Higg Facility Environmental Module (FEM) Verification Protocol

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Acknowledgments

This document is prepared by the Verification Program Manager, Sumerra for the Sustainable Apparel Coalition (SAC).

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1 INTRODUCTION

1.1 BACKGROUND

1.1.1 General

1.1.1.1 The Sustainable Apparel Coalition (SAC) is the apparel, footwear and home textile industry's foremost alliance for sustainable production. It was born from a dynamic and unconventional meeting of the minds when in 2009, Walmart, America's biggest retailer and Patagonia, one of the world's most progressive brands, came together with a radical mission: Collect peers and competitors from across the apparel, footwear and textile sector and together, develop a universal approach to measuring sustainability performance.

1.1.1.2 Today the Coalition has more than 250 members and represents more than 40% of the global apparel supply chain. Its focus remains the same: develop a standardized supply chain measurement tool for all industry participants to understand the environmental and social and labor impacts of making and selling their products and services. By measuring sustainability performance, the industry can address inefficiencies, resolve damaging practices, and achieve the environmental and social transparency that consumers are starting to demand. By joining forces in a Coalition, members can address the urgent, systemic challenges that are impossible to change alone.

1.1.2 Higg Index

1.1.2.1 Developed by the Sustainable Apparel Coalition, 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 a holistic overview that empowers businesses to make meaningful improvements that protect the well-being of factory workers, local communities, and the environment.

1.1.2.2 For those just starting to implement sustainable practices, The Higg Index guides their important first steps, helping to distinguish strengths and weaknesses in the supply chain. For those already deeply engaged, it has more advanced potential, such as benchmarking sustainability performance against other SAC members, identifying macro risks and performing targeted research and analytics.

1.1.2.3 With the Higg Index, SAC aims to accomplish the following goals:

1.1.2.3.1 Provide a consistent measurement framework for companies to evaluate and communicate their social and environmental impacts.

1.1.2.3.2 Identify strategic opportunities to implement changes that drive meaningful sustainability improvements.

1.1.2.3.3 Prioritize a safe and healthy work environment to improve the well-being and treatment of workers across the value chain.

1.1.2.3.4 Measure the impacts of products, operations, and value chain activities to identify and implement improvements that preserve the natural world.

1.1.2.3.5 Eliminate the need for do-it-yourself approaches, allowing companies to quickly and easily share data with value chain partners and optimize resources to reduce associated waste and costs.

1.1.2.3.6 Enable public sustainability claims so that consumers can make more informed choices about the products they purchase.

1.1.2.3.7 Identify shared opportunities for improvement across the value chain related to protecting human rights and reducing environmental impacts.

1.1.3 Facility Environmental (FEM) Overview

1.1.3.1 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.

1.1.3.2 The Higg FEM provides facilities with a clear picture of their environmental impacts. It helps them identify and prioritize opportunities for performance improvements.

1.2 PURPOSE

1.2.1 The objective of the SAC FEM Verification Program is to ensure FEM data provided and shared through the Higg.org platform is credible, trusted, and therefore able to be communicated publicly.

1.2.2 The purpose of the FEM Verification Protocol is to communicate the objectives, scope, process and interpretive guidance for the FEM Verification program. This includes:

1.2.2.1 Ensuring that appropriate information is provided to facilities that utilize this program

1.2.2.2 Ensure that appropriate information is provided to Verifier Bodies responsible to conduct FEM verifications

1.2.2.3 Providing a consistent verification program

1.2.3 Individuals and groups to whom this Protocol applies includes:

1.2.3.1 SAC Staff

1.2.3.2 SAC Verification Program Manager (VPM)

1.2.3.3 Verifier Bodies & Verifiers

1.2.3.4 Facilities utilizing the Verification Program.

1.3 DEFINITIONS

1.3.1 **"FEM Self-Assessment Module (FEM)"** – This is the set of 'questions' that are answered by the facilities to generate the FEM score. The questions are housed in the Higg.org platform. These answers and supporting documents are what is 'Verified' (aka assured) by the Verifier Body.

1.3.2 **"Higg.org"** means the website through which users can access the Higg Index.

1.3.3 **"Higg Index"** means the questions, methodology, know-how, scoring metric, algorithms, ideas, and inventions, related to the suite of sustainability assessment tools, including: the Higg Facilities Environmental Module (the "FEM"); the Higg Facilities Social and Labor Module (the "FSLM") (but excluding content related thereto); the Higg Brand & Retailer Module; the Higg Materials Sustainability Index (the "MSI"); the Higg Product Module (the "PM"); and the Higg Design and Development Module (the "DDM"), and any future modules or tools incorporated by SAC, including data requisite to the methodology of the foregoing, and all new versions of any of the foregoing, provided that the foregoing will constitute the "Higg Index" only after approved by SAC.

