Higg Brand/Retail Module (BRM) Verification
Getting Started Guide

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Acknowledgments

1 INTRODUCTION TO THE BRM VERIFICATION

BRM verification ensures brand and retailer data captured on the Higg platform can be trusted by external stakeholders. The process is generally similar to other sustainability report assurance/verification processes and is based on standard assurance frameworks such as AA1000[1], ISEA3000[2] (see Section 7).

The below information is meant to provide a general overview of what will be needed to get started with the BRM verification process.

2 GENERAL TIMELINE

The process flow of the BRM verification is defined below. The status noted in red align with status indicators in the Higg.org platform.
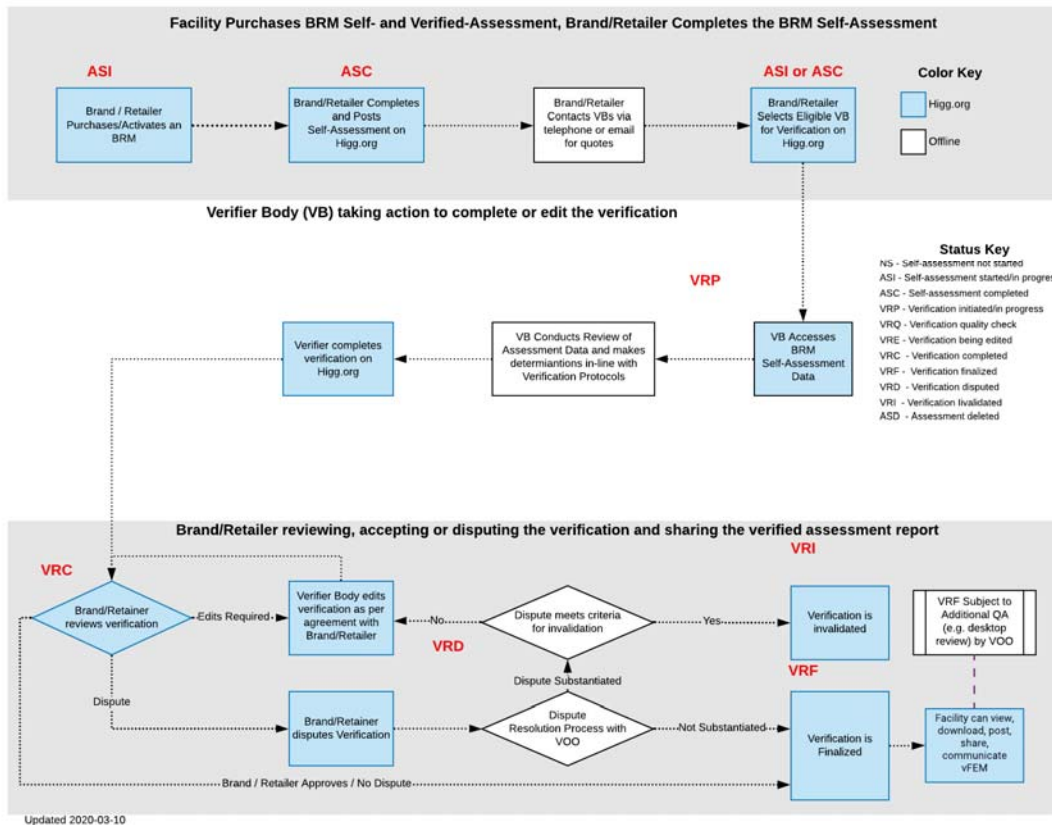
A brand or a retailer who plans to or has completed a BRM self-assessment can select an approved Verifier Body (VB). Although each VB may conduct a verification differently, all verifications are expected to follow a basic timeline as follows:

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[1] https://www.accountability.org/standards/aa1000-assurance-standard
[2] http://www.ifac.org/system/files/publications/files/ISAE%203000%20Revised%20-%20for%20IAASB.pdf

Step 1 – Brand/Retailer Provides Pre-Information (Estimated 1 week)

Generally, in order to quote and plan resources, a Brand/Retailer will need to provide basic information to the VB on the scope of the BRM self-assessment.   This will allow them to estimate resource requirements and generate a quote for services.

