



PRESS RELEASE

NEW TOOL ASSESSES ENVIRONMENTAL IMPACTS OF FINISHED PRODUCTS, ROUNDING OUT CORE HIGG INDEX SUITE

More than 70 Sustainable Apparel Coalition member companies contributed their expertise to develop the newly released Higg Product Module. The launch delivers on the Coalition's goal to provide the apparel and footwear industry with a suite of standardized sustainability assessment tools.

SAN FRANCISCO, CA -- September 16, 2020 -- Today the Sustainable Apparel Coalition (SAC) and Higg Co launched the Higg Product Module (Higg PM), a sustainability tool that assesses the environmental impact of manufactured products. The launch of the Higg PM rounds out the core suite of tools on the Higg Index platform, Higg.org. With methodology developed by the SAC and technology provided by Higg Co, the Higg PM reflects the work and expertise of more than 70 SAC member companies over nearly four years.

The Higg PM is a life cycle assessment tool that guides brands, retailers, and manufacturers to calculate product and supply chain performance in five environmental impact categories: global warming potential, water scarcity, eutrophication, fossil fuel resource depletion, and chemistry.

The Higg PM will be released in two phases. The first edition, launching today, offers product assessment from "cradle to factory gate," including materials production. It measures impacts from the point of resource extraction to finished product assembly. The second edition, currently in development and expected to launch in early 2021, will further expand assessments to include retail and packaging, distribution, product care, duration of service, and end of use.

"This groundbreaking tool offers the apparel, footwear, and textile industry the most robust and relevant data available to assess the environmental performance of products," says SAC Executive Director Amina Razvi. "The Higg Product Module will open new opportunities for the industry to increase product transparency and sustainability performance on a global scale."

The core Higg Index suite features five tools that measure social and environmental sustainability management across the value chain. The tools take a holistic approach to measuring and tracking sustainability performance rather than looking at siloed metrics. Use of Higg Index tools helps companies understand and benchmark their impacts so they can improve sustainability management and performance practices year on year.

"For Brooks Running, it's critical that we protect our planet. As we create new gear, we seek to minimize our environmental impact in line with climate science, and the Higg Product Module delivers on that," says David Kemp Senior Manager, Corporate Responsibility Brooks Running.

"Our product teams will use the Higg PM to better understand the environmental impacts of our products, and its science-based insight will better position us to strategically create more sustainable options for our customers. This tool will also help the industry compare the sustainability performance of different products, which is a game changer."

In this first phase, companies can use the Higg PM to communicate materials data information with value chain partners. The Higg PM is integrated with the Higg Materials Sustainability Index (Higg MSI) on the Higg.org platform. With the new tool, Tier 2 manufacturers share materials and data with Tier 1 manufacturers and brands that use the Higg MSI, improving transparency and communication and strengthening relationships between value chain partners.

The Higg PM uses Higg MSI data to calculate the environmental impacts of the materials in the products companies design and manufacture. This first edition of the Higg PM tool also allows companies to calculate Scope 3 greenhouse gas emissions from purchased goods and services, aligning with Category 1 of the greenhouse gas protocol. This measurement is instrumental in supporting companies as they track progress towards their science-based targets and other environmental goals.

"The ALDO Group's CSR strategy focuses on reducing its carbon emissions, and the Higg Product Module will play an instrumental role in helping ALDO Group meet its long-term science-based target to cut down emissions per pair of shoe by 30%, compared to 2016 levels," says ALDO Group Senior Sustainability Manager Karine Kicak. "The Higg PM provides granular life cycle assessment data founded in climate science we know we can trust. At ALDO Group, we already use the Higg FEM for responsible manufacturing and believe that the Higg PM will now help us future-proof our business by making sound decisions based on science. We also believe that the SAC drives collaboration between key industry actors, which will allow us to push the boundaries of what a footwear brand can do to be more sustainable."

"The Higg PM is being launched at an opportune moment, as the apparel industry reinvents itself post the downturn due to COVID-19," says MAS Holdings Head of Sustainable Business Sid Amalean. "The Higg PM brings to light a much-needed conversation on the impacts of material selection, the power of public commitments on the supply chain, transparency, energy efficiency improvements at manufacturing facilities, and most importantly, the capabilities required to implement actions at the scale that matters."

Following a spinout from the SAC last May, technology company Higg Co has quickly delivered state of the art technology to serve the apparel industry at global scale. The release of the Higg PM, follows last month's release of the updated Higg MSI and the Higg Brand & Retail Module (Higg BRM) in April.

"Brands and retailers are looking for tools to help with sustainable sourcing decisions, circular design, and transparency," says Cotton Incorporated Director of Product Integrity Michele Wallace. "While no tool is completely comprehensive, the Higg Product Module is designed to take a closer look at the impacts of specific categories."

As global interest in sustainability continues to grow, the SAC has been closely involved in discussions around potential sustainability regulation. The Higg PM builds on environmental sustainability work started by the EU Commission in 2013 for its Product Environmental Footprint (PEF) effort. The Higg PM will aim to support EU efforts to provide brands a trusted tool to calculate their environmental footprint, helping brands and manufacturers prepare for future policy changes.

Companies anticipate they will eventually need to back up sustainability claims in Europe and eventually beyond, with a standard methodology, which the Higg PM offers. Once the PEF

methodology is finalized, it will also be implemented as part of the Higg PM to ensure alignment and compatibility with the anticipated EU standard.

Brands, retailers and manufacturers with interests in the European market can use the Higg PM before that time to prepare for future requirements. Those that use the Higg PM will have a head start on data collection and have a better sense of Product Environmental Footprint Category Rules results they could expect.

Like all Higg Index tools, the Higg PM will continue to expand over time as more robust data emerges and cutting-edge science evolves. The availability of trusted, scientific data will be instrumental to advancing the tool's capabilities. Such data will help the industry begin to assess other sustainability practices including circularity more effectively. The second edition of the Higg PM will enable assessment of a product's impacts through its end of use and offer companies insight into circularity opportunities within their sustainability programs.

It will also address Scope 3 Category emissions in alignment with categories 11 and 12 in the GHG protocol – capturing emissions from use of sold products and the end of life of products. Today's release of the Higg PM gets the industry another step closer to being able to communicate meaningfully and credibly about the total environmental and social impact of products, empowering consumers to play a more proactive role in sustainability.

About the Sustainable Apparel Coalition (SAC)

The Sustainable Apparel Coalition (SAC) is an industry-wide group of more than 250 leading apparel, footwear and textile, brands, retailers, suppliers, service providers, trade associations, nonprofits, NGOs and academic institutions working to promote social justice throughout the global value chain and reduce the environmental impacts of products. Through multi-stakeholder engagement, the SAC seeks to lead the industry toward a shared vision of sustainability built upon a common approach for measuring and evaluating apparel, footwear and textile sustainability performance that spotlights priorities for action and opportunities for technological innovation. The SAC was incorporated as a 501(c)6 nonprofit organization and launched the groundbreaking Higg Index suite of tools in 2011. In May 2019, the SAC spun-off the Higg Index technology platform to the newly formed Higg Co. For more information, visit www.apparelcoalition.org.

About Higg Co

Higg Co is a technology company formed in 2019 to deliver, implement and support implementation of unified sustainability measurement tools for consumer goods industries, beginning with the apparel, footwear and textile sector. 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 delivers the only end-to-end value chain sustainability performance framework available, enabling businesses to make meaningful improvements that protect the environment, people and communities. Higg Co is incorporated as a Public Benefit LLC. For more information visit www.higg.com

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