Powering change: Our energy use 2025

Introduction

Our focus is to contribute to the limiting of global warming to 1.5°C In line with the Paris Agreement.
We commit to reducing absolute greenhouse gas (GHG) emissions across our operations and supply chain and reducing the use of non-renewable energy across our operations and supply chain.

This document provides an update to last year's energy report, presenting our 2025 data and outlining the continued progress of our transition toward renewable energy across our value chain. For additional information, including our targets and actions, please see **last year's report**.

Own operations.
We matched **95 percent** of our electricity use with renewable sources—slightly lower than 2024 due to updated RE100 criteria that limited credible matching in some markets (e.g., Romania and Serbia), while we began matching in Australia. We expanded our portfolio to **10 active PPAs** (four new in Sweden and one in the USA), raising the share of electricity matched through newbuild PPAs to **49 percent** (from 20% in 2024). Store electricity intensity is now **32 percent lower** than our 2016 baseline.

Supply chain energy data and mix.
We adopted the Apparel Impact Institute's Energy & Carbon Benchmark Calculator, resulting in a **~30 percent adjustment** that better aligns modelled energy use with factorylevel data while maintaining consistent trends over time. Improved traceability reduced "unknown energy" to **16 percent** (from 27 percent in 2024). In 2025, about **67 percent** of energy came from fuels and **16 percent** from electricity (with the remaining share currently estimated as electricity); fossil gas remains dominant across several key markets, and in Mainland China a large portion of energy comes via purchased steam, primarily generated from coal and fossil gas.

Coal phaseout.
By the end of Q3 2025, only **10 supplier factories** reported onsite coal use—down from **118 in 2022**—demonstrating strong momentum toward our **end 2026** full phaseout aim.

Energy use in our own operations

Across our own operations, we use energy to power our stores, warehouses, offices and company cars.
In 2025, we sourced renewable electricity equivalent to 95 percent of the electricity used in our operations, which is a small decrease compared to 2024. This was due to updated RE100 criteria preventing us from continuing to match use with renewable electricity in Romania and Serbia. Meanwhile we began matching renewable electricity with the use in Australia.

We continued to advance our efforts to match use with renewable electricity for our operations in more impactful ways. In 2025, we expanded our portfolio of power purchase agreements (PPAs) with new renewable electricity generation, and four new PPAs in Sweden and one in the USA came online, bringing our total to 10.

For 2025 the share of electricity matched through PPAs with new generation increased significantly to 49 percent, up from 20 percent in 2024.

Electricity intensity in our stores (kWh/m² and opening hour) has decreased by 32 percent compared with the 2016 baseline.

