

FEBRUARY 2025



THE FASHION PACT

# AN UPDATE ON PROGRESS

2023 - 2024





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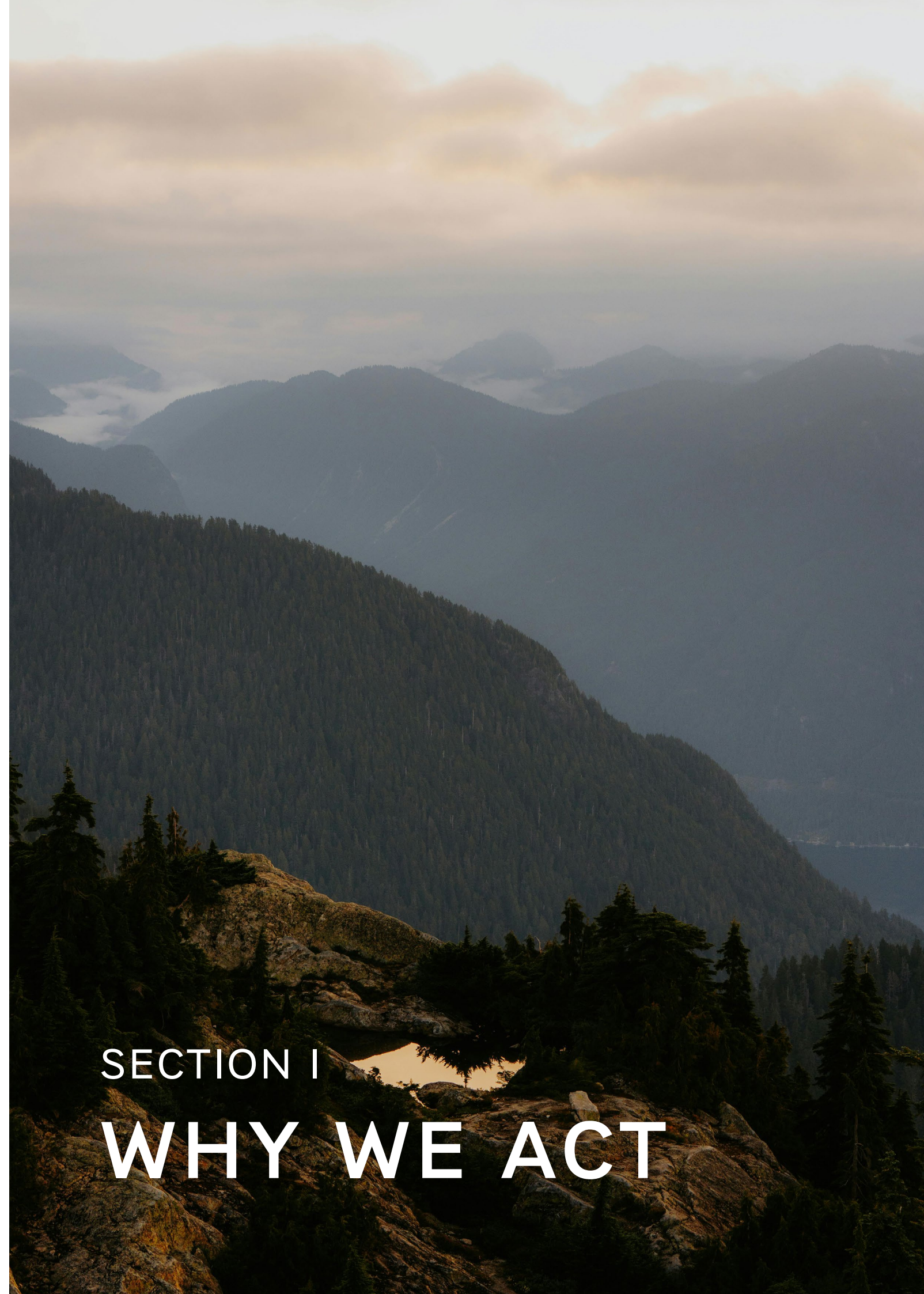
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# SECTION I WHY WE ACT



# FOREWORD

Five years ago, as we launched The Fashion Pact on the world stage at the G7, it was with absolute certainty that only collective action would put our industry on a pathway to becoming nature positive and net zero. For all of that certainty however, there was very little else we could be sure of. We were entering the uncharted territories of industry-level collaboration and systems change.

I am proud to say we have learned much over these last five years about what it takes to drive change at an industry level, and we have retained that pioneering spirit; the willingness to venture into the unknown, charting pathways for collective action that have helped to address challenges at unprecedented scale.

As with any journey, the willingness to start something has to be matched by the determination to finish it. The fashion industry has a long way to go and time is not on our side.

Our initial focus was grounded in mobilizing industry leaders towards a common vision, building momentum towards a fashion industry that is part of the climate and nature solution, not the problem. This phase was marked by an emphasis on setting an ambitious agenda and inspiring a shift in corporate mindsets. Now, as this report shows, our focus has evolved to developing robust joint actions capable of scaling and delivering that vision.

Global instability and economic uncertainty have all played a part in making this a challenging time for many sustainability efforts across many industries. In this context, the progress demonstrated in this report shows the need to resist our industry's individualist tendencies. While the idea of going it alone can feel seductive, particularly to competitive instincts, the last 12 months have shown that when it comes to solving the climate and nature challenges, collaboration is the only way to overcome the barriers standing in our way. The achievements in this report are the result of a shared vision and concerted efforts across our membership.

For example, through engagement at the CEO level we have been able to carry out collaborative actions at unprecedented speed. Our renewable energy CVPPA was delivered at twice the industry's usual pace, setting a new standard for collaborative efficiency.

The CEO engagement has also allowed us to create the legally-binding collective commitments that turn sustainability ambition into industry actions. This has only been possible by removing the silos that often hinder climate and nature efforts – engaging with finance, operations and legal teams, not just sustainability leads – to ensure commitments are supported by strong governance.

*“...it is also clear that much has been learned; about the nature of collaboration, the importance of leadership, and the value of learning through doing.”*

We know we do not have all the answers. As well as unleashing the knowledge and talent within our network, we have attracted the best experts in our industry and beyond to contribute innovative ideas and specialized skills. With their support we build on existing solutions and develop new ideas where needed, including most recently the Future Supplier Initiative.

We have also begun the necessary work to ensure the ways we measure progress keep pace with this raising of the bar. This is explored in more detail later in this report.

Our focus on collective action remains steadfast and I hope this report not only highlights the progress we've made, but serves as a call to action and helpful tool for others.



