



IOMC Target D3 Sustainable Finance

March 2025

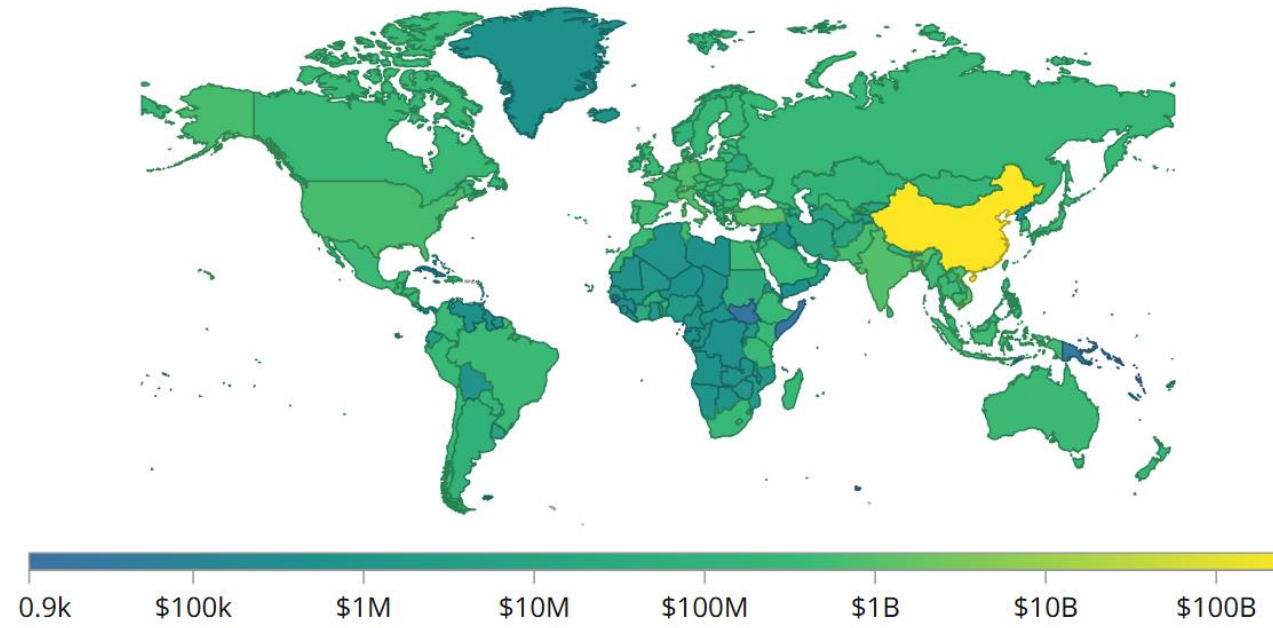


BUREAU
VERITAS

FRAGMENTED, DIVERSE, COMPLEX, ALMOST EVERYWHERE!!



Which countries export Textiles? (2023)



INVESTORS WANT TO KNOW

Industry: Apparel, Accessories & Footwear  Prev 1 of 5 Next

General Issue Category: Product Quality & Safety Prev 1 of 3 Next

Disclosure Topic: Management of Chemicals in Products

Accounting Metric(s)

- CG-AA-250a.1: Discussion of processes to maintain compliance with restricted substances regulations
- CG-AA-250a.2: Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products



Environmental Impacts in the Supply Chain Labor Conditions in the Supply Chain

Accounting Metric(s)

- CG-AA-430a.1: Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreements
- CG-AA-430a.2: Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility

OBLIGATIONS FOR MONEY MANAGERS



Select Global Ultimate Investor
 UBS Group AG

Select Datapoint Type
 Bond Ownership
 Equity Ownership
 Financing & Underwriting

Please make your selections above. Charts 1 to 3 are interactive. Click on a section of one chart to update the other two.

