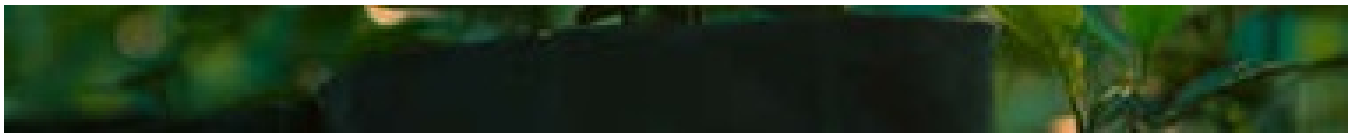
Climate Change

Reducing our impacts by focusing in the right areas

As a leading retail fashion business operating in more than 20 countries, we understand our role in reducing our impact on climate change. Climate change has the potential to threaten the communities we work in, and our ability to access raw materials, such as cotton, in the future by increasing the possibility of unpredictable or extreme weather events. To be effective, we must focus our efforts on those areas where we can make the most change, most quickly. To identify these opportunities, we routinely assess our impacts through Life Cycle Assessment (LCA) across our entire value chain – from the cotton farms right through to end of use.



Approach and methodology

Working with the scientists at Aligned Incentives, we have evaluated our scope 1, 2 and 3 greenhouse gas emissions across our value chain building upon last year's analysis.

The model follows the World Resources Institute/World Business Council for Sustainable Development GHG (greenhouse gas) Protocol for corporate accounting and reporting and value chains. For our 2016 estimate, we have improved our methodology by using more granular data and improved the modeling of raw materials and processing stages of our garments' life cycle. This hybrid LCA model combines input-output and process LCA methods, enabling us to focus on the key hot-spot areas within our value chain at a material, regional, and value chain level.

How we reduce our impact on climate change

When compared with last year's assessment, we demonstrate a 12% reduction, mainly through improvements in how garments are manufactured and by sourcing more sustainable materials. These improvements combined with an overall reduction in sourced materials, has resulted in a reduction of approx. 619,000 metric tonnes of CO_2e across our value chain.

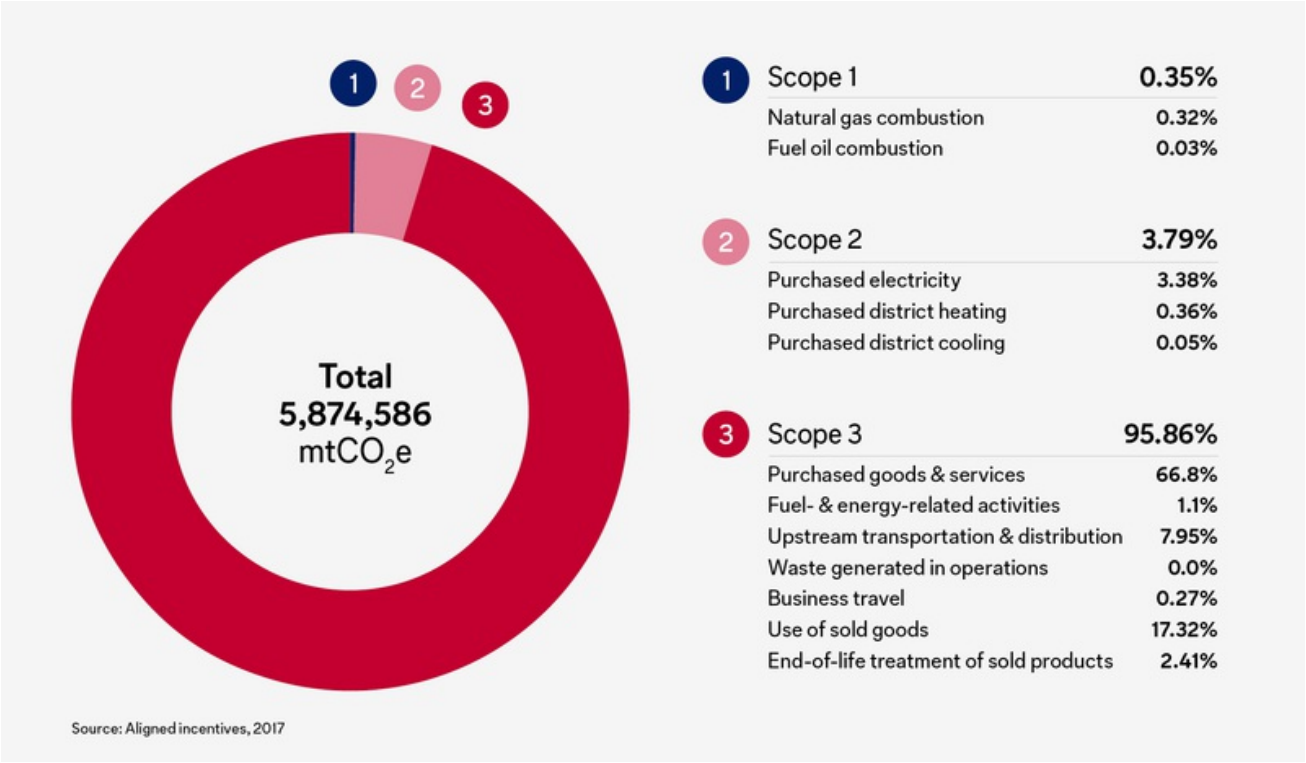
Improving data gathering so we can improve

