

FILTHY FASHION SCORECARD

WHICH BRANDS ARE LEADING
ON CLIMATE AND WHICH ARE STILL
WEARING LAST SEASON'S GREENWASH?

FILTHY FASHION IS SO LAST SEASON

This report dives into the climate commitments (or lack thereof!) of the top 45 fashion companies in an attempt to separate those rising to the climate challenge from those still wearing last season's greenwash.

As the devastating impacts of the climate crisis send a strong cry for ambitious action, the fashion industry is taking notice. Over the past couple years, some of the industry's biggest players have doubled down on sustainability initiatives. Such measures include major investments in renewable energy and commitments to sourcing from entirely recycled fabrics and materials.

These brands are making it clear that they don't want to be part of the problem anymore – they want to be part of the solution. At the same time, not all initiatives are created equal and it is important to understand the meaning behind each commitment.

This season, the biggest questions on our minds are: Will these aspiring climate leaders' commitments be ambitious enough? What will it take for the rest of the industry to join them? Read on to find out who's leading on climate action and who's lagging behind.





IT'S 2019 AND MUCH OF THE FASHION INDUSTRY IS STILL A FLAMING HOT MESS WHEN IT COMES TO HUMAN RIGHTS, TOXIC MATERIALS AND CLIMATE POLLUTION

This multi-billion dollar sector is responsible for a massive 8.1% of the world's total carbon emissions – and this number is expected to grow by nearly 60% by 2030. The vast majority of the industry's climate pollution is hiding in global supply chain networks – manufacturing products in factories and mills and shipping goods across the world. Many of these factories are often in places like China, Vietnam, and Bangladesh, where the majority of the energy grid is powered by coal. If we're going to tackle global climate change and keep the world below catastrophic warming, we must transform the entire fashion industry.

The fashion industry needs to act on climate...now.

The Intergovernmental Panel on Climate Change reported that we have less than 12 years to transform every sector of our economy if we want to avert the worst consequences of climate change. In 2019, deadly hurricanes and catastrophic wildfires raged across the Arctic tundra and threatened the Amazon. Scientists recorded unprecedented Arctic ice sheet melt (90 years ahead of schedule). It's clear; after delaying action for decades, there's no longer any time to waste. The fashion industry needs to wean itself off fossil fuels entirely in the next few decades, beginning with an immediate and rapid transition to renewable energy.

Because of their giant energy bills, the world's leading fashion brands hold significant responsibility for helping to catalyze major shifts to renewable energy across the globe. Not only is it their responsibility – it is an urgent imperative.

THE PROBLEM WITH COAL

Right now, many of the industry's factories are powered by coal, one of the dirtiest fuels on earth. Not only is coal a huge contributor to climate change, but the toxic smog belched out by coal-powered factories impacts the health of millions of people every year, especially those living in the world's poorest countries. In China, coal-burning fire plants contribute to terrible air pollution that kills over 150,000 people every year. By transitioning factories and mills off coal and onto renewables, fashion companies can fight climate change and save lives in the process.

WHILE SOME PROGRESS HAS BEEN MADE, MANY FASHION COMPANIES ARE ON A PATH TO CLIMATE CATASTROPHE

In the last 2 years, apparel and footwear companies have started to accept responsibility for their impacts. More than 100 brands and retailers are members of the Sustainable Apparel Coalition, an industry group that pioneered the Higgs Index to measure the environmental and social impacts of the industry. So far, 24 textiles, apparel and luxury goods companies have agreed to set third-party approved climate targets as part of a process called the Science-Based Targets Initiative. Many more are starting to measure their carbon footprint and embark on sustainability audits. Last December, 57 companies signed onto the UN Fashion Industry Charter for Climate Action, including huge industry brands like Nike, Gap, Puma, Adidas, H&M, and Target. And most recently, at the August 2019 G7 meetings, French President Emmanuel Macron tapped the CEO of Kering industries, who owns luxury brands Gucci, Yves St Laurent and Alexander McQueen, to pull together various sustainability initiatives into an umbrella G7 Fashion Pact for climate, biodiversity and oceans protection.

This progress is encouraging. However, signing onto one of these initiatives doesn't guarantee that a company will implement the climate action necessary to keep the world below a dangerous level of warming.

