

The HIGG Index

GLOBAL VALUE tool showcase



This project has received funding from the European Union's Seventh Framework Programme for research, technological development and demonstration under grant agreement no. 613295

Introduction

The GLOBAL VALUE tool showcase series

GLOBAL VALUE tool showcases: your guides to using tools

Understanding a company's impact on sustainable development, and finding ways to manage it best, is not an easy task. With so many tools available, choosing one to invest time in is even more difficult. GLOBAL VALUE tool showcases will make this task easier.

We selected and tested 15 leading tools in different categories to help understand how each of them can help you achieve your assessment goals. Our tool showcases are meant to support you in deciding which tool best fits your company's needs. The tools were tested in collaboration with multinational companies from different sectors to give you practical tips on how to get the most from using each of the showcased tools.

Tools for managing impact on the Sustainable Development Goals

The Sustainable Development Goals (SDGs) are the north star for global development for the next 15 years. Adopted by the United Nations in September 2015, these Goals have been developed in extensive consultation with the business community. For companies across the globe, the SDGs are both a challenge and an opportunity to serve global populations in a manner that is sustainable in the long-term. Each tested tool has also been screened for how many and which SDGs it may help companies tackle.

Find more tool showcases on the [GLOBAL VALUE Toolkit](#).

Tool selection

The tool showcases feature [15 tools](#) that were selected from over 200 tools collected during three years of research in the context of the [GLOBAL VALUE project](#). These tools were shortlisted through an iterative consultation with GLOBAL VALUE consortium experts, who evaluated the strengths and weaknesses, feasibility and usability, methodology and added value of different tools in order to narrow down the list of tools to 15 for testing in an actual company setting.

The HIGG Index was selected for tool testing as a leading apparel and footwear focused impact management and measurement tool. The apparel and footwear sector is one of the GLOBAL VALUE focus sectors since one of the collaborating companies operates in it. The HIGG index facility and brand modules were tested.

Tool testing process

The tool showcases are based on the experiences of three GLOBAL VALUE tool testers, who have implemented these tools in collaboration with [three multinational companies](#). The tools were tested with a specific focus on their operations in developing countries, in order to understand how each of them can help companies measure and manage their impacts on global sustainable development. The tool testing assessed each tool's feasibility and usability, user friendliness, content and context, methodology, data required and results provided.

This showcase will guide you through the main benefits and limitations, ease of use, tool adaptability to different geographical and company contexts, scope of value chain and SDG coverage, methodology for assessing impact, and the usefulness of output or results that the tool provides.

An introduction to the HIGG Index

The HIGG Index is a questionnaire based self-assessment tool, tailored to the **footwear and apparel sector**. The tool **assesses a company's sustainability management system and performance** across the value chain. The tool has three modules based on the user's interests and needs. Each of these modules focuses on a different section of the value chain: either assessing a factory/production unit, a whole brand or a product's environmental and social impacts across its life cycle.

Expect questions about the goals, policies, their coverage and sustainability performance on a number of detailed and tailored environmental and social indicators applicable to either factory, brand or product depending on the module.

The HIGG Index online platform allows members to share the standardized performance scores with supply chain partners around the world. Although the HIGG Index is not explicitly a compliance or a reporting tool, it aims to provide a common baseline for apparel and footwear supply chain partners to collaborate on improving the industry's environmental and social track record. The anonymised, aggregated scores can be **benchmarked against the industry aggregates** to allow for comparison of one's performance.

The tool aims to support companies in improving their environmental and social performance by detecting existing gaps in sustainability management system.

At a glance

Web: <http://apparelcoalition.org/the-higg-index/>

Developer: Sustainable Apparel Coalition

The HIGG Index was developed and is run by the Sustainable Apparel Coalition – the foremost alliance for sustainable production in the apparel, footwear and home textile industry. The coalition aims to develop a universal approach to measuring sustainability performance in the apparel, footwear and textile sector. By measuring sustainability performance in a standardized way, the industry can achieve the environmental and social transparency across value chains.

Use the HIGG Index assessment tool when you want to:

- Identify areas for improvement in your **sustainability management system**
- **Asses environmental and social performance** of your apparel, textiles or footwear factory, brand or product
- **Benchmark** company performance results against the industry averages (for members).

Features

What you need to know about the HIGG Index

This section gives you an overview of the key features of the HIGG Index. All important information that can help you decide on whether this is the tool for your needs is presented in a condensed format in the table below. For more elaborate information on the [icons](#) and to explore other tools please visit the [GLOBAL VALUE tool navigator](#).

