

1. Introduction

These Scheme Rules have been written in accordance with the requirements of the applicable Accreditation Bodies such as SAC under Accredited Verification Agreement. **GCL INTERNATIONAL LTD.**, hereafter known as "**GCL**" also comply with all conditions. These Scheme Rules form a part of the contract with each applicant as stated on the quotation.

2. Scope

GCL provides independent third party verifications and registration services for companies who have implemented management systems against the following standards/codes of practice:

- SAC Higg Index

3. Confidentiality

- a) **GCL** agrees not to disclose any information relating to the operator's business or affairs except information, which is in their possession before the date of acceptance of the **GCL** quotation/contract.
- b) Where information is required to be disclosed to a third party either by law or as required under maintenance of verification by an Accreditation Body, the applicant shall be informed of the information as required by law.
- c) **GCL** has right to exchange operators' information with other Verification Bodies, accreditation bodies, SAC Higg Index Policy to verify the authenticity of the information.
- f) if the applicant provides copies of the verification documents to others, the documents shall be reproduced in their entirety or as specified in the verification scheme;
- h) Operator agree that SAC Higg Index is given access to client data. Access is offered on the premise that Verifier personnel have each signed a confidentiality agreement and conflict of interest declarations, and both required and used in a manner consistent with SAC Higg Index Data Policy.

4. General Conditions

GCL basic conditions for gaining and maintaining registration with are that all applicants agree to and comply with the following rules:

- a) All information deemed necessary by **GCL** in order to complete the registration process shall be made available to the applicant company.
 - b) If **GCL** are not satisfied that all requirements for registration have been met it shall inform the applicant in writing stating which requirements.
 - c) When the applicant can demonstrate that effective corrective action has been taken within a specified time limit, then **GCL** will arrange only to repeat necessary parts that cannot be verified by the submission of documented evidence.
 - d) If the applicant fails to take effective corrective action within the time limit then **GCL** may repeat the verification in full at additional cost.
 - e) All fees must be paid as shown on the individual quotation. No verification shall be issued for initial or until fees have been paid in full. Registration may be suspended if annual fees are not paid in full within the time frame set out within the individual quotation.
 - f) The applicant must allow **GCL** to conduct annual/re-verification visits (onsite & offsite) at the times stated within the period of verification year.
 - g) **GCL** offices which hold accreditation directly with an accreditation body or hold "critical location" status are responsible for, and retain authority for, decisions relating to accredited verification, including the granting, maintaining, renewing, extending, reducing, suspending and withdrawing of verification status.
 - h) Provide to **GCL** and **SAC** the right of access to all units of the inspected facilities, including to units where products are processed, stored or administered, if applicable, and to all relevant documentation and records, including financial records.
- i) The applicant confirms that they are not currently engaged, nor will they engage, with another Verification Body to verify them against the same SAC standard(s) at the same time.
 - j) The Applicant confirm that in addition to verification notes, **GCL** verifier team can collect photographs and hard and soft copies of documents also samples for residue testing may also be taken by the verifier during the required on-site verification, either as back-up to the verification process or in case of suspicion of contamination or non-compliance.
 - k) The applicant confirms to comply with the relevant criteria of the SAC Higg Index Protocols, the Manual for the Implementation of Higg Index the Labelling and Licensing Guide and other provisions of the SAC Higg Index verification program as provided by the SAC standards Logo Use and Claims Guidelines.
 - l) the applicant makes all necessary arrangements for
 - 1) the conduct of the assessment annually, including provision for examining documentation and records, and access to the relevant equipment, location(s), area(s), personnel, and applicant's subcontractors;
 - 2) investigation of complaints;
 - 3) the participation of observers, if applicable;
 - r) The applicant confirms to comply with the verification requirements, including implementing appropriate changes when they are communicated by the **GCL**.
 - t) the applicant confirms and agree to receive email communication from SAC Higg Index and communicate directly with SAC Higg Index in regard to the verification and standards

5. Application for Verification

On receipt of a completed Application for Quotation Form **GCL** will conduct a pre-contract review of the system and a quotation shall be prepared and sent to the prospective applicant, together with these Scheme Rules.

6. Contract of Acceptance

Prior to any arrangement being made for an assessment of Higg Index

- a) the quotation is required to be signed by the Applicant. Signature on the quotation/contract indicates formal acceptance of these rules as stated within the quotation/contract.
- b) If facility need more detail about about the standard, current manual/standards, implementation manuals, the facility visit SAC Higg Index website before planning any initial verification at operator premises. Also the current version of these documents can be download from the website www.apparelcoalition.org at related standard page.
- c) Operator shall submit the completed **pre-assessment FEM Module** report (Operator section) together with Operator legal and other documents such as, business licenses, policy/procedures, and etc uploaded in the Higg Index Website before verifier decide conduct on site/offsite verification

7. Verification Process

Verification is carried out in order to verify information and compliance with verification requirements applicable to the operator. It shall follow a set protocol to facilitate nondiscriminatory and objective verification.

