SUSTAINABILITY TRANSFORMATION

Workshop Plan 2025

STITCH

AGENDA

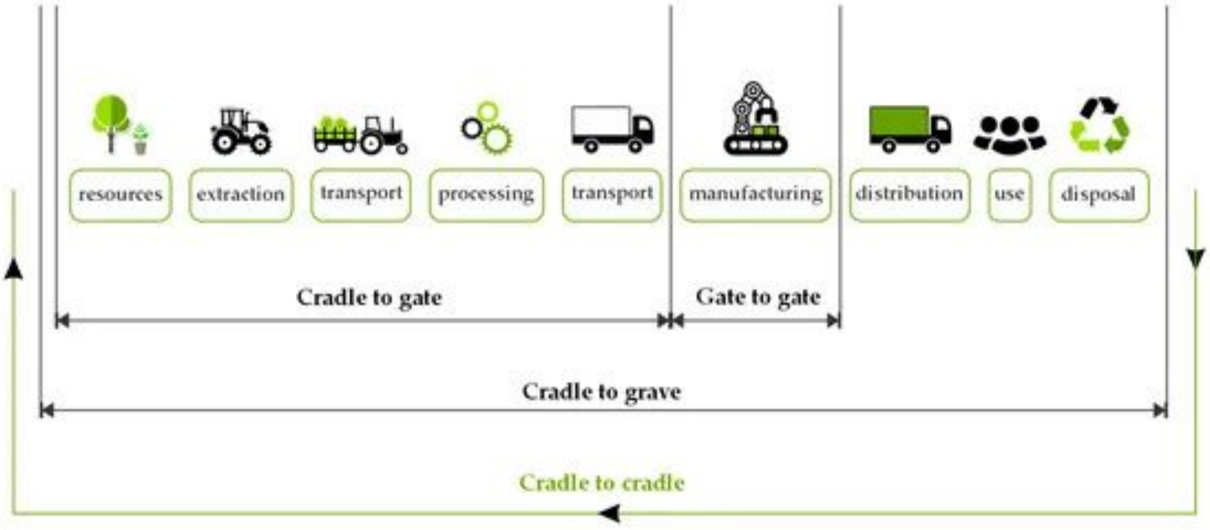
01 Preparation

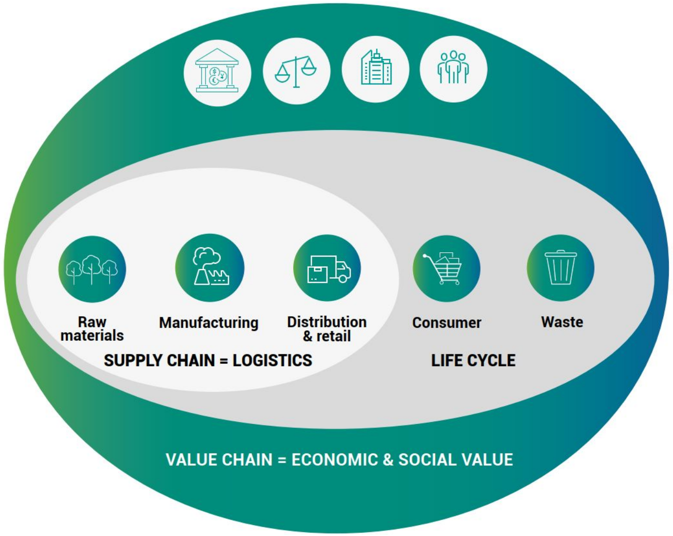
1. **Align with STITCH’s purpose-driven values**: Ensure key outcomes (qualitative and quantitative) support STITCH's goals and mission.
2. **Focus on sustainability objectives**
3. **Leverage critical insights**: Review essential reports like CPD, ESG, and 10-K to inform strategies. Who are the key players that will be at the workshop?

