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Lessons Learned from

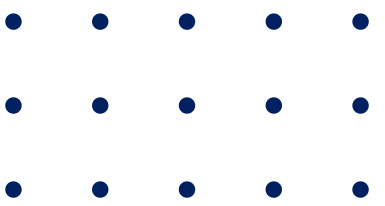
# TRANSFORMING THE FASHION SECTOR WITH NATURE

[www.thefashionpact.org](http://www.thefashionpact.org)

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# background

In 2018, the United Nations Environment Programme (UNEP) reported that the fashion industry produces 20% of global wastewater and 10% of global carbon emissions — more than all international flights and maritime shipping (World Economic Forum). The Fashion Pact (TFP), conceived at the G7 Summit in 2019, emerged as a collective response to the environmental challenges posed by the fashion industry.

Recognizing biodiversity challenges in raw material sourcing and the complexity of fashion supply chains, TFP, in collaboration with Conservation International (CI) and with support from the Global Environment Facility (GEF), joined to create the Transforming the Fashion Sector with Nature project. This initiative addressed the fashion industry's ecological footprint and aimed to build companies' capacity for understanding their impact while developing credible biodiversity strategies. The grant was given to help support TFP in achieving two high-level outcomes over 2.5 years:

1. Provide guidance and capacity building to fashion companies so they may understand their impacts on nature, work towards creating individual strategies to mitigate these impacts, and catalyze investment in key landscapes.
2. Encourage company participation and investment in key commodities to support promising on-the-ground platforms and improve sourcing pathways for these materials.



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# challenges

The project was groundbreaking in many ways, by ambitiously raising awareness and elevating the profile of urgencies like fashion's impacts on biodiversity and establishing an innovative way of working for fashion companies, NGOs, industry associations, and funding organizations like the GEF. Thus, the project was a "first" for many, and the partners rose to the challenge of executing a publicly funded project efficiently and with impact at a sector level.

CI's robust operational infrastructure in delivering successful conservation outcomes with large donors such as the GEF and the organization's depth of conservation scientists and sustainable supply chain experts helped to provide a strong foundation for the project. Combined with the Fashion Pact's CEO-led model and commitment to action, The Fashion Pact and CI worked together to build bridges between the public and private sectors. The project created a platform for knowledge sharing and continuous integration of learnings on nature impacts and opportunities for better practice, as well as the realities of multi-national supply chains and agricultural production. All partners, executing agencies, and participating beneficiaries (companies) iterated and adapted throughout the project to effectively address project risks through the strong and continued engagement of Fashion Pact members and their CEOs. Ultimately, the project catalyzed an industry shift in awareness and integration of knowledge, ensuring the long-term impact and amplification of the project deliverables and the prioritization of nature and biodiversity.



# key successes

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The project aligned with the GEF focal areas of Climate Change and Chemicals and Waste, making substantial contributions to the Biodiversity focal area as well. In just 2.5 years, The Transforming the Fashion Sector with Nature project not only met but surpassed its core indicators, showcasing the tangible impact of the project and its concrete contributions to global environmental benefits through three pivotal modes of action.

1. **Support knowledge transfer and capacity building for TFP members.** The Project aimed to get 20 Fashion Pact companies to develop biodiversity strategies aligned with Science-Based Targets for Nature. By project close, 52% (25) of TFP companies reported already established biodiversity strategies, and 50% of reporting members said they plan to set science-based targets for nature once the methodology is finalized.

The project also developed a significant amount of tools and new studies to assist companies in the steps needed to put in place and deliver credible biodiversity strategies: understanding and prioritizing impact, setting targets, implementing against those targets, and monitoring progress. Examples of these tools include the Biodiversity Strategy Tool Navigator (a site that provides relevant tools and resources for each step in the journey curated specifically for the fashion sector); The Fashion Nature Risk Lens (an interactive tool to help fashion brands assess the biodiversity impact of their subsector and material usage); and Fashion Sector Future Scenarios (a set of analyses and StoryMap that examine the potential future nature impacts of the fashion sector based on certain sustainability decisions).



# key successes continued

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2. Demonstrate and catalyze change by leveraging investment into a sustainable supply pathway. The objective of the Transforming the Fashion Sector with Nature project was to connect brands with opportunities to source or invest in material production ways that mitigate the impact on biodiversity.

Three on-the-ground Joint Action pilots were implemented with project delivery partners, alongside the creation of guidance on more wildlife-friendly production globally. The pilots were designed to collectively address the impacts of high-risk materials in high-priority geographies for nature and fashion. While not all members share the same sourcing geographies or materials, the investment models demonstrate what might be possible across the sector and in other critical landscapes that support raw material production for fashion. Each of the three pilots was led by delivery partners who were experts in their fields, which resulted in a variety of outcomes for different GEF core indicators: land, climate, chemicals, and waste.