Purpose	Scope	Output	Requirements	Access
 <p>The main purpose of the tool is to support management control. The tool assesses policies, procedures and performance.</p>	 <p>Whole value chain is assessed upstream and downstream. Tool offers individual modules for assessing brand, factory and product. Each of the modules also covers the extended sections of the value chain that the brand, factory or product development may have an influence on.</p>	 <p>Assessment in each module results in individual scores for environmental and social performance. HIGG Index members can also benchmark their score against industry averages.</p>	 <p>Users can implement the tool on their own in a few weeks, no external consultant support, nor stakeholder engagement is required.</p>	 <p>Tool is free in the excel format and is available after registration. Access to the online platform comes at a fee. Assessment is anonymous.</p>

What did tool testers say - Overall experience

The HIGG Index assessment tool is designed to measure sustainability impacts across the value chain in apparel and footwear companies. The results provided can be shared among the community of users and allow information sharing across the value chain. It is a very comprehensive and detailed assessment that covers most of the key environmental and social issues specific to the sector.

The tool is sector specific, comprehensive, customizable for different scopes and offers general guidance. It has to be kept in mind that, for example the facility module specifically focuses on only one single facility and restricts that scope explicitly to a geographically bound area. On the contrary, the brand module is suitable for companies operating across countries. In some cases, it can be difficult to determine which module to use for what purpose.

Want to explore other tools?

[GLOBAL VALUE tool navigator](#) features are over 200 tools all screened for the same features as the HIGG Index above.

Benefits

Key benefits and added value of the HIGG Index

Key benefits you can expect

- **Comprehensiveness**

The tool is very comprehensive and sector specific, where it delves deep into the technicalities of environmental and social management of the company, its production sites and product life-cycles.

- **Sector specific best practice**

The tool is based on the best practice in the apparel and footwear sectors. It allows for scoping of key, sector specific issues, while indicator weights indicate which practices are considered to be the industry wide measuring stick.

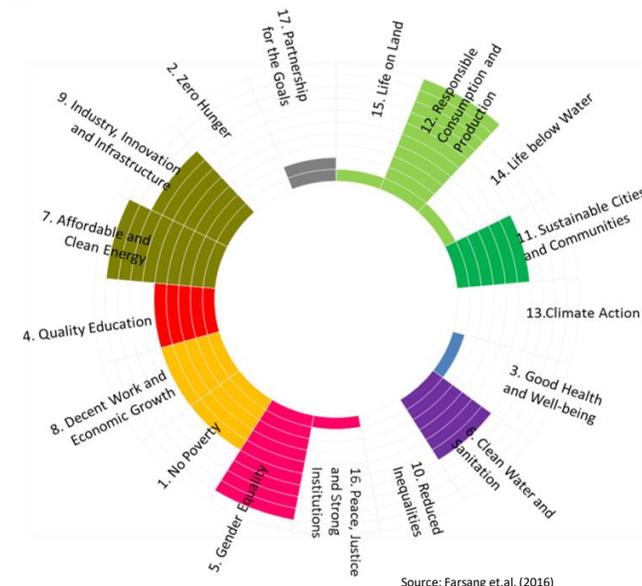
- **Community of users**

The tool aims to establish a common baseline for all footwear and apparel value chain participants globally, in order to reduce the auditing burden and facilitate collaboration. Apparel and footwear industry is labour intensive, which has caused a trend of production moving to countries with lower labour costs. These countries often also have lower environmental and social standards and weaker regulatory environments, hence the HIGG index fills in the gap by facilitating the self-regulation of the global apparel and footwear industry.

Learn more about what the SDGs mean for the apparel and footwear sector in the [GLOBAL VALUE Footwear sector profile](#).

Sustainable Development Goal coverage

The graph below shows the extent to which HIGG Index addresses the different issues covered by the [Sustainable Development Goals \(SDGs\)](#). Under each SDG, there are a number of different targets that are related to the individual goal. Some SDGs have more targets, while others have fewer. During our testing, we screened the tool to determine how many of the targets the tool covers under each SDG. The graph below is normalised and can tell you not only which SDGs the tool addresses, but also to what extent. The higher the SDG's coloured column, the more targets the tool addresses (read more about the testing process [here](#)).



Source: Farsang et.al. (2016)

How to

Implementation steps

STEP 1: Decide on the scope of the assessment

The HIGG index comes as a suite of tools specifically targeted at 1) a brand assessment, 2) factory assessment or 3) product assessment. As a first step, you need to decide which assessment you would like to pursue. A brand assessment module will focus on sustainability management at the brand level. This module will focus more on the operations that are directly controlled by the brand rather than an individual factory. The module will thus cover decisions about materials used, packaging, manufacturing and supply chain management, transport and logistics, product management for improving its lifespan, or facilitating recycling, as well as transparency and community impacts observance. A factory module, on the other hand, will go into much more depth about the actual environmental management and performance of a factory (including environmental inputs and outputs) and its workforce management practices.

