



Agenda

- 1. The SAC & Higg Index
- 2. The Higg FEM
- 3. Questions & Discussion







The Sustainable Apparel Coalition & Higg Index



A Symbiotic Solution for the Ecosystem

VISION

The Sustainable Apparel
Coalition's vision is of an
apparel, footwear, and
textiles industry that
produces no unnecessary
environmental harm and has
a positive impact on the
people and communities
associated with its activities.



The SAC is the network for positive social and environmental transformation and change within industry.

Higg () Index

Higg Co delivers
enterprise level
technology for
social and
environmental
performance that
is reliable,
scalable, and
drives impact
improvement
across
the industry.



Aii scales solutions that drive performance impact improvement within the industry.



Diverse Global Membership

Brands & Retailers



Industry Affiliates



Manufacturers



Nonprofit, Academia, Government





Higg Index



Higg Product Tools

- Materials Sustainability Index (MSI)
- Design & Development Module (DDM)
- Product Module (PM)
 - * 2020





Higg Facility Tools

- Facilities Environmental Module (FEM)
- Facilities Social/Labor Module (FSLM)



Higg Brand & Retail Tool

Brand & Retail Module (Environment and Social)

*2020

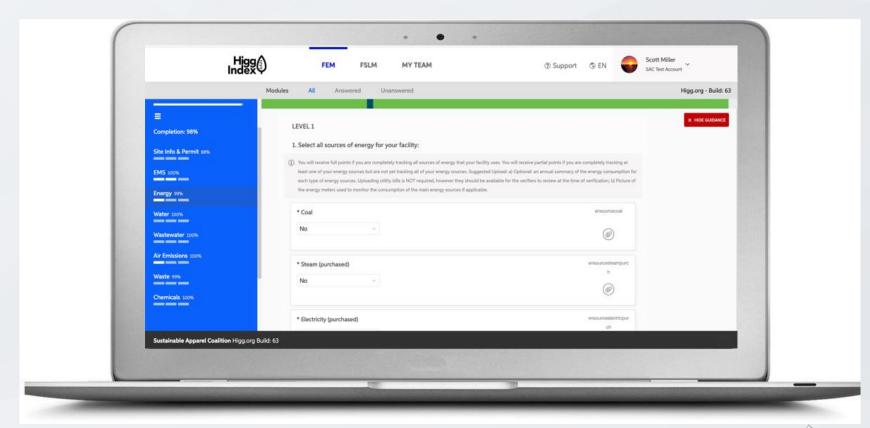
Source: apparelcoalition.org

Leadership & Sustainability



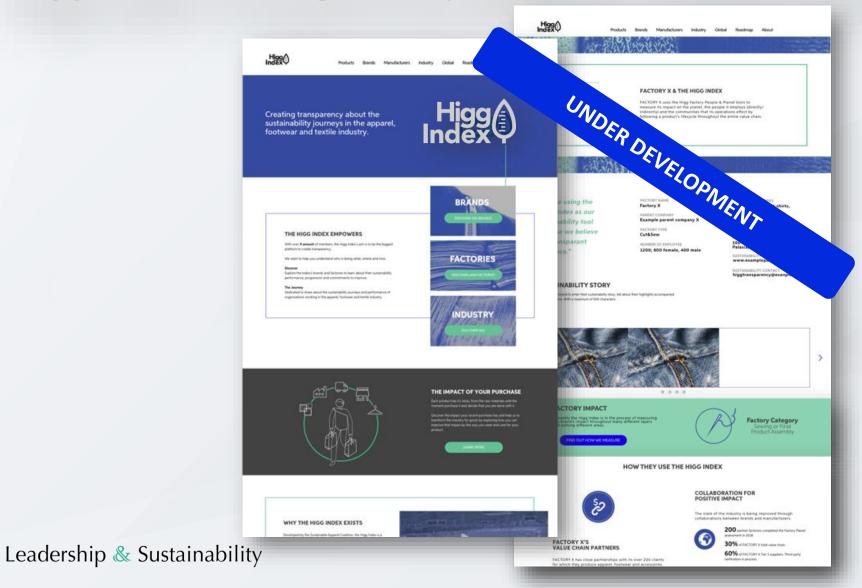
Higg Index Online Platform: Higg.org

- New Higg Index Platform launched Nov 2018
- Register for the higg.org account on portal.higg.org





Higg Index Transparency Website: Outlook 2020



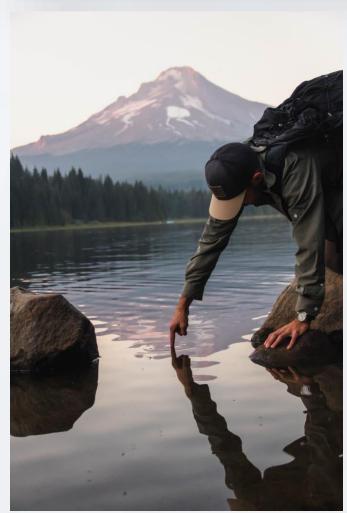




The Higg Facility Environmental Module (FEM)



Higg Facility Environmental Module (FEM) - Overview



Leadership & Sustainability

- Online self-assessment tool for facilities
- Divided into sections
- Questions listed based on applicability / relevance
- Levels 1-3; scoring
- Annual cycles
- In 2020 self-assessment to be done by April 30th
- Verification January December 31st
- Verification usually on-site
- Guidance given in <u>"How to Higg"</u>



Higg FEM measures...

