

Targeted stakeholder consultation based on the Staff Working Document “**Scenarios towards co-creation of a transition pathway for a more resilient, sustainable and digital textiles ecosystem**”

Fields marked with * are mandatory.

Introduction

The [update of the EU Industrial Strategy](#) highlights the need to accelerate the green and digital transitions of the EU Industry. Among the various instruments, the Commission proposed to co-create, in partnership with industry, public authorities, social partners and other stakeholders, transition pathways for ecosystems, where needed. The textiles ecosystem was identified among those ecosystems to develop such a transition pathway.

The Commission services have prepared a [Staff Working Document](#) to outline possible scenarios for a transition pathway for a more resilient, sustainable and digital textiles ecosystem. Through collaborative efforts, the aim is to co-create concrete actions and commitments with all stakeholders of this ecosystem to step up its green and digital transition and strengthen its resilience. These efforts will build upon the EU Industrial strategy update and the EU strategy for sustainable and circular textiles.

Based on the results of the survey, the Commission will organise further meetings with stakeholders to deepen the discussions towards finalising the textiles ecosystem transition pathway by the end of 2022.

You are invited to provide feedback on the Staff Working Document through this online survey that will run until **15 June 2022**.

In case of questions about this consultation, please send an email to EU-TEXTILES-PATHWAY-2030@ec.europa.eu.

About you

*** I am giving my contribution as:**

- Academic / Research institution
- Business association
- Company / Business organisation
- Consumer organisation
- Environmental organisation
- EU institution
- EU citizen
- International organisation
- Network of organisations
- Non-governmental organisation (NGO)
- Local administration
- Regional administration
- National administration
- Trade Union
- Other

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*** Which organisation or network do you represent?**

FESI - Federation of the European Sporting Goods Industry

*** Country of origin of the organisation or the headquarters of a network**

Belgium (BE)

*** Your organisation or network is mainly active at:**

- EU level
- Member state level
- Regional level

- Local level
- Global level

How many people do you employ in your organisation or network?

- 1 to 9 employees
- 10 to 49 employees
- 50 to 249 employees
- 250 employees or more

*** The competences of your organisation or network are mostly related to:**

- The green transition
- The digital transition
- The move to greater resilience
- Other

Data protection provisions and Communication

Unit GROW.G.1 will publish a report on a Europa website with an overview of contributions and a summary of the input received. No personal information of the respondents will be published. The name of your organisation or network may be included in the overview.

I have read and agree with the personal data protection provisions

[Privacy Statement Stakeholder consultation textiles.docx.pdf](#)

*** I agree to be contacted regarding my contribution to the present consultation, as well as for other follow-up contacts and activities in the Textiles Ecosystem Transition Pathway process**

- yes
- no

*** Would you be interested in being contacted for potential participation in the Stakeholder consultation workshops for the Textiles Ecosystem Transition Pathway planned for September 2022?**

- yes
- no
- I do not know

if yes, which workshop(s) in particular:

- 1. Resilience
- 2. Sustainability

Consultation questions

You are invited to reflect on the different issues and possible output scenarios for 2030 presented in the Staff Working Document for the key dimensions of Resilience, Sustainability and Digitalisation. You may choose which questions you answer, and leave others empty. Please, in particular, propose specific actions and targets. Quantifiable evidence is very much welcome.

Resilience

Please read and reflect on the issues and scenarios proposed in the **Section 2.1** of the Staff Working Document.

- How does the ecosystem **benefit** from integration in the global economy from the perspectives of **supply diversification and sustained demand** from industrial output?

2000 character(s) maximum

From the perspective of Sporting Goods Industry, with highly specialised offer, many Member States do not have adequate production capacity, access to raw materials, or required know-how and skills to take care of every aspect of the manufacturing in order to meet the demand of the market. The Covid-19 pandemic has further demonstrated this need to increase supply chain diversification of manufacturers and brands, in order to decrease risks of delays in reaching the final consumer but also to minimise the pressure on manufacturers and employees to meet tighter, due to the amount of orders, timelines.

- How can operators in the ecosystem **be supported in internationalisation**?

2000 character(s) maximum

FESI supports the European Commission's objective to reinforce trade relations with third countries by negotiating Free Trade Agreements, in particular with Indonesia and India, highlighting the need for swift conclusions of FTA negotiations. For the long-term perspective objective, the Sporting Goods Industry endorse negotiation of regional agreements, like an EU-ASEAN, rather than bilateral ones.

- How can the **competitiveness gap** be reduced? Which are the export markets with potential for the ecosystem and for which products?

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The competitiveness gap in the textile ecosystem, in which the Sporting Goods Industry belongs to, can be addressed by: ensuring level playing field, consistent long-term regulation roadmaps and smooth supply chain operations.

By the ensuring level playing field, FESI understands implementation of the same requirements towards importers and imported goods, regardless of where the companies are registered.

Secondly, the sporting goods industry would like to highlight the importance of consistent long-term regulation roadmaps oriented on topics of recycling and circularity, that incentivize overall resource minimization through internalization of all costs into production price.

The competitiveness gap, apart from examples mentioned above, can be also reduced by focusing on supply chain operations, mainly via implementation of new digital data processing and efficient port-to-end user transport.

