



Impact investing with precision and purpose based on sound accounting principles



United Nations
Climate Change



COP28
UAE



Rakesh Vazirani
Head of Sustainability Services
Business Stream Products



Helen Brand
Chief Executive



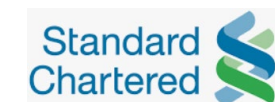
Saqib Sohail
Lead, Responsible
Business Projects



Jayanth Kashyap
Investment Lead



Khaldoun Hajaj
Head of Government Affairs,
Middle East., Africa and
Pakistan



About you > please scan this code



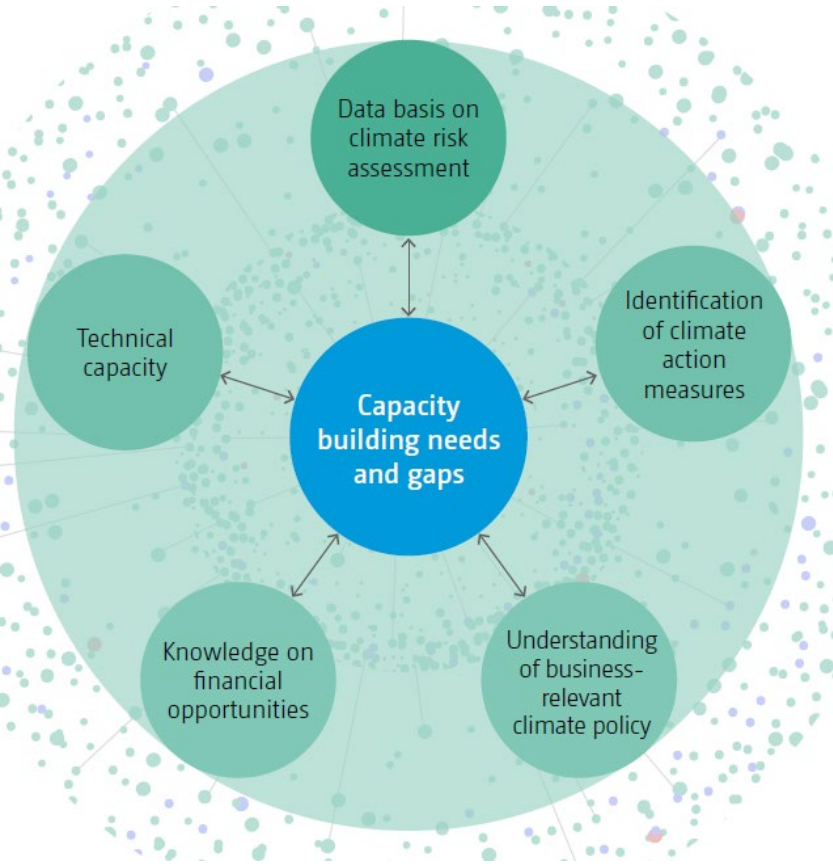
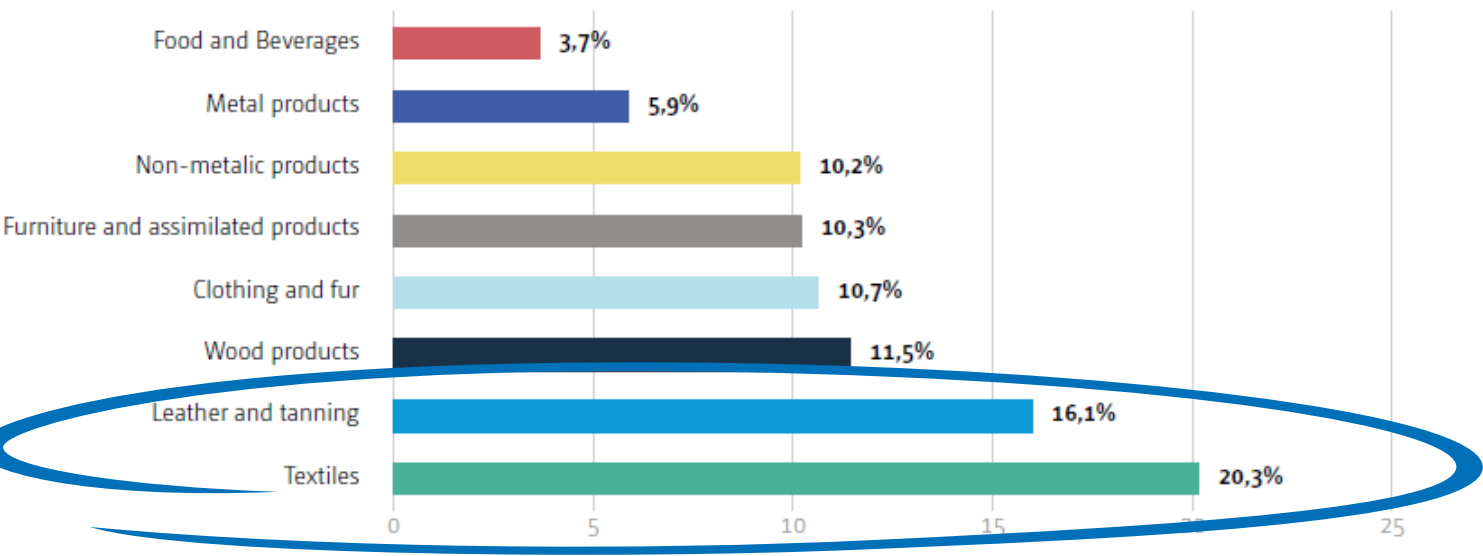
Out context

MAPPING STUDY OF THE CAPACITY-BUILDING NEEDS AND GAPS OF SMES TO ENGAGE IN CLIMATE ACTION IN THE MENA REGION

FINAL SYNTHESIS REPORT



Figure 1 - Sectors where industrial SMEs are active



Fashion Industry : Impact



Image Source : Danish Fashion Institute

The global fashion industry represents:

- \$2.5 trillion annual value
- 2% of global GDP
- The 3rd-biggest manufacturing sector globally

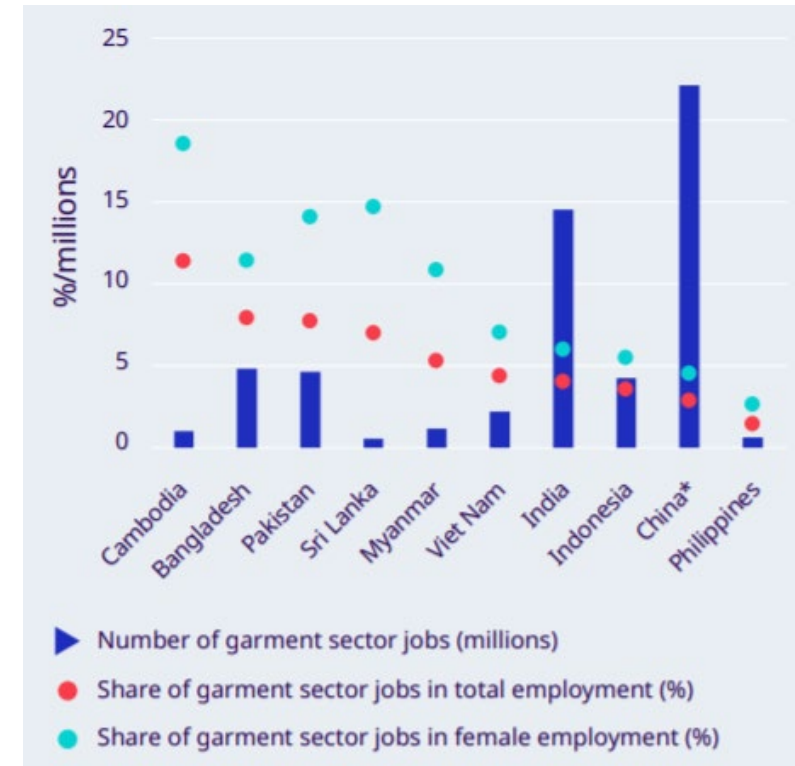


Image Source : ILO, 2019

The Fashion Industry is also ...