STEP 2: Run the assessment from data at hand

Each module that you choose will be divided into an environmental and social questionnaire. The assessment is very detailed, with each module consisting of a large number of indicators to be considered. As an example, the brand module will assess your company against over 100 individual environmental indicators and over 300 social indicators. This level of detail requires the user to be very knowledgeable of the company, factory management or product. As the tool developers themselves state, it is unlikely to be possible for one person to complete the whole assessment. Thus, depending on how deep you wish to examine the issues and the hot spots, you may need to involve colleagues in completing the assessment.

STEP 2 (cont.)

The assessment, in the majority of cases, is structured according to levels of how extensively the company manages each issue. Level 1 signifies awareness, understanding of the issue expressed by the users organisation, level - 2 the planning and managing of the issues and level 3 - Demonstrating performance.

One of the most challenging aspects of the HIGG index brand module is that it requires to estimate and indicate the percentage of “products shipped” that have access to the specific programmes or infrastructures assessed by each environmental indicator.

Each module also asks if you are able to provide documentation to validate your answers if you were required to do so.

STEP 4: Review results and prioritize action

The HIGG index is meant to help companies identify sustainability management hot spots, as well as learn from best practice in addressing the social and environmental challenges in the apparel and footwear industry. Each individual indicator carries a weight that indicates the best industry practice to aspire to. The assessment will result into overall scores of your company’s social and environmental sustainability management, deconstructed by a broad issue category, as well as individual programmes or issues assessed. The summary tables will show the weights of each section in the overarching score and the points you scored. Reviewing the sections where you scored the least out of the available points should help you identify practices to implement in areas where your sustainability management is further from industry best practice.

How to

Implementation steps (cont.)

Illustration for Step 2:

The majority of the indicators in the HIGG Index are structured according to three levels. As the illustration below shows, for example in the case of production materials use by bands, the assessment will ask if the brand has a programme for tracking, measuring, and documenting environmental impacts of materials (level 1), whether the programme includes setting targets for impact reduction (level 2) and whether the programme has yielded performance improvements- whether the goals were achieved (level 3). The higher levels usually receive a higher amount of points in the overall score.

MAT-B-1 Materials Program			MORE INFO	%	Notes	
Back to Top						
MAT-B-1.1.1	Brand has a program to track, measure, and document the environmental impacts from the production and finishing of Materials (beyond RSL). This must include a portfolio of all major materials used to build products and an evaluation of their environmental impacts.	10,5	Yes	25%		2,6
MAT-B-1.1.2	Program includes the setting of targets and goals to reduce those environmental impacts associated with product materials.	10,5	Yes			0,0
MAT-B-1.1.3	The program has demonstrated evidence of reducing environmental impacts associated with product materials.	14	Yes			0,0
		Max: 35				
Materials Program Score:						2,6

Enter % to score

Enter % to score

Illustration for Step 4:

Each module will produce a score table for environmental, social and aggregate results. The results will indicate the scored points, total number of points and overall weights in the overall assessment per issue and level in a majority of issues. Analyse areas where you scored the least out of the available points.

Scores Updated Automatically as Questions Answered

Assigned To: **Scoring Summary** Reset Facility Module (macros must be enabled)

	Raw Scores			Points
	Actual	Possible	Weight	
ENVIRONMENTAL MANAGEMENT SYSTEM OR PROGRAM	90	/ 100	15,0%	14
FAC-1.1 Level 1	30	/ 30		
FAC-1.2 Level 2	30	/ 30		
FAC-1.3 Level 3	30	/ 40		

Suitability

Tool testing insights: HIGG Index for MNCs

HIGG Index Assessment for Multinational Corporations

The HIGG Index aims to help companies measure sustainability impacts across global value chains of apparel and footwear companies. The tool makes the task possible by decomposing the assessments into three different modules applicable to varying foci – facility, brand and product level. By providing a comprehensive, standardized assessment suitable to different value chain partners, as well as a platform for the sharing of results and assessments, the tool helps in creating a level of transparency in the global footwear and apparel supply chains.

Globally, apparel and footwear companies have been relocating to countries with cheaper labour costs, that in turn often have weaker environmental and labour regulations. This creates a challenge of value chain compliance control and transparency – the exact issue the HIGG index helps global footwear and textile companies tackle. It helps define what to assess and provides a framework for assessing and tracking of value chain partners' sustainability performance. However, the tool is not customizable to different geographical contexts and the questionnaires and weights are all the same, regardless of the company location.

