain data
- Transport information

Regulatory Documentation
- Textile Labelling
- Eco-Label
- Environmental impact
- Social impact
- Health and safety impact
- Animal welfare

Circularity & Use Phase
- Circularity characteristics
- After-sale tracking and customer feedback

Identification & Communication
- Brand identity
- Communication media
- Data granularity

Quantitative Data
- Quantity
- Costs

Digital Product Passport (DPP)
The digital thread of every product: Trace. Trust. Transform.

Who is affected
It applies to the same actors as the ESPR. The above-mentioned study identifies the following stakeholders: supply chain companies, brands, retailers, authorities, certification and assessment companies, circularity operators, media, consumers.

Exporters must be ready to:
- Collect detailed product data (materials, chemicals, repair instructions);
- Share information via DPP systems integrated with EU standards;
- Update DPP content throughout the product's life cycle.
Being DPP-ready will help exporters demonstrate transparency, meet future compliance obligations, and increase their value to EU buyers.

Current Status
- Since the DPP derives from the ESPR, its legal status is directly linked to that regulation. Consult the ESPR section for the overarching legislative framework.
- A '**Delegated Act For Textiles**' is expected to be adopted by 2026. After that, the specific obligations for textiles will come into effect.
- The EU commission is working on the development of a DPP for textiles.
- The obligation to provide a Digital Product Passport (DPP) is estimated to become effective between late 2027 and mid-2028, following the adoption of the delegated act.

Once adopted, companies will typically have 18 months to comply with the new rules. Companies are advised to start preparing by establishing data systems for material composition, environmental impact, and Digital Product Passport (DPP) readiness.

Key advice include: **starting early with internal data gathering**, **mapping supply chains**, and **using tools** (like Cirmar or the DPP RAT) to pilot basic DPPs for key products. As noted by the speaker:

"The challenge is not filling out the DPP; it's knowing what you already have and what you still need."

For an overview of tools that may support early DPP implementation, see **Appendix 2: Tools & platforms for DPP compliance**.

Digital Product Passport (DPP)
The digital thread of every product: Trace. Trust. Transform.

Overview

Affected Businesses (primarily)	Obligation	Expected Timing	Suggested Preparations
Fashion and textile brands, importers, private label retailers	Comply with the DPP Delegated Act for Textiles once adopted	late 2027 to mid-2028 (18 months transition)	Monitor legal developments and prepare implementation roadmap
Exporters, brands, importers, apparel manufacturers	Collect product data (materials, chemicals, repair instructions)	2025-2026 (preparation phase)	Establish internal systems to collect and manage product data
Exporters, brands, importers	Share information via DPP systems integrated with EU standards	2026-2027 (system development phase)	Ensure digital infrastructure aligns with upcoming EU - DPP requirements
Brands, manufacturers	Update DPP content throughout the product's life cycle	2027 onwards	Develop processes to maintain and update passport content continuously

TIP: The SIPPO-supported "DPP Readiness Assessment Tool (RAT)" helps textile manufacturers identify and organise the data likely required for DPP compliance. It includes categories like product IDs, materials, certifications, chemicals, footprint, and end-of-life instructions.
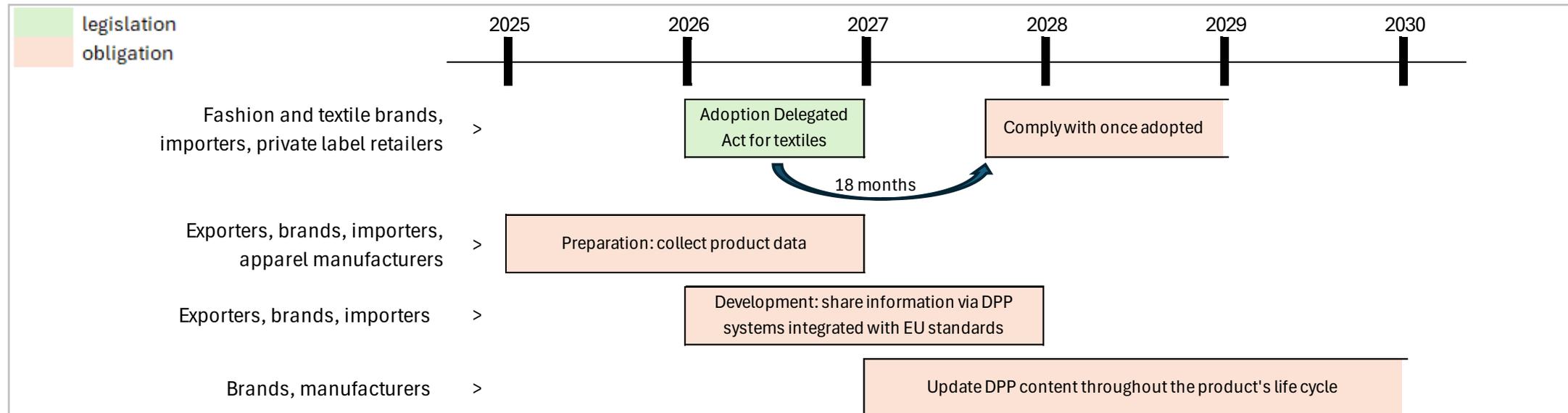
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4. Product Environmental Footprint (PEF)

Product Environmental Footprint (PEF)
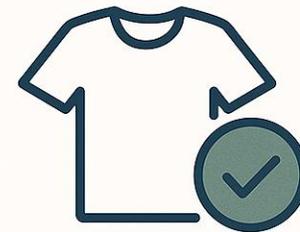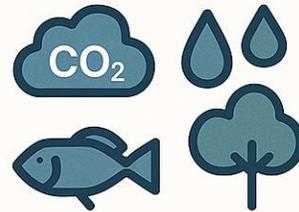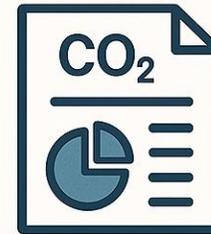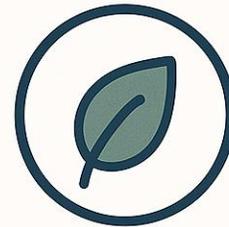
Product Environmental Footprint (PEF)
Calculating the environmental impact of products and services

What is it

The Product Environmental Footprint (PEF) is a methodology developed by the European Commission to **measure and communicate the environmental performance** of products throughout their entire **life cycle**. It provides a harmonized and scientifically sound framework for Life Cycle Assessments (LCAs), making environmental impacts more transparent and comparable. The goal is to provide a consistent and science-based approach across products and sectors.