Inditex HQ, October 2024  
Steering Committee

There are still many questions to be answered by our industry – more than anyone could have known when we started out. Yet it is also clear much has been learned; about the nature of collaboration, the importance of leadership, and the value of learning through doing. I am confident that through our collective efforts we will continue to answer the questions being asked of this industry and make progress towards our shared vision – always moving forwards and doing so together.

*Eva von Alvensleben*

Eva von Alvensleben  
**Executive Director and Secretary General  
The Fashion Pact**

# VISION, MISSION, AND ACTION AREAS

**OUR VISION** is for a united fashion industry pioneering new approaches to contribute to a nature-positive, net-zero future.

Achieving this requires both technical and operational solutions - for example, creating lower impact materials and production methods; as well as the frameworks necessary to finance, implement and scale them.

Underpinning those solutions is a mindset shift, to ensure pre-competitive collaboration and collective investment become second nature.

To ensure we meet the dual challenges of creating technical solutions and enabling conditions, we consider three key areas of our mission and four areas of technical focus.

## OUR MISSION

We **chart a pathway** for the industry

and **create collective solutions**

powered by **CEO leadership.**

## OUR ACTION AREAS



## OUR APPROACH:

### THE MIIA METHODOLOGY

We follow a science-based methodology to create change on an industry level. Our process follows four steps from start to shift:

#### INDUSTRY MAPPING

Working with experts to identify white space where collective efforts have the greatest impact

#### CEO INPUT

To decide which white spaces we target and actions we will develop to address critical issues

#### COLLECTIVE INTELLIGENCE

To provide guidance and tools for members to build knowledge and capacity

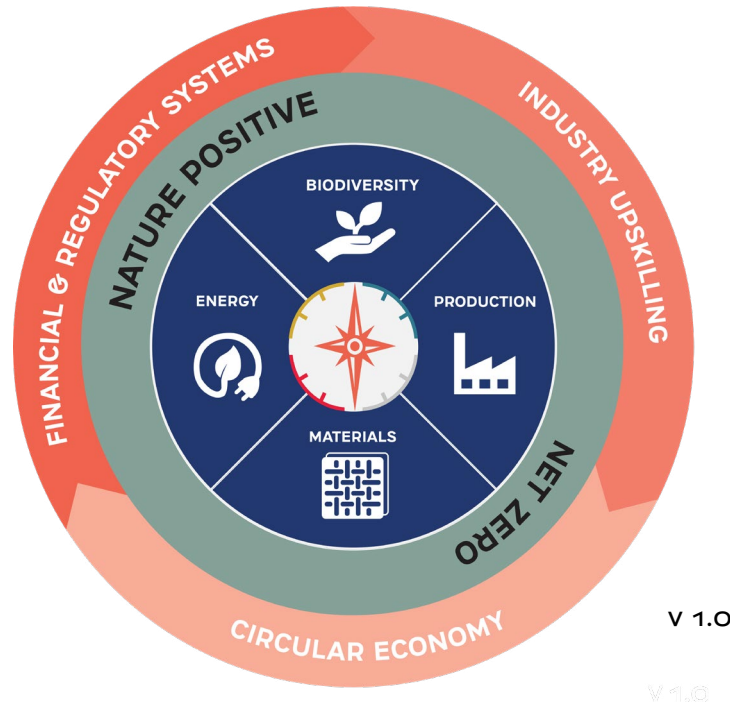
#### JOINT ACTION

To pilot pioneering collective solutions with our members in key areas



# CHARTING A PATHWAY

## The Fashion Industry Compass



ENERGY

Increase the availability of renewable energy in own operations and supply chain



MATERIALS

Scale up the availability and enable the adoption of lower impact materials.



BIODIVERSITY

Set a path on biodiversity and deforestation for the industry to start understanding its impact and take actions to restore biodiversity



PRODUCTION

Reduce supply chain impacts through collective financing

As the urgency, awareness, and solutions related to global challenges rise, so does the need to evolve our approach. This means constantly examining where we are, where we have come from, and where we are headed. That means having a compass, not just a map, is essential.

We worked with the Massachusetts Institute of Technology (MIT) Fabric Innovation Hub to create the Fashion Industry Compass. It is designed to concentrate focus and resources on the most effective areas for our CEO-led

collaborative to drive impact.

The compass builds on the three areas of intervention identified by the G7; mitigating climate change, restoring biodiversity, and protecting the oceans. Unlike a conventional compass, it doesn't matter which of its four directions you set off in – Energy, Biodiversity, Materials, Production - as they are interconnected and progress towards any of them supports progress towards the final destination.

## SECTION II

# WHAT WE DO



# ENERGY

## Catalysing Collective Power to Generate Renewable Energy

Despite widespread awareness of the importance of transitioning to renewable energy and the setting of ambitious targets, many businesses have been unable to make the switch at speed and scale.

While a few large-scale players have always been able to develop their own renewable energy infrastructure or invest in individual Power Purchase Agreements (PPAs), the complexity, high upfront costs, and complex process, has put such agreements beyond the reach of most brands, slowing or stopping their progress. Many existing efforts also fail to contribute to the need for an overall increase in renewable energy infrastructure.

### CVPPA

To achieve impact at speed and scale, we need to bring more players into the market. Having established collective power purchasing agreements as the most direct pathway for our members to reach their own operation renewable energy goals, we developed the Collective Virtual Power Purchase Agreement (CVPPA). Twelve brands came together, marking an unprecedented level of engagement within the fashion industry.

### HOW IT WORKS

A power purchase agreement (PPA) is a long-term contractual agreement between energy buyers and sellers, traditionally bilaterally, where they agree to buy and sell an amount of energy which is or will be generated by a specific renewable project.

A Collective Virtual Power Purchase Agreement (CVPPA) however, is a shared multi-buyer contract, which does not connect the renewable asset directly to the site that will consume the electricity generated, but instead adds additional renewable electricity to the grid, allowing for greater geographical flexibility.<sup>1</sup>

The Fashion Pact CVPPA is a long-term project that accelerates renewable electricity adoption by investing in new clean energy infrastructure. It aims to add more than 160,000 MWh per year of renewable electricity to the grid in Europe and is unique for the fashion industry in that it involves a large number of companies both big and small working together.

Participants were able to share project costs – adjusted according to their size – and receive expert support from The Fashion Pact throughout. At the same time they have helped underwrite the expansion of new renewable energy production, by guaranteeing a market for future capacity.



<sup>1</sup>What is a PPA? The Guide to Power Purchase Agreements, Paxapark

### TIMELINE

- **2022**  
Onboarding of 12 brands
- **2023 Q1**  
Solar energy developer identified
- **2023 Q2**  
Term sheet negotiations
- **2023 Q3**  
PPA agreements signed
- **2024 - 2026**
  - Sharing learnings
  - Ongoing support to brand participants
  - Building solar asset

### OUR ROLE

#### Project development and oversight

Project conception and design transitioning into guidance and oversight.