- What kind of **issues** have you witnessed as regards the **resilience of value chains** that contribute to the functioning of the textiles ecosystem?

2000 character(s) maximum

- Which **value chains' bottlenecks are the most critical** for the ecosystem? Can you **provide data/evidence**?

2000 character(s) maximum

For the textile ecosystem and the Sporting Goods Industry the key bottlenecks are: the disparity between sustainability requirements and capacities of companies to comply, increasing rigidity of legislations and criteria such as Rules of Origin.

Those criteria are particularly strict for apparel products, which for most of the time fall under the double transformation rule. As a result, many products cannot benefit from tariffs preferences, which goes against the Commission's objective of supply chain diversification.

- Are there **strategic dependencies** that could **reduce the resilience** of the ecosystem inside and outside the EU? Can you specify **actions that can alleviate** such strategic dependencies?

2000 character(s) maximum

- Are the **main regulations** governing the ecosystem agile **enough to strengthen the resilience** of the ecosystem? If not, how can they be made **more flexible**?

2000 character(s) maximum

A true circular economy must ensure the free flow of secondary materials between continents, regions and countries. Waste shipment rules need to be modified to support global recycling processes, independence from virgin non-renewable resources ensuring resilience for raw material supply.

One of the regulations, that could increase its agility is the Textile Labelling Regulation. As sporting goods companies do not necessarily know in which market the product will be ultimately sold at the time of production, this leads brands to include information about the product in multiple languages, increasing the volume of the labels.

In consequence, FESI supports the introduction of e-labelling as a tool that would provide economic operators with more flexibility in their distribution chains, but would also reduce overall costs, and ensure that consumers can easily access the information they are looking for while reducing simultaneously waste.

- Are there **infrastructure barriers** that reduce the resilience of the ecosystem? Can you specify infrastructure initiatives that could **strengthen the resilience** of the ecosystem?

2000 character(s) maximum

The resilience of the textile ecosystem can be strengthened by increasing the presence and market share of recycled fibres. However, current recycling infrastructure in Europe does not meet the needs of the industry and requires investment as well as attention from both industry but also policy makers.

The downsides of the recycling of textile products include gaps in the systems for take-back, which should be provided by the national governments and not the industry itself, and which should be further supported by adequate legislation, not only regulation on mandatory collection of textile waste. Moreover, increasing lists of requirements concerning accepted products and lack of qualified staff for the recycling facilities are another problems. While it will bring more jobs to the market, upskilling the workforce in such a short timeline is ambitious goal.

- Considering the **four resilience topics** mentioned in the Staff Working Document (**Section 2.1**), what **other actions** need to be taken by the Commission, national competent authorities and/or industry to **increase the resilience** of the textiles ecosystem?

2000 character(s) maximum

Sporting Goods Industries considers all four resilience topics listed in the Staff Working Document as crucial in order to ensure holistic and equal development and resilience of the textile ecosystem. Of particular importance for the industry in the coming year will be strengthening the supply and competitiveness of the ecosystems, reinforcing trade negotiation and inclusion of environmental and labour standards in agreements. Moreover, equally important will be improvement of participation in EU research and innovation programmes, in particular in the area of green transition. However, improving access to EU funding should not be the only action taken by the Commission. It is important to also ensure that partnerships working on pilots today, can apply their work on the market with adequate support tomorrow, instead of losing the achieved developments that could bring significant industrial improvement on the European market.

The **four resilience topics**, as specified in the Staff Working Document, refer to:

1. Addressing skills gaps.

2. Strengthening the supply and competitiveness of the ecosystem; dealing with raw materials shortages and energy prices.
3. Reinforcing trade negotiations with regard to environmental and labour standards.
4. Improving access to EU funding and the participation in EU research and innovation programmes.

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- Based on data available to you, what **intermediary milestones** need to be set for the different **actions towards 2030**?

2000 character(s) maximum

- Are there any **commitments (actions and targets)** ongoing in your organisation that are **relevant for the resilience** of the textiles ecosystem? Can you provide details?

2000 character(s) maximum

Among its members, FESI counts a large number of companies with long standing expertise and experience in operating supply chain compliance management, involved in global multi-stakeholders platforms such as ILO and OECD and proactively engaged in numerous public and private initiatives.

Companies' commitments cover wide range of topics, starting from environmental impact such as conscious use of natural resources and energy, reduction of waste and GreenHouse Gas emissions, up to protection of human rights, employees welfare and due diligence.

Any commitments in the area of resilience of the textile ecosystem are established based on individual profile of the brand or manufacturer, without unification imposed by the federation.

- Are there any **new concrete actions** that your organisation is willing to implement (alone or in collaboration with other stakeholders) to **contribute to the resilience** of the textiles ecosystem? Can you provide details?

2000 character(s) maximum

Sustainability

- What are the **main challenges** to ensure the **green transition** of the textiles ecosystem, as part of this pathway? Can you provide **relevant data or evidence**?