1.3.4 **"Verification"** - The methods and processes by which a VB obtains appropriate evidence in order to express a conclusion on the reliability and accuracy of the FEM self-assessment data (that is, the outcome of the measurement or evaluation of results against defined criteria).

1.3.5 **"Verification Program Manager (VPM)"** – This is the oversight organization for the Verification program. The role of an oversight organization is to provide quality assurance to the verification process. This may include, but is not limited to, vetting and management of service providers (e.g. Verifier Bodies), application of quality assurance procedures, risk assessment, and general project management.

1.3.6 **"Verified Module (vFEM)"** - The result of the Verification process, indicating the accuracy/reliability of the self-assessment data and corrected data as needed. A Verifier Body will access and complete a vFEM on the Higg.org platform. Once a self-assessment is Verified, it can be shared by the facility.

1.3.7 **"Verifier Body (VB)"** – A company that is qualified and approved to perform the Verification process in accordance with the defined procedures and protocols.

1.3.8 **"Lead Verifier"** - The individual in the Verifier Body who is responsible for the verification and its performance, and for the report that is generated.

1.3.9 **"Verifier"** - The individual(s) conducting the verifications (includes Lead Verifier and other members of the verification team. NOTE: Where the SAC expressly intends that a requirement or responsibility be fulfilled by the Lead Verifier, the term "Lead Verifier" rather than "Verifier" is used.

1.3.10 **"Verification Team"** —All Verifiers and staff performing the verification.

1.3.11 **Use of 'shall' or 'should'**: The word 'shall' indicates a requirement and the word 'should' indicates a recommendation.

1.4 VERIFICATION MINDSET

1.4.1 Moving out of the audit mindset requires a new vocabulary. Below are changes to traditional auditing terminology:

Table 1 Verification Terminology

Audit Terminology	Verification Terminology
Audit	Verification
Auditor	Verifier
Interview	Dialogue
Non-Compliant Criteria	Missing Criteria
Corrective Action Plan (CAP)	Performance Improvement Plan (PIP)

1.5 ROLES AND RESPONSIBILITIES

1.5.1 Roles and responsibilities are summarized in the table below:

Table 2 Roles and Responsibilities for FEM Verification

Who	Roles and Responsibilities
VPM	● Following VPM policies defined in SAC-VPM Agreements ● Managing the Verifier Body Application Process ● Vetting VB Applicants ● Determining Eligibility of Verifier Bodies ● Conducting Quality Assurance ● Providing required information and data to the SAC ● Responding to program queries through the SAC/VPM Support desk
Verifier Body	● **General** o Engaging in Verification procedures and processes o Ensuring competent Verifiers are used in the verification process o Ensuring Verifiers act ethically and honestly o Providing necessary oversight and support to Verifiers o Ensuring necessary quality controls are in place to produce reliable and accurate results ● **Lead Verifier** o Responsible for the verification and its performance, and for the quality of verification report that is generated. o Ensures verification protocols are followed

	● **Verifier**
	  o Conducting the verification (includes Lead Verifier and other members of the verification team).
	● **FEM Scheme Manager**
	  o Overall responsibility for the performance and quality of the Verifications for a VB.
	  o Point of contact with SAC to answer queries or to discuss issues for all activities globally.
	  o Responsible for ensuring that Verifiers are up to date with training and updates from the SAC and VPM

SAC	● Programmatic oversight including strategy, capacity, quality, and financial sustainability ● Managing the VPM ● Serving as the ultimate decision-maker on issues escalated by the VPM
Higg	● Providing and managing data systems and platforms (Higg.org) ● Redirecting verification queries to SAC/VPM through Support desk
Facility	● Completing the self-assessment ● Completing facility survey at the end of verification ● Provide documentation to SAC/VPM (as applicable) ● Provide documents, participate in interviews/meetings, etc. as required by VB to make Verification assessment.

2 VERIFIER BODIES

2.1 APPLICABILITY

2.1.1.1 Only SAC approved Verifier Bodies shall be permitted to conduct a valid verification. Competency and other VB requirements are provided in *Higg FEM Verifier Body Program Requirements*

2.1.1.2 Only SAC approved Verifiers, associated with an approved Verifier Body can make verification determinations.

2.1.1.3 A list of approved Verifier Bodies shall be maintained by the VPM and approval is synced to Higg.org.

2.2 VERIFIER DESIGNATIONS

2.2.1 There are two (2) FEM verifier designations as follows:

2.2.1.1 Chemical Specialist Verifier

2.2.1.2 Generalist Verifier

2.2.2 A Chemical Specialist Verifier can conduct verification of all FEM questions.

2.2.3 A Generalist Verifier can conduct verification all FEM questions except for Level 2 and 3 Chemicals Management Section questions unless the following condition is met:

2.2.3.1 If based on applicability responses in the Chemicals Management Section, the facility is classified as AppChem002 or AppChem003 (Not using chemicals in production processes), a Generalist Verifier can conduct Verification of Level 2 and 3 Chemicals Management Section questions.