Overseeing the signature of the agreement between brands and the energy developer for the creation of a solar renewable energy plant in Spain.

#### Building trust and facilitating collaboration

Building and coordinating CEO engagement.

Supporting participants' internal processes, mobilization of internal resources and personnel, and decision making.

Acting as an independent advisory and representative body for participants, building the trusted environment necessary for collaboration.

#### Developing capacity

Establishing a support system, including knowledge-building webinars and office hour sessions, and access to best-in-class technical expertise.

### OUR PARTNERS

**Deloitte**

Technical and learning stage support.

**EY**

Technical and learning stage support.

**Baker McKenzie**

Provided legal support to all brands.

**LevelTen Energy**

Platform used for the tender, connecting energy buyers and sellers. Reviewing potential projects proposed for the CVPPA.

**2050**

Worked with members to map out areas where we could use the collective to reach our renewable energy in their own operations target and identified a PPA as the best possible solution.

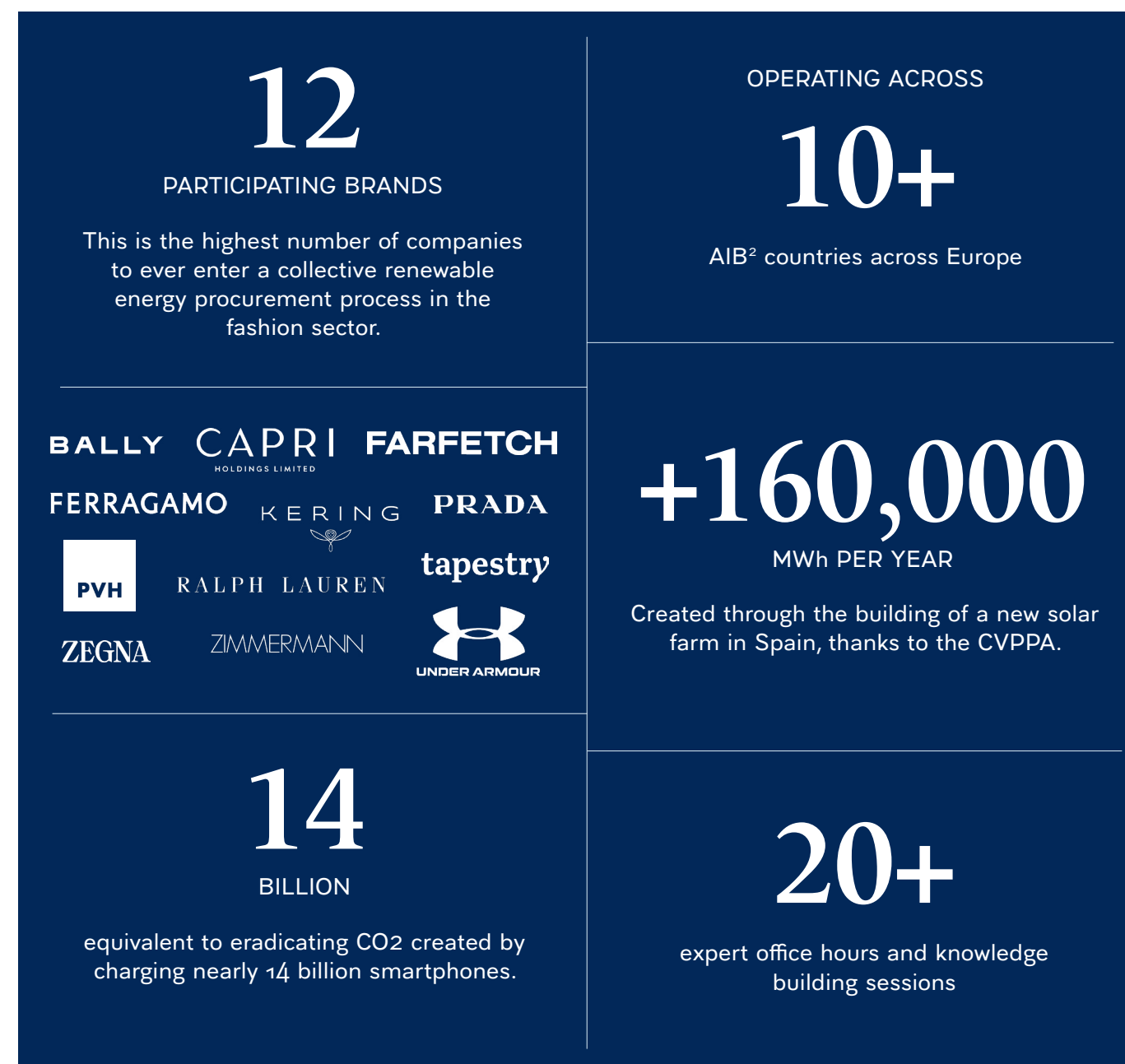
**Lightsource bp**

Energy developer creating the solar renewable energy plant in Spain.

**Guidehouse**

Provided ongoing renewable energy expertise and commercial technical support to participating brands during the negotiation.

## KEY DATA



<sup>2</sup>Association of Issuing Bodies, [aib.net](http://aib.net)

## LOOKING AHEAD

We are no longer accepting participants. We are exploring how this agreement can be extended to further reduce scope 2 emissions. Work is also underway to consider how collective agreements could be used to address scope 3 emissions.

To enable the roll out of similar agreements we will publish a playbook containing insights and recommendations; including a focus on the mindset shift towards investing for systemic change, assessing the accounting implications of the European market and the technical learning curve on necessary competencies.

## LOWER IMPACT PRODUCTION

## Decarbonising Supply Chains by Reducing Risk and Increasing Investment

An estimated 99% of total fashion brand emissions occur in the supply chain (Scope 3), particularly during energy-intensive manufacturing activities like dyeing and treating fabrics.<sup>1</sup>

Net zero cannot be achieved without transitioning to electrified processes and renewable energy, which requires substantial investments, often with lengthy payback periods exceeding 15 years. Together with high upfront costs, this can pose a significant challenge for factories, hindering decarbonisation.

## THE FUTURE SUPPLIER INITIATIVE

To solve these challenges, The Fashion Pact has partnered with the Apparel Impact Institute (Aii), and Guidehouse, as part of the Future Supplier Initiative. FSI is a brand-agnostic, collective-financing model that uses technical support and financial incentives to address the risks and high upfront costs associated with deep decarbonisation in Tier 1 and 2 garment and textile factories.

