



Decarbonising the garment and footwear sector

Partner Session

3rd February 2021, 14.30 CET

This note has been prepared by UN Climate Change together with OECD

Objective of the session

This session will discuss how key organisations across the apparel and footwear industry have come together under the Fashion Industry Charter to create a sector-wide strategic response to climate challenges. This coordination process, hosted by the Fashion Industry Charter for Climate Action (with technical support from the High-Level Climate Champions team), has brought together multiple organisations across the sector including Textile Exchange, Sustainable Apparel Coalition (SAC), the Fashion Pact and many others. A key result has been the development of a shared Milestones Document, mapping out industry goals and actions around climate between now and 2050. This Milestones Document serves as a blueprint for the industry on climate and can also help elevate the work of the apparel and footwear industry on climate to the global stage through the Marrakesh Partnership and COP26.

Panellists will talk to how current sector-level approaches can be implemented by business, the gaps and uncertainties still remaining, and how companies can work towards these milestones by integrating climate change considerations as part of supply chain due diligence.

Background

The apparel and footwear industry accounts for an estimated 4% of the world's GHG emissions¹. Based on largely linear supply chains, the sector is relatively resource intensive. Within the apparel sector in particular, the dyeing and finishing stages are major contributors to climate impacts; housing energy intensive processes in countries that largely rely on hard coal and natural gas for electricity and heat production².

The raw materials phase is also highly impactful, as a result of land conversion and deforestation, heavy use of chemicals, and energy use for irrigation and production. The customer use phase is also estimated to have high GHG emissions, although a lack of clear data makes measurement a challenge.

¹ <https://www.mckinsey.com/industries/retail/our-insights/fashion-on-climate>

² Specifically, China, India and Bangladesh comprise the sector's largest manufacturers but also rely heavily on fossil fuels, Quantis 2018

In December 2015 representatives from the 197 parties to the United Nations Framework Convention on Climate Change (UNFCCC) negotiated and signed the Paris Agreement; committing to limit the global average temperature increase to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels. At the heart of the Paris Agreement are the Nationally Determined Contributions (NDCs) or commitments from national governments on emission reductions and climate adaptation efforts. NDCs capture each country's planned efforts on climate change and will collectively determine whether the long-term goals of the Paris Agreement will be realised. The Paris Agreement also calls for the mobilisation of finance flows towards low GHG and climate resilient development and importantly recognises the integral role played by non-state actors, including the private sector, in responding to climate change.

However, recent reports indicate that the global average temperature rise is projected to reach or exceed 3°C this century – well beyond the goals of the Paris Agreement³. The 2018 report of the Intergovernmental Panel on Climate Change (IPCC)⁴ found that limiting temperature rises to 1.5°C with no or minimal overshoot will require extensive transitions across energy, land, urban, infrastructure, and industrial systems. These transitions need to be unprecedented, in terms of the speed of implementation, and scale of emissions reductions required across all sectors. This necessitates the adoption of a varied portfolio of mitigation options and the significant upscaling of investment across sectors.

With respect to the garments sector in particular, stakeholders are responding to this call with a number of key sector-wide initiatives seeking to drive climate action. These key initiatives and how they fit together are discussed further below.

Fashion Industry Charter for Climate Action

[The Fashion Industry Charter for Climate Action](#) (the Charter) lays out a pathway for all companies within the fashion and apparel value chain - from raw material production through to retail and distribution, goes beyond previous industry-wide commitments, and is aligned with the goals of the Paris Agreement. It sets the vision to achieve net-zero emissions by 2050, including a midway target of 30 per cent GHG emission reductions by 2030 (soon to be updated to be fully in line with a 1.5-degree pathway), and a commitment to set a decarbonisation pathway for the fashion industry⁵.

Industry Milestones for Climate

Due to its central convening position, the Fashion Charter has now become the host for the apparel and footwear industries contributions to decarbonisation. The process is being supported by the [High-level Climate Champions](#) team on behalf of the Charter, and under the banner of [Race to Zero](#) . The Milestones Document will be shared with the [Marrakech Partnership](#) to be fed into the Global Climate Action Pathways process.