Our objective continues to be to constantly improve our sustainability data measurements and reporting to better inform the identification and implementation of more sustainable practices. Like last year, our 2016 estimate used data from over 370,000 shipments from our sourcing countries to our stores. For 2016, we were able to collect more granular information associated with our purchases of apparel and accessories, thereby improving the accuracy of our 2016 estimate. We also evaluated over 4,200 unique non-product purchases to assess the value chain impacts of products and services that are related to our business operations and administration. This, combined with energy and fuel data for each of our stores,

distribution centres and offices, has provided us with a comprehensive data set used in the analysis. It has therefore enabled us to set a firm baseline from which we will measure our reductions going forward.

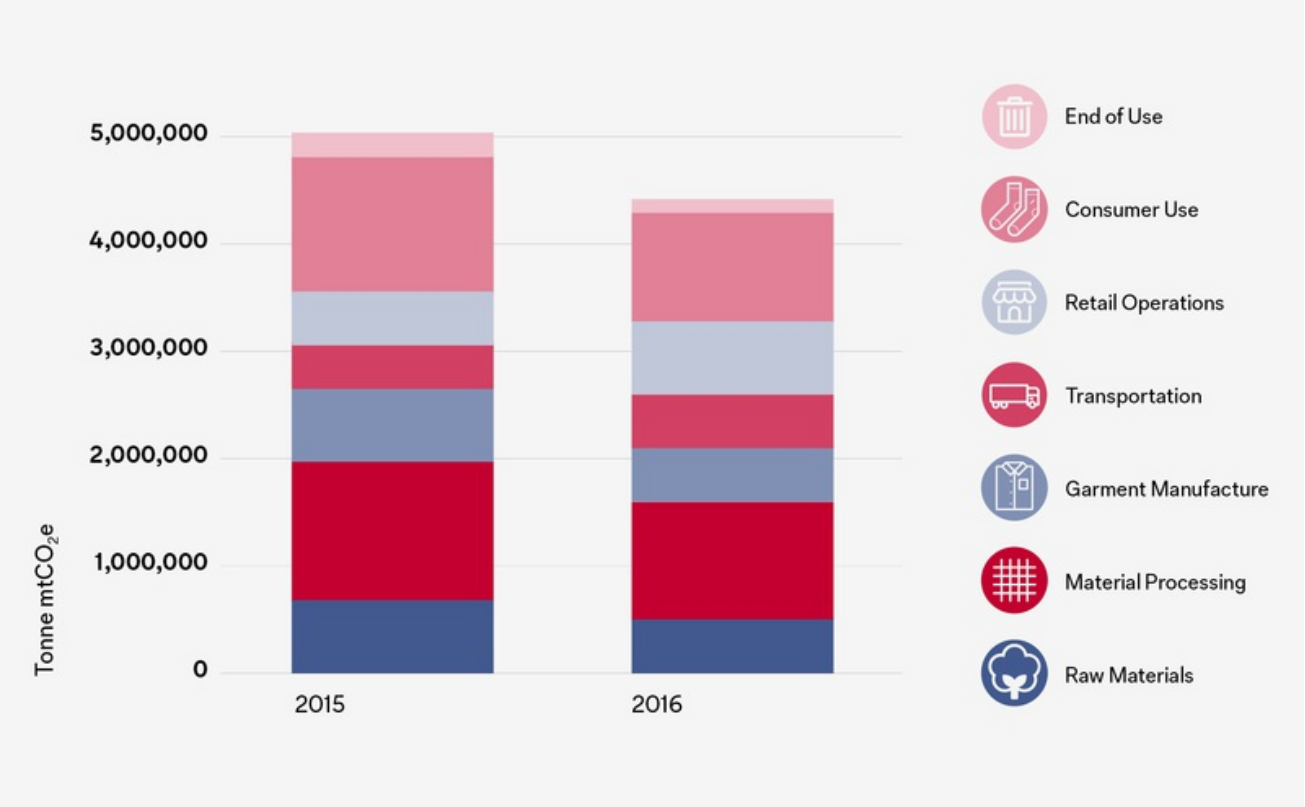
Using this new granularity in our data, we have been able to develop a more accurate estimation of our carbon footprint and have reset our baseline as a result to 5,874,586 metric tonnes of CO_2 from cradle to grave for 2016. This more accurate baseline will be used going forward.

