



PROJECT IMPLEMENTATION REPORT (PIR)

for the project:

Transforming the Fashion Sector to Drive Positive Outcomes for Biodiversity, Climate, and Oceans

FY22

February 2021 – June 2022

Executing Partners

THE FASHION PACT



| Project Information | | | |
|---|--|---|-----------------|
| Project Title: | Transforming the Fashion Sector to Drive Positive Outcomes for Biodiversity, Climate, and Oceans | | |
| Country(ies): | Global | GEF ID: | 10658 |
| GEF Agency(ies): | Conservation International | Duration In Months: | 31 months |
| Executing Agency(ies): | Conservation International | Actual Implementation Start Date: | 11/15/2020 |
| GEF Focal Area(s): | Climate Change, Chemicals and Waste | Expected Project Completion Date: | 06/30/2023 |
| GEF Grant Amount: | USD 2,000,000 | Expected Financial Closure Date: | 12/30/2023 |
| Expected Co-financing: | USD 4,790,893 | Date of Last Steering Committee Meeting: | 05/25/2022 |
| Co-financing Realized as of June 30, 2022: | USD 4,191,984 | Mid-Term Review-Planned Date: | N/A |
| Date of First Disbursement: | 11/4/2021 | Mid-Term Review-Actual Date: | N/A |
| Cumulative disbursement as of June 30, 2022: | USD 899,270 | Terminal Evaluation-Planned Date: | 04/01/2023 |
| PIR Prepared by: | Franklin Holley | Terminal Evaluation-Actual Date: | TBD |
| CI-GEF Project Manager: | Daniela Carrión | CI-GEF Finance Lead: | Susana Escudero |

| Minor Amendment Categories | Minor Amendment Justification |
|--|---|
| | Minor amendments are changes to the project design or implementation that do not have significant impact on the project objectives or scope, or an increase of the GEF project financing up to 5%. Please select the box that is most applicable for FY22 and include an explanation for the minor amendment request. |
| Results framework <input type="checkbox"/> | |
| Components and cost <input type="checkbox"/> | |
| Institutional and implementation arrangements <input type="checkbox"/> | |
| Financial management <input type="checkbox"/> | |
| Implementation schedule <input type="checkbox"/> | |
| Executing Entity <input type="checkbox"/> | |
| Executing Entity Category <input type="checkbox"/> | |
| Minor project objective change <input type="checkbox"/> | |
| Safeguards <input type="checkbox"/> | |

| | |
|---|--|
| Risk analysis <input type="checkbox"/> | |
| Increase of GEF project financing up to 5% <input type="checkbox"/> | |
| Co-financing <input type="checkbox"/> | |
| Location of project activity <input type="checkbox"/> | |
| Other <input type="checkbox"/> | |

| MINOR AMENDMENT RESPONSE FROM CI-GEF | |
|--------------------------------------|--|
| N/A | |

The CI-GEF Project Agency Project Implementation Report (PIR) is composed of six sections:

- Section I: Project Implementation Progress Status Summary:** provides a brief summary of the project as well as the implementation status and rating of the previous and current fiscal years;
- Section II: Project Results Implementation Progress Status and Rating:** describes the progress made towards achieving the project objective and outcomes, the implementation rating of the project, as well as recommendations to improve the project performance, when needed;
- Section III: Project Risks Status and Rating:** describes the progress made towards managing and mitigating project risks, the project risks mitigation rating reassessment as needed, as well as recommendations to improve the management of project risks;
- Section IV: Project Environmental and Social Safeguards Implementation Status and Rating:** describes the progress made towards complying with the Environmental & Social Safeguards and the Plans prepared during the PPG phase, the safeguard plans implementation rating, as well as recommendations to improve the project safeguards;
- Section V: Project Implementation Experiences and Lessons Learned:** describes the experiences learned by the project managers and the lessons learned through the process of implementing the project; and
- Section VI: Project Geocoding:** documents the precise and specific geographic location(s) of activities supported by GEF investments based on information available in project documentation

SECTION I: PROJECT IMPLEMENTATION PROGRESS STATUS SUMMARY

PROJECT SUMMARY

In 2018, the United Nations Environment Programme (UNEP) reported that the fashion industry produces 20% of global wastewater and 10% of global carbon emissions — more than all international flights and maritime shipping ([World Economic Forum](#)). Furthermore, the release of the [IPBES report](#) in May 2019, created both a sense of urgency and recognition of the important role of the private sector in co-creating solutions to the “nature crisis.” In response to these conclusions, at the G7 Summit in August 2019, 32 companies in the fashion sector signed the Fashion Pact, a pledge to work together to address climate change, restore biodiversity and protect oceans. Since then, 43 more companies have joined bringing the total number of Fashion Pact signatories to 75.

Through partnership, the Fashion Pact has since elevated the sector’s enthusiasm and garnered commitments to a common agenda across three pillars: Climate (stopping global warming), Oceans (protecting oceans), and Biodiversity (restoring biodiversity). As the delivery partner for The Fashion Pact’s Biodiversity Pillar, and co-executing agency of the GEF MSP - Conservation International (CI) is bringing critical information and thought leadership that is grounded in science and expertise in transforming raw production systems and supply chains that make up a significant portion of the environmental impacts of the corporate sector. Together, CI and The Fashion Pact leverage this experience and knowledge about the risks of fashion supply chains and opportunities to reduce or eliminate those risks with the collective signatory strength to positively impact nature at scale.

The work within the Biodiversity Pillar is underpinned by this Fashion Pact project, Transforming the Fashion Sector to Drive Positive Outcomes for Biodiversity, Climate and Oceans. Showcasing the strength of their partnership, the project is jointly executed by The Fashion Pact association and Conservation International’s Center for Sustainable Lands & Waters. The project objective is to: Facilitate the development and implementation of effective science-based tools to enable companies to design individual and collective actions to drive delivery of The Fashion Pact’s biodiversity, climate, and oceans commitments. Work to accomplish this objective is divided into four components:

Component 1 is providing the fashion industry with a foundational understanding of environmental risks and impacts across fashion supply chains and key subsectors, with a focus raw material production and extraction.

Component 2 is facilitating the development of company specific science-based analyses that will enable companies to develop their own action plans and strategies that align with the Science-Based Targets for Nature frameworks.

Component 3 is identifying on-the-ground projects that can showcase a collective action fashion industry approach to leveraging positive environmental outcomes through transformed supply chain/sourcing. Three specific on-the-ground efforts are testing this collective approach and will focus on reducing mercury emissions in artisanal and small-scale gold mining, reducing deforestation (and GHG emissions, as a result) in leather supply chains, improving the agricultural management of collective grazing lands in cashmere production.

Component 4 is focused on establishing the structure, staffing and tools required to institute the Fashion Pact association so that it can be widely recognized by the industry and environmental entities as the lead organization for establishing, taking action, and documenting and publishing progress on the fashion industry’s environmental metrics.

The project is aligned to the Climate Change and Chemicals and Waste GEF focal areas and contributes significantly to the Biodiversity focal area. Global Environmental Benefits are achieved through tracking the fashion company’s commitments and monitoring the pilots impact. Through this work, the project contributes to three GEF core indicators (1) area of landscape under improved practices, (2) GHG emissions mitigated and (3) quantity of mercury reduced with direct and indirect targets.

PRIOR PROJECT IMPLEMENTATION STATUS

N/A

CURRENT PROJECT IMPLEMENTATION STATUS (FY22)

Project Objective: Facilitate the development and implementation of effective science-based tools to enable companies to design individual and collective actions to drive delivery of the Fashion Pact’s biodiversity, climate, and oceans commitments. Work to accomplish this objective is divided into four components: Global Supply Chain Mapping, Prioritizing Action, Sustainable Sourcing, and Fashion Pact Association Consolidation. Part of the challenge is helping signatories understand the importance of setting SBTs for nature (and for their supply security) and how to go about setting and delivering upon such targets and strategies when the full set of guidance from SBTN is not yet available.

To-date, the project has been primarily focused on generating and sharing knowledge products to provide the background on the impacts of the fashion sector raw materials on biodiversity, climate, and oceans, then share resources and tools customized for their application in setting biodiversity strategies. 19 webinars/workshops have been conducted with Fashion Pact signatories on topics ranging from an overview of biodiversity in general to how specific raw materials (cashmere, leather, gold, cotton, man-made cellulosic fibers) impact the landscape (from Mongolia to Brazil) to an introduction of Science-Based Targets and how to get started with “no regrets” actions (Components 1, 2, 3 and 4). The first Biodiversity Benchmarking (Component 4) was completed in 2021 and will assist annually in tracking Fashion Pact signatory progress along the way so that we will know how many companies are setting rigorous and science-based targets and whether they have the capacity in place to achieve them. The first Biodiversity Benchmarking included participation by 71% of Fashion Pact signatories and found that 10% of signatories have an explicit biodiversity strategy, 29% are starting to link material sourcing strategies to biodiversity, and 61% of signatories are yet to make connections between their materials strategies and biodiversity. Additionally, the survey found that fiber and materials standards and certifications are an important entry point for biodiversity action, but not the end game. Also, most (65%) signatories reported to have no- or “emerging” transparency into their sourcing regions, but that there are initiatives and projects in the pipeline indicating that the idea is growing. Almost all signatories (92%) reported that their work with the Fashion Pact is key to “industry transformation.” The project also released a [Biodiversity Strategy Tool Navigator](#) (Component 1), assembled specifically for the fashion/apparel sector, to provide a one-stop-shop for resources, tools, and methods to help companies along each step of their SBTN journey. The second Biodiversity Benchmarking (results anticipated FY23 Q2) will also include data on use of the Biodiversity Strategy Tool Navigator. Because this work is new, and enabled largely by this GEF project, the first 1.5 years of the project were focused on generating knowledge, tools, and resources for TFP signatories to understand their impact and pathways for improvement. The second year will build on that foundation to set and align biodiversity strategies with the SBTN and secure signatory commitments toward investments in reducing mercury emissions from ASGM, reducing GHG emissions, and improving management of agricultural lands as part of the pilots’ work (Component 3). This work will result in the project core indicator targets.

Deep analysis has been ongoing since the project start to produce a forthcoming (Q2 FY23) Global Risk and Impact Assessment (Component 1) to show, broadly, the risks to nature of the fashion sector and highlight likely impacts as well as prioritization opportunities for companies to then go a level deeper on their own equipped with the knowledge we’ve shared and other tools. In parallel, several deep-dive analyses (Component 2) aligned with the SBTN guidance as it is known, were conducted with various levels of supply data to “road test” the SBTN methods for cotton production in the United States, leather in Brazil, and viscose in Austria and Indonesia. Deep-dive companies and countries/commodities were selected based on a set of criteria to determine their suitability for the study as well as relevance for the collective. The criteria included: (1) that a company be an SBTN corporate engagement member, (2) that the commodity be a key component of the company’s business and of the fashion industry, (3) that the level of supply chain traceability of the commodity be varied among the cohort, and (4) that the region where the commodity is being sourced be of significance to biodiversity. Companies also had to agree to share supply chain data as necessary per a non-disclosure agreement. These stand to be published in FY 23. Per the NDA, companies were not required to disclose their names. Component 2 also produced a literature review on biodiversity impact metrics. The report was reviewed internally at CI as well as with UNEP-WCMC and IUCN as delivery partners. The literature review was for internally purposes of preparing for the Component 2 analyses, however, that report can be made available at any time. In FY 23, Component 2 will continue work on the future scenario analyses to map out possible results/outcomes for climate and biodiversity of different interventions by companies focused on improved sourcing of key raw materials. Anticipated publication in FY23 Q2.

Now the project is making the turn into spurring action. Four pathways (Component 3: leather/Brazil, cashmere/Mongolia, artisanal gold/Kenya, and wildlife-friendly certified product/global) have been identified as pilot opportunities to build supply of raw materials with specific biodiversity, climate, and chemical & waste outcomes. Year 1 of this project was focused on refining the opportunities and messaging with the Fashion Pact signatories to build a business case for investment. Conversations are active and ongoing, with several companies positioned to commit before the close of the project period. The four pilot pathways are:

- The Leather Impact Accelerator: managed by the Textile Exchange (TE) and will result in deforestation-free and better animal welfare leather supply chains in Brazil. The Accelerator operates through incentive credit purchases to de-risk investing in more sustainable practices and land management by farmer and ranchers (and other along the supply chain). Three companies have committed to purchasing LIA Impact Incentives in Brazil thus far.
- Sustainable Mongolian Cashmere: managed by the Textile Exchange (TE) to align organizations (including the Mongolia Sustainable Cashmere Program) working in Mongolia on various aspects of cashmere production around a common definition for “sustainable Mongolian cashmere.” TE will also adapt the Impact Accelerator framework for Mongolian cashmere production and work with producer-facing organizations towards better grazing lands management and animal welfare. Company commitments forthcoming.
- Artisanal and small-scale gold: managed by The Dragonfly Institute/The Impact Facility (TDI/TIF) to enable the production of mercury-free or reduced artisanal and small-scale mined gold via The Impact Facility’s Lake Victoria Gold Program (or other identified source per signatory priority/investment). Via a book-and-claim approach that is in development, TIF will work with signatories to solicit investments/purchases of mercury-free or reduced artisanal gold. Investments help to cover the costs for miners to transition to new technologies in lieu of or that reduce mercury use and emissions. Company commitments forthcoming.
- Wildlife-Friendly certified sourcing: managed by the Wildlife Friendly Enterprise Network (WFEN) to enable sourcing of specific products that are directly linked to impacts on particular species that are of high biodiversity value. This pathway is not geographically specific, however, once a location/species is identified based on the raw materials sourced, then WFEN can create a tailored set of indicators for wildlife friendly certification and purchase by a company. Company commitments forthcoming.

Finally, the Fashion Pact as an organization (Component 4) is functioning and the team is growing, strengthening their capacities and positioning within the fashion sector. External communications are also taking place: The Fashion Pact, Conservation International, and Burberry (a signatory) presented on a main stage panel at the 2022 Global Fashion Summit about the importance of SBTs for nature, despite the complexities.

Risks & Safeguards

Overall, the identified project risks are unchanged or decreasing because of the hard work to raise awareness with the Signatories, the success of standing up the Fashion Pact Association, Delivery Partner alignment and communications, and CEO engagement. There have been no grievances reported, representation by women in the day-to-day is high, and a diversity of stakeholders (including and especially the signatories, but also other coalitions) are engaged in these activities or aware of them and increasingly, interested in collaborating.

