

CJCHT Groups Limited - Climate Change 2023

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

CJCHT Group is a private owned footwear company, working closely with sustainability ecosystem partners to comply with the ever-demanding environmental challenges. CJCHT Group is under the accredited Asia leading female businesswoman with long term commitments to music, charity and sustainability.

CJCHT Group offers a diverse collection of OEM/ODM to shoe branders and major retailers around the world, and contributes as a loyal green solution partner to other companies who also commit seriously with sustainability. CJCHT GROUP's major operations are mostly located in China while production facilities may change and diversify year by year according to investments/merger-and-acquisitions as required by the market.

This unique fast-changing-corporate-structure business model creates tremendous difficulties in consolidating and reporting CDP based on previous or base year. To help manage our supply chain to a more self-learning and proactive way of sustainability practices, each year, a specific region will be nominated as a head to lead the CDP climate competition for the rest of the group, and the best completed one will be used as a show case to other newly joined factories as a role model to convey the updated green messages effectively. We also co-issued a green packaging standards with TUV Nord (Hangzhou, China) at July 5th, 2014 for our supply chain to comply with ISO 14016-1 standards in GHGs. We co-founded a non-profit organization with environmental related professors in Taiwan, SSBTi.org, to promote green initiatives on carbon reductions, carbon accounting and carbon credits, as well as to introduce LCA carbon footprint measures from product level to corporate level to supply chain level for Net Zero goal.

CDP reports have been prepared to showcase how we can leverage our RD efforts and Ecosystem partners for sustainability. We particularly focus on how we can show "governance" values by cost down and value-up at the same time for sustainable solutions, in order to bring more value-chain facilities together into a big picture of Net Zero goal, by our carbon disclosures with efficiency, accuracy, and transparency from our value-chain facilities along the time.

CJCHT announced a commitment to achieve the Science Based Targets initiative (SBTi) Business Ambition for 1.5°C on Sep 21, 2021, with the target independently validated by the SBTi.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

Intensity target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Is this a science-based target?

Yes, and this target has been approved by the Science Based Targets initiative

Target ambition

1.5°C aligned

Year target was set

2021

Target coverage

Company-wide

Scope(s)

Scope 1

Scope 2

Scope 2 accounting method

Market-based

Scope 3 category(ies)

<Not Applicable>

Base year

2020

Base year Scope 1 emissions covered by target (metric tons CO2e)

3432.98

Base year Scope 2 emissions covered by target (metric tons CO2e)

11148.47

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)

<Not Applicable>

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

14581.45

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

<Not Applicable>

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2030

Targeted reduction from base year (%)

42

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

8457.241

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

3316.3

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

8655.82

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

11972.12

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

42.6068084874308

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

1. The coverage of target is 100% of CJCHT's Scope 1 + Scope 2 emissions.
2. The base year is 2020 with emissions of 14,581.45 ton CO₂e, and the target year is 2030 (SBTi 1.5c aligned) with emissions of 8,457.241 ton CO₂e. with the targeted reduction from base year is 42% .
3. The emissions is 11,972.12 ton CO₂e in the reporting year. The % of target achieved is calculated as: $(14,581.45 - 11,972.12) / (14,581.45 - 8,457.241) * 100\% = 42.6068\%$

Plan for achieving target, and progress made to the end of the reporting year

1. CJCHT-LUTAI, CJCHT-CHENGGONG plants total purchased more than 1,000,000 kWh of Renewable Energy in 2022 which accounted for 9% of the total energy consumption of all plants.
2. In the future, we will build more solar power stations and purchase more renewable energy to meet the target.
3. More nature-based solutions (NBS) like hemp, cork oak forest, tree carbon sink and seaweeds for plastic replacement solutions will be implemented in 2023-2030 for more carbon removals.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>

Target reference number

Abs 2

Is this a science-based target?

Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

Target ambition

1.5°C aligned

Year target was set

2021

Target coverage

Site/facility

Scope(s)

Scope 3

Scope 2 accounting method

<Not Applicable>

Scope 3 category(ies)

Category 1: Purchased goods and services

Category 2: Capital goods

Category 4: Upstream transportation and distribution

Category 5: Waste generated in operations

Category 6: Business travel

Category 7: Employee commuting

Category 9: Downstream transportation and distribution

Category 11: Use of sold products

Category 12: End-of-life treatment of sold products

Base year

2020

Base year Scope 1 emissions covered by target (metric tons CO₂e)

<Not Applicable>

Base year Scope 2 emissions covered by target (metric tons CO₂e)

<Not Applicable>

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target (metric tons CO2e)

113446.8

Base year Scope 3, Category 2: Capital goods emissions covered by target (metric tons CO2e)

0

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution emissions covered by target (metric tons CO2e)

205.41

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target (metric tons CO2e)

258.44

Base year Scope 3, Category 6: Business travel emissions covered by target (metric tons CO2e)

18.82

Base year Scope 3, Category 7: Employee commuting emissions covered by target (metric tons CO2e)

259.99

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target (metric tons CO2e)

1141.15

Base year Scope 3, Category 10: Processing of sold products emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target (metric tons CO2e)

0

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target (metric tons CO2e)

0

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target (metric tons CO2e)

<Not Applicable>

Base year total Scope 3 emissions covered by target (metric tons CO2e)

115330.61

Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

115330.61

Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

<Not Applicable>

Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

<Not Applicable>

Base year Scope 3, Category 1: Purchased goods and services emissions covered by target as % of total base year emissions in Scope 3, Category 1: Purchased goods and services (metric tons CO2e)

98.37

Base year Scope 3, Category 2: Capital goods emissions covered by target as % of total base year emissions in Scope 3, Category 2: Capital goods (metric tons CO2e)

