## New and updated version



Definitive Guide to Sustainability Regulations for Textile, Apparel, Leather and Footwear

Jan 2025





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# Welcome to the New Edition of Carbonfact's Textile Regulations Guide

Navigating sustainability regulations can be daunting. Many sustainability leaders feel overwhelmed and stuck in data admin, instead of focusing on decarbonization. This guide is here to help shift that trend.

We've updated this guide to give you the latest insights on textile regulations.

#### Here's what's new:

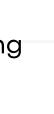
- An updated, easy-to-digest design.
- Coverage of new regulations including EPR, Packaging Waste, and the European Deforestation Regulation (EUDR).
- The latest updates on existing regulations (e.g. CSDDD)
- A new section on avoiding data-admin overload, with practical tips to save time.

At Carbonfact, we know that understanding regulations is just the start — the real challenge is consolidating and fixing your upstream data. That's why we've designed our platform specifically for fashion, apparel and footwear brands and suppliers – not as a generic solution, but one that reflects your unique supply chain and products.

We help you build a strong data foundation, reduce manual work, and generate accurate, product-level impact data. By automating the compliance process, we give you more time to focus on what really matters: decarbonizing your products.

This guide is more than a checklist of rules: it's your roadmap to smarter, more effective sustainability strategies. Let's move beyond spreadsheets and admin work. We'll do more than help you react to regulations – we'll help you stay ahead of them.

I hope you find this guide insightful and actionable. And remember, for everything beyond understanding the regulations, Carbonfact is here to help.





## Lidia Lüttin

Head of Marketing at Carbonfact





Supporting more than 150 footwear and apparel brands and suppliers in their data and compliance journey

Sézane

framas

STRETCHLINE



A.P.C.

**HAPPY SOCKS** 

ARMEDANGELS



ADOREME



**BURTON** 

**SNOCKS** 







## Helpful Resources

#### **Textile Regulations Hub**

Register to stay up-to-date with any updates - Go to hub

#### **Carbonfact's Environmental Reporting Solution**

Read everything about how Carbonfact helps you fix your data and automates your environmental reporting. - <u>Go to website</u>

#### How to Build a Data-driven Decarbonization Plan with Allbirds

Learn from the Director of Sustainability of Allbirds how to build a carbon reduction plan. <u>Watch on-demand</u>

#### Crash Course Climate Reporting in the CSRD

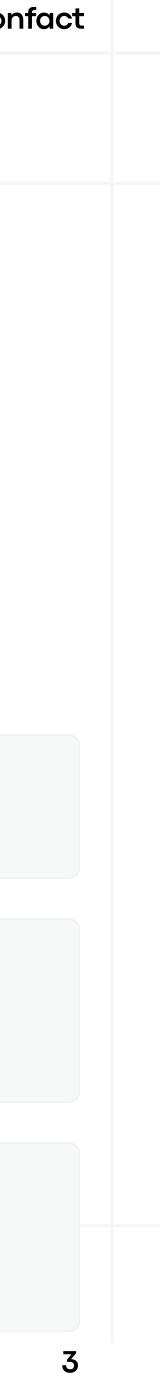
Learn everything about ESRS E1-5 with our crash course. <u>Watch on-demand</u>

#### Crash Course: How and Why to Prepare for DPP and CSRD in 2025

Learn how you can save time reporting and not become a data admin in 2025. <u>Watch on-demand</u>

## On and the Power of Data: How to Design for High Performance and Lower Environmental Impact

The Product Sustainability lead of on shares his experience. Watch on-demand



# Understanding EU Legislation







# **Directive vs.** Regulation

Before we delve into the specifics, let's take a look at how EU legislation works. (Don't worry, this won't be a complicated civics lesson!)

There are two key concepts in understanding how the EU makes legislation: regulations and directives.

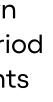
A regulation is basically a general law that applies to all EU countries. It's a binding act that every country must comply with.

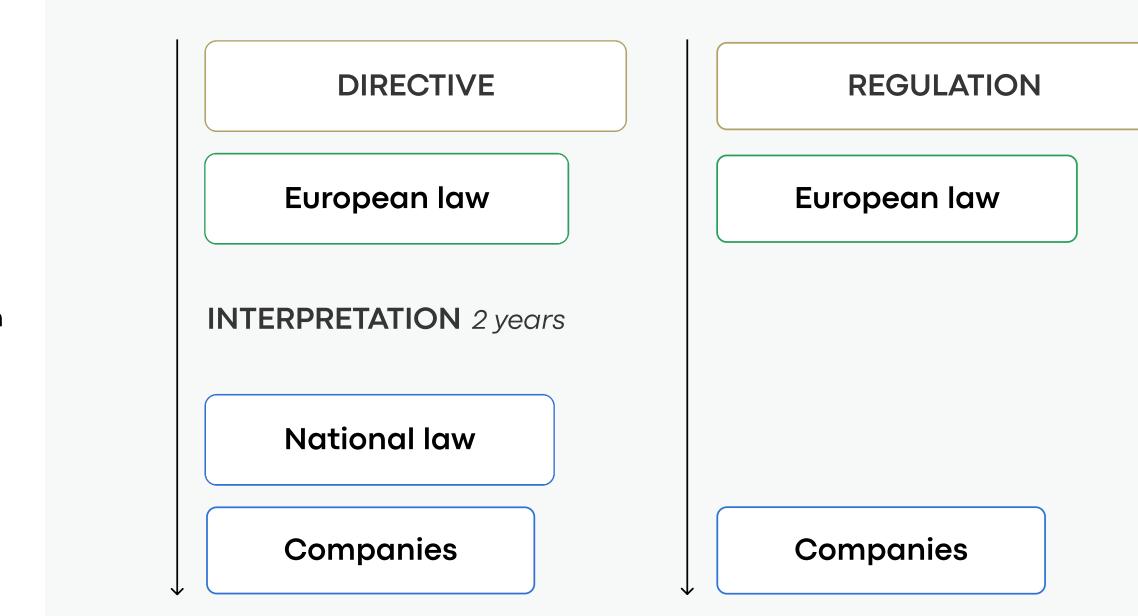
A directive is a legal act that sets a minimum standard for EU member states.

Each member state must enact their own laws or regulations within a two-year period to comply with the minimum requirements of the directive. Member states can also choose to go beyond the minimum requirements set out in the directive.

What does this mean for you? There are both EU-wide laws AND upcoming national laws that your fashion brand will need to comply with. In regard to climate change, all new regulations and directives are part of the European Green Deal, which sets a roadmap for all future environmental legislation.

#### **EU Regulations**







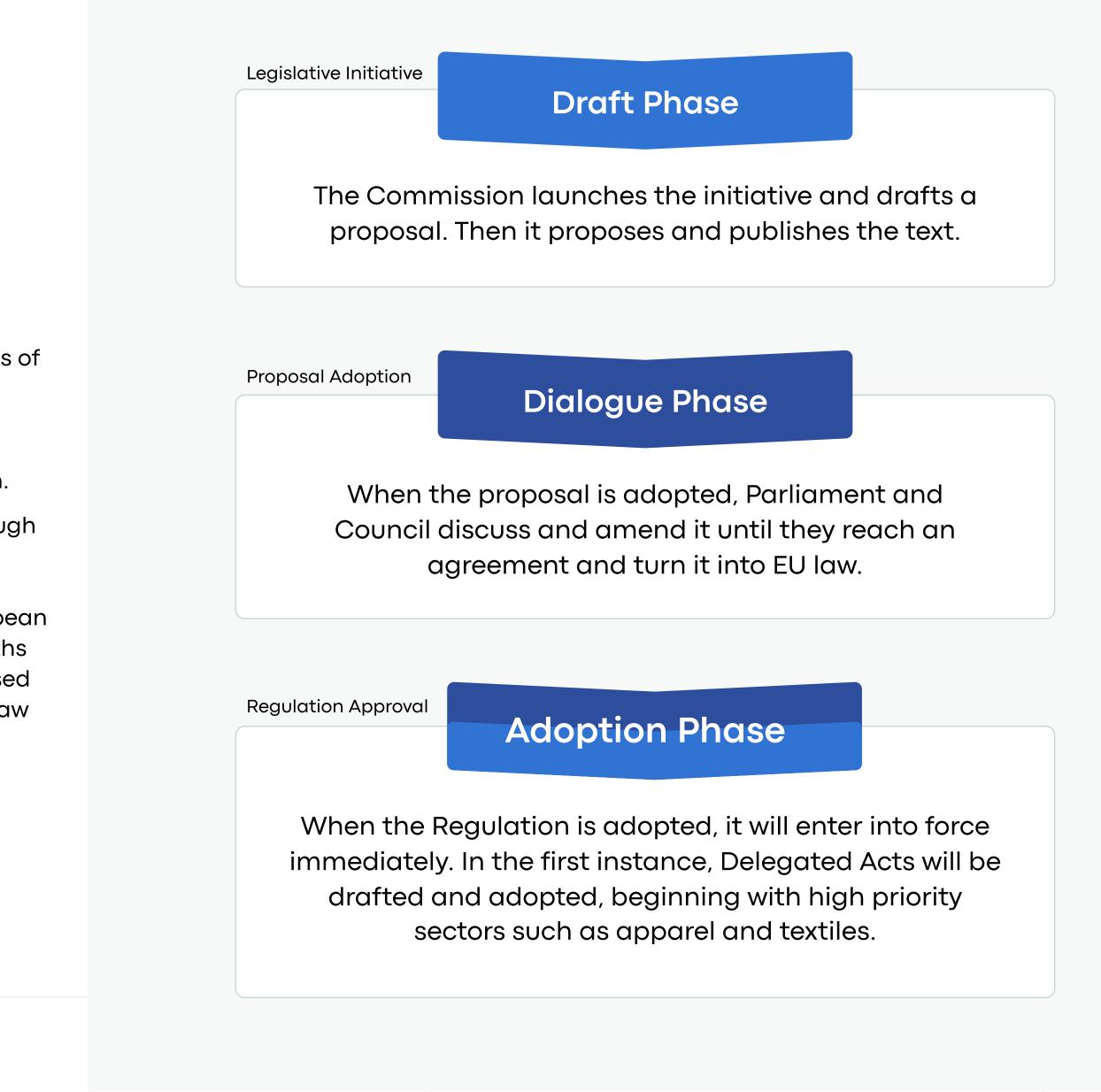


# **EU Legislative** Process

The EU legislative process involves the proposal of legislation by the European Commission, which is then reviewed and potentially amended by the European Parliament and the Council of the European Union. If both bodies agree on the text after a dialogue phase, which can span several years, the legislation is adopted. A Regulation becomes binding across all EU member states directly, without the need for national transposition, and enters into force 20 days after its adoption. Following the adoption of a Regulation, Delegated Acts can be developed.

Delegated Acts are secondary laws that specify or amend non-essential elements of the original legislation, allowing for adjustments or details (e.g. to certain industries) to be added without going through the full legislative process again.

Both Directives and Regulations go through the EU legislative process involving the European Commission, the European Parliament, and the Council of the European Union. Once adopted, however, their paths diverge, and directives must be transposed by each member state into its national law by a given deadline.



