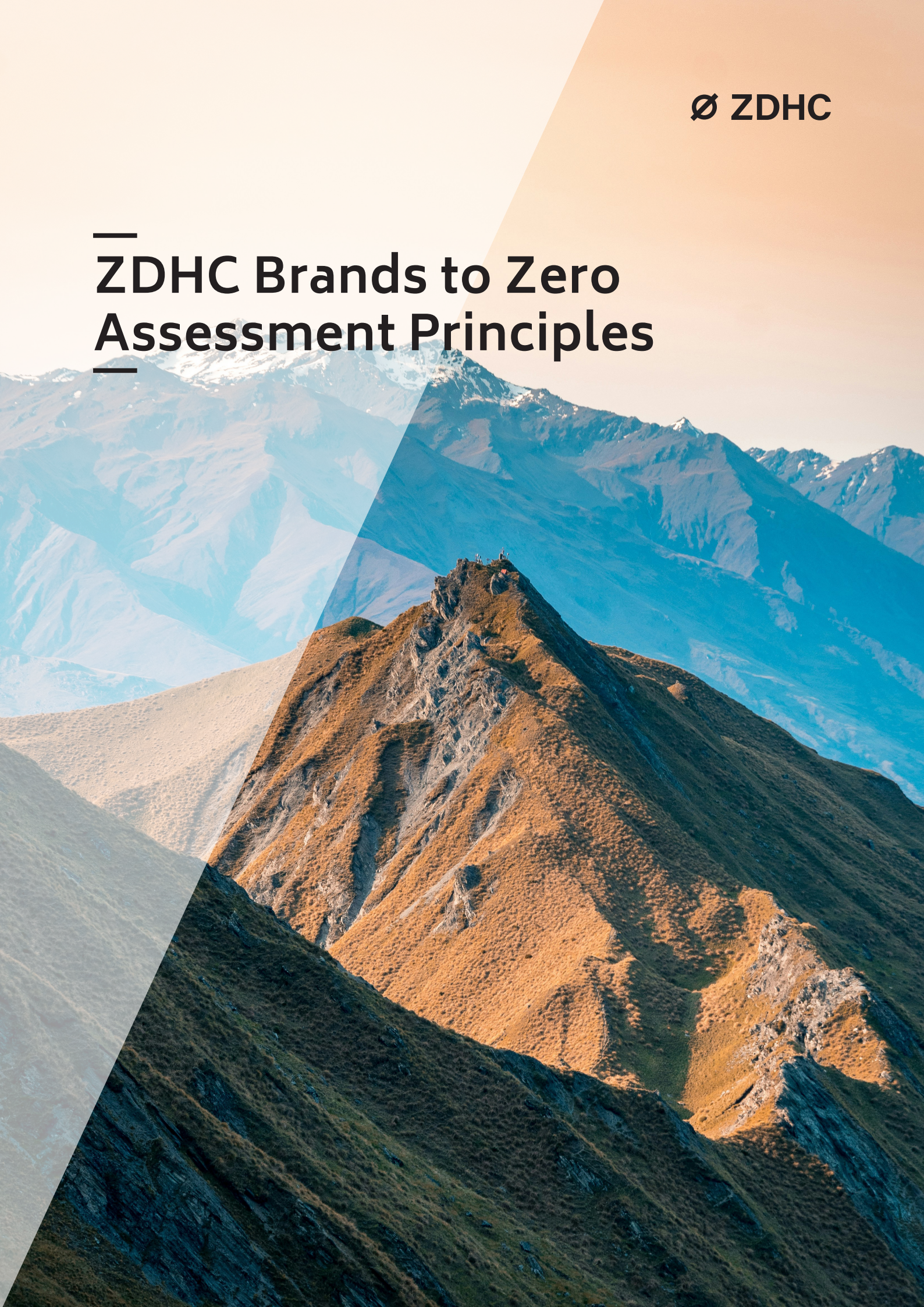# ZDHC Brands to Zero Assessment Principles

Ø ZDHC

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The ZDHC Foundation (hereinafter "ZDHC") Brands to Zero Assessment Principles document is not intended to replace brand-specific requirements for chemical management, but to be supportive or complimentary to such requirements.

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Contents

Introduction

About ZDHC and the Roadmap to Zero Programme

The ZDHC Foundation oversees the implementation of the Roadmap to Zero Programme and is a global multi-stakeholder initiative of more than 360 Signatories in the fashion and footwear industries. Its vision is widespread implementation of sustainable chemistry, driving innovations and best practices to protect consumers, workers and the environment. ZDHC uses collaborative engagement to drive a holistic, industry-focussed and practical approach to sustainable chemical management. ZDHC guidelines, platforms and solutions drive large-scale industry-wide implementation that advances the industry as a whole.

