Fashion 'needs to cut emissions by half' to meet climate goals - report

By Sandra Halliday - 27 August 2020

The fashion industry is going out of its way to prove its sustainability credentials but a new report has said it needs to cut its carbon emissions in half by 2030 to contribute to achieving the goals set out in the 2015 Paris Climate Agreement. The Fashion on Climate report said the industry plays a “critical role” in combatting climate change.

The report is the result of a multi-year partnership between Global Fashion Agenda and McKinsey & Company and said that the apparel and footwear industry was responsible for some 2.1 billion tonnes of CO₂ emissions in the last year for which we have data (2018). That’s about 4% of the global total and also means that the fashion industry emits about the same quantity of CO₂ a year as the economies of France, Germany, and the UK combined.

If no action is taken, the amount would rise to 2.7 billion tonnes a year by 2030, reflecting an annual volume growth rate of 2.7%. This would more than double the maximum emissions required to align with the 1.5-degree pathway.

It all means that in the next 10 years, the industry needs to reduce annual emissions to around 1.1 billion tonnes, or what the report calls "accelerated abatement".

It said brands and retailers in collaboration with their value chain partners are the primary drivers of accelerated abatement. “Together they can drive coordinated decarbonisation efforts and create opportunities for consumers to make sustainable consumption choices”.

GFA and McKinsey analysis identified three priority action areas for the industry with one being reducing emissions from upstream operations. Some 61% of the accelerated abatement could be delivered by decarbonising materials production and processing, minimising production and manufacturing waste, and decarbonising garment manufacturing.

Cutting emissions from brands' own operations is the second action area. This could mean a variety of things such as using more recycled fibre, increasing use of sustainable transport, improvements in packaging, decarbonising
retail operations, minimising returns, and reducing overproduction. This latter aspect comes to the fore given that we’re told only 60% of garments are currently sold without a markdown.

Finally, encouraging sustainable consumer behaviours is crucial. Ideas such as garment rental, resale, repair, and refurbishment, a reduction in washing and drying, and an increase in recycling and collection are all important here.

Between these three strategies, a huge amount of emissions could be prevented, the report said.

And while this is likely to mean extra costs for companies, it added that around “55% of the actions required for accelerated abatement can be delivered at net cost savings on an industry-wide basis”.

But there will still be costs and this is something it looks like the industry will have to swallow. Yet with consumers expecting action, it seems many of the ideas mentioned above could become requirements rather than options in order to build future-proofed businesses.

The report added actions “will require incentivisation in the form of consumer demand or regulations to deliver abatement”. GFA and McKinsey also said that around 90% of the accelerated abatement “can be delivered below a cost of around US$50 per tonne of CO₂ emissions”.

“The world has changed – consumers are looking for more sustainable companies and brands,” McKinsey senior partner Karl-Hendrik Magnus explained. “Bold action is required if the fashion industry is to meet the ambitious target of aligning with a 1.5°C pathway in the next 10 years. The good news for the fashion industry is that many of the required actions can be delivered with beneficial economics.”

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