

**BRITISH
FASHION
COUNCIL**

Government brief: FASHION'S PATH TO NET ZERO

COP26 is being considered as a decade-defining moment for change, against the widescale agreement that we are fast running out of time. The IPCC's Sixth Report sent a stark message and has fueled the urgency in climate-related narrative.

The opening speeches at COP26 amplified this. Time is indeed running out, but there is hope if we act now. We must reduce carbon emissions urgently and take action to remove the carbon already polluting our atmosphere, and ensure we protect the most vulnerable in society globally.

We need to look at a sustainable and global effort that can bring this level of change. There are additional problems for countries that rely on the fashion and garment industry for their source of income; the reality is a majority of those in our global supply chains risk loss of livelihood from more downturn in demand.

As we heard from HRH Prince of Wales in his opening speech, the fashion and textiles industry is the third most polluting and carbon emitting industry today which must take action now to increase abatement actions and to find decarbonization solutions. This will need investment from industry, government, and global financiers to lead innovation and provide answers. We must continue to have an industry that is world-leading, providing sustainable supply chains as well as allowing expression and creativity for each and everyone's wellbeing, as well as the basic need to clothe a growing global population.

The British Fashion Council is working on a 10-year strategy to enable the industry to reduce negative climate and societal impact in line with UN goals. The strategy will comprise adaptation of business models and working practices across the whole industry. Our Institute of Positive Fashion (IPF) is working closely with industry and the community, looking at everything from climate and the environment, to working conditions. Collaboration is key, and the IPF is ensuring no duplication of effort, and is looking at recommendations from the Race to Zero, Terra Carta, the Fashion Industry Charter for Climate Action (Fashion Charter), G7 Fashion Pact, and the UN Sustainable Development Goals.

BACKGROUND

As the fashion industry contributes 4% to greenhouse emissions (Source: McKinsey), we must look at how the fashion industry will adapt and deliver beyond the government's climate change pledge, and the 10-point plan. As the world is adapting and beginning to recover from the impact of the pandemic on our lives, livelihoods and economies, the UK

government plan focuses on increasing ambition in 10 areas, however the ambition doesn't cover fashion. The Government's 10-point plan has £10bn of government investment, with the potential to increase this three-fold aided by private investment. We recommend that this plan should also include fashion.

After almost three years of working with Innovate UK on fact finding, knowledge exchange and research, the British Fashion Council published a Blueprint for a Circular Fashion Ecosystem in September 2021, as an actionable approach to industry transformation with innovation at its heart.

The UK fashion industry is world-leading in terms of creativity and now it must also lead in terms of responsible business to play a significant role in achieving the UK's climate pledge. The UK government has set the world's most ambitious climate change target into law to reduce emissions by 78% by 2035 compared to 1990 levels, as announced in April 2021 for its Nationally Determined Contributions (NDCs).

CHALLENGES AND OPPORTUNITIES

Under Fashion's current trajectory, our industry will miss the 1.5°C pathway by 50%.

Our many challenges include:

- Opaque supply chains: lack of visibility, traceability, and accurate data flows
- Conflict of interest and competition may hamper progress
- Uncertainty on how best to influence behaviour change
- Unclear on routes and motivations to support low-impact alternative materials
- Establishing scalable solutions to fit all sized businesses, as solutions must work for smaller and larger businesses alike
- Significant waste generated throughout the supply chain
- An increase in disposable fashion consumerism
- Post-use waste, in the most part, going to landfill

Opportunities to accelerate our path to be a 1.5C-aligned and nature-positive British Fashion Industry:

1. Creation of an Industry-Led Centre of Excellence

To provide access to knowledge, science, civil society, consultancies, skills, suppliers, customer insights and innovators (especially for under-resourced parts of the sector) and to enable brands to move further forward in the green economy.