Find more information about ZDHC at www.roadmaptozero.com.

The ZDHC Roadmap to Zero Programme provides a clear path to accelerate the implementation of sustainable chemical management by:

1. Creating aligned, industry-endorsed guidelines, platforms and solutions for sustainable chemical management.

3. Driving effective implementation of these guidelines on the ground.

4. Engaging a network of relevant stakeholders to empower every point of the supply chain to manufacture safer products.

Brands to Zero Programme and the assessment

The Brands to Zero (BtZ) Programme is the Roadmap to Zero Leader Programme for Signatory Brands and Retailers. It provides brands and retailers with a harmonised approach and a clear path to achieving sustainable chemical management in their own corporations and throughout their supply chains.

Signatory Brands are committed to the ZDHC Roadmap to Zero Programme and its implementation. BtZ is an annual assessment of the ZDHC Signatory Brands' efforts in implementing the RtZ Programme, enabling brands to demonstrate their progress. It focuses on the implementation

of the ZDHC guidelines and use of ZDHC platforms and solutions, holding brands accountable for implementing their commitment to driving a common industry approach.

Each brand's progress is evaluated against ZDHC-set key performance indicators (KPIs) through the BtZ assessment process. The assessment is reviewed by a third-party Brands to Zero Assessor, resulting in a report that allows brands to benchmark their efforts against their peers and discuss strategic development with their internal leadership.

One of three performance levels can be awarded based on the assessment results: Pioneer, Accelerator or Champion. After the annual BtZ assessment, brands may consult with the ZDHC team on the gaps identified, with the aim to identify improvement actions and the next steps to progress further in RtZ Programme implementation.

Scope

This document aims to provide insights on the ZDHC Brands to Zero Assessment, which is part of the Brands to Zero Leader Programme for Signatory Brands (and Retailers).

List of terms

Brands to Zero (BtZ) Assessor	A person who works for KPMG (a third-party organisation) that assesses Brands to Zero
BtZ	Brands to Zero
KPIs	Key performance indicators
RtZ	Roadmap to Zero
SOP	Standard Operating Procedure
OCED	Organisation for Economic Co-operation and Development

Connectivity

All ZDHC guidelines can be found on our [Roadmap to Zero website](#).

Relevant ZDHC documents which could be used in connection with this one are:

- [ZDHC Chemical Management System Framework](#)

- [ZDHC Chemical Management System Technical Industry Guide](#)

Other relevant documents:

- [OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector](#)

Chapter 1: The Brands to Zero Assessment

All ZDHC Signatory Brands are subject to the annual assessment process which evaluates brands on ZDHC-set KPIs. The objective of the assessment is to harmonise the implementation of the ZDHC Roadmap to Zero Programme, supporting improvement by measuring and benchmarking brands' implementation performance.

Results are based on defined KPIs and metrics. This enables a quantitative, point-based evaluation of a brand's efforts to implement best chemical management practices on a corporate and supply chain level, and its success in aligning with ZDHC guidelines.

Critical KPIs further determine if a brand reaches Pioneer, Accelerator or Champion Level; this is in addition to point-based benchmarks, which are in place to inspire continuous improvement.

The Brands to Zero Assessment is reviewed and updated annually, with the aim of continuously improving KPIs, level criteria and the assessment process.

The assessment process includes an assessment review by a third-party BTZ Assessor who will produce a report for each brand to provide key information on their level of implementation. Each report is based on the defined KPIs and metrics.

Most of the assessment's KPIs provide a pathway for RtZ Programme implementation and improvement and allow brands to define the speed and ambition of implementation according to internal capacities and capabilities. That said, there are essential KPIs which are required to demonstrate commitment to the ZDHC guidelines. Failing to meet expectations on these KPIs (e.g. commitment to the ZDHC MRSL) will lead to a negative score and not meeting the Pioneer Level.

Brands to Zero Levels

All participating Signatories are graded into three performance levels: Pioneer, Accelerator or Champion. Critical KPIs determine the level achieved by the brand. The ambition to become a Champion is an ongoing incentive for Signatory Brands to continually improve their performance. More broadly, including levels of performance creates and nurtures a culture of leadership in sustainability and a commitment to ongoing improvement.

