Decarbonization guide for members

Accelerate climate
action together

Cascale

Introduction

"It's impossible to deny the urgency needed to tackle the ongoing climate crisis. As a business leader and community member, it's a personal battle, but one that won't be won by acting alone. As part of Cascale, a collective action coalition representing half of the apparel, footwear and textile sector, collaboration and equal partnership are central to our work and the actions we are taking to address environmental and social issues. Aligning on the need to set SBTs and take immediate action to decarbonize our value chains is just one example of the work we are doing to positively impact people and the planet. Of course, we also know we are far off where we need to be, which is why this level of commitment is so important."

Delman Lee
Vice Chair
Cascale

Decarbonization is the process of reducing or removing carbon emissions to help balance out the amount of greenhouse gas (GHG) emissions in the atmosphere. According to the Roadmap developed by World Resources Institute (WRI) and the Apparel Impact Institute (Aii), with data from Textile Exchange and Cascale, the apparel sector accounts for roughly 2% to 8% of annual global GHG emissions. If left unchecked, the industry could face challenges in reaching the 45% reduction in emissions necessary to limit warming to 1.5°C in line with the recommendations from the Intergovernmental Panel on Climate Change (IPCC)[22].

As a solution to this problem, a new Decarbonization Program[24] ("the Program") was launched by Cascale, which will support and guide the apparel and footwear industry in taking these important actions to reduce and remove carbon emissions within their value chain. In order to achieve these objectives, the Program will focus on collaboration, member support, and the provision of tools and guidance.

Cascale believes, as a global convener of the industry, it must showcase its conviction to driving immediate and urgent actions by asking members to set SBTs and accelerate climate action together. Only by aligning on a path forward and acting together can the industry address the systemic challenges associated with climate change and positively impact the planet.

Background

Cascale is committed to activating its ecosystem for action, and it believes setting and working towards SBTs together provides a crucial aligned pathway for the industry to reduce GHG emissions. They are objective goals backed by the latest climate science on our most advanced understanding of how GHG impact the climate. As part of its strategic plan, Cascale has set an aspirational objective to mitigate climate change and build climate resilience in the consumer goods value chain by supporting its corporate members in achieving SBTs. Cascale is also introducing new membership requirements on SBTs from 2023 to support the strategic goal.

To help its members on this journey, Cascale officially launched its Decarbonization Program in December 2023.

The Program aims to provide educational and advisory support to members who have not yet committed to SBTs or who are in the process of committing and setting SBTs. This guide is a key part of that program and outlines a six-step process by which organizations can commit and set SBTs and develop action plans to deliver individual targets:

1. Understand and get internal buy-in
2. Commit
3. Develop
4. Submit and validate
5. Communicate and disclose
6. Develop action plan and take collective actions

In each step, you will find a variety of guidance and resources to help you set and achieve your SBTs, such as information on GHG accounting, sectoral requirements, costs for validation, and opportunities to engage in collective action to reduce both indirect and direct GHG emissions across the globe.

Aspirational Objective
Cascale brand, retailer, and manufacturer members must achieve a **45% greenhouse gas (GHG) emissions reduction** in line with SBTs by 2030 and against a 2019 baseline.

Guidance

"Through the Decarbonization Program, we are building important collective action solutions to drive large-scale systematic change required in our global supply chains which no single company can do this alone. Members are listening and learning from each other to address the most pressing and difficult issues we are all facing in different geographical regions, driving shared solutions to shared problems and making sure our targets become a reality. It's the only way we can ensure our industry has a future."

Joyce Tsoi
Director,
Decarbonization
Program
Cascale

1 Understand & get internal buy-in

Action Checklist

What are SBTs?
Developed by the Science Based Targets initiative (SBTi), science-based targets provide a clearly defined pathway for companies and financial institutions to reduce greenhouse gas (GHG) emissions rooted in the latest climate science, helping prevent the worst impacts of climate change and future-proof business growth. Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to well-below 2ºC above pre-industrial levels and pursuing efforts to limit warming to 1.5ºC. SBTi leads this area globally in defining target-setting guidance and methodology and promotes best practices."[23]

What is the Science Based Target initiative?
The Science Based Targets initiative (SBTi) is a partnership between CDP1, the United Nations Global Compact, WRI, and the World Wide Fund for Nature (WWF) which aims to mobilize the business sector to take urgent climate action. It provides sectoral guidance and also defines and promotes best practices in SBT setting in line with limiting global warming to 1.5ºC. They also provide independent assessment and validation of targets for large companies and small- and medium-sized enterprises (SME).

Why is it important to set SBTs?
Cascale believes setting SBT is an important step for companies to set near-term emission reduction targets in line with the latest climate science. Subsequently, companies can develop an adequate decarbonization strategy and plan to cut emissions within the next 5-10 years.