2000 character(s) maximum

The main challenges to ensure green transition are:

- Set EU-wide rules, requirements to avoid fragmentation of the EU single market and establishing clear

prioritisation of actions and developments. Overwhelming reporting and disclosure requirements should be addressed;

- Reduce the textiles sector's impact, particularly its GHG emissions and re-source consumption (e.g., energy, water) to meet the 1.5 Degree target of the Paris Agreement;
- Move towards eliminating the discharge of hazardous chemicals and effluents.
- Support the deployment of robust due diligence practices to ensure fair labour practices, social justice, and the reduction environmental impacts;
- Develop clear design requirements in coordination with the industry and based on a comprehensive assessment, while not impeding promising sustainability innovations;
- Better inform consumers through providing them with accurate, reliable and trustworthy information and through educational campaigns;
- Build infrastructure to enable garment reuse, repair, and recycling at scale and ultimately foster secondary raw material markets in support of a circular apparel sector;
- Create a level playing field by focusing on core priorities for all circularity aspects throughout an entire lifecycle of textiles: from the product design to new business models and green claims to end-of-life criteria, waste shipment, and EPR;
- Empower the consumer to engage with the sustainability information of the products they purchase and through increased investments in educational campaigns;
- Keep the global nature of the textile value chain in mind, while leveraging international agreements and standards building on the industry's learnings;
- Leverage the industry's creativity to boost innovation.

- **What actions are needed to boost demand for recycled fibres?**

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To create a functioning secondary raw materials market ensuring post-consumer products' value is retained the following actions are of critical importance:

- Setting a harmonised end-of-waste criteria and waste definition for textiles at the EU level. A definition of when a textile garment becomes waste or ceases to be waste is still missing. Also, specific criteria do not exist today for an objective classification of discarded textiles either for reuse or recycling.
- Harmonise sorting criteria for both reuse and recycling, followed by setting targets. In this regard, harmonised sorting standards for 'prepared for recycling' should be provided to enable high-quality recycling. The targets should be increased over time, in line with the development in the MS and EU-27 and the market demand for secondary raw materials. However, the target should be based on the condition that there is a sufficient amount of secondary raw materials and the right infrastructure exists.
- Harmonise the separate collection of textiles.
- Boost sorting and recycling infrastructure through research and investments. Particularly, investing in high-quality, automated, sorting and recycling innovations will be key. Building sorting and recycling hubs, that provide capacity to deal with the collection levels of post-consumer products
- Increase recycled content in textiles as it will ensure their sufficient supply.
- Promoting better chemicals (Safe and Sustainable by Design chemicals) and restricting hazardous recycling-impairing processes. Increase research on the content of legacy chemicals in textiles is needed.
- Increase and cultivate awareness of the society (through a campaign) and industry representatives on the benefits of recycled fibres by providing tax incentives for products made of recycled materials.

- **Would waste streams information** (i.e. availability of textile waste, location, etc.), potentially provided through the **new Recycling Hubs**, be an enabling conditions for **boosting recycling of textiles in the EU?**

2000 character(s) maximum

Information on product compositions and information on the availability of sorted waste streams would be enabling recycling. However infrastructure still does not meet such requirements. A Digital Product Passport can play an important role to provide such information. The supply and demand of textiles waste for recycling needs to match to drive efficiency.

- What **actions** are needed to **improve the sustainability of production process**, including the use of raw materials and hazardous chemicals?

2000 character(s) maximum

From the general perspective, the improvement of the production process in the context of sustainability can be achieved through implementation of tax incentives for goods produced in sustainable manner (either through use of dedicated materials or production processes), setting of focus priorities and simplification of processes as well as through strengthening capacity building and education within the supply chain. In the context of raw materials, significant research and investment in textile-to-textile / polymer-to-polymer recycling technologies and infrastructure followed by investment and acceleration of regenerative, organic, and/or agroecology agricultural initiatives can increase the sustainability of materials. Regarding chemicals, key component for reaching sustainability and circularity is to phase out hazardous substances directly from production and materials (“Beginning of Pipe approach”) and that is why “Safe and Sustainable by Design” is the key element in a circular economy. To achieve the full circular economy potential of sustainable textiles it is essential that these materials only contain chemicals that are safe and sustainable. To reach this goal, it is necessary to prioritise the creation and availability of safer alternatives that can be used in the production market and production processes. This should be addressed through REACH. We recommend to continuously restricting chemicals based on their intrinsic hazardous properties from consumer products. Also more research on chemical legacy in recycled materials to boost the use of secondary raw materials. Finally, a better chemical transparency (e.g. by means of increased information requirements from chemicals suppliers) would help to improve the sustainability of production processes.

- Based on your experience and data available to you, how can the **digital product passport**, as proposed by the Ecodesign for Sustainable Products Regulation, **contribute to sustainable consumption** and production patterns and **facilitate recycling**? How should this **information** be made available to consumers?

2000 character(s) maximum

The Digital Product Passport should enable circularity. It is important to ensure that the passport will have a tangible impact in achieving such a circularity objective and to avoid any additional requirements that would be a disproportionate burden on economic operators.

- 1) The priority target groups of the information provided by manufacturers and retailers should include economic operators acting in the circular economy (for instance re-users, sorters, recyclers), as well as surveillance authorities.
- 2) We see the following information, adapted to the specificities of the product, as relevant: Economic operator who provided/uploaded the information that is present on the passport; Economic operator placing the product on the market; Fibre, material, and accessories composition; Other information relevant for recycling; Alterations to the initial product.
- 3) To enable the recycling of a product and to comply with the requirements of the EU Textile Regulation, the Policy Hub agrees with collecting information on fibre and material composition of textile

products, including the percentage of the various fibres in the product. Weight per material should only be included voluntarily.

