

Annual Report

2023

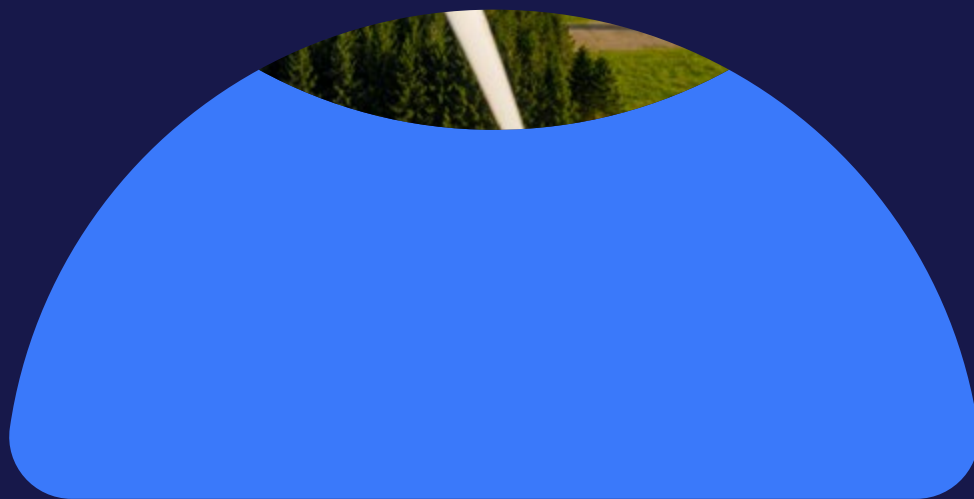




Table of Contents

- 3** Introducing Cascale
- 10** The Higg Index
- 14** Evolving Transparency
- 15** Navigating Policy & Public Affairs
- 17** Events & Forums for Discussion
- 19** Impact Pillars
 - 20 Combating Climate Change
 - 25 Fostering Decent Work for All
 - 26 Building a Nature-positive Future
- 27** Partner-led Collective Action
- 29** Final Remarks



A Message from Our CEO

Dear Cascale community,

Today's industry stakeholders face pressing sustainability demands including policy alignment, compliance, decarbonization, human rights protection, and biodiversity. At a time like this, it's hard to acknowledge progress when there is so much uncertainty and so much yet to be done.

However, I think it's necessary to acknowledge our collective strides before heading onto what's next.

Cascale has evolved from fostering collaboration and alignment on the Higg Index suite of tools, to tool adoption and strategic partnerships, and finally to charting new avenues for scaling impact. In 2023, we refined our strategic plan and this past year has been the implementation

of that plan, which focuses on combating climate change, fostering decent work for all, and building a nature-positive future. This is our true north. In 2023, we took our collaborative efforts to new heights, signing strategic partnerships with the Apparel Impact Institute and Fair Wear and continuing our work with The Industry We Want among many others.

As you may know, in February 2024, our organization went through a major rebranding process! All of these changes are an ongoing invitation to assess our unique value proposition to not just apparel, footwear, and textile companies – but to the wider consumer goods industry. To reach our scaled ambitions, our membership now thoughtfully encompasses adjacent product categories. In this journey, we've acknowledged the milestones, progress,

collective successes, and challenges in the years ahead. If anything, 2023 shaped the foundation for an even more impactful future that prioritizes our "Evolution for Impact" strategy.

The opportunity at hand is to dissolve barriers, speak with our fellow stakeholders across the value chain, take calculated risks, and furthermore – take responsibility and hold each other accountable. I believe we can learn at any point in our careers, especially outside our perspectives, so let's lean in and listen.

I am pleased to embark on this new era of impact and share more insights from this year's annual report.

Cheers,
Colin



Letter from the Board Chair

To our community,

What an eventful year! There were so many transformative strides our staff, Board, members, partners, and other external stakeholders took in 2023. We couldn't be more proud of this progress, and the collective milestones and leadership feats achieved. While it hasn't always been easy, and we know there is more work to be done, our path is filled with purpose.

For one, the organization announced a CEO transition in November. We are grateful to our former CEO Amina Razvi, who was instrumental in sharing her

guiding vision and helping to set an industry-wide precedent for partnership, inclusivity, and collaboration. Our programs, including the Decarbonization Program and Manufacturer Climate Action Program (MCAP), gained momentum last year. We launched major updates to the Higg BRM and Higg FEM, both of which were the culmination of months of feedback from hundreds of members and stakeholders.

We reached many milestones in 2023. Now, over 24,000 users rely on data insights through the Higg Index suite of tools. This past year, we convened hundreds of executives in

Boston, Bangalore, Shenzhen, Dhaka, London, Hong Kong, and Barcelona. By creating a community space for constructive dialogue, co-created solutions, and shared learning opportunities, we are increasing alignment across the value chain.

Our organization readily embraces this new era of impact. On behalf of the Board, we sincerely thank you for your efforts and encourage you to read through the Annual Report 2023 with curiosity in mind.

Thoughtfully,
Tamar

Our Origins

NEW NAME



Beginning in 2021, we’ve been reflecting on who we are and where we are going. In essence, Cascale translates to collective action at scale. The “Cas” in Cascale is also “SAC” reversed, reflecting our origins. Together, the elements of our logo and brand identity represent our three member categories and our external partners, who all play a critical role in our shared success. This rebranding process was years in the making and is made possible by our stakeholders who offered sincere support and feedback.

NEW LOOK



As part of the rebrand, we launched our new website which was powered by member feedback. Through a series of user-testing sessions, we sourced input from a diverse array of Cascale members, including manufacturers, brands and retailers, service providers, and key affiliates. The feedback we collected was carefully processed and incorporated into the designs, meant for a modern and user-friendly experience while enhancing ease of information access. Thank you very much to everyone who provided their time and input in the user research sessions.

SAME VISION



Even in times of change, we aspire **to deliver a global consumer goods industry that gives more than it takes — to the planet and its people.**

MISSION



To catalyze collective action toward an equitable and restorative consumer goods industry, by aligning our global community around shared goals, developing and executing joint solutions, and leading the acceleration of impact at scale with our strategic partners.

PURPOSE



We are deeply committed to creating a more sustainable and just world for all. We believe that together, we can solve the industry’s most urgent and systemic challenges.