Some resources on this topic include:

• WRI statement and blog on the most recent IPCC report on climate impacts, adaptation, and vulnerability (February 27, 2022)[2]
• WWF blog on the IPCC report
• UN Global Compact Business Ambition for 1.5ºC
• Six business benefits of setting SBTs
• Science-based targets FAQ[8]

☐ **Read the United Nations Fashion Industry Charter: Climate Action Playbook**[15]
This playbook provides guidance for apparel and footwear companies to take action on climate change, including measuring and reporting on GHG emissions and identifying opportunities for reducing emissions. It includes a list of industry initiatives on climate, specific actions manufacturers can take to reduce energy consumption and emissions, as well as types of energy efficiency and renewable energy programs across production countries.

☐ **Attend UNFCCC GIZ Climate Action Training**
Climate Action Training for the Fashion Industry was launched in October 2021 to support the industry's effort to reduce GHG emissions across its supply chains. This free, web-based training is aimed at supporting textile, garment, and footwear suppliers in Asia, specifically involved in finished products and material production. It is designed to help them understand the impact of climate change and a manufacturer's role in cutting GHG emissions. The course teaches brands and suppliers about what GHGs are, how to account for their emissions, how to set reduction targets, and available solutions in the field of energy efficiency and renewable energy. The training is available on *www.atingi.org* in English, Khmer, Chinese, Bengali, and Vietnamese and can be completed for free in self-paced mode with the aim to reach local suppliers in key production centers. In-person training is available in select countries with an additional cost.

☐ **Make the business case for SBTs**
Create a high-level proposal or document for top management and business leaders to outline the key reasons your organization should commit to and set SBTs and understand the types of potential benefits that are good for your business.

2 Commit

Action Checklist

**Making a commitment
is the first step of setting SBTs**

Your commitment route that you
will embark on depends on your
organization type and size.

In general, SBTi recommends
the parent company to commit
and set SBTs on a group level.

Submitting your commitment letter (see
Appendix 1) to Cascale or SBTi demonstrates your organization's
intention to set targets to take ambitious climate action to reduce
your emissions. Once signed, organizations will have a maximum
of two years to develop and submit their targets for validation.

In general, there are two ways to commit to SBTs (see Route
1 and 2 below). Please refer to Appendix 4 and 5. SMEs can
skip the SBT commitment process via the standard SBTi route
(see Appendix 3); they will be taking a streamlined route
for setting and validating SBTs (refer to Route 3 below).

Brands, retailers &
holding group members,
manufacturing
members **‹500 people**

☐ **Read the SBTi
Corporate Manual**[10]

☐ **Register online using the
SBTi.** For SBTi, Please note
small- and medium- sized
enterprises must instead use the
streamlined route for SMEs.

☐ **Submit the SBTi
Commitment Letter**
Send the standard commitment
letter to: *commitments@
sciencebasedtargets.
org*. Alternatively, Cascale
manufacturer members can
commit to set SBTs through the
Cascale SBT commitment and
target validation process.

☐ **Submit online or offline
provided form using the Cascale
commitment letter (Appendix 1)**
Email: *sbt@cascale.org*

☐ **Join Cascale peer-to-peer
learning groups**

····· only available for companies
with **‹500 employees**

Committing through SBTi

• After sending a commitment letter
(Appendix 1), organizations have 24 months
to submit their target(s) to SBTi.

• The SBTi team will do the initial screening
to check basic criteria are met.

View step-by-step process SBTi

1

Committing through Cascale

• Send your commitment letter (Appendix 1) to
Cascale through either the online or offline method.

• After submitting the commitment letter,
members have 24 months to submit their
SBTs to the third-party verification bodies for
target validation. The methodology is based
on SBTi's Target Validation Protocol.

2

SBTi's SME Streamlined Route

This route is specifically designed for small-and
medium-sized enterprises (SMEs), defined as firms
that do not have subsidiaries and employ less
than 500 employees. From a predetermined base
year, near-term SBTs consist of absolute reduction
targets for Scope 1 and Scope 2 GHG emissions.
SMEs can skip the initial stages of committing
to set a science-based target. SMEs can set a
science-based target for their Scope 1 and 2
emissions by selecting one of several predefined
target options that can be used immediately in
order to reduce their emissions. While SMEs are not
required to set targets for their Scope 3 emissions,
they must commit to measuring and reducing
them. Validation can be obtained directly through
SBTi. **Cost**: The SBTi's streamlined SME validation
fee is US$1,000. Please use the *SBTi's SME Target
Validation Form*. To learn more, read the *SME FAQ*.

