FASHION PACT

G7
FRANCE
BIARRITZ
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Structure of framework for action

Why

• The global fashion industry is one of the largest, most dynamic and influential industries on the planet, generating over EUR 1.5 trillion a year in revenues[1]. It is one of the most impactful and therefore should also have the power to play a pivotal role in leading the shift towards a more sustainable future.

• We need to show that we can build coalitions of committed public and private leaders that can make a difference on these challenges by scaling new solutions and massively redirecting investment flows towards low-carbon, low biodiversity impacts and resilient development.

• Multi-sectorial initiatives will be key to get results in order to minimize the environmental impacts fashion and textiles have across oceans, climate and biodiversity.

Who

We aim for representation of at least 20% of the global fashion industry as measured by volume of products. The goal would be to have a mix of luxury, "mid-level" and "affordable" brands across the fashion sector.

What

• In recognition of the United Nations" Sustainable Development Goals (the "UN SDGs") and the interrelatedness of our global challenges and solutions, we recognize that our living natural capital is in danger and that this needs to be remedied to have a foundation for a thriving society and business. In this document, the focus is on the three pillars: Climate, Biodiversity and Oceans.

• The "Pact" contains best efforts that are concrete (i.e. visionary but achievable) and that intend to directly address each of the priority areas. In addition to any already ongoing activities, each member company may choose appropriate courses of action from the possibilities listed as examples below each commitment, to achieve the objectives defined in the Pact.

• There should be quantitative targets based on science that can be achieved by both individual companies as well as the industry as a whole. The targets are broad enough to be meaningful to a group of fashion brands that account for a significant share of the fashion industry.

[1] Global Fashion Agenda and The Boston Consulting Group (2017). Pulse of the Fashion Industry 2017.

How

• Acknowledging the substantial work that has been done to date by the fashion sector on environment, social and labor in significant parts of the supply chains, recognizing that resource extraction and initial processing result in the majority of impacts on biodiversity, climate change, and oceans and responding to the urgent need to focus action on the "gaps". In particular we need also to address the interface of our business with Nature, so that all commitments will focus on the "first mile" of fashion supply chains, as a big unaddressed part of the impacts of the industry are felt at farm level and in raw material sourcing locations.

• The "Pact" will not reinvent the wheel but create an overarching framework for action in relation to the One Planet Lab work streams. This includes direct links to the significant work already taking place in existing initiatives within the fashion sector in the manufacturing part of supply chains. The new targets will build on the existing initiatives such as Apparel Impact Institute, C&A Foundation, Ellen MacArthur Foundation, Fair Fashion Center, Fashion For Good, Sustainable Apparel Coalition, Textile Exchange, The United Nations Framework Convention on Climate Change (UNFCCC), UN International Labour Organization/Better Work, ZDHC. The aim is to ensure that new actions will fill the "gaps" across fashion supply chains.

Three levels of action

I. Global commitments: These respond to the priorities set by the global community through the UN SDGs, Planetary Boundaries and all the UN Conventions. They include commitments in three main areas pointed out by the One Planet Lab, as well as actions that are not mandatory but serve as examples of potential initiatives to reach the commitments:

A _ Climate: mitigating & adapting to climate change
B _ Biodiversity: bending the curve on biodiversity loss within 10 years
C _ Oceans: addressing the critical loss of ocean functionality due to climate change and pollution

II. Concrete joint initiatives: these are specific areas of work that require collaboration across brands/companies and all stakeholders of the fashion industry.

III. Accelerators: these are actions that cut across the commitments and that create the enabling environment to achieve the targets. These may also be areas for collaboration within fashion as well as across sectors and that demonstrate leadership and innovation by the fashion industry

NOTE

The Fashion Pact is based on the collective ambition of CEOs to commit to sustainability targets that are needed to bend the curve on climate, biodiversity and fight against the pollution of our oceans. The document is not legally binding and can be seen as a set of guideline.

I. Global commitments

A _ CLIMATE COMMITMENT

We have just eleven years left to halt irreversible climate change. There are many initiatives focused on climate but it is crucial to accelerate the implementation of commitments and catalyse action, therefore:

We will commit to implement Science-Based Targets (SBTs) on climate and drive corporate actions that are consistent with a 1.5-degree pathway through a 'just transition' to achieve net-zero by 2050. This may include specific targets/actions around:

1. Support of the UNFCCC Fashion Industry Charter with the ambition to implement SBTs.

2. After taking all measures possible to reduce and avoid carbon emission, committing to offset through verifiable programs such as REDD+ to achieve 'net-zero' by 2050.

3. Supporting climate adaptation and resilience through sustainable sourcing of key raw materials.

4. 100% renewable energy across own operations with the ambition to incentivise implementation of renewables in all high impact manufacturing processes along the entire supply chain by 2030.

B _ BIODIVERSITY COMMITMENT

Biodiversity underpins life and society and yet, we have lost 60% of species and ecosystem functionality. The priority for society in the next decade is protection and restoration of biodiversity but there are currently no significant initiatives by fashion industry for this yet.