2.3 VERIFICATION TEAM

2.3.1 A verification can be conducted by more than one individual. The individuals involved in the Verification are considered the Verification Team.

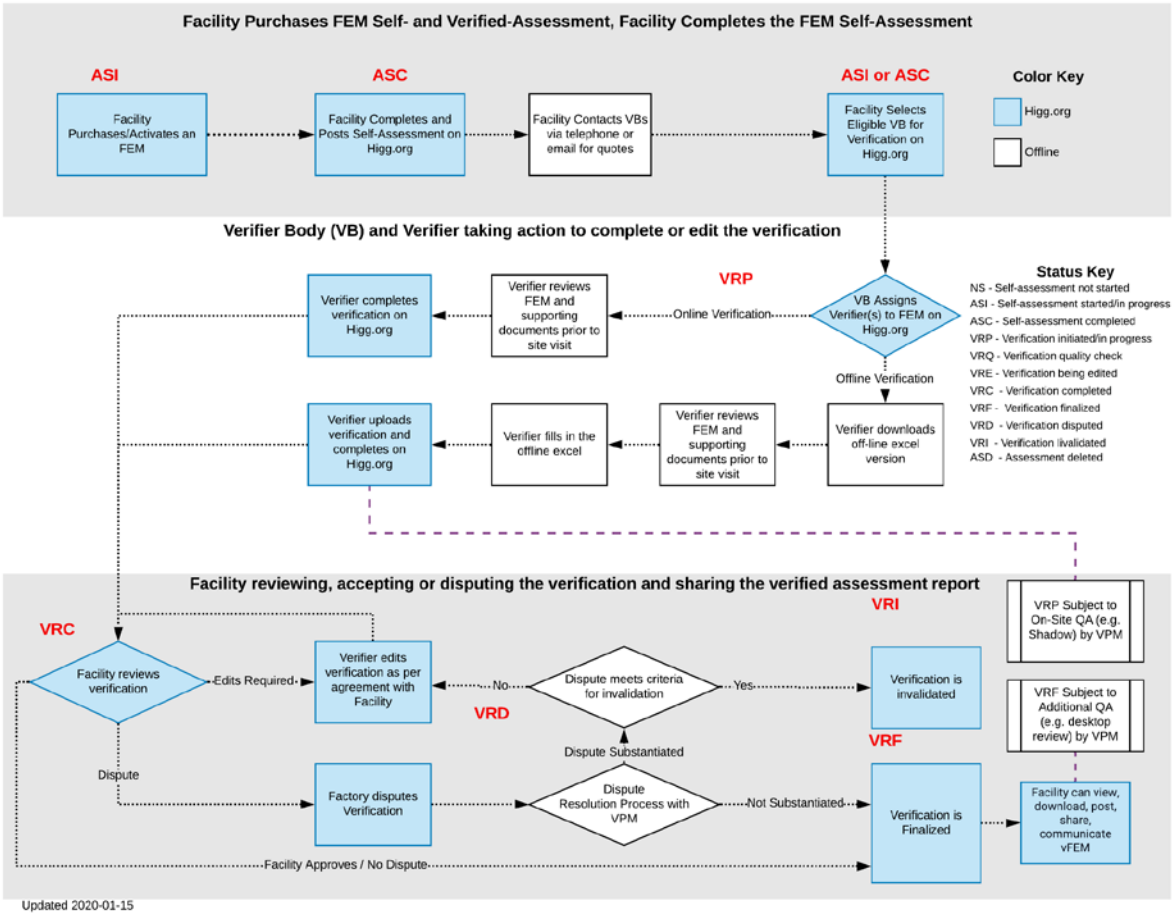
2.3.2 A verification team shall include a designated lead verifier who is responsible for the overall Verification activities and reporting.

3 VERIFICATION DETAILS

3.1 PROCESS FLOW

3.1.1 The following chart gives an overview of the Higg Index FEM Verification Process.

Table 2 Higg FEM Verification Process and platform workflow



3.2 VERIFICATION SCOPE

3.2.1 Verification shall cover all FEM sections and applicable questions.

3.2.2 Quantitative environmental data from the full calendar year of the FEM reporting year (January 1 to December 31) shall be in scope. For example, for FEM2020 the data reporting scope is from January 1, 2020 to December 31, 2020.

3.2.2.1 If a facility has not been in operation for the full calendar year, additional notes (in the self-assessment) or Verifier Comments shall be provided to describe any gaps in data. For example, if a facility moved to a new location during the reporting year and had only accumulated 7 months of resource consumption data at the new location, the facility can still complete the FEM self-assessment and have it verified.

