Name of the Initiative: the Fashion Charter

Name of the individual representing the Initiative: Matt O'Laughlin

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I. Net zero commitment criteria for its signatory entities aligned with the 1.5 oC pathway under the Paris Agreement, verified by an independent third party

10. This document must, as a minimum, include the following information regarding the net zero commitment criteria applied by the Initiative to its signatory entities:

a. Alignment of the criteria with the long-term goal of the Paris Agreement, and the resolve to limit the temperature increase to 1.5 °C, clearly outlining approaches to interim targets:

Commitment 1. Support the ambition of the Paris Agreement in limiting global temperature rise to 1.5 degrees Celsius above pre-industrial levels by selecting one of the two options (a or b):

a. Setting SBTi approved science-based emissions reduction targets on scope 1, 2 and 3 within 24 months, in line with the latest criteria and recommendations of the SBTi; and commit to achieving net zero emissions no later than 2050;

OR

b. Setting at least 50 percent absolute aggregate GHG emission reductions in Scopes 1, 2 and 3 of the Greenhouse Gas Protocol Corporate Standard, by 2030 against a baseline of no earlier than 2019 and commit to achieving net zero emissions no later than 2050;

b. Follow-up approaches taken by the Initiative to its signatories regarding their net zero commitments;

From the Fashion Charter Governance: "16. In order to ensure the quality and credibility of the work of the Signatories of the Fashion Industry Charter for Climate Action, UN Climate Change, based on consultations with Signatories, **may exclude a company or organization from the list of Signatories if its sincerity in participation or ability to participate is reasonably a cause for concern."**

c. Compliance mechanism applied by the Initiative to its signatories, including the removal of non-compliant signatories;

Commitment 2. Quantify, track and publicly report our GHG emissions on annual bases via CDP, consistent with standards and best practices of measurement and transparency;

Signatory participation is reviewed by UNFCCC staff on an annual basis to ensure compliance.

d. Any other approaches to exclusion for any entity not meeting the criteria of the Initiative;

Commitment 3. Within 12 months submit relevant reduction pathway plans for the selected 2030 goal under commitment 1, as well as plans for goals 4-13, and provide updates every 3 years thereafter;

Signatory participation is reviewed by UNFCCC staff on an annual basis to ensure compliance.

e. Established standards, and/or methodologies required to be applied by its signatories for their net zero commitments, GHG accounting and/or climate action disclosure;

Commitment 1:

a. Setting SBTi approved science-based emissions reduction targets on scope 1, 2 and 3 within 24 months, in line with the latest criteria and recommendations of the SBTi; and commit to achieving net zero emissions no later than 2050;

OR

b. Setting at least 50 percent absolute aggregate GHG emission reductions in scope 1, 2 and 3 of the Greenhouse Gas Protocol Corporate Standard, by 2030 against a baseline of no earlier than 2019 and commit to achieving net zero emissions no later than 2050;

f. Frequency of disclosure of relevant data, including GHG inventories, required by the Initiative to its signatories;

Commitment 2. Quantify, track and publicly report our GHG emissions on annual bases via CDP, consistent with standards and best practices of measurement and transparency;

g. Source and origin of GHG emissions from the entity required to be covered in the net zero commitment;

Scope 1, 2 and 3 (of material categories)

The SBTi strongly recommends that a company's organizational boundary, as defined by the GHG Protocol Corporate Standard, is consistent with the organizational boundary used in the company's financial accounting and reporting procedures. Companies should use the same organizational boundary year-on-year.

h. Types of GHG required to be covered in the net zero commitment;

SBTi follows those defined by Kyoto Protocol and used by GHG Protocol:

"The targets shall cover all relevant emissions of the seven GHGs as required by the GHG Protocol Corporate Standard. The seven GHGs are carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF6), and nitrogen trifluoride (NF3)."

i. Timeframe of the net zero commitment;

No later than 2050

j. Interim targets required to be established along with the net zero commitment;

Per SBTI: At a minimum, scope 1 and scope 2 near-term absolute targets shall be consistent with the level of decarbonization required to keep global temperature increase to 1.5°C compared to pre-industrial temperatures.

At a minimum, near-term scope 3 relative targets (covering total required scope 3 emissions or individual scope 3 categories) shall be aligned with methods consistent with the level of decarbonization required to keep global temperature increase well-below 2°C compared to pre-industrial temperatures.

OR

Setting at least 50 percent absolute aggregate GHG emission reductions in scope 1, 2 and 3 of the Greenhouse Gas Protocol Corporate Standard, by 2030 against a baseline of no earlier than 2019

k. Use of carbon market approaches in achieving interim and long-term targets; and

In line with SBTi guidance, carbon credits are not allowed to meet interim or long-term science-based targets. Emissions reductions are achieved through direct abatement measures across the value chain. Carbon removals may be used only to neutralize residual emissions at the point of net zero. The company may engage in voluntary carbon market activities as part of beyond value chain mitigation, but these are not counted toward target achievement.

OR

In line with the Greenhouse Gas Protocol, the company reports gross Scope 1, 2, and 3 emissions without adjustment for carbon credits. Carbon market instruments, including offsets and removals, may be used as a complementary measure to address residual emissions but are disclosed separately and do not reduce reported emissions.

l. Treatment of residual emissions;

SBTi: After deep reductions of 90-95% of emissions, only the remaining 5–10% are considered “residual”. Residual emissions are strictly limited and must be neutralized with high-quality carbon removals only, after deep decarbonization.

OR

GHG Protocol: Not strictly defined. Residual emissions can be compensated using carbon credits or removals but must be reported transparently and separately from emissions totals.