³ [UNEP \(2020\), Emissions Gap Report 2020; https://www.unenvironment.org/emissions-gap-report-2020](https://www.unenvironment.org/emissions-gap-report-2020)

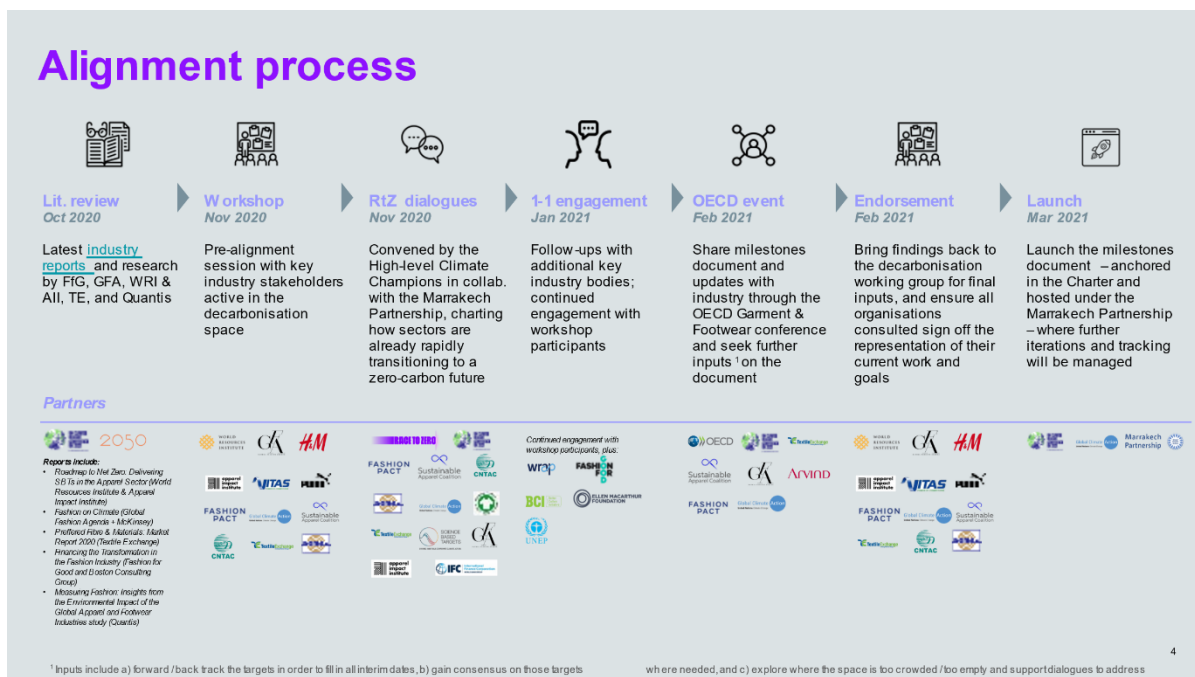
⁴ [IPCC \(2018\), Special Report: Global Warming of 1.5OC: https://www.ipcc.ch/sr15/chapter/summary-for-policy-makers/#article-citation](https://www.ipcc.ch/sr15/chapter/summary-for-policy-makers/#article-citation)

⁵ <https://sciencebasedtargets.org>

How this ties together



What are the Global Climate Action Pathways?



The Global Climate Action Pathways are being carried out with a number of high impact sectors and are a way to capture a key industry's contribution to global decarbonisation. Sectors engaged include: Steel, Cement, Aluminium, Chemicals, Plastics, Metals & Mining, Retail, Fast-moving Consumer Goods, Apparel, and Information and Communications Technology (ICT) & Mobile.

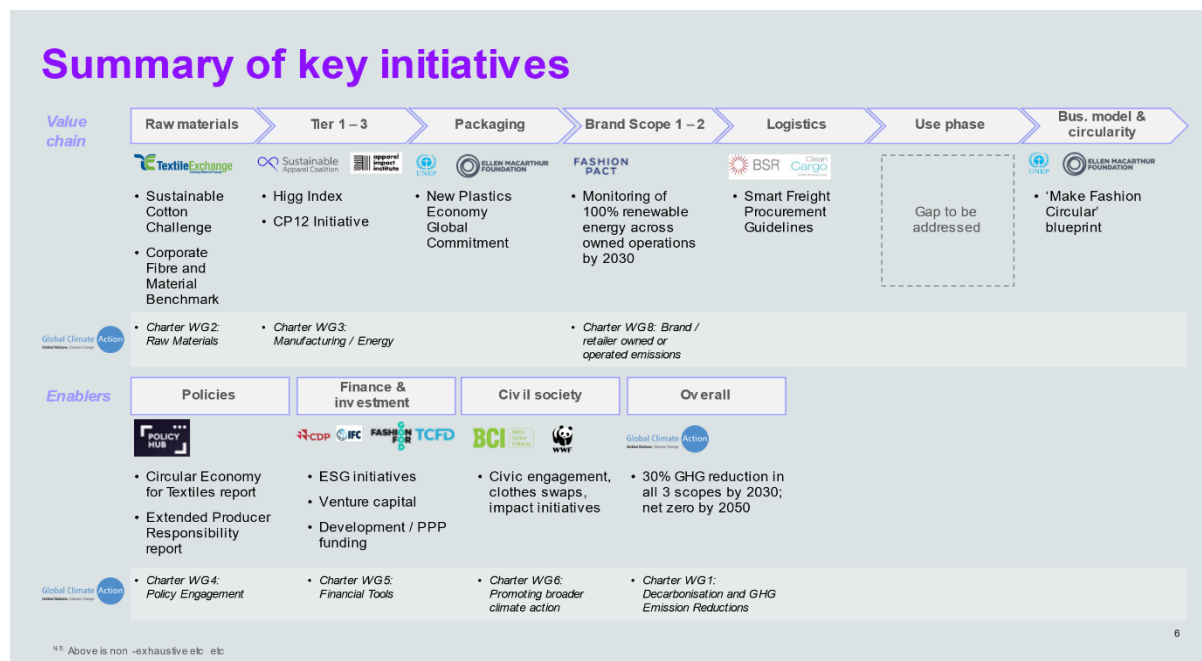
The process for the apparel and footwear sector has reflected the strong existing approach to decarbonisation and the many industry goals and programmes on climate. The approach has been to bring together key industry organisations throughout the development process, and

