Fashion Decarbonisation Pathways by Segment

Luxury – Mass - Premium

June, 2025

Anti-trust

During today's discussions and in all discussions with Paris Good Fashion members, there are a few statements we need to cover to respect **confidentiality and anti-trust laws**. We want this to be a **safe space** to ask questions, but please respect each other's business and respect that **no one is obligated to answer anything or give any specific information if uncomfortable**.

When we have these meetings and workshops, we need to make sure there are no discussions of the following:

- Price, discounts, profit margins or terms and conditions of sale of your company or your competitors
- Agreement to raise, lower or hold present or future price levels
- Allocation of territories, markets or customers
- Restrictions on production, boycotts or refusals to deal
- Selection, rejection or termination of customers or suppliers

If any subject with any anti-competitive implication or appearance is raised at any meeting, persons attending the meeting **should object and request that the subject be dropped.**

Please also note that all content and information presented and discussed in these meetings should **remain confidential between Paris Good Fashion members and any delivery partner** contracted with Paris Good Fashion. Any external sharing must be subject to unanimous approval by the members.

Decarbonisation pathway – Key Takeaways

In response to the climate emergency, Paris Good Fashion launched the ACT Fashion Evaluation methodology in January 2024, to evaluate the credibility of fashion brands' carbon reduction plans. Following on from this project, the group decided to define segment specific decarbonisation pathways.

- **Why ?** Existing industry-level decarbonisation pathways are bias towards the mass market, due to their volumes, often overlooking Premium and Luxury brands. A segmented approach—covering Luxury, Premium, Mass Market, and Ultra Fast Fashion—was necessary to account for the diversity of business and operating models, and ambition levels.
- **What we did ?** Based on data from 18 brands, we modelled both individual pathways and a collective, ambitious pathway

→ **Result:**

- **A consolidated objective to reduce carbon intensity (per kilogram of product sold) by 38% by 2030**. Achieving the Paris Agreement's most ambitious target of limiting global warming to 1.5°C requires a 42% reduction in absolute carbon emissions. To reach this target, production volumes must also be managed — making it essential to scale up circular business models.
- **4 key levers to accelerate impact**: Decarbonise production / Decarbonise product range / Promote durability & circularity / Drive company-wide decarbonisation.
- **4 conditions for success**: Profitability and company buy-in / Engaged customers / An appropriate measurement framework / Reliable Data.

This initiative sets the groundwork for collective action, credible climate pathways, and systemic transformation of the fashion sector.

Introduction

A new milestone in an initiative launched 18 months ago

1 **January – July 2024**

Development of the ACT Fashion Evaluation methodology with Ademe and the support of le Défi; literature review (Deloitte) conducted with 30 experts highlighting the need to define distinct segments.

2 **September 2024 – January 2025**

Data analysis of industry players and definition of the sector's four segments: Luxury, Premium, Mass Market & Ultra Fast Fashion.

3 **October 2024 – March 2025**

Analysis of existing databases.

4 **February – June 2025**

Development of a robust and coherent pathway, tailored by and for the key industry segments, highlighting the priority decarbonisation levers.

Success made possible through collective engagement

Our Objective :

- Create a **common vision** of the decarbonisation pathway by segment.
- Define **shared commitments,** based on **concrete and actionable levers.**
- Leverage **collective action** to drive **efficiency.**

25

Direct contributors; French brands & federations

10

International experts mobilised

5

Months of work

6

Hours spend in workshops per brand

100 +

Coffees consumed during the analyses by the Argon team

+XXX

Coffees consumed by contributors during data collection. Thank you!

The 'Carbon Task Force': the contributors directly involved.

- For reference, these segments have been defined according to the following criteria: sourcing region, material mix, price, and range of offering.
- Ultra fast fashion did not directly participate in the study but was assessed through the ACT evaluation.

Segment Luxe

- AMI Paris
- Chloé
- Christian Louboutin
- FHCM
- Kering
- Le Bon Marché
- Louis Vuitton
- LVMH
- Richemont