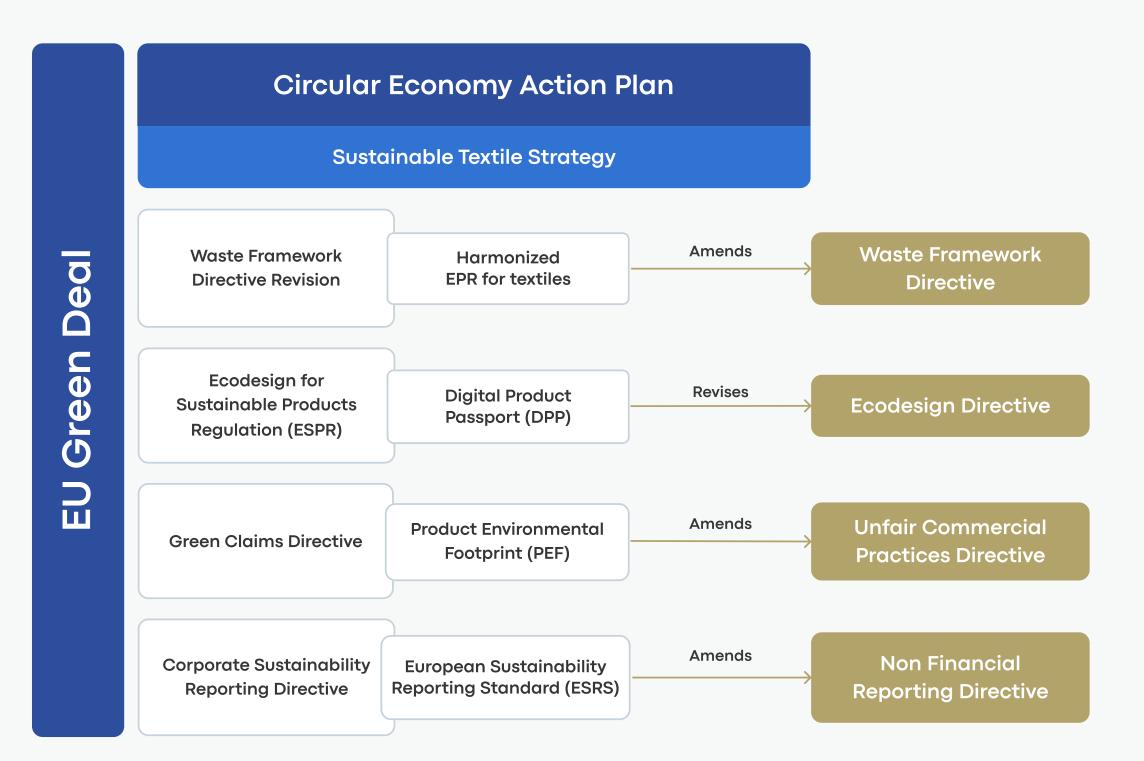




## The European **Green Deal**

The European Green Deal aims to make Europe the first climate-neutral continent by 2050. To do so, it establishes ambitious environmental goals and targets, which in turn serve as the foundation for directives and regulations that are continually being introduced. Among its primary objectives are significant reductions in net greenhouse gas emissions, targeting a minimum decrease of 55% by 2030 as compared to the levels recorded in 1990. Emphasizing the importance of reforestation and ecosystem restoration, the initiative also strives to plant 3 billion trees within the EU by the year 2030.

Within the European Green Deal, two concrete plans are pertinent to understanding current and upcoming climate legislation.





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## EU Circular **Economy Action** Plan (CEAP)

The CEAP is a cornerstone of the European Green Deal. Comprising 35 specific actions, it places a special spotlight on the textiles sector, which is recognized as one of the most resource-intensive industries. The Circular Economy Action Plan introduces an array of initiatives that are crafted to promote sustainable product design, establish circular economy practices, and curtail waste generation.

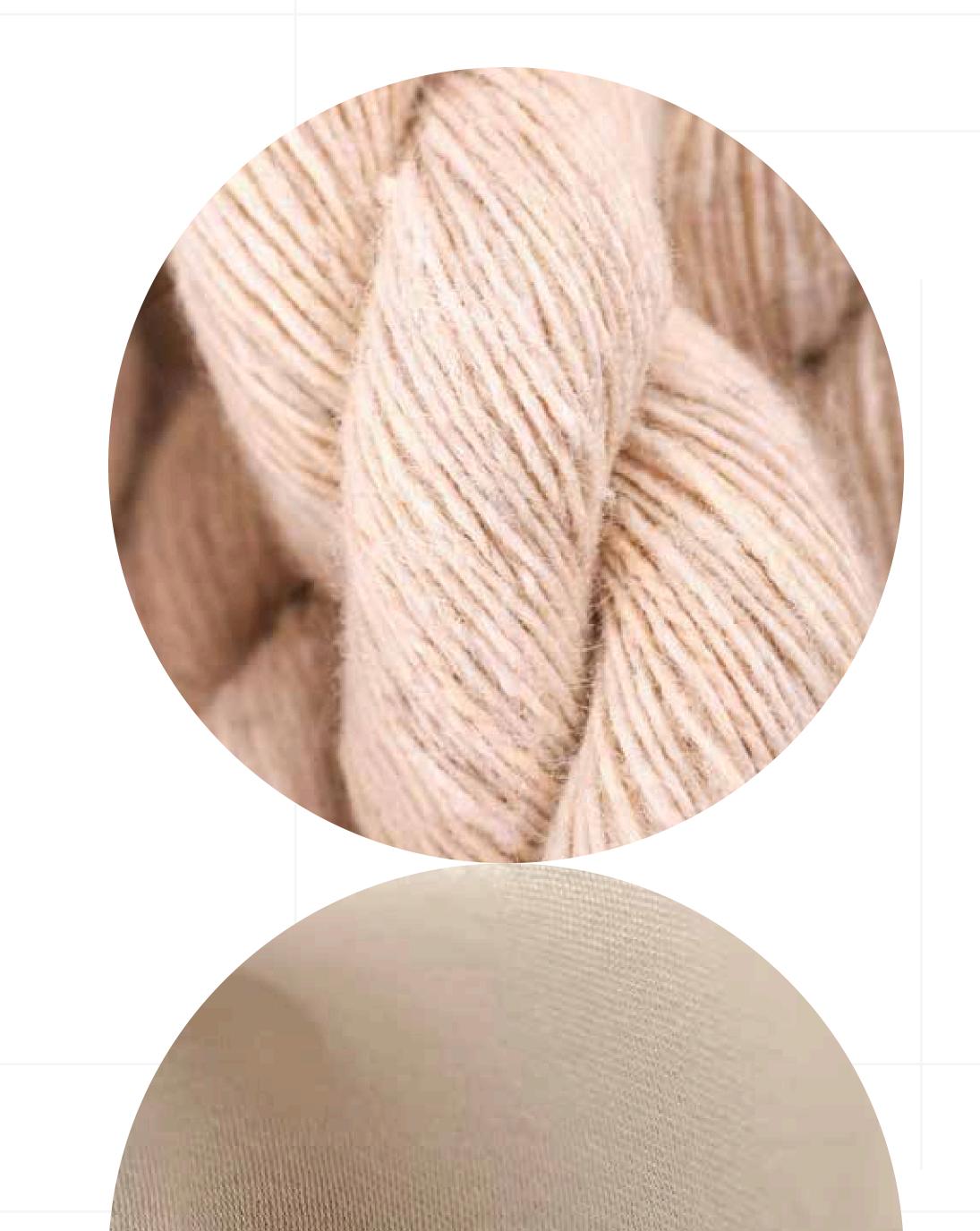
#### Read all the details

## EU Strategy for Sustainable and **Circular Textiles**

To implement the commitments of the European Green Deal and the new CEAP, the EU has developed a specific strategy for the textiles sector. The EU Strategy for Sustainable and Circular Textiles will reinvent the entire lifecycle of textile and footwear products, not only changing how fabrics are made, but how they are consumed, and eventually disposed of. This includes: increasing the longevity of textiles, increasing the use of recycled fibers, curbing fast fashion, and making products easier to repair or recycle with a Digital Product Passport.

#### Dive into the details

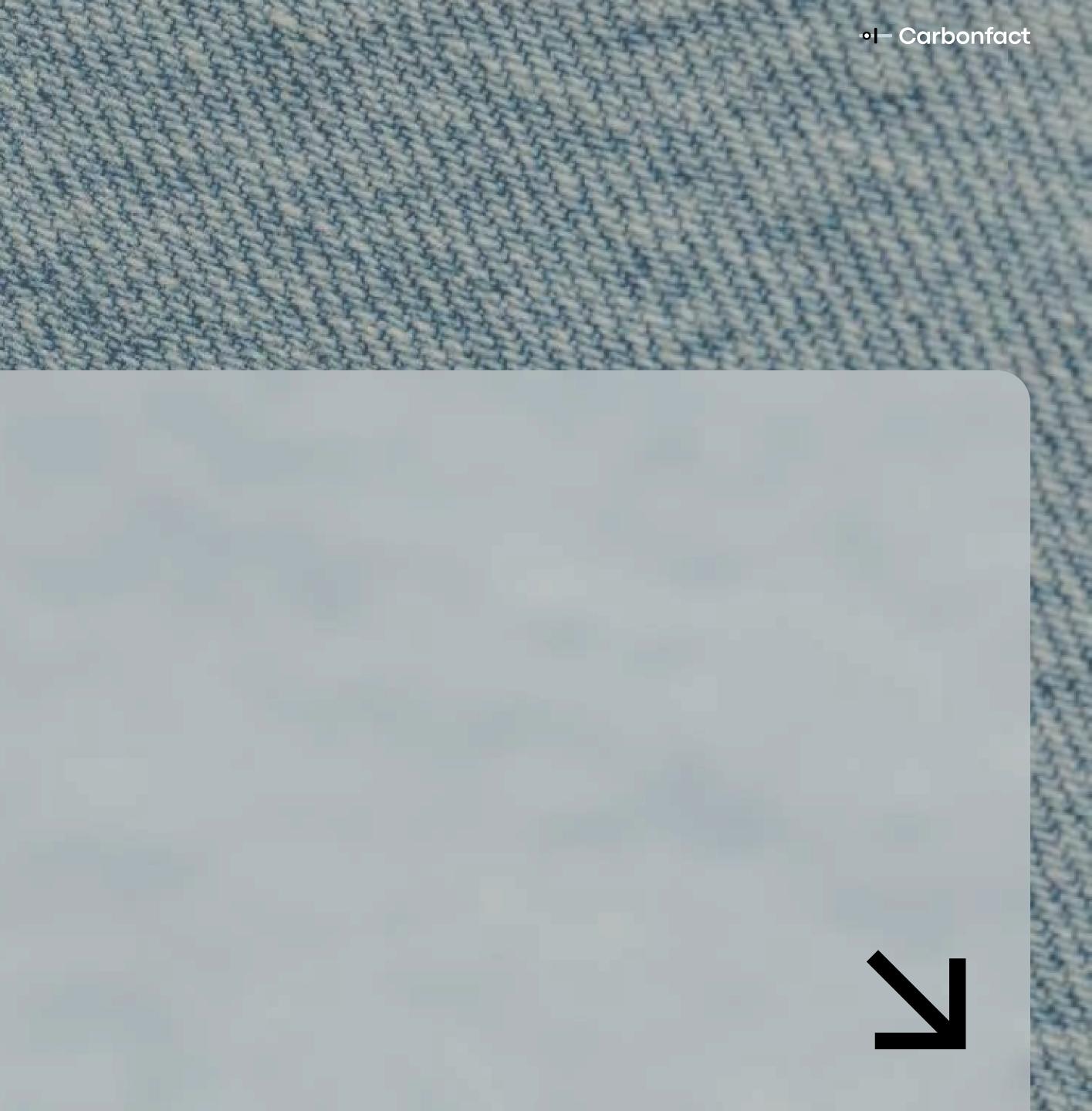
Now let's take a look at the main climate regulations and directives, and how they affect footwear and apparel companies in greater detail.







