

# Fossil-Free Fashion Scorecard 2025

Ranking 42 of the most influential global fashion companies  
on their efforts to phase out fossil fuels



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# Brand Rankings

| COMPANY                     | TOTAL | COMMIT-<br>MENTS &<br>TRANSPAR-<br>ENCY | RENEWABLE<br>ENERGY<br>TRANSITION | ADVOCACY | MATERIALS<br>AND CIRCU-<br>LARITY | CLEAN<br>SHIPPING |
|-----------------------------|-------|-----------------------------------------|-----------------------------------|----------|-----------------------------------|-------------------|
| H&M Group                   | B+    | A+                                      | B+                                | A        | C                                 | C                 |
| Eileen Fisher               | B-    | C+                                      | C+                                | B        | A-                                | D+                |
| Kering (Gucci, YSL)         | C+    | B+                                      | C-                                | D        | A-                                | C+                |
| Levi Strauss & Co.          | C+    | C+                                      | B-                                | D        | C+                                | C-                |
| Patagonia                   | C+    | C-                                      | C                                 | C        | B+                                | D+                |
| Mammut                      | C     | C-                                      | C+                                | D        | C+                                | A+                |
| PUMA                        | C     | B+                                      | C                                 | D        | C+                                | C+                |
| Nike                        | C     | C                                       | C-                                | B        | C-                                | B-                |
| Inditex (Zara)              | C     | B                                       | D+                                | D        | B+                                | C                 |
| Lululemon                   | C     | B-                                      | C-                                | D        | C                                 | C                 |
| Adidas                      | C-    | B-                                      | D                                 | D        | C+                                | D                 |
| Burberry                    | C-    | C                                       | D+                                | D        | B-                                | D                 |
| PVH (Calvin Klein)          | C-    | C-                                      | C                                 | F        | C                                 | C-                |
| BESTSELLER (Vero<br>Moda)   | C-    | C+                                      | C-                                | D        | C-                                | C                 |
| New Balance                 | D+    | B-                                      | D                                 | D        | D+                                | C                 |
| On Running                  | D+    | C                                       | D                                 | F        | B-                                | D-                |
| Gap                         | D+    | C-                                      | C                                 | D        | D                                 | D+                |
| Hugo Boss                   | D+    | C-                                      | D                                 | D        | B+                                | F                 |
| VF Corp (The North<br>Face) | D+    | C                                       | D                                 | C        | D                                 | C                 |
| Asics                       | D+    | B-                                      | D                                 | C        | D-                                | F                 |

|                                       |    |    |    |   |    |    |
|---------------------------------------|----|----|----|---|----|----|
| <b>MANGO</b>                          | D+ | B- | D- | D | C+ | F  |
| <b>Allbirds</b>                       | D+ | C  | F  | F | B  | C- |
| <b>REI</b>                            | D+ | C  | D  | F | D  | C  |
| <b>Ralph Lauren</b>                   | D+ | D+ | D  | D | C- | D  |
| <b>Primark</b>                        | D  | D+ | D+ | D | D  | C- |
| <b>American Eagle<br/>Outfitters</b>  | D  | B  | D- | D | D+ | F  |
| <b>Prada</b>                          | D  | C  | D  | F | D+ | F  |
| <b>Target</b>                         | D  | D+ | D+ | F | F  | D+ |
| <b>Armani</b>                         | D  | D+ | D+ | D | D  | D  |
| <b>LVMH<br/>(Louis Vuitton, Dior)</b> | D  | D- | D- | D | D+ | D  |
| <b>Fast Retailing (UNIQLO)</b>        | D  | D- | C- | D | F  | F  |
| <b>Chanel</b>                         | D  | D+ | D  | F | F  | D+ |
| <b>Walmart</b>                        | D- | F  | D- | C | D+ | F  |
| <b>Capri Holdings (Versace)</b>       | D- | C- | D- | D | D- | F  |
| <b>Abercrombie &amp; Fitch</b>        | D- | F  | D  | F | D  | D- |
| <b>MEC</b>                            | F  | D- | F  | F | D  | D  |
| <b>Under Armour</b>                   | F  | D  | F  | F | D  | F  |
| <b>Next</b>                           | F  | D  | F  | F | D  | F  |
| <b>Boohoo</b>                         | F  | F  | F  | F | F  | F  |
| <b>SHEIN</b>                          | F  | F  | F  | F | D- | F  |
| <b>Aritzia</b>                        | F  | F  | F  | F | D- | F  |
| <b>Columbia</b>                       | F  | F  | F  | F | D- | F  |

# Foreword

Last year was the first recorded time that the average global surface temperature increase breached the 1.5°C threshold<sup>1</sup> set to avert the worst impacts of climate breakdown. This trajectory makes it more clear than ever that the goal of staying below this limit is almost certainly out of reach by 2030. However, that does not mean that the industry should abandon this north star. As the rampant production of fossil-fueled clothing continues to rise, contributing at least 4% of global emissions in 2024,<sup>2</sup> the fashion industry must urgently correct course by ending its dependency on fossil fuels for manufacturing, transportation, and raw materials. Rapid, just, and worker-centered action by brands has never been more essential for an industry that remains heavily reliant on fossil fuels.

Furthermore, while this analysis is focused on existing action and recommendations for supply chain decarbonization and a just energy transition that supports workers, with brands as active and equal partners, it must be emphasized that a renewable energy transition alone is not sufficient to deliver a sustainable fashion industry, and far from delivering a just transition. A fair phase out of fossil fuels as part of a just transition means systemic movement away from a top-down approach to supply chain management, towards decentralized decision-making, engaged communities, and community-led projects.<sup>3</sup>

The current environment is a challenging one for the fashion industry—brands, manufacturers, workers, and even customers. Supply chains are facing increasing barriers: rapidly escalating and unpredictable trade tariffs and global shipping disruptions have immediate knock-on effects on manufacturers, cause real harm to workers' livelihoods, increase uncertainty, and ultimately may impact suppliers' ability to dedicate resources to climate action.

At the same time, fashion brands are now under more pressure to prove that their climate targets are attainable, and to show progress in reaching them, as anti-greenwashing legislation and due diligence laws increase scrutiny on brands' impact on environmental and human rights. Customers facing a cost of living crisis and the impact of import duties may feel less able to pay more for goods produced more sustainably. Unless brands act now to fund and enable the manufacturers and workers in their supply chain to deliver rapid climate action, building a more equitable model for the industry, this combination could create the perfect storm that sets the industry's sustainability journey back, while leaving brands open to serious investor and reputational risk.

Stand.earth's 2023 *Scorecard* found that progress toward supply chain decarbonization remained too slow, with limited support available to enable the transition to renewables in companies' supply chain<sup>4</sup>.

In 2025, Stand.earth's investigation found some important signs of progress, with clear leaders emerging; however, serious and systemic blindspots concerning supply chain equity and support for workers on the front lines of climate breakdown persist.

The range of issues assessed in the 2025 *Fossil Free Fashion Scorecard* reflects the breadth of challenges that the fashion industry faces to phase out fossil fuels. While it is disappointing that still none of the brands achieved an A grade in 2025—although a small number of leading brands are getting close—this reflects the reality that the industry has a lot of work left to do to end its close symbiosis with the harmful fossil fuel industry.

This 2025 *Scorecard* traces the level of progress since 2021 and 2023 made by 42 global apparel and footwear

<sup>1</sup> Earth breaches 1.5°C climate limit for the first time: what does it mean?" Nature, 10 January, 2025. <https://www.nature.com/articles/d41586-025-00010-9>

<sup>2</sup> Fashion on Climate" Global Fashion Agenda and McKinsey, (2020). <https://www.mckinsey.com/~media/mckinsey/industries/retail/our%20insights/fashion%20on%20climate/fashion-on-climate-full-report.pdf>

<sup>3</sup> "For the many not the few: introducing just transition for supply chain management." Karaosman, Marshall, Ward. International Journal of Operations & Production Management, 23 May 2024. <https://www.emerald.com/insight/content/doi/10.1108/ijopm-07-2023-0587/full/html#abstract>.

<sup>4</sup> "Fossil-Free Fashion Scorecard 2023." Stand.earth, (2023). [https://stand.earth/fashion/wp-content/uploads/sites/2/2023/03/Fossil-Free-Fashion-Scorecard-Stand.earth\\_.pdf](https://stand.earth/fashion/wp-content/uploads/sites/2/2023/03/Fossil-Free-Fashion-Scorecard-Stand.earth_.pdf)

companies to reduce their carbon footprints in line with a 1.5°C emissions pathway. It provides an updated, ambitious benchmark reflecting critical indicators that dominant fast fashion, sportswear, luxury, and mass market companies and retailers need to meet to enable an accelerated pace of supply chain decarbonization, within a just energy transition framework.

**This scorecard assesses performance across five impact areas:**

- **Climate and energy commitments and transparency:** Reducing greenhouse gas (GHG) emissions by at least half by 2030, compared with 2018 levels, with a clear decarbonization pathway; and deep disclosure of emissions and energy use across entire value chains.
- **A fair renewable and energy-efficient manufacturing transition:** Progress in driving renewable energy use and energy efficiency and phasing out coal in all tiers of the supply chain by 2030; action to fund and enable the energy transition across supply chains; and climate adaptation policies to support workers and communities.
- **Climate and renewable energy advocacy:** Demanding stronger emission reduction targets and renewable energy policy from government decision makers to ensure access to renewables in manufacturing countries.
- **Low-carbon and longer lasting materials:** Phasing out fossil fuel-derived fabrics such as polyester; ending the use of wood-based materials and leather linked to deforestation; sustainable cotton sourcing; and shifting toward closed-loop recycling and longer-lasting products made to be repaired, reused and recycled.
- **Greener shipping:** Reducing emissions from upstream shipping and advocating for zero-emission vessels and infrastructure, as well as transitioning to zero emission last-mile delivery.



## Key Findings

1.

**Of the 42 brands analyzed in this report, 14 (33%) reported sustained emissions reduction of more than 10% against their baseline year**, while 19 (45%) reported reduced emissions compared with the previous year. However, only three (Eileen Fisher, Burberry, Prada) have reduced emissions in line with a 1.5°C pathway, while 17 brands actually increased their carbon footprint compared to their baseline.
2.

**As of 2025, 12 of 42 (29%) companies now have supply chain renewable electricity targets** to varying degrees, a significant increase from just five in the 2023 Scorecard. In contrast to those encouraging signs of progress, the percentage of brands and retailers with public, time-bound commitments to phase out coal by 2030 failed to grow, remaining at 20 of 42 (47%).
3.

**Just six brands (14%) reported providing any kind of decarbonization project financing for suppliers**, and just one (H&M Group) showed strong evidence of project financing beyond debt, in a serious failure to advance a just energy transition.
4.

**A hopeful sign is that 40 of 42 (95%) of brands offer some form of resale or repair**, as brands recognize that circular business models are becoming mainstream.
5.

**Climate adaptation is a dangerous blindspot:** Not one brand provided clear evidence of specific training, financing or support for climate adaptation for workers, developed in consultation with local stakeholders. Only one brand provided a specific target related to climate adaptation.

| BEST PERFORMER                                                                                                                                                                                       | BIGGEST POLLUTER                                                                                                                                                                                                        | BIGGEST LAGGARDS                                                                                                                                                                                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| It may be surprising for a fast fashion brand, but H&M Group scored B+ overall—a first for the Scorecard—as the brand providing the most active financial support to its suppliers to cut emissions. | If SHEIN were a country, it would be the 100th biggest emitter in the world, almost as much pollution as the entire country of Lebanon, <sup>5</sup> having increased Scope 3 emissions by over 170% in just two years. | Abercrombie & Fitch, Aritzia and Columbia Clothing have yet to set a target to cut Scope 3 emissions, leaving them the furthest behind their competitors and dangerously out of step with climate action. |

<sup>5</sup> “GHG emissions of all world countries” EDGAR, (2024). [https://edgar.jrc.ec.europa.eu/report\\_2024](https://edgar.jrc.ec.europa.eu/report_2024)

## Subsector Findings

| Fast fashion                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Mass market/Retailers                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Fast fashion included both the lowest and highest performing brands, showing that with dedicated action progress is possible.</p> <ul style="list-style-type: none"> <li>■ <b>Once again H&amp;M Group (B+) outperformed its competitors like Inditex (C)</b> with ambitious climate commitments and action and a strong performance across most categories, while Next, Boohoo, SHEIN and Aritzia were among the six F-graded brands.</li> <li>■ <b>Fast fashion brands continue to perform poorly in the 'Low Carbon Materials and Circularity' category</b> compared with the other subsectors. The highest score achieved by a fast fashion brand in this low-carbon/circularity category was a C (H&amp;M Group, Inditex, Bestseller) for their investments in next generation and recycled fibers.</li> </ul>                                                                                                 | <p>This subsector was divided into mass market and retailers, including: Eileen Fisher, Hugo Boss, Levi Strauss &amp; Co, PVH, Ralph Lauren, Target, VF Corp and Walmart.</p> <ul style="list-style-type: none"> <li>■ <b>The mass market category outperformed the cross-sector average in every category by at least a grade.</b></li> <li>■ <b>Mass market brands had the best average score in low-carbon materials and circularity</b>, where Eileen Fisher (B-) led the category for strong material commitments and well developed resale and repair initiatives.</li> <li>■ <b>Retailers Walmart (D-) and Target (D) were below average across most categories</b>, with Target slightly leading its competitor with stronger climate targets and greater supply chain engagement.</li> </ul>                                                                                                                                            |
| Sportswear and outdoor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Luxury                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <p>Sportswear and outdoor companies assessed were: Adidas, Allbirds, Asics, Columbia Clothing, Lululemon, Mammut, MEC, New Balance, Nike, On-Running, Patagonia, PUMA, REI and Under Armour.</p> <ul style="list-style-type: none"> <li>■ <b>An impressive seven of the 12 brands with supply chain renewable energy targets are sports or outdoor brands</b>; this subsector on average performed the best in the commitments and transparency category.</li> <li>■ <b>Patagonia (C+)</b>, the highest scoring sportswear and outdoor brand, performed strongly on low-carbon materials and governance, but was hindered by a lack of recent disclosure. <b>PUMA (C+)</b> had a high level of disclosure and strong supplier engagement programs, although reported short term emissions growth.</li> <li>■ The lowest scoring companies in this category were Under Armour (F) and Columbia Clothing (F).</li> </ul> | <p>Luxury companies included in 2025 were: Armani, Burberry, Capri Holdings, Chanel, Kering, LVMH and Prada.</p> <ul style="list-style-type: none"> <li>■ <b>Performance across luxury companies has improved since the publication of the 2023 Scorecard.</b> Five of seven luxury brands improved their overall score, while two remained the same.</li> <li>■ <b>Kering (C+) was the frontrunner amongst luxury players</b> for its robust standards on material sourcing and biodiversity, setting a new clear target to reduce strategic suppliers' energy consumption by 70% by 2035 and having a clear transition plan with interim milestones.</li> <li>■ <b>Luxury companies remain opaque about their supply chains.</b> Only Armani (D) publicly shared its Tier 1 and Tier 2 supplier list, while Capri (D-) shared its Tier 1 list and Prada (D) shared a partial list of raw material and semi-manufacturing suppliers.</li> </ul> |

## Category-Specific Findings:

### Climate and Energy Commitments and Transparency

- **The highest scoring companies in this category were H&M Group (A+), Kering (B+) and Inditex (B),** while the biggest laggards, Abercrombie & Fitch, Artizia and Columbia Clothing (F), are yet to set any Scope 3 targets.
- **Net Zero goals proliferate but lack integrity:** two-thirds of companies (64%) had net zero goals of some sort for 2040 or 2050. However, only 5 of these (AEO, H&M Group, Inditex, Kering, and PUMA) demonstrated strong public efforts or evidence of actions such as interim targets for 2035 or 2040 in their transition plans.
- **Coal is still a quiet killer:** Less than half (20/42) of brands and retailers have public time-bound commitments to phase out coal.
- **12/42 companies now have supply chain renewable electricity targets of some sort,** a significant increase from just five in the 2023 Scorecard.

### Renewable and Energy-efficient Manufacturing

- **The highest scoring companies in this category were H&M Group (B+) and Levi Strauss & Co (B -)** for clear details on supplier energy transition financing, while seven companies including Artizia, Boohoo Group and SHEIN scored an F grade.
- **Just over half (57%) of companies offered valid evidence of actively supporting supplier decarbonization through funded feasibility studies,** target-setting and climate transition planning.
- However, funding rarely gets past training. **Just six brands reported providing any kind of project financing,** and just one (H&M Group) showed evidence of non-debt based financing (loans), and very limited evidence of brands directly ensuring supportive procurement policies (long-term contracting, higher prices, preferential terms) to enable rapid and equitable supplier transition investments
- **Climate adaptation initiatives by brands are seriously undeveloped.** Only Eileen Fisher specifically

referenced contacting suppliers about heat-related stress, and Kering is the only brand with a specific target related to climate adaptation.

### Renewable energy advocacy

- **H&M Group (A) was a clear leader for its efforts, including becoming the first brand to enter into a Memorandum of Understanding** for green energy supply in Vietnam under the new Direct Power Purchase Agreement (DPPA) mechanism, while advocating for PPA mechanisms in several other countries. Eileen Fisher (B) and Nike (B) also scored highly.
- **Just two brands, Patagonia (C) and Eileen Fisher, stood out for actively supporting the New York and California Fashion Acts,** which would regulate climate transparency and mitigation efforts.
- **Just three brands, H&M Group, Kering (D), and LVMH (D), met the UN High-level Expert Group governance criteria of net zero target integrity:** an internal carbon price, clear governance structures for climate transition, and tying executive compensation to environmental performance.

### Low-carbon and deforestation-free materials

- **The average grade increased from an F to a D since the 2023 Scorecard.** Top performers in this category remained Kering and Eileen Fisher (A-).
- **Just six companies (14%) have committed to or achieved a majority phase-out of fossil fuel-based materials, both virgin and recycled.** Allbirds, Eileen Fisher, Hugo Boss, Ralph Lauren, Levi Strauss & Co. and Kering, all show leadership while other brands are still heavily reliant on petroleum-derived synthetics.
- **Almost one third of companies provided strong examples of how they were taking action and investing to increase textile circularity,** including the use of high-quality closed-loop textile recycling or next-generation fibers made from recycled textiles or agricultural residues. Just one company, PUMA (C+), has shown leadership by setting a time-bound target for using textile-to-textile recycled polyester (30% by 2030) within its material goals.

- **In a clear growth area for the industry, in 2025, 40 of 42 (95%) of brands offered some kind of resale or repair program**, as brands recognize that circular business models are becoming mainstream.
- **Disappointingly, only seven companies transparently report on their full material mix and volumes by percentage and weight.**
- **Just five companies (Adidas, Allbirds, Mammut, PUMA and VF Corp) have publicly committed to significantly limiting the use of air freight as a shipping mode.**
- **Five companies reported emissions increasing heavily since their baseline year, with no clear progress reversing the trend:** Fast Retailing, Inditex, Prada, PUMA and SHEIN. SHEIN's Scope 3 Category 4 emissions nearly doubled from 2022 to 2023; PUMA reported a near 50% rise in transportation emissions compared to the previous year.
- **Only nine brands (21%) disclosed information on transportation emissions broken down by mode**, as transparency of upstream shipping remains poor.

### Greener shipping

- **Nearly two-thirds of companies included upstream shipping within their Scope 3 emissions reduction targets**, up from just half in 2023. 12 brands recorded sustained decreases in Scope 3 Category 4 emissions year on year.

## Spotlight on: Lululemon



Canadian athleisure brand Lululemon, famous for its Align Leggings, yoga chic and 'Be Planet' mantra, is finally getting into climate shape. In 2022 Stand.earth launched a public campaign calling on Lululemon to live up to its earth-friendly messaging by committing to transition its supply chain off coal and onto clean, renewable energy.

### Lululemon Fact Sheet

**Origin:** Canada

**Grade:** C

**Category:** Athletic and leisure wear

**Mainly manufactured in:** Vietnam, China, Cambodia

**Previous grades from 2021 (D-) and 2023 (C-).**

**Category 1 Emissions:** Increased 7% from 2023-2024

Lululemon has made some bold claims about its "vision" to make products that contribute to a healthy planet. However, as a fast-growing athleisure brand with a heavy reliance on synthetic fibers, the brand's emissions had grown rapidly in line with its revenue, and more action was needed.

Lululemon has been gradually building pace on its transition for the last couple of years, and has now taken an important step forward by committing to shift its manufacturing to 50% renewable electricity by 2030, while specifically prioritizing high impact renewables over cheap unbundled Renewable Energy Credits (RECs).<sup>6</sup>

Stand.earth applauds this progress, reflected in a 'C' grade in 2025, up from a 'D-' in 2021: steady progress from a brand that is doing the work. Of course, there is still a long journey ahead. The brand has yet to set an absolute emissions reduction target, relying instead on a less meaningful intensity-based framework that allows emissions to increase while still "meeting" its goals; indeed, its manufacturing emissions grew by 7% in the last year. Although it has a coal-phase out target date, it has yet to share its plan for electrifying thermal processes, and has not published details on how it will ensure a fair climate transition through financing and supportive procurement. Lululemon is due to release a full climate transition later on this year, which may fill some of these important gaps, but in the meantime we are happy to take Lululemon off the "Most Wanted" list.

<sup>6</sup> "Our Impact Agenda", Lululemon. Accessed online May 2024. <https://corporate.lululemon.com/our-impact/our-impact-agenda>

## Priority Recommendations

### For fashion brands:

1. **Publish detailed Just Climate Transition plans**, highlighting interim milestones in between 2030 and 2050 on the pathway to net zero, and publicly disclosing the levers by which climate goals will be reached in a way that actively includes suppliers, workers and other stakeholders.
2. **Collaborate with other brands to support and empower manufacturers** in your supply chain to rapidly phase out coal, improve energy efficiency, transition to renewable energy, and improve transparency at the facility level into Tier 4, while prioritizing high-impact renewable energy.
3. **Create more equitable supplier relationships and commit to pay a fair share for decarbonization**, including access to funding in the form of preferable loan rates, as well as non-debt based project financing. Enter into long-term contractual agreements and offer purchasing terms which ensure stability during periods of volatility, and during investment pay-off periods.
4. **Increase focus on climate adaptation.** Act urgently to enact specific, locally appropriate and inclusive climate adaptation plans that both support workers through the impacts of climate breakdown and ensure fair access to the benefits of the transition.
5. **Ramp up collaborative advocacy efforts** in key manufacturing hubs to increase access to renewable energy through locally appropriate infrastructure and policy developments, and support mandatory disclosure and due diligence legislation to create a level playing field.
6. **Commit to a clear phase-out of oil-based synthetics.** Embed this within company material standards and procurement policies, ensuring they go beyond and recognise the limitations of false solutions like recycled polyester.
7. **Bring greener shipping into focus.** Set specific upstream transportation emissions reduction targets, actively embed slower shipping into product planning, and support zero-emission transportation providers.

