Prepping for Compliance: Essential Strategies to Stay Ahead

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Agenda Overview

Extended Producer Responsibility (EPR):

- What does it mean & how does Texbase centralize product lifecycle data, making it easy to capture, store and transmit Digital Product Passport data?

Managing PFAS:

- What's the latest on PFAS testing & how does Texbase enable the identification of substitute raw materials that comply with new restrictions and generate the certifications needed to comply with the regulations?

CPSC eFiling:

- eFiling of CoC's is coming in 2025. What's the latest and how does Texbase ensure that your compliance documentation is organized, accessible, and ready to submit on demand?

EPR Agenda:

- **What is EPR?**
- **The Current State of EPR**
- **Data Readiness**
- **Digital Supply Chains**
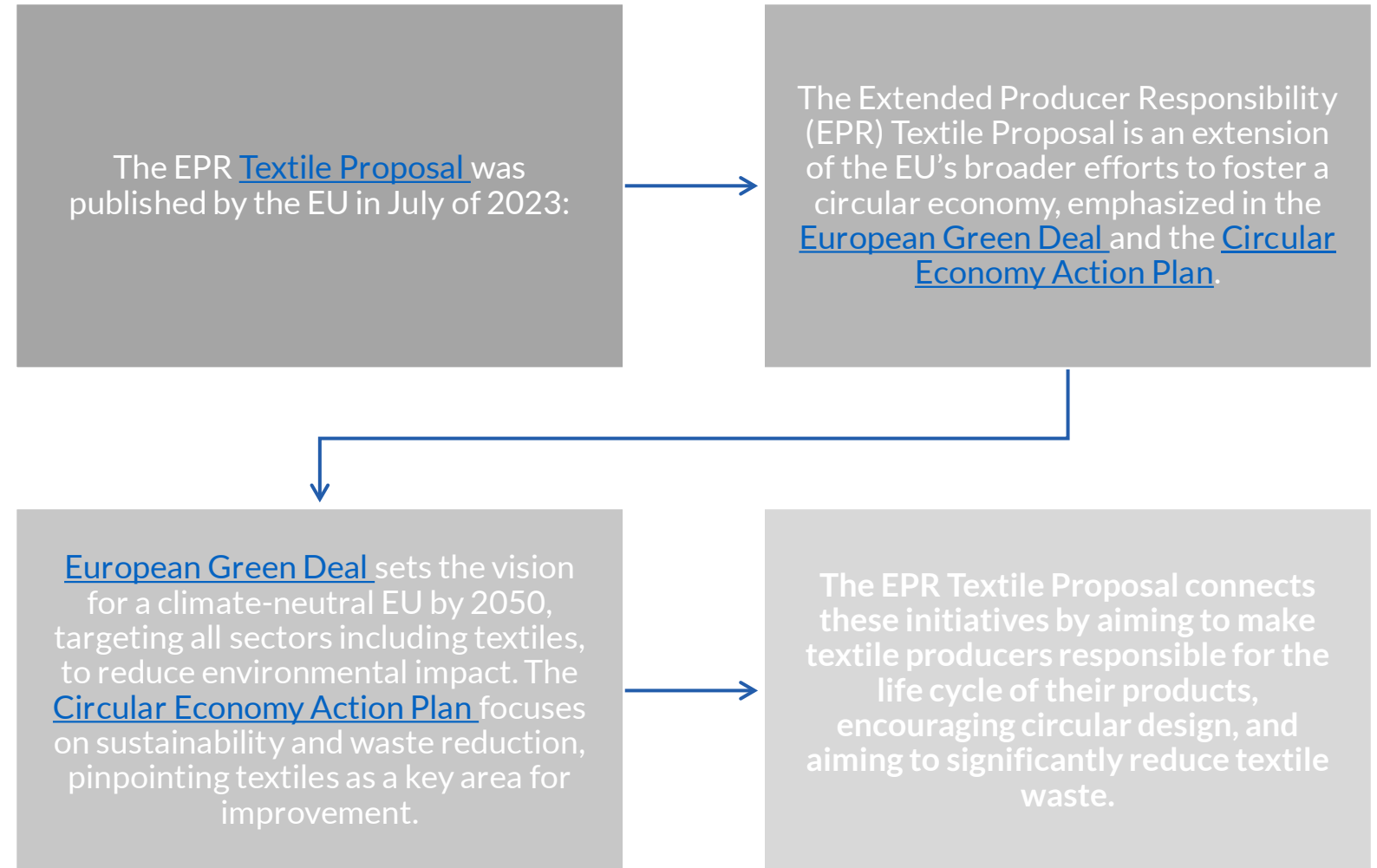- **Communicating EPR Data**

What is EPR?

- Extended Producer Responsibility (EPR) is a policy approach where producers are given a significant responsibility (financial and/or physical) for the treatment or disposal of the products they sell.

- The goal of EPR is to encourage producers to incorporate environmental considerations into the design of their products and to promote circularity.

- By extending the responsibility of producers to the post-consumer stage of a product's life cycle, EPR aims to reduce the environmental impact of products by ensuring that those who design and market products are also accountable for their end-of-life recovery and disposal.

The Origin of EPR in the EU

The EPR Textile Proposal was published by the EU in July of 2023:

The Extended Producer Responsibility (EPR) Textile Proposal is an extension of the EU's broader efforts to foster a circular economy, emphasized in the European Green Deal and the Circular Economy Action Plan.

European Green Deal sets the vision for a climate-neutral EU by 2050, targeting all sectors including textiles, to reduce environmental impact. The Circular Economy Action Plan focuses on sustainability and waste reduction, pinpointing textiles as a key area for improvement.

The EPR Textile Proposal connects these initiatives by aiming to make textile producers responsible for the life cycle of their products, encouraging circular design, and aiming to significantly reduce textile waste.