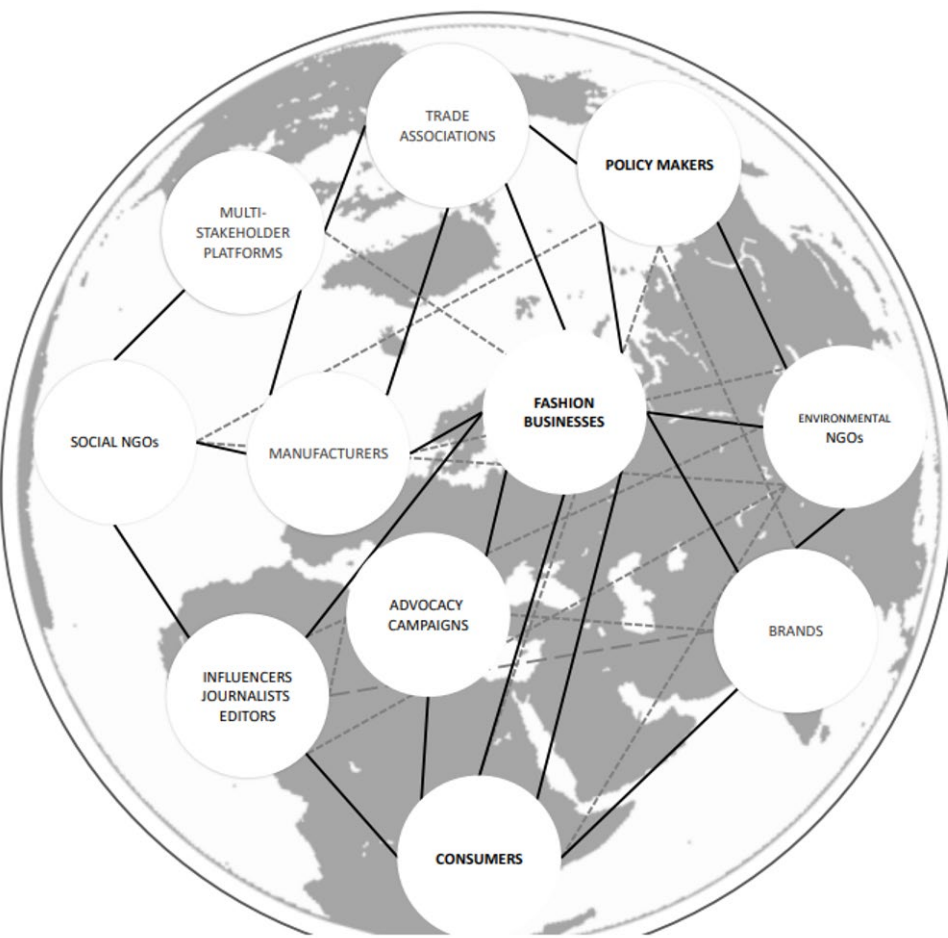
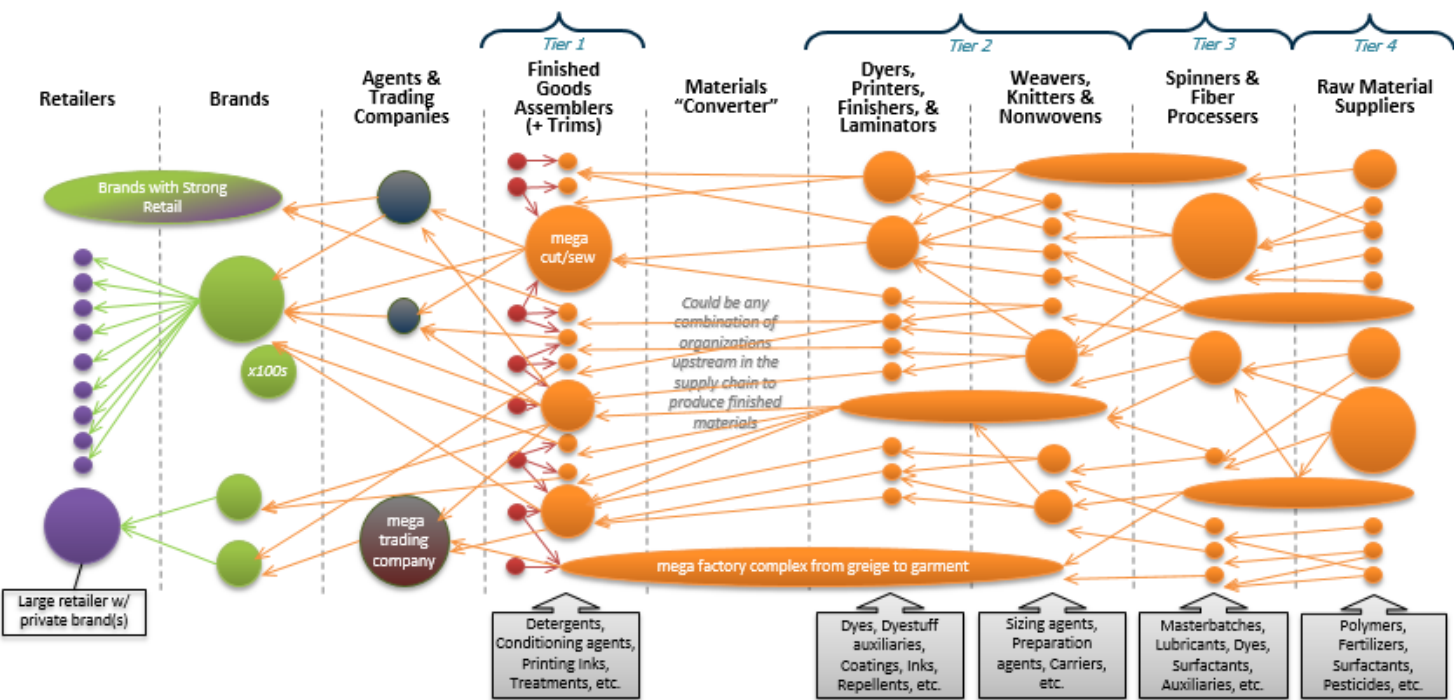


