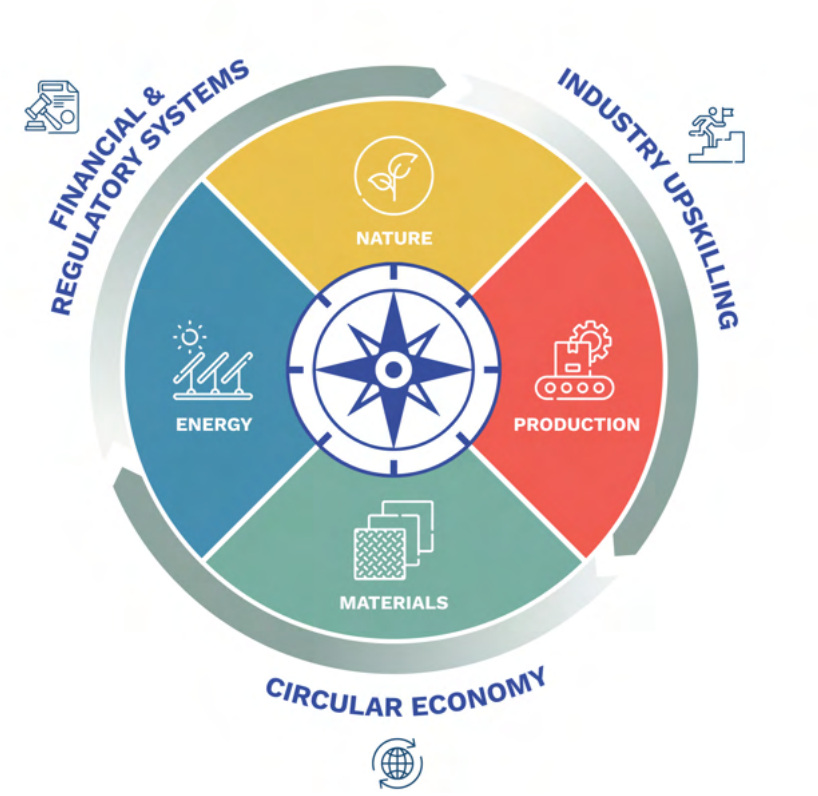
# THE FASHION COMPASS




## INVITATION

The Fashion Compass v1.0. is a tool built with the aspiration to guide the industry on a unique path to reduce its negative impacts. A tool that will evolve over time as the industry improves. It is an invitation for companies to align goals and move forward in the same direction. We identify areas of action and enablers that drive the industry to change. The enablers keep the path to change accountable, human centric and planet responsible. This journey can start in any direction of the compass, the areas of focus are interconnected, and allow companies to collaborate in a common language with synergistic ambition.

## ENABLERS

### FINANCIAL & REGULATORY SYSTEMS

Committing to the appropriate metrics and policy.[5]

### INDUSTRY UPSKILLING

Building knowledge to transform the sector.[6]

### CIRCULAR ECONOMY

Managing responsibly our planet's resources.[7]

## FOCUS AREAS

### NATURE

Our planet needs to maintain the balance of life in nature and human activities. Evolving companies' impacts to be nature positive through actions and investment.[1]

### ENERGY

Every activity in the industry requires intense energy supplies. Transitioning from non-renewable to renewable energy resources across the supply chain.[2]

### PRODUCTION

Factories and the segregated supply chain needs transformation. Advancing the manufacturing process and human resources behaviors that reduce the negative impacts.[3]

### MATERIALS

Materials are the building blocks to build the tangible products. Innovating & Scaling up the availability of more sustainable materials across the value chain.[4]