- Focus on industry transformation to a circular fashion economy and ecosystem
- Research to deliver practical solutions for industry's main challenges
- Knowledge sharing in the UK and globally
- Policy engagement
- Education and upskilling to enable the transition to a green economy
- Scaling innovation

- Public/private co-investment in large scale projects to tackle waste
- Take a leading role to demonstrate global influence of UK industry more broadly, but also on citizen behaviour
- UK to lead the way on educating citizens on recycling / garment care / end of garment use

2. Creation of a National Fashion Innovation Network

To provide access to the latest international game-changing innovations in business models, design, materials, manufacturing, recycling technologies, and nature-positive / regenerative farming

- Bringing together academia, innovators, industry, and other actors across the sector to problem-solve, create UK-based IP which can be scaled globally
- With an emphasis on nature restoration, pioneer new materials and create citizen demand for them
- Actively contribute to the UK's decarbonization agenda by collaborating with other markets/ hubs across the world

3. Transparency, data & reporting:

To support the development and disclosure of policies, practices, targets and monitoring in connection with the circular economy, carbon management, and nature-positive / regenerative farming

- Government to introduce regulatory reporting, similar to the gender pay gap reporting, to drive responsible business behaviour and move away from reliance upon self-regulation
- A Centre of Excellence to work with government to establish an integrated and common set of standardised metrics on data and measurement regarding decarbonization, including effective removal strategies and moving the industry to become nature positive
- A Centre of Excellence to establish a common language of carbon, empowering all across business and society to understand terminology

4. Incentives and market frameworks:

To identify fiscal incentives and opportunities for public seed funding and long-term policies which enable green economy R&D, private investment, materials, business models and innovations to thrive in the marketplace.

The Centre of Excellence to work with government departments and agencies to:

- Introduce a comprehensive set of reduced tariffs, including on low carbon materials, to encourage decarbonization initiatives
- Introduce a carbon tax in a paced manner to incentivise decarbonisation across supply chain
- Attract investment and funding towards R&D into low carbon and low impact alternatives, as well as sustainability-focused innovation
- Establish the right business conditions to enable circular business models to thrive, and move businesses away from reliance on resource extraction, eg. through prioritising innovation and look at incentives for circularity
- Encourage adoption of renewable energy in all processes where available
- Establish a roadmap for commonplace regenerative agriculture practice
- Establish a just and fair transition is part of business agenda and actions

5. Scope 3 Emissions:

To support analysis, carbon management, supplier engagement, alternative materials and reporting around the main carbon hotspots in fashion:

The Centre of Excellence to work with government departments and agencies to:

- Establish a mechanism of transparency and traceability in the supply chain including:
 - transportation, farming and/or processing of raw materials, customer care, end of life waste
- Explore a credible index to report against carbon usage
- To share best practice, but also to address technical, education and the skills gap

INDUSTRY COOPERATION:

The British Fashion Council's (BFC) Institute of Positive Fashion (IPF), Council for Sustainable Business (CSB) and Positive Luxury (PL) held important industry roundtables around the fashion industry's net zero agenda to focus opportunities for Government and Industry to work together on policy and incentives. They have come up with the following action points:

- To formalise this collaborative working group as part of the IPF
- To look at compulsory reporting and data capture, including certification mapping
- To look at innovation and opportunities for investment in R&D to ensure the fashion industry can improve the current trajectory towards net zero and nature positive

IN CONCLUSION:

With many of the major brands looking to play their part, it is important that we look across the whole sector to accelerate change. Whilst the industry is facing unprecedented challenges from the pandemic, it is vital we urgently look at decarbonization and reducing waste arising from linear and extractive sourcing, design, and production methods.

The dialogue has been primarily focused on the environmental impact, but this is also a discussion on equality. The focus must look at people and societal impacts. . The fashion industry needs to set new standards in skills, ethics, equality, and diversity on the global stage. We need to ensure that fashion is still a necessity but is also accessible and affordable for all.

The British Fashion Council is working closely with Innovate UK to develop a major programme across industry, government, and the consumer to address the negative impacts of fashion, combined with the recovering from the pandemic, and the cumulative effect on our high streets and communities. By working closely with local and national Government we can ensure that the whole of the UK will benefit, as well as bring the consumer and society on our journey towards net zero.

We need to move from linear models to circular economies, embrace regenerative agriculture, and sharing knowledge and best practice. We require ambitious action, and this can no longer wait.

A just and nature-positive fashion economy is needed, which requires full systems change; from materials, supply chains, innovation, infrastructure, business models, policy frameworks, retail environment and market economics to unlock the conditions needed to enable this systems change.

