



The Swedish Textile Initiative for Climate Action

February 2023

2022 PROGRESS UPDATE

GREENHOUSE GAS EMISSIONS REPORTED FOR YEAR 2021

THIS UPDATE PROVIDES THE MOST RECENT GHG EMISSIONS DATA FOR 2021

In May 2022, STICA published an annual report in which a majority of member companies disclosed their GHG emissions for 2020. You can access this report [here](#). It includes updates from the initiative overall, as well as testimonials and policy recommendations. However, to ensure we are providing the most recent data available, we are publishing an additional abbreviated progress update. Stakeholders can now access the most recent GHG emissions data from STICA member companies for 2021.

As mentioned in the previous annual report, we hope the leadership demonstrated by STICA member companies will inspire other companies to do the same - to use climate action as a prerequisite and driver for business transformation. That said, transparency is not the end goal. The focus moving forward must be on actions that will reduce company and industry emissions.

I also want to again highlight an inconvenient truth – because the message must get through. No matter how ambitious companies are regarding climate action, without substantial changes in legislation, serious financial investment and rapid innovation, the pace of greenhouse gas reductions for STICA member companies and the industry overall will be too slow, and most likely, insignificant. This means our political leaders and industry champions need to get serious about their critical role in enabling this industry to transform at the pace and scale required. They need to design and support legislation to ensure the business case for investing in ambitious climate action is undeniable and unavoidable.

We will continue to call upon our political and industry leaders to be much, much bolder. We are ready and willing to work with you to develop ambitious solutions that will accelerate change at the pace and scale required.



**MICHAEL SCHRAGGER,
INITIATIVE DIRECTOR**



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ABOUT STICA

Sweden and the Nordic region have a reputation for leadership in climate action and sustainable development. Sweden's long-term target is net-zero greenhouse gas emissions by 2045, at the latest.

To contribute to achieving this goal, leading Swedish NGO Sustainable Fashion Academy (SFA), in collaboration with well-recognized apparel and textile companies and industry stakeholders, launched The Swedish Textile Initiative for Climate Action (STICA). STICA's aim is to enable apparel and textile companies, as well as the entire Nordic apparel and textile industry, to reduce their climate impacts in line with the 1.5°C warming pathway, while strengthening their global competitiveness. Ultimately, STICA's aim is to ensure that Sweden and the Nordic region do more than their share—well before 2050. STICA believes this is the only way to avert a climate crisis.¹

STICA is organized into two work streams. 1) The Action Learning Network supports committed and ambitious companies in their journey to reduce their emissions in line with the 1.5°C pathway and to transform their businesses. Companies participating in this network represent a broad range of segments and business models, from fashion and outdoor, to workwear and laundry and accessories. 2) Industry Level Action, where the goal is to collaborate with key stakeholders to develop a roadmap and implement an action plan that ensures the entire Swedish apparel and textile industry reduces its emissions and delivers solutions that enable the global industry to reduce its emissions.

STICA was initiated and is led by The Sustainable Fashion Academy, whose mission is to accelerate progress toward science-based sustainability targets and the Global Sustainability Development Goals, by harnessing the power and influence of the apparel and textile industry. The SFA's role in STICA is to ensure independence, integrity, and progress. For more information, please visit [STICA's website](#).

WORKSTREAMS



Figure 1. STICA workstreams

It is very important to acknowledge the incredible efforts of the company representatives participating in STICA, as well as our advisors, for advocating ambitious climate action internally in their companies and in the industry as a whole, and also for their collaborative spirit. A special thank you is warranted for our dynamic company network steering group: Åsa Andersson formerly with Peak Performance; Felicia Reuterswaard and H&M Group; Sandra Roos and Kappahl.

¹ Currently, this target refers to only territorial emissions, but consumption-based targets, which would include emissions from the production of product and services, are now also under serious consideration.

MEMBER COMPANIES

A DAY'S MARCH

Acne Studios

ACTIVE
BRANDS

AXEL ARIGATO

Bergans
OF NORWAY

BJÖRN BORG

BLÅKLÄDER
WORKWEAR

BROTHERS

BUBBLEROOM

BÅSTAD
GRUPPEN

casall®

CELLBES

CRAFT

DAGMAR

Db™

DIDRIKSONS

elis

ELLOS GROUP
ellos Jotex STAYHARD

Elodie Details

ETON

FJALL
RAVEN

FRISTADS

ginatricot

H&M

HEMTEX

HUNKYDORY
STOCKHOLM

INDISKA

ISBJÖRN
OF SWEDEN

Kappahl

Kid

LINDEX

MQ

NA-KD

NELLY.COM

Newbody Family

NORRØNA

Nude Jeans co

odd molly

PeakPerformance

POLARN O. PYRET

RUDHOLM GROUP

SANDQVIST

Snickers
WORKWEAR

stadium

Tenson
EST. 1951

TEXSTAR

TIGER OF SWEDEN
1903

TOMMY HILF

VARNER

VOLVO



MEMBER COMPANY REQUIREMENTS

TO ENSURE CREDIBILITY, TRANSPARENCY AND PROGRESS, STICA REQUIRES COMPANY MEMBERS TO:

Set targets, measure, and report in accordance with STICA guidelines, which are informed by the **Science Based Targets initiative** methodology and the **GHG Protocol**. STICA provides guidelines for how to measure and report, as well as education and training. Company targets and methods do not need to be approved by the Science Based Targets initiative, although this is encouraged. Requirements include:

- Public targets for Scopes 1, 2 and 3.
- Targets in line with what it will take to limit warming to no more than 1.5°C, which in practice means reducing absolute emissions by roughly half by 2030.
- If a member company cannot commit to the targets and reductions required to stay on a 1.5°C pathway, the company can select a temporary target, explain why, and present a plan for what is needed to be able to do so. These exceptions are addressed on a case-by-case basis.
- Here is more detailed information about STICA's **calculation and reporting guidelines** and **target setting requirements**.

Report progress on an annual basis (Scopes 1, 2 and 3 according to the Greenhouse Gas Protocol). Members need to report progress for all scopes.

Make their targets and commitments public. Companies and organizations should present their impacts and progress publicly. STICA also publishes members' progress annually.

Submit Greenhouse Gas Reduction Action Plans on an annual basis, to ensure climate action is embedded into the core business of the company.

Share knowledge and insights with other companies and engage in joint projects where possible and practical. Company and organizational representatives are expected to participate in webinars and engage in working groups when relevant. This ensures the network is robust and that learning is shared effectively.

