

**2024
Edition**

**Factsheet 12:
EU Taxonomy**

An Apparel Supplier's Guide 2.0

**Key Sustainability Legislation
in the EU, US, and UK**

EU Strategy for Sustainable and Circular Textiles
EU Corporate Sustainability Due Diligence Directive
EU Corporate Sustainability Reporting Directive
New York Fashion Act
EU Forced Labour Regulation & Guidance
US Uyghur Forced Labor Prevention Act
EU Ecodesign for Sustainable Products Regulation
EU Packaging & Packaging Waste Directive & Provisional Regulation
EU Microplastics Regulation
UK Plastic Packaging Tax
EU Product Environmental Footprint Guide
EU Textiles Regulation
EU Taxonomy
The German Due Diligence in the Supply Chain Act
Lessons for Fashion: How the agricultural sector is tackling commercial compliance through the EU Directive on unfair trading practices

Acknowledgements

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The Remedy Project is a social enterprise that works to improve access to justice and remedy for migrant workers in global supply chains. They work constructively with governments, civil society, law enforcement, and the private sector to translate the UN Guiding Principles on Business and Human Rights into practice. For more information please see www.remedyproject.co.

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Introduction

UPDATE

a. Objective

In July 2023 the first iteration of this guide covering, 12 pieces of legislation, was published. This document is an update to that guide and includes updates to the 12 factsheets issued last year as well as three additional factsheets covering new legislation not previously included.

This document is intended to enable suppliers in the apparel value chain that are established or headquartered outside of the Global North¹, or whose operations are based outside these jurisdictions or whose supply chains extend to the Global South, to better understand how sustainability-related legislation in the Global North could potentially impact them. While suppliers may not, in all cases, be directly subject to the obligations created by these Global North

laws, they may still experience knock-on effects as they form an integral part of the global apparel value chain and produce goods for multinational brands and retailers who have increasing compliance obligations as they adopt new practices in order to respond to the increased legislation. As such, this document aims to:

- Offer a public resource and roadmap for suppliers to proactively respond to and prepare for the requirements of these Global North laws.
- Provide a platform for dialogue and information exchange where suppliers and manufacturers can explore engagement (where possible) with policy makers in Global North jurisdictions.
- Support suppliers in delivering the fashion industry's social and environmental performance goals, and drive meaningful change for rights holders – whether workers, local communities, cotton farmers– globally.

b. Important legislative context to understand

As governments in the Global North embark on ambitious plans to transition towards climate neutrality, inclusive and sustainable growth, the body of sustainability legislation is expanding rapidly.

The European Union (EU) is at the forefront of these changes, introducing a plethora of legislative and non-legislative measures to implement priority policies such as the [European Green Deal](#). The European Green Deal is a cornerstone of the EU's industrial strategy, comprising a series of proposals to make the EU's climate, energy, transport, and taxation policies fit for reducing net greenhouse gas emissions by at least 55% by 2030, and to secure the global competitiveness and resilience of European industry². There are also sector-specific initiatives such as the EU Strategy for Sustainable and Circular Textiles, which aim to implement the commitments made

¹ For the purposes of this document, "Global North" encompasses the European Union, United Kingdom, and the United States.

² European Commission, [A European Green Deal](#)

under the European Green Deal (see infographic on the next page “**Snapshot of the Legislative Landscape in the Global North**”), by setting out measures to address the design and consumption of textile products, and promote a greener and fairer value chain in the textiles industry. The legislations covered in this document such as the EU Ecodesign for Sustainable Products Regulation and Digital Product Passport, EU Corporate Sustainability Due Diligence Directive, EU Regulation on Prohibiting Products Made With Forced Labour on the Union Market (Forced Labour Regulation), are only some of the initiatives taken by the EU to execute on the European sustainability policy objectives³.

