Re_fashion GUIDE TO ECO-MODULATION

To the attention of all Refashion members, marketers (producers, importers and distributors) under the principle of Extended Producer Responsibility for Clothing Textiles, Household Linen and Footwear (CHF) products.

The purpose of this guide is to provide information on eco-modulations, and to explain how to obtain the bonuses provided for in Refashion's specifications. This guide has no contractual value.

For a number of years now Refashion has implemented a bonus system to encourage and reward virtuous ecodesign initiatives known as eco-modulation. The purpose of this system is to reward products whose environmental impacts have been minimised.

In compliance with Refashion's authority approval specifications, the following types of eco-modulation will be applied to products placed onto the markets as from 1 January 2023:

- Bonus for the durability of products,
- Bonus for obtaining certain environmental certifications,
- Bonus for the incorporation of raw recycled materials.

In this guide you will find all the information you need on the procedure to be followed in order to benefit from these bonuses as well as on the supporting documentation to be provided.

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RESSOURCES TO DOWNLOAD TO BENEFIT FROM ECO-MODULATIONS:

- 1. Eco-modulation form
- 2. List of tests to be carried out and criteria to respect in order to receive a "Durability" bonus.
- 3. Manufacturer statement template
- 4. Templates for supporting documents to be provided for the "Environmental certification" bonus
- 5. Statement template for the "incorporation of raw recycled materials" bonus.

1. HOW CAN YOU BENEFIT FROM ECO-MODULATION?

To benefit from eco-modulation, this procedure is comprised of 3 phases:

- 1st phase = During year N, declaration of styles and transmission of supporting documentation;
- 2nd phase = In year N+1, eco-modulated quantities are declared and verified;
- **3rd phase =** In year N+1, the bonus is paid by Refashion.

1st phase: declaration of styles and transmission of supporting documentation

This is new to 2023. Up to now supporting documentation was sent at the beginning of year N+1 at the same time as the reporting of the quantities that had been placed onto the market in year N. From now on, supporting documentation must be submitted during year N, as mentioned in the contract, in order to enable Refashion to examine them and decide on eligibility for eco-modulations.

WHEN AND HOW TO SEND THE SUPPORTING DOCUMENTATION?

From now on you must send the supporting documentation throughout year N. All supporting documentation must be sent to Refashion by 30/11 of year N.

Declaration is carried out in 2 steps:

1. Create an account through our contact form - here: Registration

2. Send the supporting documentation via the purpose-built page for declaration of styles - here: **Declaration form**

- 1. Refashion.fr/pro/en
- 2. FAQs
- 3. Contact us

The tutorial below shows the steps to follow in order to make this request. Video tutorial on how to make a declaration

To ensure free flowing operations we recommend that you make your styles declarations (with the required supporting documentation) each month, and at least once per quarter.

Upon receiving the supporting documentation, Refashion:

- will validate the eligibility and compliance of the style in relation to the eco-modulation criteria;
- File away the list of validated styles.

WHAT SUPPORTING DOCUMENTATION SHOULD BE PROVIDED?

This depends on the type of eco-modulation and is described in the following sections (2, 3 and 4) of this guide. Generally, this is documentation showing that the eco-modulation criteria have been met. In order to facilitate auditing, the style's name for which you are requesting the bonus, must be cited in the supporting document's name.

IS IT NECESSARY TO PROVIDE SUPPORTING DOCUMENTATION FOR EACH DECLARED STYLE?

Yes, to benefit from a bonus for the style in question, the related supporting documentation must be sent to Refashion.

<u>NB</u>: depending on the producer, the terminology associated with a product varies. for Refashion, **1 style = 1 model = 1 trade name** The style can be declined in several colors (style- color / model -color) and several sizes

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CAN A DECLARATION BE MADE FOR SEVERAL STYLE?

Yes, for each declaration made you have the possibility of communicating supporting documentation for several styles. However, each declaration corresponds to a single type of eco-modulation.

<u>A form (in an Excel format), which must be attached to each declaration,</u> enables you to list all the styles concerned. This form, specific to each type of eco-modulation is available for download at the beginning of this guide.

As soon as you have made a declaration for 1 style, for one type of eco-modulation, it is important that the same declaration is not renewed twice.