3

3 Develop

3.1 Setting near-term SBTs and/or net zero targets

What are Near-Term SBTs*?
There should be a minimum of five years and a maximum of 10 years between the date the target is submitted to the SBTsi for validation and the end goal. The target should be developed using the latest SBTi criteria and recommendation 5.0 (Scope 1 and 2 - 1.5ºC scenario, and Scope 3 - Well below 2ºC scenario). *Cascale corporate members are only required to set near-term SBTs as a membership requirement.*

What are Long-Term Net Zero SBTs?
As per the SBTi Net Zero standard definition: "Reducing Scope 1, 2, and 3 emissions to zero or to a residual level that is consistent with reaching net-zero emissions at the global or sector level in eligible 1.5ºC-aligned pathways and neutralizing any residual emissions at the net-zero target year and any GHG emissions released into the atmosphere thereafter." Develop your target(s) in line with SBTi's science-based criteria. Review SBTi's How-To Guide To Set Near-Terms Targets[11] or Net-Zero Getting Started Guide[13] and get familiar with the target development process. Review the target setting requirements based on the SBTi Criteria and Recommendations[12] or Net-Zero Standard Criteria.

3.2 Set organizational boundaries

SBTi recommends companies to submit their targets only at the parent- or group-level, not at the subsidiary level. Parent companies must include the emissions of all subsidiaries in their target submission, in accordance with their boundary described on the SBTi criteria and recommendations guidance.

3.3 Setting baseline

As per SBTi new criteria and recommendations 5.0 - when you set the target, **your base year must be no earlier than 2015**. You can rebaseline and revise the target according to the updated SBTi criteria and recommendations within 5-10 years of the last validation date.

3.4 Understand and follow SBT setting criterias

The targets must be in line with the criteria that the SBTi considers critical for qualifying a target as "science-based." The SBTi has developed a suite of tools and guidance to help companies understand how to meet these criteria.

3.5 Follow sectoral requirements and detailed guidance on target setting described in the apparel and footwear sector science-based target guidance

Co-authored by the SBTi and WRI and published in June 2019, the Guidance provides industry-specific guidance, tools, and case studies to support apparel and footwear companies in setting SBTs. Note that over time, the criteria listed in the Guidance will become outdated (the reader should refer to the SBTi criteria which are refreshed on a periodic basis).

• Your organization's target must cover Scope 1 and Scope 2 emissions defined by the GHG Protocol Corporate Standard. The target must be consistent with the decarbonization required to limit the temperature rise to 1.5ºC compared to pre-industrial levels.

• If your organization's relevant Scope 3 emissions are 40% or more of total Scope 1, 2, and 3 emissions, a Scope 3 target is required.

• Ambition must be in line with C18 in SBTi criteria and recommendations guidance.

• Level of ambition for Scope 3 emissions reduction targets must be aligned with methods consistent with the level of decarbonization required to keep the global temperature increase well-below 2ºC compared to pre-industrial temperatures.

3 Develop

Action Checklist

☐ **Use the UN Fashion Charter Detailed Guidance for Consistent Scope 3 PG&S Measurement**
In partnership with the Fashion Charter working group on decarbonization, Cascale has led the development of a draft guidance to help apparel and footwear companies more efficiently and consistently measure their purchased goods and services (PG&S) emissions in collaboration with our members.

☐ **Join Cascale "SBT setting" peer-to-peer learning groups**
This group is designed to create an educational and supportive environment where members can share their knowledge and experience throughout SBT committing and setting processes. This group is targeted for members who are not committing to SBTs yet or are in the process of committing and setting SBTs. Sign up here.

☐ **Attend Greenhouse Gas Protocol Trainings**
The GHG Protocol has developed several training sessions, some of which are free. See for example, training on the Corporate Standard and Scope 2 Guidance (free) and training on the Scope 3 Standard ($325 per user).

☐ **Create a Greenhouse Gas Inventory. Follow Greenhouse Gas Protocol's Corporate Standard[16]**
The Corporate Standard (foundational guidance) provides requirements and guidance for companies preparing a corporate-level GHG emissions inventory. The Corporate Standard is supplemented by Scope 2 Guidance, the Corporate Value Chain Scope 3 Accounting and Reporting Standard[17], and Technical Guidance for Calculating Scope 3[18]. Start with Scope 1 and 2: most companies start by looking at their energy consumption for their Scope 1 and 2 emissions.

☐ **Use Scope 3 Evaluator for screening purpose**
Is Scope 3 significant to your company? A free tool from the GHG Protocol and Quantis that allows users to estimate emissions for all 15 Scope 3 categories, the Scope 3 Evaluator reduces the time needed to estimate Scope 3 emissions. Companies can use the tool to identify areas to pursue a more accurate inventory and focus reduction efforts.

☐ **Leverage Higg FEM7 and Higg MSI5 to capture data from specific activities within the value chain activities, and conduct analytics to identify where your emission hotspots are.**

☐ **Use the target-setting tool for setting near-term targets. Apply the net-zero tool to develop longer term targets and include all key considerations of your emission scopes (e.g. choosing base year and target year; align your target boundary with the GHG inventory boundary).**
SBTi provides guidance and criteria for science-based climate change targets and validates company targets. The website includes several essential resources including the SBTi criteria, an Excel-based target setting tool, and a detailed manual for companies setting targets.