These legislations create legally binding obligations on companies to consider how they are managing their social and environmental impact. Many of these laws and regulations have global application and/or will impact apparel manufacturing and sourcing hubs outside of the Global North. As such, while these laws originate from the Global North such as the EU, United Kingdom, and United States, they will impact companies operating outside of these jurisdictions. It is therefore a prescient

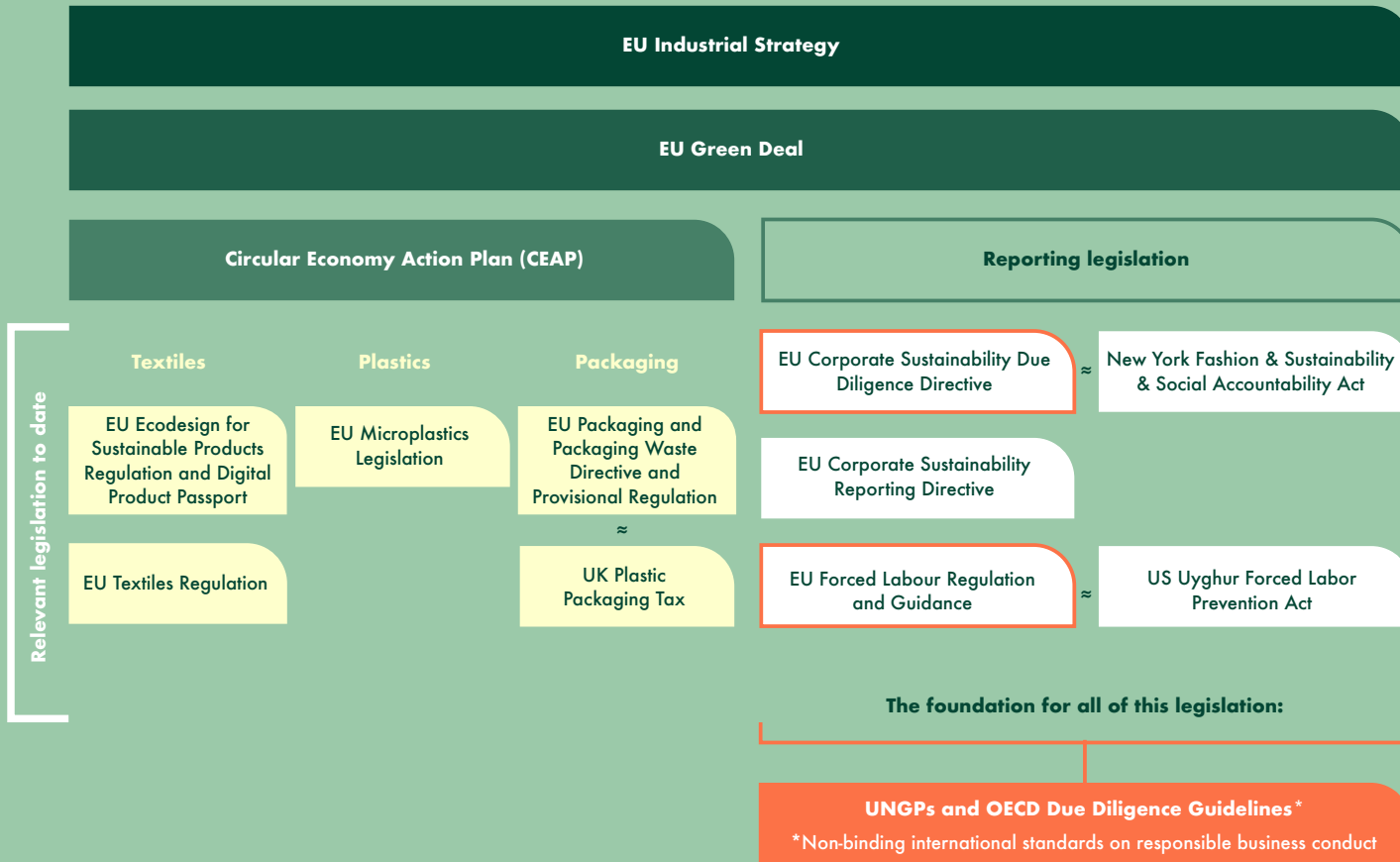
time for companies directly subject to these legislations, and for those who have business relationships with them, to align their sustainability policies and practices with these laws.

