Cascale Higg Index

Brochure

Cascale

Higg Index

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Introduction

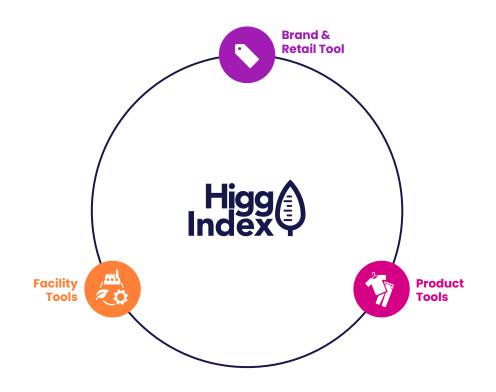
Developed by Cascale, the Higg Index is a suite of tools that enables brands, retailers, and facilities of all sizes at every stage in their sustainability journey — to accurately measure and score a company or product's sustainability performance.

The Higg Index tools measure social and environmental performance across the value chain, delivering a holistic overview that empowers businesses to make meaningful improvements that protect the well-being of factory workers, local communities, and the environment.

By using standardized tools, companies can identify hotspots, improve sustainability performance, save time and money, and engage with value chain partners to scale systemic change across the industry. By joining forces, we can address the industry's urgent, systemic challenges that are impossible to change alone.

The Higg Index can also help companies achieve the environmental and social transparency consumers are demanding. At Cascale, we're working towards consumer- facing transparency through the Higg Index, so brands, retailers, and manufacturers can better communicate their credible, data-based sustainability performance.

Our strategic collaborator Worldly provides exclusive access to the Higg Index. As an impact intelligence platform, Worldly offers companies real data — specific to their supply chain, products and operations — all in one place so they can understand their true impact and compliance position.





Higg Brand & Retail Module

Brands and retailers play a key role in driving sustainable practices in the apparel, footwear, and textile industry.

In collaboration with key industry partners, Cascale has released an updated version of the Higg Brand & Retail Module (Higg BRM), which helps brands and retailers comprehensively assess their sustainability risks and impacts and drive continuous improvements. From product design to logistics and retail operations, the Higg BRM measures a business overall sustainabilityperformance across the complete value chain (tier 4 to end of life).

Brands and retailers complete the Higg BRM assessment online,

on Worldly. Through a series of questions, they assess their social and environmental risk areas, based on the complexity of their value chain — from a product's design to its end of use.

The assessment presents questions applicable to a business' risk areas. Depending on the complexity of a company's value chain, the assessment can be up to 250 top level questions that can expand into 2,000 questions or data points. Environmental impacts include water use, greenhouse gas emissions, and chemicals management. Social impacts include fair wages, human rights, and working hours. The Higg BRM offers detailed environmental and social scores, indicating where brands and retailers can make sustainability improvements.

How the Higg BRM works

- 1. Subscribe on Worldly.
- 2. Assess your company's sustainability risks.
- **3.** Set measurable. Improvements goals.

The Higg BRM Assesses

Environmental Impacts

 Biodiversity/Land Use/Habitat Loss Deforestation Energy/Fuel Use Greenhouse Gas (GHG) Emissions 	 Air Emissions/Air Pollution (non GHG) Solid Waste Hazardous Waste 	 Chemical Hazards Water Use/Water Scarcity Wastewater/Water Pollution/Eutrophication
Social Impacts		
 Forced Labor or Human Trafficking Child Labor Wages and Benefits Working Hours Freedom of Association and Collective Bargaining 	 Health and Safety Access to Water and Sanitation Decent Work Discrimination, Harassment, and Abuse Sexual Harassment and Gender-Based Violence 	 Bribery and Corruption Right to Health Right to Privacy Right to Security of the Person Minorities' and Communities' Rights Land Rights



- Understand and organize your company's sustainability priorities.
- Align your organization's sustainability strategy.
- Ideal for businesses of any size, at any point in their sustainability journey.

"The Higg BRM establishes a global standard for fashion brands and retailers to measure and talk about sustainability performance. For the first time we will have comparable data, for us and the brands to identify improvement areas. As an independent and globally structured organization, Cascale is positioned to drive this necessary change in the fashion industry."

Kate Heiny Director of Corporate Responsibility Zalando





Higg Product Tools

Higg Materials Sustainability Index

The Higg Materials Sustainability Index (Higg MSI) is the apparel industry's most trusted tool to measure and score the environmental impacts of materials.

Apparel, footwear, and textile industry designers and product developers can use the Higg MSI to assess the impacts of different materials, such as cotton, polyester, and leather, to produce more sustainable products.

