04 /

Understanding the Benchmark

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INSIGHTS 2017

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We are thinking boldly about how we can leverage our size and scope to address global problems, from reducing our environmental footprint to improving livelihoods at all points in our supply chain.

Brian C. Cornell, Board Chairman and CEO, TARGET
From 2016 Target Corporate Social Responsibility Report

PHOTO: ALLIED FEATHER & DOWN

What Is a Preferred Fiber or Material?

Textile Exchange describes a preferred fiber or material as **ecologically and/or socially* progressive** and has been selected because it has **more sustainable properties** in comparison to other options.

Preferred Fibers or Materials Have:

A recognized industry standard in place which confirms its status as preferred.

Sustainability criteria developed and maintained through a formalized multi-stakeholder process.

Been objectively tested or verified as having sustainability attributes, such as through a peer-reviewed Life Cycle Assessment (LCA).

Now-available data is proving that some of the biggest sustainability impacts and "hotspots" of textile production occur at the growing and extracting of raw materials.

* "Socially" progressive covers both human and animal welfare.

A Portfolio Approach to Preferred Fiber & Materials

A portfolio approach involves building a suite of preferred fibers and materials, from a choice of preferred options, through the consideration of impacts and organizational priorities. It involves embedding a strategy that leads to preferred options replacing unsustainable or less sustainable options*.

A preferred fiber and materials strategy should be based on the principles of continuous improvement and result in a positive impact.

Benchmark Portfolio Options:

The PFM Benchmark Program allows participants to build their own portfolio based on the PFMs their company is implementing. The survey currently offers modules on the following PFMs:

Cotton	Synthetics	Manmade Cellulosics	Animal Fibers
Better Cotton Initiative	Recycled Polyester	Preferred Lyocell	Responsible/Traceable Down
Cotton made in Africa	Recycled Nylon	Preferred Modal	Downpass Certified
Fair Trade Cotton	Biosynthetic Polyester	Preferred Viscose	Recycled Down
Organic Cotton	Biosynthetic Nylon	Recycled Cellulose	Organic Wool
Organic-Fair Trade			Responsible Wool
REEL Cotton			Recycled Wool
Recycled Cotton			

● ● ● ● 12 Modules were on offer in 2017   ○ Modules in development or under consideration

* A movement away from practices that depend on fossil-based feedstocks and chemical inputs, cause depletion of natural resources, or result in environmental degradation, or cause human or animal welfare issues; towards practices that lead to wellbeing and prosperity for all, while conserving or enhancing the natural environment.

What Is
the PFM Benchmark?

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Companies using the Benchmark follow a self-assessment process which is intended to help them identify strengths in their management and performance and gaps where future progress can be made. By comparing their scores with those achieved by the entire group of participants, companies can plan their improvement efforts and priority action areas.

The steps involved in Benchmarking

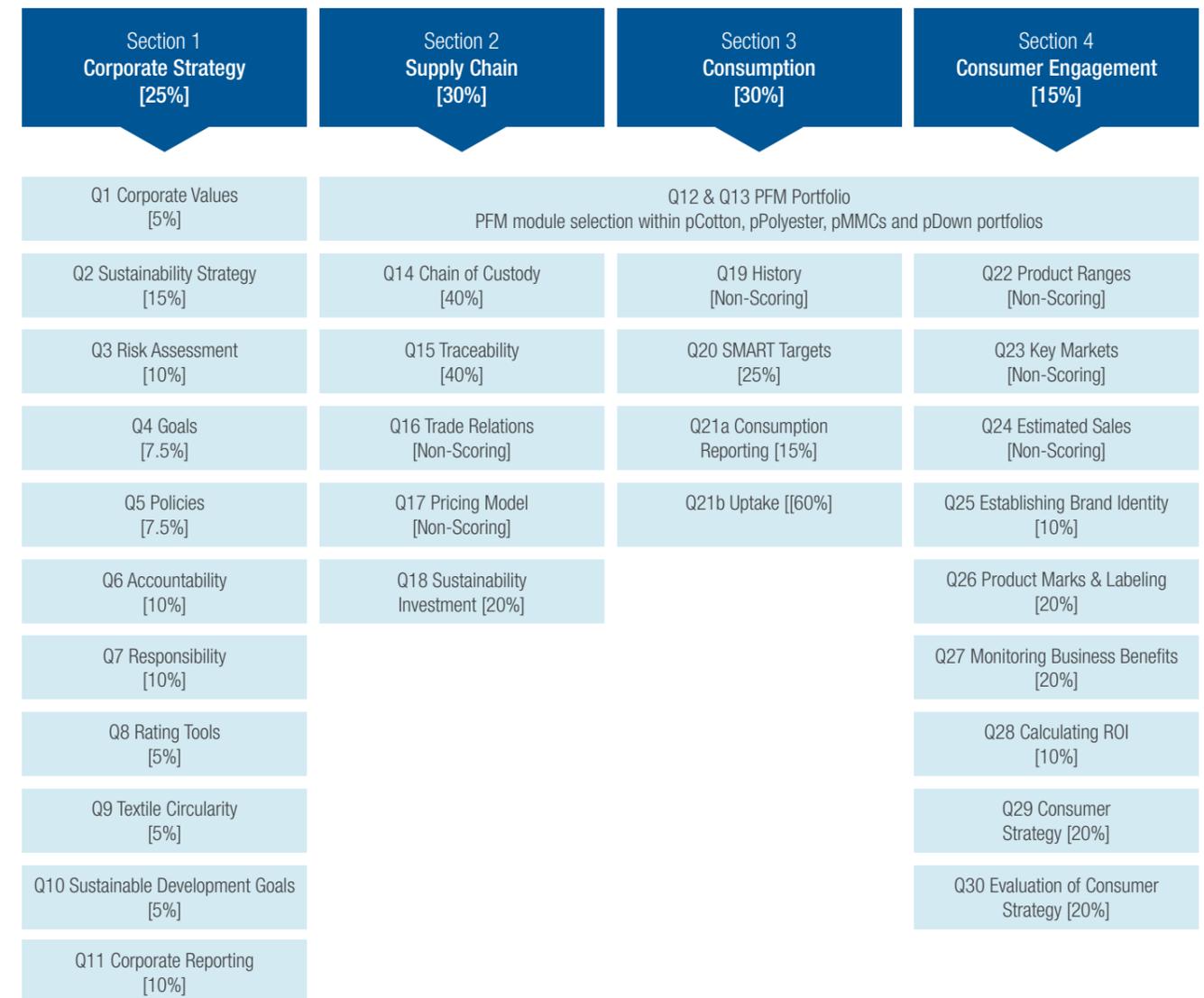| Identify	Identify gaps for improvement and reinforce good practice.
Track	Track progress over time and drive continuous improvement.
Benchmark	Benchmark against peers and leading practice.
Engage	Engage leadership and raise awareness internally.