4) Care instructions can guide consumers to prolong the life of their products, and ultimately recycle them.

- How could the **green transition contribute to improving global competitiveness** of the ecosystem, especially the competitiveness of its **SMEs**, and what challenges could it create?

2000 character(s) maximum

The green transition contributes to improving the global competitiveness of SMEs by creating new markets, modernising products and production processes, and strengthening the global position as well as answering consumers' requests. Joint actions from the policy makers, such as financial incentives for R&D, projects developed under the Horizon calls and European Innovation Council or New European Bauhaus initiative, can lead to a trickle-down effect or collaborative opportunities with companies or within regional clusters.

Main challenges for the green transition:

1. Lack of skilled workforce (lack of adequate offer from the education providers, leads to pressuring SMEs for internal upskilling, which puts companies struggling due to lack of internal capacities or knowledge) and prioritization of the employers on replacing retiring workforce and not hiring new specialists and technicians;
2. Costs of green transition - some companies are already struggling with finding resources for a digital transition, and as the green transition is relatively new, many SMEs are fearful of wrong investments based on their experience (based on the results of the survey conducted by EURATEX in preparation for the Pact for Skills for the TCLF industries)'
3. Multiplicity and lack of harmonisation between markets or initiatives - following green transition is a complex exercise that requires constant attention and adaptation of the production processes and offers based on European and national legislations and requirements;
4. Lack of adequate infrastructure on the national level - for example, for waste and recycling;
5. Focus on Improvement - Need to ensure that companies are still able to spend the majority of their resourcing on actually executing improvement initiatives, not on compliance and reporting activities.

- Is your organisation **on track to transition successfully** towards a more **sustainable business model**? What are the **challenges** you encounter/foresee?

2000 character(s) maximum

Among its members, FESI counts a large number of companies with experience in implementation of a more sustainable business models. The goals and challenges are based on individual profile of the brand or manufacturer, however, certain challenges unifies the sporting goods industry. This includes cross-boarder waste shipment regulations that hinders transport of secondary raw materials and high administrative burden due to lack of alignment between various regulations and initiatives.

- Which elements are **missing** or are **insufficient in the current regulatory framework** to realise the green transition?

2000 character(s) maximum

- 1) Focus on core sustainability priorities and policy coherency between the different initiatives and legislations relevant for the apparel and footwear sector for example the ESPR, Substantiating Green

Claims, Empowering Consumers, the revision of the Waste Framework Directive, the Waste Shipment Regulation, Due Diligence Directive etc), in order to reduce fragmentation and drive alignment;

- 2) Sufficient collection, sorting and recycling infrastructure;
- 3) Clear policy recommendations on circular business models;
- 4) Economic incentives to support the transition e.g., make recycled fibres price competitive with virgin materials;
- 5) Increase investment for infrastructure and technology needs, including on-the-ground support for farmers and growers of raw materials in order to support regulatory framework.

- Are there **unmet infrastructural needs** that constitute a **barrier to the green transition** of the textiles ecosystem? Can you specify **actions to meet the identified needs**, with a special focus on SME-specific needs?

2000 character(s) maximum

(1) The textiles ecosystem needs a boost in infrastructure to establish separate collection, automatic sorting, and textile-to-textile recycling infrastructure matching the volumes of available textile waste in all EU regions.

(2) The immature market for textile waste resources also constitute a barrier, leading to a very low supply of recycled textiles. The market for recyclers and sorters must therefore be matured and scaled.

(3) limited recycling capacities also constitute an infrastructural barrier. Mechanical and chemical recycling capacities must be scaled and made more resource and price-efficient to meet the future demand for recycled content.

(4) Also, infrastructure related to building regenerative production systems for key raw materials (i.e. cotton, leather, rubber, wool, Man-Made Cellulosic Fibers) is needed in global production markets. Infrastructural needs that are a barrier to the green transition of SMEs in the textile ecosystem focus on access to the materials (especially recycled materials), access to machinery and products required for production processes (chemicals and alternatives), and access to digital tools and software to ensure sustainable and transparent production process. Post-production infrastructural need that affects SMEs is access to recycling and waste facilities, which affects access to materials.

- How important is **public procurement** for the ecosystem and **how** could green public procurement **help create lead markets for sustainable and circular products**

2000 character(s) maximum

- Considering the **four green topics** mentioned in the Staff Working Document (**Section 3.1**), what **other actions** need to be taken by the Commission, national competent authorities and/or industry **to unlock the potential of the green transition?**

2000 character(s) maximum

Sporting Goods Industries considers all four green topics listed in the Staff Working Document as crucial in order to ensure holistic and equal development and resilience of the textile ecosystem. However boosting consumption of sustainable and circular textiles can be achieved only through consumer campaign that can create awareness and reshape consumption patterns, but it should be based firstly on deep market analysis

of to understand the needs and if existing direction and standards, such as EU Ecolabel are looked for. Investment in innovation for new and advance materials should consider supporting better practices for renewable materials and investing in Nex-Gen textiles, but also focus on scalable solutions. Additional and not listed topic is to ensure that the multiple initiatives from the policy makers are aligned and consistent and do not overburden companies operating on the European market.

