



Five Hot Environmental Issues in the Apparel and Textile Industry: What Lawyers and Sustainability Professionals Need to Know to Manage



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The growing emphasis on sustainability and environmental stewardship is reshaping the legal and regulatory framework for the apparel and textiles industry. This shift presents new challenges for manufacturers, distributors, and retailers of textiles and garments. To effectively identify and comply with

environmental rules, regulations, and requirements, companies must understand the materials used in products and the specifics of the supply chain. Given the significant environmental footprint of the apparel and textiles industry, a clear grasp of product components and their corresponding legal requirements at the state, federal, and international level is fundamental to ensure compliance and reduce environmental enforcement risk.

Lawyers and sustainability professionals in the apparel and textile sector must be prepared to navigate the following areas to address compliance issues across supply chains: [Extended Producer Responsibility](#) (EPR), [Environmental Marketing Claims & Litigation Risk](#), [Environmental, Social, & Governance](#) (ESG), [Per- and Polyfluoroalkyl substances](#) (PFAS), and [California Proposition 65](#) (Prop 65).

1. EPR

EPR laws implement circular economy principles. These regulatory frameworks assign “producers” responsibility for the end-of-life management of their products. Their scope of applicability varies, and can include, for example, electronics, packaging, or textiles. Individual state law defines whether an entity is a producer, but producers are typically the brand owners, manufacturers, licensees, importers, and/or distributors of the product.

As various states implement and contemplate EPR legislation, it's crucial to understand the scope and specific requirements of each jurisdiction in which your company operates. Similarly, companies doing business in California and those with global operations might be impacted by textile-specific EPR regulations.

Packaging EPR

Packaging EPR laws place obligations on producers of products that create waste from packaging materials. As of May 2025, California, Colorado, Maine, Maryland, Minnesota, Oregon, and Washington have enacted packaging EPR programs, and other states are considering similar legislation. Producers that

sell products within these states must comply with the varying state mandates. Under these frameworks, producers finance the collection, sorting, and recycling of discarded products. The structure of these laws generally requires producers to join and pay fees to a Producer Responsibility Organization (PRO), which works with the respective state regulatory agency to develop an implementation plan. Producers must report the packaging material they introduce into the state by weight and pay fees set by the PRO. State laws vary regarding reporting deadlines, exemptions, obligated entities, covered materials, and fee structures. See our alerts ([here](#) and [here](#)) for more information on EPR developments in different states. These packaging EPR laws broadly encompass various industries, including those in the textile and apparel sectors, and have the potential to place obligations on most companies that provide products in the U.S. Companies should carefully review these laws to track deadlines, determine whether obligations apply, and if so, evaluate opportunities to qualify for exemptions. In addition, obligated producers need to determine the most efficient and cost-effective approach to gather, manage, and report the required data.

California Textile EPR

In September 2024, [California enacted the Responsible Textile Recovery Act](#), the first statewide EPR textile program in the U.S. The law implicates all producers who sell, offer to sell, or distribute apparel or textiles into the state of California. It mandates that qualified producers of apparel or textiles join a PRO approved by CalRecycle by March 1, 2026, with all eligible producers required to join by July 1, 2026. The PRO must submit a statewide plan to manage covered clothing and textiles, which, once approved, will restrict sales of non-compliant products. The PRO will charge annual fees to participant producers. Non-compliant producers face penalties of up to \$50,000 per day starting on July 1, 2030, or upon plan approval. CalRecycle will adopt regulations effective no earlier than July 1, 2028, with public input shaping the policy. Updates on rulemaking efforts are expected soon. CalRecycle is currently evaluating PRO applications. Companies should watch for this selection and for webinars and guidance that the chosen PRO and CalRecycle will issue.

2. Environmental Marketing Claims & Litigation Risk

Companies that make environmental claims must ensure that their claims are accurate, not misleading, and adequately substantiated. This includes claims about a textile's biodegradability, chemical content, recyclability and recycled content, environmental impact, and other features, as well as a company's climate pollution reduction or net-zero goals.

U.S. Litigation Risks

In the U.S., the Federal Trade Commission (FTC) Act regulates advertising claims from a consumer protection lens, including environmental marketing claims. The FTC's [Guides for the Use of Environmental Marketing Claims](#) ("Green Guides") provide non-binding guidance with useful but somewhat outdated recommendations for best practices and is incorporated into some state legislation. [Enforcement and litigation risk arise](#) through various means, including National Advertising Division determinations, FTC and other U.S. agency enforcement, state enforcement actions and lawsuits, and private party class actions.