**Benchmarking, learning and action is not a one-time project.
It is a driver of continuous improvement.**

Powered by 73bit

The PFM Benchmark is managed through a portal called "Probench" developed by our software partners, 73bit Ltd. Probench is also home to other important benchmarking programs such as the United Nations Finance Initiative (UN-FI), the United Nations Principles for Responsible Investment (UN-PRI), Access to Nutrition Index (ATNF), and the Business Benchmark on Farm Animal Welfare (BBFAW).

The PFM
Benchmark Framework

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The Benchmark framework follows a systematic approach to integrating preferred fibers and materials into business strategy.

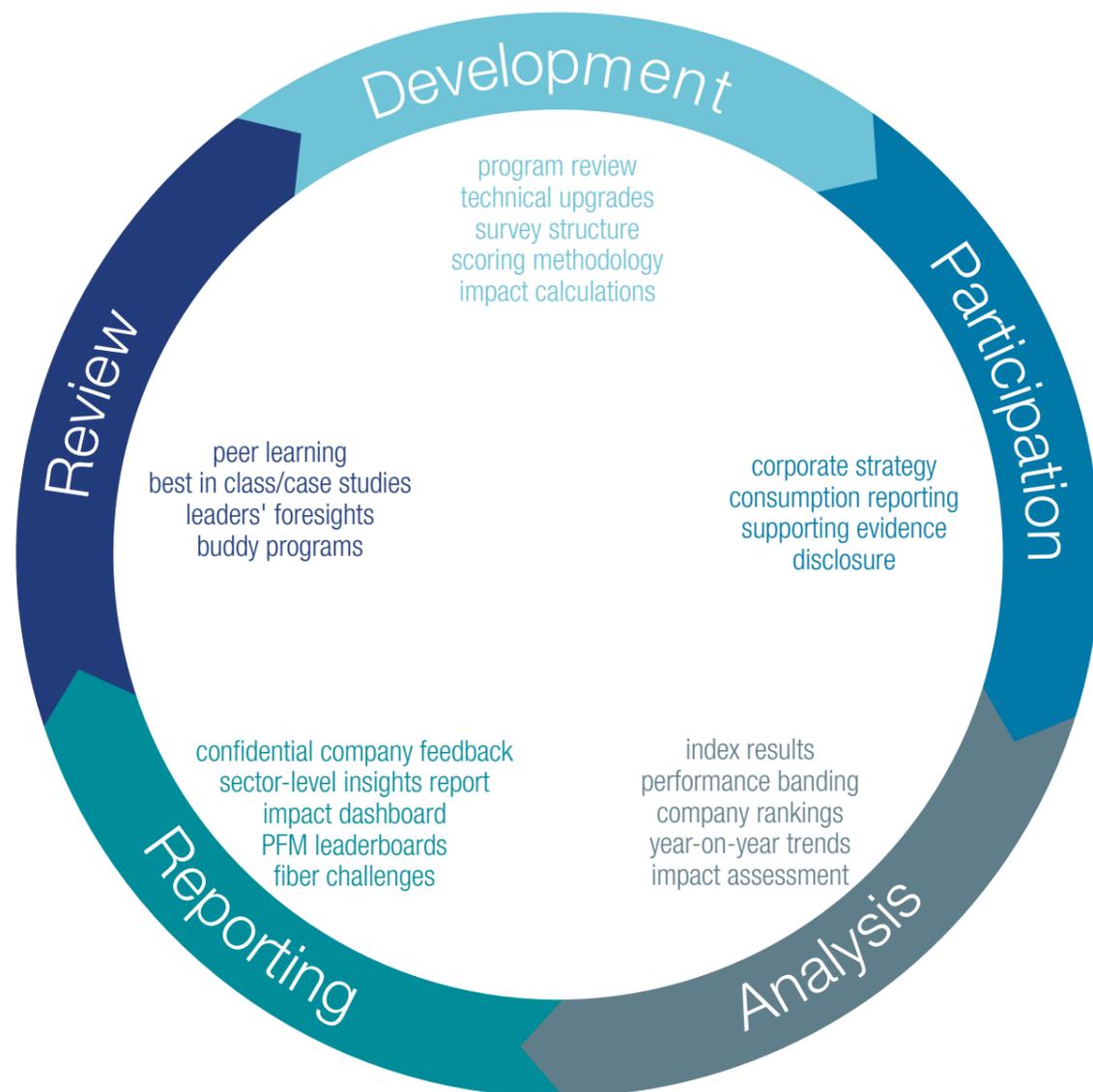| Section 1 Corporate Strategy [25%]	Section 2 Supply Chain [30%]	Section 3 Consumption [30%]	Section 4 Consumer Engagement [15%]
Q1 Corporate Values [5%]	Q12 & Q13 PFM Portfolio PFM module selection within pCotton, pPolyester, pMMCs and pDown portfolios		
Q2 Sustainability Strategy [15%]	Q14 Chain of Custody [40%]	Q19 History [Non-Scoring]	Q22 Product Ranges [Non-Scoring]
Q3 Risk Assessment [10%]	Q15 Traceability [40%]	Q20 SMART Targets [25%]	Q23 Key Markets [Non-Scoring]
Q4 Goals [7.5%]	Q16 Trade Relations [Non-Scoring]	Q21a Consumption Reporting [15%]	Q24 Estimated Sales [Non-Scoring]
Q5 Policies [7.5%]	Q17 Pricing Model [Non-Scoring]	Q21b Uptake [[60%]	Q25 Establishing Brand Identity [10%]
Q6 Accountability [10%]	Q18 Sustainability Investment [20%]		Q26 Product Marks & Labeling [20%]
Q7 Responsibility [10%]			Q27 Monitoring Business Benefits [20%]
Q8 Rating Tools [5%]			Q28 Calculating ROI [10%]
Q9 Textile Circularity [5%]			Q29 Consumer Strategy [20%]
Q10 Sustainable Development Goals [5%]			Q30 Evaluation of Consumer Strategy [20%]
Q11 Corporate Reporting [10%]			