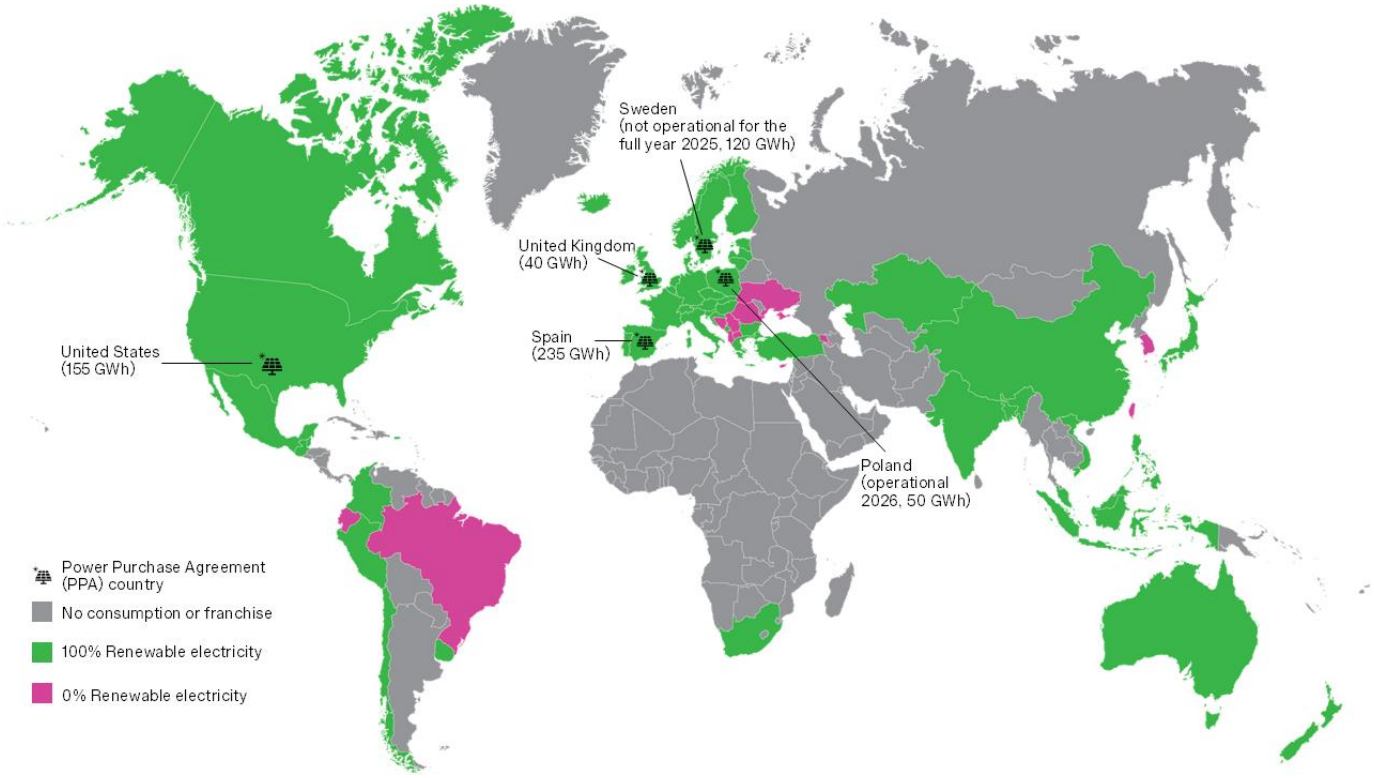
Energy consumption and mix in our operations

Energy consumption and mix in own operations	2025	2024	2023	2019
Total fossil energy consumption (MWh)	**147,347**	**153,899**	**177,540**	**227,826**
Percentage of fossil sources in total energy consumption (%)	13	13	15	13
Total fossil fuel consumption (MWh)	**78,535**	**77,844**	**78,426**	**109,413**
Fuel consumption from coal and coal products (MWh)	0	0	0	0
Fuel consumption from crude oil and petroleum products (MWh)	11,304	13,266	12,714	17,567
Fuel consumption from natural gas (MWh)	67,231	64,578	65,712	91,846
Fuel consumption from other fossil sources (MWh)	0	0	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)[1]	68,812	76,055	99,114	118,414
Consumption from nuclear sources (MWh)	**8,205**	**N/A**	**N/A**	**N/A**
Percentage of consumption from nuclear sources in total energy consumption (%)	1	N/A	N/A	N/A
Total renewable energy consumption (MWh)	**991,316**	**1,019,965**	**1,041,762**	**1,593,835**
Percentage of renewable sources in total energy consumption (%)	86	87	85	87
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	0	0	0	0
The consumption of self-generated non-fuel renewable energy (MWh)	6,187	5,823	4,771	0
Consumption of purchased or acquired electricity heat, steam, and cooling from renewable sources (MWh)	985,129	1,014,142	1,036,991	1,593,835
Renewable energy production (in MWh)	6,199	5,843	4,771	0
Total energy consumption (MWh)	**1,146,868**	**1,173,864**	**1,219,302**	**1,821,661**
Total energy consumption for activities in high climate impact sectors[2](MWh)	1,146,868	1,173,864	1,219,302	1,821,661
Total electricity consumption in own operations (MWh)	1,040,986	1,073,674	1,118,172	1,660,243
Share of renewable electricity in own operations (%)	95	96	94	96
Share of electricity from power purchase agreements with new renewable electricity generation (%)	49.8	19.6	10.2	0.0

1. Prior to 2025, the consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh) includes all non-renewable energy.
2. All activities classified as European Union (NACE): G47.5 – Retail sale of other household equipment in specialised stores.