The FTC, state Attorneys General, and consumers have brought litigation alleging false or misleading claims related to environmental impacts, inconsistent with the Green Guides. Requirements for environmental claims can be extremely specific. For instance, claims that products are "free of" certain substances, even if truthful, may still come under scrutiny if the product or package contains a different substance that poses similar environmental risks as the subject substance. This is especially relevant given the uptick in campaigns focused on PFAS content in apparel. Class action litigation has already been

brought seeking remedies for PFAS-related claims. To reduce risk, company marketing and sustainability teams should work closely with legal to craft claims narrowly tailored to specific benefits that can be substantiated with evidence.

International

Recently, a group of 20 national consumer authorities and agencies issued a [joint open letter](#) to the fashion retail sector to encourage businesses in the sector ensure truthful, accurate, clear, and substantiated environmental marketing claims. This comes as several jurisdictions have also recently updated requirements related to environmental and green marketing claims, including the European Union (EU), Canada, and the United Kingdom (UK).

European Union

In the EU, the [Empowering Consumers for the Green Transition Directive](#) (ECD) entered into force on March 26, 2024, and must be implemented by member states by March 27, 2026, with enforcement beginning September 27, 2026. The ECD amends the EU Unfair Commercial Practices Directive to more strictly regulate environmental claims. The ECD prohibits certain environmental marketing claims such as generic environmental benefit claims without adequate substantiation of outstanding environmental performance and climate-impact related claims that are based on offsetting outside of the value chain of the product. A related proposed directive that builds on the ECD, known as the [Green Claims Directive](#) (GCD), would have provided further information on how companies must properly substantiate and verify environmental marketing claims. The fate of the GCD is unknown given recent political disagreement amongst EU lawmakers.

EU member states are focusing on the apparel and textile sector's environmental marketing campaigns. For example, last year, the Italian Competition Authority (ICA) opened an investigation into potential greenwashing related to environmental claims on a fashion retailer's website. The probe questions the accuracy and transparency of claims about eco-friendly materials, product recyclability, and emissions reductions, which the ICA alleges may mislead consumers.

Manufacturers and sellers are not the only entities in the fashion industry coming under scrutiny. Earlier this year, a consulting firm and a consumer group reported Copenhagen Fashion Week (CFW) and seven participating brands to the Danish Consumer Ombudsman for alleged greenwashing. The complainants claim that CFW's sustainability requirements for participating brands were not adequately enforced. While the result of the complaint remains to be seen, it is significant that organizations seen as promoting fashion brands (and not just the brands themselves) may face scrutiny.

Canada

Similar to the EU, Canada is tightening its regulation of environmental marketing claims. Recently, Canada [amended the Competition Act](#) to establish standards to assess environmental product and corporate claims and increase the ability for private parties to bring actions challenging misleading or false environmental marketing claims. [Guidelines](#) are now available to help companies ensure that their environmental claims comply with the amended Competition Act.

United Kingdom (UK)

In September 2024, the UK's Competition and Markets Authority (CMA) issued a [compliance guide](#) for fashion brands building on their [Green Claims Code](#) that aims to assist companies in complying with consumer protection laws related to environmental marketing claims. Alongside the publication of the

compliance guide, the CMA also issued letters to 17 fashion brands flagging concerns regarding environmental claims, particularly those making generic environmental marketing claims (e.g., “eco”). Relatedly, the Digital Markets, Competition, and Consumers Act 2024 developed a new digital markets competition regime that came into force on January 1, 2025, and enables CMA to fine businesses up to 10% of their worldwide turnover for violations of consumer laws.

3. ESG

Despite global uncertainty, ESG reporting requirements continue to phase in. These requirements aim to standardize the measurement and disclosure of greenhouse gas (GHG) emissions, sustainability efforts, and climate-related financial risks and opportunities.

Responsible sourcing is also a growing focus. Companies that manufacture, distribute, or sell products must conduct due diligence to ensure the products comply with applicable laws and regulations. Due diligence efforts may include conducting supplier outreach, obtaining a certificate of compliance with a third-party standard, conducting material testing, or ensuring the appropriate structure is in place for reporting, documenting, and escalating issues internally. Such due diligence also provides companies with documentation to present to regulators during an enforcement action.

