



# compliance & risks

IN PARTNERSHIP WITH

**SGI** Europe  
Sporting Goods Intelligence

SPONSORSHIP FROM



Regulatory trends in a post lock-down market:  
What compliance teams in  
sports, fashion and textiles  
need to know.



**Jon Green**  
**Director Business Development**



**Maria Marecki**  
**Senior Regulatory Consultant**

## Introductions and overview



# Agenda

- Introduction and overview
  - Regulatory support initiatives during the Covid-19 crisis
  - Partnering for success – Introducing Sporting Goods Intelligence
  - State of play – “The lost Summer season”
  - Green shoots of recovery +ve trends
  - EU & US textile industry response & strategy for recovery
  - Regulatory analysis and trends for the year ahead
  - Q&A
- 

IN PARTNERSHIP WITH

**SGI Europe**  
Sporting Goods Intelligence

SPONSORSHIP FROM



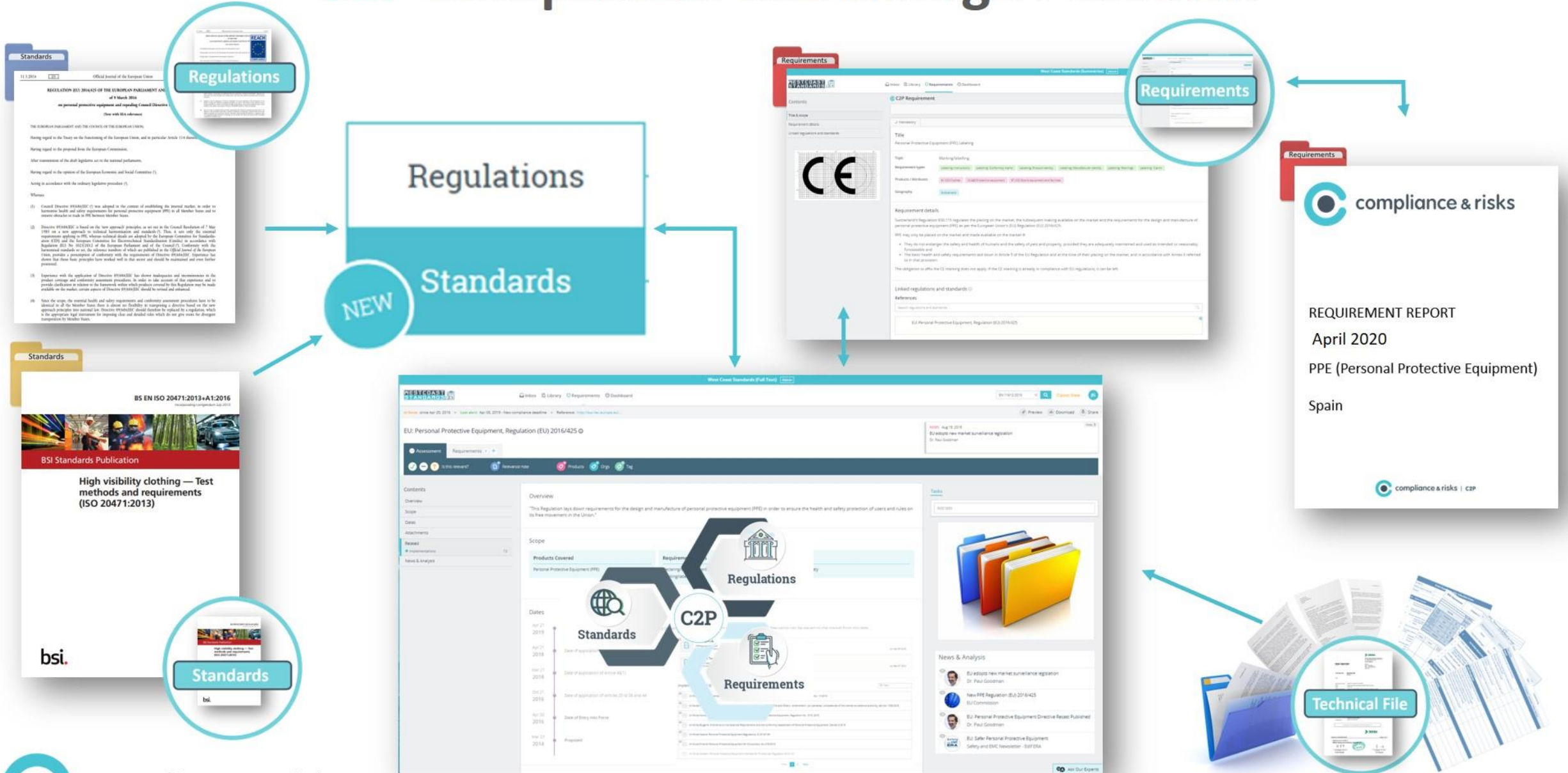
# Your Compliance Solutions

We are the end-to-end regulatory solutions provider for companies in the technology, consumer and industrial goods, retail and life-sciences sectors.