For example, you make a "Durability" eco-modulation declaration for the "SorBreizh" style. You make the declaration in March and send the related supporting documentation according to the described procedure (see above). In return, you will first get an acknowledgment of receipt of your declaration, and later, if need be, Refashion will validate this. It is not necessary to make the same declaration in April or in May even if you have not received a response from Refashion.

IS IT NECESSARY TO MAKE A DECLARATION PER TYPE OF ECO-MODULATION?

Yes, for each declaration, you cannot provide supporting documentation for several types of ecomodulations. As mentioned above, you can, however, declare several styles per type of eco-modulation.

To declare both "durable" products and "certified" products in the same month it is necessary to make 2 separate declarations.

IMPORTANT: 1 declaration = 1 type of eco-modulation = 1 or several styles

IS IT POSSIBLE TO ACCUMULATE SEVERAL TYPES OF ECO-MODULATION FOR 1 STYLE?

Yes, you can if for a same style you have fulfilled the criteria for several types of eco-modulations and you have provided the related supporting documentation.

HOW ARE THE DECLARATION CHECKED?

During year N and following the declarations received, Refashion evaluates the eligibility and compliance of each style based on the supporting documentation provided and, if necessary, by consulting its network of experts.

Any declaration that has not been sent in accordance with the procedure described in this guide and without the appropriate supporting documents will be considered invalid

2nd phase: declaration and verification of eco-modulated quantities

At the beginning of N+1, you must declare the quantities placed onto the market for year N corresponding to the validated styles in phase 1.

HOW ARE QUANTITIES DECLARED?

In contrast to previous years, **you must now send us the quantities placed onto the market per style** (= per model).

Refashion will send you the list of validated styles for the different types of eco-modulation and for which the quantities must be declared.

The declaration of the quantities for eco-modulated styles will be done through an excel file to import on the extranet.

HOW ARE MY DECLARATIONS CHECKED?

In year N+1, after you have reported the products placed onto the market and before the bonus is paid, we carry out targeted checks of the declarations or via an audit carried out by an independent third party.

It should be noted that these checks may relate to the last five declarations, as mentioned in the contract.

3rd phase: payment of the bonus by Refashion

The bonus will be paid by Refashion by the end of the 3rd quarter 2024 at the latest after control of the quantities declared for the eco-modulated styles.

HOW MUCH CAN I CLAIM WHEN MAKING DECLARATIONS?

The total amount of bonus a producer may receive depends:

- On the type of eco-modulation requested;
- On the volume placed onto the market;
- And for some types of eco-modulation, on the category into which the product falls and for which a multiplication factor may exist.

You will find below an example for each type of bonus:

"DURABILITY" BONUS:

For "Durability", the bonus paid for each style corresponds to the multiplication of a reference amount ($\notin 0.07$ or $\notin 0.70$ depending on the volume placed onto the market) and a factor specific to each of the 10 product categories concerned.

The amounts per category corrected by the multiplication factors are given below:

			Bonus (in €) per item per category	
		Multiplication factor	Quantities <100 000 items	Quantities >100 000 items
1	Торѕ	1,0	0,7	0,07
2	Bottoms	1,0	0,7	0,07
3	Intimate products	0,5	0,3	0,03
4	Outdoor wear	1,5	1,0	0,10
5	Bath linen/towels	0,5	0,3	0,03
6	Bed linen	1	0,7	0,07
7	Table linen	0,5	0,3	0,03
8	Open footwear	0,5	0,3	0,03
9	Closed footwear	1	0,7	0,07
10	Trainer-type footwear	1,5	1,0	0,10

The link between the product (e.g. Women's T-shirt) and the category (e.g. tops) is specified in Refashion's classification system.

Here's an example:

- You place women's Tops on the market. In 2023 you placed: 16 styles for a total of 800,000 products;
- During 2023, you provided "durability" supporting documentation for 5 styles: 4 were validated, 1 was refused.
- At the beginning of 2024, Refashion recalls the 4 validated styles so that you can send the quantities for each of these 4 styles.
- The following type of information is sent to us:
 - o Ref 1 : 60.000
 - o Ref 2 : 40.000
 - o Ref 3 : 50.000
 - o Ref 4 : 25.000

i.e. a total of 175,000 products benefiting from the "durability" bonus placed onto the market.

• The amount of your bonus is therefore: (100.000*0.7*1)+(75.000*0.07*1) = €75,250.

"ENVIRONMENTAL CERTIFICATIONS" BONUS:

As from 1 January 2023, finished products certified by the 8 certification labels presented in Section 3 of this guide, can benefit from the bonus.