At a high level, these laws (especially those relating to mandatory human rights due diligence) can be collectively understood as a legal framework that translates elements of the United Nations Guiding Principles on Business and Human Rights (UNGPs) into binding legal obligations. The UNGPs represent the authoritative framework on how businesses should operationalize their commitments to human rights. As businesses are increasingly required to comply with different (and sometimes overlapping) laws in this area, it is The Remedy Project’s view that businesses that are able to operate in accordance with the UNGPs and other international frameworks such as the OECD Due Diligence Guidance for Responsible Business Conduct will be more successful in making this transition. Complying with the highest international standards could help future-proof business against future legislative changes and may also be more efficient from a process perspective. Furthermore, the Remedy Project sees a trend of many

brands upgrading their internal compliance and value chain requirements based on the UNGPs and international frameworks. Thus, complying with these international standards could help businesses position themselves to align with brands’ expectations and easily and effectively adapt to future legislative requirements, as well as satisfy the requirement of other business partners and customers. Instead of having to operate in accordance with different standards of compliance for each jurisdiction and each counterparty, the business can adopt a less fragmented, and thus less burdensome, approach to compliance. Of course, even if suppliers align with established international frameworks, different brands will continue to set varying detailed procedural requirements on their supply chain partners, particularly in the near future. We therefore continue to recommend that suppliers proactively work with brands and retailers on implementation to reduce the risk of multiple interpretations.

³ See for example the summaries of EU legislation on environment and climate change.

Snapshot of the Legislative Landscape in the Global North



Note * The legislations, regulations and directives in this diagram are not the complete set laid out under the umbrella strategies. Head to the [European Commission](https://ec.europa.eu/commission/presscorner/detail/en/ip_22_1111) website to learn more.

c. General implications for companies supplying apparel & beyond

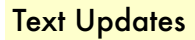
These legislative developments make clear that businesses will need to re-think the way they approach sustainability. This new era of legislation moves sustainability from “nice to have” to “must-have” and requires companies to implement human rights and environmental risk management practices. With this transition, we expect to see more cross-functional efforts to embed considerations of human rights and environmental impacts into business’ day-to-day operations and overall strategy. In this new landscape, in-house legal teams must work closely with procurement and sourcing, operations, product teams, and in-house sustainability experts to achieve compliance. There must also be executive and management level buy-in, and attention given to sustainability issues.

How to Use ● This Document

This document comprises a series of factsheets. For each legislation, the factsheet will cover the following topics on the right.

Updates to Factsheets will be identified by these indicators:

UPDATE 

 Text Updates

1. Key Changes

A summary of key changes to the legislation since August 2023.

2. Overview

A summary of the key aspects of the legislation.

3. Context

A description of the political context and policy objectives that the legislation seeks to address or achieve.

4. Status

Whether the legislation is in effect and if not, the current stage of the legislative procedure. If known, the expected timeline for implementation is also provided. For proposed EU legislation, users may find it helpful to refer to the [European Parliament's infographic](#) for information on the different stages of the EU legislative procedure.

5. Scope

This section sets out the types of companies or products that fall within the scope of the legislation. This may include, for example, an explanation of the thresholds that a certain company must meet for the legislation to apply. Our suggestion to suppliers is to start by identifying whether they are directly in-scope and, if so, review the obligations and compliance recommendations for companies in-scope (Sections 5 & 6). If a supplier has established that they are not directly in-scope, it is our suggestion that those suppliers review whether the brands for which they produce are in scope. If a supplier's customer is within scope, our suggestion is to review the potential implications for suppliers to companies in-scope (see Section 7).

6. Obligations for companies in-scope

A description of the duties and responsibilities that must be undertaken by the companies that are directly subject to the legislation.