3.2.3 Verification shall cover the entire facility site including all owned and operated onsite processes, equipment and areas noted in the Site Observations section of this document.

3.2.3.1 If a process or piece of equipment at a facility began operating during the Verification year (the year the Verification is being conducted), it is not applicable in the FEM reporting year and should not be included in the applicability selections. For example, if a screen-printing process was installed in 2021, it is not in scope of the FEM 2020 verification.

3.2.3.2 In cases where the above applies, FEM questions related to material handling, storage, disposal and worker safety for the processes/equipment shall be in scope. For example, a facility is expected to appropriately store and dispose of any associated wastes generated from a new process, however there would be no waste quantity to report in the FEM reporting year).

3.2.3.3 *One (1) vFEM is required for each legal business entity as defined by the applicable business license/operating permit.*

3.2.3.3.1 Where multiple facilities are located at the same premises with different business licenses/operating permits, individual higg.org accounts and FEMs are required, however verification activities may be combined (i.e. on the same or consecutive days) if appropriate. For example, the facilities are part of a manufacturing group with the same overarching environmental management programs.

3.2.3.3.2 Where verification activities for multiple facilities are combined as per the above, it is the responsibility of the VB/Verifier to ensure all verification activities required in this protocol are applied at each facility.

3.3 VERIFICATION TYPE (ONSITE OR OFFSITE)

3.3.1 Verifications can be conducted onsite or offsite.

3.3.2 The following considerations/limitations should be noted for Verifications that are conducted offsite:

3.3.2.1 The verified results of an offsite verification (which include but are not limited to verified scores, levels achieved) shall not be shared publicly nor shall they be shared via the SAC FEM Performance Communication toolkit.

3.3.2.2 An offsite verified assessment can be shared with connections of a facility through their higg.org account.

3.3.2.3 If a facility chooses to have their FEM self-assessment verified offsite and completes the verification process (the vFEM status is changed to VRF), it will not be possible for the facility to switch the vFEM to an on-site verification OR complete a new self-assessment to be verified onsite within the same assessment year (i.e. facilities shall only have one verified FEM per year).

3.3.2.4 Before completing an offsite verification, facilities should confirm with all relevant business partners that they will not be expected to complete an onsite verification.

3.3.2.5 If a facility has achieved Level 1 in Chemicals Management section, is classified as using chemicals in production, and answered questions in Level 2 and 3, a Chemical Specialist Verifier is required to complete the offsite verification.

3.4 VERIFICATION FEES

3.4.1 Fees associated with Verification are negotiated and agreed upon between the organization requesting the Verification and the Verifier Body.

3.5 VERIFICATION DURATION

3.5.1 **Onsite Verification:** SAC does not define a required amount of time to conduct a Verification, but has developed non-prescriptive guidance for onsite verification that is provided in Appendix A.

3.5.2 **Offsite Verification**: The total duration (inclusive of reporting time) to conduct an offsite verification must not exceed 2 person-days.

3.5.3 Verification (onsite or offsite) shall not be less than one (1) person day.

3.6 Repeat Verification

3.6.1 A Repeat Verification which is defined as the same verifier conducting a facility verification in two (2) consecutive FEM cycles.

3.6.2 Except under extraordinary circumstances (i.e. countries/regions where there are a limited number of verifiers available), verifiers should not conduct consecutive verifications.

3.6.3 If a Repeat Verification is needed, the VB must complete the SAC FEM Registry for Repeat FEM Verification Form here: https://www.sumerra.com/programs/sac/sac-fem-verification-program/fem-repeat-request/

3.6.4 No formal approval from the SAC or VPM is required and once the form is completed, the Repeat Verification can be conducted.

3.6.5 Repeat Verifications may be subject to additional quality assurance checks by the VPM.

3.6.6 VBs are expected to plan appropriately and allocate the necessary staffing resources to avoid repeat verifications to the extent possible.

4 Verification Process

4.1 Data Collection

4.1.1 General

4.1.1.1 To achieve a verified assessment report that is of high quality and meets the user's needs, it is important to provide the following data in Higg.org which will form the Verified Module (Report) and the final score that can be shared:

4.1.1.1.1 Make the appropriate Verification Selection (Section 4.2)

4.1.1.1.2 Provide the right narrative in the Verifier Comments (Section 4.3)

4.2 Completing the Verification Selection

4.2.1 For each question and any sub-questions/data tables in the FEM Self-Assessment, a Verification Selections shall be selected as follows:

*4.2.1.1 '**Accurate**' shall be selected when the self-assessment response is accurate as per the Verification Guidance ("how this will be verified" section) of the latest version of How To Higg Guide, and no change is required to the facility's self-assessment response.*

4.2.1.1.1 Verifiers should add Verifier Comments, if;

4.2.1.1.1.1 Information provided is not sufficient to explain circumstances.

4.2.1.1.1.2 Verifier wants to provide additional information about circumstances.

*4.2.1.2 '**Inaccurate**' shall be selected when the self-assessment response is not accurate as per the Verification Guidance ("how this will be verified" section) of the latest version of How To Higg Guide.*

4.2.1.2.1 Verifiers shall provide the "Corrected Response" (e.g. a "Yes" answer becomes a "No") and support the response by providing details in "Verifier Comments" field.

