



# — How the *Higg Index* Helps Companies Go Green

SFBC Webinar

February 28, 2022

# — Agenda

- 01.** SAC Introduction
- 02.** Higg Index Introduction
- 03.** SAC Membership
- 04.** Q&A



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Director, Higg Facility Tools @SAC

# Angela Ng

Angela lives by the mottos

“Make a Difference” and

“Pay it Forward”





# Who We Are

## Mission

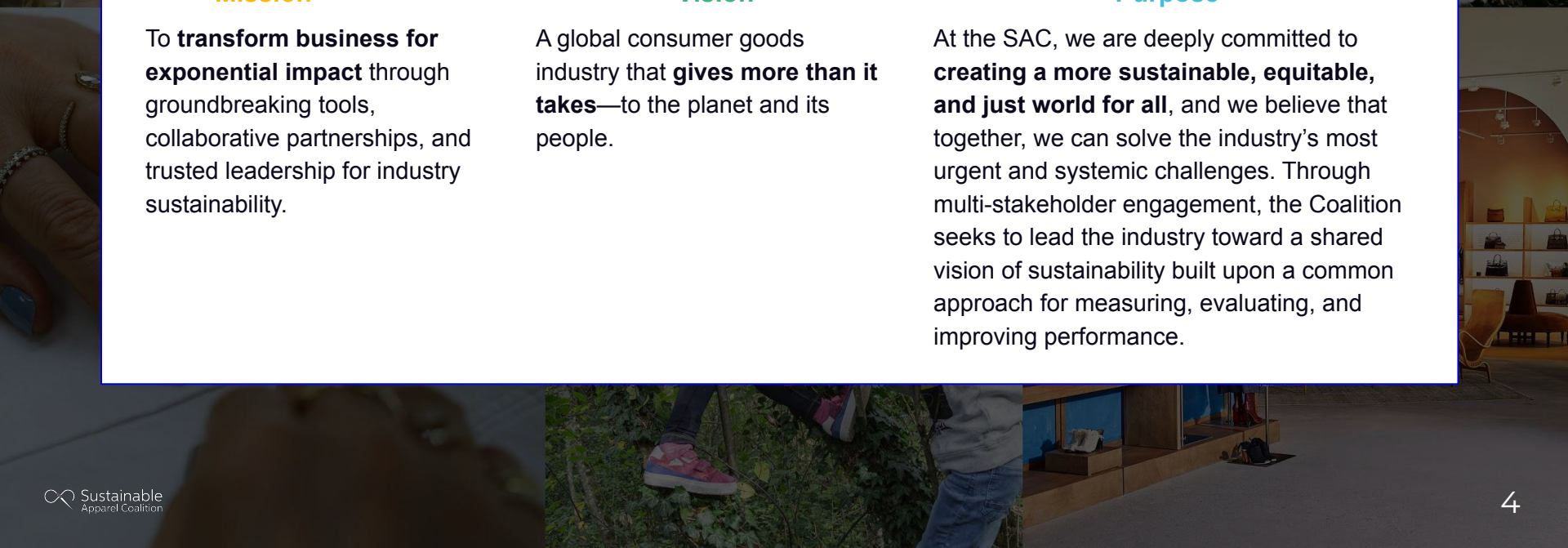
To **transform business for exponential impact** through groundbreaking tools, collaborative partnerships, and trusted leadership for industry sustainability.

## Vision

A global consumer goods industry that **gives more than it takes**—to the planet and its people.

## Purpose

At the SAC, we are deeply committed to **creating a more sustainable, equitable, and just world for all**, and we believe that together, we can solve the industry's most urgent and systemic challenges. Through multi-stakeholder engagement, the Coalition seeks to lead the industry toward a shared vision of sustainability built upon a common approach for measuring, evaluating, and improving performance.



