



Working meeting on fashion and climate action Report

1. Background

1. Attempts to address the climate impact of the fashion industry involve a complex web of participating countries, industries and actors. Connecting the diverse stakeholders in the fashion industry, including brands, raw material producers, textile producers and apparel manufacturers, as well as scaling of existing initiatives that connect the value chain can lead to significant reductions in emissions and might help the broader textile, clothing and fashion industry to move faster towards a holistic climate agenda.
2. Alignment and scaling of climate efforts under the UN Climate Change umbrella provides wide-reaching benefits in the response to climate change. The UN Climate Change Fashion Dialogue held from 16 to 17 January 2018 in Bonn, Germany, was the start of a partnership with fashion stakeholders who responded to the UN Climate Change invitation to explore establishing a collaborative, holistic approach in the context of the Paris Agreement and the 2030 Agenda for Sustainable Development.

2. Summary of discussions

3. The working meeting on fashion and climate action, hosted by UN Climate Change in Bonn, Germany, from 24 to 25 September 2018, brought together fashion industry stakeholders to discuss and finalize recommendations that had been put together through a multi-stakeholder iterative process during 2018, and which are inscribed in a draft industry charter on climate action.
4. During the two days of the meeting fashion stakeholders shared their expertise and worked jointly to finalize the draft industry charter on climate action, which is now to be reviewed and agreed by the sector's leadership, for its launch at the UN Climate Change Conference in Katowice, Poland (COP 24).
5. Participants agreed that climate action is a shared challenge, especially in the fashion sector, where a lot of the climate impact is shared through supply chains, materials, logistics and so on. Convening under the auspices of the UN Climate Change provides an opportunity to go beyond the normal channels of the fashion sector, to reach policymakers and financial institutions and to leverage ways of engaging in the broader discussions on climate.
6. The meeting began with a brief overview of the evolution of the Climate Action in Fashion initiative and the three streams of work that resulted from the first dialogue in January. The stream on "enabling within sector collaboration", chaired by Puma, focused on bringing together fashion stakeholders to begin translating the Paris Agreement objectives into concrete actions for the sector. These actions are outlined in an industry charter which was reviewed and completed, during the meeting.
7. The second stream of work, chaired by H&M, focused in facilitating engagement between policymakers and other stakeholders. It was noted that the position of the UN Climate Change as the leading global authority on climate policy could be used as the basis on

which to identify challenges within the sector, and to create a forum where these could be discussed and addressed with other stakeholders, such as the relevant policymakers.

8. During the development of the industry charter, it became evident that the existing work streams were too broad in scope to be able to respond efficiently to the specific targets outlined in the charter. Participants agreed that the existing streams would be transformed into specific working groups (WGs), which are defined in the 'modalities of work' attached to the industry charter. The UN Climate Change will, in collaboration with these WGs, prepare the terms of reference for each of these groups.
9. The following sections summarize the discussions under main charter items.

2.1. Decarbonization pathway and greenhouse gas emission reductions

10. The overarching vision for the industry is to work towards achieving climate neutrality by 2050. The industry charter contains an initial specific commitment of a 30 per cent reduction in scope 1, 2 and 3 greenhouse gas (GHG) emissions by 2030, as well as an overall commitment to analyse and set a decarbonization pathway drawing on the Science-Based Targets Initiative. The specific commitment applies to the company level, and 2030 timeframe applies to all other commitments indicated in the charter. Although a decarbonization approach for the industry would be desirable, such analysis does not yet exist for the sector. It was agreed that, even though it could not yet be anchored in specific research, the target of a 30 per cent reduction in GHG emissions is realistic, and would allow fashion stakeholders to collectively start their reduction efforts in the interim. In parallel, however, they outlined the commitment to begin work to analyse and set the decarbonization pathway for the sector. Expert organizations such as the Science-Based Targets Initiative will be consulted regarding their interpretation of the 30 per cent reduction commitment and how it links with the decarbonization approach.
11. It was noted that this specific commitment does not in any way preclude companies from setting more ambitious targets or from establishing science-based targets.
12. While for most of the businesses' scope 1 and 2 emissions are straightforward, the participants agreed that it will be important to have a collective response and agreed methodologies for calculating scope 3 GHG emissions.
13. It was agreed to establish a WG under this work stream, which will bring together leading organizations and actors to define the strategy and approach, including to scope out the full landscape, specify methodologies for calculating and reporting GHG emissions, and set the broad benchmarks of how the emissions and associated targets would be assessed and defined for the consistency of application. As progress with other parts of the charter will count towards the overall 30 per cent reduction target, this WG will, in collaboration with other WGs, explore systems to assess/monitor carbon reductions in raw material, manufacturing, use phase and so on, including how to account for activities such as insetting and offsetting.
14. The WGs, jointly with UN Climate Change, may explore the possibility to consider rewarding companies that set and achieve more ambitious climate targets.

