



Close up of the wing of a blue morpho butterfly, so bright that it is visible to pilots flying over its rainforest home

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# BIODIVERSITY & fashion

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THE  
**BIODIVERSITY**  
CONSULTANCY

Insight February 2020



# Biodiversity and apparel: why nature is on trend in 2020

The world has woken up in the past 18 months to a **nature crisis as large as the climate emergency**. Three factors are combining to increase the risks and exposure that apparel companies are currently experiencing:

- 1 The fabric of life on this planet is disintegrating through the loss of species and habitat. E.g., some experts estimate that a mere **60 harvests are left globally**, because of failing soil productivity (healthy soils are full of micro-biodiversity). Business and society cannot thrive in this context as we need agriculture to provide the raw materials for our products and our lives.
- 2 Radical transparency is the new reality and business is now accountable and responsible for social and environmental outcomes like never before. How you are addressing the nature crisis is one of the most critical questions that you and your board will be asked in the coming years by constituencies. Not knowing whether a product is linked to loss or degradation of critically important forests is not acceptable.
- 3 We have lost touch with what things are made from and how they are made. Over the last two-to-three decades the growth of mass consumerism has led to a lack understanding about the value of materials. However, the production of raw materials for fashion does not have to be all about 'negative impact' – restoration, regeneration and building circularity offer viable alternative models. And therein lies the great opportunity for fashion: to re-create a compelling narrative grounded in new business approaches to products and materials.



Going hell for leather: leather supply chains can have major impacts on rainforest biodiversity





## Making your mark

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The [Fashion Pact](#), launched in 2019, shows that the apparel sector is placing biodiversity centre stage alongside climate change, with its commitment to 'stopping global warming, restoring biodiversity and protecting the oceans'. As well as being a commitment, the Fashion Pact is part of an exciting new movement in industry to get a handle on sourcing and production and their impacts on the natural environment. It is a stimulus to have a good look at your value chains and ask your board and your suppliers the new set of questions on the lips of world leaders. What is the carbon footprint of this? Is this textile deforestation free? What is the actual biodiversity impact of this sourcing decision? How do we ensure this value chain does not leave the oceans polluted with chemicals or plastics? What are the end of life impacts of our products?

At The Biodiversity Consultancy we are mapping out a pragmatic and ambitious approach to meeting the Fashion Pact's biodiversity commitments in your own style, meeting or building your internal sustainability goals in the process.

# Biodiversity – the living natural world

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Biodiversity is living nature – the living natural world from genes to species to ecosystems, across multiple scales of composition (e.g. which fish species?), structure (how intact is the coral reef?) and function (is the reef performing its role as a fish nursery?). We are part of nature and live within the biosphere as our greater home. Most of our food, fibre and fuel comes from the living natural world and even with a fully optimised circular economy, there will still be an enormous and growing demand for raw materials.

Nature has been abundant since the beginning of civilisation, with freshwater, soils, forests and oceans providing for us and freely absorbing our waste. With the growth of human populations and consumer culture, this is no longer the case and these 'environmental externalities', not commonly accounted for in economic models or business plans, are coming to the fore.

## How does biodiversity affect your supply chain?

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It is likely there are both biodiversity **impacts** and **dependencies** in your value chain. Impacts include loss of wildlife through farming and mining practices. Biodiversity is probably also at the source of some of your supply chain, or the water it depends on, and therefore its loss represents a business sustainability risk. And biodiversity will also be an unwilling accomplice to your supply chain landscapes, being lost through habitat conversion and many secondary impacts of agriculture and industry. Low levels of environmental governance in many of your value chain countries will add to the risks to which you are exposed.

Biodiversity risks and issues occur across your value chain, from source materials through processing and manufacturing to retail. Impacts on nature will be diverse and, in some cases, quite cryptic and hard to define. They include downstream pollution impacts of material processing on aquatic life; habitat loss of forest, and for species like Orangutan; and the indirect impacts to wildlife caused by new industry, roads and jobs and the people they attract.

Although it will be necessary to look across the value chain, the primary place to start is your source location for natural raw materials. [Kering's EP&L](#) was the first to show that land use changes, which are the primary cause of biodiversity loss in the apparel sector, occurred primarily in raw materials sourcing.



# What are Science Based Targets?

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**Science Based Targets (SBTs)** are a new approach to target setting which aligns a company's goals with the global goals that society sets to live in harmony with nature. Much as we have Sustainable Development Goals (SDGs) to create a social foundation through economic growth, education, health, justice and prosperity, so we have environmental goals which set something akin to an ecological ceiling on human activity. Between this social foundation and the ecological ceiling is the sweet-spot for economic activity. SBTs are a way to build a resilient business plan in line with society's goals, like the Paris Agreement, and to future-proof your business.

Many companies have already set an SBT for climate, which translates the Paris Agreement into a global carbon budget and allocates this proportionately amongst companies. This budget can be used to set yearly targets for emissions reductions, to reach carbon net zero in 2050. In a similar way, new global goals for biodiversity, land use change, oceans and freshwater are in development, which will be disaggregated to form SBTs for these four new domains. Signatories to the Fashion Pact have committed to implement SBTs for climate and to support the development of SBTs on biodiversity. Plus companies have pledged to develop their own biodiversity strategies to meet the forthcoming SBTs on biodiversity.

Further details on SBTs, who is working on them and how they may work for biodiversity can be provided by the [Science Based Targets Network](#).

# How have other sectors developed their policy towards Nature?

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Many other sectors have been tackling biodiversity for years. The infrastructure and extractive industry sectors developed risk-based approaches to biodiversity and ecosystem management 15 years ago, driven by stakeholder and regulatory pressure. Their response was to develop policies focused on their land-use impacts at operating sites, implementing the [Mitigation Hierarchy](#). Many went further, making [commitments to No Net Loss or Net Positive Impact](#), using [biodiversity offsets](#) to compensate for unavoidable impacts. Amazingly, financial and government policies then followed this trend, cementing the approaches in jurisdictions and within loan agreements. The most famous amongst these is the World Bank Safeguards and the [International Finance Corporation's Performance Standard 6](#). Be sure to make use of the frameworks, methods and experience and not re-invent the wheel! [Biodiversity risk screening](#), the Mitigation Hierarchy, quantitative approaches to biodiversity impact, Biodiversity Action Plans, offsets and stakeholder engagement are all readily transferable to your emerging challenges and to live up to the Fashion Pact.

Biodiversity impacts and dependencies are also an opportunity – for brand identity, stakeholder engagement and to align with the new societal goals for climate, oceans and biodiversity. What better sector than apparel, known for its fast pace, innovation and customer insight, to realise such opportunities?

## Integrating nature into business decision-making



## What next?

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**The Biodiversity Consultancy** is working with the apparel sector to develop post-2020 strategies, metrics, SBTs and to meet the commitments of the Fashion Pact. Including:

- Development of 2030 strategy and goals
  - Corporate policies for nature development
  - Biodiversity strategy evolution
  - Biodiversity SBT readiness and piloting
  - Fashion Pact readiness and alignment
  - Value chain risk assessments
  - Supply chain biodiversity footprint analysis
  - Biodiversity impact mitigation options
  - Stakeholder and reputational strategic advisory
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