

Moving the needle:

How to set bold climate targets to drive transformation in the fashion sector



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**| Now...
| How about you?**



Quantis

science — business

Building the bridge between the **science of sustainability** to its **application in business**

Today's webinar

- 1 Why** the apparel + footwear sector
- 2 What** the target-setting journey looks like
- 3 How** the Apparel + Footwear Sector SBT Guidance supports your entire process
- 4 ASICS's** climate target-setting journey
- 5 Hurdles** between you and your targets



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The apparel sector has a **significant environmental footprint** and the sector is **growing fast**.

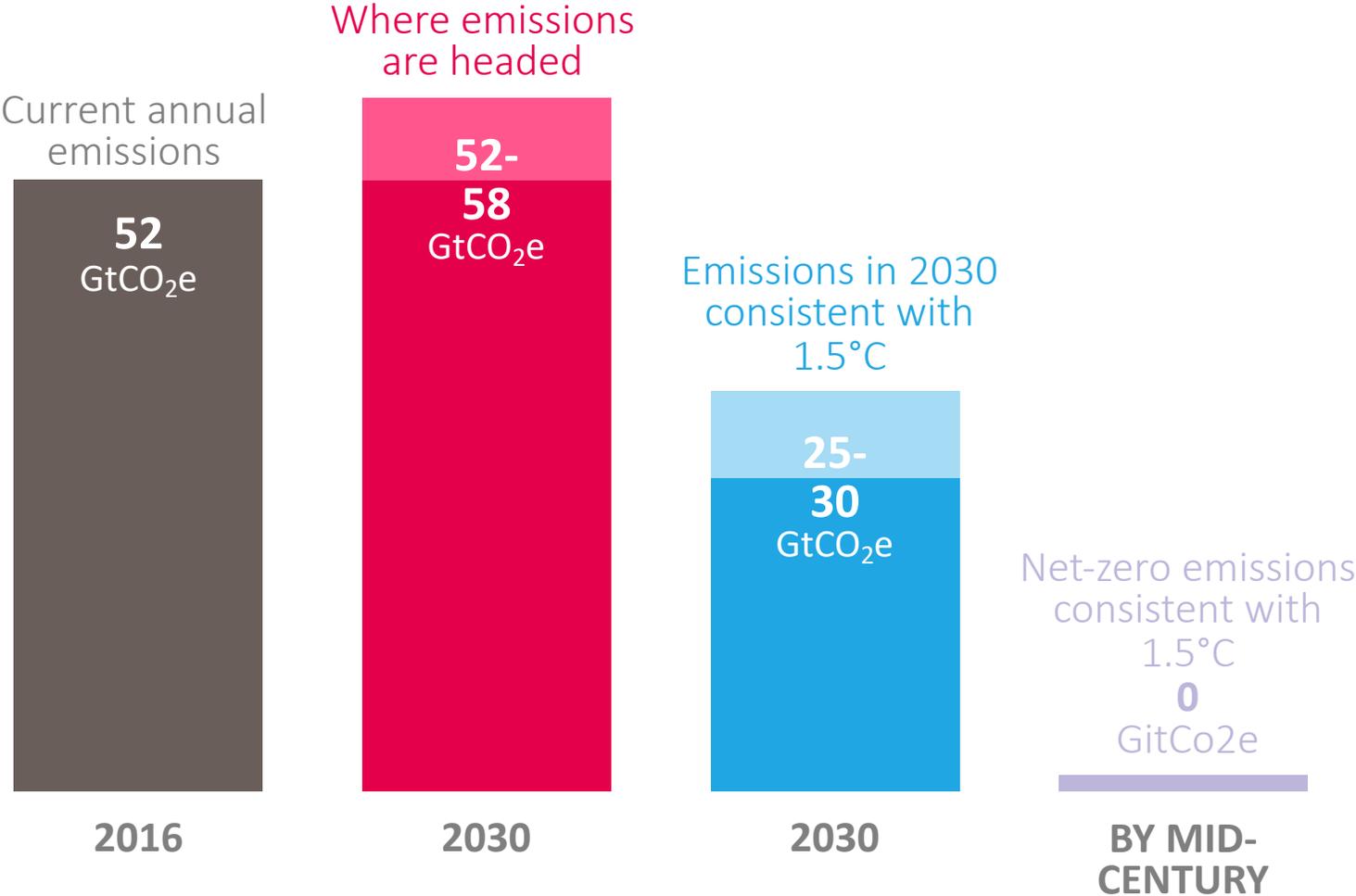
8%
of the world's **GHG emissions** come from apparel + footwear.