*4.2.1.3 '**No Response**' shall be selected when the facility's self-assessment does not include a response to the question, or the question was opened due a change in applicability questions or level achievement.*

4.2.1.3.1 Verifiers must provide the "Corrected Response" and support the response by providing details in "Verifier Comments" field.

4.3 VERIFIER COMMENTS

4.3.1 Verifier Comments may be best considered as an evidentiary statement. An evidentiary (aka assurance) statement is designed to support the Verification Selection (see above) of the Verifier.

4.3.2 Verifier Comments shall be entered in English.

4.3.2.1 In cases where a facility's response is not in English, but it is accurate, the Verifier should select "accurate" as the verification response and provide details (in English) in the Verifier Comment field to describe the facility's input.

4.3.2.2 In cases where a facility's response is not in English and is inaccurate, the Verifier should select "inaccurate" as the verification response and provide the correct response and appropriate Verifier Comments in English.

4.3.2.3 Uploaded documentation is not required to be in English. However, it is expected all documents are appropriately reviewed by verifiers and any necessary Verifier Comments are provided in English (as noted above).

4.3.3 In all, cases where an answer to a question is noted as "Inaccurate" or "No Response" Verifier Comments shall be included. Generally, statements should provide sufficient details on:

4.3.3.1 Context

4.3.3.2 Details of methodologies used, observations, and evidence gathered

4.3.3.3 Link to specific FEM question or guidance criteria

4.3.3.4 An Example of Verifier Comments are provided in the Table below:

Table 3 Verifier Comments Example

Question	Has your facility reduced water withdrawal for this source in the last calendar year?
FEM Self-Assessment Response	Yes
Verification Selection	Inaccurate
Corrected Response	No
Verification Comment Examples	
Poor Example	The facility did not reduce water use.
Good Example	Based on a review of municipal water tracking records and dialogue with the facility's environmental manager, the facility did not track normalized water use or the impacts on water use from production output variation in the previous calendar year which did not allow for an appropriate comparison of the water consumption data to demonstrate actual water use reductions.

4.4 VERIFYING QUESTIONS THAT ARE UNLOCKED DURING VERIFICATION

4.4.1 If unanswered questions (main question or sub-questions) are unlocked during the Verification, due to a change in applicability questions or level achievement, the Verifier shall:

4.4.1.1 Select the verification response of "No Response"

4.4.1.2 Update the facility response(s) to the extent possible.

4.4.1.2.1 If there are questions that cannot be answered (for example Level 2 and 3 questions in the Chemicals Management are unlocked and the verification is being conducted by generalist verifier), The verification response should be “No Response” and the facility responses should be left blank.

4.4.1.2.2 If a facility response is required to reach the required verification completion percentage, the Verifier shall enter the ‘Negative’ response (e.g. No).

4.4.1.3 In all cases, appropriate Verifier Comments must be provided to describe the situation.

4.5 REPORTING

4.5.1 The Verifier shall complete the vFEM module on Higg.org in accordance with the requirements set forth in this protocol.

4.5.2 Onsite and Offsite Verification results must be input into the Higg.org platform within 14 business days of completing the Verification process.

4.5.2.1 This means all verification selections, corrected responses (where required), and verifier comments must be input into vFEM and the module must be placed in Verification Complete (VRC) status to initiate the facility’s review process.

4.5.2.2 If a facility places the vFEM into Verification Being Edited (VRE) status for the Verifier to make revisions, the Verifier must consult with the facility as required to address and resolve edits and convert the report back to VRC status within 7 business days of the module being place into VRE status.

4.6 INTERNAL QUALITY ASSURANCE

4.6.1 Before submitting the verified assessment report for facility review, the Verifier Body must do an internal quality check. The accuracy of the Verification Selection and Verifier Comments are the responsibility of the Lead Verifier/Verifier Body. Minimally, the review should ensure:

4.6.1.1 Correct use of spelling and grammar.

4.6.1.2 Verification entries, including photos, do not contain employee names or any personally identifiable information for reasons of confidentiality and privacy.

4.6.1.3 Evidentiary Documents are attached, as applicable, where the Verification Selection is "Inaccurate" and the Verifier has a copy or example of evidence.