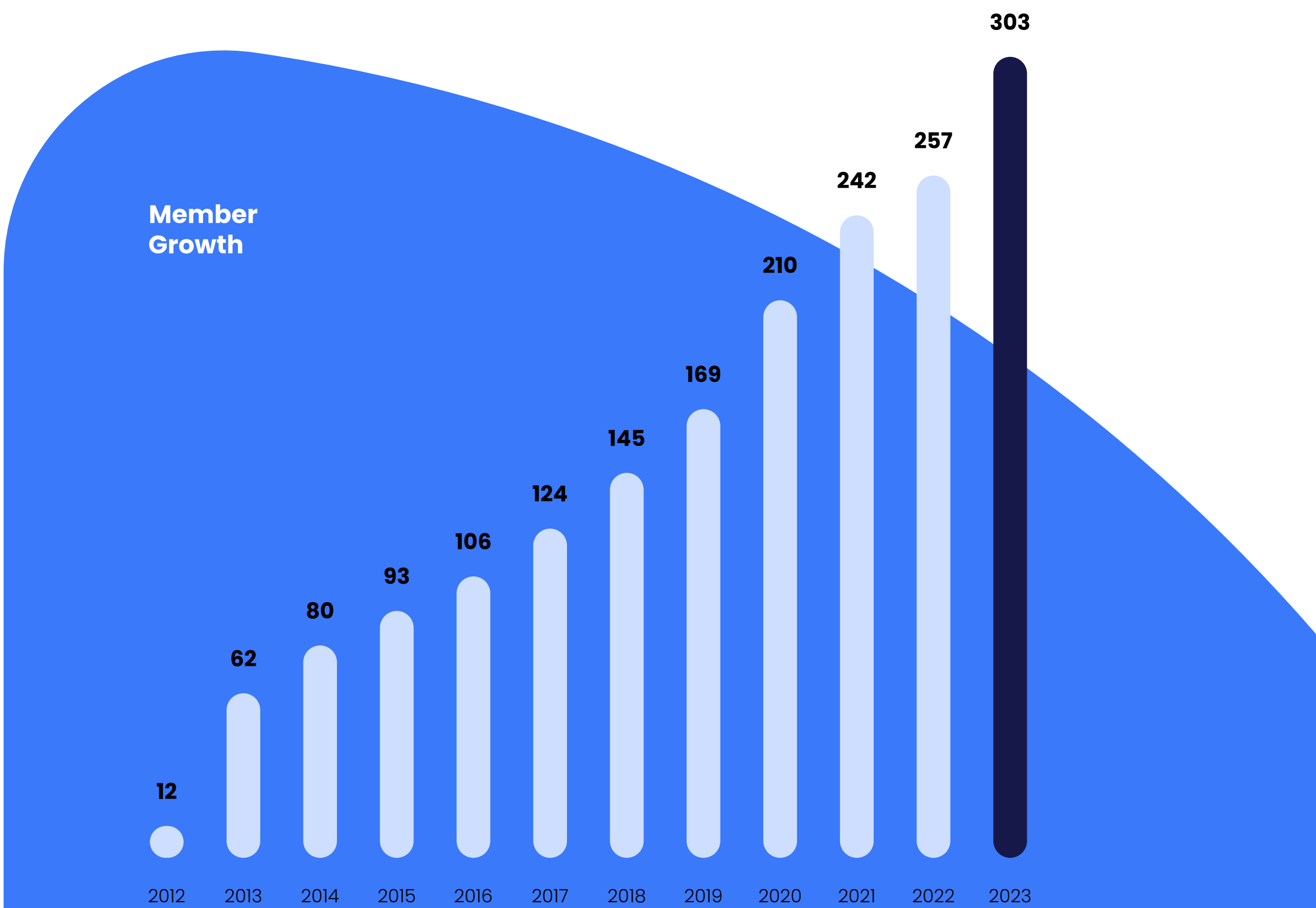
Our Membership

Cascale, formerly known as the Sustainable Apparel Coalition, is the global nonprofit alliance catalyzing collective action toward equitable and restorative business practices in the consumer goods industry. Today, spanning over **300 retailers, brands, manufacturers, academics, industry associations, and nonprofits** across **34 countries**, we are united by a singular vision to give back more than we take from people and the planet. Cascale’s corporate membership includes apparel, textiles, footwear, home furnishings, sporting and outdoor goods, and bags and luggage companies.

Founded in 2009, we aimed to bring together apparel, textile, and footwear industry stakeholders across the industry on a pre-competitive basis and develop a common

approach to measuring sustainability performance. Spearheaded by Patagonia and Walmart, the Higg Index was developed to drive accountability and action, with tools spanning product, facility, and brand and retailer needs. All the tools in the suite – the Higg Facility Environmental Module (FEM), Higg Facility Social & Labor Module (FSLM), Higg Brand & Retail Module (BRM), Higg Materials Sustainability Index (MSI), and Higg Product Module (PM) – are designed to enhance standardized sustainability pathways for the consumer goods industry.

As a global convener, Cascale brings together its members and stakeholders to combat climate change, ensure decent work for all, and contribute to a nature-positive future.



Note: Member growth adjusted per deactivated accounts and those newly joined.

Our Staff

We benefit from being a truly [global workforce](#) that embraces collaboration and diversity. Our approach is informed by a diverse team spread across nine countries. Our global team has grown three-fold since 2019, bolstering our capacity, expertise, and global presence. We are passionate about driving change and fostering a positive and inclusive organizational culture – including remote workplaces, flexible schedules, and room for our employees’ passion projects. ([We’re hiring!](#))



Our Board

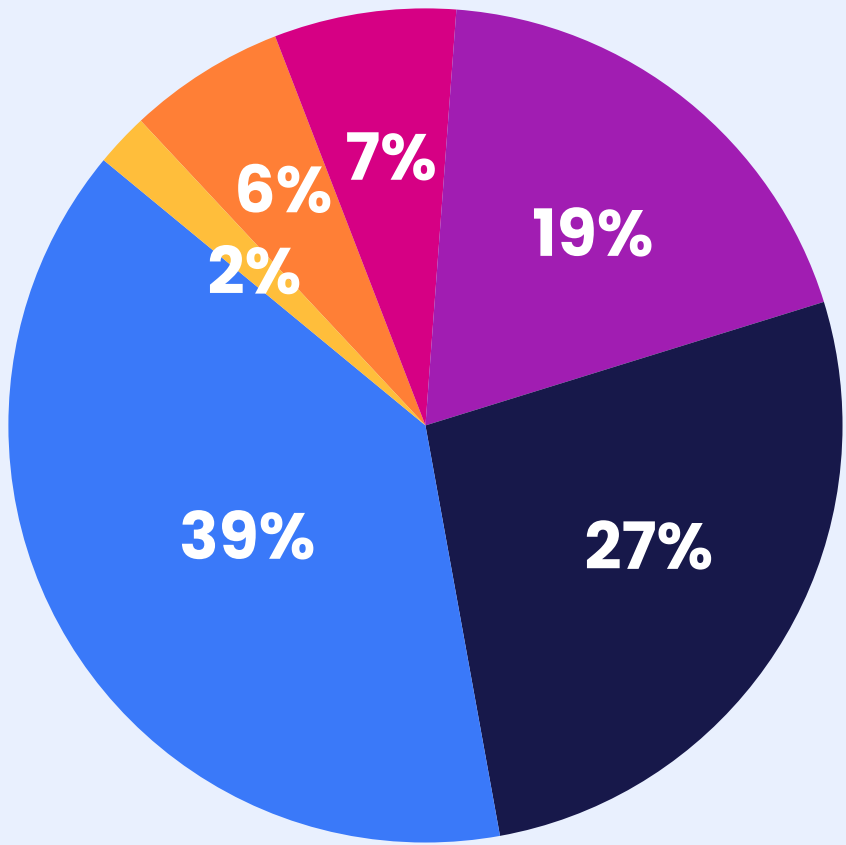
[Our parity-based Board](#) is composed of nine directors, three expert advisors, and our sustainability mentor, whose diverse perspectives, experience, and commitment to our mission guide Cascale’s efforts to accelerate collective action and leverage our strength in collaboration to move the industry forward.

In 2023, the Board confirmed the appointments of Harsh Saini, consultant and board director, Global Fashion Agenda (Affiliate Category); Amanda Tucker, president, Responsible Sourcing and Sustainability at Target (Brand/Retailer Category); and Dr. Delman Lee, Vice Chair, TAL Apparel (Manufacturer Category).

Cascale’s Board of Directors serves the organization with three leading responsibilities: strategic oversight, fiduciary oversight guidance, and oversight of the CEO.