*“By sharing the costs, risks and responsibilities of the transition to renewable energy, we can build an ecosystem of solutions and kickstart a new era of positive change.”*

Eva von Alvensleben, General Secretary & Executive Director, The Fashion Pact

## HOW IT WORKS

By establishing common factory units, interventions, and costs, FSI enables global and regional collaboration to drive impact across the value chain.

<sup>1</sup>[Fashion Industry Charter for Climate Action](#)



Through the financial strength, strong partner bank network — starting with DBS Bank for the initial cohort — and supplier relationships of participating brands and organizations, the Future Supplier Initiative reduces the cost of capital for loans to finance decarbonisation investment.

At the same time, it provides the necessary technical support to help suppliers identify and implement the most appropriate low carbon solutions, such as updated technology and processes, while baselining and monitoring emissions reductions to measure impact.

Each FSI cohort is planned for an initial period of two years. Following this, brands would rejoin to carry on identifying and investing in new projects. Guidehouse will continue to manage the factory projects with supplier commitments and funding already committed.

## FSI INVESTMENT CYCLE

- LAUNCH**  
 Participating brands sign contracts and submit eligible supplier lists
- 1-3 MONTHS**  
 A steering committee is formed, supplier evaluations are conducted, suppliers are introduced to the programme, and initial proposals to engage suppliers are developed
- 3-18 MONTHS**  
 Suppliers make commitments to participate and projects are developed, estimating the costs and benefits. OEM facilitation takes place; loan amounts are finalised
- 6-24 MONTHS**  
 Financial agreements are made between parties, and GHG accounting and monitoring plans are developed for each factory; loan agreements are signed
- 12-24 MONTHS**  
 Funds are disbursed to factories, technologies installed at factory sites, and reporting of carbon benefit takes place
- BACK TO LAUNCH**

## TIMELINE

- 2023 Q1**  
 Supplier sprint
- 2023 Q2**  
 Project designed and tested by H&M Group and brought to The Fashion Pact
- 2024 Q1**  
 Cohort creation across APAC
- 2024 Q2**  
 Launch of Bangladesh Cohort with H&M Group, BESTSELLER, Gap Inc., and Mango
- ONGOING**  
 Brand recruitment

## OUR ROLE

The Fashion Pact brings together CEO leadership and recruits brands and future cohorts, enabling joint action at scale.

Participating brands from our community share lists of their Tier 1 and Tier 2 factories, enable the financing, and implement projects.

## OUR PARTNERS

### Guidehouse

Facilitates the initiative, running the supplier assessment and analysis, conducting project management and implementation, and onboarding brands.

### Apparel Impact Institute

Provides first loss capital, recruiting brands, and identifying projects at suppliers.

### Banking institutions

Finance measures at factory level to reduce emissions at a low capital cost. The first of these banking partners is DBS Bank.

## KEY DATA



<sup>1</sup>Dependent on the confirmation of additional brands

## NEXT STEPS

We are actively recruiting more brands, and urge as many as possible to be involved. For more information on how to join, please visit [Future Supplier Initiative](#).

## LOOKING AHEAD

We will explore opportunities to broaden financial incentives to go beyond access to capital.

We are working to identify metrics that will allow us to measure impacts across social and environmental outcomes, beyond GHG emissions.



# LOWER IMPACT MATERIALS

## Supporting Farmers and Transforming Cotton Production

The need to address GHG emissions caused during raw materials production is clear. These Tier 4 emissions account for an estimated 40% of fashion's total GHG emissions – with cotton representing 27% of raw material production by volume. At the same time, demand for sustainable raw materials is growing, and could exceed supply by as much as 133m tonnes by 2030.

The opportunity to reduce emissions and meet demand faces significant barriers however, including a lack of clear data and a complex and often opaque value chain. As a result, solutions require strong, coordinated technical and financial support for farmers and producers.

*“The fashion industry has a very overlapping supply chain and it lends itself really well to collective efforts in pre-competitive platforms. It's a really good way of incubating these aligned systems that are probably useful in all industries.”*

Laila Petrie, Future Earth Lab

### THE UNLOCK PROGRAMME

The system-level interventions necessary to transform materials production are out of reach for individual players, which have relatively few tools at their disposal, such as increasing aggregate demand for certified raw materials.

To address this, The Fashion Pact partnered with sustainability consultancy 2050 (with funding support from the Laudes Foundation<sup>3</sup>), to create the Unlock Programme, to catalyse adoption of lower climate impact and regenerative farming practices globally.

Unlock is a collective, pre-competitive not for profit initiative, which prioritises impact, and focuses on inclusivity for multiple programmes, farming groups and production regions. It provides brands with a consistent claims mechanism across a broad range of programmes. This highly unusual collaboration creates an efficient system for participating brands, cotton programmes, and farmers.

### HOW IT WORKS

Unlock Programme works with brands and farmers to address three key areas:

#### Quantification

Quantifying GHG benefits from better practices, as well as benefits for biodiversity, water, soil and farmer livelihoods.

#### Incentivisation

Providing early additional incentives to farmers to apply improved practices and technologies – increasing farm resilience and creating incentives for more farmers to switch to low climate impact and regenerative practices.

#### Validation

Supporting brands in connecting to farmers and making validated, credible scope 3 reduction and removal claims for cotton in line with SBTi and LSRG requirements.

By channeling investment directly to farmers to address GHG emissions, Unlock enables decarbonisation and supports farmer livelihoods at the same time.

Measured GHG reductions and removals are converted into 'Unlock Units', which brands can purchase from farmers within their supply chain or supply shed. Farmers receive the revenue from the sale of each unit, while brands can claim credible scope 3 emissions reductions, supporting progress against their Science-Based Targets.

Unlock is certification-agnostic and does not prescribe which specific practices should be adopted to farmers. Instead, it measures the benefits and outcomes of whatever practices the farmer is implementing, allowing us to partner with a range of organisations like Better Cotton and the Organic Cotton Accelerator, even though their farmers may be using slightly different approaches.

Unlock works directly with key stakeholders to ensure solutions are inclusive of Global South actors. Together with our partners, we aim to promote climate justice and ensure the financial burdens of agricultural decarbonisation do not disproportionately fall on farmers and suppliers who are predominantly based in the Global South.

For brands, this delivers carbon reductions or removals in their scope 3 inventories with validated GHG quantification and incentivizes the uptake of more sustainable cotton production practices.

### TIMELINE

- **2024 Q2**
  - First Unlock Units available for pilot participants
  - Methodology audit with certifying body
  - Farmers onboarded in India & US
- **2024 Q3**
  - Data collection and validation for 2024 cohort
  - Brand participants onboarded to purchase pilot units and for 2024 growing season
- **2024 Q4**
  - Preparation for full Unlock Programme rollout – including governance and membership structures and expansion to new geographies
- **2025 Q1**
  - Scaling of programme including expansion to new geographies and additional implementing partners



### OUR ROLE

Our primary focus has been to serve as a platform for Unlock to be incubated, to provide the initial financial support for the project the mobilisation of CEO support for the initiative and bringing it to the attention of the wider industry, helping to align the industry behind consistent methodologies and new approaches.