The Latest on EPR in the EU

On March 14, 2024, the European Parliament voted in favor of revising the Waste Framework Directive to enhance the accountability of clothing and footwear manufacturers regarding waste management.
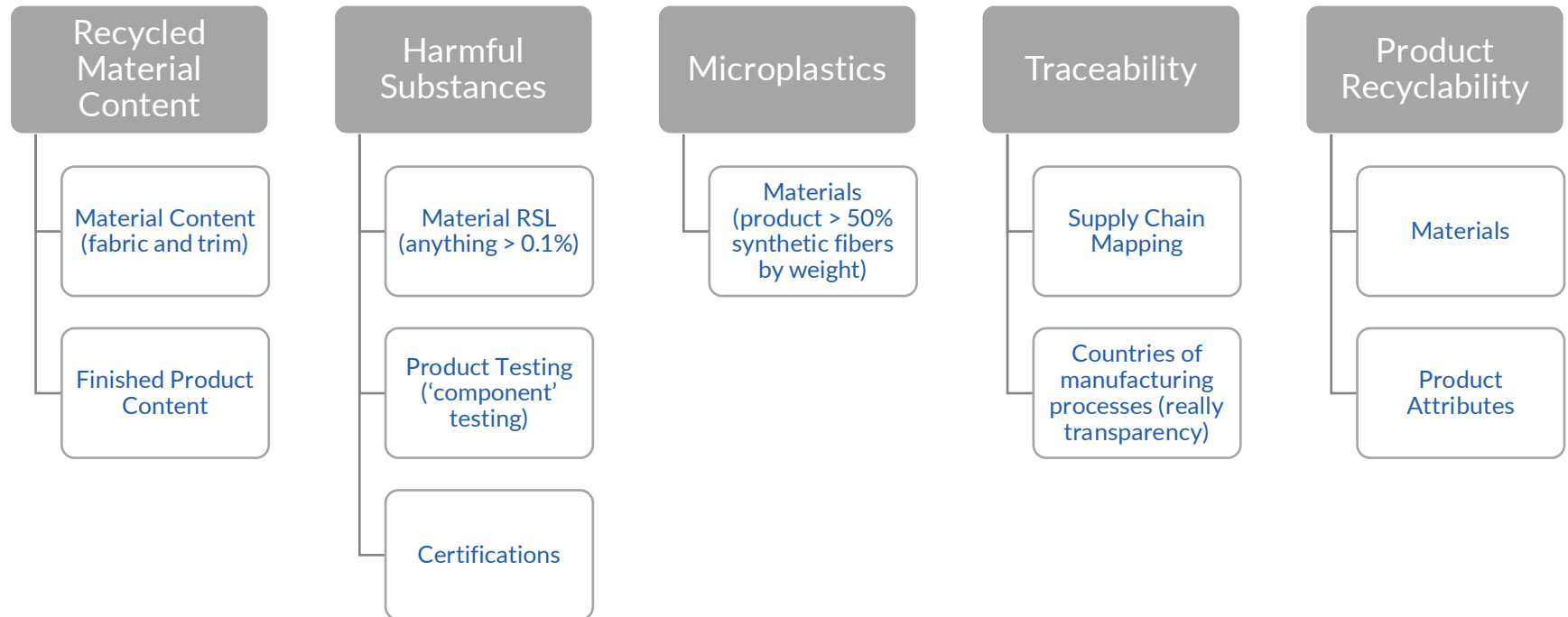
- The revisions advocate for the producers to bear the costs of collecting, transporting, and sorting products for reuse or recycling, and also to support r&d for improving recycling processes.

- The EPR Textile Proposal would amend the Waste Framework Directive, so that the costs of collection of textile waste will switch from the authorities and taxpayers, to those who are producing. Producers will have to cover the costs of management which may incentivize to reduce waste and increase circularity.

- Click this link to view products that fall into the scope of EPR for Textiles.

EU Member States with Active Legislation

- France: EPR is regulated by two laws:
  - French Circular Economy Law (February 2020)
  - French Climate and Reslience Law (July 2021)

- Netherlands:
  - Dutch EPR Decree (July 2023)

Complying with France's AGEC 2022-748 & BEYOND

Texbase solves for all this & creates the foundation for digital product passports.

Recycled Material Content
- Material Content (fabric and trim)
- Finished Product Content

Harmful Substances
- Material RSL (anything > 0.1%)
- Product Testing ('component' testing)
- Certifications

Microplastics
- Materials (product > 50% synthetic fibers by weight)

Traceability
- Supply Chain Mapping
- Countries of manufacturing processes (really transparency)

Product Recyclability
- Materials
- Product Attributes

(Pending) Legislation in California

- California: EPR is proposed to be regulated by two laws:
  - "SB 54 establishes the Plastic Pollution Prevention and Packaging Producer Responsibility Act, which imposes minimum content requirements for single-use packaging and plastic food service ware, to be achieved through an extended producer responsibility (EPR) program."
  - SB 707 – Responsible Textile Recovery Act of 2023 (delayed to 2024)
    - Brands will be paying into the EPR program to fund it.
    - State would create PRO network (Producer Responsibility Organization) that would facilitate the recycling programs in conjunction with Cal Recycle

US States with Pending Legislation:
New York

- Overview of ==The Fashion Act== (S7428A) - Objectives and Requirements:

- Purpose:
  - Mandates major apparel, footwear, and handbag companies in New York State (annual revenue over $100M) to address social and environmental impacts.

- Key Requirements:
  - ==Carbon Emission Reduction==: Set and achieve Science Based Targets across Scope 1, 2, and 3 emissions.
  - ==Water Pollution Control==: Monitor and rectify wastewater issues in dye houses.
  - ==Supply Chain Transparency:== Map 75% of Tier 1 and 2 and 50% of Tier 3 and 4 supply volumes; disclose factory locations and worker wages.
  - ==Human Rights Due Diligence==: Identify, assess, mitigate, and account for human rights impacts in the supply chain.
  - ==Wage Responsibility==: Share financial liability for wage violations with Tier 1 suppliers.

- Enforcement:
  - Enforced by the New York Attorney General via civil proceedings and fines.
  - Collected fines support the Fashion Remediation Fund for environmental and labor projects in affected communities.

Digital Product Passports

- A DPP is a digital representation of a product's supply chain, sustainability characteristics and recyclability.