7. Compliance recommendations for companies in-scope

Suggested recommendations for companies to prepare for compliance with the legislation (where the legislation is not yet in effect), or considerations for companies seeking to improve their compliance (where the legislation is already in effect). For the avoidance of doubt, these compliance recommendations do not constitute legal advice or opinion; companies should seek legal advice from attorneys concerning any specific situation or legal question they may have. Moreover, as the text of the laws in many cases remains subject to change, companies should refer to the most updated version of the legislation in developing their compliance strategy. The enforcement actions undertaken by the relevant regulator (once the law is in effect) will also determine the scope of compliance obligations.

8. Potential implications for suppliers to companies in-scope

In some instances, suppliers in the apparel value chain who are not directly subject to the concerned legislation, may still be impacted by the legislation as they supply to companies in-scope (i.e., a fashion brand or fashion retailer in-scope). These may include requirements around transparency and traceability, or obligations to undergo audits or obtain certifications. This section sets out the potential implications of the legislation for suppliers. For the avoidance of doubt, companies in-scope will approach compliance differently and many of the legislations covered in this document are in nascent stages of development. Moreover, the enforcement actions undertaken by the relevant regulator will also affect how companies in-scope respond to the legislation. As such, the guidance provided herein is only intended to represent our best estimates of the knock-on effects of the concerned legislation and is for informational purposes only.

9. Penalties for non-compliance

Where applicable or known, the penalties for companies in-scope that fail to comply with the legislation are set out.

10. Form of Enforcement

A description of the key forms of enforcement action that may be taken by the relevant authorities.

11. Reporting/disclosure for companies in-scope

An overview of the key information disclosure obligations (if any) for companies in-scope.

12. Access to remedy mechanisms and litigation risk

This section notes where the relevant legislation provides a right for legal action to be taken against a company for alleged non-compliance.

13. Opportunity to participate and engage in legislative development

Where applicable, opportunities to participate in public consultation.

14. Useful resources to support compliance

Links to third-party resources and guidance are provided for further detail on how companies in-scope may approach compliance and how suppliers or business partners to companies in-scope may prepare for cascaded compliance requirements.

Glossary

A glossary of key terms used in this document is set out below.

Brands: For the purposes of this document, this refers to a multinational company that is engaged in the business of offering branded apparel products.

Companies in-scope: Companies that are directly subject to the obligations set out in the relevant legislation.

Due Diligence: A process that businesses should carry out to identify, prevent, mitigate, and account for how they address the actual and potential adverse human rights or environmental impacts in their operations, their value chain and other business relationships.

EU Decision: A “decision” is binding on those to whom it is addressed (e.g., an EU country or an individual company) and is directly applicable.⁴

EU Delegated Act: A delegated act is an EU legislative mechanism to ensure that EU

laws that are passed can be implemented properly or reflect developments in a particular sector.

EU Directive: A directive is a legislative act that sets out a goal that all EU countries must achieve. However, it is up to the individual countries to devise their own laws on how to reach these goals⁵.

EU Regulation: A regulation is a binding legislative act. It must be applied in its entirety across the EU⁶.

EU negotiation position: A particular stance taken by a European Institution in a negotiation where it outlines the preferred result.

EU provisional agreement: When after negotiations, an informal agreement is reached on the text of a legislative proposal that then needs to be formally approved by the European Parliament and the Council of the European Union during the legislative procedure.

Adopted: When a law is officially approved at the end of the legislative procedure.

Approved: Used as a synonym for adopted or used in cases of approval of draft versions of the law.

Derogated: Not included or not applied.

European Commission: The European Commission is the EU’s politically independent executive arm. It is responsible for drawing up proposals for new European legislation, and it implements the decisions of the European Parliament and the Council of the EU.

European Council: The European Council is the EU institution that defines the general political direction and priorities of the European Union.

European Parliament: The European Parliament is the EU’s law-making body that is directly elected by EU voters every 5 years.