1. Top Corporates...

Top 20 entities **UBS Group AG** is exposed to

Rank	Company	Country	Percentage
1	Nike Inc	United States of America	39.96%
2	Amazon.com Inc	United States of America	32.65%
3	TJX Companies Inc	United States of America	8.58%
4	Ross Stores Inc	United States of America	3.67%
5	VF Corp	United States of America	2.18%
6	Victoria's Secret & Co	United States of America	1.77%
7	Burlington Stores Inc	United States of America	1.50%
8	Tapestry Inc	United States of America	1.44%
9	Eastman Chemical Co	United States of America	1.15%
10	Deckers Outdoor Corp	United States of America	1.01%
11	eBay Inc	United States of America	0.89%
12	Ralph Lauren Corp	United States of America	0.60%
13	Foot Locker Inc	United States of America	0.50%
14	PVH Corp	United States of America	0.42%
15	ETSY Inc	United States of America	0.36%
16	Abercrombie & Fitch Co	United States of America	0.28%

Select Global Ultimate Investor
 Deutsche Bank AG

Select Datapoint Type
 Bond Ownership
 Equity Ownership
 Financing & Underwriting

Please make your selections above. Charts 1 to 3 are interactive. Click on a section of one chart to update the other two.

Top 20 entities **Deutsche Bank AG** is exposed to

Rank	Company	Country	Percentage
1	Nike Inc	United States of America	36.33%
2	Amazon.com Inc	United States of America	31.05%
3	TJX Companies Inc	United States of America	7.52%
4	PVH Corp	United States of America	5.33%
5	eBay Inc	United States of America	3.82%
6	Ross Stores Inc	United States of America	3.29%
7	Guess? Inc	United States of America	2.96%
8	Tapestry Inc	United States of America	2.23%
9	VF Corp	United States of America	2.02%
10	Burlington Stores Inc	United States of America	1.36%
11	Ralph Lauren Corp	United States of America	0.98%
12	ETSY Inc	United States of America	0.69%
13	Chico's FAS Inc	United States of America	0.56%
14	Crocs Inc	United States of America	0.44%
15	Eastman Chemical Co	United States of America	0.42%
16	Victoria's Secret & Co	United States of America	0.28%
17	Five Inc	United States of America	0.16%

Select Global Ultimate Investor
 BNP Paribas SA

Select Datapoint Type
 Bond Ownership
 Equity Ownership
 Financing & Underwriting

Please make your selections above. Charts 1 to 3 are interactive. Click on a section of one chart to update the other two.

1. Top Corporates...

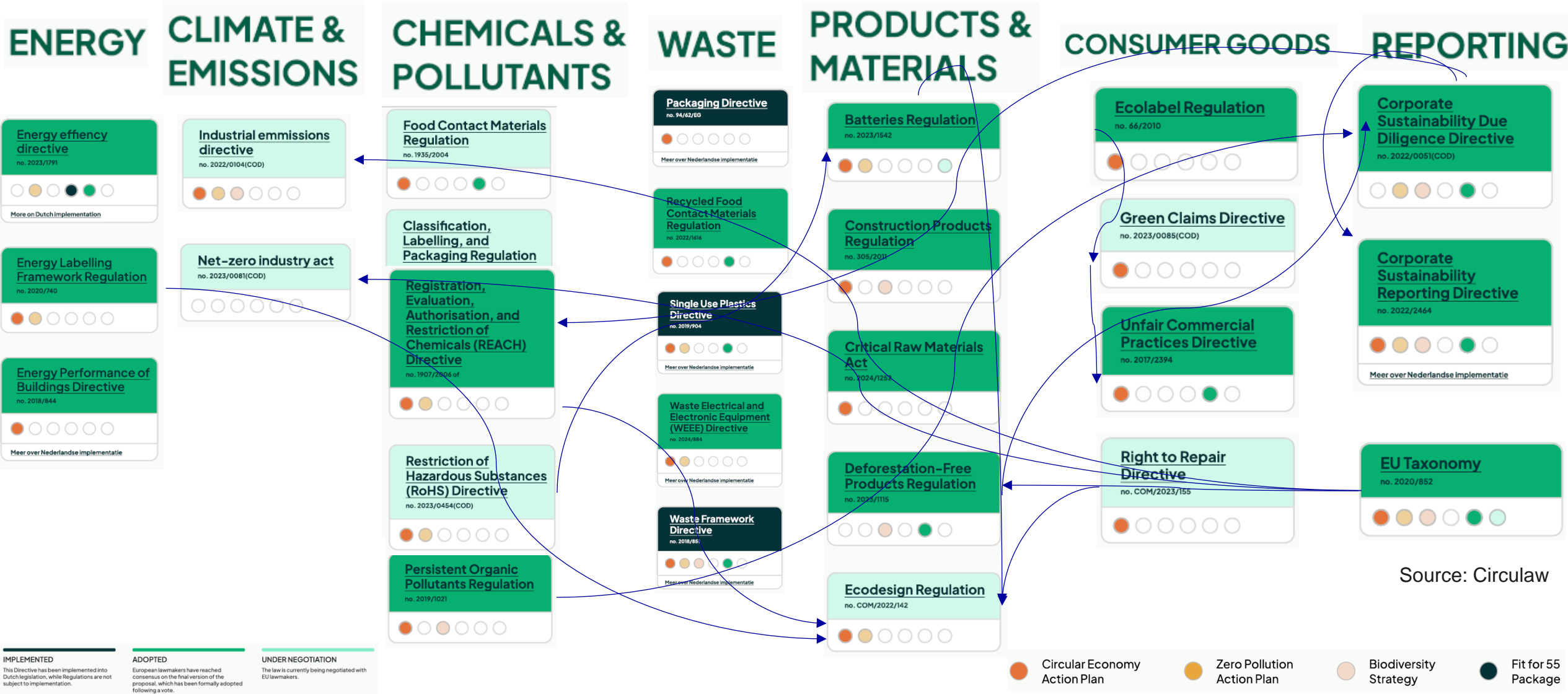
Top 20 entities **BNP Paribas SA** is exposed to

