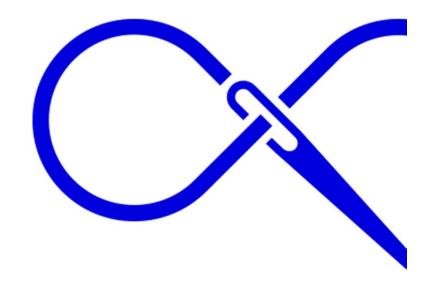


# Sustainable Apparel Coalition (SAC) FEM 2.0 Verification Updates



#### **Outlines**

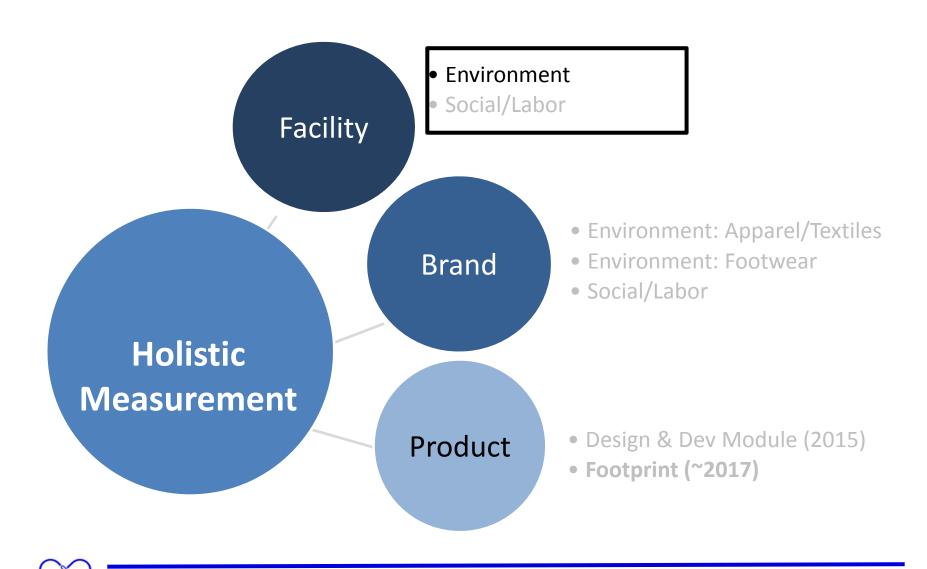
- \ FEM 2.0 verification process overview
- \ FEM 2.0 verification pilot results
- \ FEM 2.0 verification pilot feedbacks
- \ Next steps



## **FEM 2.0 Verification Process**



## Higg Index Suite of Tools



#### Verification: Framework

Selfassessment

- Self-assessment
- Necessary documentation uploaded to Higg.org
- Terms of Use for data: data can only be used within your organization

Off-site

- Off-site verification performed via desktop verification spreadsheets, phone calls, emails and document uploads
- Verification work is performed by a qualified verifier as determined by SAC/SAC criteria
- Terms of Use for data: data can be shared business to business



- On-site verification performed by a qualified verifier as determined by SAC/SAC criteria
- Terms of Use for data (<u>to be launched post-pilot</u>): data can be shared business to public. Verified data (on-site and off-site) will be the focus of SAC benchmarking