compliance & risks

# C2P Compliance Knowledge Platform







NEED TO KNOW



LATEST HEADLINES >>

- Zalando improves its guidance
- Anta issues warning on first-half profits
- XXL bounces back
- New P2B regulation for a fair platform
- On will not go public, but lifestyle
- Russia's Sportmaster wants to trade
- Martes Sport expands in Poland

MORE HEADLINES

WEBINARS & WEBCAST

LATEST DATA & ANALYSIS >>



Covid-19 drives rent renegotiations, partnerships

McKinsey & Company

McKinsey looks at the "new normal"



NPD measures the impact of Covid-19 on European footwear

Partnering for success:  
Introducing SGI Europe  
Sporting Goods Intelligence

Contact: Krischan Hertle – Managing Director  
Email: [k.hertle@edmpublications.com](mailto:k.hertle@edmpublications.com)  
<https://www.sgieurope.com/>



**RESULTS:**

# **WFSGI Pulse Survey- Covid-19 Impact on Sporting Goods Industry & Key Market Trends**

**June 2020**



Survey



According to a recent survey among EU textile and clothing companies short term prospects for the industry are dramatic: Production companies report problems in their supply chains, whereas retailers face the problem of a “lost Summer season”.



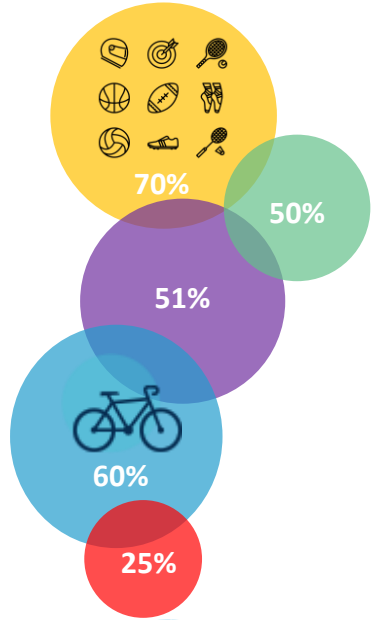
# Global Textile Industry appeal to Governments to address the Economic Crisis Caused by COVID-19

- Organisations representing both the EU and US textile and clothing industry responded immediately to the situation provoked by COVID-19.
- Textiles and clothing companies proved to be essential to managing the pandemic
- AAFA & EURATEX released a number of communiqués to highlight the consequences of COVID 19 for the textile and footwear sector.
- EU General Assembly endorsed a number of flagship initiatives for industry to become more **digital, sustainable and agile**.
  - *Short & Longer term measures:*





# Green shoots of recovery - +ve consumer trends



- ← 70% of consumers planning to invest in new equipment
- ← 50% of these having bought online
- ← 51% of consumers indicated they rediscovered sport.
- ← Italy registers booming bike sales up 60%
- ← 25% of consumers are exercising more at home more



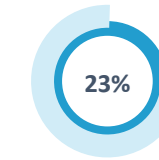
**amazon**

Sales of fitness products & other sports equipment



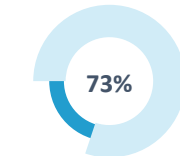
**INDITEX**

Online sales increase by 96%



**ACCELL GROUP**

Bikes sales jumped by 23% year on year



**asics**

73% revealed new-found love for running & plan to continue post-pandemic

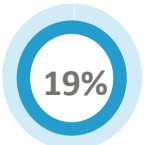


Wearables surge despite supply chain problems

\$77.6million wearable devices were shipped worldwide in Q1 2020.

Research predicts that category shifts may last for some time as consumers remain scared of infection

More investment in home equipment for workouts.