Electricity data is in final energy, while fuel data is in primary energy.

Electricity and renewables across our operations



In 2025, we did not match electricity used with renewables in 14 markets. In Albania, Georgia, Cyprus, Kosovo, North Macedonia, Bosnia Herzegovina, Ecuador, Ukraine, South Korea, Romania and Serbia there were no RE100 approved certification systems in place – or no certificates were available to us from these systems, meaning it's not possible to do the matching in a robust and credible way. In Singapore and Taiwan, the cost and access to renewable electricity certificates are prohibitive. Brazil is a new market, and we expect to match there coming years.

Energy use in textile and garment production

The different stages of textile production are the largest contributors to our energy use, with most consumption occurring in fabric production (tier 2 and 3). Dyeing and finishing, typically in tier 2, are the most energy intensive steps, followed by spinning, knitting and weaving (tier 2 or 3). Cutting and sewing in tier 1 use relatively little energy.

During 2025, we increased our traceability and expanded our energy reporting scope to include home-textiles and textile accessories. The energy reporting has been extended to include most tier 3 suppliers across both garments and textiles. These improvements have been applied to historical years as well as to 2025. Where historical data has not been available, energy use has been retrospectively estimated to represent this.

Updated database for expected energy use from production processes

GHG emissions from textile and garment production are calculated by combining the expected energy use of all production processes with site-specific data on energy efficiency and carbon intensity (g CO_2e/MJ). In 2025, we updated the dataset used for estimating energy consumption for each production process, shifting to the **Energy and Carbon Benchmark Calculator** from the Apparel impact institute (Aii). This dataset provides up-to-date energy benchmarks for a wide range of production processes and sites, giving us a more accurate view of energy use across our supply chain.

With the implementation of this benchmark into our emissions and energy calculations, we see a significantly lower overall energy consumption – around 30% - as compared to our previous assessment, but the energy use, and emission trends remain consistent over time. Historical energy data and emissions have also been updated to reflect this change. The updated results now align more closely with energy consumption reported directly by supplier sites and reduce the risk of double-counting.

All energy data in the table below reflects our share of the energy used by supplier factories, which also produce for other brands.

Total energy consumption in 2025 by all suppliers in textile and garment production supply chain