#### **Verification Pilot: Process flow for Facilities** Responsible by **Facility** Facility: Request or Training STAGE I: STAGE II\*: FEEDBACK STAGE III: Commitment REVIEW **V** FINALIZATION Feedback to Facility **Desktop Review Finalization** Create a separate Complete Self Assessment Internal using Review Finalize Review review feedback Review Checklist Feedback Sheet: document by hiding all With necessary doc uploaded Cross check •Finalize the Higg score sheets except the [answers informed by instructions Convert the FINAL of completed Review Feedback provided in the How To Higg Manual] SCORE sheet to PDF self Sheet Answers in line? format and send back to assessment Facility and SAC Facility submission of self-Completeness **Facility submits** check: check if the assessment to Higg.org revisions information and documents Submit Higg self-Facility sign off on the submitted are in line Is verification desired? If yes, hire an SAC assessment revisions, final score with the Approved Verifier (listed on Higg.org) additional documents (if No expectations listed any) to Higg.org Upload the FINAL in the Review Send the Review SCORE sheet (PDF) to Checklist Feedback Sheet with the Higg.org facility's comments back On-site Off-site Yes to the Assessor Verification Verification STAGE I STAGE II STAGE III **FINALIZATION Factory Visit Finalization** Preparation Finalize Review Feedback Facility sign off on Review documents Provide the facility the final score **Verified Scores on** Sheet: and processes with with the list of •Finalize the Higg score Higg.org\*\* interviews and on-site documents to Convert the final Post a new facilities observations On-site verified scores can prepare for the documents into a PDF module onto Performance Plan be communicated externally onsite review report Higg.org with the developed with the Off-site verified scores used Send the report to the verified score facility for B2B comms. & Pre-check the facility and to SAC Attach the PDF benchmarking documents before verification report the site visit Reassess and Performance \*Single or multiple round(s) possible report AT LEAST Plans Developed \*\* External communication will not be allowed during the pilot program 6 annually and Implemented

# LIST OF DOCUMENTS TO PREPARE BY THE FACTORY TO SUPPORT THE VERIFICATION PROCESS

In order to prepare the Higg index verification, the facility should have it's Higg index environmental facility module available the day of the verification. In addition the facility should prepare the following documentation, when available:

Higg criteria	Expectations on answers of Higg self-assessment (H) and
Number	supporting documents (D)

#### 1 - ENVIRONMENTAL MANAGEMENT SYSTEM OR PROGRAM

Level 1 Awareness, Understanding and Baseline assessment

FAC-1.1.1	Н	List of significant environmental impact; for each impact, a short description of the physical origin of the impact at the site
FAC-1.1.1	D	Environmental impact analysis and aspect evaluation (e.g. EIA Report) / Latest local government environmental Assessment report
	Н	Name, job title and contact information of all the members of management with environmental management roles
FAC-1.1.2	Н	For each member of management named, provide a brief description of his/her role in environmental management
	D	Environmental Management Team organization chart and job descriptions records
FAC-1.1.3	н	List of environmental permits this site posses, covering some/all of the following environmental aspects: - Factory operation; - Air emission; - Water use (or extraction); - Wastewater/ effluent discharge; - Solid waste; - Hazardous waste disposal.
	Н	Indicate whether any environmental permit is expired or pending for renewal.
	Н	Description of the system or practice by which the site ensures continuing compliance of regulations and legal requirements.
	D	Environmental permits as listed in the Higg answer (e.g. Valid permits for: Factory operation, air emissions, wastewater discharge, solid waste/ hazardous waste disposal)

Expectations on answers of Higg self-assessment (H) supporting documents (D)



#### Screenshots of On-site Verification Tool

	For Verifier's use only							
			Step 2	Step 3				
Criteria Number	Criteria	suppo Dialog	tations on answers of Higg self-assessment (H) rting documents (D) rue with management and Key Employees (I) spection (S)	Expected elements available?	Verifierr comments	Answer suggested by verifier		
Section :	1 – Environmental Managem	ent S	ystem or Program					
		Н	List of significant environmental impact; for each impact, a short description of the physical origin of the impact at the site	Pls. select				
	Do you know what this site's environmental impacts are (positive	D	Environmental impact analysis and aspect evaluation (e.g. EIA Report) / Latest local  government environmental assessment report	Pls. select		Not Answered		
	or negative)?	1	Discussion with Management  Is management aware of, and understands, the significant aspects and impacts (negative and positive) associated with the employment site?  Is management is aware of laws and regulations concerning environmental management?	Pls. select		NOT AllSWEIEU		
		Н	Name, job title and contact information of all the members of management with environmental management roles	Pls. select				
	Are one or more members of management specifically	Н	For each member of management named, provide a brief description of his/her role in environmental management	Pls. select				
FAC-1.1.2 rd	responsible for coordinating this	D	Environmental Management Team organization chart and job descriptions records	Pls. select		Not Answered		
	site's environmental management activities?	1	Discussion with Management  Management provide the appropriate resources (including assigning a member of management responsible for coordination of environmental management activities) to ensure that applicable laws and regulations is maintained?	Pls. select				