Amazon sales of fitness products & other sports equipment

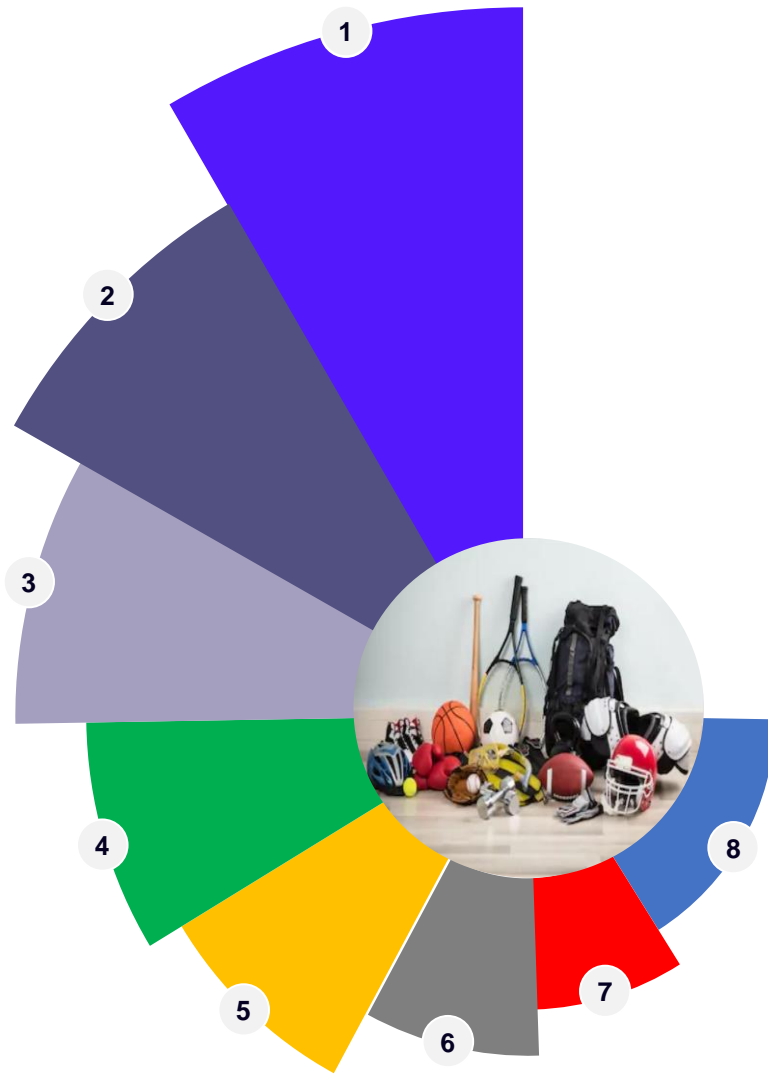
Increased by 19% year on year during March 18-22 period.

Home fitness, running, walking and cycling are being practiced more often

Reduction in team sports, tennis or climbing and hiking because of the confinement measures taken in most countries

Ongoing global supply chain disruptions caused by Covid-19 will continue to hamper product availability in the second half of 2020

# Pandemic's effects on sports retail



**1** **73%**  
73 percent of customers can imagine not visiting showrooms and instead ordering via digital tools.

**2** **72%**  
72% of retailers found other ways to generate sales, however, notably through home delivery and click-and-collect.

**3** **50%**  
50% of the retailers surveyed had never engaged in e-commerce, and about 20 percent were hoping to introduce it now.

**4** **45%**  
45 percent of companies have seen their revenues plummet by 50 to 90 percent during the crisis.

**5** **35%**  
35% of companies surveyed are producing personal protective equipment (PPE).

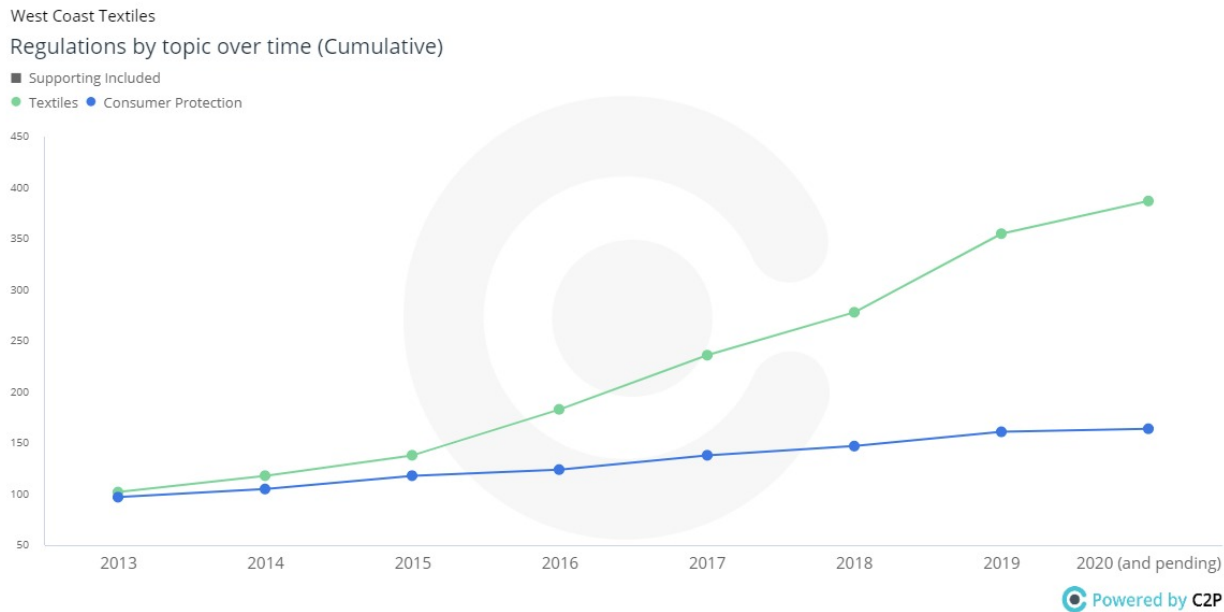
**6** **34%**  
34% of retailers have turned to e-commerce exclusively.