Grievance Mechanism: Any routinized, State-based, or non-State-based, judicial or non-judicial process through which grievances concerning business-related human rights abuse can be raised and remedy can be sought⁷.

^{4,5,6} European Union, Types of legislation

⁷ UNGPs Principle 25 and commentary

Types of EU legislation

- **Directive:**
A legislative act that sets out a goal for EU countries who then have to devise their own laws on how to reach these goals.
- **Regulation:**
A binding legislative act which must be applied in its entirety across the EU.
- **Decision:**
A binding law only on those to whom it is addressed (e.g. an EU country or an individual company) and is directly applicable (it does not have to be implemented by the recipient).
- **Delegated and Implementing Acts:**
Non-legislative acts adopted by the European Commission aimed at supplementing elements of a legislative act for uniform implementation.

Supplier: For the purposes of this document, unless otherwise specified, this refers to a supplier in the apparel value chain. While the information provided herein is applicable across the entire value chain, it is primarily intended for Tier 1 suppliers and sub-contractors who produced finished goods for fashion brands and retailers, and Tier 2 suppliers and sub-contractors who provide services and goods, such as knitting, weaving, washing, dyeing, finishing, printing for finished goods, and components (e.g., buttons, zippers, soles, down and fusible) and materials for finished goods.

Value Chain: A value chain encompasses all activities related to the production of goods or the provision of services by a company, including the development of the product or the service and the use and disposal of the product as well as the related activities of upstream and downstream business relationships of the company.

Intentionally added: Deliberately utilized in the formulation of a material or component where its continued presence is desired in the final product to provide a specific characteristic, appearance or quality.



EU Taxonomy

UPDATE

1. Key Updates

The definition of “environmentally sustainable” activities, as set out by the EU Taxonomy, is expanding. This includes climate change adaption and water and marine resources. Moreover, on January 15, 2024, five non-governmental organizations (NGOs) initiated a legal challenge against the European Commission challenging certain rules that would allow certain aviation and shipping activities to be classified as sustainable if they meet certain efficiency criteria, even if they operate on fossil fuels. The key changes are in Section 5, 6, 7, 11, 13 and 14. Particular attention should be given to disclosure obligations set out in Section 6.

2. Overview

The Taxonomy has been in force since 2020. It defines what counts as an “environmentally sustainable economic activity” so that investors can more easily decide which companies are operating in a climate-friendly way.

3. Context

The Taxonomy – alongside the Sustainable Finance Disclosure Regulation (the **SFDR**) and the Low Carbon Benchmarks Regulation – forms one of the pillars of the European Commission’s sustainable finance and climate change agenda. The Taxonomy aims to facilitate the EU’s goal to become carbon neutral by 2050 and achieve the UNSDGs. By providing a tool that harmonizes the understanding of sustainable finance across the EU countries and businesses, it aids investors to redirect capital into “green” projects and businesses.

The Taxonomy seeks to achieve these objectives by creating a standard framework in the EU to determine what types of economic activity would be classified as environmentally sustainable. The standardization of environmental sustainability classification across the EU aims to improve clarity and reduce complexity for investors and businesses alike.

The European Commission plans to expand the framework to include social objectives.

4. Status

The Taxonomy was published in the Official Journal of the European Union on June 22, 2020, and entered into force on July 12, 2020. The first two objectives that are set out below (climate change mitigation and climate change adaptation) have applied since January 1, 2022. The three other objectives (circular economy, pollution prevention and protection of biodiversity and ecosystems) have started applying on January 1, 2023.

5. Scope

The Taxonomy applies to:

- Financial companies that offer financial products;¹
- Companies that are subject to the EU Non-Financial Reporting Directive (the NFRD) or the Corporate Sustainability Reporting Directive (the CSRD); and
- EU countries.

For the purposes of this factsheet, the financial companies and non-financial companies that fall within the scope of the Taxonomy will be collectively referred to as “companies in-scope”.