- DPP's are a crucial part of the EU's Circular Economy Action Plan (CEAP) and the Ecodesign for Sustainable Products Regulation (ESPR).

- DPP's offer brands the unique opportunity to not only comply with upcoming legislative requirements but to enhance relationships with end customers.

- DPP's are the mechanism by which brands comply with EPR.

Managing EPR Data Requirements with Texbase

Compliance Tracking: Manage and document compliance with EPR legislation across different regions.

Materials Database: Utilize a comprehensive materials database to document critical data throughout the supply chain.

Supplier Collaboration: Texbase Connect creates the digital supply chain needed to increase data accuracy and decrease the costs of compliance.

Reporting and Analytics: Generate reports and create dashboards to communicate the status of sustainability efforts across the supply chain.

Data Centralization: Centralize data collection for materials, testing, supply chain sustainability, and product stewardship.
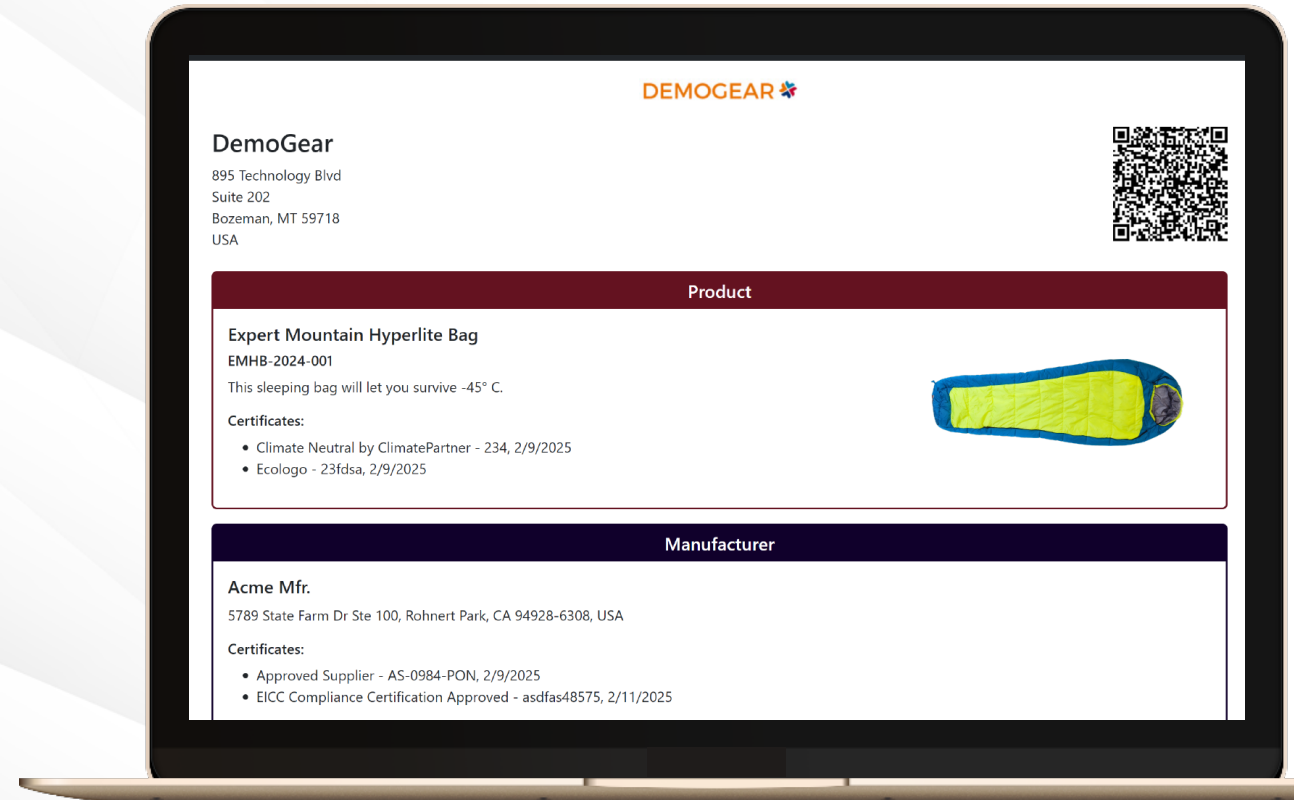
Digital Product Passports: Proactive data management throughout material and product lifecycles results in the data needed for Digital Product Passports.