# EU Textile Sustainability Regulations



# Corporate Sustainability Reporting Directive (CSRD)

#### Current Status: Approved EU law

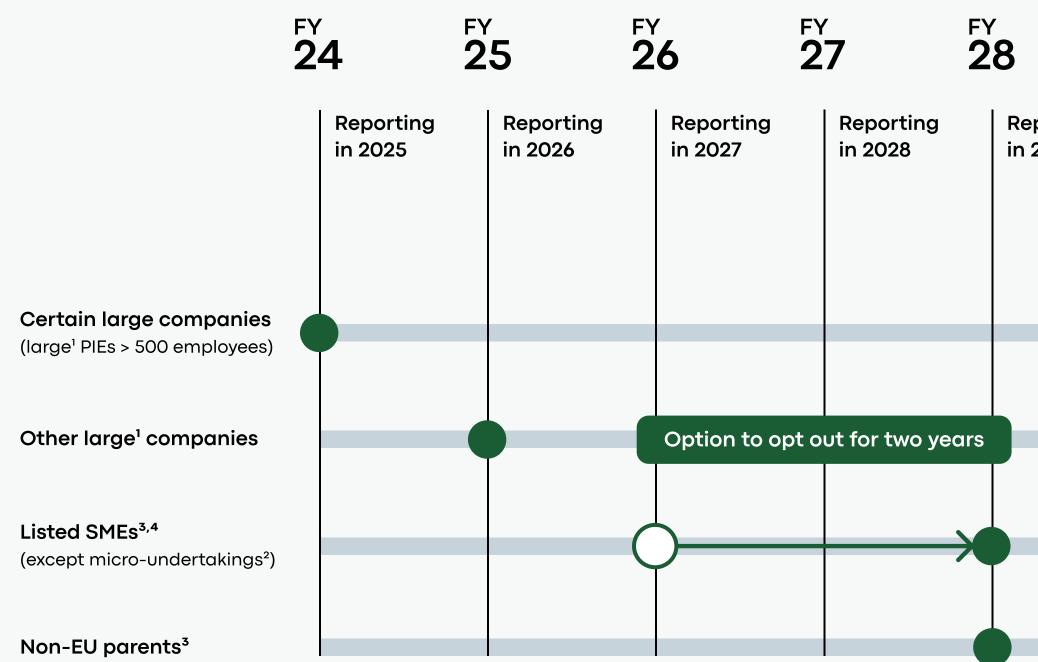
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- CSRD standardizes ESG reporting within the EU through yearly disclosures on environmental and social matters. The directive requires climate targets, a concrete transition plan, and audited progress reports.
- Every listed company that sells into the EU, except micro-enterprises.
  - Non-EU companies must comply if they generate over €150 million in net turnover in the EU and have either a subsidiary with more than 250 employees, over €40 million in net turnover, or a balance sheet above €20 million.
- WHEN
   The implementation of CSRD reporting requirements will be released in four phases (see the timeline visual).

#### Read all the details about the CSRD





#### Large companies

- More than 250 employees
- More than €50M turnover
- More than €25M in total assets

#### **Medium Enterprises**

- Less than or equal to 250 employees
- Less than or equal to €50M turnover
- · Less than or equal to €25M in total assets

#### Small Enterprises:

- Less than or equal to 50 employees
- Less than or equal to €10M turnover
- Less than or equal to €5M in total assets



### Reporting in 2029

ees over al assets



# European Sustainability Reporting Standards (ESRS)

The European Sustainability Reporting Standards (ESRS) is the reporting framework for the CSRD with the goal to standardize sustainability reporting across the EU.

Addressing prior inconsistencies, the ESRS enhances the comparability and reliability of ESG data, requiring detailed disclosures from apparel and footwear brands. These standards are divided into four main categories: Cross-cutting, Environment, Social, and Governance. Each category mandates specific disclosures that cover both the impacts of company operations and the internal risks from sustainability factors on financial performance. Every brand needs to first perform a double materiality assessment, identifying material impacts, risks, and opportunities, and will only be required to report on the standards that are considered material. Some standards, such as climate change, are mandatory for all companies. Additional textile-specific standards are set to be introduced by 2026, which will not affect current reporting timelines for the apparel and footwear industries.

<u>Find an extensive guide on ESRS E1 Climate</u> <u>Reporting for the CSRD here</u>

## Crash course: Climate reporting for the CSRD



Baptiste Carriere-Pradal Co-founder at 2BPolicy

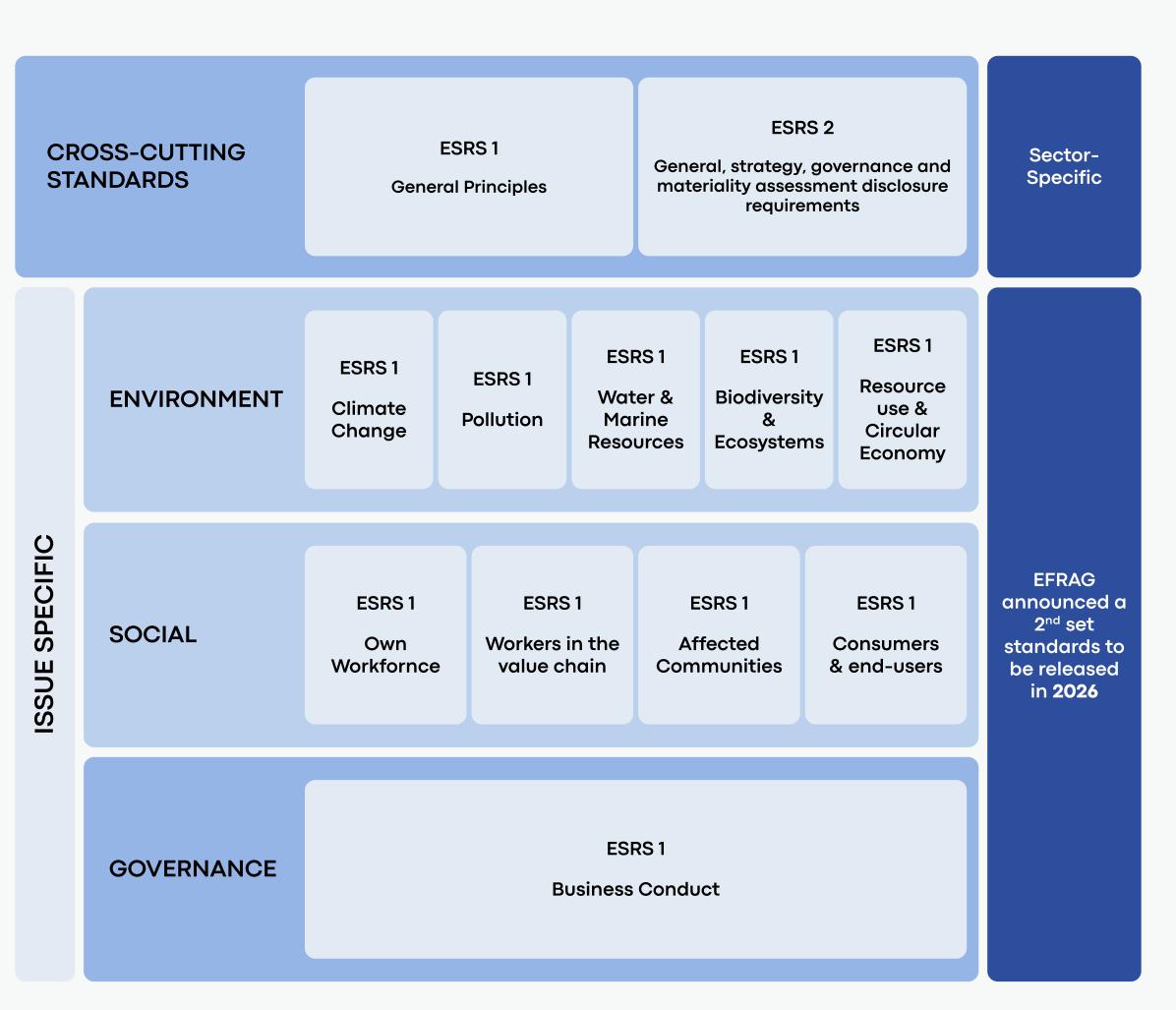


**Martin Daniel** Co-founder at Carbonfact

Watch on demand 🕟



#### European Sustainability Reporting Standards (ESRS)





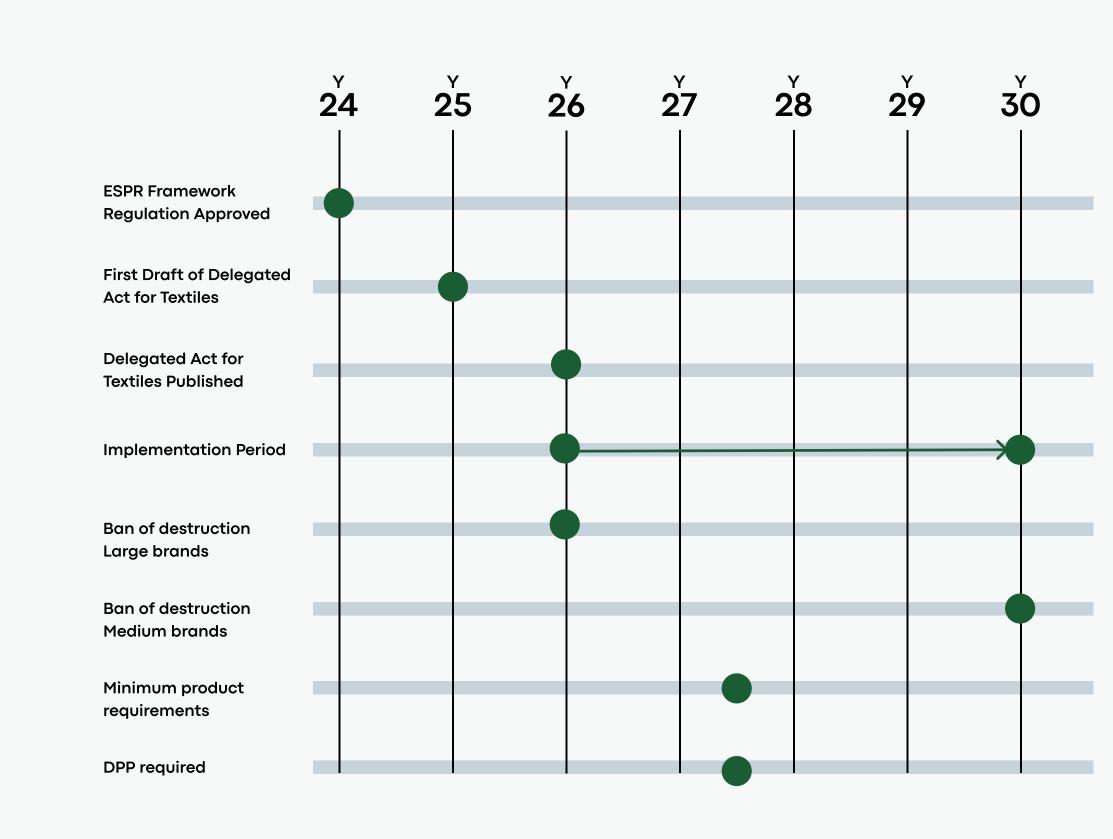


# Ecodesign for Sustainable Products Regulation (ESPR)

Current Status:	Approved EU law
? WHAT	Goal to reduce the environmental impact of products throughout their lifecycle
	<ul> <li>Sets requirements for the physical performance of products (e.g. durability, repairability, recyclability, environmental footprint).</li> </ul>
	<ul> <li>Introduces the Digital Product Passport (DPP).</li> </ul>
	<ul> <li>Introduces a ban on the destruction of unsold footwear and textiles.</li> </ul>
WHO	<ul> <li>Every brand that sells into the EU market, including SMEs.</li> </ul>
	<ul> <li>SMEs will receive financial help and are initially excluded from the ban of destruction of unsold goods.</li> </ul>
<b>WHEN</b>	<ul> <li>Ban on the destruction of unsold goods: Q2 2026 for large enterprises, 2030 for medium-sized brands.</li> </ul>
	<ul> <li>Minimum product requirements: Expected 2027/2028. The publication of a delegated Act concerning textiles, establishing tailored requirements for the textile sector, is planned for 2026. Brands will then have 18 months to comply.</li> </ul>
	<ul> <li>Digital product passport: Expected in 2027/2028.</li> </ul>