Challenges (including challenges related to COVID-19)

- Despite these gains, as the pilot work in Component 3 really begins to kick-off and engage raw material producers, the ESS need to continue to be strong, especially given the engagement with people’s day to day lives and realities in the specific places in which they work.
- At the same time, there is little this one project can do to affect the lack of representation of women at the top of many fashion brands and companies. But our project will continue to look for ways it can diversify and increase representation by those less represented at the top.
- Similarly, while there is a keen interest in understanding fashion’s impacts on nature and people, strong participation in project webinars and workshops, and support for the work within the Fashion Pact up to the highest levels of signatory leadership, signatories must be met where they are along their journey towards sustainable outcomes. Many signatories are still learning where their materials come from, what the keys risks are, and how to address such risks. Traceability in global supply chains remains less than ideal for the most rigorous analyses and targeted commitments. Relationships with suppliers must be established in order to move beyond purely transactional procurement based solely on the lowest cost available for a good or product.
- Similarly, trust between those in the supply and value chains must be established as well (e.g., agricultural producers) to make change. These relationships take time, especially when implemented collectively in a sector like fashion where collaboration with other (possibly competing) brands/companies is still a very new way of working. In addition to the project’s scope of outputs, co-executors and delivery partners will continue to work hard to share learnings and examples of success from other sectors (food/beverage/agriculture) with signatories as well as help articulate the best way forward where supply chain data availability may be less than ideal to enable the fashion sector to make progress as quickly as the planet needs.
- Aligning the Fashion Pact Governance schedule with the project’s decision-making timeline is tricky, but we’re learning and can much better (and faster) work within the constraints.

- Uncertainties with COVID-19 make travel planning and in-person meetings more difficult as well, as a result. Although the Delivery Partners for this project have never met all together in person due largely to COVID-19, the work continues to advance. We may not be able to convene as a full group until the close of the project.

SUMMARY: PROJECT IMPLEMENTATION PROGRESS STATUS

| PROJECT PART | PRIOR FY IMPLEMENTATION PROGRESS RATING | CURRENT FY22 IMPLEMENTATION PROGRESS RATING ¹ | RATING TREND ² |
|-----------------------------------|---|--|---------------------------|
| OBJECTIVE | NA | S | NA |
| COMPONENTS AND OUTCOMES | NA | S | NA |
| ENVIRONMENTAL & SOCIAL SAFEGUARDS | NA | S | NA |

PROJECT RISK RATING³

| | | | |
|-------|----|---|----|
| RISKS | NA | M | NA |
|-------|----|---|----|

¹ **Implementation Progress (IP) Rating:** Highly Satisfactory (HS), Satisfactory (S), Moderately Satisfactory (MS), Moderately Unsatisfactory (MU), Unsatisfactory (U), and Highly Unsatisfactory (HU). For more details about IP rating, please see the Appendix I of this report

² **Rating trend:** Improving, Unchanged, or Decreasing

³ **Risk Rating:** Low (L), Moderate (M), Substantial (S), High (H)

SECTION II: PROJECT RESULTS IMPLEMENTATION PROGRESS STATUS AND RATING

This section describes the progress made since the start of the project towards achieving the project objective and outcomes, the implementation progress rating of the project, as well as recommendations to improve the project performance. This section is composed four parts:

- a. Progress towards Achieving Project Expected Objective: this section measures the likelihood of achieving the objective of the project
- b. Progress towards Achieving Project Expected Outcomes (by project component)
- c. Overall Project Results Progress Rating, and
- d. Recommendations for improvement

a. Progress towards Achieving Project Expected Objective:

This section of the report assesses the progress in achieving the objective of the project.

| | |
|---------------------------|---|
| PROJECT OBJECTIVE: | Develop and implement effective science-based tools to enable companies to drive delivery of the Fashion Pact’s biodiversity, climate, and ocean commitments. |
|---------------------------|---|

| OBJECTIVE INDICATORS | END OF YEAR INDICATOR STATUS | PROGRESS RATING ⁴ | COMMENTS/JUSTIFICATION |
|---|--|------------------------------|---|
| <p>Indicator A. # companies that have developed strategies that align with global goals and the Science Based Targets for Nature framework for target setting. Target A: 20 companies.</p> | <p>As of November 2021 (first year of results), 71% of TFP signatories (52 companies) participated in the Biodiversity Benchmark. On a scale of 1-4, 4 being having an established comprehensive biodiversity program, 2 companies scored 3.5 or higher. 6 companies scored between and 2 and a 3, and approximately 45 were just beginning and scored below a 2.</p> <p>Five companies do have public biodiversity strategies, but they vary in their degree of alignment with the SBTN framework. 15 have sustainability/materials strategies with some biodiversity coverage.</p> <p>17% (8) noted that they had Science-based targets for biodiversity <i>under development</i>.</p> | IS | <p>In 2021, the Textile Exchange, with design assistance from Conservation International and the Biodiversity Consultancy, launched the Biodiversity Benchmark with The Fashion Pact signatories. The Benchmark is designed to complement and align with the Science Based Targets for Nature and helps companies understand biodiversity risk (and opportunity) in their raw materials supply base and tracks how they are addressing these risks through credible, good practice strategies. In aggregate, the Benchmark results provide a tracking mechanism for The Fashion Pact biodiversity outcomes. The Benchmark assesses where companies are on their biodiversity strategy journey.</p> <p>It is noteworthy that 46% of Benchmark participants (24 companies) are planning to align their commitments to the Science Based Targets for Nature, an indication that they will be setting</p> |

⁴ **O**= Overdue; **D**= Delayed; **NS**= Not started on schedule; **IS**= Under implementation on schedule; and **CA**= Completed/Achieved

| OBJECTIVE INDICATORS | END OF YEAR INDICATOR STATUS | PROGRESS RATING ⁴ | COMMENTS/JUSTIFICATION |
|---|------------------------------|------------------------------|--|
| | | | <p>targets and strategies to achieve those targets. While the tools and resources developed by this GEF project are aligned with and informed by the SBTN Hubs and frameworks as they are developing, the SBTN Minimum Viable Product (MVP) (building on the initial guidance released in 2022), is not yet complete. That is out of the project's control. Many companies are still waiting on the MVP to be released.</p> <p>Our efforts continue to focus on the importance of work companies can do now to plan and prioritize, assess risk, and other no regrets actions to get them closer to having strategies and targets aligned with SBTN. Further, The Cambridge Institute for Sustainability Leadership is beginning to engage companies on the utility of our tools and resources and how they can best be put to use to help signatories reach this target of 20 companies. There is momentum to have more signatories in an advanced stage when the 2022 Benchmark results are available in Q3 FY 23.</p> <p>Note that while the project timeline may not appear commensurate with indicator progress, much groundwork had to be laid first through analyses and knowledge transfer with Fashion Pact signatories, which has been the large focus of the first year+ of this project. For that reason, status is marked IS.</p> |
| <p>Indicator B. # area of land under improved agricultural practices based on outputs of projects outlined in Outcome 3.1. Target B: 300,000 ha under improved agricultural practices.</p> | <p>Not yet available.</p> | <p>IS</p> | <p>Results for this indicator will be generated by the implementation projects as part of Component 3 (deforestation-free leather, sustainable cashmere) and the commitments that Fashion Pact signatories make to supporting these projects, called Sustainable Supply Pathway Joint Actions under the Fashion Pact. Where location-specific or area-specific information is available, it will be used to calculate the ha under improved practices. Where not feasible, projections based on financial</p> |

| OBJECTIVE INDICATORS | END OF YEAR INDICATOR STATUS | PROGRESS RATING ⁴ | COMMENTS/JUSTIFICATION |
|--|------------------------------|------------------------------|---|
| | | | <p>commitments or volumetric commitments can be determined by using conversion factors to calculate the equivalent land area or amount of production.</p> <p>3 companies have purchased or committed to purchase Leather Impact Incentives and several companies are advancing in discussion.</p> <p>The sustainable cashmere model is still under development, but impact incentives or other credit mechanism are expected to be in place FY23 Q2. Several companies have already expressed interest in sustainable Mongolian cashmere and remain in active conversation with the Textile Exchange.</p> <p>Total number of hectares impacted will be calculated from the investment amounts and practices implemented when decided.</p> |
| <p>Indicator C. Amount of greenhouse Gases (GHG) mitigated through transformed supply chains and sourcing practices through land restoration and improved agricultural practices. Target C: 500,000 metric tons of CO₂e.</p> | <p>Not yet available.</p> | <p>IS</p> | <p>See above. The greenhouse gas mitigation results will be based on total hectares engaged (avoided deforestation and better agricultural management practices) when available.</p> <p>Results for this indicator will be generated by the implementation projects as part of Component 3 (deforestation-free leather, sustainable cashmere) and the commitments that Fashion Pact signatories make to supporting these projects, called Sustainable Supply Pathway Joint Actions under the Fashion Pact.</p> |
| <p>Indicator D. Amount of reduction and elimination of mercury in artisanal mining operations providing gold to Fashion Pact companies. Target D: 0.1 tons of mercury reduction.</p> | <p>Not yet available.</p> | <p>IS</p> | <p>Results for this indicator will come from TDI/TIF work in Lake Victoria Gold Program as part of Component 3 and commitments of Fashion Pact companies to source mercury-free artisanal gold and projections based on sourcing commitments beyond the scope of the project.</p> <p>Estimates will be made based on volume of gold produced at mines without mercury, compared to</p> |

| OBJECTIVE INDICATORS | END OF YEAR INDICATOR STATUS | PROGRESS RATING ⁴ | COMMENTS/JUSTIFICATION |
|----------------------|------------------------------|------------------------------|---|
| | | | <p>previous practices with mercury, and the indicator will be based on the volume of gold purchased from identified mines.</p> <p>Any of the mines that currently enter into contractual agreements with TDI/TIF start reporting on mercury usage and gold production on a monthly basis, thereby establishing baselines.</p> <p>Results for Target D will therefore be calculated from comparing the emission reductions against existing baselines from signatory contribution/purchase onwards. Where accurate data is unavailable, the assumption should be that the mines use 1.4x mercury compared to their gold production. This is a generally accepted metric.</p> <p>One company has committed to support the project, and another has indicated they will commit. TIF and TDi are still in conversation with the signatories following the webinar on April 7th and a follow-up webinar will be scheduled in July to share the mapping report with the signatories, comprehensively laying out the different programs they can support to achieve this goal.</p> <p>Some of the signatories are internally considering engaging in the Book & Claim sourcing mechanism that will be launched by Dec 2022 by TIF. This will allow the companies to manage the risk of physical integration of ASM gold into their supply chains through actively supporting mine improvements on the ground that include mercury reduction and elimination efforts. It is anticipated that once the platform launches, signatories will be able to make commitments.</p> <p>Note that for the signatories engaged so far, the amount of gold in their direct supply chains is very little and they are not looking to get additional gold</p> |

| OBJECTIVE INDICATORS | END OF YEAR INDICATOR STATUS | PROGRESS RATING ⁴ | COMMENTS/JUSTIFICATION |
|----------------------|------------------------------|------------------------------|--|
| | | | at the moment so making the investment case for the project has taken some time. |

| OBJECTIVE IMPLEMENTATION PROGRESS RATING | JUSTIFICATION |
|--|---|
| S | A Satisfactory rating has been given to objective implementation progress. Although the project cannot report progress towards core indicators yet, it has completed all enabling conditions needed to track these indicators in year 2 both through component three pilots and through The Fashion Pact (TFP) Biodiversity Benchmark that intends to track companies progress towards TFP targets and include questions related to company's commitments. Y2 is critical to achieve objective targets. |

b. Progress towards Achieving Project Expected Outcomes (by project component).

This part of the report assesses the progress towards achieving the outcomes of the project.

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| COMPONENT 1 | Global Supply Chain Mapping |
|--------------------|-----------------------------|

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|-------------------|---|
| Outcome 1: | More Fashion Pact companies use a supply chain methodology to identify the environmental & biodiversity impacts of supply chains. |
|-------------------|---|

| OUTCOMES TARGETS/INDICATORS | END OF PROJECT INDICATOR TARGET | END OF YEAR INDICATOR STATUS | PROGRESS RATING ⁵ | COMMENTS/JUSTIFICATION |
|--|---|---|------------------------------|--|
| Outcome indicator 1.1.: Number of Fashion Pact companies tracking and reporting on their supply chain environmental & biodiversity impacts to inform their strategies. | Target 1.1: 35 Fashion Pact companies use the supply chain methodology to inform their strategies. | 39 Fashion Pact companies have been training on the Biodiversity Tool Navigator, but information on use remains qualitative until the 2022 reporting results are available. | D | The Biodiversity Strategy Tool Navigator was launched in May 2022 with a webinar for signatories, during which 50 people attended representing approximately 39 Fashion Pact companies. The Fashion Pact is tracking signatory uptake and integration of the Biodiversity Strategy Tool Navigator (formerly part of the TSAM) through the 2022 reporting questions. Uptake information will be available after the reporting submission window closes in fall 2022. This work was delayed due to SBTN delays as well as unexpected web-design challenges. However, there is now a virtual easy-to-navigate tool that should get more uptake than a lengthy PDF report. The tool can be found here . |

^{5 5} **O**= Overdue; **D**= Delayed; **NS**= Not started on schedule; **IS**= Under implementation on schedule; and **CA**= Completed/Achieved

| COMPONENT 1 IMPLEMENTATION PROGRESS RATING | JUSTIFICATION | RATING TREND |
|--|--|--------------|
| S | A Satisfactory rating is given to component 1. Although the project has advanced in developing analyses to understand the fashion sector environmental and biodiversity impacts and tools to help companies inform their strategies the uptake of these tools and information is yet to be seen in Y2 with the updated Biodiversity Benchmark. Also, unforeseen delays in SBTN guidance as well as operational challenges has delayed the overall progress in outcome 1.1. But, training has been completed and in Y2 work will continue to support companies and track signatories uptake and integration of the tools developed. | NA |

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|--------------------|------------------------------------|
| COMPONENT 2 | Prioritizing Sustainability Action |
|--------------------|------------------------------------|

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|-------------------|---|
| Outcome 1: | Fashion Pact companies participate in “deep dive analyses” on the key impacts from priority supply chains/materials. |
| Outcome 2: | Companies have developed strategies outlining actions that will be taken to address the Fashion Pact ‘biodiversity commitment ’and aligned with the Science – Based Targets for Nature framework. |

| OUTCOMES TARGETS/INDICATORS | END OF PROJECT INDICATOR TARGET | END OF YEAR INDICATOR STATUS | PROGRESS RATING ⁶ | COMMENTS/JUSTIFICATION |
|---|---|---|------------------------------|--|
| Outcome indicator 2.1: Number of companies publishing detailed analyses of impact from key commodities and potential environmental mitigation actions and outcomes. | Indicator 2.1 Target 1: At least 5 companies produce deep-dive reports. Indicator 2.1 Target 2: Publication on the environmental impacts of key fashion supply chains including scenarios for outcomes with transformed practices. | Target 1: three company supply chains were selected for the deep dive analysis based on the stated selection criteria. Analyses were conducted, and three deep-dive reports with NDA supply chain specific data were produced, along with an additional three public-facing deep-dive reports for Argentinian leather, MMCF for | IS | CI and TFP created a list of 4 criteria to select companies supply chains for deep-dive analyses. Based on the criteria, 20 companies were interviewed to assess their level of understanding, information required and interest in participating in the deep dive analyses. From this process, 3 company supply chains were selected for the deep dives analyses. There were, however, 4 different analyses because Austria and Indonesia were both selected for MMCFs. The deep-dive analyses are completed, and reports are being produced that will be presented to the Fashion Pact companies in webinars this fall. The information in the deep-dives includes information the specific production system and its impacts on biodiversity, ecosystems, and land, with insights into potential beneficial impacts based on production interventions by the companies, which can include meeting zero-deforestation commitments or transitioning production to an organic system. Graphical outputs to showcase environmental impacts of key fashion supply chains are drafted, with planned completion September 2022. These graphical outputs include a StoryMap detailing cotton, leather, and MMCF |

