



PUBLIC COMMUNIQUÉ / OPEN LETTER

Scaling Climate Solutions in the Fashion Sector: Looking at COP 30 and beyond

In response to the COP30 Presidency's call for a global *mutirão*, a collective effort for real-world implementation, the signatories of the Fashion Industry Charter for Climate Action reaffirm their commitment to bold and collaborative climate leadership.

Convened by UN Climate Change, the Fashion Charter brings together leading brands, manufacturers and supporting organizations around a shared vision: *achieving net zero greenhouse gas emissions by 2050 and aligning the sector with a 1.5°C pathway*. With over 70 signatories, it serves as a platform for collective ambition, joint action, and accountability, anchored in the spirit of multilateralism essential for effective and equitable climate action. In line with its commitments, the Fashion Charter underscores the importance of upholding scientific integrity in climate action in alignment with IPCC pathways and Science-Based Targets frameworks ensuring that policies and solutions are grounded in accurate, credible and transparent evidence, fostering public trust and driving lasting impact.

As COP30 approaches, we recognize the urgent need to accelerate implementation, scale up finance and innovation, and deepen cross-sectoral collaboration, especially in support of developing countries that produce footwear and apparel. We welcome the work underway on Nationally Determined Contributions (NDCs) as they offer an opportunity to be shaped through transparent, inclusive processes that actively engage the business community. By working together in this way, NDCs can reflect both the needed ambition and practicality, sending a clear signal to private sector actors that they are valued partners in delivering national climate goals.

Accelerating Renewable Energy and Phasing Out Fossil Fuels

Aligned with global efforts and the call from the first Global Stocktake to triple renewable energy capacity by 2030, Charter signatories have committed their own operations to source 100% renewable electricity and phase out coal by the end of the decade. In addition, signatories have a commitment to phase out coal in their Tier 1 and Tier 2 supplier sites by 2030. These commitments reflect the fashion industry's determination to support the global clean energy transition. The industry sees positive developments in efforts to develop and access renewable energy in their own operations. However, without accelerated implementation of scalable solutions and stronger public sector support, across all scopes, to create a predictable and enabling policy environment, these targets are at risk.

Scaling existing solutions while advancing structural reforms is essential to accelerate a just and effective clean energy transition:

Scalable solutions, such as on-site solar and energy efficiency measures, should be supported for broader deployment and complemented by structural reforms such as grid upgrades, renewable energy access, as well as broader electrification measures. This requires collaboration across value chain stakeholders on capacity-building, financing, and practical implementation. Simultaneously, structural reforms in policy and regulation are needed to unlock further progress. This includes enabling off-site power purchase agreements (PPAs) in key manufacturing countries and accelerating coal phase-out through clean energy alternatives such as electrification. Positive developments, such as Viet Nam's DPPA program, show the impact of supportive policy frameworks.

To facilitate a just and effective energy transition in the fashion sector and beyond, we call on governments in major sourcing regions to:

- Upgrade grid infrastructure (e.g., embed energy storage and grid infrastructure targets in updated NDC 3.0 as a foundation for unlocking investment and accelerating deployment)
- Phase out fossil fuel subsidies and replace them with support for the transition to clean energy technologies
- Significantly increase the share of renewables on the grid
- Provide enabling legal frameworks to support electrification of low-heat processes
- Remove legal and fiscal (taxes, duties, etc.) barriers to renewable procurement and energy efficiency measures
- Ensure predictable investment conditions through transparent, long-term energy roadmaps
- Strengthen credible and transparent systems for renewable energy accounting with robust Energy Attribute Certificate (EAC) frameworks, aligned with international standards. This is essential to build trust and enable cross-border tracking of renewable energy claims.

Strengthening Transparency and Accountability

Transparency and accountability are essential to driving credible climate progress, building trust, and ensuring a level playing field where all actors are held to consistent and clearly defined expectations. As the fashion sector and other industries advance their decarbonization efforts, it is critical to maintain ambitious harmonized reporting obligations to ensure that actions are measurable, verifiable and aligned with stated commitments.

We support the development and implementation of mandatory climate related reporting frameworks provided they are grounded in material impacts and designed to drive meaningful and actionable change. Currently, reporting is fragmented and voluntary in many jurisdictions leading to

inconsistencies and lack of impact. Robust, comparable and action-oriented disclosure would enable stakeholders to track progress, identify gaps, and support continuous improvement.

