



TextileExchange

Textile Exchange Preferred Fiber & Material Benchmark Program

Getting Started Webinar with Liesl Truscott and Evonne Tan



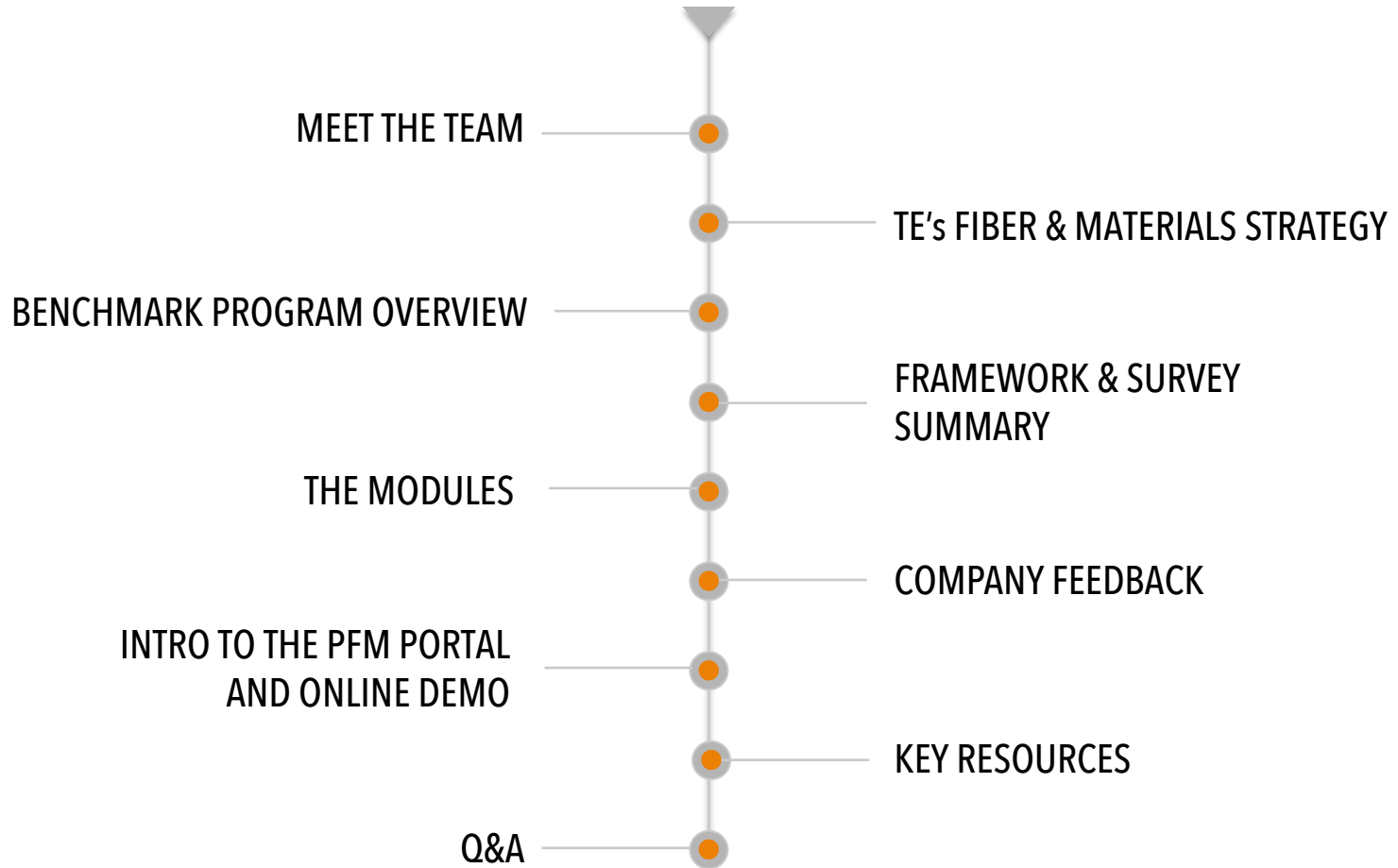
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Foundation

GETTING STARTED

What we will cover



OUR VISION, MISSION & GOALS



VISION

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

MISSION

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

GOALS

Embed sustainability into evolving business and supply chain strategies.

Make it easier for companies to adapt to changing opportunities and requirements in textile sustainability.

Ensure that actions taken toward sustainability result in real and meaningful change.

TEXTILE EXCHANGE AROUND THE WORLD

Our 20 team members and ambassadors are spread across in 10 countries around the globe.