4.6.1.4 All quantitative data reported in the FEM was accurately verified in accordance with the Higg Guidance - "How this will be Verified" requirements (e.g. production volume, energy, water, wastewater, air, and waste source, baseline, target, and improvement data).

4.6.1.5 If any FEM questions response is inaccurate, "Inaccurate" must be selected as the Verification Selection and a corrected response is provided.

4.6.1.6 When applicable, any time the Verifier Comments field is completed, a thorough response must be provided that supports the verification selection and data narrative.

4.7 Facility Review

4.7.1 Once the verification is completed, the facility is notified via Higg.org and can access the verified assessment report online for review (status is VRC). The facility should do one of the following:

4.7.1.1 Reach out to the VB/Lead Verifier for clarifications, concerns, questions about the verified assessment report, especially with regards to question level issues and Verifier Comments. A Verification can be placed in VRE status to make agreed upon edits. Once a Verifier has completed any agreed upon edits, the status is returned to VRC. From VRC status, the module can be changed back to VRE (for additional edits) or to VRF/VRD as noted below.

4.7.1.2 Dispute the verified assessment report due to Verifiers not following Verification Protocol or complaints about Verifier Body verification team conduct. This changes the assessment status from "Verification Completed" to "Verification Disputed" (VRD). When doing this, the facility will have to provide more detailed information about the Dispute, so the VPM is well informed.

4.7.1.3 Accept the verified assessment report, which changes the assessment status from "Verification Completed" to "Verification Finalized" (VRF). Once finalized, facilities need to post the verified module so that their connections can view the verified scores and detailed results

4.7.2 Should the facility and Lead Verifier/ Verifier Body agree to change the verified assessment report at this stage of review (VRE), the Verifier can access the report again through the Higg.org platform and make the agreed changes. Any changes a Verifier makes to the report after completion/ during this facility review phase must be agreed upon by the facility, and the facility shall be informed about the changes, so they can go back to the review (the changes) and accept the verification.

4.8 Quality Assurance / Integrity

4.8.1 The VPM can choose to conduct any type of quality assurance procedures for any verified assessment outlined in the *SAC Higg FEM Verification Quality Assurance Manual.*

4.8.2 QA activity by the VPM can result in invalidations of the verified assessment report, which means that the report can no longer be shared with end users and the full report is no longer available on Higg.org.

5 Verification Activities

5.1 Opening Meeting

5.1.1 All Verifications shall begin with an Opening Meeting.

5.1.1.1 Opening meeting attendees should include facility management, environmental manager(s) and other key staff members.

5.1.1.2 The Opening Meeting should include discussion on the items listed in the table below:

Table 4 Opening Meeting Agenda Items

Opening Meeting Agenda

● Introductions from both the verification team and facility management personnel.
● Discussion of the objectives of Higg verification, including:
  o A reminder that the Higg verification is not an audit, but rather it serves to verify the self-assessment submitted by the Facility.
  o An explanation that Higg is not a pass-or-fail assessment/audit.
  o A discussion of scoring, that there is no 'minimum score' in Higg. Instead, Higg focuses on performance monitoring of critical and minimum legal and industry standards and supporting facility in its continuous improvement.
● A clarification of the scope of the Verification and criteria to be checked.
● Discussion on the independence of the assessment team and the need for openness, transparency and ethics, including a review of the conflict of interest in that no Trainers or Consultants can act as Verifiers.
● An agreement on how conflicts will be handled.
● A review of the confidentiality associated with employee dialogues.
● A review of the confidentiality associated with verification results.
● Communication of criteria and reporting methodology.
● An explanation of the next steps, including outcome of the verification

5.2 DIALOGUE WITH FACILITY STAFF

5.2.1 Dialogue shall be undertaken with the Facility Environmental Managers to establish the level of awareness of environmental issues across the facility and to help identify any issues or good practices on-site.

5.2.2 The Verifier shall also engage in dialogue with managers and with key staff who have specific roles and responsibilities related to managing environmental aspects or environmental management systems.

5.2.3 Verifiers should talk to a number of relevant workers, taking into account:

5.2.3.1.1 Different departments, including workers associated with managing waste, undertaking environmental monitoring as well as production workers

5.2.3.1.2 Health & safety representatives/personnel, where appropriate

5.2.3.1.3 Environmental committee representative(s), if applicable

5.2.3.1.4 New employees/trainees (to evaluate training quality)

5.2.3.1.5 Employees from different shifts

5.2.4 For offsite Verification, dialogue shall be undertaken via a teleconference or web-based call.

5.2.5 Verifiers shall ensure that problems raised by workers are discussed with management in a non-attributable way. Verifiers must ensure that the comments they report cannot be traced back to an individual worker.

5.2.6 Verifiers should leave a contact telephone number, preferably their mobile number and their local office phone number, with all workers the Verifier discussed with, in order for workers to alert the Verifier if there are reprisals or intimidation.