Support action at the industry level. Without changes at the industry level, there are limits to what a company can do to reduce its emissions and transform its business. By engaging at the industry level and by supporting STICA in doing so, companies also prompt more fundamental structural changes.



MEMBER'S REPORTING

THIS SECTION PROVIDES INFORMATION ABOUT:

- The STICA calculation and reporting methodology;
- The strengths and limitations of the STICA methodology;
- Member companies' greenhouse gas emissions reporting;
- An analysis of the results.

OUR METHODOLOGY

STICA requires that its members follow the methodology and recommendations of the Greenhouse Gas Protocol standard when reporting greenhouse gas emissions. To ensure quality, robustness, and consistency, companies are required to follow the guidelines and support documents outlining the [reporting requirements within STICA](#), including guidance on emission factor sources and how to handle scope, exclusions, assumptions and estimates made.

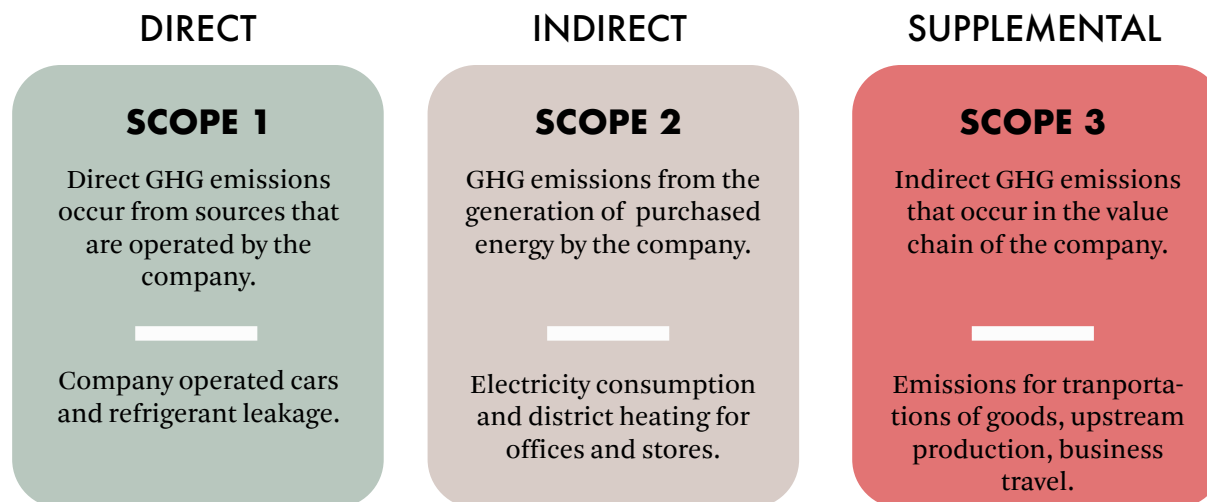
In the STICA reporting, companies are required to disclose emissions within Scope 1, Scope 2 and selected categories from Scope 3. These categories cover purchased goods and services (excluding indirect material, such as office supplies and store interiors), upstream and downstream transportation and distribution, and finally, fuel- and energy-related activities. In addition to these required categories, many companies also choose to disclose emissions from the recommended categories: business travel, use of sold products, and the excluded parts of purchased goods and services.

The required scope of reporting is based on a combination of the relative size of these categories in terms of emissions, and the recommendation from the [Science Based Targets initiative](#), not including the indirect use phase, such as washing and drying. Generally, the categories included in the STICA scope cover the most significant emission sources for companies in the apparel and footwear sector, but should member companies have significant emission sources elsewhere they are strongly recommended to include these as well. STICA requires its members use the operational control approach and the market-based method, as described in the [GHG Protocol](#). For target setting, STICA requires companies to align with a set of criteria, and set targets in the near term, towards 2025-2030. These criteria are available [here](#).

When calculating greenhouse gas emissions, companies use a variety of data sources and estimated values. For production of sold products, most companies use a combination of actual data from suppliers, and estimated values for the parts of the supply chain where actual data is not yet available.

IF YOU DON'T MEASURE YOUR EMISSIONS, YOU CAN'T MANAGE THEM

The first step in decreasing emissions is mapping and measuring them. The Greenhouse Gas Protocol was established in the late 1990s and is the global standard for accounting and reporting emissions from private and public sector operations, value chains and climate actions. The standard is divided into three scopes:



THE STRENGTHS AND LIMITATIONS OF THE CURRENT STICA METHODOLOGY

When reviewing and interpreting the results reported for each STICA member company, it is important to keep in mind both the strengths and limitations of the methods used for calculations and reporting. In this section, we specifically address some of these under the following headings: 1) The strengths and limitations of the GHG Protocol; 2) The STICA scope; 3) Accounting for product quality and longevity; 4) Data quality and uncertainty; and 5) Target-setting methods.

THE STRENGTHS AND LIMITATIONS OF THE GHG PROTOCOL

Firstly, the STICA method is based on the GHG Protocol. Few frameworks within sustainability have reached the same widespread use and level of acceptance. All major reporting initiatives and frameworks rely on these rules and requirements for consistency over time. However, the GHG Protocol also has some limitations, such as:

- **Comparability** between companies is not an explicit objective of the GHG Protocol. Many actors, however, still use the results this way. STICA acknowledges this, but also sees value in showing company results together, to help inspire and challenge STICA members. The reader is advised to consider this when reading the report.
- **Inclusion criteria** for Scope 3 is not specifically outlined in the GHG Protocol for Scope 3, meaning that the activities included in disclosures may vary significantly. To counter this, STICA has defined the minimum parts of the members' businesses to be included, using the Science Based Targets guidance for apparel and footwear as well as screenings made by individual companies.
- **Biogenic emissions** and/or emissions from changes to how land is used (often called LULUCF) is partially addressed in the current version of the GHG Protocol, but an addition focusing on land-use emissions is under development and is likely to become a required part of GHG-accounting in the future. This will add additional emission sources and thereby data collection and reporting work. As this addition will have an impact on textile companies' reporting, STICA is currently monitoring the developments of the GHG protocol's Land Sector and Removals Guidance but has not yet developed guidance for member companies on how to address this.

STICA, along with most other initiatives, has chosen the GHG Protocol for accounting and reporting as this is currently the best available option. We feel comfortable that we have mitigated the main drawbacks of the current protocol and how it is applied to the apparel and textile sector. STICA continuously monitors the development of frameworks and accounting rules to ensure we are using the most robust and relevant standards.