The **four green topics**, as specified in the Staff Working Document, are:

1. Boosting new circular business models and the EU production and consumption of sustainable and circular textiles.
2. Creating the shift to sustainability: refashioning our consumption patterns.
3. Facilitating textile waste prevention, waste management and secondary materials.
4. Investing in innovation for new and advanced materials.

- Based on data available to you, what **intermediary milestones** need to be set for the different **actions towards 2030**?

2000 character(s) maximum

Intermediary milestones set towards 2030 should include following actions:

- Completion of EPR pilots with measurable results as baseline for further revision and scaling;
- Establishment of robust data set for collectors, sorters and recyclers;
- Development of secondary raw materials shipment strategy to enable global recycling processes.

- Are there **any commitments (actions and targets)** ongoing in your organisation that are **relevant for the green transition** of the textiles ecosystem? Can you provide details?

2000 character(s) maximum

Any commitments in the area of green transition of the textile ecosystem are established based on individual profile of the brand or manufacturer, without unification imposed by the federation. More information on member's commitment and best practices can be provided upon request.

- Are there any new **concrete actions** that your organisation is willing to implement (alone or in collaboration with other stakeholders) **to contribute to the green transition** of the textiles ecosystem? Can you provide details?

2000 character(s) maximum

Digitalisation

- How could the **digital transition contribute to improving global competitiveness** of the ecosystem, especially the competitiveness of its **SMEs**, and what **challenges** could it create?

2000 character(s) maximum

The digital transition contributes to improving the global competitiveness of SMEs by creating new markets, answering consumers' requests, modernising products and production processes, increasing transparency, and strengthening the global position of European companies.

On a more specific note, Covid-19 crisis has showed that companies with an e-commerce were able to compensate for some of their loss of turnover, whereas the others were affected even worse. However, digitalisation is also having a negative impact on the industry by facilitating the phenomenon of counterfeiting. The majority of EU SMEs, particularly suffer from significant revenue losses due to the increasing number of illegal products being sold on websites and social media platforms. The recently adopted DSA does not fully address this problem as it limits the "Know your Business customer" obligation to online marketplaces only. Additionally, the DSA failed to include a stay-down obligation to make sure already removed illegal products do not reappear online. Stricter guidelines and stronger EU anti-counterfeiting policies are needed to help companies, especially SMEs market their products online.

Challenges:

1. Lack of skilled workforce and prioritization of the employers on replacing retiring workforce and not hiring new specialists and technicians;
2. Costs of digital transition - while digital transition is bigger priority for many companies that green transition, nevertheless, SMEs are struggling to accommodate its costs in their budget, as data formats, networks and storage are expensive solutions;
3. Developments in the area of Traceability, Digital Product Passport and others – for SMEs without budget, tools and employees this may be a deciding factor for staying in the market and following EC and national requirements;
4. Ever increasing violation of IP rights online and lack of proper proactive measures from online intermediaries to prevent the sale of counterfeit goods.

- What are the **main barriers to uptake of digital technologies** in the ecosystem? Can you specify **actions that can overcome** the barriers?

2000 character(s) maximum

The main barriers for the Sporting Goods Industry in the uptake of digital technologies are following:

- Cross-industrial data alignments;
- Lack or limited standards of global or local scope, for example for smart products;
- Inadequate protection of IP, rights, and other sensitive data;
- Lack of digital skills and qualified workforce;

Solutions should include development of European-level programme for standardisation and development of programmes, projects and incentives for the industry in which the transformation takes place. The incentives could be for example in a form of a reduction in tax contribution.

The skills gap could be addressed by development of calls under the Erasmus+ programme dedicated to digital skills for the textile ecosystem, or through cross-sectoral innovation projects under the Horizon Europe or European Innovation Council. However during the process of designing the calls, specificities of the textile ecosystem should be taken into consideration.

- Which **digital technologies** are the most relevant for the ecosystem? Which ones are you already applying today and which will require **more time, funding and coordination**?

2000 character(s) maximum

For the textile ecosystem, considering recent political developments, key digital technologies focuses on traceability, and include developments in the area of QR code, Blockchain and RFID. Listed examples can support development of Digital Product Passport and e-labelling system. New opportunities for the Sporting Goods Industry bring also developments in the area of Augmented Reality, Virtual Reality that can contribute to the developments in the area of digital 3D prototyping and simulations as well as developments of products for Metaverse.

- Is your organisation **on track with the digital transition**? What are the **challenges** you encounter/foresee?

2000 character(s) maximum

- Are there **infrastructural needs** that constitute a **barrier to the digital transition** of the ecosystem? Can you specify **actions to meet the identified needs**?

2000 character(s) maximum

To support the inclusion of the digital transition in the textile ecosystem it is important to harmonise and standardise infrastructure, in order to establish level playing field particularly when sourcing and manufacturing in other regions outside EU27. Equally important is inclusion of the textile ecosystem in the programmes that aim to overcome the barriers in the digital transition, such as in the European Innovation Council.

While not an example of infrastructure in itself, the lack of workforce with digital skills and competences can be considered as barrier to the digital transition. This challenge could be addressed by developing calls under the Erasmus+ and Horizon Europe programmes, that would focus on upskilling existing workforce or support cross-industrial cooperation.