([Measuring Fashion](#), 2018)

The **fast fashion** segment has grown by **more than 20%** in the last **3 years**.

([The State of Fashion](#), 2018)

The world is not on track to limit global warming by 2050.
We need to do more... and quickly!





Apparel is heeding the call for change.

Brands are starting to **take ownership** of their environmental contribution and are looking for ways to **reduce their impacts and risks.**

It's time to take the leap!

Circularity is part of the solution. It gets a lot of attention...

...but **is it enough** to reach the emission reductions needed?
Are we focusing on the right impacts?

Circularity may, at best, achieve

10%

of the emission reduction
needed in the apparel value chain.

([Measuring Fashion](#), 2018)

The industry is coming together and committing to **science-based** sustainability

UN Fashion Industry Charter for Climate Action



Aligns with the goals of the Paris Climate Change Agreement and moves towards net-zero emissions by 2050



Provides recommendations and case studies for apparel and footwear companies to set SBTs

FASHION PACT



Unites the fashion sector on three key objectives: climate, biodiversity and oceans



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Science-based target setting is what the planet needs – it is also good for business



Leadership

Recognized for heeding the call to tackle climate change to protect the planet and the apparel industry



Risk mitigation

Actively addressing business risks along the value chain



Sustainable business growth

Customer pressure, raw material availability, brand recognition



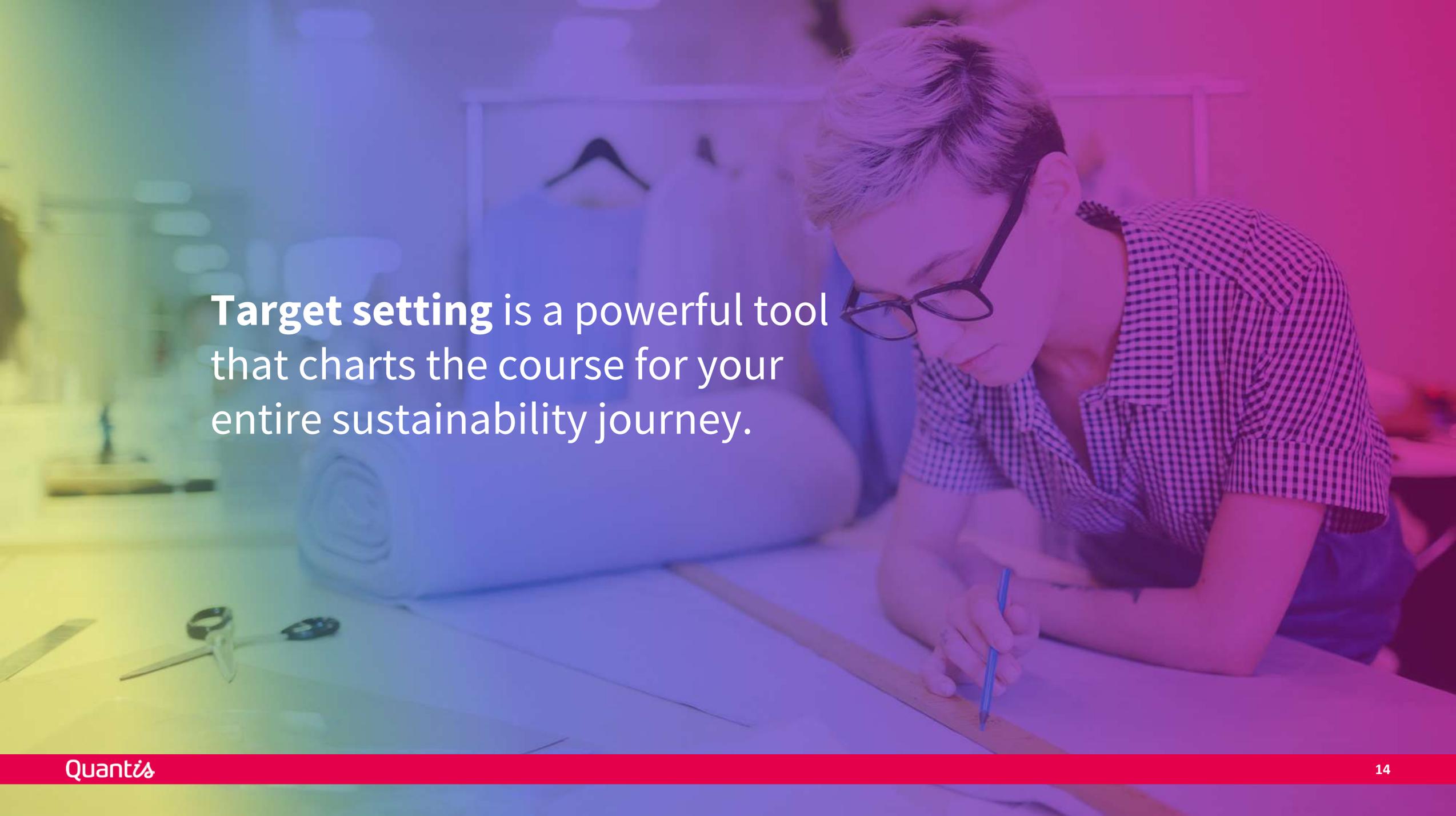
Internal Engagement

Create excitement and collaboration for internal action to reach targets



Innovation

Engaging designers and exploring new business models



Target setting is a powerful tool that charts the course for your entire sustainability journey.