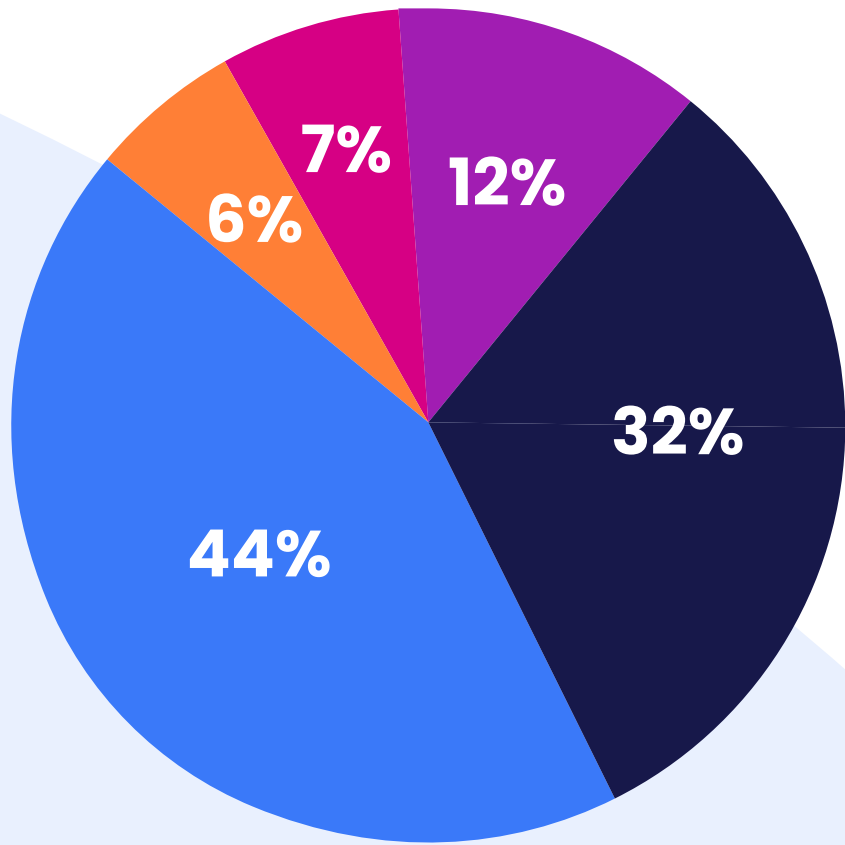
The board structure embodies our commitment to equal representation and inclusive governance. Each member category is represented equally, ensuring that no single entity has outsized influence. This democratic approach aims to foster a level playing field, promoting collaboration and collective impact. Thank you to those currently serving and those who have previously served on our Board during this period.

Our Finances



Revenue

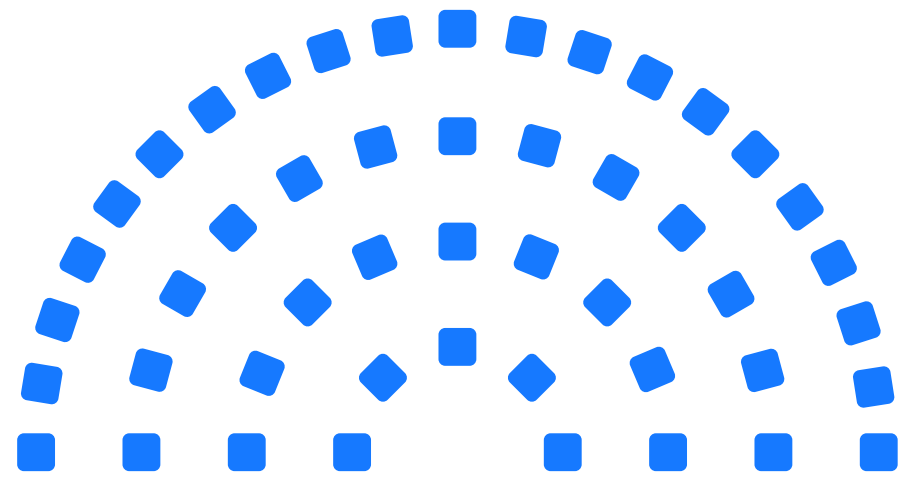
- Member Dues
- Verification Income
- Member Services
- Grant/Member Funding
- Other Income
- Meetings/Sponsorships



Expenses

- Personnel Costs
- Consulting
- Operations
- Professional Services
- Meetings/Marketing

2023 at a Glance



600+

Annual Meeting
Attendance

NEW RECORD

400+

Manufacturer
Forum Attendance

550

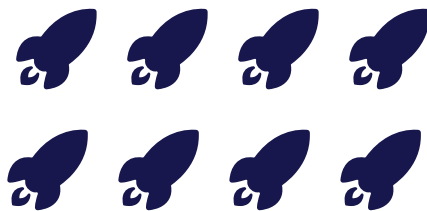
Organizations Engaged in
Best Practice / Knowledge-sharing

180

Attendees Across SBT
Peer-to-peer Learning Sessions

24,000+

Higg Index Users



8

Strategic Partnerships
Launched or in Progress

2

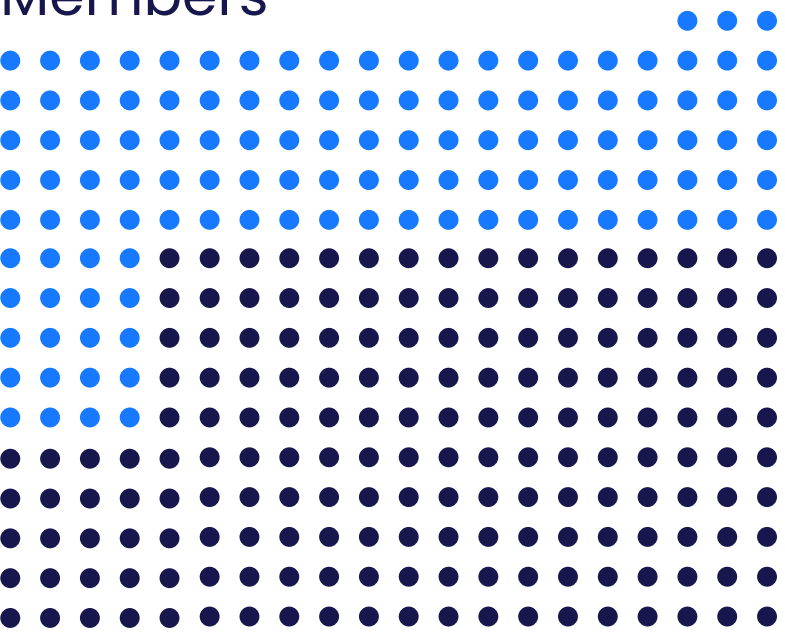
MAJOR TOOL UPDATES
Higg FEM 4.0
and Higg BRM

1

PROGRAM LAUNCH
Manufacturer
Climate Action
Program (MCAP)

303

Members



59.7%

of Corporate Members
Committed to SBTs

(Note: Data as of Dec. 2023)