- Based on your experience and data available to you, **how can data collection**, use and **sharing** (within and across sectors) be increased to **improve resilience, sustainability and competitiveness** of the ecosystem?

2000 character(s) maximum

Data collection, use and sharing can be improved by inclusion of independent authority to manage and regulate data sharing on the European market, which could lead to establishment of level playing field and in consequence – increasing the competitiveness of the ecosystem in the global perspective.

Moreover, it should consider characteristics specific for each of the subsectors, type of produced goods or services and elements of the value chain in order to improve resilience and sustainability aspects of the textile ecosystem.

- Are there **core regulatory barriers** to the realization of the **digital transition** in the ecosystem? Can you specify **revision proposals** that can overcome the barriers, with special focus on **SME specific barriers**?

2000 character(s) maximum

Data privacy is a complex issue that requires further investigation and evaluation. Further discussion is needed between industry and policymakers to investigate the extent of data sharing required. It is key to stress the importance of intellectual property protection and the correct storing of data and information. In the context of textile ecosystem, digital transition can be supported by integration of platform-agnostic data and through bio-based materials integration and regulation.

- Based on your experience and data available to you, what aspects of **digitalisation of the administration** are required to **improve efficiency and transparency**?

2000 character(s) maximum

In order to improve efficiency and transparency within the Sporting Goods Industry, harmonisation and standardisation and intention for knowledge sharing is necessary to ensure that the right data is collected and shared in an adequate format and across different stakeholders of the value chain.

- **How** can the **exchange of data** among different stakeholders **be fostered**? What **interoperability framework** (common standards, open format, licenses) is needed to **secure** the exchange of data?

2000 character(s) maximum

Data exchange can be fostered through common standards, open format, licences but also with support of independent authority to regulate and manage the data exchange. It could be developed by a government or consortium of main industry players, or covering significant share of the market.

- Considering the **four digital topics** mentioned in the Staff Working Document (**Section 4.1**), what **other actions** need to be taken by the Commission, national competent authorities and/or industry to **unlock the potential of the green transition**?

2000 character(s) maximum

The **four digital topics**, as specified in the Staff Working Document, are:

1. Digital transformation and industrial uptake of innovation in the textiles ecosystem.
2. Digital reskilling and upskilling of the ecosystem.
3. Supporting the data economy.
4. Investing in e-commerce and increasing market surveillance for online sales.

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- Based on data available to you, **what intermediary milestones** need to be set for the different **actions towards 2030**?

2000 character(s) maximum

When it comes to e-commerce and IPR infringements, the future Toolbox against counterfeiting, should further address the shortcoming of the DSA and include stricter obligations on online platforms to better fight against counterfeiting.

This should include, but not be limited to: mandatory pro-active measures to identify business customers (including social media platforms), the obligation to ban repeat infringers and keep removed illegal content down (so called “stay-down” obligation), the obligation to share more relevant data with rightsholders. Moreover, milestones concerning Digital Product Passport criteria and LCA standardisation should be defined as well.

- Are there any **commitments (actions and targets)** ongoing in your organisation that are **relevant for the digital transition** of the textiles ecosystem? Can you provide details?

2000 character(s) maximum

Any commitments in the area of digital transition of the textile ecosystem are established based on individual profile of the brand or manufacturer, without unification imposed by the federation. However more information on member’s commitment and best practices can be provided upon request.

- Are there any **new concrete actions** that your organisation is willing to implement (alone or in collaboration with other stakeholders) **to contribute to the digital transition** of the textiles ecosystem? Can you provide details?

2000 character(s) maximum

Horizontal and cross-cutting issues

Funding and Financing

- Are there any **systemic barriers** specifically for the textiles ecosystem **to access to funding** for the green and digital transition - particularly **for SMEs**? Can you specify **actions** that can **overcome the barriers**?

2000 character(s) maximum

SMEs from the textile ecosystem are facing barriers in accessing both public and private funding for the green and digital transition, mainly due to the perception of high-risk investment and low level of

innovativeness and return of investment. While it affects the whole textile ecosystem, it creates a negative impact, in particular, for companies working on smart and technical textiles that can be applied to sporting goods, or on PPE.

In the context of European funding opportunities, under the projects and initiatives such as Horizon or European Innovation Council, the challenge is the lack of addressing directly the textile ecosystem in the calls, which puts companies and research centers at disadvantage in a highly competitive environment. Moreover, companies often do not have the capacity or expertise in developing project proposals and subsequently managing the project and often have to rely on bigger partners, specialized in the projects. The inclusion of textile ecosystem-specific calls and adaptation of its requirements to include specificities of the sector may help combat this barrier and increase the access to funding for R&D and innovation for the green and digital transition.

In addition, FESI believes that immediate and significant research and investment needs to drive scale in textile-to-textile / polymer-to-polymer recycling technologies and infrastructure and in regenerative, organic, and/or agroecology agricultural initiatives in global production markets for the key raw materials in use by the apparel and textile industry, including cotton, leather, rubber, and wool. This includes the need for funding to drive better data availability and accuracy to ensure the industry can make informed decisions and track progress toward impact reduction targets.

- Where do you see **gaps in the current funding landscape** which put at a disadvantage the textiles ecosystem?