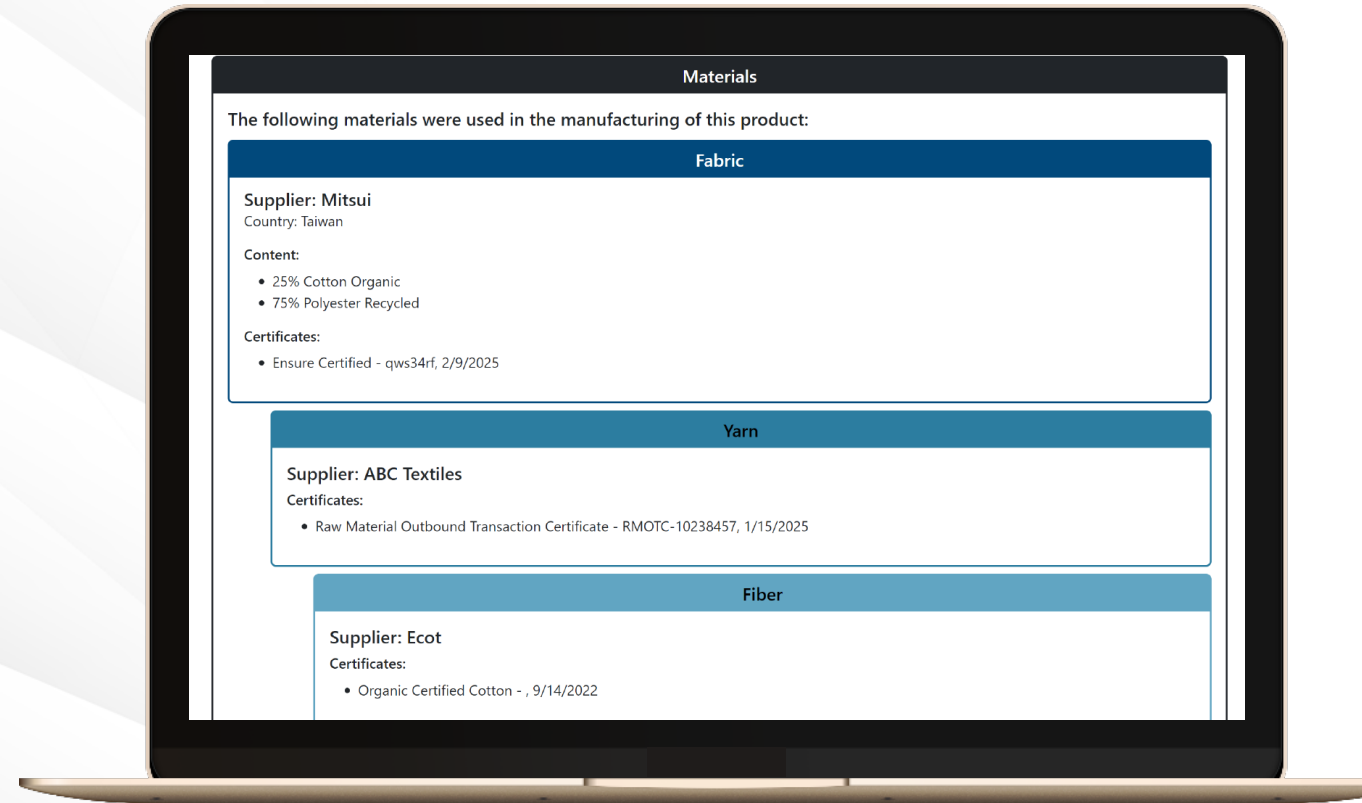# Communicating EPR Data through DPPs

- QR Code Integration

- Scan QR to access a products DPP

- Enhanced transparency

- Increased engagement

- Streamlined access to detailed product information

Communicating EPR Data through DPPs

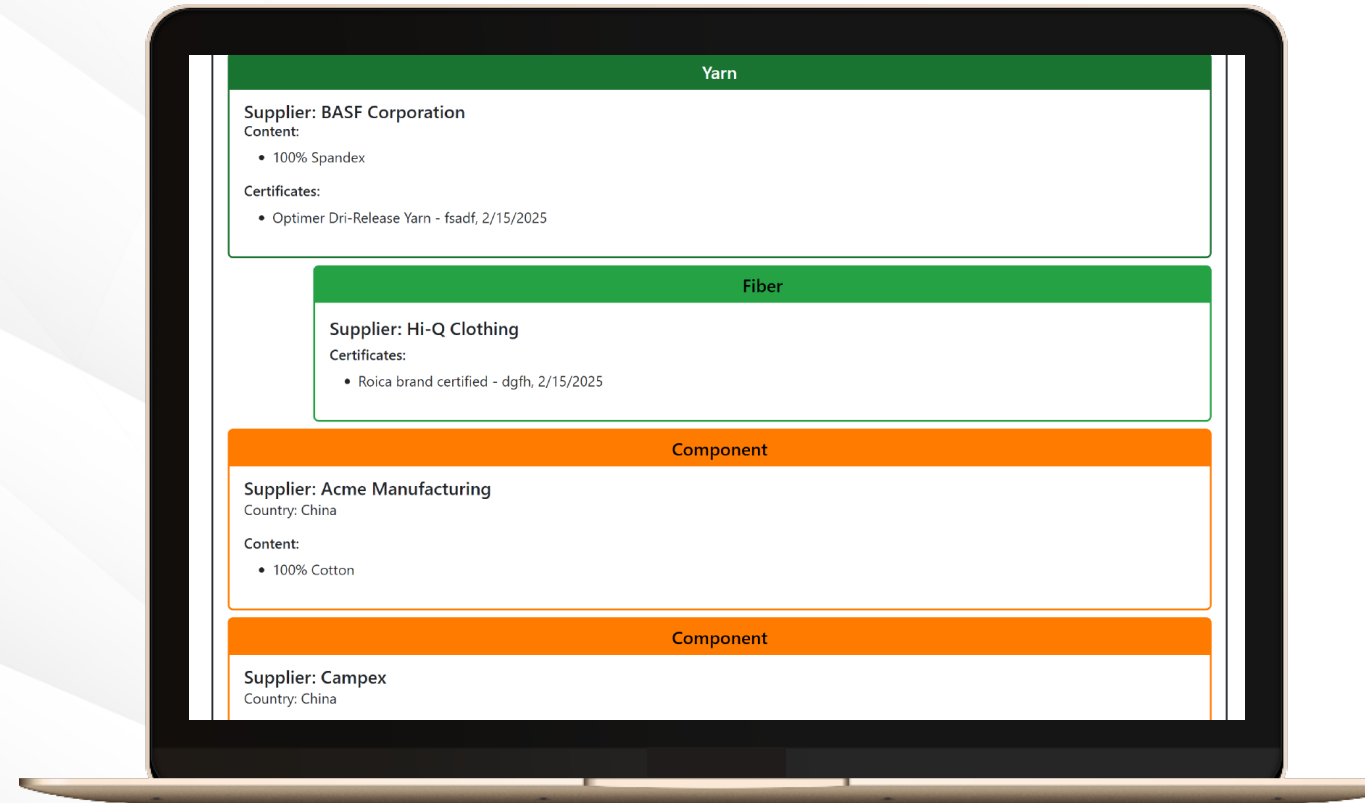The DPP interface displays comprehensive product details including:

- Material composition

Communicating EPR Data through DPPs

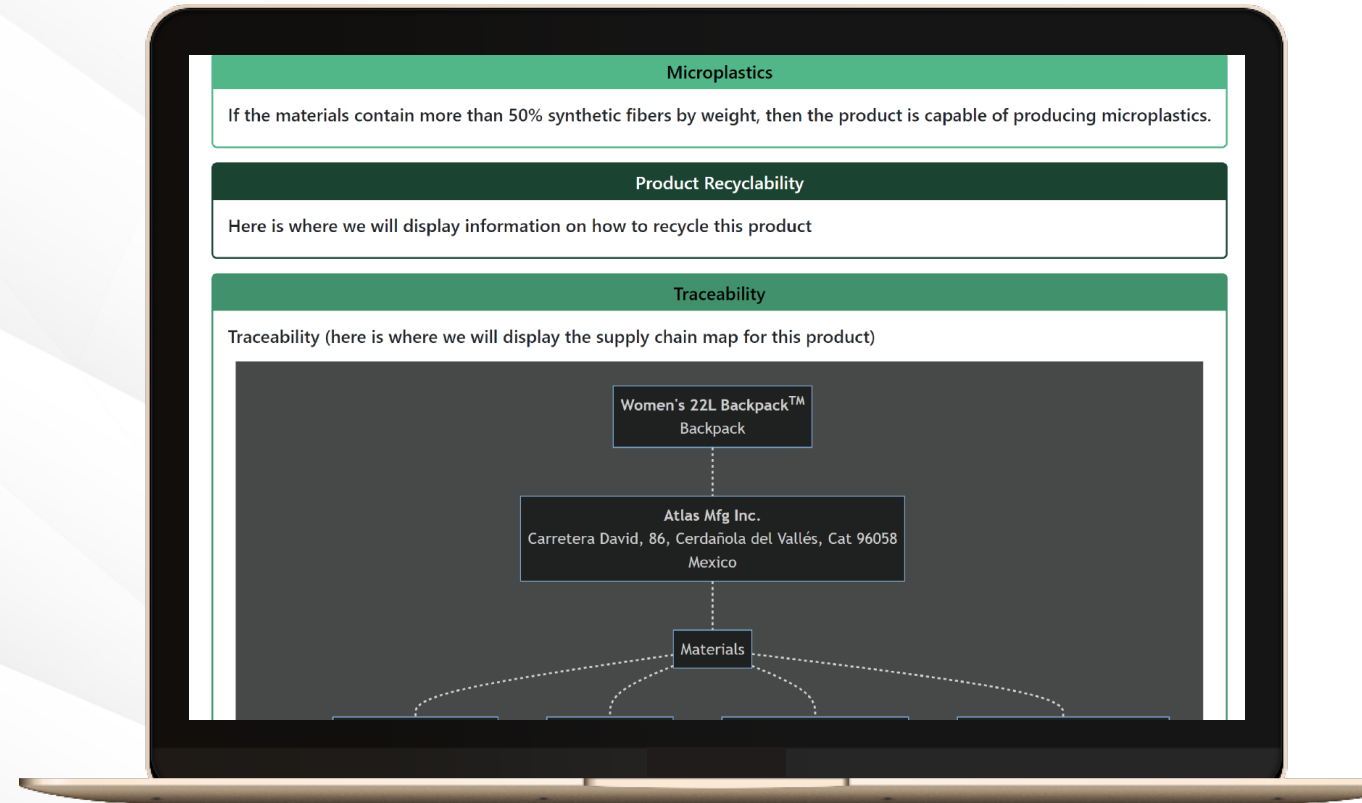The DPP interface displays comprehensive product details including:

- Fiber
- Yarn
- Component

Communicating EPR Data through DPPs

The DPP interface displays comprehensive product details including:
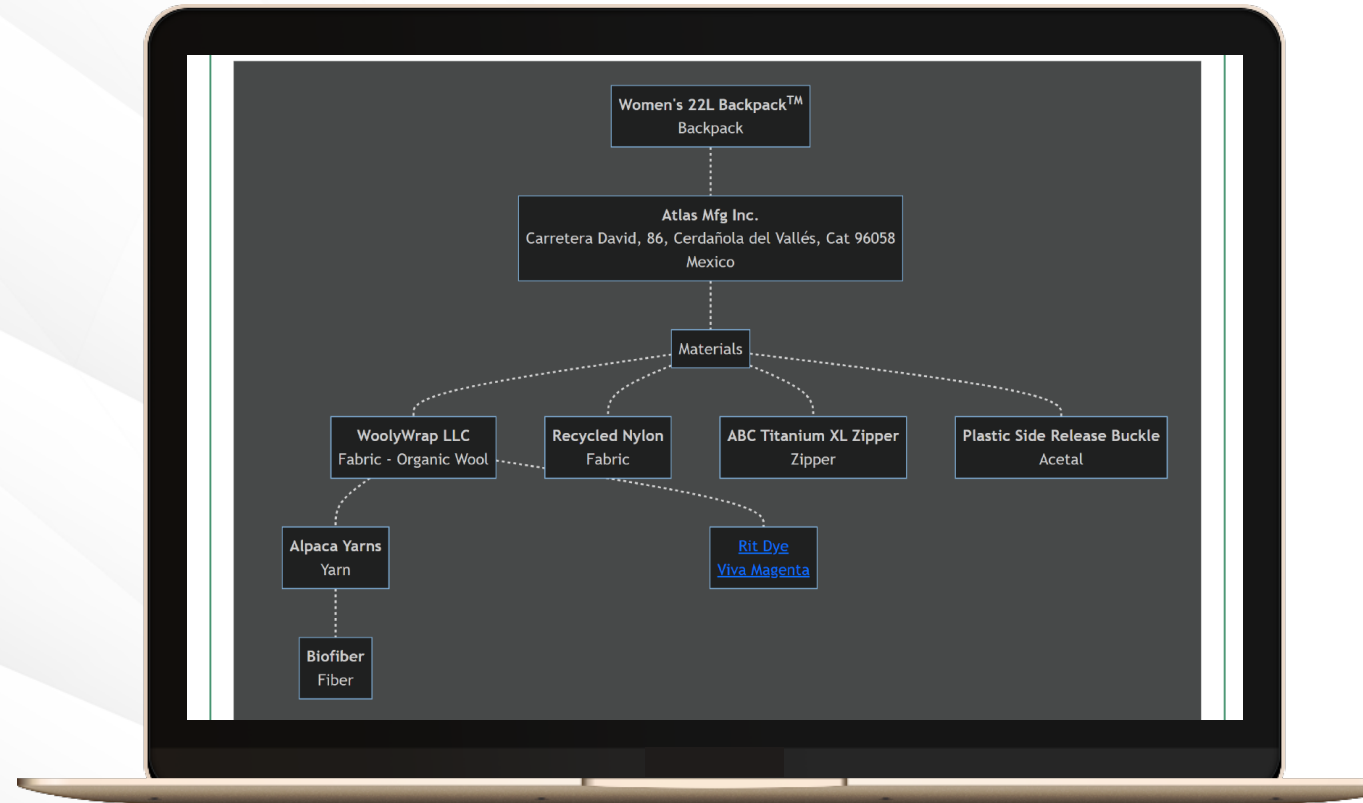
- Recyclability & Microplastics