The Higg MSI uses data submitted from the industry and life cycle assessment databases to calculate environmental impacts. Using these insights, companies can design products that will attract and retain key consumers, who increasingly demand knowledge of greater transparency in how their clothes and shoes are made.

The Higg MSI features more than 90 example materials. These include: Aluminum, Copper, Cork, Cotton, Duck Down Insulation, Gold, Nylon, Polyester, Polyurethane Synthetic Leather, Silk.

These examples represent materials commonly used in the industry. The Higg MSI can calculate the impact of millions of possible material manufacturing variations.

Higg MSI users identify the raw materials and production stages to calculate a material's environmental impacts.

Cascale is constantly improving and expanding the Higg MSI. Contribute data to the Higg MSI to continue expanding the tool's growing library of materials anddrive transformational change across the industry.



The Higg MSI Measures 5 Environmental Impacts of Material Production

- Global Warming Potential
- Nutrient Pollution in Water (Eutrophication)
- Water Scarcity
- Fossil Fuel Depletion
- Chemistry

Manufacturers can enter data in the Higg MSI to assess materials in two ways:

01. Submit production data via the <u>**Higg MSI Contributor**</u> to add new material and production options to the tool.

02. Customize materials using the raw materials and processes already listed in the Higg MSI and share them with your customers. "The Higg MSI was developed specially for the textile industry through global industry-wide consensus. Before the Higg MSI, no tool in the apparel industry offered common criteria for lifecycle assessments, methodology, and procedures. We use the Higg MSI to showcase our sustainable materials."

Hidenori Terai

General Manager, Fibers & Textiles Green Innovation & Life Innovation Business Planning Dept **Toray Industries, Inc.**

"The Higg MSI can be used in several decisionmaking contexts. It can demonstrate the relation between environmental impacts and the processing steps that take place in different markets with various production systems. When we are making a new investment or innovating a new product, we can use the Higg MSI to see what the best choices are for the environment and the company's differentiation in the future."

Krishna Manda

Senior Manager Sustainability Integration
Lenzing Group

"We use the Higg MSI to understand and measure the environmental impact of Salomon's materials – we have already scored more than 800 materials so far. Our objective is to score our footwear products and give environmental visibility to our end consumer and B2B clients. With the Higg MSI, we can communicate about sustainability transparently with our suppliers and collaborate globally to make more sustainable products."

Céline Mazars

Material Manager of Footwear **Salomon**



Higg Product Module

What's the global warming potential of your favorite t-shirt? How much water did it take to make your jeans? The Higg Product Module (Higg PM) can tell you.

The Higg PM measures the environmental impacts of a product from cradleto-grave, from material production all through use phase, and end of use. This can include how much water or fossil fuel energy may be needed to make a product, or even how it affects the overall global climate. By assessing various environmental production impacts, brands, retailers, and manufacturers can make improvements to produce apparel, footwear, and textiles more responsibly.

Higg PM users identify the bill of materials and finished goods processess to calculate a product's environmental impacts.

Cascale is continuously improving and expanding the Higg PM with new data and emerging impacts. Add your innovative production process to the Higg PM with the Higg MSI Contributor for other users to select when they create a product.

How the Higg PM works

01. Assess the environmental impacts of your final products.
02. Identify hotspots in your value chain where you can make improvements
03. Make more sustainable products

The Higg MSI Measures 5 Environmental Impacts of a Product's Lifecycle

- Global Warming Potential
- Nutrient Pollution in Water (Eutrophication)
- Water Scarcity
- Fossil Fuel Depletion
- Chemistry

The Higg PM Benefits

Uses science-based assumptions and a standardized methodology to calculate comparable product impacts.

Offers transparent methodology, data sources, and production processes.

Analyzes granular product and value chain data.

Provides actionable, cutting-edge LCA metrics in a user-friendly format.

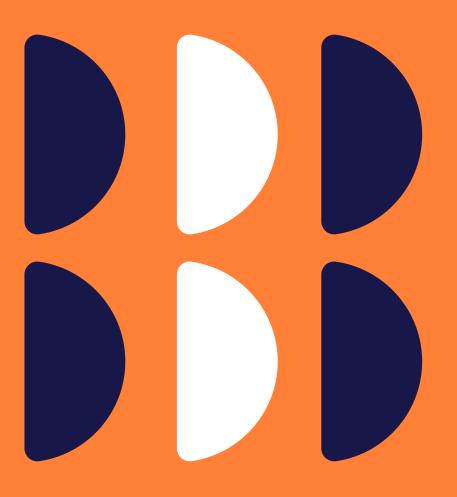
Gives product developers clear information on how to reduce impacts.



Higg Facility Environmental Module

Apparel, footwear, and textile production takes place at hundreds of thousands of facilities around the world. Each plays a key role in the overall sustainability of the industry.

