



Danish Ministry of the Environment
Environmental Protection Agency

Natural Capital Accounting in Apparel - What can governments do?

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1. About the Environmental Protection Agency

- Preparation of files and dossier for the Minister of Environment
- Providing the professional background for the political decisions in Government and Parliament
- Administration of law, statutory orders and EU acts.
- Dialogue with stakeholders, including business sector, municipalities, civil society organisations and citizens.
- Communication and campaigns



2. Danish EPA work on apparel

Running textile related projects for more than 20 years in collaboration with other ministries and agencies, e.g. Danish Business Authority

- Waste – recycling and prevention
- Substitution of harmful chemistry
- Technology development and exports
- Industry regulation (BAT-BREF)
- Business models, Volunteer agreements and Labelling

Can provide combined effects on environment, growth and jobs.

Waste prevention Strategy will have specific focus on apparel



Forthcoming Nordic Action Plan on Sustainable and resource-efficient textile sector

Agreement to develop a common *Nordic action plan for a sustainable and resource-efficient Nordic apparel sector*

Planned Launch during the Danish Presidency of the Nordic Council of ministers in 2015

Focus area are yet to be decided, but Natural Capital Accounting could potentially be a part of this



3. Why Natural Capital Accounting?

- Crucial to assign a value to the hidden societal costs from environmental aspects
- NCA can help steer and qualify decisions in businesses and governments
- Good momentum – organisations and businesses engage, data and methodologies becoming available
- Danish EPA seeks to support businesses and other stakeholders in broadening the use of natural capital accounting

What have the Danish EPA done this far?

- First dialogue with PUMA – Environmental Profit and Loss (EP&L) (2012)
- NCA/ Environmental Profit & Loss for Novo Nordisk (Feb 2014)
- Study on different approaches to Natural Capital Accounting (March 2014)
- **NCA for the Danish textile sector (ongoing)**
- Additional sector NCA (2014)
- Partner with 2-3 Danish companies to do a NCA at company level in other sectors (2014-15)
- Potentially expanding the Green National Account for Denmark (2015-)



4. Project – NCA of the Danish Apparel Industry

The objective: To conduct a natural capital account across three levels of the industry to accelerate sustainable decisions by stakeholders on all levels.

Initiated by the Danish EPA, conducted by NIRAS, Trucost and 2.0LCA

IC Companys as the case company

Project is planned to be published summer 2014.



Expected outcome of Danish NCA project on apparel industry - Data to support decisions

1	<p style="text-align: center;">National analysis</p> <p style="text-align: center;">A status for Denmark – environmental performance of the Danish textile sector</p> <p style="text-align: center;">Policy level tools</p>
2	<p style="text-align: center;">Brand analysis</p> <p style="text-align: center;">Status for IC Companys – environmental performance of company compared to national analysis</p> <p style="text-align: center;">Company strategic tools – e.g. choice of suppliers, branding, expansion of production, etc.</p>
3	<p style="text-align: center;">Product analysis</p> <p style="text-align: center;">A standard product profile – environmental profile of e.g. T-shirts – comparison between status and full application of green materials</p> <p style="text-align: center;">Company product management tools used e.g. in design decisions</p>



5. Future perspectives - Governments can:

- Take a political lead by preparing action plans and strategies.
- Contribute to generating necessary data and methodology
- Help analyze and support small and medium sized enterprises with valuable data and information.
- Help make green decisions in businesses attractive.
- Danish approach is largely based on a collaborative approach working in partnership with businesses and other stakeholders.



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EPA-web page on Natural Capital Accounting:

<http://mst.dk/virksomhed-myndighed/groen-strategi/baeredygtigt-forbrug-og-produktion/natural-capital-accounting-e-pl/#>