We will commit to support the development of SBTs on biodiversity and the implementation of these targets within our sector to assure our contribution to the protection and restoration of ecosystems and the protection of key species. Specifically:

All companies pledge to develop their own biodiversity strategies to meet forthcoming SBTs on biodiversity. These strategies will not only measure each company's impact on key species and ecosystems, but will also delineate concrete actions to prevent any future loss of these two elements of biodiversity. Company biodiversity strategies may include, at the choice of member companies, any of the following specific targets/actions around working with their supply chains:

1. Regenerative approaches to agriculture[1] that restore soil and grasslands and optimize biodiversity on farms.

2. Eliminate the sourcing from intensive feed-lot based farming and supporting production systems that optimize the animals' time on natural pasture aligned with the adoption of animal welfare standards across the industry.

3. Supporting material and process innovations that have no negative impact on key species and ecosystems.

4. Ensuring that we do not contribute to the loss or degradation of natural forests.

5. Supporting actions throughout our supply chains that restore natural ecosystems and protect key species.

6. 'Wildlife friendly' approaches to agriculture, mining and forestry that promote the conservation of key species.

C _ OCEAN COMMITMENT

In recognition of the rapidly degrading ocean environment resulting in the fact that we have lost 90% of large fish and that by 2050 coral reefs may no longer exist, remaining ocean fisheries may have collapsed and that there could be more plastic in the ocean than fish…

The fashion sector will commit to significantly reducing the negative impacts that it has on the ocean environment, in collaboration with other existing leading initiatives. This may include, at the choice of member companies and to the greatest extent possible, the following:

1. Eliminating the use of single use plastics (in both B2B and B2C packaging) by 2030.

2. Supporting innovation to eliminate micro-fibre pollution from the washing of synthetic materials.

3. Through sustainable sourcing of raw materials, promoting agricultural and mining production that do not result in chemical pollution of rivers and oceans.

4. Supporting efforts to educate consumers on product care to avoid micro-plastic pollution from washing.

5. Supporting new technologies and adoption of pollution controls to safeguard wthe rivers and oceans from chemicals released through the fashion production supply-chain.

6. Supporting the implementation of guidelines (i.e. Operation Clean Sweep) on the best practice for managing (and controlling the release of) plastic pellets that are the 'feedstock' for plastic-based fibres and packaging.

[1] Regenerative agriculture refers to a set of practices increasing the overall health of local ecosystems by: 1) strengthening soil health for greater carbon sequestration, water protection, and biodiversity enhancement 2) acknowledging the key role of farmers and the positive impact of farming, strengthening the economic viability of this activity. (Definition From Coalition for Biodiversity concept note, Danone)

II. Joint initiatives

These initiatives are designed to be collaborative across the fashion sector as well as with other industrial sectors. The collaboration will extend to expert public, non-profit and academic organizations that already have a range of initiatives in place.

• Transparency & Accountability: building the systems for certification, verification and traceability of materials and impacts through supply chains. This may include:

- Support for the development and implementation of certifications schemes for all key (& high impact) materials (e.g. leather, cotton, cashmere, wool, metals, viscose, synthetics, etc.);
- Support quantitative targets on the % of materials and processes that are covered by sustainability certifications;
- Measure, track and report to an impartial third party, the outcomes of 'sustainable' materials and processes (in terms of impacts on biodiversity, climate, social inclusion, water pollution etc.) every two years;

• Implement Science-based target on climate and jointly support the development of SBTs on biodiversity. These may include for example:

- Commitment to halt any negative impacts on key species and ecosystems
- Commitment to actively support and work with initiatives in raw material sourcing countries to halt any conversion or degradation of natural habitats (including forests, grasslands)
- Commitment to actively support and work with initiatives in raw material sourcing countries to restore habitats and protect wildlife

• Support initiatives that advocate new approaches in farming and agriculture (e.g. regenerative) that eliminate the need for intensive, high impact systems.

• Moreover, work to ensure social inclusion, fair wages and respectful working conditions all along our supply chains with a focus on empowering small-hold producers and women in low-income countries.

III. Accelerators

These are enablers that cut across the commitments and that create the environment to achieve the targets. These may also be areas for collaboration within fashion as well as across sectors and that demonstrate leadership and innovation by the fashion industry.

- **Circular Economy:**

Support the adoption of 'circularity' principles across fashion brands such as the sourcing of regenerative raw materials, material efficiency and recycling/upcycling. This includes both 'design for circularity' and addressing' the end of life of materials and products'.

- **Educate & build awareness:**

Develop innovative approaches to educate the next generation of designers and raise awareness with consumers on how they can engage with these global commitments.

- **Drive more impact financing through cross-sector collaboration:**

Support platforms that will enable new and significant financial investment and cross-sector collaboration for key solutions in areas related to biodiversity, climate change and the ocean (e.g. agriculture, mining, forestry, traceability etc.).

- **Support innovation around key technologies that can underpin commitments and outcomes:**

This would include support to innovations for low-impact materials, traceability, measurement and monitoring of impact and outcomes, as well as the means to scale the financing of investment in those innovations.