The UK is uniquely positioned in the world; our global high street brands, world class universities and scientific and fashion institutions, leading and up and coming design talent, combined with being in the top 4 of fashion week, and world leading e-commerce businesses are all within our reach. The soft power and export market add to the global outreach of our industry, and the contribution of £35bn to the UK economy, as well as providing 890,000 jobs. (This being larger than telecommunications, car manufacturing and fishing combined).

We need your support to work together closely across government, across industry, to bring in global financiers and to change outcomes towards net zero for our planet, and for humanity.

THE BRITISH FASHION COUNCIL

The British Fashion Council is a not-for-profit organisation that delivers a great deal to the Fashion Industry and to Brand Britain. We have developed the most robust talent support platform in the world to help retain talent, IP and employment opportunities within the UK. We deliver London Fashion Week and The Fashion Awards which cement the UK's

position as global leaders in fashion. We have a UK-wide Colleges Council, for which we connect graduates with global industry to support employment and host events throughout the UK to ensure that UK fashion education is up to date, relevant and continues to be best in class. We work with the Saturday Club Trust to provide opportunities to young people throughout the UK to learn about the fashion industry and develop their creative skills. Our international network ranges from global fashion brands, retailers, media stylists, property companies, global tech businesses which we work closely with to open global markets for British designer businesses. We work closely with our patrons who are retailers, big brands, media and consultancies to address big industrial challenges, the kind of challenges that today also require the support of Government. The majority of our work is funded through commercial partners and membership. We rely on grants from government for us to compete internationally and provide opportunities that we are unable to fund commercially. We have worked with ERDF to continue to innovate our global fashion platforms and in doing so help our SMEs to innovate and compete globally. The fashion industry speaks to consumers throughout the UK every day, we have the power to influence, uplift and ignite creativity and this in turn drives business and the economy. We are at a moment when the Fashion industry and Government need to work closely together, and for that we are asking that this becomes a true partnership, not one where we are asked to pick and choose one critical programme over the other, when both deliver not just for fashion but for the UK, and the environment as whole.

The Institute of Positive Fashion

Launched in February 2020 by The British Fashion Council, the IPF brings together the fashion eco-system to accelerate positive change in Environment, People and Community. The Institute will span Research, Education, Representation, Innovation and Communication. In doing so, it will fuel the comprehensive step-change needed across the fashion industry to be fit for the future.

The approach will be to create blueprints for change then identify and where necessary create the tools, programmes and research to move the industry to a new target state. By bringing together all stakeholders in the industry's eco-system, it will harness the power of collective effort while amplifying independent activity.

The British Fashion Council has a leading role to shape a truly sustainable industry for future generations. It established the IPF to build momentum, encourage participation and partnership in the UK and globally to accelerate us towards our collective goals.

Policy Working Group

Policy considerations in this paper were developed by an industry working group brought together by the British Fashion Council, The Council for Sustainable Business and Positive Luxury.

For more information, please get in touch at government@britishfashioncouncil.com noting "Fashion's Path to Net Zero" in the subject header.

Businesses that contributed to this working group included:

Accenture
Alexander McQueen
Alice Temperley
Anya Hindmarch
ASOS
Bally
Burberry
Chanel
Chloe
Jimmy Choo
Johnstons of Elgin
John Lewis Partnership
Mark Cross
Marks & Spencer
Mulberry
Primark
OTB
Selfridges
Superdry
Textile Exchange
Versace



challenges:

- carbon and climate change
- biodiversity
- plastics pollution

As a group they advise Defra Ministers and policy teams on the role business can play in achieving the [25 Year Environment Plan](#) goals and how government can best support them in doing so.



The Council for Sustainable Business was established by the UK Government in 2018, to help deliver its [25 Year Environment Plan](#). They bring together [fifteen business leaders](#) from a diverse range of sectors and locations, all dedicated to tackling 3 key environmental

Since 2011 Positive Luxury has been helping organisations adapt to the new climate economy. They power The Butterfly Mark, the an independent sustainability certification for the luxury industry. The certification is based on an ESG+ framework tailored to the following verticals: beauty and fragrances, fashion and accessories, travel and leisure, jewellery and watches, premium drinks, living and retail. Positive Luxury has been [assured](#) by the British Standard Institution – BSI.