02

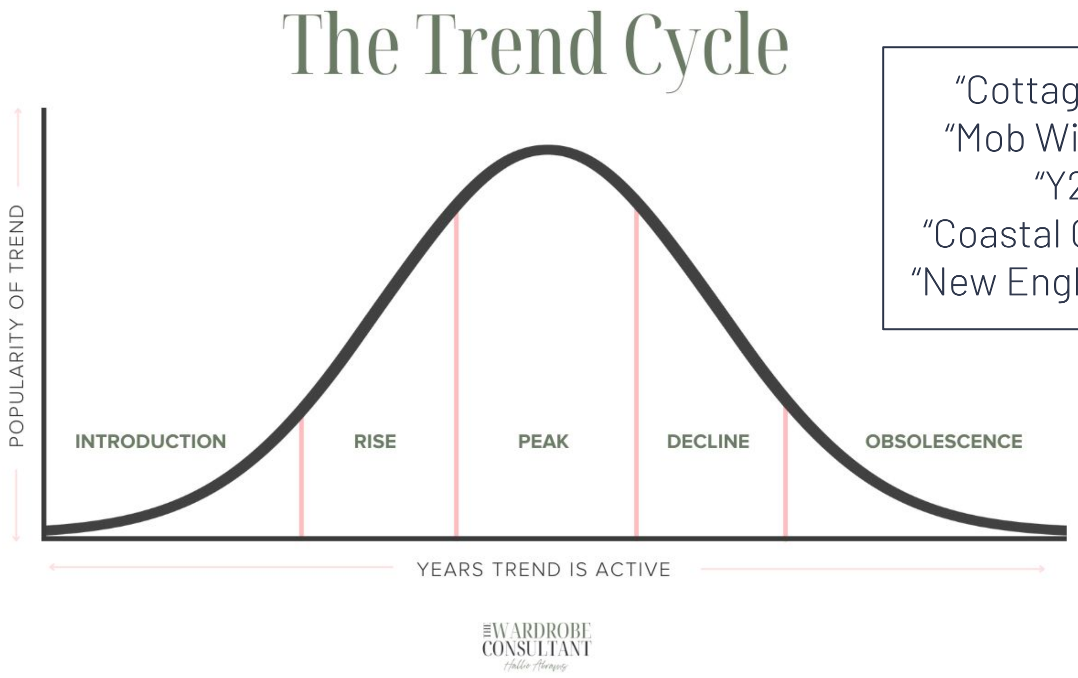
SITUATIONAL FACTORS

Value Chain Complexity





Market Expectations + Trends



"Cottage Core"
"Mob Wife Core"
"Y2K"
"Coastal Grandma"
"New England Mom"

Compounding changes to trends based on individual's social media presence.

Regulation + Reporting

Navigating the SEC climate-related disclosure requirements

Publication date: 14 Mar 2024 (updated 27 Jun 2024)

US In depth 2024-01

A PDF version of the full publication is attached here: Navigating the SEC climate-related disclosure re

At a glance

Deloitte.

Heads Up | Volume 31, Issue 4
March 6, 2024 (Last Updated April 8, 2024)

In This Issue
- Overview
- Key Changes From the Proposed Rule

Executive Summary of the SEC's Landmark Climate Disclosure Rule

50,000 Estimated number of companies that will likely have to comply with CSRD's reporting requirements.

Source: European Commission: Corporate sustainability reporting

What will your company need to disclose for CSRD requirements?

The CSRD requires comprehensive and granular disclosures covering the entire spectrum of sustainability topics. These disclosure requirements are detailed in 12 European Sustainability Reporting Standards (ESRS) that were issued by the European Financial Reporting Advisory Group (EFRAG) and adopted by the European Commission in 2023. The standards span environmental, social, and governance topics and are intended to provide insight into a company's sustainability impacts, risks and opportunities, including its sustainability strategy

CSRD
Corporate Sustainability Reporting Directive

European Commission

U.S. Securities and Exchange Commission ★ MCMXXXIV ★

United States Environmental Protection Agency

ESMA
European Securities and Markets Authority

03

CLIENT CHALLENGES

Challenges, Barriers, Opportunities, and Difficulties

Ethical Sourcing Materials and Labor

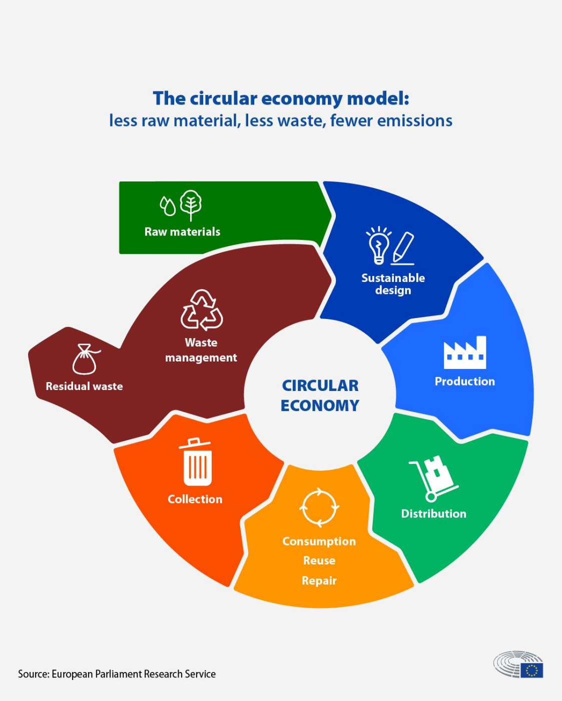
Cotton is one example of a material used throughout the apparel + textile industry that provides certain trade-offs to synthetic fabric use.

