



Annual Reporting Guidelines for Company Members Version 3. 2020-06-17

STICA members are required to report data and information on an annual basis. This will be used for several purposes, including tracking company progress, reporting on initiative-wide progress, analyzing data trends and emissions trends, and quantifying impact of individual measures. More specifically, the annual report should include:

- GHG emissions for your company's financial year;
- Changes in greenhouse gases emissions since previous year;
- Methodology used;
- Measures taken to reduce greenhouse gas emissions;
- Learnings to date (challenges, opportunities, requests, suggestions);

STICA will verify that progress reports are accurate by requiring either 1) 3rd party certification (i.e. a reputable consultancy); 2) ensuring companies use a common tool that has built in parameters; and /or 3) by doing spot quality checks.

Guidelines

To ensure company reporting is robust, consistent and comparable across companies, this document outlines the specific parameters for reporting GHG-emissions to STICA. These parameters specify the data that should be reported to STICA annually, as well as methodology choices, emission factor sources and presentation, quality assurance requirements and reporting format.

This document should be used when communicating with any GHG calculation tool provider or consultancy your company may use to carry GHG emissions calculations.

The requirements in these guidelines are subject to changes should there be new developments in the field, such as new standards, or if STICA deems it valuable to require additional data to be reported or excluded.

Datapoints to be Reported Annually

1. General data

- Reporting period for which all reported data refers
- Reporting company name
- Net revenue
- Number of employees (FTE)
- Number of sold products
- Number of purchased products
- (optional) Total area of all facilities
- (optional) Area of stores
- (optional) Other key metric that company uses
- Share of total emissions data which comes from actual data, and estimates.

2. Emissions and activity data

Activity data is the consumption data that is used to calculate emissions, for example the kWhs of energy used. For instructions on where to find data and what data to collect in each category below, please refer to the STICA checklists and collection sheets.

- A. Total emissions in scope 1
- B. Total emissions in scope 2 (Market based)
- C. Total emissions in scope 2 (Location based)
- D. Emissions in scope 3 for **purchased goods and services**, excluding indirect materials. Indirect materials include any materials not sold or transferred to the consumers, such as office materials, store interior, hangers, or warehouse machinery. All packaging (transportation-, intermediate- and consumer packaging) is considered direct for the purpose of this reporting, e.g. cardboard boxes for transportation and product specific packaging such as polybags and wrapping material. Note that labels, buttons, zippers etc. have separate processes in tier 2-4 and are added to the garment in the manufacturing process in tier 1.

It is recommended, if possible, that companies also divide data into:

- Garment manufacturing (Tier 1)
- Fabric manufacturing (Tier 2)
- Yarn formation and treatment (Tier 3)
- Raw material extraction and preparation (Tier 4)
- Coloration, printing, laundry and other processes that are not included in the above
- Transports between factories, up until a finished garment
- Packaging

If companies are not able to divide their data into these categories, they can report their total tier 1-4 emissions from Purchased goods and services. If a company uses the Higg MSI (see more in section 'Publicly

Reporting Emission Data') the emissions can also be divided by tier 1 and tier 2-4.

- E. Emissions in scope 3 for **transports and distribution** – inbound, and outbound/distribution/internal transports separately¹. Any other transports should be included here as well. It is recommended, if possible that companies also divide data into:
 - Emissions per transport mode (truck, ship, plane etc.)
 - Transport work (ton/km or other measure) per transport type.
- F. Emissions in scope 3 for **fuel and energy related activities**
NOTE: this only applies for emissions not accounted for in scope 1&2. For example, the upstream emissions of consumed electricity are reported here.
- G. **(optional)** Emissions in scope 3, for purchased goods and services, indirect materials.
- H. **(optional)** Emissions in scope 3, Business travel
- I. **(optional)** Emissions in scope 3, Use of sold products
- J. **(optional)** Any other emissions not included in the above that the company wishes to disclose.

3. Methodological Data

For **each** reported data point (A-J above) companies must report:

- The activities included (and any exclusions) for the category (as an example, “for business travel: flights, trains and rental cars are included. Bus and ferry are excluded”). Any exclusions need to contain a motivation for the exclusion. (as an example: Bus and ferry travel make up less than 1% of business travel emissions, and are therefore omitted)
- Any assumptions made to make calculations or fill data gaps (as an example, “some flights have been booked outside of our travel agency. We’ve assumed that the emissions from these are the same per SEK spend, as for those booked with our agent. These flight account for 10% of spend with business travel.”)
- Any estimates made, and an explanation of the basis for these estimates (as an example, “we estimate that there is spillage of 2% in all our tier 1 suppliers operations, based on a survey covering 12 of our largest suppliers.”)
- On a general level, the sources for emission factors used – i.e. not per data-point (as an example, “For transports, emission factors used come from NTM Calc (<https://www.transportmeasures.org/ntmcalc/v4/basic/index.html#/>)”)

¹ Inbound transportation includes the transports from tier 1 suppliers to the facilities of the reporting company. Outbound transportation and distribution include transports from the facilities of the reporting company to retail/wholesale/end customers etc. Internal transportation includes the transports between two of the reporting company’s facilities.

