



SAC

**LEADING THE EVOLUTION
FOR IMPACT IN THE GLOBAL TEXTILE,
APPAREL & FOOTWEAR INDUSTRY**



INTRODUCTION

Welcome to the Sustainable Apparel Coalition (SAC), a global multi-stakeholder alliance that unites over 280 retailers, brands, manufacturers, governments, academics, and nonprofit affiliates across 36 countries. We represent half of the global textile, apparel and footwear industry, united by a singular vision: to create a consumer goods industry that gives more than it takes—both to the planet and its people.

OUR ORIGIN

A Meeting of Minds

In 2009, Walmart and Patagonia recognized a pressing challenge—the apparel industry's fragmented and inconsistent approach to sustainability reporting. Spearheaded by Rick Ridgeway, a mountaineer and key figure at Patagonia, along with Mary Fox, then SVP of Global Sourcing at Walmart, the two entities collaborated to create a groundbreaking initiative. By convening industry stakeholders on a pre-competitive basis, they laid the foundation for the Sustainable Apparel Coalition (SAC) in 2010. From its inception, the SAC was built on the conviction that the apparel sector needed to evolve urgently or risk becoming both ethically and economically unsustainable. At a critical juncture for the industry, the formation of the SAC emerged as a revolutionary step.



2009

Walmart and Patagonia invite CEOs of leading global companies to come together to **develop an index to measure the environmental impact of their products.**

2010

Companies from across the apparel industry come together to begin collaborative work on a standardized approach to sustainability measurement, which would become the **Higg Index.**

2011

The **SAC** is incorporated as a 501(c)6 nonprofit organization.

30 member organizations join within the first year.

2012

Nike donates the Nike Materials Sustainability Index to the SAC, which becomes the **Higg Materials Sustainability Index**, one of the core tools in the Higg Index.

2013

The SAC releases the first version of the **Higg Facility Environmental Module** to inform manufacturers, brands, and retailers about the environmental performance of individual facilities.

The SAC releases the first **Higg Brand Module** and shortly after, a separate Retail Module as a spreadsheet, both designed to measure the social and environmental performance of companies.

2015

The SAC begins **convening stakeholders** from across the industry to align around one common tool for social audits. A public statement, supported by 33 leading organizations, marks the start of the **Social & Labor Convergence Program (SLCP).**

2016

The SAC continues to grow, representing apparel, footwear, and textile industry members with combined annual apparel and footwear revenues exceeding **\$500 billion.**

The SAC releases an updated **Higg Materials Sustainability Index (MSI)**, which measures the environmental impacts of material production using life cycle assessment data, and the **Higg Design and Development Module (DDM)**, which empowers designers and product developers to make informed sustainable choices as part of their design process.

2017

More than **10,000 customers** around the world use the Higg Index.

The **Apparel Impact Institute (Aii)** is spun out of the SAC in partnership with the Sustainable Trade Initiative, Gap Inc., PVH, Arvind, and Target Corporation to accelerate impact.

2019

The SAC incorporates the **SLCP Converged Assessment Framework** as the foundation of the Higg Facility Social & Labor Module to improve global working conditions.

In collaboration with Global Fashion Agenda and the Federation of the European Sporting Goods Industry, SAC launches the **Policy Hub—Circularity for Apparel & Footwear.**

Publishes research on consumer attitudes toward sustainable apparel and the role of **transparency** in influencing purchases.

2020

The SAC and Higg release an updated version of the **Higg Brand & Retail Module.**

The SAC and Higg release an updated version of the **Higg Materials Sustainability Index.**

The SAC and Higg launch the first edition of the **Higg Product Module**, a new tool that measures the environmental impacts of finished products. This replaced the qualitative assessment of the Higg DDM with a tool that delivers quantitative impact results.

A new scored version of the **Higg Facility Social & Labor Module** to standardize facility auditing and reduce audit fatigue is launched.

Introduces **virtual verification** methods for Higg FEM due to the COVID-19 pandemic.

2021

Intention to update Higg FEM announced. **Higg FEM 4.0**, to be released in November 2023, will be more than just an incremental change; it will represent SAC's unwavering commitment to responsive, industry-driven solutions that evolve along with the sector's needs.

SAC releases a comprehensive climate action plan aimed at significantly reducing the industry's carbon footprint and publishes its 10-year review.

2022

New Decarbonization Program: Launches new program dedicated to training and educating members on how to set and implement science-based targets.

Pauses Consumer-Labeling Pilot: Due to challenges from certain consumer bodies, the consumer-facing pilot, part of its Transparency Program, is paused.

