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# Insights into requirements by industry (SICS)

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From the information presented by the ISSB it is possible to define groupings of scope 1 and scope 2 emissions that each industry (as defined by SICS code) has to report. Some industries are only required to report scope 1 emissions. Some are required to report operational emissions. Some are required to report all of scope 1 and 2 emissions. These different groupings are described below and mapped on to relevant sectors in the table that follows.

## Scope 1

NGER reporters should be able to readily meet the following reporting requirements as they relate to gross amounts. Attention should be paid to the emissions factors used in NGER and those required by ISSB as these may be changed out of step with each other.

- Reporting of gross scope 1 emissions is required before the application of any purchase or self-generation of offsets.
- All seven Kyoto gases are included, and NGER requires that global warming emissions factors from the IPCC fifth assessment report be used. It is possible to use industry specific applications of the Greenhouse Gas Protocol – specific methodologies identified in NGER may be applicable here. We expect whether NGER emissions estimation methodologies will be accepted by ISSB to be clarified once the ISSB framework is finalised.
- Companies are required to report the percentage of total emissions that are covered by the Safeguard Mechanism under the ISSB requirement to report emissions that are covered by an emissions limiting scheme. Companies can choose to explain changes in total emissions and why they have occurred.
- If NGER reporting does not align with the industry classification requirements of ISSB, it is necessary to reconfigure reporting data and present it in line with ISSB requirements.
- It is a prerequisite to detail emissions reduction targets and how they will be achieved.

## Stationary energy

Reporting of stationary energy aligns with NGER at a gross level, however, different sectors may be required to supply additional information on renewable energy sources, their management of RECs, and the sources of biomass used.

## Fleet fuel usage / transport fuels

In the main, NGER data sets will be adequate to meet the requirements for gross energy consumption. For some sectors, ISSB requires additional information on sources of biomass and engines in which the fuel is used - some sectors will be required to report the percentage of diesel engines in service that meet highest emissions level in that jurisdiction. Fuel used on and off road needs to be reported separately.

# Refrigerants

All emissions from refrigerants must be reported. Companies need to disaggregate emissions sources from refrigerants with zero depleting potential from those with higher ozone depleting potential. NGER reporting does not disaggregate non-ozone depleting substances, identification of these may require additional information to be gathered and for the refrigerants to be reported in a more granular fashion.

## Scope 1 and 2 emissions and energy consumption

This reporting requirement includes all scope 1 and scope 2 emissions as described the groupings above (with any duplication of quantities). Reporting requirements are as outlined above.

Indicative reporting requirements for each inventory grouping noted is included below this table. There are additional industries included in the standard. These are not in the table as reporting requirements have not been articulated.

*Table 1: Reporting requirements for SICS industries as required by ISSB*

SICS sector and industry	Sector-specific requirements	Scope 1	Stationary energy	Transport fuel	Scope 1 and 2 emissions and energy consumption
<b>Consumer goods</b>					
Building products and furnishings			X		
E-commerce			X		
Multiline and Specialty retailers and distributors			X		
<b>Extractives and minerals processing</b>					
Coal operations	Note emissions from reserves	Y			
Construction materials		X	X		
Iron and steel producers		X	X		
Metals and mining		X	X		
Oil and gas – Exploration and production	Need to report emissions of methane separately	X			
Oil and gas – midstream		X			
Oil and gas – Refining and marketing	Need to report emissions of methane separately	X			

SICS sector and industry	Sector-specific requirements	Scope 1	Stationary energy	Transport fuel	Scope 1 and 2 emissions and energy consumption
Oil and gas – Services				X	
<b>Financials</b>					
Asset management and custody activities	Need to report financed emissions as scope 1, scope 2 and scope 3 emissions.				
Commercial banks	Scope 1, scope 2 and scope 3 financed emissions of all industries by asset class.				
<b>Consumer finance</b>					
Insurance	Total gross exposure to carbon related industries as defined in the standard as a function of total investments; percentage of total exposure included in any financed emissions calculations; total financed emissions and then scope 1, 2 and 3 by asset class. Asset classes shall include but are not limited to loans, bonds, equity investments and derivatives, as well as undrawn loan commitments.				
Investment banking and brokerage	Gross scope 1, 2 and 3 emissions by sector described as facilitated (as opposed to financed) emissions  Facilitated emissions requires disclosure of allocation methodology used to				