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| OUTCOMES TARGETS/INDICATORS | END OF PROJECT INDICATOR TARGET | END OF YEAR INDICATOR STATUS | PROGRESS RATING ⁶ | COMMENTS/JUSTIFICATION |
|-----------------------------|---------------------------------|--|------------------------------|---|
| | | <p>Indonesia and Austria, and cotton in the USA. Deep-dive analyses are completed.</p> <p>2: 6 deep-dive publications are under draft, with completion slated for September 2022. 3 confidential reports for companies deep-dive analyses and 3 public raw material analyses.</p> <p>Environmental impacts of key fashion supply chains and needed transformed company practices through scenario analyses is underway and is planned to be completed in December 2022.</p> | | <p>impacts in key production countries, and using a suite of maps and graphics to communicate results.</p> <p>Deep-dive companies and countries/commodities were selected based on the following four criteria:</p> <p>(1) If a company is an SBTN corporate engagement member: The project prioritized companies already engaged in and part of the SBTN corporate engagement community because this allowed us to "hit the ground running" with analyses and work to fulfill the deep-dive requirements, without the time needed to get the companies up-to-speed on SBTN and five step process. The project needed companies that were already exploring their supply chains and companies that could more readily integrate and implement any outputs from our work on the deep-dives. This all narrowed the pool of companies to ones that have the willingness, and knowledge to commit to action, but ones that don't have the key metrics, indicators, and analyses to make informed commitments.</p> <p>(2) if the commodity is a key component of the company's business and of the fashion industry: The project is prioritizing commodities that have high volumes sourced by the fashion industry. This is important because the project wants to tackle commodities that have large potential footprints, high importance to a wide-range of companies, and commodities that, if successful commitments are made across a wide-range of companies, could have a transformation impact on biodiversity and conservation. The project narrowed its interest to the top three traded fashion raw materials, cotton, viscose, and leather. Note that synthetics were out of the scope of this project as they don't have a land-based production system, though we are thinking through ways to deal with synthetic impacts in other realms.</p> <p>(3) the supply chain traceability of the commodity: The deep-dives will only provide as good of information on biodiversity impacts and strategies as the input information holds on locations and sourcing regions and volumes that go into the metrics and indicators. The project prioritized companies that had at least national level traceability of their commodities to ensure the outputs of our deep-dives had meaningful actions and assessments coming out of them. The project kept a range of supply chain traceability companies in the pilots, with some commodities and companies holding very high supply chain traceability to the farm level, and others that held some national level data and some multi-national data. This was to allow a test</p> |

| OUTCOMES TARGETS/INDICATORS | END OF PROJECT INDICATOR TARGET | END OF YEAR INDICATOR STATUS | PROGRESS RATING ⁶ | COMMENTS/JUSTIFICATION |
|---|--|--|------------------------------|--|
| | | | | <p>and trial of the SBTN metrics and indicators across a variety of supply chain transparency levels.</p> <p>(4) the region where the commodity is being sourced: Biodiversity is unevenly distributed across the globe, and the project is aiming to focus on higher-biodiversity regions for this work to make sure the project is in areas of importance for protection of that biodiversity. Because of this, the project preferentially weighted companies that are sourcing commodities from the tropics as those areas are known to have higher biodiversity.</p> <p>Scenario analysis are undergoing. CI has outlined the methodology to estimate the fashion sector commodity impacts, and have outlined scenarios we plan to model based on the AR3T framework (avoid, reduce, restore, regenerate, transform).</p> |
| <p>Outcome indicator 2.2a: Number of Fashion Pact companies engaged with the Science Based Targets for Nature framework.</p> | <p>Target 2.2a: At least 30 Fashion Pact companies.</p> | <p>47 Fashion Pact companies</p> <p>[21 Fashion Pact companies – SBTN workshop 37 Fashion Pact companies – Biodiversity Tool Navigator training 9 companies members of SBTN CEP]</p> | <p>IS</p> | <p>As noted in Section II a., 71% of Fashion Pact signatories (52 companies) participated in the Biodiversity Benchmark in 2021. 46% of those participants (24 companies) noted that they planned to align with the SBTN framework.</p> <p>This is a strong base, and there are three ways the project considers a signatory to be engaging with the SBTN framework:</p> <ol style="list-style-type: none"> 1. SBTN Workshop engagement & attendance – a joint workshop with SBTN to share their initial guidance, new tools, and no regrets actions companies can take immediately (including specific targets that can be set) was conducted in August 2021. 21 companies attended this webinar. 2. Biodiversity Tool Navigator training participation: The Biodiversity Tool Navigator was designed and launched in FY22 Q4 by TBC and TFP in order to provide signatories (and other users) a fashion/apparel-specific resource catalogue for tools relevant to each step of the SBTN framework process. 39 companies attended this webinar. Year 2 of the Biodiversity Benchmark includes a question about whether companies are using the tool. 3. Company membership in the SBTN Corporate Engagement Program: several Fashion Pact signatories are actively engaged directly in the SBTN Corporate Engagement Program, where they hear first-hand about SBTN news and updates, share feedback, and ask questions. 9 companies are members of both TFP and the SBTN CEP. |

| OUTCOMES TARGETS/INDICATORS | END OF PROJECT INDICATOR TARGET | END OF YEAR INDICATOR STATUS | PROGRESS RATING ⁶ | COMMENTS/JUSTIFICATION |
|--|---|------------------------------|------------------------------|---|
| Outcome indicator 2.2b: Number of Fashion Pact companies that have developed strategies aligned with Science Based Targets for Nature. | Target 2.2b: 5 Fashion Pact companies. | 2 | IS | <p>See also Objective Indicator A. As of November 2021 (first year of results), 71% of TFP signatories (52 companies) participated in the Biodiversity Benchmark. At the time, one company had a strategy aligned with the SBTN. By the close of FY 22, the project is aware of two companies that have public robust biodiversity strategies aligned with the SBTN (Kering and Burberry). However, many are on their way. On a scale of 1-4, 4 being having an established comprehensive biodiversity program, 2 companies scored 3.5 or higher in the benchmarking. 6 companies scored between 2 and a 3, and approximately 45 were just beginning and scored below a 2.</p> <p>Five companies do have public biodiversity strategies, but they vary in their degree of alignment with the SBTN framework. 15 have sustainability/materials strategies with some biodiversity coverage. As noted above, 24 companies stated they are planning to align commitments to the SBTN.</p> |

| COMPONENT 2 IMPLEMENTATION PROGRESS RATING | JUSTIFICATION | RATING TREND |
|--|---|--------------|
| HS | A Highly Satisfactory rating is given to component 2. The process and criteria to define how to work on deep-dive analyses resulted from a selection of 3 companies that although is less than the initial target it will produce private reports (for companies) and public raw-materials analyses that will inform fashion companies in cotton, viscose and leather. In addition, the future scenarios analyses and SBTN work is advancing, and companies are actively engaged in this component work. Outstanding progress of this component during the first 1.5 years of implementation. | NA |

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| COMPONENT 3 | Sustainable Sourcing Action |
|--------------------|-----------------------------|

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|-------------------|---|
| Outcome 1: | More Fashion Pact companies engage in a suite of efforts focused on sustainable sourcing through innovative field - based programs. |
|-------------------|---|

| OUTCOMES TARGETS/INDICATORS | END OF PROJECT INDICATOR TARGET | END OF YEAR INDICATOR STATUS | PROGRESS RATING ⁷ | COMMENTS/JUSTIFICATION |
|--|--|------------------------------|------------------------------|---|
| <p>Outcome indicator 3.1: Number of Fashion Pact companies engaged in sustainable sourcing of at least 1 sustainable/environmentally friendly raw material program.</p> | <p>Target 3.1: At least 10 Fashion Pact companies engaged in collective action for sustainable sourcing that drives outcomes for environment, climate, and livelihoods.</p> | <p>3 companies engaged</p> | <p>IS</p> | <p>The project first defined the pilot pathways for companies' engagement under each raw material defined at ProDoc stage. Four pathways have been defined including Wildlife Friendly Enterprise Network certification as part of this component.</p> <p>These four pathways have been identified as opportunities for sustainable sourcing of raw materials with specific biodiversity, climate, and chemical & waste outcomes. At project design, these pilot pathways had not yet been detailed, though a high-level scope and intended delivery partner had been selected. CI and TFP worked directly with each lead over the course of the first year to refine the scope and workplan so that agreements could be put in place and messaging with the Fashion Pact signatories to build a business case for investment could be developed. Once launched with signatories, smaller conversations continue to secure commitments and investments from signatories. At this point, the ESS for the pilots was revisited with CI-GEF, and no further risks were identified, and no plans were added. Notably, UNDP is no longer the responsible party for Output 3.1.2. The Textile Exchange is now leading as they have more capacity to manage the funds and the Output activities. UNDP continues to be consulted in Mongolia cashmere work.</p> <p>Conversations are now active and ongoing, with several companies positioned to commit before the close of the project period. To date, the companies committing to each pathway is as follows:</p> <ul style="list-style-type: none"> • TE's Leather Impact Accelerator (deforestation-free and better animal welfare): 3 companies committed to purchasing Impact Incentives in Brazil • Sustainable Mongolian Cashmere: TBD • Mercury-free or reduced artisanal and small-scale mined gold via The Impact Facility's Lake Victoria Gold Program (or other identified source): TBD • Wildlife Friendly Enterprise Network certified sourcing: TBD |

⁷ **O**= Overdue; **D**= Delayed; **NS**= Not started on schedule; **IS**= Under implementation on schedule; and **CA**= Completed/Achieved

| COMPONENT 3 IMPLEMENTATION PROGRESS RATING | JUSTIFICATION | RATING TREND |
|--|--|--------------|
| S | A Satisfactory rating is given to Component 3. The project has successfully defined the pilot pathways for each of the raw materials under this component in ProDoc. This has taken some time as they needed to work with companies and partners in defining realistic actions that companies will be able to commit to and invest. Now that pilot pathways have been defined, project is working in engaging companies and for the Leather Impact Accelerator initial results can be seen in Brazil. Cashmere and Gold results will be seen in FY23 together with a fourth pathway – Wildlife Friendly Enterprise Network certified sourcing. | NA |

| | |
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| COMPONENT 4 | Fashion Pact Governance, Coordination, and Communication |
|--------------------|--|

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|-------------------|--|
| Outcome 1: | Fashion Pact is recognized as an industry lead organization for key environmental outcomes aligned with GEF goals. |
|-------------------|--|

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|-------------------|---|
| Outcome 2: | Fashion Pact implements a Key Performance Indicators (KPI) tracking platform to collectively document environmental progress across all member companies. |
|-------------------|---|

| OUTCOMES TARGETS/INDICATORS | END OF PROJECT INDICATOR TARGET | END OF YEAR INDICATOR STATUS | PROGRESS RATING ⁸ | COMMENTS/JUSTIFICATION |
|--|---|----------------------------------|------------------------------|---|
| Outcome indicator 4.1.: % of the fashion industry that is actively participating in the Fashion Pact Association. | Target 4.1: At least 35% by volume of the global fashion industry is actively participating in the Fashion Pact Association. | Over 35% by volume participating | CA | The Fashion Pact signatories represent over one third of the fashion industry by volume and continues to grow with new members, totaling 78 members as of June 2022. |
| Outcome indicator 4.2.: Number of Fashion Pact environmental reports published based on the Key Performance Indicators platform and showing combined impacts of all Fashion Pact members. | Target: 4.2: 1 Fashion Pact monitoring report published at the end of project Year 2. | 0 | NS | The Fashion Pact has partnered with the Textile Exchange to manage all Fashion Pact reporting and benchmarking via TE’s streamlined reporting portal. TE has worked with CI and TFP to align questions to needs of this project and TFP goals. These results, among others, will inform the monitoring report. Will be completed in second year of project |

^{8 8} O= Overdue; D= Delayed; NS= Not started on schedule; IS= Under implementation on schedule; and CA= Completed/Achieved

| COMPONENT 4 IMPLEMENTATION PROGRESS RATING | JUSTIFICATION | RATING TREND |
|--|---|--------------|
| S | A Satisfactory rating is given to component 4. The Fashion Pact has successfully completed their processes and policies as is being strengthened as an institution while positioning itself within the fashion sector as a key actor to support sector transformation. Monitoring and reporting of companies is being done with the support of TFP monitoring partner – Textile exchange. The second report is expected by the end of Y2. | NA |

c. Overall Project Results Rating

OVERALL PROJECT RESULTS IMPLEMENTATION RATING

| OVERALL RATING | JUSTIFICATION | RATING TREND ⁹ |
|----------------|--|---------------------------|
| S | A Satisfactory rating is given to overall project results implementation. The project is 1.5 years under implementation and during this time it has successfully co-implement the project between CI and TFP but also coordinate with multiple delivery partners that are working simultaneously in each of the project outcomes. For Component 1, although there are some delays, the project has engaged with companies to build their capacities in the environmental impacts of fashion, developed tailored analyses and design tools to help companies work on their strategies and commitments. For Component 2, the process and criteria to select companies was successful and deep-dive analysis have been completed. Although only three companies met the criteria and were interested in working and sharing the detail information of their supply chains, the results can also inform the sector for three raw materials analyzed. Public reports are being produced. Under Component 3, the project has defined the pilot pathways under each raw material in more detail and is working with companies to secure engagement and investment in each of them. Getting companies to commit is challenging but the project is proving that is doable when targeted support is given, and information shared to strengthen their capacities. Finally, for component 4 The Fashion Pact has strengthened their capacities and positioned itself as the institution that supports fashion sector transformation and companies go to for support. This project has been fundamental for this positioning and the partnership between CI and TFP has been key to achieve this result. All enabling conditions have been completed and the project is on track to complete output and outcome targets in Y2. | NA |

d. Recommendations

| CORRECTIVE ACTION(S) | RESPONSIBLE PARTY | DEADLINE |
|----------------------|-------------------|----------|
|----------------------|-------------------|----------|

⁹ Rating trend: Increasing, Unchanged or Decreasing

| | | |
|--|-----|------------|
| <p>For Component 1, ensure close follow up to support companies in the uptake and integration of the tools and information resulting from this component into companies' strategies and commitments.</p> <p>For Component 3, ensure pilot pathways are implemented timely and monitor core indicators targets gathering the relevant information from each pilot.</p> <p>Overall, communication pieces to share the progress and initial results to key partners needs to be prepared.</p> | PMU | March 2023 |
|--|-----|------------|