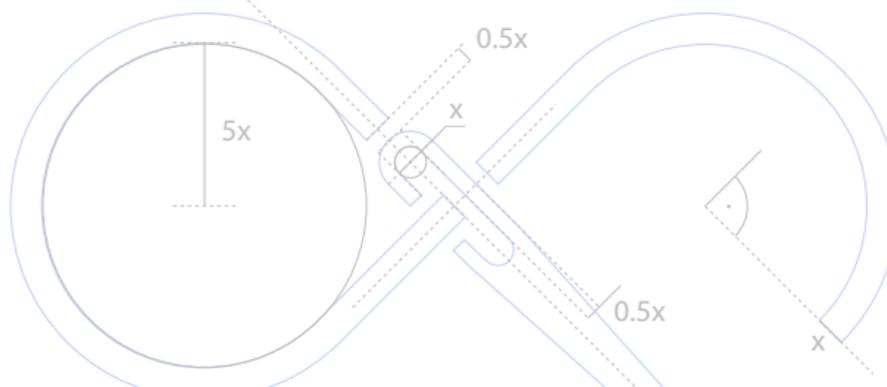
More than **21,000 organizations** around the world are now **using the Higg Index**, and its global reach and variety ensure that the SAC can now catalyze change from within the industry.

2023

Decarbonization Guide is Published: New guide for members to better understand decarbonization journey, including step-by-step instructions for setting and implementing science-based targets.

Brand & Retail Module Upgraded: SAC releases latest version of the Higg Brand & Retail Module to support companies to drive positive impact at scale.

Strategic Plan Revision: SAC sharpens focus on climate change, decent work for all, and nature positive in updated strategy.



OUR STRATEGY

Evolution for Impact

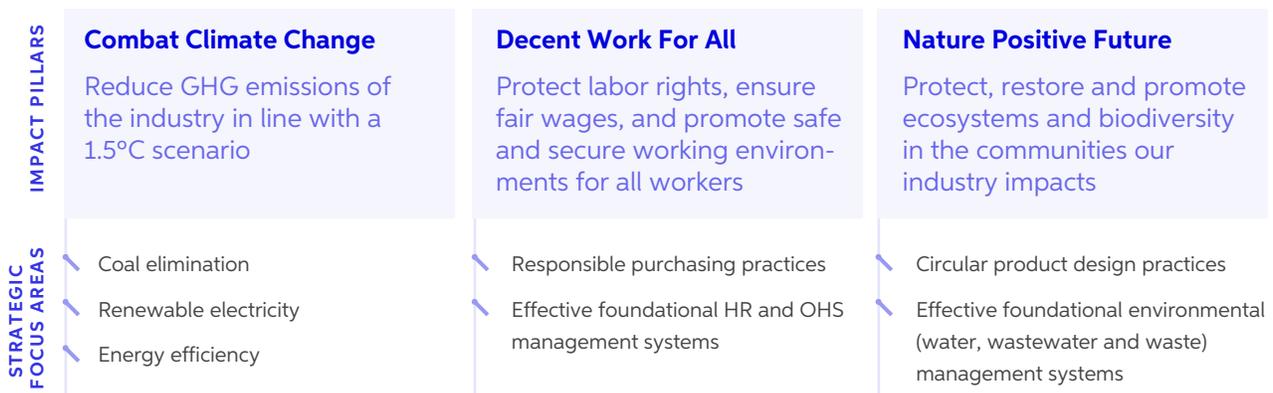
WHY EVOLUTION?

Thirteen years after our inception, we find ourselves at another critical juncture—a tipping point, not just for the industry but for the planet. With escalating challenges such as environmental decay, social inequalities, and economic uncertainty, the traditional business models within our industry, and others, are exacerbating the problems rather than mitigating them. Much like at our founding, now is the time for the industry, and for us, to evolve and transform, sharpening our focus on becoming catalysts for far-reaching, positive impact. To stand by and accept the status quo would be to risk the very mission of our organization and the positive future we believe is possible.

THE GENESIS OF 'EVOLUTION FOR IMPACT'

In 2020, we developed a new strategic plan that reflected our journey as an organization and the need to be more agile in a rapidly evolving global context. Then, in 2022, as part of our strategic roadmap, we carried out a comprehensive midpoint assessment, and the message from our stakeholders was clear: We need to sharpen our focus on what matters most, delivering on scaled positive impact as we seek to transform our industry. This led us to refine our mandate in 2023 to "Evolution for Impact"—a focal theme that now drives our strategies, initiatives, and partnerships, building on the strong base we have created over the last decade.

THE STRATEGIC PLAN UPDATE aims to bring focus by dedicating efforts to do fewer things better, centering on prioritized and specific focus areas within three key strategic pillars.



Supporting industry work on non-strategic focus areas through partnerships and continued monitoring

WHAT DOES 'EVOLUTION FOR IMPACT' MEAN?

"Evolution for Impact" is our north star for transformation. It directs us to three foundational pillars:

Combat Climate Change: Acknowledging the alarm bells—the textile industry alone accounts for up to 10% of global carbon emissions—we are committed to a minimum 45% reduction of GHG emissions by 2030.

Decent Work for All: We are motivated by the conviction that every worker deserves respect and safe working conditions. Our mandate ensures that people, and planet, are at the center of our work.

Nature Positive Future: We aim to move beyond reducing negative impacts to contributing positively to biodiversity, natural ecosystems, and the communities in which we operate.

These pillars are not isolated; they are interwoven strands of a complex tapestry that form our unified strategy for industry transformation.

OPERATIONALIZING EVOLUTION

Operationalizing this theme means reimagining our toolbox. The Higg Index will continue to be a cornerstone, but now as part of a broader arsenal that includes partnerships, policy advocacy, and transparency.