Image Source : [Link](#)

created by Matt Thurston, REI, with further modifications from OIA

Impact in numbers



Figure 4 – The fashion and textiles industry in numbers¹⁸

Impacts to/from triple planetary crisis

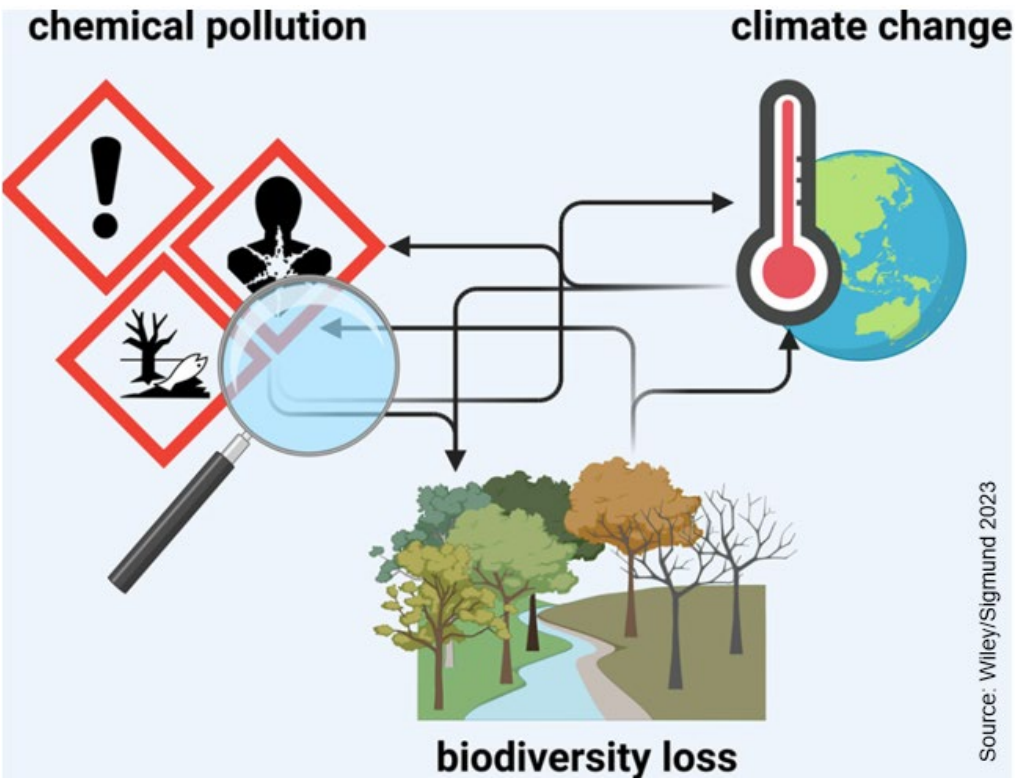
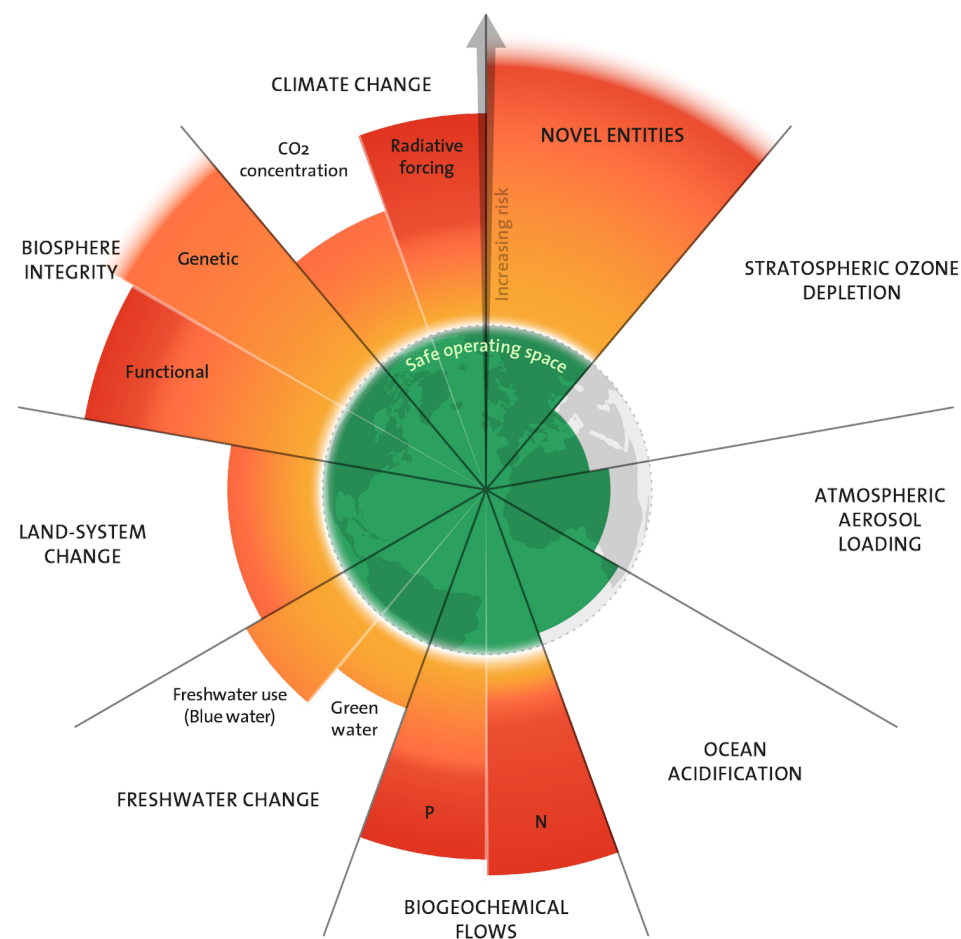


Image Source : [Link](#)

Carbon Related Targets (partial)

Company Name	Net-Zero	Near term - Target Year	Net-Zero	Location	Target
Adidas AG	1.5°C	2025, 2030	No	Germany	Adidas AG commits to reduce absolute scope 1, 2 and 3 emissions by 30% by 2030 from a 2017 base year. Within that target, adidas AG commits to reduce absolute scope 1 and 2 GHG emissions by 90% by 2025 from a 2017 base year.* *The target boundary includes biogenic emissions and removals from bioenergy feedstocks.
Benetton Group Srl	1.5°C	2030	No	Italy	Benetton Group S.r.l. commits to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2019 base year. Benetton Group S.r.l. also commits to reduce absolute scope 3 GHG emissions from purchased goods and services, fuel and energy related activities, upstream and downstream transportation and distribution, employee commuting, and franchises 30% within the same timeframe.
H&M Group	1.5°C	FY2030	Yes	Sweden	<u>Overall Net-Zero Target</u> ; H&M Group commits to reach net-zero greenhouse emissions across the value chain by FY2040 from a FY2019 base year. <u>Near-Term Targets</u> H&M Group commits to reduce absolute scope 1 and 2 GHG emissions 56% by FY2030 from a FY2019 base year.* H&M Group also commits to increase annual sourcing of renewable electricity from 90.6% in FY2019 to 100% by FY2030. H&M Group finally commits to reduce absolute scope 3 GHG emissions 56% by FY2030 from a FY2019 base year *The target boundary includes biogenic land-related emissions and removals from bioenergy feedstocks. <u>Long-Term Targets</u> ; H&M Group commits to reduce scope 1 and 2 GHG emissions 90% by FY2040 from a FY2019 base year.* H&M Group also commits to reduce absolute scope 3 GHG emissions 90% within the same timeframe. *The target boundary includes biogenic land-related emissions and removals from bioenergy feedstocks.
Primark Limited	1.5°C	2030	No	Ireland	Primark commits to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2019 base year. Primark also commits to reduce absolute scope 3 GHG emissions from purchased goods and services 50% within the same timeframe.
PVH Corp.	1.5°C	2030	Yes	United States of America	American clothing company PVH commits to reduce absolute scope 1, 2 and 3 GHG emissions by 30% by 2030 from a 2017 base year. PVH also commits to increase annual sourcing of renewable electricity from 22% in 2018 to 100% by 2030.
Zalando SE	1.5°C	2025	No	Germany	Zalando commits to reduce scope 1 and 2 GHG emissions 80% by 2025 from a 2017 base year. Zalando also commits to increase annual sourcing of renewable electricity from 34% in 2017 to 100% by 2025. Zalando commits to reduce scope 3 GHG emissions from private label products 40% per €m Gross Profit by 2025 from a 2018 base year. Zalando also commits that 90% of its suppliers by emissions covering purchased goods and services sold on its platform, packaging and last-mile-delivery partners will have science-based targets by 2025.