A Closer Look at the Survey

Please find a summary of the survey here: Survey Summary

How Does
the Benchmark Work?

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The Benchmark framework follows a systematic approach to integrating preferred fibers and materials into business strategy.

Development
- program review
- technical upgrades
- survey structure
- scoring methodology
- impact calculations

Participation
- corporate strategy
- consumption reporting
- supporting evidence
- disclosure

Analysis
- index results
- performance banding
- company rankings
- year-on-year trends
- impact assessment

Reporting
- confidential company feedback
- sector-level insights report
- impact dashboard
- PFM leaderboards
- fiber challenges

Review
- peer learning
- best in class/case studies
- leaders' foresights
- buddy programs

Sections of the
PFM Benchmark

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SECTION 1: CORPORATE STRATEGY

Corporate Strategy looks at how preferred fiber and materials are integrated into business, and the tools companies uses to guide more sustainable sourcing decisions. It also identifies who holds accountability and responsibility to deliver on fiber and materials sustainability.

SECTION 2: SUPPLY CHAIN

Supply chain integrity, and the corresponding product integrity, is the linchpin of sustainability in the textile industry. In this section we look at the ways companies are addressing issues in their supply chain, are working with suppliers to make improvements, and achieve product integrity, including the use of chain of custody standards and initiative guidelines for verifying the content of a preferred fiber or material. Certification to standards is one of the strongest ways to ensure that product claims are accurate and able to be verified. Ultimately, the goal is to move towards transparent and trusting supply chain partnerships which allows companies to closely manage risk and co-create more resilient trade relations that share value fairly through their supply network.

SECTION 3: CONSUMPTION

This section moves away from strategy and supply chain management to look at the hard numbers. How effective have these strategies been in leading to increased use of a PFM? Total volumes are a good indicator but it is important to consider the percentage of overall fiber or material usage that is converted to a preferred version. This is why the percentage breakdown of overall fiber or material usage is of particular interest, as it allows a company to reflect on the rate of conversion and growth trends alongside absolute volumes.
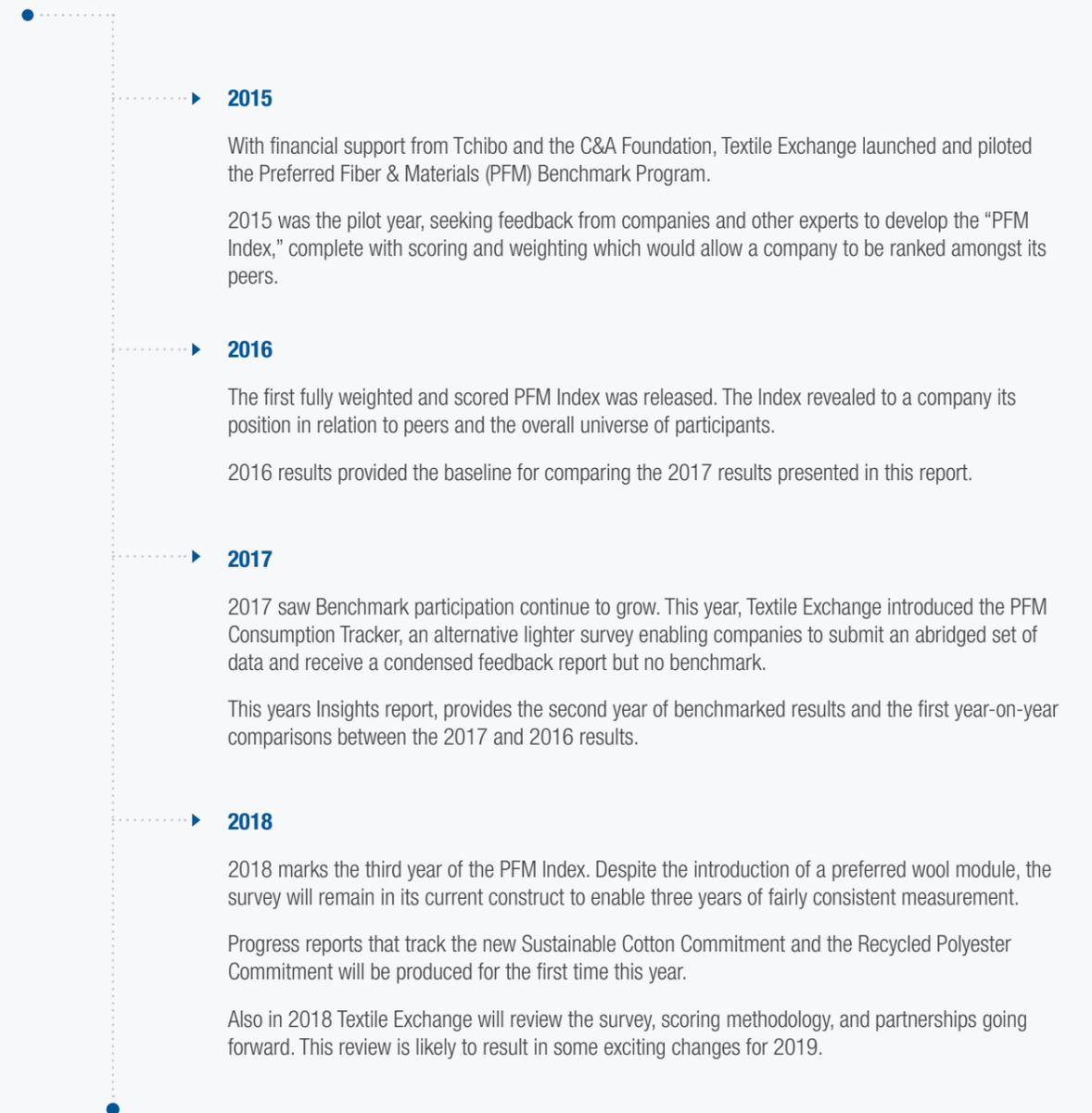
SECTION 4: CONSUMER ENGAGEMENT