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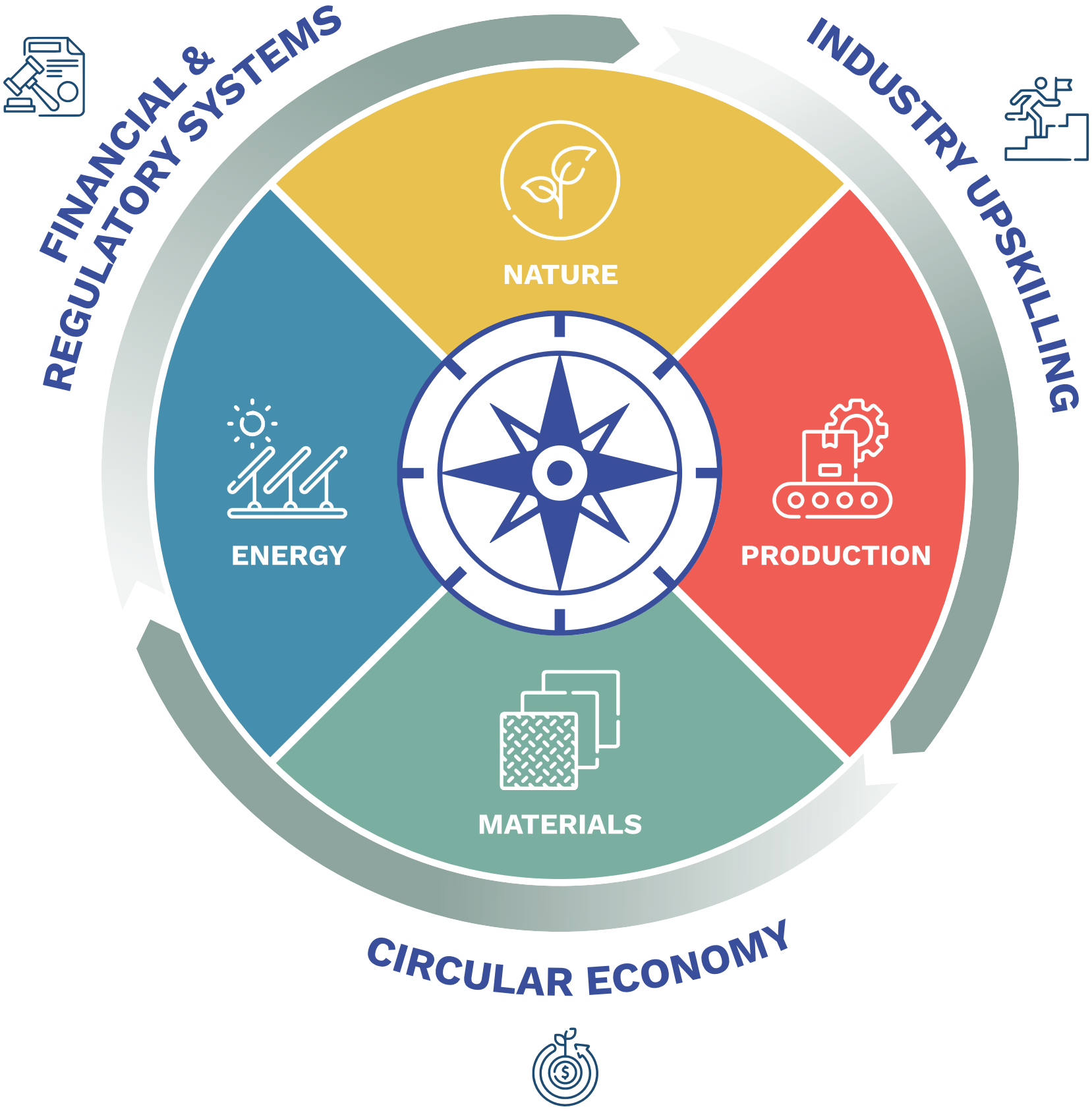
A guide to reimagine a nature positive and net zero future
for the fashion industry.



# REFERENCES LIST


**1. NATURE: a.**“ According to the Living Planet Report 2022 from WWF ,There has been an average decline of 69% of species populations since 1970... Achieving net-zero loss for nature is certainly not enough; we need a nature- or net-positive goal to restore nature and not simply halt its loss. Firstly, because we have lost and continue to lose so much nature at such a speed that we need this higher ambition. And, secondly, because nature has shown us that it can bounce back – and quickly – if given a chance.... A nature-positive future will bring countless benefits to human and economic well-being, including to our climate, food and water security. ” https://wwflpr.awsassets.panda.org/downloads/lpr_2022_full_report.pdf **b.** "Biodiversity loss, decline of ecosystem services, and overall environmental degradation can hit economies through multiple channels”..The fashion industry is highly dependent on natural ecosystems for its materials and operations and yet its contribution to biodiversity loss has long been overlooked. Urgent action is needed to increase knowledge and address this negative impact. https://www.bennettinstitute.cam.ac.uk/wp-content/uploads/2022/06/NatureLossSovereignCreditRatings.pdf

**2. ENERGY: a.**The 2021 IPCC report called for immediate, large-scale reductions in global greenhouse gas (GHG) emissions but current industry-level measures are insufficient. A mass transition to renewable energy is essential” https://www.ipcc.ch/2021/08/09/ar6-wg1-20210809-pr/. **b.** Renewable electricity consumption is a key driver for climate action and recognized as a priority in the Charter. Ultimately, renewable energy must be sourced in all areas of a company’s business operations to achieve net zero emissions by 2050... https://unfccc.int/sites/default/files resource/230329%20BLS23055%20UCC%20Climate%20Action%202023%20v06.pdf or https://unfccc.int/documents/627503