What about the technology & Knowledge ?

Green Technology Selector

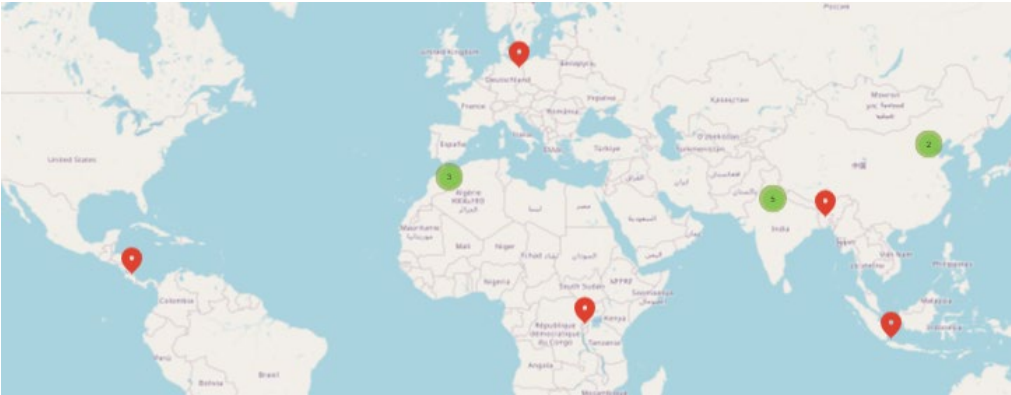
The EBRD **Green Technology Selector** is an online shopping-style platform that offers a country-specific directory of products and vendors that offer high-performing technologies to businesses.

These **pre-approved** technologies have been assessed and are automatically eligible for GVC financing through a participating financial institution. Financing is up to **100% of cost not to exceed 300,000 EUR** per selected equipment.



Acquisition of 3 new generation dyeing machines and two infrared dryers

	Investment Acquisition of 3 dyeing machines equipped with UP and CORE*2 and 2 dryers.
	Investment Size € 535,370
	Financial results Payback period:6.44 years
	Energy savings 1,000 MWh per year (47.8%)
	CO2 savings 75 TC02 per year
	Impact Energy savings. Reduction of GHG emissions. Increased production. Reduce colorants and auxiliaries.



PROJECT | Good management practices, Tackling climate change
Sector Project Sustainable Economic Development
Global, 2019 - 2023



PROJECT | Tackling climate change, Wastewater management, Properly treating wastewater
Sustainable environment-friendly industrial production (SEIP II) in India
India, 2019 - 2022



PROJECT | Energy and energy efficiency, Tackling climate change
PROKLIMA
Germany, 1995 - 2020



PROJECT | Energy and energy efficiency, Tackling climate change
Environmental and Climate Governance (GEC)
Morocco, 2015 - 2018

Possibilities for Green Finance



FACILITATION OF GREEN FINANCING FOR LEATHER AND TEXTILE SMEs FROM FINANCIAL INSTITUTIONS IN PAKISTAN



DBS launches world’s first sustainable and transition finance framework and taxonomy to help clients advance on sustainability agenda | 繁體 | 简体

Industry	Sub-Industry	Asset Type	Asset Specifics	Use of Proceeds	
				Green ¹	Transition ²
Apparel, Footwear & Textile	Production, processing and trading of raw materials, fabric / textiles and clothing components	engineering, maintenance, or any other activities that result in software products			
		Raw materials (synthetic and natural) used in the production of yarn	Use of raw materials from renewable resources such as recycled plastic-based fibres and regenerative agriculture ^{21,22}	Yes (ICMA GBP and LMA GLP)	
			Effective and efficient production processes that generate less waste (such as offcuts); need fewer inputs of resources, such as fossil fuels and chemicals; reduce water use in water-scarce regions; are energy efficient; and run on renewable energy ²²	Yes (ICMA GBP and LMA GLP)	
			Technologies enabling yarn recycling such as increased automation and 3D knitting ²²	Yes (ICMA GBP and LMA GLP)	
		Fabric/textiles, including both knitted and woven fabrics using yarn as well as leather	Technologies and/or production processes that reduce microfibre release ²²	Yes (ICMA GBP and LMA GLP)	

DBS partners H&M Group to drive the agenda on collaborative financing solutions for impactful climate action | 繁體

Singapore, Hong Kong, 27 Nov 2023 - H&M Group, with support from DBS, is taking a leadership

Standard Chartered Bank Partners with PVH Corp. on Sustainability Linked Supplier Finance Program

on 27 Apr 2023



UNLOCKING THE TRILLION-DOLLAR FASHION DECARBONISATION OPPORTUNITY: Existing and innovative solutions

Apparel Impact Institute is building a \$250M **Fashion Climate Fund** (combined industry and philanthropic sources) to unlock a total of \$2B in blended capital towards verified impact solutions, thereby removing up to 150 million tonnes of CO2 from the apparel supply chain. **Learn more by clicking the links below.**



Framework for money \$€

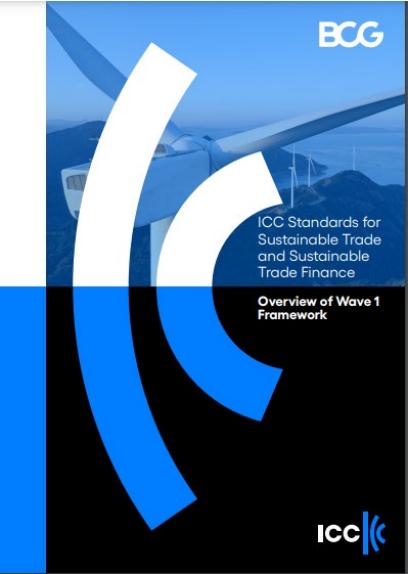


ST5 Manufacturing 3	
Economic Activities	NACE codes
Finishing of textiles	C13.30
Wearing apparel, except articles of fur and leather: manufacturing, repairing/refurbishing/remanufacturing and sale of spare parts, sale of second-hand, product-as-a-service and other circular use- and result-oriented service models	C14.1
	C14.3
	S95.29
Footwear and leather goods: manufacturing, repairing/refurbishing/remanufacturing, sale of second-hand, product-as-a-service and other circular use- and result-oriented service models	C14.11
	C14.19
	C15.20
	S95.23
	C14.11