### For stakeholders:

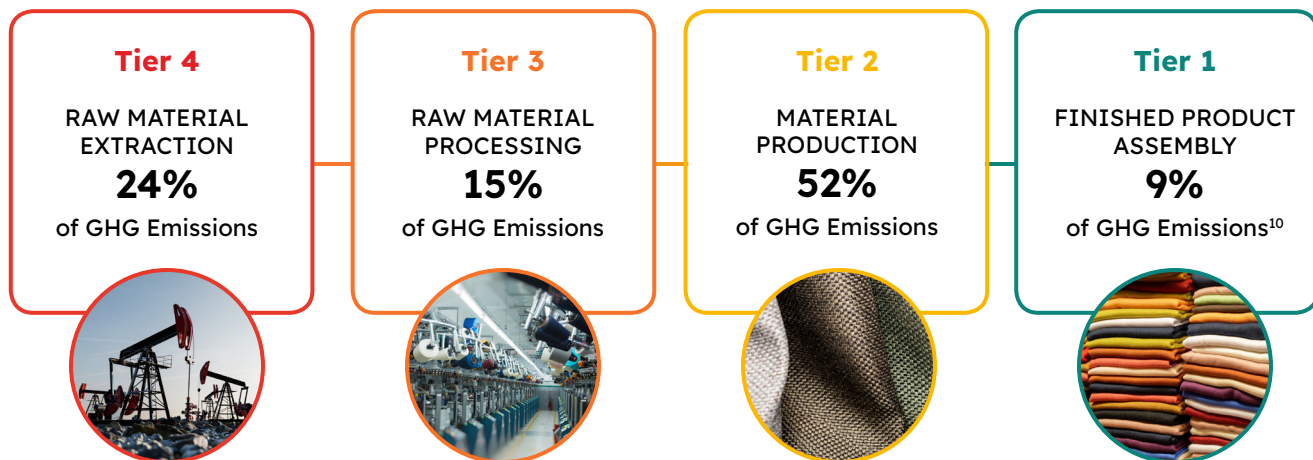
1. **Policymakers should:** Advance policy and/or regulatory provisions aimed at pushing a rapid and just energy transition away from fossil fuels and toward key renewable energy sources, including through the adoption of adequate transparency and accountability provisions that support a level playing field for brands.
2. **The UN Fashion Charter should:** Continue to strengthen provisions aimed at reducing emissions and increasing equity, including by implementing measures to ensure that signatory companies act with clarity, rigor, and transparency in meeting their pledges, for example, by producing detailed publicly accessible updates on their progress and publishing transition plans, and by ensuring active inclusion of worker voices in developing guidance for brands on climate adaptation support and engagement.
3. **Citizens should:** Demand accountability from brands by supporting campaigns like the Fossil Free Fashion campaign, emailing or messaging brands on social media, buying less or choosing second hand, and when you do need to buy new, choosing to support brands that are taking action to decarbonize.



# Background: The Rise of Fossil-Fueled Fashion

For decades, the fashion industry has seen unprecedented growth which shows no signs of slowing, with production of new garments expecting to reach over 100 million tons by 2030<sup>7</sup> — roughly equivalent to 1000 US aircraft carriers, or one million blue whales. In

2024, production of new clothing contributed at least 4% of global emissions,<sup>8</sup> **greater than all of global aviation.**<sup>9</sup> The vast majority of that impact comes from manufacturing processes, where fossil fuels are embedded at every stage.



It has been well established by the IPCC and other major reports that a highly significant phase-down of coal for power generation is needed by 2030, and a near-total phase out by 2040, in order to not exceed the 1.5°C temperature threshold. Unabated gas power also needs to fall drastically by 2040, with a corresponding significant rise in wind and solar.<sup>11</sup>



In Tiers 1 to 3 of fashion manufacturing supply chains, where producers require large amounts of energy for high heat-based processes like dyeing and setting, coal and gas are often burned on-site in boilers. Electricity needed for running large machinery is powered by a mostly fossil fuel grid or on-site generators, leading to high emissions, pollution, and air quality impacts for local communities.



Cheap synthetic materials made of fossil oil and gas have exponentially increased production volumes with huge repercussions across the supply chain, from health impacts on workers at every tier all the way to end-of-life waste and microplastic pollution.



Offshored production requires long-distance transportation by dirty maritime shipping or high-emitting air freight.

The five biggest clothing manufacturing countries in the world are China, Bangladesh, Vietnam, India, and Turkey, which produce and export millions of garments per year for major global brands. These countries remain heavily reliant on fossil fuels, particularly coal and gas, accounting for significant sector emissions from manufacturing processes throughout fashion supply chains.

<sup>7</sup> "What is fast fashion?" McKinsey, (2025).

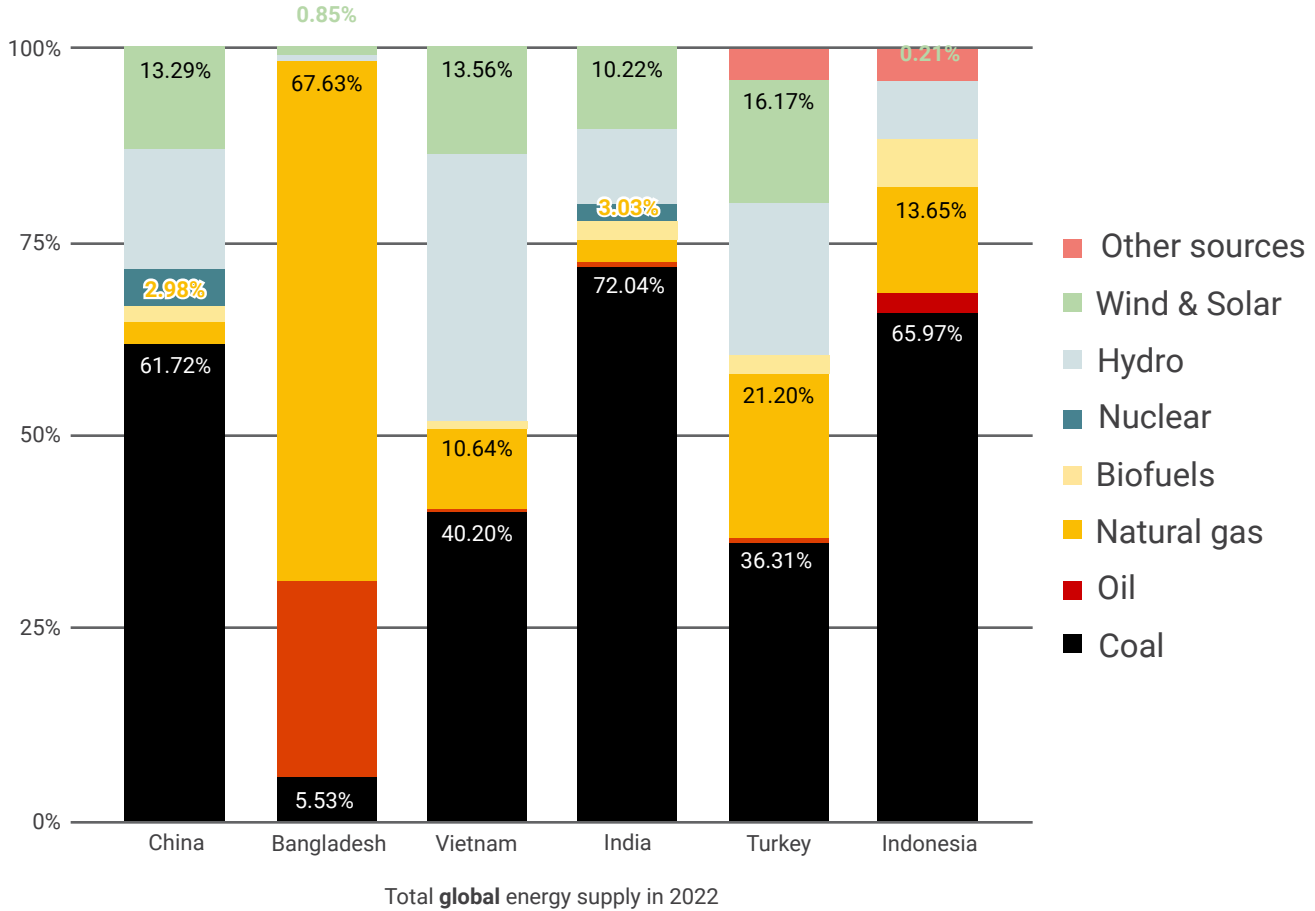
<sup>8</sup> "Fashion on Climate" Global Fashion Agenda and McKinsey, (2020).

<sup>9</sup> "Why is aviation important?" IEA, (n.d.). <https://www.iea.org/energy-system/transport/aviation>

<sup>10</sup> "Apparel Impact Institute Impact Report 2023." Apparel Impact Institute, (2024). [https://apparelimpact.org/wp-content/uploads/2024/03/Aii\\_ImpactReport\\_2023.pdf](https://apparelimpact.org/wp-content/uploads/2024/03/Aii_ImpactReport_2023.pdf) p. 47

<sup>11</sup> "The science is clear, coal needs to go." Ember Energy, (2022). <https://ember-energy.org/latest-insights/the-science-is-clear-coal-needs-to-go/>

Grid mix by country, 2022 (IEA)



However, there are important signs of progress. In 2019, coal made up 47% of the energy grid in Vietnam; in 2022 an increase in solar, wind and hydro reduced overall coal power generation share to 40%. Despite plans for two new coal-fired power plants and a host of new LNG and gas power projects, Vietnam is also targeting a significant increase in solar and wind power generation under its new draft power development plan to align with

net zero by 2050,<sup>12</sup> an important opportunity to build a decarbonized fashion sector. By setting ambitious targets and investing in decarbonization, brands can send strong demand signals in support of climate action, while national garment industries can position themselves to be more profitable, resilient, and stable in the future as the economy transitions.

<sup>12</sup> "Vietnam's new electricity law: legal framework for renewable energy development." Vietnam Briefing, (2024) <https://www.vietnam-briefing.com/news/vietnams-new-electricity-law-legal-framework-renewable-energy.html/#:~:text=PDP8%20aims%20to%20shift%20Vietnam's,and%20wind%20energy%20by%202050.>

# Recent Developments

In the 2023 *Scorecard*, Stand.earth reported pockets of important progress, as brands began to share details of deeper engagement with manufacturers in their supply chains as they recovered from the upheaval of the COVID19 pandemic. Since then, both new global challenges and shifting voluntary and regulatory frameworks have emerged for the fashion industry which will have significant impacts on all stakeholders—brands, manufacturers, workers, and citizens.

## New Trade Tariffs and Fashion's Just Energy Transition

In April 2025, US President Donald Trump introduced global import tariffs which significantly impact fashion's biggest exporting countries. It is not clear how long the tariffs will remain in place, and the details of the implementation remain to be seen, but major fashion brands have already taken significant hits to their share prices as stock markets reeled.<sup>13</sup>

| COUNTRY    | PROPOSED<br>TARIFF RATE <sup>14</sup> | US APPAREL<br>IMPORTS (USD),<br>2022 <sup>15</sup> |
|------------|---------------------------------------|----------------------------------------------------|
| China      | 145%                                  | 38 Bn                                              |
| Vietnam    | 46%                                   | 20.2 Bn                                            |
| India      | 26%                                   | 12.4 Bn                                            |
| Bangladesh | 37%                                   | 10.2 Bn                                            |
| Indonesia  | 32%                                   | 6.3 Bn                                             |

The US is the second biggest importer of ready made clothing in the world after the EU, with imports worth \$86 billion USD in 2022.<sup>16</sup> High tariffs will likely have an immediate impact on consumer prices and purchasing habits, with the potential for both negative and positive impacts on fashion's long term sustainability.

Long-standing concerns exist over trading practices such as the *de minimis* exemption, which permitted individual

packages valued at less than \$800 USD to avoid import duties, thereby fueling the rapid growth of direct-to-consumer models from retailers like SHEIN and Temu. These models promote overconsumption and throwaway fashion thanks to low prices and fast delivery. The US government's proposal to end this exemption, as well as high tariffs driving up prices, may encourage shoppers to consider both where their clothes are coming from and how much they buy. Shoppers have the opportunity to embrace and drive a widescale shift towards circular and slow fashion, by buying second hand or investing in quality items which will last longer.

**However, such a rapid shift will have serious and immediate negative impacts on the sector globally.**

The global uncertainty caused by high and shifting trade barriers could lead to significant setbacks to decarbonization efforts and cause real harm to the workers and communities that depend on the textile sector, if brands cancel or renegotiate orders, shift production to other countries, or demand lower prices from manufacturers to make up for the tariff-related price increases. None of these actions are aligned with a just transition.

The precarity of the buyer-supplier relationship is already a barrier to meaningful climate action, and tariffs that impact exports in the short term may exacerbate this imbalance as already squeezed manufacturers feel forced to deprioritize climate action. However, short term instability can't be allowed to cause long-term damage which brands would come to regret.

Dropping focus on climate action now would further harm frontline workers, damage brands' relationships with both their customers and suppliers, and introduce strategic vulnerabilities in the supply chain, while delivering only minimal short term price savings.

<sup>13</sup> "It could set the industry back 50 years: fashion braces for impact of Trump tariffs." Guardian, April 5, 2025. <https://www.theguardian.com/fashion/2025/apr/05/fashion-braces-for-impact-of-trump-tariffs>

<sup>14</sup> "See the Trump tariffs list by country" BBC, accessed April 25, 2025. <https://www.bbc.com/news/articles/c5ypxnnng7jo>

<sup>15</sup> "United States Textiles and Clothing Imports by country in US\$ Thousand 2022", World Integrated Trade Solution, accessed April 5, 2025. [https://wits.worldbank.org/CountryProfile/en/Country/USA/Year/LTST/TradeFlow/Import/Partner/by-country/Product/50-63\\_TextCloth](https://wits.worldbank.org/CountryProfile/en/Country/USA/Year/LTST/TradeFlow/Import/Partner/by-country/Product/50-63_TextCloth)

<sup>16</sup> "Global Fashion Industry Statistics." Fashion United, (2023) <https://fashionunited.com/statistics/global-fashion-industry-statistics>

## Regulatory Developments

The EU's leadership on corporate accountability appears to be diminishing. In April 2025, the EU Parliament approved the "Stop-the-clock" directive to delay the implementation of its Corporate Sustainability Reporting Directive (CSRD) and Corporate Sustainability Due Diligence Directive (CSDDD) by up to two years for companies that are not already reporting.

This follows the introduction in February 2025 of an Omnibus package of directives which proposed changes to significantly weaken the reporting and due diligence requirements, dramatically reducing the scope of companies required to report, and limiting due diligence liability to companies "direct business partners," or Tier 1 suppliers.

This retreat from mandatory reporting and action will be a dangerous setback to the EU's net zero goals, and fail to deliver a level playing field, unfairly penalizing brands that have already shown leadership in supply chain transparency and decarbonization.

Meanwhile the EU may find itself getting left behind, as senators in New York and California have introduced Fashion Acts at state level. The New York Fashion Act was reintroduced after receiving strong support in 2024, and would require fashion brands selling over a certain threshold within the state to report on social and environmental data, including publishing climate mitigation plans and results.

While increased accountability for brands is essential, in order to be part of the just transition it must also reflect local challenges, and require brands to be active partners in decarbonization and human rights, including paying their fair share. Legislation must not become a reason for brands to shift to different suppliers or markets without taking action, causing immediate harm to workers and communities.

## SBTi Corporate NZ Standards update

The Science Based Targets initiative (SBTi) is currently reviewing and updating its Corporate Net Zero Standards - the primary voluntary standard used by corporations worldwide to establish meaningful targets to align their operations with net zero and the Paris Climate Agreement.

The SBTi faced serious criticism in 2024 when the Board of Trustees released a statement apparently permitting the use of carbon offsets—widely considered to be at best greenwashing, and at worst harmful—to meet Scope 3 emissions reduction targets, threatening to undermine years of hard work decarbonizing supply chains. Reports indicated that the move was the result of heavy lobbying from partners including the Bezos Earth Fund (of Amazon's Jeff Bezos).<sup>19</sup> Amazon has since launched its own carbon offsetting program for direct suppliers, and has had its Science-Based Target withdrawn for failing to set an effective emission reduction pathway.<sup>20</sup>

The standards have their critics, but corporate interests must not be allowed to undermine years of progress, and leading fashion brands have a stake in maintaining that integrity. H&M Group displayed corporate leadership by taking a public position against carbon offsets for meeting Scope 3 targets with an open letter to the SBTi board of trustees,<sup>21</sup> a position which is essential for fashion brands which have already made meaningful investments in decarbonizing their supply chains to ensure a level playing field which incentivizes real climate action.

The latest consultation (as of March 2025) does *not* open the door to offsets, but concerns remain about plans for carbon markets and "indirect emissions" reduction which can be akin to offsetting, such as Sustainable Aviation Fuels. It is essential that the most influential brands take a strong position in support of maintaining high integrity targets.

<sup>17</sup> "EU Omnibus - Changes to EU CSRD and CSDDD." Dentons, (2025) <https://www.dentons.com/en/insights/articles/2025/april/4/eu-omnibus-changes-to-eu-csrd-and-csddd>

<sup>18</sup> "The Future of Fashion Law: Can California and New York Set the Global Standard?" Accessed online April 2024. <https://www.mrllp.com/the-future-of-fashion-law-can-california-and-new-york-set-the-global-standard>

<sup>19</sup> "Inside the controversy that's divided the carbon offsets market", Bloomberg, 2024-04-13. <https://www.bloomberg.com/news/articles/2024-04-13/inside-the-climate-controversy-that-s-divided-the-carbon-offsets-market>

<sup>20</sup> "Amazon is dropped by Science-Based Targets Initiative", Data Center Dynamics, September 19, 2023. <https://www.datacenterdynamics.com/en/news/amazon-is-dropped-by-science-based-targets-initiative/>

<sup>21</sup> H&M Group, May 2024. <https://hmgroup.com/wp-content/uploads/2024/05/HM-Group-letter-of-concern-to-SBTi.pdf>

# Analysis of Five Impact Areas



# Climate and Energy Commitments and Transparency

This impact area assesses the ambition of climate and energy targets set by fashion brands and retailers, including if they are compatible with keeping global warming below 1.5°C. Companies are reviewed on the level of transparency towards progress on these targets as well as any clear evidence of sustained emissions reduction. This year, the benchmark for transparency was raised and more detail required. The scoring criteria also integrated recommendations from the UN High Level Expert Group on Net Zero report on businesses and non-state actors, which provides guidelines to support a rapid and fair net zero transition.

| F                   | D-             | D            | D+           | C-             | C                | C+                 | B-                | B                         | B+     | A- | A | A+        |
|---------------------|----------------|--------------|--------------|----------------|------------------|--------------------|-------------------|---------------------------|--------|----|---|-----------|
| Abercrombie & Fitch | Fast Retailing | Under Armour | Armani       | PVH            | Prada            | Eileen Fisher      | Asics             | Inditex                   | Kering |    |   | H&M Group |
| SHEIN               | LVMH           | Next         | Chanel       | Mammut         | Nike, On Running |                    | New Balance       | American Eagle Outfitters | PUMA   |    |   |           |
| Boohoo              | MEC            |              | Ralph Lauren | Gap Inc.       | Allbirds         | Levi Strauss & Co. | Adidas            |                           |        |    |   |           |
| Walmart             |                |              | Primark      | Capri Holdings | Burberry         | Best-seller        | MANGO MNG Holding |                           |        |    |   |           |
| Columbia            |                |              | Target       | Hugo Boss      | REI              |                    | Lululemon         |                           |        |    |   |           |
| Aritzia Inc         |                |              |              | Patagonia      | VF Corp          |                    |                   |                           |        |    |   |           |

## Brand overview

H&M Group shows leadership with ambitious climate and energy commitments, and impressive transparency; Aritzia, Abercrombie & Fitch and Columbia languish with zero ambition.



**HIGHEST SCORE:** H&M GROUP

**AVERAGE GRADE:** C-

**LOWEST SCORE:** ARITZIA INC.

### Leader Spotlight: Kering

Kering's clear climate commitments earned it one of the highest grades, B+ in the Scorecard, a slight improvement from B in 2023. The company has ambitious emissions reduction targets for its supply chain and has also set a Scope 3 Forest Land and Agriculture target. Alongside setting clear interim targets for 2035 on its pathway to net zero, and 100% renewable energy for its own operations, Kering has a clear coal phase out plan which prioritizes heat pumps and encourages renewable electricity for its supply chain.<sup>22</sup>

### Leader Spotlight: H&M Group

H&M Group became the first company to be awarded an A+ in this category, having set ambitious Scope 3 emissions targets, and the only brand to have a supply chain renewable energy target which includes Tier 3. H&M Group also published for the first time a detailed report on its supply chain thermal energy and electricity transition, setting a high standard for other brands to follow. H&M Group also specifically prioritizes electrification to replace coal power, which is positive, although it also uses biomass and gas.

### The F Club

Six brands received a failing grade for the Commitments and Transparency category: **Abercrombie & Fitch, SHEIN, Boohoo, Walmart, Columbia Clothing, and Aritzia Inc.**, for failing to disclose meaningful climate or energy targets, or to provide meaningful transparency into their emissions, energy demand or supplier lists. Columbia Clothing, Aritzia Inc, and Abercrombie & Fitch are all yet to set a Scope 3 emissions reduction target, while Columbia has no public climate targets of any kind, and does not disclose its emissions.

## Background on climate and energy commitments:

With commitment, investment, and action from brands, transitioning to renewable electricity to cut emissions and reduce pollution is achievable, and impactful. According to a new analysis by the Apparel Impact Institute (Aii) on thermal decarbonization and electrification, it is within reach for brands to reach a 100% renewable electricity supply chain in China, India and Vietnam by 2030, and across Indonesia and Bangladesh by 2040 with ambitious action.<sup>23</sup>

A commitment to at least half upstream emissions by 2030, and specific commitments to phase out coal and transition to renewables for electricity and heat, sends important demand signals to manufacturers and governments that clean energy is essential for the industry's future.

Clear thermal energy pathways are essential, and should not just include how brands will support suppliers to phase out coal, but also which alternative heat sources or processes will be prioritized, reflecting the potential impact on local communities.