## **Expected timeline**







# **Digital Product Passport** (DPP)

Current Status:	Approved EU law
<b>WHAT</b>	<ul> <li>Digital record of a product's key characteristics throughout its entire lifecycle.</li> <li>Not clear yet, but 16 possible categories of information have been identified, including product origin, material composition, environmental impact, social impact, and more.</li> </ul>
WHO	<ul> <li>Every brand that sells in the European market, including SMEs and non-EU brands.</li> </ul>
<b>WHEN</b>	• Expected in 2027/2028.
<u>Read all the</u>	e details about DPP N



Watch on demand **D** 

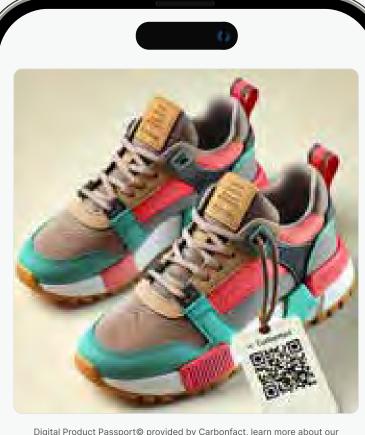
- **Timelines & updates CSRD** and DPP
- How not to spend all your time  $\odot$ on data admin in 2025
- Key data points to collect in  $\odot$ 2025







### **DPP potential information categories**



Digital Product Passport© provided by Carbonfact, learn more about our methodology here.

**MR350** LO GO Digital product passport Reference ID #MR350SG-ACME-DIAH 700g Total product weight Acme Ltd Manufacturer

#### About

The original MR250 combined the aesthetics of the new millennium with the reliability of durable running shoes. This new version, the 350, stays true to ...

Read more

#### Circularity

Recycled content, repair services, takeback programs.

Health Impact Hazardous substances, REACH

Information on the Brand Commitments to sustainability, contact details, and impact reports

Communication QR codes, NFC chips

Quantity

**Production quantities** 

Costs

Manufacturing costs

#### **Usage and Customer** Feedback

Product usage and consumer reviews

#### Tracking and Tracing **After Sales**

Resale, modifications, or repair activities

**Product Description** 

e.g. product, such as size, color, performance, resale repairs

#### Composition

Material percentages, origin, treatment, dyeing processes and fiber lengths.

#### Supply Chain

Manufacturing process

Transport Method, distances and types

#### Documentation

Certificates, audit reports, and quality control documents

#### Environmental Impact PEF score, GHG

#### Social Impact

Worker rights, labor conditions, human rights compliance.

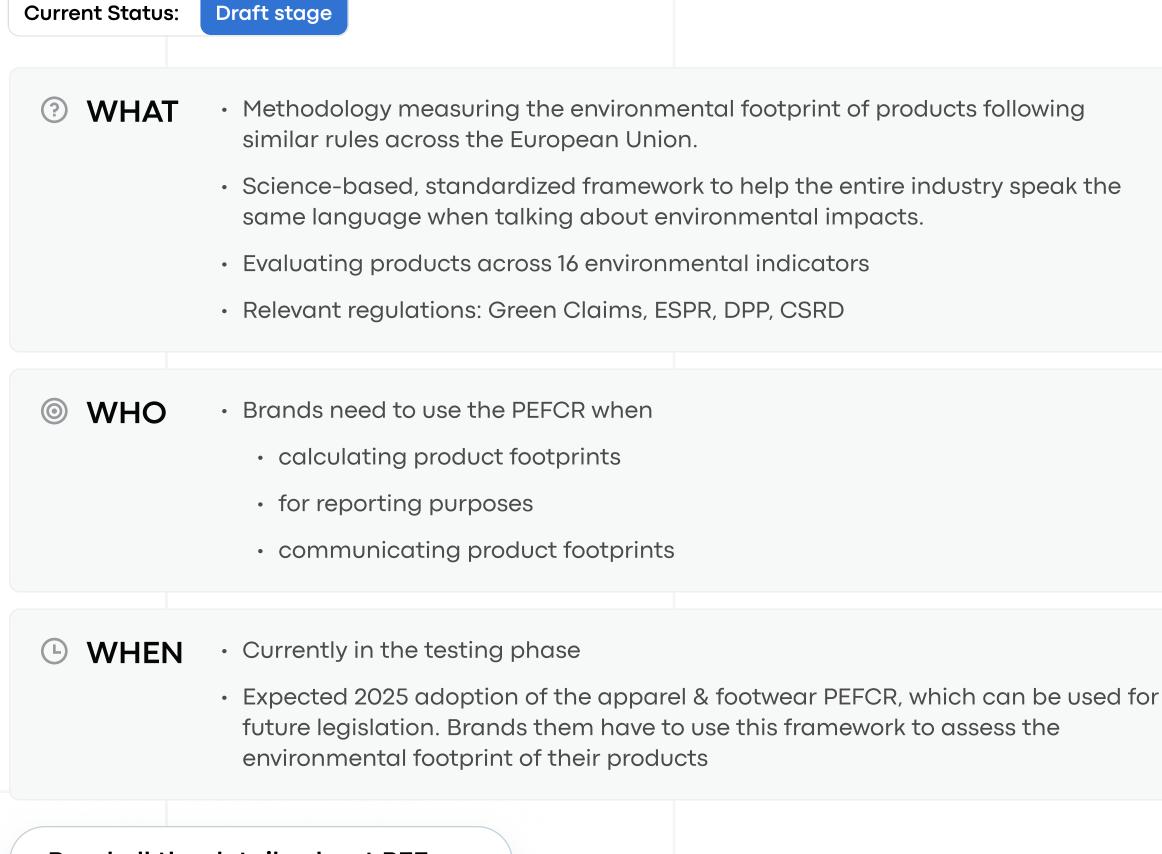
#### Impact on Animals

Treatment, animal welfare





# **Product Environmental** Footprint Method (PEF)



Read all the details about PEF

### **16 PEF environmental indicators**

			Ecosyster	ns		
Acidification eu		Terrestrial utrophication	Freshwate eutrophicat		Marine outrophication	Freshwater ecotoxicity
Human Health						
Ozone depletion	Human non-cance		man toxicity ncer effects	Particul matte		
Climate Change Natural Resources Water						
Global warming	, ,	Mineral resource depletion	Non-renew energy reso depletic	ource L	and use	Water scarcity footprint





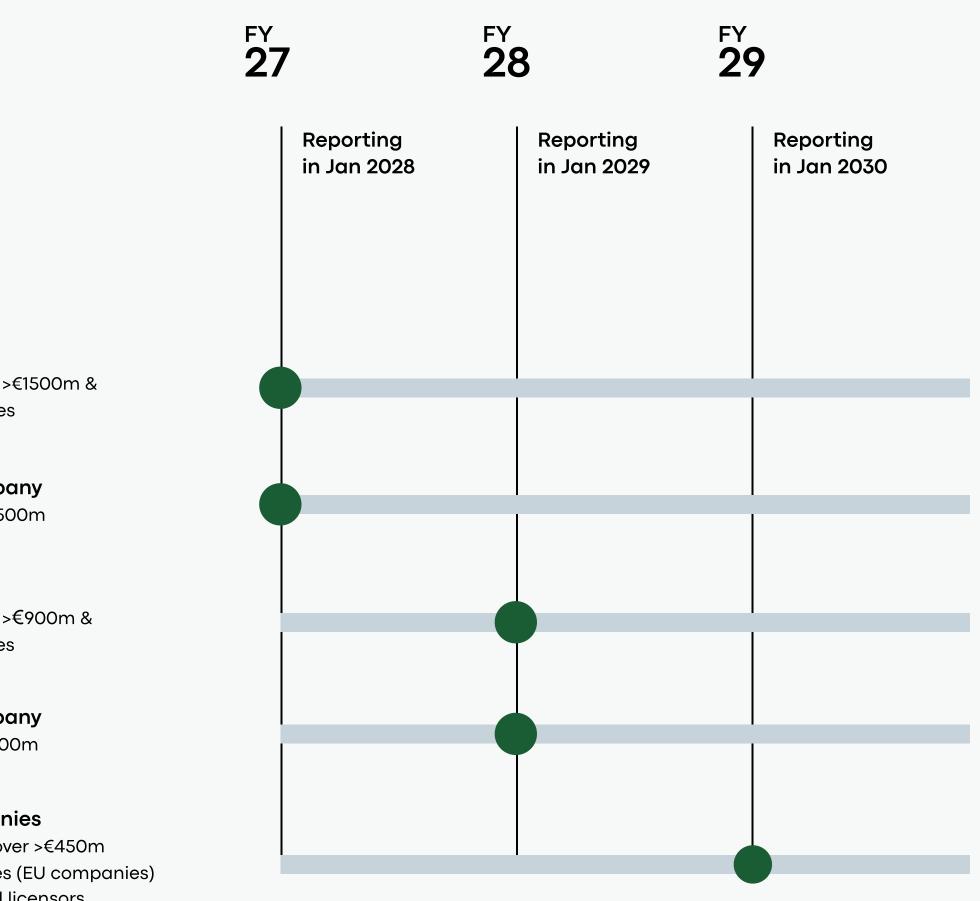
# Corporate Sustainability Due Diligence Directive (CSDDD)

### Current Status: Approved EU law • Goal: Liability for human rights and environmental violations in supply chains. WHAT ? Develop due diligence policies and processes Identify human and environmental impacts of activities Prevent potential negative effects • Ensure business models are inline w the Paris Agreement • Include CO2e reduction objectives in their business plans. $\bigcirc$ • Large brands w 1000+ employees and net EUR 450+m turnover worldwide WHO • Large non-EU w 1000+ employees w EUR 450+m turnover in the EU • 2027 for 5000+ employees/ €1.5b+ turnover companies WHEN Ŀ 2028 for 3000+ employees/ €900m+ turnover companies • 2029 for 1000+ employees/ €450m+ turnover companies

Read all the details about CSDDD



Timeline



EU company Global turnover >€1500m & >5000 employees

Non-EU Company EU turnover >€1500m

EU company Global turnover >€900m & >3000 employees

Non-EU Company EU turnover >€900m

#### Other Companies

EU/Global turnover >€450m >1000 employees (EU companies) Franchisors and licensors





## **Comparison between** reporting requirements

#### CSRD

Mandates comprehensive sustainability reporting across the EU, aiming to enhance transparency and accountability.

#### CSDDD

Focuses on responsible business conduct, requiring companies to perform due diligence on human rights and environmental impacts in their supply chains.

#### DPP

Establishes a digital record for each product to ensure transparency in environmental data and product traceability throughout its lifecycle.

