2015 was a productive year for Textile Exchange. Time and again, our extensive intellectual capital brought improvements to three core areas:

- Fiber and Materials
- Integrity and Standards
- Supply Chain

With each project, event, report, webinar and member interaction, we saw Textile Exchange’s vision and mission in action:

**OUR VISION**

We envision a global textile industry that protects and restores the environment and enhances lives.

**OUR MISSION**

Textile Exchange inspires and equips people to accelerate sustainable practices in the textile value chain. We focus on minimizing the harmful impacts and maximizing the positive effects of the global textile industry.

In this annual report, we’ve highlighted some of our top projects of 2015. We look forward to another dynamic year ahead, to continuing these tasks and more.

La Rhea Pepper, Managing Director
In October, 300 attendees from 32 countries came together in Mumbai to make a difference in the textile industry and ultimately, the world. Several plenaries demonstrated the enormity of the textile industry’s impact on our environment, tying into the conference’s theme: “Textiles – A Circular Life.” The conference was strong on international topics as well, including a plenary about China and India, the world’s largest global textile markets.

Other highlights from the conference include:

**Organic Cotton Round Table**

Almost 200 producers, manufacturers, brands, retailers and support organizations shared news and views on organic cotton. This group has come a very long way from the first round table meetings in 2012. Together, they are taking action to grow a robust and resilient organic cotton market.

**Farm and Supply Chain Tours**

Following the Organic Cotton Round Table, 62 delegates stayed on in India for post-conference farm and factory tours. Conference goers learned firsthand about organic cotton growing and production in the world’s largest cotton producing country. Generous tour hosts included: Arvind Ltd, Pratibha Syntex, bioRe India, Appachi Eco-Logic and CottonConnect. Participants reported that they felt enlightened, challenged, inspired and enriched by the experience.

The date and location are set for the 2016 Textile Sustainability Conference:

**2015 TEXTILE SUSTAINABILITY CONFERENCE**

Industry experts from around the world gather to share knowledge and best practices
MAKING STRIDES IN TEXTILE STANDARDS

2015 brought increased reach and progress in sustainable down and wool production

Responsible Down Standard

Background

The Responsible Down Standard ensures that down and feathers come from ducks and geese that have been treated well. This means enabling the animals to live healthy lives, express innate behaviors, and not suffer from pain, fear or distress. The standard also follows the chain of custody from farm to product, so consumers can be confident that the down and feathers in the products they choose are truly RDS.

Originally, Textile Exchange (TE) worked with the North Face and Control Union to develop the standard, with Textile Exchange taking ownership in 2014.

2015 – An important year for the Responsible Down Standard:

- The RDS was further developed with the input of animal welfare groups, industry experts, brands and retailers. Updates to the standard included clearer requirements for farms, the addition of an optional parent-farm module, updated labeling guidelines and updated audit methodology for industrial and collector-based farms.

- Version 2.0 of RDS was released, thanks to the International Working Group’s tireless contributions of experience and knowledge to make it the strongest possible standard for the industry.

- The TE team worked in countries around the world to support the steady adoption of the standards by brands in the outdoor, apparel, and home industries.

- Our new ResponsibleDown.org website was launched and features content about what the standard covers, how to find RDS products, as well as everything companies working with the RDS need to know.
Responsible Wool Standard

Background

The Responsible Wool Standard project began in 2014 and made significant progress in 2015. It is being developed through an open, multi-stakeholder process and will cover both the apparel and home textile categories. The International Working Group responsible for researching and writing the standard represents key players in the wool industry, including animal welfare groups, brands, farmers, wool suppliers and supply industry associations.

The goals of the Responsible Wool Standard are to provide the industry with the best possible tool to:

- Recognize the best practices of farmers around the globe
- Create an industry benchmark for animal care and land management to drive improvement where needed
- Ensure that wool comes from farms with a progressive approach to land management, and from sheep that have been treated responsibly
- Provide a robust chain-of-custody system from farm to final product so consumers are confident that wool in the products they choose is truly RWS

Looking Ahead

2016 - Ready to release the Responsible Wool Standard

To date, the Responsible Wood Standard has received enormous support, specifically in the donated time of many industry experts. In 2016, TE is conducting a pilot phase of the standard’s first draft and with the help of the International Working Group, TE will complete the standard. The standard will rely on widespread adoption to be successful. ResponsibleWool.org has been created to help report progress and increase early adoption.
Throughout 2015, a small TE team oversaw a pilot Benchmark Program for Organic Cotton and Preferred Materials, which measured the efforts of 57 textile companies to become more sustainable. The findings were featured at TE’s global Textile Sustainability Conference in Mumbai.

The Benchmark program allows companies to track their own progress and also relate it to others’ experience and results in four main areas: Sustainability Strategy, Supply Chain, Materials Usage, and Sales and Marketing. Each participating company received a customized, confidential Feedback Report, while a Sector Report containing aggregated results was released to the wider audience.

