FASHION FORWARD:
Policy Pathways for a Biodiversity-Positive Transformation of the EU Fashion Sector

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Policy Perspective
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Introduction

The fashion sector plays a significant role in the European economy and cultural identity. As a global trendsetter and one of the world's top exporters, Europe's fashion system, comprising the fashion, textile and apparel industries, shapes consumption patterns far beyond its borders. This global reach, however, carries significant environmental costs. The fashion sector contributes to biodiversity loss through land use change, pollution and greenhouse gas emissions[1] linked to material extraction, fibre processing, production[2] and transport[3]. These pressures stem from a linear economic model built on continual growth and profit maximisation,[4] driven by overproduction, fast-fashion business models and resource-intensive consumption patterns.[5] Recent evidence shows that direct drivers of biodiversity loss are compounded by indirect ones, such as economic structures, consumer culture and governance gaps, that lock the system into unsustainable trajectories.[6]

The fashion sector also mirrors the inequities embedded in globalized production systems. Concentrated in low- and middle-income countries, supply chains reproduce patterns of social and gender inequality, with women forming most of the low-paid and unprotected workforce.[7] Fragmented and opaque supply chains further obscure where environmental and social costs occur, weakening accountability and traceability. As such, the fashion sector has become emblematic of the wider sustainability and justice challenges of global value chains, linking environmental degradation, labor exploitation and unequal value distribution.[8]

The IPBES Transformative Change Assessment identifies that "fundamental, system-wide shifts in views, structures and practices" are needed to address biodiversity loss, including by transforming the industries and sectors that contribute most to it.[9] As a leader in sustainability and a key player in shaping global fashion, the European Union (EU) is well positioned to create the enabling conditions for such transformation through coherent policy levers.

Current Policy Measures

The EU has adopted an ambitious agenda to reduce the environmental footprint of the fashion sector. The EU Strategy for Sustainable and Circular Textiles (2022), the EU Industry Strategy (2021) and the EU Bioeconomy Strategy (2018) together aim to strengthen supply-chain transparency, improve product information for consumers and increase producer responsibility for textile waste, while mobilizing finance for innovation and circular business models. Legally binding instruments (including the Ecodesign for Sustainable Products Regulation, the Corporate Sustainability Reporting Directive and the Waste Framework Directive) translate these ambitions into enforceable obligations for companies placing products on the EU market.

Despite these advances, biodiversity remains under-represented in existing measures. Current frameworks focus primarily on carbon, waste and toxicity indicators, with limited attention to the sector's specific impacts on ecosystems and nature overall. Implementation and enforcement also remain uneven, with risks of greenwashing undermining consumer trust and genuine progress. Achieving a biodiversity-positive transformation will require complementing current measures with additional policy interventions that align circularity,[*] sustainability and biodiversity objectives.

Evidence and Analysis

The analysis in this brief draws on evidence generated through the Horizon Europe project PLANET4B and recent academic research on biodiversity-positive transformation in the fashion sector. An in-depth review by Navarro-Gambín and others maps both direct and indirect drivers of biodiversity loss in fashion value chains, from land-use change and pollution to overproduction and fast-fashion dynamics, and highlights barriers to transformative change such as the prevailing ideology of economic growth, weak enforcement, fragmented governance and the general absence of biodiversity metrics guiding businesses and public institutions. Complementary PLANET4B system-mapping and expert workshops identified leverage points for change across the sector's rules, incentives, and information flows.[10,11] These findings point to the need for deep structural shifts that address not only technologies and materials but also governance, incentives and social norms.

Cross-sector insights from other PLANET4B briefs, particularly the brief on seeds and agrobiodiversity,[12] show that combining binding regulation with voluntary measures, improving coherence across Directorates-General, and grounding EU action in justice and inclusion can make sustainability transitions more effective. Together, these analyses inform the five challenges and corresponding policy options below – as strategic entry points for reducing the fashion sector's pressures on biodiversity in ways that are fair, inclusive and globally coherent.