<sup>22</sup> "Universal Registration Document - Annual Financial Report - Integrated Report." Kering, (2025) [https://www.kering.com/api/download-file/?path=DEU\\_EN\\_2024\\_interactif\\_26c8d4882e.pdf](https://www.kering.com/api/download-file/?path=DEU_EN_2024_interactif_26c8d4882e.pdf) p.186 and "Kering Standards - Standards & guidance for sustainable production." Kering, (2024) [https://www.kering.com/api/download-file/?path=KERING\\_STANDARDS\\_V6\\_0\\_EN\\_3986d4ef14.pdf](https://www.kering.com/api/download-file/?path=KERING_STANDARDS_V6_0_EN_3986d4ef14.pdf)

<sup>23</sup> "Low-carbon Thermal Energy Roadmap for the Textile Industry." Apparel Impact Institute and Global Efficiency Intelligence, (2025) <https://apparelimpact.org/wp-content/uploads/2025/03/Aii-GEI-Low-Carbon-Thermal-Energy-Roadmap-for-the-Textile-Industry.pdf> p.3

Since 2018, fashion brands which are signatories of the UN Fashion Charter for Climate Action have had a commitment to fully phase out coal-fired boilers by 2030, with no new coal boilers from 2023. However, transition challenges and a focus on showing rapid emissions reduction has led to the concerning adoption or prioritization of certain false solutions, including fossil gas and biomass.

While biomass and gas may lead to reduced CO<sub>2</sub> emissions being reported in the short term, and electrification may not yield immediate emissions reductions if the electricity grid still relies on fossil fuels, it is important to note that this does not make them the most environmentally friendly, or just, solutions. The Aii points to several important ongoing challenges, including the price volatility of sourcing gas, the additional, largely undercounted climate impact of methane emissions which can result in overall GHG emissions even higher than that of coal, and the difficulty of sourcing genuinely sustainable biomass, particularly in the case of widespread adoption<sup>24</sup>.

Stand.earth asserts that biomass cannot be sustainable at an industrial scale and will lead to significant danger of harm to local food and fuel sources and access to land, and that it is imperative for brands to move beyond burning into long-term electrification and reduce their energy needs through innovations such as waterless dyeing<sup>25</sup>.

## Supply chain emission reduction targets remain unambitious

The first step on the pathway to corporate decarbonization is to set ambitious climate targets that meet the need of the moment, at minimum aligned with the UN Fashion Charter's requirement of 50% absolute reduction by 2030 compared with 2018 levels. With just five years to 2030, and the deadly impacts of climate

breakdown already an existential threat to workers, businesses, and entire fashion supply chains, there is no excuse left for any major brand to fall short of this benchmark.

Despite the clear urgency, **just one quarter (11) of companies included in this report have set strong enough climate targets for their supply chain**, and the sector is still on an emissions trajectory far from a 1.5°C pathway. For three quarters of companies to have emissions targets well short of the benchmark to align with 1.5°C is an alarming failure.

Strong climate targets must result in absolute emissions reduction, and not leave the door open to emission increasing. Intensity based targets such as that of Boohoo Group<sup>26</sup>, MEC<sup>27</sup> and Lululemon<sup>28</sup> target reductions as a ratio against on units or revenue, and can still facilitate rising pollution. For the six companies with intensity-based targets, setting an absolute emission reduction goal in line with 1.5°C should be an immediate priority.

**Columbia Clothing, Artizia Inc, and Abercrombie & Fitch are all yet to set a Scope 3 emissions reduction target of any kind, a shocking failure in 2025.**

Eight brands increased their scope 3 ambition since the 2023 Scorecard, of which **Inditex, Kering, New Balance** and **Patagonia** now meet the benchmark:

- **Adidas:** 42% reduction by 2030 compared with 2022 levels
- **Chanel:** 42% reduction by 2030 from a base year of 2021. Additionally, has a goal to reduce absolute scope 3 GHG Forest, Land and Agriculture (FLAG) emissions 30.3% by 2030, and 72% by 2040, from a 2021 base year.
- **Inditex:** 51% reduction by 2030 compared with 2018 baseline

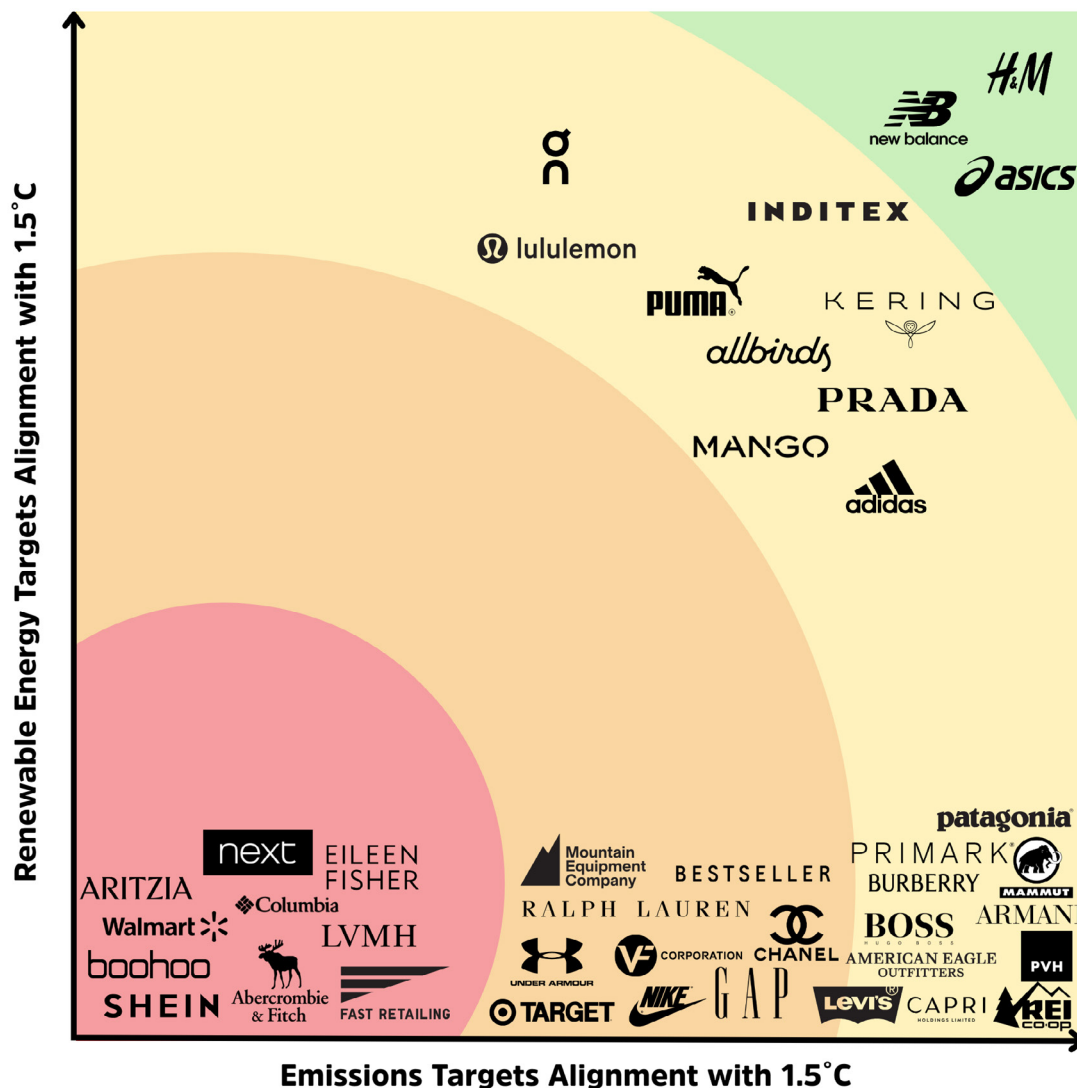
<sup>24</sup> "Low-carbon Thermal Energy Roadmap for the Textile Industry." Apparel Impact Institute and Global Efficiency Intelligence, (2025) <https://apparelimpact.org/wp-content/uploads/2025/03/Aii-GEI-Low-Carbon-Thermal-Energy-Roadmap-for-the-Textile-Industry.pdf> p.4

<sup>25</sup> "Biomass Burning: The Fashion Industry's False Phase-Out." Stand.Earth, November, 2023. [https://stand.earth/wp-content/uploads/2023/11/2023-Biomass-brand-analysis-report\\_Final.pdf](https://stand.earth/wp-content/uploads/2023/11/2023-Biomass-brand-analysis-report_Final.pdf)

<sup>26</sup> "Annual Report and Financial Statements 2024." Boohoo Group PLC, (2024) <https://www.boohooplc.com/sites/boohoo-corp/files/2024-05/boohoo-group-plc-annual-report-and-financial-statements-2024-v3.pdf> p.67

<sup>27</sup> "Climate targets." MEC, (n.d.) <https://www.mec.ca/en/explore/climate-targets>

<sup>28</sup> "2023 Lululemon Impact Report." Lululemon, (2024) <https://corporate.lululemon.com/~media/Files/L/Lululemon/our-impact/reporting-and-disclosure/2023-lululemon-impact-report.pdf> p.35



Emissions Targets Alignment with 1.5°C

Scope 1 - 3 Emissions Targets Alignment

- **Kering:** 54.6% reduction by 2033 against a 2022 baseline. The company has also set Scope 3 FLAG targets of 39.4% reduction by 2033, and 72% by 2050.
- **Levi Strauss:** 42% by 2030 compared with 2022 levels
- **MEC:** intensity-based target to reduce emissions 55% per sold product by 2030 from a 2021 base year
- **New Balance:** 50% reduction by 2030 compared with 2019 levels
- **Patagonia:** 55% reduction by 2030 compared with 2017 levels

### Net Zero Ambition and Interim Targets Lack Clear Pathway

Lofty net zero by 2050 goals are easy to make, but harder to keep. In the 2025 Scorecard, Stand.earth assessed who had clear interim targets aligned with international criteria and a thorough climate transition plan, identified by the High Level Expert Group (HLEG) on Net Zero's recommendations<sup>29</sup> as a priority for setting high-integrity targets, and found few examples with specific interim targets.

Far-off net zero targets without interim targets or a clear roadmap, and where policies do not currently align with

<sup>29</sup> Integrity Matters: Net Zero Commitments by Businesses, Financial Institutions, Cities and Regions, United Nations' High-Level Expert Group on the Net Zero Emissions Commitments of Non-State Entities. November 2022. <https://www.un.org/sites/un2.un.org/files/high-level-expert-group-update7.pdf>

1.5°C, risk accusations of greenwashing. In the example of a new addition to the Scorecard, Mango, the company has the goal to reach net zero by 2050, but has no interim targets and a relatively unambitious Scope 3 target for 2030, making it unclear how it plans to reach net zero.<sup>30</sup>

## Own operation and supply chain clean energy targets growing; focus needed on procurement integrity

Positively, renewable electricity targets for brands' own operations (Scope 2 emissions) are now near ubiquitous among major brands: 90% of the brands included in the Scorecard have a target of 100% by 2030 or sooner, up from less than half in 2021. However, approaches to how brands choose to procure that electricity vary as widely as the impact of those strategies.

Climate leaders will ensure that the renewable energy will be both local and additional to the grid – as opposed to purchasing Renewable Energy Credits (RECs/ EACs) for power generated elsewhere. Inditex's high-integrity approach is a good example, targeting 40% of renewable electricity from PPAs and VPPAs that add clean electricity to the grid by 2026, while REI set a goal to shift away from RECs while providing shared benefit to communities near its stores<sup>31</sup>.

Stores and offices are just a tiny share of brands' energy footprint, so in order to send strong demand signals into manufacturing regions and meet their climate goals companies must set renewable energy targets that cover their manufacturing footprint as well, while prioritizing high-impact procurement.

This level of leadership is still relatively rare among fashion brands, but there has been progress. **In 2025, 12 companies included in the Scorecard have published a target to increase the share of electricity or energy powering their manufacturing that comes from renewables**, compared with just 5 companies in 2023. Some examples:

- **H&M Group** set the strongest leadership commitment as the only brand to include Tiers 1-3 of its supply chain under the 2030 target, and including thermal energy as well as electricity, while prioritizing high impact procurement.<sup>32</sup>
- **Kering** and **Inditex** both target 100% renewable electricity for manufacturing operations by 2030 and 2040 respectively, not including thermal energy.<sup>33</sup>
- **Allbirds** has a target for 100% of Tier 1 suppliers to reach 100% RE by 2025<sup>34</sup>
- **Lululemon** set a new target to achieve 50% renewable electricity among core suppliers by 2030<sup>35</sup>
- **PUMA** has recently increased its target, planning to achieve 40% renewable energy among core factories by 2030 and ensure a 40% GHG emission reduction for Scope 1 and 2 at core factories by 2030<sup>36</sup>.

## Half of brands lack thermal coal phase out targets; false solutions a concern

Wet processes like textile dyeing are responsible for around half of the fashion industry's emissions<sup>37</sup>, due to the high carbon-intensity of onsite burning of fossil fuels, primarily coal. In many factories coal-fired boilers are still used to generate steam and hot water used in dyeing

<sup>30</sup> "Mango Climate Approach." Mango, (2024) [https://www.mangofashiongroup.com/documents/20122/95072/2024\\_Mango+Climate+Approach.pdf/2abc3241-a497-d425-b08e-ee6998d2892e?t=1719302557217#:~:text=Mango%20has%20set%20a%2035,get%20the%20approval%20by%20SBTis.](https://www.mangofashiongroup.com/documents/20122/95072/2024_Mango+Climate+Approach.pdf/2abc3241-a497-d425-b08e-ee6998d2892e?t=1719302557217#:~:text=Mango%20has%20set%20a%2035,get%20the%20approval%20by%20SBTis.) p.4

<sup>31</sup> "REI Co-op celebrates 10 year anniversary of 100% renewable power; announces commitment to power every store with local renewable energy." REI, (2023) <https://www.rei.com/newsroom/article/rei-co-op-celebrates-10-year-anniversary-of-100-renewable-power-announces-commitment-to-power-every-store-with-local-renewable-energy>

<sup>32</sup> "H&M Group - Climate Transition Plan." H&M Group (2024). <https://hmgroup.com/wp-content/uploads/2024/03/Climate-Transition-Plan.pdf>

<sup>33</sup> "Inditex Climate Transition Plan." Inditex, (2023). <https://www.inditex.com/itxcomweb/api/media/450e8c9d-3266-4ffe-abb0-62fe206a188c/Inditex%20Climate%20Transition%20Plan.pdf>

<sup>34</sup> "Allbirds 2023 Flight Status." Allbirds, (2024) [https://cdn.allbirds.com/image/upload/v1728422833/Allbirds\\_2023\\_Flight\\_Status.pdf?\\_gl=1\\*9m0lh\\*\\_gcl\\_au\\*ODg00TMwMTg1LjE3MzY4NjUwMjk\\*\\_ga\\*MzY3ODgxNDQ5LjE3MzY4NjUwMzY\\*\\_ga\\_KJL05B1DJZ\\*MTczOTI4MzQ1MS4zLjEuMTczOTI4MzQ4MS4wLjAuMA.](https://cdn.allbirds.com/image/upload/v1728422833/Allbirds_2023_Flight_Status.pdf?_gl=1*9m0lh*_gcl_au*ODg00TMwMTg1LjE3MzY4NjUwMjk*_ga*MzY3ODgxNDQ5LjE3MzY4NjUwMzY*_ga_KJL05B1DJZ*MTczOTI4MzQ1MS4zLjEuMTczOTI4MzQ4MS4wLjAuMA.) p.12

<sup>35</sup> "2023 Lululemon Impact Report." Lululemon, (2024) <https://corporate.lululemon.com/~media/Files/L/Lululemon/our-impact/reporting-and-disclosure/2023-lululemon-impact-report.pdf> p.38

<sup>36</sup> "PUMA Annual Report 2024." PUMA, (2025) <https://about.puma.com/sites/default/files/financial-report/2024/puma-annual-report-2024-en-final.pdf> p.105

<sup>37</sup> "Unlocking the Trillion Dollar Fashion Decarbonisation Opportunity", Fashion for Good and Aii. November 2021. <https://reports.fashionforgood.com/report/trillion-dollar-fashion-decarbonisation/>

and finishing, bringing serious air pollution and health risks to workers and communities in manufacturing areas. The UN Fashion Charter requires members to commit to a full coal phase-out by 2030, but even among Charter signatories, public commitments, action and transparency varies widely, although leading brands emerge.

### False Solutions: Biomass and Fossil Gas

The question of what replaces coal is essential in avoiding false solutions. It is a concerning trend to note that some brands are prioritizing gas and biomass over electrification or heatless technologies, even where options are more readily available. Burning either biomass or gas in boilers can result in GHG emissions higher than that of coal when fully accounted for, while leading to high or fluctuating prices for manufacturers, and potentially serious impacts to local communities and biodiversity.<sup>38</sup>

### Supply chain transparency improving, energy transparency still opaque

A clear picture of the emissions, energy demand and renewable energy procurement across a company's supply chain is essential to assess its progress to meeting its climate targets and avoid the appearance of greenwashing.

Emissions transparency is increasing as brands improve their reporting processes, while six brands (American Eagle Outfitters, Bestseller, Kering, Levi Strauss & Co., PUMA, VF Corp) stood out for fully disclosing a detailed emissions history, broken down by scope, category and country or tier level. On the other end of the scale, Columbia Clothing was the only brand to fail to disclose any historic emissions data or breakdown at all.

**Just half of the brands and retailers assessed have set time-bound commitments to phase out coal**, either independently or as a signatory of the UN Fashion Charter. In 2025, H&M Group published a new target to fully phase-out coal by 2026, well ahead of the 2030 Fashion Charter deadline, and reports a specific prioritization of electrification over alternatives like biomass and gas.

Adidas claims that more than half of the suppliers it worked with have modified or replaced coal-fired boilers to use biomass or fossil gas by the end of 2024, with no mention of electrification.<sup>39</sup>

A small number of brands have acknowledged the potential harms inherent in biomass as a large-scale solution, although none have eschewed it altogether. Gap Inc. collaborated with industry peers to develop responsible biomass guidelines to prevent deforestation, focusing efforts on Cambodia, where biomass-driven deforestation is a known issue.<sup>40</sup>

However, few brands are meeting the benchmark with respect to transparency into energy and electricity use across the entire value chain. Positive examples include:

- H&M Group published a detailed report on its operational and supply chain electricity and thermal energy picture, including detailed geographic and sourcing breakdowns, and a description of its approaches and trajectory<sup>41</sup>.
- American Eagle Outfitters provides a detailed list of suppliers using coal in Tier 1 and Tier 2, plus a breakdown of supplier thermal energy and electricity in Tier 1<sup>42</sup>.
- Eileen Fisher also provides a comprehensive breakdown for Tier 1 and Tier 2, looking at gas, coal, wood biomass, natural gas, purchased electricity and remaining emissions from sources like diesel and petrol steam<sup>43</sup>.

<sup>38</sup> "Biomass Burning: The Fashion Industry's False Phase-Out." Stand.Earth, November, 2023. [https://stand.earth/wp-content/uploads/2023/11/2023-Biomass-brand-analysis-report\\_Final.pdf](https://stand.earth/wp-content/uploads/2023/11/2023-Biomass-brand-analysis-report_Final.pdf)

<sup>39</sup> "Adidas 2024 Annual Report." Adidas, (2025) [https://report.adidas-group.com/2024/en/\\_assets/downloads/annual-report-adidas-ar24.pdf](https://report.adidas-group.com/2024/en/_assets/downloads/annual-report-adidas-ar24.pdf) p.187

<sup>40</sup> "Gap Inc. 2023 ESG Report." Gap Inc., (2024) <https://dq06ugkuram52.cloudfront.net/files/19222114/48346180.pdf> p.23

<sup>41</sup> H&M Group Annual and Sustainability Report 2024." H&M Group, (2025) <https://hmgroupp.com/wp-content/uploads/2025/03/HM-Group-Annual-and-sustainability-report-2024.pdf>

<sup>42</sup> "Sustainability Goals." American Eagle Outfitters, (n.d.) <https://www.aeo-inc.com/sustainability-goals/> and response to Stand.earth

<sup>43</sup> "2023 Benefit Corporation Report." Eileen Fisher, (2024) [https://www.eileenfisher.com/ns/journal/benefit-corp-report-2023-FINAL-web-rc.pdf?srsltid=AfmBOoqYaV4\\_OwYd8DRcp4QOk3VGya25T2tg4X0MGRr3Bh8I2f5CS5N](https://www.eileenfisher.com/ns/journal/benefit-corp-report-2023-FINAL-web-rc.pdf?srsltid=AfmBOoqYaV4_OwYd8DRcp4QOk3VGya25T2tg4X0MGRr3Bh8I2f5CS5N) p.14

- PUMA breaks down its energy consumption for Tier 1 and Tier 2, sharing data on non-renewable energy, renewable energy, and the percentage from RECs.

- Bestseller disclosed only partial data, but included a case study example for a garment factory in Bangladesh which could be used as a model for the rest of its data.<sup>44</sup>

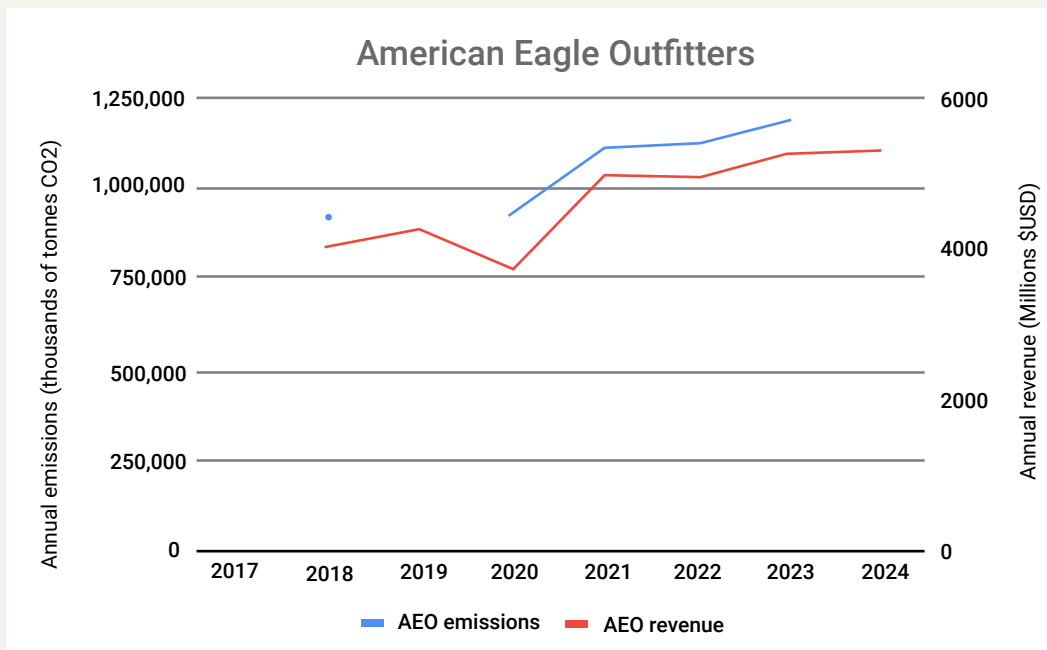
## Progress Update: Are the industry's emissions actually falling in line with 1.5°C?

