

## Sustainable Apparel Coalition Rebrands as Cascale



CASCALE VICE PRESIDENT ANDREW MARTIN. COURTESY CASCALE

The Sustainable Apparel Coalition is undergoing a name change, rebranding as Cascale effective Monday. It's a fresh start for the non-profit behind the Higg Index, meant to signify "cascading action at scale," said organization vice president Andrew Martin.

The move comes after the 2022 controversy which saw the group "pause" the use of its Higg Materials Sustainability Index, a consumer-facing impact product labeling rating that was widely used by brands, after being hit with greenwashing claims.

This was followed by the departure of chief executive officer Amina Razvi in December. A search for her replacement is still underway.

"I want to reassure people very strongly that we are not rebranding to [hide] there was a bit of controversy about the SAC and the Higg Index. No, the Higg Index will remain core and central," Martin told WWD.

"The rebrand has nothing to do with the controversy because we are doubling down on the Higg Index. We believe it is a good suite of tools. It's well established, it's well used, it's been developed by the industry. We've had a lot of challenges and questions, and I think some of the things we did need to reflect on and review, and that's part of what we've done in the last couple of years," he added.

SAC has been working on restoring confidence in the index, and it underwent an independent review from consulting firm KPMG, which concluded that the index should not be used on its own, among other findings. Martin said the Higg suite of tools will continue to "evolve" based on the recommendations, including linking factory data to life cycle assessments for more granular scope, and it will reevaluate how to account for the plastic pollution caused by microfibers.

More reform is on the way for its suite of tools: next up is a third-party review of the Higg brand and retail module to be conducted later this year, and the Higg facility environmental module, which will undergo a third-party review in 2025.

The Higg Index itself will not rebrand. The software company behind it, formerly the Higg

No.425 Mar, 2024

Co., was rebranded as Worldly last May.

The new Cascale will take on a more activist role, and expand its focus from creating the scoring tools to “actually working on programs that drive impact.”

“Collective action at scale for us, it’s about building on the data and insights, bringing together the different parts of the value chain to focus on where do we need to make the interventions to drive the changes,” said Martin.

Three core pillars are fighting climate change, creating decent work conditions and supporting nature. In concrete terms, that means pushing for members to achieve a 45 percent reduction in their GHG emissions by 2030 under its decarbonization program, for example. It’s also working with partners on finding the financing to underwrite these moves for manufacturers, such as phasing out coal plants and moving to renewable energy.

Advocating for decent work standards will include launching a program to measure responsible manufacturing performance across the industry, as well as responsible purchasing practices on the brand and retail side.

In the last two years, the organization has grown and nearly doubled headcount, and will continue to expand into new product categories including furnishings, sporting and

outdoor goods. Outside of bringing in the new CEO, there are no planned changes to the organization’s structure.

The group has shifted away from San Francisco, where it was founded by Patagonia in 2009, and has its largest offices in Amsterdam and Hong Kong, with smaller hubs in London, Barcelona and Bangalore, India. It is expanding “significantly” in Asia.

“If we’re going to shift really to driving impact, a lot of that work is going to need a lot of collaboration in sourcing countries,” he said.

One of the biggest challenges facing the industry is the lack of harmonious regulations, and the fragmentation in the industry makes it hard to create structural change, said Martin.

“The changes that need to happen for an individual brand to actually impact something in one facility in one country—it’s such a big challenge to make a huge difference,” said Martin. “Working collectively together, and utilizing somebody like Cascale and our role to bring collective action from different brands and retailers together...we can consolidate and aggregate and start to look at collective action.”

The group will emphasize that regulatory moves in the U.S. and Europe require change

outside of their borders. “Yes, it impacts brands and retailers, but a lot of the actual implementation of that is going to fall on down through the supply chain.”

Its first event under the Cascale banner will be a meeting in Bangladesh in March to engage manufacturers.

## **Link**

<https://sourcingjournal.com/sustainability/sustainability-news/sustainable-apparel-coalition-higg-rebrand-cascale-1236219032-496325/>

## **Provided by Sourcing Journal**

*(\*Subscription may be required to open this article online.)*

## EU Reaches Provisional Deal on Forced Labor Ban



THE EUROPEAN COMMISSION IN BRUSSELS, BELGIUM. **SANTIAGO URQUIJO/GETTY IMAGES**

European Union policymakers arrived at a provisional deal on Tuesday to prohibit from the 27-member bloc's single market the sale and availability of goods made with forced labor.

The deal struck between the European Council and the European Parliament introduces "significant" modifications to the original proposal, including a "clarification" of the responsibilities of the European Commission and national competent authorities in investigating would-be breaches of the rule and deciding if the products in question should be banned, withdrawn or otherwise cast off.