### **Comparison reporting requirements**

	CSRD	CSDDD	DPP
Reporting/Disclosure Requirement	~	~	~
Subject to Audit	~	~	~
Environmental Impacts	~	~	~
Social Impacts	~	~	×
Upstream Supply Chains	~	~	×
Introduces Double Materiality in Reporting	~	×	×
Applicable to EU-Based & Non-EU Companies	~	~	~
Digital Record Via QR or URL	×	×	~





## EU Deforestation-free Products Regulation (EUDR)

#### Current Status: Approved EU law • Brands must prove that their use of cattle leather, natural rubber, and paper-? WHAT based packaging did not contribute to deforestation. They must also demonstrate that their entire value chain is deforestation-free. These requirements do not apply to cotton or man-made cellulosic fibers (MMCF) such as viscose and rayon. Involves submitting a due diligence statement to verify the geolocation of production areas and the identities of supply chain actors, alongside engaging in risk assessment and mitigation efforts. • Fines can reach up to 4% of a company's annual global turnover in the EU. • All brands and importers operating in the EU market, including SMEs and Micro WHO enterprises, including non-EU companies • Dec 2025 - medium and large brands. WHEN • June 2026 - for small and micro enterprises.

# Packaging and Packaging Waste Regulation (PPWR)

#### Current Status: Approved law

WHAT • Establishes new standards and targets for all packaging materials, including protective garment bags, shoe boxes, and e-commerce shipping materials.

- Harmonizes national packaging EPRs across EU membership states.
- Packaging must be labeled with information about its material composition, recyclable content and reusability, with more detailed information accessible via QR codes.
- Environmental claims can only be made if packaging exceeds the minimum regulatory requirements.

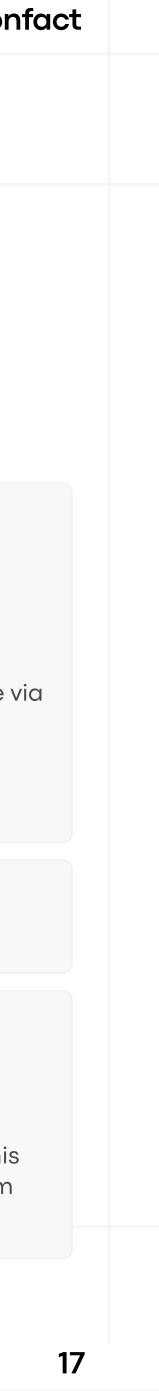
WHO
 Applies to all brands, both B2B and B2C, that manufacture, import, or sell products within the EU.

• WHEN • Mid 2026 - Compliance is mandatory.

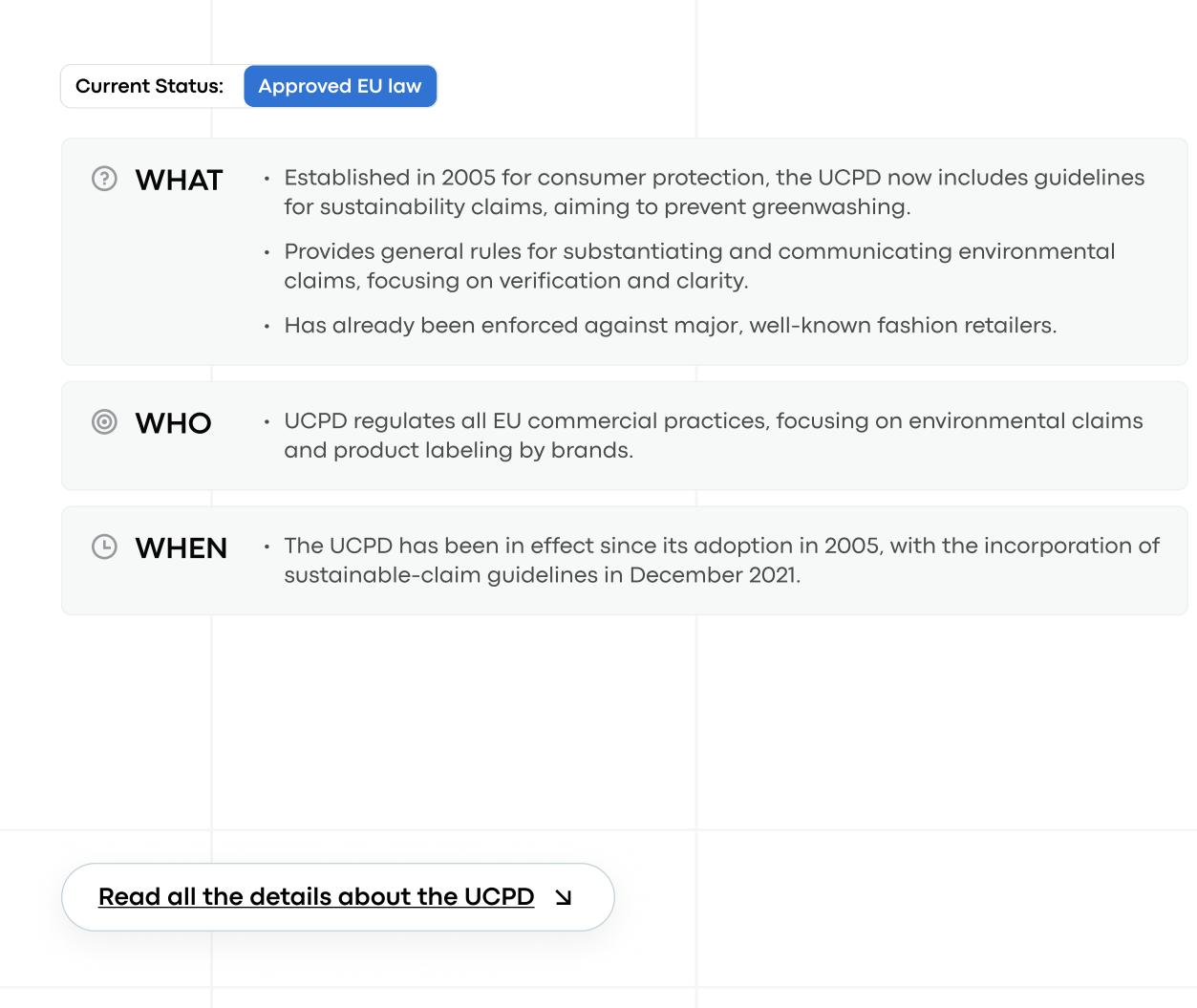
• 2028 - Further design requirements for reusable and recycled content packaging will be implemented.

 2030 -All labeling and waste reduction targets must be fully implemented. This includes requirements for packaging to be recyclable and contain a minimum percentage of recycled content.

Read all the details about the PPWR



# **Unfair Commercial Practices Directive (UCPD)**



#### EU textile regulations







	stive on en Claims
? WHA	<ul> <li>Complements the existing UCPD and introduces more specific rules about environmental claims:</li> <li>Brands need to substantiate environmental claims (by independent verifiers).</li> <li>Contains detailed guidance on claim communications.</li> <li>Introduces new rules on environmental labeling.</li> <li>Fines of at least 4% of annual turnover.</li> </ul>
OHW ම	<ul> <li>All brands except micro enterprises.</li> <li>SMEs have an extra year and can expect financial help.</li> <li>Non-EU brands that make voluntary environmental claims directed at EU consumers.</li> </ul>
L WHE	<ul> <li>Expected 2027/2028 - Proposal was adopted in March 2024, it's currently in the dialogue phase.</li> <li>Until then the UCPD is the only European law that addresses claims about the environmental impact of a product.</li> </ul>

# **Empowering Consumers for** the Green Transition Directive

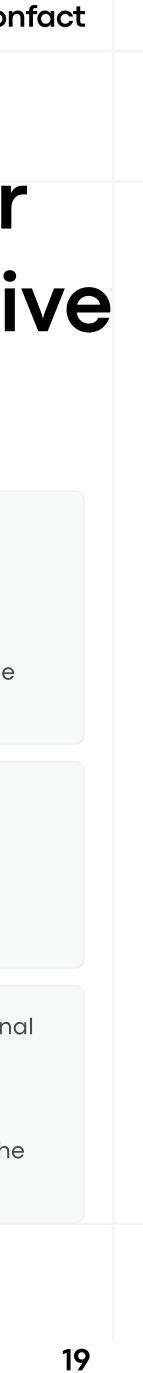
Approved EU law Current Status:

② WHAT

• New right for information on the durability and repairability of products

- Expands the "blacklist" of prohibited claims
  - Bans generic/vague claims ("eco", "green", etc).
  - Bans claims about the entire product when they only concern parts of the product.
- · All brands except micro enterprises. **OHW** 
  - SMEs have an extra year and can expect financial help.
  - Non-EU brands that make voluntary environmental claims directed at EU consumers.

- March 2026: EU Membership countries will transpose the directive into national law
- September 2026 the rules will apply
- Until then the UCPD is the only European law that addresses claims about the environmental impact of a product.



# National Laws of EU Membership States





## The Climate & Resilience Law / Eco Score

**Current Status:** 

Approved French law

Transparency Act

**Current Status:** 

The **<u>Climate & Resilience Law</u>** will require brands selling into the French market to provide a label with the environmental cost, calculated based on 16 environmental indicators.

In effect since 2022, the Norwegian Transparency Act carries substantial implications for fashion and textile brands operating in Norway. The primary aim of this act is to enhance transparency and promote respect for human rights and decent working conditions throughout the entire value chain of businesses.

Read all the details 🛛



Approved Norwegian law

## Supply Chain Due **Diligence** Act

**Current Status**:

Approved German law

This German law addresses human rights and working conditions in the supply chain. Brands will be required to implement rigorous due diligence processes throughout their supply chains, focusing on human rights and environmental standards.