The science-based climate journey from Quantis



✓ Buy-in from C-suite + operations

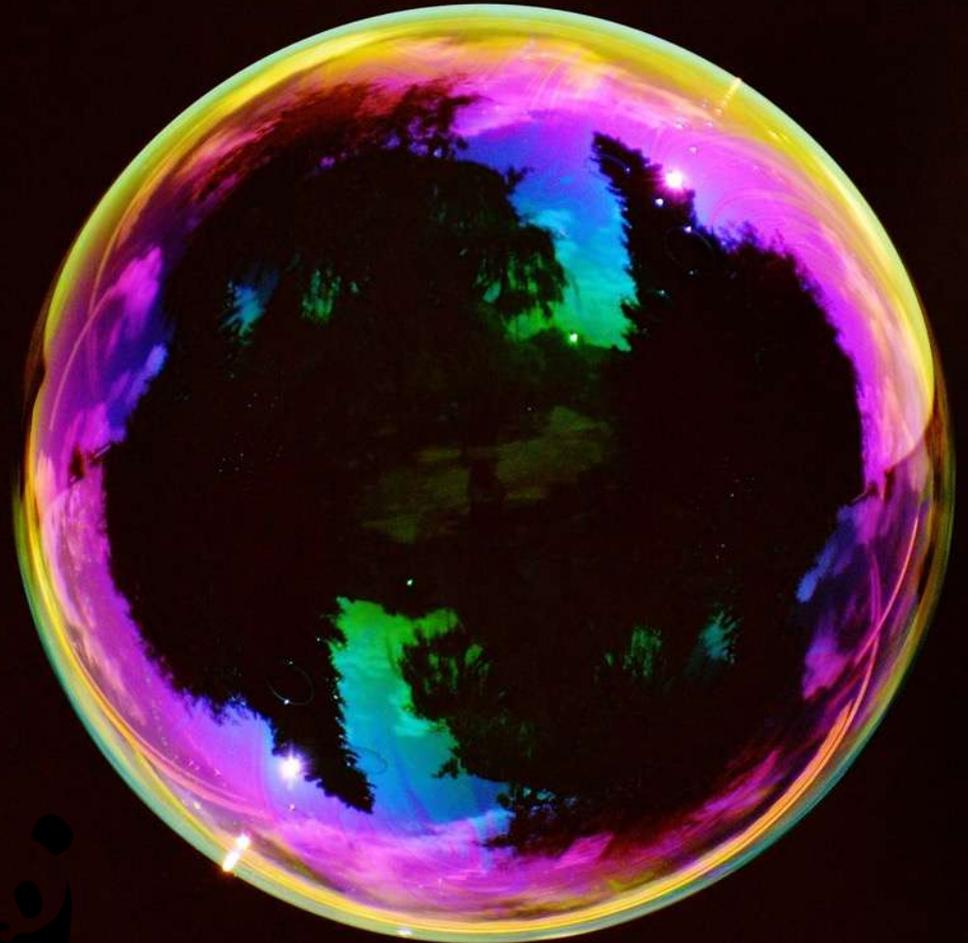
WEBINAR SERIES

READY > SET > GO BEYOND!

The 3 strategic phases of a science-aligned corporate sustainability journey

WITH:

Quantis



AVAILABLE AT:

www.quantis-intl.com/webinar/ready-set-go-beyond/





APPAREL AND FOOTWEAR SECTOR

SCIENCE-BASED TARGETS GUIDANCE



SCIENCE
BASED
TARGETS



WORLD
RESOURCES
INSTITUTE

**| Are you familiar with this
SBT guidance?**



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SBTi's Ambition for this Sector

To date, most of the commitments and approved targets are from apparel and footwear brands and retailers.

With the guidance published, the SBTi envisions that **by the end of 2020, 50 of the largest apparel and footwear companies will set SBTs.**



Why a Guidance was Needed for Apparel and Footwear Sector

How did the idea of the Guidance come about?

Potential of the sector's emissions to increase
Growing business and environmental implications

Why did SBTi feel a need to create a guidance for this sector?

More and more companies in this sector setting targets
Various target setting methods available,
which ones to use?

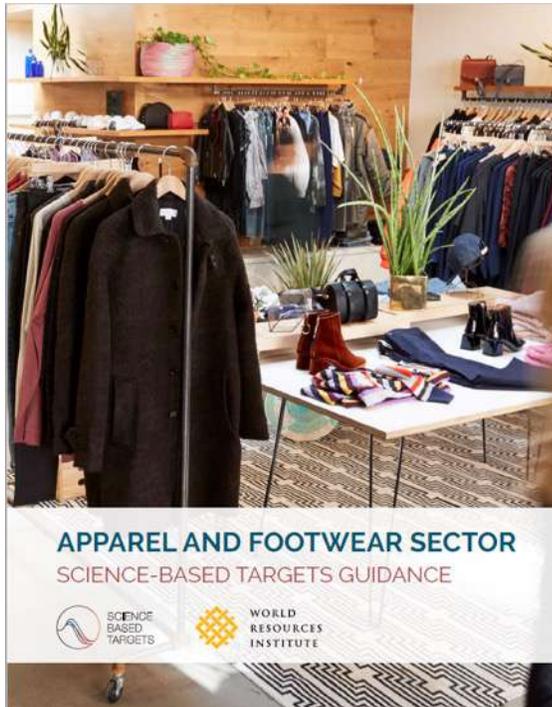
SBTi aims to mobilize this sector globally to set ambitious SBTs for their operations and value chains.

What is **different** about this sector that makes a Guidance valuable?

Barriers to address significant scope 3 emissions
Fast growing nature
Collaborative nature of this sector and how new forms of collaborations can unlock emissions reduction potential

Objectives of Apparel and Footwear Sector SBT Guidance

Support apparel and footwear companies - brands, retailers, suppliers, etc. - to set ambitious, science-based GHG reduction targets



- Provide clarity on credible approaches to setting SBTs
- Increase consistency across company targets
- Identify barriers for setting SBTs and provide solutions
- Provide examples of best practices
- Highlight collaboration opportunities for reducing emissions

What's in the Guidance?