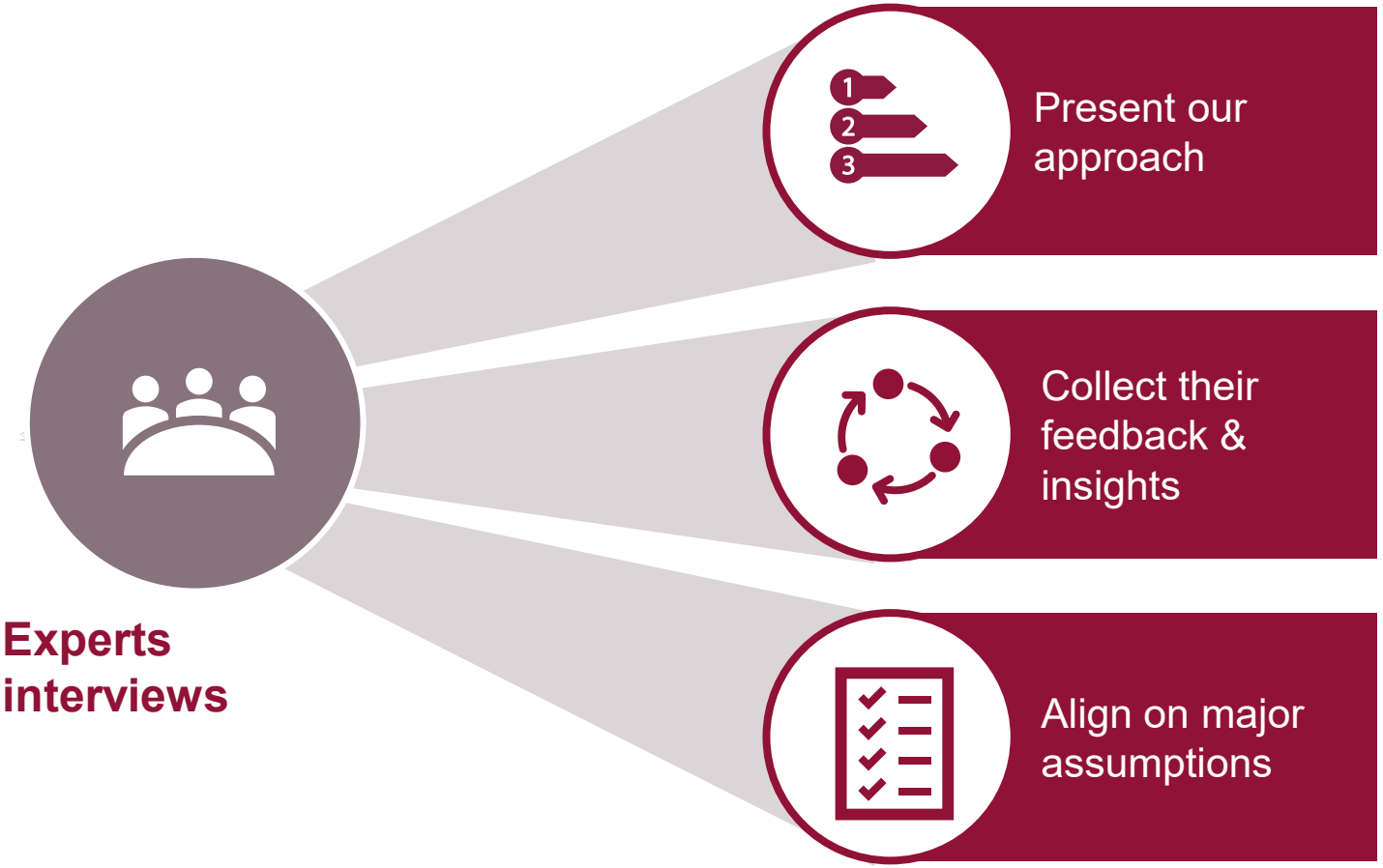
Segment Premium

- agnès B
- Aigle
- Balzac
- FFPAP
- FMLB
- Galeries Lafayette
- Lacoste
- Petit Bateau
- SMCP

Segment Mass

- Alliance du Commerce
- Célio
- Décathlon
- Eminence
- Etam
- Jules
- Kiabi

We also engaged international experts on the project



Experts in the loop

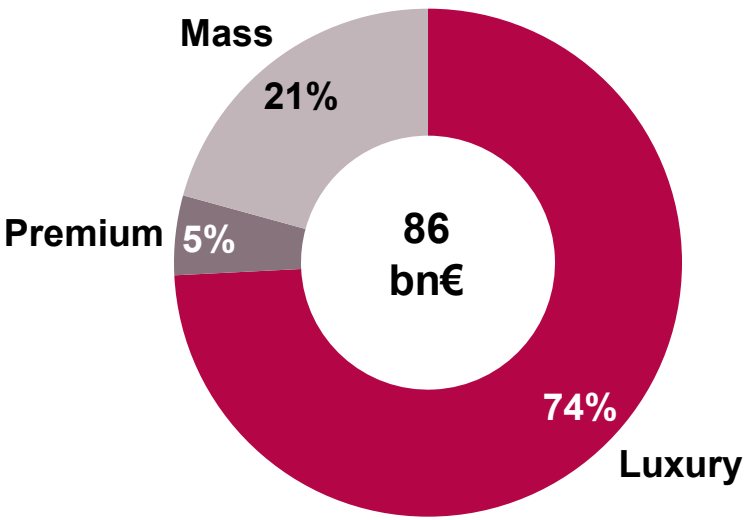
- ✓ Apparel impact institute
- ✓ Ellen MacArthur foundation
- ✓ Fairly Made
- ✓ Fashion For Good
- ✓ Global Fashion Agenda
- ✓ Laudes Foundation
- ✓ Lectra
- ✓ Textile Exchange
- ✓ The Fashion Pact
- ✓ WRAP

Synthesis of the study

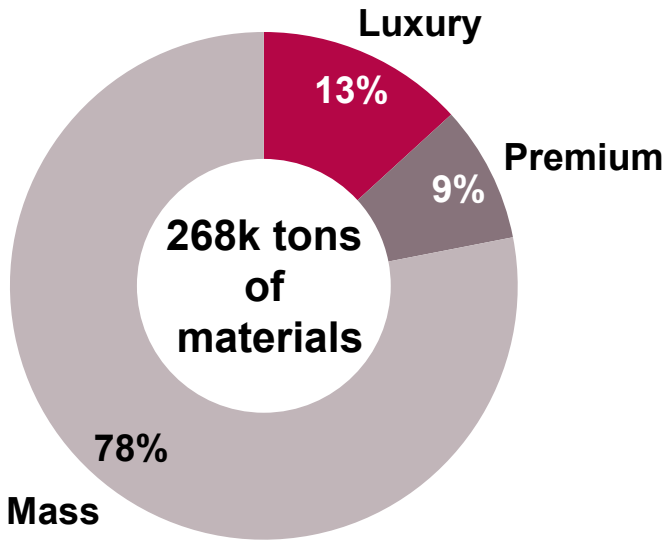
Scope, baselines & main outputs

Scope of our study in terms of revenues and tons of materials

Relative weight of the analysed panel in revenue (billion €)