Step 2 – Brand/Retailer Engages with VB and Assigns on Higg.org

Once a preliminary agreement is reached with a VB, they can be assigned on Higg.org and can access the detailed self-assessment.

Step 3 – VB Reviews Self-Assessment to Revise or Update Scope (Estimate 1 week)

The VB should generally review the scope of the BRM assessment in order to revise or update the scope of work as needed. The VB may request a short list of documentation or description of available documentation to help determine if any scope changes are needed. The Brand/Retailer can choose to change to another VB if final agreement can't be reached.

Step 4 – VB Develops a Verification Plan and Initial Interview Schedule (Estimate 2 to 4 weeks)

The VB will review available BRM data and documentation. The VB will determine the makeup of the Verification Team including any subject matter experts. The VB may also generate an initial interview list/schedule of persons that they will need to interview as part of the Verification.

Step 5 – VB Verifies the Data Provided in the Assessment and Makes Final Accuracy Determinations (Estimate 4 to 8 weeks)

The VB will request and review documentation, re-calculate data, and interview relevant personnel in order to make a determination on each self-assessment claim. The time needed will vary based on the availability of documents and personnel for interviews, as well as the complexity of the BRM organization.   The VB will conduct any final internal reviews and mark the verification completed.

Step 5 – Brand/Retailer Reviews the Information and Negotiates any Necessary Changes (Estimate 2 weeks)

The Brand/Retailer will have the opportunity to review the accuracy findings of the VBs. Edits may be made by the VB as necessary.   If an agreement cannot be reached the Brand/Retailer can enter a Dispute which will be arbitrated by the VPM/Cascale.

3   RESOURCES REQUIRED

The Verification protocol provides a guide for resources required by the VB based on the revenues of the Brand/Retailer being Verified. This is found in the chart below:

Annual Revenue Range	Person Hours	
	Lower Estimate	Upper Estimate
Less than US$100 Million	30	50
US$100 million to US$1 billion	50	100
US$1 billion to US$10 billion	100	150
Greater than US$10 billion	150	225

However, from a Brand/Retailer perspective, it's also important to understand what internal resources will be required to support the Verification.   It is anticipated that the person hours expended by the Brand/Retailer to support the Verification will be 50-100% of the hours anticipated for the VB. For example, if the VB has estimated 100 person hours, you can anticipate needing 50 to 100 person hours combined from your team to support the verification process.

Note that preparation and travel time (in case of onsite verification) is not included in the above range of person hours. This resource guide is provided as a guidance and Cascale is open to get feedback to refine this further.

Although not explicitly required, it is recommended that you nominate a 'Verification Manager' who will be the primary point of contact for the VB and will help to assist in all the coordination activities including but not limited to:

- Providing contact information of responsible persons and organizing interviews if needed.
- Regular calls with the Verifier Body to discuss documentation and other needs.
- Ensure the team is meeting deadlines for providing information to the Verifier Body as requested.

4   DOCUMENTS TO PREPARE

It is often asked, 'what type of documents do we need to prepare for the verification?'. Verifications may differ in the exact documents needed; however, the following list is what is anticipated to be minimally needed and should be made available to the VB at the outset of the Verification process:

- Organizational chart that includes those responsibility for sustainability implementation and reporting. If possible, you can also create a list of responsible persons for each section or question in the BRM. This will assist the VB to quickly find the proper person to speak to about the information.
- An overview of the company's sustainability strategy.

- An overview of internal sustainability policies (e.g. Code of Conduct, sustainable sourcing policies).
- A copy of all human rights policies and processes (both internal employees and value chain)
- Your environmental policy and targets for your operations
- Human rights/environmental requirements for value chain partners (e.g., brands for retailers, suppliers and factories for brands, logistics and transportation providers).
- Summary showing or explaining how these policies/requirements are being communicated.
- List of all materials used in products (applicable for brands), % of materials that have environmental/social attributes.
- A summary of the risk assessment process/procedure.
- Access to your operation and supply chain mapping procedures and results.