Gives **overview** of the industry and highlights **key trends**



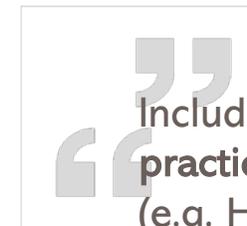
Identifies **emissions hot spots** and provides guidance on **measuring and reducing** these emissions



Clarifies which **scope 1+2 and 3 target setting methods** are applicable for this sector



Identifies **GHG reduction levers** across tiers



Including **case studies on best practices** in emissions accounting (e.g. Higg Index), target setting and emissions reductions (Levi's, Target, Nike)

Example: what scope 3 target setting methods are available for this sector?

Absolute-based approach	Reduce absolute emissions aligned with keeping global temperature increase below 2°C (min. annual linear reduction 1.23%)
Physical Intensity	Reduce emissions intensity per physical production <i>OR</i> Set targets that do not result in absolute emissions growth and lead to linear annual intensity improvements equivalent to a min.2% linear annual reduction
Economic-based approach	Reduce emissions intensity per unit of value added by at least 7% year-on-year
Supplier Engagement	Commit to having a percentage of suppliers with their own SBTs within five years from the date the company's target is submitted



SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



www.sciencebasedtargets.org



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**Where are you on
your climate journey?**



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ASICS

CLIMATE TARGET-SETTING JOURNEY

Seiko Inoue

Manager, Environmental
Sustainability Team

2019-08-29



WHY SCIENCE-BASED TARGETS

In 1949 after World War II, in Kobe, Japan, our founder **Kihachiro Onitsuka** saw many children and youth without hope or direction in a war-torn city.

He founded ASICS to support youth through sports to foster their health and development, both mentally and physically.

ASICS' Philosophy

a sound mind, in a sound body

Anima Sana In Corpore Sano

Sustainability Vision

We will inspire more people now
and in the future,
to move body and mind,
to create a stronger world.



WHY SCIENCE-BASED TARGETS

What does climate change mean to ASICS?

Risks

Impact on our philosophy (sound mind, sound body)

- Increase of natural disaster (impact on places to move and do sports)
- Temperature increase (impact on ability to move and do sports)
- Impact on food chain and water supply

Impact on our business (products, supply chain)

- Most of our products are made from fossil fuel-based resources
- Increase of natural disaster affects supply chain and logistics

Opportunities

- Solve climate change through our strength and uniqueness
- Engage consumers, suppliers and our people
- Increase efficiency and save costs

CLIMATE TARGET-SETTING JOURNEY

Shoe carbon footprint with MIT and set product-related CO₂ target

2011

2014

Scope 3 assessment (government-supported project)

Committed to setting science-based targets

2015

Submitted targets and exchanged with SBTi (government-supported project)



Targets approved by SBTi

2018



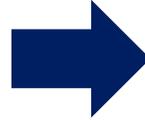
Signed the TCFD and move toward 1.5°C and net zero!

2019



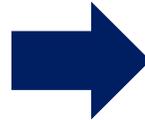
CHALLENGES AND HOW WE ADDRESSED THEM

Scope 3 target ambition level



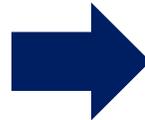
- We asked all our questions to SBTi, but now the guidance will help!
- Higher ambition is recommended