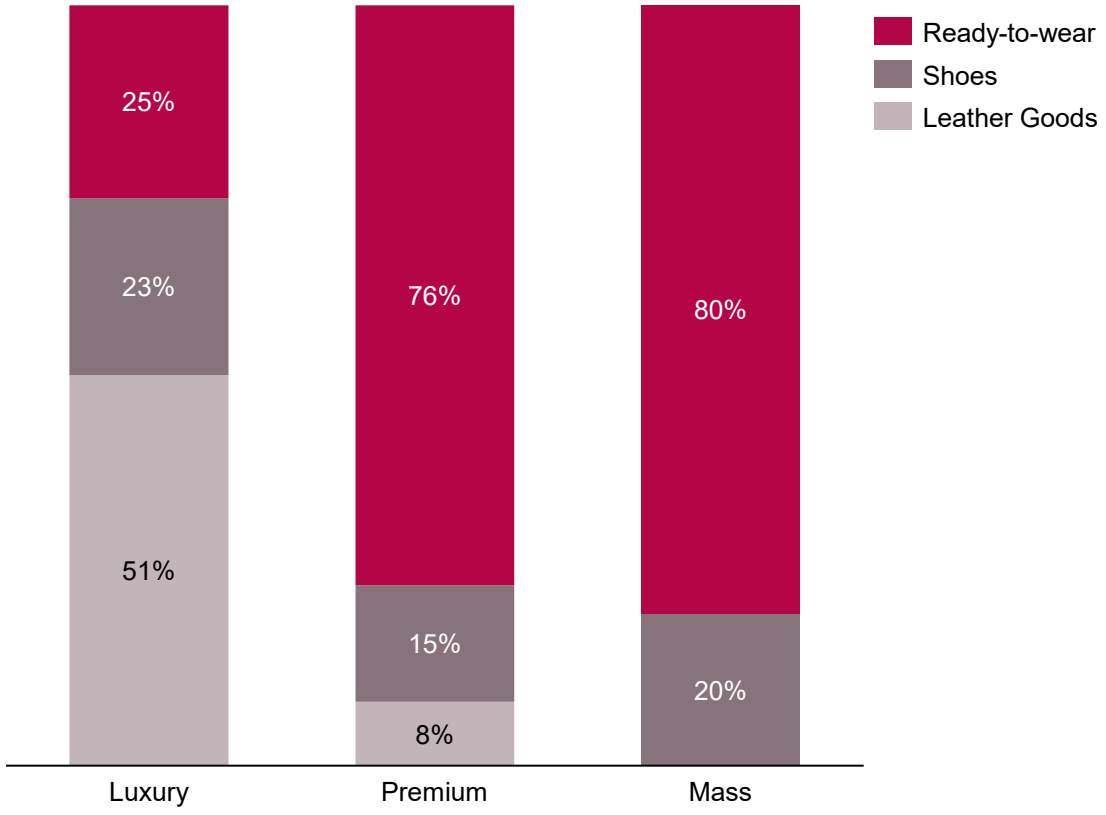
Relative weight in material volume (in tons)



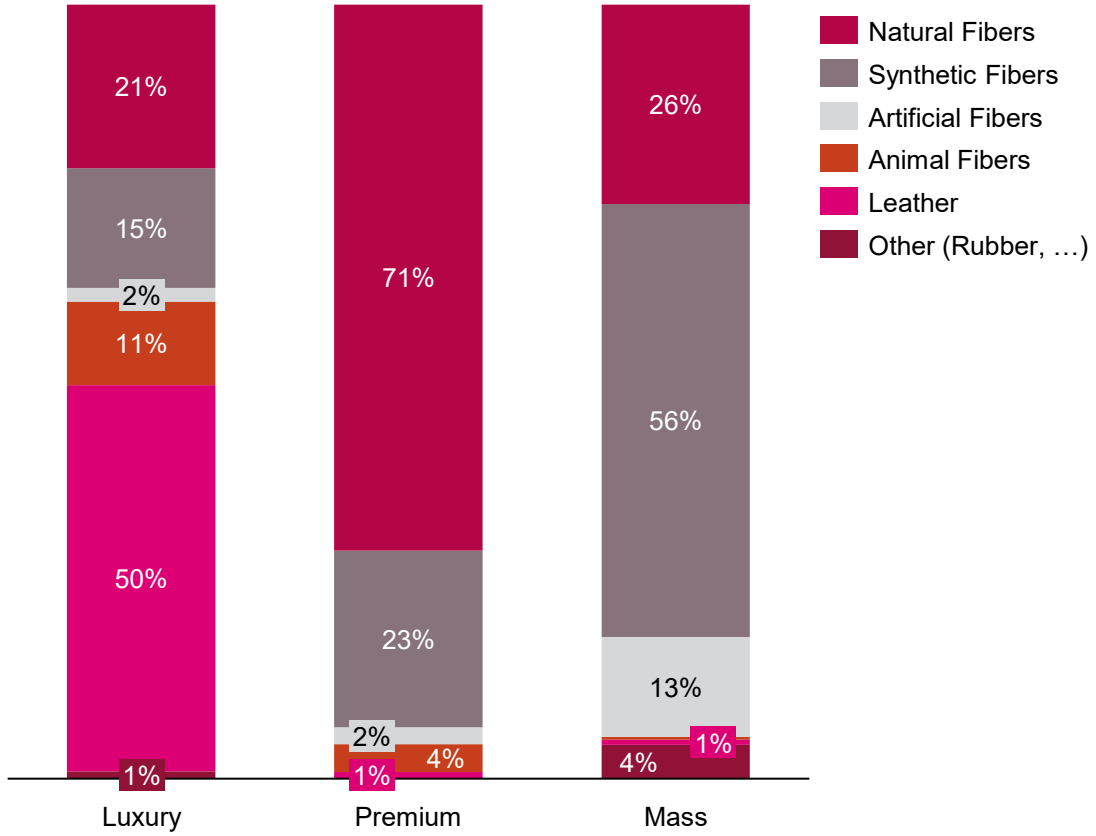
- At the comparable turnover, the mass market uses 2.7 times more material than luxury, while premium only uses 20% more.
- The luxury segment represents most of the analysed revenues but uses a small proportion of materials, with a large representation of leather goods and thus leather.
- The premium segment is mainly composed of SMEs, primarily in ready-to-wear, using a large amount of cotton.
- The French mass market segment accounts for the largest material volumes, and the highest proportion of synthetic fibres.

Product-mix differences explain variations in material mix between segments

Product category breakdown in ktonnes
(weighted by each brand's share)