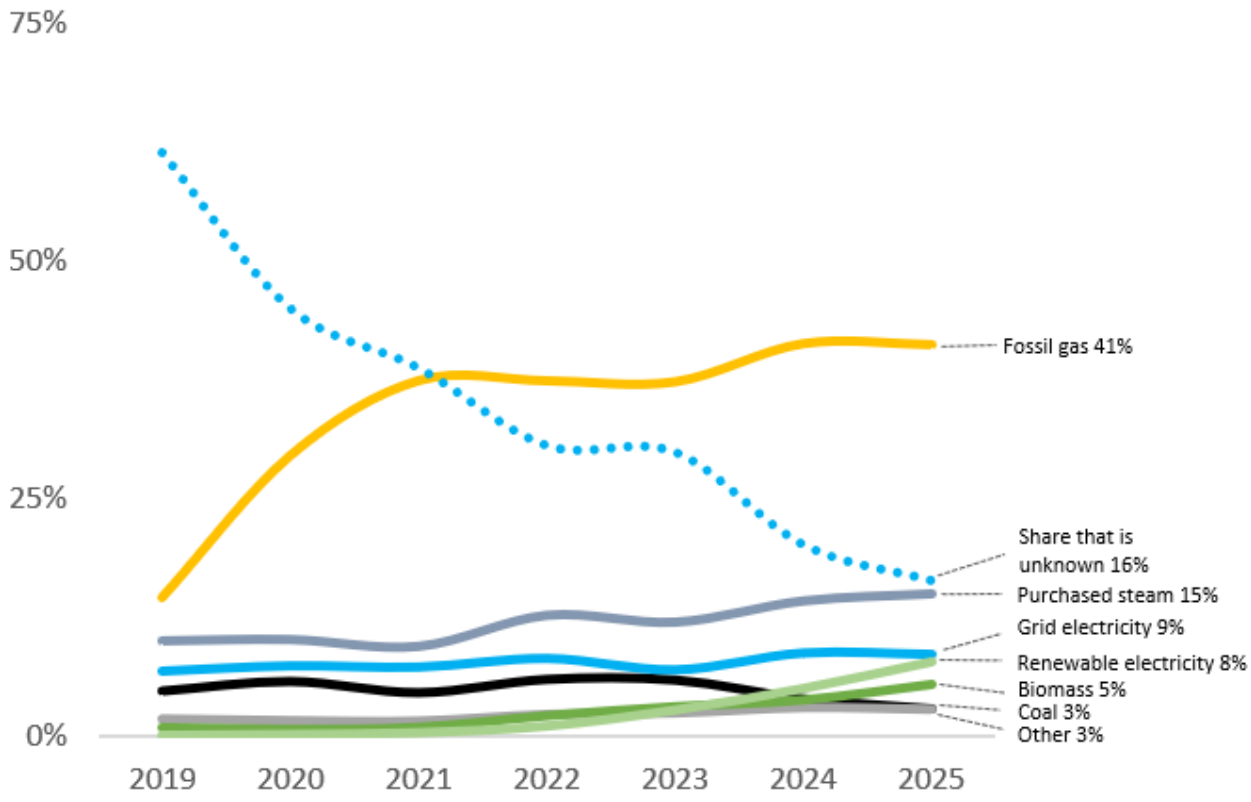
(tier 1, 2 and 3)

Production market	Total energy consumption (MWh)	%	Of which are fuels (MWh)	%	Of which is electricity (MWh)	%	Of which is unknown, and therefore estimated (MWh)	%
Bangladesh	2 777 425	40%	2 370 510	85%	148 346	5%	258 569	9%
Mainland China	2 444 875	36%	1341243	55%	578 366	24%	525 267	21%
India	552 308	8%	290 392	53%	160 583	29%	101333	18%
Pakistan	280 988	4%	178 315	63%	19 743	7%	82 930	30%
Türkiye	321521	5%	193 057	60%	55 210	17%	73 254	23%
Indonesia	243 139	4%	140 658	58%	88 920	37%	13 562	6%
Vietnam	140 770	2%	72 425	51%	40 737	29%	27 608	20%
Myanmar	25 332	0,4%	14 119	56%	3 649	14%	7 563	30%
Cambodia	9 698	0,1%	4 899	51%	4 164	43%	635	7%
Others	71722	1%	6 529	9%	28 237	39%	36 955	52%
TOTAL	**6 867 777**	-	**4 612 147**	**67%**	**1 127 954**	**16%**	**1 127 676**	**16%**

Electricity data is in final energy, while fuel is in primary energy. Others include Italy, Taiwan region and Portugal, amongst many smaller production markets.

In textile and garment production, about 67 percent of the energy comes from fuels, 16 percent from electricity and the remaining 16 percent is currently unknown and estimated as electricity.

Energy source trends in textile and garment supply chain (tier 1, 2 and 3)



Electricity data is in final energy, while fuel is in primary energy.

Improved traceability has enabled more accurate tracking of our supplier's energy sources, bringing the share of "unknown energy" down to 16 percent in 2025 compared with 27 percent in 2024.

Fuel use in textile and garment production

Fuel sources vary across key production markets and are dependent on the characteristics of each country's energy system.

Table below breaks down fuel use by source across our production markets.