Getting buy-in



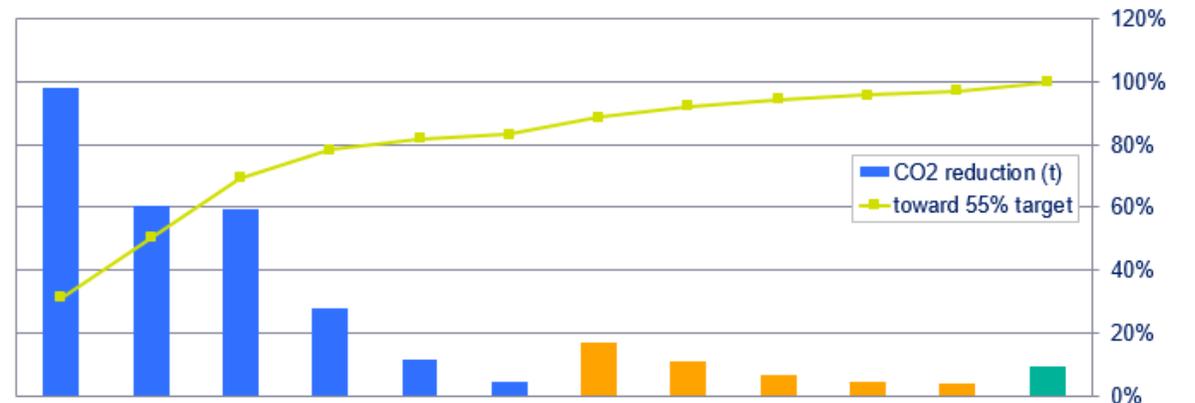
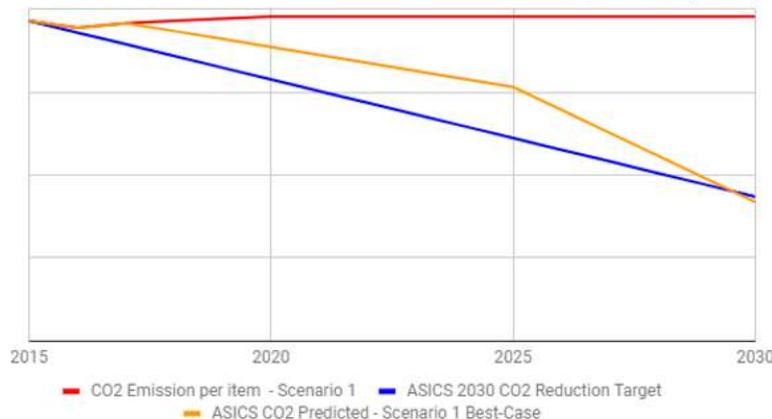
- Repeatedly communicated the “Why”
- Showed scenario & reduction analysis
- Integration into governance structure