SECTION III: PROJECT RISKS STATUS AND RATING

a. Progress towards Implementing the Project Risk Mitigation Plan

This section describes the activities implemented to manage and reduce high, substantial, modest, and low risks of the project. This section has three parts:

- a. Ratings for the progress towards implementing measures to mitigate project risks and a project risks annual reassessment
- b. Recommendations for improving project risks management

Progress towards Implementing the Project Risk Mitigation and Plan Project Risks Annual Reassessment

| PROJECT RISKS | PRODOC RISK MITIGATION MEASURE | MITIGATION MEASURES IMPLEMENTATION | PROGRESS RATING ¹⁰ | COMMENTS/JUSTIFICATION | PRODOC RISK RATING | CURRENT FY22 RISK RATING | RISK RATING TREND ¹¹ |
|---|---|---|-------------------------------|---|--------------------|--------------------------|---------------------------------|
| Risk 1: Post-COVID, there could be a lack of industry interest in sustainability as the fashion industry recovers financially from the pandemic. | The project is being designed so that, in the initial phases, much of the work can be undertaken with experts and then presented to companies. This strategy means that the companies themselves may not need to invest resources in designing strategies, transforming sourcing etc. until a few months into the project (around Q1 2021), thereby allowing companies time to budget in activities for 2021 and 2022. The project will | <p>Activity 1: Experts to do initial work and then present to companies. This strategy means that the companies themselves may not need to invest resources in designing strategies, transforming sourcing etc. until a few months into the project.</p> <p>Activity 2: Demonstrate the economic benefit of adopting sustainability practices through trainings and webinars.</p> | IS | <p>Interest and engagement remains high for signatories; the pandemic actually highlighted the importance of addressing supply risk as well as many weak points in terms of supply knowledge and transparency. Now that we have begun to share outputs with the signatories that they can apply directly to their own work, the executing agencies and delivery partners continue to encourage companies to do their own internal work through webinar messaging, Fashion Pact communications, and 1:1 conversations.</p> <p>Climate and biodiversity impacts are not a future scenario at this point, and supply risk (and therefore business risk) is quite real. In FP signatory webinars, project messaging and 1:1 conversations continue to emphasize the benefits to the corporate bottom line and supply security.</p> <p>The risk rating has been decreased from high given the sustained level of</p> | H | S | Decreasing |

¹⁰ **O**= Overdue; **D**= Delayed; **NS**= Not started on schedule; **IS**= Under implementation on schedule; and **CA**= Completed/Achieved

¹¹ **Rating trend:** Increasing, Unchanged or Decreasing

| PROJECT RISKS | PRODOC RISK MITIGATION MEASURE | MITIGATION MEASURES IMPLEMENTATION | PROGRESS RATING ¹⁰ | COMMENTS/JUSTIFICATION | PRODOC RISK RATING | CURRENT FY22 RISK RATING | RISK RATING TREND ¹¹ |
|---|---|---|-------------------------------|--|--------------------|--------------------------|---------------------------------|
| | also work to show the economic benefit of adopting sustainability practices. | | | engagement from signatories. However, it remains substantial, because of COVID uncertainties (and other disruptions) in future. The executing agencies and partners will continue to reiterate the importance, urgency, and business of this work. | | | |
| Risk 2: Climate change could impact the project by changing companies' traditional supply chains as some products may no longer be available from certain markets as the growing season changes. | While climate impacts may cause the fashion industry to identify new sources for some raw materials, it also provides an opportunity for companies to search for more sustainable options for those materials. | <p>Activity 1: Demonstrate the role companies can have in addressing climate change through nature through webinars and in collaboration with climate pillar of the fashion.</p> <p>Activity 2: Encourage companies to search for more sustainable options for climate risk commodities through webinars on natural climate solutions and through the assessments/reports that will be coming out of Component 2.</p> | IS | <p>Continue to mention climate benefits of science-based biodiversity strategies and explore interlinkages</p> <p>Messaging emphasis is on Natural Climate Solutions, Ongoing collaboration, brainstorming, and alignment meetings with The Fashion Pact's climate pillar. Competencies are being developed on various topics, which will help companies move forward on their targets to reduce emissions and transition to lower impact materials.</p> | M | M | Unchanged |
| Risk 3: The project will develop new approaches to supply chain analyses which will require detailed input from the scientific and academic communities. Some | The project will use key fashion industry coalitions ("convenors") and consulting groups to support the rollout of sustainability methodologies and approaches with individual companies. The project will also | <p>Activity 1: Use key fashion industry coalitions ("convenors") and consulting groups to support the rollout of sustainability methodologies and approaches with individual companies.</p> <p>Activity 2: Ensure regular engagement with companies during the development of the</p> | IS | Textile Exchange (a trusted association with many of the same members as TFP) will help to streamline reporting through the biodiversity benchmark as well as TFP's other pillar reporting requirements. Continued engagement with SBTN to share the latest available information and seek alignment with SBTN frameworks is ongoing. The Fashion Pact now has a direct relationship with SBTN as well, as do many of the Delivery Partners, in addition to CI's representation within | M | M | Unchanged |

| PROJECT RISKS | PRODOC RISK MITIGATION MEASURE | MITIGATION MEASURES IMPLEMENTATION | PROGRESS RATING ¹⁰ | COMMENTS/JUSTIFICATION | PRODOC RISK RATING | CURRENT FY22 RISK RATING | RISK RATING TREND ¹¹ |
|---|--|--|-------------------------------|---|--------------------|--------------------------|---------------------------------|
| companies may be sceptical of the applicability of this approach in the fashion sector and may not adopt it as a sustainability strategy. | ensure regular engagement with companies during the development of the methodology to optimize their buy-in. | methodology to optimize their buy-in. | | <p>the Land Hub and Biodiversity Hub, where we can help influence SBTN to provide feasible approaches to companies and to inform companies the level of necessary rigor for SBTs for Nature.</p> <p>Engagement in the Biodiversity Impact Leaders' group as well as the Operations Committee continues to be high, and engagement in the "Mobilize" platform is on pause and being reevaluated.</p> <p>The Cambridge Institute for Sustainability Leadership will be assisting with supporting uptake and sustained use of project materials/deliverables, with a focus on moving from information gathering to corporate commitments and action.</p> | | | |
| Risk 4: There are radically varying levels of capacity and resources within specific fashion companies on environmental issues and resources to adopt significant climate/nature action. | The project design includes training in Fashion Pact methodologies and tools. These trainings will be designed and available in various formats to help ensure understanding and uptake. As Fashion Pact develops, there will be opportunities for in-person | Activity 1: Design trainings and educational materials that can be understood at various levels – regardless of capacity and resources. | IS | <p>Webinars and tools are designed to be used by companies regardless of capacity. Special attention has been given to create content that is digestible while still technically rigorous. The project team recognizes that no two companies look alike or operate exactly alike. Therefore, we provide diverse examples (different geographies, different levels of transparency/traceability, different capacities) when sharing methods, approaches, and tools.</p> <p>Project staff have been available through either help desk functions or 1:1 when scheduled.</p> | M | M | Unchanged |

| PROJECT RISKS | PRODOC RISK MITIGATION MEASURE | MITIGATION MEASURES IMPLEMENTATION | PROGRESS RATING ¹⁰ | COMMENTS/JUSTIFICATION | PRODOC RISK RATING | CURRENT FY22 RISK RATING | RISK RATING TREND ¹¹ |
|--|--|--|-------------------------------|--|--------------------|--------------------------|---------------------------------|
| | exchanges and visits among/between companies to see how they are addressing sustainability issues and the challenges each company is facing. | | | | | | |
| <p>Risk 5: Lack of high-level (Chief Executive Officer) commitment to sustainability.</p> | <p>The fact that Chief Executive Officers have signed onto the Fashion Pact and that they are personally engaged through the Steering Committee means that there is a very high level of commitment and willingness to progress. Additionally, increasingly, consumers, driven by NGO campaigns, are demanding more sustainable fashion and are wanting companies approaches to align with their (consumers) values.</p> | <p>Activity 1: Require letter from CEO (or equivalent) affirming their commitment to the Fashion Pact and their environmental goals.</p> <p>Activity 2: Provide a reputable, science-based entity for brands to join, establish feasible yet substantial environmental commitments as well as means to communicate their progress.</p> | <p>IS</p> | <p>Fashion Pact membership requires CEO commitment/letter. Any new members are subject to same requirements.</p> <p>Continue to align with SBTN and SBTi, partner closely with CI, a reputable science-based conservation organization on biodiversity as well as other trusted, science-based expertise leading in Climate and Oceans pillar.</p> | <p>M</p> | <p>M</p> | <p>Unchanged</p> |

| PROJECT RISKS | PRODOC RISK MITIGATION MEASURE | MITIGATION MEASURES IMPLEMENTATION | PROGRESS RATING ¹⁰ | COMMENTS/JUSTIFICATION | PRODOC RISK RATING | CURRENT FY22 RISK RATING | RISK RATING TREND ¹¹ |
|--|--|---|-------------------------------|--|--------------------|--------------------------|---------------------------------|
| | <p>Furthermore, while these are early days, there are indications that a post COVID economy may further spur a demand for sustainable products. The Fashion Pact will provide a reputable, science-based entity for brands to join, establish feasible yet substantial environmental commitments as well as means to communicate their progress.</p> | | | | | | |
| <p>Risk 6: Time constraints (given the other business decisions chief executive officers need to take on) may impact the speed at which they can approve company actions.</p> | <p>Regular Fashion Pact monitoring and reporting on company specific environmental goal progress will serve as a reminder to CEOs of the commitments they have made. The project is structured such that the companies will</p> | <p>Activity 1: Regular Fashion Pact monitoring and reporting on company specific environmental goal progress will serve as a reminder to CEOs of the commitments they have made.</p> | <p>IS</p> | <p>62 TFP Signatories (81%) completed the annual reporting scheme that covers environmental goal progress within organizations and as TFP signatories.</p> <p>This is a great indication that despite many competing priorities, signatories are participating. The second year of the Benchmark Reporting, now entirely through the Textile Exchange, will show more indications of company progress, at which point, we may be able to adjust this risk rating to M.</p> | <p>H</p> | <p>H</p> | <p>Unchanged</p> |

| PROJECT RISKS | PRODOC RISK MITIGATION MEASURE | MITIGATION MEASURES IMPLEMENTATION | PROGRESS RATING ¹⁰ | COMMENTS/JUSTIFICATION | PRODOC RISK RATING | CURRENT FY22 RISK RATING | RISK RATING TREND ¹¹ |
|--|---|--|-------------------------------|---|--------------------|--------------------------|---------------------------------|
| | engage regularly with agreed joint targets and goals. However, also much of the work can progress independently of the companies. | | | | | | |
| Risk 7: Capacities of newly created organizations in place to fully operate the project. | Fashion Pact Association is a newly created organization, established in March 2020. Trainings will be provided at the beginning of the project to ensure the organization can execute GEF funds aligned with CI GEF policies and procedures. Also, Fashion Pact Association will develop the documentation needed to ensure compliance with CI-GEF policies during the first months of project implementation. Signing the grant agreement | Activity 1: Conduct trainings at the beginning of the project to ensure the FPA can execute GEF funds aligned with CI-GEF policies and procedures. Activity 2: FPA will develop the documentation needed to ensure compliance with CI-GEF policies during the first months of project implementation. Signing the grant agreement is contingent to having the policies and procedures in place. | CA | Trainings were completed on time, and the Fashion Pact was able to sign the grant agreement. TFP continues to grow their staff and expertise in the technical management, CEO engagement, and operational areas, strengthening the association's capacity and ability to deliver on outcomes. Risk rating decreasing. | M | L | Decreasing |

| PROJECT RISKS | PRODOC RISK MITIGATION MEASURE | MITIGATION MEASURES IMPLEMENTATION | PROGRESS RATING ¹⁰ | COMMENTS/JUSTIFICATION | PRODOC RISK RATING | CURRENT FY22 RISK RATING | RISK RATING TREND ¹¹ |
|---------------|---|------------------------------------|-------------------------------|------------------------|--------------------|--------------------------|---------------------------------|
| | is contingent to having the policies and procedures in place. | | | | | | |

| OVERALL RATING OF PROJECT RISKS | JUSTIFICATION | RISK RATING TREND ¹² |
|---------------------------------|---|---------------------------------|
| M | A Moderate rating is given to project risks. Although the project team is implementing the mitigation measures the company's engagement and uptake of work is key for a successful delivery of targets. Since this does not fully depends on the project is a key risk to mitigate in a continuous basis. | NA |

Recommendations

| MITIGATION AND CORRECTIVE ACTION(S) | RESPONSIBLE PARTY | DEADLINE |
|--|-------------------|------------|
| Continue implementing mitigation measures and adapting as needed to manage the risks | PMU | March 2023 |

¹² **Rating trend:** Increasing, Unchanged or Decreasing

SECTION IV: PROJECT ENVIRONMENTAL AND SOCIAL MANAGEMENT IMPLEMENTATION STATUS AND RATING

This section of the PIR describes the progress made towards complying with the approved ESMF plans, as well as recommendations to improve the implementation of the ESMF plans, when needed. This section is divided into six parts:

- a. Progress towards complying with the CI-GEF Project Agency’s ESMF
- b. Information on Progress, challenges and outcomes on stakeholder engagement
- c. Information on the progress towards achieving gender sensitive measures/targets
- d. Lessons learned and Knowledge Management products developed and disseminated
- e. Overall Project ESMF Implementation Rating
- f. Recommendations

a. Progress towards complying with the CI-GEF Project Agency’s ESMF

| MINIMUM ESMF INDICATORS | PROJECT TARGET | END OF YEAR STATUS | CUMULATIVE STATUS | PROGRESS RATING ¹⁰ | COMMENTS/JUSTIFICATION |
|--|----------------------------|--|--|-------------------------------|---|
| ACCOUNTABILITY AND GRIEVANCE MECHANISM | | | | | |
| 1. Number of conflict and complaint cases reported to the project’s Accountability and Grievance Mechanism | 0 | No conflict or complaint cases have been reported. | No conflict or complaint cases have been reported. | IS | No cases have been reported. The project will continue to use the same procedure. The AGM email (fashion@conservation.org) and process were created and remain in place. Both were also communicated to all Delivery Partners at the Inception Workshop and are posted on The Fashion Pact website. The Project Manager can address any complaints and continue to follow the AGM throughout the project. |
| 2. Percentage of conflict and complaint cases reported to the project’s Accountability and Grievance Mechanism that have been resolved | 100 (See ProDoc p. 128) | 0/0 resolved = 100% resolved | 0/0 resolved = 100% resolved | | 13 companies (North Sails, Umdasch, Vestiaire Collective, Zimmermann, EC Studio, Ellassay, Fusalp, IKKS, J.Crew Group, Zadig & Voltaire, Ratti, Restoque, Erum Group) have joined The Fashion Pact since the inception workshop. The recording and slides are available to all new signatories on The Fashion Pact’s internal knowledge platform. The AGM email is available on The Fashion Pact’s website. |

| GENDER MAINSTREAMING | | | | | |
|---|--------------------------|---|---|------------------|---|
| <p>1. Number of men and women that participated in project activities (e.g. meetings, workshops, consultations)</p> | <p>75 men, 125 women</p> | <p>77 men, 210 women, 9 unknown gender.</p> | <p>77 men, 210 women, 9 unknown gender.</p> | <p>IS</p> | <p>There is data for 18 of the 19 webinars: there were approximately 75 men and 205 women who participated. Data on the name and/or gender identity of 9 participants was not received, therefore those individuals' gender was marked unknown. This amount includes Fashion Pact signatories and delivery partners.</p> <ol style="list-style-type: none"> 1. Climate and Biodiversity Presentation (3/2/2021): no attendee data 2. Transforming the Fashion Sector with Nature: GEF Project Launch (3/24/2021): 61 women, 21 men 3. On the Path to a Biodiversity Strategy: Getting Started (5/11/2021): 28 women, 12 men **the names of the participants were not reported at this webinar, only the gender.** 4. Sourcing Sustainably: Gold, Cashmere, and Leather (6/2/2021): 43 women, 17 men 5. Gold Workshop: Zooming in on Mercury (6/16/2021): 20 women, 6 men 6. Gold Workshop: Towards a Successful Responsible Gold Sourcing Program (6/30/2021): 14 women, 4 men 7. Leather: An Introduction to the Leather Impact Accelerator & Impact Incentives (7/13/2021): 23 women, 14 men 8. Setting Science-Based Targets for Fashion: Updated Guidance from the SBTN (8/18/201): 30 women, 5 men 9. What is Wildlife-Friendly Production: Sustainable Sourcing with Biodiversity in Mind (9/29/2021): 45 women, 14 men 10. TFP x TE Benchmark Results (10/27/2021): 51 women, 19 men, 3 unknown 11. LIA Workshop Series 1: Investment Strategies (3/22/2022): 32 women, 8 men 12. Introduction to Sustainable Mongolian Cashmere (3/23/2022): 34 women, 17 men 13. Gold project kick-off workshop (4/7/2022): 11 women, 4 men |

| | | | | | |
|--|--------------------|---|---|--|---|
| | | | | | <p>14. LIA Workshop Series 2: Calculating Impact Incentives (4/12/2022): 30 women, 6 men</p> <p>15. Wildlife Friendly Sourcing: What Does This Mean? Wool Case Studies (4/20/2022): 38 women, 21 men</p> <p>16. LIA Workshop Series 3: Purchasing Impact Incentives (5/10/2022): 23 women, 5 men</p> <p>17. Biodiversity Strategy Tool Navigator Launch (5/17/2022): 39 women, 12 men</p> <p>18. LIA Workshop Series 4: Impacts and Claims (6/7/2022): 19 women, 4 men, 1 unknown</p> <p>19. LIA Workshop Series 5: Ask Me Anything (6/14/2022): 18 women, 4 men</p> |
| 2. Number of men and women that received benefits (e.g. employment, income generating activities, training, access to natural resources, land tenure or resource rights, equipment, leadership roles) from the project | 450 men, 550 women | 0 | 0 | | In progress. Those receiving benefits from the project will increase when the Component 3 projects are initiated. Signatory commitments, and therefore more work on the ground, are beginning to materialize. (This number does not include Delivery Partners or grantees/contractors whose employment is supported by the project at this time, but adjustments can be made for next year's report if needed). |
| 3. Number of strategies, plans (e.g. management plans and land use plans) and policies derived from the project that include gender considerations (this indicator applies to relevant projects) | 5 | 1 | 1 | | The TDI/TIF Global Mapping Report for Mercury-Free and Reduced Gold does an excellent job of centering the issue of gender and women's engagement in ASGM and the risk as well as the opportunity work in the sector poses for women. The report is currently under final revision and will be shared with signatories in Q1 FY 23. The Textile Exchange is considering the gender implications of their engagement the other Component 3 projects as well (including piloting the Leather Impact Accelerator in Brazil and sustainable cashmere production in Mongolia) and to include this information in their final reports. The Fashion Pact tracks gender in their staffing plan and plans to look for ways to influence gender representation in the higher levels of Fashion Pact membership. |

| | | | | | |
|---|------------------------------|--|--|------------------|---|
| <p>STAKEHOLDER ENGAGEMENT</p> <p>1. Number of government agencies, civil society organizations, private sector, indigenous peoples and other stakeholder groups that have been involved in the project implementation phase on an annual basis</p> | <p>15 stakeholder groups</p> | <p>13 stake-holder groups</p> | <p>13 stake-holder groups</p> | <p>IS</p> | <p>The Fashion Pact collaborates both formally and informally with a number of environmental coalitions and is in contact and holds regular check ins with many coalitions in the same space. The Fashion Pact collaborates or has relationships in some form with 13 coalitions (not inclusive of the delivery partners for the GEF project and other delivery partners) –</p> <ul style="list-style-type: none"> • Ellen MacArthur Foundation • ZDHC • The Microfibre Consortium • Recyclclass • UNEP • Apparel Impact Institute • Textile Exchange • Fashion For Good • Sustainable Apparel Coalition • Global Fashion Agenda • Fashion Industry Charter / UNFCCC • Science Based Targets for Nature • Race to Zero |
| <p>2. Number persons (sex disaggregated) that have been involved in project implementation phase (on an annual basis)</p> | <p>20 men, 25 women</p> | <p>48 total on project team (15 men, 33 women)</p> | <p>48 total on project team (15 men, 33 women)</p> | | <p>Project Delivery team members/contact list. This does not count those people are part of the signatory teams who will sign onto Component 3 projects, as we don't yet have accurate numbers.</p> |
| <p>3. Number of engagement (e.g. meeting, workshops, consultations) with stakeholders during the project implementation phase (on an annual basis)</p> | <p>25 engagements</p> | <p>19 webinars, 16 other engagements</p> | <p>19 webinars, 16 other engagements</p> | | <p>19 webinars took place between project inception and 6/14/2022. Weekly meetings with TFP and CI. CI participated with the Oceans and Climate pillars for coordination calls across pillars. Monthly working group meetings for components 1 and 2. Regular planning calls to develop communications for signatories within Component 3. Internal working group meetings with TFP, CI and GEF for M&E related activities. Textile Exchange Annual Conference attendance and LIA launch (Nov, 2021). Meeting with New York University Stern School of Business Center for Sustainable business in January 2022. Technical</p> |

| | | | | |
|--|--|--|--|---|
| | | | | Advisory Group kick-off call in January 2022. TAG review of Component 1 Global Impact Assessment (consultation). Attendance and participation (Margot Wood CI and Kristen Nuttall TFP) on a panel focused on Science Based Targets for Nature as part of the Global Fashion Summit. Three signatory meetings at Summit. |
|--|--|--|--|---|

b. Information on Progress, challenges and outcomes on stakeholder engagement

As The Fashion Pact matures and grows, so does its strategy on stakeholder engagement and how it works with the companies and brands. Through the launching of The Fashion Pact's first joint actions, many lessons have been learned that The Fashion Pact Secretariat works to apply to its engagement moving forward. Through the implementation of internal engagement, The Fashion Pact has developed communications mechanisms for the different levels of stakeholders within its companies and externally.

Within Companies

- CEO level engagement: The Fashion Pact has now held seven CEO-led Steering Committee meetings. To further enhance engagement amongst CEOs, the members of the Steering Committee are piloting an ambassador program and an outreach program, which allow them to represent projects to the wider group of CEOs and establish one on one connections with non-SteerCo CEOs to further drive engagement within brands.
- Sustainability Team engagement: The Fashion Pact has begun hosting regular All Member Community Update calls which has greatly increased engagement following the Steering Committee meetings that are held three times a year. Also, through the development of The Fashion Pact's internal knowledge sharing and library platform, The Fashion Pact Connect, we have increased engagement with signatories who can download slides to share within and throughout their organizations or can go back and rewatch or refer to workshops, presentations, or other materials to help guide them in their work. Lastly, The Fashion Pact has learned that one on one signatory outreach through calls or meetings is most effective in driving engagement, as it allows the Secretariat to further understand companies' needs, challenges and barriers.

Externally

- Government: The Fashion Pact, at this point, does not engage directly in policy or in government relation. However, through its strong relationships with its delivery partners and other external organizations, TFP monitors current and potential future legislation that could impact its work, pending EU Due Diligence legislation, for example. In regard to the impacts of legislation on all components of work within the GEF-funded project and beyond, The Fashion Pact relies on its delivery partners as experts to make informed decisions during the period of project design and project execution in reflection of relevant laws and forthcoming legislation. It's relevant for both Component 3 or any project that involves delivery partners and signatories, though the pilots under this GEF project are not actively targeting or advocating for specific legislation.
- CSOs/NGOs: The Fashion Pact mainly works with private companies as it is an association of companies in the fashion industry, however through its various joint actions (and through the project funded by the Global Environment Facility), the Fashion Pact works with NGOs such as Conservation International, The Impact Facility, IUCN or UNEP-WCMC. As most of The Fashion Pact's work currently is facing towards the fashion brands, its relationship with NGOs is that to work together on specific projects or outcomes. The Impact Facility however, leading the gold work in Component 3 of this project, is working with communities on ground. As The Fashion Pact continues to grow and evolve, this may change depending on the direction of its work taken by the CEOs of its signatories.

- **Local Communities:** The majority of the work for The Fashion Pact is facing private, large fashion companies across the value chain. The work however could interact with stakeholders from local communities in component 3 of this project. Through their work, the delivery partners of component three ensure that stakeholders are properly engaged and that proper risk management is undertaken, per their own internal policies and agreements. The delivery partners executing component three during the project design phase demonstrate credibility to execute these on-ground projects through protocols (e.g., FPIC), track record, and respecting and accounting for community engagement thus mitigating any risks. For example, in presentations that include information deepening of knowledge of responsible sourcing, TDi Sustainability has socialized information on sustainability or due diligence requirements which will assist brands in identifying, assessing and managing potential risks. TDI and TIF also have their own Free, Prior and Informed Consent protocols. CI SLW consulted with CIGEF in early 2022 to discuss if any additional risks were identified in the C3 projects, and it was determined that no adjustments were necessary. From The Fashion Pact perspective, the signatories currently are engaging through The Fashion Pact and interacting with the delivery partners. No new risks have been identified as the projects have progressed but of course if this does occur, the risks will be considered and reacted to accordingly.
- **Private Sector:** The membership of The Fashion Pact signatories is made up of companies within the private sector, therefore our engagement is by nature primarily targeting this particular stakeholder segment. Please see above under Within Companies for more information here.
- **Academia:** The Fashion Pact is building relationships with academic institutions through informal conversations, such as NYU, Institut Francais de la Mode, or HEC. Representatives from such institutions, and others, are represented in our technical advisory group to review outputs and give feedback.
- **Disadvantaged/vulnerable groups:** As the current work of The Fashion Pact is still internal facing this is being considered at the current stage in project design. This is also being taken into account in Component 3 by the delivery partners, especially in the work in Gold that will foster community and female empowerment in ASGM mining communities. 40-50% of people engaged in ASM are women, and the benefits of engaging with ASM for companies as part of a responsible gold sourcing program can contribute to addressing root causes of health risks and environmental impact in ASM and breaking the cycle of poverty, benefit producer communities and foster sustainable economic development in these communities, contributing to better livelihoods and women's economic empowerment. No new risks have been identified as the projects have progressed but of course if this does occur, the risks will be considered and reacted to accordingly.

Stakeholder Engagement Plan Activities

- Regular one-to-one meetings are held with delivery partners to discuss projects, workplan activities, and more.
- Weekly meetings are held between The Fashion Pact and Conservation International
- Working groups and tasks forces have been established in all three pillars of The Fashion Pact, both made up of signatories, or of technical experts pending the needs. A Communications working group was established and a meeting was held in 2021. Component 1 and 2 monthly working group meetings took place; planning calls to develop communications for signatories regarding the Component 3 project opportunities took place; Biodiversity deep dive with project delivery partners took place to coordinate across activities
- The Fashion Pact and Conservation International does meet with other experts including members of the Technical Advisory Group, other coalitions, other NGOs or consultancies.

c. Information on the progress towards achieving gender sensitive measures/targets

Progress towards achieving gender sensitive measures or targets as documented at CEO endorsement/approval in the gender action plan or equivalent.

- a) All activities anticipated by the GMP were implemented? Yes/No Why? Yes. Activities in the Gender Mainstreaming plan have been implemented and are continuing to be implemented.
- b) Did the project face any challenges to implementing GMP as initially proposed? Please describe the challenges in case there were any. There have been no challenges in implementing the GMP, however, as The Fashion Pact is a CEO led organization from its membership, it is true that female representation amongst CEOs could be improved across the industry, and the representation of CEOs within The Fashion Pact would shift to higher female representation with a wider industry transformation that is underway. The Fashion Pact is a primarily female organization which has been achieved organically as the team and as the Association has

grown. Many of the signatories' main teams – those who are points of contact for their organization concerning The Fashion Pact related work and meetings – also demonstrate an achieved gender target. As The Fashion Pact is a coalition of private businesses, it is beyond the scope of work of the Association to be involved in staffing or in decisions related to gender representation for staff members of the signatories, both at the sustainability team level and at the CEO level. Of course, as the wider private sector focuses on gender representation, this will be reflected in the make-up of the signatories' teams and CEOs. In this sense, The Fashion Pact roster of CEOs is a reflection of where the industry is. However, we hope to raise awareness on this issue by having open conversations amongst senior leadership on this topic, and when and where possible, we encourage female leadership in our Steering and Operations Committee.

- c) As compared to the original GMP, was any adaptive management applied to promote meaningful participation of women and advance towards other gender sensitive targets? No adaptive management has been undertaken as women are heavily represented in the day-to-day activities of The Fashion Pact. In component 3 of this project, in the gold pilot, as women are heavily represented in the Artisanal & Small-Scale Gold Mining (ASGM) sector, community benefits will in turn have positive outcomes on female empowerment through the improvement in livelihoods, fostering economic empowerment. For example, sluicing ponds are predominately operated by women, which is discussed the Gold Mapping Report. By providing information about this relationship and gender dynamic in ASGM to signatories, there will be a sensitization and socialization of impacts on women in the AGSM sector (discussed below in section d).
- d) Did the project team/stakeholders observe any unintended outcomes (positive or negative) related to gender equality, that are difficult to capture in a quantitative way during this period of time? For example, women are more active in decision-making processes in the project, or public servants are more interested and open to advance gender outcomes, men or women are more reluctant to participate in the project activities, or other similar situations. There have been no large consequences as the bulk of the interaction for this project is with private businesses who have set structures and decision-making hierarchies that are outside of the scope of TFP. However, women represent a very large portion of participants in workshops and webinars and represent a high percentage of representatives from the executing agencies and delivery partners. The Fashion Pact employees are all women as well.
- e) Considering all the above, what are the recommendations for next FY to continue advancing towards gender sensitive targets? The design of projects can continue to consider or favor where possible the empowerment of underserved communities, which often tend to include women. Additionally, The Fashion Pact is focusing on promoting gender diversity in the make-up of its committees, however, this is by nature done within the constraints of the current of the industry & female representation in executive leadership. Within these constraints The Fashion Pact will look to promote gender diversity where possible. The Fashion Pact, as it grows in staffing, will continue to consider gender issues as well.

d. Lessons learned and Knowledge Management products¹³ developed and disseminated

Lessons Learned/applied in the implementation of the ESMF (ESS, gender, stakeholder engagement and grievance mechanism):

What worked well:

1. Weekly meetings between co-executing teams (TFP/CI); monthly All Delivery Partner meetings to include everyone in full project updates/business; often taking external stakeholder calls jointly with both TFP and CI in attendance, especially at the start of the project; Component leads coordinating cross-component coordination when necessary given interlinkages between activities and outputs; SharePoint site access, while not perfect, is essential for all of the Delivery Partners to have access to project docs and storage.
2. Branding guidelines and templates from TFP so that all materials have a similar look and feel (easy for Delivery Partners to access and use and build from and easy for signatories who learn to recognize where the information is coming from)
3. Careful planning for signatory engagement via webinars and workshops to avoid overcrowding their calendars but simultaneously keeping the project activities going;

¹³ Knowledge Products are those that are both intended to transmit knowledge but at the same time enable action by their audiences. For example, a lessons learned report, compilation of good practices and recommendations, etc.