2.2. Raw material phase

15. The raw material phase of the industry was discussed with the aim of looking beyond scope 1 and 2 emissions, where most of the impact lies, and examining what can be done jointly to reduce that impact. It was agreed that the commitment in relation to raw materials needs to be specific to climate impact and should allow brands to have a portfolio approach for the products that are most meaningful to them. That is, the

company-specific target part of this commitment would be self-defined based on a company's preferred materials or existing guidance, but there is a need to build an approach or a programme to underpin these individual efforts in order to encourage the take-up and systematization of better, more concrete and more ambitious targets. The agreed principle is indicated in the box below.

16. It was agreed to establish a WG on raw materials that will work to define activities that will underpin this commitment, such as opportunities to quantify and define carbon performance or the footprint of different raw materials used by the industry.
17. Existing initiatives that look at the impact of raw materials are not always focused on the climate aspects and it was suggested that this WG could stretch beyond what is happening in life cycle assessments, to capture all the different materials that are being used in the industry. Another suggestion was that the group needs to look at the whole life cycle of the fibre and not just raw materials, because this exercise needs a holistic point of view.

2.3. Manufacturing phase

18. Renewable energy and energy efficiency were the focus in the manufacturing phase discussion. Some of the low-hanging fruits in the supply chain are known, as are some 'hot-spots' which the industry needs to start addressing. Increasing energy efficiency and renewable energy uptake in some countries is quite difficult, in the absence of appropriate infrastructure and incentives; however, fashion stakeholders believe that sending a strong signal of intent and relevant messages across the value chain would be effective. To catalyse meaningful action, however, brands need not only to 'walk the talk' at home, but also to leverage their purchasing power and push for transition to clean energy in key markets.
19. It was recognized that renewable energy and energy efficiency are critical to any success in terms of decarbonization of the industry in general and the achievement of the specific 30 per cent reduction target, in particular. In addition, is it critical to develop a strategy to address legislative limitations that exist in countries where there is a huge dependency on charcoal with limited capacity to switch to cleaner energy.
20. Manufacturers are engaged in continuous improvement and optimizing of their processes (e.g. by using chemicals with low environmental impact and low-temperature bleaching) but they get to a point where they do not know what to do next. There is an appetite to look into energy efficiency, continuous improvement and decrease of GHG intensive technologies, but setting specific targets for renewable energy is much more complicated.
21. Participants agreed that, in the absence of a defined decarbonization approach and owing to different political and geographic factors, setting specific renewable energy targets is difficult. However, it was noted that for climate action in fashion to succeed the role of renewable energy cannot be ignored and manufacturers need to sit squarely in this conversation. It is essential to explore moving beyond the comfort zone, and brands or manufacturers who sign the charter will need to take responsibility for jointly finding the necessary solutions. It was suggested that brands work together to come to an agreement on how to support manufacturers where governments gives priority to renewable energy.
22. The conclusion was that the charter needs to be clear that the sector has to move towards a renewable energy future. Participants highlighted the need for a political signal towards sourcing countries and big suppliers, that the industry is collectively supporting this.

Relying solely on energy efficiency measures will make it difficult, if not impossible, to achieve the targets.

23. Participants decided to establish a WG on manufacturing/energy that would define a road map for energy efficiency and renewable energy, including the how, where and when of specific actions. The role of the manufacturing phase in this WG is crucial. The WG would make efforts to include sites that supply to the international brands and those that do not. The road map would define opportunities for increasing energy efficiency and for scaling up renewable energy, including competitive recommendations/specific targets in line with decarbonization, all of which are points that would be used and strengthened by the policy engagement WG (see below). It was suggested that as most manufacturers have already completed the HIGG questionnaires, data may be available in terms of energy efficiency.
24. It was concluded that signatories to the charter would support suppliers to improve their energy efficiency and renewable energy usage and, based on the sector decarbonization approach and the outcomes from this WG, specific targets can be set later on.
25. The specific commitment of “no new onsite coal-fired power plants” was discussed and agreed to be included in the charter. The Sustainable Apparel Coalition definition for tier one and tier two will apply.