[*] Following a UNEP definition of circularity: "The circular economy is one in which the value of products, materials and resources is maintained in the economy for as long as possible, and the generation of waste is minimized. This is in contrast to a 'linear economy', which is based on the "extract, make and dispose" model of production and consumption." UNEP, International Resource Panel. *Glossary*. https://www.resourcepanel.org/glossary. Accessed 6 Nov. 2025.

Challenges and Policy Options

Addressing the fashion sector's impact on biodiversity requires tackling the structural barriers that keep production and consumption locked into unsustainable patterns.

The five policy challenges and corresponding options below identify where EU policy can most effectively catalyse a biodiversity-positive transformation of the fashion system. Each challenge highlights an area where reinforcing or better aligning existing instruments, from design and trade to agriculture and finance, could drive deep, fair and lasting change.

Challenge	Policy Option
1. Reorienting the fashion sector towards sufficiency and well-being within planetary boundaries (Kunming–Montreal Global Biodiversity Framework (GBF) Target 16, Sustainable Development Goal 12, IPBES Transformative Change Assessment)	• Exploring EU-wide targets or benchmarks for reducing the absolute volume of new textile production and consumption, in line with the Waste Framework Directive review, would signal a shift towards sufficiency while maintaining cooperation with supplier countries to support fair transitions. (DG ENV, DG GROW, DG TRADE, DG INTPA, Member States) • Setting sustainability, minimum durability and repairability requirements under the Ecodesign for Sustainable Products Regulation (ESPR) would extend product lifetimes and reduce throughput. (DG GROW, ENVI/IMCO Committees, CEN/CENELEC) • Encouraging Member States to use the flexibility under the VAT Directive to apply reduced rates for repair, leasing and second-hand goods would incentivise sufficiency-oriented consumption. (DG TAXUD, ECOFIN Council) • Restricting or regulating marketing practices that promote fast fashion consumption — for instance, limiting public-space advertising and discount-driven campaigns — would help curb demand stimulation inconsistent with SDG 12. (DG JUST, national consumer-protection authorities) • Embedding repair and reuse infrastructure in Cohesion Policy and LIFE funding would improve access and affordability. (DG REGIO, CINEA, Member States)
2. Aligning circular economy and biodiversity objectives across EU fashion policies (GBF Targets 14 and 15, IPBES Transformative Change Assessment)	• Introducing differentiated sustainability criteria under the Ecodesign for Sustainable Products Regulation (ESPR) and exploring tariff adjustments or import restrictions for high-impact fibres under the EU Common Customs Tariff would discourage unsustainable material use and reward biodiversity-positive alternatives. (DG GROW, DG TAXUD, DG TRADE) • Integrating biodiversity criteria and indicators into ESPR product requirements and the Digital Product Passport (DPP) would make nature impacts visible at product level. (DG GROW/ENV, CEN/CENELEC, EEA) • Revising the European Sustainability Reporting Standards (ESRS) under CSRD to include mandatory biodiversity risk and dependency disclosures would align corporate reporting with nature outcomes. (DG FISMA, EFRAG) • Developing EU-wide biodiversity metrics for the fashion sector through the EEA would harmonise measurement and facilitate alignment with the GBF monitoring framework. (EEA, DG ENV)