- Supply Chain Information

- Instructions for proper use and maintenance

- Details on recycling and disposal

Communicating EPR Data through DPPs

The DPP interface displays comprehensive product details including:

- Supply Chain Transparency

Pre-Webinar Question:

Question:

I'd be curious to know if you've heard any updates on the timeline for EU DPP for textiles. We've seen that it may move from 2030 to 2027 potentially.

Answer:

According to a draft report published last month from the EU Parliament's research service, it looks like the implementation timing for the DPP could be shifting. The report recommends a "minimal and simplified" DPP starting in 2027 and then an "advanced" DPP in 2030 and a "full circular" DPP in 2033.

According to the results of this study, we recommend 3 phases for the progressive DPP deployment at the European level.

- **Phase 1.** Deployment of a "minimal & simplified DPP" for textile at short-term horizon 2027
- **Phase 2.** Deployment of an "advanced DPP" for textile at mid-term horizon 2030
- **Phase 3.** Deployment of a "full circular DPP" for textile at long-term horizon 2033

6.1. Phase 1: Deployment of a "minimal & simplified DPP" at the European level (2027)

Based on our study and the different results from our survey, we propose the following **"minimal & simplified DPP"** (see figure 13) that could be proposed for deployment in Europe with a short-term phase. This "minimal & simplified DPP" proposal is:

- mainly based on dissemination of the following mandatory information (in green in figure 13)
  - o in the **composition** of the product: information on the incorporation of **recycled material**, on the presence of any **dangerous substance**, on the presence of **plastic microfibers**
  - o Information on the **recyclability of the product**
  - o Information on the traceability of **the supply chain production**: at least the **location** of the following main **processes** (for clothing): confection, weaving, knitting, dyeing, printing but also the wet processes (tannery, dyeing...) that

Source: https://www.europarl.europa.eu/cmsdata/281452/05.1.a.%20EPRS_STOA_STUD_757808_DPP_textileDraftPanel.pdf

PFAS Agenda:

- Review PFAS legislation and brand/retailer responsibilities.

- Review Texbase functionality:
  - Data Management: Essential for backing up your PFAS compliance.
  - Materials and Testing: Confirms safe replacements.
  - E-Sign Documentation: Secures vendor legal agreements with PFAS limits.
  - Ensure Production Compliance: Using Lab Test Data Importer (LTDI) to capture lot-to-lot data validation.
  - Data Management & Reporting: From adoption to automated certifications.

What is/are PFAS?

- PFAS are man-made, synthetic organic compounds used for water repellency in textiles, per- or polyfluorinated chemicals, which contain fluorine and are most often referred to by their acronyms: PFCs, PFOAs or PFAS.

- PFCs, PFAS, PFOS, and PFOAs are acronyms used interchangeably. Despite minor molecular differences, they serve similar functions.

- Most DWR's contain PFAS.

Source: https://echa.europa.eu/-/next-steps-for-pfas-restriction-proposal

Current State of US PFAS Legislation

- There are no current federal laws that limit PFAS (except drinking water).

- State-Level Actions:
  - Several states have enacted laws to ban or restrict PFAS in consumer products, e.g., California, Colorado, Minnesota.

- Federal Actions:
  - The Environmental Protection Agency (EPA) is enhancing TSCA regulations, including a recent rule requiring detailed reporting from manufacturers and importers of PFAS dating back to 2011. (**TSCA Section 8(a)(7**))
  - EPA recently set limits on PFAS in public drinking water.

https://www.cga.ct.gov/2023/rpt/pdf/2023-R-0115.pdf

Current State of PFAS Legislation:
California

- California PFAS Regulations in Textiles and Cosmetics - Assembly Bill No. 1817

- Effective Date:
  - Bans on PFAS in new textile articles start January 1, 2025.

- Definition of Regulated PFAS:
  - Intentionally added PFAS or PFAS present at levels above 100 ppm total organic fluorine starting 2025, reducing to 50 ppm starting 2027.

- Manufacturing Requirements:
  - Manufacturers must use the least toxic alternative when removing PFAS from textiles.
  - Compliance certificates required for distributors or sellers, confirming textiles do not contain regulated PFAS.

- Applicable Products:
  - Includes everyday household and business textile goods such as apparel, accessories, draperies, furnishings, and linens.

- Exceptions:
  - The ban excludes outdoor apparel for severe wet conditions, such as firefighting gear, until January 1, 2028.
  - From 2025, any new PPE containing PFAS must clearly state, "Made with PFAS chemicals".

https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=202120220AB1817

Current Proposed PFA Bans: **EU**

- Initial Proposal Submission:
  - Submitted by Denmark, Germany, the Netherlands, Norway, and Sweden in January 2023.

- Scope of the Proposal:
  - Targets approximately 10,000 PFAS substances.
  - Aims to prohibit the manufacture, sale, and use of PFAS above specific limits.

- Review and Approval Process:
  - Under evaluation by ECHA's scientific committees.
  - Opinions from the committees will progress to the European Commission.

- Next Steps:
  - The European Commission to consider the proposal in 2025.
  - Member States to deliberate on the formal proposal afterward.