2000 character(s) maximum

The gap in the funding landscape that put the textile ecosystem at disadvantage are mainly focused on the stage of writing the calls for projects and in the process of selecting the proposals that will receive the funding.

The textile ecosystem is not properly addressed in the calls for proposals, either by making it compete with all fourteen ecosystems or through prioritisation of other ecosystems in the descriptions of the calls. The characteristics of the industry are often not taken into consideration in the development of calls and objectives, which leads to exclusion of the industry representatives and education providers linked with the sectors from the competition. Moreover, the requirements of the calls are often unachievable in particularly by SMEs, that are struggling to join or find adequate project leader to take over project application.

Development of calls for proposals and other funding tools dedicated to the textile ecosystem could help clarify the characteristics of proposed developments as well as their potential to change the industry in line with green and digital transition. This knowledge could support the development of future strategies and roadmaps for the textile ecosystem developed by the European Commission.

- Which **specific investments** are needed to **strengthen the resilience** of the textiles ecosystem and **ensure the green and digital transition**?

2000 character(s) maximum

The resilience of the textile ecosystem can be strengthened through implementation of blockchains, as a technology ensures trust in the information and data exchanged between entities, development of joint cooperation, for example for renewable energy infrastructure investments, that are seen as one of the ways to generate biggest impact to decarbonisation, which is in line with ensuring green transition.

- Is there any **incoherence** between the **funding schemes** which affects the transition in the ecosystem and **how can this be addressed**?

2000 character(s) maximum

Incoherencies can be addressed by the European institutions, for example via European Innovation Council, or New European Bauhaus which can focus on highlighting the importance of the textile ecosystem in other ecosystems and everyday life or supporting the development of networks and partnerships.

- Which types of **actors can support private sector investments** for resilience, green and digital solutions in the textiles ecosystem (**particularly SME dedicated finance**)?

2000 character(s) maximum

- **How can private sector investments be best mobilised to support** the green and digital transition and also strengthen resilience of the textiles ecosystem?

2000 character(s) maximum

The private sector investment can be mobilised by focusing on green and clean tech investments such as data regulation on standards and exchange management and renewable energy and through support of world banks.

Research and Innovation

- What are **the unmet needs** to enable **research and innovation** in realising the green and digital transition of the ecosystem?

2000 character(s) maximum

In order to enable research and innovation for support the green and digital transition of the ecosystem it is important to address the market and supply chain volatility that impacts the focus and investments, often in a short notice. Moreover, addressing the textile ecosystem directly in the call for proposals can bring further progress in the research and innovation developments.

Additionally, addressing and defining incentives as well as penalties for the textile ecosystems can drive the investment among different stakeholders in the industry. However, they should be implemented through global supply chains, rather than limiting it to parts of the chain or their geographical location.

- Are there **barriers to technology transfer** from research institutions to industry? What are they? And **how can they be addressed**?

2000 character(s) maximum

Barriers to technology transfer focuses on costs of implementation, speed and scale of implementation, feasibility and availability of qualified workforce able to move ideas and prototypes into products ready for the market.

Moreover, another barrier can be considered in the level of value chain engagement and openness to share information and distribution of incentives but also costs.

Skills

- What are **your projections of the employment and reskilling needs** for your enterprise, segment and product group? To what extent will up/reskilling be achieved in your sector?

2000 character(s) maximum

According to EUROSTAT, over 36% of the manufacturing workforce in Europe is above the age of 50. In the coming years, companies producing in Europe, including Sporting Goods companies manufacturing highly specialized garments and footwear as well as products related to surfing, skiing, skateboarding or low-scale custom-made equipment, will face a challenge of finding a replacement to maintain its operation processes. Additional challenge is adaptation to the dynamic changes such as consequences of Covid-19 pandemic and preparation to the green and digital transition. From the perspective of companies, the decline in the skilled workforce is the biggest threat from the category of social and demographic macro environmental factors.

This will require from companies to look for not only replacement, but employees that can adapt to the new realities of work, with new competences and skills, mainly green and digital across the whole supply chain, starting from designing stages, including production, up to marketing and sales. However, there is a skills gap, as education offer does not always responds to the needs of the companies. Based on the report Improve Economic and Policy Knowledge in the Field of Sporting Related Industries with particular focus on Sporting Goods Sector, published in 2018, 18% of stakeholders agreed that the public initiatives to support competitiveness of the sporting goods industry would be most useful is in workforce training and upskilling opportunities.

Inclusion of sporting goods industries into textile ecosystem initiatives on up and reskilling would help textile, clothing and footwear industries investing in the development of higher value sporting goods and increasing the global competitiveness of the European market. This will bring benefits in particular to SMEs, which will be able to access relevant supply chain and standards information.

- What **actions** have you taken **to attract new workforce**? What are the **main difficulties** you encounter? What is the **impact** on your enterprise? What **remedy** measures have you put in place?

2000 character(s) maximum

Based on experience of FESI members, having a sustainability orientation in the innovation team can attract new talents and skills to the team, that leads to further increase of diversity of the team and increase of competitiveness and level of innovative developments.

- What different **skills and/or workers profiles** are needed to enable the **digital** transition in the ecosystem?

2000 character(s) maximum

As the digital transformation will affect the whole supply chain of the textile ecosystem, new skills will be needed in the design, production, logistics, marketing, and sales stages and will focus mainly on understanding and the ability to use new software and programs.

