

Fact Sheet: The Fashion Sustainability and Social Accountability Act

INTRODUCTION

While often dismissed as just glitz and glam, the \$2.5 trillion apparel industry has an enormous environmental and social footprint as a leading: greenhouse gas emitter, user and abuser of industrial chemicals, and exploiter of global labor, particularly women. As long as the industry continues to operate with minimal regulation and oversight, its negative impact will grow unabated.

As one of the largest economies in the world, and a global fashion capital, New York has the opportunity — and moral responsibility — to hold fashion companies that sell in our market accountable to the planet and its people, and help drive global change to the industry.

The Fashion Sustainability and Social Accountability Act is a groundbreaking piece of legislation that holds companies accountable and levels the playing field for those already trying to do the right thing. If passed, it will establish New York as the global leader in thoughtful accountability for the fashion industry.

WHY THE LAW IS NECESSARY

Climate

Apparel and footwear are significant contributors to our climate crisis. The industry is responsible for between 4 and 8.6% of the world's global greenhouse gas footprint — more than France, Germany and the United Kingdom combined.¹ Left unchecked, the industry will be responsible for more than a quarter of the world's global carbon budget by 2050.² There are currently no legally binding environmental standards for the industry. And new industry players

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<https://www.mckinsey.com/~/media/mckinsey/industries/retail/our%20insights/fashion%20on%20climate/fashion-on-climate-full-report.pdf>

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https://www.ellenmacarthurfoundation.org/assets/downloads/publications/A-New-Textiles-Economy_Full-Report.pdf

such as Boohoo, Shein, Primark, and Romwe, are only accelerating the impact of the industry. As New Yorkers continue to suffer the impacts of climate change, we cannot ignore the critical role the fashion industry plays in driving the climate crisis.

Chemical Abuse

The fashion industry is also a significant user and abuser of chemicals throughout its supply chain and, in particular, in textile mills where fibers are dyed and finished and made into textiles. Poor chemical stewardship in global fashion production results in toxic waste in waterways, poor health for textile workers and surrounding communities, and negative consequences for those purchasing and wearing clothing. This chemical mismanagement is leading to both polluted and dead rivers in the sights where textile mills are located.



Chemicals (effluents) coming out of a textile mill in Guangzhou, China

Labor

Unlike high tech industries, clothing is heavily dependent on labor – people – to produce. In the race to the bottom for cheaper prices, the fashion industry now relies primarily on the exploited labor of women of color in the Global South. Workers are routinely exploited, underpaid, and subject to sexual abuse in the course of their work. According to the US Department of Labor’s Bureau of International Labor Affairs, the apparel industry is a leading industry of exploited and child labor.³ New York garment workers have long been leaders in the labor movement, helping forge national safety standards and basic protections, like the concept of the weekend. New York has an important legacy to stand up for the workers producing the products we buy.

³ <https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods>

Business

We cannot expect the fashion industry to regulate itself. Most companies consider sustainability and social impact considerations as ‘nice to haves,’ but prioritize their bottom line. Companies that do want to do the right thing are at a competitive disadvantage as their costs increase relative to other companies. This is especially true as new, foreign players are rapidly taking over market share, using their abuse of the environment and of labor as a competitive advantage. Shein, for example, has gained an additional 15% of total fast fashion market share in just six months.⁴ For New York based fashion companies to remain competitive globally, all companies must be tasked with operating within the bounds of the planet. This law would create stable expectations to guide investment decisions. It would also create strong ongoing incentives for industry players to cooperate, which would allow companies to make long-term strategic plans.

WHAT COMPANIES WOULD THE LAW COVER?

The New York State Fashion Act would cover any apparel or footwear company doing business in New York that has annual global revenue of \$100 million. This law would leverage New York’s significant market size to advance sustainability standards not just for New York companies, but for any company wishing to sell into New York’s significant market. This will make New York a global sustainability leader.

WHAT WOULD THE LAW DO

1. Mandate that companies know and disclose their supply chains

Fashion companies do not know where their production is taking place, which makes it impossible for them to begin to take responsibility or improve the conditions in which their products are made. As a first step, the Fashion Act requires companies to map their supply chain down to their raw material providers.

2. Require companies to be responsible for their impact in those supply chains, through the legally binding Mandatory Due Diligence Framework

Once apparel companies know and disclose their supply chains, they are then required by the bill to draw down their negative impacts. This is broadly achieved through a legally binding Mandatory Due Diligence framework, which requires companies to sufficiently identify, prevent,

⁴ <https://www.retaildive.com/news/shein-surpasses-hm-zara-in-us-fast-fashion-sales/603160/>

mitigate, account for, and remediate actual and potential adverse impacts to human rights and the environment in their own operations and in their supply chain. Within the mandatory due diligence framework, the Fashion Act will:

*Require companies to set and achieve climate reductions in line with the Paris Agreement.
(Science Based Targets)*

The Fashion Sustainability and Social Accountability Act will be the global leader in reducing the carbon footprint of the fashion industry by requiring companies wishing to sell to the New York market to, at a minimum, set and achieve science based targets. Science based targets require that the pace of reductions are in line with the scale required to keep global warming below 2C from pre-industrial levels, as set out in the Paris Agreement.

Require companies to work with their suppliers to effectively manage their chemical use.

The Fashion Act will fill a massive regulatory gap by requiring brands to work with their textile suppliers to effectively manage their chemical use. No more dead rivers in the name of our clothes.

Measurably improve the lives of garment workers

Garment workers face the brunt of the industry's race to the bottom. By requiring companies to perform mandatory due diligence, coupled with independently verified disclosure around wages and strong enforcement including joint and several liability of apparel companies with garment workers for their lost wages, we can be confident that the lives of garment workers, mostly women, will measurably and meaningfully improve.

3. Regulations and Enforcement

The New York Department of State, working alongside relevant state agencies, would be tasked with developing regulations to guide companies in complying with the law. It would be enforced by the Attorney General or the Attorney General's designated administrator.

Companies found to be out of compliance and which do not remedy within three months of notice of non compliance may be fined up to 2% of annual revenues. These funds will be used for the benefit of workers and communities directly injured and environmental benefit projects. Fashion companies will also be held jointly and severally liable for lost wages of the garment workers in their supply chains. Together, these provisions will make New York the leader in corporate accountability and provide the basic framework for the industry to thrive today and in the future.

THE SUPPORTERS OF THE FASHION ACT WORKING TOGETHER TO PASS THE FASHION ACT

Recognizing that the absence of thoughtful legislation is wreaking havoc, stakeholders that might naturally be on opposing sides are coming together to advance the Fashion Act. The Supporters of the Fashion Act include: leaders of local industry, Ferrara Manufacturing; union leadership, RWDSU and Workers United; labor organizations representing garment workers working in the Global South, South Asian Fund for Education Scholarship and Training (SAFEST) and Stand Up Movement Lanka; environmental organizations, including NRDC, the Sierra Club, Future Earth; environmental justice organizations, including Uprose, New York Communities for Change, New York City Environmental Justice Alliance; think tanks, academic institutions and advocacy organizations, including New Standard Institute, Fashion Revolution, Fashion Impact Fund, Glasgow Caledonian University and EcoAge; and leading apparel industry players that will themselves be regulated by this law, including Stella McCartney, Patagonia, Eileen Fisher, Mara Hoffman, Reformation, Thrilling and Everlane. The growing list of supporting members as well as more detailed information regarding the bill provisions can be found at thefashionact.org.