Total GHG emissions by Scope



Year-on-year comparison of GHG emissions across the stages of our life cycle

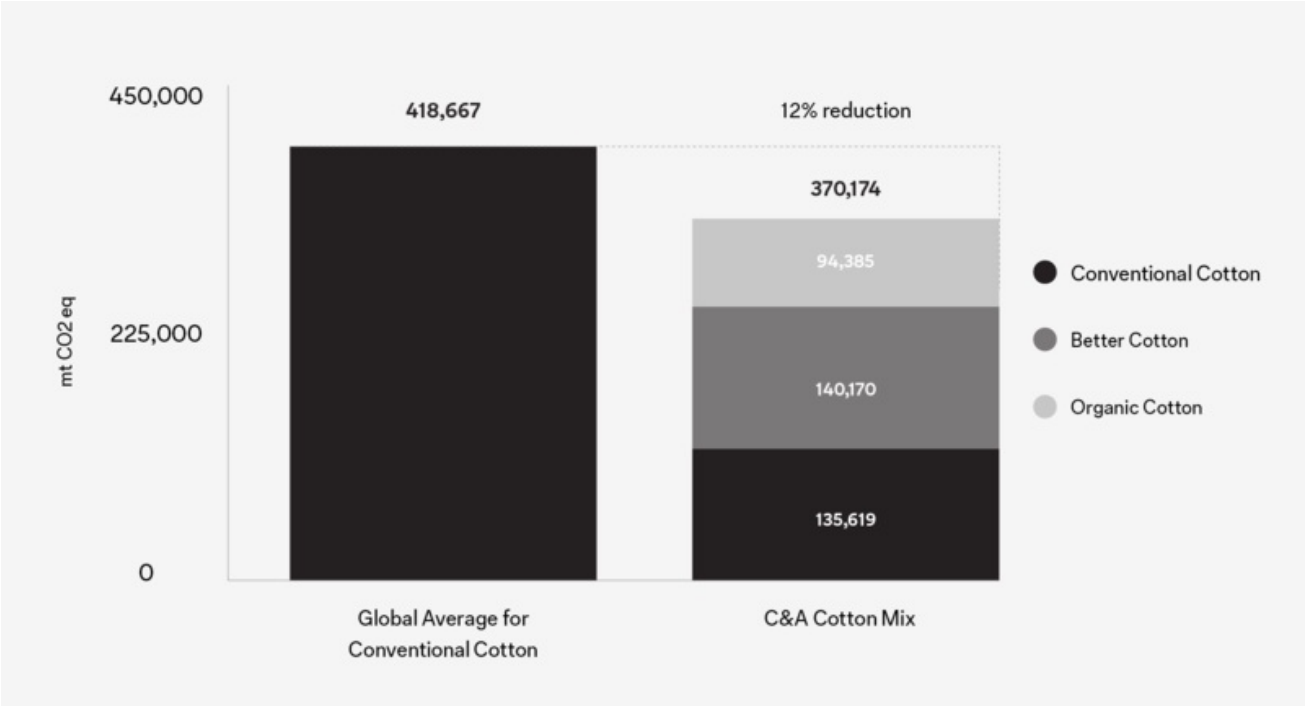
The graph below shows a comparison between 2015 and 2016, using our old 2015 methodology. Although we have improved the depth and accuracy of the methodology for 2016, we were still keen to understand what progress had been made compared to the previous year.