2.4. Logistics

26. The session began with a brief presentation on how the logistics sector is addressing GHG emissions, including an outline of the many initiatives already in place that are working to prepare the sector to transition to decarbonization. It was noted that, although reaching the 2030 targets for the logistics sector seems feasible, the story gets complicated when looking at the 2050 targets. A strong push by sectors such as fashion is needed for the logistics sector to invest in low-carbon solutions. Having a specific commitment in the fashion industry charter to serve this purpose is a welcome step in the right direction.
27. There is a plethora of initiatives looking at different modes of transport and their transition to low-carbon solutions. Yet, as with all other sectors, there are challenges around incomparable ways of accounting and reporting for emissions. Initiatives such as the Clean Cargo Working Group, Ocean and Airfreight Initiatives, and the Global Logistics Emissions Council are working hard to standardize the calculation and measuring of GHG emissions across different modes of transport. Such standardization is crucial for the transition.
28. From the brands perspective, it was noted that data quality is a challenge: brands are not always aware of the best technology and more visibility would be needed. Participants were informed that the World Business Council for Sustainable Development(WBCSD)] is working on a procurement guide for the logistics sector, which will provide brands with clear guidance on existing models that would allow the fashion sector to be able to give preference to low-carbon transport.
29. In talking about innovation, it was pointed out that the logistics sector needs to establish a closer working relationship with its customers to explore investment in low-carbon options such as biofuel, as that would bring substantial benefits in carbon emissions.
30. For logistics, no specific WG will be established, but it was agreed that fashion stakeholders will place this conversation in the clean cargo WG, as many such discussions are already taking place there. The information would then be fed into the fashion work by those stakeholders who are already participating in that WG.

2.5. Consumption and use phase

31. Fashion engages a broad cross-section of industry and influences its customers and society at large through its wide reach and the values associated with its products. This influence and engagement provides a significant opportunity for awareness-raising. The fashion sector can support the achievement of the Paris Agreement goals by utilizing its platform and moral leadership to advocate for lifestyle change and action.
32. Discussions regarding the use and consumption stage began by reviewing the draft commitments. It was noted that although the use phase has a lot of impact, it is far from brands' influence, but there was a general consensus that brands could support awareness around product use and care among consumers. To ensure that the end of life is also captured, it was agreed to reference sector's alignment with the concept of circularity.
33. Participants identified some actions that brands could take in this regard, such as having a specific page on their website dedicated to the use and care of the products, or training programmes for store staff so that they could advise consumers on how they can take better care of the products. Options such as making a dedicated communication campaign and develop smart tags were also briefly discussed.
34. Participants noted that there are already several strong initiatives addressing sustainable consumption in place and felt that these commitments do not need a dedicated WG within the context of the charter.

2.6. Policy engagement

35. The discussion on the policy engagement stream began by looking at some of the definitions in the draft commitments. A split between production and consumer governments, but it was felt that this was not helpful, in spite of the recognition that the majority of the impact lies in the supply chain. The focus of this work stream is to design a strategy to work with the governments of the places that are the source of the majority of climate impacts. A crucial opportunity in this work stream is to advocate for renewable energy in key markets, beyond the fashion industry.
36. A WG on policy engagement will be established. Some of the initial deliverables will be to select the target countries, map existing initiatives, design a plan, set targets and develop messaging based on the charter, bearing in mind the different political contexts.
37. Preliminary ideas were to focus on major producer countries such as Bangladesh, Cambodia, China, Ethiopia, Madagascar, Pakistan and Viet Nam. The group will seek dialogue with initiatives such as We Mean Business RE100, WWF, Renewable Energy Buyers Alliance, United Nations Industrial Development Organization and the International Finance Corporation to explore how existing initiatives can be leveraged and complemented. Potential linkages with governmental agencies engaging on climate policy, will also be pursued.

