

UN Environment Management Group Nexus Dialogues



Outcome Document

Sustainable Fashion is referenced by Stockholm+50¹, and the UNEP report ‘Sustainability and Circularity in the Textile Value Chain - Global Stocktaking’² as having the potential to support a *Sustainable Recovery For All* by applying the precautionary principle to the sustainable management of the environmental dimensions of its value-chain, including conscientious product design, natural resource and material inputs, workers’ health and wellbeing, treatment of waste, and end-of-life product disposal, in pursuit of circularity and enhancing resilience for intergenerational equity.³ Moreover, an integrated approach to environmental and social sustainability turns the drive towards circularity into a significant avenue for a *just transition*, with more and better jobs, social inclusion and poverty reduction.⁴

Against this background, the UN Environment Management Group, in close collaboration with the UN Alliance for Sustainable Fashion, UNCTAD, UNEP, UNECE, UNESCO, UNFCCC and ILO have organized a **Sustainable Recovery through Sustainable Fashion: A Focus on the Environmental Dimensions (7 September 2021)** Nexus Dialogue intending to facilitate an exchange of different approaches to address the environmental facets of the *Sustainable Fashion Nexus*, especially in pursuit of sustainable recovery from the COVID-19 context, and with an emphasis on the UN system’s programmes.

Partners have shared knowledge of updated initiatives, challenges, and capacity gaps – the discussion applied to both a **micro-** (a peer-to-peer exchange on applying the environmental perspective to *Sustainable Fashion* and identifying unexplored opportunities with a particular focus on circularity and decarbonization) and **macro-lens** (mobilizing the UN system in its support to the Fashion Industry in advancing a Sustainable and Resilient Recovery for All through the environmental lens).

¹ Stockholm+50 2022: <https://www.government.se/government-policy/stockholm50/>

² UNEP (2020). Sustainability and Circularity in the Textile Value Chain - Global Stocktaking. Nairobi, Kenya. <https://www.oneplanetnetwork.org/new-report-launched-sustainability-and-circularity-textile-value-chain>

³ Brundtland, G. (1987). Report of the World Commission on Environment and Development: Our Common Future. United Nations General Assembly document, A/42/427.

⁴ International Labour Organization (2015). [Guidelines for a just transition towards environmentally sustainable economies and societies for all](#). Geneva, Switzerland.

Key messages noted during the Nexus Dialogue, include:

Representatives from UN Alliance for Sustainable Fashion, International Trade Centre (ITC), UN Conference on Trade and Development (UNCTAD), UN Environment Programme (UNEP), UN Economic Commission for Europe (UNECE), UN Educational, Scientific and Cultural Organization (UNESCO), UN Framework Convention on Climate Change (UNFCCC), International Labour Organization (ILO), Paris Good Fashion, Threading Change, University of Technology Sydney, and ZOI Environment Network spoke about institutional and systemic challenges underlying Sustainable Fashion.

- Within the fashion industry, **sustainable change can't occur without the sincere acknowledgement of- and efforts to- eradicate systemic inequalities⁵**, including a focus on a just transition, inclusivity towards marginalised groups on setting industry direction and solutions, addressing social challenges across the value chain and ensuring the connectivity of environmental and social activities and expertise.
- There is a need to take a **value chain approach** to advancing sustainability and of circularity in the textile sector.
- **There is an asymmetry in the current business model of the industry**, dictating that owners of financial capital make gains while the owners of social and environmental capital make a loss.
- **The value generated by an economy is a function of the value invested in it.** We know how to use financial capital, with tools to measure its gains and losses and the owners of this capital are careful about it and serious about reporting on it.
- The **principle of just transition is key to ensure everybody benefits from the shift from a linear to a circular economy, and more generally to environmentally sustainable practices.** This means looking at the needs of workers that may be more affected by the shift, a new social contract within countries to ensure social protection and skills policies targeting these workers and enterprises, a better coordination between employment and environmental policies.

Representatives reflected upon lessons learned internal to the UN system, as well in the fashion sectors, in furthering the sustainability of the industry, including through circularity and value-chain approach:

- The *Synthesis Report on UN System-Wide Initiatives related to Fashion⁶* prepared by the UN Alliance on Sustainable Fashion provides a valuable **overview of who-, what-, where-, and how- the UN system has related Sustainable Fashion initiatives to the achievement of the SDGs.** The Report has been valuable in mapping the initiatives, including identifying cross-pollination opportunities, and learnings on stakeholder engagement mechanisms.
- Externally, the complexity and fragmentation of industry value chains make operations and business transactions opaque. Consumers and regulators want to know more about how clothing is made, while brands and retailers need to manage their reputational risks. In fact, **achieving full visibility and disclosure of sustainability performance for actors along the entire value chain is critical** to identify

⁵ According to Global YOUTH on Fashion Survey, conducted by Threading Change, featuring responses by 206 participants across 36 countries. Source: <https://unemg.org/wp-content/uploads/2021/09/Panelist-Presentation-Threading-Change.pdf>

⁶ <https://unfashionalliance.org/wp-content/uploads/2021/07/UN-Alliance-for-Sustainable-Fashion-Synthesis-Mapping-Report.pdf>

impacts for workers and the environment and device corrective action and paths for effective improvement.