For textiles and footwear specifically, the EU has developed Product Environmental Footprint Category Rules (**PEFCR**), specifying the methodology, including **16 impact categories** to be assessed, including climate change, water use, land use, toxicity, and resource depletion. Brands will need to use the PEFCR for calculation and communication of product footprints.

The PEFCR supports:
- Green Claims regulation: substantiating environmental claims;
- ESPR and DPP: requirements on product data;
- CSRD, underpinning environmental reporting.

Note: The PEF is part of the EU's Environmental Footprint framework, which also includes OEF, LCA, ILCD and ISO standards. For **definitions and implementation tools, see Appendix 3**.

Who is affected

Brands and manufacturers, exporters in particular. They should:
- Integrate PEF tools and practices into product development;
- Invest in systems for environmental data collection and LCA analysis;
- Train staff on PEF methodology and compliance needs.

Early adopters of PEF will be better prepared for future EU requirements and will benefit from more credible sustainability communication.

🔥 **Climate Change**
- **Climate change**

💧 **Water**
- **Water use**

🧍 **Human Health**
- **Human toxicity, cancer**
- **Human toxicity, non-cancer**
- **Ionising radiation**
- **Particulate matter**
- **Ozone depletion**
- **Photochemical ozone formation**

🌿 **Ecosystems**
- **Acidification**
- **Eutrophication, freshwater**
- **Eutrophication, marine**
- **Eutrophication, terrestrial**
- **Ecotoxicity, freshwater**
- **Land use**

⛏ **Natural Resources**
- **Resource use, fossils**
- **Resource use, minerals and metals**

Product Environmental Footprint (PEF)
Calculating the environmental impact of products and services

Current Status
- PEF is fully developed and officially adopted by the European Commission as the harmonised methodology for product environmental assessments. PEF is not legally mandatory in itself, but its use is required in specific contexts.
- PEFCR for Apparel and Footwear v3.1 is formally adopted by the European Commission (May 2025); the pilot and transitional phase has been completed. This means it is endorsed, and publicly available as the EU's recommended standard for environmental footprint calculations.

The adoption is especially relevant for the following upcoming legislation:
- Green Claims Directive
- Ecodesign for Sustainable Products Regulation (ESPR)
- Digital Product Passport (DPP)

Because of these future EU regulatory frameworks, companies should prepare to integrate PEFCR into their assessments and reporting.

National systems of product environmental performance assessment:
- France: The French '**eco-score**' has a legal status. It imposes mandatory environmental labelling requirements for textiles products. Brands must disclose: recycled content, traceability, microplastic risks, repairability, durability and end-of-life instructions. The system builds on PEF methodology but is not identical to the PEFCR and includes France-specific additional scoring elements like repairability, microfiber pollution, and product lifetime and social/environmental indicators. It's rolling out voluntarily starting late 2025, with general compliance expected by 2026.
- In some EU countries, voluntary ecolabelling schemes exist, primarily aimed at guiding consumer choices. Notable examples: Blue Angel in Germany and Nordic Swan in Nordic countries. These systems may coexist with, but are expected to be increasingly influenced by, upcoming EU-wide legislation.

Product Environmental Footprint (PEF)

Calculating the environmental impact of products and services

Overview

Affected Businesses (primarily)	Obligation	Expected Timing	Suggested Preparations
EU-based brands, importers, and compliance teams (incl. LCA experts)	Apply PEFCR methodology to measure and substantiate product environmental impact	2025 onwards (in line with Green Claims Directive and ESPR rollout)	Apply PEFCR v3.1 in environmental reporting and green claim substantiation
Manufacturers and exporters targeting the EU market	Provide PEF-compliant environmental data for EU compliance and market access	2025-2026 (based on importer/brand requirements and DPP)	Coordinate with buyers to collect and structure environmental footprint data using PEF methodology

legislation
obligation

2025　　2026　　2027　　2028　　2029　　2030

EU-based brands, importers, and compliance teams (incl. LCA experts)

> Apply PEFCR methodology to measure and substantiate product environmental impact *

* in line with Green Claims Directive and ESPR rollout

Manufacturers and exporters targeting the EU market

> Provide PEF-compliant environmental data for EU compliance and market access *

* based on importer/brand requirements and DPP

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5. Corporate Sustainability Reporting Directive (CSRD)

Corporate Sustainability Reporting Directive (CSRD)
Prepare today for tomorrow's reporting requirements

What is it

The Corporate Sustainability Reporting Directive (CSRD) is a major update to existing EU reporting requirements, significantly expanding the scope and depth of **sustainability reporting obligations** for companies operating in or with the European Union. It requires in-scope companies (e.g. brands) to report on environmental, social, and governance (**ESG**) matters in accordance with the European Sustainability Reporting Standards (**ESRS**), including rules on the content, format, and digital tagging of sustainability disclosures. It also requires limited **third-party assurance** of reported information, with the possibility of stricter assurance being introduced in future years.