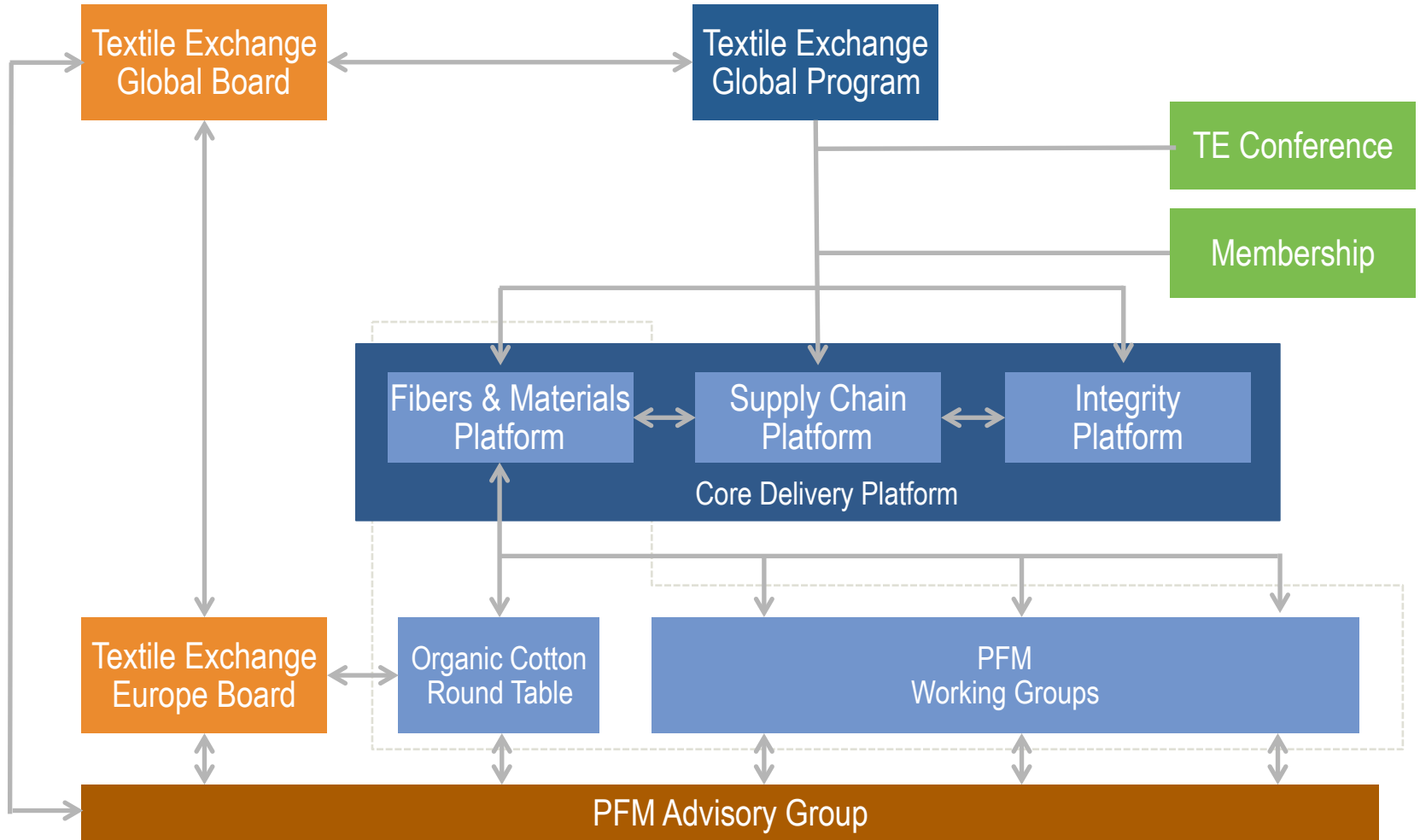


OUR MEMBERS

Our membership network extend across 25+ countries, from all points of the sustainability process.