5.2.7 The Verifiers should keep a confidential note of who is being interviewed.

5.3 SITE OBSERVATIONS

5.3.1 All Verifications shall include site observations to evaluate physical conditions and implemented practices in all areas of the facility to establish evidence that activities are consistent with what the factory has presented in their FEM self-assessment.

5.3.2 Verifiers shall observe all relevant areas at the facility as defined by the facility's FEM self-assessment and the applicable *How to Higg* guidance.

5.3.3 For Offsite Verification, Verifiers shall request and review appropriate photos or short video clips (hereafter referred to as 'photos') of all applicable facility areas and processes.

5.3.4 Areas to be observed include, but are not limited to, the items listed in the table below:

Table 5 Observation Areas

Observation Areas

● Site perimeter
● Facility premises and surroundings
● Production line(s) / areas
● Raw material/chemical, hazardous & general waste storage areas and/or warehouse
● Bulk storage areas
● Utility Rooms/Areas
  o Boiler rooms
  o Compressor houses
  o Generator rooms
● Wastewater treatment plant including the inlet, treatment processes, and final discharge location (outlet)
● Exhaust vents, stacks, or other air discharge points
● All locked rooms/areas
● Chemical operations area e.g. dyeing, washing, printing, spraying, or other chemical application
● Chemical mixing and dosing area at production areas, and other locations where chemicals are being used, e.g. wastewater treatment plant
● Temporary storage areas for chemicals
● Safety equipment and PPEs storage area
● Any other areas or processes that may result in environmental impacts.

5.4 PHOTOGRAPHS

5.4.1 Verifiers shall take photographs during the Verification to support onsite observations.

5.4.2 Photographs shall only be taken with the expressed permission of the Facility as they may contain or reveal confidential information.

5.4.3 Photos should include, but are not limited to, the items listed in the table below:

Table 6 Areas to Photograph

Photographs
● Outside general overview ● Facility premises and surroundings ● Inside general overview ● General photos of production line(s) ● Key activities and processes that have potential environmental impact, if present, such as: o Waste handling and storage area(s) o Hazardous substance storage area(s) o Hazardous materials transfer area(s) o Bulk storage tanks and secondary containment area(s) o Wastewater treatment area / plant, including discharge point(s) o Water Discharge Point(s) o Raw material/chemical and waste storage warehouse/area(s) o Boiler room(s) o Exhaust vents, stacks, or other air discharge points o Waste collection area(s), both Hazardous and Non-hazardous o Compressor house(s) o Power generator room(s) /area(s) ● Area(s) of potential impact to soil and/or groundwater, including stained soil and/or distressed vegetation ● Abatement equipment ● Good practices

5.4.4 For Offsite Verification photos shall meet the following requirements:

5.4.4.1 Accurately show the common practices, actions, and process that are occurring at the factory (no 'staged' photos)

5.4.4.2 Be recently taken (generally within 2 weeks of the Verification start date)

5.4.4.3 Be clearly viewable (proper lighting, proper camera angles, etc.)

5.4.4.4 Be provided in a manner that the Verifier can view (using common technology and in a commonly used format, such as .jpg or .pdf)

5.4.4.5 If appropriate, the photos should be labeled or explained to help the Verifier understand the photo, or context to the photo

5.4.5 The Verifier shall not use or show the Photos to anyone other than for the purposes of completing the Verification.

5.4.6 The Facility may request or require that the Verifier delete or destroy the photos when the Verification is complete.

5.5 CLOSING MEETING

5.5.1 All Verifications shall end with a Closing Meeting.

5.5.1.1 Closing meeting attendees should include facility management, environmental manager(s) and other key staff members.

5.5.1.2 The Closing Meeting should include discussion on the items listed in the table below:

Closing Meeting Agenda
● A review of the Verification activities that took place. ● A Comment on staff cooperation (or lack thereof) ● Overall evaluation and/or strengths of the facility (if any) ● A summary of the areas of inconsistencies between the self-assessed and verified results ● A reminder of the confidentiality of the results ● Notification to the facility that Verification results will be completed on Higg.org and that the factory can review and post it for benchmarking or sharing, if the factory choses, on Higg.org ● Answer questions from the Facility ● A show of appreciated for the facility's support during the Verification

6 VERIFICATION RECORDS

6.1.1 The Verifier Body must keep all documents and evidence from the Verification through the entire verification process, including through any quality review activities that may take place, to justify the services performed and quality assessment processes.

6.1.1.1 At minimum, documentation shall be retained in accordance with the VB's internal documentation retention policy or at the specified duration in any contractual agreements with the facility, whichever is longer.