Rank	Company	Country	Percentage
1	Nike Inc	United States of America	33.83%
2	Amazon.com Inc	United States of America	28.09%
3	TJX Companies Inc	United States of America	6.24%
4	Columbia Sportswear Co	United States of America	5.03%
5	VF Corp	United States of America	4.07%
6	American Eagle Outfitters Inc	United States of America	4.04%
7	Ralph Lauren Corp	United States of America	2.73%
8	Nordstrom Inc	United States of America	1.98%
9	Crocs Inc	United States of America	1.52%
10	Gap Inc	United States of America	1.43%
11	Under Armour Inc	United States of America	1.36%
12	Ross Stores Inc	United States of America	1.27%
13	ETSY Inc	United States of America	1.25%
14	Deckers Outdoor Corp	United States of America	1.13%
15	Foot Locker Inc	United States of America	0.97%
16	PVH Corp	United States of America	0.81%
17	ETSY Inc	United States of America	0.66%



Source

EVERYTHING'S CONNECTED

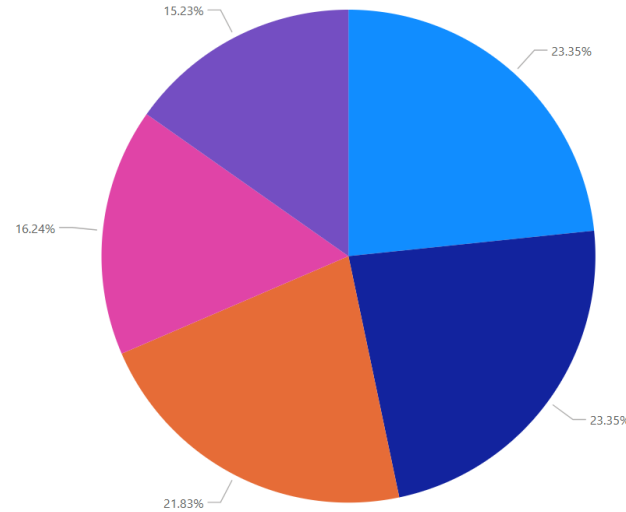
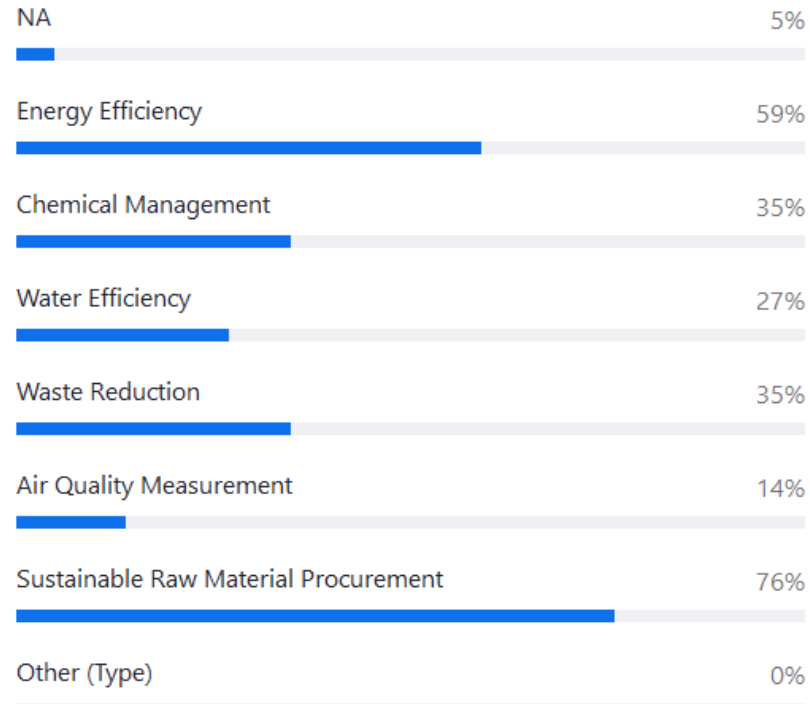


Source: Circulaw

COMPANIES' FEEDBACK

SURVEY 1