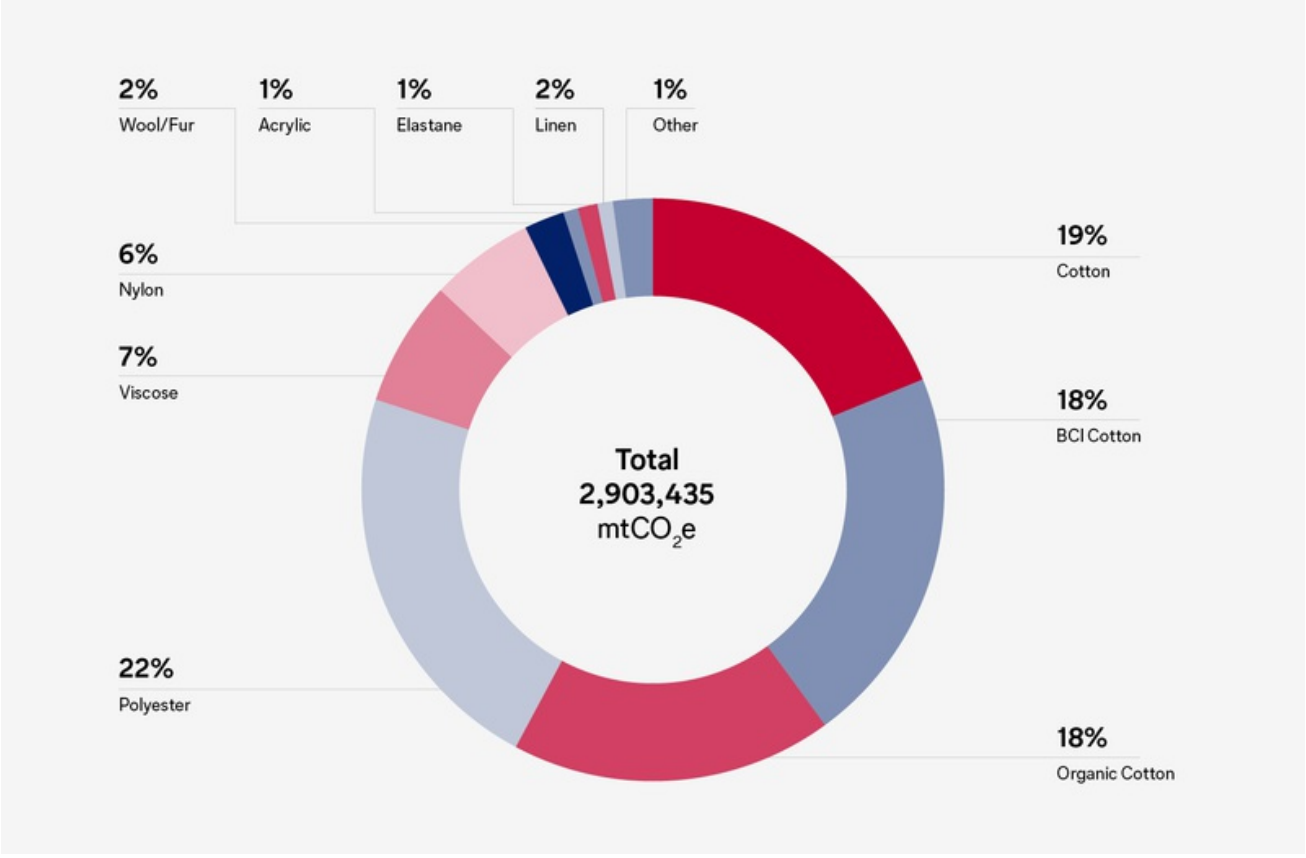
Cotton agriculture — our cornerstone goal

Roughly 6% of our GHG emissions are created by agriculture and therefore best tackled through sourcing more sustainable cotton. Although we are focused on creating a science-based target for all GHG protocol scopes, our progress in sustainable cotton is already showing a sizeable contribution. In 2016, more than half the cotton we bought was more sustainable, meaning that it's either grown organically or purchased via the Better Cotton Initiative. We estimate that our sustainable sourcing of cotton in 2016 avoided 48,500 metric tonnes of CO_2e emissions, a reduction of 12% of GHG emissions relative to conventional cotton. These savings are more than two times our scope 1 emissions; a good example of how improvements in the supply chain rapidly dwarf reductions that can be achieved within C&A's direct operations.

