Facility Environmental Module (FEM) 2.0

Tool/Program **Synopsis:**

What is the tool? FEM allows manufacturing facilities to measure their environmental performance, benchmark against peers, and identify areas to make meaningful improvements.

Who uses it? Facility sites for any company involved in the manufacturing of apparel, footwear, outdoor and home textile products.

What does it do? The FEM guides a facility site through a step-wise approach to environmental management:
- Level 1: Foundational practices and basic awareness (e.g., measurement, awareness and basic tracking).
- Level 2: Setting targets and making reductions (e.g., once impacts are understood, begin taking action to improve).
- Level 3: Aspirational practices & demonstrating sustained performance (e.g., consistent reductions for three or more years or advanced achievement of leading-edge practices).

Why should someone use it?

- Facilities can use FEM as a holistic framework to track environmental impacts, baseline their sustainability performance, and take action to reduce environmental impacts. $100,000 - $400,000 is the estimated amount an apparel mill could save every year by implementing just 5 of the energy conservation best practices included in the Higg Index Facility Module - Environment. *(Source: NRDC, NRDC's 10 Best Practices for Textile Mills to Save Money and Reduce Pollution Version 2.0)*

- Brands or retailers can replace their internal assessments with FEM in order to reduce redundancy and focus resources on partnering with factories to take action and drive improvements.

Impact areas it measures:

- Energy and GHG
- Water Use
- Wastewater
- Solid Waste
- Air Emissions
- Chemicals Management

Key Points

Enhancing the facility user experience is mission-critical for SAC members: Modernizing the higg.org platform is critical to improving scalability of FEM. It's imperative that we empathize with the true users of Higg and develop a scalable tool that is easy to use with minimal resources.

SAC members are eager for 3.0, but need a full FEM package: The FEM 3.0 roadmap is based on a needs analysis of members, the industry, and SAC as an organization. Members have been clear that while 3.0 is an important improvement on 2.0, FEM 3.0 is more than a questionnaire. FEM 3.0 must be released with an ecosystem of supporting materials such as valuable training, guidance, support, verification, performance improvement framework, and a modernized platform. The 2016-2017 development roadmap sets SAC members up for strong execution of a full FEM 3.0 package, massive scalability, and unprecedented performance improvement.

Using 2.0 for a third year enables powerful data insights: 2016 will be the third year of FEM 2.0 data, which will enable us to draw powerful insights from over 6,000 posted modules – an extraordinary wealth of information with significant opportunity for action.

SAC members have asked for a unified voice: The companies involved in FEM strongly encourage the SAC membership to move forward as a united front. SAC members joined to create the global trusted

Support:

higgsupport@outdoorindustry.org

Tool Access:

www.higg.org

More Information:

http://apparelcoalition.org/facility-tools/

harmonized industry standard for measuring and improving sustainability. SAC members are an untapped source of massive collective action potential – let's work together to finalize and scale the FEM toolset to transform this industry.

Current Work:

FEM 2.0 will be rereleased as FEM 3.0 with major enhancements including:

- **Applicability Tests:** FEM 3.0 asks qualifier questions to guide a factory toward questions relevant to their business.

- **Streamlined Format for small and medium size enterprises:** In FEM 3.0 a factory must complete Level 1 questions in order to unlock Level 2 and 3 questions. A beginner or small/medium size factory will start with just 20 questions before continuing on to more advanced practices.

- **Credible, Trusted Data:** FEM 3.0 will be released with a finalized verification program to ensure information is reliable for making business decisions and communicating sores publicly.

- **Performance Improvement:** FEM 3.0 will incorporate scored questions for action planning and sustained impact reductions over time. Members are also developing a performance improvement framework to support implementation.

- **Equivalencies:** FEM 3.0 will contain equivalencies so a facility site can answer fewer Higg questions if a credible certification is in place. FEM 3.0 will also be aligning with The Sustainability Consortium (TSC) to allow companies responding to TSC KPIs to use FEM 3.0 for data collection.

- **Meaningful Results:** FEM 3.0 will be released with improved analytics to show better benchmarking amongst peer groups and provide data exports for business systems integration.

- **Modernized Technology:** FEM 3.0 will be released with an overhauled user experience in a modernized technology platform.

- **Streamlined Implementation:** FEM 3.0 will be released with streamlined training, guidance, language translations and support to enable FEM implementation in companies with minimal resources.

Timeline:

2016: Continue scaling FEM 2.0 for third year of data on current platform. Launch third 2.0 rollout cycle in late 2016. Test specific parts of 3.0 package that have not yet been pilot-tested with distinct and diverse stakeholder group. FEM 2.0 will be released with the following improvements:
- Streamlined registration and dashboard
- Enhanced exports for usable analytics
- Data insights report
- Revamped training, support, and guidance

2017: Release FEM 3.0 package on modernized platform in late 2017.

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