Reduction plan

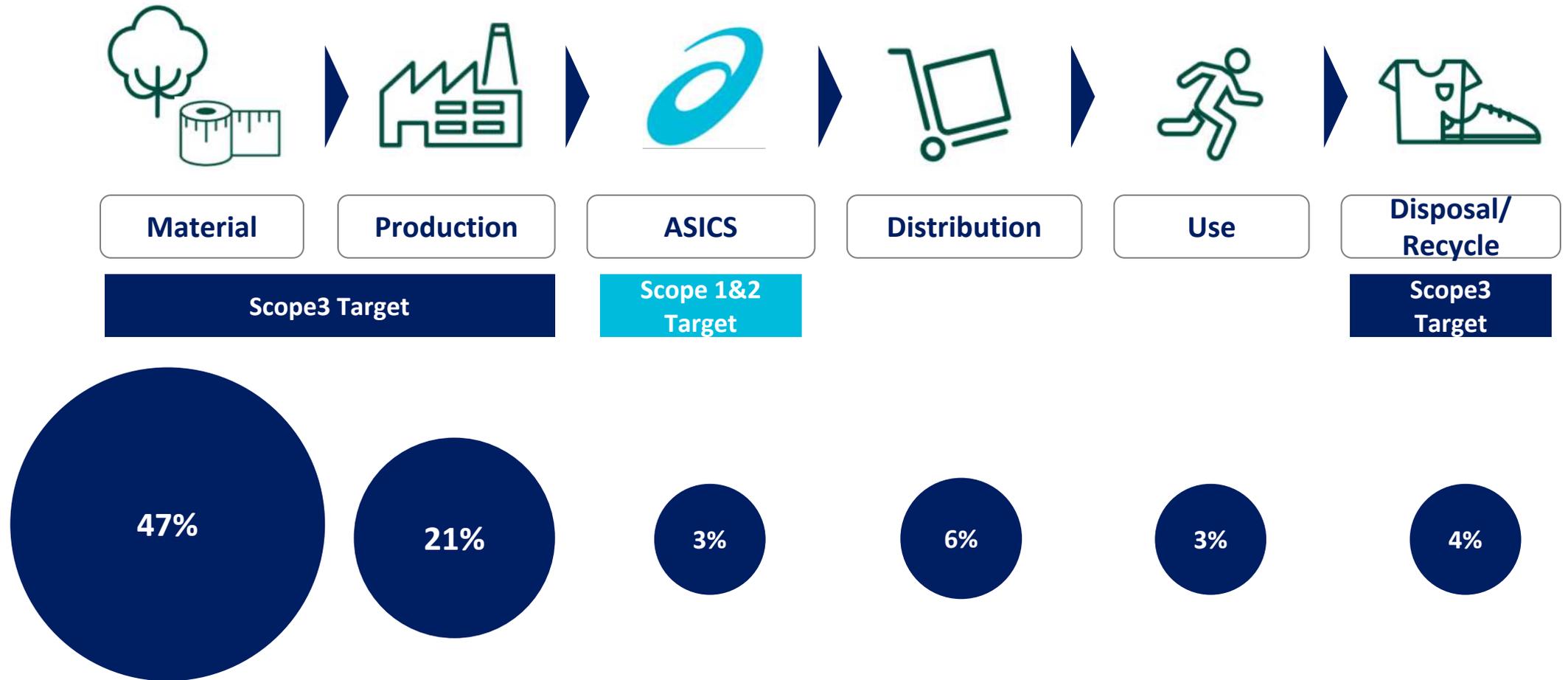


- Included impacts we (society & industry) can reduce collectively
→ Needed to do more, guidance helps a lot!

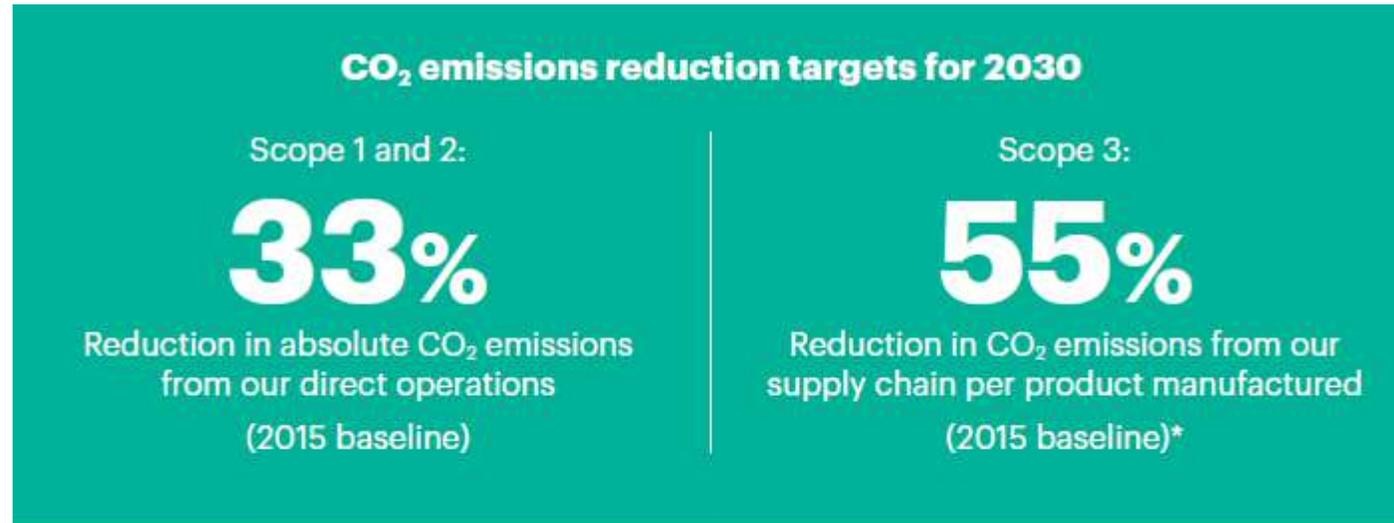
2030 CO2 Target Estimation - Scenario (unit: tonCO2 per item)



ASICS VALUE CHAIN EMISSIONS



TARGETS & REDUCTION PLAN



We have more to go to reach 1.5°C and net zero!