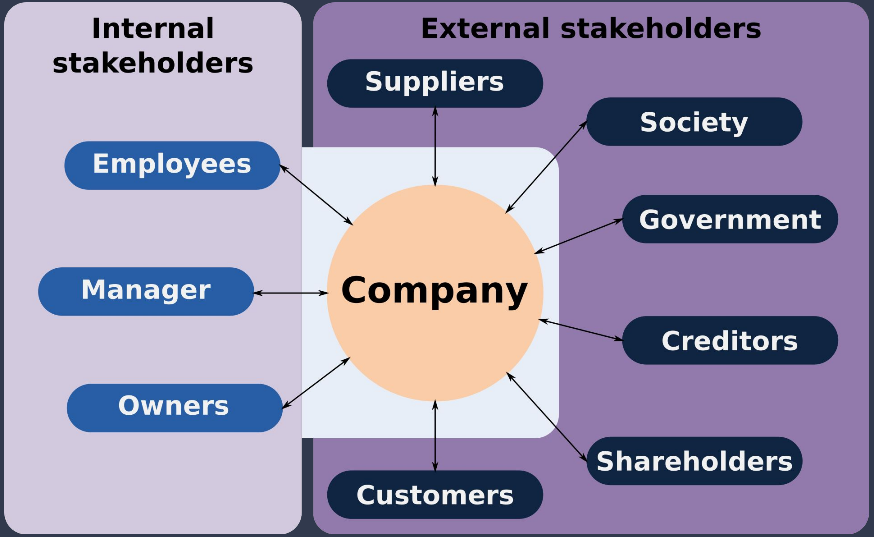
Water and Chemical Use

Waste Management

Greenwashing Risks

Transition to Circularity





04

“Profit Meets Purpose: Turning Challenges into Opportunities.”

Workshop Overview and Outline

Executive Summary

Workshop Design

- **Focus on Business Value**
  - To have practical outcomes you need to prioritize the ideas based on value and ability to achieve.
- **Inspire Possibilities using Gen AI**
  - Not fear based ideas but abundance based ideas.
- **Embedded Sustainability by Design**
  - Influence the client mindset to go from sustainability as a trend to sustainability as how we work.

Overview of Sustainability Workshop

3 Hour Workshop

1 Context Setting + Intro

30 minutes

- ❖ Personal Introductions
- ❖ Workshop Objectives
- ❖ Expected Outcomes

2 Ideation

- ❖ Ex 1: Gen AI Ideation (20 mins)
- ❖ Ex 2: Embed sustainability into design (20 mins)
- ❖ Ex 3: Materiality Matrix Exercise (20 mins)

3 Prioritization

- ❖ Ease of implementation and value
- ❖ Minimally viable product

4 Action Plans

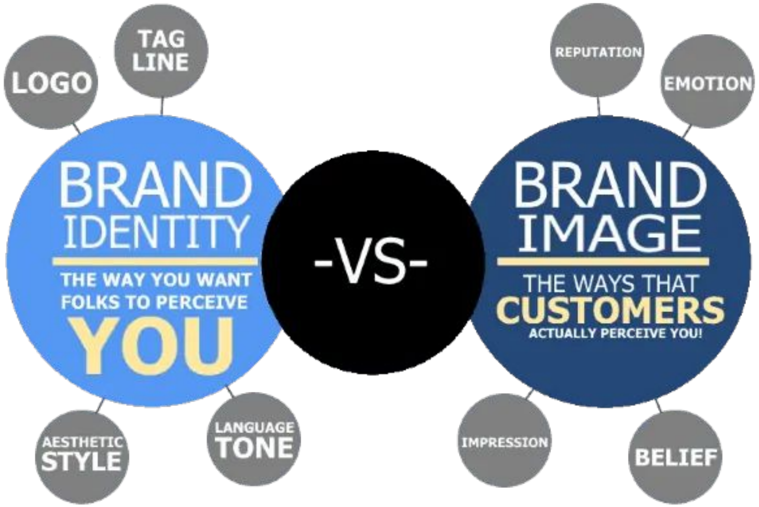
- ❖ Low hanging fruit
- ❖ Medium Term and Long Term Plans