#### NOTE: Option for Expected elements available

Yes : The expectations have been fulfilled

Partially : The expectations have been partly fulfilled (e.g. environmental policy is required but no KPI is indicated)

Unclear : The answer is not relevant to the expectations

No : The expected elements are not available



#### Screenshots of On-site Verification Tool

#### **OVERVIEW OF THE SCORES**

Self declared Higg score /100	
Verified score /100	0
Overall Level achieved	No level fully achieved

Report the score from the Higg Env Facility module (Self Assessment questionnaire)

No level achieved if does not meet level 1 across all sections. Level 1 if achieve level 1 across sections. Level 2 if achieve level 1 and level 2 across sections. Level 3 is achieve level 1,2 and 3 across sections

#### OVERVIEW OF THE PERFORMANCE

	LEVEL ACHIEVEMENT		LEVEL 1		LEVE	LEVEL 2		LEVEL 3	
	Section score /100	Level rating Select manually	Level score	Missing criteria	Level score	Missing criteria	Level scor	e Missing criteria	
Environmental management systems	0	No level achieved	0 / 30	4	0/30	2	0 / 40	3	-
Energy use and Greenhouse gas emissions	0	No level achieved	0 / 30	4	0 / 30	3	0 / 40	3	
Water use	0	No level achieved	0 / 30	2	0/30	2	0 / 40	1	
Wastewater/effluent	0	No level achieved	0 / 30	3	0/30	1	0 / 40	1	
Emissions to air	0	No level achieved	0 / 30	2	0/30	1	0 / 40	1	
Waste management	0	No level achieved	0 / 30	5	0/30	1	0 / 40	1	
Chemicals management	0	No level achieved	0 / 30	3	0 / 30	2	0 / 40	2	

#### Guidance:

The Checklist will automatically report the number of non compliances in this table. The auditor will simply have to determine for each criteria which level is reached.

A level is achieved when all the criteria of this level are met

### Screenshots of On-site Verification Tool

#### Higg Index Facility Environmental Module Verification PERFORMANCE IMPROVEMENT PLAN

#### COLOR CODE

To be filled by the factory and the verifier on the day of the verification

Verification Date (MM/DD/YY)	0
Facility Name	0
Address (english)	0
Name fortant name and the second like for	Name
Name factory representative responsible for the PP implementation	email address
the 11 implementation	Phone number

#### Guidance to the factory:

Please fill the blue cells of this document below describing areas of improvement from the initial Higg index verification. Describe the action taken to meet the criteria Factories should focus first on level 1 criteria

The factory can choose to implement level 2 and/or level 3 actions, it is recommended to limit the number of actions and to commit to continue improving the performance progressively

#### LEVEL 1 - Awareness, Understanding, and Baseline Performance

	Criteria#	Major findings	Priority rating	Action plan	Deadline for implementation (DD/MM/YYYY)	Factory representative for implementation (Name)
	FAC-1.1.1	0				
Ş	FAC-1.1.2	0				
EMS	FAC-1.1.3	0	Critical			
	FAC-1.1.4	0	Critical			



#### Verification: Pilot Overview

#### **Verification Goals:**

- build trust in Higg data so it can be more effectively used in decision-making, including consumer-labeling
- eliminate redundancy in assessments; allowing our manufacturers to spend more resources on capacity building
- changing the mindset from compliance to performance improvement

#### **Pilot Overview:**

- Launches on the Facilities Environmental Module this year
- Will verify data for at least 200 facilities
- Lessons learned will be used to 1) update the content of the Facilities
   Environmental Module 2) Develop a fully-scalable verification program for all Higg Tools in 2016 and beyond