ORGANIZATIONAL OVERVIEW



TE FIBER & MATERIALS TEAM

Platform Staff



Liesl Truscott
*European & Materials
Strategy Director*



Evonne Tan
*Creative and Analytics
Specialist*



Lisa Emberson
*Materials Platform
Coordinator*



Amish Gosai
*India Program
Manager*



Kalai Nathan
Data Analyst

TE Ambassadors



Karla Magruder
Textile Consultant

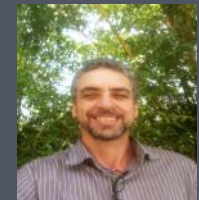


Simone Seisl
Advisor

Regional Ambassadors



Silvère Tovignan
Ambassador, Africa



Silvio Moraes
*Ambassador, Latin
America*



Atila Ertem
Ambassador, Turkey



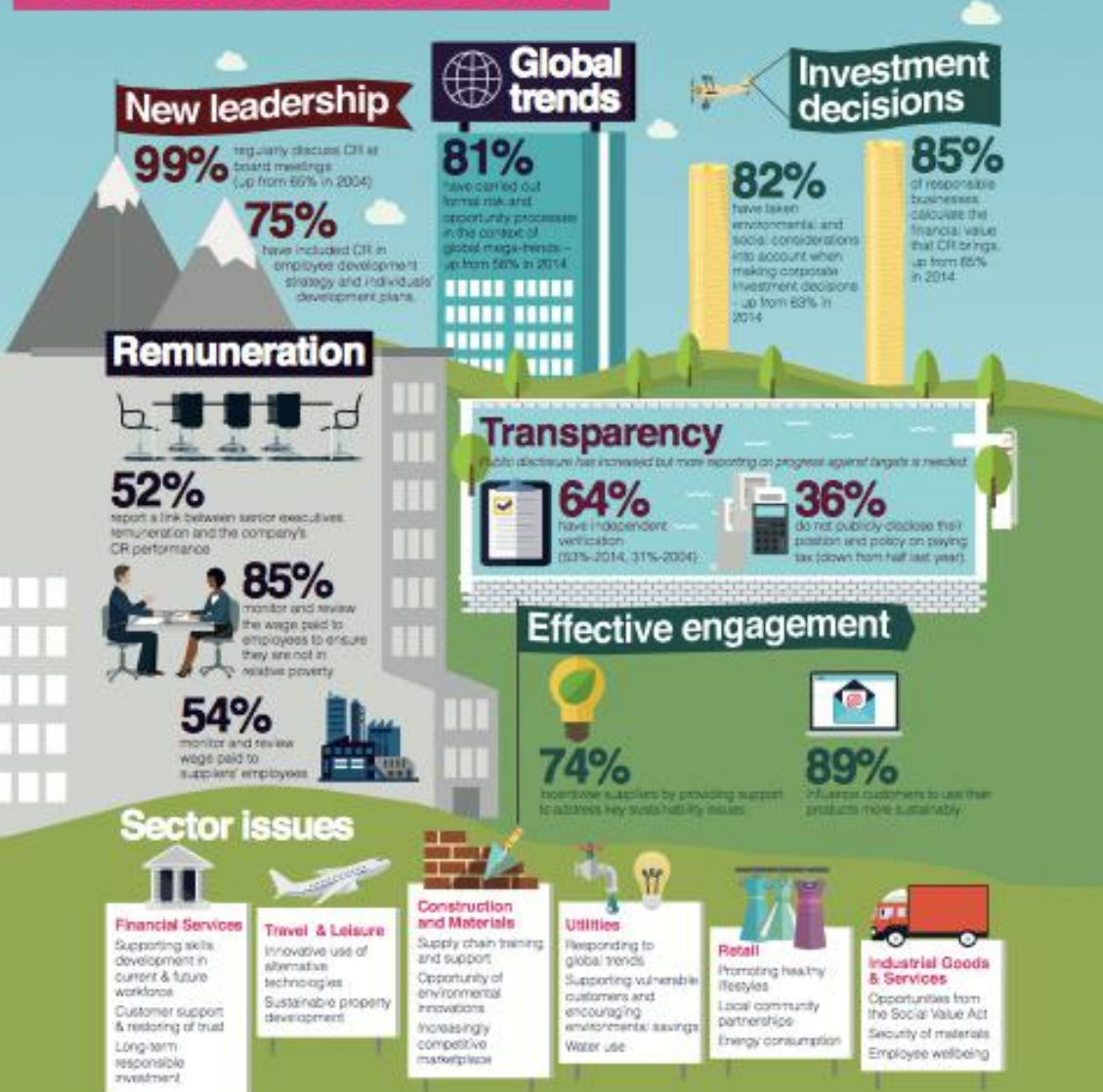
Allen Yao
Ambassador, China

BUSINESS IN THE COMMUNITY



- CR Index “Companies That Count”
- “Universities that Count” – supported by HEFCE

What does the CR Index tell us about Responsible Business in 2015?