# SAC Core Focus Areas



## Collective Action

Activating our  
Ecosystem for action



## Integrated Tools

Ensure the usage of  
evolved tools that drive  
credible decisions



## Transparency

Delivering insights that  
accelerate change



## Sustainability Leadership

Global recognition that  
advances massive  
scale across industries

# Global Membership

With

**270+**

Global Members

Represent

**33**

Countries

Generate

**\$845B**

Combined Annual  
Revenue

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# A Decade of Growth

**112**

HOLDING GROUPS,  
BRANDS & RETAILERS,  
THIRD-PARTY  
RETAILERS

**73**

MANUFACTURERS

**16**

NONPROFITS

**26**

SERVICE  
PROVIDERS

**14**

TRADE/INDUSTRY  
ASSOCIATIONS

**5**

GOVERNMENT  
ORGANIZATIONS

**4**

GRANTORS AND  
INVESTORS

**4**

ACADEMIC  
INSTITUTIONS



# SAC Members





## Our Team



**This year, our industry will  
need to further accelerate on  
Science-Based Targets and act  
with urgency to deliver them.  
But we have to do it together.**

# The Higg Index



## Product Tools

Life cycle assessment tools that measure the environmental impacts of producing **materials and products**

**Tools included:** Higg Materials Sustainability Index (MSI); Higg Product Module (PM)

**Purpose:** To understand environmental impacts of different production choices when designing a product

**Who uses them:** Sustainability analysts, material and product developers

**What they measure:** 5 environmental impacts



## Facility Tools

Assessments that give insights into social and environmental performance of **facilities**

**Tools included:** Higg Facility Environmental Module (FEM); Higg Facility Social & Labor Module (FSLM)

**Purpose:** To identify opportunities for continuous sustainability improvement in facilities

**Who uses them:** Manufacturers

**What they measure:** 7 environmental impacts and 9 social impacts



## Brand & Retail Tool

An assessment that gives insight into social and environmental performance of **brands and retailers**

**Tool included:** Higg Brand & Retail Module (BRM)

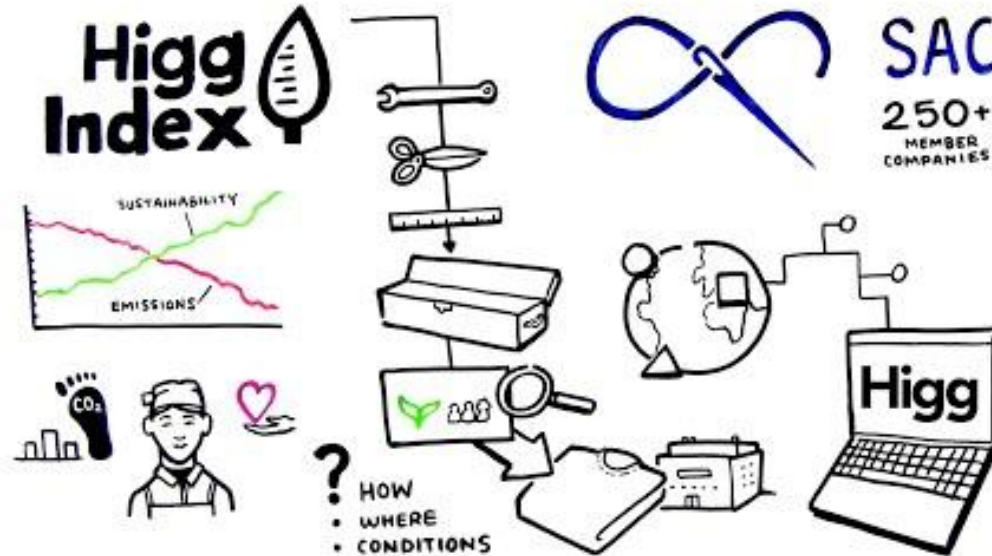
**Purpose:** To identify opportunities for continuous sustainability improvement in company operations