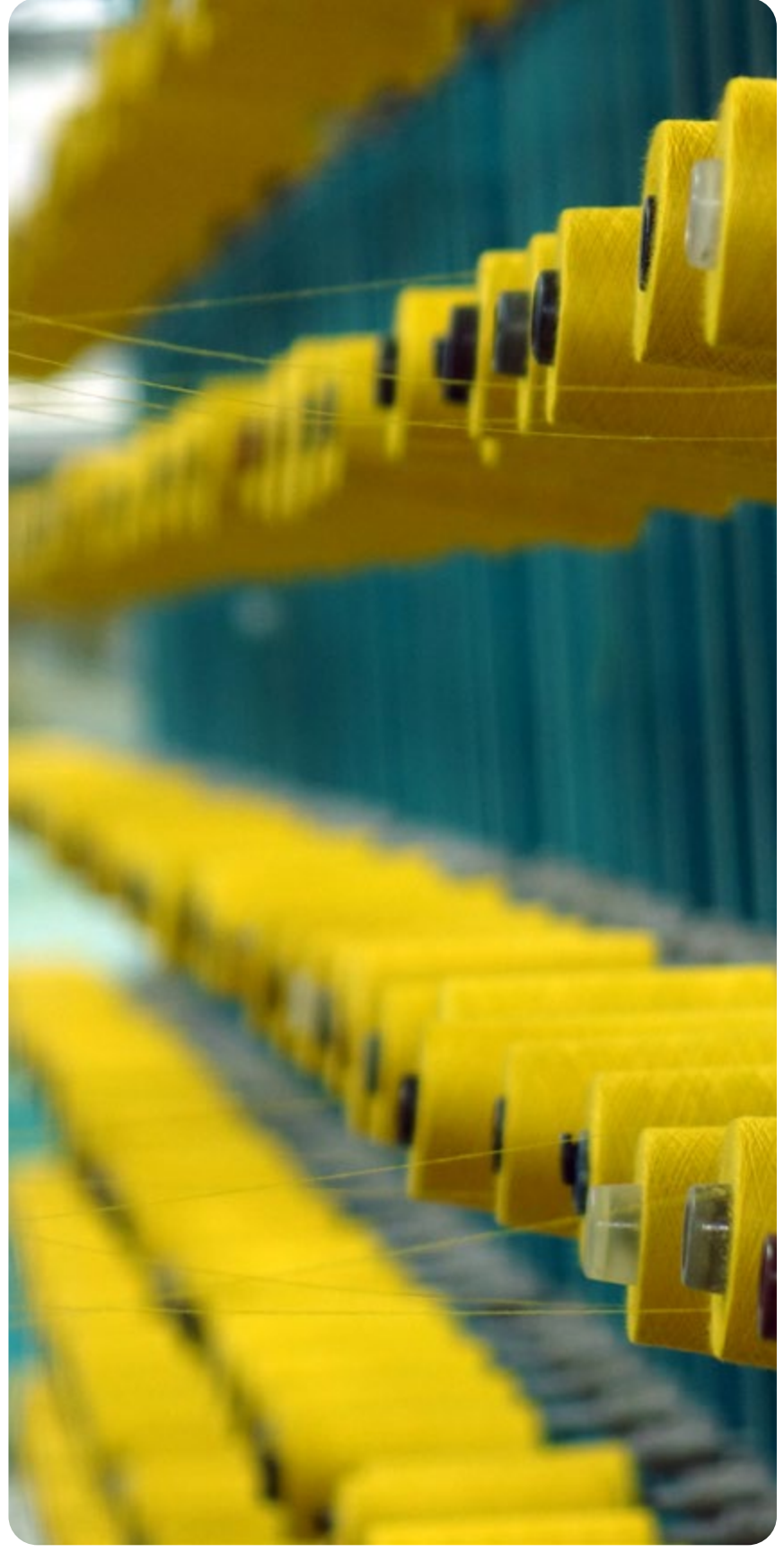
Higg Index

- Since our inception, one of our main goals has been to equip the industry with a global, standardized method for measuring and understanding its impact. Enter the Higg Index – which has seen a number of important updates in 2023.
- **Major Revision to Higg BRM**
In March 2023, we completed a major revision of the Higg BRM to better align with forthcoming regulation that was supported by an extensive consultation with

over 75 stakeholders, including Strategic Councils (SCs), Member Expert Teams (METs), successful member workshops representing all member regions, as well as feedback from industry experts and apparel alliance partners Textile Exchange and Zero Discharge of Hazardous Chemicals (ZDHC). The Higg BRM assesses sustainability performance across 11 key impact areas within three pillars: environmental, social, and governance.

“The launch of the updated Higg BRM marks a major milestone for Cascale, its members, and the industry at large. We are honored to have contributed to the work that went into the development of the new version. Since joining Cascale in January 2021 and adopting the Higg BRM, we have supported our brand partners in aligning on a unified approach towards sustainable practices, helping them understand where they stand regarding their sustainability journeys and how to continue to support them to improve and drive progress. We believe the updated Higg BRM will serve to help us continue calibrating our ESG strategy to ensure consistency in our progress and reporting and look forward to seeing how it continues to evolve to meet the needs of the industry.”

Magnus Dorsch, Head of Corporate Sustainability, About You



The major update involved a review of the assessment content and structure, scoring methodology, and the tool’s digital experience. In order to drive positive impact at scale, the Higg BRM now has greater alignment with “best in class” frameworks on issues such as biodiversity, responsible purchasing practices, and upcoming legislation, including the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD).

- **Major Update: Higg FEM 4.0** - In November 2023 – in partnership with Worldly – we launched the Higg FEM 4.0 based on more than two years of collected feedback from members and a pilot with 400 users. Although we continue to refine the tool, the results were improved data precision, alignment with key

“Crystal International’s sustainability efforts are strengthened by industry tools like Higg FEM to enhance environmental performance. Collaborating with our supplier network to leverage Higg FEM data and insights, we can make informed decisions to drive sustainability advancement across our operations and value chain. With the launch of the updated tool, we are better equipped to address the industry’s most pressing issues.”

Kyle Chung, Senior Manager Sustainability, Crystal International

industry standards, expanded environmental impacts, user-centric design, and audit efficiency.



- Cascale began work on the Higg FEM 4.0 in mid-2020, which included reviewing tool feedback, the FEM framework, FEM scoring methodology, FEM question content, and more. The process involved an extensive engagement with our Strategic Council and MET members and stakeholders, as well as a review of over 1,000 individual items of feedback. As a result, in December of 2022, we published the Higg FEM 4.0 Technical Paper to provide greater transparency to users and allow members and their supply chain partners time to prepare for the tool update in November 2023.

Independent Review: We commissioned an independent third-party review of the Higg Index suite of tools. The constructive feedback provides valuable insights for enhancing the tools and fulfills our commitment to the

continuous evolution of the tool. In September 2023, we received and shared the technical review of the Higg Product Tools, the first of three reports to be published on our website. Expert reviewers acknowledged the complexity of product sustainability assessments, while also making concrete recommendations for the Higg Product Tools. Recommendations for action found in the report were set in motion, including:

- Expansion of the Higg Facility Environmental Module (FEM) to add factory-specific data and improve geographical coverage in order to directly inform LCA data within the Product Tools;
- Improved data quality of the background datasets, specifically in cotton fiber and textile wet processing;



- Combination of Higg MSI into the Higg PM, so that the material life cycle data is viewed as part of full product LCAs; and
- Alignment with the EU Product Environmental Footprint (PEF) methodology.

Higg Product Tool Updates:

- Added Product Module Wash Processes
- Updated Higg MSI to UN Intergovernmental Panel on Climate Change Sixth Assessment Report (AR6)
- Added New Trims from YKK Fastening Products Group

Roadmap for Evolution

Our tool roadmap has evolved with time and continues to do so. At Cascale, we are seeing more questions from our members looking for help to tackle the changing regulatory landscape. We recognize the critical role we play in supporting our members through these complex transitions. Our Higg Index tools and collaborative initiatives and programs are designed to provide the visibility and accountability that these new regulations demand. By staying ahead of policy changes and offering comprehensive tools and resources, we aim to empower our members to navigate these challenges successfully and continue to lead the way in building a roadmap for driving sustainable change, and responsible and equitable business practices.



Cascade’s partnership with Worldly exemplifies collaboration in action. Worldly is the most comprehensive supply chain sustainability data and insights platform, trusted by 40,000+ major brands, retailers, and manufacturers in fashion, outdoor, home goods, toys, and more. Worldly uniquely collects high-resolution primary data specific to companies’ value chains, operations, and products, providing insight into true impacts across carbon, water, chemistry, and labor.

Worldly delivers the insights businesses need to reduce their impact, comply with emerging regulatory and financial disclosure requirements, and meet the expectations of a new generation

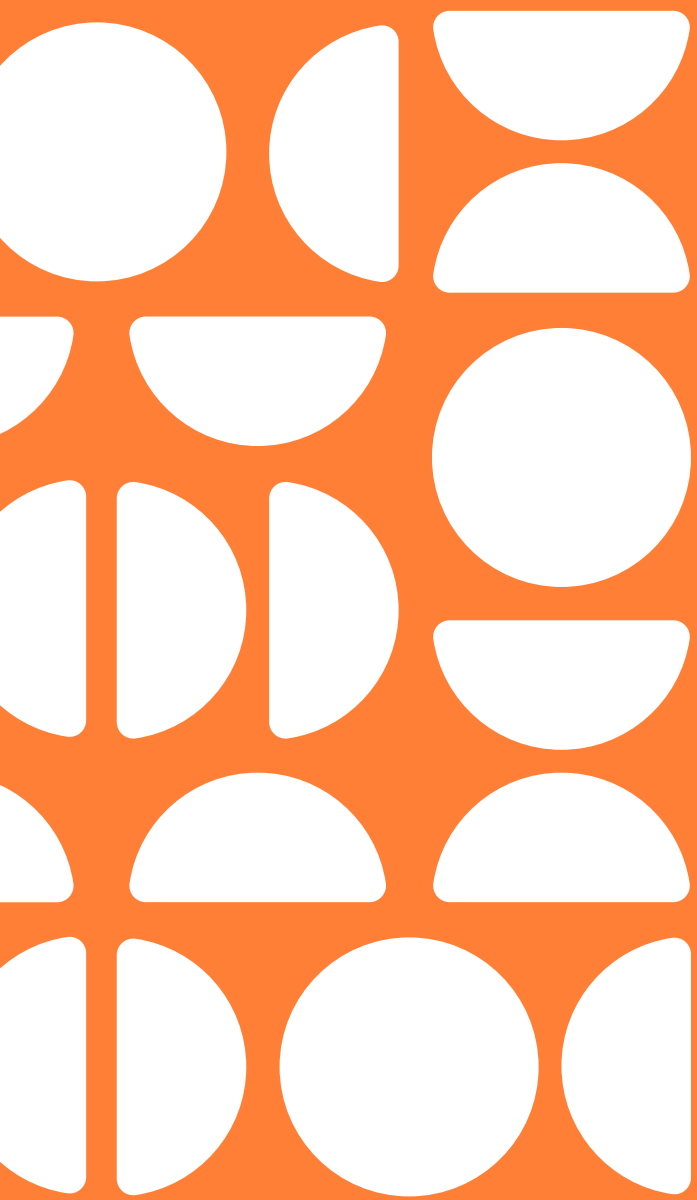
of customers. It is the exclusive platform for the Higg Index tools. In 2023, Worldly co-developed resources and trainings to help members prepare for emerging regulations and collaborated with Cascade to facilitate the successful launch of Higg FEM 4.0.