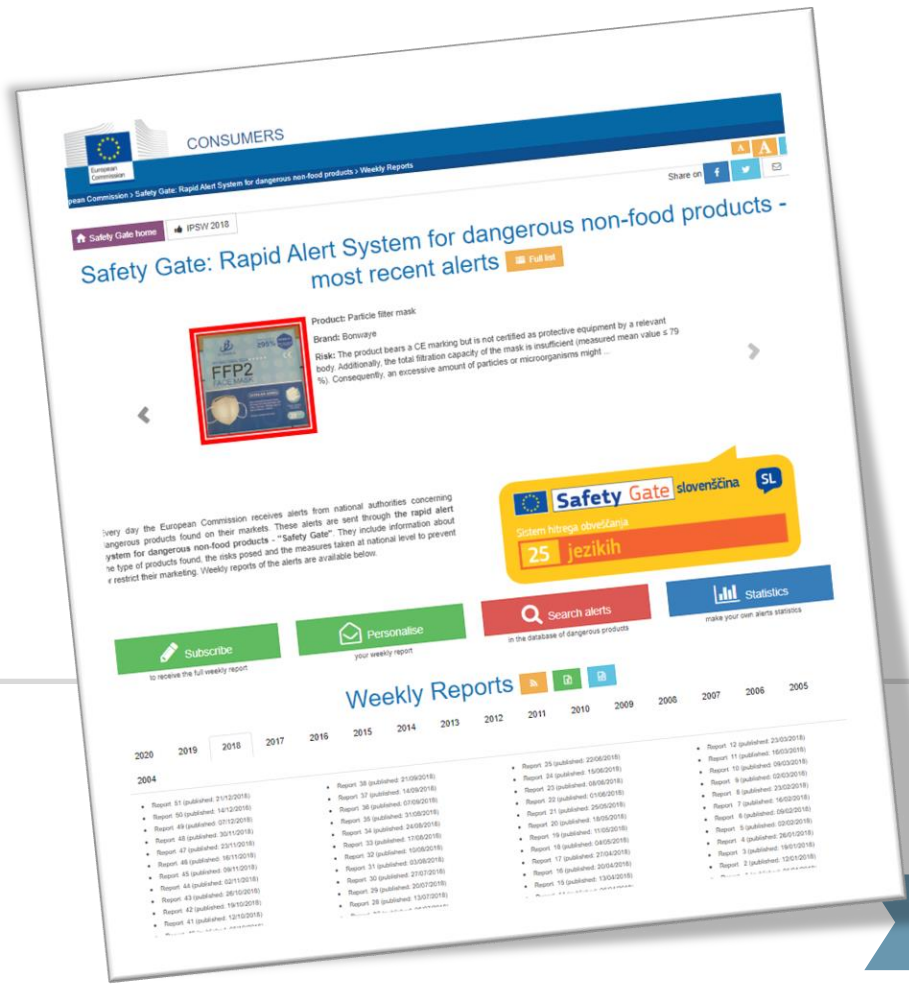
**7** **20%**  
20% who had never engaged in e-commerce are hoping to introduce it now.

**8** **2%**  
The boom in e-commerce made it worthwhile for a small number of retailers 2% to hire more staff.



# Identifying the regulations for e-commerce new market access





63

facemasks



3

coveralls



3

hand  
disinfectants



3

UV lamps

between 1 March – 1 July 2020

10 follow-up actions were taken on face-masks, and one on a hand disinfectant, leading to the further harmonization of measures against such products and thereby improving the protection of consumers across the EU.