05

WORKSHOP STRATEGY

Benefits and Outcomes of a Competitive
Sustainable Strategy

Strengthen Brand Image



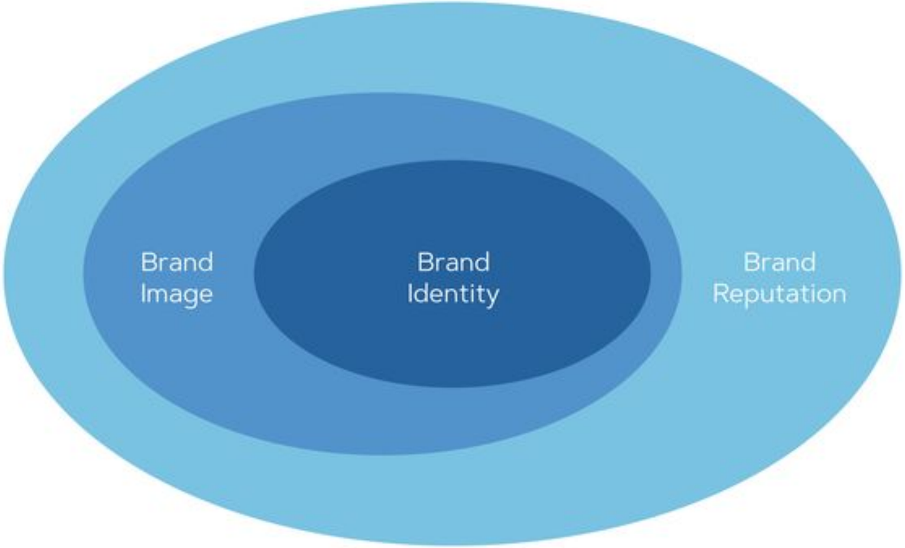
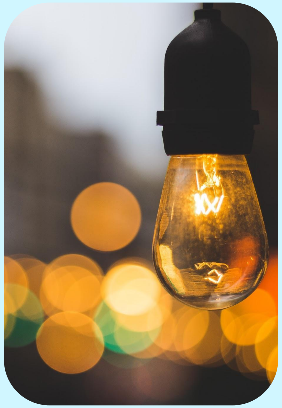


Figure 3, Brand image vs. identity

Figure 4, Brand Reputation

Cost Saving

Minimize Energy Costs



Implement efficient energy products across retail and manufacturing locations.

Waste Reduction

Less waste and byproduct means spending less to dispose of waste.

Logistics Optimization

Optimizing delivery routes, reducing fuel consumption, streamline packaging

Mitigate Risks to Value Chain

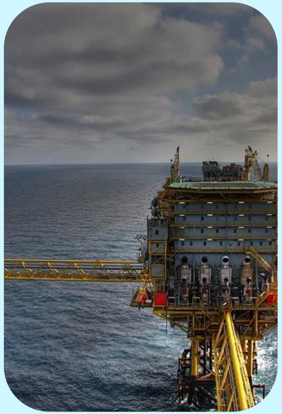
Decrease Employee Turnover

Ensures a consistent and well-trained work force that is dedicated to company mission.

Advance Capital Asset Risk Managment

Become better in-tune with recognizing and deescalating risk to structures

Relieve Critical Resource Dependencies



Reduce costly dependencies on virgin materials and non-renewable resources

Promote Innovation and Business Value

Gen AI Ideation Session

- Create prompts for attendees that are related to sustainable business.
    - “As an apparel company, what are small steps to reduce our energy impact?”
    - “What are some ways companies are experimenting with packaging?”
- Using the answers as jumping off points, so that we are not starting with a blank slate.
- This exercise encourages attendees to utilze Gen AI to brainstorm ideas for their company.
- For this exercise we will use Claude, an AI assistant created by Anthropic.

Embed Sustainability into Design

- For this exercise we will review case studies of businesses that were successful in embedding environmental and social responsibility into how they operate.
  - Interface Carpets
  - Unifi
  - Unilever

- On a scale from 1-5, where the issue is **very important** to the stakeholder, enter a “**5**”. If the issue is **not important at all** to the stakeholder, enter a “**1**”.
- Total the scores at the end

	Stakeholder Groups					
Issue	**(1) Board Leadership + Shareholders**	**(2) Employees**	**(3) Consumers**	**(4) Suppliers**	**(4) Local Community**	
Ethical Sourcing of Materials and Labor						
Water and Chemcial Use						
Waste Managment						
Greenwashing Risks						
Transition to Circularity						
Cost Reduction						
Increased Efficiency						
Risk Mangement						
Worker’s Rights						

Materiality Matrix Exercise

THANK YOU

COMPANY NAME