Read all the details **\** 

Read all the details **\** 





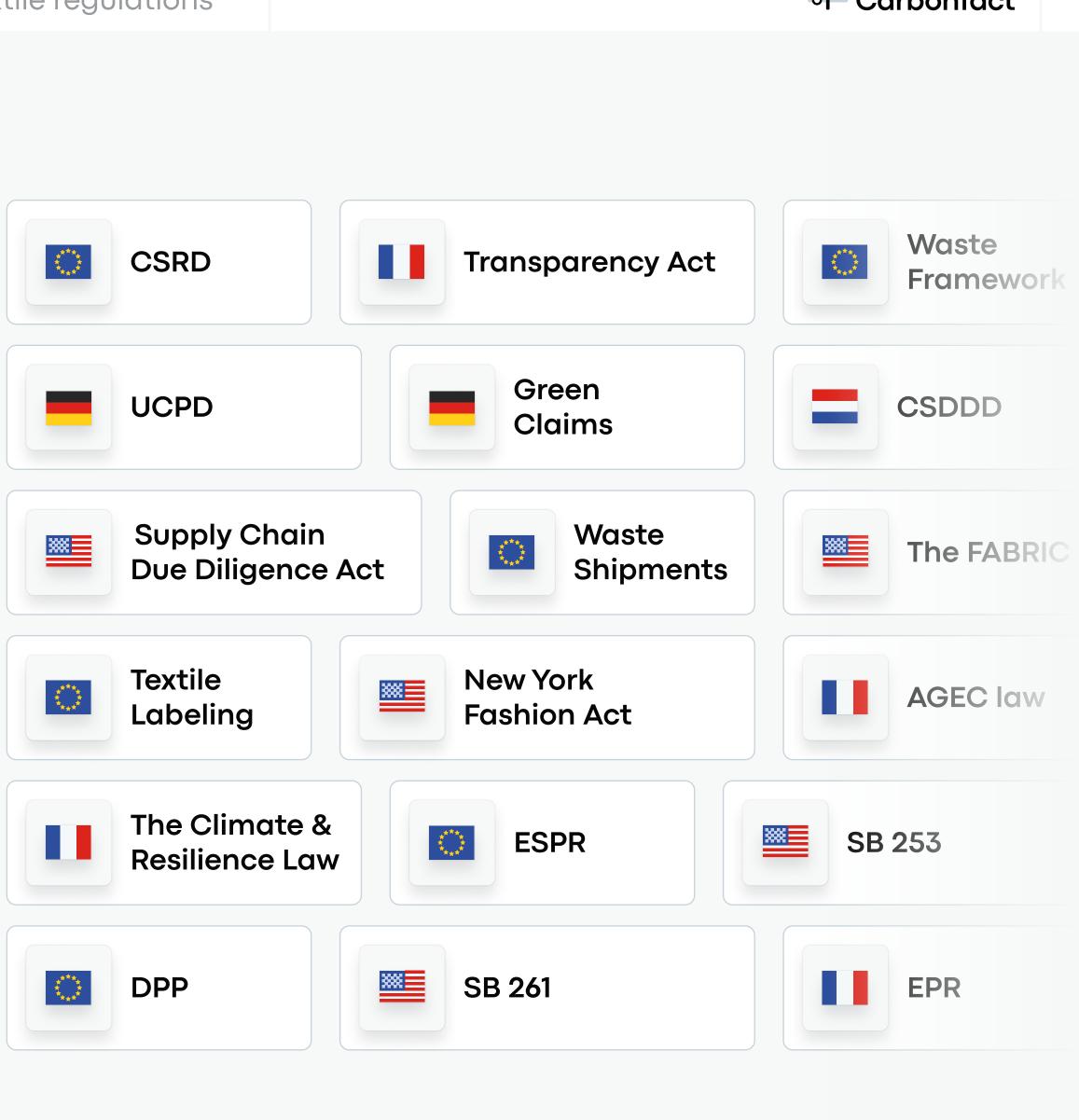


# Staying up-to-date on textile regulations

In January 2025, the President of the European Commission revealed the Commission's intention to introduce an "omnibus" measure aimed at minimizing administrative burdens related to sustainability. This initiative is likely to influence regulations such as the Corporate Sustainability Reporting Directive (CSRD), the Corporate Sustainability Due Diligence Directive (CSDDD), and the EU Taxonomy Regulation, among others.

Follow our <u>textile regulations hub</u> and we will keep you updated!

Carbonfact's textile regulations hub





# Extended Producer Responsibility Laws (EPRs)

Instead of leaving consumers and national governments to deal with textile waste, EPR places responsibility on the producers. Fashion brands are held accountable for their products throughout their lifecycle – which includes end-of-life too. This refers to waste collection, recycling, and final disposal of their textiles and footwear.



# EPR for textiles in the European Union

## Waste Framework Directive (WDF)

Current Status:

Approved law

The <u>Waste Framework Directive</u> (WFD) was adopted in 2021. A key component of this directive is the EPR – short for Extended Producer Responsibility, under which member states must establish their own legal frameworks and laws, ensuring producers are responsible for the entire lifecycle of their products.

The WFD requires all EU Member States to establish separate textile waste collection systems by January 1, 2025, requiring municipalities to separate textiles from general waste. However, there is no exact deadline for implementing EPR systems, and it will depend on the final adoption date of the proposed amendment.

Country	Status	Scope
France	In force	Included: Clothing, footwear, household textiles. Excluded: Leather products are excluded.
Netherlands	In force	Included: Clothing, workwear, household textiles. Excluded: Footwear, blankets, belts, curtains, headwear.
Hungary	In force	Included: Clothing, footwear, household textiles, accessories, carpets.
Latvia	In force	Clothes, clothing accessories, shoes and household textiles.
Australia	Voluntary	Included: Clothing.

## Amendment of the Waste Framework Directive (WFD)

Current Status: Proposal stage

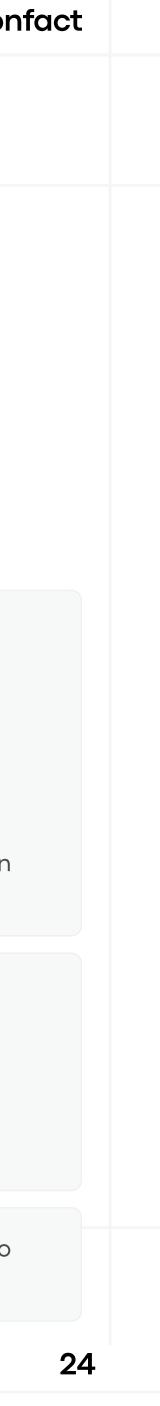
- WHAT Proposal to amend the Waste Framework Directive to harmonize Extended Producer Responsibility (EPR) systems for textiles across the EU.
  - Mandatory EPR schemes: Producers must cover textile waste management costs (collection, reuse, recycling).
  - Eco-modulated fees: Fees based on environmental performance more sustainable products pay less.
  - Reporting obligations: Producers must report the weight of textiles placed on the market

**WHO** 

- Textile producers and brands selling products in the EU.
- Covers clothing, accessories, home textiles, and footwear (textile and non-textile).
- Each EU country will have a Producer Responsibility Organization (PRO) managing EPR obligations for producers.

**WHEN** 

• Expected: Mid-to-late 2025, after which EU member states have 18 months to transpose the amended directive into national law.



# National active textile EPR laws

## France – EPR Requirements

Current Status:

Approved law

- In force since 2007, expanded under AGEC law (2020).
- Scope: Clothing, footwear, household linen. Excludes leather products such as bags.
- Obligations:
  - Ban on destroying unsold items.
  - Reporting on units, recycled content, and waste management.
  - Display Triman Logo and sorting instructions.
  - PRO: Refashion Annual declaration due by February 29.
- Fees:
  - Average fee: €0.01 per garment, depending on category and size.
  - Eco-Modulation: Bonuses/Penalties apply based on environmental performance, fees adjusted based on durability, recyclability, and certifications (e.g., GOTS).

#### Read all the details about French EPR

## Netherlands – EPR Requirements

Current Status: Approved law

- In force since July 2023
- Scope: Clothing and household linen. Excludes footwear.
- Obligations:
- Brands need to establish free collection systems for consumers.
- Reporting on product weight sold and waste handled.
- Targets for reuse/recycling:
  - 50% reuse/recycling by 2025 (75% by 2030).
  - 10% reuse in NL by 2025 (15% by 2030).
  - 25% fiber-to-fiber recycling by 2025 (33% by 2030).
  - Main PRO: Stichting UPV Textiel Reporting due by April 1.
- Fee:
  - On average €0.12 per kg from 2025.
  - No eco-modulation

Read all the details about the Dutch EPR







Hungary	Latvia
Current Status: Approved law	Current Status: Approved law
<ul> <li>EPR since July 2023 for clothing, accessories, household textiles, and carpets.</li> <li>Fee: HUF 145 (€0.42) per kg.</li> <li>PRO: MOHU, requires quarterly reporting.</li> </ul>	<ul> <li>EPR fee: €0.50 per kg, reduced to €0.13 per kg for registered PRO members.</li> <li>Covers clothing, accessories, shoes, and household textiles.</li> <li>Companies must join Latvijas Zalais Punkts (LZP), Latvia's designated PRO.</li> </ul>
Read more here	Read more here

Australia		Planned EP Regulations	
Current Status: Approved law		Current Status: Approve	ed law
<ul> <li>Voluntary EPR (Seamless C Stewardship Scheme) sinc</li> <li>If participation is low, it mandatory.</li> <li>Fee: 4-cent levy per garme circularity programs.</li> </ul>	e July 1, 2024. ay become	In addition to these exi numerous other countr EPRs (California, Swede or are currently working of their own (e.g. Italy, Read our deep dive to a requirements per coun	ries which have tex en, Spain) upcomin g on introducing E Chile, and Norway see the specific
Read more here		لا <u>Read more here</u>	







# U.S. Textile Regulations

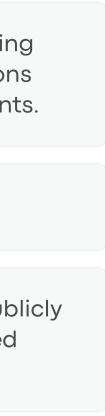
Both federal and state governments in the U.S. are actively developing new legislative frameworks to mitigate the environmental and social impact of various business practices, despite the 2024 US elections result. Even without federal backing, the private sector will still find climate reporting on the agenda. As legislative efforts progress through Congress or state, here are the legislations that should be on your brand's radar:



# California Climate SEC Climate Accountability SB 253 & SB 261 Disclosure

Current Status	: Approved law
② WHAT	<ul> <li>SB 253 mandates that all US-based large fashion brands operating in California disclose their Scope 1, 2, and 3 greenhouse gas (GHG) emissions, as well as other climate risks. This includes brands with US-based subsidiaries.</li> </ul>
	<ul> <li>SB 261 focuses on climate-related financial risks, requiring brands to assess and report how climate change could affect their business operations, mirroring elements of the SEC Climate Disclosure.</li> </ul>
	<ul> <li>Align with global standards like the EU's CSRD.</li> </ul>
WHO	<ul> <li>SB 253: US-based brands and brands with US subsidiaries operating in California with at least \$1 billion in annual revenue</li> </ul>
	<ul> <li>SB 261: applying to brands with revenues exceeding \$500 million.</li> </ul>
L WHEN	<ul> <li>S253: Brands must begin reporting their Scope 1 and Scope 2 GHG emissions in 2026, covering data from the fiscal year 2025. Scope 3 Emissions Reporting: Companies must begin reporting their Scope 1 and Scope 2 greenhouse gas emissions in 2026, covering data from the fiscal year 2025. Reporting for Scope 3 emissions is required starting in 2027.</li> </ul>
	<ul> <li>SB 253 will require external verification of emissions data starting in 2026, with full assurance by 2030. The reporting guidelines will be published in July 1, 2025.</li> </ul>
	<ul> <li>SB 261 mandates biannual reporting, starting from 2026. Companies must post their climate-related financial risk report on their publicly available website.</li> </ul>

	Current Statu	Js: Approved law			
ג r	<b>WHA</b>	publicly tro	aded fashion companies to	ssion (SEC) has finalized a ru o include Scope 1 and Scope 2 nual reports and registration s	2 emissior
	◎ WHC	• Any compo	any - domestic or internati	onal - that is SEC-registered	
	<b>WHE</b>	traded sha		lementation based on the va nce requirements by 2029. Fo <u>ary.</u>	-
3					





## Uyghur Forced Labor **Prevention Act**

**Current Status:** 

Approved law

The Uyghur Forced Labor Prevention Act addresses forced labor practices among ethnic minorities in the Xinjiang Uyghur Autonomous Region of China. This act was signed into law in 2021. As of 2022, any American fashion company importing products from the Xinjiang region needs to prove there was no forced labor used in the manufacturing process.

## The FABRIC Act

Current Status:

Proposal

The FABRIC Act, reintroduced in the US Senate in 2023, remains a proposal. Officially titled the Fashion Accountability and Building Real Institutional Change Act, it seeks to address the environmental and social impacts of outsourced garment production.

The act aims to enforce minimum wage standards, abolish piece-rate pay, and hold brands accountable for wage violations while promoting transparency and ethical standards in the industry. Additionally, it proposes a 30% tax credit for clothing producers that relocate manufacturing to the U.S. To be enacted, it requires approval from both the Senate and the House of Representatives.