An extended list of documents is provided in Appendix A. These documents may also be requested by the VB in preparation for or during the verification process.

When completing your BRM self-assessment, it will make the verification process smoother if you are sure to notate the parts of your documentation that apply for the data point. In other words, describe the specific chapter, page, section, etc. of any provided documentation in the assessment details.

Please note that documents associated with verification are *separate* from the document uploads on the BRM assessment. Any information and documentation uploaded onto the BRM assessment will be automatically included with any future module shares.

5 DIFFERENCES WITH OTHER SUSTAINABILITY ASSURANCE PROGRAMS

Generally, verification (or assurance) of sustainability reporting data using standard assurance frameworks (e.g. AA1000) results in an 'assurance statement'. This report summarizes how the verification was performed (e.g. scope, level, criteria, activities, etc.) and provides an overarching conclusion whether the information is fairly presented, free of material misstatements and reported in accordance with reporting criteria. The level of detail in these reports can vary.

The BRM, in following with other Higg products, requires verification of individual data points. A Verifier Body will determine the accuracy of the initial Brand/Retailer responses and if deemed materially inaccurate, will provide a corrected response.   Verification Data is provided for each verified data point that is marked inaccurate and this combined data essentially provides an 'assurance statement' for each data point. This provides more granularity and precision in the BRM results.

However, it should be noted that it is expected that when conducting a BRM verification, the VB will take into account other sustainability reports that the Brand/Retailer has already had

assured to a comparable level.   The verified BRM is then complementary to other sustainability reporting that you may have already independently verified.

6 HOW TO GET HELP

6.1 SUPPORT DESK INFORMATION

If you need support you are recommended to reach out to the Verification Program Manager (VPM) to get additional guidance. The support email is:

CascaleBRM@sumerra.com

6.2 RESOURCE DOCUMENTS

BRMGHTH2020041.0 - How to Higg (Guidance)

BRMPVP2024061.2- Verification Protocol

7 DOCUMENT CHANGE LOG

Date	Section	Summary of Changes
April 8, 2021		Original Document
June 25, 2024		Update to Cascale branding/name

8 APPENDICES

8.1 Appendix A: Expanded Document List

- CSR/Sustainability report/ Annual reviews/financial reports/ validated by 3rd Party.
- Company sales/distribution record
- A list of your proprietary operations; offices, retail stores (if any) and distribution centers, supply chain partners (tier 1 and 2)
- Human Resources Record for employees count and type.
- Employee Code of Conduct, Employee Handbook, Internal Code of Ethics and Business Conduct.
  - Any policy or documents related to sustainability matters.
- Employee policy documents: including retirement, career development, health benefit programs.
- Company Organizational Chart
- Copy of risk analysis, assessment or report.
- Company social/human rights/environment policy and/or standards and commitment from the leadership
- Company Energy and Water management document: usage/sources/system
- Records of sources for calculating scope 1, 2 and/or 3 GHG emissions.
- Description of training activities
- Partnership and stakeholder engagement programs
- A documented inventory of the types and volumes of materials used in your products Trim Inventory.
- Company's material sustainability strategy which includes environmental and social/human rights goals and targets linked to impacts.
- Material impact assessment/LCA
- A documented inventory of the environmentally preferred materials used in the previous calendar year.
- Document of quality assurance program
- Documentation of ASTM testing results on materials from a validated testing laboratory (i.e., tear strength, abrasion resistance, etc.) and relevant field trial experiments
- Proof of durability considerations in materials selection

- Supply Chain
  - A brief process document to map, verify and calculate percentage in each supply chain segment, production volume by tier.
  - Supplier onboarding program, business contracts, supplier code of conduct.
  - Supply chain environmental and social-human rights programs, KPIs and implementation reports (commitment, compliance, escalation, remediation and improvement actions)
  - A brief report or process document capturing the supply chain consultation processes
    Supplier Scorecard (Sustainability and business) and evidence of its integration to sourcing decision.