Consumer engagement is the interaction of customers with a company, and with one another. Initiatives for engagement can be either consumer or company-led and the medium of engagement can be on or offline. Communication channels include the use of in-store or on product messaging, labels, campaigns and cause-related marketing, and increasingly through social media. In this section we take a look at the marketplace for products made using preferred fibers and materials, and whether companies are seeing any return on their investment. We ask how they communicate a product's sustainability attributes, raise their customers' awareness of sustainability issues, and educate them on how to make more sustainable choices. We also ask whether companies are monitoring and evaluating the impact of their customer engagement activities and if this information to used to inform strategy.

Framework for Mapping the
PFM Benchmark to the United Nation's Sustainable Development Goals

UN Targets SDG 12	UN Indicators	Cotton	Synthetics (polyester)	Manmade Cellulosics	Animal Fiber (down)
12.2: By 2030, achieve the sustainable management and efficient use of natural resources.	12.2.1: Reduced material footprint	Water, energy, GHG emissions (savings)	Water, energy, GHG emissions (savings)	Water, energy, GHG emissions (savings)	TBD
12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.	12.5.1: Tons of material recycled	Recycled cotton (volume)	Recycled polyester (volume)	Recycled cellulose (volume)	Recycled down (volume)
12.6: Encourage companies, especially large and transnational companies to adopt practices and to integrate sustainability information into their reporting cycle.	12.6.1 Number of companies reporting data (through the PFM Benchmark program)	pCotton reporting rates (number of companies)	pPolyester reporting rates (number of companies)	pMMCs reporting rates (number of companies)	pDown reporting rates (number of companies)

SDG initial mapping

Initial mapping is based on Life Cycle Assessment. It links preferred fiber and materials to responsible consumption, sustainable agriculture, water, energy, climate, land use, technology and infrastructure.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 2 ZERO HUNGER | 6 CLEAN WATER AND SANITATION | 7 AFFORDABLE AND CLEAN ENERGY | 9 INDUSTRY INNOVATION AND INFRASTRUCTURE | 13 CLIMATE ACTION | 15 LIFE ON LAND

SDG future mapping

The PFM Benchmark will continue to map and measure linkages between adoption of preferred fiber and materials and the SDGs.

17 PARTNERSHIPS FOR THE GOALS | 1 NO POVERTY | 3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION | 5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH | 10 REDUCED INEQUALITIES | 11 SUSTAINABLE CITIES AND COMMUNITIES | 14 LIFE BELOW WATER | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

PFM Benchmarking
Over Time

2015

With financial support from Tchibo and the C&A Foundation, Textile Exchange launched and piloted the Preferred Fiber & Materials (PFM) Benchmark Program.

2015 was the pilot year, seeking feedback from companies and other experts to develop the "PFM Index," complete with scoring and weighting which would allow a company to be ranked amongst its peers.

2016

The first fully weighted and scored PFM Index was released. The Index revealed to a company its position in relation to peers and the overall universe of participants.

2016 results provided the baseline for comparing the 2017 results presented in this report.

2017

2017 saw Benchmark participation continue to grow. This year, Textile Exchange introduced the PFM Consumption Tracker, an alternative lighter survey enabling companies to submit an abridged set of data and receive a condensed feedback report but no benchmark.

This years Insights report, provides the second year of benchmarked results and the first year-on-year comparisons between the 2017 and 2016 results.

2018

2018 marks the third year of the PFM Index. Despite the introduction of a preferred wool module, the survey will remain in its current construct to enable three years of fairly consistent measurement.

Progress reports that track the new Sustainable Cotton Commitment and the Recycled Polyester Commitment will be produced for the first time this year.