THE STICA SCOPE

As mentioned in the methodology section, STICA member companies are required to report emissions from selected parts of their value chains in addition to Scope 1 and 2. These requirements are described briefly below, together with a reasoning for why they are required:

- **Scope 3 Category 1: Purchased goods and services (direct)** include emissions from producing the products that the companies sell, from production of raw material through to a finished product and packaging. In most cases, this is by far the most significant emission source for a textile company, and on average may represent 80% or more of its emissions and should be a crucial part of any textile company's reporting.
- **Scope 3 Category 3: Fuel- and energy-related activities** such as production and distribution of fuels used in Scope 1 and 2 activities are often included in accounting and seen as an extension of the Scope 1 and 2 emissions.
- **Scope 3 Category 4 and 9: Upstream and downstream transportation and distribution** that companies purchase is also a significant source of emissions from trucking, air freight and maritime shipping. These emissions are accessible for companies both in terms of data and on reduction opportunities and are natural to include in the emissions accounting.

In addition to these, STICA offers some support in measuring and reporting emission from optional Scope 3 categories, briefly described below:

- **Scope 3 Category 1: Purchased goods and services (indirect)** cover emissions from store interiors, hangers, office equipment etc. that is not sold by the company, but rather used to keep the company working. This is optional to include, to decrease the reporting burden on companies, and to help them focus on the major emission sources.
- **Scope 3 Category 6: Business travel** is often included in company accounting, even though in many cases it may be a fraction of the emissions. This is generally due to the fact that companies have direct control over how employees travel, and the data is readily available. STICA has opted not to require this, again to reduce the reporting burden and to focus on major emission sources. However, a number of companies still report emissions in this category.
- **Scope 3 Category 9 and 11: The use of sold products and consumer transport** are not required to be included in the reporting. Primarily, this is based on the uncertainty in the underlying data, where consumers' use and transport are very difficult to measure credibly, and any emissions reductions can be hard to substantiate. However, the use-phase and consumer transport can potentially be a significant source of emissions, and it is likely there will be more focus on this in the near future.

ACCOUNTING FOR PRODUCT QUALITY AND LONGEVITY

It is important to highlight the issue of product quality and therefore product longevity, and the role this can and should play in the accounting of a company's emissions and in its emissions-reduction strategies. The theoretical discussion on longevity is as follows: even if one high-quality product has larger GHG-emissions in the production phase than another, if this product is used many more times because it is of better quality, then this could result in lower GHG-emissions overall. This is because the higher-quality product would, in theory, be used more – and therefore decrease the need for the consumer to buy an additional product. As a result, this can

lead to a decrease in the total amount of GHG-emissions when comparing the total emissions of using one product versus many for the same purpose.

In theory, this can be true. But in reality, it can be hard for a company to know if the emissions actually decrease, this is because:

- It can be difficult to prove how much a customer **actually** uses a product. In theory, a customer can buy a better product that lasts longer, but still not use it more. This is because customers often underutilize high-quality products.
- Customers also tend to overconsume products due to factors like fashion trends, low prices and procurement policies, leading to the purchasing of more products than needed.
- The emissions per product will still matter. For instance, if the lower-quality product creates **significantly less GHG-emissions** than the high-quality product, the benefits of buying and using the higher-quality product might no longer be sufficiently significant to offset the production emissions.

When accounting for emissions in a company-wide perspective, the quality and longevity can be included in performance tracking and targets by including them in KPIs that are connected to the number of uses that their products have, such as “total GHG-emissions”/“number of uses”. This allows companies to use longevity and quality improvements as a direct measure in reducing emissions. For economic-based KPIs like emissions per revenue or “value added,” such quality and/or longevity increases are included in economic terms, as a higher-quality product would fetch a higher price. As we have seen, the actual number of uses is very difficult to measure, so measurements of any such targets and KPIs must be clearly defined and justified, and will need to be considered credible by STICA. We are following the EU's development of the Product Environmental Footprint closely, as this methodology will potentially include a way to measure product longevity.

DATA QUALITY AND UNCERTAINTY

When surveyed, many of the STICA members quote data collection and quality as a significant challenge. Data availability, quality, representativeness, and the sheer volume of data raise challenges for truly understanding a company's impact and options for emissions reductions. Like many of the world's commodities, textile value chains are complex and span much of the globe today. From the cotton field to the finished pair of jeans, there may be a large number of companies handling, processing, reselling, laundering and packing the product. This means it is unrealistic for an individual company to expect to collect data from all of these actors. Instead, many companies combine average data from parts of the value chain with actual data from others. Currently, and for the foreseeable future, this is the reality for industry.

Using average data and emissions factors carries some uncertainty, especially when used on a general level. For example, many companies use weights of different materials and a global average for producing the fabric required. This means that information such as which processes or energy sources are used, or even which countries of origin are relevant, is to a high degree unknown. Even when these are known, there is still a need for emission factors representing the specific processes, energy sources or geographies involved, and these are often difficult to track down, or do not exist.

In summary, we see three drivers of this uncertainty: 1) the company's own data and the level of detail; 2) the availability and representativeness of emission factors or average data; and 3) the quality of the data in these emission factors. We will elaborate on the latter below.

Currently, STICA recommends using the emission factors from the **HIGG Material Sustainability Index (MSI)** when working with average data. STICA has been following the recent criticism of the MSI closely and acknowledges the critique. The critique put forward refers to consumer marketing claims using factors from the MSI, but also relates to the validity and representativeness of the factors. From STICA's perspective, the HIGG MSI is currently the most widely used database for working with average data and emission factors in the industry. However, as with other secondary data sets, the MSI has limitations:

- **Data accuracy** is a problem when the content of an emission factor is lacking. The data can be old, non-representative of processes or geography, or have other limitations in the specifics of how it is used. Generally speaking, the accuracy of the data in an emission factor relates to how it is applied. A global average cotton production factor for 2021 is a poor indicator for cotton produced in Egypt using irrigation agriculture in 2009, but it is useful to represent a market mix. This is often the case with all types of emissions factors, and the MSI is no exception.
- **Method accuracy** occurs where the method applied is not representative of the reality of a production system or market, or is used for comparisons between materials. An example of this is allocation methods: in a wool production system where both meat and wool are produced together, this is apparent. The emissions from this system can then be allocated to these two products, for example by using economic terms, such as the share of the income generated by each, or by physical terms such as protein content. Depending on the choices made when creating the factor, the different methods can give very different outcomes in emissions.
- **System-wide impacts, or marginal issues** reflect the fact that using emissions factors, such as those from the MSI that attempt to capture current global average data when making decisions on e.g. fiber choice, can be problematic. For example, if companies move from using conventional to recycled polyester, they will create additional demand for recycled polyester that may be produced in a new way and that does not reflect the data we have for the global average of recycled polyester production.
- **Data ownership and bias** combined with a **lack of transparency** is also problematic. Most available average data is owned by private companies, hindering users from disclosing more details on their impacts. Much of the available data is also difficult to access in a practical way, often being fixed values for GHG-emissions, rather than energy consumption figures that would be more useful. A significant share of global average data is also produced by business networks and industry organizations, which causes concerns on the built-in biases in some of the datapoints. For example, LCA impacts for individual fiber types, such as cotton or polyester are often produced by cotton or plastics industry associations.