4. Experimentation and resetting when necessary (e.g., the Community Hub: one of the first outputs was a Community Hub online network created by CISL for the Fashion Pact signatories. The Hub to connect signatories, learn from one another, access resources, and link to reporting, was a very attractive idea in a virtual world. However, the signatories were overwhelmed with different platforms and virtual experiences. They also were a very new group, many new in the collective space and not familiar to one other, and unfortunately, it was clear within a few months, that the Hub was ineffective. We were able to work with CISL to graciously hit pause, take a step back and redesign their engagement to really focus on knowledge product uptake by signatories and their pathways to going from knowledge to action on setting up biodiversity strategies.
5. The TDI/TIF Global Mapping Report for Mercury-Free and Reduced Gold does an excellent job of centering the issue of gender and women's engagement in ASGM and the risk as well as the opportunity work in the sector poses for women. The report is currently under final revision and will be shared with signatories in Q1 FY 23.

What needs to be improved:

1. Women are well-represented among the delivery partners, and in the NGO and Fashion Sectors as well, excepting and unfortunately, the highest levels of leadership. It is not within our sphere of influence to change systemic challenges at the CEO level.
2. Gender disaggregating by male and female categories only is too limiting and biased towards cisgendered individuals. Therefore, for many of our webinars, we included an option to specify gender or not, and the form was open-ended in as many instances as feasible, so that participants could self-identify. In most cases, those numbers were so few, however, that they did not apply. In reporting to date, we limited to "other" or "unknown" based on what information was available to us. In future, we can provide the precise gender identity reported (if other than male/female) where applicable/available.

Knowledge Management developed and disseminated:

Because of the nature of the work under the initiative, the majority of the products the project is distributing or will distribute are designed and written for a corporate audience. To date, there have been 19 signatory-facing webinars/workshops. During each event, questions are allowed to be chatted in identified or anonymously or asked directly. Questions submitted after via email are also granted a response to maximize stakeholder engagement via a comfortable, yet virtual, environment. Given the signatory membership, most webinars are during the business day for European-based members, however, US-based members are also able to join just outside of normal business hours. When guest presenters are involved (a Mongolian goat herder, for example), every effort is made to adjust the timing so that it is feasible for the presenter and still accessible by most, if not all of the signatories, during a reasonable time of day. After each event, the recording and materials (usually slides) are made available on The Fashion Pact's member portal for later access.

Web-tool:

The Biodiversity Strategy Tool Navigator released May 2022: <https://biodiversitystrategytoolnavigator.thefashionpact.org/>

Webinars/Workshops/Trainings:

- Climate and Biodiversity (3/2/2021)
- Transforming the Fashion Sector with Nature project and Biodiversity Benchmark launch (3/24/2021)
- Textile Exchange Biodiversity Benchmark drop-in clinic (4/14/2021)
- On the Path to a Biodiversity Strategy: Getting Started (5/11/2021)
- Sourcing Sustainably: Gold, Cashmere, and leather (6/2/2021)
- Gold Workshop: Zooming in on Mercury (6/16/2021)
- Gold Workshop: Toward a Successful Responsible Gold Sourcing Program (6/30/2021)
- Leather: An Introduction to the Leather Impact Accelerator & Impact Incentives (7/13/2021)
- Setting Science-Based Targets for Fashion – Updated Guidance from the SBTN (8/18/2021)
- What is Wildlife-Friendly Production: Sustainable Sourcing with Biodiversity in Mind (9/29/2021)
- TFP X TE Biodiversity Benchmark Results (10/27/2021)
- LIA Workshop Series 1: Investment Strategies (3/22/2022)
- Intro to Sustainable Mongolian Cashmere (3/23/2022)
- Gold project kick-off workshop (4/7/2022)

LIA Workshop Series 2: Calculating Impact Incentives (4/12/2022)
 Wildlife Friendly Sourcing: What Does This Mean? Wool Case Studies (4/20/2022)
 LIA Workshop Series 3: Purchasing Impact Incentives (5/10/2022)
 LIA Workshop Series 4: Impacts and Claims (6/7/2022)
 LIA Workshop Series 5: Ask Me Anything (6/14/2022)

e. Overall Project ESMF Implementation Rating

SUMMARY: PROJECT ESMF IMPLEMENTATION RATING BY TYPE OF PLAN

| ESMF PLAN REQUIRED BY THE PROJECT (delete those not applicable) | CURRENT FY22 IMPLEMENTATION RATING | RATING TREND |
|---|------------------------------------|--------------|
| Accountability and Grievance Mechanism | S | NA |
| Gender Mainstreaming Plan (GMP) | S | NA |
| Stakeholder Engagement Plan (SEP) | HS | NA |

OVERALL PROJECT ESMF IMPLEMENTATION RATING

| RATING | JUSTIFICATION | RATING TREND |
|--------|--|--------------|
| S | The project team socialized the AGM at the Inception workshop with key stakeholders, and recordings of that socialization are available. Nevertheless, there is no evidence that the project has socialize at events, committees of trainings its AGM to make sure all companies or other stakeholders are aware of its existence. The project is exceeding one of its sex-disaggregated targets significantly, it is clear they will be advancing on the other once component 3 starts implementation. Regarding the Strategies or plans that include gender consideration, in its first year the project has achieved one out of a target of 5. On the SEP the project has also overperformed in most indicators. In addition to the above, the project team demonstrates a good understanding and diligence in the need to monitor possible other ESS triggered once component 3 starts implementation. | NA |

f. Recommendations

| CORRECTIVE ACTION(S) | RESPONSIBLE PARTY | DEADLINE |
|--|-------------------|------------|
| The project team should advertise/share their AGM frequently, to make sure that all stakeholders are aware of its existence. To do this, the team could incorporate it briefly into events, trainings or committee meetings programmed for the new FY. The approved GMP annex to the ProDoc includes a 4 th indicator: "Number of Fashion Pact staff, steering and operating committee members disaggregated by gender". The project team needs to monitor and report on that indicator. | PMU | March 2023 |

| | | |
|---|-----------------------------------|------------|
| <p>The project should analyze and plan for the indicator of the GMP on strategies and plans that incorporate gender considerations. If advice required, the project could meet CI-GEF Agency to discuss this target and get further advice.</p> <p>The project team, especially for component 3, should continuously monitor if there are any other ESS triggered for the pilots.</p> | PMU with support of CI-GEF Agency | March 2023 |
|---|-----------------------------------|------------|

SECTION V: PROJECT IMPLEMENTATION EXPERIENCES, KNOWLEDGE MANAGEMENT AND LESSONS LEARNED

Required topics

1. Knowledge activities/products (when applicable), as outlined in the knowledge management plan approved at CEO endorsement/approval.

#. ProDoc Knowledge Management (for reference)

- Lessons learned

136. *As noted in the project results framework, this project will result in the development, testing, and peer-review of several methodologies that will be published and share within the fashion industry. Documents and training modules will be developed for these tools (namely, a Total Scope Assessment Methodology (TSAM) for Fashion Pact companies to assess/screen for environmental impacts and dependencies across their global supply chains; deep dive analyses on biodiversity impacts on key supply chains/materials; scenario analyses that use key commodity/supply chains to map out possible results/outcomes for climate and biodiversity of different interventions; training in sustainable sourcing strategies/methodologies for specific commodities; and a Fashion Pact tracking platform that will synthesize environmental progress across Fashion Pact member companies) will all provide critical learning for environmental goal setting, monitoring, and reporting. While this information will be provided directly to Fashion Pact member companies, general aspects of the adopted methodologies will be available to the wider fashion industry and more broadly. Importantly, the development and testing of these tools will also allow for knowledge sharing across and among Fashion Pact companies.*

- TSAM: Words and presentation matter, and quite early the team learned how much information was going to be shared with signatories and how important it was to get it right. The TSAM was renamed the Biodiversity Strategy Tool Navigator for clarity and differentiation. Thus far, interest has been quite high, especially given that this is a tool specifically designed for fashion and apparel companies. While companies are enthusiastic about tackling biodiversity and creating science-based biodiversity strategies, capacity is quite limited, so anything that can be user-friendly, mobile-accessible, and helpful for the fashion sector specifically, is much appreciated. However, because these resources are so important, more time for web design should be allocated and planned for up front.
- Deep-dive analyses: 1) NDA agreements between multiple parties can take several months. We planned for 3 and it took 9, setting things back a bit. 2) Companies do not always have the supplier data they think they have or the data their suppliers has given them is misleading. In this case, we had to shift geographies for one analysis because of the data available.
- Fashion Pact tracking platform: streamlining is key for better reporting. Companies complete so many surveys and into reporting platforms that the more streamlined the process, the more companies will participate and the better the information will be. As such, after Year 1, the Biodiversity Benchmark was streamlined into the Textile Exchange's CFMB reporting platform and now includes climate and oceans reporting for the Fashion Pact as well, eliminating the need for signatories to take three separate surveys to track progress across the whole of the Fashion Pact work.

137. *During the project there will be regular communication with key stakeholders to ensure that the methodology, and knowledge gained through the project is disseminated widely. In this way, the 69 methodology tools and approaches will also be able to be embedded in other initiatives promoted by the stakeholders (e.g., Sustainable Apparel Coalition and Capital Coalition). Mechanisms, though, for example the Integrated Biodiversity Assessment Tool, will also be consolidated so that science-based data and tools are made available in an appropriate manner.*

- There is a lot of external interest in the outputs and knowledge products of this project, both to amplify but also to avoid duplication of efforts. That is a promising sign that when more of the outputs are available (thus far, only the Biodiversity Tool Navigator has been launched), wide dissemination will be possible.
- We are also quite aware of the leap to go from Fashion Pact engagement and learning about the tools/knowledge products for assisting in the development of biodiversity strategies aligned with the SBTN framework, to actually setting targets and strategies and delivering on those commitments. The tools and resources that are part of this project are designed with utility and applicability in mind, and CISL will be focusing more on how companies can move internally to advance their progress towards putting the tools to use and having biodiversity strategies in place by end of project period.

138. *Component 4 focuses on the establishment of the Fashion Pact Association. A communications strategy will be developed as a part of the anticipated outputs under this component. This strategy will include protocols for both internal and external (non-Fashion Pact member companies) as well as other constituencies including wholesale fashion buyers and consumers. This comprehensive strategy will also include marketing strategies for Fashion Pact work that will help attract new members to the fledgling organization. In addition, the Fashion Pact will develop, with support from IBM and others, a platform to store and update knowledge and tools for Fashion Pact companies.*

- The internal knowledge platform has been a great success and shown that signatories come back to information, and also need short or shareable versions of webinars or workshops, namely slides, to share within their organization. The Fashion Pact has not been active communicating externally as the decision was taken to communicate concrete results or achievement, which are coming now to fruition. In this light a new communications strategy is being developed to reflect the new stage of The Fashion Pact. Having an internal platform available to signatories creates also a mechanism to have company engagement across multiple time zones, as The Fashion Pact is a global coalition and looks to continue to expand globally, this availability and adaptability provided is key to membership management.

Additional topics (please choose two)

2. Engagement of the private sector
 - Data sharing is a big barrier – especially to design projects within companies direct supply chains
 - Contracting is a big barrier as the private sector represents massive organizations with very high legal standards and procedures
 - Private sector collaboration is new to many and so the learning curve on these new types of projects and contracts – in working together – can cause delays
 - Need to marry the priorities of a publicly funded project and science-based analyses with the realities of the private sector which is fast paced, constantly evolving and constantly shifting priorities and areas of focus. CEOs want to act fast, and brands (especially big brands) need their priorities met. Building this into project design is key to engaging the private sector within the project, and within project activities.
3. Scientific and technological issues
4. Interpretation and application of GEF guidelines
5. Financial management and co-financing
6. Project institutional arrangements, including project governance
 - A large team of delivery partners is a strong and powerful team IF well-coordinate and if each partner understands their role vis-à-vis the others and understands how their work fits into the bigger picture. This needs to be taken into consideration for future projects, especially MSPs, with more limited budgets to spread across the project and support good project management as well as partnership building, facilitation, and growth. It was especially clear in this project where many of the delivery partners hadn't work together before, and we had to be virtual due to COVID. The pressure of getting a sector to move strategically into a new space and take on new challenges while also tackling the day-to-day of project administration is demanding on the co-executing agencies in this arrangement with the resources allocated.
7. Capacity building
8. Implementation of safeguard policies, including gender mainstreaming, accountability and grievance mechanisms, stakeholder consultations
9. Factors that improve likelihood of long-term sustainability of project impacts
10. Factors that encourage replication, including outreach, dissemination of lessons learned, and communications strategies

SECTION VI: PROJECT GEOCODING

This section of the PIR documents the precise and specific geographic location(s) of activities supported by GEF investments based on information provided in the Project Document. The following information should be contained in this section:

- a. Geo Location Information of Project Location(s) for the current fiscal year
- b. Project Map and Coordinates from Project Document

Geo Location Information of Project Location(s) for the current fiscal year (add additional columns as needed)

| Geo Location Information | Location No. 1 | Location No. 2 | Location No. 3 |
|---|---|--|--|
| <p>CLASSIFICATION <i>Indicate whether the site is new or already existing in the previous PIR or indicate whether the site is included at CEO Endorsement/Approval or not. Please add more columns for projects with more than 3 locations.</i></p> | Brazil – new, not yet determined at CEO endorsement | Mongolia – new, included at CEO endorsement | Kenya – new, not yet determined at CEO endorsement |
| Note: Provide justification if the location is a new site in this line | First PIR report | First PIR report | FIRST PIR report |
| <p>GEO NAME ID <i>Provide the location’s Geo Name ID in a numerical format. IDs are available in the GeoNames’ geographical database covering all countries and containing millions of placenames with free access at: http://www.geonames.org.</i></p> | | | |
| <p>LOCATION NAME <i>Name of the geographic locations in which the activity is taking place. In instance when a GeoNames ID is provided above, the name of the said ID should be reflected. Otherwise, the location name provided will be considered as an exact location.</i></p> | Federative Republic of Brazil | Mongolia | Republic of Kenya |
| <p>LATITUDE <i>Provide locations in Decimal Degrees WGS84 format, a notation expressing geographic coordinates as decimal fractions of a degree. Include at least four decimal points.</i></p> | -10 | 46 | 1 |
| <p>LONGITUDE <i>Provide locations in Decimal Degrees WGS84 format, a notation expressing geographic coordinates as decimal fractions of a degree. Include at least four decimal points.</i></p> | -55 | 105 | 38 |
| <p>LOCATION DESCRIPTION <i>(Optional field) Text description that qualifies in a sentence or so the location in which an activity is taking place, such as for example “mini-grid energy system” or “park ranger site”.</i></p> | Cattle ranches | Collectively managed rangelands (goat herding) | Artisanal small-scale gold mines |
| <p>ACTIVITY DESCRIPTION <i>(Optional field) Text description that qualifies in a sentence or so the activity taking place at the location, for example, “Installing a mini-grid energy system”.</i></p> | No-deforestation fashion company investment pilot | Improved rangelands fashion company investment pilot | Mercury-free or reduced fashion company investment pilot |

Please provide a justification regarding changes in location during implementation. Justifications should also be provided in the event the geographic location of key project activities cannot be provided at CEO Endorsement/Approval stage.