4 Submit & Validate

Review and submit your SBTs for validation

After you have completed setting your organization's emission reduction targets, you can fill in the target submission form and submit your targets either to SBTi or an equivalent robust approval process based on most recent recommendations. Cascale members may approach verification bodies to discuss verification activities after developing your SBTs.

The third-party verification and assurance organizations should verify member's SBTs based on the latest version of SBTi Target Validation Protocol. These third-party organizations should be accredited under internationally-recognized standards or accredited to relevant ISO or equivalent schemes and the verifiers should have expertise in the apparel, footwear and textile sector. Verification bodies must meet the requirements regarding verification team's operation and competencies set forth in ISO 14064-3: A.2.2.3, ISO 14065: 6.2, and ISO 1406619. More information on the list of verification bodies will be shared by Cascale in Q3 2023.

Review your target submission documents against all the minimum criteria set out in the Target Validation Protocol[14]. Submit the relevant forms for your organization and target type to SBTi or your chosen third-party verification body. Please refer to the forms below if you are following the SBTi validation route. Members should inform Cascale after their target has been approved either by SBTi or your chosen third-party verification body.

• Corporate near-term target submission form
• SBTi Net-Zero Target Submission Form Part (Word), SBTi Net-Zero Target Submission Form Part (Excel) and Net-Zero target-setting tool
• Streamlined route for SMEs
• Book your validation through the SBTi booking system

"When it comes to tackling the biggest problem the world has ever seen—climate change—we must draw on the power of collaboration, ambition, and innovation. This new guidance is proof that the fashion industry is up to the challenge. It also provides a blueprint for other sector trade bodies to follow."

Luiz Amaral
CEO, Science Based Targets
Initiative (SBTi)

5 Communicate & Disclose

5.1 Communicate your SBTs to your internal business functions and externally to stakeholders

Once you have approved SBTs, you will be required to report and disclose your targets publicly. SBTi provides a welcome pack and communication guidance on how companies should communicate their new targets on company websites or in sustainability reports. After you inform Cascale that your target has been approved, Cascale will also disclose and publish your SBTs on its website.

5.2 Track and report your progress annually

Your target must be made public within six months of approval, or it will require revalidation to ensure it is in line with the latest science-based criteria. SBTi recommends organizations to report through CDP[1]. You may also report through the Higg Brand & Retail Module (BRM)6, part of the Higg Index suite of tools4, and share your sustainability progress with your value chain partners.

CDP Worldwide[1]

A not-for-profit that runs the global disclosure system for entities including companies and investors to manage their environmental impacts, including climate change. Companies report on various climate change data through a standardized process and set of questions, the goal of which is to make the information more comparable. Brands and retailers can request that suppliers report via CDP1 Supply Chain.

Cascale Higg Brand and Retail Module (BRM)

Brands and retailers of all sizes can use the Higg BRM to track and measure the environmental and social impacts of their value chain, including carbon emissions from own operations and across the value chain. The BRM also enables sharing sustainability progress with value chain partners, consumers, investors, and other key stakeholders.

☐ **Develop a communications strategy**
After your target has been approved, develop a communications strategy and agree on a planned and specific timeline for how the targets will be communicated to key internal and external stakeholders.

☐ **Track your decarbonization progress annually toward your target(s)**

6 Develop Action Plan & Start Taking Actions

6.1 Develop a climate action plan

To create this overall climate action plan, companies need to evaluate carbon hotspots along the value chain from direct and indirect emission sources and collect ideas on existing and potential initiatives from each business function that could deliver carbon reductions.

Review GHG Inventory and identify hotspots in all scopes; develop decarbonization roadmap

Leveraging data and insights from the Higg Facility Environment Module (FEM)7, another of the Higg Index suite of tools, users can access a standardized environmental assessment that facilitates conversations among value chain partners to environmentally improve every tier in the global value chain. Among other areas, the Higg FEM enables annual energy and carbon emissions tracking and reporting for manufacturing facilities, benchmarking, and sharing with value chain partners.

Analyze Higg FEM data and identify the potential type(s) of impact programs

• Conduct a hotspot analysis utilizing Higg FEM data to help identify geographic regions and specific facilities to undertake targeted impact programming.
• Evaluate specific measures/programs, costs, and potential financial returns. Carry out cost-benefit analysis of each measure. Assemble all specific measures into your overall plan.
• Decarbonizing global manufacturing and business operations usually has the greatest potential, such as at supplier facilities (this represents Scope 1 and 2 emissions for manufacturers and Scope 3 emissions for brands and manufacturers). Scope 3 carbon mitigation efforts include a full value chain assessment of reduction potentials from purchased goods, materials, processing, products, and services levels. Deeper engagement with suppliers and supplier roadmaps are required to achieve ambitious emission reduction targets.