- **A Pioneer** (previously Foundational) Level Signatory Brand is committed to the ZDHC guidelines and their implementation in their supply chains, at least partially using the ZDHC platforms and solutions.

- **An Accelerator** (previously Progressive) Level Signatory Brand is committed to the ZDHC guidelines and their implementation in their supply chains by using the ZDHC platforms and solutions and working towards goals set for sustainable chemical management.

- **A Champion** (previously Aspirational) Level Signatory Brand is committed to the ZDHC guidelines and their implementation in their supply chains by using the ZDHC platforms and solutions. Sustainable chemical management goals are integrated with purchasing practices and Champion Signatory Brands reach high supply chain implementation.

Chapter 2: Brands to Zero Assessment Questionnaire

Each KPI is assessed by points in the Brands to Zero Assessment; The 'Assessment Questionnaire' is structured into four segments.

Two of the four segments impact scoring directly:

- » The Corporate Level Segment and the Supply Chain Performance Segment. Each segment consists of multiple performance areas.

- » Context Questions and Calculation Model segments don't directly impact the score. However, they provide fundamental information to the BTZ Assessor and they can therefore influence the final assessment to:

  - **The Context Questions** help the BTZ Assessors understand the scope of the Brands to Zero Assessment and how the brand approaches the respective topics. This will subsequently influence the KPIs and the Brands to Zero scoring.

  - The **Calculation Model** informs the basis for assessing the brand's efforts in implementing ZDHC guidelines, platforms and solutions in its supply chains. Brands are required to provide sufficient data and supporting evidence to enable the assessors to evaluate the following quantitative KPIs in the Corporate Level and Supply Chain Performance Level segments. The Calculation Model is directly linked to monitoring questions within those segments, where coverage of ZDHC implementation at the supply chain level is determined.

  - The **Corporate Level Segment** evaluates the brand's performance with regard to relevant commitments made, how those commitments were put into practice and their supply chain engagement. The following subjects are evaluated: standard operating procedures, set goals and strategies, implementation plans and staff enabled, as well as responsible decision making and business practices. This segment is based on OECD guidance.

  - The **Supply Chain Performance Segment** focuses on the brand's general approach to each of ZDHC's guidelines, platforms and solutions. KPIs offer implementation pathways to reduce duplicative efforts and confusion in the supply chain, as they offer options according to the brand's ambitions and abilities. This segment deals

with the brands' adoption practices and how they monitor the scale of ZDHC implementation in their supply chain. Furthermore, this segment evaluates the follow-up and corrective action practices that brands have in place if their suppliers do not meet expectations.

Chapter 3: Performance Areas and KPIs

3.1 Corporate Level Segment

The OECD guidance explicitly recommends that companies make "policy commitments" or that companies express their commitment through a "statement of policy". A clear policy that outlines their commitment to ensuring responsible business conduct. Policies provide a foundation for embedding responsible business practices into the organisation's goal setting, strategy building, operations and culture.

The Corporate Level Segment of the Brands to Zero reflects the brand's policies and procedures related to ZDHC guidelines, supply chain interaction in general and internal enablement. Processes and procedures ensure due diligence is embedded in risk management, accountability and transparency into operations. This includes brand staff training and business integration of sustainable chemical management.

The following performance areas contribute to the Corporate Level Segment:

- Corporate Policy and Strategy
- ZDHC Commitment
- Internal Enablement
- Supply Chain Engagement
- Business Integration

3.1.1 Corporate Policy and Strategy

The brand's corporate (sustainability) policy and/or strategy should include:

- ZDHC integration, meaning the brand's commitment towards the RtZ Programme implementation should be part of policies or the Code of Conduct.
- Strategic goals for the implementation of the RtZ Programme.
- Implementation plans for the RtZ Programme or roadmap to reach the above strategic goals.

3.1.2 ZDHC Commitment

Signatories, specifically Signatory Brands, are expected to commit to:

- Adoption of the complete ZDHC MRSL.
- Adoption of the complete ZDHC Wastewater Guidelines.
- Implementation and adoption of the ZDHC Chemical Management System including the complete ZDHC Chemical Management Framework
- Adopt the ZDHC MMCF Guidelines (if applicable).

A ZDHC Signatory parent company (brand) may have multiple brand or retail organisations under its umbrella, and those organisations may be active in product categories relevant to ZDHC. The public-facing commitment must specifically state this.