## Verification: 2015 Work Plan

Area	June	July	August	September	October	November	December	Q1-Q2 2016
Verification Pilot	SAC holds Verifier Training in Hong Kong	Verification Pilot of Environmental Facility module launched. KPI's collected on a monthly basis.					Verification Pilot ends and Verification expert panel analyses KPI data.	Finalize Verification Program.
Brand Module			Begin research for Brand Verification					

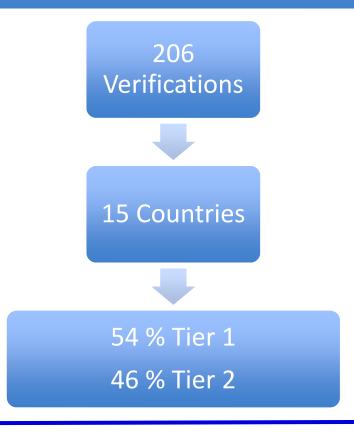


# FEM Verification Pilot Results



#### **FEM Verification Pilot Results**

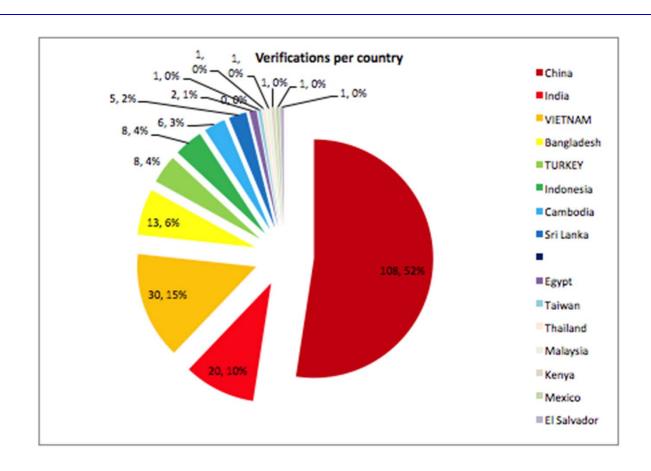
## Pilot Period: July 2015 to January 2016





## FEM Verification Pilot Results Verifications per Country

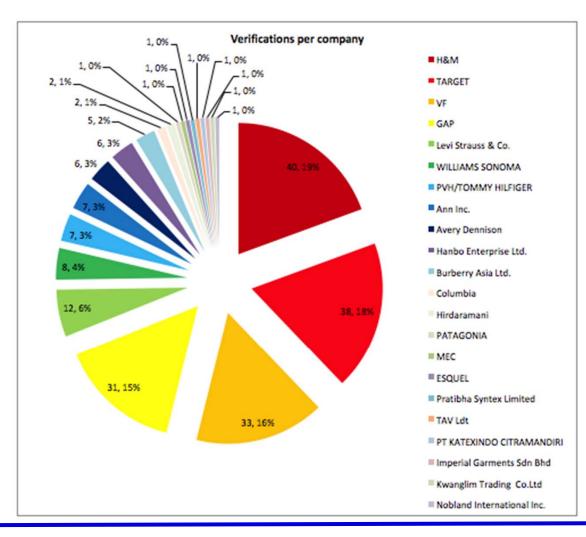
China	108
-	
India	20
VIETNAM	30
Bangladesh	13
TURKEY	8
Indonesia	8
Cambodia	6
Sri Lanka	5
Egypt	2
Taiwan	1
Thailand	1
Malaysia	1
Kenya	1
Mexico	1
El Salvador	1