- 1. Environmental Management System
- 2. Energy Use & GHG
- 3. Water Use
- 4. Wastewater/ Effluent
- 5. Emissions to Air
- 6. Waste Management
- 7. Chemicals







Higg FEM Section Structure

1. Continuous Improvement Sections: Energy use, water use and waste

- Know your sources
- Know major drivers of use
- Baseline your performance
- Set targets and action plan
- Demonstrate reductions
- Demonstrate leading practice

2. Pollutant Limits: Wastewater and air emissions

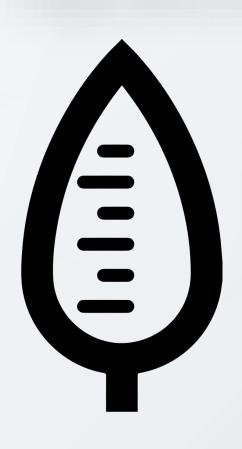
- Know your sources and volumes
- Know quality of pollutants (permit/standard)
- Control quality / take specific actions
- Demonstrate leading practice (best available equipment, aspirational standard)

3. Management Sections: EMS (Environmental management systems) and chemicals management

- Have qualified staff in place
- Adhere to the rules (regulations, laws, brand requirements)
- Have long-term, holistic strategies and action plans in place
- Take specific management actions (e.g., storage, handling, maintain equipment, etc.)
- Demonstrate leading practice (e.g., engage upstream and with community, innovation, deep traceability)



Higg FEM Performance Level Sections



Level 1

& Tracking Performance

Level 3

Leading **Practices**

Level 2

Baselining,

Targets/Goals,

Reductions

Understanding

Source: apparelcoalition.org

Leadership & Sustainability







• Level 1:

- 1. Staff responsible
- 2. EMS strategy
- 3. Identifying impacts
- 4. Monitoring environmental permits
- 5. Monitoring laws, regulations, and standards
- 6. Equipment maintenance

Level 2:

- 7. EMS strategy review
- 8. Employee technical competence

• Level 3:

- 9. Employee awareness
- 10. Engaging subcontractors
- 11. Local engagement
- 12. Engaging upstream suppliers

Source: How to Higg Guide 3.1

PERFORMANCEDAYS
FUNCTIONAL FABRIC FAIR

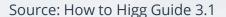
Level 1:

Q1. Staff responsible

Question:

• Are one or more employees at your facility responsible for coordinating your facility's environmental management activities?







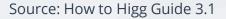
Level 1:

Q2. EMS Strategy

Question:

 Does your facility have a company environmental management strategy that guides long-term decision-making on environmental management?







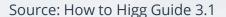
Level 1:

Q3. Identifying impacts

Question:

 Has your facility identified the significant environmental impacts associated with current operations within the factory premises?









Energy and GHG



Energy and GHG- According to Higg Guide

- Track all energy and fuel sources
- Identify factors contributing most to energy use on site
- Set absolute or normalized baseline for energy use
- Set absolute or **normalized targets** for energy reduction
- Action plan
- Demonstrate energy reductions against baseline



Source: How to Higg Guide 3.1



Energy and GHG - Levels



1. Tracking energy sources

Source: How to Higg Guide 3.1

Leadership & Sustainability

• Level 2:

- 2. Energy baselines
- 3. Energy intensive processes or operations
- 4. Energy targets
- 5. Improvement plan
- 6. Demonstrated improvements



• Level 3:

7. Scope 3 emissions



Energy and GHG – Level 1

• Level 1:

Q1. Tracking energy sources

Requirement:

Select all sources of energy for your facility







Energy and GHG – Level 2

• Level 2:

Q2. Energy baselines

Question:

Has your facility set baselines for energy use?



* 2. Has your facility set baselines for energy use? If yes, select all sources of energy for which your facility has set a baseline.							
	Have you set a baseline for this source?	Is the baseline absolute or normalized?	What is the baseline quantity?	Unit of Measure	Enter the baseline year	How was your baseline calculated?	Was the baseline verified?
Electricity (purchased)	Yes v	Normalized v	100	kWh ~	2016 ~	Dividing with produ	Yes v

Source: How to Higg Guide 3.1



Chemicals Management



- Inventory (Q1)
- SDS (Q2)
- Training (Q3)
- Spill and emergency response plan (Q4)
- Selecting and buying chemicals (Q7)





Questions & Discussion



30 Years of Professional Experience

Karin Ekberg, Founder & CEO

 30 years of extensive work experience to improve performance at corporate strategic level and at facility level

Areas of Expertise

- Sustainability environment, social, business ethics & corporate governance
- Materiality, Business case, Strategy development & implementation
- Value chain and business integration of Sustainability
- Manufacturing sustainability & Sustainable supply chain management



Karin was awarded the **Higg Index Verification Leadership Award** at the SAC full member meeting in Barcelona, 2019.



Our Services









Materiality Assessment & Strategies

- Value chain approach
- Materiality assessment over the value chain
- Brand module benchmarking
- Strategy development
- Business cases

Materials & Products

- Create a standard for materials
- Design for environment
- Product portfolio strategy
- Create brand policies to include restricted substances & animal welfare etc.

Supply Chain & Facilities

- Higg FEM verification
- Supply chain mapping / strategy
- Chemicals management & implementation according to "ZDHC protocol"
- Good manufacturing practices
- KPIs & performance improvements

Workshops & Trainings

- Higg FEM training
- Supplier training
- Designer training
- Training on sustainability & environmental impacts
- Training on sustainability strategy





Contact

Leadership & Sustainability

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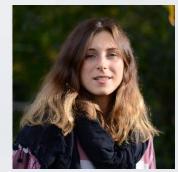
















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Thank you for Joining!