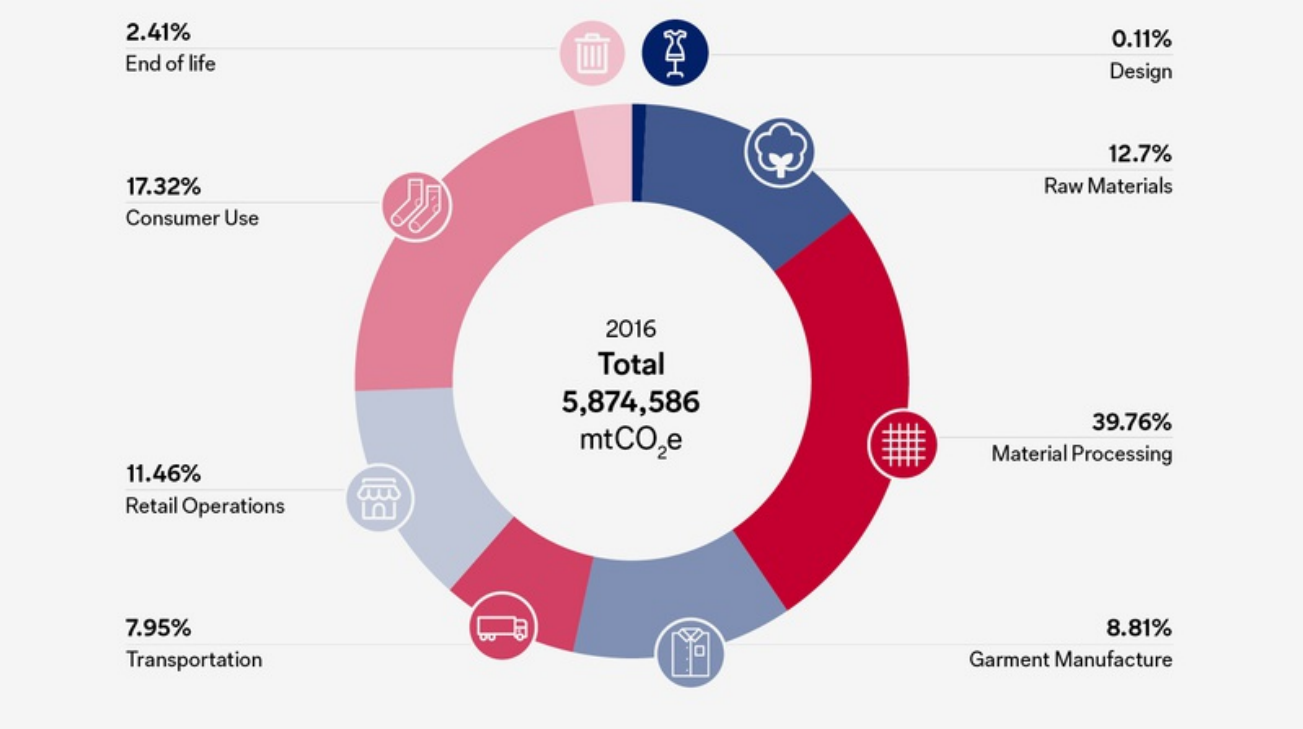
C&A's sourcing of more sustainable cotton, relative to conventionally sourced cotton