**Who uses it:** Brands and retailers

**What it measures:** 11 environmental impacts and 16 social impacts



# Higg Index Suite of Tools



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# Higg Product Tools



Assess the environmental impacts of millions of materials and products

# Higg Facility Tools



Measure the social and environmental performance of facilities



# Higg Brand & Retail Module



Assess sustainability operations, logistics,  
and practices for brands and retailers



# — Higg MSI



# Executive Summary:

## Higg MSI

- The primary purpose of the tool is to quantify the environmental impacts of materials (Tier 4 to Tier 2) based on development and production information.
- Companies use the Higg MSI because it provides standardized life cycle assessment data and guidance (consistent methodology to quantify a material footprint without having to be an LCA expert)
- Current adoption/usage of the tool: *520+ accounts have created over 14,800 custom MSI materials*
- Major Milestones: Nike MSI gifted to SAC in 2012, Higg MSI 2.0 released in 2016, Higg MSI 3.0 released in 2020. New data added every 6 months (currently v3.2)



# Higg Materials Sustainability Index Measures

-  Chemicals (Grouped Ecotoxicity)
-  Climate Change (Greenhouse Gases)
-  Eutrophication (Nutrient Pollution)
-  Fossil Fuel Use (Resources Depletion)
-  Water Scarcity (Impacts of Water Use)





# — Higg FEM

# Executive Summary

## Higg FEM

- The primary purpose of the tool is to measure the environmental impact of a facility.
- Companies use the FEM to have a consistent way of assessing environmental performance of facilities across the industry, reduce redundancy, benchmark performance, and identify improvement and collective action opportunities
- Current adoption/usage of the tool:
  - Self-assessments: 13,710 posted (out of 15,539 modules in progress)
  - Verified: 1,290 posted (out of 5,889 modules in progress)
- Major Milestones:
  - FEM 1.0 launched in 2012
  - FEM 3.0 launched since 2017
  - FEM Performance Communication tool v1 launched in 2020



# Higg Facility Environmental Module Measures



Environmental Management System



Energy & GHG



Water



Wastewater



Air Emissions



Waste



Chemicals





# — Higg Index Transparency Program

Delivering insights that accelerate change

# Executive Summary

## Higg Index Transparency Program

- Purpose: to provide a **consistent way** for brands, retailers, and manufacturers to share sustainability performance information using the Higg tools
- Strategically position the Higg tools to deliver value beyond B2B processes, and meet growing expectations of consumers and regulators
- Several years of research, working groups → May 27th launch of the 1st phase with 3 partners H&M, Norrona, and Amazon

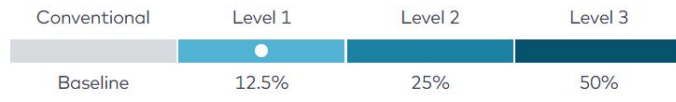


# What it looks like today

## Sustainability Profile

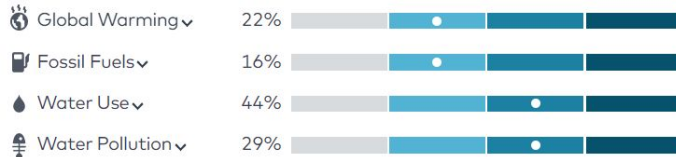
### Materials

At least **12.5% reduction** in environmental impact



### Environmental Impact Details

This product's materials show the following reductions in impact when compared to conventional versions of the same materials.



### Materials Content

This Product	Conventional Comparison	
Viscose ECOVERO fabric (Lenzing)	Viscose fabric	67%
Nylon fabric	Nylon fabric	33%

# The longer term vision

## Sustainability Profile

Product Design

Product Module

Material contents, designed waste, durability...

Facility Practices

FEM  
FSLM

Environmental & social/labor performance, from compliance to best-in-class management

Brand Practices

BRM

Purchasing practices, logistics, circularity models...