“We are honored to have such a strong and close partnership with Cascade. At Worldly, we are deeply committed to driving positive sustainability impact. Aligning with Cascade amplifies our efforts and accelerates the pace of change we can achieve together. By working hand in hand, we aim to accomplish more and do so faster. While there is much ahead of us, I am proud of the progress made in 2023 and look forward to collaborating more closely with Cascade and its members to transform the industries we serve.”

Scott Raskin, CEO, Worldly





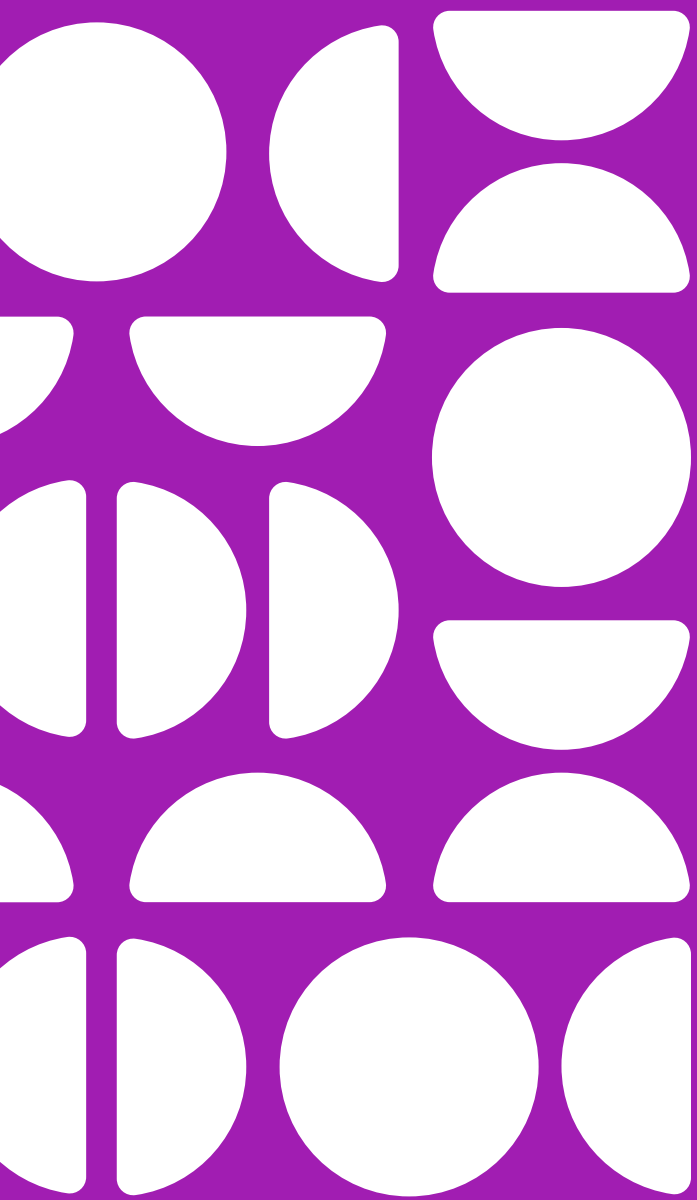
Evolving Transparency

Over the years, our foundation for transparency has evolved from a narrow, product focus into a much broader and more balanced approach to accountability. We are constantly improving our processes in service of our diverse membership, while always embracing a spirit of trial and evolution.

Conducting external reviews is a standard practice within our process; prior to 2023, the tools were last reviewed in 2017. In line with our commitment to transparency, we make all resulting reports publicly available.

2023 Highlights

- Communication about the Higg Index Tools: Cascale coordinated the update of the Higg Index Communication Guidelines and will re-evaluate the future of this resource in late 2024.
- Program Work: Cascale began directing further resources into programs in 2023, with a goal to ensure that all Cascale programs have a robust structure that enables transparency toward performance and promotes increased accountability to support member progress.



Navigating Policy & Public Affairs

This year marked the launch of Cascale’s dedicated Policy & Public Affairs department, which quickly became a critical resource amid the crucial surge of interest in and development of regulation.

The Public Affairs team drives positive change in the consumer goods industry by focusing on three key goals: education, alignment, and

advocacy. Our primary objective is to promote smart, harmonized legislation that accelerates sustainability. We also provide ongoing guidance to help members navigate global regulatory changes, particularly but not limited to the European Union. We achieve these goals through collaborations with like-minded organizations and ongoing engagements.

2023 Highlights

Advocacy and Engagement:

- Used targeted advocacy to promote Cascale and the Higg Index suite of tools on the global policy stage, meeting with national and international activists and policymakers
- Joined the EU Transition Pathway for the Textiles Ecosystem, a strategic initiative to drive green and digital transformation in the European textile sector
- Hosted two dedicated policy panels at Planet Textiles, while engaging in an array of high-profile industry events, including the [Global Fashion Summit](#), and the [American Apparel and Footwear Association \(AAFA\) Traceability Conference](#), among others



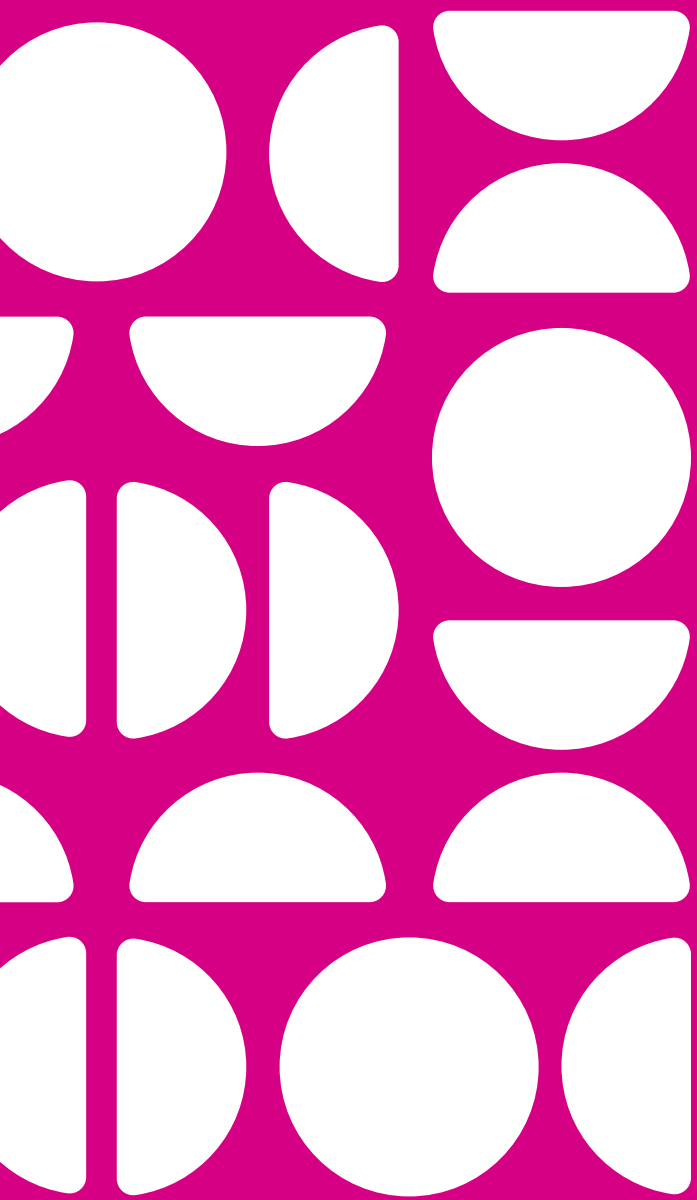
- Initiated a series of education and alignment calls for members
- Launched the Policy & Public Affairs Newsletter
- Laid the groundwork for collaboration with the European Financial Reporting Advisory Group (EFRAG), a private association and technical advisor to the European Commission in drafting the Corporate Sustainability Reporting Directive (CSRD)

