

## FASHION ACT

In January, New York unveiled its proposed Fashion Sustainability and Social Accountability Act (or Fashion Act). The law aims to hold major brands accountable for their environmental and social impact. If passed, the Fashion Act would require retailers and manufacturers that do business in New York, with global revenues in excess of \$100 million, to disclose comprehensive information about their environmental and social due diligence policies.

The bill would require companies:

- to provide information on raw materials used for finished goods, including if sourced from areas with reported forced or child labor;
- to disclose how they conducted their due diligence with respect to the environmental and social impacts of their practices (due diligence information would be submitted in a Social and Environmental Sustainability Report);
- to disclose median wages of workers for suppliers identified as a risk to environmental or social principles (and to compare such wages to local minimum wages).

All of the above would be disclosed on an annual basis.

The New York Attorney General's Office is called to enforce the bill – which will mean the power to levy penalties and pursue injunctions. The bill requires the Attorney General to publish a list of non-compliant companies, giving them three months to become compliant, or face fines of up to 2% of annual revenue.

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