The uncertainty in the average data outlined above could furthermore lead to questionable conclusions on material or process choices, and STICA recommends that our members carefully consider this uncertainty when choosing a reduction strategy.

STICA acknowledges that using some average data is an absolute necessity for the foreseeable future, and there will always be uncertainty and inaccuracy in this way of working. STICA is actively working to improve the way we work with the data, and together with member companies, aims to increase the amount of actual data, as well as to improve the quality of available average data. For the time being, however, average data can help companies to understand their emissions hotspots and their emissions trajectories.

With that being said, to ensure credibility in the STICA reporting, companies will be required to substantiate any reported emissions reductions by motivating any changes in their emissions transparently. Should there be any changes stemming from changes in organizational or operational boundary, in methodology used or from other inorganic changes, members are required to recalculate their base years to ensure comparability over time. For instance, if a company starts replacing average data with primary data and sees a significant emissions reduction based on this methodological change, they should consider recalculating their base year inventory.

TARGET-SETTING METHODS

To stay below 1.5°C warming by the end of the century means a drastic reduction of emissions. The Science Based Targets initiative has translated this into a requirement for all companies to cut their emissions by 42% every decade. This is based on the carbon budgets set out by the IPCC for keeping warming in line with 1.5°C.

A number of methods are available to guide companies in setting GHG-emissions targets. Generally speaking, these are: absolute reduction targets; intensity targets based on either physical or economic intensities; sectoral or product emission targets, such as the SDAs from the Science Based Targets initiative, or the One Planet Plate from WWF; supplier engagement targets. The absolute reduction method is often considered the most ambitious and credible approach, as it ensures that a company reduces its total emissions. In other words, this approach effectively caps the emissions of the company. This is why STICA strongly recommends that its members set absolute reduction targets.

However, setting targets in this way does not account for some unique challenges or situations:

- An absolute target implies that because a company has emitted large amounts of greenhouse gases historically, **it should be entitled to a larger share** emissions budget. A company that is twice the size and therefore may have twice the emissions will have twice the emissions budget to work with.
- **New entrants** to the market or small companies usually have very low emissions from the start. In this case, an absolute target requiring them to halve their emissions by 2030 can be difficult to achieve because their emissions budget is very small to begin with. This will be the case even if they have products that on average incur a fraction of the emissions of established companies.
- **High-performing** companies who have already taken significant action to reduce their emissions are also required to halve their emissions, like those who have not yet started. To some extent this means they will have a harder time fulfilling the target as they have already picked the lowest-hanging fruit of emissions reductions.
- A variant of the above is companies **aiming to take market share** in a slowly expanding sector. In this case, an absolute cap on a company's emissions could, in theory, be at odds with the goal of reducing the total emissions of an industry sector. For example, a company that produces products that have a relatively lower greenhouse gas profile could out-compete companies with worse-performing products. As this company grows, its products could replace those from companies with higher greenhouse gases, thereby reducing the overall emissions of the sector. But, as the company grows, its overall company emissions would increase, while the sector's overall emissions would decrease. This is the theory, but it is based on many assumptions and is difficult to substantiate.

STICA is aware of these challenges and therefore temporarily allows companies to use other target types while requiring transparency on how these targets influence their absolute emissions. You can read more about our current target-setting requirements [here](#).



COMPANY REPORTING

In this section you will find company specific information in two tables, the first with Scope 1 and 2 information and the second with Scope 3 information. The companies are listed in alphabetical order to make it easier to find a specific company. However, you can also find the company information organized according to company revenue [here](#).

Some companies have reduced their emissions, while other companies' impact has increased. The change in emissions is only reflected for the companies with a base year prior to 2021 in these tables.

SCOPE 1&2 REPORTING

Table 1. Company-level information outlining the size of the company and progress toward their Scope 1 and 2 target for the reporting year of 2021. There are a few companies that did not yet set any targets, these companies are currently developing their targets and will be submitting these to STICA during the year.

STICA company member	Revenue (MSEK)	Scope 1&2 emissions in 2021 (tonnes CO ₂ e)	Change in absolute emissions since base year (tonnes CO ₂ e)	Change in absolute emissions since base year (%)	Target description	Required annual reduction from 2021
A Day's March	103	10	0	0%	Target not set	Target not set
Acne	2 771	938	+39	+4%	Reduction of 50% in absolute emissions by 2030/2031 from a 2020/2021 base year	-6,0%
Active Brands	1 366	340	0	0%	Reduction of 90% in absolute emissions by 2025 from a 2021 base year.	-22,5%
Axel Arigato	553	78	+25	+48%	Reduction of 80% in absolute emissions by 2025 from a 2020 base year.	-32,0%
Bergans	682	302	-367	-55%	Reduction of 60% in absolute emissions by 2025 from a 2018 base year.	-1,3%
Björn Borg	768	322	-32	-9%	Reduction of 50% in absolute emissions by 2030 from a 2020 base year.	-4,5%
Blåkläder	1 950	744	+0	+0%	Reduction of 50% in absolute emissions by 2030 from a 2018 base year.	-5,6%
Brothers	351	89	-30	-25%	Reduction of 100% in absolute emissions by 2030 from a 2020 base year.	-8,3%
Bubbleroom	399	21	+13	+156%	Reduction of 100% in absolute emissions by 2030 from a 2020 base year.	-28,4%
Casall	239	33	-122	-79%	Reduction of 75% in absolute emissions by 2025 from a 2018 base year.	-
Cellbes	606	79	-46	-37%	Reduction of 50% in absolute emissions by 2030 from a 2018 base year.	-1,5%
Craft	689	358	+22	+7%	Reduction of 42% in absolute emissions by 2030 from a 2020 base year.	-5,4%
Dagmar*	Still under review	Still under review	Still under review	Still under review	Still under review	Still under review
Db Equipment	179	22	+14	+162%	Reduction of 50% in absolute emissions by 2030 from a 2019 base year.	-23,6%
Didriksons	647	151	-186	-55%	Reduction of 60% in absolute emissions by 2025 from a 2018 base year.	-1,2%
Elis Textile Services	2 073	8 451	-3 846	-31%	Reduction of 50% in absolute emissions by 2030 from a 2018 base year.	-2,1%
Ellos	3 589	293	-6	-2%	Reduction of 50% in absolute emissions by 2025 from a 2018 base year.	-12,0%
Elodie Details	72	1	-37	-96%	Reduction of 30% in absolute emissions by 2030 from a 2019 base year.	-
Eton	646	307	-92	-23%	Reduction of 46% in absolute emissions by 2030 from a 2019 base year.	-2,6%
Fjällräven		939	-76	-7%	Reduction of 40% in absolute emissions by 2025 from a 2019 base year.	-8,1%
Fristads	1 449	1 182	-772	-39%	Reduction of 50% in absolute emissions by 2030 from a 2018 base year.	-1,2%
Gina Tricot	975	748	0	0%	Reduction of 50% in absolute emissions by 2030 from a 2021 base year.	-5,5%