In the case where a style has been certified by several eligible certification labels, the bonus is granted within the limit of a single certification. Thereby the "environmental certification" bonuses cannot be accumulated for the same style.

For "Environmental certifications", the following three categories are considered as "product categories": Clothing textiles, Household linen, Footwear.

The amounts per category are given below:

		Bonus (in €) per item per category		
		Quantities <100 000 items	Quantities >100 000 items	
1	Textile/clothing	0,3	0,03	
2	Linen	0,3	0,03	
3	Footwear	0,3	0,03	

Using the previous example,

- You place women's Tops on the market. In 2023 you placed: 16 styles for a total of 800,000 products;
- During 2023, you provided "certifications" supporting documentation and 4 styles have been validated.
- At the beginning of 2024, Refashion sends the list of the 4 validated styles so that you can send the quantities for each of these 4 styles.
- The following type of information is sent to us:
 - o Ref 1 : 60.000 o Ref 2 : 40.000
 - o Ref 3 : 50.000
 - o Ref 4 : 25.000

i.e. a total of 175,000 "certified" products placed onto the market.

• The amount of your bonus is therefore:

(100.000*0.3*1)+(75.000*0.03*1) = € 32,250.

"INCORPORATION OF RAW RECYCLED MATERIALS" BONUS:

In accordance with the specifications, products incorporating recycled materials may benefit from a bonus in accordance with the criteria and amounts given in the following table:

Incorporation of Recycled Materials Bonus	Raw materials from the recycling of post-consumer CHF textile waste collected or funded by an approved producer responsibility organisa- tion for CHF textile management.	Recycled raw materials coming from open loop recycling of waste collected or funded by an approved producer responsibility organisation excluding food-grade plastic resin.
Bonus per tonne of recycled raw material incorporated in the product placed onto the market.	€1,000/tonne	€500/tonne

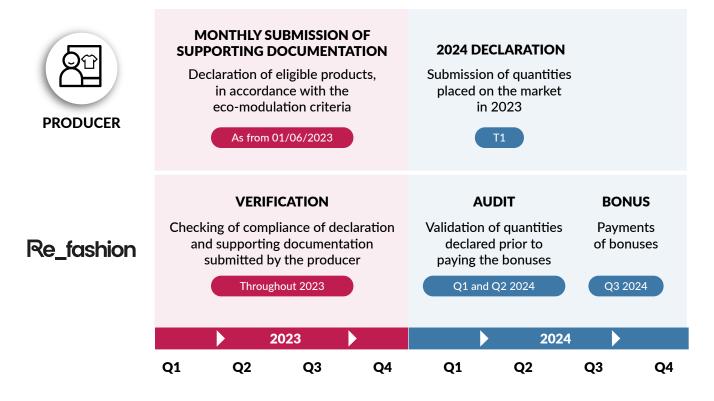
The bonus will be granted for each tonne of raw recycled material from waste collection supported by Refashion, or any other eco-organization approved by the French public authorities, that is included in its composition.

For example,

- For 2023, you will provide us with the following information regarding the incorporation of recycled materials into your products:
 - Certificate of 1.2 tonnes of raw materials from recycled CHF
 - Certificate of 0.5 tonnes of raw materials from recycled non-plastic food grade waste
- The amount of your bonus is therefore: (1.000*1.2)+(500*0.5) = € 1.450

Below, you will find an example of the schedule for 2023 which lists the main stages of an eco-modulation validation request.

SCHEDULE



2. BONUS FOR PRODUCT DURABILITY

This bonus awards the physical durability of products, according to criteria defined in Annex III of <u>the</u> <u>specifications</u>. These criteria are based on standards (listed in the specifications), which are evaluated through laboratory tests.

This annex specifies:

- The list of eligible and non-eligible products:
- The tests to be carried out (and the standard to be used exclusively for each test);
- The thresholds to be achieved or limits not to be exceeded.

You will find an Excel summary of the requirements in Annex III for download at the beginning of this guide.

ARE THE CRITERIA THE SAME AS THOSE FOR PRODUCTS PLACED ONTO THE MARKET BEFORE 2023?

No, several changes were made when the specifications were published, such as

- The addition of certain tests;
- The modification of certain criteria.

It is important that you take the time to study in detail the criteria related to the products placed on the market.