Also in 2018 Textile Exchange will review the survey, scoring methodology, and partnerships going forward. This review is likely to result in some exciting changes for 2019.

Preferred Fiber & Materials Benchmark

Appendix 01 /
PFM Program Cycle

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PFM Benchmark Program Details

Participation

The population or universe is brands/ retailers of textile and apparel goods. The group of participants who complete the survey is the Index population.

Participants are benchmarked against the entirety of participants and also their most common peer group (sub-sector). There are five sub-sector categories.

Multi-Sector/Apparel (Extra Large) - Extra large apparel and multi-sector brands and retailers. Submissions from holding companies are also included in this sub-sector.

Apparel (Large) - Large and mid-size brands and retailers of predominantly apparel.

Apparel (Small/Medium) - Small to mid-size apparel brands and retailers. Also includes submissions based on "product line" (even if the company size would place them in Large or Extra Large).

Outdoor/Sports - Brands and retailers, all sizes, of outdoor and sportswear.

Home Textiles - Brands and retailers, all sizes, of exclusively or predominantly home textiles. Catering and hospitality companies are also included in this sub-sector.

Year-on-year comparability

The PFM Benchmark is a voluntary program and while retention rates are high, there is some variation in the number of participants from year to year. Therefore, the results reflect changes in participation as well as changes in survey scores. It is important to note that:

- Companies complete individual PFM modules relevant to their operations. Each module will have a different number of participants.
- Aggregated data, such as consumption volumes, are incomplete due to participants varying abilities to disclose information.
- To arrive at the consumption figure for 2017, data from both the PFM Benchmark survey and the Consumption Tracker have been aggregated.
- Data cycles are on a 12-month basis, however this may be by calendar year, financial or otherwise as decided by the company.
- Since participation rates have been low for Fair Trade, Cotton made in Africa, and REEL Cotton, results for these PFMs have not been included in the public report.

Estimation of company turnover

For each survey, participants are asked to provide estimated turnover for the financial year. Where this is not provided, Textile Exchange estimates the company's turnover based on desktop research. Note, for companies operating across multiple sectors (beyond apparel and textiles), estimated turnover is not scaled to its textile business only.

PFM Benchmark Program Cycle

1. Invitation to participate
All brands and retailers in Textile Exchange's global database are invited to participate in the PFM Benchmark each year. In 2017, the universe of invited companies held 500+ brands and retailers.

2. Registration
Companies take part in the PFM Benchmark through a secure online portal. The technology platform, Probench, is powered by the India-based company 73bit. Each company must register to access their unique online portal, where their survey is stored. Upon registration, companies are issued with access details and a secure pass code.

3. Submission window
The survey is launched at the beginning of April each year. Participants have a six-week window to complete and submit their survey.

4. Reporting cycles
The information and data submitted by companies should be based on their previous years activities. 2017 results are based on the company's 2016 reporting cycle, 2016 results are based on 2015, etc. Textile Exchange is not prescriptive and prefers the company to use its existing data collection/reporting cycles. The only requirement is that companies are consistent year to year.

5. Company support
Textile Exchange believes that self-assessment is the starting point for action and improvement. However this may lead to limitations in the information provided by companies and the misinterpretation of questions. To minimize the inherent constraints of a self-assessed survey, TE supports participants throughout all phases of the process.

6. Survey completion and submission
Companies appoint a survey lead to ensure the survey is completed, reviewed, signed off and submitted on time.

7. Sign-off
Submissions are only considered valid and included in TE analysis if they are formally signed off by the company's survey lead. Sign off involves uploading a sign-off sheet when submitting survey responses.

8. Review process
Submission reviews are carried out by Textile Exchange during June/July.

First review: completeness, consistency and adequate supporting evidence
The Textile Exchange team reviews the survey and supporting documentation for each company. If there is any information missing then TE, with the agreement of the company, will make the necessary amendments. Queries are raised with the company by phone and/or email. During this time, the TE team can join online meetings or make company visits. The TE team works to a common review template which helps to maintain a consistent approach across reviewers.

Note: this process is not an audit; the basis of the submission is self-assessment.

Second review: Standardization
To ensure consistency across reviews, a sample of submissions (at least 50%) receive a second review carried out by a single individual. Submissions are then finalized through mutual agreement with the company and any final amendments are entered into the system by the TE team. The data is then ready to be analyzed.

9. Data analysis
Scores are generated automatically for the company feedback reports. The Textile Exchange team reviews the data, scoring system and aggregation of scores before issuing any reports. Data analysis is carried out for the different sub-sectors and sector averages for the Index are calculated. Both quantitative and written analyses are prepared. For information on scoring and weighting, see Appendix 2: Scoring methodology.

10. Report preparation
When any report is prepared, the Textile Exchange team reviews the data used to ensure the information reported is accurate.

11. Report dissemination
Customized company feedback reports are generated for all participating companies. Company reports are complementary and designed to incentivize performance improvement. Company results are shared confidentially with participants, followed by the public release of the Insights report.

The Insights report is produced for wider communication of sector and sub-sector results. The Insights report is publicly available and aims to inform a wider set of stakeholders on the status, trends and general progress of the textile industry.

In 2016, the PFM Benchmark was linked to the United Nations Sustainable Development Goals (SDGs), in particular SDG12: Ensure sustainable consumption and production patterns.

12. Program review
Stakeholder consultation:
Each year, on the release of the results, Textile Exchange carries out a consultation survey to seek feedback and suggestions for improving the program. The ultimate aim is to create a benchmarking tool that truly adds value to the sector and contributes to company performance improvement.

Review committee and process:
Textile Exchange is creating a review committee and process to support the continuous improvement of the program.