- There is an opportunity for the UN Alliance on Sustainable Fashion to coordinate internally for UN member agencies to align their efforts, such as on creating shared definitions and frameworks through multi-stakeholder processes whilst avoiding the duplication of existing efforts. This can include supporting governments in creating an enabling environment for **sustainable and circular business model** innovation resulting in more **sustainable and competitive product offerings**.
- For a shift towards **sustainability and circularity in the textile value chain, there is a need for stronger collaboration and financing and enabling changes in consumption habits**. It requires coordinated and joint effort across all value chain actors, including brands/retailers, raw material producers and manufacturers, governments, consumers, innovators and recyclers, financial institutions and technical organizations (including non-governmental organizations but also UN agencies).
- There is a **critical role in coordinating between and within UN agencies** to ensure that programmes are appropriately addressing the challenge of a just transition, reduce duplication and that the UN can take forward the most effective programme of activities to achieve agencies' goals.
- There is also a **critical role in mapping and coordinating with external organizations** – including NGOs and private sector initiatives - to ensure that external capacity and activity is leveraged and that the UN efforts are focused on its core and unique contribution areas, in line with agencies' respective mandates and areas of expertise.
- **A number of practices have proved effective in advancing environmental and social sustainability in the fashion industry:** Engagement with different levels of stakeholders (governments, employers' organizations and workers' organizations); a combination of a variety of policies (employment, trade, fiscal and environmental) and a better dialogue between production and consumption countries.
- The UN is uniquely positioned to engage and reach out to policymakers, and leverage their vital role in supporting and incentivizing a just, green, and digital transition across the textiles value chain.

Representatives also identified capacity gaps within the sector– including unexplored opportunities for shifting the fashion industry to a more sustainable form for the benefit of mitigating its environmental effects.

- Progress towards improving environmental sustainability in the fashion industry remains slow due to **systemic implementation challenges, information asymmetry, and compliance failure**.
- **Reliable consumer information** is key to avoid confusion and enable informed decision making (from governments, businesses and individual consumers). A definition of key terms used for marketing in the textile sector could be a good starting point to increase reliable communication.
- Further, there is a need for more **complete, relevant and specific impact data** to enable value chain actors to take informed decisions. Efforts to collect and make openly available such data (from UN agencies' side, e.g., - through the UNFCCC Charter or the UNEP Global LCA Access Database) provide a good starting point.
- To scale circular, sustainable business models to increase the use of sustainable textiles, reduce consumption (where there is over-consumption), implement eco-design requirements and production standards, **governments must implement enabling policies, regulations and standards, incentive**

systems, R&D and innovation programs, multi-stakeholder collaborative initiatives and provide social protection, to establish a level playing field⁷.

- To address greenwashing, and ensure reliability of ESG claims and reporting for products, processes, and facilities operating in fashion value chains, **traceability and transparency are key enablers** and governments need to adopt relevant policies, norms and standards and provide guidance and implementation support to industry actors, and especially small actors and vulnerable groups. Harnessing the potential of digital transformation (e.g., blockchain, and physical markers) is also identified as a key action to reduce compliance costs on ESG requirements.
- While net gains in employment will be experienced in the shift to environmental sustainability, **circular businesses in repair, maintenance, reuse/second-hand and recycling are still characterized by a high prevalence of informal jobs**; there is the need for governments and social partners to create an enabling environment for sustainable enterprises, which include ensuring **the transition from an informal to a formal economy**.
- There is a need to continue ensuring that **circularity** is understood and implemented to be inclusive to not only support the conservation of the environment but also the well-being of all.
- **ESG reporting is a critical tool** that gets increasing attention, while major inroads must be made to improve the entire supply and value chain - such as through efforts around decarbonisation, materials and circular business models.
- Furthering the idea of quantifying fashion impacts, organizations may consider building upon existing initiatives to **develop an “impact database”** (a database of social indicators) which can be used freely and accurately in providing data for lifecycle assessments and informing protective social policies (e.g., small-scale farmers and producers) without objections over intellectual property.

Despite challenges and capacity gaps, continued work on Sustainable Fashion is resulting in a number of solutions and initiatives. Due to length, please see **Annex A**.