## FEM Verification Pilot Results Verifications per Company

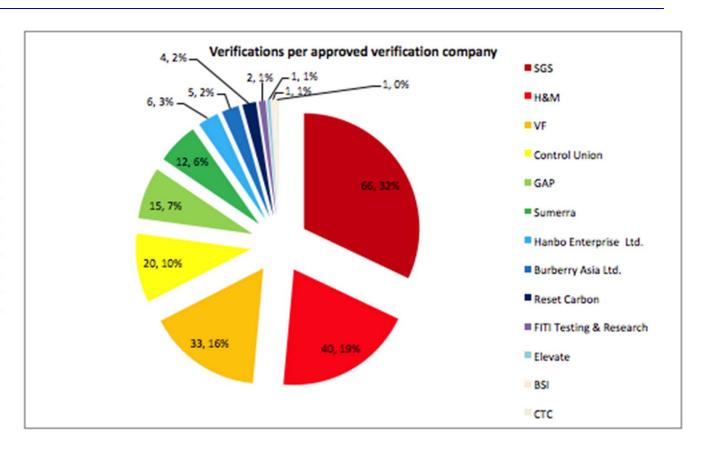
H&M	40
TARGET	38
VF	33
GAP	31
Levi Strauss & Co.	12
WILLIAMS SONOMA	8
PVH/TOMMY HILFIGER	7
Ann Inc.	7
Avery Dennison	6
Hanbo Enterprise Ltd.	6
Burberry Asia Ltd.	5
Columbia	2
Hirdaramani	2
PATAGONIA	1
MEC	1
ESQUEL	1
Pratibha Syntex Limited	1
TAV Ldt	1
PT KATEXINDO CITRAMANDIRI	1
Imperial Garments Sdn Bhd	1
Kwanglim Trading Co.Ltd	1
Nobland International Inc.	1
	20





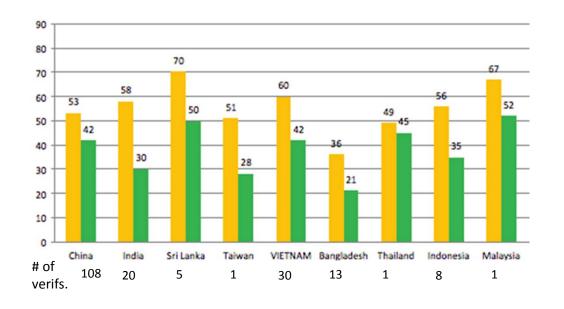
# FEM Verification Pilot Results Verifications conducted by SAC approved verifiers

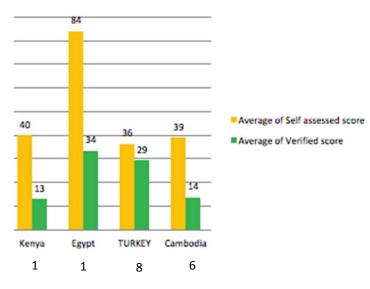
SGS	66
H&M	40
VF	33
Control Union	20
GAP	15
Sumerra	12
Hanbo Enterprise Ltd.	6
Burberry Asia Ltd.	5
Reset Carbon	4
FITI Testing & Research	2
Elevate	1
BSI	1
стс	1
TOTAL	206





