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# Regulation Cheatsheet

Driven by growing pressure from consumers for increased sustainability and accountability, both the European Union and the United States are enacting stricter environmental regulations on the textile and apparel industry. This regulatory shift which offers both challenges and opportunities as we plan to adapt to this changing landscape.

## The Climate & Resilience Law – Environmental Labeling for Products

Geography: France

**Status:** ✅ Law passed in 2021, exact information on labelling still under consideration.

The law mandates all good and services companies to have environmental labeling, which will provide consumers with clear information about a product's environmental impact throughout its lifecycle, from production to disposal. By empowering consumers to make informed choices, the law aims to drive sustainable consumption and encourage businesses to reduce their environmental footprint. While the specific details of the labeling system are still being finalized, it represents a significant step towards a greener economy. If companies are offsetting their carbon emissions they need to declare the process how its achieved.

**Implications of Non-Compliance:** fines upto €15,000 if brands fail to comply.

## Directive on Green Claims

Geography: EU & UK

**Status:** ✅ Law implemented in UK in 2022; Under consideration in EU

It tightens the regulations on environmental marketing in the fashion industry. Brands will be required to substantiate any green claims with robust scientific evidence. This includes ensuring claims are clear, truthful, and verified by independent third parties. The directive emphasizes a holistic approach, considering the entire product lifecycle from production to disposal. By enforcing these measures, the aim to prevent greenwashing, empower consumers with accurate information, and drive sustainable practices within the fashion industry.

**Implications of Non-Compliance:** set fines or percentage of revenue as fines dependent on country.



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## Ecodesign for Sustainable Products Regulation (ESPR)

Geography: EU

**Status:** ✅ Approved, implemented from June 2024

It mandates eco-friendly product design, limits hazardous substances, and requires brands to provide transparent product information. The regulation pushes for durability, repairability, and recyclability, and in effect reducing textile waste.

Beyond setting minimum performance standards, the ESPR mandates comprehensive product information which can be achieved through "Digital Product Passport".

**Implications of Non-Compliance: Substantial financial penalties, Market access restrictions.**

## Digital Product Passport (DPP)

Geography: EU

**Status:** EC's draft regulation on DPPs published. Final approval expected in 2024.

All products sold in the European market must have a digital product passport. Each product must include a machine readable, digital record providing a comprehensive overview of a product's environmental impact. The first product groups to be implemented by 2026/7. Afterward, all brands selling in the EU (including online) must comply.

**Implications of Non-Compliance: Substantial financial penalties, Market access restrictions.**

## NY Fashion Act / Fashion Sustainability and Social Accountability Act

Geography: USA

**Status:** Under consideration, expected implementation in 2025

If passed, the law would mandate increased transparency by requiring companies to disclose detailed information about their supply chains, including labor conditions and environmental impacts. The act sets strict standards for environmental performance, such as reducing greenhouse gas emissions and limiting harmful chemicals. By enforcing these measures, the New York Fashion Act aims to protect workers' rights, reduce the fashion industry's environmental footprint, and hold companies accountable for their actions.

**Implications of Non-Compliance: Fines up to 2% of their annual revenue over \$450 million.**