**3. PRODUCTION.** CDP estimates that a company’s Scope 3 emissions are more than 11 times higher than a company’s Scope 1 & 2 emissions – the emissions that a company directly produces from its own operations – combined. https://cdn.cdp.net/cdp- production/cms/reports/documents/000/005/554/original/CDP_SC_Report_2020.pdf?1614160765

**4. MATERIALS:** The production of goods in fashion industry is intricate a combination of materials from textiles, leathers and metals. A 2022 report from Textile Exchange confirms that drastic changes need to be made along the supply chain if the industry hopes to reduce emissions and keep in line with the 1.5°C warming limit goal. Upstream supply chain activities such as production, preparation and processing of materials represent the fashion and textile industry’s greatest impact in terms of emissions. https://textileexchange.org/app/uploads/2022/10/Textile-Exchange_PFMR_2022.pdf\.

**5. FINANCIAL AND REGULATORY SYSTEMS: a.** “In order for the transition to sustainable development to happen at the speed and scale required, it is necessary for global leaders, governments and regulatory institutions to address the market failures that minimize incentives to pursue longer-term initiatives and sustainable investments.” https://www.wbcsd.org/Programs/Redefining-Value/Shaping-sustainable-finance-policy **b.**The IPBES Global Assessment on Biodiversity and Ecosystem Services is composed of 1) a Summary for Policymakers (SPM), approved by the IPBES Plenary at its 7th session in May 2019 in Paris, France (IPBES-7); and 2) a set of six Chapters, accepted by the IPBES Plenary. IPBES (2019): Global assessment report on biodiversity and ecosystem services of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services. E. S. Brondizio, J. Settele, S. Díaz, and H. T. Ngo (editors). IPBES secretariat, Bonn, Germany. 1148 pages. https://doi.org/10.5281/zenodo.3831673 https://www.ipbes.net/global-assessment. **c.** , “close collaboration between corporations – which are mostly “hubs for innovation” – and policy-makers is of the utmost importance to make sure the regulation is modular, agile and reflective of the dynamic needs of the economy”. https://www3.weforum.org/docs/WEF_Innovating_for_the_European_Green_Deal_2023.pdf

**6. INDUSTRY UPSKILLING a.** The Future of Nature and Business sets out how 15 transitions across the three systems can form the blueprint of action for nature-positive transitions which could generate up to US$10.1 trillion in annual business value and create 395 million jobs by 2030. https://www3.weforum.org/docs/WEF_The_Future_Of_Nature_And_Business_2020.pdf Upskilling programs for factory workers form a key intervention to be ahead of this development. This allows workers to develop high- value skills that cannot be replaced by machines, or skills that can help diversify the economies of their countries. It should, however, be noted that this intervention alone (like any of these interventions in isolation) will not be sufficient to address the issues of the industry. https://drift.eur.nl/wp-content/uploads/2018/11/FINAL_report.pdf

**7. CIRCULAR ECONOMY: a.** The circular economy is a system where materials never become waste and nature is regenerated. In a circular economy, products and materials are kept in circulation through processes like maintenance, reuse, refurbishment, remanufacture, recycling, and composting. The circular economy tackles climate change and other global challenges, like biodiversity loss, waste, and pollution, by decoupling economic activity from the consumption of finite resources. https://www.ellenmacarthurfoundation.org/. **b.**“The amount of low value textiles collected is likely to increase, due partly to growing consumption and disposal, as well as driven by incoming legislation, for instance the Waste Framework Directive, that mandates the separate collection of textiles across Europe by 2025. However, the current and future potential of these textiles for circularity is complex to capitalise on; feedstock prices for current destinations (e.g. wipers) are at times more economically viable than those offered for fibre-to-fibre recycling. This might change as current recycling technologies are scaled and further investment is made to integrate operations related to automated sorting and removal of disruptors into the sorting process https://reports.fashionforgood.com/report/sorting-for-circularity-europe/ **c.** The Institute of Positive Fashion created a plan to build scalable practices..” Modern manufacturing practices with global supply chains and low labour costs have made reuse, repair and recycling more expensive than purchasing new. In order to move to new models, a clear plan on green jobs driven by the circular economy is required.” https://instituteofpositivefashion.com/uploads/files/1/BFC_CFE_PHASE2_V10[83229].pdf **d.** EMF biodiversity and circularity, The Nature Imperative: How the circular economy tackles biodiversity loss https://www.researchgate.net/publication/371527426_Circular_Economy_and_Biodiversity