SCOPE 1&2 REPORTING

STICA company member	Revenue (MSEK)	Scope 1&2 emissions in 2021 (tonnes CO ₂ e)	Change in absolute emissions since base year (tonnes CO ₂ e)	Change in absolute emissions since base year (%)	Target description	Required annual reduction from 2021
H&M Group	198 967	50 078	-14 367	-22%	Reduction of 56% in absolute emissions by 2030 from a 2019 base year.	-3,7%
Indiska	401	307	0	0%	Reduction of 38% in absolute emissions by 2030 from a 2021 base year.	-4,2%
Isbjörn of Sweden	39	2	0	0%	Reduction of 50% in absolute emissions by 2033 from a 2021 base year.	-4,2%
Kappahl	4 665	12 534	-4 728	-27%	Reduction of 80% in absolute emissions by 2030 from a 2017 base year.	-5,8%
KID	3 107	3 333	-498	-13%	Reduction of 50% in absolute emissions by 2030 from a 2020 base year.	-4,1%
Lindex	6 593	5 899	-8 346	-59%	Reduction of 100% in absolute emissions by 2023 from a 2017 base year.	-20,7%
MQ Marqet	1 071	326	+30	+10%	Reduction of 100% in absolute emissions by 2030 from a 2020 base year.	-12,2%
NA-KD	2 299	50	-137	-73%	Reduction of 80% in absolute emissions by 2025 from a 2020 base year.	-1,6%
Nelly	1 428	68	-165	-71%	Reduction of 95% in absolute emissions by 2023 from a 2018 base year.	-12,1%
Newbody	197	15	+3	+27%	Reduction of 50% in absolute emissions by 2030 from a 2020 base year.	-8,5%
Norrna	646	82	+7	+9%	Reduction of 60% in absolute emissions by 2025 from a 2018 base year.	-17,3%
Nudie Jeans	478	170	-317	-65%	Reduction of 51% in absolute emissions by 2030 from a 2018 base year.	-
Odd Molly Sverige	235	4	-84	-95%	Reduction of 50% in absolute emissions by 2025 from a 2019 base year.	-
Peak Performance	1 490	639	+46	+8%	Reduction of 50% in absolute emissions by 2030 from a 2019 base year.	-6,4%
Polarn O. Pyret	670	192	-169	-47%	Reduction of 100% in absolute emissions by 2030 from a 2017 base year.	-5,9%
Rudholm*	Still under review	Still under review	Still under review	Still under review	Still under review	Still under review
Sandqvist	83	15	-8	-35%	Reduction of 42% in absolute emissions by 2030 from a 2019 base year.	-0,8%
Sandryds**	152	88	0	0%	Reduction of 50% in absolute emissions by 2025 from a 2018 base year.	-12,5%
Snickers Workwear	1 561	523	-208	-28%	Reduction of 50% in absolute emissions by 2030 from a 2018 base year.	-2,4%
Stadium	7 100	5 731	-296	-5%	Reduction of 85% in absolute emissions by 2025 from a 2017 base year.	-20,0%
Tenson	130	78	-84	-52%	Reduction of 50% in absolute emissions by 2030 from a 2019 base year.	-
Tiger of Sweden	801	336	-52	-13%	Reduction of 50% in absolute emissions by 2025 from a 2018 base year.	-9,1%
Toteme	540	3	-4	-59%	Reduction of 50% in absolute emissions by 2030 from a 2019 base year.	-
Varner group	9 608	24 998	+747	+3%	Reduction of 50% in absolute emissions by 2030 from a 2019 base year.	-5,9%
Volvo Merchandise	128	3	-5	-60%	Reduction of 50% in absolute emissions by 2030 from a 2019 base year.	-

*Still under review **Sandryds is part of Båstadgruppen

SCOPE 3 REPORTING

Table 2. Company-level information outlining the size of the company and progress toward their Scope 3 target for the reporting year 2021. Keep in mind companies may have different categories included in their targets, e.g. company A could include the optional category business travel in their targets, while company B might exclude this from their targets. There are a few companies that did not yet set any targets, these companies are currently developing their targets and will be submitting these to STICA during the year.