Implement GHG reduction programs at the corporate and manufacturing levels. Examples of the key industry programs, include:

• Race to the Top
• Apparel Impact Institute–Clean By Design
• Apparel Impact Institute–Carbon Leadership Program
• IFC PACT
• IFC Vietnam Improvement Program
• GIZ solar rooftop feasibility program
• UNIDO test program

Monitor carbon reduction progress regularly and assess climate ambitions and progress against the SBT(s).

Companies need to make sure all key carbon mitigation strategies and programs are communicated internally to drive short and medium term goals.

6 Develop Action Plan & Start Taking Actions

☐ **Join the Cascale Top Action Club**
This new group offers a collaborative space where Cascale members can discuss carbon abatement options, types of programs, finance, and options to scale sustainable impact solutions across their global supply chains with shared sites or facilities and key industry partners in key countries. Intended for members who have approved SBTs and/or are looking to take actions collectively to accelerate carbon emission reductions. If you're interested, sign up here.

☐ **Refer to Roadmap to Net Zero20: Delivering SBTs in the Apparel Sector**
A publication from WRI and the Aii, and based on Higg MSI data, the Roadmap will provide an estimate of apparel sector emissions and identify key interventions for reducing emissions. The final draft was published in Fall 2021.

☐ **Refer to Material Change Insights Report**
Annual report (linked with Material Change Index) from Textile Exchange that tracks industry progress on sustainable materials. Report includes some data on GHG savings from use of sustainable materials, and the Index lists leading companies.

☐ **Use Carbon supplier toolkit**
Provides the structure and resources for brands and facilities to begin drafting their climate reduction roadmap and plan. Factories use the toolkit to establish their own carbon target and a personalized action plan to achieve it. Supporting brands are able to track their facilities' progress in relation to their respective supply chain goals. The Carbon Supplier Toolkit provides the foundation for Aii's Carbon Leadership Program which brings brands together to 6 Develop Action Plan & Start Taking Actions cont. Action Checklistaccelerate the implementation of their supply chain carbon targets, while also

standardizing approaches with their suppliers so that they can be replicated by the rest of the industry. The supply chain participants collaborate on setting carbon targets, then share data and lessons learned in order to maximize carbon reduction throughout the industry.

☐ **Advocate for policy and regulatory changes that encourage adoption of existing and new decarbonization solutions**
Policymakers have a critical role to play in transforming all industries in enabling low carbon transition. Collaborating with policymakers and stakeholders are important levers to facilitate and spur industry change. In support of climate change and renewable energy policies, Cascale, members, and key stakeholders are planning to develop regional or country dialogs to support the development of enabling frameworks, including policy, regulations, standards, and governance institutions for accelerating energy transitions.

Key tools companies should leverage in setting *SBTs*

The Higg Brand and Retail Module (BRM) helps brands and retailers understand and lower their environmental impacts and identify ways to establish and maintain practices that promote the well-being of workers, support local communities, and champion women in the workforce. The Higg BRM assesses 11 environmental impacts and 16 social and labor impacts, such as biodiversity, deforestation, corporate GHG, air pollution emissions, forced labor, health and safety, freedom of association, and collective bargaining. In addition, given the breadth and depth of the Higg BRM, brands and retailers can also use the data collected to report progress on other industry initiatives like SBTs, the UN Sustainable Development Goals, and the G7 Fashion Pact, streamlining the data collection and reporting process.

The Higg Facility Environmental Module (FEM) provides a single, comprehensive assessment for global facilities at each tier of production to measure environmental performance and is used today by more than 19,000 facilities in 100 countries around the world. The Higg FEM can help facilities identify and prioritize opportunities for performance improvements, such as energy or water usage. In our most recent data from 2019, more than 70% of facilities using the Higg FEM set baselines for energy use and 50% of facilities are working on implementation plans to cut their carbon footprint through energy efficiency upgrades and other emissions reductions. Identification of these opportunities not only reduces emissions but it also helps facilities save money. For example, over the past three years, suppliers for Ann Inc. implemented 250 energy savings programs that have saved them over $3.5 million in energy costs.

The Higg Materials Sustainability Index (MSI) is designed to compare the environmental impacts of materials based on industry average emissions data from goods and services. This tool covers 11 different raw materials options from polyester, cotton, leathers, and others. This is often referred to as secondary or life-cycle inventory data source, which is commonly used to measure upstream emissions for Scope 3 purchasing goods and services category.