Implementation:
On completion of the stakeholder consultation and internal review, program improvements, including system upgrades, are carried out in time for the launch of the next cycle.

Preferred Fiber & Materials Benchmark

Appendix 02 /
PFM Survey Methodology

PFM Benchmark Scoring Methodology

Data Submission

Questionnaires are completed on a voluntary and self-reporting basis. While TE carries out a consumption data review, a survey review and a consistency check, it assumes that all data provided is inherently correct.

Construction of Question Scores

Question scores are achieved based on responses entered for each question, and are always out of 100. Each question carries a question weight.

Construction of Section Scores

Section scores are the aggregation of question scores, multiplied by the question weight in a particular section. There are four sections - 1: Corporate Strategy, 2: Supply Chain, 3: Consumption and 4: Consumer Engagement. Sections 2, 3 and 4 are module based. Each section carries a section weight.

Construction of the PFM Index

The PFM Index result comprises of a company's Section 1 score plus the average score for Sections 2, 3 and 4 for a company's top three performing modules. A company's top three performing modules are ranked on the entirety of the module and not according to sections.

Construction of PFM Module Scores

PFM module scores are the accumulation of section scores, multiplied by the section weight in a module. There are twelve scoring modules to select from: OFT, OC, FT, CmiA, BCI, REEL, rCotton, rPET, pLyocell, pModal, pViscose and pDown. Modules are based on a company's selection.

Averaging

If a company completes one to three PFM modules, all completed modules will be averaged. If a company completes more than three PFM modules, only the top three scoring modules will be averaged and included in the Index results.

PFM Benchmark Barometer

Leading (>80): Leading the field Progressing Well (70-79): Activities maturing and leadership is emerging.

Establishing (60-69): Building on the foundations and developing further.

Developing (40-59): Laying the foundations.

Starting Out (<40): Beginning the journey.

PFM Benchmark
Consumption Data

Consumption data is provided by companies on a voluntary basis in one of two ways:

1. Product Details

Companies can provide consumption data for each product. For each product, companies will need to specify the product range, number of units produced, the average weight per unit and the average blend per unit. The online calculator will then calculate a default waste factor, from product to fiber, for pCotton, rPET and pMMC. Companies can override the default should they have their own specific waste factors.

2. Bulk Fiber

Companies can also provide consumption data by specifying bulk fiber for pCotton, rPET and pMMC. In reporting bulk fiber, companies need to specify whether their calculations have taken account of waste produced during production. If their calculations do not allow for waste, Textile Exchange will adjust the data provided to allow for the default waste factors. This will result in an estimate of the true fiber usage.

Default waste factors are based on averages that Textile Exchange has collected from the industry and are as follows:

Preferred cotton: 1.5 waste factor from product to fiber.

Recycled polyester: 1.4 waste factor from product to staple fiber/filament.

Preferred manmade cellulosics: 1.19 waste factor from product to staple fiber/filament.

Consumption data is self-reported by each company and, while all attempts are made to ensure that data is consistent with year-on-year reporting, auditing and/or verification of data is not carried out as part of the Benchmark Program.

From Consumption to Impact

Consumption data, where it has been provided, is used to estimate sustainability outcomes and impacts.

Impacts were calculated using the Higg MSI Tool provided by the Sustainable Apparel Coalition (SAC). The Higg MSI Tool assesses impacts of materials from cradle-to-gate for a finished material (i.e. to the point at which materials are ready to be assembled into a product). The Higg MSI scores provided herein are for a single production stage within the Higg MSI scope (e.g. fiber or raw material) and do not provide a holistic view of the impacts involved with material production. Information was last retrieved on 4 May 2018. For more information visit the Higg MSI website (msi.higg.org).

PFM Benchmark
Modeled Outcomes & Impacts

Estimating Outcome Benefits

Land under more sustainable cotton agriculture: Certified organic land area (hectares) is based on data from Textile Exchange's data collection program. Land under BCI, CmiA, and Fair Trade production is estimated based on data provided by each initiative.

Bottles diverted from landfill: Estimates of the number of PET bottles (recycled into polyester) are based on conversion factors shared by certification bodies.

Land under certified forestry: Calculations are based on Lenzing, 2010, LCA of MMC fibers. Consumption of pViscose, pLyocell and pModal is calculated back to land use based on assumptions in the study. Then aggregated on total land basis, irrespective of origin.

Birds covered by down standards: Geese and duck number estimations are based on conversions shared by key suppliers and J. Kozák, 2011, An Overview of Feathers Formation, Moults and Down Production in Geese.

Environmental Impact Modeling

Modeling of environmental "impact savings" associated with sourcing PFMs is calculated against reported consumption volumes. Impact savings are calculated based upon the calculated impacts of each PFM, and subtracting these impacts from the projected impacts of sourcing the conventional fiber/material for the PFM volume.

Textile Exchange continues to explore a closer working relationship with the SAC, and many members who complete the PFM Benchmark are also SAC members and use the Higg Index to assess their sustainability impacts. Textile Exchange decided to root the modeling of impact reduction calculations in methodology and data from the Higg Materials Sustainability Index (Higg MSI). Textile Exchange's ability to model impact reductions is limited by the primary data sources used in the Higg MSI, and by the LCA studies conducted to derive that data.

Preferred cotton: Calculations exclude pCottons where no robust LCA data exists (i.e. BCI, Fair Trade and REEL Cotton). Recycled cotton savings are based on Recover[R] data. It can not be assumed that non-Recover[R] recycled cotton products are achieving the same results.