4. Targets, Reduction Activities and Other Data

Companies must also disclose data on their targets, measures taken and emission reductions:

- Scope 1&2 target, including base year, any partial-targets, and any exclusions.
- Scope 3 target, including base year, any partial-targets and what emission sources are included in the target.
- Change in emissions compared to previous years, for both scope 1&2 and scope 3. This should include a brief explanation of what the major drivers behind this change were.
- Any measures taken during the year to reduce emissions, and the impact of these.
- Any changes to assumptions, methodology, coverage or other aspects other than emission reduction, during previous years results, including the base year, including a brief explanation of why these changes were made.
- Any measures planned in the upcoming year to reduce emissions and the expected impact of these.
- Any carbon offsets or other measures that do not have a direct effect on the emission target (such as measures that are outside of the scope, like customer engagement)

Target Setting

STICA requires its members to set targets in line with the 1.5-degree warming pathway in accordance with the Science based targets, within one year of joining STICA. The members are expected to set targets covering their scope 1 and 2 emissions, and at a minimum, the required STICA-scope in scope 3 - which is described under D, E, F in the previous section.

Currently STICA does not require members to formally commit to set a Science based target through the Science based targets initiative or, to apply to do so. However, STICA is in an on-going discussion with SBTi about their ability to confirm SBTi for STICA members.

Read more about the science based target initiative [here](#).

Base Year

When setting a science-based target, companies must set a base year, from which all changes are measured. STICA recommends that companies set the latest year for which they have data as their base year. A base year is the starting point against which all changes are measured. Different base years can be used for the scope 1&2 and scope 3 targets. The base year should be recalculated if any of the following occurs:

- **A significant change in methodology or scope**, e.g. going from using standard values (Swe: schabloner) for the whole supply chain, to starting to measure actual emissions from parts or the entire chain.
- **Inorganic growth of the company**, i.e. mergers and acquisitions. If company A buys company B, it should add company B's emissions in the base year to its own.
- **Calculation errors or data gaps**, i.e. if a company identifies an error or gap in their reporting for the base year, they should update their base year.

Reporting Format

A reporting template for STICA will be created to allow for reporting in accordance with these guidelines. The template will be distributed well in advance of the reporting deadline. The template will be in an Excel-format, and contain fields to report the required, recommended and optional data points. STICA is open to receiving data in other formats in agreement with individual members. Reporting will be designed to be manageable for both small and larger members.

Reporting Deadlines

Member companies are free to submit the report of their most recent reporting year when it best fits their reporting timelines during the year. However, all reports must be received by the STICA secretariat ***no later than November 1 each year.***

Quality Assurance Process and Requirements

The reported data and calculations will be subject to a quality assurance process. Annually, a predetermined number of randomly selected companies will be requested to submit all their activity data for a spot-check quality assurance process. This check could be done in company specific reporting tools, documents, or other data sources.

The relevant data needs to be made available so that the following can be checked:

- Calculation process.
- Emission factors, sources and relevance for each data point (more detailed information about emission factors is noted below).
- Completeness check, i.e. a check that all facilities, products, and areas that should be disclosed are included.
- Reasonability-check, that the activity data reports is within reasonable limits, such as energy use per square meter. This will be done where possible.

Companies that are spot-checked will need to be able to provide this data in an accessible format and in a timely manner. Companies that are not spot-checked should take measures to do these quality assurances, either themselves or together with a reputable consultancy.

Publicly Reporting Emission Data

The importance of transparency in reporting emissions of greenhouse gases cannot be overstated. STICA requires that companies publicly disclose their emissions in scope 1,2 and 3 and the targets that companies have committed to. STICA will also publish members' greenhouse gas calculations on an annual basis.

Emission Factors

STICA recommends that the tools or consultancy you are engaging to help you with GHG calculations use the following sources for emission factors (see below). Keep in mind, this is not an exhaustive list - and other sources may be used. But any other sources used need to be disclosed and motivated - i.e. why have these been used instead of the recommended factors, under the methodological disclosure.

Companies must be willing and able to share all individual emission factor data points as part of a spot-check or other quality assurance work within STICA. This means any tools or commercial data providers, must be willing to share these for a limited time, to allow review. This list is expected to be updated continuously.

- **For liquid and gas fuels:**

- Biofuels – The Swedish Energy Agency
- Fossil and other fuels – The Swedish Environmental Research Institute
- Other fuels – The Swedish Environmental Protection Agency, “Emission Factors and Heating Values 2020”, source, Swedish Greenhouse Gas inventories for 1990-2018 years’ emissions to the UNFCCC.