### OUR PARTNERS

#### Future Earth Lab

Following the completion of the pilot phase, the programme is now housed within Future Earth Lab, a registered charity that will take forward the development and delivery of Unlock.

#### 2050

Build out all technical aspects of the programme, establish implementing partners, technical partners and validation bodies, and create the data systems.

#### Implementation partners:

- Organic Cotton Accelerator
- Better Cotton
- Indigo Ag
- Climate Beneficial™ Verification Program
- Staple Cotton Cooperative Association
- Carolinas Cotton Growers Cooperative
- Albin Group

Help farmers reduce and GHG impacts, as well as other impacts such as biodiversity, soil, water and outcomes on livelihoods.

<sup>1</sup>Roadmap to Net Zero, WRI and Aii (November 2021)

<sup>2</sup>Sustainable Raw Materials Will Drive Profitability for Fashion and Apparel Brands, Boston Consulting Group, (October 2023)

<sup>3</sup>The Laudes Foundation provided €200k funding for the Unlock Programme.

## KEY DATA

25

BRANDS PARTICIPATING IN THE PILOT

Including Adidas, Burberry, Diesel, Gap, Armani, H&M Group, House of Baukjen, Inditex, J.Crew, Lacoste, Madewell, Moncler, Tendam, Zegna, and Zimmermann

10k 90k

farmers planned for enrollment in coming years

Co-benefit frameworks developed for  
**biodiversity •  
water • soil health •  
livelihoods**

100%

of the value of the Unlock Unit sale goes to the farmer with no transaction costs



Detailed GHG methodologies developed for US & India

34

farmers assessed for GHG reductions and removals in the 2023 pilot phase

## LOOKING AHEAD

Unlock has now completed its pilot phase and scaled to include 10 to 15,000 farmers in its transition growing season of 2024. This transition includes its move to be housed within Future Earth Lab, a registered charity that will take forward the development and delivery of Unlock.

Up to 90,000 farmers are planned for enrollment in the coming years and the programme is open for brands to join. We are exploring additional Implementing Partners for the 2025 growing season.

## Polybags

Polybags play an important role in protecting garments as they make their way along the supply chain; however, they are often discarded and replaced at each stage, ending up as waste or pollution due to poor collection and recycling systems.

As part of our commitment to circular economy solutions, we set out with 17 members by the end of 2021 to investigate the impacts of replacing plastic polybags with paper options.

## INDUSTRY MAPPING

Working with experts to identify white spaces where collective efforts have the greatest impact

## CEO INPUT

To decide which white spaces we target and actions we will develop to address critical issues

## COLLECTIVE INTELLIGENCE

To provide guidance and tools for members to build knowledge and capacity

## JOINT ACTION

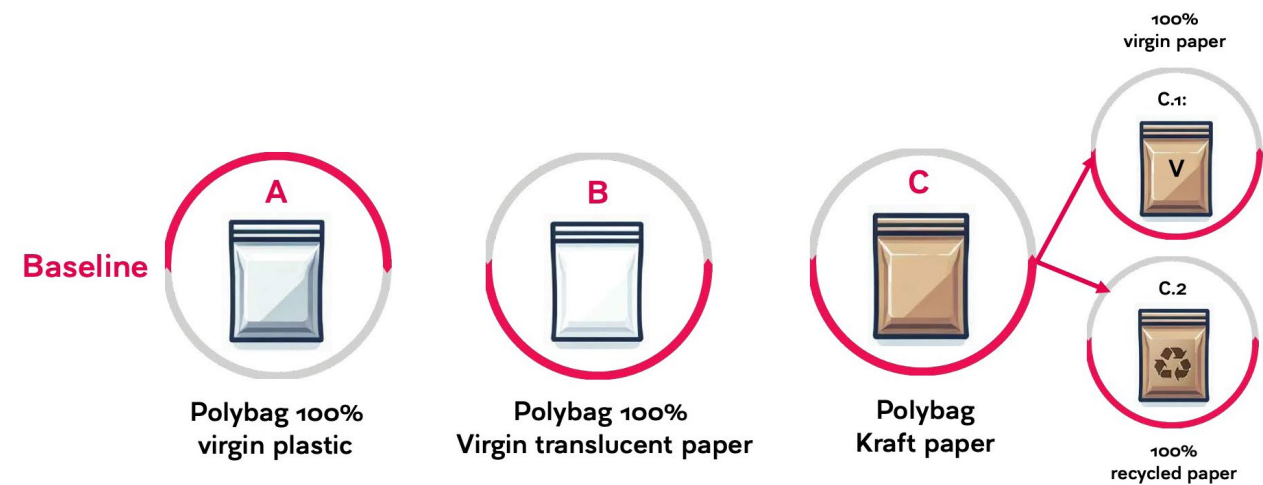
To pilot pioneering collective solutions with our members in key areas

Despite providing valuable lessons, this collective R&D project did not meet the conditions to be scaled to the Joint Action stage.



## OUR APPROACH

The Fashion Pact created a collective R&D project to examine the impacts of replacing plastic polybags with paper options (recycled and non-recycled, Kraft from the paper producer Gascogne, and translucent Cristal paper from Ahlstrom Munksjo).



Source: Quantis Life Cycle Analysis 2023

The R&D phase, which included an LCA, revealed important technical and geographic factors impacting the performance of each material that stand in the way of a universal solution.

For more information about the findings and industry recommendations, please see [The Fashion Pact Journal article Alternatives to Polybags article](#).

## CONCLUSIONS

After completing the collective R&D phase (MIIA Stage 3), the group assessed the opportunities for Joint Action (MIIA Stage 4).

As packaging represents less than 2% of textile industry GHGs, while raw materials and material production account for >90%, it was agreed the collective could have more impact by Joint Actions elsewhere. Meanwhile, our members and the wider industry can use the outcomes of the R&D to drive individual actions that better recognise on-the-ground supply chain conditions. Additionally, these actions can align with the many existing efforts to address plastic waste and pollution.

Despite not reaching the necessary conditions

to become a Joint Action, this project demonstrated the value of The Fashion Pact's collaborative approach.

The collective R&D pilot allowed us to compile feedback on testing by different brands in their distribution centers and own facilities, which provided a more holistic and detailed perspective than testing by a single brand. In addition, we were able to identify the impressive performance of an additive produced by French company FunCell, while it was an early stage start-up. This helped to increase industry awareness, demonstrating The Fashion Pact's ability to accelerate adoption of promising solutions.