1. Which areas do you plan to invest in to fast track sustainability improvements? (Check all that apply) (Multiple choice)



Main roadblocks in implementing Environmental/Sustainable

- Lack of access to local experts/consultants
- Lack of supporting local regulations/policies/incentives
- Lack of access to finance
- Disagreement with Buyer to adjust prices
- Lack of Buyer/Brand commitment

CASE STUDY A: RESULTS

The following are process savings based on an average of 40,000kgs produced per year:

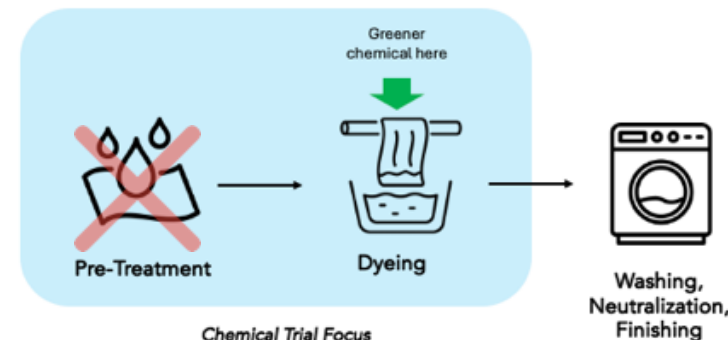
S#	Savings by optimising process modification	Standard process	Greener chemistry process	savings %	Annual Savings	Units
1	Water	4600	3200	30%	1400	m ³ /40000 kgs
2	Steam	521	357	31%	164	Tons/40000 kgs
3	Power (electricity)	105	74	30%	31	MWh /40000 kgs
4	Time in hours	965	705	27%	260	Hours /40000 kgs
5	GHG	346	238	31%	108	tCO _{2e} /40000 kgs
6	Total Chemicals cost	8580000	7920000	8%	660000	BDT/ 40000 kgs
					5593	Euro/40000 kgs
7	Total Costs	14850000	12320000	17%	2,530,000	BDT/40000 kgs
					21,441	Euro/40000 kgs

Summary:

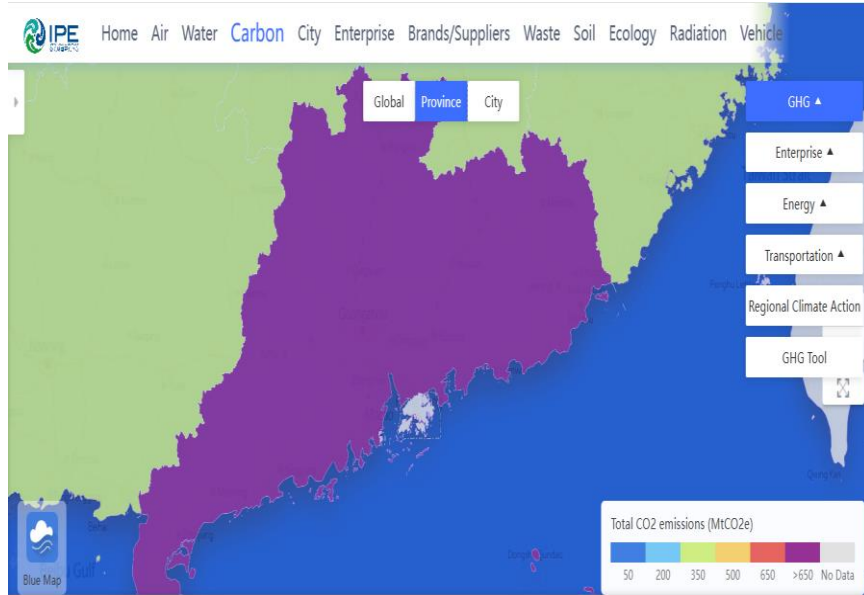
- By using the set of 'Greener' chemistry, a **total cost saving of 17%** was achieved (excluding cost of time).

How was this achieved?

- Due to the selection of greener dye selection and chemical products (Dianix XF2 by DyStar), allowed the elimination of scouring, hot washing and acid washing steps at the beginning.
- These steps were no longer needed because Dianix XF2 range dyes address these process needs, allowing dyeing and reduction clearing process **all in one bath**.



CLEANER PRODUCTION PROGRAMS

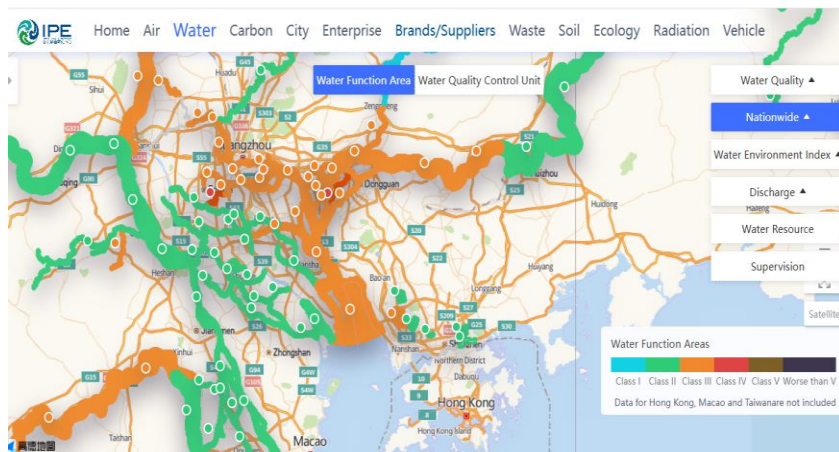


目的 Objectives

鼓勵和協助位於香港及廣東省的港資工廠採用清潔生產技術和作業方式，從而為改善區內環境作出貢獻。

To encourage and facilitate Hong Kong-owned factories in Hong Kong and Guangdong Province to adopt cleaner production technologies and practices, thereby making a positive contribution to improving the regional environment.