In Summary, the Nexus Dialogue has facilitated a number of takeaway messages and thoughts.

While the Dialogue highlighted the importance of environmental dimensions, the social facet of equity (including gender equality), justice, and labor rights are critical to the sustainability of fashion – e.g., in textile and leather value chains. UN agencies contributing to the sustainable fashion nexus would benefit from continuing to exchange and further map ongoing efforts and programmes, and messages to policymakers to identify gaps, advance collaboration and explore potential synergies.

As a nexus, Sustainable Fashion requires a commonality and complementarity in approach, and therefore, internal communication and possible coordination on what the UN system agencies next steps is important. The UN system has a robust array of inter-governmental initiatives and inter-agency mechanisms (e.g., UN Alliance on Sustainable Fashion, EMG Secretariat, etc.) which supports an enabling environment to facilitate positive industry change, and also supporting stakeholders in the fashion value chain to reach good practices.

⁷Recommendation No. 46: Enhancing Transparency and Traceability of Sustainable Value Chains in the Garment and Footwear Sector, ECE/TRADE/C/CEFACT/2021/10

We would like to thank the following high-level and expert panellists and organizations for their valuable contributions to the Sustainable Recovery through Sustainable Fashion: A Focus on the Environmental Dimensions Nexus Dialogue (7 September 2021):

Moderator: Ms. Laila Petrie, CEO of 2050

- Mr. Simone Cipriani, Chairperson, UN Alliance for Sustainable Fashion and Head, ITC-EFI
- Ms. Sophia Yang, Executive Director, Threading Change
- Ms. Sylvie Benard, Chair of Paris Good Fashion
- Mr. Simone Cipriani, Chairperson, UN Alliance for Sustainable Fashion and Head, ITC-EFI
- Ms. Bettina Heller, Programme Officer, UNEP
- Ms. Margherita Licata, Technical Specialist, ILO
- Ms. Marisa Henderson, Head of Programme, Creative Economy, UNCTAD
- Mr. Niclas Svenningsen, Manager, Global Climate Action, UNFCCC
- Ms. Paola Deda, Director, Forests, Land and Housing Division, UNECE
- Ms. Elisabeth Tuerk, Director, Economic Cooperation and Trade Division, UNECE
- Ms. Meriem Bouamrane, Section Chief, Research & Policy on Biodiversity, Division of Ecological and Earth Sciences, MAB Programme, UNESCO
- Ms. Maria Beatriz Mello Da Cunha, Sectoral Specialist, Textiles, Clothing, Leather and Footwear Industries, ILO
- Ms. Mette Lund, Green Jobs Unit, ILO
- Ms. Laurel Hoffner, Consultant, Environment, Gender and a Just Transition, ILO
- Ms. Deborah Schmidiger, Sr Programme and Partnership Officer, Better Work, ILO
- Ms. Anne Ziebarth, Technical Officer, Better Work, ILO
- Dr. Samantha Sharpe, Research Director, Institute of Sustainable Futures, University of Technology Sydney
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- Ms. Maria-Teresa Pisani, Economic Policy Officer, UNECE
- Ms. Olivia Chassot, Economic Cooperation and Trade Division UNECE
- Ms. Leonie Meier, Associate Economic Affairs Officer, UNECE
- Mr. Otto Simonett, Director, ZOI Environment Network

Special thanks to UN EMG team for organization and coordination:

UN Environment Management Group Secretariat

- Ms. Ligia Noronha, Secretary, EMG Secretariat
- Mr. Hossein Fadaei, Head, EMG Secretariat
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- Ms. Fatema Johara, Administrative Assistant, EMG Secretariat
- Mr. Samuel Sinclair, Intern, EMG Secretariat
- Mr. Carl Giardina, Intern, EMG Secretariat

ANNEX A: Key Solutions and Initiatives for Sustainable Fashion

Ordered by appearance in the Nexus Dialogue

Threading Change

Threading Change is a youth-led not-for-profit organization, working to embed intersectionality, circularity, and equity in the fashion industry with climate, gender and racial equity at the forefront. Threading Change specializes in educational programming, capacity building, and knowledge mobilization on fashion and the circular economy from a justice-based lens. In addition, they center innovation and storytelling through their Global Innovation Story Map and Membership Network, representing global youth in research and policymaking spaces to ensure fulfillment of the 6F's: A Feminist, Fossil-Fuel Free Fashion Future. <https://www.threadingchange.org/>

Paris Good Fashion

Paris Good Fashion supports member states in training their citizens to act responsibly and encourage cities to invest in textile recycling, thereby providing jobs in the sector of clothing repair and transformation. They have consulted over 100,000 citizens, finding that recycling and second-hand purchases were key to reducing impacts, therefore countries are recommended to focus on providing purchase opportunities for recycling and second-hand sources of fashion. <https://parisgoodfashion.fr/en/>