CSRD - 12 European Sustainability Reporting Standards (ESRS)

50% Environmental	40% Social	10% Governance
E1 Climate change	S1 Own workers	G1 Business conduct
E2 Pollution	S2 Workers in value chain	
E3 Water & marine resources	S3 Affected communities	
E4 Biodiversity	S4 Consumers	
E5 Resource use & circular economy		

Overarching standards — ESRS 1 General Requirements / ESRS 2 General Disclosures

Double materiality is a core principle of the CSRD. It requires companies to assess and report on sustainability topics from two perspectives:
1. Financial materiality: how ESG factors affect the company's value and performance.
2. Impact materiality: how the company's activities affect people and the environment.

This means companies must not only disclose risks and opportunities that impact their business, but also the impacts they generate across their value chain, even if those impacts are not yet financially significant.

The CSRD follows a **progressive implementation** schedule: Sustainability reporting of the largest EU-listed public-interest entities (PIEs) is covered since **2025** under the former Non-Financial Reporting Directive (NFRD). In **2026**, it extends to all large EU companies/brands meeting at least two of the following thresholds: €40 million net turnover, €20 million total assets, and 250+ employees. In **2027**, it applies to listed SMEs, although these may opt out until 2028. From **2029**, the CSRD also applies to non-EU companies generating more than €150 million in net turnover within the EU, with an EU branch or subsidiary. This phased rollout allows businesses time to adapt internal systems and ESG data collection practices. However, **indirect impacts on suppliers** and SMEs are already visible, as larger firms increasingly require verifiable ESG information from their value chains.

Corporate Sustainability Reporting Directive (CSRD)
Prepare today for tomorrow's reporting requirements

Practical implications for businesses in or trading with the EU:
- Supply chain transparency is no longer optional; even non-EU suppliers are under pressure to deliver traceable and consistent ESG data.
- Sustainability has become a legal compliance requirement, not a voluntary or marketing-driven initiative.
- Companies must align their internal systems, data flows, and governance & management structures to meet CSRD requirements and remain eligible for finance and public procurement.
- Under the CSRD, EU companies must disclose their greenhouse gas emissions across Scope 1 (direct emissions from operations), Scope 2 (indirect emissions from purchased energy), and Scope 3 (all other indirect emissions across the value chain). **Scope 3** typically represents the largest share of a company's total carbon footprint, requiring **close coordination with suppliers and partners**.

Who is affected
The CSRD directly affects large **EU-based** brands, private label owners, manufacturers, and importers. From 2029, it will also directly affect large **non-EU exporters** selling into the EU.

SMEs and **non-EU suppliers** are indirectly affected, as their data (e.g. traceability, lifecycle indicators) is needed for Scope 3 reporting by larger clients.

Current status
- The first CSRD reports for fiscal year (FY) 2024 are now being published by large PIEs.
- Companies experience data collection challenges, especially regarding Scope 3 emissions and social indicators.
- The European Commission has delayed the adoption of sector-specific ESRS (originally expected in mid-2024) to 2026, focusing instead on capacity building and implementation support.
- There is increasing scrutiny over greenwashing and data quality, prompting the European Securities and Markets Authority (ESMA) to announce harmonised enforcement guidelines.
- Despite political pressure on broader sustainability legislation, such as the CSDDD, the CSRD remains intact so far and is seen as politically stable and institutionally entrenched. The directive will continue to be a central driver of corporate transformation toward long-term sustainability in the EU and beyond.

Corporate Sustainability Reporting Directive (CSRD)
Prepare today for tomorrow's reporting requirements

Overview

Affected Businesses (primarily)	Obligation	Expected Timing	Suggested Preparations
Non-EU suppliers	Provide data (e.g. traceability, lifecycle indicators) for Scope 3 reporting by larger clients.	2025 onwards - timing depending on the size and CSRD obligations of their EU clients	Develop capacity to respond to buyer data requests and be able to provide verifiable ESG information.
EU-based large companies	Report annually on sustainability matters (financial disclosure cycle).	2026 (reporting on FY2025)	Adapt internal systems and ESG data collection practices.
EU-based listed SMEs	Report annually on sustainability matters (financial disclosure cycle).	2027 (reporting on FY2026), with optional opt-out until 2028	Adapt internal systems and ESG data collection practices.
Non-EU-based large companies with branch/subsidiary in the EU	Report annually on sustainability matters (financial disclosure cycle).	2029 (reporting on FY2028)	Adapt internal systems and ESG data collection practices.

legislation
obligation

| | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |

Non-EU suppliers >
Provide data for Scope 3 reporting
(timing depending on size and CSRD obligations of the clients)

EU-based large companies >
Report on FY2025 and annually onwards on sustainability matters
(as part of the official financial disclosure cycle)

EU-based listed SMEs >
Report on FY2026 and annually onwards;
optional Opt-Out until 2028

Non-EU-based large companies
with branch/subsidiary in the EU >
Report on FY2026 and annually onwards

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CSRD
Corporate Sustainability
Reporting Directive

6. Corporate Sustainability Due Diligence Directive (CSDDD)

Corporate Sustainability Due Diligence Directive (CSDDD)
The ripple effect across the supply chain

What is it

The Corporate Sustainability Due Diligence Directive (CSDDD) introduces binding legal obligations for large EU and non-EU companies to conduct due diligence on **human rights and environmental risks** throughout their **own operations and value chains**. The directive is a key pillar of the EU's sustainable corporate governance strategy, aimed at driving systemic change in global supply chains.

Due diligence is a structured, ongoing process that involves:
- Setting clear policies on responsible business conduct;
- Identifying actual and potential adverse impacts on people and the planet;
- Taking action to prevent, mitigate, or remedy these impacts;
- Monitoring effectiveness and updating practices;
- Enabling grievance mechanisms;
- Reporting transparently, aligned where applicable with the CSRD.

The CSDDD aligns with international frameworks such as the OECD Guidelines and the UN Guiding Principles on Business and Human Rights, and applies not
only to direct operations but also to upstream and downstream partners.