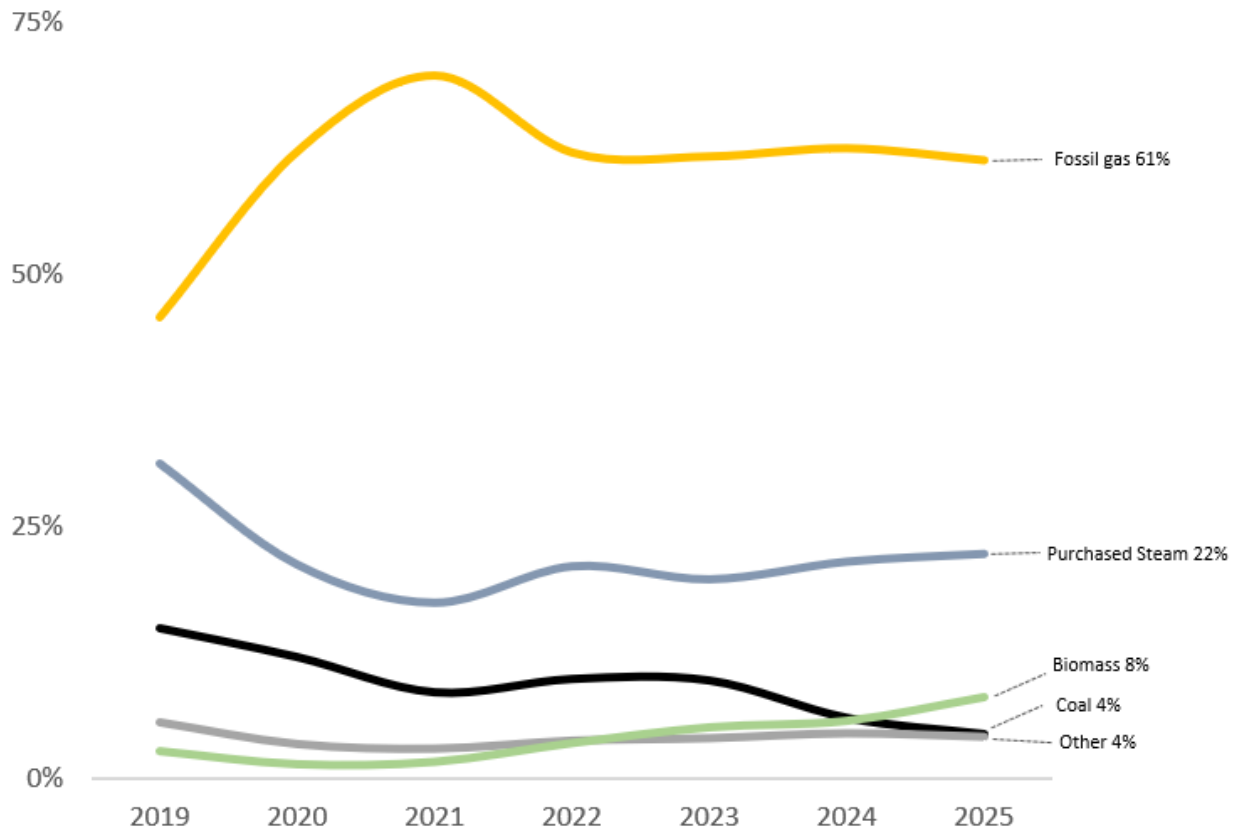
Total fuel consumption in 2025 by all suppliers in textile and garment production supply chain (tier 1, 2 and 3).

