

KERING

Kering Group has joined forces with the Clean By Design project of the Natural Resources Defense Council to encourage its suppliers to reduce their CO₂ emissions through energy and water efficiency measures.

Starting date of the project	2014	
Project Localisation Places of implementation of the project at this stage and targeted geography if replicable.	Implementation of the project with fabric suppliers in Italy initially, then with their raw material suppliers in China (silk, wool).	
Project objectives Type of climate innovation of the project with a description of the problem/issue addressed	The Clean by Design program (of which Kering is a partner) consists of reducing the environmental footprint of textile manufacturers by carrying out energy-water-chemical audits with suppliers, who undertake to implement measures to improvement identified by these audits.	
Detailed project description	Fashion, broadly defined, is responsible for 20% of water pollution and 10% of global carbon emissions. To respond to this observation, the American NGO Natural Resources Defense Council (NRDC), designed the "Clean by Design" project proposing a clear and simple methodology to improve the efficiency of textile factories and save energy, water and chemical inputs.	
	The Kering Group joined the project in 2015. 25 of its Italian suppliers (spinning, dyeing, etc.) therefore benefit from an energy and water efficiency audit, which cost is assumed by Kering, then a custom action is defined for each manufacture.	
	At first reluctant to open their factories to outside auditors, suppliers quickly saw the interest in joining the program.	
	Clean by Design has a very persuasive argument: a positive return on investment is recorded on average in two and a half years for measures that are otherwise easy to put in place. Optimizing lighting or ventilation, ensuring more efficient maintenance or even more finely-tuned management of electricity consumption are among the 150 improvement actions identified under the program.	
	These actions mainly relate to:	
	- Improving water / energy management and monitoring	
	- Optimization of steam, water and compressed air distribution systems	
	- Work on lighting (LED, etc.), air conditioning, electric motors	
	- Thermal energy recovery	
	- Green energy production on site	
	The actions were followed in detail by Kering and the local technical partner to verify the implementation and the actual gains against the design gains.	
	Participation in the Clean by Design program is offered to strategic suppliers of the Maisons de Kering, and influences their "seller rating".	

Main project's drivers for	Reduction levers		Details on the	aspects of the project	
reducing the greenhouse gas emissions			Better monitoring of energy expenditure, leading		
	Energy and resource efficiency (including behaviour)		to better management, involvement of management and technicians in the process, discussion		
	Energy Decarbonisation			photovoltaic panels	
				EDs, high efficiency motor,	
	Energy efficiency improvement	nts	thermal recove		
	☑ Improving efficiency in non-er		Water resource	es, chemical inputs	
	□ Emissions absorption: creatio sinks, negative emissions (BEC				
	□ Financing low-carbon produce disinvestment from carbon asset	ers or			
	□ Reduction of other greenhous emission				
Emission scope(s) on which	Childhold				
the project has a significant impact and quantification of GHG emission reductions per emission scope		Aspects of the contributing to of emissions b category	the reduction	Quantification of associated GHG emissions by emission category Please follow the quantification methodology used in <u>the Afep guidelines</u> .	
	Reduction of the company's ca	arbon dependend	cy		
	Scope 1		- 1		
	Direct emissions generated by the company's activity.				
	Scope 2 Indirect emissions associated				
	with the company's electricity				
	and heat consumption.				
	Scope 3 Emissions induced (upstream or downstream) by the company's activities, products and/or services in its value chain.	Improvement of the 13,600 TCO ₂ /year manufacturing processes of Kering suppliers		13,600 TCO ₂ /year	
	Increase of carbon sinks				
	Emissions Absorption				
	Carbon sinks creation, (BECCS, CCU/S,)				
	GHG emissions avoided by the company at third parties				
	Avoided Emissions Emissions avoided by the activities, products and/or services in charge of the				
	project, or by the financing of emission reduction projects.				
	Clarification on the calculation or other remarks: Reduction in annual CO ₂ emissions by 19% on average per production site, following participation in the Clean by Design program.				
Modality of verification of the quantification	Calculation standard used (ADEME base, GHG protocol, etc.): "Clean by Design" methodology developed by the Natural Resources Defense Council (NRDC)				
	Verification of the calculation (internal or external): Verification by post engagement audit by the local technical partner				
Other environmental and social benefits of the project	 The Clean By Design project contributes to the following SDGs: SDG 6 Clean water and sanitation: reduction of water withdrawals, better management of chemicals SDG 7 Clean and affordable energy: return on investment of less than three years on energy efficiency actions implemented SDG 12 Responsible consumption and production: more efficient supply chain in terms of energy per unit produced 				
	• SDG 17 Partnerships: partnershi	ip with the NGO N	atural Ressrouce	Defense Council	

Project maturity level	□ Prototype laboratory test (TRL 7)
	□ Real life testing (TRL 7-8)
	Pre-commercial prototype (TRL 9)
	Small-scale implementation
	☑ Medium to large scale implementation
	Remarks: click here to enter the level of maturity of the project
Capacity and conditions of the	
Capacity and conditions of the project reproducibility, with associated climate impact mitigation potential	Very important reproducibility potential, and moreover targeted by the program itself. The desire of Kering and its partners is to set up Clean by Design with other fashion brands in several regions of the world.
	This is what Kering has been working on in 2020, as in 2021 the Clean by Design program is extended to other fashion brands in Italy, this time under the aegis of the Apparel Impact Institute (AII). https://apparelimpact.org/vogue-announces-aiis-new-project-with-luxury-italian-brands/
	The project has partnered with Legambiante, one of the most recognized Italian environmental associations, to ensure the smooth running of the project. A technical partner will support the project to perform audits and
	monitor actions.
Amount of invoctor and and	 A multi-brand collaboration is particularly relevant because suppliers very often work for several brands, so a collaborative approach is more efficient. For suppliers in Italy: total investment of 2,200,000 €, for a total annual saving of 940,000 € in operating
Amount of investment made (in €)	For suppliers in italy: total investment of 2,200,000 \in , for a total annual saving of 940,000 \in in operating costs.
Economic profitability of the	ST (0-3 years)
project (ROI)	\Box MT (4-10 years)
	\Box LT (> 10 years)
	Remarks: Obvious economic interest, because Clean by Design aims to identify and implement actions to
	reduce the energy / water / chemicals bill. The payback time for the efficiency and improvement actions
	implemented was on average 2.5 years in Italy, and less than 1 year in China.
Engaged partnerships	Initial partnership with <u>NRDC</u> , which is the origin of the Clean by Design methodology. Kering
	implemented it in Italy, then upstream of the textile supply chain in China.
Open comments from the	In recent years, the port of Clean by Design has been taken over by <u>Apparel Impact Institute</u> (AII).
project owner	
More about the project	
Contact the company carrying	sustainability.standards@kering.com
the project	
Project LIPL links	https://www.koring.com/on/nows/with.cloop.by.dooign.fashion.lounabas.c.bookatasa.araan.roval-ution
Project URL links	https://www.kering.com/en/news/with-clean-by-design-fashion-launches-a-backstage-green-revolution
	https://www.kering.com/en/news/clean-by-design-2017
	https://www.youtube.com/watch?v=AsgagzKunn0&feature=emb_logo
Illustrations of the project	
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