7 RELATED DOCUMENTS

Higg FEM How to Higg Guidance

Higg FEM Verifier Body Program Requirements

SAC Higg FEM Verification Quality Assurance Manual

Verifier Code of Professional Conduct

8 DOCUMENT CHANGE LOG

Date	Section	Summary of Changes
June 21, 2021	All	● On-site and Offsite Protocols combined into single document ● Incorporated the following Guidance/ Procedures o Guidance for Determining Person-Days for Higg Facility Environment Module (FEM) Verification o Higg Verification Introduction (VPM-001)

9 APPENDICES

APPENDIX A - PERSON-DAY GUIDANCE FOR ONSITE VERIFICATION

1. Introduction

Person-days required to complete an on-site Higg FEM Verification will depend on various criteria summarized below. The number of person-days should be determined by taking all the applicable criteria into consideration. This non-prescriptive guidance is aimed to assist a Verifier Body (VB) determine the estimated number of person-days for the purposes of quoting cost (if applicable) and scheduling.

2. Criteria for Determining Person-days

2.1. Is this facility a light water user?

Facilities which are light water users may use water only for drinking and other domestic purposes. They may not have advanced water treatment procedures either.
Maximum number of Person-days recommended for onsite verification: 2

2.2. Does this facility have an onsite wastewater treatment plant?

Facilities with onsite process wastewater treatment plant are likely to have a full applicability in the wastewater and chemicals management sections. Depending on the level a facility reaches in the Chemicals Management section of Higg FEM, the facility may need to hire a Chemical Specialist verifier. Some facilities that have a small-scale onsite process wastewater treatment plant may require lesser number of Person-days.
Maximum number of Person-days recommended for onsite verification: 3

2.3. Does the facility have wet processes and use chemicals onsite?

Facilities that have wet processes (determined through Site Info and Permits section) like Printing, Dyeing or Laundry will use chemicals onsite. Facilities which have multiple storage and handling locations of chemicals spread across its premises will require more time to assess and verify the Chemicals Management section.
Maximum number of Person-days recommended for onsite verification: 3

2.4. Has this facility been verified before?

Facilities which are familiar with the Higg FEM need a verification which suits their needs. Determining the accuracy at Level 2 and 3 questions may require more dialogue with the management and review of documentation. Quantitative metrics should be fully reviewed during each verification as they would change year over year.
Maximum number of Person-days recommended for onsite verification: 2

3. Notes

3.1. One Person-day corresponds to 8 hours working time. It excludes lunch breaks and breaks unless required by law in the country of execution of the verification

3.2. On-site verification should not be less than 1 person-day.

3.3. The total number of person-days spent on-site may not exceed more than 3.

3.4. Verification scheduling and preparation, travel time and report writing are not in the scope of this guidance

3.5. Verifier should review the facility's profile, self-assessment and relevant documentation prior to the site visit. Verifier should utilize the time onsite to delve into specific questions where more clarification is required.

3.6. Facilities and VBs should mutually agree upon the number of person-days required

3.7. On-site verifications with 1 person-day will likely be subject to at least one (1) Quality Assurance activity (e.g. desktop review).

3.8. This guidance is subject to updates based on feedback from SAC membership and Support tickets.

4. Guidance Use Cases

4.1. Case 1: Facility A is a cut and sew unit with a capacity of sewing 50,000 pieces per day. It has a washing unit and an effluent treatment plant (with a capacity of treating 1000 litres per day) in the same premises. The facility is a light water user. It will be verified for the first time and has not achieved Level 1 in all sections.
Recommended number of person-days required for onsite verification: 2

4.2. Case 2: Facility B is a textile mill with spinning, weaving, dyeing and finishing facilities. It is spread over an area of 250,000 square metres, with a zero liquid discharge effluent treatment plant, rainwater harvesting system, rooftop solar panels installed in the same premises. The facility has been completing Higg FEM since 2017 and has undergone brand led capacity building programs on environment management in the past. Facility is a heavy water user and has achieved Level 2 in EMS, Energy and GHG, Wastewater and Chemicals Management sections.
Recommended number of person-days required for onsite verification: 3

4.3. *Case 3: Facility C is a standalone screen-printing unit with a screen washing facility. This light water user facility has primary and secondary effluent treatment processes. It is spread over 45,000 square meters. It has been classified as a low environment impact facility by the local pollution control & monitoring agency. It has completed Higg FEM for the first time and has not achieved Level 1 in all sections.*
Recommended number of person-days required for onsite verification: 1

4.4. *Case 4: Facility D is a fabric dyeing unit. While reviewing its chemical inventory list, it has been found to use 120 different chemicals. The facility has no on-site treatment of wastewater and wastewater is treated by an off-site Common Effluent Treatment Plant. The facility is a third time Higg FEM 3.0 user and has implemented several improvement initiatives identified in the previous assessments.*
Recommended number of person-days required for onsite verification: 2