Land/Climate: Agricultural raw materials pilots have directly impacted 345,000 hectares (45,000 more than the project goal), 91,000 of which are natural ecosystems either third-party verified as deforestation/conversion-free or enrolled for assessment. This avoided deforestation is estimated to mitigate 3,513,131 metric tons of CO<sub>2</sub> equivalent, exceeding the initial target of 500,000 metric tons of CO<sub>2</sub>e. In order to achieve these impacts:

- Transforming the Fashion Sector with Nature engaged The Textile Exchange through the Leather Impact Accelerator and Impact Incentives Programs in Brazil to deliver incentive payments to cattle producers to avoid deforestation and improve animal welfare outcomes.
- Additionally, with The Textile Exchange, a model of the Impact Incentives Program was developed for herders in Mongolia to support more sustainable rangeland management for cashmere goats and other livestock.



# key successes continued

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**Chemicals & Waste:** In the Lake Victoria region of Kenya and Tanzania, the project partnered with The Impact Facility to enable the professionalization of the industry in Artisanal and Small-Scale Gold Mining operations. GEF funds supported the development of a beta digital trading platform for responsible mining credits. During the project period, The Impact Facility secured additional funding for mercury reduction technology, miner training, and new processing facilities. The result indicates a promising trajectory towards eliminating 150-200 kilograms (0.15 - 0.2 metric tons) of mercury annually, more than the initial goal of 0.1 tons. Co-benefits included positive impacts on workers' health as well as biodiversity.

**3. Benchmark industry action on biodiversity and nature to spur companies to set their own strategies.** Over 40 Fashion Pact members have either developed biodiversity strategies or have strategies in the development process. A common framework was crucial to baseline and measure this progress in the industry throughout the project. In 2021, in partnership with the Textile Exchange, the industry's first Biodiversity Benchmarking was completed to track Fashion Pact members' progress in setting credible science-based targets and biodiversity strategies annually. As of 2023, a striking 52% of participating members reported having a formal biodiversity strategy, a substantial increase from 21% in 2022 and 10% in 2021. Furthermore, 60% of reporting members have sourcing restrictions for nature-related impacts, and 48% of members had established a policy addressing deforestation and land-use conversion specifically.

Apart from the direct results of the pilot programs, The Fashion Pact created a framework for initiating and executing collaborative initiatives that can now be adaptable to different projects that correspond with industry interests. By establishing a unified reporting framework, the project has effectively empowered TFP members to track their connection to nature and advancements in biodiversity conservation.



# final takeaways

The project's worth extended far beyond the initial investment and key benchmarks it achieved. The project produced a series of lessons learned that we hope will be used going forward in new iterations of the work between the CI, the GEF, and TFP:

- Engaging NGO and brand representatives early in project development with tier four producers signals a commitment to systemic shifts in purchasing practices and relationship models.
- Incentivizing change means building relationships, not just investing. Education on this still needs to occur, but where it has occurred, lasting, more equitable, and longer-term change can be envisioned.
- Interaction between suppliers and company representatives shifted mindsets and often provided strengthened arguments for brands to engage directly with their raw material producers.
- Convening decision-makers sparks productive conversations and commitment to shared goals.
- Field visits accelerate company transformation, emphasizing expansive thinking.
- Addressing sustainability challenges in supply chains is complex due to the frequent dissonance between fashion industry schedules, supplier needs, financial constraints, and broader sustainability goals.
- Collaboration between sourcing and sustainability teams is a key opportunity.
- Consistent and personalized engagement of CEOs is a critical lever to enable system-wide transformation
- Including stakeholders outside of sustainability teams, such as the finance, legal, or sourcing teams, at the outset of projects will accelerate project buy-in and implementation for companies.
- External communications can serve as a strong motivating driver for company commitment to investment, preferred material uptake, or general increased engagement in various collective initiatives.

By utilizing public funding to enable private sector engagement, we learned that we can support interventions that raise awareness, build capacities, provide tools, and facilitate on-the-ground actions. Companies use these interventions to understand and mitigate negative impacts within their supply chains, fostering behavior change for positive environmental outcomes and long-term business success. The Transforming the Fashion Sector with Nature project, in collaboration with The Fashion Pact and Conservation International, exemplified a promising model for sustainable fashion initiatives, offering a glimpse into a future of environmentally conscious and impactful industry efforts led by a new generation of initiatives.



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