Production market	Total fuel energy consumption	%	Purchased steam (MWh)	%	Fossil gas LNG, CNG (MWh)	%	Coal (MWh)	%	Renewable fuels (MWh)	%	Other fuels (MWh)	%
Bangladesh	2 370 510	51%	411	0%	2 223 764	94%	-	0%	30 538	1%	115 797	5%
Mainland China	1341243	29%	997 336	74%	326 348	24%	-	0%	8 265	1%	9 294	1%
India	290 392	6%	4 952	2%	14 161	5%	97 029	33%	149 536	51%	24 714	9%
Pakistan	178 315	4%	17 967	10%	109 923	62%	-	0%	30 514	17%	19 911	11%
Türkiye	193 057	4%	2 996	2%	146 461	76%	17 714	9%	21665	11%	4 222	2%
Indonesia	140 658	3%	-	0%	1135	1%	83 708	60%	52 100	37%	3 714	3%
Vietnam	72 425	2%	8	0%	-	0%	121	0%	70 842	98%	1453	2%
Myanmar	14 119	0,3%	-	0%	0	0%	-	0%	6 694	47%	7426	##
Cambodia	4 899	0,1%	882	18%	-	0%	-	0%	3 336	68%	681	14%
Others	6 529	0,1%	336	5%	5 548	85%	-	0%	367	6%	278	4%
TOTAL	**4 612 147**	**-**	**1024 888**	**22%**	**2 827 340**	**61%**	**198 572**	**4%**	**373 858**	**8%**	**187 490**	**4%**

Purchased steam is in final energy, while the other fuels are in primary energy.

Fossil gas remains the dominant fuel in our supply chain, especially in Bangladesh, Türkiye and other production markets. Suppliers rely on it to generate both steam and electricity. In Mainland China, the largest share of energy comes from purchased steam, which is produced at centralized facilities, typically powered by coal (about three quarters) and fossil gas (the remaining quarter).

Fuel source trends in textile and garment production supply chain (tier 1, 2 and 3).



By the end of Q3 2025, 10 of our suppliers' factories in Tier 1, 2, and 3 reported the use of on-site coal, down from 118 in 2022, showing strong progress toward our aim of full phase-out by the end of 2026.

Electricity use in textile and garment production

Electricity is used across our textile and garment supply chain for running machinery, powering lighting and air-conditioning, and in some cases generating steam for production processes.

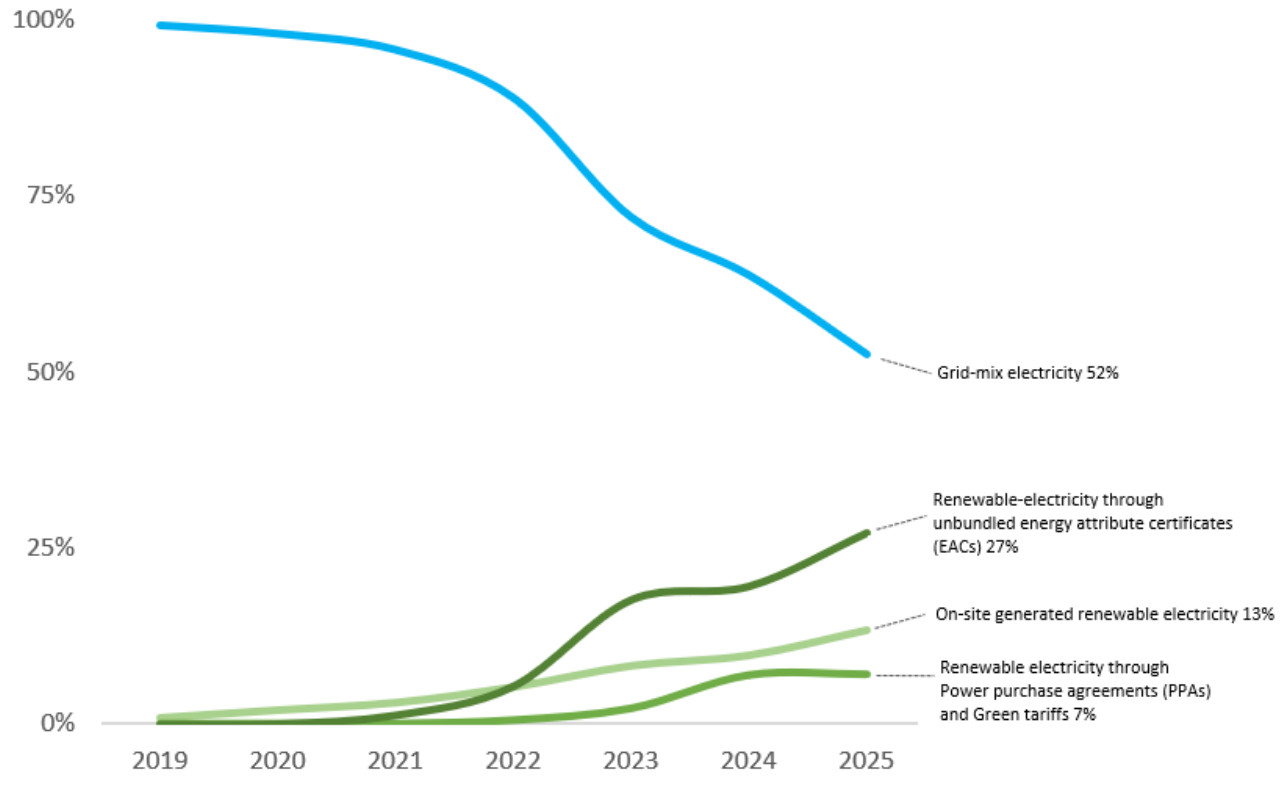
Electricity can come from both renewable and non-renewable sources. Traditionally, coal and fossil gas have dominated electricity generation, but these finite fuels drive significant greenhouse gas emissions. In regions with unreliable or limited grid infrastructure, suppliers often generate electricity onsite using fossil fuels. Shifting to renewable sources such as solar or wind is therefore essential to meet our climate targets.