As part of our foundational pillars, we'll be honing in on key areas where we believe we can deliver maximum impact. For example, we have launched the Decarbonization Program and started requiring all SAC corporate members to set Science-Based Targets for GHG reduction. These are already active components in our ongoing journey towards making a greater impact through our sharpened focus.

More programs will be announced in the coming months, focused on topics such as circular product design, foundational health and safety, and responsible purchasing practices.





PARTNERSHIP IS EVOLUTION

We recognize that evolution is a collective endeavor. This shift towards impact demands teamwork. Working with various industry stakeholders, from policymakers to value chain partners, our focus is to break down silos and collaborate on collective solutions. Our partnerships are designed to spark innovation, where diverse perspectives are not only welcomed but are deemed essential for problem-solving. They are also designed to drive greater efficiency and remove duplication, ensuring we each remain focused on our own areas of strength and accelerate our collective efforts.

Partnership is the new leadership. The challenges we face are monumental, and we can't afford to operate in silos. Whether it's working with Aii, Reset Carbon, and GIZ on decarbonization, or our collaborations with The Industry We Want, SLCP, and the OECD on social progress—our alliances propel us toward a brighter, more sustainable future.

YOUR ROLE IN OUR EVOLUTION

We all share a part in this. Your ideas, your feedback, your engagement, and your efforts will define the pace and scale of our collective evolution. We are not just ticking boxes; we're laying down the framework for how industries should evolve, for the sake of our planet and its people. This is not just SAC's journey; it's a journey that requires all of us to embark on together.

OUR TOOLS **The Higg Index**

To drive accountability and action, we offer the Higg Index—a suite of tools that help stakeholders manage and improve supply chain sustainability. With the latest improvements developed through hundreds of hours of dialogue, engagement, development, and testing, the Higg Index is more than just an SAC initiative; it's proof that deep collaboration is not only possible, it's essential.

For example, following a rigorous evaluation of the Higg FEM methodology and industry feedback, the Higg FEM 4.0 is being relaunched as the industry's most relevant and detailed environmental assessment for manufacturers and brands to gather actionable, thorough data to improve impact and support in their compliance efforts, as well as reduce audit duplications.

By leveraging these tools—exclusively licensed to our technology partner, Worldly—you can benefit from unique industry insights that help you make data-driven decisions, streamlining your path to sustainability and business resilience.

BUILDING TRUST

Our Unique Value Proposition

A TRUSTED SPACE FOR CANDID DIALOGUE

The SAC is more than just another industry body; we are a coalition of diverse interests. We seek to create a trusted space for candid dialogue, where disagreements and challenges are not roadblocks but catalysts for transformative action. Trust is hard to earn and easy to lose, but it's through this trust that we effect meaningful change.

A GLOBAL COMMUNITY FOR CO-CREATED SOLUTIONS

Join an expansive network that spans 36 countries, uniting retailers, manufacturers, policymakers, and NGOs. We are the meeting point for the industry to collaboratively address urgent social and environmental challenges, co-creating solutions that can be scaled across an industry where every voice is heard.

SHARED LEARNING FOR EXPONENTIAL IMPACT

Within SAC, you gain an unparalleled opportunity to share and learn best practices from thought leaders and experts. We don't just improve individual companies; we catalyze industry-wide transformation, turning sustainability from a choice into an imperative.

GLOBAL FOCUS

TOWARDS POLICY AND COMPLIANCE

As leaders in global fashion and textiles, our efforts extend to advocating for policies that lead to real change. Working closely with organizations like the Global Fashion Agenda and the Federation of European Sporting Goods, we co-founded the Policy Hub to propose ambitious sustainability policies for the textiles industry, particularly in Europe.

YOUR ROLE

ACTIVE ENGAGEMENT

Remember, sustainability is not a spectator sport. Your participation is not just appreciated; it's crucial. Together, we are setting a precedent for how industries should evolve for the betterment of our planet and its people.

JOIN US

We invite you to join us on this transformative journey. Let's turn our dialogues into meaningful actions. Thank you for being part of this movement as we leap from aspiration to impactful realization.

FOLLOW OUR STORY ON



apparelcoalition.org

ABOUT THE SAC

The Sustainable Apparel Coalition (SAC) is an independent and impact-creating organization that aims to lead the industry toward a shared vision of sustainability based upon a joint approach for measuring, evaluating, and improving performance.

As a non-profit organization, it has members from across the apparel, footwear and textile sector, but exists independently outside any one company so that it can drive progress. The SAC's collective action efforts bring more than 280 global brands, retailers, manufacturers, NGOs, academics and industry associations together. They represent about half of the apparel and footwear industry along the whole supply chain – from sustainability pioneers to organizations just getting started.

Before the SAC existed, companies worked in a siloed way, using their own programs and measurements that lacked standardization and an ability to drive collective action. In 2009, Walmart and Patagonia identified this as a serious problem. Joining forces, they brought together peers, competitors, and relevant stakeholders from across the sector to, on a pre-competitive basis, develop a universal approach to measuring sustainability performance and founded the Sustainable Apparel Coalition.