Collaboration:

- Through Policy Hub, provided technical expertise to the Ecodesign for Sustainable Products Regulation (ESPR) Delegated Act on Textiles, Substantiating Green Claims Directive, Textile Labeling Regulation, Corporate Sustainability Due Diligence Directive (CS3D), among others
- In partnership with Global Fashion Agenda and global stakeholders, published the [Higg Index Tools Analysis and Compliance Initiatives Summary Report](#), laying a critical foundation for subsequent mapping of the Higg Index tools to support alignment with existing and upcoming legislation

“With the formation of our Public Affairs department last year, we answered the call to not only meet regulation in stride but anticipate its ripple effect on our industries. With unanimous support from the Board, we assembled our Public Affairs department with technically rich expertise and leadership to guide us into our next era of impact.”

Andrew Martin, Executive Vice President, Cascale



Events & Forums for Discussion

Our events offer a vital platform for our global community to convene both in person and online, fostering the exchange of knowledge, best practices, and innovative solutions. In 2023, the Annual meeting saw record attendance with our community coming together in Boston under the “Evolution for Impact” theme. Cascale also relaunched its Manufacturer Forum series last year, addressing the local challenges manufacturers face while providing innovative solutions.

2023 Highlights

- **600+** Attendees – Record attendance at the 2023 Annual Meeting in Boston, hosted alongside the Global Fashion Agenda’s Global Fashion Summit: Boston Edition 2023

- **400+** Attendees – Manufacturer Forums held in Shenzhen and Bangalore
- Hosted “**Planet Textiles**” at the Textile & Garment Technology Exhibition (ITMA) in June, bringing together **300 industry leaders**
- Held a series of Higg FEM workshops and SBT trainings, with the model to be scaled in subsequent years
- Partnered with **Bangladesh Apparel Exchange** for the Fourth Edition of the Sustainable Apparel Forum



Manufacturer Forums in Shenzhen and Bangalore

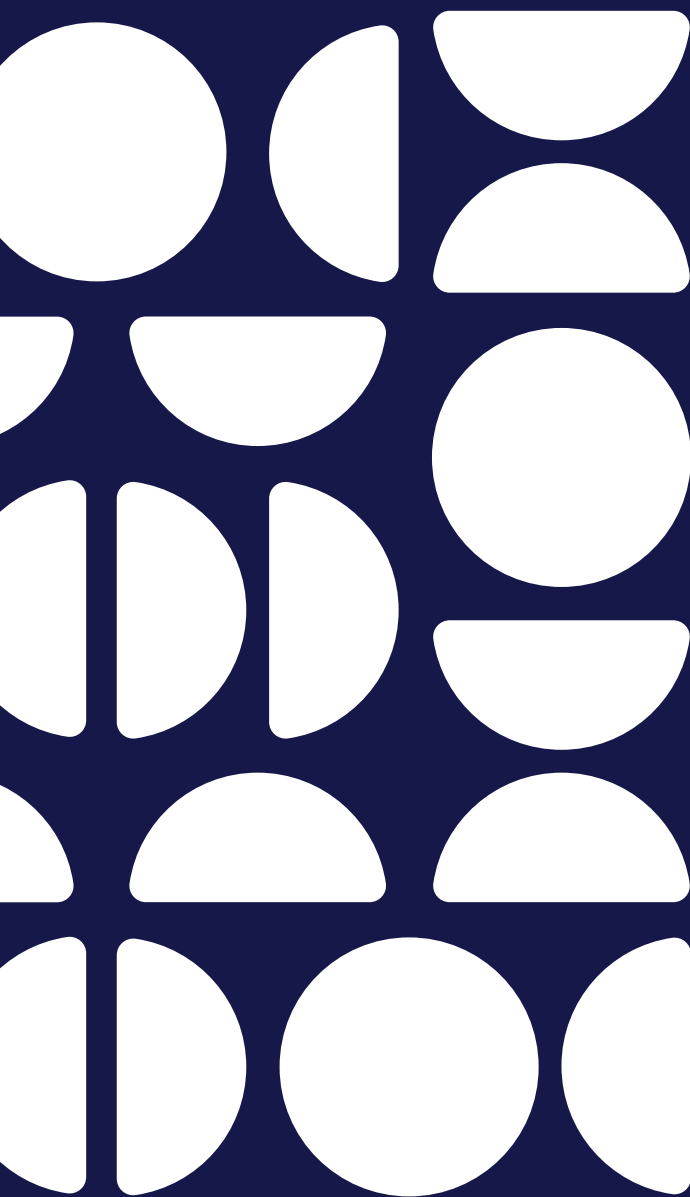


Annual Meeting 2023 in Boston



Planet Textiles in Milan





Impact Pillars

No one company or individual alone can solve the systemic challenges facing our planet and people. This is why our strategic impact pillars are focused on driving collective

action on combating climate change, ensuring decent work for all, and delivering a nature-positive future. Learn more about our work.

Combating Climate Change

Fostering Decent Work for All

Building a Nature – Positive Future

Combating Climate Change

Acknowledging the climate alarm bells and the milestone of global temperature rise tracking consistently above the 1.5-degrees Celsius threshold in 2023, Cascadia is deepening its commitment to combating climate change through collaborative partnerships as well as owned programs that contribute to industry aims to make a 45-percent absolute reduction target more reachable.

apparel alliance

With partner stakeholders Apparel Impact Institute (Aii), Zero Discharge of Hazardous Chemicals (ZDHC), and Textile Exchange, Cascadia participated in the apparel alliance Data Working Group, which convenes industry experts. The group kicked off its Supply Chain Taxonomy project, which aims to achieve a harmonized framework of agreed-upon definitions and aligned classifications of raw materials, processes, and products in the textile supply chain. The development of this framework will provide increased clarity in our industry and will enable the apparel alliance to further tool alignment strategies.

“The development of a shared perspective of the apparel supply chain tiers will provide clarity to our industry and enhance future communications and tool alignment strategies. We look forward to the continuation and release of this work with our apparel alliance partners.”

**Joël Mertens, Director,
Higg Product Tools,
Cascadia**

Apparel Impact Institute (Aii)

In June 2023, at Planet Textiles in Milan, Cascadia and the Apparel Impact Institute (Aii) announced a strategic collaboration to help the textile and apparel industry become more sustainable and combat climate change. Together, we aim to accelerate decarbonization efforts and find solutions for more sustainable apparel.

Data from Cascadia, along with Worldly and Textile Exchange, helped inform Aii’s “Taking Stock of Progress Against the Roadmap to Net Zero” 2023 report, which showcased how Cascadia supports data needs and GHG estimates for the apparel sector.



Combating Climate Change

Decarbonization Program

Cascade is committed to activating its ecosystem for action. Our Decarbonization Program and Manufacturer Climate Action Program (MCAP) provide a crucial aligned pathway for the industry to reduce GHG emissions, helping participants set objective goals backed by the latest climate science. As a critical component of our strategic plan, our goal is to mitigate climate change and build climate resilience throughout the consumer goods value chain.