Total electricity use in 2025 by all suppliers in textile and garment production supply chain (tier 1, 2 and 3).

Production market	Total electricity consumption (MWh)	%	Grid-mix electricity (MWh)	%	Renewable electricity through unbundled energy attribute certificates (EACs) (MWh)	%	Renewable electricity through Power purchase agreements (PPAs) and Green	%	On-site generated renewable electricity (MWh)	%
Bangladesh	148 346	13%	87 380	59%	48 045	32%	-	0%	12 922	9%
Mainland China	578 366	51%	262 345	45%	197 375	34%	64 443	11%	54 203	9%
India	160 583	14%	82 044	51%	12 087	8%	11731	7%	54 721	34%
Pakistan	19 743	2%	13 507	68%	1670	8%	-	0%	4 566	23%
Türkiye	55 210	5%	19 036	34%	17 449	32%	3 023	5%	15 701	28%
Indonesia	88 920	8%	80 408	90%	8 282	9%	-	0%	229	0%
Vietnam	40 737	4%	18 805	46%	17 857	44%	-	0%	4 075	10%
Myanmar	3 649	0,3%	3 649	100%	-	0%	-	0%	-	0%
Cambodia	4 164	0,4%	3 042	73%	774	19%	-	0%	348	8%
Others	28 237	3%	20 865	74%	1704	6%	1208	4%	4 460	16%
TOTAL	**1 127 954**	**-**	**591080**	**52%**	**305 243**	**27%**	**80 405**	**7%**	**151226**	**13%**

This does not include unknown energy consumption assumed to be electricity.

Electricity sourcing trends in textile and garment production supply chain (tier 1, 2 and 3).



We continue to see an increase in the share of electricity matched with renewable sources, both through purchased sourcing methods and on-site generation. This reflects our ongoing efforts to support suppliers in adopting renewable energy, including the development of on-site solar PV and long-term agreements such as PPAs.

Summary

2025 strengthened our foundation for our energy transition. In operations, we prioritised more impactful sourcing, maintaining renewable electricity coverage and seeing a significant increase delivered from PPAs. In the supply chain, upgraded benchmarks improved data integrity and we have continued to increase traceability. Progress towards on-site coal phase-out accelerated, with few remaining sites.

This shortened energy use update reflects our 2025 data and progress across our value chain. For more information about our targets, strategy and actions, please see **last year's report** .

2026 will see a continued focus on phasing on-site out coal, improving energy efficiency and the uptake of renewables, while working with policymakers to improve access to renewables and lay the foundation for electrification.