The CSDDD will apply progressively **based on company size and turnover**, allowing a realistic and manageable rollout of the directive's complex obligations. In 2027 it applies to companies with over 5000 employees and €1500 million turnover, in 2028 to companies with over 3000 employees and €900 million turnover and in 2029 to companies with over 1000 employees and €450 million turnover. For non-EU companies, the directive applies in the same phases, but only based on their net turnover generated within the EU. The employee headcount criterion does not apply to non-EU companies.

- Set policies
- Identify impacts
- Prevent & migitate the impacts
- Monitor & update
- Enable grievance mechanisms
- Report transparently

Corporate Sustainability Due Diligence Directive (CSDDD)
The ripple effect across the supply chain

Who is affected
Although the CSDDD targets large companies operating or selling in the EU, its indirect impacts are already being felt across global value chains. Suppliers, including SMEs and non-EU manufacturers, are increasingly expected to provide **verifiable information on labour conditions, environmental risks, and sourcing practices**. This results in rising documentation demands, audit requirements, and pressure to align with international standards, even if these suppliers are not directly subject to the directive.

Current status
The Corporate Sustainability Due Diligence Directive (CSDDD) entered into force in July 2024, following formal adoption by the EU Council and Parliament. Member States have **two years to transpose the directive into national law**. Its obligations will apply gradually from 2027 onwards, based on company size and EU turnover.

While the directive directly targets large companies operating in the EU, it will have indirect implications for SMEs and global suppliers, who are increasingly expected to provide **evidence of responsible business conduct and ESG risk management**.
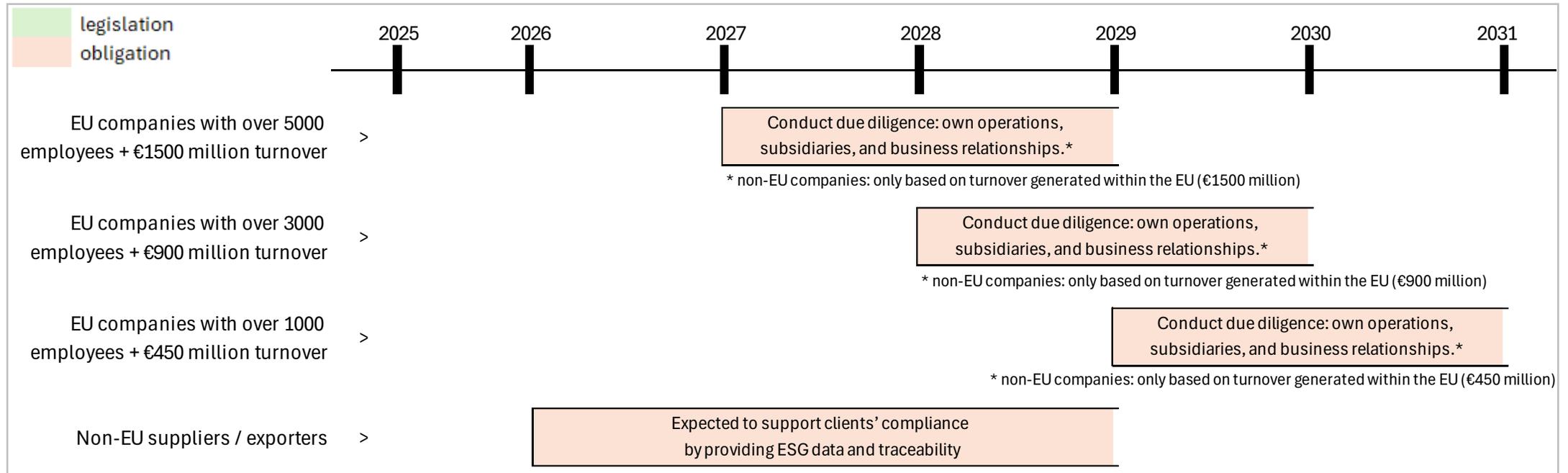
Corporate Sustainability Due Diligence Directive (CSDDD)

The ripple effect across the supply chain

Overview

Affected Businesses (primarily)	Obligation	Expected Timing	Suggested Preparations
Large companies operating in EU (e.g. large EU and non-EU apparel brands, importers, retailers)	Conduct due diligence across own operations, subsidiaries, and established business relationships.	Phased from 2027 to 2029, based on company profile	Integrate due diligence into governance, map value chain, set up grievance mechanism, align with OECD/UNGPs.
Non-EU suppliers / exporters	Expected to support clients' compliance by providing ESG data and traceability	Ongoing (buyer-driven expectations)	Provide evidence on labour and environmental practices, ensure supply chain traceability, respond to audits and build capacity.

legislation
obligation

| | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |

EU companies with over 5000 employees + €1500 million turnover >
Conduct due diligence: own operations, subsidiaries, and business relationships.*
* non-EU companies: only based on turnover generated within the EU (€1500 million)

EU companies with over 3000 employees + €900 million turnover >
Conduct due diligence: own operations, subsidiaries, and business relationships.*
* non-EU companies: only based on turnover generated within the EU (€900 million)

EU companies with over 1000 employees + €450 million turnover >
Conduct due diligence: own operations, subsidiaries, and business relationships.*
* non-EU companies: only based on turnover generated within the EU (€450 million)

Non-EU suppliers / exporters >
Expected to support clients' compliance by providing ESG data and traceability

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7. European Union Deforestation Regulation (EUDR)

European Union Deforestation Regulation (EUDR)
Trace it. Prove it. Comply: forest-safe products

What is it

The European Union Deforestation Regulation (EUDR, also referred to as the "regulation on deforestation-free products") is a European law that aims to combat deforestation. It requires that products placed on or exported from the EU market **may not contribute to deforestation or forest degradation**. This applies to materials such as **cattle-derived leather, natural rubber, and paper-based packaging**.