		Sector	CSRD Priority Sector	CSDDD Priority Sector	GRI Sectoral Standard	Environment					Social				
						GHG	Water /marine	Circular economy	Pollution	Biodiversity	Consumer	Value Chain H. Rights	Working Time	Training / Skills	Physical Risks
2022 /2023	1	Agriculture and Farming	X	X	X	X	X		X	X		X	X	X	X
	2	Coal mining	X	X	X					X		X			X
	3	Mining	X	X	X					X		X			X
	4	Oil and Gas – mid to downstream	X	X	X	X				X		X			
	5	Oil and Gas – upstream	X	X	X	X				X		X			
	6	Food and beverages	X	X							X	X			
	7	Textiles, Accessories, Footwear and Jewelleries	X	X				X			X	X		X	

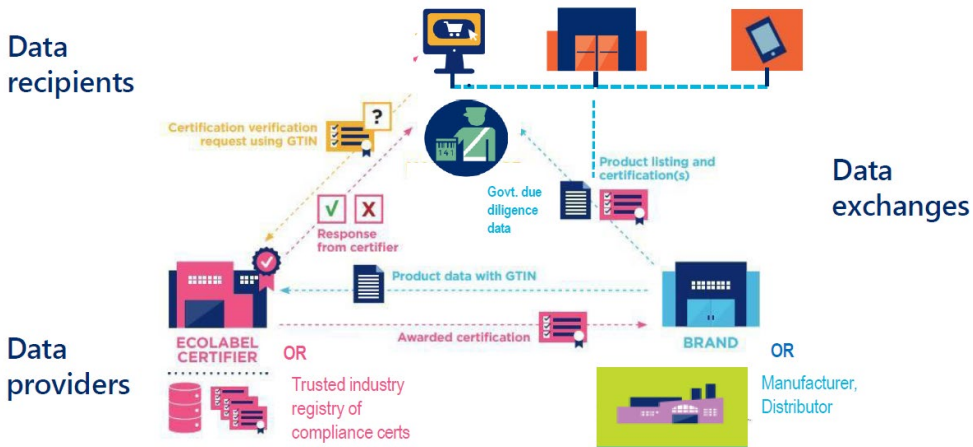
TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE
Management of Chemicals in Products	Discussion of processes to maintain compliance with restricted substances	Discussion and Analysis	n/a	CG-AA-250a.1
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Discussion and Analysis	n/a	CG-AA-250a.2
Environmental Impacts in the Supply Chain	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement ⁴	Quantitative	Percentage (%)	CG-AA-430a.1
	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	Quantitative	Percentage (%)	CG-AA-430a.2
Labor Conditions in the Supply Chain	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labor code of conduct, (3) percentage of total audits conducted by a third-party auditor	Quantitative	Percentage (%)	CG-AA-430b.1
	Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audits ⁴	Quantitative	Rate	CG-AA-430b.2
	Description of the greatest (1) labor and (2) environmental, health, and safety risks in the supply chain	Discussion and Analysis	n/a	CG-AA-430b.3
	Description of environmental and social risks associated with sourcing priority raw materials	Discussion and Analysis	n/a	CG-AA-440a.1
Raw Materials Sourcing	Percentage of raw materials third-party certified to an environmental and/or social sustainability standard, by standard	Quantitative	Percentage (%) by weight	CG-AA-440a.2

Sustainable Trade & Sustainable Trade Finance



Asian Development Bank ESG Credentials Exchange Programme

GS1 Hong Kong

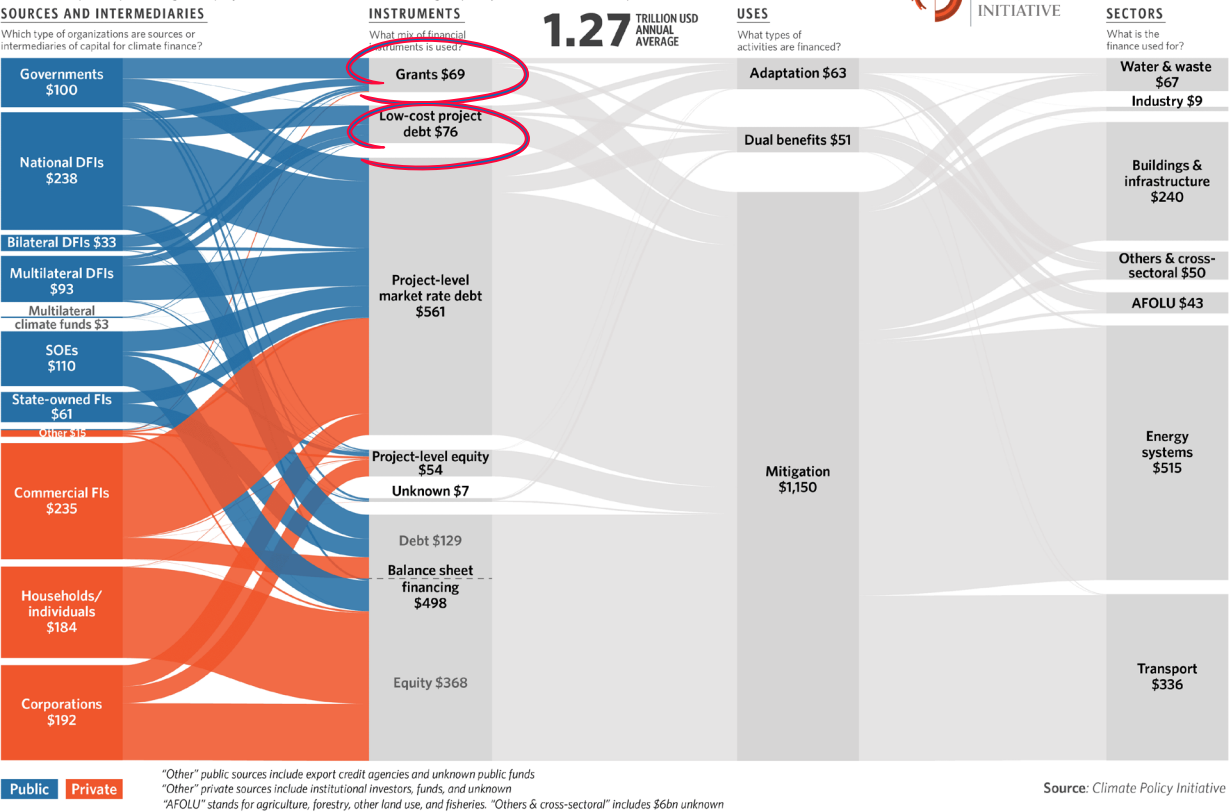


Show me the money !