(Geo Name ID: Location Name)

Justification: n/a

Project Map and Coordinates

Please provide geo-referenced information and image map where the project interventions took place. If available, please provide attachments as appropriate such as in the case of locations presented along geometric shapes in popular formats like shapefiles, KML and GeoJSON.

(Geo Name ID: Location Name)

Map: n/a yet. Still selection specific sites.

APPENDIX I: PROJECT ANNUAL IMPLEMENTATION PROGRESS RATING

| Rating | | Overdue (O) | Delayed (D) | Not started on schedule (NS) | Under implementation on schedule (IS) | Completed/Achieved (CA) |
|--------------------------------|----|-------------|-------------|------------------------------|---------------------------------------|-------------------------|
| Highly Satisfactory (HS) | HS | 0% | | 100% | | |
| Satisfactory (S) | S | 20% | | 80% | | |
| Moderately Satisfactory (MS) | MS | 40% | | 60% | | |
| Moderately Unsatisfactory (MU) | MU | 60% | | 40% | | |
| Unsatisfactory (U) | U | 80% | | 20% | | |
| Highly Unsatisfactory (HU) | HU | 100% | | 0% | | |

- **Highly Satisfactory:** 100% of the indicators: a) have been completed/achieved, b) are under implementation on schedule, and/or c) have not started but are on schedule, according to the original/formally revised Project Annual Workplan for the project. The project can be presented as an example of “good practice” project,
- **Satisfactory:** 80% of the indicators: a) have been completed/achieved, b) are under implementation on schedule, and/or c) have not started but are on schedule, according to the original/formally revised Project Annual Workplan for the project; except for only 20% that are delayed and/or overdue and need remedial action,
- **Moderately Satisfactory:** 60% of the indicators: a) have been completed/achieved, b) are under implementation on schedule, and/or c) have not started but are on schedule, according to the original/formally revised Project Annual Workplan for the project; while 40% are delayed and/or overdue and need remedial action,
- **Moderately Unsatisfactory:** 40% of the indicators: a) have been completed/achieved, b) are under implementation on schedule, and/or c) have not started but are on schedule, according to the original/formally revised Project Annual Workplan for the project; while 60% are delayed and/or overdue and need remedial action,
- **Unsatisfactory:** only 20% of the indicators: a) have been completed/achieved, b) are under implementation on schedule, and/or c) have not started but are on schedule, according to the original/formally revised Project Annual Workplan for the project; while 80% are delayed and/or overdue and need remedial action, and
- **Highly Unsatisfactory:** 100% of the indicators: a) are overdue, and/or b) delayed in their implementation, according to the original/formally revised Project Annual Workplan for the project.

APPENDIX II: RISK RATINGS

| Rating | |
|-----------------|---|
| Low (L) | L |
| Moderate (M) | M |
| Substantial (S) | S |
| High (H) | H |

- **Low Risk (L):** There is a probability of up to 25% that assumptions may fail to hold or materialize, and/or the project may face only modest risks.
- **Moderate Risk (M):** There is a probability of between 26% and 50% that assumptions may fail to hold or materialize, and/or the project may face only modest risks.
- **Substantial Risk (S):** There is a probability of between 51% and 75% that assumptions may fail to hold and/or the project may face substantial risks.
- **High Risk:** There is a probability of greater than 75% that assumptions may fail to hold or materialize, and/or the project may face high risks.

APPENDIX III: PROGRESS TOWARDS ACHIEVING PROJECT EXPECTED OUTPUTS

| INDICATORS | PROJECT TARGET | END OF YEAR INDICATOR STATUS | PROGRESS RATING ¹⁴ | COMMENTS/JUSTIFICATION |
|---|---|---|-------------------------------|---|
| Component 1: Global Supply Chain Mapping | | | | |
| Outcome 1.1: More Fashion Pact companies use a supply chain methodology to identify the environmental & biodiversity impacts of supply chains | | | | |
| Output 1.1.1: A Total Scope Assessment Methodology (TSAM) is developed for Fashion Pact companies to assess/screen for environmental impacts and dependencies across their global supply chains. | | | | |
| Output Indicator 1.1.1a: Number of methodologies developed, tested, and published enabling Fashion Pact companies to map environmental and biodiversity impacts across their supply chains. | Target 1.1.1a: 1 methodology with guidance document. | 1 Biodiversity Strategy Tool Navigator has been launched and is available publicly. It is a fashion-focused tool that integrates the steps of the SBTN framework as well as the resources and tools specific to each step that can be helpful in companies' own mapping and target setting journey. | CA | Existing approaches were reviewed, and end-users consulted prior to the design. Draft guidance was sent around for comments in September 2021, comments received, and final version completed in October 2021. It was determined that The Fashion Pact was ultimately the best entity for hosting the web interface of this tool. Publication was then delayed pending website hosting challenges and illness. Final website interface is now available and was launched with Fashion Pact Signatories on May 17 with an accompanying training. https://biodiversitystrategytoolnavigator.thefashionpact.org/ |
| Output Indicator 1.1.1b: Number of peer – reviewed reports published on global environmental impacts of fashion sub -sectors highlighting specific potential upstream supply chain impacts on biodiversity, land – based impacts on oceans, and climate. | Target 1.1.1b: 1 peer - reviewed report published. | 0. In progress | D | 1 report DRAFTED and REVIEWED by the TAG. Updates are pending. Content finalization and web publication expected Q1-Q2 FY 23. It was determined that The Fashion Pact is ultimately the best entity for hosting the web interface of this tool, but its final edit and release will be delayed in finishing web design/hosting transfer. This delay does not impact other components, as their work has already gone ahead. Signatories have the latest initial guidance from SBTN to begin their own supply chain analyses, so while this impact assessment will aid their prioritization, it is not required to have before they can begin work. |
| Output 1.1.2: Individual brands/companies trained to map their supply chains and understand which business operations drive negative environmental impact. | | | | |
| Output Indicator 1.1.2: Number of Fashion Pact companies trained in the Total Scope | Target 1.1.2: At least 40 Fashion Pact companies trained | 39 companies – Biodiversity Tool Navigator (TSAM) training webinar | D | While the progress rating is delayed (see above), CI is confident that the project target will be met. The Biodiversity Consultancy will conduct a series of training workshops in |

¹⁴ O= Overdue; D= Delayed; NS= Not started on schedule; IS= Under implementation on schedule; and CA= Completed/Achieved

| INDICATORS | PROJECT TARGET | END OF YEAR INDICATOR STATUS | PROGRESS RATING ¹⁴ | COMMENTS/JUSTIFICATION |
|--|--|-----------------------------------|-------------------------------|---|
| Assessment Methodology and supply chain mapping. | | | | late Q1/early Q2 FY 23 after the Supply Chain Mapping (Impact Assessment tool) is finalized. |
| Output 1.1.3: Companies pilot Total Scope Assessment Methodology to understand their environmental impact and to form the basis for prioritizing action and defining action pathways. | | | | |
| Output Indicator 1.1.3: Number of companies piloting the Total Scope Assessment Methodology. | Target 1.1.3: At least 20 Fashion Pact companies | 0. In progress. | IS | The Biodiversity Benchmark (Fashion Pact signatory reporting platform) has been updated with a question regarding use of the Biodiversity Strategy Tool Navigator (TSAM). Year 2 of the reporting began June 2022, and results will be available Q2 FY 23. |
| Component 2: Prioritizing Sustainability Action | | | | |
| Outcome 2.1: Fashion Pact companies participate in “deep dive analyses” on the key impacts from priority supply chains/materials. | | | | |
| Output 2.1.1: More Fashion Pact companies use enhanced methodology, decision trees, and tools to map environmental impact at different scales and results are used for prioritizing action for more sustainable supply chains. | | | | |
| Output Indicator 2.1.1a: Number of expert-reviewed methodologies available for Fashion Pact companies to develop strategies for addressing key environmental impacts at different scales. | Target 2.1.1a: 1 peer reviewed paper outlining screening methodologies for assessing risk/impact from their supply chains | 1 literature review is completed. | CA | V1 of the Literature review on biodiversity impact metrics has been conducted and reviewed by Conservation International team as well as by IUCN, UNEP-WCMC. This output is a completed review of publicly available data of 66 of the Fashion Pact signatories and the Textile Exchange’s Biodiversity Benchmark which 71% of Fashion Pact companies completed. Relevant environmental impact metrics are reviewed and discussed in the literature review report. In FY 22 Q4/FY 23 Q1, updates for version 2 will be implemented based on SBTN additional guidance and information, and the report + updates will be reviewed by the42anted42all advisory group and then finalized. |
| Output Indicator 2.1.1b: Number of Fashion Pact companies conducting environmental risk/impact screening for their supply chains. | Target 2.1.1 b: At least 5 Fashion Pact companies using detailed science - based methodologies to document the impacts of least one key supply chain on nature. | 21 Fashion Pact companies | CA | Of the 56 companies participating in the Biodiversity Benchmark, 23% (13) had carried out a qualitative assessment to identify biodiversity risks and 15% (8) had undertaken a quantitative assessment. This is based on the 2022 Biodiversity Benchmark reporting on risk assessment undertaken. Various tools used to understand impact include LCA, Specific biodiversity footprinting approach, EP&L, mapping tools (Global Forest Watch, IBAT), Natural Capital Accounting, and other. |

| INDICATORS | PROJECT TARGET | END OF YEAR INDICATOR STATUS | PROGRESS RATING ¹⁴ | COMMENTS/JUSTIFICATION |
|--|---|--|-------------------------------|---|
| Output 2.1.2: A suite of deep dive analyses are conducted (based on agreed “materiality analyses” of key commodities/supply chains) highlighting potential impacts/risks of fashion sourcing/supply chains on the environment. | | | | |
| <p>Output Indicator 2.1.2: Number of deep dive raw material analyses conducted.</p> | <p>Target 2.1.2: At least 4 deep dive raw material analyses.</p> | <p>Four deep-dive raw material analyses have been completed, for USA cotton, Argentinian leather, and MMCF for Indonesia and Austria</p> | <p>CA</p> | <p>Three Fashion Pact signatories participated in the raw material deep dives by sharing their sourcing volumes and sourcing geographies (to the extent they had them available). Four criteria were used to select company participants:</p> <p>4) that they be a SBTN Corporate Engagement Member because this allowed us to “hit the ground running” with analyses and work to fulfill the deep-dive requirements, without the time needed to get the companies up-to-speed on SBTN and five step process. The project needed companies that were already exploring their supply chains and companies that could more readily integrate and implement any outputs from our work on the deep-dives. This all narrowed the pool of companies to ones that have the willingness, and knowledge to commit to action, but ones that don’t have the key metrics, indicators, and analyses to make informed commitments.</p> <p>2) That they sourced commodities that have high volumes sourced by the Fashion Industry because the project wants to tackle commodities that have large potential footprints, high importance to a wide-range of companies, and commodities that, if successful commitments are made across a wide-range of companies, could have a transformation impact on biodiversity and conservation. The project narrowed its interest to the top three traded fashion raw materials, cotton, viscose, and leather. Note that synthetics were out of the scope of this project as they don’t have a land-based production system, though we are thinking through ways to deal with synthetic impacts in other realms.</p> <p>3) That they sourced from areas of higher-biodiversity because biodiversity is unevenly distributed across the globe, and the project aims to focus on higher-biodiversity regions</p> |

| INDICATORS | PROJECT TARGET | END OF YEAR INDICATOR STATUS | PROGRESS RATING ¹⁴ | COMMENTS/JUSTIFICATION |
|---|---|--|-------------------------------|--|
| | | | | <p>to make sure it is in areas of importance for protection of that biodiversity. As such, we preferentially weighted companies that are sourcing commodities from the tropics as those areas are known to have higher biodiversity.</p> <p>4) That the cohort have at least national level supply traceability and represent diversity at the sub-national level. The deep-dives will only provide as good of information on biodiversity impacts and strategies as the input information holds on locations and sourcing regions and volumes that go into the metrics and indicators. The project prioritized companies that had at least national level traceability of their commodities to ensure the outputs of our deep-dives had meaningful actions and assessments coming out of them. The project did keep a range of supply chain traceability companies in the pilots, with some commodities and companies holding very high supply chain traceability to the farm level, and others that held some national level data and some multi-national data. This was to allow a test and trial of the SBTN metrics and indicators across a variety of supply chain transparency levels.</p> |
| Output 2.1.3: A series of maps and analyses produced illustrating potential impact on biodiversity from sourcing by fashion companies for raw materials. | | | | |
| <p>Output Indicator 2.1.3: Number of raw material analyses conducted.</p> | <p>Target 2.1.3: At least 3 (leather, cashmere, gold).</p> | <p>4 country maps and graphical analyses have been conducted as part of the deep-dive analyses for the focal commodities of USA cotton, Argentinian leather, and MMCF for Indonesia and Austria. For publication, the team may combine the MMCF results into one report, for a total of 3.</p> | <p>CA</p> | <p>Our understanding of the target list was that it was exemplary. Given the Fashion Pact signatories' interest in expanding the opportunities to include non-luxury commodities applicable to more of the members, beef leather, cotton, and MMCF were selected. The impacts on biodiversity, climate, and the associated chemical/waste pollution also made these a strong choice to diversify the portfolio.</p> |
| Output 2.1.4: Scenario analyses completed using some key commodity/supply chains to map out possible results/outcomes for climate and nature of different interventions by companies focused around improved sourcing of key raw materials. | | | | |