IN ORDER TO OBTAIN THE BONUS FOR 1 PRODUCT, IS IT NECESSARY TO RESPECT THE CRITERIA OF ALL THE TESTS?

Yes, to be declared as "compliant" the product tested must reach the thresholds or not to exceed the limits set for of all the criteria given for the product type concerned.

HOW TO CARRY OUT THE TESTS?

No, to prove that the product is compliant the tests must be carried out by an ISO17025 accredited laboratory.

WHAT SUPPORTING DOCUMENTATION NEEDS TO BE PROVIDED?

For each style, it is the tests reports enabling the achievement of thresholds or compliance with the limits stipulated in the specifications to be validated.

It is now possible to carry out certain tests on materials. In this case, it will also be compulsory to provide:

- The test reports for the material concerned;
- The traceability details between the material and the finished product via a written statement from the finished product's supplier stipulating the styles that are manufactured by incorporating the said material.

FOR STYLES WITH SEVERAL COLOURS, DOES SUPPORTING DOCUMENTATION HAVE TO BE PROVIDED FOR EACH COLOUR?

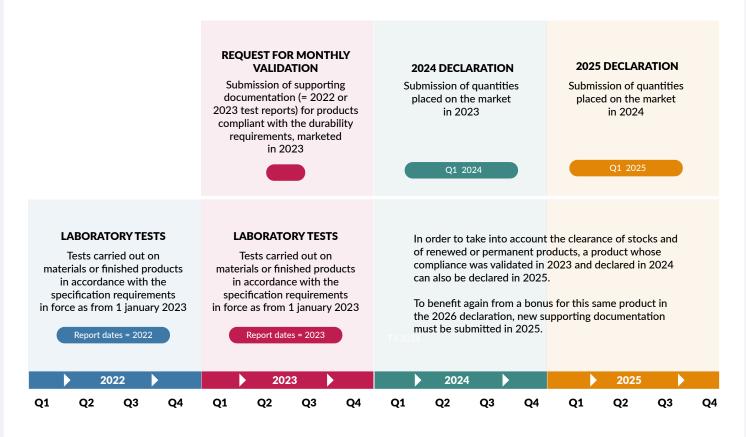
Not all tests depend on the colour. So for this style you can provide:

- A single result for the tests that do not depend on colour;
- A result per colour for the other tests (e.g. aspect following washing or dye bleeding).

HOW LONG IS THE SUPPORTING DOCUMENTATION VALID FOR?

For styles placed onto the market in year N, the supporting documentation must date from the current year N or from the previous year N-1.

For a reference product placed on the market during two consecutive years (N and N+1), the supporting documentation remains valid for year N + 1. In year N+2 new supporting documentation must be provided.



3. BONUS FOR OBTAINING CERTAIN ENVIRONMENTAL CERTIFICATIONS

As from 1 January 2023, finished products certified according to one or several of the following 8 labels, indicated in the approval specifications, can benefit from the «Certification» bonus:

- 1. Ecocert® Textile,
- 2. Oeko-tex® Made in Green,
- 3. Bluesign®,
- 4. Fairtrade® Textile,
- 5. Ecolabel Européen,
- 6. Demeter®,
- 7. GOTS,
- 8. Bioré®.

It is specified that the use of different terms such as «labelling» and «certification», or «labeled products» and «certified products» will be considered as referring to the certification bonus by environmental labels.

ARE ALL THE PRODUCT CATEGORIES ELIGIBLE FOR THIS BONUS?

Yes, products for men, women, children or babies are all eligible.

ARE CERTIFICATIONS FOR RAW MATERIALS VALID?

No, it is the finished product that must be certified.

WHAT SUPPORTING DOCUMENTATION NEEDS TO BE PROVIDED?

The supporting documentation are those attesting the certification for the concerned label. The table below provides further details:

Eligible certification	Expected supporting documentation
Ecocert® Textile	- Certificate of Compliance (CC) - Transaction Certificate (TC) citing the styles concerned
Oeko-tex® Made in Green	- OEKOTEX product list certificate
Bluesign®	- BLUESIGN product list certificate
Fairtrade® Textile	- FAIRTRADE product list certificate
Ecolabel Européen	- Certificate by the certifying organisation with a product list
Demeter®	- DEMETER certificate
GOTS	- Scope Certificate (SC) - Transaction Certificate (TC) citing the styles concerned
Bioré®	- Documentation currently being defined by the BioRé licence holder

In all cases, the exact name of the styles concerned must clearly be given on the supporting documentation for these to be eligible.

