Key Sustainability Legislations That will Affect the Textile and Apparel Industry in 2024 and Beyond

Looming regulatory storm

The fashion industry is at a crossroads, it is now under intense scrutiny from consumers and regulators for its impact on the environment. In the new era of accountability and transparency, driven by strong regulatory push, textile manufacturers, the backbone of this industry, are on the frontlines of this transformation.

These regulations are clear: manufacturers must meticulously map their supply chains, quantifying the environmental and social impact of their products from raw material extraction to disposal. Terms like 'green' and 'eco-friendly' will no longer suffice without concrete data and rigorous verification.
The implications for manufacturers are profound. It is not merely a compliance exercise bBut Iit presents an opportunity for industry leaders to differentiate themselves, build trust with consumers, and future-proof their businesses.

By embracing sustainability, manufacturers can reduce costs, mitigate risks, and enhance their brand reputation. Moreover, they can contribute to a more sustainable fashion industry, leaving a positive legacy for future generations.

The time for reactive measures is over. Textile manufacturers must proactively address these challenges and seize the opportunities they present. The future of the industry depends on it.

Following are the key regulations from North America and Europe that are ensuring manufacturers and brands must map their supply chains and have calculations on the environmental impact of their products from raw materials to production, usage and disposal.

Climate and Resilience Law, France

What is Climate and Resilience Law?

France wants to achieve a 40% reduction in greenhouse gas emissions by 2030 compared to 1990 levels. To achieve that, it passed the Climate and Resilience Law in July 2021. The law mandates all goods and services companies to have an environmental labelling on their products and services so that customers can make more informed purchase decisions. Failure to comply with the labelling obligation could result in an administrative fine of up to €15,000 for a company.

How does it impact fashion brands?

To inform customers about the environmental impact of their purchase decisions through environmental labelling, companies would need to measure and provide a report on their GHG emissions. Even if the company does not want to advertise terms like Carbon Neutral or Net Zero, it would still need to do the following–

- The emissions data has to be provided annually
- It should cover all the direct and indirect emissions generated during the entire lifecycle of the product/service– right from production to end of life
- It should also mention the impact of the product/service on biodiversity and the amount of waste generated during the process.

- The data should be backed up by evidence that will be collected from suppliers at every stage of a product's life
- If a company is offsetting its emissions, it needs to declare the process by which it's doing so

Our one-stop solution would take care of this

We understand how difficult it is to gather, update and present this data to consumers. Our sustainability platform built for the fashion industry can help you quantify and show the impact of your products in a powerful, accurate and relatable way. It has been built by our in-house team of supply chain assessment experts. Together, they've analyzed 2500+ supply chains in 35 countries and are working with 150+ of the world's leading fashion brands.

Climate and Resilience Law, France
- Law passed in 2021, exact information on labelling still under consideration
- Goods and services to have environmental labelling on them
- Brands need to report their GHG emissions annually

Anti Waste Law, France

What is Anti Waste Law, France?

For the last few years, The European Commission has been taking steps to reduce waste and encourage recycling. In an effort to support that, France came up with Anti-Waste Law (official known as the Loi AGEC) in May 2022. This requires companies to inform consumers about the environmental characteristics of waste-generating products. This will impact companies that generate such products and have an annual turnover of more than 10M€ and a volume higher than 10000 units. To prevent companies from misusing certain terms on their product and packaging, specific guidelines have been shared-

- Plastic products and packaging whose compostability can only be achieved in an industrial unit cannot be labelled as "compostable".
- Plastic products and packaging that can be composted in domestic or industrial composting are marked "Do not throw away in the environment".

- It is prohibited to display the words "biodegradable", "environmentally friendly" or any other equivalent wording on a product or packaging.
- When the recycled nature of a product is mentioned, the percentage of recycled materials actually incorporated is specified.

What does it mean for the textile industry?

The manufacturers, importers, and sellers in the textile industry can no longer burn or landfill their unsold inventory. Instead, they need to have an in-house take-back program or pay the French NGO ReFashion to collect, sort, and recycle their products at the end of life.

- In order to prove that their products are recyclable, brands need to disclose information about the value chain and the material composition of their products
- For the textile industry, it would mean mapping your suppliers down to the weaving stage and knowing about all the chemicals used in the process
- This would ensure that the product does not contain any substances that would disrupt the recycling process or limit the usability of the material once recycled

This might look overwhelming, but we've got you covered
Green Story's product sustainability data platform would allow you to visualize your supply chain map from Tier 1 to Tier 4 with details on processes, components and suppliers for full transparency.

It will help you trace your footprint across the entire life cycle of a product, with pre-set supply chains based on product details.