The research investigated which of the 42 companies have matched intention with action when it comes to ensuring a sustained decrease in Scope 3 emissions in particular in line with a 1.5°C trajectory. While scientific reports note that the world has already reached this goal temperature set out in the Paris Agreement<sup>45</sup>, 1.5°C remains a critical marker and indicator of credible responsibility in regard to reducing GHG emissions.

**In 2025, nearly one third of companies (13) showed a consistent reduction in emissions against their**

**baseline, while nearly half reported reduced emissions compared with the previous year.** Strong performers included Burberry, which reported an emissions reduction of 49% against its base year of 2018-2019<sup>46</sup> and Eileen Fisher, which reduced emissions by 59% compared to the company's 2018 baseline<sup>47</sup>.

It should also be noted that companies may not be intentionally reducing their emissions. Boohoo Group reported its Scope 3 Category 1 emissions decreased against the company's baseline by 13%, but this was attributed to a significant decrease in the quantity of goods sold, as opposed to intentional remediation to support climate targets<sup>48</sup>. To this point comparing emissions with revenue can be revealing:



American Eagle Outfitters' emissions closely track its annual revenue, showing no clear evidence of uncoupling emissions from sales.

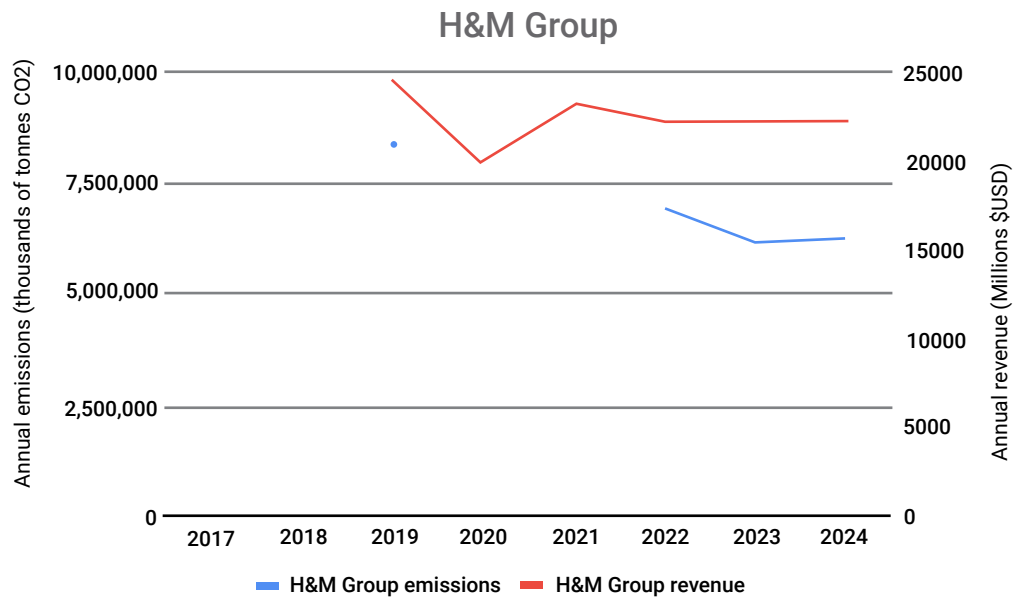
<sup>44</sup> "Bestseller Annual Report 2023 - 2024." Bestseller, (2024) p.142

<sup>45</sup> "World exceeds 1.5°C threshold for entire year for the first time." Met Matters, 10 January, 2025 <https://www.rmets.org/metmatters/world-exceeds-15degc-threshold-entire-year-first-time>

<sup>46</sup> "Environmental and social measures - Burberry Annual Report 2023/2024." Burberry, (2024) <https://www.burberryplc.com/content/dam/burberryplc/corporate/2024-updates/environmental-and-social-responsibility.pdf> p.43

<sup>47</sup> "2023 Benefit Corporation Report." Eileen Fisher, (2024) [https://www.eileenfisher.com/ns/journal/benefit-corp-report-2023-FINAL-web-rc.pdf?srsltid=AfmBOoqYaV4\\_OwYd8DRcp4Q0ki3VGyA25T2tg4X0MGRr3Bh8I2f5CS5N](https://www.eileenfisher.com/ns/journal/benefit-corp-report-2023-FINAL-web-rc.pdf?srsltid=AfmBOoqYaV4_OwYd8DRcp4Q0ki3VGyA25T2tg4X0MGRr3Bh8I2f5CS5N) p.12

<sup>48</sup> "Annual Report and Financial Statements 2024." Boohoo Group PLC, (2024) <https://www.boohooplc.com/sites/boohoo-corp/files/2024-05/boohoo-group-plc-annual-report-and-financial-statements-2024-v3.pdf> p.59



H&M Group's emissions, while still correlating with sales, show some evidence of separation since the brand's 2019 baseline.

In a deeply concerning development, SHEIN recorded a drastic rise in absolute emissions from 9.17 million metric tons of CO<sub>2</sub>e in 2022 to 16.68 million metric tons of CO<sub>2</sub>e in 2023—only slightly less than the entire annual emissions of Lebanon<sup>49</sup> in 2023<sup>50</sup>.

### Next Steps for Brands:

Overall, companies are making positive progress to set climate commitments that align with a 1.5°C warming for their own operations. Brands that are not yet in leading positions should prioritize the following actions:

- Increase the ambition of Scope 3 emissions reduction targets to at least 50% by 2030, alongside setting complete renewable electricity targets for supply chain operations that cover each tier of the supply chain.
- Set clear priorities and sub-targets for the percentage of renewable electricity, in own operations and supply

chain, that will be achieved through higher-impact sourcing options, such as on-site generation and PPAs.

- Publish detailed climate transition plans, highlighting interim milestones in between 2030 and 2050 on the pathway to net zero, setting out how emissions reduction targets align with 1.5°C.
- Commitments to phase out coal by 2030 must be accompanied by a strong thermal energy transition plan that prioritizes electrification over transition energy sources such as biomass.

<sup>49</sup> "GHG emissions of all world countries" EDGAR, (2024). [https://edgar.jrc.ec.europa.eu/report\\_2024](https://edgar.jrc.ec.europa.eu/report_2024)

<sup>50</sup> "SHEIN 2023 Sustainability and Social Impact Report." SHEIN, (2024) <https://www.sheingroup.com/wp-content/uploads/2024/08/FINAL-SHEIN-2023-Sustainability-and-Social-Impact-Report.pdf> p.31

# Renewable and Energy Efficient Manufacturing

This impact area assesses how brands engage with suppliers in a just and equitable manner to improve energy efficiency, source renewable energy and improve data transparency at the facility level through information sharing, financing, and fair procurement policies.

| F            | D-                        | D                   | D+         | C-             | C         | C+            | B-                 | B | B+        |
|--------------|---------------------------|---------------------|------------|----------------|-----------|---------------|--------------------|---|-----------|
| Boohoo       | LVMH                      | Adidas              | Target     | Kering         | Patagonia | Mammut        | Levi Strauss & Co. |   | H&M Group |
| SHEIN        | Walmart                   | On Running          | Inditex    | Fast Retailing | PUMA      | Eileen Fisher |                    |   |           |
| Under Armour | Capri Holdings            | VF Corp             | Burberry   | Lululemon      | Nike, PVH |               |                    |   |           |
| MEC          | MANGO MNG Holding         | Ralph Lauren        | Bestseller |                | Gap       |               |                    |   |           |
| Allbirds     | American Eagle Outfitters | Abercrombie & Fitch | Primark    |                |           |               |                    |   |           |
| Columbia     |                           | REI                 | Armani     |                |           |               |                    |   |           |
| Aritzia Inc  |                           | New Balance         |            |                |           |               |                    |   |           |
| Next         |                           | Hugo Boss           |            |                |           |               |                    |   |           |
|              |                           | Asics               |            |                |           |               |                    |   |           |
|              |                           | Chanel              |            |                |           |               |                    |   |           |
|              |                           | Prada               |            |                |           |               |                    |   |           |

## Brand overview

Financing mechanisms are gradually increasing, with H&M Group pulling ahead of the pack with a wide range of approaches to finance decarbonization. However, 2 in 3 brands are still failing to reach into their pockets to directly or indirectly finance climate action, while climate adaptation is an afterthought.



**HIGHEST SCORE:** H&M Group

**AVERAGE GRADE:** D+

**LOWEST SCORE:** NEXT PLC

### Leader Spotlight: H&M Group (B+)

H&M Group emerged as a clear leader in terms of the availability of financing options and active support for decarbonization, with major developments including the launch of the Green Fashion Initiative, and collective financing options such as working with the Apparel Impact Institute on the Future Supplier Initiative.

### Leader Spotlight: Levi Strauss & Co (B-)

Levi Strauss & Co performed well due to evidence of providing support for suppliers on on-site solar feasibility studies, engagement with the IFC to support low carbon investment plans for suppliers, plus engagement with VPPAs and intent to focus on PPAs and onsite renewables, instead of RECs.

### The F Club

Nearly a quarter (8/42) companies scored a failing 'F' grade for extremely limited progress or transparency on practices to support a just energy transition. Allbirds, Aritiza, Boohoo Group, Columbia Clothing, MEC, Next, SHEIN and Under Armour all failed to report any significant support for decarbonization initiatives in their supply chain beyond training/ information sharing, Or only requiring suppliers to enroll in Higg FEM.

## Background on fashion's just energy transition:

In the 2025 Fossil Free Fashion Scorecard, Stand. earth is building on the 2024 Clean Energy Close Up report with a deeper investigation into brands' efforts to fund and enable the decarbonization of their supply chains. A just energy transition for the fashion industry means decarbonizing in a manner that is inclusive, fair, and provides lasting benefits to workers and communities.

Brands who authentically support and advocate for a just energy transition will adopt a number of measures to share the burden of decarbonization fairly among those who profit from the industry. This includes sharing financial responsibility for changes related to reducing fossil fuel reliance and transitioning to renewable energy between brands and manufacturers, both through direct financing, preferential loan access and collective

financing agreements; collaborating with manufacturers to develop and implement targets and solutions that are appropriate for their geography and business; and addressing the inherent brand-manufacturer power imbalance by establishing long-term, collaborative supplier relationships and fair purchasing agreements which provide stability and assurance.

To put this into context, thermal combustion is both a key priority for decarbonization, as well as an important issue for workers and communities living near factories, bringing significant impacts on air pollution, health and well-being. In Bangladesh, 83% of emissions in the textile and apparel sector come from the on-site burning of fossil fuels, primarily fossil gas.<sup>51</sup> If Bangladesh is going to develop a sustainable fashion industry by 2030, it is going to require the large-scale transition of thermal processes to more energy-efficient, lower heat, and cleaner alternatives, which may have high upfront costs or long pay back periods.<sup>52</sup>

<sup>51</sup> "Just Climate Transitions in Bangladesh – Accelerating Multistakeholder Action in Textile and Apparel and Construction Industries." FSG, H&M Foundation and Laudes Foundation (2025) [https://hmfoundation.com/wp-content/uploads/2025/01/Just-Climate-Transitions-in-Bangladesh\\_Full-Report\\_Web-version.pdf](https://hmfoundation.com/wp-content/uploads/2025/01/Just-Climate-Transitions-in-Bangladesh_Full-Report_Web-version.pdf) p.17

<sup>52</sup> "Just Climate Transitions in Bangladesh – Accelerating Multistakeholder Action in Textile and Apparel and Construction Industries." FSG, H&M Foundation and Laudes Foundation (2025) [https://hmfoundation.com/wp-content/uploads/2025/01/Just-Climate-Transitions-in-Bangladesh\\_Full-Report\\_Web-version.pdf](https://hmfoundation.com/wp-content/uploads/2025/01/Just-Climate-Transitions-in-Bangladesh_Full-Report_Web-version.pdf) p.48

**FIGURE 2.3: CROSS-TECHNOLOGY COMPARISON MATRIX FOR THE LOW-CARBON THERMAL TECHNOLOGIES AND ALTERNATIVE FUELS ANALYZED IN THIS STUDY.** Source : Hasanbeigi et al. 2024

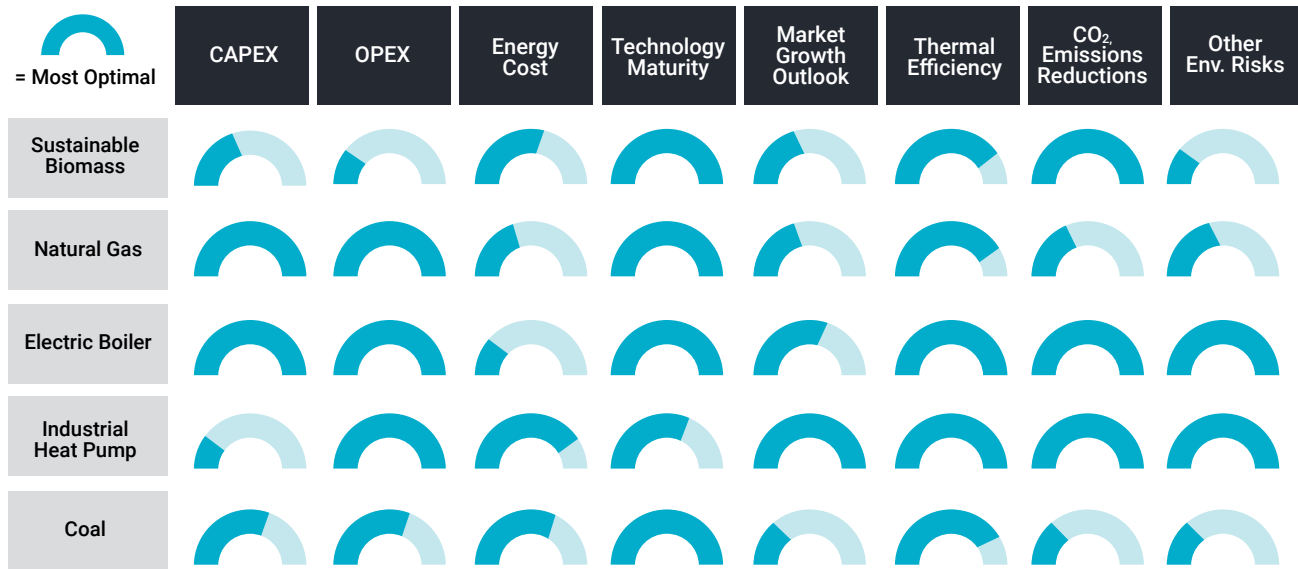


Image source: "Low-carbon Thermal Energy Roadmap for the Textile Industry." Apparel Impact Institute and Global Efficiency Intelligence

According to new research from Aii and Global Efficiency Intelligence, electric boilers and industrial heat pumps are the most effective solutions, but have pay back periods of more than two years, requiring ongoing support from brands.<sup>53</sup> Direct support to finance feasibility studies, pilots and advocate for government incentives is critical to support a move away from coal and interim transition fuels like biomass.<sup>54</sup>

During the current period of global economic uncertainty around inflation and increased trade barriers, it is more imperative than ever that brands provide the long-term financial partnership and pricing that will enable manufacturers to commit to decarbonization projects without being disadvantaged. Without action by brands, decarbonization will not take place at the scale and pace that they, and the urgency of the moment, demand.

### Need for transparency on supply chain progress

While information sharing into concrete brand action has improved since the 2023 scorecard, reporting

remains heavily anecdotal, with few brands sharing specific data on the full depth of support being delivered, the share of suppliers reached, and financial details about the level of their own investment. Deeper and more even transparency on supply chain decarbonization progress is essential to ensure accountability, and improve collaboration where brands share facilities.

### Clear focus on training; feasibility studies and transition planning growing

Providing training and information on energy efficiency and renewable energy to at least Tier 1 and 2 manufacturing suppliers is the approach to supply chain most commonly pursued by fashion brands in 2025. Nearly three quarters (30/42) of companies provided evidence of information-sharing or training to suppliers on energy efficiency and renewable energy which went beyond engagement on basic training through the Higg FEM.

<sup>53</sup> "Is it time for fashion to enter its heatpump era?" Forbes, 24 April, 2025. <https://www.forbes.com/sites/amynguyen/2025/04/24/is-it-time-for-fashion-to-enter-its-heat-pump-era/>

<sup>54</sup> "Low-carbon Thermal Energy Roadmap for the Textile Industry." Apparel Impact Institute and Global Efficiency Intelligence, (2025) <https://apparelimpact.org/wp-content/uploads/2025/03/Aii-GEI-Low-Carbon-Thermal-Energy-Roadmap-for-the-Textile-Industry.pdf> p.18

Some strong examples included:

- Through H&M Group's Green Fashion Initiative the company's suppliers have access to in-house energy efficiency engineers and receive training, support and best practices on how to make credible renewable energy usage claims, measure their GHG emissions and how to mitigate environmental impact, and on setting science-based targets. The company states that 100% of its Tier 1 and Tier 2 suppliers have access to this training and support<sup>55</sup>.
- Alongside its Water and Carbon Leadership Program, American Eagle Outfitters requires that all of its strategic suppliers complete the GIZ Climate Action Training Program by 2025. In 2024, the company also worked with USAID and local consulting firms to offer online trainings on renewable energy solutions (e.g. RECs, DPPA, solar rooftop system local regulation) to suppliers in Vietnam, Bangladesh and China<sup>56</sup>.

Beyond energy efficiency and renewable electricity training for suppliers, brands should provide more comprehensive support to strategic suppliers, including paying for feasibility studies, funding transition plans, and assisting in appropriate target-setting. Just over half (24) of companies showed evidence of this deeper engagement:

- Kering reports working with Tier 1 and Tier 2 suppliers on feasibility studies and to set targets as part of their transition plans<sup>57</sup>
- Outdoor brands like Mammut have participated in the European Outdoor Group Carbon Reduction Project, which also helps Tier 2 suppliers set climate-related targets<sup>58</sup>.
- New Balance, Patagonia and REI supported the formation of the Textile Heating Electrification Tool with the Outdoor Industry Association. This tool aims

to enable fashion brands and suppliers to calculate the potential energy consumption, GHG emissions and cost savings of transitioning from fossil fuel-based heating to electric solutions like industrial heat pumps, electric steam boilers, and electric thermal oil boilers in countries like Bangladesh and Vietnam<sup>59</sup>.

For feasibility studies around renewables:

- Levi Strauss & Co has connected its suppliers with market experts to help with measuring their overall solar feasibility on-site or off-site through a CAPEX or OPEX model.<sup>60</sup>
- Primark reported implementing a supply chain renewable energy roadmap to 2030, starting in India in 2024. This includes partnering with Ren Energy and factories in the Tamil Nadu region and investigating opportunities for collective purchasing of on-site solar panels and for collective purchasing of offsite-generated renewable electricity<sup>61</sup>. This blueprint could be well used in other key sourcing regions.

## Lack of financing: A major barrier to a just energy transition

Strong financing mechanisms are critical to support capital investments and direct solutions for supplier decarbonization. Financial support by brands is an essential part of a fair distribution of responsibility for climate action, as well as responsibility for the significant burden and harm that is already being caused by climate breakdown and the uneven distribution of profit and power between brands, manufacturers, and workers. Access to loans, including preferential rates enabled by brand support has a role, but fair financing means moving beyond debt-based models to direct or collective support directly available to manufacturers for specific decarbonization projects on an annual basis.

<sup>55</sup> "Case Study: Energy efficiency in our supply chain." H&M Group, 9 January, 2025 <https://hmgroupp.com/case-studies/decarbonising-supply-chain-energy-efficiency/>

<sup>56</sup> "AEO - Climate Change 2023" American Eagle Outfitters, (2024) AEO <https://www.aeo-inc.com/wp-content/uploads/sites/4/2023/10/CDP-Climate-Response-2023.pdf>

<sup>57</sup> "Universal Registration Document - Annual Financial Report - Integrated Report 2024." Kering (2025) [https://www.kering.com/api/download-file/?path=DEU\\_EN\\_2024\\_interactif\\_26c8d4882e.pdf](https://www.kering.com/api/download-file/?path=DEU_EN_2024_interactif_26c8d4882e.pdf) and "Climate Strategy." Kering, (2023) <https://www.kering.com/en/sustainability/mitigating-climate-change/climate-strategy/> p.14

<sup>58</sup> "Carbon Reduction Project Case Study: A Collaborative Approach to Decarbonisation in the Outdoor Industry Supply Chain." European Outdoor Group, (2023) [https://assets-global.website-files.com/5ed628f951e6c112227290bb/653113f13de89bacee6a6b3c\\_EOG-CRP%20case%20study%202023.pdf](https://assets-global.website-files.com/5ed628f951e6c112227290bb/653113f13de89bacee6a6b3c_EOG-CRP%20case%20study%202023.pdf) p.9

<sup>59</sup> "Textile Heating Electrification Tool." Global Efficiency Intelligence, (2025) <https://www.globalefficiencyintel.com/textile-heating-electrification-tool>

<sup>60</sup> "Levi Strauss & Co CDP Climate Change Questionnaire 2023." LS&Co, (2024) <https://annual-report.puma.com/2023/en/sustainability/climate/index.html> C12.1

<sup>61</sup> Primark response to Stand.earth 2025 Scorecard enquiry

### Examples of supplier financing:

H&M Group provided several ways it is doing so through its Green Fashion Initiative which focuses on financing on favorable terms for those with limited technical expertise, restricted access to finance, high interest rates and low financial return, to address common barriers that suppliers face. The company reported that 23 projects had been funded, resulting in a potential reduction of 148,000 tonnes CO<sub>2</sub>e in the supply chain, of which 67,000 tonnes are attributable to H&M Group based on its share of business with the suppliers.<sup>62</sup>

The company also publicly shared the total spend on its decarbonisation activities across the value chain was approximately SEK 1.7 billion, a welcome level of transparency that others in the industry should follow.<sup>63</sup>

Through its Sustainable Supply Chain Finance Program, PVH rewards high-performing suppliers with better financing rates based on their sustainability performance. The company has partnered with established banks like HSBC and Standard Charter to provide suppliers with access to competitive financing based on a set of science-based environmental targets as well as a series of social elements<sup>64</sup>.