0

Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target as % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 4: Upstream transportation and distribution covered by target as % of total base year emissions in Scope 3, Category 4: Upstream transportation and distribution (metric tons CO2e)

0.18

Base year Scope 3, Category 5: Waste generated in operations emissions covered by target as % of total base year emissions in Scope 3, Category 5: Waste generated in operations (metric tons CO2e)

0.22

Base year Scope 3, Category 6: Business travel emissions covered by target as % of total base year emissions in Scope 3, Category 6: Business travel (metric tons CO2e)

0.02

Base year Scope 3, Category 7: Employee commuting covered by target as % of total base year emissions in Scope 3, Category 7: Employee commuting (metric tons CO2e)

0.23

Base year Scope 3, Category 8: Upstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 8: Upstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 9: Downstream transportation and distribution emissions covered by target as % of total base year emissions in Scope 3, Category 9: Downstream transportation and distribution (metric tons CO2e)

0.99

Base year Scope 3, Category 10: Processing of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 10: Processing of sold products (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 11: Use of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 11: Use of sold products (metric tons CO2e)

0

Base year Scope 3, Category 12: End-of-life treatment of sold products emissions covered by target as % of total base year emissions in Scope 3, Category 12: End-of-life treatment of sold products (metric tons CO2e)

0

Base year Scope 3, Category 13: Downstream leased assets emissions covered by target as % of total base year emissions in Scope 3, Category 13: Downstream leased assets (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 14: Franchises emissions covered by target as % of total base year emissions in Scope 3, Category 14: Franchises (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Category 15: Investments emissions covered by target as % of total base year emissions in Scope 3, Category 15: Investments (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (upstream) emissions covered by target as % of total base year emissions in Scope 3, Other (upstream) (metric tons CO2e)

<Not Applicable>

Base year Scope 3, Other (downstream) emissions covered by target as % of total base year emissions in Scope 3, Other (downstream) (metric tons CO2e)

<Not Applicable>

Base year total Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)

100

Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

Target year

2030

Targeted reduction from base year (%)

Total emissions in target year covered by target in all selected Scopes (metric tons CO2e) [auto-calculated]

100337.6307

Scope 1 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 2 emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 1: Purchased goods and services emissions in reporting year covered by target (metric tons CO2e)

110175.04

Scope 3, Category 2: Capital goods emissions in reporting year covered by target (metric tons CO2e)

153.73

Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 4: Upstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

815.22

Scope 3, Category 5: Waste generated in operations emissions in reporting year covered by target (metric tons CO2e)

202.65

Scope 3, Category 6: Business travel emissions in reporting year covered by target (metric tons CO2e)

4.08

Scope 3, Category 7: Employee commuting emissions in reporting year covered by target (metric tons CO2e)

230.99

Scope 3, Category 8: Upstream leased assets emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 9: Downstream transportation and distribution emissions in reporting year covered by target (metric tons CO2e)

584.35

Scope 3, Category 10: Processing of sold products emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 11: Use of sold products emissions in reporting year covered by target (metric tons CO2e)

1468.91

Scope 3, Category 12: End-of-life treatment of sold products emissions in reporting year covered by target (metric tons CO2e)

10113.9

Scope 3, Category 13: Downstream leased assets emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 14: Franchises emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Category 15: Investments emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Other (upstream) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Scope 3, Other (downstream) emissions in reporting year covered by target (metric tons CO2e)

<Not Applicable>

Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

125669.53

Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

123748.87

Does this target cover any land-related emissions?

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

% of target achieved relative to base year [auto-calculated]

-56.1480132237626

Target status in reporting year

Underway

Please explain target coverage and identify any exclusions

1. The coverage of the target is >98% of CJCHT's Scope 3 emissions.
2. The base year is 2020 with scope 3 emissions of 115,330.61 ton CO₂e, and the target year is 2030 (SBTi 1.5c aligned) with Scope 3 emissions of 100,337.6307 ton CO₂e. with the targeted reduction from base year is 13% .
3. The scope 3 emissions covered by target in all selected scopes is 123,748.87 ton CO₂e in the reporting year 2022. The % of target achieved is calculated as:
 $(115,330.61 - 123,748.87) / (115,330.61 - 100,337.6307) * 100\% = -56.148\%$.
4. Although the number of total scope 3 emissions is still growing due to our numbers of productions nearly double (2 times), we have seen some improvements on the scope 3 emissions reduced from 129,025.96 ton CO₂e of 2021 reporting (previous year). This is because renewable energy was gradually adopted by scope 3 factories per CJCHT's request as purchase policy that 10% renewable energy to be achieved by all factories in 2030.
5. We expect to see improvements on scope 3 emissions although we know it is not easy. We still set a bold target of 13% reduction by 2030 to encourage our supply chain to work together to meet the goal.

Plan for achieving target, and progress made to the end of the reporting year

1. CJCHT-LUTAI, CJCHT-CHENGGONG, CJCHT-BAILI (supplier) and CJCHT-AITAO (supplier) plants total purchased more than 1,900,000 kWh of Renewable Energy in 2022 which accounted for 5% of the total energy consumption of all plants and supplier factories.
2. In the future, we will build more solar power stations and purchase more renewable energy to meet the target. We plan to request more supplier chain factories to install or purchase renewable energy to reduce emissions.
3. More nature-based solutions (NBS) like hemp, cork oak forest, tree carbon sink and seaweeds for plastic replacement solutions will be implemented in 2023-2030 for more carbon removals.
4. A carbon internal price has been calculated for scope 3 factories to understand their hidden cost to us, and soon we will implement a carbon accounting system to consider the hidden cost into our purchased goods or services.

List the emissions reduction initiatives which contributed most to achieving this target

<Not Applicable>