Challenge	Policy Option
3. Ensuring enforcement, transparency and accountability (Aarhus Convention on Access to Information, UN Guiding Principles on Business and Human Rights)	• Harmonising and enforcing Digital Product Passport (DPP) requirements under ESPR would improve traceability and oversight. (DG GROW/ENV, Market Surveillance Authorities, Member States) • Re-tabling and adopting a robust Green Claims Directive would deter misleading environmental and biodiversity claims. (DG ENV/JUST, European Parliament ENVI Committee) • Allocating Single Market Programme funds to strengthen national inspectorates and accredited auditors for ESPR/CSRD compliance would improve enforcement capacity. (DG GROW/JUST, Member States)
4. Enabling an agroecological and fair transition in fibre-production systems (GBF Targets 10 and 18, FAO Framework on Biodiversity for Food and Agriculture, ILO Decent Work Agenda)	• Scaling eco-schemes and agri-environment-climate measures under the Common Agricultural Policy (2023–2027) for low-impact fibre crops would reward on-farm transitions. (DG AGRI, Member State CAP Strategic Plans) • Encouraging Member States to reward verified agroecological and biodiversity-positive fibre production through CAP eco-schemes or State-aid measures consistent with Regulation (EU) 2022/2472 would incentivise sustainable practices while ensuring WTO compliance. (DG AGRI, DG COMP, national agriculture ministries, certification bodies) • Mobilising NDICI—Global Europe and Global Gateway finance to support biodiversity-positive fibre production and just transitions in supplier countries would prevent burden-shifting. (DG INTPA, DG TRADE, EU Delegations, EIB) • Updating Green Public Procurement criteria to favour verified biodiversity-positive textiles would create EU demand-pull. (DG GROW/ENV, national procurement agencies)
5. Building coherence and capacity for transformative change across value chains (GBF Target 19, IPBES Transformative Change Assessment)	• Establishing an inter-Directorate-General Fashion and Biodiversity Task Force would align ESPR, CSRD, CAP, trade and development levers. (Secretariat-General, DG ENV, GROW, AGRI, TRADE, INTPA). • Establishing an EU SME compliance and design support facility for ESPR/CSRD/DPP (via Enterprise Europe Network and national helpdesks) would reduce compliance burdens and speed adoption of biodiversity criteria. (DG GROW, REA, Member States) • Creating a dedicated LIFE and Horizon Europe funding window for SMEs to integrate biodiversity in design and reporting would accelerate innovation uptake. (CINEA, REA, Member States) • Embedding biodiversity literacy and behavioural modules in Digital Product Passport interfaces and EU sustainable consumption campaigns would translate information into action. (DG JUST/ENV, EEA, consumer organizations)

Cross-cutting principle: Justice, inclusion and plural pathways of change

Transforming the fashion sector for biodiversity and well-being requires recognising diversity in people, knowledge and power. Justice and inclusion are not separate aims but the conditions for transformation, as underscored by recent research emphasising the importance of plural, context-specific pathways for systemic change. This calls for participation that genuinely shapes design and decision-making, while addressing intersecting inequalities of gender, ethnicity, class, ability and geography across global value chains.

Plural ways of knowing, including artistic, scientific, local, Indigenous and traditional knowledge systems, should inform how sustainability and well-being are defined, practised and measured, both within the EU and in its partner countries. Learning, collaboration and agency must connect actors across the value chain, from designers and producers to workers, consumers and policymakers, through transparent and adaptive governance. Implementing this principle aligns with GBF Target 22 on inclusive and participatory decision-making, the EU Gender Action Plan III, the UN Declaration on the Rights of Indigenous Peoples and the ILO Decent Work Agenda.
When justice, plural knowledge and collective learning move together, the transition towards a biodiversity-positive fashion sector becomes not only effective, but also fair, legitimate and durable.

Conclusions

The evidence is clear: The fashion sector cannot contribute to a biodiversity-positive future without confronting its structural dependence on overproduction and overconsumption. The policy options under Challenge 1, reorienting the sector towards sufficiency and well-being within planetary boundaries, are therefore pivotal. They redefine success away from volume and speed towards durability, care and shared value.

Implementing these measures would also make the rest possible: Circular-economy tools could serve real reduction goals, biodiversity metrics could capture genuine improvement, and agroecological production and fair-work transitions would have space to thrive. In short, sufficiency is the precondition for coherence.

By adopting this systemic approach of reducing absolute throughput while embedding justice, inclusion and learning across all levels of governance, the EU can turn its role as a global fashion leader into proof that competitiveness and responsibility can reinforce, rather than contradict, one another. Acting on these challenges together would mark a decisive step towards aligning Europe's cultural influence, economic ambition and ecological sustainability.

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understanding **P**lural values, intersectionality, **L**everage points, **A**ttitudes, **N**orms, behaviour and social l**E**arning in **T**ransformation for **B**iodiversity decision making

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