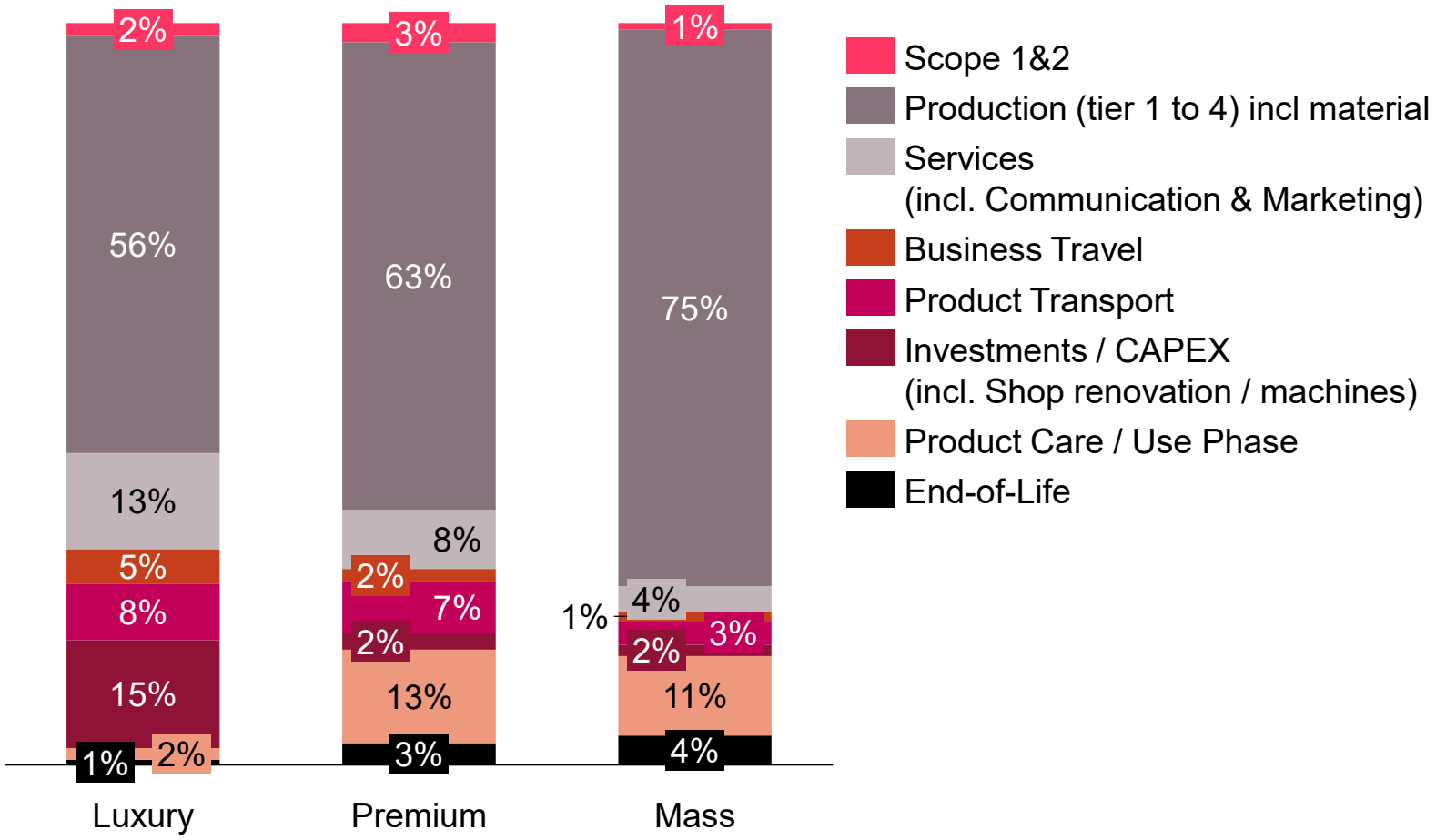


Material mix in ktonnes
(weighted by each brand's share)



Shared challenges and clear differences between segments

Emissions breakdown by value chain category
(indexed to 100, weighted by each actor's material volume)



Tiers 1 to 4: from raw material extraction to finished product manufacturing

Data excluding client travel

Across segments, shared challenges exist, like the need to decarbonise upstream activities—which account for 56% to 75% of emissions—but also key differences:

- **Luxury**: Communications, marketing, and retail stores have a larger impact.
- **Mass**: Production represents a relatively higher share of emissions compared to brand operations.
- The variations in material mix between segments explain part of the differences observed : the “Product care / Use phase” differences are partly due to the significant share of leather goods in luxury, requiring far less frequent washing

Pathways presentation
(Luxury – Mass – Premium)