¹ Including corporate bonds that are made available as environmentally sustainable, alternative investment funds, IBIPs, pension products, pension schemes, UCITS, PEPPs and a portfolio managed under the MiFID II Directive.

6. Obligations for companies in-scope

Companies in-scope must include in their non-financial statement, consolidated non-financial statement information or sustainability statement how and to what extent their activities are associated with economic activities that qualify as environmentally sustainable (defined below). In particular, companies must disclose:

- The proportion of their turnover derived from products or services associated with economic activities that qualify as environmentally sustainable; and
- The proportion of their capital expenditures and proportion of operating expenditures related to assets or processes associated with economic activities that qualify as environmentally sustainable.

The Taxonomy provides guidance on how to determine whether an activity qualifies as environmentally sustainable. An economic activity qualifies as **environmentally sustainable** if it meets the following four conditions:

1. It contributes substantially to one or more environmental objectives² or is an enabling activity;³
2. It does not significantly harm (**DNSH**)⁴ any of the environmental objectives;
3. It is carried out in compliance with minimum safeguards⁵; and
4. It complies with technical screening criteria (the **TSC**) set out by the Commissions (e.g., the Delegated Act supplementing Article 8 of the Regulation).⁶

² While the TSC sets out the criteria for making a substantial contribution, the European Commission outlined that activities would make a substantial contribution when it has a low impact on the environment, has the potential to replace high impact activities, reduce impact from other activities and makes a positive environmental contribution.

³ Enabling activities are those activities that do not lock-in assets that could undermine long-term environmental goals or have a positive impact on the basis of lifecycle considerations thereby directly assisting another activity to make a substantial contribution to one or more of the other objectives.

⁴ Significant harm is defined for each environmental objective in the Taxonomy. For example, a significant harm to the climate change mitigation objective would be where an activity leads to significant greenhouse gas emissions. When assessing harm, both the environmental impact of the activity itself and the environmental impact of the products and services provided by that activity throughout their life cycle must be taken into account, in particular by considering the production, use and end of life of those products and services.

⁵ Minimum safeguards means procedures implemented by an Undertaking that is carrying out an economic activity to ensure alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organization on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

⁶ The TSC are a set of rules and metrics used to evaluate whether an economic activity can be considered environmentally sustainable under the Taxonomy. For more information see Section 12 below.

Objective 1

Objective 2

Objective 3

The Taxonomy articulates six environmental objectives:

Climate change mitigation⁷

An activity that meets the first objective are those that substantially contribute to stabilizing greenhouse gas emissions. The Taxonomy refers to the long-term temperature goal of the Paris Agreement, namely keeping the global average temperature below 2°C and limiting global temperature to 1.5°C above pre-industrial levels, and it describes ways in which an economic activity can contribute to climate change mitigation.

Climate change adaptation

Climate change adaptation is demonstrated in an economic activity that either substantially reduces the risk of the adverse impact of the current climate and the expected future climate on that economic activity or substantially reduces that adverse impact, without increasing the risk of an adverse impact on people, nature, or assets.

Where there are any **non-textile parts of animal origin** in the product (e.g., fur, leather, bone, or down feathers), the label should also state that the product 'contains non-textile parts of animal origin'.

Sustainable use and protection of water and marine resources

An economic activity that contributes substantially to achieving the good status of bodies of water, including bodies of surface water and groundwater or to preventing the deterioration of bodies of water that already have good status, or the good environmental status of marine waters or preventing the deterioration of marine waters that are already in good environmental status.

⁷ The Climate Delegated Act was adopted to, among other topics, establish technical screening criteria for determining the conditions under which a specific economic activity qualifies as contributing substantially to climate change mitigation and adaptation was adopted to, among other topics, establish technical screening criteria for determining the conditions under which a specific economic activity qualifies as contributing substantially to climate change mitigation and adaptation

Objective 4

Objective 5

Objective 6

Transition to a circular economy

An activity that contributes to the transition to a circular economy where it contributes to improving efficiency, durability, recyclability and prolonging the use of resources to maximize its value for as long as possible. Contribution could come through the use and choice of materials, facilitating repurposing, reducing food waste across the supply chain, and developing “product-as-a-service” business models and circular value chains.