Collective financing mechanisms are also an important piece of the puzzle: A handful of companies were engaged in programs like the Apparel Impact Institute's Future Supplier Initiative<sup>65</sup> which is currently supported by Bestseller, Gap Inc., H&M Group and Mango in Bangladesh.

However, beyond some evidence from H&M Group, no clear examples were found of brands offering non-debt based financial support directly to manufacturers for decarbonization projects, raising concerns about the

continuation of debt-cycles and increased pressure on suppliers to foot the bill for climate action.

**For 28/42 brands - two thirds - the research found no evidence of any form of decarbonization financing.** This included Adidas, Allbirds, Aritzia, Asics, Boohoo Group, Burberry, Columbia Clothing, MEC, Next, ON-Running, Prada, Under Armour and Walmart, among others.

### Fair purchasing practices remain anecdotal and undeveloped

Business uncertainty for manufacturers, exacerbated by global turmoil, presents a serious long-term barrier to climate action. A just energy transition requires procurement policies that enable suppliers to invest in climate action, providing greater financial security with longer term purchasing agreements and prices that can support the costs of decarbonization.

Few strong examples were found, and details remain anecdotal for this element of a just energy transition. While it is becoming more common for brands to incorporate metrics like renewable energy adoption and GHG emissions reduction into vendor scorecards, which may influence orders, it is important to note that demands and ratings systems imposed on manufacturers can easily reinforce existing colonial power structures, rather than acting as a structure for a collaborative relationship, and should be carefully examined.

Walmart appears to offer an example of a company linking environmental performance to purchasing decisions which result in meaningful incentives. The company worked with CDP and HSBC to launch the Sustainable Supply Chain Finance Program, an early-payment program to incentivize suppliers who set science-based targets through Project Gigaton or have achieved certain score thresholds from CDP.<sup>66</sup>

<sup>62</sup> "H&M Group Sustainability Progress Report 2024." H&M Group, (2025) <https://hmgroup.com/wp-content/uploads/2025/03/HM-Group-Sustainability-progress-report-2024.pdf> p.11

<sup>63</sup> "H&M Group Sustainability Progress Report 2024." H&M Group, (2025) <https://hmgroup.com/wp-content/uploads/2025/03/HM-Group-Sustainability-progress-report-2024.pdf> p.11

<sup>64</sup> "PVH Corporate Responsibility Report 2023" PVH, (2024) <https://www.pvh.com/-/media/Files/pvh/responsibility/PVH-CR-Report-2023.pdf> p.14 report and "PVH Corp. and HSBC partner on first sustainable supply chain finance program tied to environmental and social factors." PVH Corp, (2022) <https://www.pvh.com/news/pvh-hsbc-partnership>

<sup>65</sup> "Achieving lower impact production together." Future Supplier Initiative, (2024) <https://futuresupplierinitiative.com/#:~:text=The%20Future%20Supplier%20Initiative%2C%20facilitated,.%2C%20H%26M%20Group%20and%20Mango>.

<sup>66</sup> "Walmart creates industry first by introducing science-based targets for supply chain finance program." Walmart (2021) <https://corporate.walmart.com/news/2021/12/08/walmart-creates-industry-first-by-introducing-science-based-targets-for-supply-chain-finance-program>

No brand shares details of specific approaches to contract length or pricing, or even average price changes over time, which would show evidence of long-term, secure and fair sourcing relationships with suppliers that invest in decarbonization initiatives. This level of transparency is needed to prove that language around a just transition is more than just lip service. A small number of brands in the Scorecard shared some encouraging details: Chanel stated that it prioritized sustaining its strategic supplier base for long-term operations rather than seeking short-term financial gains.

To support suppliers, it confirmed long-term orders for production planning and, in some cases, provided shorter payment terms to improve liquidity<sup>67</sup>.

Fair pricing that reflects and supports wage increases as well as sustainable production is an essential part of delivering a just energy transition, enabling manufacturers to pay workers a living wage. However, examples of brand transparency on prices were limited, and where present were not linked to decarbonization.

### Progress Update: Are Supply Chains Transitioning to Clean Energy?

Are these policies actually working? This year, Stand. earth evaluated progress on increasing supply chain electricity from renewable sources and a sustained increase in thermal energy from electricity, although limited transparency from brands was a barrier, presenting a murky picture of the state of the transition.

Just four companies clearly disclosed progress in increasing supply chain electricity from renewable sources: H&M Group, Lululemon, Nike and PUMA. H&M Group reported that in 2024 it increased the share of renewable electricity sourced in its Tier 1-3 supply chain to 36%, of which 7% is from PPAs and green tariffs, and 9% is generated on site<sup>68</sup>. Lululemon reported increasing supply chain renewable electricity to 14% among “core Tier 1 and Tier 2 suppliers<sup>69</sup>. Nike recorded increasing in renewable fuel consumption (27% of total), renewable electricity (16% of total) and renewable energy consumption (19% of total)<sup>70</sup>. Meanwhile,

PUMA demonstrated an increase in renewable energy consumption for its Tier 1 supplier base. In 2021, this was 17,763MwH and in 2022 was 37,322 MwH<sup>71</sup>.

Limited transparency is also a barrier to understanding the state of the thermal energy transition, although it is positive to note that several brands detail facilities that have phased out coal. On Running reported that 100% Tier 1 suppliers have already done so<sup>72</sup> and PUMA shares the percentage of production powered by coal across different countries including Vietnam, China and Cambodia for Tier 2 leather and textile production<sup>73</sup>. H&M Group reported that the number of Tier 1 and Tier 2 supplier factories use on-site coal boilers declined to just 19 in 2024, compared to 117 in 2022<sup>74</sup>.

What still remains challenging is understanding what brands are transitioning thermal processes to. It is essential that companies publish transparent data about their supply chain energy and electricity sourcing.

### Next steps for brands:

While brands and retailers have made concerted efforts to increase access to support and training on energy efficiency and renewable energy adoption, there is much work to be done in providing similar levels of financial and technical support to develop climate transition plans and undergo on-site feasibility studies.

<sup>67</sup> “Report to Society.” Chanel, 2018. [https://services.chanel.com/i18n/en\\_US/pdf/Report\\_to\\_Society.pdf](https://services.chanel.com/i18n/en_US/pdf/Report_to_Society.pdf) p.53

<sup>68</sup> <https://hmgroupp.com/wp-content/uploads/2025/03/HM-Group-Annual-and-sustainability-report-2024.pdf>

<sup>69</sup> “Lululemon Impact Report 2023.” Lululemon, (2024) <https://corporate.lululemon.com/~media/Files/L/Lululemon/our-impact/reporting-and-disclosure/2023-lululemon-impact-report.pdf> p.38

<sup>70</sup> “FY23 Nike Impact report.” Nike, (2024) <https://about.nike.com/en-GB/impact> p.176

<sup>71</sup> “Annual Report 2023.” PUMA, (2024) <https://annual-report.puma.com/2023/en/sustainability/climate/index.html> p.156

<sup>72</sup> “Impact Progress Report 2023.” On-Running, (2024). <https://s3.amazonaws.com/cdn.on-running.com/sustainability/On-impact-progress-report-2023.pdf> p.57

<sup>73</sup> “Annual Report 2023.” PUMA, (2024) <https://annual-report.puma.com/2023/en/sustainability/climate/index.html>

<sup>74</sup> <https://hmgroupp.com/wp-content/uploads/2025/03/HM-Group-Sustainability-progress-report-2024.pdf> p.10

# Beyond Decarbonization: Climate Adaptation Support and Engagement

While this report is focused on decarbonization and a just energy transition that supports workers and requires brands to be active and equal partners, it must be emphasized that a renewable energy transition alone is not sufficient to deliver a sustainable fashion industry, and far from delivering a just transition. In their 2024 article ‘For the many not the few: introducing just transition for supply chain management’, Hakan Karaosman, Donna Marshall and Irene Ward examine the need for a just transition that transforms supply chain management with “socio-ecological systems ensuring harmonic integration with natural resources,” providing “decent work, social inclusion and poverty elimination,” and where the transition is not framed solely around emissions reduction.<sup>75</sup> Renewable energy technology also has environmental and societal challenges, relies on finite materials can be harmful to extract. Critically, the upstream impacts on workers, communities and environments impacted by extraction are often overlooked.

A just transition requires systemic movement away from a corporate-led and multi-stakeholder top-down approach to supply chain, towards decentralized decision-making, engaged communities, and community-led projects, in order to deliver decarbonization that provides holistic benefits across communities.

Research conducted by the Laudes Foundation, H&M Foundation and FSG notes that with a business-as-usual trajectory, rising sea levels are expected to submerge about 17% of Bangladesh’s land and displace about 20 million people by 2050. What’s more, the authors state that without adequate adaptation, the country is projected to lose 4.8% of working hours due to heat stress by 2030, further harming individual earning potential and impacting the industry’s ability to transition. The report further raises the alarm that without positive action, female workers can be disproportionately negatively impacted by a transition to high skilled or automated equipment due to gender biases.<sup>76</sup>

## Just Climate Transitions in Bangladesh:

In a recent report, ‘Just Climate Transitions in Bangladesh’ by FSG, Laudes Foundation and H&M Foundation, the authors set out a series of recommendations for a pathway for the industry that considers climate adaptation measures more clearly. What could this look like in reality?

The authors recommend that in a climate-adapted fashion sector: “to minimise physical risk and ensure business continuity, textile and apparel manufacturers

*have invested in structural climate adaptation measures such as raised foundations and water barriers to minimise supply disruptions.”*

*“...Measures such as regular measurement of heat stress against established protocols, frequent water breaks, good ventilation, and passive cooling systems have all contributed to high worker productivity. [...] Workers have additional protection due to access to climate-responsive insurance, such as microinsurance, that helps them cover any losses experienced due to extreme weather events.”<sup>77</sup>*

<sup>75</sup> “For the many not the few: introducing just transition for supply chain management.” Karaosman, Marshall, Ward. International Journal of Operations & Production Management, 23 May 2024.

<sup>76</sup> “Just Climate Transitions in Bangladesh – Accelerating Multistakeholder Action in Textile and Apparel and Construction Industries.” FSG, H&M Foundation and Laudes Foundation (2025) [https://hmfoundation.com/wp-content/uploads/2025/01/Just-Climate-Transitions-in-Bangladesh\\_Full-Report\\_Web-version.pdf](https://hmfoundation.com/wp-content/uploads/2025/01/Just-Climate-Transitions-in-Bangladesh_Full-Report_Web-version.pdf) p.5

<sup>77</sup> “Just Climate Transitions in Bangladesh – Accelerating Multistakeholder Action in Textile and Apparel and Construction Industries.” FSG, H&M Foundation and Laudes Foundation (2025) [https://hmfoundation.com/wp-content/uploads/2025/01/Just-Climate-Transitions-in-Bangladesh\\_Full-Report\\_Web-version.pdf](https://hmfoundation.com/wp-content/uploads/2025/01/Just-Climate-Transitions-in-Bangladesh_Full-Report_Web-version.pdf) p.29

Despite these dangers, alarmingly few fashion brands acknowledge the triple threat to workers and communities exacerbated by their industry, or have specific plans in place to mitigate their negative impacts. Brands must act urgently to enact specific, locally appropriate and inclusive climate adaptation plans that both support workers through the impacts of climate breakdown and ensure fair access to the benefits of the transition.

The Ethical Trading Initiative provides a robust set of practical recommendations for responsible business for supporting workers during extreme heat and to mitigate the risks for workers in global supply chains<sup>78</sup>. It provides practical steps on how companies must consider a just transition within respective procurement policies to move away from short-term, transactional relationships, time pressures and last minute changes to orders<sup>79</sup>.

The organisation also outlines several priority areas to enhance the integration of climate and rights in

the workplace including ensuring the just transition is integrated into sustainability policy, enhancing the role of global and local agencies such as the ILO and Bangladesh Garment Manufacturers and Exporters Association<sup>80</sup>.

While this section was not scored in 2025, Stand.earth was keen to identify if companies were acting proactively on this by providing financial support or consulting local groups on appropriate emergency workers' response, but found few meaningful examples. Kering is the only brand to have published climate change adaptation policies, which includes the goal that by 2030, 100% of sites regarded as highly exposed to climate risks must be covered by adaptation and resilience plans. Chanel discloses some interesting details on climate resilience for communities in impacted areas, including training a job creation as well as microgrid and storage capacity.

Overall, this issue remains a clear, and worrying, blindspot for brands, as climate impacts worsen.

### Next steps for brands:

To accelerate the pace of a just energy transition which also benefits workers, brands must commit to:

- Share financial responsibility for changes related to reducing fossil fuel reliance and transitioning to renewable energy between brands and manufacturers, both through direct financing, preferential loan access and collective financing agreements.
- Collaborate with manufacturers to develop and implement targets and solutions that are appropriate for their geography and business; and address the inherent brand-manufacturer power imbalance by establishing long-term, collaborative supplier relationships and fair purchasing agreements which provide stability and assurance.
- Increase focus on climate adaptation. Act urgently to enact specific, locally appropriate and inclusive climate adaptation plans that both support workers through the impacts of climate breakdown and ensure fair access to the benefits of the transition.

<sup>78</sup> "Extreme heat - risks for workers in global supply chains - a snapshot for responsible business." Ethical Trading Initiative, (2024). [https://www.ethicaltrade.org/sites/default/files/shared\\_resources/ETI%20Extreme%20heat%20snapshot.pdf](https://www.ethicaltrade.org/sites/default/files/shared_resources/ETI%20Extreme%20heat%20snapshot.pdf)

<sup>79</sup> "Just transitions: what's it got to do with business?" Ethical Trading Initiative, (2024) <https://www.ethicaltrade.org/insights/blog/just-transitions-buzzword-fuzzword-and-whats-it-got-to-do-business>

<sup>80</sup> "Understanding the just transition and environmental sustainability in the Bangladesh RMG sector." Ethical Trading Initiative, (2024) [https://etibd.org/wp-content/uploads/2024/06/Understanding-Just-Transition-and-Environmental-Sustainability-in-the-Bangladesh-RMG-Sector-A-Summary-of-the-Perception-Survey-edited-High-quality\\_compressed.pdf](https://etibd.org/wp-content/uploads/2024/06/Understanding-Just-Transition-and-Environmental-Sustainability-in-the-Bangladesh-RMG-Sector-A-Summary-of-the-Perception-Survey-edited-High-quality_compressed.pdf)

# Climate and Renewable Energy Advocacy

This impact area assesses fashion sector engagement in targeted advocacy with key decision-makers to phase out fossil fuels and push for renewable energy. The aim is to identify corporate leaders directly promoting a just energy transition on an international stage.

| F                   | D                         | C         | B             | A         |
|---------------------|---------------------------|-----------|---------------|-----------|
| On Running          | Levi Strauss & Co.        | Patagonia | Nike          | H&M Group |
| Allbirds            | Kering                    | Asics     | Eileen Fisher |           |
| REI                 | Inditex                   | Walmart   |               |           |
| Target              | Bestseller                | VF Corp   |               |           |
| Chanel              | LVMH                      |           |               |           |
| Prada               | PUMA                      |           |               |           |
| Boohoo              | Adidas                    |           |               |           |
| PVH                 | Burberry                  |           |               |           |
| Next                | Gap Inc.                  |           |               |           |
| Aritzia Inc         | MANGO MNG Holding         |           |               |           |
| Abercrombie & Fitch | Ralph Lauren              |           |               |           |
| MEC                 | Mammut                    |           |               |           |
| Under Armour        | New Balance               |           |               |           |
| SHEIN               | Hugo Boss                 |           |               |           |
| Columbia            | Primark                   |           |               |           |
|                     | American Eagle Outfitters |           |               |           |
|                     | Armani                    |           |               |           |
|                     | Fast Retailing            |           |               |           |
|                     | Capri Holdings            |           |               |           |
|                     | Lululemon                 |           |               |           |

## Brand overview

H&M Group is the most active in international policy advocacy, engaging in numerous geographies to advance renewable energy goals, but the gap between leaders and laggards widened as the majority of brands failed to demonstrate any climate advocacy.



**HIGHEST SCORE:** H&M Group

**AVERAGE GRADE:** D

**LOWEST SCORE:** Columbia Clothing, SHEIN

### Leaders Spotlight:

Top performers for this category were H&M Group (A), Eileen Fisher (B) and Nike (B) for consistent engagement in renewable energy advocacy, in addition to strong governance structures and incentives embedded within the organization to drive climate progress and substantial GHG emissions reduction.

### The F Club

20/42 brands achieved an F grade. These companies included Abercrombie & Fitch, Aritzia, Boohoo Group, Columbia Clothing, Inditex, SHEIN and Walmart. Common themes of low performers included no direct engagement beyond membership of voluntary initiatives, and no clear governance structure and mechanisms to encourage performance across climate and wider social indicators.

## Background on climate and energy advocacy:

The reality of fossil fuel dependency and the scale of the decarbonization challenge is such that the necessary solutions or policies are not always in place where they are needed. This means that brands need to use their voices to advocate for appropriate policies to advance a just energy transition, and to support mandatory disclosure and due diligence legislations that will help create a level playing field.

Advocacy by fashion brands, as well as other sectors, has already delivered important outcomes: In March 2025, the government of Vietnam updated a decree enabling direct power purchase agreements (DPPA) between large electricity consumers and renewable energy generators<sup>81</sup>, opening the way for brands and large manufacturers to negotiate important clean energy projects that support their climate targets.

However, political undercurrents are impacting fashion's external positioning, and engagement from brands shows signs of waning. According to the Business of

Fashion and McKinsey's 2025 State of Fashion, only 18% of fashion executives consider sustainability as a top-three risk for growth in 2025, a decline from 29% in 2024<sup>82</sup>. This concerning trend comes during a corporate pushback on 'DEI' initiatives led by the US government, and significant retreat from climate and environmental initiatives and increasing global protectionism.

See [Recent Developments](#) section for more background on current regulatory developments.

## Advocacy highlights

Where policy barriers remain to access to scalable renewable electricity supply, advocating for emission reduction targets and renewable energy policy from government decisionmakers, where guided by local civil society and supply chain partners, must be central to the overall strategy for successfully shifting manufacturing from coal to clean energy. When many companies within one sector support initiatives and advocate collectively for appropriate policy development, they can trigger the large-scale change needed to decarbonize the grid and stop new fossil fuel investments.

<sup>81</sup> "ND-CP regulating Direct Power Purchase Agreement mechanism between renewable energy generators and large power consumers." EVN Vietnam Electricity, (2025) <https://en.evn.com.vn/d/en-US/news/Communication-Materials-on-Decree-No-802024ND-CP-regulating-Direct-Power-Purchase-Agreement-DPPA-Mechanism-between-renewable-energy-generators-and-large-power-consumers-60-206-500506>

<sup>82</sup> "The State of Fashion 2025." McKinsey and Business of Fashion, (2025) <https://www.mckinsey.com/~media/mckinsey/industries/retail/our%20insights/state%20of%20fashion/2025/the-state-of-fashion-2025-v2.pdf> p.122

In 2023, this Scorecard reported on how advocacy from the international garment sector and other companies supported the development of direct power purchase agreement (DPPA) mechanisms in Vietnam. What was then in its pilot stage is moving towards being realized, opening up new opportunities for companies to invest in and access renewable energy. In a clear sign of progress as a result of climate advocacy, in November 2024 H&M Group Vietnam became the first brand to enter into a Memorandum of Understanding for green energy supply under Vietnam's Direct Power Purchase Agreement (DPPA) mechanism, recently expanded to increase access by smaller corporations, enabling the company to procure clean energy at competitive rates<sup>83</sup>.

H&M Group offered several other best practice examples for its direct renewable energy advocacy efforts, especially in Asia. This includes engaging on the National Solar Roadmap 2041 and Power System Master Plan (PSMP) in Bangladesh. In addition, the company shares that it has engaged with the Indonesian government, state-owned electricity companies, and local manufacturing suppliers to support the adoption of cleaner energy<sup>84</sup>, among numerous other examples across China, India, and beyond.

Nike was also active as part of the Asia Clean Energy Coalition (ACEC), Clean Energy Demand Initiative and Corporate Clean Energy Alliance, also instrumental in advocating for renewable electricity policies in Vietnam. The brand previously worked with the Clean Energy Investment Accelerator 2023, to help facilitate a bundled Renewable Energy Certificate agreement between Indonesia's state-owned electricity company and local manufacturing suppliers<sup>85</sup>.

Smaller companies are equally able to speak out in support of strong climate policies. Eileen Fisher advocated for stronger climate legislation in partnership with Ceres BICEP (Business for Innovative Climate

and Energy Policy), and is a vocal supporter of the New York Fashion Act, which is a powerful act of advocacy in favour of mandatory reporting and climate action. Patagonia continues to be vocal against poor environmental practices. Most recently, it has spoken out against oil and gas drilling on public lands<sup>86</sup>, backed renewable energy policies in California, and supported the California Fashion Act<sup>87</sup>.

Despite impactful examples, however, the research found few, if any, advocacy engagement from the majority of brands. In the face of waves of rollbacks of climate legislation, anti-DEI sentiment and slow movement by governments, the fashion sector must step up its collaborative advocacy efforts working with peer brands and manufacturers and consulting with local civil society organizations to increase access to renewable energy, oppose fossil fuel developments and support a level playing field for climate reporting and action across the industry.

## Action needed to align governance with climate action

In its 2023 report for non-government actors, *Integrity Matters: Net Zero Commitments by Businesses, Financial Institutions, Cities and Regions*, the UN High Level Expert Group on Net Zero recommended a series of governance actions that corporations should implement to support internal alignment with a net zero transition. In alignment with that criteria, the scorecard evaluated which companies tied executive compensation to environmental performance and if any were tied to indicators of reducing emissions across Scopes 1-3; which brands report a governance structure related to leading a climate transition; and which brands have set an internal price on carbon.