The Higg Facility Environmental Module (Higg FEM) informs manufacturers, brands, and retailers about the environmental performance of their individual facilities, empowering them to scale sustainability improvements. The Higg FEM question structure and benchmarking feature provide facilities a clear roadmap of their environmental impacts. The Higg Index helps facilities identify and prioritize opportunities forperformance improvements.



The Higg FEM Assesses

- Environmental Management
- Systems
- Energy Use

- Greenhouse Gas Emissions
- Water Use
- Wastewater

- Emissions to Air
- (If Applicable)
- Waste Management
- Chemical Management

Global Facilities use the Higg FEM to:

01. Standarize the evaluation of environmental performance
02. Improve communication across the value chain
03. Reduce environmental impacts



The Higg FEM Benefits

A comprehensive environmental sustainability assessment for facilities.

Ideal for facilities of any size and tier at any point in their sustainability journey.

Benchmark performance against other global facilities.

Save time and money. Identify practices to optimize resources and reduce waste and costs.

On-site Higg Index verification continuously expanding globally.

Bring business partners on your sustainability journey.

"At VF, the Higg FEM assessment enables the company and our brands to measure key Scope 3 supplier-related impacts. VF teams, along with Cascale staff, engage directly with our vendor partners to assess and improve supplier carbon emissions. We are excited about the enhanced ability of the [Higg FEM] to deliver actionable data and insights, enabling VF to support impact reductions across our global supply chain."

Alan Chin

Senior Manager, Supply Chain Sustainability **VF Corporation**

"The Higg Index has helped us in defining, monitoring and achieving our environmental goals. Over the last seven years, through different versions of the tool, the Higg Index has helped us to avoid multiple audits and has a set common language for understanding factories' impacts globally. The benchmarking feature has enabled us to compare our performance and find further improvement areas.

Abhishek Bansal

Head of Sustainability **Arvind Limited**

"The Higg Facility Environmental Module provides an easy to use self-assessment framework to benchmark our progress towards achieving our aspirational goals. Using the Higg Index as our guiding roadmap has allowed us to meet environmental management requirements of our customers and other industry certifications."

Delman Lee

President & Chief Technology Officer **TAL Group**



Higg Facility Social & Labor Module

Everyone deserves to work in a safe and healthy environment.

Manufacturers, brands, and retailers of all sizes can use the Higg FSLM to assess social and labor conditions for the workers who produce billions of garments, textiles, and footwear each year. Together, we can create and support safe and fair working conditions for all..

Register to use the Higg Facility Social & Labor Module and join other leading organizations measuring social impacts.

Subscribe on **Worldly**.

The Higg FSLM Assesses

- Recruitment and Hiring
- Working Hours
- Wages and Benefits
- Employee Treatment
- Employee Involvement
- Health and Safety
- Termination
- Management Systems
- Empowering People and Communities

"The collaboration the Higg FSLM promotes is transformative for the apparel industry. The Higg FSLM supports the facilities and communities that manufacture apparel globally and enables brands and retailers to better support them, so we can all work on sustainability together. The tool assesses social and labor performance and encourages businesses to better communicate with one another to drive lasting sustainability change."

Simone Colombo

Head of Sustainability **OVS SPA**

"The verified Higg FSLM fully integrates the SLCP Converged Assessment Framework, helping shift the industry towards convergence, away from proprietary assessments. By using this tool, companies contribute to an industry-wide effort to reduce audit duplication that will allow for greater focus on meaningful improvements to social and labor conditions in global supply chains."

Janet Mensink

Executive Director Company Name

Verification

To build consistency, credibility, and comparability of Higg Index scores, Cascale is creating verification programs for each tool.

Verification ensures Higg Index data communicated is accurate and credible Completing the verification process also provides companies with the trusted information they seek, reducing the need for multiple, proprietary audits. • The Higg FEM verification program is available at scale.

• Through the Social & Labor Convergence Program, Higg FSLM verification is offered in 30 countries worldwide.

• Cascale has piloted a verification program for the Higg BRM.

• Primary Higg Product Tools (Higg MSI and Higg PM) data is vetted by our third party gatekeeper and secondary data is independently peer reviewed.



Disclosure & Communication from the Higg Index Tools

We believe that consistent presentation of environmental and social performance, backed by accurate, credible, and verified data, can help promote accountability and foster trust in industry's sustainability efforts.

Cascale and Worldly collaborate to develop resources for users to communicate from the Higg Index tools. These Communication Guidelines and Toolkits enable the sharing of verified information to stakeholders, and play a role in establishing accountability of sustainability performance within the industry.











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