- ▶ 節約能源 Save Energy
- ▶ 減少空氣污染物排放 Minimise Air Pollutants Emission
- ▶ 減控污水排放 Reduce and Control Effluent Discharge
- ▶ 減少固體廢物 Reduce Solid Waste
- ▶ 降低生產成本 Reduce Production Cost



Source

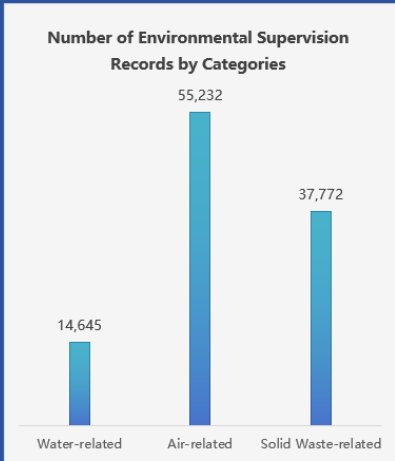


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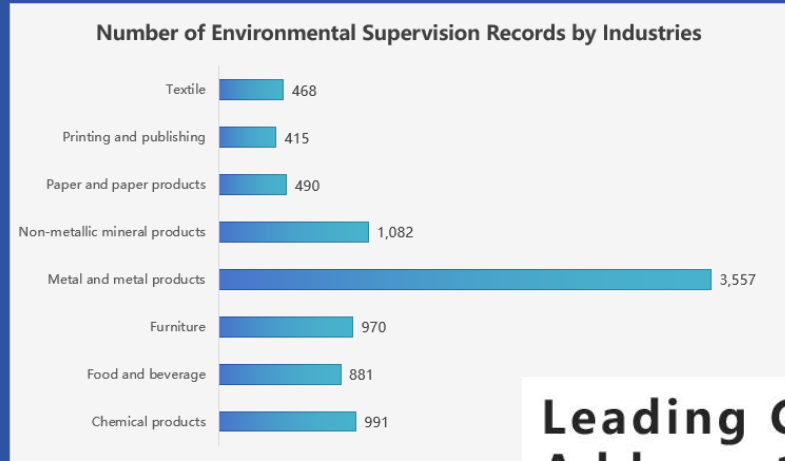
Annual Reduction (328 projects)
 VOC reduction :2500/yr
 CO2 : 58k tonnes and
 effluent discharge :475000 tonnes
 Production Cost \$110 million

DISCLOSURE FOR DECISION MAKING

From Jan to Oct 2024, the Blue Map Database collected a total of **130,000** environmental supervision records from **90,000** enterprises across China.




Only the categories of water, air, and solid waste are included.




Only industries within the Cleaner Production

Leading Companies Have Motivated Suppliers to Address the Violation and Publicly Disclosed Info




We screen China-based suppliers for environmental violations – including wastewater discharges – using the Institute of Public & Environmental Affairs (IPE) Blue Map Database. The database contains publicly available data from monitoring organisations and governments and gives us more insight into supplier activities. With Blue Map, we identified 16 violations in 2023 and with suppliers to determine the root cause, remediate and achieve compliance.

— NB 2023 Sustainability and Impact Report




We also put our China supply chain through the Green Supply Chain CII evaluation, developed by the Institute of Public & Environmental Affairs (IPE), which assesses how well the supply chain is being managed from an environmental point of view. In 2023 Primark improved its CII score compared to last year, ranking number seven out of 126 companies in the textile industry. This is a result of our continuous efforts to improve the environmental performance of suppliers in China beyond our first tier. Primark is now among the 30 leading brands in the IPE brands map.

— Primark Sustainability and Ethics Report 2022/23




We collaborate with the IPE to collect environmental performance addressing environmental protection issues in the supply chain and empower of environmental management within the supply chain.

— ANTA Sports Products Ltd




PUMA therefore requires those suppliers based in Mainland China to adhere to the following reporting policies: track their own environmental performance on IPE's platform (via website or app); in the case of any violation, the factory shall communicate with IPE to report follow-up actions; publish their environmental KPIs and other relevant data on IPE's RPTX platform as requested by PUMA.

— The Puma Forever Faster Sustainability Handbooks Environmental Standards




Lindex works with IPE to monitor environmental performance of direct suppliers and significant upstream suppliers in China through the PRTR (Pollutant Release and Transfer Registry) system. Lindex is one of the few brands in China that incorporates PRTR into our supply chain management requirements. In 2023, we have continued the partnership with IPE to address sustainable development issues in China, and we are listed on the IPE Green supply chain map.

