

Manufacturer Climate Action Program

Criteria and Recommendations for Science-Aligned Target Setting

December 2023 - Version 2.0

Overview

This document includes criteria for apparel and footwear companies to set science-aligned greenhouse gas (GHG) reduction targets for scope 1 and 2 emissions under the Sustainable Apparel Coalition's Manufacturer Climate Action Program (MCAP). These criteria are derived from the latest [criteria](#) from the Science-Based Targets initiative (version 5.0, October 2021) - the key distinction being that MCAP does not require companies to set a scope 3 target, and this document covers near-term targets only. Companies wishing to have scope 3 and / or long-term (net-zero) targets validated should go through the regular SBTi process.

For companies wishing to go into more detail on carbon accounting (the foundation for science-based targets), please refer to the Greenhouse Gas Protocol [Corporate Standard](#) and the [Scope 2 Guidance](#).

List of Criteria

C1 - Organizational boundary: Companies should submit targets only at the parent- or group level, not the subsidiary level.¹ Parent companies must include the emissions of all subsidiaries in their target submission, in accordance with boundary criteria above. In cases where both parent companies and subsidiaries submit targets, the parent company's target must also include the emissions of the subsidiary if it falls within the parent company's emissions boundary given the chosen inventory consolidation approach.

C2 - Greenhouse gases: The targets must cover all relevant GHGs as required per the GHG Protocol Corporate Standard.

C3 - Scope 1 and scope 2: The targets must cover company-wide scope 1 and scope 2 emissions, as defined by the GHG Protocol [Corporate Standard](#).
[Corporate Standard | GHG Protocol](#)

C4 - Significance thresholds: Companies may exclude up to 5% of scope 1 and scope 2 emissions combined in the boundary of the inventory and target.

C5 - Scope 2 accounting approach: Companies can use either a location- or market-based accounting approach as per the GHG Protocol Scope 2 Guidance to calculate base year emissions and to track performance against a target. The GHG Protocol requires measuring and reporting scope 2 emissions using both approaches. However, a single and consistent approach must be used and disclosed for setting and tracking progress.

¹ There may be exceptions for conglomerates with non-apparel and textile subsidiaries

C6 - Bioenergy accounting: CO₂ emissions from the combustion, processing and distribution phase of bioenergy and the land use emissions and removals associated with bioenergy feedstocks, shall be reported alongside a company's GHG inventory. Furthermore, CO₂ emissions from the combustion, processing and distribution phase of bioenergy and the land use emissions and removals associated with bioenergy feedstocks shall be included in the target boundary when setting a science-aligned target (in scopes 1 and/or 2, as relevant) and when reporting progress against that target.

C7 - Offsets (carbon credits): The use of carbon offsets or credits must not be counted as emission reductions toward the progress of companies' MCAP science-aligned targets for Scope 1 and 2.

C8 - Avoided emissions: Avoided emissions fall under a separate accounting system from corporate inventories and do not count toward science-aligned targets for Scope 1 and 2.

C9 - Base and target years: For MCAP, the recommended target year is 2030 and the recommended base year is 2019 or later. Companies should select base years for which they have complete and representative GHG emissions data.

C10 - Progress to date: Targets that have already been achieved by the date they are submitted to the MCAP are not acceptable.

C11 - Level of ambition for scope 1 and 2 targets: At a minimum, scope 1 and scope 2 targets must be consistent with the level of decarbonization required to keep global temperature increase to 1.5°C compared to pre-industrial temperatures. According to the current SBTi criteria, this is a 4.2% annual linear reduction. This equates to a reduction of 42% between 2020 and 2030.

C12 - Combined scope targets: Targets that combine scope 1 and 2 are permitted.

C13 - Renewable electricity: Targets to actively source renewable electricity at a rate that is consistent with 1.5°C scenarios are an acceptable alternative to scope 2 emission reduction targets. The SBTi has identified 80% renewable electricity procurement by 2025 and 100% by 2030 as thresholds (portion of renewable electricity over total electricity use) for this approach in line with the recommendations of RE100. Companies that already source electricity at or above these thresholds shall maintain or increase their use of renewable electricity to qualify.

C14 - Heat and steam: For science-aligned target modeling purposes, it is recommended that companies model heat and steam related emissions as if they were part of their direct (i.e. scope 1) emissions.

C15 – Reporting frequency: Companies shall publicly report company-wide GHG emissions inventories and progress against published targets on an annual basis. It is recommended, but not required, that MCAP companies report on progress through CDP.

Scope 3

MCAP companies are only required to set targets on scope 1 and 2 emissions. For companies interested in understanding scope 3 emissions, and scope 3-specific criteria and requirements, please see the GHG Protocol Corporate Value Chain [Standard](#) and the SBTi [criteria](#).