As of 2023, 59.7 percent of Cascade members have set or have begun the process of either setting science-based targets (SBTs) or science-aligned targets (SATs), a 28.9 percent increase from the previous year. Our goal is 80 percent SBT adoption from Corporate Members, including brands, retailers, holding groups, third-party retailers, and manufacturers.

DEFINITIONS

SBT: A Science-based target is a clearly defined pathway to reduce greenhouse gas (GHG) emissions, helping prevent the worst impacts of climate change and future-proofing business growth. Science-based targets are in line with what climate science deems necessary to achieve the goals of the Paris Agreement – limiting global warming to 1.5°C above pre-industrial levels.

SAT: A Science-aligned target is meant to distinguish what is required under Cascade’s Manufacturer Climate Action Program (MCAP) as compared to other initiatives, such as the Science Based Target initiative (SBTi). While the SAT-setting method is aligned with the SBTi target-setting methodology, MCAP does not include Scope 3 emissions. Thus no assumptions can be made between MCAP and SBTi accreditations.

“There’s an urgency for us to tackle the current climate crisis, as a collective action coalition that represents half of the apparel, footwear and textile sector we must address environmental and social issues through collaboration and equal partnership on common grounds. We must take more actions where value chain partners should be equally engaged and motivated to drive urgent actions to reduce emissions as a shared objective.”

Delman Lee,
Vice Chair, TAL Apparel

Combating Climate Change

Education and Capacity-Building

Our focus includes identifying and building strategic partnerships with key program partners – such as GIZ – and convening with our members to scale sustainable impact solutions. We will continue to make progress on this SBT goal through the acceleration of in-country SBT training and webinars, membership in our Top Action Club for high-achievers, and pilot programs like the collaborative projects. Regions of focus include Bangladesh, Cambodia, Pakistan, Vietnam, and Madagascar, with more to come.

The German Agency for International Cooperation (GIZ)

PDP Solar Rooftop Project

The German Agency for International Cooperation (GIZ) is actively engaged in promoting sustainable development in numerous countries. They are working on a range of initiatives, including the implementation of solar rooftop projects, energy efficiency programs, and the phasing out of coal. Over 1,600 ongoing projects are being undertaken by GIZ in 120 countries in Sub-Saharan Africa, the Middle East, and Asia. A total of 900 Renewable Energy and Energy Efficiency projects are in the pipeline in 18 countries, with an investment volume of approximately 1.2 billion euros.

Status Update: GIZ PDP Solar Rooftop Project

Country	No. of Nominated Facilities (72 Total)	Kicked-off	1. Demand Assessment Completed	2. Technical Optimization Completed	3. Investment Models Completed	4. Finding Suitable Partners
			<ul style="list-style-type: none">• Analysis of the current and future energy demand• Estimation of current electricity costs• Assessment of site suitability	<ul style="list-style-type: none">• Type of system• Optimum PV system configuration and size• Spatial requirements	<ul style="list-style-type: none">• Business Case Analysis• Cash flow model• Evaluation of investment	<ul style="list-style-type: none">• Project dossier• Study result presentation• Access to finance• Mediation of suitable partners
Bangladesh	27	Sep 2023	24	22	In progress	
Vietnam	33	Nov 2023	21	In progress		
Cambodia	12	Nov 2023	6	In progress		

Combating Climate Change

SBT Peer-to-peer Learning Groups

Led by the Decarbonization Team, the SBT Peer-to-peer Learning Group is a part of the Cascale Decarbonization Program, which aims to support members to commit and set science-based targets (SBT) as well as accelerate climate actions through collective actions to mitigate climate change. Members share experiences in setting SBTs, internal alignment activities, recommendations, and learnings to benefit others before committing to goals outlined by Science Based Target initiative (SBTi).

In 2023, we held eight SBT Peer-to-peer Learning meetings, attracting

over 180 attendees who benefitted from the experiences and insights of Cascale members About You, Avery Dennison, Eileen Fisher, KMD, MAS, Pas Normal, Primark, and RT Knits.



BANGLADESH

Science-based Target Trainings & Certification

Beginning in 2023, Cascale's events featured Science-based Target Trainings, which equip participants with crucial knowledge and skills essential for navigating the complexities of setting SBTs. Over 110 participants in all participated in three sessions that year in China (33 attendees), India (65 attendees), and Italy (11 attendees).

After the workshops concluded, participants were evaluated on comprehension of the material: A 70-percent pass rate earned attendees

certifications that validated their foundational knowledge of science-based targets.



VIETNAM



CAMBODIA

Combating Climate Change

Top Action Club – Drive Sustainable Impact Solutions

The Top Action Club is an invite-only virtual community within Cascale where members can discuss, on a pre-competitive basis, carbon abatement options, types of programs, financing, and options to scale sustainable impact solutions across their global supply chains. Eligible members are those who have approved SBTs and/or are looking to take actions collectively to accelerate carbon emission reductions.



Manufacturer Climate Action Program (MCAP)

Launched in September, Cascale’s Manufacturer Climate Action Program (MCAP) aims to accelerate the adoption of science-aligned targets (SATs) and reduce greenhouse gas (GHG) emissions across the consumer goods industry. This program supports manufacturers in setting and achieving climate goals with practical tools and guidance. MCAP includes criteria, tools, and guidance that support manufacturers to set SATs, take action, and report on progress. MCAP is accessible to Cascale members and non-members alike; the Program engages

two cohorts of manufacturers each year. MCAP provides a stepwise, intermediate, and pragmatic approach to accelerate target setting for manufacturers and provides them with an opportunity to have their emission reduction targets validated by approved third-party organizations.

RESET Carbon

In partnership with RESET Carbon, Cascale used the Higg tools to dig deeper into facility level analysis, showing that of the 18,000 textile facilities that engaged in Higg Facility Environment Management (FEM) assessments, around 1,500 are responsible for 80 percent of their combined total carbon emissions.

These were identified primarily as Tier 2 and laundry facilities located in China, Bangladesh, India, and Turkey. By quantifying the impact of interventions at this cohort of facilities, the data showed that offsite renewable electricity and energy efficiency are the two biggest levers for reducing carbon emissions at scale.



Fostering Decent Work for All

Cascale believes that in order to create a more sustainable, equitable, and just world, our industry must also address its social impact. Responsible purchasing practices, workplace safety measures, and gender equity are key, as are our collaborations and broader ecosystem engagements.

Fair Wear

In December 2023, Cascale signed a strategic collaboration with Fair Wear with the purpose to promote human and labor rights in global garment supply chains. Cascale members benefit from Fair Wear’s knowledge and solutions to facilitate impactful due diligence.

International Apparel Federation (IAF)

In 2023, the International Apparel Federation (IAF) and Cascale began working together on collective action opportunities to reduce carbon emissions as well as advance equitable supply chains, collaborating on projects and activities to achieve industry goals in line with internationally-recognized targets.



“It is the IAF’s conviction that the impressive range of challenges faced by our industry can only be met by brands, retailers, and manufacturers working in unison. Hence, as IAF, we have embarked on an ambitious program to create structural links between such global initiatives as Cascale and the global apparel manufacturing community that IAF represents. The IAF is very pleased that Cascale clearly shares our view on the importance of structurally including apparel manufacturers’ voices and perspectives when designing solutions to create a more sustainable industry. Organizing the inclusion of manufacturers is not only the just way forward, it is



also simply imperative to achieve the necessary results as an industry. Good collaboration is complex but rewarding, and this agreement will facilitate and push IAF and Cascale to make it happen.”

Matthijs Crietee, Secretary General, International Apparel Federation

Social & Labor Convergence Program (SLCP)

Our strategic partnership with SLCP remains steadfast. The Converged Assessment Framework (CAF), implemented in over 60 countries, forms the backbone of the Higg FSLM. It remains Cascale’s preferred tool to streamline assessments, reduce audit duplication, and obtain credible and actionable data. Cascale and SLCP work closely to drive industry convergence by coordinating with existing frameworks and driving compatibility of the CAF with quality data.

