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New York's Proposed 'Fashion Sustainability and Social Accountability Act': Where It Stands Now

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In our inaugural *Katten Kattwalk/Kattison Avenue* joint issue, we reviewed the implications of New York's proposed "Fashion Sustainability and Social Accountability Act" (Fashion Act). If passed, the Fashion Act would make New York, one of the world's leading fashion capitals, the first state to hold certain retailers in the state accountable for their environmental and social sustainability practices.

Since its introduction in 2022 (and reintroduction in 2023), the Fashion Act has received both strong support and harsh criticism from various trade groups and industry participants. The New York State Assembly did not vote on the Fashion Act prior to concluding its most recent legislative session, so its future is now unclear.

As currently drafted, the Fashion Act would establish a legal framework to incentivize apparel, footwear and handbag companies doing business in New York and with global revenues exceeding $100 million to adopt and comply with certain disclosure and sustainability requirements. Companies subject to the Fashion Act would be required to, among other things, map and disclose their supply chains from raw materials through production to identify, prevent, mitigate, account for and remediate actual or potential adverse impacts to the environment in their own operations. Within its mandatory due diligence framework, the Fashion Act would also require companies to set and achieve climate reductions in line with the Paris Agreement and work with their suppliers to effectively manage their chemical use. Failure to comply may result in fines of up to $15,000 per day, a change from the original version of the bill that called for fines of up to 2 percent of annual revenues and established a fashion remediation fund for social and environmental justice projects.

We will continue to follow this legislation to see if it might be reintroduced again in a future legislative session. In the meantime, large multinational retailers should assess their own practices and policies as the fashion industry increasingly focuses on sustainability and accountability.

To read *The Katten Kattwalk* | Issue 27, please click here.

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