Climate-related Reporting

Given the numerous reporting frameworks (voluntary and mandatory), it is important that companies understand the reporting requirements in their key areas of operation. It is also important to communicate disclosures consistently across jurisdictions. Many countries are implementing or preparing to implement sustainability-related disclosure requirements modeled after or incorporating the IFRS Sustainability Disclosure Standards, which incorporate the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations. Furthermore, the EU Corporate Sustainability Reporting Directive (CSRD) requires climate reporting (in addition to reporting on other sustainability topics) for certain companies operating within the EU. The pending EU Omnibus legislation is likely to change the applicability threshold and disclosure requirements of the CSRD.

In the U.S., despite federal rollbacks, California’s climate disclosure rules— SB 253 and SB 261, which address GHG emissions reporting and climate-related financial risks respectively—persist. The California Air Resources Board is expected to develop regulations on SB 253 by the end of the year and guidance on SB 261 is also anticipated. These disclosure rules apply to corporations that do business in California that meet certain revenue thresholds. Many companies, including those in the apparel and textiles sector, are already experiencing the impact of these disclosure regimes and will be required to comply with reporting requirements in 2026. Several states recently attempted to pass similar climate reporting legislation, and there will likely be more attempts in future legislative sessions.

Supply Chain Due Diligence

The EU Corporate Sustainability Due Diligence Directive (CSDDD) entered into force in July 2024. It applies to both EU and non-EU companies. Companies in scope are required to implement a risk-based due diligence policy and identify, assess, and address adverse impacts on human rights and the environment. The compliance deadlines take a phased approach, with the initial deadline delayed to July 2028 following the adoption of the EU Omnibus ‘Stop-the-Clock’ proposal. The pending EU Omnibus legislation is likely to change the CSDDD applicability threshold and disclosure requirements.

Additionally, the EU Forced Labor Prohibition Regulation broadly covers all economic operators, regardless of size, revenue, etc., as well as all products at any stage of the supply chain. Companies that import or export products into and from the EU will likely need to have due diligence systems in place to comply. In the U.S., the Uyghur Forced Labor Prevention Act (UFLPA) establishes a rebuttable presumption that goods mined, produced, or manufactured wholly or partially in the Xinjiang Uyghur Autonomous Region (XUAR), or by entities on the UFLPA Entity List, are prohibited from being imported into the U.S.

In the U.S., individual states are proposing supply chain due diligence requirements. If enacted, New York SB 4558 and AB 4631 would require fashion sellers to carry out environmental due diligence for their business operations related to wearing apparel, footwear, or fashion bags, including private label products. This includes mapping their supply chain from tier one to tier four suppliers, complying with internationally recognized standards for responsible business conduct, setting GHG emission reduction targets, and reporting annually on their due diligence activities. Fashion sellers must disclose their suppliers, environmental impact, and remediation efforts, and ensure their reports are independently verified and publicly accessible. Similar bills may follow in future legislative sessions.

Modern Slavery Reporting Laws

It is important for companies with complex supply chains to identify and mitigate human rights and modern slavery risks to comply with varying reporting requirements across jurisdictions. For example, in California, the Transparency in Supply Chains Act applies to retail sellers or manufacturers operating in California with annual worldwide gross receipts exceeding \$100,000,000, while Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act applies to any entity that produces, sells or distributes goods in Canada or elsewhere, imports goods into Canada that are produced outside Canada, or controls an entity engaged in any related activity. Examples of similar laws include the Australian Modern Slavery Act 2018, requiring companies with a revenue of at least A\$100 million and operating in Australia to report on their efforts to address modern slavery risks in their operations and supply chains, and the UK Modern Slavery Act of 2015, which instructs companies with a total turnover of £36 million or more to publish an annual statement describing their processes to prevent modern slavery and human trafficking in their supply chains.

4. PFAS

PFAS are a class of chemicals known for their stain resistance, water repellency, and durability. These properties make PFAS desirable for use in clothing, shoes, and accessories, particularly in rain gear, outdoor gear, and athletic apparel. Both in the U.S. and abroad, jurisdictions are adding reporting requirements for, or restrictions on, PFAS in apparel and textiles. It is important for clothing and textile manufacturers to have a thorough understanding of the materials used in their products, and for importers, retailers, and distributors to be aware of relevant laws and regulations.

U.S. Regulations

On a domestic level, at least 11 states have passed legislation requiring manufacturers, importers, retailers, and distributors to report the presence of and/or restrict the use of PFAS in consumer goods, including in apparel and textiles. PFAS restrictions vary significantly from state to state, including implementation dates, exemptions, and the scope of PFAS affected.