- Potential Impact:
  - If approved, it could result in one of Europe's broadest chemical substance prohibitions.

Source: https://echa.europa.eu/-/next-steps-for-pfas-restriction-proposal
https://echa.europa.eu/-/echa-receives-pfass-restriction-proposal-from-five-national-authorities

Industry Resources

The tools and resources listed in Table 2 may be useful to material suppliers, brands, and stakeholders for identifying chemical formulations and materials that do not contain and are not based on PFAS.

This list is not exhaustive; there may be other relevant tools, resources, and certification schemes, including individual brand lists of preferred PFAS alternatives. Brands and suppliers should confirm directly with any third-party certifiers that their certification schemes require the complete phaseout of PFAS consistent with the definitions provided above, including Fluoropolymer like PTFE, since details and timelines adopted by each certifier vary.

To prevent regrettable substitutions, AFIRM recommends performing a full chemical hazard assessment when evaluating PFAS substitutes if not already performed as part of a third-party certification system included in Table 2. GreenScreen and ChemForward are examples of reputable third-party hazard assessments that several AFIRM member brands utilize wholly or in part, but others are also available.

Table 2. Tools and Resources

Bluesign®	The bluesign® FINDER includes over 20,000 third-party verified, commercially available textile dyes and auxiliaries. As of July 2023, all existing bluesign® approved PFAS-containing formulations will be removed from the bluesign® FINDER. As of July 2024, all bluesign® approved fabrics treated with PFAS formulations will be removed from the bluesign® GUIDE.
GreenScreen Certified™ Standard for Textile Chemicals	The GreenScreen Certified™ Textile Chemicals v.2.0 standard now includes the entire class of PFAS. All three levels of certification (Bronze, Silver and Gold) require full product inventory and compliance with the GreenScreen RSL, and therefore cannot contain intentionally added PFAS.
Oeko-Tex®	OEKO-TEX® has issued a general ban on PFAS in textiles, leather, apparel, and footwear. To assist with the ban, OEKO-TEX® programs rely on testing for harmful substances and target finished components/products (STANDARD 100, LEATHER STANDARD) and chemicals management in factories (STeP). In addition, OEKO-TEX® evaluates and certifies more than 21,000 apparel/footwear/textile/leather chemical formulations (ECO PASSPORT). Chemicals and certified components can be found on the open resource Buying Guide.
ZDHC Manufacturing Restricted Substances List (MRSL) & ZDHC Gateway	The ZDHC MRSL v3.0 includes the entire class of PFAS. Material suppliers can source chemical formulations that are conformant to the ZDHC MRSL v3.0, and/or search on the ZDHC Gateway for Gateway-registered formulations that are conformant to ZDHC MRSL v3.0. Note that formulations conformant to the MRSL v2.0 may still contain PFAS or be based on PFAS chemistry.

Texbase Solutions for PFAS Compliance

- Material management libraries

- Specifications to define testing requirements

- Laboratory testing for safe replacements

- E-Sign documentation and legal agreements

- Ensuring Production Compliance

- Using Lab Test Data Importer (LTDI) for validation

Pre-Webinar Question:

Question:

If a customer is asking if the OEKO-TEX® products is a sign for PFAS friendly, can I write the following Text to our customer? Our product is OEKO-TEX® certified. The value for PFC/PFAS of OEKO-TEX® complies with the latest international regulations

Answer:

On Jan. 9, OEKO-TEX has implemented a new 100 mg/kg (ppm) limit on total fluorine for all textile and leather product classes, effective Jan. 1 for its **Standard 100, Eco Passport, Leather Standard, and Organic Cotton certifications.**

This change is intended to enable "all OEKO-TEX® certifications to remain compliant with the U.S. regulations on PFAS."

Source: https://www.oeko-tex.com/en/news/press-releases/oeko-tex-new-regulations-2024-press-release

OEKO-TEX® New regulations 2024 press release

📅 01/09/2024

Creating trust within the textile and leather industry and for its customers is the mission of OEKO-TEX®. Since trust is based on consistently high quality, the OEKO-TEX® Association is again publishing updates to the applicable test criteria, limit values and guidelines for its certifications. Based on new scientific findings and legal developments, the OEKO-TEX® Association has published the annual updates to its test criteria, limit values and guidelines. With one exception, the new regulations will come into force on April 1, 2024, after the regular transition period. For the ban on intentional use of PFAS, a new limit value for total fluorine (TF) is effective as of January 1, 2024, replacing the previous parameter for extractable organic fluorine (EOF). Other criteria for microplastics, GMOs and SVHC alignment have been added.

PFAS – New limit value for the total fluorine content

With the widespread use of PFAS and potential impact on human health and the environment, rapid adjustments are required. OEKO-TEX® has replaced the extractable organic fluorine (EOF) method with total fluorine. The new limit value of 100 mg/kg affects OEKO-TEX® STANDARD 100, ECO PASSPORT, LEATHER STANDARD and ORGANIC COTTON as of January 1, 2024. This update enables all OEKO-TEX® certifications to remain compliant with the U.S. regulations on PFAS.

Pre-Webinar Question:

Question:

My main concern is testing, substance limits and the ability to prove compliance to key customers if requested. We make gloves, and often test several materials and components that are used in one glove. In my experience testing documents are often complex and not exactly easy to read. Are there best practices for substantiating compliance? Any insight on that would be greatly appreciated. Concerns about testing, substance limits, compliance proof, and best practices for substantiating compliance.

Answer:

Texbase allows you to manage material data from fiber to fabric including components all the way to finished products.

Provides one location for the management of testing requirements, the capture of test data and the ability to search for materials that meet standards, including compliant PFAS levels.

The Texbase certification module streamlines the management of third-party certificates, enabling companies to efficiently produce documentation for state or governmental agencies and supports claims of PFAS compliant products with verifiable data.

SUPPLY CHAIN MAPPING

COMPLIANCE

COLOR

SUSTAINABILITY CERTIFICATIONS

COLLABORATION

TESTING

MATERIALS

eFiling Section Agenda:

- The current status of the CPSC's eFiling program.