"It is appalling that in the 21st century, slavery and forced labor still exist in the world," said Pierre-Yves Dermagne, deputy prime minister and minister for the economy and employment

of Belgium, which will hold the European Council's presidency until the end of June. "This hideous crime must be eradicated and the first step to achieve this consists in breaking the business model of companies that exploit workers. With this regulation, we want to make sure that there is no place for their products on our single market, whether they are manufactured in Europe or abroad."

While the proposal makes no mention of China because of the World Trade Organization's rules on non-discrimination, it's clearly stoked by mounting concerns over what many have described as the genocidal persecution of ethnic minorities in the Xinjiang Uyghur Autonomous Region, which Beijing has vehemently denied. But where the United States has chosen to target products from Xinjiang using a rebuttable presumption of guilt, the EU will cast a wider net, include itself in the bargain and require proof of malfeasance.

Both branches agree that the European Commission, their administrative engine, will establish a database with "verifiable and regularly updated" information about forced labor risks that can buttress the work of those assessing potential violations, including reports from international institutions such as the International Labour Organization. This forced

No.426 Mar, 2024



labor single portal will also include guidelines, best practices, a whistleblower portal and accompanying measures for micro, small and medium-sized enterprises that, while not exempt from scrutiny, will receive special considerations because of their more finite resources. A Union Network Against Forced Labour Products would “help to improve cooperation between authorities.”

The agreement defines the “risk-based” criteria to be applied by the European Commission and competent national authorities during their assessments, such as the scale, severity and state complicity of the suspected forced labor; the number or volume of products being made available on the European market; the share of the parts of the product likely to have been made with forced labor; and both economic operators’ supply chain proximity to the suspected forced labor risks and their leverage to tackle them.

As for who will be in charge of investigations, if the alleged violation occurs outside the EU, then the European Commission will take point. Where the supposed breach occurs in the territory of a member state, its competent authority will call the shots, with one caveat: if it discovers new information about the suspected forced labor, it must inform its counterparts in similarly afflicted member states. Likewise, it must alert the European Commission if the offending activity occurs outside the EU.

The authority helming the investigation will also be the one that will decide the product’s ultimate fate. This decision will apply in all other member states based on the “principle of mutual recognition.” In cases where the product is deemed critical, the competent authority can choose not to require its disposal but instead order the economic operator to suspend its circulation until no more forced labor is taking place.

Another of the provisional agreement’s clarifications is that if a violating part of a product is replaceable, the order of disposal doesn’t extend beyond that part. This, however, applies only if the part can be removed, such as a component in a car. If, on the other hand, the tomatoes used to make a sauce are grown and harvested using forced labor, then the entirety of the sauce is considered tainted.

For the regulation to enter into force, the European Council and European Parliament will each have to give their final signoff. EU countries will have three years after it’s endorsed to start applying the new rule.

The European Parliament noted that because the forced labor regulation focuses on products, it will not yoke companies that don’t harbor forced labor in their supply chains with additional due diligence requirements. That would fall under the corporate sustainability due diligence directive, which was also provisionally agreed between the European

Council and European Parliament but “has so far not been given a final O.K. from the Council.”

“This law is groundbreaking in the field of human rights,” said Dutch Member of the European Parliament and co-rapporteur Samira Rafaela. “It will prevent forced labor products from entering our market. And it has several references to remediation. It is a step forward in achieving fair trade and cleaning up supply chains, while prioritizing human rights. To combat forced and state-imposed labor, we must work with like-minded partners and become a strong ally in the global fight against forced labor.”

Civil society groups admitted to mixed feelings. While such a regulation is vital to rooting out modern slavery, they say, it could go further than proposed.

“Without an obligation to remedy harm, workers affected by forced labor will remain vulnerable,” said Helene de Rengervé, senior EU advisor at Anti-Slavery International. “Without lower evidentiary thresholds, it will be difficult for workers in forced labor and their allies to bring up complaints against abusing companies. And, as it stands the regulation will not sufficiently address state-imposed forced labor at scale to aid the 3.9 million people forced to work by the very institution supposed to protect them, their government.”

The EU’s forced labor regulation is a “step in the right direction,” agreed Ruslan Myatiev, director of Turkmen.News in Turkmenistan, where a state-sponsored forced labor system underpins the country’s cotton industry. “What is unfortunately missing is an obligation on companies to publicly disclose their suppliers and raw material sourcing, which would drive accountability.”