Building a Nature-Positive Future

Cascale believes in the urgent need for all industries to reduce their negative impact on nature. Through leveraging key partnerships, our work in 2023 focused on effective foundational environmental management systems.

GlZ IGS Data for Due Diligence

Cascale collaborates with Aii and ZDHC on a sub-project of the Data For Due Diligence project, funded by the Initiative for Global Solidarity (IGS), an initiative promoting human rights and environmental due diligence in global supply chains. The parties collaborate on increasing the complementarity of their environmental sustainability programs and tools by developing

a factory improvement journey and a consolidated data matrix, linking the different sustainability initiatives with the goal of enabling facilities to follow a pathway to continuous environmental improvement with reduced resources spent. The IGS is implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, working on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ).

Zero Discharge Hazardous Chemicals (ZDHC)

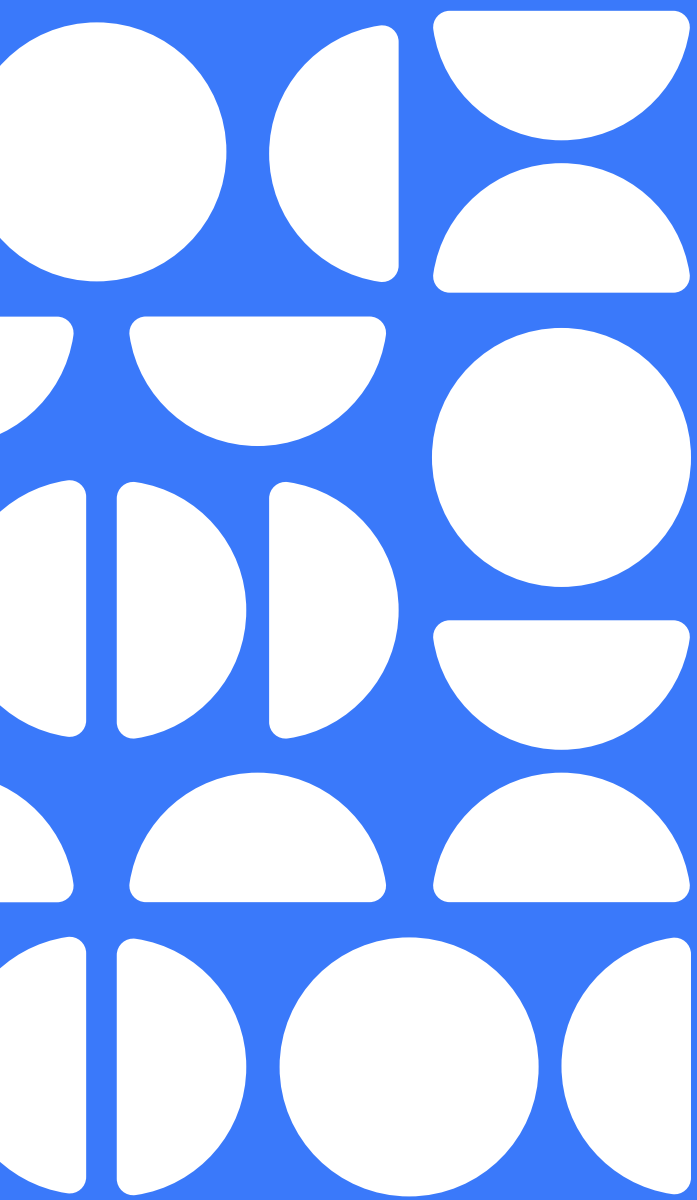
ZDHC is a leader in sustainable chemical management and a great motivator for restoring

ecosystem biodiversity in the core communities our members operate. We complement this with broad industry engagement across the global value chain for effective sustainability measurement and performance. Many of our tools align with ZDHC’s Roadmap to Zero. The latest version of the Higg FEM (4.0) provides improved data accuracy and is better aligned with global frameworks like the Greenhouse Gas Protocol, the Science Based Targets initiative, and the ZDHC Roadmap to Zero Programme. The assessment examines seven impact areas to give brands and retailers a clear view of their facilities’ environmental performance. Together, we hope to achieve a minimum goal of 45 percent reduction in GHG emissions by 2030. Cascale and ZDHC’s joint efforts support this.



2023 Highlights

- Higg BRM and Brands to Zero alignment; Brands are able to use the ZDHC Brand to Zero reporting for Cascale Higg BRM.
- ZDHC Roadmap to Zero Programme & Supplier to Zero alignment with Higg FEM/ How to Higg convergence; in content and methodology. This is a sweeping effort in regard to chemicals management, wastewater, air emissions, and other relevant areas, providing increased industry clarity and removing duplicative work, while also reducing resources spent.



Collaborations

American Apparel and Footwear Association (AAFA)

The American Apparel and Footwear Association (AAFA) is a Cascale member, key stakeholder, and expert for U.S. advocacy. AAFA and Cascale cooperate with and feed into each other's work: As a member of the Cascale Public Affairs Strategic Council, AAFA amplifies the voice of Cascale's American members; both organizations share expertise on U.S. and EU policy developments.

Apparel Impact Institute (Aii)

Cascale collaborates closely with Aii to accelerate decarbonization efforts in the industry. Cascale's MCAP focuses on a corporate-level approach, whereas Aii programs focus on the facility-level approach. These programs are complementary to accomplish our common goal of reducing carbon emissions rapidly in keeping global warming to 1.5 degrees Celsius. We refer MCAP-participating manufacturers to Aii to continue implementing facility-level proven solutions, and funding opportunities and measure their site-level reduction progress and impacts.

The Federation of the European Sporting Goods Industry (FESI)

The Federation of the European Sporting Goods Industry (FESI) is a key advocacy stakeholder for the sporting goods industry; with Cascale, FESI co-founded the Policy Hub. FESI elevates the sporting goods industry's voice, coordinating ad-hoc positions with Cascale bilaterally and within the Policy Hub, where relevant.

Global Fashion Agenda (GFA)

Global Fashion Agenda (GFA) is a Cascale member and key stakeholder for sector-specific global advocacy, communications, and events. As a Cascale Public Affairs Strategic Council member, GFA contributes to Cascale's Public Affairs efforts; the partnership fosters a strong exchange of knowledge and expertise.

The Industry We Want (TIWW)

With Fair Wear and Ethical Trading Initiative (ETI), Cascale is one of three lead organizations of this multi-stakeholder industry initiative. The Industry We Want (TIWW) drives progress across the garment and footwear sector, focusing on inclusive practices that emphasize the interconnectedness of environmental, social, and commercial practices to accelerate transformation. Created in partnership with the Wage Indicator Foundation, Better Buying Institute (BBI), and the Apparel Impact Institute (Aii) to present

annual impact metrics, The Industry Dashboard scores on three critical issues: the wage gap, purchasing practices, and GHG emissions. Cascale supports as the environmental lead, contributing to development of a GHG metric which informs TIWW's framework. Together, these organizations aim to drive better data, stimulate progress, support alignment, and encourage information exchange, collaboration, and policy change where necessary. In 2023, Cascale demonstrated how to use this dashboard at the OECD Garment Forum in Paris, meant to foster alignment on labor due diligence protocols.

Policy Hub

Policy Hub acts as the industry voice and main EU advocacy channel, advocating for an industry position developed jointly and established collectively. We steer and feed into the Policy Hub Positions, actively contributing to shaping strategy, direction, and positioning within the Policy Hub Steering Committee. Serving as Cascale's main advocacy channel in Brussels, the Policy Hub integrates Cascale's insights into policy initiatives; it also serves as an observer of Cascale's Public Affairs Strategic Council, ensuring alignment on advocacy and strategy.

Together, we're working towards a more sustainable and just world for all. With our strategic pillars as guidance – combating climate change, fostering decent work for all, and building a nature-positive future – we aim to deliver a shared vision of an industry that gives back more than it takes — to the planet and its people.



Thank you for reading our 2023 Annual Report!

For sharing and quoting this report, please tag our relevant channels on social media:



Any questions?

Please contact us on [Cascale.org](https://cascale.org)