Just under half (20/42) of brands disclosed information that indicates they currently tie executive compensation

<sup>83</sup> "H&M 'first' to sign deal under DPPA for green energy in Vietnam." JustStyle, November 22, 2024. <https://www.just-style.com/news/hm-vietnam-dppa-power/>

<sup>84</sup> "H&M Group CDP Climate Change Questionnaire 2023." H&M Group, (2024) <https://hmgroup.com/wp-content/uploads/2023/09/HM-Group-CDP-response-Climate-change-2023.pdf> C.12

<sup>85</sup> "FY23 Nike Impact report." Nike, (2024) <https://about.nike.com/en-GB/impact> p.76, p.85

<sup>86</sup> "Patagonia CEO: Trump Shouldn't Sell our Public Lands." TIME, 25 February, 2025. <https://time.com/7261219/patagonia-ceo-trump-shouldnt-sell-public-lands/>

<sup>87</sup> "Can California's Fashion Act push climate progress ahead under Trump?" Vogue Business, 11 February, 2025 <https://www.voguebusiness.com/story/sustainability/can-californias-fashion-act-keep-the-industry-on-track-under-trump#:~:text=With%20support%20from%20dozens%20of,ramping%20up%20fossil%20fuel%20dependence.>

to climate targets, including Asics, Burberry, Capri Holdings, H&M Group, Hugo Boss, Kering, LVMH, Mammüt, PUMA and VF Corp. PUMA reports that all leaders, from the CEO to Team Heads, have defined targets covering areas like human rights, climate action, and plastics which account for 5% of the total bonus, including 1.25% specifically for climate action.<sup>88</sup>

Positively, nearly 90% of brands (37/42), indicated a governance structure that can help support ESG or sustainability goals, although fewer explicitly mentioned governance in relation to the climate transition itself. Tellingly, brands with strong examples of sustainable governance were also leaders across other aspects of the Scorecard:

- Levi Strauss & Co. has multiple Board committees overseeing climate-related and sustainability issues, including the Nominating, Governance & Corporate Citizenship Committee, Compensation and Human Capital Committee, Audit Committee, and Finance Committee.<sup>89</sup>
- Hugo Boss discloses that its Managing Board oversees sustainability, including climate issues. Its Sustainability Committee, chaired by the CFO in the reporting year, regularly discusses climate-related matters and updates the Managing Board on progress toward sustainability goals.<sup>90</sup>

Setting an internal price on carbon is a powerful mechanism to encourage energy efficiency savings by making all departments responsible actors in the goal to decarbonize, as well as encourage carbon accounting across the life cycle of products. **Just three companies had set an internal price on carbon that aligns with HLEG criteria:** Allbirds, H&M Group and Kering Group.

In a strong example, Kering has done so through its Environmental, Profit & Loss (EP&L) since 2012 and has measured and quantified its environmental impact across its entire value chain through its EP&L. This led to a price per ton of CO<sub>2</sub> equivalent, revised periodically (86,4 euros per ton of CO<sub>2</sub>e in 2023)<sup>91</sup>.

## Beware of harmful advocacy

There are also clear cases of corporate misalignment with environmental and social interests, a clear failure to act, or membership with organizations or industry associations that do not align with a rapid and just transition. For example, neither Abercrombie & Fitch nor Columbia Clothing have signed the International Accord, despite public calls for it to do so by groups like the Clean Clothes Campaign.<sup>92</sup> Outdoors brand REI was recently in the news for its endorsement of a federal politician with deep ties to the oil and gas industry who has supported fossil fuel on public lands<sup>93</sup>.

### Next Steps for Brands:

Despite a turbulent political landscape, companies must:

- Ramp up collaborative advocacy efforts in key manufacturing hubs by working with peer brands and with suppliers to increase access to renewable energy through the correct infrastructure, oppose fossil fuel developments and support the development of ambitious renewable energy policies.
- Ensure governance and internal policy aligns with climate action. In addition to linking executive compensation to climate targets and a thorough governance structure for sustainability functions, companies must work to ensure alignment between the trade associations of which they are members and their own corporate climate targets in place.

<sup>88</sup> "Annual Report 2023." PUMA, (2024) <https://annual-report.puma.com/2023/en/sustainability/climate/index.html> p.37

<sup>89</sup> "A strategy for change - Levi Strauss & Co climate transition plan." LS&Co, (2024) "Annual Report 2023." PUMA, (2024) <https://annual-report.puma.com/2023/en/sustainability/climate/index.html> p.37

<sup>90</sup> "Hugo Boss CDP Climate Change Questionnaire 2024." Hugo Boss, (2025) C.4.1- Submitted in response to Stand.earth Scorecard enquiry

<sup>91</sup> "Hugo Boss CDP Climate Change Questionnaire 2024." Kering, due to be publicly available later in 2024, C5.10.1

<sup>92</sup> "The International Safety Accord." Clean Clothes Campaign, (2024) <https://cleanclothes.org/campaigns/the-accord/brand-tracker>

<sup>93</sup> "Letter addressed to Senate Committee on Energy and Natural Resources." Outdoor Recreational Roundtable, January, 2025. <https://recreationroundtable.org/wp-content/uploads/2025/01/ORR-Burgum-Nomination-Letter-of-Support-Final.pdf>

# Low-Carbon Materials and Circularity

This impact area assesses company efforts to phase out fossil fuel-derived fabrics, wood-based materials and leather linked to deforestation as well as conventional cotton. Company efforts on genuine, impactful circularity initiatives, closed-loop recycling, next-gen material innovation and investment in wider industry recycling infrastructure are reviewed. Company transparency on volumes and materials was also assessed.

| F              | D-             | D                   | D+                        | C-           | C         | C+                 | B-         | B        | B+        | A-            | A | A+ |
|----------------|----------------|---------------------|---------------------------|--------------|-----------|--------------------|------------|----------|-----------|---------------|---|----|
| Target         | SHEIN          | Gap                 | Prada                     | Best-seller  | PVH       | Adidas             | Burberry   | Allbirds | Inditex   | Eileen Fisher |   |    |
| Fast Retailing | Aritzia Inc    | VF Corp             | LVMH                      | Ralph Lauren | H&M Group | PUMA               | On Running |          | Hugo Boss | Kering        |   |    |
| Chanel         | Asics          | REI                 | New Balance               |              | Lululemon | Levi Strauss & Co. |            |          | Patagonia |               |   |    |
| Boohoo         | Capri Holdings | Next                | American Eagle Outfitters |              | Nike      | Mammut             |            |          |           |               |   |    |
|                | Columbia       | Primark             | Walmart                   |              |           | MANGO MNG Holding  |            |          |           |               |   |    |
|                |                | Abercrombie & Fitch |                           |              |           |                    |            |          |           |               |   |    |
|                |                | Armani              |                           |              |           |                    |            |          |           |               |   |    |
|                |                | MEC                 |                           |              |           |                    |            |          |           |               |   |    |
|                |                | Under Armour        |                           |              |           |                    |            |          |           |               |   |    |

## Brand overview

Efforts to adopt low carbon and deforestation free materials have improved across the board from 2023 to 2025 as the average grade increased from an F to a D. Eileen Fisher and Kering showed leadership through clear evidence of efforts to eliminate harmful feedstocks and support regenerative practices across the supply base.

EILEEN  
FISHER

**HIGHEST SCORE:** Eileen Fisher, Kering

**AVERAGE GRADE:** D

**LOWEST SCORE:** Boohoo Group, Chanel

K E R I N G



### Leader Spotlight: Eileen Fisher

Eileen Fisher showed evidence of clear work in phasing out fossil-fuel fibers, which represent less than 10% of its overall collection. For a small company, it demonstrated impressive work on circularity, and engaging with other industry players in a recent collaboration called the Fiber Club to scale and speed up the adoption of recycled materials<sup>94</sup> and also worked on regenerative organic cotton and wool projects<sup>95</sup>.

### Leader Spotlight: Kering

Kering Group scored highly for its in-depth standards for raw materials and also for acknowledging the link between synthetics and fossil fuels<sup>96</sup>. The company's focus on nature and biodiversity means that it has clear policies on deforestation-free leather and cellulosic fibers. The Group also demonstrates impactful investments in circularity and material innovation<sup>97</sup> and created the Regenerative Fund for Nature<sup>98</sup>.

### The F Club

Five brands scored an F grade in this category: **Asics, Boohoo Group, Chanel, Fast Retailing** and **Target**. Low scores were due to opacity surrounding materials used, limited efforts on circularity initiatives and few signs of collaboration to accelerate infrastructure that can help support the industry's wider move to low-carbon materials.

## Background on fossil-free materials:

Synthetic fibers account for nearly 70% of all textile production, and are found in two-thirds of all clothing.<sup>99</sup> Due to its massive dominance in production, polyester and nylon production alone accounts for 10-15% of fashion's total carbon footprint.<sup>100</sup> Yet, even this significant figure fails to adequately represent its impact when we consider that existing life cycle assessments fail to take into account differences in fossil fuel extraction processes and impacts, and understate the climate and biodiversity impact of synthetic fibers and microplastic pollution.

Few brands recognize the inherent impacts of petrochemical production, and supply chain traceability is still a dangerous blind spot when it comes to synthetics. As petrochemical producers and oil and gas companies continue to look for a 'Plan B' for their toxic products, cheap, throwaway fashion is a prime target, including for growth extraction industries. As a case in point, in 2024, the Stand Research Group uncovered links between fracked gas coming from the Permian Basin in Texas, an important carbon sink, and more than 100 global fashion brands, despite commitments to sustainable fibers and mitigating climate impacts.<sup>101</sup> While many brands have made explicit commitments to prioritize "more

<sup>94</sup> "Circ launches Fiber Club with Bestseller, Eileen Fisher and Everlane." WWD, 28 January, 2025. <https://wwd.com/sustainability/materials/circ-launches-fiber-club-fashion-brands-recycling-1236847471/>

<sup>95</sup> "From Peru to You. A Local Organic Cotton Supply Chain." Eileen Fisher, (2022) <https://www.eileenfisher.com/a-sustainable-life/journal/community/peru-organic-cotton-supply-chain.html>

<sup>96</sup> "Kering Standards - Standards & guidance for sustainable production." Kering, (2024) [https://www.kering.com/api/download-file/?path=KERING\\_STANDARDS\\_V6\\_0\\_EN\\_3986d4ef14.pdf](https://www.kering.com/api/download-file/?path=KERING_STANDARDS_V6_0_EN_3986d4ef14.pdf) p.87 and "Universal Registration Document - Annual Financial Report - Integrated Report 2024." Kering (2025) [https://www.kering.com/api/download-file/?path=DEU\\_EN\\_2024\\_interactif\\_26c8d4882e.pdf](https://www.kering.com/api/download-file/?path=DEU_EN_2024_interactif_26c8d4882e.pdf)

<sup>97</sup> "A new frontier in chemical recycling." Fashion For Good, 10 September, 2020. [https://www.fashionforgood.com/our\\_news/a-new-frontier-in-chemical-recycling/](https://www.fashionforgood.com/our_news/a-new-frontier-in-chemical-recycling/)

<sup>98</sup> "The Regenerative Fund for Nature." Kering, (2021) [https://www.kering.com/api/download-file/?path=Kering\\_Regenerative\\_Fund\\_Projects\\_ababbfac42.pdf](https://www.kering.com/api/download-file/?path=Kering_Regenerative_Fund_Projects_ababbfac42.pdf)

<sup>99</sup> "Fashion's Plastic Paralysis: How Brands Resist Change and Fuel Microplastic Pollution." Changing Markets Foundation, (2024) <https://changingmarkets.org/report/fashions-plastic-paralysis/>

<sup>100</sup> "The Future of Synthetics." Textile Exchange, (2024) <https://textileexchange.org/app/uploads/2024/04/The-Future-of-Synthetics.pdf> p.7

<sup>101</sup> "Fracked Fashion: How the Fashion Industry is fuelling Big Oil's appetite for Fracking." Stand.earth, (2024) <https://stand.earth/resources/fracked-fashion/>

sustainable” fabrics, a closer look reveals that, despite progress, still very few companies are explicitly avoiding fossil fuel-derived fibers, including from extremely harmful feedstocks such as fracking.

The sustainability of raw material supply chains goes far beyond petrochemicals. Industry players must adopt a system-led approach, inclusive of nature, which includes a transformative approach to biodiversity, ecosystems and production. Regenerative cotton and wool, textile recycling and next generation materials are an essential but not sufficient part of what must be a fundamental reimagining of raw materials sourcing into a more thoughtful system which addresses overproduction, extraction, and interlinked social and environmental harms.

This is supported by the development of the Global Biodiversity Framework (GBF), and policy negotiations that took place at COP16 in Colombia in 2024 and in Rome, in February of this year. There are many ways in which the targets of the GBF can positively guide the industry. For instance, target 1 aims to halt biodiversity loss in key ecosystems. This could lead to tighter regulations on deforestation-linked supply chains, impacting leather, cotton, and other agricultural inputs, aligning with the EUDR. If key sourcing regions for cotton, wool, leather or cellulosic fibres fall under new protections, brands might need to shift supply chains or comply with stricter land-use rules. With the focus on reducing pollution including chemicals, target 7 could lead to tougher rules on toxic dyes, PFAS and textile

wastewater management, especially in key manufacturing hubs such as Bangladesh, India and China.<sup>102</sup>

## Phasing Down Fossil Fuel Synthetics

Six companies, **Allbirds, Eileen Fisher, Hugo Boss, Kering, Levi Strauss & Co. and Ralph Lauren**, showed leadership by setting clear commitments to, or showing evidence of, avoiding or phasing-down both virgin and conventionally recycled synthetics.

- **Hugo Boss** has a complete target of transitioning to 0% polyester and nylon in fabrics and linings by 2030<sup>103</sup>.
- **Allbirds** commits to reduce raw materials use by 25% across footwear and apparel products, working to replace petroleum-based synthetics with natural alternatives wherever possible<sup>104</sup>.
- **Eileen Fisher, Kering, Levi Strauss & Co. and Ralph Lauren**<sup>105</sup> report using less than 10% synthetic fibers in total across their products, an impressive stance against fossil fuel products.

Few brands explicitly discussed avoiding particularly problematic feedstocks from, for example, the Amazon Basin, Arctic Circle or sourcing from harmful processes such as fracking. Hugo Boss is phasing out synthetics to prevent microplastic pollution, acknowledging the link with fossil fuels<sup>106</sup> and Nike also has a policy to require suppliers to certify that their leather came from cattle raised outside of the Amazon<sup>107</sup>.

## Green claims and RPET

Claiming to consumers and investors that sourcing recycled plastic from conventional waste streams is “sustainable” effectively amounts to greenwashing. Any transition to recycled synthetics needs to be based on closed-loop, textile to textile sources, not other waste. This was acknowledged by the Textile Exchange—which originally launched the Recycled

Polyester Challenge, in its 2024 ‘Future of Synthetics’ report.<sup>108</sup> Increased recycled content from standard waste streams, mainly disposable plastic bottles, has failed to solve the fashion sector’s waste problem, because recycled polyester from rPET takes fully recyclable plastic out of a closed-loop system and turns it into polyester or nylon clothing, which cannot be recycled and will end up in landfills or incinerators.

<sup>102</sup> “Apparel’s Omnibus Impacts - How to Respond to Regulatory Rollback.” Innovation Forum, (2025) <https://www.innovationforum.co.uk/articles/apparel-s-omnibus-impacts-how-to-respond-to-regulatory-rollback>

<sup>103</sup> “For a bold & better future.” Hugo Boss, (n.d.) <https://group.hugoboss.com/en/sustainability/strategy>

<sup>104</sup> “Allbirds 2023 Flight Status.” Allbirds, (2024) [https://cdn.allbirds.com/image/upload/v1728422833/Allbirds\\_2023\\_Flight\\_Status.pdf?\\_gl=1\\*9m0lh\\*\\_gcl\\_au\\*ODg0OTMwMTg1LjE3MzY4NjUwMjk.\\*\\_ga\\*MzY3ODgxNDQ5LjE3MzY4NjUwMjk.\\*\\_ga\\_KJL05B1DJZ\\*MTczOTI4MzQ1MS4zLjEuMTczOTI4MzQ1MS4wLjAuMA](https://cdn.allbirds.com/image/upload/v1728422833/Allbirds_2023_Flight_Status.pdf?_gl=1*9m0lh*_gcl_au*ODg0OTMwMTg1LjE3MzY4NjUwMjk.*_ga*MzY3ODgxNDQ5LjE3MzY4NjUwMjk.*_ga_KJL05B1DJZ*MTczOTI4MzQ1MS4zLjEuMTczOTI4MzQ1MS4wLjAuMA) p.11

<sup>105</sup> “2023 Global Citizenship & Sustainability Report.” Ralph Lauren, (2024) [https://corporate.ralphlauren.com/on/demandware.static/-/Sites-RalphLauren\\_Corporate-Library/default/dw67845c51/documents/2023\\_reports\\_and\\_policies/RL-2023-GCSReport.pdf](https://corporate.ralphlauren.com/on/demandware.static/-/Sites-RalphLauren_Corporate-Library/default/dw67845c51/documents/2023_reports_and_policies/RL-2023-GCSReport.pdf) p.16

<sup>106</sup> “Sustainability Report 2023.” Hugo Boss, (2024) [https://sustainabilityreport-2023.hugoboss.com/\\_assets/downloads/HUGO-BOSS-Sustainability-Report-2023.pdf](https://sustainabilityreport-2023.hugoboss.com/_assets/downloads/HUGO-BOSS-Sustainability-Report-2023.pdf) p. 22

<sup>107</sup> “Sustainability Policies.” Nike, (n.d) <https://about.nike.com/en/impact-resources/sustainability-policies>

<sup>108</sup> “The Future of Synthetics.” Textile Exchange, (2024) <https://textileexchange.org/app/uploads/2024/04/The-Future-of-Synthetics.pdf> p.9

## Why Transparency is Essential for Materials Progress

There is still a concerning lack of transparency over the volumes of fibers used by fashion brands and the number of garments created and sold on the market.

**More than a third (16/42) of brands shared no details about their material use or production volumes.**

Only 7 companies (Adidas, Allbirds, Hugo Boss, Inditex, Mango, PUMA and PVH) shared details of their material mix by both weight and as a percentage of total fiber mix.

- Mango offered best practice for its clear breakdown of different sources (organic/recycled) within a given fiber used<sup>109</sup>.
- Allbirds shares the total volume in metric tonnes of certified materials<sup>110</sup>.

Not one company provided a breakdown of total units sold across the business, which is an essential step towards understanding cycles of overproduction which are driving the industry's environmental and social harms.

## Greater transparency, focus needed on deforestation-free materials

Deforestation-linked materials, including leather and man-made cellulosic fibers, undermine fashion's wider decarbonization efforts. Forests are vital carbon sinks, biodiversity strongholds, water regulators, and home to Indigenous Peoples, yet fashion's raw material sourcing, from cattle ranching to wood-based fabrics, continues to drive deforestation.

**Stand.earth identified 26/42 (60%) companies that either had a specific policy of zero leather from deforestation in some form or didn't use leather at all, some of which are new policies since the Fossil Fuel Fashion Scorecard began assessing this criteria:**

- Capri Holdings published its Forest Protection Policy in 2024 with a 2025 goal of a deforestation- and conversion-free supply chain that also safeguards and respects human rights.
- VF Corp's Animal Derived Materials Policy states that leather shall not come from cattle grazed on lands that have contributed to new deforestation or forest degradation.<sup>111</sup>
- New Balance prohibits the use of bovine and cow hides from the Amazon Biome, China and India, an important level of commitment given opaque supply chains.<sup>112</sup>

Disappointingly, eight companies shared no evidence of policies in place to avoid leather from deforested regions: **Aritzia, Chanel, Fast Retailing, MEC, On Running, SHEIN, Target, Under Armour**. It is worth noting that footwear and luxury brands which have a greater reliance on leather for their products and accessories, including Chanel, are at higher risk of contributing to deforestation.

A number of companies, including Columbia Clothing, communicated working with the Leather Working Group (LWG) and sourcing from LWG certified tanneries, which is a start, but do not have specific policies in place to ensure visibility over their leather supply chains, which is concerning<sup>113</sup>. A recent investigation from Unerthed, Greenpeace's research arm, found clear links between cattle sold to major leather supplier JBS, and deforestation in Brazil, despite the company's forest commitments.<sup>114</sup>

When it comes to avoiding deforestation for man-made cellulosic fibers (MMCF) like viscose and rayon, 26/42 companies reported partnering with Canopy and use of the Hot Button Ranking to guide sourcing decisions, which is a positive approach. Best practice companies, like Kering Group have specific forest and wood-derived

<sup>109</sup> "Mango Climate Approach." Mango, (2024) [https://www.mangofashiongroup.com/documents/20122/95072/2024\\_Mango+Climate+Approach.pdf/2abc3241-a497-d425-b08e-ee6998d2892e?t=1719302557217#:~:text=Mango%20has%20set%20a%2035,get%20the%20approval%20by%20SBTis](https://www.mangofashiongroup.com/documents/20122/95072/2024_Mango+Climate+Approach.pdf/2abc3241-a497-d425-b08e-ee6998d2892e?t=1719302557217#:~:text=Mango%20has%20set%20a%2035,get%20the%20approval%20by%20SBTis). p.15

<sup>110</sup> "Allbirds 2023 Flight Status." Allbirds, (2024) [https://cdn.allbirds.com/image/upload/v1728422833/Allbirds\\_2023\\_Flight\\_Status.pdf?\\_gl=1\\*9m0lh\\*\\_gcL\\_au\\*ODg00TMwMTg1LjE3MzY4NjUwMjk\\*\\_ga\\*MzY30DgxNDQ5LjE3MzY4NjI3MzY\\*\\_ga\\_KJL05B1DJZ\\*MTczOTI4MzQ1MS4zLjEuMTczOTI4MzQ4MS4wLjAuMA](https://cdn.allbirds.com/image/upload/v1728422833/Allbirds_2023_Flight_Status.pdf?_gl=1*9m0lh*_gcL_au*ODg00TMwMTg1LjE3MzY4NjUwMjk*_ga*MzY30DgxNDQ5LjE3MzY4NjI3MzY*_ga_KJL05B1DJZ*MTczOTI4MzQ1MS4zLjEuMTczOTI4MzQ4MS4wLjAuMA) p.20

<sup>111</sup> "Environmental & Social Responsibility Report FY 2023." VF Corp, (2024) [https://d1io3yog0oux5.cloudfront.net/\\_8976ca631b4350ebfb8ce74b4ebdc137/vfc/files/documents/Sustainability/Resources/VF\\_FY2023\\_Environmental\\_Social\\_Responsibility\\_Report\\_FINAL.pdf](https://d1io3yog0oux5.cloudfront.net/_8976ca631b4350ebfb8ce74b4ebdc137/vfc/files/documents/Sustainability/Resources/VF_FY2023_Environmental_Social_Responsibility_Report_FINAL.pdf) p.60-63

<sup>112</sup> New Balance response to Stand.earth 2025 Scorecard enquiry

<sup>113</sup> "2023 Impact Report." Columbia Clothing, (2024) <https://app.box.com/s/3c02xc1hywlvclcbvw31192pxvuuto0> p.34

<sup>114</sup> "JBS broke its supply chain rules buying cows from deforesters of Brazil's wetlands." Unerthed, 31 October, 2024. <https://unerthed.greenpeace.org/2024/10/31/jbs-deforestation-brazil-pantanal-wetlands/>

fibre policies and have set clear, time-bound targets. For instance, this is included in the Suppliers' Charter of the Kering Code of Ethics which works towards eliminating controversial supply chains that may negatively impact forest resources or endangered species habitats whilst also having a concrete standard for cellulosic fibres aligned with Canopy<sup>115</sup>.