Standardizing Scope 3 accounting is critical to drive transparency and credible progress:

We call on the industry to come together to harmonize approaches in measuring and reporting Scope 3 greenhouse gas (GHG) emissions in alignment with ISSB/ESRS and GHG Protocol. Standardization will ease the reporting burden, reduce duplication in data requests across the value chain, and improve consistency and comparability. Moving from generic, assumption-based data to supplier-specific data is critical to enhance accuracy and credibility. A common framework will enable more transparent tracking of emission reductions and reinforce confidence in progress towards Scope 3 targets.

We also call on governments to uphold high ambitions in designing and enforcing reporting frameworks and to send a clear, long-term policy signal that reinforces accountability and responsible business conduct. These efforts should be grounded in global standards, particularly the UN Guiding Principles on Business and Human Rights and OECD Guidelines on Responsible Business Conduct to ensure consistency across jurisdictions. Governments play a key role in setting clear expectations for the private sector and aligning reporting requirements with national and global climate goals. By doing so, they create an enabling environment for responsible investment, informed policymaking, and the scaling of climate solutions. Robust data and reporting frameworks also facilitate access to finance and strengthen accountability across the value chain, which is particularly needed in complex global supply chains.

Scaling Up Climate Finance

Mobilizing and scaling climate finance is a critical enabler of action across the textile value chain, especially in developing countries and climate-vulnerable economies where financial barriers remain high. Existing financial systems often prioritize short-term, high-return investments, making it difficult to secure funding for projects with extended or no financial return periods. Manufacturers have reported targeting payback periods of six years or less, ideally three years. While some projects, such as energy efficiency measures and on-site solar, meet these timelines, others essential to achieving climate goals require longer returns. To unlock meaningful progress, a more inclusive approach is needed, one that brings together all actors across the value chain, fosters shared responsibility, and enables co-financing opportunities between public and private actors.

We encourage the development and scaling of instruments such as green bonds, sustainability linked loans and bonds, and carbon market insetting mechanisms to mobilize additional capital flows and advance incentives for sustainability performance at scale. Carbon in-setting should be additional to absolute reductions and be third-party verified. In addition, public private partnerships,

blended finance and de-risking instruments are key to unlocking investments and streamline financial flows. Public finance should be used strategically to unlock access to fit-for-purpose financing solutions, where traditional instruments fall short, particularly for small and medium sized enterprises. Establishing a predictable and enabling investment climate also requires placing a price on carbon through a global pricing mechanism. This would send a clear signal to all economic actors, create consistent conditions across industrial sectors, and improve the bankability of both large and small projects, supporting an economy-wide shift towards decarbonization. While carbon pricing may be perceived as a cost to business, broad participation ensures that costs are more equitably shared through market mechanisms designed to promote low-carbon products and services.

Advancing Adaptation and Resilience

Adaptation remains a critical blind spot in the textile sector, requiring urgent attention to strengthen business resilience in the face of intensifying climate risks. Business resilience relies not only on addressing the vulnerability of factory locations and supply chain disruptions, but also on the wellbeing of workers and the communities they live in. Climate change is already disrupting the textile and apparel sector, and the cost of inaction might prove higher than investments required to address climate adaptation. Recent extreme weather events in key textile manufacturing countries such as Pakistan, India, Bangladesh, Thailand and China have exposed the vulnerability of supply chains, threatened livelihoods and the stability of raw material production. These challenges are expected to rapidly escalate in both the short- and medium-term, with increased intensity and frequency of floods, extreme heat events, and cyclones/typhoons. Immediate and decisive action on adaptation is essential to protect workers and infrastructure; safeguard resources and ensure the long-term resilience of both the industry and the local communities it depends on.

The fashion industry acknowledges its critical role, both in strengthening its own resilience and contributing to national adaptation efforts. While companies are making progress in adaptation planning, we must go beyond isolated initiatives and be rooted in systemic, long-term support. This includes mobilizing resources, implementing local adaptation projects, and integrating climate risk in decision-making. In this spirit, the Fashion Charter intends to strengthen its commitments on adaptation, including through updated language and guidance to support signatories in advancing this vital area.

We call on governments to work in close partnership with stakeholders across the value chain to ensure that adaptation efforts are country-driven and inclusive. We also urge governments and financial institutions to increase funding for research, climate risk assessments, and capacity building across the value chain. This is essential to identify priority areas for action and ensure stakeholders, especially those in vulnerable regions, can anticipate, prepare for, and respond to climate risks.