The on-site/off-site verification protocol shall at the following, as applicable to the operator:

- a) Assessment of facilities with an external assessment of their performance
- b) Support the implementation of continuous improvement process
- c) Providing a consistent verification program
- d) Verification that changes to the standards and to related requirements have been effectively implemented; and

Verification Process

- I. FEM Module Verification Questions include of 7 sections of V3 are to chemical management system includes the SAC chemical management

- II. All facilities are required to complete facility profile on Higg.org regarding their industry sector, facility type, facility processes, site information, material types, total number of employees, annual production volume, and other relevant documents required.
- III. Applicability test in water use, wastewater, air emissions, chemical management sections.
- IV. Seven sections of Higg Index FEM v3 content; EMS, Energy and GHG, Air Emissions, Water Use, Waste Water, Waste Management, and Chemicals Management.
- V. Module question verification tools can be conducted through offline or online method.
- VI. There are there levels (1,2 and 3) in all seven sections, as level 1 must be achieved to unlock levels 2 & 3.
- VII. Verification of the operator's risk assessment of facility can be potentially including sample drawing of documents either as random sampling or in case of suspicion of contamination or non-compliance;
- VIII. Verification of adherence to the defined of SAC Higg Index. In particular the verification protocol must include:
 - Verification of across the physical facility surrounding, production, warehouse, storage, power generator, compressor room, wastewater treatment plant, transport area, rest room, chemical operations, and the company with access for workers where needed, and other facilities related.
 - Dialogue with Management
 - Interview with management and confidential interviews with workers and worker's representatives
 - Review of personnel files, such as list of workers employed, workers' contracts, permit, and other utilities records,

training records, anonymous non discriminatory whistle-blower mechanism.

- IX. Verification Types
Onsite verification: required to visit the facility premises
- X. On-site verification chosen:
 - a) Desire to publicly communicate Higg Index Scoring
 - b) Factory Premise is required to complete level 2 and level 3 questions in the Chemical Management section
 - c) Status of Onsite verification (vFEM)
- XI. Offsite Verification: conduct verification from a distance such email web-conferences and etc. Not required to go onto facility site
- XII. Status of Offsite verification (VRF) only
- XIII. Once the facility chooses the offsite verification, it will **not be** changes to onsite verification status (vFEM), and only be allowed one verified FEM per year.
- XIV. Before complete the offsite verification, facilities should confirm with **GCL**

8. Verification of Person-Days Duration

- a) Person-days required to complete the **on site** verification will depend of the criteria of company such type of facility, size , process involved and etc according to the **Guidance for Determining Person-Days for Higg Facility FEM Verification**.
- b) Person-days required to complete **off site** verification without site shall not more than 2 days.

8. Verified of FEM Module Status

- c) On completion of the on-site evaluation verifier reports back to **GCL**. The reviewer of **GCL** shall review the report and supporting information, finalize the scoring with verified result uploaded on **Higg.org website** made by the verifier and decide whether to grant verification status
- d) For any dispute raised on **Higg.org website** during verified assessment, the applicant shall provide

reasons for the dispute to **GCL**. This information shall be reviewed by VPM and the applicant shall be informed of the result via notification.

- e) The dispute issues shall raise by facility/operator within **5 working days** of a verified module with the status being
- f) All the disputes shall resolve within **10 working days** by VPM.
- g) The verifier and facility have **7 working days** to make and change of outcome with no edit, if changed of module required shall set **VRC status**.
- h) If no any disputes substantiated, on the 8th day of working day the finalized verified module automatically change to **VRF status** unless facility selected the **VRF** prior to day 7.
- i) The VPM will informs the verifier and facility if the verification invalidated, the status shall set to **VRI status**
- j) Upon acceptance of the VPM shall review the full module and make decision. Should the VPM not accept the report the impartiality committee shall be informed for the purpose of holding an internal appeal.
- k) the applicant makes claims regarding verification consistent with verification status after verified module confirm.
- l) If it is found that the applicant is knowingly and/or repeatedly operating with nonconformities or purposely violates the requirements of the standard, the GCL must suspend the applicant's verification/approval status and inform SAC. The applicant will be allowed to re-apply for verification after the date of the suspension.

9. Re-Verification

- a) The **GCL** shall regularly re-verification operators annually (Prior to the end of the previous verification period a re-verification application

should be made) in order to verify whether they continue to comply with SAC Higg Index Requirements, the Manual for the Implementation of SAC Higg Index Protocols Guidelines. Mechanisms shall be in place to effectively monitor whether corrective actions have been implemented.