# BIODIVERSITY

## Charting a Pathway Towards a Nature-Positive Fashion Industry

Not only does nature provide the ecosystems on which life all depends, it produces many of the resources on which our industry is uniquely reliant, such as cotton, wool, and other raw materials.

Like most industries, fashion is in debt to nature. We take more than we give back through soil degradation, deforestation, and water pollution, caused during raw-material production, material preparation and processing, and the end of life stage.<sup>1</sup>

As a result, the growth of our industry has led to a significant contribution to a crisis in biodiversity – which is declining at the fastest rate in human history. An estimated one million species (between 12% and 20% of total known species) are under threat of extinction.<sup>2</sup>

The imperative to address these issues goes far beyond the needs of the fashion industry, however fashion's unique connection to biodiversity means it has a significant opportunity to deliver nature-positive outcomes.

## TRANSFORMING THE FASHION SECTOR WITH NATURE

Many biodiversity-related frameworks, tools and metrics have been, and continue to be, developed. This rising attention on the issue is welcome, but it has also created challenges. Many businesses are struggling to understand where to start or how best to move forward on becoming nature positive or lack a clear vision of how to set their ambition.

Working in collaboration with Conservation International, with USD \$2m funding from the Global Environment Facility (GEF), the Transforming Fashion Sector with Nature project(2021 - 2023) has been designed to:

1. Set a baseline for biodiversity and nature-positive actions, build capacity and provide robust tools, and measure progress towards frameworks such as the Science-Based Targets for Nature.
2. Support existing on-the-ground initiatives in key commodities by encouraging company participation and investment to improve sourcing pathways of these materials.

## HOW IT WORKS

A series of tools and guidance were developed to help brands understand where they are, set a baseline and targets, then develop their strategy to progress and measure their performance against those targets.

The tools and guidance were designed in line with existing leading methodologies for mapping biodiversity and environment risk/impact across supply chains, as well as help brands navigate the available frameworks and mechanisms.

*“Reaching net-zero is not possible without nature. And nature is fast declining. The fashion industry is uniquely dependent on natural ecosystems for its materials and operations. Understanding the industry's environmental impacts and enabling businesses to take actionable and measurable strategies on nature are critical first steps to system change.”*

Eva von Alvensleben, Executive Director & Secretary General, The Fashion Pact

<sup>1</sup>Biodiversity: The next frontier in sustainable fashion, McKinsey  
<sup>2</sup>United Nations Office for Disaster Risk Reduction

- STEP 1:

BIODIVERSITY BENCHMARK

Textile Exchange's Biodiversity Benchmark creates a baseline of signatories individual and aggregated impacts on Biodiversity.

BIODIVERSITY LANDSCAPE ANALYSIS

A report which provides a shared, centralised reference point on the current state of play on the topic of biodiversity for the fashion industry and how companies can take actions.
- STEP 2:

BIODIVERSITY STRATEGY TOOL NAVIGATOR

A web-based platform that guides signatories through the stages of developing a biodiversity strategy with recommended tools and resources to complete each stage.

FASHION NATURE RISK LENS

An interactive website on fashion's global environmental impacts that explore land use footprint and deforestation risk across the globe for select materials and subsectors.

FASHION SECTOR FUTURE SCENARIOS

Assessment of Fashion Pact impact potential using future scenarios assessments aligned with [SBTN AR3T framework](#).
- STEP 3:

DEEP DIVE ANALYSIS

Three pilot commodity analyses (cotton, viscose, and leather) on supply chain impacts on nature and scenarios to help prioritise action.
- STEP 4:

SUSTAINABLE SUPPLY PATHWAYS

Three commodity-based projects: gold, leather, and cashmere. Future commodity projects to be identified.

SBTN FASHION SECTOR PRIMER

Industry-specific guidance for fashion and textile companies to set Science-Based targets for nature.

OUR PARTNERS

FUNDING ORGANISATION:

- Global Environment Facility (GEF)

CO-EXECUTING AGENCY:

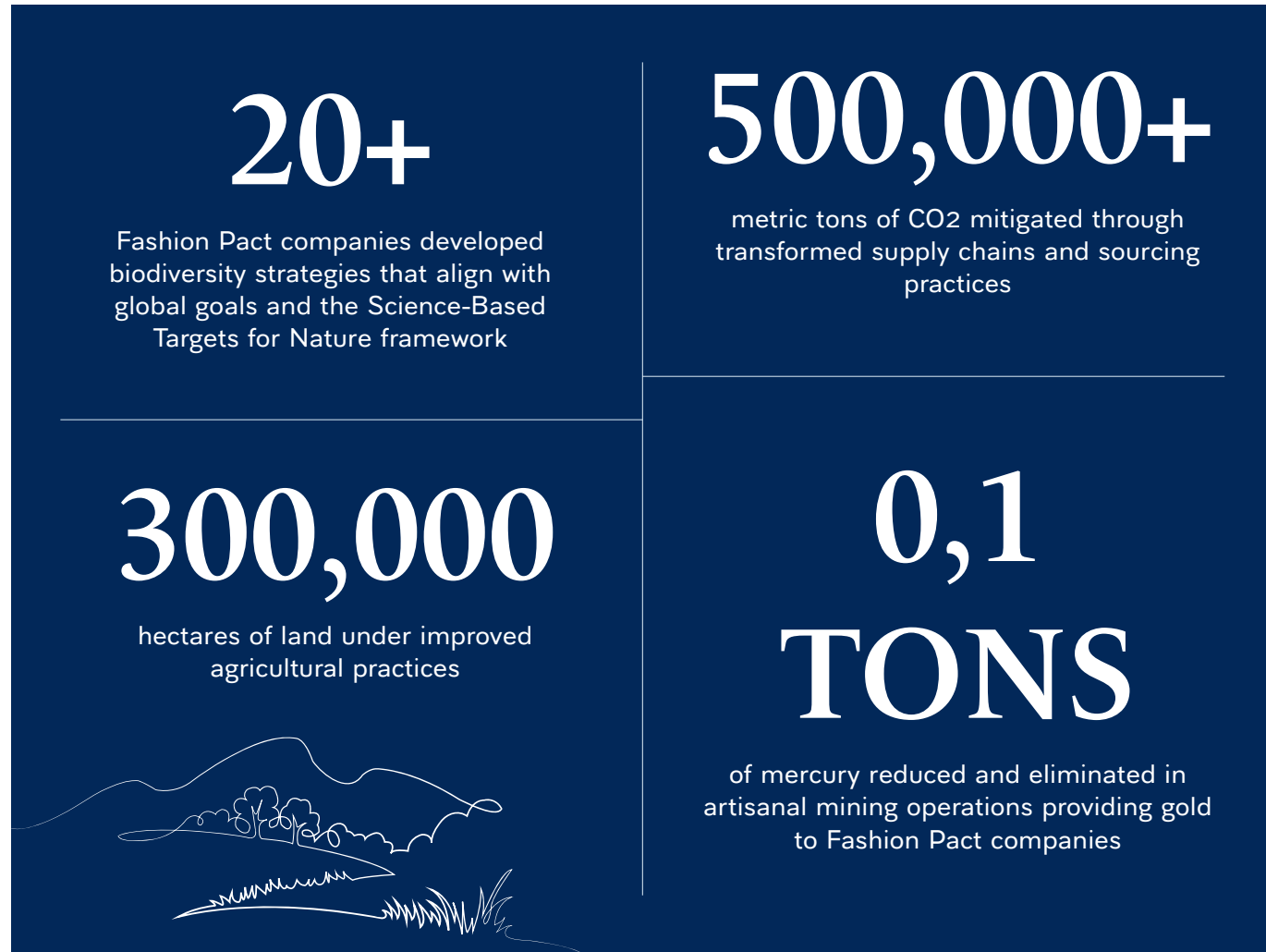
- Conservation International

DELIVERY PARTNERS:

- Textile Exchange
- The Biodiversity Consultancy
- TDi Sustainability
- The Impact Facility
- Wildlife Friendly Enterprise Network

- UNDP
- UNEP-WCMC
- IUCN
- Cambridge Institute for Sustainable Leadership

KEY DATA



For more information: refer to [Retrospective Report Released for the Conclusion of the “Transforming the Fashion Sector with Nature” Project](#), published in April 2024

LOOKING AHEAD

We are continuing to explore how The Fashion Pact can build on the learnings and achievements of the Transforming Fashion with Nature project to increase industry momentum in understanding and addressing its impacts, risks and dependencies on biodiversity.

Together with Conservation International, we have launched a workstream to enable collective action towards Deforestation and Conversion-Free fashion supply chains. This will involve identifying fashion-relevant areas of key deforestation and natural ecosystem conversion.

Looking forward, The Fashion Pact will work with key partners across the industry to further develop a path forward for collective efforts towards a nature-positive future. Concretely, this means refining our ambition via an updated impact strategy, and translating this strategic

vision into concrete, impactful action for our members.



## SECTION III

# MEMBERS' PERFORMANCE OVERVIEW

SECTION III: MEMBERS' PERFORMANCE OVERVIEW

## MEMBERS' PERFORMANCE OVERVIEW

### Measuring Consolidated Data Against Key Targets

Since 2022, we have partnered with Textile Exchange to streamline timelines and the number of reporting requests for members. Textile Exchange collects, reviews and aggregates the data across their Materials Benchmark and Fashion Pact focus areas.

#### TARGETS

Mitigating climate change through the implementation of SBTi Science-based targets to achieve net zero by 2050:

- Ensuring that 25% of key raw materials are lower climate impact by 2025
- Achieving 100% renewable energy across own operations by 2030
- Brand and retailer members are required to set targets across scope 1, 2 and 3 (validated by SBTi) by the end of 2025. Manufacturers are encouraged to set science-aligned targets or UNFCCC approved alternatives, focusing on scope 1 & 2 emissions, leading to reductions in brand's scope 3, where the vast majority of the industry's emissions lie.)

Restoring Biodiversity through strategies aligned with SBTN targets:

- Developing individual biodiversity blueprints, research and capacity building
- Supporting zero deforestation and sustainable forest management by 2025

Protecting oceans and freshwater from the industry's negative impact through solutions that address pollution from upstream textile production and plastic packaging:

- Eliminating problematic and unnecessary plastic in B2C packaging by 2025 and B2B by 2030
- Ensuring at least half of all plastic packaging is 100% recycled content, by 2025 for B2C and by 2030 for B2B

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KEY DATA<sup>1</sup>

CLIMATE

45%

of aggregated raw materials reported come from preferred programmes and initiatives vs. 39% in 2022

CONVENTIONAL MATERIALS

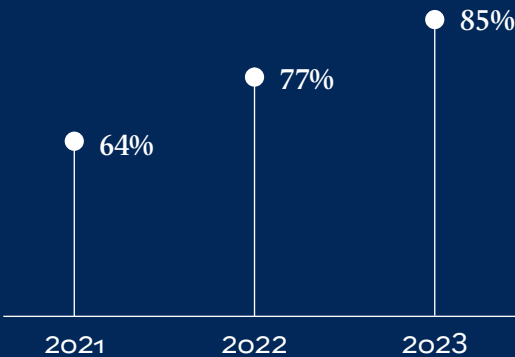


RECYCLED MATERIALS



85%

of members reporting could provide complete scope 1 and 2 energy consumption breakdown data, vs. 77% in 2022, and 64% in 2021



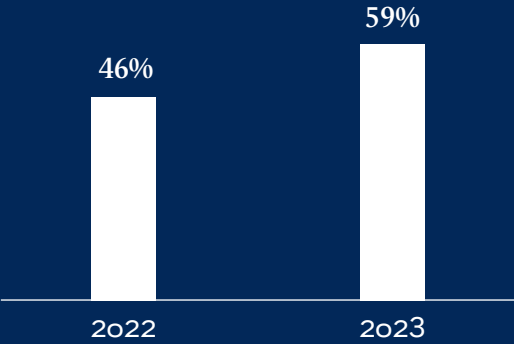
69%

of members<sup>2</sup> have SBTi-approved Science-based targets covering scopes 1,2, and 3, aligned with a 1.5 degree trajectory



NOTE: All brand and retailer members have until December 2025 to meet The Fashion Pact requirement to submit Science-based targets across scope 1, 2 and 3.