Recycled polyester: To model impact reductions associated with converting from virgin to recycled polyester (rPET), Textile Exchange selected data on "semi-mechanically recycled polyester" to use as a basis of modeling as participants stated that mechanically recycled polyester represents the majority of their rPET use. This is also a conservative modeling of impact, representing a middle-ground between fully mechanically recycled and fully chemically recycled polyester.

Preferred manmade cellulosics:
Savings are based on Lenzings' data. It can not be assumed that non-Lenzing pMMC products are achieving the same results. To model impact reductions associated with converting from conventional to preferred viscose, Textile Exchange selected Lenzing's LENZING™ ECOVERO™ and LENZING™ Viscose in compliance with EU Ecolabel requirements produced in Asia or Europe. This is the more conservative modeling of impact, although European pViscose was commonly sourced by Benchmark participants.

Climate Change: Midpoints from the Higg MSI have been used to calculate the global warming potential (GWP) savings associated with sourcing PFMs. Midpoints are based on the widely accepted IPCC published values.

Energy: Midpoints from the Higg MSI have been directly used to calculate Abiotic Resource Depletion Fossil Fuels savings associated with sourcing PFMs. As Abiotic Resource Depletion Fossil Fuels is quite a technical description of the midpoint, with support of the SAC, Textile Exchange has renamed this impact category as "Fossil Fuel Energy". Scope includes the extraction and use of fossil resources based on availability and accessibility.

Water: Textile Exchange has consulted the primary source data used to develop Higg MSI midpoints to model impact reductions.

Savings Equivalencies

Water: Studies vary on how to model water savings to the number of people's daily drinking water requirements. Generally, data recommends nearly 2 liters of water for women, and nearly 3 liters of water for men. If a person has a physically active job or lives in warmer climates, recommendations are 4.5 liters. For impact modeling, Textile Exchange has selected an average figure of 3 liters per person per day.

Climate Change: The greenhouse gas savings equivalencies are equated to the number of 747s flying from London to Delhi. (i.e. 3.32 MT of CO_2e per person per flight, and 416 passengers on a 747).

Energy: The energy savings equivalencies are equated to the number of 100-Watt light bulbs that can be powered for one year (i.e. 3,153.6 light bulbs).

Disclaimer

The Textile Exchange PFM Benchmark results are based on a company's self-reported data for each fiber. While Textile Exchange reviews all data entries, checks calculations, and carries out consistency checks, it does not validate the more sustainable fiber/materials sourcing claims. That responsibility remains with the participating company.

The opinions expressed in this publication are those of Textile Exchange and do not necessarily reflect the views of any of our funders, member organizations or advisors.

Appendix 03 / Glossary & Resources

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INSIGHTS 2017

PFM Benchmark
Descriptions of the PFMs

PREFERRED COTTON

Preferred cotton (pCotton) is a term used by TE referring to cotton that is ecologically and/or socially progressive because it has more sustainable properties in comparison to other conventional options. The preferred Cotton (pCotton) portfolio offers the largest number of module options. Options include:

Organic-Fair Trade cotton is cotton that is certified to both Fair Trade and organic standards. Fair Trade standards ensure farmers are paid a minimum price and require farmers to organize into democratic producer organizations. Organic farm standards ensure that the cotton is grown within a rotation system that builds soil fertility, protects biodiversity, and is grown without the use of any synthetic fertilizers, hazardous pesticides or GMOs.

Organic cotton is grown within a rotation system that builds soil fertility, protects biodiversity, and is grown without the use of synthetic fertilizers, toxic pesticides or GMOs. The Organic Content Standard (OCS) and the Global Organic Textile Standard (GOTS) provide third party assurance on organic product claims. In addition, GOTS includes environmental and social responsibility in processing.

Fair Trade is a global movement to support small-scale, marginalized farmers and workers. Fair Trade standards require farmers to organize into democratic producer organizations and to have environmentally sound agricultural practices. In return, they are guaranteed the Fairtrade Minimum Price (FMP) and a Fairtrade Premium that goes towards community development. GMOs are banned in the Fair Trade standard.

Cotton made in Africa (CmiA) is an initiative of the Aid by Trade Foundation (AbTF) that helps smallholder cotton farmers in Africa improve their living conditions. Growers must meet minimum environmental and social requirements for their cotton to qualify as CmiA. GMOs are banned in the CmiA standard.

Better Cotton Initiative (BCI) sets out to improve the sustainability of mainstream cotton production. Growers must meet minimum environmental and social requirements for their cotton to qualify as Better Cotton. Continuous improvement is a key element of the BCI Assurance Program.

The REEL Cotton Program is CottonConnect's three-year agricultural program providing farmers with training on sustainable

cotton farming practices. The REEL Code is used to verify that farmers in the REEL Cotton Program are using more sustainable practices, with additional program elements that ensure traceability and decent work.

Recycled cotton (rCotton) has been re-processed from reclaimed cotton. The Recycled Claim Standard (RCS) and the Global Recycled Standard (GRS) are chain of custody standards to track the use of recycled content through the supply chain. The GRS, in addition, includes social and environmental requirements that must be met during the processing stages.

PREFERRED POLYESTER

The preferred polyester portfolio currently includes recycled polyester (rPET) as the only PFM option. A biobased polyester module may be an option in the future.

Recycled polyester (rPET) uses mainly post-consumer plastic bottles, or pre /post-consumer textile waste as the raw material. rPET can be either mechanically or chemically recycled into filament or staple fiber. The Recycled Claim Standard (RCS) and the Global Recycled Standard (GRS) are chain of custody standards to track recycled content through the supply chain. The GRS, in addition, requires social and environmental criteria to be met during the processing stages.