In addition:

- in case the brand is a licensor[1] in product categories relevant to ZDHC, the brand should ensure that licensees of respective products are required to apply the same standards to the production of these products as applied by the brand.
- in case the brand is a licensee[2] in product categories relevant to ZDHC, the brand

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1   OECD ,p 53: https://www.oecd-ilibrary.org/governance/oecd-due-diligence-guidance-for-responsible-supply-chains-in-the-garment-and-footwear-sector_9789264290587-en
2   OECD, p 52: https://www.oecd-ilibrary.org/governance/oecd-due-diligence-guidance-for-responsible-supply-chains-in-the-garment-and-footwear-sector_9789264290587-en

should ensure that the same standards are applied to the production of respective products that the brand purchases and/or sells.

Finally, the brand should report on its due diligence activities, achievements, learnings and challenges. If external or pubic reporting is neither required nor preferred, internal reporting should be used for strenghening the understanding of impacts, risks and opportunities. For supply chain transparency disclosure, brands can use the Detox.live map to show brand-supplier connections and for disclosing the performances of their connected suppliers.

3.1.3 Internal Enablement

Signatory Brands should promote capacity building both to the industry and internally within their organisation to enable the implementation of the brand requirements and the RtZ Programme. In particular, brands should:

- Conduct internal ZDHC capacity building for staff responsible for ZDHC implementation (e.g. sustainability, chemical experts).

- Conduct internal ZDHC capacity building for staff members in direct contact with suppliers of any tier (e.g. buying/sourcing/product quality staff).

- Be an active member of the ZDHC Committed Community, participating in the opportunities to contribute to the ZDHC RtZ Programme and peer-to-peer learning (e.g. focus groups, BAG meetings, sector events etc).

3.1.4 Supply Chain Egagement

Enabling and engaging with supply chain partners is crucial for ensuring Roadmap to Zero implementation. Strong commitment and collaboration from supply chain partners will ensure success of the brand implementation strategy. Therefore brands should:

- Set clear requirements for suppliers on the implementation of the ZDHC RtZ Programme.

- Monitor the implementation of the requirements set on the RtZ Programme.

- Monitor the follow-up on non-conformities with requirements set concerning the ZDHC RtZ Programme implementation.

- Make the best use of ZDHC's tools and solutions to support supply chain engagement and monitoring, such as:

    - The ZDHC Gateway connection feature. This allows brands to access the supplier's implementation data and is essential for monitoring,

    - Brand Implementation Support Vouchers (BISV).

- Achieve a good level of supply chain transparency and knowledge of both direct and indirect supply chain partners involved in brand-related productions, as this is crucial to achieving strategic and operational goals by defining clear roles and responsibilities, following due diligence principles outlined in the OECD guidance.

3.1.5 Business integration

A brand's commitment, related goals and strategy should be incorporated by all levels of the organisation. Implementation is a shared responsibility, as is success. Brands should also base procurement decisions on supplier performance that go beyond compliance with minimum (industry) requirements. Therefore brands should:

- Ensure that buying/sourcing/purchasing department(s) are informed and actively engaged about supply chain goals and how implementation correlates with their decision-making.

- Have a KPI-based system or scorecard in place to measure how the buying/sourcing/purchasing department(s)'s decision-making is impacting the brand's ZDHC implementation efforts.

- Integrate incentives related to ZDHC in corporate procurement processes.

3.2 Supply Chain Performance Segment

The Supply Chain Performance Segment focuses on the brand's general approach to each of ZDHC's guidelines, platforms and solutions. KPIs offer implementation pathways to reduce duplicative efforts and confusion in the supply chain, as they offer options according to the brand's ambitions and abilities. This segment deals with brands' adoption practices and how they monitor the implementation scale of ZDHC in their supply chain. Finally, this segment evaluates follow-up and corrective action practices that brands have in place if their suppliers do not meet expectations.

Each of this segment's individual performance areas is structured into "Adoption," "Monitoring," and "Corrective action" practices to give them a similar structure. Thereby, due diligence principles are applied (commit, monitor, remedy):

- **Adoption:** The decision to use a specific ZDHC guideline, platform or solution within their own business policies and leading to suppliers including the applicable in their own policy and communicating it to their suppliers and subcontractors respectively.

- **Monitoring:** The brand's monitoring of the scale of its supply chain partners implementation of ZDHC guidelines, platforms and solutions. Monitoring questions are directly linked to the calculation model. The brand can only demonstrate monitoring efforts by delivering respective information in the calculation model.