## EU Rapid Alert System for dangerous non-food products



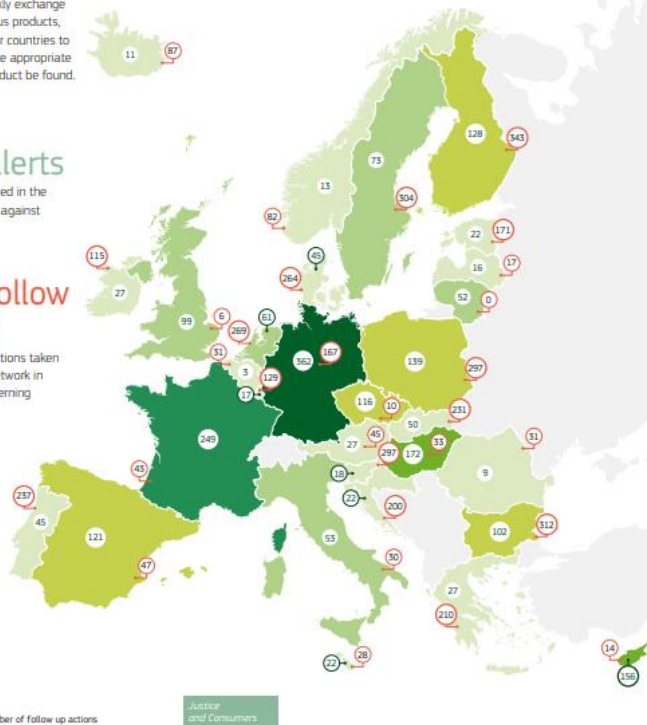
The Rapid Alert System enables national authorities to quickly exchange information about dangerous products, thus allowing other member countries to screen their market and take appropriate action should the same product be found.

**2257** alerts

The number of alerts received in the system on measures taken against dangerous products.

**4050** follow up actions

The number of follow up actions taken by other members in the network in response to the alerts concerning dangerous products.

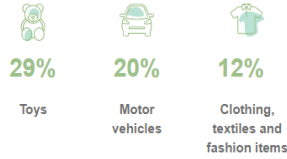


**2201** Alerts

European Union

**3952** Follow up actions

The three most common product categories notified



The three most common risks notified



Bulgaria

51%

Clothing, textiles

11%

Decorative articles

11%

Lighters

Cyprus

42%

Clothing, textiles and fashion items

37%

Toys

10%

Electrical appliances and equipment

Estonia

36%

Clothing, textiles and fashion items

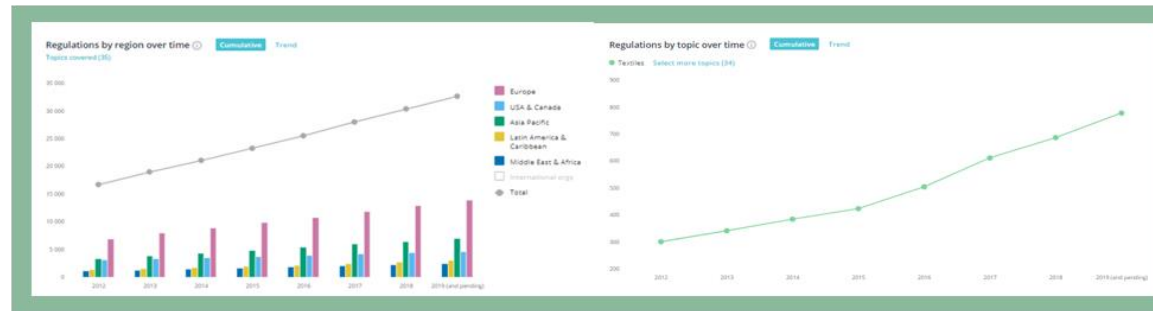
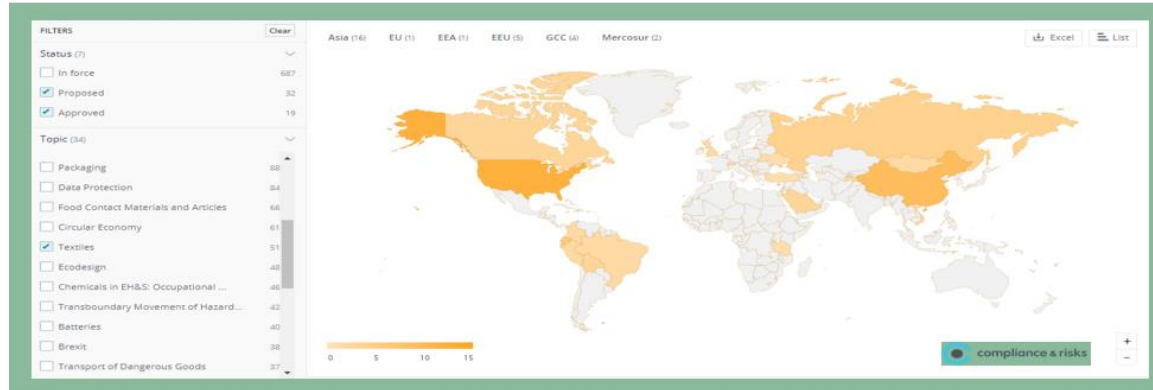
32%