For example, signatories to the UN Fashion Charter have promised to reduce their global carbon pollution by 30% in the next 6 years. While this commitment deserves credit, it also doesn't reach the 40% reduction needed to align with the UN Paris Climate Agreement's pathway to 1.5 degrees of warming – which is the level of action needed to avert the worst consequences of climate change. Other companies are also relying on carbon offsets to claim "carbon neutrality." Offsets alone do little to actually mitigate the climate crisis and instead provides a greenwashing front.

THE DIFFERENCE A HALF A DEGREE OF WARMING CAN MAKE

At 1.5 degrees of global warming, climate scientists think there's still a chance to maintain 'a semblance' of the ecosystems we have now. A 2 degrees scenario would involve far more severe climate impacts, including many more severe heat events, complete disappearance of the world's coral reefs, higher sea level rise, freshwater scarcity, and frequent droughts. It's hard to overestimate the catastrophic differences between these two scenarios and the importance of doing everything possible to limit warming to 1.5 degrees.

And while one company's commitments might result in actual energy savings and a transition away from coal, another company's climate plan might simply involve spending lots of money on meaningless PR measures.

So far, Levi Strauss & Co. and American Eagle Outfitters are the only leading brands that have announced climate commitments that fully meet the scale of the challenge at hand.

TO HELP CUT THROUGH THE SMOKE AND MIRRORS, STAND.EARTH HAS GRADED 45 TOP FASHION COMPANIES ON THE STRENGTH OF THEIR CLIMATE COMMITMENTS

While a handful of brands, including Levi's, Burberry, Gap, H&M, Puma, and American Eagle, are taking meaningful strides to shift their global supply chains off dirty fossil fuels, hundreds of other companies are failing to set climate targets at all. More than 70 members of the Sustainable Apparel Coalition haven't set any any meaningful climate goals.

This is not good enough.

To actually match the scale of the challenge at hand, companies need to drastically reduce their carbon emissions in their supply chains. Renewable energy projects in company headquarters and storefronts are not enough.

We know what we're asking for is ambitious.

Transformation on this scale and at this pace won't be easy to do. But these are not easy times. Industries and governments have delayed meaningful action on climate for decades, and now there's no time to waste. Simply put, we're living in extraordinary times and the world needs to see extraordinary commitments.

Our scorecard reveals how 45 top fashion companies – all members of the Sustainable Apparel Coalition, the Science Based Targets Initiative, and/or the UN Fashion Charter – really measure up to the climate challenge. These companies all claim to care about sustainability. But are they following through or just paying us lip service?



FILTHY FASHION CLIMATE SCORECARD

We graded 45 top fashion companies on the strength of their climate commitments. All claim to care about sustainability, but only some are rising to the climate challenge – while others are still wearing last season’s greenwash.

In the green: these climate goals put the world on a pathway to 1.5 degrees or less of warming



80 points

AEO

73 points

In the yellow: these climate goals put the world on a path to 2 degrees or less of warming



61-65 points



56-60 points



51-55 points



46-50 points



43 points

In the orange: climate goals on a path to 2 degrees of warming



36-40 points



In the red: these companies' climate goals will put the world on a path to climate catastrophe, with 3+ degrees of warming



27 points



16-25 points



1-15 points



0 points

ALL OF THE 45 BRANDS IN THIS REPORT CARD WERE GRADED USING THE FOLLOWING CRITERIA:

Direct emissions from owned and controlled operations and the energy used to power them (also called scope 1 and 2 emissions):

- 10 points for a commitment to a 90% absolute reduction in emissions by 2025, which is in line with a 1.5 degrees pathway;
- 7 points for a commitment in line with a 2 degrees pathway;
- 3 points for a weak commitment; or
- 0 points for no stated commitment.

Renewable energy in owned and controlled operations:

- 10 points for a commitment to source at least 50% renewable energy by 2035, which is in line with a 1.5 degrees pathway;
- 7 points for a renewable energy purchasing commitment in line with a 2 degrees pathway;
- 3 points for a weak commitment; or
- 0 points for no stated commitment.

Global supply chain emissions including factories and mills, transportation, raw material cultivation and end-of-life disposal (also called scope 3 emissions):

- 50 points for a commitment to a 40% absolute reduction in emissions by 2025, which is in line with a 1.5 degrees pathway;
- 35 points for a commitment in line with a 2 degrees pathway (including the 30% reduction commitment made by members of the UN Fashion Charter);
- 15 points for a weak commitment; or
- 0 points for no stated commitment.