BIODIVERSITY

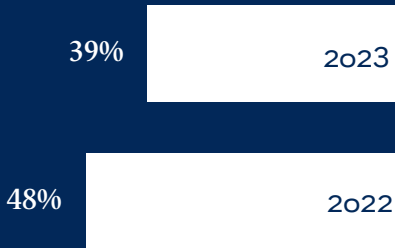


59%

of members said they implemented measures to restore and/or regenerate nature. This has increased from 46% in 2022

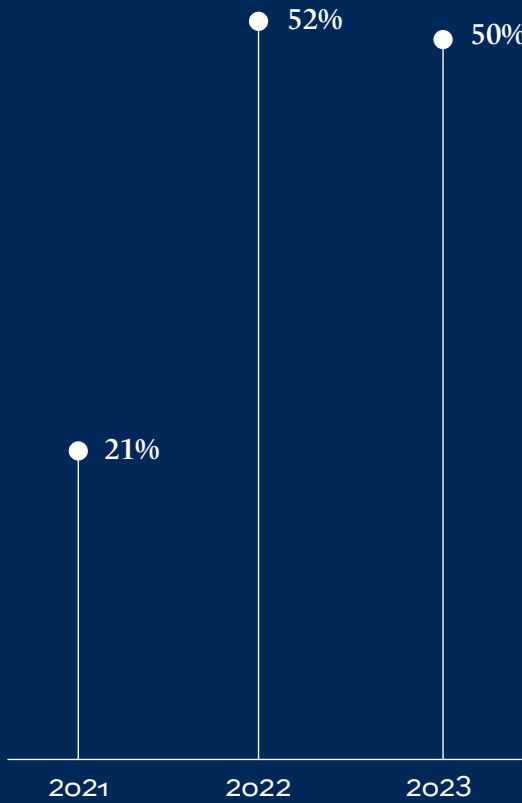
39%

of members have a deforestation and land-use conversion policy vs. 48% in 2022<sup>3</sup>



50%

of members have a biodiversity strategy vs. 52% in 2022 and 21% in 2021<sup>4</sup>



<sup>1</sup>Data overview based on self-declaration by 46 reporting Fashion Pact Members (including 3 subsidiaries of a parent company) based on their 2023 activities, representing 79% of the current 56 members.

<sup>2</sup>November 2024 data. This excludes manufacturers, in line with our Science-Based Targets Requirement. Manufacturing members are encouraged to set science-aligned targets, focusing on scope 1 & 2 emissions and leading to reductions in a brand's scope 3, where the majority of the industry's emissions lie.

<sup>3</sup>This drop is partly due to fluctuation in the cohort of members reporting year-over-year. However, with a stabilized cohort, the results also decrease from 47% in 2022 to 44% in 2023.

<sup>4</sup>This drop is due to fluctuation in the cohort of members reporting year-over-year. With a stabilized cohort, the proportion of participants who reported having a biodiversity strategy increased from 23% in 2021 to 71% in 2023.



## OCEANS

92%

of members reduced unnecessary and problematic packaging within their total plastic packaging volume vs. 83% in 2022 (For definitions of unnecessary and problematic packaging, see Figure 3.1)



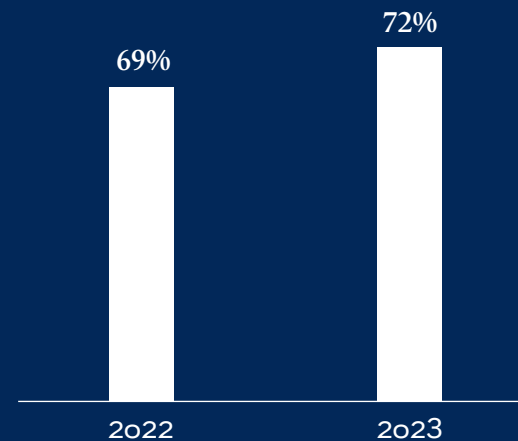
Figure 3.1

In alignment with The Global Commitment - launched in 2018 by the Ellen MacArthur Foundation and the United Nations Environment Programme - the unnecessary and problematic plastic packaging includes items which:

- cannot be reused or recycled;
- contain, or their manufacturing requires, hazardous chemicals that pose a significant risk to human health or the environment (applying the precautionary principle)
- can be avoided (or replaced by a reuse models) while maintaining utility;
- hinder or disrupt the recyclability of other plastic items;
- have a high likelihood of being littered or ending up in the natural environment.

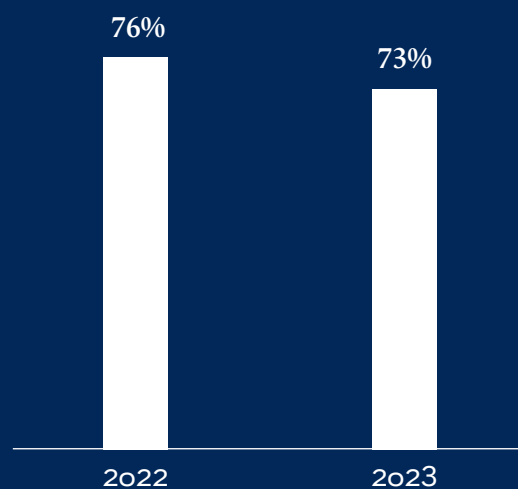
72%

of members have increased their share of plastic packaging incorporating recycled content vs. 69% in 2022



76%

of members are working on achieving plastic packaging with 100% recycled content vs. 73% in 2022



## ABOUT THE DATA

As with any voluntary reporting mechanism, there can be changes in the cohort of members reporting, meaning careful interpretation of year-on-year data is required.

The Fashion Pact is committed to addressing this challenge as part of its current impact and reporting strategy review (see Section 4: Conclusion).

Overall, 79% of members participated in this voluntary reporting exercise. For the percentage of members with Science-based targets covering scopes 1, 2, and 3, The Fashion Pact used publicly available data. All other data was gathered via Textile Exchange.

Textile Exchange reviews all data entries and carries out consistency checks. Data accuracy is the responsibility of the participating company.

The data in this section is based on 2023 activity.

## LOOKING AHEAD

Data analysis showed apparent declines on biodiversity metrics were largely due to fluctuation in the cohort of members reporting, however, we recognise this remains a particularly complex topic for members. We are taking steps to encourage them to continue strategy setting and action. This includes working with expert partners to further amplify our biodiversity resources.

In addition, it is important to recognise the transition to a net-zero and nature-positive fashion industry requires not only new mindsets and technical solutions, but new approaches to measuring impact and creating accountability.

This report contains aggregated member data, provided via the Textile Exchange Materials Benchmark, a voluntary reporting which helps to set out progress in some important areas. We are now enhancing our approach to better measure the impact of The Fashion Pact's Joint Actions. For more on this work, please see Section 4: Conclusion.



## SECTION IV LOOKING AHEAD

SECTION IV: LOOKING AHEAD

# CONCLUSION

## Ensuring Accountability and Ambition

Since launching in 2019, we have sought to drive an agenda of continuous improvement. This has involved innovative and novel approaches to complex challenges, and a need to 'build the plane, while flying the plane.'

As this report shows, we have established the foundations of scalable joint actions in each of our focus areas and in 2025, we will work to accelerate and extend these efforts.

Throughout 2025 we will continue work to enhance our impact and reporting strategy, to provide a more detailed picture of the outcomes of our Joint Actions. This will help us better mobilize collaboration in the most important areas – where there is a whitespace – and understand the extent of our impact.

THE FASHION PACT



# THE FASHION PACT

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