Anti Waste Law, France
- Launched to reduce waste and encourage recycling
- Textile brands can no longer burn or landfill unsold inventory
- Starting Jan 2023 all products marketed or imported in France should have sustainability and circularity information
- From Feb 2023, mandatory sorting information has became compulsory for all textile, household linen, and footwear products marketed in France.
- Brands need to map their suppliers down to the weaving stage (rising pressure of manufacturers)

Blue Angel, Germany

What is Blue Angel, the German Ecolabel?

The German government was ahead of others and launched Blue Angel around 40 years ago. Their aim is to assist customers(individuals, businesses or governments) with environmentally conscious purchasing. The certificate is awarded to products and services that are more durable and environmentally friendly than other comparable products.

It's a TYPE I environmental label, which has some of the highest standards-
- They are independently awarded
- The criteria of the label are developed by taking into account different stakeholders
- They take the entire lifecycle of the product/service into consideration
- The labels of the product have clear, environmental data of the product displayed on them
- The award criteria are regularly revised.

Blue Angel's criteria are revised every 3-4 years and brands have to comply with the revised criteria to maintain their certificate.

How about automating the life cycle assessment (LCA) of your products?

Our platform empowers you to accurately measure the environmental impact of your supply chains, manage supplier networks and product sustainability data, and communicate product sustainability with confidence and in a self-service way.

This makes it easier to collect the supply chain information and streamline the verification process. You can always add additional verification processes, bringing the highest possible accuracy and transparency to your products' data.

Blue Angel, Germany
- The aim is to assist customers with environmentally conscious purchasing
- Takes the entire life cycle of the product into consideration
- Their criteria are revised every 3-4 years

EU Ecolabel

What is EU Ecolabel?

Similar to Blue Angel, EU Ecolabel has been there for 30+ years. It's a voluntary award that aims for minimum environmental degradation caused by the product's lifecycle- from raw material extraction to production, use phase,

and disposal. It also does not consider the transportation, waste disposal, and recycling stage. In March 2022, a new law was paved under EU Strategy for Sustainable and Circular Textiles to standardize and authenticate Ecolabels in the market.

Here's how it impacts the textile industry

- It lays down detailed criteria for good quality and durable products
- It imposes restrictions on the use of hazardous chemicals and has set requirements for environmentally sustainable sourcing of textile fibres.
- To minimize and track the adverse impacts on climate and the environment, it focuses on building products that are durable, reusable, reparable and recyclable
- It pushes brands to disclose the number of products they discard and destroy, including textiles
- To tackle the microplastic pollution caused by the textile industry at different lifecycle stages, it plans to put restrictions on which synthetic fibre shed microplastics into the environment.
- A Digital Product Passport for textiles based on mandatory information requirements on circularity and other key environmental aspects
- General environmental claims, such as "green", "eco-friendly", and "good for the environment", will be allowed only if it is underpinned by recognized excellence in environmental performance, notably based on the EU Ecolabel, type I ecolabels, or specific EU legislation relevant to the claim.
- Any company that sells clothing, linen, or footwear in the market (including manufacturers, importers, and sellers) can no longer burn or landfill unsold items.

While you focus on building your brand..

Our sustainability data platform would quantify the environmental impact of your products, from raw material extraction to the final stages in-store. This would allow you to seamlessly build a Digital Product Passport that would be trustworthy, transparent and easy to understand for all of your stakeholders.

- EU Ecolabel
  - Focuses on the entire product lifecycle
  - Mandates brands to have a Digital Product Passport
  - Brands need to disclose the products they discard or destroy

Nordic Swan Ecolabel

What is Nordic Swan Ecolabel?

The Nordic countries- Iceland, Norway, Sweden, Denmark and Finland launched the Nordic Swan Ecolabel with an aim to reduce the overall impact of products on climate and environment. Their criteria also focus on properties that ensure the quality and durability of the product. The foundation of the certificate is life cycle assessment. It takes into account the entire life cycle of the product- raw material procurement, production and usage of goods, disposal and recycling. In addition to that, compliance with the UN's International Labour Organization (ILO) conventions on workers' rights is a must
The documentation has to be submitted by the brand/producer annually to Nordic Ecolabel to maintain the certified status. In case the brand is not producing the goods itself, the producer and the brand both have to be certified

How does it impact the textile industry?