# — SAC Membership

Transforming the industry through collective action

A background image showing four young women laughing and hugging each other outdoors. They are wearing casual clothing like t-shirts and shorts. The background is a hilly, wooded area. The image is dimmed to make the white text stand out.

**We believe that partnership is at the core the new leadership. Here at the SAC, we are ready to work together and fight for our collective future, one that is inclusive, equitable, and sustainable.**

**- Amina Razvi, Executive Director, SAC**



# JOIN US

## Collaboration

Collaborate with industry peers through strategic councils, task teams, roundtables, online discussion forums, global member webinars, and in-person meetings to accelerate the transition to a sustainable industry

## Insights

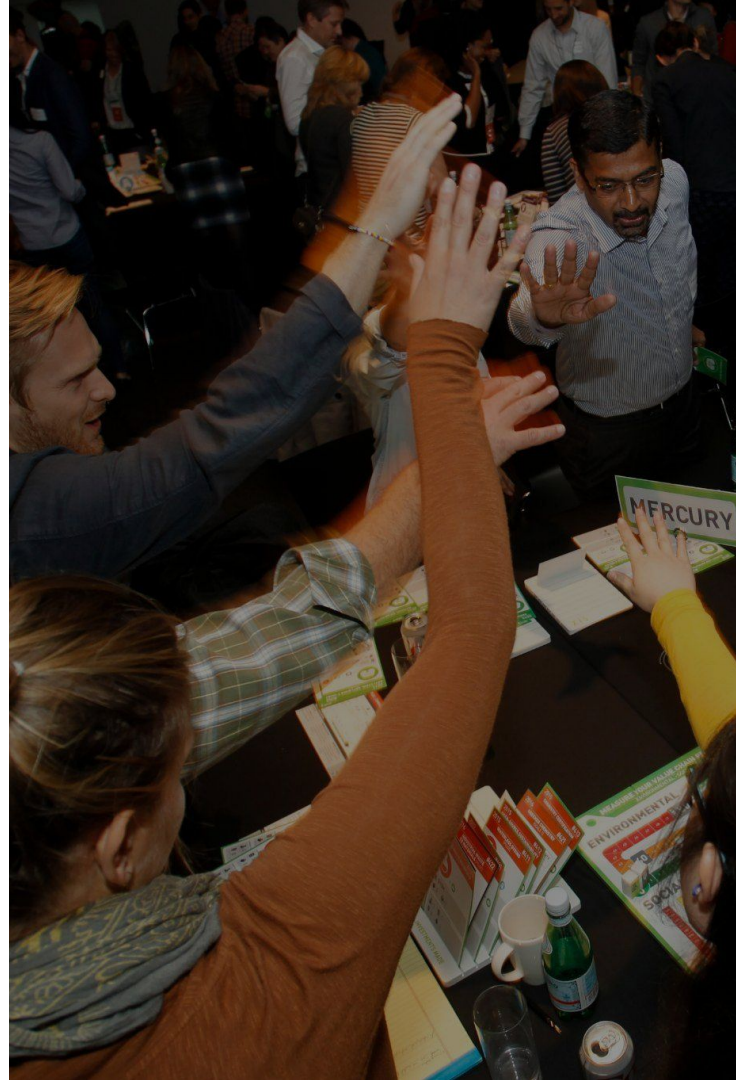
Drive business value, deepen transparency, benchmark your company's sustainability performance using the Higg Index, and discover opportunities for improvement

## Tailored Support

Receive support from a regional member manager and coordinator, as well as global SAC staff and a diverse network of SAC members to implement the Higg Index throughout your supply chain

## Industry Knowledge

Stay updated on sustainability trends and policy developments to inform your work. Exchange ideas and deepen knowledge.



# Q&A

Any questions?

You can find me at [md@apparelcoalition.org](mailto:md@apparelcoalition.org)



# Let's Connect

Any questions?

You can find me at [md@apparelcoalition.org](mailto:md@apparelcoalition.org)



# Let's Stay In Touch



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