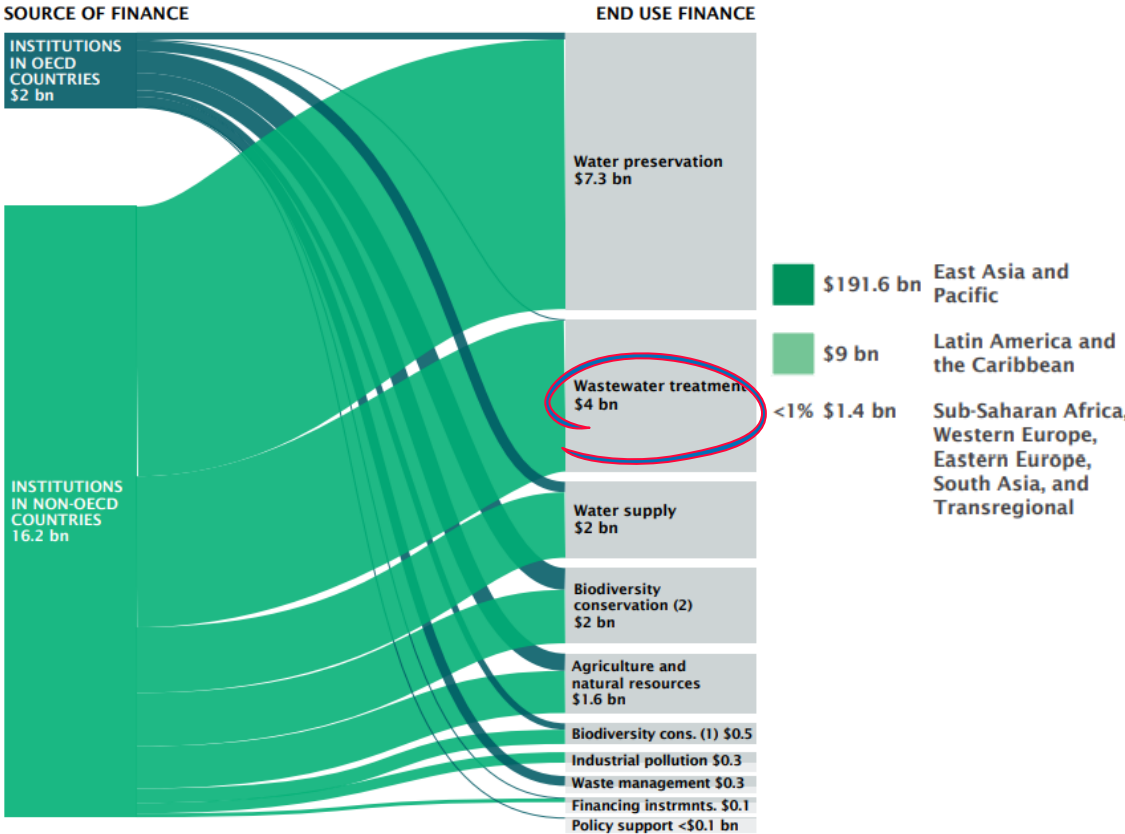
Figure ES1: Global climate finance flows in 2021/2022

LANDSCAPE OF CLIMATE FINANCE IN 2021/2022

Global climate finance flows along their life cycle in 2021 and 2022. Values are averages of two years' data to smooth out fluctuations, in USD billions.



REPORT 2023





**Samiha's
Factory**



Amal's Factory



**Chu's
Factory**



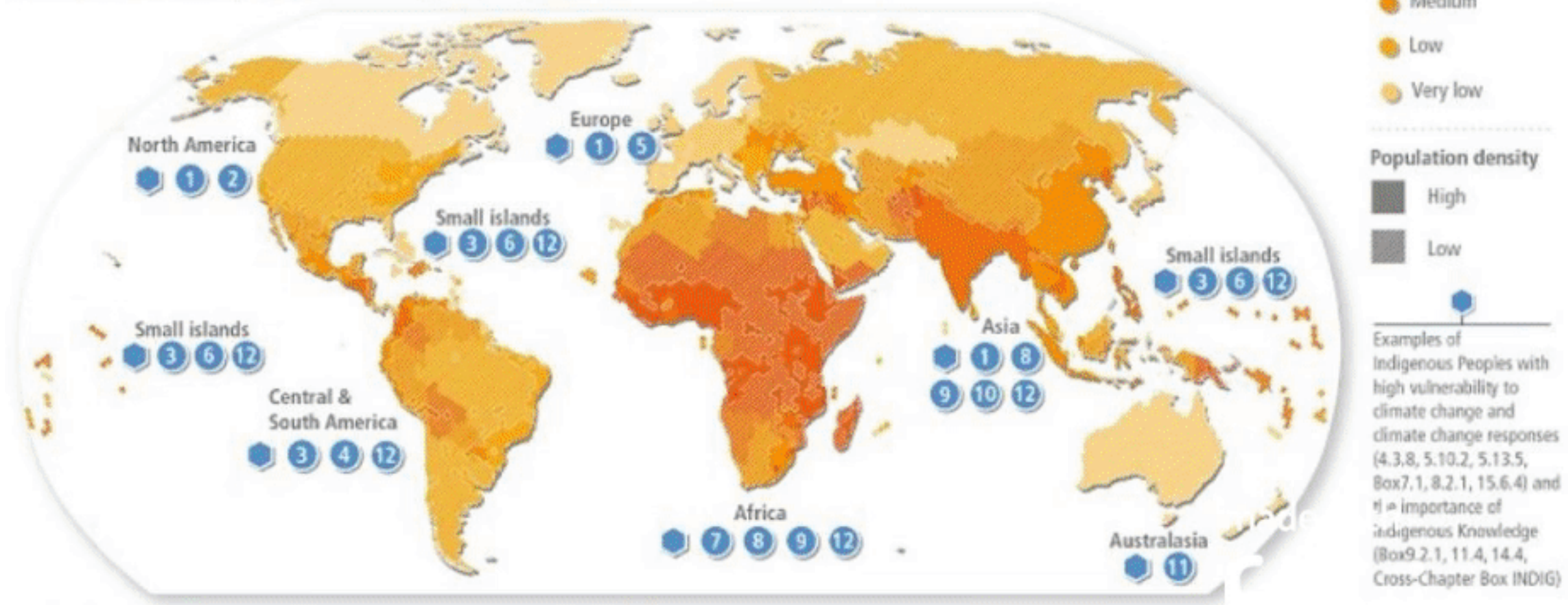
**Ayotola's
Factory**



**Ramaswamy's
Factory**

Observed human vulnerability differs between and within countries and strongly determines how climate hazards impact people and society

(a) Map of observed human vulnerability based on two comprehensive global indicator-systems using national data, plus examples of selected local vulnerable populations and Indigenous Peoples



Examples of local vulnerable populations | Examples of some aspects of vulnerability | Chapter references

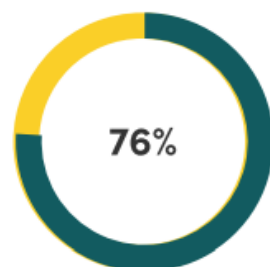
Small Business Climate Action

WE MEAN
BUSINESS
COALITION

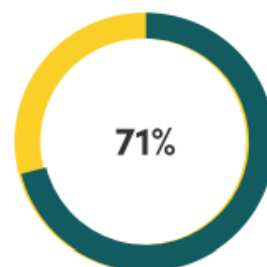
SME
Climate
Hub

In partnership with: EXPONENTIAL
GROWTH Normative

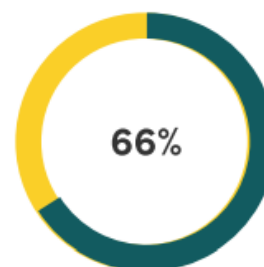
The top 3 actions already taken by SMEs to reduce their emissions are:



Reducing waste

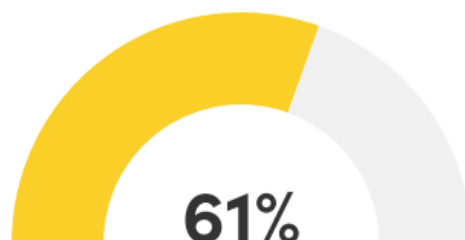


Reducing energy consumption

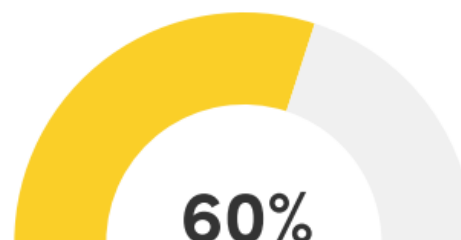


Educating employees so they can provide solutions & change their behaviors

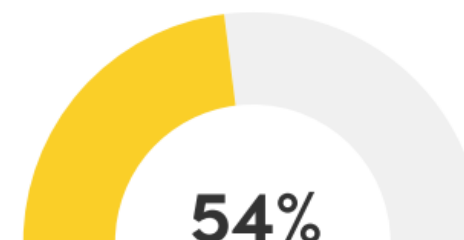
To take greater climate action, SMEs need:



Tools for measuring and monitoring emissions



Financial support



Network of peer companies to reach out to and learn from



CLIMATE CHANGE MITIGATION PORTFOLIO

\$ 100 million invested

100 MW wind energy operational

15% energy from solar

16,000 Tonnes CO₂ emissions mitigated yearly

Net Zero by 2040





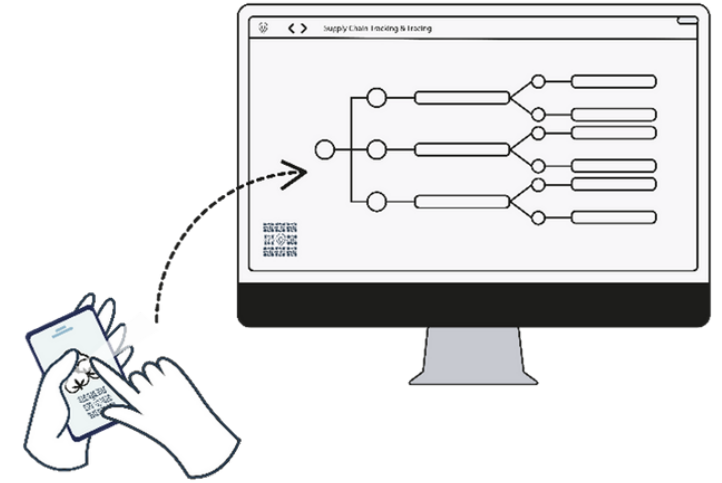
500,000 Euros Grant awarded to AM & Retraced
250,000 Euros for MCI & MO over 4 years

Project Objective: Implementing a digital application to enable socio-ecological transparency across Pakistan's cotton supply chain

The App will serve as a knowledge hub for sustainable cotton cultivation bringing farmers together and building a community to tackle future challenges in cultivating cotton together.

The following measures will be implemented:

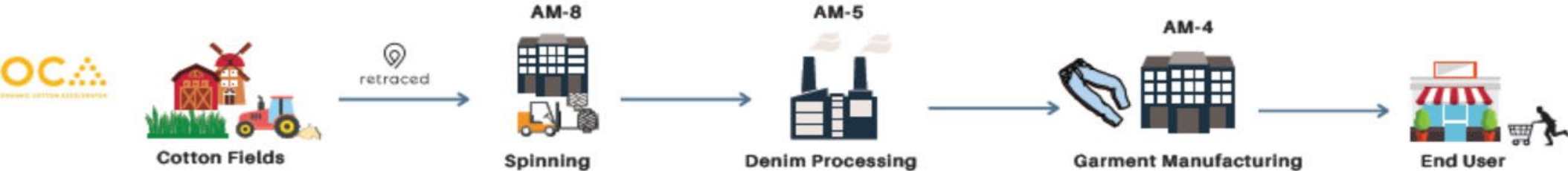
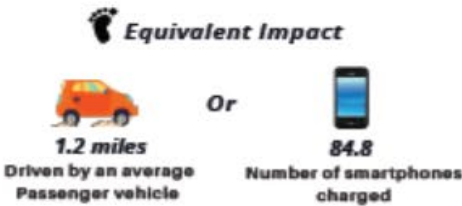
- Preparation and adoption of Smart Farming
- Enable data sharing with existing systems - Traceability
- Training/capacity building for Alternate Livelihood



Life Cycle Assessment

Reese Blue

98% GOTS Organic Cotton 2% Elastane
3/1 RHT Florence Blue 51"/52" 11.5 oz.



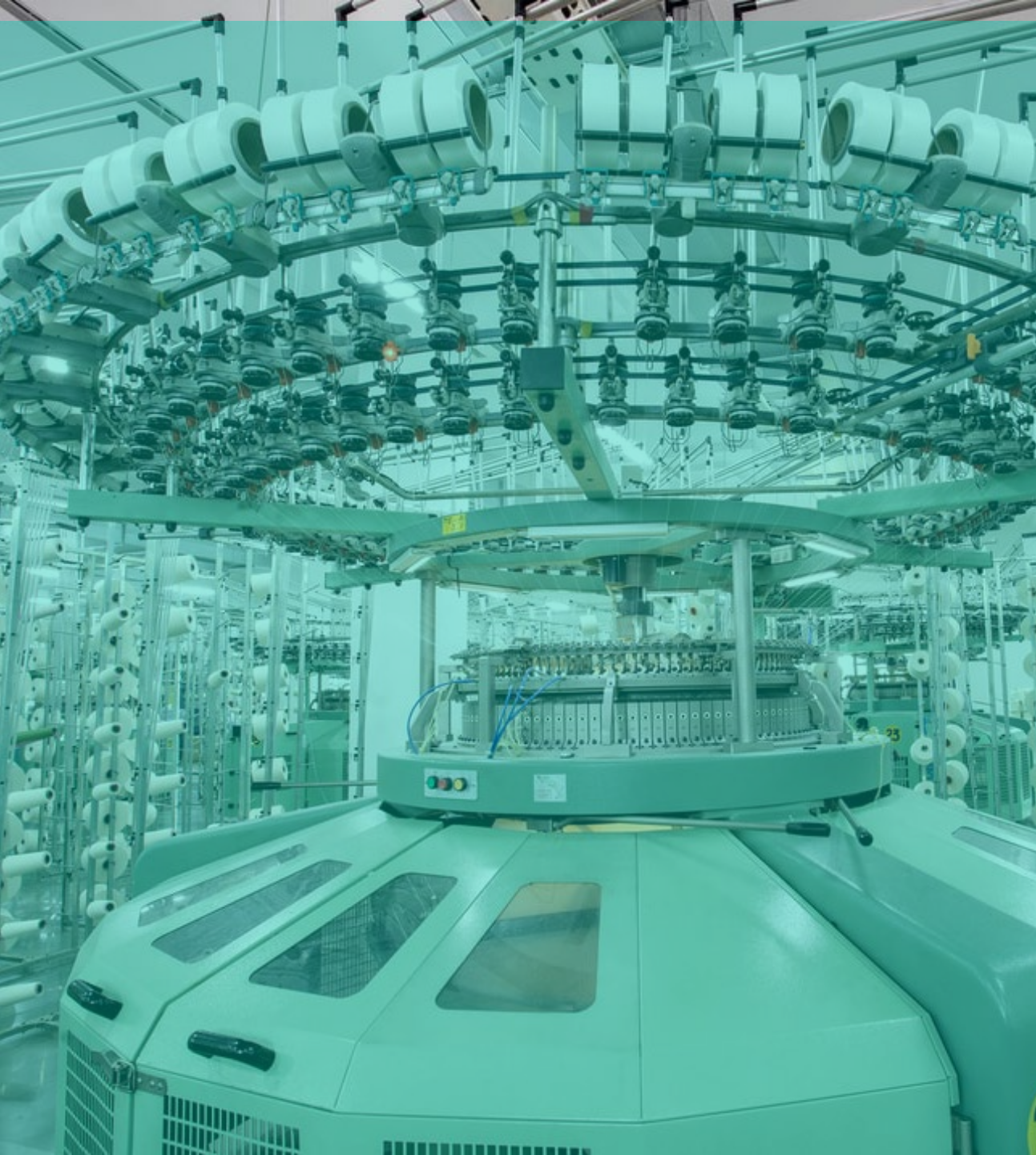
*Calculations are in per meter consumption, based on 20000 m denim fabric production.