STICA company member	Revenue (MSEK)	Total scope 3 emissions 2021 (tonnes CO2e)*	Production emissions 2021 (tonnes CO2e)*	Transport emissions 2021 (tonnes CO2e)*	Other emissions 2021 (tonnes CO2e)*	Change in absolute emissions in reported scope since base year (tonnes CO2e)	Change in absolute emissions in reported scope since base year (%)	Target description	Required annual reduction from 2021
A Day's March	103	2 845	2 422	421	2	-11	0%	Target not set	Target not set
Acne	2 771	35 426	20 955	12 122	2 349	+4353	+14%	Reduction of 50% in absolute emissions by 2030/2031 from a 2020/2021 base year	-7,1%
Active Brands	1 366	35 311	34 044	1 226	41	0	0%	Reduction of 50% emissions per unit by 2030 from a 2021 base year.	-5,6%
Axel Arigato	553	8 250	4 340	3 893	17	+4361	+112%	Reduction of 30% emissions per unit by 2025 from a 2020 base year.	-35,5%
Bergans	682	10 439	8 351	1 969	119	+3988	+62%	Reduction of 50% in absolute emissions by 2030 from a 2020 base year.	-12,4%
Björn Borg	768	17 725	14 457	1 310	1 958	-5 859	-25%	Reduction of 50% in absolute emissions by 2030 from a 2020 base year.	-2,8%
Blåkläder	1 950	92 711	77 813	14 341	557	+54467	+142%	Reduction of 50% emissions per unit by 2030 from a 2020 base year.	-21,4%
Brothers	351	9 976	9 426	529	21	+3727	+60%	Reduction of 30% in absolute emissions by 2029 from a 2020 base year.	-11,2%
Bubbleroom	399	9 493	8 723	724	46	0	0%	Reduction of 37,8% in absolute emissions by 2030 from a 2021 base year.	-4,2%
Casall	239	1 746	1 692	49	5	-186	-10%	Reduction of 50% in absolute emissions by 2030 from a 2019 base year.	-4,5%
Cellbes	606	13 491	12 394	1 063	34	-634	-4%	Reduction of 42% in absolute emissions by 2030 from a 2020 base year.	-4,2%
Craft	689	27 244	26 437	758	49	0	0%	Reduction of 50% in absolute emissions by 2030 from a 2021 base year.	-5,6%
Dagmar**	Still under review	Still under review	Still under review	Still under review	Still under review	Still under review	Still under review	Still under review	Still under review
Db Equipment	179	6 385	4 130	2 168	87	-166	-3%	Reduction of 50% emissions per unit by 2030 from a 2019 base year.	-5,3%
Didriksons	647	16 389	12 799	3 537	54	+2170	+15%	Reduction of 50% in absolute emissions by 2030 from a 2020 base year.	-7,3%
Elis Textile Services	2 073	27 882	13 317	2 335	12 230	-5 652	-17%	Target not set	Target not set
Ellos	3 589	116 999	107 517	9 412	70	+33546	+40%	Reduction of 50% emissions per unit by 2030 from a 2020 base year.	-10,0%
Elodie Details	72	3 805	3 714	91	1	+161	+4%	Reduction of 30% emissions per unit by 2030 from a 2020 base year.	-3,8%
Eton	646	12 058	7 967	3 960	132	-5 580	-32%	Reduction of 30% in absolute emissions by 2030 from a 2019 base year.	-
Fjällräven		53 564	38 982	14 012	570	+11589	+28%	Reduction of 50% emissions per unit by 2025 from a 2019 base year.	-19,4%
Fristads	1 449	61 295	51 930	9 122	243	-1 262	-2%	Reduction of 50% in absolute emissions by 2030 from a 2019 base year.	-5,3%
Gina Tricot	975	54 613	29 977	13 293	11 343	-2	0%	Reduction of 50% in absolute emissions by 2030 from a 2021 base year.	-5,6%
H&M Group	198 967	6 116 135	4 322 033	475 317	1 318 785	-491 199	-7%	Reduction of 56% in absolute emissions by 2030 from a 2019 base year.	-5,4%

SCOPE 3 REPORTING

STICA company member	Revenue (MSEK)	Total scope 3 emissions 2021 (tonnes CO2e)*	Production emissions 2021 (tonnes CO2e)*	Transport emissions 2021 (tonnes CO2e)*	Other emissions 2021 (tonnes CO2e)*	Change in absolute emissions in reported scope since base year (tonnes CO2e)	Change in absolute emissions in reported scope since base year (%)	Target description	Required annual reduction from 2021
Indiska	401	16 285	13 667	2 569	50	0	0%	Reduction of 38% in absolute emissions by 2030 from a 2021 base year.	-4,2%
Isbjörn of Sweden	39	636	593	41	3	0	0%	Reduction of 50% in absolute emissions by 2033 from a 2021 base year.	-4,2%
Kappahl	4 665	167 795	110 597	32 946	24 252	-36 844	-18%	Reduction of 49% in absolute emissions by 2030 from a 2017 base year.	-3,4%
KID	3 107	164 250	156 100	7 744	406	-13 164	-7%	Reduction of 50% in absolute emissions by 2030 from a 2020 base year.	-4,7%
Lindex	6 593	163 741	113 839	42 272	7 631	-40 086	-20%	Reduction of 50% in absolute emissions by 2030 from a 2017 base year.	-3,4%
MQ Marqet	1 071	14 220	13 722	429	70	-539	-4%	Reduction of 50% in absolute emissions by 2030 from a 2020 base year.	-5,1%
NA-KD	2 299	65 749	55 452	9 970	327	-3 578	-5%	Reduction of 50% in absolute emissions by 2030 from a 2020 base year.	-5,0%
Nelly	1 428	25 298	23 191	2 047	61	+1871	+8%	Reduction of 50% in absolute emissions by 2030 from a 2020 base year.	-6,4%
Newbody	197	7 785	7 434	347	5	0	0%	Reduction of 50% in absolute emissions by 2030 from a 2021 base year.	-5,6%
Norrna	646	8 365	6 061	2 252	52	+2487	+42%	Reduction of 80% in absolute emissions by 2029 from a 2020 base year.	-15,3%
Nudie Jeans	478	7 408	4 722	2 629	56	-1 526	-17%	Reduction of 50,4% in absolute emissions by 2030 from a 2018 base year.	-3,7%
Odd Molly Sverige	235	3 695	2 719	972	4	-11	0%	Reduction of 50% in absolute emissions by 2030 from a 2021 base year.	-5,5%
Peak Performance	1 490	23 191	20 260	1 591	1 340	-	-	Target not set	Target not set
Polarn O. Pyret	670	13 296	12 530	686	80	+2110	+19%	Reduction of 50% in absolute emissions by 2030 from a 2020 base year.	-7,7%
Rudholm**	Still under review	Still under review	Still under review	Still under review	Still under review	Still under review	Still under review	Still under review	Still under review
Sandqvist	83	1 410	1 289	120	2	-496	-26%	Reduction of 50% in absolute emissions by 2030 from a 2020 base year.	-2,7%
Sandryds***	152	5 724	5 326	385	14	-2 050	-26%	Reduction of 50% in absolute emissions by 2030 from a 2020 base year.	-2,6%
Snickers Workwear	1 561	62 017	57 059	4 816	142	+19618	+46%	Reduction of 42% in absolute emissions by 2030 from a 2020 base year.	-9,8%
Stadium	7 100	183 845	176 875	6 232	738	-11 641	-6%	Reduction of 50% in absolute emissions by 2030 from a 2017 base year.	-4,9%
Tenson	130	4 662	4 198	452	12	+824	+21%	Reduction of 50% in absolute emissions by 2030 from a 2020 base year.	-7,9%
Tiger of Sweden	801	17 252	15 186	2 021	45	-18 236	-51%	Reduction of 50% in absolute emissions by 2030 from a 2018 base year.	-
Toteme	540	12 545	9 151	3 393	1	+7453	+146%	Reduction of 42% in absolute emissions by 2030 from a 2020 base year.	-20,9%
Varner group	9 608	323 603	314 135	7 428	2 040	-11 435	-3%	Reduction of 55% emissions per unit by 2030 from a 2019 base year.	-5,7%
Volvo Merchandise	128	1 547	1 418	116	14	-2 130	-58%	Reduction of 46,2% in absolute emissions by 2030 from a 2019 base year.	-

*This represents the companies' total reported Scope 3 emissions and not just the STICA scope or the target scope

Still under review *Sandryds is part of Bästadsgruppen



RESULTS AND ANALYSIS

In this section, we present the results for all STICA member companies, first on average and then on an aggregated level. We present the company results in relative terms, per product sold and per unit revenue.