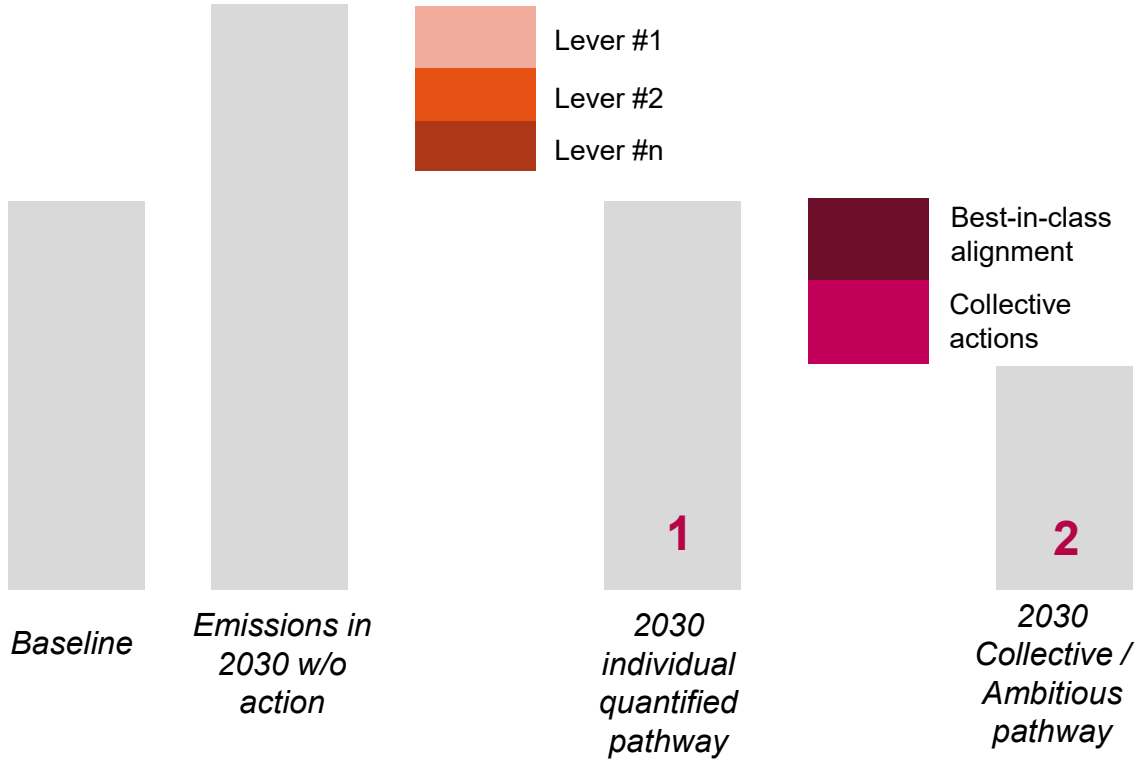
Pathways modelling

We have built 2 pathways per segment

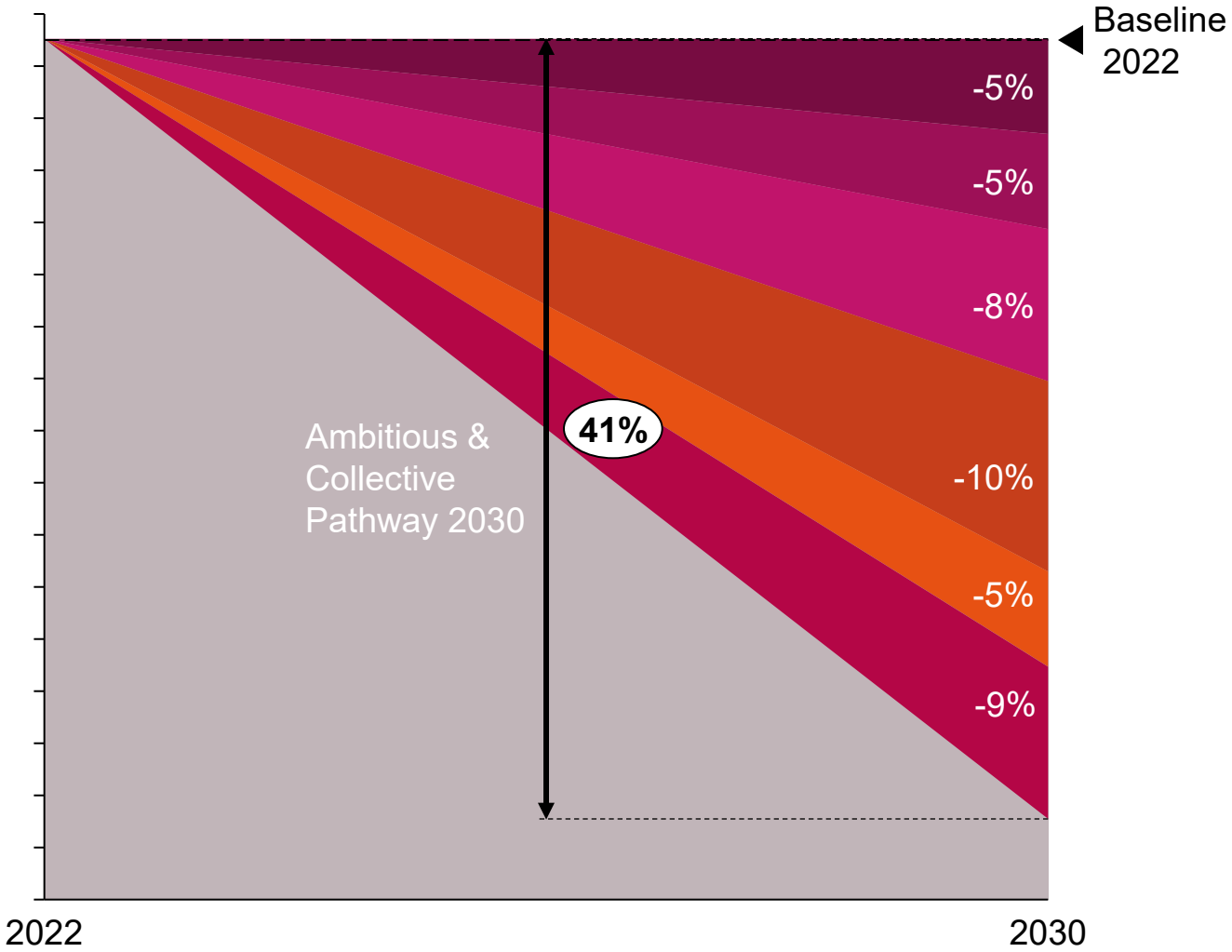
1. **“Individual Quantified pathway”**
   A consolidation and weighted average of participating brands’ commitments by topic.

2. **“Collective & Ambitious pathway”**
   Alignment with best practices through a knock-on effect, and collective actions.

Illustration of the target



Luxury Segment: The collective pathway sets an ambition of -41% emissions by 2030 in product intensity compared to 2022



- Baseline
- Decarbonisation of communication/marketing
- Decarbonisation of stores
- Decarbonisation of transport*
- Decarbonisation of production/sourcing (efficiency, energy mix)
- Optimisation of waste rate/material consumption
- Mix of lower impact materials

Main collective levers:

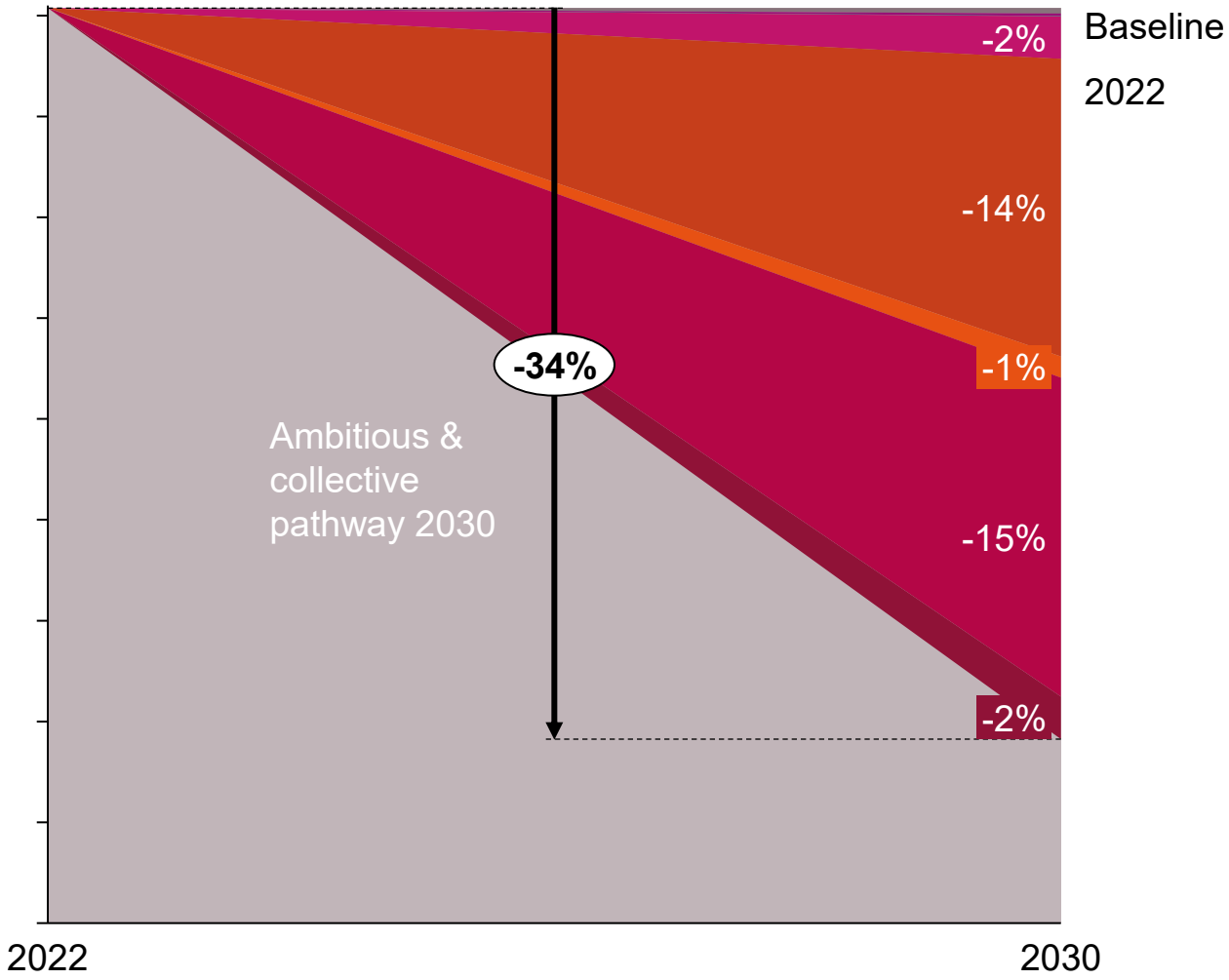
- Sharing best practices to align on best-in-class: optimisation of materials, communications, events, marketing, stores.
- Supporting the development and relocation of lower impact materials, such as the French linen sector (particularly the relocation of weaving)
- Accelerating the decarbonisation of production & material mix; notably by working on a common framework and recommendations.

NB: In response to the Paris Agreement, the EU Green Deal sets an absolute emissions reduction target of -55% vs 1990 (i.e. -42% vs 2022).

This corresponds to an equivalent reduction in intensity assuming constant volume

Transport includes upstream and downstream transport, business travel and commuting .

Mass Segment: The collective pathway sets an ambition of -34% emissions by 2030 in product intensity compared to 2022



- Baseline
- Decarbonisation of transport*
- Decarbonisation of production/sourcing (efficiency, energy mix)
- Optimisation of waste rate/material consumption
- Mix of lower impact materials
- Reduction of unsold products

Main collective levers:

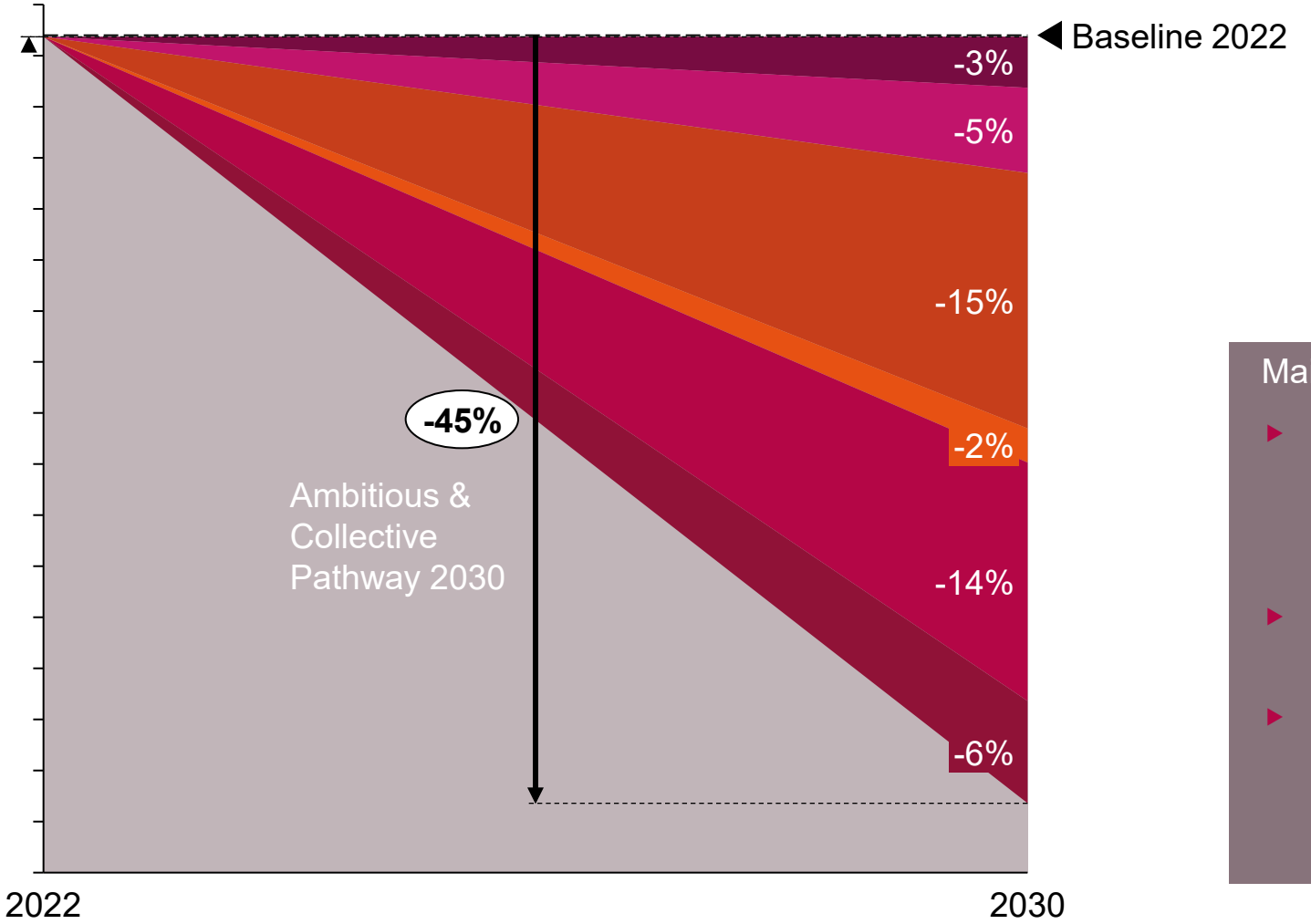
- Sharing best practices and aligning on supplier engagement (energy roadmaps, etc.); particularly by relying on the knock-on effect of the largest brands in terms of revenue towards SMEs and mid-sized companies in the sector.
- Working on measuring issues related to circularity - not taken into account at this stage, yet essential components for the decarbonisation of this segment - as they are difficult to quantify (displacement rate, side effects, etc.)
- Continuing to raise awareness and engage consumers to promote new circular business models.