PREFERRED DOWN

The preferred down (pDown) portfolio currently incorporates products certified

to either the Responsible Down Standard (RDS) or the Traceable Down Standard (TDS). A wider pDown portfolio is under discussion to include other more sustainable options, such as down certified to the DOWNPASS Standard, and recycled down.

Responsible Down The Responsible Down Standard (RDS) is an independent, voluntary global standard, which means that companies can choose to certify their products to the RDS, even if there is no legislation requiring them to do so. Among other animal welfare criteria, the RDS excludes feathers/down from birds that have been live plucked or force-fed.

Traceable Down The NSF Global Traceable Down Standard (Global TDS) ensures that down in apparel, household, and commercial products comes from a responsible source that respects animal welfare and can be fully and transparently traced.

PREFERRED MANMADE CELLULOSIC FIBERS

The definition of a preferred manmade cellulosic (pMMC) is evolving. For the purpose of the Benchmark a pMMC will have the following attributes:

Feedstocks All feedstocks must be low risk of being sourced from ancient and endangered forests as verified by publicly available CanopyStyle Audits, and certified to a forest sustainability standard (e.g. FSC). The goal is that all sources of feedstock maximize FSC-certified

pulp to validate sustainable forest practices. Where LCA's confirm lower impact, waste inputs are preferred such as left-over straw and recycled cotton inputs.

Manufacturing pMMCs must be produced according to Best Available Technologies in regards to water, energy, chemicals, waste, etc. Standards include EU Ecolabel and OEKO-TEX STeP.

Traceability Companies should be mapping suppliers, and implementing a traceability management system. The CanopyStyle Audits create traceability from forest to pMMC producer. Some suppliers offer traceability through their own systems.

Impact There is demonstrated environmental impact savings of the pMMC fiber compared with generic viscose, validated via an independent intermediary such as the Higg MSI or Life Cycle Assessments validated by a non-interested party.

The PFM benchmark currently offers modules for preferred lyocell e.g. LENZING™ Lyocell, preferred modal e.g. LENZING™ Modal, and preferred viscose e.g. LENZING™ ECOVERO™ and LENZING™ Viscose with EU Ecolabel. Preferred lyocell is best in class, made in a closed-loop system that recycles the majority of the solvent used. Technologies for chemically recycling cellulose materials are increasingly providing opportunities to replace

virgin inputs, and will be considered in this program in the future.

Farm standards and initiatives for preferred cotton

Chain of custody standards for organic fibers and materials
(GOTS also includes textile processing)

Chain of custody standards for recycled fibers and materials
(GRS also includes textile processing)

Standards for preferred down

Forestry standards and initiatives for the sourcing of preferred manmade cellulosics

PFM Benchmark Glossary

Business models: Success for all depends upon re-imagining and re-engineering supply chains to improve business security for the entire supply network to scale up. Incubating new ways of working, driving best practice, and ensuring product integrity is integral to improved business models and the resilience of the sector.

Consumer engagement: The consumer is part of the value chain. Educating and driving consumer demand for products made using PFMs are part of the business model. Brands and retailers need to see a return on investment. They invest significantly in product placement and talk directly to their customer, so consumer engagement is critical.

Index: The underlying score used to determine a company's position in the PFM Index. Scores and rankings are reported confidentially to each company.

Integrity: Making truthful claims; integrity is essential in maintaining the trust of farmers, processors, sellers and consumers, and in ensuring that the targeted social and environmental benefits are actually achieved.

Materiality: A materiality assessment is an exercise in stakeholder engagement designed to gather insight on the relative importance of specific environmental, social and governance (ESG) issues.

Recycled Polyester Commitment: Signatories have committed or are

supporting an increase in their use of recycled polyester by at least 25% by 2020. The commitment will be tracked via participation in the rPET module of the PFM Benchmark survey.

Supply chain: The progression of business entities involved in the supply and purchase of materials, goods, or services, from raw materials to the final textile product.

Sustainable Cotton Challenge: Signatories have committed to ensuring that 100% of the cotton they use comes from sustainable sources by 2025. The commitment will be tracked via participation in the pCotton module of the PFM Benchmark survey.

Transparency: Disclosure relating to the operations, inputs, and materials used in the production of a final product.

MEASUREMENTS

- **Carbon dioxide equivalent** (CO_2e) is a term for describing different greenhouse gases in a common unit. For any quantity and type of greenhouse gas, CO_2e signifies the amount of CO_2 which would have the equivalent global warming impact.

- **Hectare** (ha) is equal to 10,000 square meters or 2.471 acres.

- **Liter** (L) equal to 1 cubic decimetre (dm3), 1,000 cubic centimetres (cm3) or 1/1,000 cubic metre.

- **Megajoule** (MJ) is equal to one million joules.

- **Metric Ton** (MT) is equal to 1,000 kilograms.

Find a full list of Terms and Definitions here

PFM Benchmark

Resources

PFM Benchmark program
- visit website here

Probench portal
- visit website here

Company feedback report (sample)
- download document here

Survey guidance notes
- download document here

Survey question elements
- download document here

Program FAQs
- visit website here

SDG resources
- visit website here

Recycled Polyester Commitment
- visit website here

Sustainable Cotton Commitment
- visit website here

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The Global Goals can only be met if we work together.

17 PARTNERSHIPS FOR THE GOALS

International investment and support is needed to ensure innovative technological development, fair trade, and market access, especially for developing countries. To build a better world, we need to be supportive, empathetic, inventive, passionate and, above all, cooperative.

Want to find out more about the
Preferred Fiber & Materials Benchmark?

Visit: www.**TextileExchange.org/pfm-benchmark**

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TextileExchange

Creating Material Change