Toys

18%

Cosmetics

## Proposed & approved Global Textiles Regulations



185 Asia

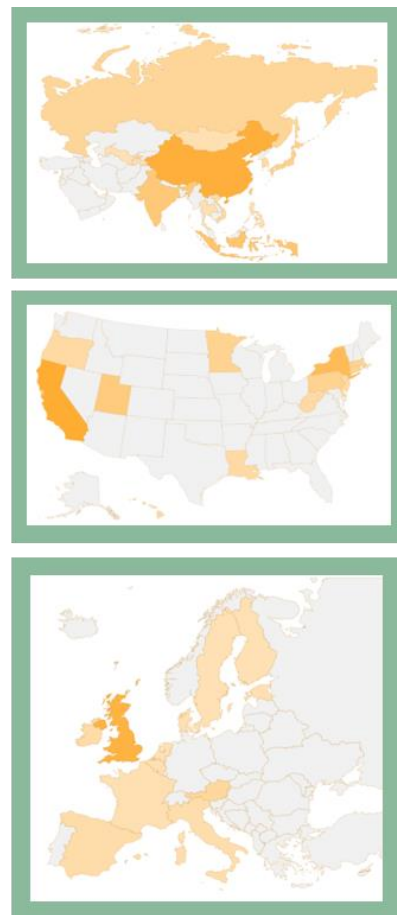
93 EU

94 EEA

21 EEU

19 GCC

286 Mercosur



# 2020 Trends & Regulatory Issues in 2020

- Circular Economy
- RoHS
- REACH
- EU Waste Framework - SCIP database
- Prop 65
- POPs (Persistent Organic Polutants)
- Conflict Minerals (tin, tantalum, tungsten & gold)
- Packaging
- Batteries
- Wearable Technology - IoT (Internet of Things)





# Wearable Technology:



SMART HELMET



SMART SHIRT



SMART GLOVES



SMART SOCKS



SMART SHOES



Fitness trackers,  
Smart health watches,  
Heart rate monitors  
GPS tracking devices.  
Headphones  
Smart clothing



compliance & risks

# Selection of Key Textile regulations from 2019/2020

Detailed summaries for all the global regulations and standards released in 2019 are available via the C2P portal

	Numerous US states have introduced Bills prohibiting fur products and their manufacture
	UAE: Textile products control regulation. (Decision No: 54)
	Nordic: Ecolabelling Germany: Green Button Label, Standard.
	Technical regulations on labelling of apparel & footwear
	Russia Federation: Marking Footwear Products Labelling of clothing products
	Australia/New Zealand: Sun Protective Clothing - Evaluation and Classification, Standard





# Summary of Key Textile dates from early 2020

## January - March

- Significant activity in relation to footwear / Stricter standards for children's wear.
- Key developments are in UAE, Russian Federation and EAEU.
- In 2019 Mexico approved a large quantity of ISO standards on textile testing, some entering into force in 2020.



January



**Mexico:** Approval of Standard No. NMX-A-299-INNTEX-2019 on Textile Industry Declaration, November 2019.



**USA:** California (USA): Prohibition of Fur Products, Assembly Bill 44, Chapter 764, 2019 – Regulation



**Mongolia:** List of Products and Services for Mandatory Conformity Assessment, Draft Resolution, November 2019



**UAE:** Textile products control regulation compliance deadline: suppliers to register products in the ECAS system by this date



**Russian Federation:** Proposed compliance deadline: mandatory labelling of products and mandatory submission of information (on circulation of products, turnover and withdrawal from market) to the state monitoring system

**Mongolia:** Regulation - Into Force: List of Products and Services for Mandatory Conformity Assessment, Draft Resolution



**UK:** GB/T 37635-2019 Textiles - Test Method for Fatigue Resistance on Visual Change of Elastic Straps, 2019



**Argentina:** Sworn Declarations on the Composition of Textile Products and Footwear, Resolution 404-E/2016



**Australia:** Consumer Goods (Children's Nightwear and Limited Daywear and Paper Patterns for Children's Nightwear) Safety Standard, April 2017



**China:** GB/T 17760-2019 Inspection Method for Printed or Dyed Fabric Surface Defects, 2019 – Standard

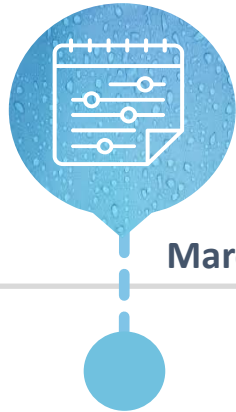




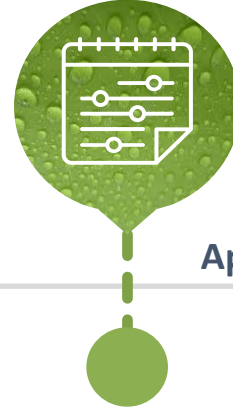


# Summary of Key Textile dates

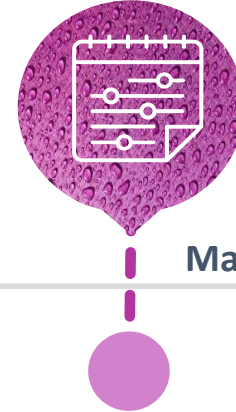
March – June 2020



March



April



May /June



**Mexico:** [Commercial Information- Labelling of Textile Products, Items of Clothing, Accessories and Household Linen, Draft Standard PROY-NOM-004-SCFI-2020](#)