- **Corrective action:** Whether and how the brand approaches following up with its supply chain when there is a failure to meet expectations set for the implementation of ZDHC guidelines, platforms or solutions. Respectively, a brand cannot score on corrective action practices if corresponding adoption practices are not in place. Imposing consequences could include training measures or other improvement measures.

The following performance areas contribute to the Supply Chain Performance Segment:

- Chemical Management System
- ZDHC MRSL
- ZDHC Gateway - Chemical Module
- ZDHC Wastewater Guidelines
- ZDHC ClearStream Reporting

3.2.1 Chemical Management System

Adoption

Brands should:

- Specify in communications to suppliers that ZDHC-related requirements must be cascaded through the relevant supply chain.

- Require suppliers to register to Suppliers to Zero.

- Require suppliers to get the Supplier to Zero Level 1 certificate (former Foundational Level certificate).

- Require suppliers to get a Supplier to Zero Level 2 certificate (former Progressive Level certificate).

- Require suppliers to build and maintain a Chemical Inventory List (CIL).

- Require suppliers to adopt a chemical purchasing policy with goals for ZDHC MRSL conformant purchasing.

- Communicate expectations or requirements relating to air emissions, including but not limited to emissions from energy generation and/or the manufacturing processes.

- Communicate expectations or requirements concerning the management and disposal of hazardous waste.

- Require suppliers to engage in ZDHC Academy capacity building or endorsed training schemes.

Monitoring

Brands should monitor the implementation of set requirements and be able to provide quantitative KPIs on the scale of implementation achieved. This may include:

- Share of (or % of brand's business covered by) suppliers registered to Supplier to Zero.

- Share of (or % of brand's business covered by) suppliers with a Supplier to Zero Level 1 certificate.

- Share of (or % of brand's business covered by) suppliers with a Supplier to Zero Level 2 certificate.

- Share of (or % of brand's business covered by) supplier engaged in ZDHC Academy capacity building or endorsed training schemes.

Corrective action

Brands should approach supply chain partners about following up when not meeting set expectations. Brands should manage and encourage suppliers who do not commit to the set requirements. In particular, brands should:

- Impose consequences if suppliers do not follow the requirement on Supplier to Zero registration and/or certificates.

- Impose consequences if suppliers do not engage in ZDHC Academy capacity building or endorsed training schemes as per set requirements.

3.2.2 ZDHC MRSL

Adoption

Brands should:

- Communicate their commitment to the ZDHC MRSL to all supply chain partners.

- Require supply chain partners to adopt the ZDHC MRSL.

- Include the requirement to adopt the ZDHC MRSL when onboarding supplier facilities.

- Require supply chain partners to only use ZDHC MRSL conformant chemicals (listed on the ZDHC Gateway).

Monitoring

Brands should monitor the implementation of the requirement set and be able to provide quantitative KPIs on the scale of implementation achieved. Such as:

- Monitor the ZDHC MRSL conformance of supply chain partners using Performance InCheck.

- Verify the ZDHC MRSL conformance of supply chain partners through CIL review.

- Share of (or % of brand's business covered by) suppliers covered by ZDHC MRSL conformance verification.

- Share of (or % of brand's business covered by) suppliers covered by Verified InCheck.

- Average % of ZDHC MRSL conformance on weight achieved by brands' suppliers.

- Average % of ZDHC MRSL conformance on the number of formulations (count) achieved by brands' suppliers.

Corrective Action Practices

Brands should approach supply chain partners and follow up when they do not meet expectations set by the brand. Brands should ensure that suppliers who do not commit to the requirements set are managed and encouraged to do so. In particular, the brands should:

- Impose consequences if suppliers do not commit to adopting the ZDHC MRSL.

- Require suppliers to work on the results from the CIL review OR the ZDHC InCheck.

3.2.3 ZDHC Gateway - Chemical Module

Adoption

Brands should:

- Require suppliers to register on the ZDHC Gateway.

- Encourage suppliers to invite their sub-suppliers and contractors to register on the ZDHC Gateway (upstream implementation).

- Set the requirement for the ZDHC Performance InCheck to be done at least annually.

Monitoring

Brands should monitor the implementation of the requirement set and be able to provide quantitative KPIs on the scale of implementation achieved, as follows:

- Share of (or % of brand's business covered by) suppliers registered to the ZDHC Gateway.

- Monitor the suppliers' Performance InCheck Reports.

- Share of (or % of brand's business covered by) suppliers who generated a Performance InCheck Report in the reporting year.