SICS sector and industry	Sector-specific requirements	Scope 1	Stationary energy	Transport fuel	Scope 1 and 2 emissions and energy consumption
	assess share of emissions.				
Mortgage finance	Environmental risk to mortgaged properties				
<b>Food and beverage</b>					
Agricultural products					X
Alcoholic beverages					X
Food retailers and distributors	Emissions from refrigerants as total, percentage that are from zero ozone depleting potential refrigerants, average refrigerant emissions rate				X
Meat, poultry and dairy					X
Non-alcoholic beverages				X	X
Processed foods					X
Restaurants					X
<b>Health care</b>					
Drug retailers					X
Health care delivery	Medical waste, pharmaceutical waste (hazardous and non-hazardous), incinerated, recycled, treated, and landfilled				X
Health care distributors				X	
<b>Infrastructure</b>					
Electric utilities and power generators	Line loss emissions calculated in line with Electric Power Sector Protocol for the Voluntary Reporting Program, June 2009 as provided by the Climate Registry	X			

SICS sector and industry	Sector-specific requirements	Scope 1	Stationary energy	Transport fuel	Scope 1 and 2 emissions and energy consumption
	Energy consumption in smart grids as defined by IEA				
Engineering and construction services	Environmental impacts of project development, life cycle impacts of buildings and infrastructure – includes energy efficiency and resource efficiency of design, climate impacts of business mix: percent of project backlog that is hydrocarbon related, percent that is renewable energy related, backlog cancellations from hydro-carbon projects, backlog of non-energy projects associated with climate change mitigation				
Gas utilities and distributors	End use efficiency – customer gas savings from efficiency measures, integrity of gas delivery infrastructure – reportable incidents, materials of construction				
Home builders	Land use and ecological impacts, design for resource efficiency, climate change adaptation: houses in 100 year flood zones, portfolio disclosure to risks				
Real estate	Management of tenancy sustainability impacts including sub-metering for energy and water and NABERS		X		

SICS sector and industry	Sector-specific requirements	Scope 1	Stationary energy	Transport fuel	Scope 1 and 2 emissions and energy consumption
	<p>ratings, climate change adaptation including properties located on 100-year flood plains, and exposure to and mitigation of systemic climate risks</p> <p>Reporting in line with GRESB definitions</p>				
Real estate services	Energy and sustainability services, number of buildings receiving these services, buildings with energy ratings NABERS ratings and GRESB				
Waste management		X		X	
Water utilities and services	Network resilience and impacts of climate change including assets in 100 year flood plain, sanitary sewer overflows, unplanned disruptions and accounting for the impacts of climate change		X		
<b>Renewable resources and alternative energy</b>					
Biofuels	Water management, life cycle emissions balance, environmental impacts of feedstock production, management of legal and regulatory environment including government subsidies				

SICS sector and industry	Sector-specific requirements	Scope 1	Stationary energy	Transport fuel	Scope 1 and 2 emissions and energy consumption
Forestry management	Ecosystems services and impacts, climate change adaptation				
Fuel cells and industrial batteries			X		
Pulp and paper products		X	X		
Solar technology and project developers	Management of energy integration and regulations  Energy management only requires consumption, not production		X		
Wind technology and project developers					
<b>Resource transformation</b>					
Aerospace and defense	Fuel economy and emissions in use phase  Benefits of innovation, use of alternative to fossil fuels		X		
Chemicals	Product design for use phase efficiency	X	X		
Containers and packaging	Energy includes total self generated electricity	X	X		
Electrical and electronic equipment	Product life cycle management including MEPS and toxic materials in products, revenue from renewable energy and energy efficiency products		X		
Industrial machinery and goods			X		
<b>Services</b>					

SICS sector and industry	Sector-specific requirements	Scope 1	Stationary energy	Transport fuel	Scope 1 and 2 emissions and energy consumption
Casinos and gaming			X		
Hotels and lodging			X		
Leisure facilities			X		
Internet media and services	Including power use effectiveness for data centres		X		
Semiconductors		X	X		
Software and IT services	Including power use effectiveness		X		
Telecommunication services	Including power use effectiveness		X		
Transportation					
Air freight and logistics	Tank to wheel assessments	X		X	
Airlines	Total fuel consumed including alternate and sustainable fuels	X		X	
Auto parts	Design for fuel efficiency		X		
Automobiles	Fuel economy and use phase emissions, Accounting for hybrid and zero emissions vehicles				
Car rental and leasing	Fleet fuel economy and utilisation				
Cruise lines	Average energy efficiency design index for new ships Consumption includes percentage heavy fuel oil, percentage onshore power supplies, percent renewables	X	X		
Marine transportation	Consumption includes percentage heavy fuel oil, percent renewables	X	X		

SICS sector and industry	Sector-specific requirements	Scope 1	Stationary energy	Transport fuel	Scope 1 and 2 emissions and energy consumption
Rail transportation		X	X		
Road transportation	Including fuels, percentage natural gas and percentage renewables	X	X		