## Cotton: few brands prioritizing organic, recycled, regenerative

Conventionally grown cotton, the second most widely used fiber by fashion brands, is associated with significant toxic pesticide use and labor rights concerns, and has a greater carbon footprint compared to organic or regenerative cotton. To support a transition to a more sustainable fashion industry, it is essential that brands publish targets and progress in transitioning towards 100% post-consumer recycled, and truly organic or regenerative cotton and wool.

### Better Cotton Concerns

The Better Cotton Initiative (BCI) is not included in the organic, regenerative or recycled standard of this Scorecard, because the use of BCI's mass balance system does not guarantee fully sustainable sourcing. What's more, in a recent investigation by Earthsight, BCI cotton has been linked to illegal deforestation and environmental abuses in Brazil's Matopiba region<sup>116</sup>. The same investigation highlighted that whistleblowers reported data manipulation too, raising concerns about the credibility of its certification process<sup>117</sup>.

Strong commitments which do not rely on BCI are relatively few, but seven brands showed early leadership with targets to increase the use of organic, regenerative and recycled cotton and wool: Allbirds, Burberry, Eileen Fisher, Kering, MEC, On-Running, and Patagonia.

- Patagonia reports using organic cotton exclusively since 1996, is partnering with cotton farmers in India and Peru using Regenerative Organic practices, and reported that as of Fall 2024 45% of cotton fabrics by weight were made with recycled cotton<sup>118</sup>.
- Kering has clear guidelines on where recycled cotton must be sourced and certified from<sup>119</sup>.
- Eileen Fisher works with regenerative organic cotton in Peru and regenerative responsible wool in Argentina and New Zealand, and also reports working with its silk supplier to transition mulberry production to organic<sup>120</sup>.
- Allbirds has an ambitious target that 100% of wool must be sourced from regenerative sources by 2025<sup>121</sup>.

Positively, more brands shared examples of how they were providing funding and support to help farmers transition to regenerative and organic farming, which is critical to enable farmers to make a sustainable transition to processes that support biodiversity:

- Armani Group reported working on the Apulia Regenerative Cotton Project, in collaboration with the Fashion Task Force of the Sustainable Markets Initiative and the Circular Bioeconomy Alliance<sup>122</sup>.
- Mango established a partnership with Materra, a British-Indian company that has specialised in designing solutions for growing and sourcing regenerative cotton<sup>123</sup>.

<sup>115</sup> "Kering Standards - Standards & guidance for sustainable production." Kering, (2024) p.80

<sup>116</sup> "Fashion crimes - the European retail giants linked to dirty Brazilian cotton." Earth Sight, (2024) <https://www.earthsight.org.uk/fashion-crimes>

<sup>117</sup> "Revealed: Complacency and data manipulation at Better Cotton." Earthsight, 25 June, 2024. <https://www.earthsight.org.uk/news/better-cotton-exposed>

<sup>118</sup> "Recycled cotton." Patagonia, (n.d.) <https://eu.patagonia.com/gb/en/our-footprint/recycled-cotton.html>

<sup>119</sup> "Kering Standards - Standards & guidance for sustainable production." Kering, (2024) p.58

<sup>120</sup> "From Peru to You. A Local Organic Cotton Supply Chain." Eileen Fisher, (2022) <https://www.eileenfisher.com/a-sustainable-life/journal/community/peru-organic-cotton-supply-chain.html>

<sup>121</sup> "Allbirds 2023 Flight Status." Allbirds, (2024) [https://cdn.allbirds.com/image/upload/v1728422833/Allbirds\\_2023\\_Flight\\_Status.pdf](https://cdn.allbirds.com/image/upload/v1728422833/Allbirds_2023_Flight_Status.pdf)

<sup>122</sup> "The Armani Group announces the Apulia Regenerative Cotton Project." Armani, (2023) <https://ddf95m9s3iunr.cloudfront.net/wp-content/uploads/2023/06/THE-ARMANI-GROUP-ANNOUNCES-THE-APULIA-REGENERATIVE-COTTON-PROJECT-1.pdf>

<sup>123</sup> "Mango is making advances in sustainability and for the first time will use regenerative cotton in products on sale in 2024." Mango, 30 November, 2023. <https://www.mangofashiongroup.com/en/w/mango-avanza-en-sostenibilidad-y-usar%C3%A1-por-primera-vez-algod%C3%B3n-regenerativo-en-producto-a-la-venta-en-2024>

- Bestseller reported investing more than DKK 23 million towards its direct-to-farm cotton program to support farmers in conversion<sup>124</sup>.
- Burberry has set up its own Regeneration Fund to support regenerative farming projects<sup>125</sup>.

## Investment growing in textile circularity and next generation materials

Apparel consumption is expected to increase by 63% of the next five years. If the industry continues on its current trajectory, by 2030 global annual textile production will reach 160 million tonnes, the vast majority of which will ultimately be discarded as waste.<sup>126</sup> Significant, sustained investments in true closed-loop recycling is essential if the technology is going to be brought to commercial scale and have a meaningful impact on waste.

While 11/42 companies showed no strong evidence, 13/42 companies provided good examples of how they were taking action and investing to increase the use of high-quality closed-loop textile recycling or next-generation fibers made from recycled textiles or agricultural residues.

- H&M Group has invested in numerous ways, including an equity investment in Syre which is working to scale textile-to-textile recycling in regions like Vietnam and TretoTextile which is working to scale new regenerated cellulosic fibers. The company is also working on this through its Circular Innovation

Lab and through its investment arm, H&M Group Ventures<sup>127</sup>.

- Bestseller has invested in eight material innovators and is transparent about the value invested, noting that since 2021, Invest FWD has invested over DKK 150 million which includes DKK 10 million invested in 2023-24<sup>128</sup>.
- Lululemon reported an equity investment in Australian enviro-tech startup, Samsara Eco, which is developing textile recycling technologies for polyester and nylon, and which were piloted in 2024 in a limited product made with enzymatically recycled polyester.

SHEIN also reported partnering with Donghua University to develop a polyester recycling process, although industry experts have raised concerns that this could never counteract the sheer volume of polyester the company produces<sup>129,130</sup>. Synthetics account for over 80% of its total fiber basket, according to the most recent data<sup>131</sup>, as the company reportedly adds thousands of new products to its online store every day<sup>132</sup>.

## Positive step: resale and repair going mainstream

Fashion brands can recognize a trend that's not going away, and that's clearly the case with resale and repair programs. Resale platform ThredUp's new report showed that resale is growing rapidly, 2.7 times the rate of the overall global apparel market<sup>133</sup> as customers shift towards both sustainability and affordability.

<sup>124</sup> "Bestseller Annual Report 2023- 2024." Bestseller, (2024) [https://bestseller.com/media/xy4jukys/bestseller-annual-report\\_2023-2024\\_3.pdf](https://bestseller.com/media/xy4jukys/bestseller-annual-report_2023-2024_3.pdf) p.88

<sup>125</sup> "Burberry builds on Climate Positive commitment with biodiversity strategy to protect, restore and regenerate nature." Burberry, 6 November, 2021. <https://www.burberrypc.com/news/sustainability/2021/burberry-builds-on-climate-positive-commitment-with-biodiversity#:~:text=%C2%B9%20The%20Burberry%20Regeneration%20Fund,contribution%20to%20global%20conservation%20efforts.%E2%80%9D>

<sup>126</sup> *Materials Market Report 2024*, Textile Exchange. September 26, 2024. <https://textileexchange.org/knowledge-center/reports/materials-market-report-2024/>

<sup>127</sup> "H&M Group - Green Bond Report 2023." H&M Group, (2023) <https://hmgroup.com/wp-content/uploads/2024/04/Green-Bond-Report-2023.pdf> and "H&M Group - Sustainability Disclosure 2023." H&M Group, (2024) <https://hmgroup.com/wp-content/uploads/2024/03/HM-Group-Sustainability-Disclosure-2023.pdf> p.26

<sup>128</sup> "Bestseller Annual Report 2023- 2024." Bestseller, (2024) [https://bestseller.com/media/xy4jukys/bestseller-annual-report\\_2023-2024\\_3.pdf](https://bestseller.com/media/xy4jukys/bestseller-annual-report_2023-2024_3.pdf) p.158

<sup>129</sup> "SHEIN advances evoluSHEIN strategy with polyester recycling technology." Just Style, 24 January, 2025. <https://www.just-style.com/news/shein-evolushein-recycling-donghua/>

<sup>130</sup> "Commentary on SHEIN's polyester recycling process." Ken Pucker, (2025) [https://www.linkedin.com/posts/kenpucker\\_shein-announces-development-of-new-polyester-activity-7288140964378939395-CFzT?utm\\_source=share&utm\\_medium=member\\_desktop](https://www.linkedin.com/posts/kenpucker_shein-announces-development-of-new-polyester-activity-7288140964378939395-CFzT?utm_source=share&utm_medium=member_desktop)

<sup>131</sup> "Source Responsible Products and Materials." SHEIN, (n.d.) <https://www.sheingroup.com/our-impact/planet/sourcing-responsible-products-and-materials/>

<sup>132</sup> "SHEIN Revenue and Usage Statistics 2025." Business of Apps, 22 January, 2025. <https://www.businessofapps.com/data/shein-statistics/>

<sup>133</sup> "ThredUp - Resale Report 2025." ThredUp, (2025) [https://cf-assets-tup.thredup.com/resale\\_report/2025/ThredUp\\_Resale\\_Report\\_2025.pdf](https://cf-assets-tup.thredup.com/resale_report/2025/ThredUp_Resale_Report_2025.pdf) p. 2

**In a clear growth area for the industry, in 2025, 40/42 brands offered some kind of resale or repair program.**

Only Aritzia and Under Armour failed to report any kind of resale or repair services. It should be noted that take-back programs have clear limitations, including the fact that clothes often end up in the Global South, as highlighted by multiple investigations<sup>134</sup>, and it can be difficult for customers to know the difference between true circularity and simple greenwashing. Eileen Fisher is an example of a brand with a long-standing and high-integrity efforts to offer resale and free repairs, plus transparency on the number of repairs completed for customers and the units sent to resale and recycling initiatives<sup>135</sup>, which can give customers confidence in the program.

**Next Steps for Brands:**

While progress is being made in developing technical solutions, it is a concern that few brands are acknowledging the inherent harm of fossil-fuel based materials. Technology cannot be used to greenwash away the climate impact of materials. As a priority, brands must:

- Commit to a clear phase-out of oil-based synthetics. Embed this within company material standards and procurement policies, ensuring they go beyond and recognize the limitations of false solutions like recycled polyester.
- Focus on high-integrity certifications with strong levels of due diligence across the supply chain to ensure that fibers are not linked to deforestation or violation of indigenous rights, or the harm of ancient and endangered forests, especially in sensitive ecosystems like the Amazon.
- For natural fibers such as cotton and wool, set specific targets to increase the use of organic and regenerative feedstocks, and act to financially support farmers while they transition to more sustainable practices.
- Invest in infrastructure that can help the whole industry reduce its dependency on virgin materials, such as textile-to-textile recycling operations.



<sup>134</sup> "Take-Back Trickery: an investigation into clothing take-back schemes." Changing Markets Foundation, (2023). <https://changingmarkets.org/report/take-back-trickery-an-investigation-into-clothing-take-back-schemes/>

<sup>135</sup> "2023 Benefit Corporation Report." Eileen Fisher, (2024) [https://www.eileenfisher.com/ns/journal/benefit-corp-report-2023-FINAL-web-rc.pdf?srsId=AfmBOoqYaV4\\_OwYd8DRcp4QOk3VGYa25T2tg4X0MGRr3Bh8l2f5CS5N](https://www.eileenfisher.com/ns/journal/benefit-corp-report-2023-FINAL-web-rc.pdf?srsId=AfmBOoqYaV4_OwYd8DRcp4QOk3VGYa25T2tg4X0MGRr3Bh8l2f5CS5N) p.9

This impact area assesses how brands set targets and take action to reduce emissions from upstream shipping as well as advocate for zero-emission vessels and infrastructure.

[illegible]

## Brand overview

Mammut is a clear frontrunner, implementing concrete policies to adopt zero-emission transportation, while industry giants like SHEIN and Inditex have substantially increased their shipping emissions due to a heavy reliance on aviation. Since 2023, little progress has been made across the board, and shipping remains out of focus for brands: the average grade for greener shipping remains at the lowest possible score, F.



**HIGHEST SCORE:** Mammut (A+)

**AVERAGE GRADE:** F

**LOWEST SCORE:** Under Armour (F)

### Leader Spotlight: Mammut

Mammut was the only company to achieve a grade A+. Mammut's sustained reduction in emissions from upstream transportation, strong disclosure of shipping modes and concrete policies on zero-emission transportation are some of the reasons why it scored highly<sup>136</sup>. Mammut showed leadership with an explicit commitment to work with logistic service providers to transition to zero-emission air, land and sea transportation.<sup>137</sup>

### The F Club

The most common grade in 2025 was an F, the same as in 2023, despite over half of brands showing some improvement on their shipping scores. Low performers in this section included Aritzia and Columbia Clothing, which demonstrated no efforts beyond signing the Arctic Shipping Corporate Pledge<sup>138</sup> as well as Under Armour and Walmart, who failed to disclose Scope 3 Category 4 emissions or set emissions targets that include transportation.

## Background on Greener Shipping:

The sprawling global supply chain of the fashion sector is already an important driver in the growth of emissions from ocean freight and air cargo shipments, sectors that are heavily dependent on fossil fuels. Container ships also contribute significantly to air pollution due to their reliance on toxic heavy fuel oil, while aviation is around 50 times more carbon intensive.<sup>139</sup>

In the 2023 edition of the Fossil Free Fashion Scorecard the fashion industry was just beginning to recover from the major global disruption to logistics and global supply chains of the pandemic, which had led to dangerous spikes in air freight, and its associated emissions increases, as well as unpredictable consumer behaviour.<sup>140</sup> In 2025, aviation's share of global freight

continues to climb, trends towards direct-to-consumer models prioritising rapid international delivery are growing, and Sustainable Aviation Fuels are becoming a greenwashing concern in carbon markets.

While market reports show meaningful growth in customers of Maersk Eco Delivery, a marine cargo service which blends biofuels to reduce heavy fuel emissions, aviation is predicted to experience rapid growth as a transport mode for the apparel industry to 2030 of over 7% CAGR.<sup>141</sup>

This shift is also part of a deeply concerning movement towards the direct to consumer model popularized by ultra fast fashion companies SHEIN and Temu. In 2023, it was reported that these two companies alone were importing nearly one million individual packages per day

<sup>136</sup> "Mammut 2023 Responsibility Report." Mammut, (2024) [https://downloads.ctfassets.net/l595fda2nfqd/2sORITvV07yOeByJvsJvAS/a31870821e765a61a35262d569c29717/2023\\_Responsibility\\_Report\\_Mammut.pdf](https://downloads.ctfassets.net/l595fda2nfqd/2sORITvV07yOeByJvsJvAS/a31870821e765a61a35262d569c29717/2023_Responsibility_Report_Mammut.pdf) p.84

<sup>137</sup> "Mammut 2023 Responsibility Report." Mammut, (2024) [https://downloads.ctfassets.net/l595fda2nfqd/2sORITvV07yOeByJvsJvAS/a31870821e765a61a35262d569c29717/2023\\_Responsibility\\_Report\\_Mammut.pdf](https://downloads.ctfassets.net/l595fda2nfqd/2sORITvV07yOeByJvsJvAS/a31870821e765a61a35262d569c29717/2023_Responsibility_Report_Mammut.pdf) p.84

<sup>138</sup> "Partners, Memberships & Collaborations." Aritzia, (n.d.) <https://www.aritzia.com/intl/en/aritzia/corporate-hub/community/partnerships-memberships-collaborations.html>

<sup>139</sup> Globex Shipping website, accessed April 25, 2025 <https://globexship.com/resources/air-freight-vs-sea-freight-core-differences/>

<sup>140</sup> "Air freight greenhouse gas emissions up 25% since 2019, analysis finds" The Guardian, 26 Jun 2024. <https://www.theguardian.com/environment/article/2024/jun/26/air-freight-greenhouse-gas-emissions-increase-post-pandemic-economy>

<sup>141</sup> "Apparel Logistics Market Size & Trends." Grand View Research, (2023) <https://www.grandviewresearch.com/industry-analysis/apparel-logistics-market-report>

into the US alone, representing a significant proportion of all US air mail<sup>142</sup>. While the future of this model in the US is made less certain by ongoing international tariff negotiations and the possible end to the *de minimis* exemption on small scale imports, it is clear that air freight as a modal shift is a harmful trend that is not going away.

Brands must actively prioritize slower and cleaner transportation, where their purchasing power and choice of logistics partners can drive the investment needed in both ships and port infrastructure to decarbonize cargo vessels by the end of the decade.

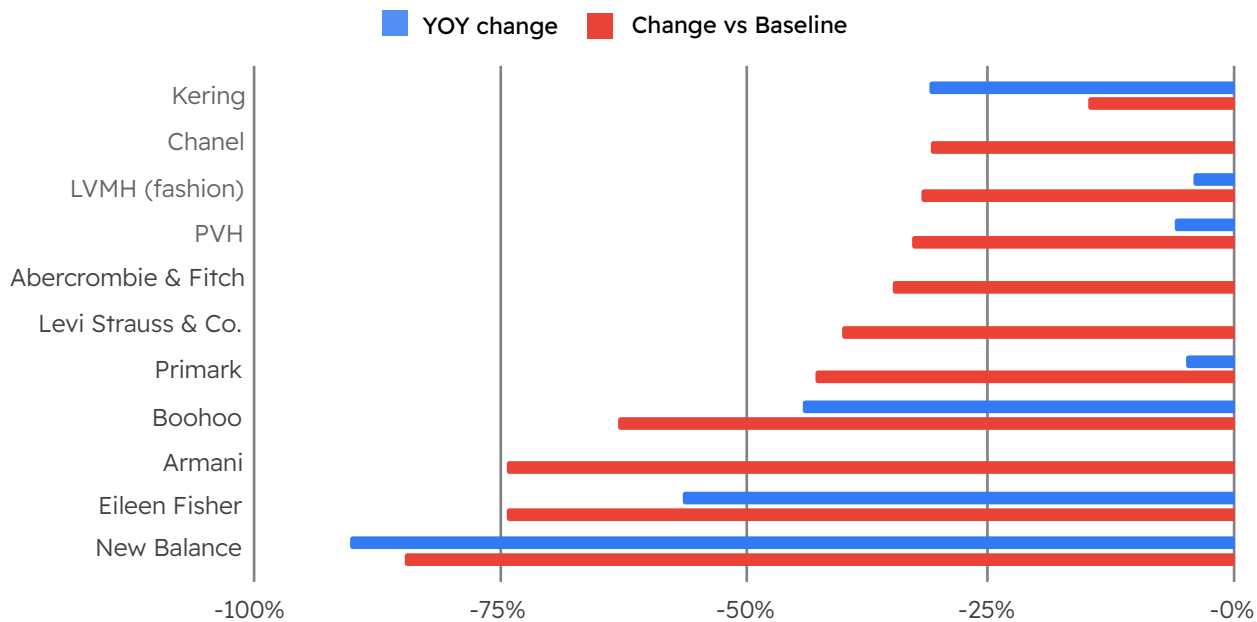
## Climate targets growing but laggard brands increase emissions

**Over one-third of companies still failed to include upstream shipping in their emissions reduction targets.**

This is a solid improvement from 2021, when only around one third had targets, but still a concerning blind spot when shipping accounts for 5-15% of brands' emissions.

Positively, 11 brands demonstrated a sustained reduction in upstream transportation emissions both year on year and against their baseline year, based on publicly available data.

### Sustained Shipping Emissions Reductions by Brand



**However, ultra-fast fashion retailer SHEIN increased its logistics emissions by over 200% in just two years, and by more than 3 million tonnes in the last year.** SHEIN's 2023 shipping emissions made up nearly 40% of its total Scope 3, the largest proportionally by far, as a result of an overwhelming reliance on polluting air freight, which the company has no plan to address<sup>143</sup>.

Another major contributor to transportation emissions through air freight was Inditex. Since the publication

of its 2024 Annual Report, Inditex's shipping practices have been the subject of criticism for increasing emissions by 10% from 2023 to 2024.<sup>144</sup> Recent analysis from Public Eye showed how a growing dependence on aviation led to logistics emissions ballooning to over 20% of its total annual emissions, compared with just 5.2% for its competitor H&M Group which limits the use of aviation.<sup>145</sup>

<sup>142</sup> The China-Backed Retailers Shipping Millions of US Packages a Day." Wall Street Journal, 22 December, 2023. <https://www.wsj.com/business/logistics/this-retailer-launched-last-year-and-its-shipping-a-million-packages-a-day-a8ca4cf7>

<sup>143</sup> "Decarbonizing our Supply Chain." SHEIN, (2024) <https://www.sheingroup.com/our-impact/planet/decarbonizing-our-supply-chain/>

<sup>144</sup> "Inditex Group Annual Report 2024." Inditex, (2024) [https://www.inditex.com/itxcomweb/api/media/604197b9-50de-4f4f-ab84-c1e379cb3fd0/Inditex\\_Group\\_Annual\\_Report\\_2024.pdf?t=1741989136588](https://www.inditex.com/itxcomweb/api/media/604197b9-50de-4f4f-ab84-c1e379cb3fd0/Inditex_Group_Annual_Report_2024.pdf?t=1741989136588) p.166

<sup>145</sup> "Inditex ignores all criticism and increases climate damaging transport emissions." Public Eye, (2025) <https://www.publiceye.ch/en/topics/fashion/inditex-ignores-all-criticism-and-increases-climate-damaging-transport-emissions>

## Transparency over transportation modes needed

Clear public disclosure of brands' transportation modes is essential to clearly show which companies are favouring lower-emitting routes, but in 2025, just 9/42 companies publicly disclosed this information, and to varying degrees. **More than three-quarters (33/42) failed to provide any transparency on their shipping modes.**

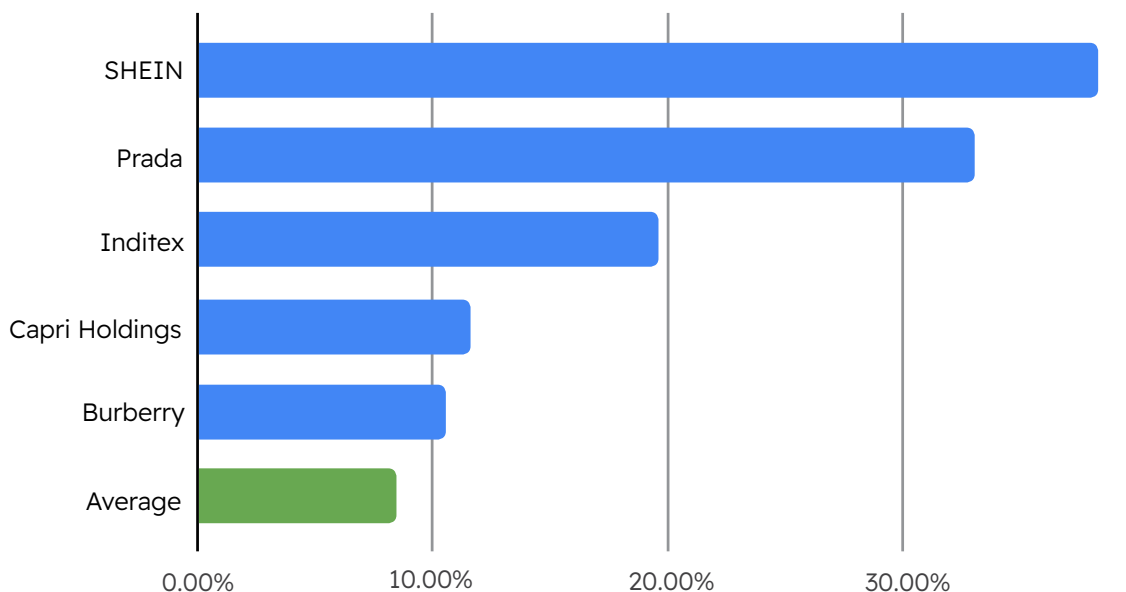
- Best practice came from H&M Group, Kering, Mammut and PUMA, which shared high-quality

answers with a historic breakdown of GHG emissions across different transport types.