This includes programs for designing like classic or 3D CAD or 3D fashion design software programs

creating virtual, true-to-life garment visualization that understanding will be required from designers, pattern makers, and fit specialists. Moreover, wearable and smart textiles require programming skills to meet promised properties and effective usage, and with their increasing share on the market, also in the sporting goods industry will require further investments.

In the context of logistics, such occupations as digital supply chain analyst, process and production timeline analyst, or data manager will increase their importance and play role in a better adaptation of the offer on the market. In the context of marketing and promotion, it is one of the stages with the biggest progress in implementing digital skills and competences, which was further strengthened by the Covid-19 and focus on e-commerce and online marketing.

A new area that requires digital skills is connected with the increasing application of VR, AR, and metaverse into the textile ecosystem. For example, physical products can be tried and modified directly by the customers with the use of special AR software, or never physically produced, but worn only on the social media or metaverse.

While most of the digital skills are of a transversal character which increases the pool of employment that the companies in the textile system can reach, crucial importance is understanding properties of the products to ensure realistic representation. However, the offer of sectoral education providers in this field is still scarce, hence an added value would be to increase number of collaborations between different types of stakeholders.

- What **other actions** than those mentioned in the Staff Working Document (Section 2.1 and Section 4.1) need to be taken by the Commission, national competent authorities and/or industry **to support the workforce to be better equipped** to improve the resilience of the ecosystem and facilitate the green and digital transition?

2000 character(s) maximum

Policy makers both on the European and national level should strengthen their cooperation with industry representatives across the supply chain based on a long-term strategy, with clearly established goal, model of operating and timeline.

Moreover, in the group/committee education providers both representing VETs and HEIs should be included in order to ensure that their offer meets industry needs and that the workforce and youngsters are up and reskilled according to the actual demand.

Based on results of the dialogue between stakeholders, the Commission and national authorities should consider:

- Development of coherent industrial policy in the area of innovation, IPR, digitalisation, and sustainability;
- Increase the investment in R&D, innovation and green and digital transition via provision of financial support, public funding, tax advantages and regional policies and funds;
- Support regional clusters operating in the textile ecosystem;
- Increase the flexibility of education system and recognition of new types of curricula.

- Do **cultural and mind-set barriers** to the green and digital transition exist in the ecosystem? Can you specify **actions that can overcome** the barriers?

2000 character(s) maximum

Mentioned barriers indeed exist in the textile ecosystem, and are linked with increasing consumption and fast fashion phenomenon that drives consumers behaviour and decision processes. While consumers attitude indicates increasing support toward sustainable products, there is still the gap between attitude and actual actions, as the determining factor of purchases is still the price.

One of the actions to combat this barrier would be to increase support on collaborative solutions among the representatives of the ecosystem rather than prioritising the focus on competitors activities.

Social dimension

- What are the **social implications** (including for workers) **inside and outside of the EU** of the green and digital transition in the textiles ecosystem? Are there **specific SME-related social implications**? Can you specify **actions** that can **accommodate the identified implications** if problematic?

2000 character(s) maximum

One of the social implications of the green and digital transition will be increase of costs of goods, due to increasing costs of natural resources and energy resources required for production. While sustainability is important for the consumers, significant part of the market still prioritise the price of the good in the decision process. In consequence, increasing costs may create a barrier for some of the consumers. In order to overcome this challenge, joint efforts between industry and policymakers in development of educational campaign on the value of the textile ecosystem and Sporting Goods Industry should be considered. Moreover, production processes will become more and more automated, in order to reduce costs of manufacturing, which will lead to changes in employment and skills needs. However, the green and digital transition will offer also new career opportunities for the workforce and potential for up and reskilling.

- Can you specify **actions** that can **ensure a long-term positive effect on the social factors** and thereby **increase the resilience** of the ecosystem?

2000 character(s) maximum

- Global regulation against misuse of information and resources and waste management;
- Engagement of chemical and petrochemical companies in the solutions – scale is the key to successful adoption and commercialisation of new materials and methods of making but should not be at the expense of SME's that have led the developments;
- Education campaign for both consumers and stakeholders.

Key performance indicators

- Considering all elements presented in the Staff Working Document, what **specific key indicators** should be used **to track the successful transition in the ecosystem**?

2000 character(s) maximum

- What **indicators / data are currently collected** and used by actors in the ecosystem **to measure their performance** with regards to the **green and digital transitions and their resilience**?

2000 character(s) maximum

- GHG emissions via the Science-Based Targets Initiative and GHG Protocol;
- LCA related data for products (however the consistency of information should be more consistent and follow adequate guidelines);
- A bill of material (BOM) is crucial for economic actors to be able to share relevant data. Also the data quality of raw materials must be improved.
- Textile Exchange Corporate Fiber & Materials Benchmark Program for volume and impact information related to sourcing of raw materials in the apparel and textile industry;
- ZDHC Standards for end-to-end chemical management;
- Under development are also indicators for biodiversity, water, and land via Science-Based Targets for Nature.

Other comments

What other comments would you like to give?

2000 character(s) maximum

You may upload any relevant documents here

Background Documents

[Staff Working Document \(2022\)105](#)

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