GHG emissions by garment material type



Total GHG emissions according to the stages of our life cycle



Production

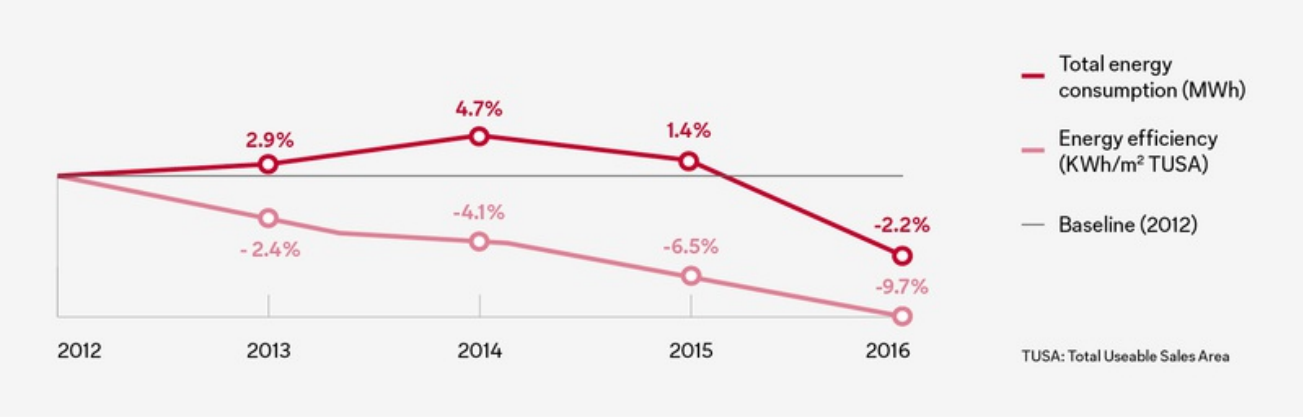
Textile production is the largest source of emissions in our supply chain, representing about 40% of total emissions. We work with several key partners to reduce carbon along our value chain. We have been a member of the Partnership for Cleaner Textile (PaCT) since the initiative began in 2013. PaCT's focus is on cleaning up the wet processing industry in Bangladesh, which includes making suppliers more energy efficient. In 2016 the partnership has saved 1.8million MWh of energy per year, avoiding 275,000 tonnes CO_2e per year. We source more volume of product from Bangladesh than any other country (28% in 2016), therefore our efforts are driving measurable reductions in our absolute scope 3 emissions.

Retail operations

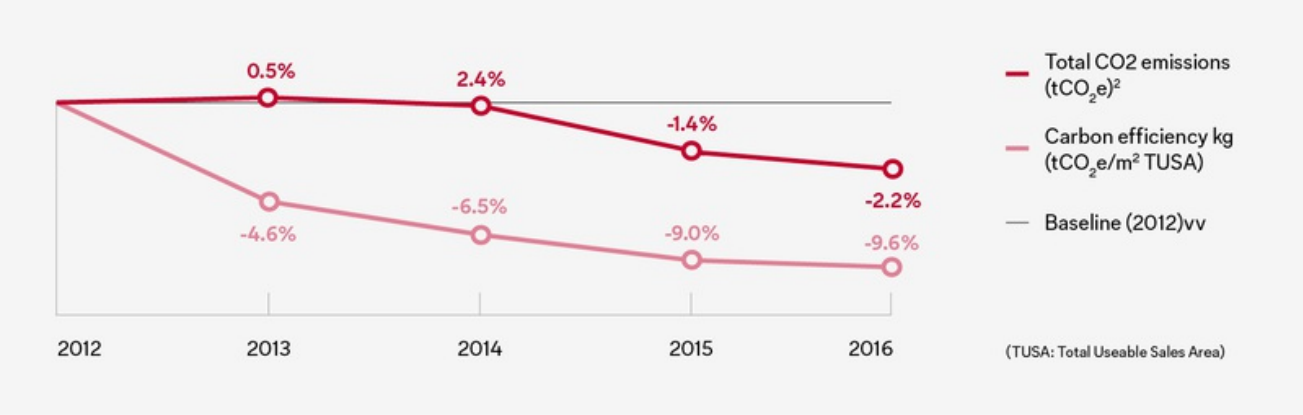
Our retail operations, excluding garments and transportation, account for around 10% of our total GHG emissions – of which 5% is energy consumption. We have set a 2020 target to reduce these emissions by 20%. All our retail markets have developed roadmaps to address energy efficiency and renewable energy purchased in our new and existing stores, offices and distribution centres. In 2016, we increased our retail carbon efficiency by 9.6% and reduced our absolute carbon

footprint by 2.2% compared to our baseline year 2012. We also purchased 30% of our energy from renewable sources.

Absolute energy consumption and energy efficiency of stores, offices and distribution centres



Absolute CO_2 emissions and carbon efficiency of stores, offices and distribution centres



Consumer use

The use and disposal of clothing by our customers makes up 20% of our total carbon footprint. However, given the high variability in the use and care of apparel around

the globe, this value is currently only an estimate. We are still trying to understand the main levers and methods where C&A and the rest of the apparel brands can contribute to reductions in consumer use through less washing or drying.

Next steps

In 2017 and beyond, we will focus on reducing greenhouse gas emissions in the areas with the largest impacts. Buying more sustainable cotton and other more sustainable raw materials will continue to be our main focus. Working with PaCT, the Better Mills Initiative (BMI) and rapidly scaling our Sustainable Chemicals Management programme will further reduce our impacts on climate change.

Read more about PaCT and BMI in our water section

Mexico
C&A China

Back
to Top