IN THE CASE OF "CUSTOM-MADE" PRODUCTS, IS IT NECESSARY TO PROVIDE ADDITIONAL SUPPORTING DOCUMENTATION?

Yes, the following documents are required, particularly in the case of GOTS and Ecocert Textile certifications:

Case n°1: the marketer does not carry out any production operations in-house :

- The marketer's scope certificate (optional)
- The manufacturer's scope certification
- The fabric manufacturer's scope certificate + the Transaction certificate between the manufacturer and the marketer

• Written proof from the manufacturer enabling the link between the fabric and the "finished product" reference to be established, according to the model attached to this guide.

Case n°2: the marketer carries out the weaving or knitting in-house :

- The marketer's scope certificate
- The manufacturer's scope certification
- Written proof from the manufacturer enabling the link between the material (fabric or knit) and the "finished product" reference to be established, according to the model attached to this guide.
- Summary table showing traceability between yarns, fabric/knitting, and finished product

HOW LONG IS THE SUPPORTING DOCUMENTATION VALID FOR?

For each style, the supporting documents are valid:

- Up to the end of the date of validity (if this information is given on the certificate)
- For a maximum of 2 successive product market placement declarations (for example for a style sold in years N and N+1, and whose quantities are declared for year N+1 and N+2 respectively).

4. BONUS FOR THE INCORPORATION OF RAW RECYCLED MATERIALS

Products integrating raw recycled materials in their composition, in accordance with the specifications, will be rewarded.

The bonus for incorporating recycled materials will be granted:

- if the CHF waste has been collected or funded by Refashion or if another type of waste (excluding food resin) has been collected or supported by another eco-organisation approved by the French public authorities (open-loop recycling)
- and if the recycled material from this waste has been produced according to the local proxmity criteria and carried out in facilities adhering to measures that are equivalent to those for ICPE classified facilities (French facilities classified for environmental protection).

CAN RAW RECYCLED MATERIALS FROM PRODUCTION OFF-CUTS RECEIVE A BONUS?

No, not any more. The bonus for incorporating recycled materials from the recycling of waste will be not be granted:

- If the recycled material incorporated comes from production off-cuts
- If the recycled material incorporated comes from unsold items.

WHAT IS THE DEFINITION OF THE "LOCAL PROXIMITY" CRITERION?

This criterion is defined by the Specifications, as amended by the decree of 1 March 2023 on the subject. This criterion came into effect on July 1st, 2023.

Thus, from 01/07/2023, to be eligible for this bonus, it is necessary to set up traceability for all stages of sorting, preparation for recycling and recycling of waste by incorporation of materials from it, so as to be able to demonstrate :

- That all these steps are carried out within a geographical radius of no more than 1500 kilometers from the point of collection of this waste ;
- Or, when traceability is not possible from the collection point: That all these steps be carried out within a geographical radius of not more than 1000 kilometres from the sorting centre if it is located in France, or failing that, from the barycentre of the metropolitan France (46° 29′ 38″ N, 2° 36′ 10″ E).

This criterion applies in the same way for overseas territories.

WHAT ARE THE STEPS INCLUDED IN THE LOCAL PROXIMITY CRITERIA?

The geographical radius concerns all steps of:

- Sorting of waste, collected or supported by an approved co-organization (excluding food grade plastic resin)
- Preparation for recycling, such as: Unravelling, Garnetting, Grinding, Extrusion, Filament spinning...
- Recycling of waste by incorporating materials from it, such as: Spinning, Multi-filament assembly, Injection, Moulding...

This geographical radius therefore does NOT concern the following steps:

- Weaving / knitting
- Cutting / Tailoring
- Finishing...

As an example, here is a representation of the radius of 1000km from the barycenter of mainland France and the steps included in the local proximity criterion:



WHICH SUPPORTING DOCUMENTATION NEEDS TO BE PROVIDED?

The supporting documentation must include:

- A written statement by the marketer specifying the quantities (in kg) of recycled raw materials and a list of the finished products in which these materials have been incorporated into their composition.
- All the documents relating to the declaration of the quantities above, making it possible to verify the accuracy of the declaration of tonnages and traceability of the «local proximity" criterion.

HOW LONG IS THE SUPPORTING DOCUMENTATION VALID FOR?

Supporting documentation must be renewed each year.