**Turkey:** [Clarification of Standard TS 2793/T1 on Textile-Wool Woven Fabrics for Apparel Use, Draft Communiqué](#)



**Russian Federation:** [Proposed Amendment Rules for Marking Footwear Products \(on identification code, etc\) Draft Resolution, June 2020](#)

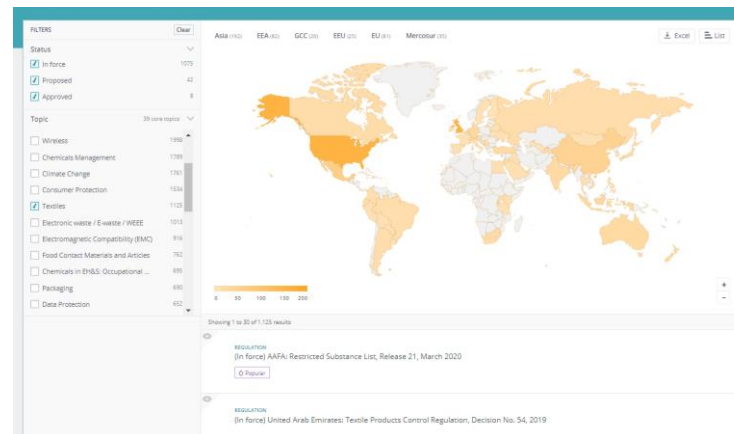
Approval probability: 82%



**Taiwan:** [Mandatory Commodity Inspection of Protective Helmets for Moped Riders, Pedal Cyclists and Users of Skates, Skateboards and Roller Skates](#)



**Saudi Arabia:** [Footwear and Footwear Accessories, Draft Technical Regulation](#)





# **Maria Marecki**

## **Senior Regulatory Consultant**

Regulatory analysis and trends for the year ahead  
Apparel, Footwear, and Accessories

# French general public masks

- Two new categories of masks
  - Category 1: Individual masks for use by professionals in contact with the public
    - Filter at least 90% of the emitted particles with a size greater than or equal to  $0.3 \mu\text{m}$
  - Category 2: Masks with collective aim to protect an entire group wearing the same masks
    - Filter 70% of the emitted particles of a size greater than or equal to  $3 \mu\text{m}$
- Any company wishing to put these masks on the market must first:
  1. Ensure that its product meets all the specifications
  2. Have tests carried out
  3. Affix the logo on the product or its packaging
  4. Request the publication by the Government of the results of these tests
  5. Indicate the filtration performance on the packaging
  6. Provide instructions for use with the product

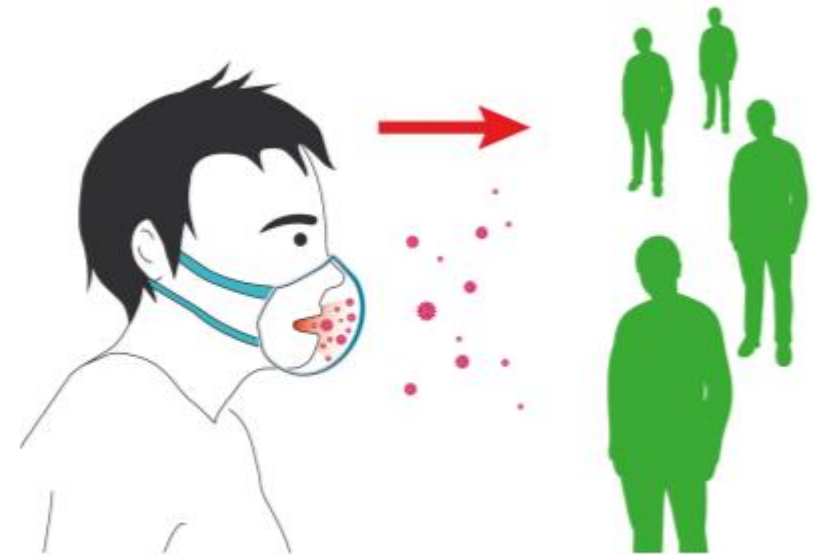






# CEN Workshop agreement on face coverings

- Specifies the minimum requirements for reusable or disposable community face coverings intended for the general public including: design, performance, test methods, packaging, marking and, information for use
- Reusable coverings shall withstand the number of cleaning cycles claimed by the producer (at least 5 cleaning cycles) with a minimum washing temperature of 60°C. Cleaning cycles shall follow either:
  - producer's detailed cleaning instructions; or,
  - procedure describe in EN ISO 6330
- Two levels of community face coverings are considered according to their filtration efficiency to particles around  $3 (\pm 0,5) \mu\text{m}$ :
  - level 90%: greater than or equal to 90%
  - level 70%: greater than or equal to 70%.