- Texbase Compliance Connect

- Texbase CPSIA Guardian

- Integration with the Product Registry.

The CPSC eFiling Project

"eFiling is a CPSC initiative under which importers of regulated consumer products will electronically file (eFile) data elements from a certificate of compliance with U.S. Customs and Border Protection (CBP), ==via a Partner Government Agency (PGA) Message Set=="

PHASE 1
Alpha Pilot

PGA Message Set and Product Registry Testing
8 Participants

2016 – Completed

PHASE 2
Beta Pilot

IT development and participant testing
Over 35 Participants

Fall 2023 – Spring 2024

PHASE 3
Final Rulemaking

Integrate eFiling rule changes

2024

PHASE 4
Full Implementation

Rollout of final eFiling requirements

2025

Source: https://www.cpsc.gov/efiling

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CPSC eFiling Implications
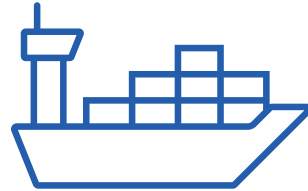
Possible (okay, likely) Implications:

1) eFiling of compliance certificates expected to be a ==mandatory== requirement.

2) Importers may be required to submit compliance data ==prior== to shipment.
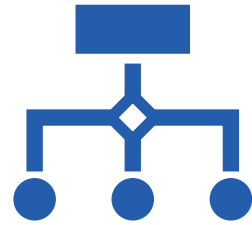
3) CoC's would be created before being referenced/requested (==contrary== to current process).

What is Texbase's role in eFiling?

Data Management: Texbase provides a hub for all your compliance data, simplifying access and analysis to ensure you're always audit-ready and ahead of regulatory changes.

Integration with the CPSC Product Registry: Texbase will be sending product data, Certificate of Compliance data and Lab Test data to CPSC.

Multi-Tiered Supply Chain Collaboration

You

CPSC eFiling

Tier 1 — ESQUEL GROUP

Tier 2 — EVEREST®

Tier 3

Labs — BUREAU VERITAS 1828

Texbase Connect solves the problem of collecting data across your supply chains by providing one central location to store your data no matter where in the supply chain it originates.

Texbase Connect
Documents
Materials
Specifications
Testing
Compliance

Texbase Compliance Connect

- Suppliers Using Compliance Connect have the ability to:
  - Search for products needing CPSIA certification
  - Upload test reports and other related documents
  - Upload Certificates of Compliance
  - Dynamically generate Certificates of Conformity and General Certificates of Conformity
  - Receive and respond to document broadcasts

Pre-Webinar Question:

Question:

Do we really have to create a certificate for each style/size and color of every product we make?

Answer:

SNPR would allow multiple models that were composite tested together, so long as there is no material change, to be included on one certificate. Composite Testing Allowance: The CPSC permits composite testing of multiple models that are made of the same materials but differ in style, size, or color, without considering these differences as material changes.

Single Certificate Use: Such models can be included under one certificate, provided there are no material changes among them.

Example: Multiple styles, sizes, and colors of the same shirt can share one certificate, all referenced by a single ID in the Product Registry or Full Message Set.
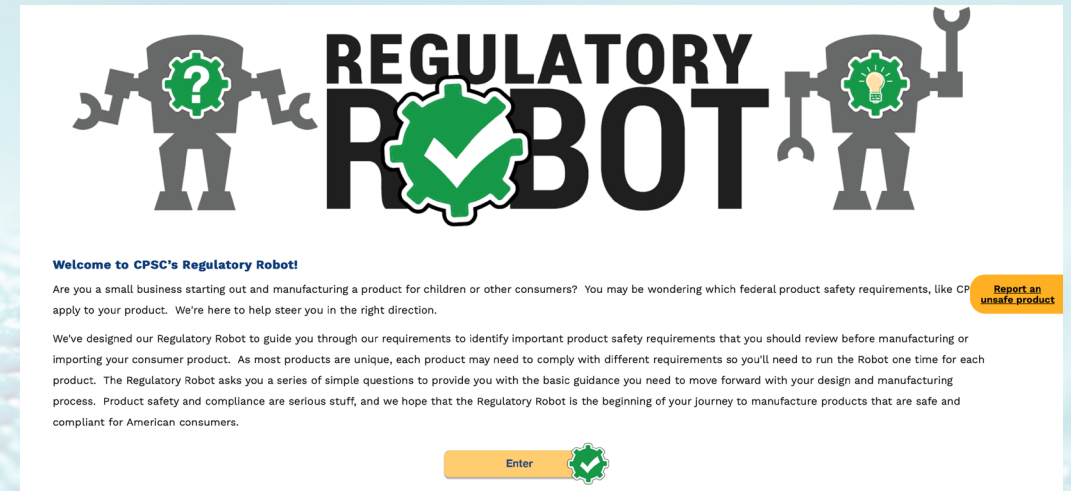
Product Bundles: For products sold as bundles, importers have the flexibility to either:

Provide one certificate covering all items in the bundle.

Provide multiple certificates, each covering individual items within the bundle.

https://www.federalregister.gov/documents/2023/12/08/2023-25911/certificates-of-compliance

https://www.cpsc.gov/Business--Manufacturing/Regulatory-Robot/Safer-Products-Start-Here

Welcome to CPSC's Regulatory Robot!

Are you a small business starting out and manufacturing a product for children or other consumers? You may be wondering which federal product safety requirements, like CP... apply to your product. We're here to help steer you in the right direction.

We've designed our Regulatory Robot to guide you through our requirements to identify important product safety requirements that you should review before manufacturing or importing your consumer product. As most products are unique, each product may need to comply with different requirements so you'll need to run the Robot one time for each product. The Regulatory Robot asks you a series of simple questions to provide you with the basic guidance you need to move forward with your design and manufacturing process. Product safety and compliance are serious stuff, and we hope that the Regulatory Robot is the beginning of your journey to manufacture products that are safe and compliant for American consumers.

Enter

Report an unsafe product

THANK YOU!
QUESTIONS?