

Technical Seminar 15

Higg FEM 4.0 Changes : An opportunity for manufacturers to showcase their ambitions in sustainability

25 October 2023

The objective of this technical seminar was to learn about the key changes between Higg FEM 3.0 and Higg FEM 4.0; to understand what additional data will need to be collected by the manufacturers to be better positioned to complete the Higg FEM 4.0 self-assessment. This technical seminar included intervention by the Higg FEM assessment tool owner (Sustainable Apparel Coalition), a user (manufacturer Eastman Exports), and a Brand (OVS Spa) that mandates its supply chain to use Higg FEM.

Summary

Textile supply chains are currently under close scrutiny due to their environmental impact. Are suppliers making progress in line with expectations from brands and retailers and the emerging local laws? The upcoming COP28 will see the first Global Stocktake, a new UN framework to protect the environment from harmful chemicals. With it comes increased emphasis on preventing deforestation. In this context, a pivotal tool, Higg FEM, has undergone significant enhancement with the release of its latest version, Higg FEM 4.0, commencing from November 2023.

The fashion industry, too, is impacted by and impacts the triple planetary crisis of „Chemicals and Waste“, „Biodiversity Loss“, and „Climate Change“. NGOs and consumers have indicated that there is a clear expectation to establish responsible production practices across the fashion industry.

Lawmakers in Europe have come up with 16 legislative tools to address the unsustainable aspects of the fashion industry. At the same time, large brands and retailers have established policies and prepared pathways for making progress concerning their climate impact, chemicals, waste, and social aspects. Some of these companies have also established targets in line with SBTi or established frameworks to minimize and stop adverse impact to biodiversity. Many companies have increased focus on chemicals by adopting practices based on standards & guidelines from ZDHC. Multiple standards, diverse assessment frameworks, and a multitude of metrics have drastically increased the workload of manufacturers concerning reporting.

With changes to the scope of sustainability action by the fashion industry, the Higg FEM also had to change to incorporate these hotspots and harmonize assessments to reduce the reporting burden.

So, what has changed with Higg FEM? How will it support in efficient reporting of the work being done by the industry? What does a manufacturer need to prepare for effective reporting and assessment?



Angela Ng

Director, Higg Facility Tools, Sustainable Apparel Coalition (SAC)

Applicabilities have been strengthened such that the user (manufacturer) responds to assessment questions based on their company profile and operations (water use, air emissions, chemicals). Facilities will receive additional points when there is improvement (baseline, YoY, or both). There is reduction in the number of „Unknown“ options. Scope 1 & 2 GHG emissions will be auto-calculated in Higg FEM using data on energy, air emissions, and wastewater.

The key changes to Higg FEM 4.0 include an increase in data points: Over 70 unique data points are part of the Higg FEM 4.0 update, relating to site permits, energy, water, emissions, waste and chemical management. An additional disclosure question about „environmental assessments the facility goes through“ will allow data collection and analysis with possibilities for harmonization. A valid operating license and environmental permits (if applicable) are required to score any points in the Higg FEM.

Within the Energy section, disclosure of Certified and Uncertified Biomass is necessary. With regards to Water, there is a requirement to report water risk and consumption to an external reporting standard. The detailed checks as per ZDHC wastewater guidelines are also added to level 2 questions within the Wastewater section. Concerning air emissions, the expectation is to meet the requirements of the industry guideline(s). There is also an overall alignment with ZDHC chemical management requirements. Through a single shared facility assessment tool, Higg FEM 4.0 is designed to reduce facility third-party assessments, fuel better quality data and align industry benchmarking.

Angela's takeaways:

- Participate in SAC Higg FEM 4.0 trainings
- Recommendation to start using the FEM 4.0 tool



Qaium Mohammad Abdul
Sustainability Manager, OVS

Sustainability focus areas for OVS include Energy, Water, Chemicals, and Emissions. OVS demonstrated this by introducing a Sustainability Linked Bond in 2021 and setting goals to achieve a 21 percent reduction in carbon emissions and ensure that 100 percent of their suppliers use the Higg FEM and Higg FSLM, with 80 percent of their volume verified by 2024.

OVS has also introduced Sustainability-linked bond with targets related to GHG reduction and adoption of FEM & FSLM in the supplychain. OVS has established a GHG reduction target with SBTi, and plans to use Higg FEM data to consolidate work with energy efficient suppliers and incentivize suppliers to operationalize emission reduction plans.

Benefits from Higg FEM 4.0 include closer alignment with other reporting frameworks such as SBTi and ZDHC. Expected improvement of data quality and the platform are believed to add to efficiency of reporting.

Qaiums's takeaways:

- Utilize training resources such as those on [atingi](#).
- Utilize Higg FEM 4.0 for benchmarking and capturing progress.
- Engage in resource efficiency measures.



Arunhariharan B S
Sustainability Analyst, Eastman Exports

Eastman exports emphasized that one aspect of Higg FEM 4.0 that will have an impact on the reporting results is the need for detailed breakdown of energy along with information about energy source, with the possibility of reporting the energy factor.

Reporting concerning biomass, along with the respective certification or local initiative to ensure sustainable biomass, will require additional data collection.

Arun's takeaways:

- Understanding changes with Higg FEM 4.0 using „How to Higg“ guidance is beneficial.
- Additional investments into meters and data collection concerning energy & water could have financial implications.
- Alignment with industry initiatives must continue to reduce reporting and audit fatigue.

Key takeaways

- Higg FEM 4.0 revamp includes greater focus on applicability, establishing consistency with regards to units of measure, greater alignment with related industry programs like SBTi and ZDHC, along with introduction of capturing Sustainability aspects of Biomass related schemes (FSC, PEFC, etc)
- Manufacturers should continue engaging in Resource efficiency programs and utilize Higg FEM training options.
- Investment might be necessary for capturing granular data concerning energy, water, etc.

To learn more, watch the recording of Technical Seminar 15: Higg FEM 4.0 Changes : An opportunity for manufacturers to showcase their ambitions in sustainability. The slides presented in this seminar are attached below. For more online seminars on similar topics, check out the [Asian Dialogues Series](#).

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