## New York Fashion Act

**Current Status:** 

Proposal

If passed, the New York Fashion Act would require fashion brands to provide detailed reporting on the environmental and social impact of their products. This includes identifying, preventing, and taking remedial measures to address the negative impacts of their corporate actions and that of their supply chain.

The act also requires apparel brands to implement enhanced due

diligence procedures in their operations. It would apply to any fashion business with an annual global revenue of more than \$100M. As of beginning of 2025, the act is still in deliberation. To become law, it will need to pass both the New York State Assembly and the New York State Senate.











# Global Textile Labeling Laws

In this overview, we'll delve into the top apparel labeling regulations impacting fashion and textile brands around the world. There's a lot here, so if you have any questions about staying compliant in a global marketplace, please reach out to our team.

This section starts off with the European Union, which is at the forefront of textile labeling legislation with several critical regulations driving sustainability and transparency in the fashion and textile sectors.





# **European Union Textile** Labeling Regulations

#### **1. EU Textile Labeling Regulation**

- Mandates labeling fiber composition, country of origin, and care instructions.
- Under revision to incorporate sustainability and circularity parameters.

#### 2. Ecodesign for Sustainable Products Regulation (ESPR)

• While the ESPR focuses mostly on changing the way brands manufacture products, it also introduces the Digital Product Passport (DPP), requiring machine-readable data on carbon footprint, recycled content, and circularity.

#### **3. Directive on Green Claims**

 Aims to standardize environmental information on labels and ads with stringent rules. Inspired by similar regulations active in France.

#### 4. Product Environmental Footprint (PEF)

Establishes lifecycle assessment standards for consistent environmental labeling.

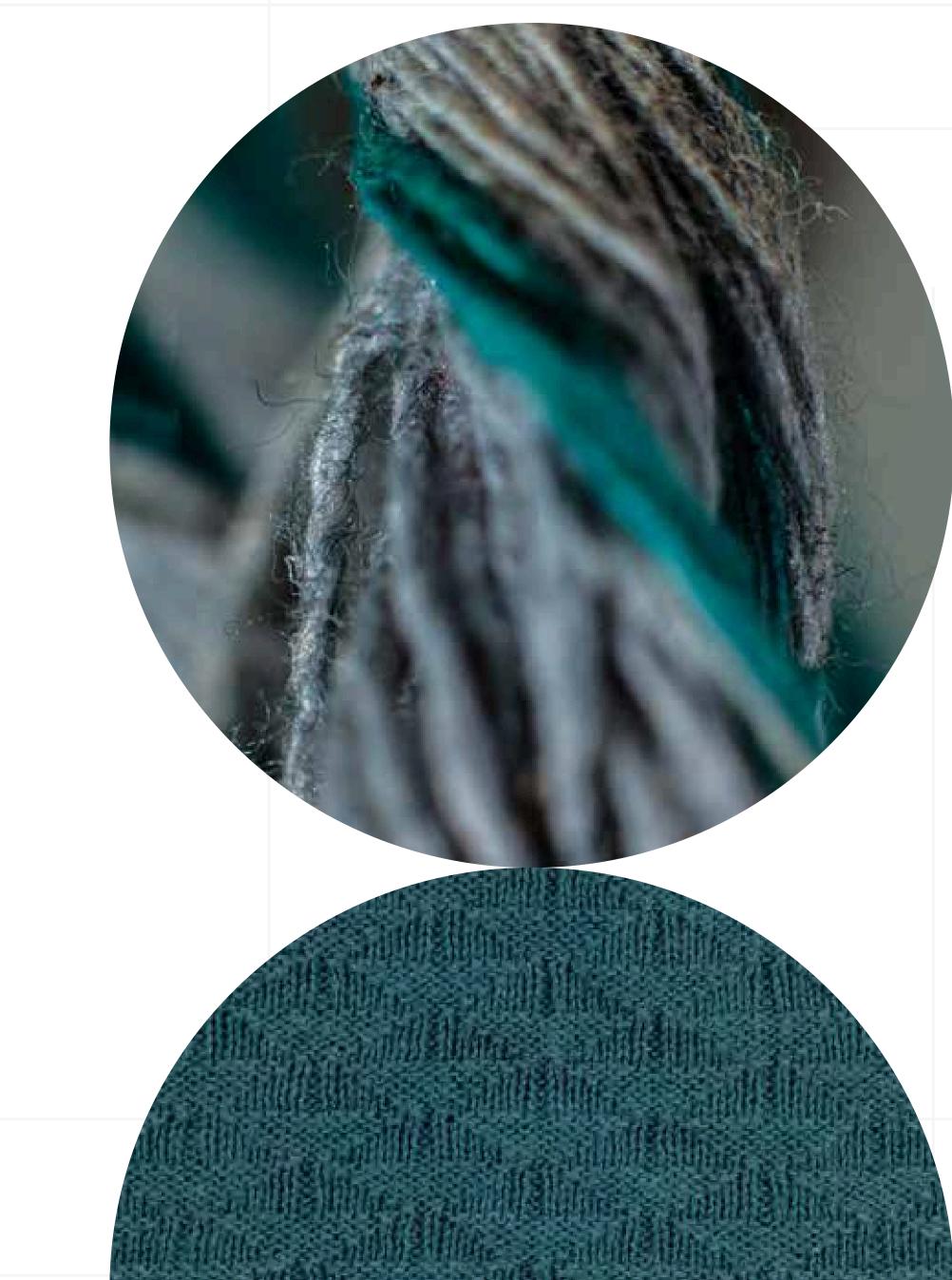
#### 5. French Climate and Resilience Law (Eco-Score)

• Requires the display of an "environmental cost" on labels, based on the Ecobalyse methodology.

#### 6. United Kingdom

 Governed by the Textile Products (Labeling and Fiber Composition) Regulations, which remain aligned with the EU framework despite the UK's departure from the Union.

#### Global textile labeling laws











# Textile Labeling Laws in the Rest of the World

### North America

Labeling requirements in the USA, Canada, and Mexico are largely focused on fiber composition, size, and country of origin. Environmental and social impact labeling is still evolving. For the US and Canada we've specifically noted the following:

#### **United States**

- Minimal regulation of environmental claims like "eco-friendly", leading to confusion among consumers.
- <u>23 signatories representing the fashion industry</u> have called upon the Federal Trade Commission for anti-greenwashing guides to include textile reuse and recycling in an update to the Green Guides.

#### Canada

 Governed by the Textile Labeling Act and Consumer Packaging and Labeling Act, prohibiting false claims.

Read all the details	

## Asia

- Over 40 voluntary ecolabels exist, including Japan's Eco Mark and South Korea's Green Certification.
- International programs such as Fairtrade and Certified Wildlife Friendly® equire adherence to rigorous environmental criteria,

### **Australia & New Zealand**

- Australia's Seamless program targets circularity by 2030, aiming to reduce 200,000 tons of clothing waste annually.
- Voluntary ecolabeling includes Australian Made and Environmental Choice New Zealand.

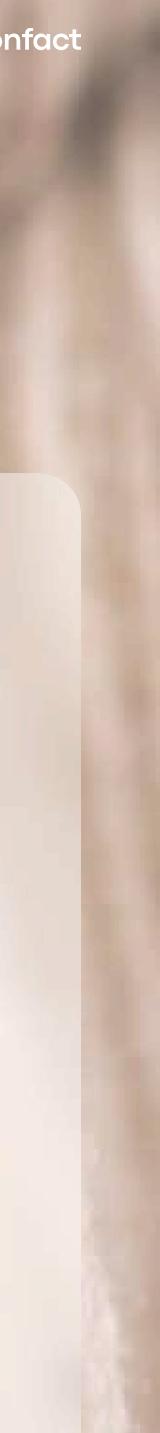




# Measure Once, Report Everywhere.

Environmental sustainability platform built for footwear and apparel

## ol Carbonfact



#### **Product-level Emissions Tracking**

Carbonfact tracks emissions at the individual product level, creating a detailed map of your entire supply chain's carbon footprint. This granular approach generates precise, actionable data that helps you comply with emerging regulations like the CSRD and NY Fashion Act.

The best part? We'll do all the heavy lifting by ingesting, cleaning and enriching your data – no matter how messy you may think it is.

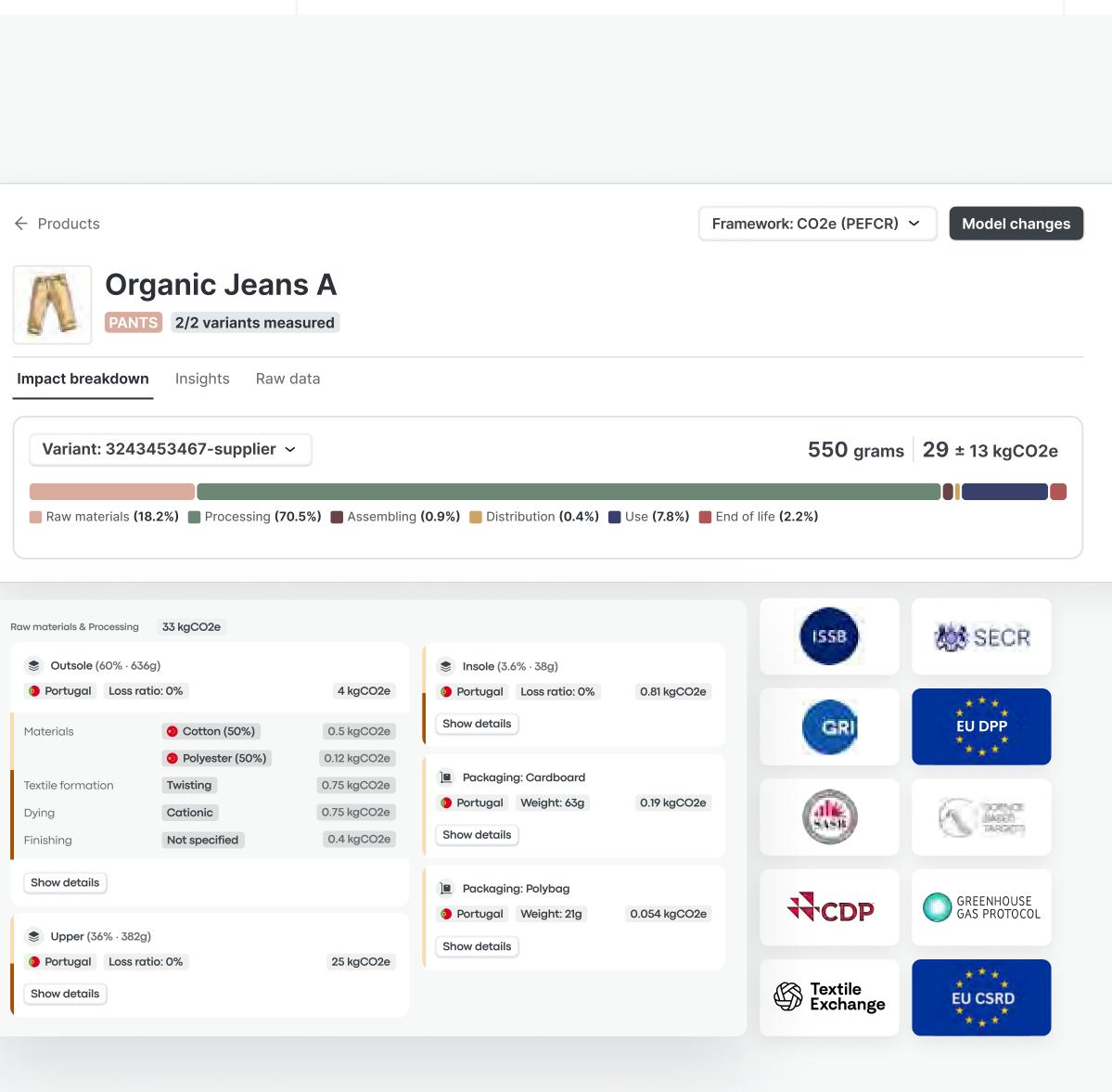
#### **Streamlined Reporting**

One comprehensive measurement system serves all your reporting needs. Whether it's for regulatory compliance, internal tracking, or sweeping decarbonization efforts, Carbonfact's data adapts to multiple reporting frameworks – eliminating redundant work while ensuring consistency across all reports.