In the context of the textile industry, it pushes brands to ensure sustainable production and consumption. The focus areas are-
1. Sustainable fibre
2. Substitution of hazardous chemicals
3. Reduction in energy and water consumption
4. Recycling and a circular economy
5. Responsible production in terms of workers' rights
6. Focus on quality and slow fashion rather than fast fashion

Check out this list to understand specific requirements for fibres, chemicals, energy and water consumption and end-of-life requirement

- Nordic Swan Ecolabel
  - Based on the life cycle assessment of the products
  - Has to be renewed annually
  - Has very specific requirements for resources used to manufacture textiles

Leave it to our LCA experts

- Our LCA team, led by Dr. Kannan Muthu consists of accomplished experts in the field of textiles, sustainability reporting, LCA, chemical assessments, audits, social LCA. Between them, they have 150+ scientific books edited and written, and 130+ scientific publications. Whether you have a circular business model (rental, resale, P2P) or are using innovative materials (seaweed, spider silk, organic dyes), the team can measure the impact and perform footprint calculations.
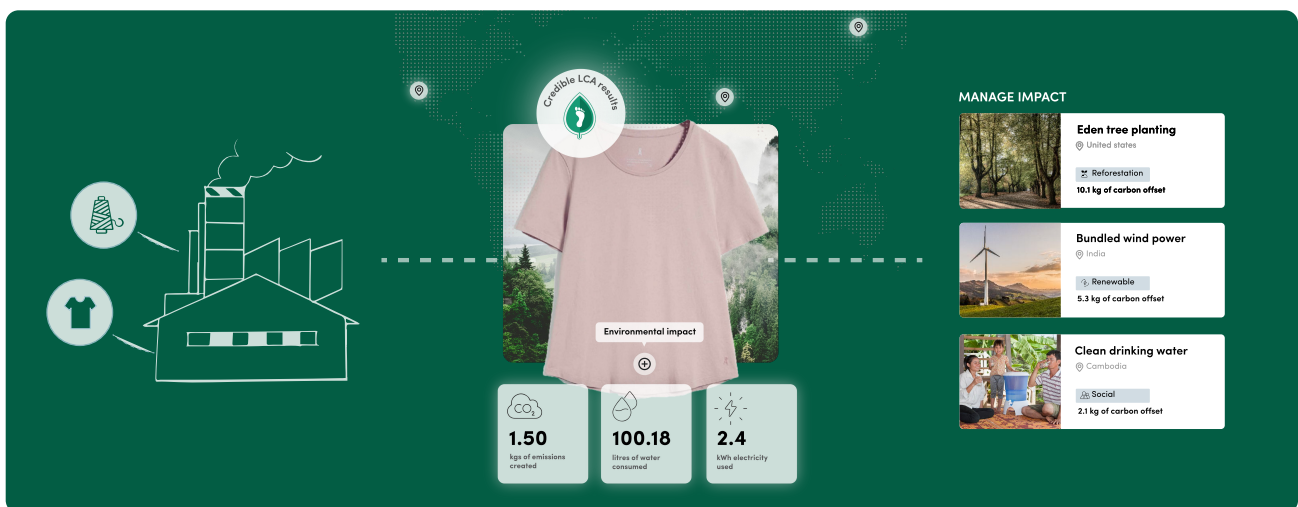
Green Claims Code – UK

What is the Green Claims Code?

Green Claims Code is a set of guidelines established by the UK's Competition and Markets Authority (CMA) to ensure that environmental claims made by businesses are truthful, clear, and substantiated. It aims to protect consumers from misleading green marketing practices, often referred to as "greenwashing."

Failure to comply with consumer protection law could lead to court proceedings. Consumer protection law and The Advertising Standards Authority (ASA) can also take action against you for misleading green claims

And how exactly are they doing it?

To make it easier for businesses to comply with the regulation, they came up with a 13-point checklist (you can check it out here if you wish)
Here are some of the key points we noticed-

- The claim clearly tells the whole story of a product or service; or relates to one part of the product or service without misleading people about the other parts or the overall impact on the environment
- Where general claims (eco-friendly, green or sustainable for example) are being made, the claim reflects the whole life cycle of the brand, product, business or service and is justified by the evidence
- The claim doesn't exaggerate its positive environmental impact or contain anything untrue – whether clearly stated or implied
- The claim doesn't miss out or hide information about the environmental impact that people need to make informed choices

Leverage our unrivalled knowledge

You will get the depth of full LCA without the price via our flexible system. Our analysts will get you started and support you if you need to deep dive into your supply chain. This would ensure that green or eco-friendly claims on your products reflect their entire life cycle and you don't end up exaggerating the impact. .

Green Claims Code, UK
- Implemented in UK from 2022
- Claims like eco-friendly have to be backed up by life cycle assessment
- Has a 13 points checklist that brands should comply with
- Failure to comply could lead to court proceedings

Fashion Sustainability and Social Accountability Act – US

What is the Fashion Sustainability and Social Accountability Act?

