

# How Fashion Legislation is Spurring Global Action

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the fashion industry is bracing for a wave of legislative change. *iStock / Getty Images Plus*

From California to Europe, the fashion industry is bracing for a wave of legislative change that aims to promote sustainability and ethical accountability.

Sourcing Journal's Sustainability Report laid out some of the key laws, like the Americas Act, a landmark legislation harnessing the economic potential of the Western Hemisphere.

Introduced by Senators Michael Bennet (D-Co.) and Bill Cassidy (R-La.) in March, the legislation seeks to facilitate onshoring and reshoring, expand free-trade agreements and drive enforcement efforts against illicit goods made with forced labor. Most notably for the fashion industry, the Americas Act earmarks \$14 billion in incentives to accelerate innovation in circular apparel, footwear, accessories and home textiles, including models that promote reuse, repair, rental and recycling.

In California, lawmakers are exploring passing the California Responsible Textile Recovery Act (SB 707), which would mandate that producers of apparel and textile products form and fund an Extended Producer Responsibility program tasked with recycling the state's

discarded garments and fabrics. The statewide platform would be composed of Producer Responsibility Organizations (PROs), managing the collection, sortation and recycling process.

Meanwhile, in Europe, one of the biggest and most contentious pieces of legislation is the Corporate Sustainability Due Diligence Directive (CSDDD). This rule would require large businesses to identify, mitigate and remedy environmental and human rights violations in their supply chains.

However, CSDDD's passage has been especially fraught. Despite the European Council and European Parliament arriving at an interim deal in December, last-minute maneuverings by Germany, France and Italy threatened to scrap the regulation altogether. The naysayers' argument: The requirements would be too financially, administratively and legally onerous for businesses.

Regulation has had plenty of impact elsewhere in the supply chain. With the International Maritime Organization (IMO) setting an ambitious target of achieving net-zero emissions by 2050, top brass at major ocean carriers are now feeling the heat to achieve that same goal. Mediterranean Shipping Company (MSC), Maersk, Hapag-Lloyd, CMA CGM and automobile shipping liner Wallenius Wilhelmsen have all established their own net-zero commitments either by or ahead of the 2050 target. CEOs at each carrier called on the agency to establish tougher regulations to accelerate the transition to green fuels.

## **Acting as one**

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While legislation is one step toward a more transparent and sustainable future, the entire fashion industry must join forces to enact meaningful change. And brands like Everlane and Dedicated are helping lead the charge—despite there generally being considerably less promotion and chatter about sustainability initiatives on the brand side.

In 2023, for example, San Francisco-headquartered Everlane shrank its per-product carbon impact by 24 percent, resulting in a 38 percent reduction in absolute Scope 1-3 emissions relative to a 2019 baseline.

The consistently downward trajectory—barring emissions from 2020, which Covid-19 squelched industry-wide—was the result of a purposeful strategy to “get the greatest reductions in the fastest amount of time,” particularly with the Scope 3 emissions that comprise 99 percent of Everlane's total greenhouse gas footprint, according to Katina Boutis, director of sustainability at Everlane. This meant making “deliberate changes” to aspects of the supply chain within its direct control, including tinkering with different materials, snipping transportation routes, co-locating raw materials and manufacturing operations and championing design quality over product quantity.

Change is also happening more than 5,000 miles away in Sweden. What started in 2006 as Stockholm T-shirt Store has since evolved into Dedicated: A Swedish brand committed to delivering ethical clothing that’s still “fun and modern.”

“We want to show that you can have very creative garments that are still timeless and sustainable. Even if you just work with cotton, you can still produce a very cool, trendy dress that’s going to be much more durable and have more detail,” said Margaux Schleder, head of corporate social responsibility (CSR) at Dedicated, in the report. “The creativity [element] is something we also ourselves need to try to highlight more. I mean, we do big work trying to communicate about the work around sustainability. But of course, we’re still selling clothes, right?”

Non-fashion companies are also assuming responsibility, like Salesforce, which called for government action on multiple initiatives at the intersection of sustainability and the development of artificial intelligence (AI).

“Today, AI is more ingrained in our everyday lives and the way we work than ever before, and its impact will only grow from here. As we start to understand the implications of this technology, we need to make sure we get it right from the start,” Megan Lorenzen, director of climate and energy at Salesforce, said in the report. “With the backdrop of an escalating climate crisis, we are looking to enable a more sustainable and equitable future through the use of AI—both minimizing environmental impact and sourcing climate innovation.”



Read the report to learn more about:

- How new legislation could result in cost parity for green fuels as early as 2035
- Why the market for recycled textiles is poised for meteoric growth in the coming years
- How AI has taken a toll on the environment
- Whether H&M and Zara are driving deforestation in Brazil
- How Everlane reduced its absolute Scope 1-3 emissions by 38 percent in 2023

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