Long term global supply chain emissions reductions – a plan for 2050:

- 30 points for a commitment to reduce absolute emissions by 66% or greater by 2050; or
- 0 points for no stated commitment, or for a ‘carbon neutral’ or ‘net zero’ commitment without explicit goals to meet the first 66% of reductions through direct carbon reduction and not through offsets or other false solutions.

Extra credit: companies could also earn an additional 5 points for each of these:

- Supplier incentives to help factories and mills improve energy efficiency and transition to renewable energy;
- A goal to power global supply chains with at least 50% renewable energy by 2035; or
- Low carbon material sourcing programs

Grading

Grades were weighted by category based on ease of achievability and level of importance. Scope 3 emissions received the most weight because up to 90% of any given company's climate emissions are in its supply chain. Companies were provided extra credit points for renewable energy targets because investments in renewable energy technology are critical in transforming global systems. While energy efficiency improvements are important, these measures alone will not catalyze the systemic change necessary to address the climate crisis.

False climate solutions

Companies did not receive points for false climate solutions – easy measures that look good on paper but fail to tackle carbon pollution in the real world. Companies did not receive full credit for programs that:

- Fail to encompass the full supply chain;
- Set faulty "intensity-based" targets that reduce emission levels per clothing unit or per sales volume, since only absolute climate emission reductions ultimately guarantee less climate pollution in the atmosphere;
- Place unwarranted hope in the use of only recycled fibers or a "circular economy" approach, as it does not easily offer the level of savings in climate pollution needed;
- Shift the burden of action to customers, hoping that consumers will adopt less polluting laundering practices;
- Fail to alleviate local environmental and health impacts of global operations through utilizing "renewable energy credits" or investing in other offsets, instead of investing in local renewable energy production; or
- Switch from coal to another climate-harmful fuel, like wood-based biomass (which involves cutting down forests for fuel) or LNG / natural gas.

Company dialogue

Before releasing this report card to the public, Stand.earth actively engaged participating companies in a dialogue regarding their sustainability policies, current carbon emissions, and future goals. All of the brands included in this report were shown a draft grade and given the opportunity to provide us with their most current commitments and active emissions reduction work.

Background on fashion's climate problem:

- "Measuring Fashion: Environmental Impact of the Global Apparel and Footwear Industries Study." Quantis. https://quantis-intl.com/wp-content/uploads/2018/03/measuringfashion_globalimpactstudy_full-report_quantis_cwf_2018a.pdf
- "Pulse of the Fashion Industry." Global Fashion Agenda and BCBG. http://globalfashionagenda.com/wp-content/uploads/2017/05/Pulse-of-the-Fashion-Industry_2017.pdf
- "Too Deadly to Wear report." Stand.earth. <https://fashion.stand.earth>

Current climate initiatives in the fashion industry:

- "About the Fashion Charter for Climate Action." UNFCCC. <https://unfccc.int/climate-action/sectoral-engagement/global-climate-action-in-fashion/about-the-fashion-industry-charter-for-climate-action>
- "Science Based Targets Initiative." SBT. <https://sciencebasedtargets.org>
- "G7 Fashion Pact." Kering. <https://www.kering.com/en/news/32-leading-global-fashion-and-textile-companies-make-commitments-on-climate-biodiversity-and-oceans>

Example of fashion's climate solution:

- "Climate Action Strategy 2025." https://www.levistrauss.com/wp-content/uploads/2018/07/LSCO_Climate_Action_Strategy_2025.pdf

Understanding greenhouse gas emissions reductions:

- "Technical Guidance for Calculating Scope 3 Emissions." Greenhouse Gas Protocol. <https://ghgprotocol.org/calculation-tools>
- "What are Scope 3 Emissions." Carbon Trust. <https://www.carbontrust.com/resources/faqs/services/scope-3-indirect-carbon-emissions/>

Understanding the climate crisis:

- "Half a Degree and a World Apart." WRI. <https://www.wri.org/blog/2018/10/half-degree-and-world-apart-difference-climate-impacts-between-15-c-and-2-c-warming>





Stand.earth launched the #FilthyFashion campaign in July 2017 to call on the fashion industry to adequately address the climate crisis by making meaningful climate commitments through its global supply chains. At nearly 10% of global climate pollution, the climate challenge cannot be solved without the fashion industry taking bold action. Major shifts in renewable energy requires fashion companies to reduce the climate pollution in their supply chains. Specifically, the campaign aims to radically transform the grid from coal to renewables in China, Bangladesh, Turkey, Vietnam, and other countries in southeast Asia and around the world.