Pollution prevention and control

Pollution is understood as the introduction of pollutants, which are substances, vibrations, heat, noise, light or other contaminants present in air, water, or land, which may harm, damage or impair human health or the environment, into air, water and land. An economic activity would substantially contribute to meeting this objective by preventing or reducing pollutant emissions, improving quality of air, water or soil, and minimizing negative impacts on human health and environment where economic activity takes place, and by cleaning up litter and other pollution.

The protection and restoration of biodiversity and ecosystems

Biodiversity includes diversity within species between species and ecosystems. An economic activity would substantially contribute to the protection and restoration of biodiversity and ecosystems where it enhances ecosystem services through the sustainable use of land, management, agricultural practices, and forest management as well as the conservation of nature and biodiversity. Ecosystem services are grouped into the categories of provisioning services, regulating services, supporting services and cultural services.



7. Compliance recommendations for companies in-scope

As explained in Section 5 above, the Taxonomy includes only a few binding obligations on companies in-scope. Please refer to Section 11 below for more details.

There is a phased-in approach for companies in-scope to begin reporting. As of January 2024, non-financial entities are required to report on eligibility and alignment for the previous calendar year. Information on these timelines can be found on the European Commission's website.⁸

⁸ <https://ec.europa.eu/sustainable-finance-taxonomy/>.

⁹ By contrast, those that demonstrate poor environmental risk management could see greater challenges in accessing capital.

8. Implications for suppliers to companies in-scope

Suppliers that do not fall directly in scope of the reporting obligations under the Taxonomy may still experience knock-on effects, especially where they are in the value chain of a company in-scope. The Taxonomy will likely increase transparency around companies' contributions to the environment and impact investors' decision-making. Financial market participants that are incentivized to increase their share of Taxonomy-aligned financial products will seek to invest in companies that qualify as engaging in environmentally sustainable economic activities under the Taxonomy.

Financial companies will expect investee companies, which may include apparel suppliers, to provide data on KPIs relating to their environmental objectives. As such, suppliers should seek to conduct environmental impact assessments, and report on their processes to manage their

environmental impact, and the outcomes and impact of such risk management practices using KPIs.

Non-financial companies that can demonstrate substantial contribution to the circular economy in the manufacture of textile and apparel products will likely attract more investment.⁹ This in turn may incentivize these non-financial companies to change their business practices to better align with the environmental objectives set out in the Taxonomy. It is expected that companies in the apparel industry will change to focus on more resource-efficient manufacturing processes, durability of materials, and circularity (re-use and repair of products, and minimizing textile waste).

9. Penalties for non-compliance

While there are no penalties for non-compliance under the Taxonomy, there are reputational impacts for non-compliance. For example, lenders based in the EU may set preferential rates for those businesses that integrate ESG risks within their investment strategies and/or regularly disclose compliance with ESG-related regulations and guidance. Companies that disclose their alignment to the Taxonomy may be viewed as more attractive amongst investors thereby leading capital to flow into projects, investments and businesses that are environmentally sustainable.

Furthermore, penalties may be established at the national level by the EU countries. These may include penalties for misleading disclosures.

10. Form of enforcement

Not applicable.

11. Reporting/disclosure requirements (if any) for companies in-scope

Reporting obligations for non-financial companies in-scope

As noted in section 6, the Taxonomy requires companies that are subject to the NFRD or the CSRD to disclose the proportion of their activities that align with the Taxonomy criteria as activities that qualify as environmentally sustainable in their non-financial statement, consolidated non-financial statement or sustainability statement. These companies in-scope must report on the following key performance indicators:

- The proportion of turnover derived from the products or services associated with economic activities that qualify as environmentally sustainable; and
- The proportions of their capital expenditure and operating expenditure related to assets or processes associated with Taxonomy activities that qualify as environmentally sustainable. This obligation is supplemented by the Disclosures Delegated Act, which provides specific metrics for turnover, capital expenditure and operating expenditures along with a reporting template.