| INDICATORS | PROJECT TARGET | END OF YEAR INDICATOR STATUS | PROGRESS RATING ¹⁴ | COMMENTS/JUSTIFICATION |
|---|--|--|-------------------------------|--|
| Output Indicator 2.1.4: Number of scenario analyses conducted. | Target 2.1.4.: At least 5 scenario analyses. | 0 scenario analyses. | D | <p>Scenario analyses looking at global fashion sector nature commitments and potential impacts are underway, and also delayed due to NDA delays at the start of the project associated with 2.1.2. These scenario models will be completed by December 2022.</p> <p>Delay is due to project delays in securing NDAs with corporate partners, institutional partners (UNEP-WCMC, IUCN), and CI. This took 9 months, when we had allotted 3. The deep-dives therefore took additional time to complete because of this delay, pushing this activity out one quarter.</p> |
| Outcome 2.2: Companies have developed strategies outlining actions that will be taken to address the Fashion Pact 'biodiversity commitment 'and aligned with the Science – Based Targets for Nature framework. | | | | |
| Output 2.2.1: Companies are supported, trained, and provided with appropriate guidance on developing strategies that align with Science Based Targets for Nature and these strategies include specific actions through more sustainable sourcing. | | | | |
| Output Indicator 2.2.1a: Number of companies trained in development of strategies aligned with the Science Based Targets for Nature. | Target 2.2.1a: 40 companies trained. | 47 total companies trained. [21 companies – SBTN webinar; 39 companies – Biodiversity Strategy Tool Navigator training] | IS | <p>CI and TFP have held one SBTN webinar to train companies on science-based targets for nature methods, and will completed the webinar series with two additional webinars around the SBTN Minimal Viable Product launch in the fall of 2022 and start of 2023.</p> <p>The Biodiversity Strategy Tool Navigator was also launched, alignment with SBTN was demonstrated, and signatories were trained on its use in May 2022.</p> |
| Output Indicator 2.2.1b: Number of guidance documents on Science Based Targets for Nature for fashion sector developed. | Target 2.2.1b: 1 peer reviewed guidance document. | 0 | IS | Guidance on SBTN is under development, and a draft will be reviewed by the Technical Advisory Group. |
| Output 2.2.2: Companies develop their own approaches/strategies that align with Science Based Targets for Nature framework and enable them to set science-based targets. | | | | |
| Output Indicator 2.2.2: Number of companies setting strategies/commitments aligned with Science Based Targets for Nature. | Target 2.2.2: 20 companies. | 8 companies | IS | As of November 2021 (first year of results), 71% of TFP signatories (52 companies) participated in the Biodiversity Benchmark. On a scale of 1-4, 4 being having an established comprehensive biodiversity program, 2 companies scored 3.5 or higher. 6 companies scored between and 2 and a 3, and approximately 45 were just beginning and scored below a 2. |

| INDICATORS | PROJECT TARGET | END OF YEAR INDICATOR STATUS | PROGRESS RATING ¹⁴ | COMMENTS/JUSTIFICATION |
|------------|----------------|------------------------------|-------------------------------|---|
| | | | | <p>Five companies do have public biodiversity strategies, but they vary in their degree of alignment with the SBTN framework. 15 have sustainability/materials strategies with some biodiversity coverage.</p> <p><u>While 17% (8) noted that they had Science-based targets for biodiversity under development, 46% of Benchmark participants (24 companies) are planning to align their commitments to the Science Based Targets for Nature, an indication that more will be setting targets and strategies to achieve those targets.</u> While the tools and resources developed by this GEF project are aligned with and informed by the SBTN Hubs and frameworks as they are developing, the SBTN Minimum Viable Product (MVP) (building on the initial guidance released in 2022), is not yet complete. That is out of our control. Many companies are still waiting on the MVP to be released.</p> |

Component 3: Sustainable Sourcing Action

Outcome 3.1: More Fashion Pact companies engage in a suite of efforts focused on sustainable sourcing through innovative field - based programs.

Output 3.1.1: Fashion Pact companies are supported and trained in sustainable sourcing actions that drive measurable outcomes for climate and biodiversity.

| | | | | |
|--|---|--|------------------|---|
| <p>Output Indicator 3.1.1a: Number of Fashion Pact companies supported and trained in sustainable sourcing actions.</p> | <p>Target 3.1. 1a: At least 50 Fashion Pact companies.</p> | <p>67 companies have attended at least one webinar or workshop relating to sustainable sourcing actions.</p> | <p>IS</p> | <p>There were 13 webinars within C3, including</p> <ul style="list-style-type: none"> • Sourcing Sustainably: Gold, Cashmere, and leather (6/2/2021) • Gold Workshop: Zooming in on Mercury (6/16/2021) • Gold Workshop: Toward a Successful Responsible Gold Sourcing Program (6/30/2021) • Leather: An Introduction to the Leather Impact Accelerator & Impact Incentives (7/13/2021) • What is Wildlife-Friendly Production: Sustainable Sourcing with Biodiversity in Mind (9/29/2021) • LIA Workshop Series 1: Investment Strategies (3/22/2022) • Intro to Sustainable Mongolian Cashmere (3/23/2022) • Gold project kick-off workshop (4/7/2022) |
|--|---|--|------------------|---|

| INDICATORS | PROJECT TARGET | END OF YEAR INDICATOR STATUS | PROGRESS RATING ¹⁴ | COMMENTS/JUSTIFICATION |
|---|---|------------------------------|-------------------------------|--|
| | | | | <ul style="list-style-type: none"> • LIA Workshop Series 2: Calculating Impact Incentives (4/12/2022) • Wildlife Friendly Sourcing: What Does This Mean? Wool Case Studies (4/20/2022) • LIA Workshop Series 3: Purchasing Impact Incentives (5/10/2022) • LIA Workshop Series 4: Impacts and Claims (6/7/2022) • LIA Workshop Series 5: Ask Me Anything (6/14/2022) <p>Recordings and slides/materials are all made available on The Fashion Pact member portal.</p> |
| Output Indicator 3.1.1b: Number of guidance documents developed to help companies estimate raw material use. | Target 3.1.1b: 1 guidance document on best practices in sustainable sourcing for biodiversity and climate outcomes. | 0. Not yet available | D | Due to staffing changes, this guidance document is slightly delayed. It was originally slated for completion in Q4 FY 22 but will now be available in Q1 FY 23. |
| Output 3.1.2: Commitments from Fashion Pact companies to source and support sustainable cashmere with scenarios to show potential outcomes for climate, biodiversity, and livelihoods. | | | | |
| Output Indicator 3.1.2: Number of Fashion Pact companies committing to sourcing sustainable “traditional” cashmere. | Target 3.1.2: At least 5 Fashion Pact companies engaged. | 0 companies | D | Due to delays in contracts, the first kick-off webinar for cashmere did not take place until the end of March 2022 and a second webinar will take place in July 2022. This has delayed engagement with brands. The revised workplan and associated activities, however, continue to have promise to meet this target by the end of the project period. Conversations with brands are just beginning. |
| Output 3.1.3: Fashion Pact companies engaged in efforts such as the International Working Group of Leather Impact Accelerator and supporting groups such as the Impact Alliance that illustrates a market -led approach to driving sustainable beef/leather production systems. | | | | |
| Output Indicator 3.1.3: Number of companies tracking their leather purchases through a system such as the Leather Impact Accelerator (LIA) program. | Target 3. 1.3: At least 5 Fashion Pact companies track their leather using the Leather Impact Accelerator or similar tool. | 3 companies | IS | TE is still in conversation with 15 companies, not including the 3 that have already committed to purchase or have purchased Leather Impact Incentives. |
| Output 3.1.4: Fashion Pact companies support investment -led and smart sourcing approaches that reinforce better practices and outcomes from artisanal mining (= eliminate mercury use). | | | | |

| INDICATORS | PROJECT TARGET | END OF YEAR INDICATOR STATUS | PROGRESS RATING ¹⁴ | COMMENTS/JUSTIFICATION |
|--|--|---|-------------------------------|--|
| Output Indicator 3.1.4: Number of Fashion Pact companies documenting the potential for mercury use reduction by sourcing gold from planetGOLD mines and/or engaged in investment-led approaches (e.g., social loans) to support improved practices. | Target 3.1.4: At least 2 Fashion Pact companies. | 1 company | IS | One company has committed to support the project, and another has indicated they will commit. |
| Output 3.1.5: Concept document that includes a suite of key programs that address both GEF geographic or/and product specific priorities and opportunities for Fashion Pact companies to engage in with future funding. | | | | |
| Output Indicator 3.1.5: Number of programs for 2022-2026 designed and agreed by Fashion Pact companies. | Target 3.1.5: 1 concept document comprising combined programs. | 1 draft concept (not finalized) | IS | One draft concept for future programming (e.g., GEF 8) under The Fashion Pact and with key partners such as Conservation International, has been drafted. It is currently under review and revision. Projected to finalize by Q2 FY 23. |
| Component 4 | | | | |
| Outcome 4.1: Fashion Pact is recognized as an industry lead organization for key environmental outcomes aligned with GEF goals. | | | | |
| Output 4.1.1: Fashion Pact Association established and staffed. | | | | |
| Output Indicator 4.1.1a: Fashion Pact Association established as an organization. | Target 4.1.1a: 1 Functioning Fashion Pact Association (Fashion Pact Association) . | 1 functioning Fashion Pact Association was established. | CA | The Fashion Pact has been established as a functioning organization. |
| Output Indicator 4.1.1b: Percent women across the Fashion Pact Association structure. | Target 4.1.1b: At least 50% women. | 100% women across the Fashion Pact staff. | IS | The Fashion Pact staff is currently 100% female as of June 2022. |
| Output Indicator 4.1.1c: A Fashion Pact Grievance Mechanism and Social/Environmental Safeguards mechanism are established. | Target 4.1.1.c: A grievance mechanism and a social/environmental safeguards mechanism in place. | A grievance mechanism and a social/environmental safeguard mechanism has been put in place. | CA | The Fashion Pact Grievance Mechanism has been set up (fashion@conservation.org) and The Fashion Pact aligns with CI's Social/Environmental Safeguards for work pertinent to the GEF project and have established a comprehensive code of ethics which includes a conflict of interest policy, a segregation of duties policy, an anti-corruption and anti-bribery policy and an anti-fraud policy. |
| Output Indicator 4.1.1d: Workplans and budgets highlighting company contribution and other | Target 4.1.1d: 3 Fashion Pact approved 12 - month budget s/workplan. | 2 Fashion Pact budgets/workplans have been approved. | IS | The Fashion Pact budgets and workplans are approved by the Steering Committee, which in May 2022 included funding opportunities for new projects in development. |

| INDICATORS | PROJECT TARGET | END OF YEAR INDICATOR STATUS | PROGRESS RATING ¹⁴ | COMMENTS/JUSTIFICATION |
|---|---|-------------------------------------|-------------------------------|---|
| funding/fundraising opportunities developed and approved by Fashion Pact. | | | | |
| Output 4.1.2: Collaboration with key fashion sector coalitions to deliver environmental outcomes. | | | | |
| Output Indicator 4.1.2: Number of environmental coalitions that Fashion Pact collaborates with. | Target 4.1.2: 4 coalitions. | 13 coalitions. | IS | <p>The Fashion Pact collaborates both formally and informally with a number of environmental coalitions and is in contact and holds regular check ins with many coalitions in the same space. The Fashion Pact collaborates or has relationships in some form with 13 coalitions (not inclusive of the delivery partners for the GEF project and other delivery partners) –</p> <ul style="list-style-type: none"> • Ellen MacArthur Foundation • ZDHC • The Microfibre Consortium • Recyclclass • UNEP • Apparel Impact Institute • Textile Exchange • Fashion For Good • Sustainable Apparel Coalition • Global Fashion Agenda • Fashion Industry Charter / UNFCCC • Science Based Targets for Nature • Race to Zero |
| Output 4.1.3: Fashion Pact communications plan developed targeting the fashion industry and public sector. | | | | |
| Output Indicator 4.1.3: Number of communications plans developed. | Target 4.1.3: 1 Fashion Pact communication plan. | 1 Fashion Pact communications plan. | IS | The Fashion Pact is reworking its communications plan with the assistance of a new communications delivery partner to be enacted starting in FY23 Q1 and Q2 pending the outcomes of the development of the plan. The Fashion Pact has developed in 2021 a communications strategy and a Communications Task Force that convened in July 2021 to discuss the communications strategy. |
| Outcome 4.2: Fashion Pact implements a Key Performance Indicators (KPI) tracking platform to collectively document environmental progress across all member companies. | | | | |
| Output 4.2.1: Fashion Pact tracking platform is available with defined and agreed metrics in place. | | | | |
| Output Indicator 4.2.1: Number of Key Performance Indicators | Target 4.2.1: An online tracking platform is | An online platform is available. | CA | The Fashion Pact has developed an internal website for TFP signatories that host webinar recordings, information on |

| INDICATORS | PROJECT TARGET | END OF YEAR INDICATOR STATUS | PROGRESS RATING ¹⁴ | COMMENTS/JUSTIFICATION |
|--|--|---|-------------------------------|--|
| tracking platforms functioning and providing access to relevant information on supply chain monitoring, tools, environmental trends, etc. | available to Fashion Pact companies. | | | targets, projects and workplans, and points to other informational resources for signatories to be able to find relevant information. |
| Output Indicator 4.2.2: Number of tracking platform learning modules (meetings, webinars, workshops) for Fashion Pact and fashion industry companies. | Target 4.2.2: 20 learning modules | 40 modules. | IS | The Fashion Pact has hosted 40 workshops or webinars across the subjects of climate, biodiversity and oceans since March 2021. These recordings, slides and relevant resources are available to signatories on an internal knowledge-sharing platform. Those specific to the Biodiversity Pillar and supported by this GEF project are listed in the Knowledge Management section. |
| Output 4.2. 3: Fashion Pact companies measure progress on their targets and metrics. | | | | |
| Output Indicator 4.2. 3: Number of Fashion Pact companies tracking and reporting on their agreed environmental targets and metrics. | <p>Target 4.2.3a: 15 Fashion Pact companies regularly use the tracking platform.</p> <p>Target 4.2.3b: 2 Fashion Pact Association reports published.</p> | <p>Over 15 Fashion Pact signatories used the 2021 tracking platforms</p> <p>1 report (Biodiversity Benchmark Baseline Results) on the aggregate results of signatory participation in the Biodiversity Benchmark tracking platform was shared with the signatories in October 2021.</p> | IS | 62 signatories (82% of the coalition) completed the 2021 general reporting survey launched by BCG. 52 signatories participated in the 2021 Biodiversity Benchmark that was launched by Textile Exchange in March 2021. The Fashion Pact is integrating its reporting into Textile Exchange for 2022 and moving forward, thus allowing The Fashion Pact to integrate its general reporting questions (which look at general overview, climate, biodiversity and oceans) and the questions from the Biodiversity Benchmark. The 2022 reporting was launched in June 2022 and the submission window will close in September 2022. |