To demonstrate compliance, companies must submit a due diligence statement via the EU Information System before placing products on the market or exporting them. This declaration must confirm that the product is deforestation-free and legally produced, and must be supported by evidence of:
- Full traceability down to the exact geographic location (GPS coordinates) of the land plot where the raw materials were sourced;
- A robust risk assessment of deforestation and legality risks;
- Appropriate risk mitigation measures where risks are identified.

The EUDR applies to **textile and footwear products** when they contain specific raw materials linked to deforestation risks:
- Cattle-derived leather, commonly used in footwear, belts, bags, and outerwear, falls directly under the regulation;
- Natural rubber, used not only in soles and accessories, but also in functional textile coatings (e.g. waterproofing or grip layers), must be traced back to deforestation-free sources;
- Paper-based packaging, such as hangtags, boxes, tissue paper, and mailers, made from wood pulp, is also in scope if sold together with the product or used in commercial packaging.

Cattle-derived leather
Used in shoes, outerwear, belts & bags

Natural rubber
Used in soles, functional coatings & accessories

Paper-based packaging
Includes hangtags, mailers, boxes & tissue

European Union Deforestation Regulation (EUDR)
Trace it. Prove it. Comply: forest-safe products

The regulation currently does not apply to **wood-derived man-made cellulosic fibers** (MMCFs) such as viscose, modal, or lyocell. However, future regulatory extensions are expected as the EU continues to broaden the scope of environmental compliance, potentially covering additional textile-related materials.

Who is affected
The EUDR applies to **all operators and traders that place in-scope products on the EU market** or export them from the EU, regardless of where the products are produced. This includes:
- EU and non-EU brands, retailers, and importers that place finished goods (e.g. apparel, footwear) containing regulated materials on the EU market;
- Non-EU manufacturers and exporters: proactively map their material inputs and sourcing regions, especially where leather, natural rubber, or wood pulp-based packaging is used;
- Raw material suppliers: provide verifiable data (e.g. geolocation, legality, and deforestation-free status) to downstream partners to support compliance.

Current status
- From 30 December 2025 the regulation applies to **large and medium-sized enterprises, both operators and traders**. These entities must submit a due diligence statement before placing in-scope products on the EU market or exporting them from the EU.
- The European Commission has committed to ensuring that the EU-wide **information system** for submitting due diligence statements will be operational by December 2025.
- From 30 June 2026 **small and micro enterprises** are subject to the obligations, if they act as traders (buying and selling in-scope products*) or if they trade with operators or traders who are already subject to the regulation.

** If a micro or small **trader** places products on the market under its own name or brand, it is classified as an **operator** and must already comply from 30 December 2025.*

Note: For more information on digital tools supporting EUDR compliance, including the TRACE platform, ITC checklist, and other service providers, see the **Appendix 4: Tools for EUDR compliance** at the end of this guide.
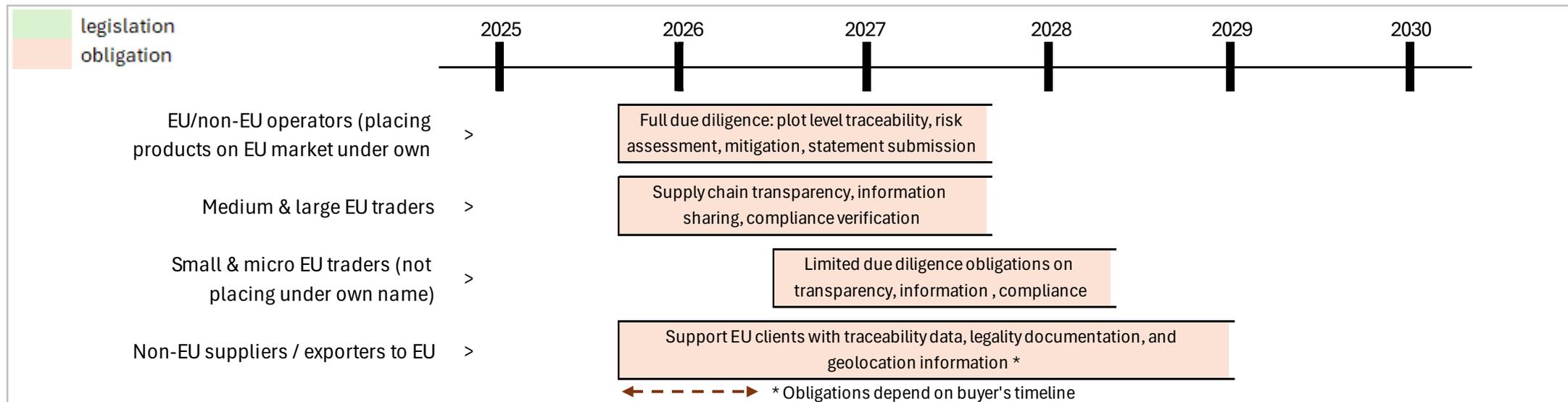
European Union Deforestation Regulation (EUDR)
Trace it. Prove it. Comply: forest-safe products

Overview

Affected Businesses (primarily)	Obligation	Expected Timing	Suggested Preparations
EU/non-EU operators (placing products on EU market under own name/brand)	Full due diligence: traceability to plot level, risk assessment, mitigation, statement submission	End 2025	Establish due diligence system, collect geolocation data, verify legality & sourcing risks
Medium & large EU traders	Supply chain transparency, information sharing, compliance verification	End 2025	Identify product origins, request compliance data from suppliers
Small & micro EU traders (not placing under own name)	Same as above (limited obligations)	Mid 2026	Prepare for information duties, align with operator clients
Non-EU suppliers / exporters to EU	Support EU clients with traceability data, legality documentation, and geolocation information	Depends on buyer's timeline	Map sourcing regions, provide deforestation-free proof, engage with EU customers early

legislation
obligation

2025   2026   2027   2028   2029   2030

EU/non-EU operators (placing products on EU market under own >   Full due diligence: plot level traceability, risk assessment, mitigation, statement submission

Medium & large EU traders >   Supply chain transparency, information sharing, compliance verification

Small & micro EU traders (not placing under own name) >   Limited due diligence obligations on transparency, information , compliance

Non-EU suppliers / exporters to EU >   Support EU clients with traceability data, legality documentation, and geolocation information *

* Obligations depend on buyer's timeline

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8. Other legislation: flammability, chemicals (REACH), workwear

Other legislation: flammability, chemicals, workwear
Beyond sustainability: legal essentials for safe and compliant textiles

In addition to the core EU eco-regulations (such as the ESPR, CSRD, and EUDR), other legal requirements apply, critical for **product safety, market access, and brand acceptance**. These obligations are increasingly viewed through the lens of sustainability and supply chain due diligence.