The Fashion Sustainability and Social Accountability Act US is under consideration in the New York State Assembly.

If passed, would require all fashion retailers and manufacturers, including apparel and footwear companies, in New York with more than $100 million in revenue, to map at least half of their supply chains

Brands would need to develop an environmental and social sustainability report, highlighting various aspects of their supply chain such as energy consumption, greenhouse gas emissions, water use and chemical use.

They also need to highlight policies and processes that are used to mitigate the adverse environmental and social impacts caused by their supply chain.

The New York Attorney General would publish an annual list of companies that are found to be non-compliant. Failure to comply could subject the company to fines of up to 2% of their annual revenues over $450 million.

Would this require an LCA?

Definitely. The law mandates the companies to identify and disclose their Scope 1,2 and 3 emissions–

- **Scope 1:** This includes the emissions from their own facilities- offices, warehouses, factories, vehicles

- **Scope 2:** This refers to indirect greenhouse gas emissions from the consumption of purchased electricity, heat or steam used by the company to run its facilities.

- **Scope 3:** This covers other indirect emissions not covered in Scope 2. For fashion companies, this can be a significant source of emissions,

- occurring through activities that are usually outsourced like spinning, weaving, knitting, dyeing, producing the finished textiles and waste disposal.

To identify and mitigate these emissions, companies would need to do a life cycle assessment of their products

Building in-house expertise and tools to capture it takes time

When you trace and visualize your supply chain with Green Story's sustainability platform, you would be able to keep a tab on the Scope 1, 2 and 3 emissions of your brand's products. You can manage supplier networks and communications in one place, with suppliers getting their own portal to streamline data gathering.

Fashion, Sustainability and Social Accountability Act, US
- Brands would need to develop an environment and social sustainability report
- Mandates the brands to disclose their Scope 1,2 and 3 emissions
- Failure to comply would result in heavy fines

The Ecodesign for Sustainable Products Regulation (ESPR)

ESPR is EU's legislation aimed at transforming product design and lifecycle management to prioritize sustainability. It mandates eco-friendly design, limits hazardous substances, and necessitates transparent product information.

Key Provisions:

- **Eco-design:** Products must be designed for durability, repairability, and recyclability, reducing waste and resource consumption.
- **Hazardous Substances:** Stricter restrictions on the use of harmful chemicals in product manufacturing.
- **Product Information:** Comprehensive product information, including material composition and environmental impact, must be provided through Digital Product Passports (DPPs).
- **Waste Prevention:** Measures to prevent waste generation, such as extended product lifespans and reduced product destruction.

Overall, ESPR is a significant step towards a circular economy, driving innovation, and placing a greater responsibility on manufacturers to minimize their environmental impact.

Role of Digital Product Passports (DPPs) is making ESPR successful.

DPPs will provide a comprehensive overview of a product's environmental impact, material composition, and end-of-life information. This data will be essential for:

- Consumers to make informed purchasing decisions
- Recyclers to efficiently process materials
- Policymakers to monitor environmental performance

It doesn't end there

There are more regulations coming your way-

- **LKSG, Germany-** Short for Lieferkettensorgfaltspflichtengesetzor, it is Germany's new supply chain law. It mandates companies to identify risks of human rights violations and environmental damage in their entire supply chain- direct and indirect suppliers
- **New SEC Regulation, US-** This would force the US-listed companies to disclose the greenhouse gases emitted by them(Scope 1 and 2) and their suppliers(Scope 3). Larger organizations would have to comply by 2023 and smaller ones by 2024. Companies might face legal consequences for not complying with these regulations.

- **Product Environmental Footprint (PEF), Europe-** This is not legislation but a methodology developed by the European Union. Expected to be implemented in 2024, this would provide a methodological framework with specific guidelines to companies on how to perform a life cycle assessment.

Let us tell your Green Story

As a brand, you might risk breaching these regulations by providing customers with inaccurate data and communication. The consequences are severe, ranging from hefty fines to court proceedings.

And if you want to provide the right information, it's often difficult to have access to the data, expertise and tools. Green Story's solution is compliant with ISO 14040 and ISO 14044 standards and is in line with global anti-greenwashing legislation.

Our platform can capture accurate sustainability data for your products, leverage it and communicate it to the consumers in a way that is authentic, transparent and easy to understand.

Our supply chain hotspot analyses, upcoming recommendations engine, and carbon credit marketplace allow for action based on data.

By using our personalized plug-ins and APIs to match their brand's visual identity, our clients have seen improved revenues and conversion, PR boosts, the establishment of new marketing funnels and better targeting.