Most states seek to prohibit "intentionally added" PFAS in new (not used) apparel or textile articles. "Intentionally added" PFAS refers to PFAS added to a product that has a functional or technical effect. This

typically also includes the PFAS components of intentionally added chemicals and PFAS that are intentional breakdown products of an added chemical, which also have a functional or technical effect on the product. Some states also restrict PFAS present above certain thresholds. For example, California prohibits the sale and distribution of new textile articles containing PFAS above 100 ppm of total organic fluorine starting January 1, 2025.

California and New York are among the first to implement bans on the manufacture, distribution, and sale of textile articles containing intentionally added PFAS. Colorado is taking a phased approach, initially focusing on outdoor apparel for severe wet conditions and requiring PFAS disclosures. Other states like Maine and Minnesota have enacted broad PFAS restrictions in various products, including textiles.

States are also increasingly requiring disclosure of PFAS in products, even where outright bans are not yet in place. Increasingly, states are restricting the use of PFAS as part of a broader effort to phase out the chemicals from various consumer products due to their potential health and environmental risks. It is, therefore, imperative that companies pay close attention to all proposed and enacted state laws related to PFAS in clothing and textiles.

EU

International jurisdictions also regulate the presence of PFAS in apparel and textiles, with significant regulation occurring in the EU. Under the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) law, the EU's primary chemical regulation, PFAS in apparel and textiles is increasingly subject to scrutiny and potential restriction.

REACH regulates the use of dangerous chemicals known as Substances of Very High Concern (SVHC). If a substance is identified as an SVHC, it will be added to the Candidate List for eventual inclusion in the Authorisation List. A number of PFAS are on the REACH Candidate List of SVHC, including PFOA, perfluorinated carboxylic acids (C9-14 PFCAs), and PFHxS. The content of SVHC in textile products sold in the EU must be no more than 0.1% of the total product weight, or manufacturers and importers must notify the European Chemicals Agency (ECHA).

In 2023, five EU member states—Germany, the Netherlands, Denmark, Sweden, and Norway—submitted a proposal to ECHA for a broad restriction on the manufacture, use, and sale of over 10,000 PFAS. This proposal includes PFAS used in textiles for both consumer and professional applications, such as water- and stain-resistant clothing, footwear, and home furnishings. The proposal is undergoing scientific and public consultation processes, with final adoption expected in 2025 or 2026. If passed, the regulation could impose strict limits or bans on intentionally added PFAS in textiles, marking one of the most comprehensive chemical restrictions in EU history.

Even within the EU, individual countries have taken action against PFAS in clothing. France enacted a law in February 2025 banning PFAS in clothing by 2026 and in all textiles by 2030. Denmark will ban PFAS in clothing and shoes as of July 1, 2026.

5. Prop 65

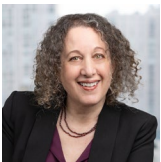
California's Safe Drinking Water and Toxic Enforcement Act of 1986 (better known as Proposition or "Prop" 65) prohibits persons in the course of doing business from knowingly and intentionally exposing individuals to certain chemicals without first providing a "clear and reasonable" warning. These are chemicals "known to the state to cause cancer or reproductive toxicity" – the list presently includes nearly



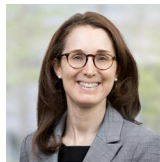
900 chemicals. If apparel or accessories contain any of these chemicals above safe harbor levels, they must display a prominent warning label.

The California Office of Environmental Health Hazard Assembly (OEHHA) updates the chemical list annually, making it important for manufacturers, distributors, and retailers to regularly verify if their products contain listed chemicals. OEHHA recently added vinyl acetate to the Prop 65 list. By December 29, 2025, products that expose consumers to vinyl acetate must display warnings. This is significant for the fashion industry since vinyl acetate is used in the production of textile fibers. Importantly, OEHHA has not yet established a safe harbor level for vinyl acetate. The plaintiff's bar is very active on Prop 65, and a plaintiff could therefore, serve a business with a notice of violation upon detecting *any* amount of vinyl acetate in a product. The business then has the burden to show that the anticipated exposure level will not pose a significant risk of cancer or reproductive harm.

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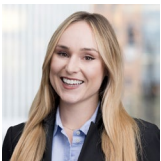
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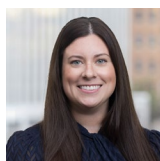
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