## FEM Verification Pilot Results Country average self assessment vs. verified scores





# FEM Verification Pilot Results Facility Type self assessment vs. verified scores

Assembler/ Cut/ Sew

Self Assessment: 45

Verified: 41

Chem. Supplier, Dyer, Printer

Self Assessment: 60

Verified: 52

Averages Self Assessment vs. Verified Scores

Spinner/ Weaver / Knitter

Self Assessment: 57

Verified: 46

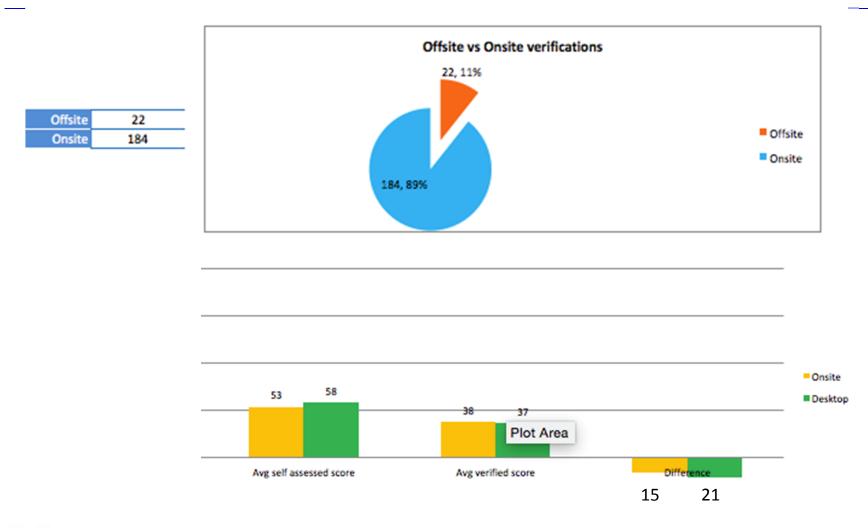
ISO 14001

Self Assessment: 67

Verified: 56

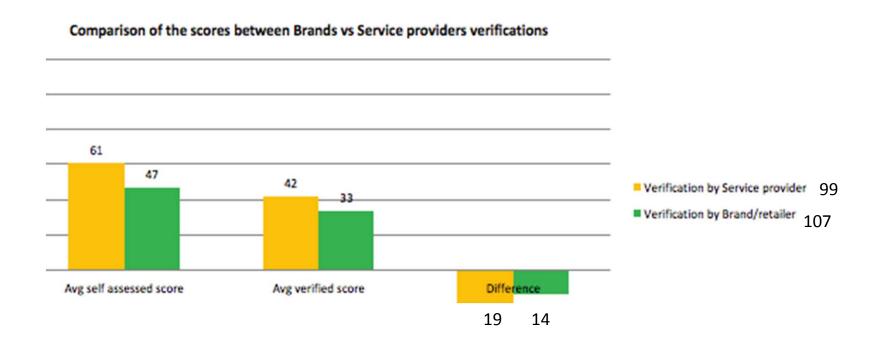


# FEM Verification Pilot Results Offsite vs. Onsite verifications conducted & self assessment vs. verified score comparison





## FEM Verification Pilot Results Verification scores: brand vs. service provider verifiers

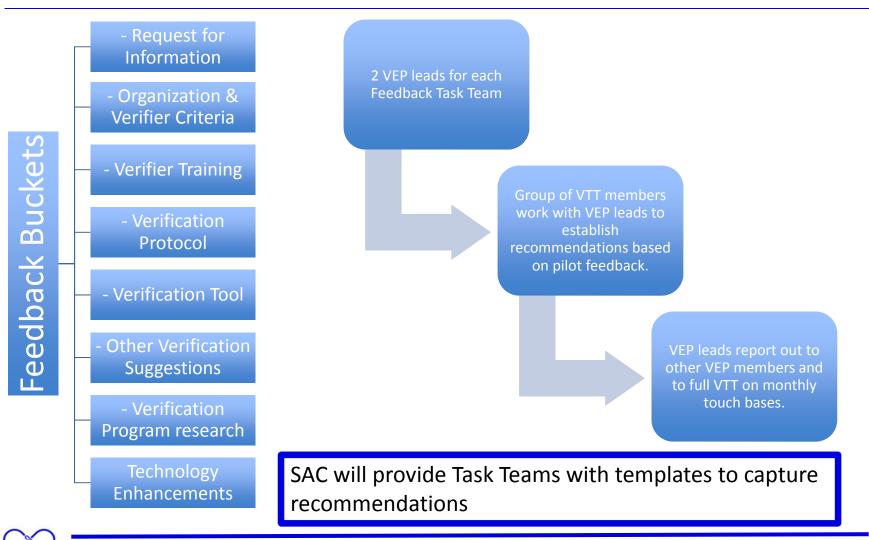




# FEM Verification Pilot Feedback



#### FEM Verification Pilot Feedback Process





# **Next Steps**



### **Verification Next Steps**

- \ Collect last of feedback from verifiers and verification pilot participants.
- \ Chemical Convergence with ZDHC In-Person meeting
- \ Clean by Design Program Feedback for FEM Enhancement
- \ FEM & VEP In-Person (HKG) April 18<sup>th</sup>-22<sup>nd</sup> @ CITA Building

# Q&A