— Lindex Sustainability Report 2023




To effectively identify and prevent potential risks, we collaborate with the Institute of Public & Environmental Affairs (IPE) in China red flags on environmental performance and violation. The IPE system non-compliance incidents on a regular basis, which can result in penalty to factory closure and considerable fines. An automatic notification reported for non-compliance. Our sustainability team then conducts the severity of the reported issues and implement relevant follow-up and remediation process to eliminate non-compliance and inherent risks.

— Li & Fung I



To supplement our responsible sourcing strategy, we leverage the Institute of Public and Environmental Affairs (IPE) to screen our suppliers in China for environmental compliance. On a regular basis, we screen our suppliers within IPE's Blue Map website to identify violations and, if found, create a corrective action plan for the respective vendor and facility to remediate within an agreed timeline.



M&S expects all wet processors in China to upload their last calendar year environmental data onto the platform no later than each March. M&S uses IPE data as a useful screening tool to ensure environmental compliance at China facilities. For any pollution violations, facilities shall publish their public explanations regarding the reason for the violation, corrective actions undertaken or in progress, and current compliance status within 10 working days from receipt of the IPE data.

MORE PROGRAMS



Title	ID	Countries	Local Areas	Type	Agencies	GEF Grant	Cofinancing	Status
Eliminating hazardous chemicals from textile fashion supply chains in India	11178	India	Climate Change, International Waters, Chemicals and Waste	Full-size Project	United Nations Industrial Development Organization	7,809,172	43,725,560	Project Approved
Bananas in Pakistan's Bioeconomy: Transforming Waste into Textile	11172	Pakistan	International Waters, Chemicals and Waste	Full-size Project	Food and Agriculture Organization	3,272,018	17,029,800	Project Approved
Promotion of circular economy in the textile and garment sector through the sustainable management of chemicals and waste in Ethiopia	10683	Ethiopia	Chemicals and Waste	Full-size Project	United Nations Industrial Development Organization	3,000,000	30,590,273	Project Approved
Promotion of circular economy in the textile and garment sector through the sustainable management of chemicals and waste in Lesotho, Madagascar and South Africa	10543	Lesotho, Madagascar, South Africa, Regional	Chemicals and Waste	Full-size Project	United Nations Industrial Development Organization	7,400,000	47,433,838	Project Approved
Reducing uses and releases of chemicals of concern, including POPs, in the textiles sector	10523	Bangladesh, Indonesia, Pakistan, Viet Nam, Asia/Pacific, Regional	Chemicals and Waste	Full-size Project	United Nations Environment Programme	8,850,000	43,272,506	Project Approved
Defining and Demonstrating Best Practices for Exchange of Information on Chemicals in Textile Products	5662	China	Chemicals and Waste	Medium-size Project	United Nations Environment Programme	1,000,000	4,395,205	Completed



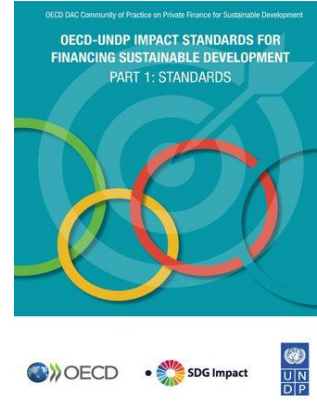
[INSIGHTS & REPORTS](#) | STRENGTHENING SUSTAINABILITY IN THE TEXTILE INDUSTRY

MARKET ANALYSIS

Strengthening Sustainability in the Textile Industry

September 1, 2023

NEXT-UP > INVESTING FOR IMPACT



Impact management is a human and environmental imperative, and is critical for sustained economic and financial performance.