- Allbirds communicates that 96% of transport was maritime in 2022, a figure that was maintained in 2023 and Ralph Lauren shares some of the picture, disclosing that air freight represented 7.6% of total transport-related emissions.

Despite limited transparency, other information can be revealing: five brands, including SHEIN, reported upstream shipping emissions which accounted for more than 10% of their total Scope 3, which implies heavy reliance on air freight.

## Five brands with upstream shipping as highest share of total Scope 3



## Few commitments to limit polluting air freight

Aviation is a dangerous driver of transportation emissions due to its high level of carbon intensity, which is estimated to be around 50 times more intensive than shipping via sea.<sup>146</sup> It is an alarming trend for brands to prioritize ever faster delivery, and even direct-to-consumer models that rely on rapid product turnover.

Just five brands (Adidas, Allbirds, Mammut, PUMA and VF Corp) had strong policies that committed them to minimising aviation to less than 1% of upstream transportation, or were close to meeting this benchmark' because some weren't 1% but <5% which we deemed to be close enough.

- Adidas noted that the use of air freight decreased to 1% in 2023 as part of efforts to counterbalance Covid-related supply chain challenges<sup>147</sup> and kept this low in 2024 at around 2%<sup>148</sup>.

<sup>146</sup> Globex Shipping website, accessed April 25, 2025 <https://globexship.com/resources/air-freight-vs-sea-freight-core-differences/>

<sup>147</sup> "Environmental Impacts - Annual Report 2023." Adidas, (2024) <https://report.adidas-group.com/2023/en/group-management-report-our-company/sustainability/environmental-impacts.html>

<sup>148</sup> "General Disclosures - Annual Report 2024." Adidas, (2025) <https://report.adidas-group.com/2024/en/group-management-report-sustainability-statement/esrs-2-general-disclosures/overview.html> p.188

- Allbirds has the goal of achieving more than 95% ocean shipping.

11/42 brands reported some level of commitment or statement tied to reducing shipping through air. Burberry

communicated that it is looking to reduce the proportion of finished goods transported by air between vendors to hubs year on year, which is important given its high impact on the company's emissions<sup>149</sup>.

## Dangerous Distraction: Sustainable Aviation Fuel

The use of Sustainable Aviation Fuel (SAF) is not without controversy as it has become a greenwashing concern in carbon markets. Research published by the Institute for Policy Studies outlined that it is not yet a realistic, scalable alternative to traditional jet fuels and that they are not a substitute to address the carbon-related impacts of shipping now.<sup>150</sup>

Findings from the 2025 Scorecard highlight that some brands are using SAF, but failing to set a concrete target to limit the use of aviation, raising

concerns that brands see this as an alternative to real emissions reduction. Inditex shared in its 2023 report that it had reached an agreement with Atlas Air and Repsol to supply SAF to decarbonize a portion of cargo flights the air freight company carried out for Inditex from Zaragoza Airport<sup>151</sup>, however this does not mitigate the true environmental footprint of its excessive air freight practices, as outlined in more recent investigations<sup>152</sup>.

Chanel reported plans to scale up investment in SAF, but has yet to set meaningful targets on limiting aviation, besides stating it plans to switch from air to sea, rail and road.<sup>153</sup>

## Cleaner shipping policies

Mammut was the only company to clearly include a time-bound zero emissions vessel target within its overall logistics goals<sup>154</sup>.

Bestseller, Inditex, Primark, PUMA, PVH and VF Corp all partnered with Maersk and its Eco Delivery Program<sup>155</sup>, with a focus on low-emission biofuel for sea freight as part of its ocean program, which is an important short-term solution.

Companies can send clear demand signals in support of ZEVs by explicitly choosing their logistics partners on the basis of explicit and demonstrable progress toward a zero-emission fleet transition. Although examples are limited, Lululemon, Mammut, and Ralph Lauren share helpful details about their logistics provider selection process, including requiring science-based targets<sup>156</sup>, transparent emissions data<sup>157</sup> and goals to achieve zero emissions solutions<sup>158</sup>.

<sup>149</sup> "Environmental and social measures - Burberry Annual Report 2023/2024." Burberry, (2024) <https://www.burberryplc.com/content/dam/burberryplc/corporate/2024-updates/environmental-and-social-responsibility.pdf> p.44

<sup>150</sup> "Magical thinking: hopes for sustainable jet fuel not realistic, report finds." Guardian, 14 May, 2024. <https://www.theguardian.com/environment/article/2024/may/14/sustainable-jet-fuel-report> and "Greenwashing the Skies: How the private jet lobby uses Sustainable Aviation Fuels as a marketing ploy." Institute for Policy Studies, 14 May, 2024 <https://ips-dc.org/report-greenwashing-the-skies/>

<sup>151</sup> "Statement of Non-Financial Information 2023." Inditex, (2024) [https://static.inditex.com/annual\\_report\\_2023/en/Statement%20of%20Non-Financial%20Information%202023.pdf](https://static.inditex.com/annual_report_2023/en/Statement%20of%20Non-Financial%20Information%202023.pdf) p.202

<sup>152</sup> "Inditex ignores all criticism and increases climate damaging transport emissions." Public Eye, (2025) <https://www.publiceye.ch/en/topics/fashion/inditex-ignores-all-criticism-and-increases-climate-damaging-transport-emissions>

<sup>153</sup> "Sustainability Performance Extract 2023." Chanel, (2024) <https://www.chanel.com/puls-img/1721311324579-channelsustainabilityperformancextract2023pdf.pdf> p.17

<sup>154</sup> "Mammut 2023 Responsibility Report." Mammut, (2024) [https://downloads.ctfassets.net/1595fda2nfqd/2sORITvV07yOeByJvsJvAS/a31870821e765a61a35262d569c29717/2023\\_Responsibility\\_Report\\_Mammut.pdf](https://downloads.ctfassets.net/1595fda2nfqd/2sORITvV07yOeByJvsJvAS/a31870821e765a61a35262d569c29717/2023_Responsibility_Report_Mammut.pdf) p.84 and Mammut response to Stand.earth 2025 Scorecard enquiry

<sup>155</sup> "Maersk ECO Delivery - Decarbonise logistics." Maersk, (n.d.) <https://www.maersk.com/transportation-services/eco-delivery>

<sup>156</sup> "Lululemon Impact Report 2023." Lululemon, (2024) <https://corporate.lululemon.com/~media/Files/L/Lululemon/our-impact/reporting-and-disclosure/2023-lululemon-impact-report.pdf> p.40

<sup>157</sup> "2023 Global Citizenship & Sustainability Report." Ralph Lauren, (2024) [https://corporate.ralphlauren.com/on/demandware.static/-/Sites-RalphLauren\\_Corporate-Library/default/dw67845c51/documents/2023\\_reports\\_and\\_policies/RL-2023-GCSRReport.pdf](https://corporate.ralphlauren.com/on/demandware.static/-/Sites-RalphLauren_Corporate-Library/default/dw67845c51/documents/2023_reports_and_policies/RL-2023-GCSRReport.pdf) p.35

<sup>158</sup> Mammut response to Stand.earth 2025 Scorecard enquiry

External coalitions and partnerships were often cited amongst the brands when discussing longer-term approaches to shipping policies, although their impact and level of ambition varies. Strong examples include membership of the Smart Freight Centre and the US Environmental Protection Agency SmartWay Transport Partnership, and particularly the Sustainable Freight Buyers Alliance and the Zero Emissions Maritime Buyers Alliance (ZEMBA), which unites buyers to provide strong market signals to stimulate commercial deployment of zero emission shipping methods by 2040. Nike also reports being a founding member of the newly launched Electric Freight Consortium, a cross-functional industry group with a shared desire to push the boundaries of electric medium- and heavy-duty road freight in North America<sup>159</sup>.

## Last mile logistics

Online shopping is a major driver of apparel sales, and shows no sign of slowing down: nearly half of new apparel bought globally is bought online, and in the US alone, fashion accounts for around 20% of all ecommerce purchases.<sup>160</sup> If fashion brands commit to transitioning to zero-emission last-mile delivery by 2030 by working with aligned logistics providers, it will support a critical transition across the industry and deliver substantial emissions savings.

This is more critical for large retailers such as Walmart and Target, which have large, high-emitting road delivery fleets. While Target is left behind, Walmart and Kering both had strong explicit statements committing to use zero-emission last-mile service providers by 2030. Kering Standards for Logistics reported pushing for efficiency and zero-emission vehicles for last-mile deliveries<sup>161</sup> and Walmart reports working to electrify its fleet and

reach net-zero emissions from all vehicles and its transportation network, including long-haul trucks in the U.S. and Canada, by 2040<sup>162</sup>.

### Next Steps for Brands:

Despite the inclusion of upstream shipping in the majority of supply chain emission reduction targets across the fashion industry, there is a distinct lack of progress in setting clear shipping policies that could reduce emissions across different transportation modes. Given the lack of progress and rising emissions since 2023, brands must:

- Ensure that Scope 3 Category 4 emissions are included in all Scope 3 GHG emissions reduction targets, or set specific targets for transportation emissions which align with 1.5°C.
- Commit to transition transportation to zero-emission vessels by 2030, including joining collaborative initiatives and advocating for logistics providers to deliver zero emission transportation options.
- Set specific policy commitments to avoid and limit the use of air freight to no more than 1% of total goods.
- Increase disclosure on emissions broken down by different transportation modes including air, rail, land and sea.
- Collaborate across the sector and with other industries to advocate for supporting infrastructure such as the development of green ports and greener ships, to reduce emissions through shipping methods.
- Set targets and work with logistics providers to transition last-mile deliveries to zero emission alternatives.

<sup>159</sup> "FY23 Nike Impact report." Nike, (2024) <https://about.nike.com/en-GB/impact> p.87

<sup>160</sup> "Online vs In-store Logistics." CapitalOne Shopping, (2024) <https://capitaloneshopping.com/research/online-vs-in-store-shopping-statistics/>

<sup>161</sup> "Sustainability - Climate strategy. Kering, (n.d.) <https://www.kering.com/en/sustainability/mitigating-climate-change/climate-strategy/> p.14

<sup>162</sup> "Climate change." Walmart, (n.d.) <https://corporate.walmart.com/purpose/sustainability/planet/climate-change>

# Methodology

Stand.earth developed the 2025 Fossil Free Fashion Scorecard to map changes within the fashion industry by assessing progress made by companies to decarbonize their supply chains over a 2-year period. The findings evaluate trends and developments since the publication of the previous Fossil-Free Fashion Scorecards, published in March 2023 and August 2021, as well as building on a deep dive into clean energy practices published in May 2024.



## Brands:

The report analyses 42 leading apparel and footwear companies on their commitments, actions and transparency surrounding efforts to reduce their carbon footprints in line with the 1.5°C emissions pathway.

This year, five new brands were added to the research sample due to their growing prominence across the global market. These companies were Abercrombie & Fitch, Aritzia, Bestseller, Mango and Next. A handful of companies were removed from this year's scorecard, to balance the number of sportswear, fast fashion and luxury brands assessed: ALDO, Amer Sports, Salvatore Ferragamo, Guess, Richemont, and Amazon.

## Criteria:

The 2025 scorecard criteria was built off the foundation of the Clean Energy Close up and 2023 scorecard criteria through a process of internal development and external review by independent experts and stakeholder organizations. Stand.earth gratefully acknowledges the following for their contributions to the development and refinement of the 2025 Scorecard assessment criteria (in alphabetical order):

- Josh Archer, Stand.earth
- Anna Barford, Stand.earth
- Elly Dinnadge, Canopy
- Ruth MacGilp, Action Speaks Louder
- Md. Razu Ahmed Masum
- Urska Trunk, Changing Markets
- Dr. Vidhura Ralapanawe

## Evaluation:

Stand.earth used publicly available resources to evaluate the performance of all 42 companies. This included corporate sustainability, ESG and integrated annual

reports, online documents including press releases, websites, media publications and where accessible, CDP reports.

It is critical to note that, since the publication of the 2023 Scorecard, many CDP reports containing important data on climate-related performance have been removed from the public domain. Therefore, the research has been reliant on brands who publicly disclose their CDP reports on their website or have submitted their CDP reports directly to Stand.earth.

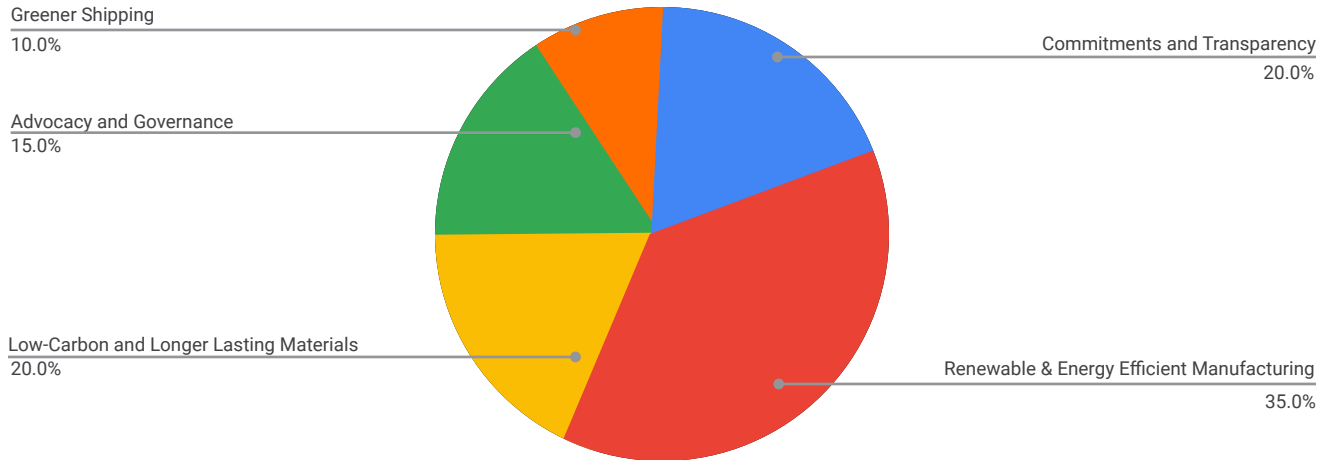
Alongside secondary data, Stand.earth reached out to all companies to request the completion of a survey, prompting answers on the impact assessment criteria and indicators outlined below. Brands were provided with the scoring matrix for full transparency over scoring criteria. Answers submitted to Stand.earth were cross-referenced and verified against publicly available data. Draft scorecards were shared with brands again, inviting further dialogue and feedback on any additional information that should be included and was not yet publicly available.

Data collection took place from January to April 15 of 2025. It is important to note that due to changes in reporting requirements and schedules, particularly in the EU as a result of the Corporate Sustainability Reporting Directive (CSRD), reporting for financial years may vary by brand, depending on the geography of headquarters and company annual reporting cadence.

With the data derived from both brands and Stand.earth's independent research, numerical scores and grades were assigned to individual performance across five different impact areas.

As with previous Scorecards, Stand.earth assigned grades to the five impact areas on a scale of A to F, with A being the highest and F being the lowest. This determined the overall score based on the weighting of each area.

## Scoring weighting and detailed criteria:



### Climate commitments and transparency

Stand.earth evaluated companies on the degree of ambition of public commitments to reduce GHG emissions across the entire value chain in line with a 1.5°C pathway. Companies were reviewed on the level of transparency provided on progress towards these targets well as any clear evidence of sustained emissions reduction.

Company performance was assessed based on the following criteria:

- Absolute GHG emissions reduction target of 55% or greater by 2030 and commitment to 100% renewable energy in own operations
- Absolute GHG emissions reduction target of 50% or greater by 2030 and commitment to 100% renewable energy in the supply chain alongside any strong interim milestone targets to reach 2040 or 2050 net zero targets
- Public commitment to phase out coal-fired boilers from the supply chain by 2030 or earlier. Plus, clear evidence of thermal transition strategy that prioritizes electrification
- Evidence of moving toward 100% renewable energy by 2030; ensuring the renewable energy purchased is connected to demand, additional, and not relying on unbundled renewable energy credits

- Annual publication of GHG emissions from Scopes 1, 2, and 3, including full Scope 3 breakdown. Plus a breakdown by country and supply chain tier
- Annual publication of energy use data for own operations and supply chain including energy demand, renewable energy breakdown, and attributes associated with purchase/implementation
- Public reporting of the list of factories and suppliers to Tier 4

### Renewable energy and energy-efficient manufacturing

Stand.earth reviewed how brands are engaging with suppliers to improve energy efficiency, source renewable energy and improve data transparency at the facility level.

This year, it also includes a review of how companies are supporting their suppliers financially throughout the decarbonization process, what procurement policies are in place to facilitate the transition, including incentivization and how companies are working with their supply base on adaptation measures.

Companies were assessed for their leadership on:

- Training, financial support, incentivisation, or requirement of suppliers to reduce reliance on fossil fuels through the use of energy efficiency measures and deploy renewable energy in facilities

- Training, financial support to support key suppliers to develop climate transition plans, including setting science-based targets, and undergoing feasibility studies
- Financial support offered for capital investments and direct solutions, including preferential access to loan agreements and bank financing, debt-free collective financing through initiatives and non-debt based financial support for specific decarbonization projects
- Supportive procurement policies to enable rapid and equitable supplier transition investments. Including linking purchasing decisions to environmental performance resulting in incentives, commitments to long-term secure and respectful sourcing and paying prices that reflect and support wage increases and sustainable production
- Financial support and provision for climate adaptation, including training, upskilling and evidence of consulting with local groups to develop emergency worker support response

## Renewable energy advocacy

Stand.earth evaluated targeted advocacy activity with key decision-makers to phase out fossil fuels and push for renewable energy. The aim is to identify corporate leaders directly promoting a just energy transition internationally.

Scores were awarded based on strong evidence of direct advocacy efforts beyond membership of voluntary initiatives. Negative points were also assigned if there was evidence of a misalignment of advocacy efforts with climate and social policies critical for the transition. Governance mechanisms including those tied to climate goals were also included.

Evidence of clean energy advocacy included:

- Calling for an ending of investment in coal power plants or fossil fuel infrastructure attached to the supply chain
- Support for national or sub-national renewable energy or GHG reduction targets
- Support of green energy-focused economic recovery packages
- Support policies to expand access to renewable electricity procurement options in key supply chain markets

Governance and internal policy areas that aligned with climate action considered:

- Executive compensation tied to environmental performance, including specific indicators related to absolute emissions reductions across all scopes
- Clear governance structure for leadership of climate transition
- an internal price on carbon in alignment with CDP criteria

## Low-carbon and deforestation-free materials

Stand.earth assessed company efforts to phase out fossil fuel-derived fabrics, wood-based materials and leather linked to deforestation as well as conventional cotton. Company efforts on genuine, impactful circularity initiatives, closed-loop recycling, next-gen material innovation and investment in wider industry recycling infrastructure were reviewed. Company transparency on volumes and materials was also included.

Specifically, the Scorecard evaluated commitments and progress on:

- Commitments to phase out a minimum of 50% of fossil fuel-derived fabric (both virgin and recycled by 2030). Plus, explicit mentions of eliminating harmful feedstocks from the Amazon Basin and Arctic Circle or eliminating fracking from sourcing
- Commitments to deforestation-free leather and ensuring man-made cellulosic fibres are not sourced from Ancient and Endangered forests
- Commitments to source 100% recycled, organic or regenerative cotton and wool by a target date and reports on progress
- Support provided for farmers to transition to regenerative and organic farming methods with long-term contracting agreements and supportive pricing
- Action and investment towards low carbon materials, closed-loop material recycling and waste reduction, including providing resale and repair options

- Transparency on full material mix and volumes, by both percentage and weight, including a breakdown by conventional vs alternative materials. Plus, reporting on full production volumes

## Greener shipping

Stand.earth scored companies on the strength of commitments and progress towards reducing GHG emissions through shipping via air, rail, road and sea. This included setting a shipping emissions reduction target and demonstrating progress towards reductions within the last year, and against a company's baseline. The Scorecard reviewed the adoption of cleaner transportation methods, stakeholder collaboration to support green transportation infrastructure and partnering with zero-emission last-mile service providers.

High-scoring companies would demonstrate:

- Upstream shipping included in Scope 3 GHG emission reduction targets, or a specific shipping emission reduction target of 50% reduction by 2030. Plus, a demonstrated reduction in upstream shipping emissions year-on year
- Transparency on total volume of goods and emissions by shipping mode (air freight, land and sea) and reported using aviation for less than 1% of product shipments
- Commitments to slower shipping modes, near-term plans to ship cargo via cleaner vessels or low-emission fuels, or import through greener ports
- Commitment to ZEVs by 2030 and support the deployment of ZEVs; public advocacy for reducing shipping-related pollution and supporting ZEV port infrastructure; commitment to zero-emissions last-mile delivery



# Brand Scorecards

Follow the link from each brand listed below to view its individual scorecard.



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EILEEN  
FISHER

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PRIMARK<sup>®</sup>

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**PUMA**

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**PVH**

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