In some cases, we have excluded H&M Group from the graphics and tables, as the volume of H&M Group’s emissions mean they skew the results for all companies. Where they are excluded, this is clearly indicated. H&M Group alone stands for about 70% of the total reported emissions from STICA members.

EMISSIONS FROM THE AVERAGE STICA MEMBER COMPANY

For most of the member companies, the majority of emissions come from the production of purchased products. It is important to keep in mind that emissions from the use-phase are not included here. These could be another major emission source but are currently not a part of the scope.

On an aggregated level, as illustrated by the graph, Scope 1 and 2 emissions only represent about 4% of the total emissions by STICA members, in the required STICA scope with H&M Group excluded. The remaining 96% covered by Scope 3 is, in turn, dominated by emissions from production.

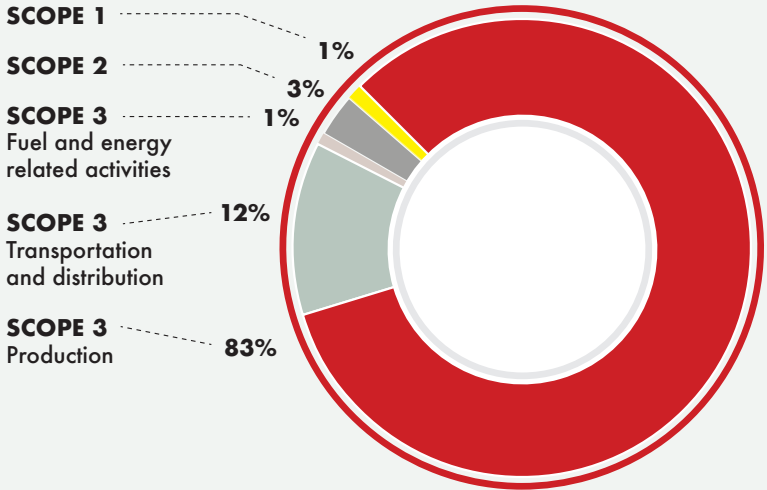


Figure 6. Distribution of emission sources on an aggregated level. The graph represents the required STICA scope, H&M Group is excluded.

This aggregated view confirms what we expect when looking at apparel and textile companies’ emissions. The aggregate hides, however, the internal variations between the members, and this can vary significantly in certain cases. Most companies have more than 96% of their emissions in Scope 3.

EMISSIONS FROM STICA MEMBER COMPANIES – AGGREGATED RESULTS

The aggregated emissions for the STICA member companies are shown in Table 3 below. The emissions excluding H&M Group are shown, and H&M Group's results are presented next to them. Note that H&M Group does not split its emissions in the same way as the rest of the members. Each company's emissions are shown in Table 1 under Members reporting.

Category	Emissions 2021 excl. H&M Group [ton CO ₂ e]	Emissions 2021 H&M Group [ton CO ₂ e]
Scope 1	13 109	12 684
- Company operated cars	3 053	0
- Fuel use	1 520	12 684
- Other	8 536	0
Scope 2	57 696	37 394
- Electricity	34 078	29 100
- Heating and other	23 618	8 294
Scope 3 - required	1 861 504	4 804 839
- Production	1 616 909	4 322 033
- Transport	227 787	475 317
- Of which is upstream	146 560	475 317
- Of which is downstream	81 227	0
- Fuel and energy related activities	16 808	7 490
Total	1 932 309	4 854 917

Table 3. Emissions per category in the required STICA scope

Table 3 shows the emissions per category reported within the required STICA scope. These results are shown using the market-based approach; if the location-based approach were to have been applied, the Scope 2 emissions would have been 26 206 tonnes CO₂e excluding H&M Group's emissions, and an additional 507 170 tonnes CO₂e from H&M Group. Note that three companies have not yet reported their emissions using a location-based approach.



RELATIVE EMISSIONS BETWEEN STICA MEMBER COMPANIES

To put emissions into perspective we have used two KPIs for all STICA companies: 1) the number of products sold; and 2) the net revenue. In some cases, companies use these as intensity measures when setting targets, but here they are used simply as way of showing the relative emissions among the member companies.

It is tempting to compare the results here, and to some extent we will do this, keeping in mind that the framework (GHG Protocol) and the STICA methodology are not optimized to compare performance between companies, but rather within them over time. We should also keep in mind that the large variation in product types and business models represented makes comparisons between companies complex. We will analyze this further here.

Emissions per unit sold are shown in Figure 7. We can see that, on average (mean), the total emissions per product sold are 9.6 kg CO₂e, but with an evenly distributed variation, the average (median) is 7.7 kg CO₂e. Four companies stand out with significantly higher per-unit emissions – 19 kg CO₂e or higher – more than five times higher than the lowest group of seven companies that are below 3.5 kg CO₂e. This difference may be because of the varying types of products sold, from outdoor apparel and shoes to baby clothes, lingerie, and socks.

Emissions per unit revenue are shown in Figure 8. The average (mean) company has emissions of about 27.9 tonnes CO₂e per million SEK revenue. But as with the per-product KPI, the spread is significant – if somewhat less so than for the per-unit emissions. We see a group of three companies with significantly higher emissions – 50 tonnes per million SEK and more – and a group of six companies at 15 tonnes per million SEK and less. Here again, it is important to consider the different types of products and their economic value in relation to the material and production emissions.

In general, we can see that companies producing low-priced products can have relatively low emissions per unit sold, but when we look at per-revenue figures, the reverse is true.

Revenue can be affected by outside factors, such as exchange rates, raw material and price increases and inflation, making it an uncertain value to use. If used cautiously, however, it can provide some insight into the relation between the value that the company creates and the emissions. Another interesting metric here could be profit or “value added”.