IMPACT MANAGEMENT PLATFORM

Partners of the Impact Management Platform



Steering Committee

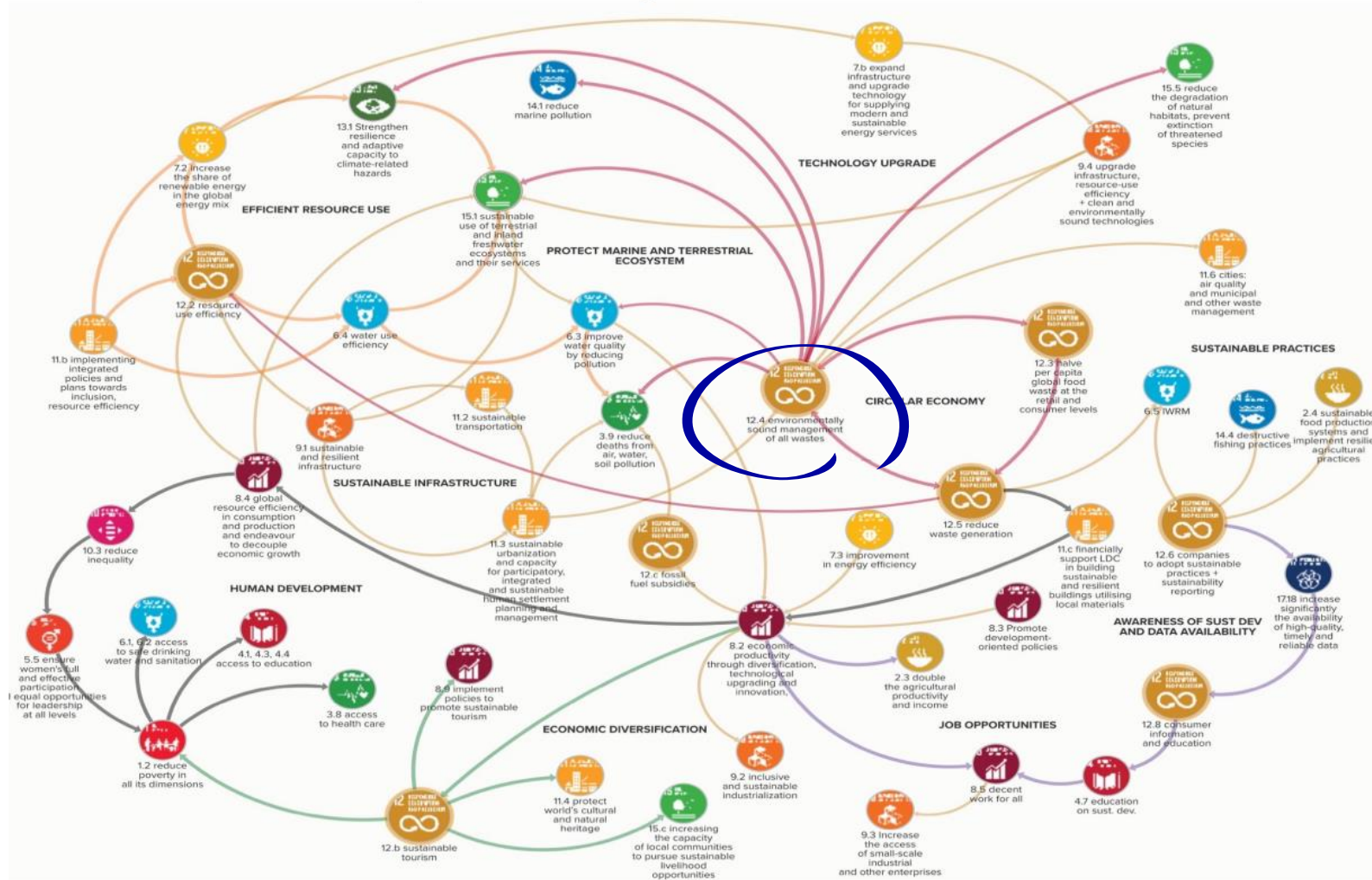
Co-Chairs

Observer



WIN FOR GOVERNMENTS

visualisation map of the interlinkages between SDG 12 and the other SDGs



FINANCING THE CHANGE WITH GFC

F

Facilitate Int'l initiatives

A

Assess Impact
*NDCs, Trade,
Jobs, Health*

S

Support with
Capacity building

T

Targets & Transition



QUESTIONS/COMMENTS/CRITICISM ?



RAKESH VAZIRANI

Director – Decarbonization & Cleaner Production
Supply chain Sustainability

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