- **For electricity renewable, residual and grid mixes:**

- European residual mixes – Association of Issuing Bodies (AIB), “European Residual Mixes”
- The Nordic residual mix – The Swedish Energy Markets Inspectorate, “Ursprungsmärkning av el”, webpage: www.ei.se
- Guarantees of origin - Association of Issuing Bodies (AIB), “European Residual Mixes”
- Average electricity mixes – The International Energy Agency, “CO₂ emissions from fuel combustion”
- District heating in Sweden – Swedenergy and Värmemarknadskommittén, “Överenskommelse i värmemarknadskommittén 2019” and “Lokala miljövärden 2018”

- **For transports:**

- Emissions per tonne-kilometer (tonkm) for road transports – Network for Transport Measures (NTM), tool: NTMCalc Advanced OR Basic 4.0, webpage:
- Fuel use per kilometer – The Swedish Energy Agency, “Drivmedel 2018”
- Other fuels – The Swedish Environmental Protection Agency, “Emission Factors and Heating Values 2020”, source: Swedish Greenhouse Gas inventories for 1990-2018 years’ emissions to the UNFCCC.
- Ocean, rail and air transports – Network for Transport Measures (NTM), tool: NTMCalc Advanced OR Basic 4.0
 - For air transports, use RFI = 2,7 if nothing else is stated in sources. Please disclose if any other RFI factor is used and why. Note that normally RFI factors are not included in data from suppliers.

- **For business travel:**
 - Fuel consumption in cars – The Swedish Transport Administration and Klimatbarometern
 - Fuel use per kilometer for cars – The Swedish Energy Agency, “Drivmedel 2018”
 - Taxis – Svenska Taxiförbundet, Branschläget 2018
 - Trains – Network for Transport Measures (NTM), tool: NTMCalc Advanced 4.0 OR Basic
 - Flights – Network for Transport Measures (NTM), tool: NTMCalc Advanced 4.0 OR Basic
 - For air travel, use RFI = 2,7 if nothing else is stated in sources. Please disclose if any other RFI factor is used and why. Note that normally RFI factors are not included, or low factors such as 1.5 are used in data from travel agencies.

- **Other:**
 - Refrigerant leakage – The Swedish Environmental Protection Agency and IPCC, “Köldmedieförteckning” and “Global Warming Potential Values”

- **Materials and production:**
 - The Higg MSI contains factors for a large number of products and production processes that are useful as generic values when calculating emissions from fibre to finished product, or part of that supply chain. <https://msi.higg.org/page/msi-home>
 - We recommend using the Higg MSI publicly available emission factors, while adhering to the terms that apply to any public users: <https://msi.higg.org/terms-of-use>.
 - You need to determine how to use these in a relevant way while keeping the terms of use in mind. The Higg MSI is open publicly and you **do not need to be a SAC member to use these**.

 - Kering Group has also set up an open database, with factors on materials an production processes. These are open to use and is an alternative to MSI. Companies may choose which database fits their needs better. In short, the Kering database has a few country-specific factors, but a lower level of detail between the tiers. <https://keringgroup.opendatasoft.com/pages/home/>
 - If specific data on spill in the different production stages is not available, STICA suggests that you use an average of 5% of spill for each tier.

Additional Parameters: Methodological Choices

Accounting approach for STICA members

STICA members should use the operational approach when reporting GHG emissions. Using the operational approach means that companies should account for emissions from assets under operational control as scope 1 instead of scope 3.

The reason for recommending the operational approach is that if a company rents and operate an asset, the renting company should account for the emissions from the asset and not the owner of the asset. If a financial approach was used, the owner of the asset would instead account for these emissions. The financial approach is, for example, usually recommended for real estate businesses where the companies can affect the climate footprint of the facilities in terms of making the facilities more environmentally friendly. Within the apparel sector though the operational is approach more relevant.

When it comes to company operated cars, the operational control approach accounts for rental and leased cars in scope 1 since the employees have full operational control over the car, although the company does not own the cars. On the other hand, emissions from taxis are reported in scope 3 since the taxi driver has the control over the vehicle (the company buys a service from the taxi company).

Similarly, for transports – companies with employees operating trucks and buses should report these emissions in scope 1. Companies that buy transport services from transport companies, like UPS or DHL, should report these emissions in scope 3.

For more information about the operational approach, see the [GHG Protocol Corporate Standard](#).

Market-based and location-based method for scope 2 emissions

STICA members should use the market-based method when reporting GHG emissions from energy. Location-based emissions should also be accounted for, but the market-based method is the primary method and should be used in all cases where nothing else is specified.

About Market and location-based methods, for information only

In scope 2, emissions are calculated based on two separate calculation methods, 1) the market-based method and 2) the location-based method. Calculations using the market-based method account for market mechanisms, such as Guarantees of origin for the specific source of electricity generation (e.g. wind, solar, nuclear etc.). Calculations using the location-based method are based on where electricity is used and the specific production mix of the location (e.g. the Swedish average electricity mix) and does not account for if a specific source of electricity generation is used.

One criterion for companies willing to set a science-based target is to choose one of these methods to calculate base year emissions and to track performance over time. The market-based method is recommended since companies can see direct effects in the total emissions if a company switches from fossil to renewable electricity sources.

For more information about the market-based and location-based methods, see the [GHG Protocol Scope 2 Guidance](#).

Contact

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