But Ana Hinojosa, former executive director of U.S. Customs and Border Protection and an advisor at supply chain forensics firm Oritain, warned of pitting “perfect” against “pretty good” at the cost of potential delays in implementation that “could result in effectively winning a battle but losing the war.”

“I have lived in the EU and been exposed to the decision-making process,” Hinojosa told Sourcing Journal. “It is very difficult, and the progress made to date is very commendable. For interested stakeholders seeking to get everything they want out of this proposal, I would just caution against trying to put in so many additional steps and processes before enforcement, that it waters down the regulators’ ability to take action.”

Writing on LinkedIn, Xinjiang expert Adrian Zenz questioned if the regulation can take a swing at Uyghur forced labor.

“That’s because the burden of proof of forced labor remains on investigating authorities,” he wrote. “While the legislation would include a database mechanism that can specify regions at high risk of state-imposed forced labor, I have not yet seen an effective way in which such a database mechanism by itself can counter systemic state-imposed forced labor as is found in Xinjiang without being complemented with a reversal of the burden of proof.”

Such a reversal is necessary, he said, because of the unique character of state-sponsored forced labor, which is “extremely problematic to assess in specific instances” due to the challenges of conducting due diligence among members of a threatened group in a “pervasive police state.”

“The presence of a database entry alone can trigger an investigation, but how is the Commission going to follow this through by proving the presence of forced labor in products from Xinjiang at evidentiary standards typical for company-based forced labor, given local contextual dynamics?” Zenz asked.

## **Link**

<https://sourcingjournal.com/topics/labor/eu-commission-parliament-council-forced-labor-regulation-ban-498239/>

## **Provided by Sourcing Journal**

*(\*Subscription may be required to open this article online.)*

## ECHA proposes five SVHCs for REACH authorisation list

**TBPH included despite pending flame retardant restriction**



© JackF - stock.adobe.com

ECHA is planning to add five SVHCs to the REACH authorisation list (Annex XIV) in its latest update, meaning that, if formalised, companies must seek permission to place the chemicals on the market or use them after a set date.

The agency recommends substances for the list typically once a year. Its selection is primarily based on information in registration dossiers on uses, hazard properties and volumes.

Those in the agency's 12th draft recommendation, including hazards and examples of their uses in the scope of authorisation, are:

- melamine: equivalent level of concern having probable serious effects to human health and the environment. Uses as an additive in foams and coatings;
- bis(2-ethylhexyl) tetrabromophthalate covering any of the individual isomers and/or combinations (TBPH): very persistent and very bioaccumulative (vPvB). Uses in the production of rubber articles, in plastics, adhesives and sealants;



- s-(tricyclo[5.2.1.0 2,6]deca-3-en-8(or 9)-yl)O-(isopropyl or isobutyl or 2-ethylhexyl)O-(isopropyl or isobutyl or 2-ethylhexyl) phosphorodithioate: persistent, bioaccumulative and toxic (PBT). Uses in lubricants and greases;
- diphenyl(2,4,6-trimethylbenzoyl)phosphine oxide: toxic for reproduction. Uses as photoinitiator in UV-curable inks, coatings and adhesives; and
- barium diboron tetraoxide: toxic for reproduction. Uses in coatings and paints, thinners and paint removers.

## Court challenge

Melamine's identification as an SVHC is being challenged before the General Court of the EU. But ECHA says ongoing actions are not "legitimate grounds" for delay or postponement of the listing.

"The conclusion of the cases will be assessed when available," the agency said.

Meanwhile, TBPH will be affected by the potential group restriction on flame retardants that ECHA and the European Commission are preparing.

While there is no decision on whether the substance will be subject to the REACH restriction process, it "will remain for the moment in the draft recommendation for potential inclusion on the REACH authorisation list", ECHA said. "A decision, if it is included in the final recommendation, will be taken later."

## Next steps

The agency has opened a public consultation until 7 May, seeking information on substance uses, possible exemptions from authorisation and on the structure and complexity of supply chains.

REACH registrants of the chemicals are encouraged to update the use information in their dossiers.

The European Commission is calling for information separately on the possible socio-economic impacts of their addition to the authorisation list. ECHA said it will pass this directly to the Commission to consider.

After the consultation, the Member State Committee will prepare an opinion on ECHA's draft recommendation. Based on this and the information gathered, the agency will send its final recommendation to the Commission spring next year.

The agency's previous recommendation for the list was finalised last April, when it put forward eight SVHCs for inclusion.

**Link**

<https://product.enhesa.com/977553/echa-proposes-five-svhcs-for-reach-authorisation-list>

**Provided By Chemical Watch**

*(\*Subscription may be required to open this article online.)*