➢ **Flammability Standards**

The EU does not have a harmonised regulation for the flammability of general apparel, but product safety should be guaranteed, in accordance with the General Product Safety Directive (GPSD). To demonstrate compliance with the GPSD, manufacturers and importers can refer to voluntary EU standards (e.g. EN 14878 for children's nightwear) or to relevant international standards. For example, some market surveillance authorities and buyers in Member States such as the Netherlands and Ireland accept test results based on US flammability standards (e.g. 16 CFR Part 1610) as part of the conformity assessment.

In contrast, flammability requirements are mandatory for specific categories such as PPE and protective workwear. Similarly, home textiles and furnishings may be subject to national-level fire safety rules, particularly when used in public buildings or contracts.

These standards are becoming more integrated into the EU's broader push for product sustainability, notably under the Ecodesign for Sustainable Products Regulation (ESPR), which may introduce durability and safety performance thresholds that indirectly affect flammability compliance.

➢ **Chemical Compliance – REACH & Beyond**

The REACH Regulation (EC 1907/2006) is the **EU's primary framework** for regulating chemicals. Manufacturers and importers must ensure that chemicals used in products - including dyes, coatings, and auxiliaries - are safe, and within restriction limits (Annex XVII). Additionally, products containing substances of very high concern (SVHCs) above 0.1% must be declared via the SCIP database, supporting consumer and recycler information obligations. Brand-specific Restricted Substances Lists (**RSL**s), based on REACH and additional requirements, are commonly used for compliance at the product level.

Complementary chemical safety regulations also apply to textile products. These include the **POP Regulation** (restricting persistent organic pollutants such as PFAS), the **Biocidal Products Regulation** (for textiles treated with antimicrobial or insect-repellent agents), and the **Toy Safety Directive** (applicable to children's textiles). In specific cases, the Food Contact Materials Regulation may be relevant, for example to kitchen or catering textiles.

The EU shift towards toxic-free material cycles means REACH will increasingly converge with eco-regulation: safe chemical content is a prerequisite for circularity, recyclability, and extended producer responsibility schemes. Manufacturers are advised to align their materials and formulations with the principle of safe and sustainable by design, as chemical safety will increasingly determine market access and recyclability under EU law.

Other legislation: flammability, chemicals, workwear
Beyond sustainability: legal essentials for safe and compliant textiles

Voluntary Chemical Management Standards and Brand Requirements – ZDHC and MRSLs

Leading fashion and workwear brands increasingly require compliance with Manufacturing Restricted Substances Lists (**MRSLs**), especially those issued by the Zero Discharge of Hazardous Chemicals (ZDHC) program. Unlike REACH, MRSLs govern which substances may be used in manufacturing processes, not only what ends up in the final product.

Compliance with ZDHC MRSLs is often verified through third-party wastewater testing, chemical inventory audits, and supplier certification schemes (e.g. ZDHC ClearStream or OEKO-TEX® STeP). Manufacturers must therefore ensure that process chemicals are pre-approved or certified against MRSL standards, documentation is traceable across the supply chain and production facilities are audit-ready for environmental and chemical management practices.

Failure to comply may result in exclusion from preferred supplier lists, especially as due diligence obligations (under the CSDDD) require brands to actively manage risks in their upstream chains, including chemical risks.

➢ **Workwear-Specific Requirements**

Workwear and protective clothing must often meet stringent technical and safety standards, such as:

- PPE Regulation (EU) 2016/425, requiring CE marking and compliance with standards like EN ISO 20471 (visibility), EN ISO 11612 (flame resistance), and EN 343 (weather protection);
- Voluntary certifications (e.g., OEKO-TEX®, GOTS), often specified in public and corporate procurement;
- REACH Regulation, particularly relevant for workwear due to the use of functional chemical treatments, such as flame retardants, water repellents, and antimicrobial finishes. While certain substances may be exempt when they are essential for protective function under the PPE Regulation.

Given that a substantial share of workwear is purchased by **public sector entities**, EU legislation increasingly connects product safety and sustainability with Green Public Procurement (GPP) requirements. For workwear suppliers, this implies early alignment with upcoming ecodesign criteria (durability, chemical safety, recycled content), use of the DPP for compliance transparency, and growing emphasis on environmental and social performance in public tenders. EU-funded buyers are expected to lead, actively driving demand for circular and responsible products.

This places **workwear manufacturers at the intersection of new product regulation and procurement reform**, with compliance becoming a prerequisite for market access, especially in public tenders shaped by sustainability criteria derived from the ESPR and the CSDDD.

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Conclusion

Future-proofing textile exports to the EU

The European Union's sustainability agenda is reshaping the textile and apparel industry. Regulatory frameworks such as the ESPR, EPR, CSRD, and DPP are creating **new standards for product design, transparency, and accountability**.

Exporters from non-EU countries must be proactive to remain competitive. Key recommendations:
* Monitor upcoming EU legislation and prepare for staged compliance;
* Embed sustainability criteria in product design, sourcing, and supply chain governance;
* Collaborate with buyers to align on data, traceability, and reporting expectations;
* Use this guide as a strategic roadmap to adapt and thrive in a regulated, sustainability-driven market.