#### **Expert Support & Guidance**

Beyond our platform, we offer specialized expertise in climate science, regulatory compliance and sustainability strategy. Our team helps navigate complex regulations, acting as a scientific partner so you can develop tailor-made decarbonization strategies that align with your unique supply chain.

Without becoming a data administrator.



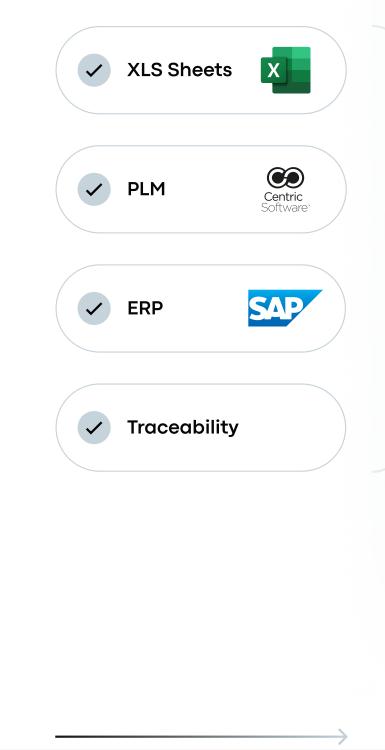


# From Data Admin to Decarbonization

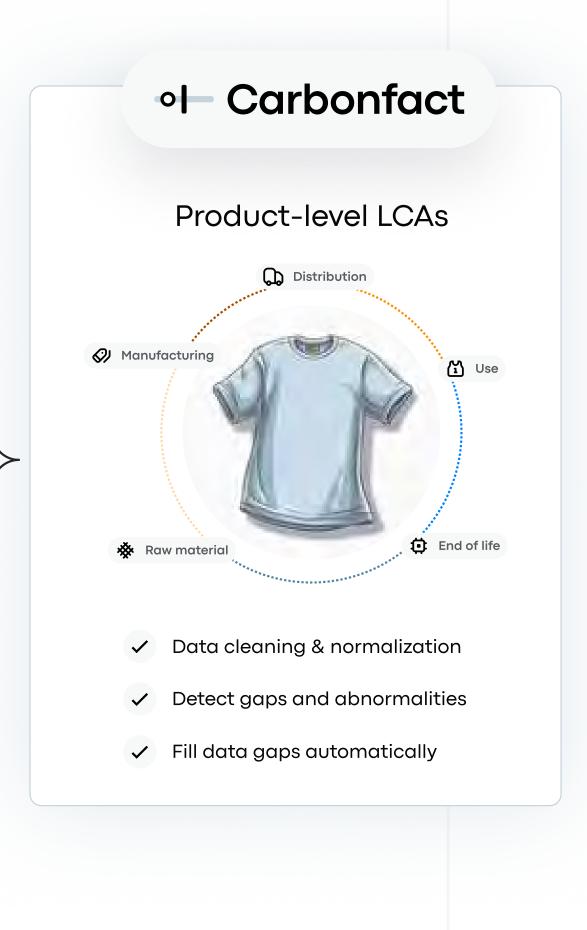
Today's regulatory landscape is complex, demanding, and ever-changing. Sustainability teams spend more time managing spreadsheets than driving environmental change. Carbonfact breaks this cycle and frees you to focus on what matters: reducing impact.

Instead of maintaining parallel systems for different regulations, our platform starts with the most granular level of data required for Digital Product Passports: detailed product data. This foundation serves as the building block for all your reporting needs. That same data automatically feeds into your broader corporate sustainability reporting for CSRD and CSDDD.

Think of it as a pyramid. At the base sits your product data – detailed, granular, specific. Everything flows up from there. No redundant data collection. No parallel systems. No administrative headaches. Just one interconnected environmental intelligence system that grows with your needs and evolves with the regulations.



Collect



### 16 Indicators

- Climate change
- Particles
- Ozone layer depletion
- Acidification
- Human toxicity
- Ionizing radiation
- Eutrophication
- Water use
- Land use
- Ecotoxicity of fresh water
- Freshwater eutrophication
- Use of fossil resources
- Recycled materials
- Waste

#### **Product data**

- Composition
- Manufacturing processes
- Transport
- Environmental impact
- Certificates
- Weight
- Impact
- Origin

Measure

Report





# From product-level LCAs to full-on compliance

For every piece of legislation, Carbonfact first starts by ingesting, cleaning and enriching your data – no matter how messy it may be. After that comes granular, product-level Life Cycle Assessments. That data serves as the backbone for (automated) report creation. Here are a few examples.

#### CSRD

Carbonfact helps brands set sustainability targets, measure progress, and report on scope 1, 2, and 3 emissions with accurate, primary data, a rich database of secondary data, and bespoke emission factors. It then automates the environmental CSRD report according to the ESRS framework.

#### **ESPR**

Carbonfact provides eco-design tools to help designers meet ESPR performance criteria. Through product-level Life Cycle Assessment (LCA), it quantifies environmental impacts, enabling designers to optimize products for sustainability from the design phase onward.

#### EPR

Our platform connects your product specifications - including detailed fiber compositions and component weights - with sales data, ensuring accurate and complete EPR reporting. Powerful eco-design tools allow you to further analyze your product portfolio for the amount of recycled material used. This can lead to substantial cost savings through eco-modulation, where products with higher recyclability incur lower EPR fees as you optimize your product range.

### CSDDD

Carbonfact aids in creating carbon reduction plans and climate transition plans, targeting reductions towards the 1.5°C Paris Agreement, including steps to reduce emissions across scopes 1-3.

#### French Eco-Score (Environmental Cost)

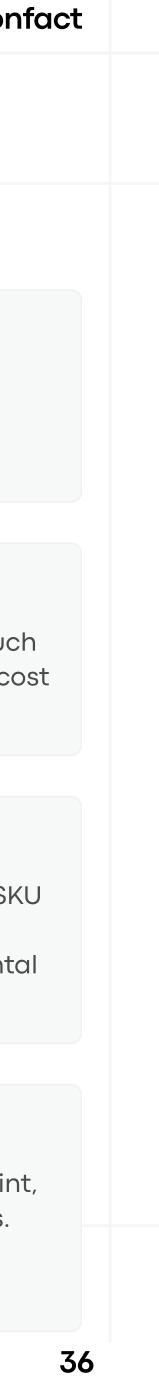
Carbonfact supports Eco-Score compliance by measuring environmental impacts such as carbon emissions, water usage, and recyclability, automating the environmental-cost calculation through every product LCA according to the French methodology.

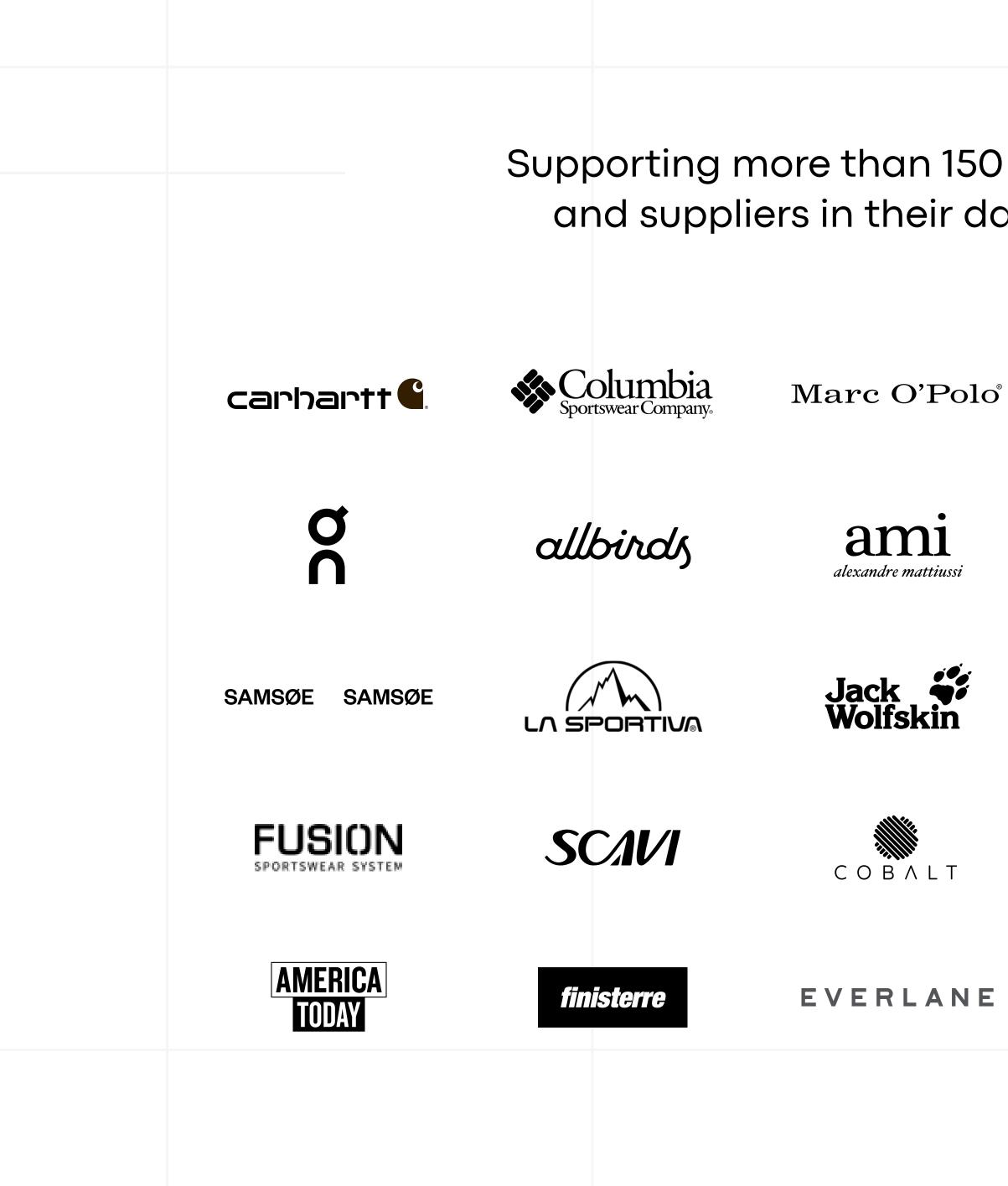
#### DPP

Carbonfact collects granular product-level data, generating LCAs for every product SKU in your collection. You can then publish a Digital Product Passport with the click of a button, generating a unique URL or QR code that displays your product's environmental footprint, certificates, origins and other DPP-aligned data.

#### PEFCR

Carbonfact's LCAs provide a detailed view of a product's entire environmental footprint, covering carbon emissions, resource depletion, water usage, and all 16 PEF indicators. Each LCA can be broken down by these individual indicators, with emissions easily modeled and simulated using our product modeling tool.





Supporting more than 150 footwear and apparel brands and suppliers in their data and compliance journey

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Sézane

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**HAPPY SOCKS** 

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