In collaboration with Worldly., the new feature of Higg Index Scope 3 PG&S accounting tool is under development based on the draft guidance for measuring Purchased Goods and Services that we co-develop with the Fashion Industry Charter for Climate Action. This will bring greater consistency, efficiency and comparability for members, and industry stakeholders to measure Scope 3 category 1 emissions which represents a large proportion of Scope 3 in most cases and also when comparing with the overall corporate emissions.

Costs

Costs involved in validating SBTs through SBTi validation service

Near-term science-based target validation:

US **$9,500**

Near-term science-based target validation:

US **$9,500**

Near-term science-based target validation:

US **$9,500**

Near-term science-based target validation:

US **$9,500**

Near-term science-based target validation:

US **$9,500**

Near-term science-based target validation:

US **$9,500**

SMEs

Near-term science based target validation for SMEs:

US **$1,000**

Companies headquartered in developing countries and economies in transition, as defined by the United Nations Secretariat's Department of Economic and Social Affairs listed in Table B and C on page 154 of the respective document, have the option to request a waiver for their target submission fee. Please refer to the document or refer to Appendix 6.

Appendix

Glossary of acronyms

AII Apparel Impact Institute

CDP CDP Worldwide

GHG Greenhouse gas

GIZ The Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH

Higg BRM Higg Brand and Retail Module

Higg FEM Higg Facility Environmental Module

Higg MSI Higg Materials Sustainability Index

IFC International Finance Corporation

ISO International Standardization Organization

IPCC The Intergovernmental Panel on Climate Change

PACT Partnership for Cleaner Textile

PG&S Purchased goods and services

SBT Science-Based Target

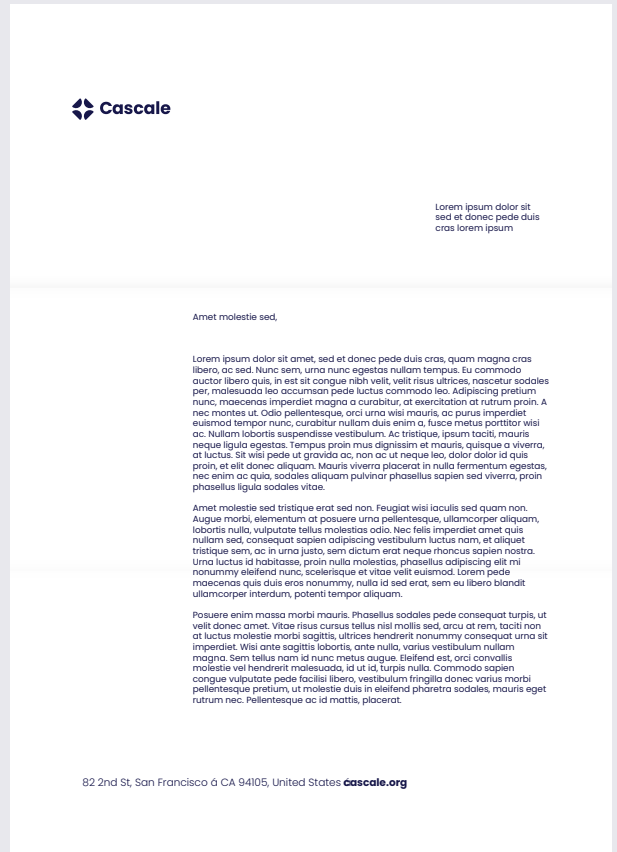**SBTi** Science Based Targets initiative (SBTi)

UNGP United Nations Global Compact

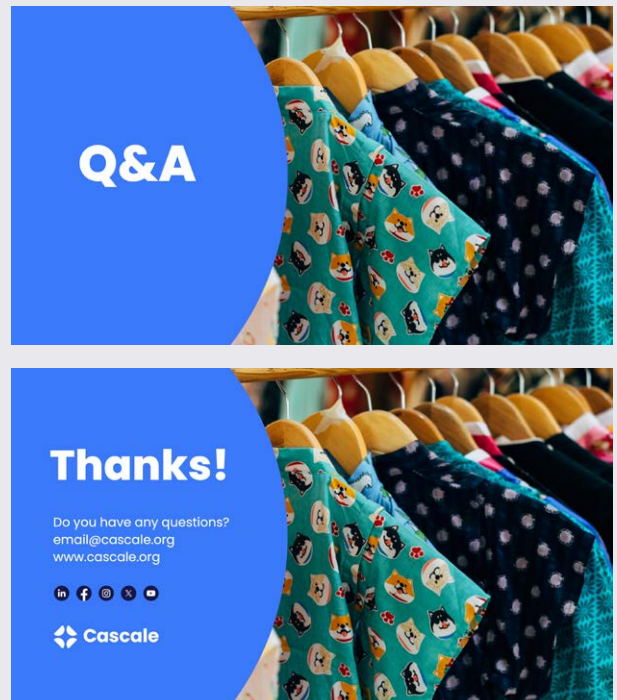**UNIDO** United Nations Industrial Development Organization

WRI World Resources Institute

WWF World Wide Fund for Nature

1 Cascale SBTs
Commitment Letter

2 Contact Us to Learn More

3

Route 1

SBT Commitment and Validation Route for Corporate Member, Brand & Retailers, Holding Group Members with More Than 500 Employees.