NB: In response to the Paris Agreement, the EU Green Deal sets an absolute emissions reduction target of -55% vs 1990 (i.e. -42% vs 2022).

This corresponds to an equivalent reduction in intensity assuming constant volume.

Transport includes upstream and downstream transport, business travel and commuting .

Premium Segment: The collective pathway sets an ambition of -45% emissions by 2030 in product intensity compared to 2022.



- Decarbonisation of stores
- Decarbonisation of transport*
- Decarbonisation of production/sourcing (efficiency, energy mix)
- Optimisation of waste rate/material consumption
- Mix of lower impact materials
- Reduction of unsold products

Main collective levers:

- Reducing unsold inventory through offer rationalisation and improved industrial planning, to enable volume effects that improve end-of-life treatment and recovery of unsold products.
- Decarbonising suppliers by leveraging volume effect (identifying common suppliers, launching joint actions)
- Supporting the development and relocation of lower impact materials

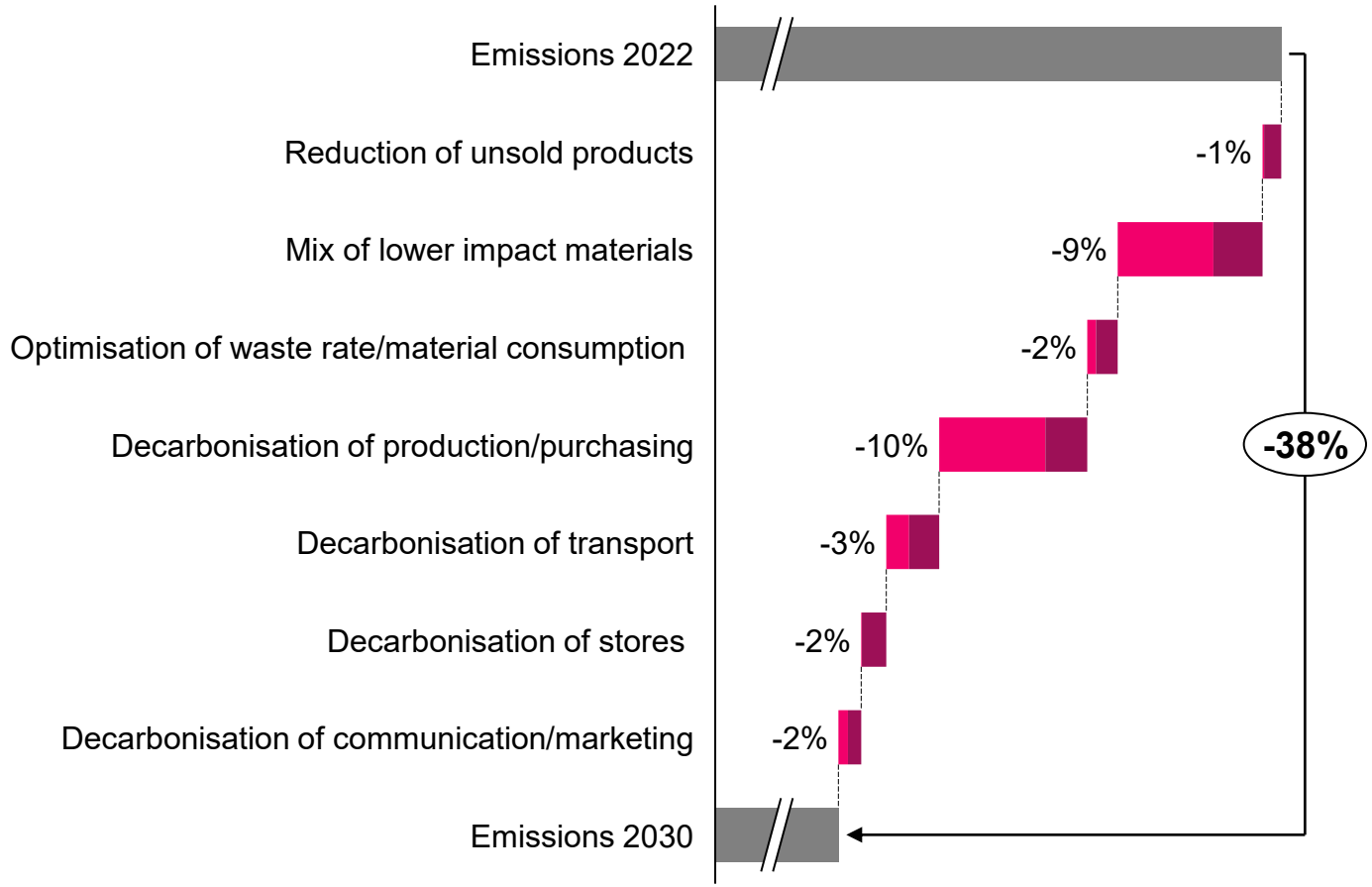
NB: In response to the Paris Agreement, the EU Green Deal sets an absolute emissions reduction target of -55% vs 1990 (i.e. -42% vs 2022).

This corresponds to an equivalent reduction in intensity assuming constant volume.

Transport includes upstream and downstream transport, business travel and commuting .