# UK face coverings guidance

- UK's Office for Product Safety & Standards published a guidance document for manufacturers of face coverings to comply with the General Product Safety Regulations 2005
- Face coverings are not personal protective equipment or a medical device and should not be sold or donated as PPE or Medical Devices
- Producer will need to demonstrate it has assessed and taken action to mitigate the risks inherent in the product throughout normal or reasonably foreseeable uses
- Includes an example safety assessment outlining physical risks from covering / skin contact, straps, and body of mask



Office for Product  
Safety & Standards





# French circular economy law

- France has set itself the objective of reaching the end of the placing on the market of single-use plastic packaging by 2040
- Environmental display system will be imposed on the clothing textile sector to inform consumer about the environmental performance of textile products
- Establishes extended producer responsibility (EPR) for products, including: packaging used to market products consumed or used by households, electrical and electronic equipment, textile clothing products, furnishing elements and upholstered seat or bedding products, textile decoration elements, sporting and leisure articles, toys, DIY and garden articles
- Prohibition on disposal of unsold non-food products





# New York children's Jewellery warning



- New York State enacted an Act to Amend the Environmental Conservation Law, in relation to Jewellery containing lead

- No manufacture shall offer for sale children's Jewellery that contains a total lead content in any component part of the item that is more than 40 ppm but less than 100 ppm by total weight or a lower standard for lead content as may be established by federal or state law or rule unless that item bears a warning statement that shall contain at least the following:

"WARNING: CONTAINS LEAD. MAY BE HARMFUL IF EATEN OR CHEWED."

Enters into force 1 January 2021





# Proposed repeal of U.S. Care Labeling Rule

- Federal Trade Commission seeks comments on a proposal to repeal its trade regulation rule on Care Labeling of Textile Wearing Apparel and Certain Piece Goods
- FTC has outlined the following reasons for the possible repeal:
  - Rule may not be necessary to ensure manufacturers provide care instructions,
  - Rule may have failed to keep up with a dynamic marketplace, and
  - Rule may negatively affect the development of new cleaning technologies and care symbol revisions
- Notice requests responses from the public to 15 questions





# Saudi Footwear Draft Technical Regulation

- Saudi Standards, Metrology and Quality Organisation (SASO) proposed Draft Technical Regulation on the establishment of requirements for footwear and its accessories
- Applies footwear made from leather, fabric, synthetics or a mixture of these materials, except:
  - protective footwear classified as personal protective equipment, and
  - footwear classified as toys
- Requirements include:
  - labelling of products to include data on the upper part, lining and outsole, as well as the materials used
  - chemical restrictions, including:
    - formaldehyde, heavy metals, azo dyes, and chromium (VI)
  - compliance with SASO standards



الهيئة السعودية للمواصفات والمقاييس والجودة  
Saudi Standards, Metrology and Quality Org.





# Egyptian footwear standard update



Ministry of Trade & Industry  
وزارة التجارة والصناعة

- Egyptian Ministry of Trade and Industry enacted Decision No. 171/2020 providing producers and importers with a six-month transitional period to comply with the following Egyptian footwear standards:
  - Standard ES 3571 Footwear and its parts
  - Standard ES 3572 Sports footwear and its parts
- Decision became effective on 10 April 2020



# Russian footwear marking update

- Resolution No. 952 of 2020 amending Resolution No. 860 of 2019
- Establishes statuses of the identification code in the monitoring information system: issued, in circulation, and retired
- Obligation to submit universal transfer documents to the monitoring information system can be done by the participant in the turnover of shoe products independently or on their behalf by the electronic document management operator
- Clarifies when the application of shoe identification means is carried out







# Summary

- Many countries have postponed or extended compliance deadlines – partly due to the Covid-19 situation but the reality is, it's still business as usual and we are witnessing significant regulatory growth.
- We are now experiencing a number of PPE related product recalls, with the expectation of more as increased national guidance comes into play.
- The EU Waste Framework (SCIP) deadline is looming and companies by now should be well on track to compliance.
- We continue to closely monitor activities and recommendations from textile associations and governments and will ensure to share this information via our newsletters.
- The 'new norm' must embrace the e-commerce domain and the increase in regulations which ensue.
- As companies are exploring agile new opportunities for e-commerce and expansion into new markets online – what regulatory compliance support is required?

# Questions



# Thank you.

IN PARTNERSHIP WITH

**SGI** Europe  
Sporting Goods Intelligence

SPONSORSHIP FROM



**compliance & risks**

<https://www.complianceandrisks.com>

Tel: +353 (0)21 435 1990

Email: [info@complianceandrisks.com](mailto:info@complianceandrisks.com)