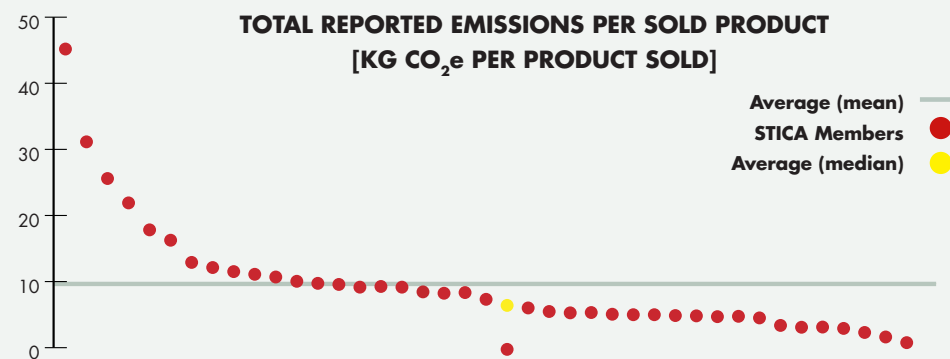


Figure 7. Total reported greenhouse gas emissions per sold product for STICA members, presented from the largest to the smallest emission per sold product. Climate action and changes in business model will decrease emissions per sold product. Companies in graph 3 have been anonymized, and companies that did not report number of sold products have been excluded.

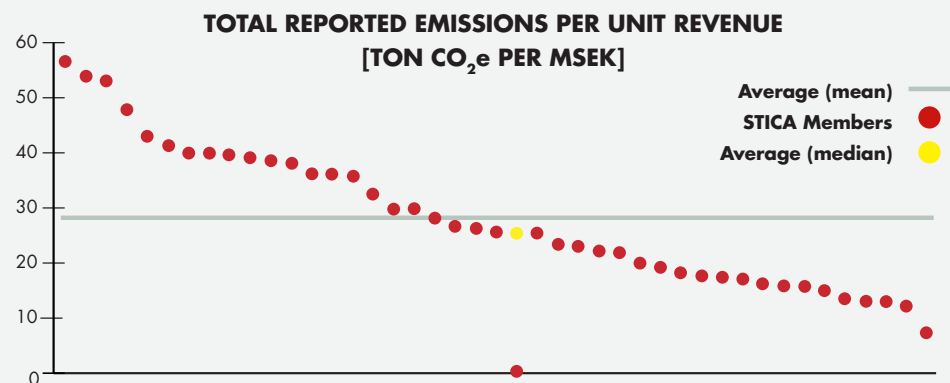


Figure 8. Total reported greenhouse gas emissions per net revenue for the STICA members (tonne CO₂e per MSEK), sorted from the largest to the smallest GHG emissions per net revenue. Companies in the graph have been anonymized, and companies that did not report number of sold products have been excluded.

ANALYSIS

Target progress – Scope 1 and 2

Almost all of the STICA members have set Scope 1 and 2 targets in line with the 1.5°C pathway, taking an important step in their work to mitigate the impact of their business operations. Some of those who have not yet committed are in a process of updating targets or setting science-based targets. We refer to the STICA target-setting requirements for further details as to how companies are required to set their targets.

Of the 44 STICA members that have set targets, four have used the current reporting period (2021) or later as a base year, and there is thus no basis for evaluating how they are progressing versus targets. Of the remaining 40 companies, 23 are progressing according to the target and have decreased their emissions by at least as much as they set out to do annually in their targets, seven of which have already fulfilled their target in advance of their plans.

The remaining 17 companies are progressing to a varying degree, but not as fast as required by the set targets. Eleven of the companies have instead increased their Scope 1 and 2 emissions. See Table 1 for company specific targets and performance.

When working on reducing emissions, companies should expect some lag between implementing measures and the effects of this in their accounting, and when setting targets for a time period of as long as ten years, we should not expect reductions to materialize immediately. In light of this, the reductions seen should be considered well in line with what to expect from most of the companies at this stage. It is, however, important to keep following this to make sure that reductions continue to align with commitments as we get closer to the target dates.

What are the main emission sources for companies?

As seen in Figure 6 on the expected distribution of emissions, more than 90% of emissions within the STICA scope comes from Scope 3. The only exception here is Elis, whose business model is focused on laundry and rental, and therefore has only about 65% of emissions in Scope 3.

Within Scope 3, the main emission source is the production of purchased products. On average, this is about 80% of the total emission. For some companies, however, this is as low as 40-60% due to the different types of business models.

Transport constitutes the second-largest source, at an average 14%, but in some cases as high as 25-30%, due to the heavy reliance on airfreight both for in- and outbound transport flows.

In summary, for most companies, working to reduce the emissions from their own operations (Scopes 1 and 2) is important, but it will only impact an estimated 3% of a company's total emissions. As expected, however, it is crucial for STICA member companies to reduce emissions in their supply chain. This does not mean transport emissions should be neglected, especially for companies relying on airfreight. However, reducing emissions from transport will only address an estimated 14% of the total emissions for an average STICA member.

Scope 3 – diving deeper: emissions from production (Tier 1 and Tiers 2-4, plus packaging)

When it comes to the emissions within production, companies currently report according to three categories:

Tier 1 for emissions in the production of finished products for the companies. In general, this is the direct supplier that companies interact with. Emissions here come mainly from electricity and fuels used in the facilities. On average, the Tier 1 emissions represent 25-30% of product emissions, but normally 10-40% depending on the product types, production countries and energy sources. Data quality is relatively high here, as many companies work more with their direct suppliers, and rely less on secondary data.

Tiers 2-4 for emissions from the production of raw materials, all the way to a fabric ready to use in Tier 1. Emissions here come mainly from energy and fuels used

in the facilities and on farms. On average, the Tier 2-4 emissions represent 70-75% of an average company's emissions, but can be as low as 50%, or up to 90% of total production emissions. Currently, these calculations rely heavily on global average production data for relevant fiber types and should be considered estimates. Only a few companies have actual data from suppliers.

Packaging used in the supply chain, mainly focusing on the Tier 1 packaging. Emissions here mainly come from the production of packaging materials. On average, the emissions from packaging represent 1-2% of the total emissions but can be as high as 6-8%.

Transport between each stage of the supply chain is included in these figures but represents only a marginal share of emissions. Transport data within the supply chain is, in most cases, based on average data and could vary significantly if airfreight is used and if the materials travel greater distances.

This analysis indicates that companies should continue to collect data and reduce emissions from their direct suppliers (in Tier 1), where they can have a significant impact. This will, however, only allow them to influence a quarter of their emissions. It is therefore crucial that they also start developing strategies to influence the rest of their suppliers, both in terms of getting more accurate data and in taking actions to reduce their emissions.





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STICA

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