Collective efforts must enable a drastic reduction in carbon intensity by 2030

Carbon intensity evolution – all PGF segments
(carbon emissions per unit produced)



Upstream

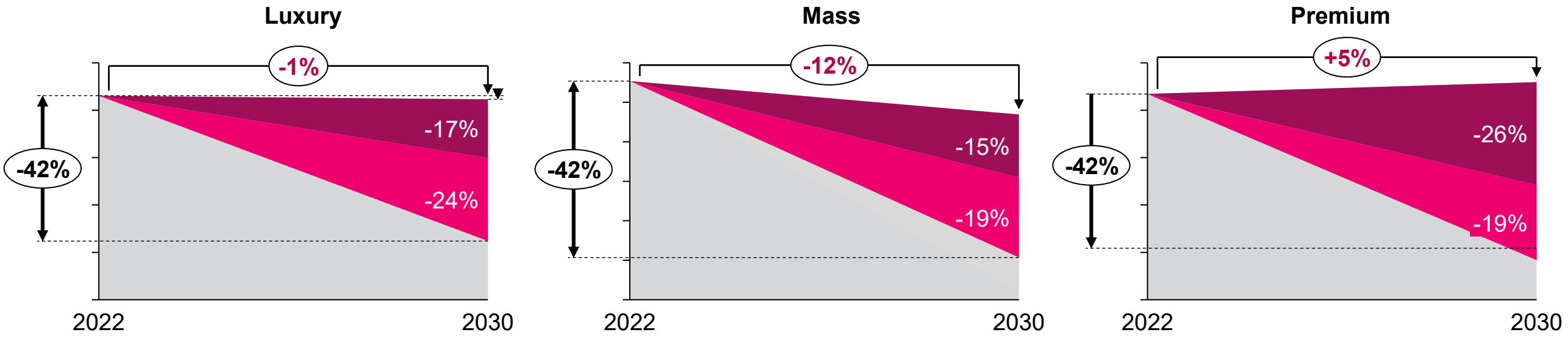
- 80% of decarbonisation challenges lie upstream in the value chain: lower-impact material mix, decarbonisation of production and sourcing.

Collective action as an essential catalyst

- **Individually**, brands' decarbonisation levers account for a **total 21% reduction.**
- **Collective** action enables an additional **17% reduction** in intensity through scale effects and momentum.
  - Working groups need to be launched for each collective levers.
  - Knowledge sharing to spread best-practice needs to be organised.

To meet the Paris Agreement's most ambitious goal of limiting global warming to 1.5°C, production volumes need to be controlled

Absolute carbon emissions reduction pathways compatible with the Paris Agreement



Legend :

Intensity Levers

Individual Collective

Volume Levers

-x% Maximum evolution of new product volumes

Reaching the Paris Agreement 1.5°C target (-42% in absolute terms) requires **stable volumes for luxury (-1%)**, **a decrease for mass (-12%)**, and **a contained increase for premium**, and will be made possible by **scaling up circular business models.**

Collaborative levers

Our work and workshops have highlighted four high-potential levers

To achieve this, 4 conditions / battles must be won:

Profitability and company buy-in	**Engaged consumers**
An appropriate measurement framework	**Reliable data**

For each of these pillars, we have identified the main challenges for 2030 and how collective action can address them.

Implementing these levers together, we will enable us to collectively achieve our ambitious 2030 pathways.

Challenges, role of collective action, and success factors by 2030

Objective	Concrete and collective levers	CO2 emissions reduction potential			PGF Actions (on-going and new potential initiatives)
		Luxury	Mass	Premium	
Decarbonise production	Decarbonise production from Tier 1 to Tier 4 (energy consumption and energy mix)	10%	15%	14%	Collectively contribute to the already established 'Reducing Manufacturing Impact' working group.
					Participate in the experiment proposed by ACE Énergie to optimise the energy efficiency of factories.
					Accelerate supplier decarbonisation beyond Tier 1 through collective action: shared data requests, pooled data collection, and joint decarbonisation plans. Action: Develop the common framework, map common suppliers (within the framework of anti-trust laws) and run a POC. Expected benefits: decarbonise the upstream value chain, improve traceability, facilitate data collection, facilitate benchmarking
	Optimisation of material use	5%	2%	1%	Work on optimising production scheduling to avoid material waste, move towards on-demand manufacturing (service provider to be confirmed).
Decarbonise product range	Promote low-impact materials	9%	15%	14%	Promote high-quality raw materials Promote responsible dyeing processes
	Collections: Create desire without overproducing — combining desirability, scarcity, and sustainability	-	2%	6%	Find the right balance between permanent and seasonal collections.
					Decoupling: shifting from a volume-based offering to a value-based offering.

Challenges, role of collective action, and success factors by 2030

Objective	Concrete and collective levers	PGF actions (on-going and new potential initiatives)
Promote durability & circularity	Measure to optimise durability	Continue the current initiative on extrinsic durability
		Raise awareness within brands about the impact differences based on weaving, dyeing, and finishing techniques.
	Achieve profitability for circular business models	Unlock circular business models implementation
		Support Extended Producer Responsibility (EPR) for textiles, clothing, and footwear.
		Collectively define a strategic sector plan: from linearity to circularity.
Drive company-wide decarbonisation	Define a unified emissions calculation method and a shared sector-wide framework	Develop a standardized framework to make a bridge between value chain emissions and decarbonisation levers (especially for scope 3.1) to complete established standards (GHG protocol, ACT Initiative) Expected benefits: accelerate climate action — ease the prioritization of the levers, share and benchmark the best practices, make it easier for less advanced companies to develop a carbon trajectory.
		Develop a standard for integrating durability and circularity into carbon reduction pathways
		Provide guidelines in the jungle of emissions factors
	Better understand the climate impact across the value chain	Create impact scenarios based on scientific data
	Invest in research to fill gaps and invent new pathways	Develop the Responsible Fashion Campus.
	Screen and secure transportation	Overcome barriers in maritime transport.
	Break down organisational silos	Deploy change management between Finance and CSR / Design and CSR / Communications and CSR.
	Communicate sustainably	Restart the working group on sustainable events and communications.
	Engage the consumer	Reduce use-phase impact by keeping products longer and washing/maintaining them better.
		Launch of the second public consultation.

Thank you for your attention