Specific metrics for these key performance indicators and a reporting template can be found in [Annex I to the Disclosures Delegated Act](#).



Reporting obligations for financial companies in-scope

● Key performance indicators

Financial companies are required to report their KPIs in the form of Green Asset Ratio (**GAR**)/Green Investment Ratio (**GIR**). The main KPIs for financial companies relate to the proportion of taxonomy-aligned economic activities in their financial activities, such as lending, investment, and insurance.

● Sustainable investments

Where a financial product invests in an economic activity that contributes to an environmental objective under Article 9 of the SFDR (i.e., a sustainable investment), a financial market participant must disclose information on the environmental objective to which the investment underlying the financial product contributes.¹⁰ This should include an explanation how and to what extent the investments relate to economic activities that are environmentally sustainable under the Taxonomy. Financial market participants must also specify the proportion of investments in the financial product that are made in environmentally sustainable economic activities.

The same obligations apply to financial products that fall under Article 8 of the SFDR, however, disclosure should be accompanied by the following statement: ‘The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.’ For all other financial products, information that must be disclosed under the SFDR must be accompanied by the following statement: ‘The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.’

¹⁰ Article 5, Taxonomy

12. Access to remedy mechanisms and litigation risk

Not applicable.

13. Opportunity to participate and engage in legislative developments

Opportunities for legislative developments may be possible via legal actions. For example, in September 2022, environmental groups, such as Greenpeace, Client Earth, and World Wildlife Fund, requested an internal review in response to the inclusion of natural gas and nuclear energy within the list of green investments under the Taxonomy. The European Commission rejected the group's

request, claiming that the Taxonomy did not contravene environmental law. In response, Greenpeace announced that it would file a lawsuit to the European Court of Justice in April 2023.

On January 15, 2024, five NGOs initiated a legal challenge against the European Commission challenging certain rules that would allow certain aviation and shipping activities to be classified as sustainable if they meet certain efficiency criteria, even if they operate on fossil fuels. The NGOs expect the Commission to respond by June 2024. By 27 June 2024, no official response by the Commission was issued.

14. Useful resources to support compliance

European Commission, [EU taxonomy for sustainable activities](#)

European Commission, [EU Taxonomy Navigator](#)

European Commission, [Amendments to the Disclosures Delegated Act](#)

EUR-Lex, [Commission Notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of eligible economic activities and assets 2022/C 385/01](#)

European Commission, [Draft Commission Notice on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of Taxonomy-eligible and Taxonomy-aligned economic activities and assets \(second Commission Notice\)](#)

European Commission, [Draft Commission Notice on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of the EU Taxonomy Regulation on the reporting of Taxonomy-eligible and Taxonomy-aligned economic activities and assets \(third Commission Notice\)](#)

EU Technical Expert Group on Sustainable Finance, [Taxonomy: Final report of the Technical Expert Group on Sustainable Finance](#)

EU Technical Expert Group on Sustainable Finance, [Taxonomy Report: Technical Annex](#)

Discover Other Factsheets from An Apparel Supplier's Guide 2.0

0

EU Strategy for Sustainable and Circular Textiles

1

EU Corporate Sustainability Reporting Directive

2

EU Corporate Sustainability Due Diligence Directive

3

New York Fashion Act

4

EU Forced Labour Regulation and Guidance

5

US Uyghur Forced Labor Prevention Act

6

EU Ecodesign for Sustainable Products Regulation

7

EU Packaging and Packaging Waste Directive and Provisional Regulation

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EU Microplastics Regulation

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Lessons for fashion: How the agricultural sector is tackling commercial compliance through the EU Directive on unfair trading practices