- b) The **GCL** shall report and document its annual activities and shall keep operators informed about their verification status in Higg.org website.
- c) Re-verification is a full assessment of Higg Index and generally follows procedures outlined in '**Verification Process**' Section in this document.
- d) GCL shall control the use SAC Higg Index Body logos according to Guidelines
- e) Communicate to the Operator to plan the re-verification and find out if there are any changes of the verification status
- f) GCL will notified verification status to client by mail and after fill up client will send back the verification report to GCL for review. Normally, the re-verification after initial verification is to be within **12 months** of the last day of the initial verification. (**12 months** from date of initial verification). Otherwise the verification status has to be suspended.

10. Use & Mis-Use of Logos & Verification Status

Once SAC Higg Index Assessment Module has been posted on Higg.org and validated by, then the applicant has no right to publish the fact and to apply the logo on their stationery and promotional material without approval of verification bodies and SAC .

The SAC Higg Index logo can only be used as specified SAC Licensing and Labelling Guideline as advertised on <https://apparelcoalition.org/download-higg-index-logos/>. Other conditions are as follows related to verification:

- a) That no misleading statements are implied or made regarding verification.
- b) That no verification document is used in a manner that would mislead applicants or registered companies or the public in general.

- c) That is no colour combinations of logo, attempt to recreate the logo, display of other elements within the logo's designated clear space, and alteration of logo
- d) Upon suspension, withdrawal or cancellation cease with immediate effect to use of the logo or marks on advertising, such as brochures, letterheads, business cards, web sites, online marketing materials and etc
- e) Not to use verification in any way as to bring into disrepute the credibility of **GCL** or of Accredited Body that could affect public trust and confidence.
- f) in referring to its Higg Index verification in communication media such as documents, brochures or advertising, the applicant complies with the requirements of the GCL or as specified by the verification scheme;
- g) The applicant shall not misuse to publish the scoring publicity (only on-site verification status allowed) without agreement by GCL.

11. Termination, reduction, suspension or withdrawal of Verification Status

When there is suspicious with HIGG FEM verification requirements is substantiated, either as a result of annual verification or otherwise such as announced verification, **GCL** shall consider and decide upon the appropriate action.

a) Suspension

- i. as a result of continued mis-use of a HIGG INDEX logo.
- ii. failure to implement corrective action within the specified time scale as a result of concern identified at Verification.
- iii. any other breach of the **GCL** quotation and/or Scheme Rules.
- iv. under suspension it is not permitted to use any logos on any advertising materials until the suspension has been lifted.

- v. the VPM of **GCL** shall write to the registered applicant outlining the suspension conditions and how the suspension can be lifted.

c) Withdrawal of Verification Status

Such withdrawals could be as a result of:

- i. failure to respond to requests/time scales made by **GCL** after suspension of Verification.
- ii. failure of an applicant to settle an account with **GCL** within 1 month of formal notification of a failure to settle an account.
- iii. voluntary withdrawal, in such a case **GCL** require this in writing.
- iv. the verification of registration shall be removed by **GCL** when **GCL** has informed the applicant that withdrawal has been complete.

12. Appeals

If the applicant is not in agreement with the Verifier's recommendation after an Initial and/or annual verification then they are at liberty to lodge an appeal with the CEO of **GCL**. The Applicant shall support his/her reasons by objective evidence.

All appeals will be heard by a Appeal-Committee of the **GCL** Impartiality Committee. The Appeal-Committee may hear evidence from the applicant's representative and the Verifier. The decision of the Appeal-Committee is final and binding on both the Applicant and **GCL**. No counter claim will be allowed by either party. No costs, for whatever reason, will be allowed for either party as a result of an appeal.

13. Complaints

a) General Requirements

All applicants are required to maintain a log of all customer complaints raised against them. This log must be available for review during all Initial and/or annual verification. This log shall also be available to **GCL** Staff, SAC Higg Index. Also, the applicant

- I. takes appropriate action with respect to such complaints and any deficiencies found in that affect compliance with the requirements for verification status, and
- II. documents the actions taken;

b) Complaints from Applicants Regarding Verifier

If a applicant has a complaint about the conduct of any **GCL** Verifier then this should be sent in writing to the **GCL** CEO. If the complaint involves the CEO or VPM then the complaint is to be addressed to the Chairman of the Impartiality Committee of **GCL**. If complainant not satisfied with the result then it can be addressed to SAC Higg Index.

c) Complaints from Users of Applicants Services

For complaints received from users of applicants and/or services shall be lodged and then acknowledged to the complainant. Follow-up shall then be taken with the registered company in question.

The operator shall take appropriate action with respect to such complaints and any deficiencies found in HIGG Index Protocols that affect compliance with the requirements for verification status

Note: accept that the accreditation body such SAC Higg INDEX may become engaged in the case that a complaint or appeal escalates **GCL**'s authority, and agrees to cooperate with investigations.