A woman wearing a green headscarf and a floral sari is working on a sewing machine in a factory. She is wearing a pink face mask. In the background, other workers and sewing machines are visible.

GOOD FASHION FUND

APPAREL IMPACT INVESTMENTS IN SOUTH ASIA

06 December 2023 | 5th Capacity Building Hub



Only global impact investment fund focused on apparel manufacturers

Fund manager and partners



Fund manager



Anchor investors



The Laudes Foundation



The Mills Fabrica



Rabobank

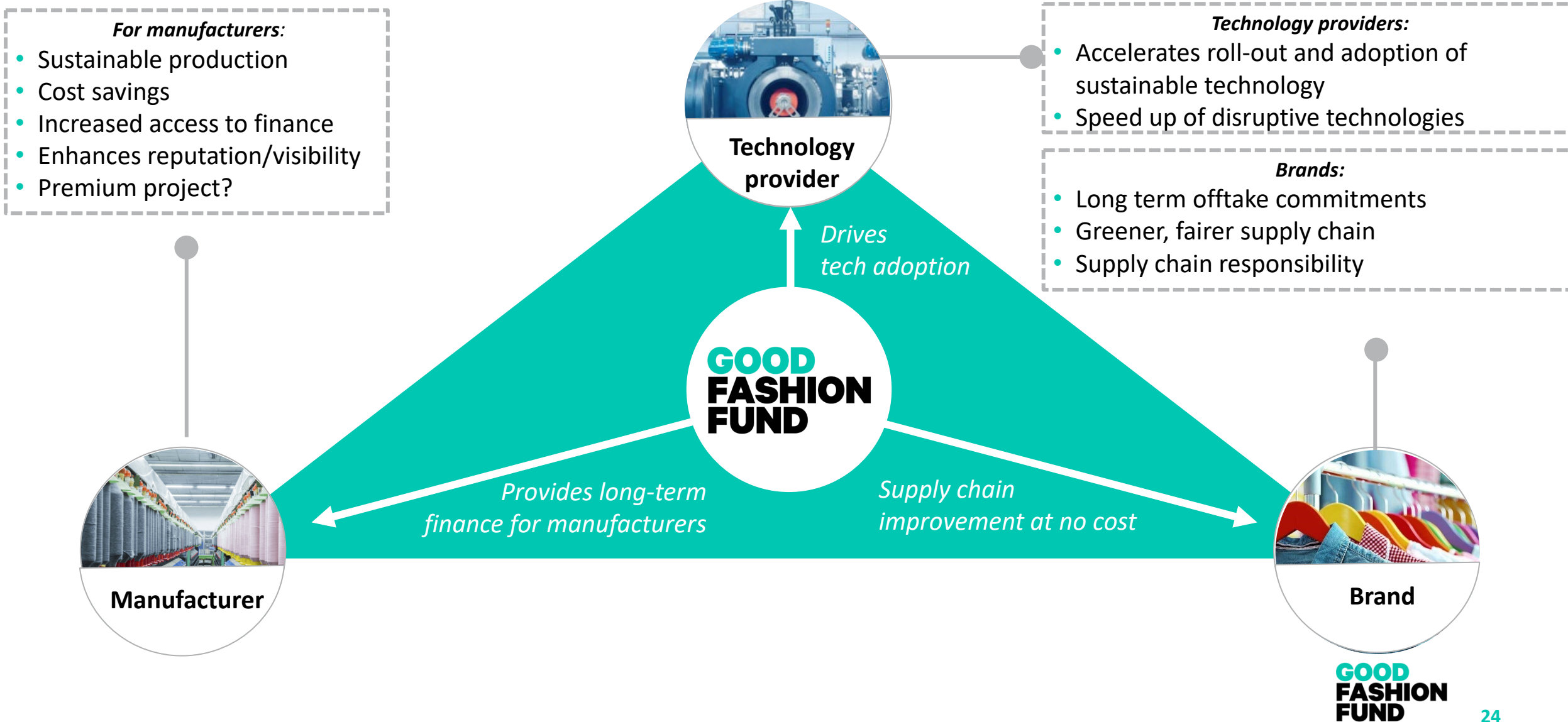
Rabobank

Financial instruments

- Financial instrument Long-term USD Debt
- Transaction size \$1-2.5m
- Geographic focus Focus India and Bangladesh



Initial aim: GFF works with three key stakeholders to maximize impact



We finance equipment in the apparel manufacturing process



Target
investments

Investments related to capital-intensive and high-impact equipment, focus on
(i) wet processing & finishing stage like dyeing, washing, printing and finishing
(ii) wastewater treatment
(iii) recycling



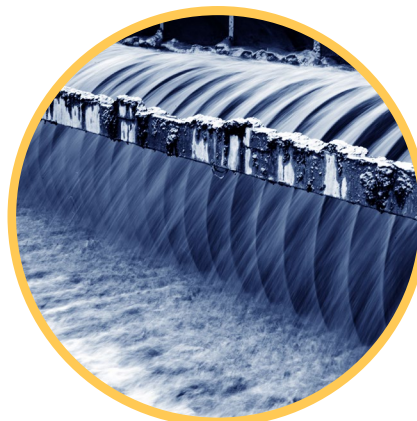
Dyeing

E.g. cold pad batch dyeing



Washing & pre-treatment

E.g. low liquor bleaching, cold pad batch bleaching



Wastewater

E.g. biological & reverse osmosis filtration



Printing & finishing

E.g. digital textile printing



Recycling

Mechanical (and chemical) recycling solutions

Thank you!



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Questions ? please scan this code