Corrective action

Brands should approach supply chain partners about following up when not meeting expectations set by the brand. Brands should ensure that suppliers that do not commit to the requirements set are managed and encouraged to do so. In particular, the brands should:

- Impose consequences if suppliers do not register on the ZDHC Gateway

- Impose consequences if suppliers don't complete ZDHC Performance InCheck reporting as per requirements set.

- Impose consequences if suppliers don't meet the brand's requirements (as per the monitoring SOP) for Performance InCheck.

3.2.4 ZDHC Wastewater Guidelines

Adoption

Brands should:

- Communicate the ZDHC Wastewater Guidelines to its suppliers.

- Require suppliers to adopt and implement the ZDHC Wastewater Guidelines.

- Set the requirement for wastewater testing results to meet, at a minimum, the ZDHC Wastewater Guidelines Foundational Level limits.

- Require suppliers to follow up on non-conformances indicated in (any) wastewater test results as described in the ZDHC Wastewater Guidelines.

Monitoring

Brands should monitor the implementation of the requirement set and be able to provide quantitative KPIs on the scale of implementation achieved, as follows:

- Share of (or % of brand's business covered by) suppliers that demonstrated to have conducted a root cause analysis and/or initiated corrective actions/remediation of non-compliances or non-conformities in wastewater testing.

Corrective action

Brands should approach supply chain partners and follow up when they do not meet expectations set by the brand. Brands should ensure that suppliers that do not commit to the requirements set are managed and encouraged to do so. In particular, the brands should:

- Impose consequences if suppliers do not commit to adopting the ZDHC Wastewater Guidelines or associated brand requirements.

- Impose consequences if suppliers do not follow up on non-conformances as indicated in wastewater test results.

3.2.5 ZDHC ClearStream Reporting

Adoption

Brands should:

- Set the requirement to generate ZDHC ClearStream Reports (and therefore make the ClearStream process mandatory).

Monitoring

Brands should monitor the implementation of the requirement set and be able to provide quantitative KPIs on the scale of implementation achieved, as follows:

- Share of (or % of brand's business covered by) suppliers with ZDHC ClearStream Reports.

- Share of (or % of brand's business covered by) directly discharging suppliers with ZDHC ClearStream results meeting at a minimum ZDHC Wastewater Guidelines Foundational Level limits.

Corrective action

Brands should approach supply chain partners and follow up when they do not meet expectations set by the brand. Brands should ensure that suppliers that do not commit to the requirements set are managed and encouraged to do so. In particular, the brands should:

- Impose consequences if the supplier does not generate ZDHC ClearStream Reports as required by the brand.

Chapter 4: Process

The Brands to Zero's reporting period is defined as the previous calendar year. Therefore, the 2025 assessment will focus on implementation efforts of the reporting year 2024. All actions and measures undertaken by the brand during this period will be taken into account.

If ZDHC guidelines, platforms and solutions were implemented or launched during the second half of the reporting period, they may be included in the assessment questionnaire, but they will not impact scoring.

Brands to Zero is carried out as a multi-step process:

1) Reporting via self-assessment utilising an online platform provided by the ZDHC Foundation for that purpose.

The brand must provide:

- A complete response to the BtZ assessment questionnaire with supporting documents to back up their replies and statements.

2) Desktop review validation and verification by a single dedicated third-party assessor ("Brands to Zero (BtZ) Assessor");

The BTZ Assessor undertakes a review of the submitted self-assessment and the supporting documents.

The BTZ Assessor checks the submission for completeness, consistency and accuracy and assesses the submissions against the predetermined criteria.

A report is produced by the third-party assessor for each brand to provide key information on their level of implementation.

3) Follow up phase, voluntary recap and roadmap development with ZDHC support.

The BtZ Programme offers Signatory Brands the opportunity to collaboratively develop an implementation roadmap with ZDHC support, based on the BTZ Assessor's final report. These roadmap development meetings are intended to support brands in developing strategic approaches to ZDHC implementation, draft implementation plans and explore opportunities for joint implementation or joint training approaches and projects.

There may be mandatory follow-up action for brands on a case by case basis. For example, a brand may need to create an improvement plan if said brand reaches "Pioneer Level" in two consecutive BtZ assessments. The character and ambition of the improvement plan is specific to the brand's needs, with the aim of supporting the brand in reaching the "Accelerator Level" status.

Finally, the BtZ assessment, process and KPIs undergo an annual review to ensure they are fit for purpose, driving the aligned implementation of the ZDHC Roadmap to Zero Programme.