14. Witnessed Visits

As part of the ongoing re-verification of SAC Higg Index by **GCL**, the applicant agrees to allow representatives from accreditation bodies and scheme owners such as SAC Higg Index the right to witness **GCL** conducting their verification duties. The fact that an Accreditation Body representative attends a verification will not affect the verification. Also, from time to time **GCL** may have to have trainee verifiers or internal verifications on an verification team.

16. Terms of Payment

Payment shall be made in accordance with the individual invoice and the quotation/contract document.

17. Indemnification

In respect of any claim, loss, damage or expense however arising, **GCL**'s liability to the applicant shall in no circumstances exceed the amount of **GCL**'s fees paid by the applicant. Under no circumstance shall **GCL** be liable for any consequential loss.

18. Impartiality

GCL or any **GCL** representative shall **NOT**:

- a) provide management system consultancy which includes: preparation or production of manuals or procedures, or give specific advice, instructions or solutions towards the development, structure and implementation of a product management system.
- b) allocate verifier(s) for a applicant in where provided internal verification, or other related management system consultancy on the management system, within two years following the end of the consultancy.
- c) Verify an applicant when a relationship with a management systems consultancy poses an unacceptable threat to impartiality. Provide a general verification service to any verified applicants facility.
- d) outsource any verification process to a management consultancy company involved in management systems as described with the scope of these rules.
- e) have within any marketing materials any linkage to management system consultancy.

For any threats to impartiality that are discovered or reported, then the impartiality committee shall be informed and responses shall be made and communicated.

19. Intellectual Property

The ownership of all issued verification reports remains the property of **GCL**.

20. Notification of changes made by the operator

- a) Should there be any significant changes cited in the application and with the applicant organisation such

as change of address, ownership, organization and management such as management representative, scope or product related changes, major changes to the management system and processes and the environmental, ethical and social impact of the verified organization caused by incidents or events (if applicable to the verification scope) then **GCL** should be informed by operator within five working days of occurrences.

- b) **GCL** shall determine whether the announced changes require further investigations. If such is the case, the operator shall not be allowed to release verified status the changed conditions until **GCL** has notified the operator accordingly.
- c) In response to an application for amendment to the verification status already granted, **GCL** shall decide what evaluation procedure, if any, is appropriate, in order to determine whether or not the amendment should be made, and shall act accordingly.
- d) Operator shall inform **GCL** immediately of any planned changes that could affect process of verification to the relevant standard(s) such as change of production units, changes of facility, before receiving **GCL** approval.
- e) To notify **GCL** immediately of any application of prohibited substances or any differing residue analysis in any part of the operation.

21. Amendments to Scheme Rules

- a) **GCL** reserves the right to amend these Scheme Rules without prior notification. Should the Scheme Rules be updated the latest version shall be put on the web site and all applicants informed about the changes.
- b) Applicant should record the Scheme Rules as an "external document" within their management system for document control.

22. Serious Events, Extra Verification

- a) **GCL** informs the all stakeholders (facility, verifier,

end user)when the verified assessment report (status invalid) is considered invalid attributed in the Higg.org website

- c) New information or changes with regards to the verification procedure and requirements in the SAC Higg Index will communicate to third parties through **GCL** website or emailing operators directly.
- d) In the event that the organization becomes aware of legal proceedings with respect to product or legality and there is evidence or suspicion of nonconformity within the verified organization **GCL** can carry out an extra verification to assess the issues
- e) In serious cases, when verification status shall be denied or denied or withdrawn and revoked, SAC Higg Index are to be notified immediately.
- b) Where an operator is verified by other Verification Bodies for a standard that shares the same status the **GCL** should seek information exchange with the other Verification Bodies involved to prevent misuse of verification status

Note: For Higg Index FEM

Onsite verification: the facility can post and share its Higg Index verification results **public**

Offsite verification: An offsite verified assessment can be shared with connections of a facility through their higg.org account and not to public.

Chemical Specialist verifier is needed if facility achieved Higg FEM level 2 or 3 in the chemical sections

22. Privacy Notice

We take the privacy and the protection of personal information seriously. Our Privacy Notice sets our details about we gather, use and share personal information and about individual privacy rights. How we use personal information depends upon the context in which it is made available to us. Our Privacy Notice is available from our website: <http://gcl-intl.com/privacy-policy-cookies/>

23 Arbitration and Disputes

Any dispute, controversy, proceedings or claim between the parties relating to this Agreement shall be settled amicably. If no agreement is reached, the matter will then be referred to an arbitrator nominated by both parties.

24 Applicable Law and Jurisdiction

This Agreement and any dispute, controversy, proceedings or claim between the parties relating to this Agreement shall be governed by, and construed in accordance with, the laws of England and Wales.