The companies that succeed will be those who view compliance not as a burden but as a catalyst for **innovation, value creation, and long-term resilience**.
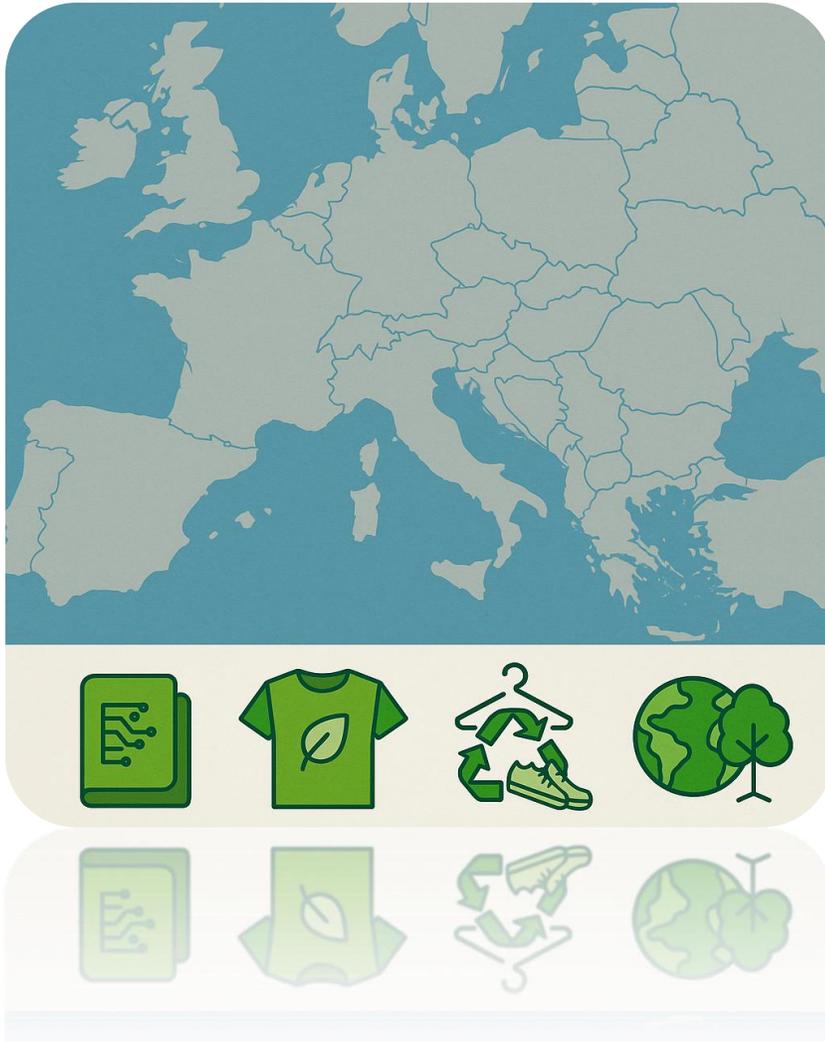
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Readers are strongly advised to consult the official legal texts and/or qualified legal counsel for advice tailored to their specific compliance obligations.

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Appendix 1 - ESPR: Governance & Implementation

To support practical understanding of the ESPR framework, this appendix summarises key implementation aspects presented during the European Commission's Stakeholder Webinar (May 2024), including governance tools, enforcement mechanisms, and opportunities for stakeholder involvement.

Full PDF download of the webinar: European Commission Stakeholder Webinar, May 2024

1. Regulatory Architecture of ESPR
The Ecodesign for Sustainable Products Regulation (ESPR) is a horizontal legal framework designed to improve the sustainability of nearly all physical goods sold on the EU market. It empowers the European Commission to adopt:
- Delegated Acts: to set detailed product-specific requirements
- Implementing Acts: to support governance, procedures, and harmonisation

Key articles include:
- Article 4: Grants the Commission the authority to establish ecodesign requirements for designated product groups;
- Article 21: Allows the recognition of industry-led self-regulation measures as alternatives to delegated acts, under strict conditions.

The ESPR applies in coordination with other EU legislation, such as REACH, the Waste Framework Directive, and the proposed Green Claims Directive.

2. Key Product Aspects (Slide 10)
Ecodesign requirements under ESPR may cover the following aspects:
- Product durability and functional lifetime
- Ease of repair, reuse, and upgrading
- Recyclability and material recovery
- Presence of substances of concern
- Energy and resource efficiency
- Use of recycled content
- Environmental footprint and carbon intensity
- Information provision via the Digital Product Passport (DPP)

3. Enforcement & Market Controls (Slide 14)

To ensure the regulation's effectiveness, the ESPR includes:

- Mandatory Green Public Procurement (GPP): Public buyers must prioritise products that meet ESPR standards
- Ban on destruction of unsold goods: Starting 2026 for large enterprises, 2030 for SMEs
- Market surveillance: Strengthened checks and coordination across Member States
- Customs enforcement: Controls to prevent non-compliant imports

4. ESPR Milestones (Slide 44)

Milestone	Estimated Date
ESPR Regulation adopted	Q1 2025
First Working Plan adopted	April 2025
Delegated Acts (e.g. textiles)	By end of 2026
Implementation for textiles (estimated)	2027–2028
DPP mandatory for selected products	2027 onwards
Ban on destruction (large enterprises)	2026
Ban on destruction (SMEs)	2030

5. Ecodesign Forum & Stakeholder Participation

The Ecodesign Forum supports dialogue between the Commission, Member States, and stakeholders during the preparation of delegated acts. The Commission encourages the involvement of industry associations, NGOs, and other qualified organisations.

Note: As of August 2025, membership lists are not publicly disclosed. Interested organisations should contact the Commission or national ministries to explore participation.

Appendix 2 - Tools & platforms for DPP compliance

To support textile manufacturers in preparing for the Digital Product Passport (DPP), several tools and digital platforms are already available. These tools can assist with lifecycle assessments, data collection, traceability, and DPP creation. While the DPP is not yet mandatory, early engagement with these tools can build capacity and strengthen relationships with EU buyers.