The HIGG index make an attempt to accommodate vertically integrated companies with widespread business units by offering the brand specific module. The module allows to assess to what extent each of the practices covered in the assessment are implemented across the brand. However, it is a very demanding task to estimate this in a meaningful way for majority of companies.

Ease of use

The tool is very extensive and very detailed. Even the implementation of one module requires a significant effort in fact finding. However, the indicators and accompanying guidance are well developed and assist the user in understanding the structure of the tool and how to best approach each question. The tested excel based tool provides general guidance and technical guidance on each issue. Guidance is extensively tailored to the footwear/apparel sector and links to further resources.

The major difficulty, apart from the extensive list of questions, is determining the module to use and understanding its scope. Each module then is based on a well developed, straightforward questionnaire that automatically calculates scores and guides the user through the questions. Brand module is more demanding, as it requires to estimate and indicate the percentage at which policies have been implemented on the brand level by “percentage of products shipped”. There is little guidance how to do so, and is very difficult to implement in practice for each of the extensive list of indicators.

Learn more about the challenges footwear sector faces with regards to SDGs and best practice in how to manage them on the [GLOBAL VALUE footwear sector profile!](#)

Review

The HIGG Index approach to measuring and managing impact

Managing for global value

All the tools GLOBAL VALUE tested exhibit a different approach to managing a company's impact on sustainable development. Tested approaches include tools that assess a company's management system, monetize sustainability impacts or map impacts and build strategies for mitigating negative impacts and enhancing positive impacts.

In order to capture these differences, and what each of these approaches brings to a company wanting to measure and manage its impacts, each of the tools tested were evaluated against a set of criteria developed by the GLOBAL VALUE consortium. Find out more about the criteria we used [here](#). An online [Expert Crowd](#) of more than 260 experts from a variety of organisations and stakeholder groups globally has also been involved in developing the criteria to ensure that the most important concerns of science, businesses, civil society and policymakers are reflected.

This section will provide insights into the underlying assumptions of how HIGG Index evaluates the impact of a company using the tool, and the usefulness of the results that the HIGG Index provides for managing business impacts on sustainable development.

Learn more about how to use tools for managing your impact on the SDGs on the [GLOBAL VALUE toolkit](#) !

HIGG Index Assessment approach

Like many other questionnaire based tools, the HIGG index takes sustainability management and processes as a proxy for impact management. It is very highly tailored to the industry in terms of level of detail and weights given to each issue. Becoming a member of the SAC gives the opportunity for individual users to make their reports public and facilitate the creation of business relationships.

The HIGG Index assessment tool does not specifically measure direct 'impact', but rather assesses process, performance and management as it pertains to sustainability issues. To do this, the tool relies on qualitative data, quantitative data (except the brand module) and observation (especially with regards to social indicators). Quantitative data is collected from company internal policies and procedures, logs and meters. The tool often uses qualitative indicators on the policy, management and performance levels. However, this approach is used much more extensively for environmental aspects, but much less for social aspects. The indicators used by the tool cover key industry-specific social and environmental issues that a company could have a direct impact on. However, the assessment does not cover one key industry concern -corruption, which is often the underlying cause of health and safety issues, and environmental accidents in some developing countries.

HIGG Index Assessment output

HIGG Index results are clear and transparent, indicating exactly where the user scored points, the weights and number of total available points. The results can help an organization understand where sustainability management system weak points are compared to the best industry practice. However, the user benefits even more from actually implementing the questionnaire for the purpose of understanding the context of each of the issues addressed. The tool does not allow for tracking of progress throughout the years and does not provide extensive guidance on improvement actions based on scores.

Resources

Further resources

- Sustainable Apparel Coalition: <http://apparelcoalition.org/>
- HIGG Index: <http://apparelcoalition.org/the-higg-index/>
- Sustainable Development Goals (SDGs): <https://sustainabledevelopment.un.org>
- GLOBAL VALUE Project: www.global-value.eu
- GLOBAL VALUE Toolkit: www.global-value.eu/toolkit
- GLOBAL VALUE Tool Navigator: www.global-value.eu/navigator
- GLOBAL VALUE Expert Crowd: <http://www.global-value.eu/toolkit/expert-crowd/>
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Impressum & Disclaimer

GLOBAL VALUE is co-funded by the European Union Seventh Framework Programme under grant agreement no 613295. Sole responsibility for the project lies with the participating organisations. The European Commission is not responsible for the use that may be made of any material arising from this project.