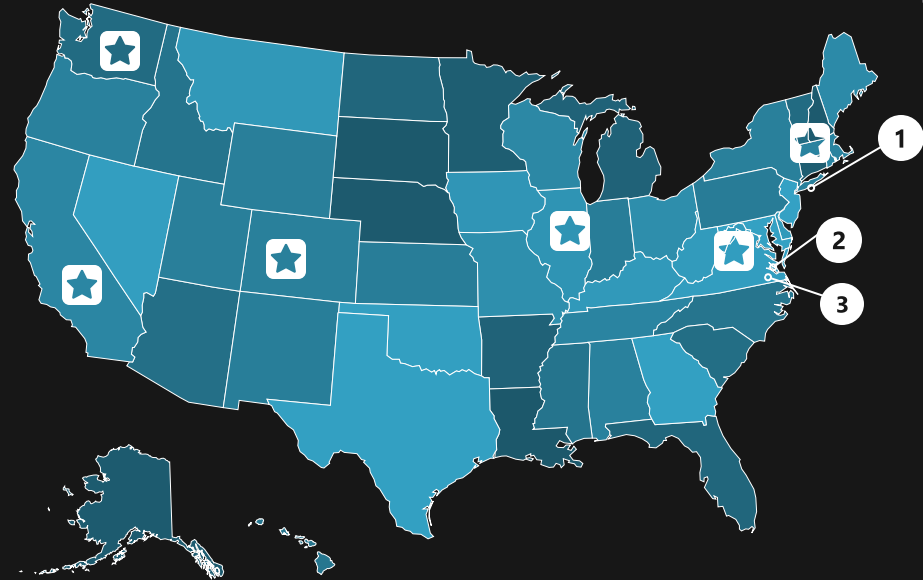


ENVIRONMENTAL AND SOCIAL LEGISLATION IN THE UNITED STATES

Environmental protection legislation is on the rise. Prepare by knowing where you could be affected.



UNITED STATES

1 *New York, Fashion Sustainability and Social Accountability Act,*

If passed, would require companies to "map a minimum of 50 percent of their supply chain" including sources for raw materials and manufacturers. Next steps would include identifying where largest environmental impact is coming from in supply chain, and the creation of a plan to reduce impact, "The Fashion Act also requires companies to disclose their material production volumes" (JD Supra). **Would affect companies bringing in \$100 million or more in revenue.**

2 *Proposed Rules by the SEC*

If this legislation is "adopted as proposed, the Proposed Rules would require extensive, specific disclosures for most public companies, impose third-party verification requirements and establish liability for inaccurate reporting of climate related issues" (JD Supra).

3 *US Government, Uyghur Forced Labor Prevention Act*

Set to go into effect in June 2022, this law will require importers into the US to "provide evidence that the imported products were not made with forced labor. To support this burden, companies must implement...supply chain tracing, and supply chain management measures to demonstrate that goods are not" made with forced labor from China (JD Supra).



Extended Producer Responsibility Laws, California, Colorado, Connecticut, Delaware, Illinois, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Washington, and Vermont

Starred are all the states looking to introduce EPR legislation in 2022. Extended Producer Responsibility Laws are often focused around packaging and typically hard-to-recycle items like mattresses and carpets. The onus is put on businesses to coordinate proper reuse and recycling of waste.

Notably, governor of New York is looking to introduce EPR legislation in 2022 that would force businesses to cover the cost of recycling their own waste, thereby incentivizing businesses to limit it. According to NYCLV:

"This proposal has five set goals, including: reducing packaging waste; making it easier to recycle; investing in modernizing the recycling infrastructure across New York State; ensuring that all New Yorkers have access to recycling programs in order to encourage higher recycling rates; and providing consumer education in order to mitigate confusion for residents and minimizing contamination in the recycling stream."

ENVIRONMENTAL AND SOCIAL LEGISLATION IN EUROPE AND THE UK

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EUROPE & THE UK

1 *Germany, Lieferkettengesetz*

Also known as the German Supply Chain Act, companies will be required to comply with and provide proof of due diligence towards requirements set by the UN Guiding Principles on Human Rights. The Act goes into effect January 2023, and will affect businesses with 3,000 or more employees in Germany, including warehouse and retail workers. This number will drop to 1,000 employees come 2024.

2 *Scotland, Circular Economy Bill*

A large part of the proposed bill, set to be introduced in May, is the banning of destruction of unsold items. Businesses will be responsible for properly donating and recycling waste, or utilizing parts for new products.

3 *Sweden, Extended Producer Responsibility for Textiles*

Introduced in January 2022, Sweden became the second European Nation to introduce EPR laws around textile waste. This legislation will increase costs around textile waste, and require businesses and consumers to separate and report textile waste to a Producer Responsibility Organization (EcoTextile).

4 *France, Duty of Vigilance Law*

Similar to the German Supply Chain Law, this law in France is centered around supply chain visibility and due diligence. It "establishes a legally binding obligation for parent companies to identify and prevent adverse human rights and environmental impact resulting from themselves, companies they control, and [suppliers and contractors] with whom they have an established commercial relationship" (Hogan Lovells).

5 *EU Waste Directive Framework*

Utilizing collective legislation to employ big change, the "2025 EU member states are obliged to have a system in place for separate collection of textiles, not only re-wearable garments" (ECAP). This proposal works to place responsibility on individuals and businesses to separate and recycle waste.

5 *EU Circular Economy Action Plan*

This piece of proposed legislation was adopted late last year and "incorporates an objective to ensure circular economy principles are applied to textile manufacturing, products, consumption and waste management" (Business of Fashion).

WELCOME TO THE VI3 SOLUTION



Vi3 offers a suite of tools that enables you to take complete control of your supply chain. From offering visibility through tier 3 suppliers to providing the environmental data you need to comply with shifting legislation, our Sustainability module has your ESG-related needs covered.

Vi3's suite of tools are designed to give you the data you need to report on metrics like production volume and what percentage of your products are meeting specific sustainability requirements, with pinpoint accuracy. Vi3 is already mapping supply chains for businesses, as well as tracking facility and material data towards globally-recognized sustainability certifications.

Ensure your products are being made from the materials you want, in the time frame you want, and in factories that are operating in more sustainable ways. With today's sprawling supply chain systems, Vi3's tools ensure you've got eyes everywhere.

The first step to a fully traceable supply chain is an email away. Reach out for a call today.

Ready to connect?

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