SBT Commitment
Route for Corporate Member, Brand & Retailers, Holding Groups with **more than 500 employees**.

SCIENCE BASED TARGETS

◆◆ Cascale

SBTi Commitment - option 1		Cascale Commitment - option 2

1 Commitment letter to SBTi (Online / Offine)

Immediately

1 Commitment letter to Cascale (Online / Offine)

2 Develop GHG inventory and set a target*

In 24 Months

2 Develop GHG inventory and set a target*

3 Target validation by SBTi

3 Target validation by third party verification bodies

4 Target approved by SBTi and approved targets published on SBTi's website

4 Target approved by accredited third party and report to Cascale

5 Members will track and disclose their GHG reduction annually in the **CDP report**

5 Cascale will disclose the validated SBT on **Cascale platform**

6 Accelerating decarbonization through collaborating in Collective Action Programs

4 **Route 2**

SBT Commitment and Validation Route for Manufacturer
Members with More Than 500 Employees.

> ## SBT Commitment
> Route for Corporate Member, Brand & Retailers,
> Holding Groups with **more than 500 employees**.

SCIENCE BASED TARGETS

✦✦ Cascale

SBTi Commitment - option 1

Cascale Commitment - option 2

	SBTi	Cascale
1	Commitment letter to SBTi (Online / Offine)	Commitment letter to Cascale (Online / Offine)
	Immediately	
2	Develop GHG inventory and set a target*	Develop GHG inventory and set a target*
	In 24 Months	
3	Target validation by SBTi	Target validation by third party verification bodies
4	Target approved by SBTi and approved targets published on SBTi's website	Target approved by accredited third party and report to Cascale
5	Members will track and disclose their GHG reduction annually in the **CDP report**	Members will track and disclose their GHG reduction annually in the **CDP report**

6 Accelerating decarbonization through collaborating in Collective Action Programs

5 Route 3

SMEs' Streamlined Route: SBT Commitment and Validation Route for Manufacturers, Corporate Members, Brand & Retailers and Holding Group Members with Less than 500 Employees.

SBT Commitment for SMEs

Route for Manufacturers, Corporate Members, Brands & Retailers, Holding Group Members with **less than 500 employees**.

SCIENCE
BASED
TARGETS

1 SBTi target validation application (online)

2 Target validation by SBTi

3 Target approved by SBTi and approved targets published on SBTi's website

4 Members will track and disclose their GHG reduction annually in the CDP report

5 Accelerating decarbonization through collaborating in Collective Action Programs

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for members 2024

6 Table of developing countries by region

Source: World Economic Prospect 2022, page 154.

Developing economies by region[a]

Developing economies by region[a]

Africa		Asia	Latin America and the Caribbean
North Africa	**Southern Africa**	**East Asia[b]**	**Caribbean**
Algeria	Angola	Brunei Darussalam	Bahamas
Egypt	Botswana	Cambodia	Barbados
Libya	Eswatini	China	Belize
Mauritania	Lesotho	Democratic People's Republic of Korea	Guyana
Morocco	Malawi	Fiji	Jamaica
Sudan	Mauritius	Hong Kong SAR[c]	Suriname
Tunisia	Mozambique	Indonesia	Trinidad and Tobago
Central Africa	Namibia	Kiribati	**Mexico and Central America**
Cameroon	South Africa	Lao People's Democratic Republic	
Central African Republic	Zambia	Malaysia	Costa Rica
Chad	Zimbabwe	Mongolia	Cuba
Congo	**West Africa**	Myanmar	Dominican Republic
Equatorial Guinea	Benin	Papua New Guinea	El Salvador
Gabon	Burkina Faso	Philippines	Guatemala
Sao Tome and Prinicipe	Cabo Verde	Republic of Korea	Haiti
East Africa	Côte d'Ivoire	Samoa	Honduras
Burundi	Gambia	Singapore	Mexico
Comoros	Ghana	Solomon Islands	Nicaragua
Democratic Republic of the Congo	Guinea	Taiwan Province of China	Panama
Djibouti	Guinea-Bissau	Thailand	**South America**
Eritrea	Liberia	Timor-Leste	Argentina
Ethiopia	Mali	Vanuatu	Bolivia (Plurinational State of)
Kenya	Niger	Viet Nam	Brazil
Madagascar	Nigeria	**South Asia**	Chile
Rwanda	Senegal	Afghanistan	Colombia
Somalia	Sierra Leone	Bangladesh	Ecuador
South Sudan	Togo	Bhutan	Paraguay
Uganda		India	Peru
United Republic of Tanzania		Iran (Islamic Republic of)	Uruguay
		Maldives	Venezuela (Bolivarian Republic of)
		Nepal	
		Pakistan	
		Sri Lanka	
		Western Asia	
		Bahrain	
		Iraq	
		Israel	
		Jordan	
		Kuwait	
		Lebanon	
		Oman	
		Qatar	
		Saudi Arabia	
		State of Palestine	
		Syrian Arab Republic	
		Turkey	
		United Arab Emirates	
		Yemen	