Below is an overview of commonly referenced tools. This list is **non-exhaustive** and does not represent a recommendation.

Tool/Platform	Main Function	Website
Higg MSI	Assesses material-level environmental impacts	https://howtohigg.cascale.org/higg-index-tools/higg-product-tools/higg-msi/
Ecochain	LCA and product footprint tool	https://ecochain.com
bAwear Score	LCA and textile-specific sustainability analysis	https://bawear-score.com/
SimaPro	LCA platform	https://simapro.com
Sphera (formerly GaBi)	LCA platform	https://sphera.com/solutions/lca-automation-software/
Cirmar	Simplified DPP creation with impact figures	https://cirmar.com/
Tex Tracer	Supply chain transparency and DPP integration	https://www.tex-tracer.com/platform/digital-product-passport
CircularID	Open standard for circular fashion data	https://circularity.id/
Atma.io	Traceability and product identity platform	https://www.atma.io/

Note: The inclusion of specific providers does not imply endorsement. Companies should evaluate which solution fits their specific needs based on supply chain complexity, commodity type, and capacity.

Appendix 3 - PEF definitions and implementation tools

This appendix provides additional technical background to support implementation of the Product Environmental Footprint (PEF) and related methods in the textile and footwear sector.

A. <u>Key Definitions and Frameworks</u>

- Environmental Footprint (**EF**): The EU's overarching initiative for measuring and improving environmental performance.
- Product Environmental Footprint (**PEF**): EU methodology to assess the environmental impact of products based on life cycle assessment.
- Organisation Environmental Footprint (**OEF**): Similar to PEF, but applied to company-level operations.
- Life Cycle Assessment (**LCA**): Method to calculate environmental impacts across the full life cycle of a product.
- **ILCD**: International Life Cycle Data System - data and methodological standards supporting LCA.
- **ISO 14040/44**: International standards for LCA methodology and requirements.

B. <u>Implementation in the Textile Industry</u>

Steps for aligning with PEFCR for Apparel & Footwear:

1. Identify relevant product categories (13 sub-groups covered)
2. Collect primary and secondary life cycle data
3. Apply impact assessment using the 16 PEF indicators
4. Document and verify results following PEFCR guidance

Considerations:

- Recycled content, durability, repairability
- Use-phase assumptions (washing, drying)
- End-of-life modelling (recyclability, disposal)

C. Data Sources and Tools

- **EF Database**: Official life cycle inventory data used in PEF calculations
- Available at: https://pefapparelandfootwear.eu/:
    - **Tools** and **templates**
    - **PEFCR for Apparel & Footwear v3.1 -** Official methodology and annexes.

D. Regulatory Relevance

PEF and PEFCR are foundational for:

- **Green Claims Directive** (substantiating product claims)
- **Ecodesign for Sustainable Products Regulation** (Ecodesign data and sustainability profiles)
- **Digital Product Passport** (structured product information)

See the main reference section for the full list of sources.

Appendix 4 - Tools for EUDR compliance

To support companies in understanding and meeting their compliance obligations under the EU Deforestation Regulation (EUDR), a number of digital tools and platforms are available. These tools help operators, traders, and non-EU suppliers prepare documentation, assess risks, and manage traceability requirements.

TRACE Platform (TRade and Agricultural Commodities Ecosystem)

The TRACE platform is the official EU digital portal for submitting due diligence statements under the EUDR. From 30 December 2025, all operators and relevant traders must use this platform to register in-scope products before placing them on or exporting them from the EU market. It stores geolocation data, legality documentation, risk assessments, and mitigation measures.

Note for non-EU businesses: Companies outside the EU can already create an account in TRACE, but full verification as an organization and product submission functions are not yet available. These features are expected to be operational by the end of 2025. Non-EU companies are advised to pre-register and begin collecting relevant compliance data in preparation.

Login page: https://eudr.webcloud.ec.europa.eu/tracesnt/loginITC

Self-Assessment Checklist

The International Trade Centre (ITC) offers a self-assessment checklist designed to help companies understand and prepare for EUDR compliance. The tool helps businesses:

- Identify key compliance requirements;
- Check availability of supporting documentation;
- Map material inputs and sourcing origins;
- Prepare for risk analysis.

Although the checklist is not sector-specific, it is widely applicable across supply chains that use regulated commodities.

Access: https://www.intracen.org/fr/node/399227

CBI Guide: Overview of Digital Tools

The Centre for the Promotion of Imports (CBI) provides a practical overview of digital tools and solution providers that support companies with EUDR-related compliance, including:

- Traceability platforms;

- Risk assessment and country risk data providers;

- Document and geolocation data management systems.

The overview includes comparative notes on strengths and relevance for different supply chain actors. While the examples focus on agricultural products, many of the tools are adaptable to the textile and footwear sector.

Access: https://www.cbi.eu/news/how-use-digital-tools-meet-eudr-requirements

Summary of EUDR Digital Tool Providers

Tool / Platform	Functionality	Relevant for	Website
TRACE (EU platform)	Submit due diligence, geolocation, risk data	Operators, traders (EU + non-EU)	https://eudr.webcloud.ec.europa.eu/tracesnt/login
ITC Checklist	Self-assessment, documentation readiness	All business types	https://www.intracen.org/fr/node/399227
Sourcemap	Supply chain traceability and risk analysis	Brands, retailers, manufacturers	https://sourcemap.com
Preferred by Nature	Risk assessments, commodity guidance	SMEs, sourcing professionals	https://preferredbynature.org
Trase	Country-level risk mapping for commodities	Analysts, compliance teams	https://www.trase.earth

Note: The inclusion of specific providers does not imply endorsement. Companies should evaluate which solution fits their specific needs based on supply chain complexity, commodity type, and capacity.