2.7. Leveraging existing tools and initiatives to catalyse engagement on climate action

38. It was clarified that the work programme refers to the climate agenda in fashion which will include existing initiatives, established WGs and tools that could be scaled up and/or created or complemented. It was recognized that partnerships with a wide array of stakeholders are crucial to achieving the vision of climate neutrality set for the sector. Mapping of relevant stakeholders for each commitment has started but more needs to be done to complete that mapping and ensure that no critical stakeholders are left outside

the conversation. All participants were invited to contribute to the mapping, as appropriate.

39. Participants felt that finance is a crucial piece of the puzzle in the journey to decarbonization. Funding is key for manufacturers as well, so that they can make substantial changes; thus having a delivery focus on the financial support mechanisms was seen as highly important. Engaging the finance community is therefore key: although it is not responsible for developing the climate agenda in fashion, it can provide important tools that can help the sector identify much needed scalable financial solutions.
40. The linkage of the finance community to policymaking in the context of fashion provides a unique opportunity to jointly identify and address some of the existing barriers that cause lack of engagement in climate action. Energy prices, for example, can reduced the economic feasibility or return on investment for climate action in some countries. In a lot of markets, lack of effective government monitoring, evaluation and capacity can make potential investment risk so high that there is no appetite left for the finance sector to engage. Interaction between policymakers and the finance community in this context can therefore be crucial.
41. The current lack of a global forum where such diverse stakeholders are linked to the various phases of the fashion sector's operations is a barrier to necessary discussions around climate impact and action.
42. A dedicated WG will be established to design a strategy for identifying scalable solutions by ensuring communication, share of information and potential joint activities with the policy engagement stream. The scope of this WG also includes identifying ways to facilitate links between fashion stakeholders and implementing programmes and agencies beyond the fashion sector.

2.8. Promoting broader climate action

43. The discussion in this section focused on developing a strategy that can help to amplify the vision of the fashion sector to move towards decarbonization and help to recruit stakeholders who are currently not participating in the discussions but are crucial to enable change towards a cleaner future.
44. The Global Climate Action in Fashion and the underlying industry charter aim to be an industry-wide approach requiring appropriate communication in the lead-up to the announcement and beyond. After all, the success of the entire initiative is subject to endorsement by a large number of brands and organizations.
45. Participants discussed ways in which a strong signal could be sent within and beyond the fashion industry, that the opportunity for a coherent, unified position and action with respect to climate action is here and that companies and organizations are now invited to join the journey.
46. Member-based organizations such as the Sustainable Apparel Coalition (SAC), the Better Cotton Initiative, Business for Social Responsibility, and Textile Exchange, would be great vehicles to spread the news to a wide array of stakeholders. Participants in the working meeting were willing to help with spreading the news, but expressed the need for consistent messaging and a unified voice. UN Climate Change, jointly with the WGs established under this work stream, agreed to develop a communications strategy, which would include messages, speaking notes, presentations, questions and answers and so on, to be used by the stakeholders up to the COP 24 announcement.
47. A WG on promoting broader climate action will be established. The group will develop a communications strategy beyond COP.

2.9. Tracking and recognition

48. UN Climate Change provided a brief presentation on the NAZCA Global Climate Action portal, an online platform where non-Party stakeholders from around the globe -- companies, cities, subnational regions, investors and civil society organizations -- can display their commitments to act on climate change. Launched by UN Climate Change, Peru and France in 2014, the portal was born from the realization that addressing climate change will take ambitious, broad-based action by all sectors of society, public and private. The portal's role as a tracking and reporting tool (which recognizes existing action and attracts new commitments) was revamped in September 2018 with the aim of making it more comprehensive and easier to use.
49. The tool is the product of a collaboration between UN Climate Change and its core data partners: CDP, Carbon Climate Registry, Climate Initiative Bonds, the UN Environment's Climate Initiatives Platform, Global Covenant of Mayors, Global Investor Coalition on Climate Change, The Climate Group and UN Global Compact. NAZCA is therefore well placed to register and track commitments from the fashion sector, provided they report to one of the data providers indicated above.
50. Although participants did not discuss how often the reporting on the climate targets under the charter should be made, it was suggested that annual frequency may be appropriate and that the quantifying and reporting should include all three scopes. Reporting methodology and frequency guidelines will be one of the deliverables from the established working groups (in particular WG1).