- Engage consumers
- Engage with supply chain partners
- Collaborate with industry peers

THANK YOU



A person is seen from behind, climbing a steep, rocky mountain peak. The climber is wearing a backpack and is secured by a rope that runs across the top of the ridge. The background shows a vast, hazy landscape under a clear sky. The image has a color gradient overlay, transitioning from green on the left to purple on the right.

To design a bold climate strategy and implement it, companies will face certain hurdles.

Tackling these hurdles is key to success.

**What challenges
do you face?**

Brands face target-setting hurdles and there are solutions to overcome these obstacles





DATA

What level of data do I need? How do I find it?

*Many data sources exist.
Brands can feel lost in a tangle of data,
not knowing where to turn.*



DATA

Follow the thread.

Different stages require different levels of data to drive **meaningful and measurable change**.

Generic data

First snapshot of the impacts along your value chain

- + Estimate footprint
- + Identify potential hotspots



Specific data

Measure your activities to understand where your unique hotspots lie.

- + Get regional understanding of your impacts
- + Focus on your hotspots
- + Track progress toward reduction targets
- + Report credibly on your efforts



DATA

Follow the thread.

Different stages require different levels of data to drive meaningful and measurable change.

Generic data



Higg Material Sustainability Index (MSI)

- Gives a general idea of environmental impacts
- Common industry platform



Specific data



World Apparel and Footwear Life Cycle Assessment Database (WALDB)

- Allows refined assessment and evaluating specific practices
- 552 apparel & footwear datasets to date from materials to end-of-life
- Regionalized datasets across 7 major producing regions

OPEN TO NEW MEMBERS!



SUPPLY
CHAINS

What influence does a single brand have? How can I make meaningful change?

In complex supply chains, one supplier works with many different brands.

*Suppliers can feel overwhelmed by the diversity of requests.
Brands feel they have little power to enact change.*

| Work together.



SUPPLY
CHAINS

- + Use common data collection and sharing platforms
- + Empower suppliers! Educate them about hotspots, push for the right change and help them get the investments they need.



BUY-IN

How do I get buy-in from leadership + operations?

Some leadership and operations teams may lack environmental awareness.

Even when they are in favour of sustainability, they may have conflicting priorities that keep them from making more sustainable choices.



BUY-IN

Engage your teams with the facts.

1. Get people involved
2. Give a factual WHY
3. Be patient + tenacious
4. Start small to go bold



BUSINESS
MODEL

What happens when we can't reach our target with our current business model?

After modeling their reduction plan with all accessible levers (energy efficiency, renewable energy, eco-design, etc.), Some companies might still have a gap to cross before reaching their reduction goal.

Let creativity + innovation reign.



BUSINESS
MODEL

Reduction
objective

CO₂

GHG emissions reduction



Examples of action levers



BASELINE



ENERGY
EFFICIENCY



RENEWABLE
ENERGY



RESPONSIBLE
PURCHASING



ECO-
DESIGN



INNOVATION GAP

Ambitious targets unlock bold creativity.

The creative energy in the apparel + footwear community is the industry's greatest asset to becoming sustainable.

I Q&A



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Join forward-thinking partners for WALDB Phase 2



- + Invest in metrics you trust and benefit from
- + Help solve the data challenge
- + Engage with your supply chain to inspire change

World Apparel & Footwear Life Cycle Assessment Database

A comprehensive database with robust environmental data for single processes in apparel and footwear supply chains

CONTACT

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See you in Vancouver!



QUANTIS

WORKSHOP

OCTOBER 16, 11 AM

The Next Frontier: How Leading Companies
are Considering Land & Biodiversity
in Fiber Materials Choices

MOVING THE NEEDLE

How to set bold
climate targets
to drive transformation
in the fashion sector

Thank you for joining us today!

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