a Economies systematically monitored for the World Economic Situation and Prospects report. These analytical groupings differ from the geographical aggregations defined according to M49.
b Throughout the report the term 'East Asia' is used in reference to this set of developing countries, and excludes Japan.
c Special Administrative Region of China.

FAQS

What is a "science based target"?

A science-based target is described by SBTi as "a clearly defined pathway to reduce greenhouse gas (GHG) emissions, helping prevent the worst impacts of climate change and future-proofing business growth. 'Science-based' targets are those that are in line with what climate science deems necessary to achieve the goals of the Paris Agreement - limiting global warming to 1.5°C above pre industrial levels.

What are the benefits of setting a science based target?

It's good for your organization, for people, and for the planet to reduce your carbon footprint. As a result, your brand reputation increases among your customers. The new regulations give investors confidence in your processes, durability against the new guidelines, and, finally, savings of money (Operational) and competitiveness, as well as an increase in conscious consumers.

How do the SBTi requirements relate to the Cascale goal of 45% GHG emissions reduction by 2030?

SBTi provides the best-in-class target setting methodology and guidance to companies to understand the scale of reductions required in line with the latest climate science to keep the temperature increases to 1.5°C compared to pre-industrial levels. Setting SBTs enable the achievement of a key collective action objective to support members in meeting the 45% GHG emissions reduction goal.

How Cascale supporting members on their decarbonization journey?

The Cascale Decarbonization team is supporting members in various ways to guide members on their decarbonization journey, Some of the offerings include:
• Sustainability therapist hotlines for members
• Step-by-step guidance & basic tools for organizations committing and setting their SBT(s)
• SBT 101 trainings & roundtables
• Best practice sharing webinars
• SBT peer-to-peer learning groups
• Top Action Club
• SBT requirements Q&A sessions (Appendix 2)

What guidance does Cascale recommend in committing and setting SBTs?

Cascale offers comprehensive guidance for companies committing and setting SBTs and supports committed companies to understand which resources are available and appropriate for their needs. Please refer to the links below:
• Apparel and Footwear SBT Guidance[19]
• GHG Protocol Corporate Accounting and Reporting Standard[16]
• Scope 2 Guidance standard
• Corporate Value Chain (Scope 3) Accounting and Reporting Standard[17]
• Cascale Decarbonization Guide
• Scope 3 - Draft Guidance for Measuring Purchased Goods and Services

How are the targets validated?

Targets are validated as per science-based criteria with the SBTi validation service team or Cascale recommended third-party verification bodies.

How much is the cost for validation via the SBTi validation service?

• Corporate - Near-term targets - **US$9,500** (allows you to submit your target twice & is valid for six months)
• SME's - Near-term Targets - **US$1,000**
• Target Update Service - **US$4,750**
• Developing Countries - **$0** (Companies headquartered in developing countries and economies in transition, as defined by the United Nations Secretariat's Department of Economic and Social Affairs listed in Table B and C). More Information can be found here - SBT Target Validation Service Cost

How much does it cost for SBT validation by third-party verification bodies?

Cascale will announce the third-party verification list and cost in Q2-Q3 2023.

Our near-term Scope 1 and 2 targets have been validated as per the 2°C scenario in the past few years, which is not aligning with 1.5°C. Will this fulfill the Cascale membership requirement?

• No, Using the latest SBTi standard criteria, re-calculate your baseline as soon as possible or within five years of your last validation date.

Contact *sbt@@cascale.org* with further questions.

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Cascale

Cascale is the global nonprofit alliance catalyzing collective action toward equitable and restorative business practices in the consumer goods industry. Spanning 300 retailers, brands, manufacturers, governments, academics, industry associations, and nonprofits across 37 countries, we are united by a singular vision to give back more than we take to the planet and its people. Cascale's membership includes apparel, footwear, home furnishings, sporting and outdoor goods, and bags and luggage companies.

Formerly known as the Sustainable Apparel Coalition, Cascale owns and develops the Higg Index. Initially formed to create standardized sustainability metrics, Cascale has sharpened its focus to driving pre-competitive collective action for a unified industry transformation. As an independent entity, Cascale brings together brands, retailers, manufacturers, NGOs, academics, and industry associations to combat climate change, ensure decent work, and contribute to a nature-positive future.

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