- Capacity building programs, supporting tools/resources (finance, technical) available to suppliers for social and env. Performance improvement.
- Stakeholder engagement programs to address supply chain social and env. performance in the sourcing region and in your community context.
- Records demonstrating that any type of supplier monitoring or audit activities.
- Records of training and/or communication to educate buyers about responsible purchasing practices.
- Policies and processes in place to reimburse and pay suppliers in a timely manner.

- Chemical Supply Chain
  - Chemicals management program documents and how it communicated to tier suppliers.
  - Documentation of a company monitoring the required regulations on their own, Chemical inventory and SDS of the suppliers engaged within the chemical's management program.
  - A copy of the current RSL and compliance evidence and percentage of suppliers who are covered by RSL.
  - Adoption of MRSL documents and its implementation
  - Alternative chemical assessment and stakeholder engagement program on this topic

- Packaging
  - Documented inventory of the primary packaging materials (consumer and transport)
  - Documents indicating how your company has tracked and determined the sustainable packaging certifications and/or attributes.
  - Packaging RSL program document and compliance records.
  - Customer communication on the use of preferred packaging materials

- Use and End of Use
  - Product LCA assessment or related tools/analysis to identify env. Impact associated with product end of use.
  - Evidence of products with end-of-use attributes or third-party certifications
  - Program, strategy, goals and targets to address sustainability on product end of use.
  - Solutions to deal responsibly with faulty, damaged products and unsold inventory Activities the company is taking to increase the product's longevity and made publicly available.
  - Product use guide that addresses end of use.
  - Product replacement, repair and/or take-back program.
  - Proof of Recycling facilities available to where recyclable products are sold.
  - External stakeholder engagement program on Product Use and End of Use

- Stores

- o Environmental and social program and implementation associated with your company's stores operations.
- o Implementation of resource efficiency practices or program across your store's operations
Documentation on the multi-attribute, third party certification that your retail stores carry.
- o Training documents /records of internal social and labour standards at owned and operated retail stores.
- o A copy of the procurement or business contract for building contractors and/or store vendors that include social/human rights compliance terms.

- Operations & Logistics Offices
  - o Office operations environmental sustainability program documents and program implementation result (efficiency improvement on energy, water use etc.)
  - o Documentation related to the multi-attribute, third party certification that your corporate offices carry.
  - o Key environmental impacts, policies and programs associated with corporate offices.
  - o Action plan to improve the environmental performance and social human rights performance of office operations.
  - o Training documents and records of internal social/human rights at the owned and operated corporate offices.

- Transportation & Distribution Centers
  - o Sustainability information/report of 3rd party logistics & distribution center providers/carriers
  - o Documentation capturing current inbound and outbound transportation flows
Internal/external materials on establishing clear Sustainability expectation for transportation teams/responsible staff.
  - o Internal or external materials that could demonstrate that you or your transportation partner(s) have reduced GHG emissions associated with the inbound and outbound shipments.
  - o Integrated scorecard (business and sustainability criteria) for transportation venders.
Evidence on transportation vendor selections have taken into consideration of both business and sustainability criteria.
  - o Evidence of the use of Low carbon fuel and how its calculated
  - o Evidence of third-party verification or certification (e.g., ISCC, LCFS and RSB)
  - o Copy of, or link to, publicly available report describing the company's product transportation impacts and GHG emissions.
  - o Available shipping options to incentivize customer to choose the shipping method with the lowest environmental impact.
  - o Partnership programs to jointly address system challenges to improve environmental conditions of its fleets.

- Internal training records/documents on social and labor conducted at transportation operations and distribution centers.
- Social and labor program that covers transportation operations & distribution centers including contracted employment and labor agencies.
- Evidence of the multi-attribute, third party certification for distribution centers Environmental program associated with the distribution center operations.
- Evidence of energy and water reduction implementation and results (data record, 3rd party report, etc.) at distribution centers