ITC Ethical Fashion Initiative

EFI manages a large supply chain that engages with a many of the major fashion brands of the industry. This has enabled EFI to create a set of tools to report on sustainability: a Supply Chain Risk Assessment Tool with an ESG due diligence and corporate sustainability reporting. The Initiative is also experienced in decarbonising the supply chain for over 10 years by working with low carbon processes, natural dyes, organic cotton, GOTS certified dyes etc. EFI is working in this sector in Eastern Africa to create a 100% circular factory using waste from the industry. <https://ethicalfashioninitiative.org/>

Forests, Land and Housing Division, United Nations Economic Commission for Europe

The Forests, Land and Housing Division supports member States in their efforts to sustainably manage forests so that they provide forest goods and services to benefit society. One of the ways of doing so is through the Forests 4Fashion campaign, which aims to raise awareness about the role that sustainable and certified wood-based textiles can play in addressing the environmental problems associated with textile fibres. Renewable and responsibly sourced wood-based fibres are part of the solution for a sustainable fashion industry. <https://unece.org/forest-land-and-housing>

United Nations Environment Programme

The United Nations Environment Programme is working on a Roadmap to Sustainability and Circularity in the Textile Value Chain, to be launched at the end of 2021. Under development is a sustainable fashion communications strategy to address the issue of consumer engagement and awareness. On the ground, they have a project funded by the European Union (EU) to promote sustainable business practices and economic models in the textile value chain. The InTex project has five components: two components with a global reach, and three components that focus on national implementation in three countries in Africa: Kenya, South Africa and Tunisia <https://www.unep.org/>

International Labour Organization

The International Labour Organization has implemented a [garment supply chain project in Bangladesh, Cambodia, Indonesia and Vietnam](#), aiming to increase the knowledge and understanding of environmental sustainability and decent work in the fashion industry. This project also engages governments, workers' and employers' organisations in social dialogue and capacity building to help them prepare for a gender-responsive just transition towards sustainable practices. ILO is also moving towards a sectoral approach to ensure just transition in the fashion industry and is working with [PAGE](#) and [PACE](#) to advance decent work in green and circular economies. <https://www.ilo.org/>.

Creative Economy Programme, United Nations Conference on Trade and Development

The Creative Economy Programme complements Circular Economy principles by decoupling resource extraction from economic growth, designing out waste and pollution, and keeping products and materials in use for longer in order to regenerate natural systems. They support the redesigning of products, processes, and services to optimize the use of resources, and ensure opportunities for reuse, repair, and remanufacture at the product's end-of-life. <https://unctad.org/topic/trade-analysis/creative-economy-programme>

United Nations Framework Convention on Climate Change

The United Nations Framework Convention on Climate Change's Fashion Industry Charter for Climate Action has 200 signatories from brands, producers, logistics, finance institutions, and others. The Charter provide the platform for facilitation, and stakeholders commit to work on decarbonization pathways, raw materials, policy engagement, and transforming manufacturing and logistics. Pursued with an eye on the Paris Agreement, the Charter connects policymakers with practitioners and the real economy through national action plans with an aim to achieve a climate-neutral work by 2050. <https://unfccc.int/climate-action/sectoral-engagement/fashion-for-global-climate-action>

Economic Cooperation and Trade Division, United Nations Economic Commission for Europe

The Sustainability Pledge, adopted by the 56 UNECE member states in April 2021, is a set of policy recommendations, implementation guidelines and a global information exchange standard – including KPIs. It aims at advancing traceability and transparency as key enablers of sustainable and circular value chains in garment and footwear industry and ensuring the reliability of ESG claims for products, processes and factories. The initiative, in collaboration with the ITC and support of the European Union, and with involvement of 250 industry actors from 33 focus countries, has produced a toolbox and a blockchain system for due diligence and trusted data exchange in textile and leather value chains (e.g. origin, chemicals, CO₂, water, energy, HR and labour standards, etc.). In July 2021 the EXCOM of UNECE has established a Team of Specialists on ESG traceability for sustainable and circular value chains <http://www.thesustainabilitypledge.org>

Division of Ecological and Earth Sciences, United Nations Educational, Scientific & Cultural Organization

The Division of Ecological and Earth Sciences signed a partnership LVMH to work on the transparent conservation and sustainable use of biodiversity. It has begotten the collaborative strategy, Life 360, which is based on the four pillars of biodiversity, climate change, circular economy, and transparency, allowing LVMH to have the data needed for scientific analyses and feasibility surveys to achieve the SDGs. <https://en.unesco.org/>