German retailer and longstanding TE member, Tchibo, partnered with TE on the delivery of the pilot program. Achim Lohrie, Tchibo’s Director of Corporate Responsibility said:

“We at Tchibo see it as our duty as a business to take on responsibility and initiate change, for example in the cultivation and processing of our cotton. However, it is important that we all work together to change the sector. Therefore, we are proud to support Textile Exchange’s Benchmark Program because it provides further impulse and peer-to-peer learning for the whole sector.”

Key Findings of the project can be found here: Benchmark Key Findings

The year ahead in Benchmarking

TE recently conducted an open consultation process to review and improve the program for 2016, with the goal of creating a benchmarking tool that adds real value and contributes to company performance. In March of 2016, TE will launch its annual market survey, the results of which will feed into the 2016 Benchmark Program that will include updates and improvements such as weighted scoring and anonymized company rankings.
CONSUMER ENGAGEMENT
Taking our mission to the masses

2015 marked a significant year for TE’s consumer engagement efforts. While we are a member-supported nonprofit organization, our main purpose is to equip the textile industry with the tools, data and resources needed to make the industry better for our environment and its inhabitants.

This year, a team worked to create and launch aboutorganiccotton.org. The website will serve as a resource for TE member organizations, with quick facts and downloadable resources at no cost. In 2016, we plan to expand the site by co-linking with members’ websites and expanding our presence on social media.

Following an energetic meeting about our consumer outreach efforts during the 2015 Textile Sustainability Conference in Mumbai, generous member organizations volunteered their time and talent to translate the website so more members worldwide can benefit from the resource. A big thank you to:

- Far Eastern New Century - Chinese
- Skunkfunk – Spanish
- Tchibo – German
- GreenLama (Bruno Van Steenberghe) – French
- Kowa & Itochu – Japanese

Brands are sharing their sustainability efforts with consumers, such as Eileen Fisher (ad pictured at right) and some TE members have already begun repurposing content from aboutorganiccotton.org, including Coyuchi, a company that provides natural and organic cotton bedding, bath and loungewear to the US market.

Eileen Mockus, CEO of Coyuchi, said

“We have received lots of positive feedback and commentary on this post and infographic because it’s factual, simple to understand, and drives the point home about organic cotton. We greatly appreciate the research provided by TE and your team’s support to verify the facts.”
Cotton
organic vs. conventional

SOIL
70% less acidification potential
26% reduced soil erosion, increases soil quality and lowers CO2 emissions
Improved drought and flood resistance

Decreased soil fertility and reduced biodiversity
High soil erosion and degradation
Toxic plus synthetic fertilizers in runoff

WATER USAGE
91% reduced water consumption
*excludes rainwater
80% of organic cotton is rainfed

VS.
Techniques such as composting and crop rotation make soil more absorbent, increasing the effectiveness of water usage, so less is needed

Conventional farming practices result in less absorbent soil, so more water is needed

CHEMICALS
#0 toxic pesticides
25% of all pesticides used worldwide are used on conventional cotton

VS.
Healthy workers and farm communities due to absence of toxic chemicals.

Aldicarb, Parathion, Methamidophos
3 of the most acutely hazardous insecticides to human health are commonly used in conventional cotton production.
2015 FINANCIALS - INCOME

INCOME SOURCES

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<tr>
<th></th>
<th>2015</th>
<th>2014</th>
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<tbody>
<tr>
<td>Membership</td>
<td>US$ 403,275.00</td>
<td>US$ 454,500.00</td>
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<td>Conference</td>
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<td>US$ 309,375.00</td>
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<td>Certification Fees</td>
<td>US$ 595,650.00</td>
<td>US$ 398,850.00</td>
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<td>Consulting &amp; Trainings</td>
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<td>Other</td>
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<td><strong>Total</strong></td>
<td><strong>US$ 1,599,971.94</strong></td>
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**2015 FINANCIALS - EXPENSES**

**EXPENSES**

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<tr>
<th>Category</th>
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<td>Membership Services &amp; Communication</td>
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<td>General &amp; Administrative</td>
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<td>Conference</td>
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<td>Farm Engagement</td>
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<td>Industry Integrity</td>
<td>US$ 369,206.58</td>
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<td>Learning Center &amp; Events</td>
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<td>Fundraising</td>
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<td><strong>Total</strong></td>
<td><strong>US$ 1,749,310.10</strong></td>
<td><strong>US$ 1,433,939.81</strong></td>
</tr>
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</table>

Note: Expenses does not reflect carry-over from prior fiscal years for programs.
TEXTILE EXCHANGE LEADERSHIP AND TEAM

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La Rhea Pepper • Managing Director
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We envision a global textile industry that protects and restores the environment and enhances lives.

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