to ensure that all their goals, actions and monitoring plans have been collated together into one cohesive picture – as a ‘Milestones Document’.

Having a shared industry Milestones Document allows the sector to understand the roles and contributions of different organisations, and where they can go for support on specific topics. It also allows UN Climate to showcase and amplify industry efforts on the global stage. The Milestones Document also offers an avenue for those working on climate in the industry to clearly discuss where there are areas of action that are densely packed, and where there are areas where there is not enough activity. This should ultimately allow the industry to maximise its strategic approach to reaching net zero by 2050.

Mapping the role of each organisation

The Milestones Document has been structured into four broad categories – industry activity, policy, finance and civil society. Within the industry activity section, the goals and approaches have been mapped across the value chain to clearly show where activity is taking place (see Figure below). The Milestones Document maps out a) existing measurable KPIs for 2025, 2030, 2040 and 2050 b) measurable goals under development c) activities and programmes already underway that support the delivery of the goal or activity area and d) where monitoring of progress will be carried out and by which organisation.



Timelines and next steps

An overview of the industry Milestones Document will be shared during the session, and we will also hear from some of the key organisations that have been supporting and inputting to the process. There will be a ‘soft launch’ of the Milestones Document shortly after the session, allowing industry stakeholders to review and share feedback on the approach online. There will then be a formal launch in March 2021, aligned with the update to other industry roadmaps.

A due diligence approach to addressing climate change

A key tool to support businesses, individually and in collaboration, to work towards and demonstrate progress against these milestones is due diligence.

Adopted in 2017, the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector (Guidance) provides recommendations for companies on how to implement due diligence according to the OECD Guidelines in their own operations and in their supply chains. Climate change is recognised in the Guidance as both an over-arching challenge concerning society as a whole, and as a particular and prevalent due diligence challenge of the industry itself, associated with severe adverse impacts from the production and supply chain of the company, as well as the impacts from the use phase and end of life of the product. All companies, no matter their size and position in the supply chain, have a responsibility to conduct due diligence on these impacts and collaboration is encouraged to enable all companies to measure, reduce, monitor and report their GHG emissions.

We will explore the existing gaps in data around GHG emissions for the apparel and footwear session, and how the OECD Due Diligence approach can support decision making in the context of uncertainty.

Underpinning these actions we will also hear from the OECD Centre for Responsible Business Conduct on the role of due diligence standards in driving corporate action and accountability on climate impacts as part of supply due diligence approaches the apparel and footwear sector.

Discussion questions

Key questions that will be addressed by the speakers during the session:

- How the different industry-led initiatives fit together and create clarity for sector-wide goals for climate action
- What lessons have been learned in the process of creating the Milestones Document for decarbonising the apparel and footwear industry? What are the barriers we still face and what are the next steps?
- How can a risk-based approach help us keep a balance between analysis and action? How do we speed up delivery whilst ensuring we are being strategic and measurable?
- How can we make this process relevant for those in the value chain, ensure that all businesses participate in further developments and implement these objectives as part of their risk management processes?

For more information

- [UN Climate, Fashion Industry Charter for Climate Action](#)
- [Global Climate Action Pathways](#)
- [OECD Due Diligence Guidance for Responsible Supply Chains in the Garment & Footwear Sector](#)



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