BUSINESS IN THE COMMUNITY



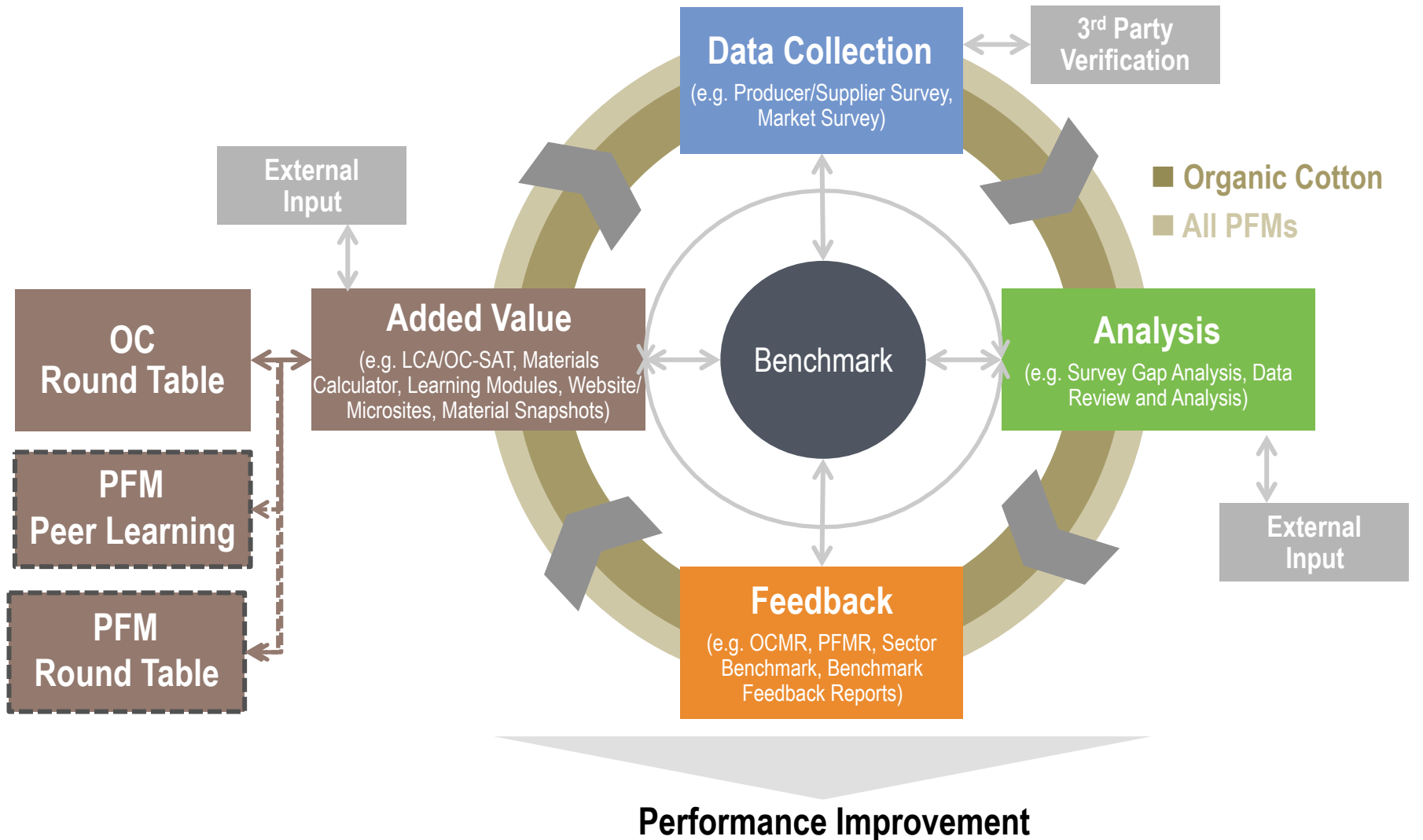
THE PRINCE'S
RESPONSIBLE
BUSINESS NETWORK

The CR Index challenges companies to devise and deliver business strategies that have responsibility at their heart.

It does it by conducting a gap analysis, benchmarking against industry peers, and recognising and communicating achievement.

Powered by PROBENCH (73bit), which also drives UNPRI's Benchmark of Principles for Responsible Investment and the Access to Nutrition Index, among others.

PFM STRATEGY DEVELOPMENT



THE PFM BENCHMARK OFFERS

Everyone - from absolute beginners to industry leaders....

A **framework** to help companies systematically measure, manage and integrate a preferred fiber and materials strategy into mainstream business operations.

A customized **Company Feedback Report**, allowing you to confidentially benchmark your performance both internally and against industry peers.

An **annual event** which means a consistent basis for measurement and a commitment from us to support your year-on-year performance improvement review.

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.

THE PFM BENCHMARK IS NOT...

What it is...

- ✓ A **framework** to help companies **integrate** a preferred fiber and materials **strategy** into mainstream business operations.
- ✓ A **tool** to help **identify** the **strengths and the gaps** where future progress can be made.
- ✓ A **self-assessment** process. TE carries out desk-based reviews.
- ✓ **Company feedback** (provided confidentially), and a “state of the industry” sector benchmark.
- ✓ An **annual event**, giving a consistent measurement process which supports a company’s year-on-year performance improvement.

What it is not...

- ✗ A framework to review all fibers and materials used by a company or all activities in a supply chain.
- ✗ An in-depth tool for evaluating the preferred (sustainability) status of a fiber/material.
- ✗ A third party audit of a company’s activities.
- ✗ A public ranking of company performance.
- ✗ A one-off survey for TE’s reporting purposes alone.

PFM BENCHMARK FRAMEWORK

Corporate Strategy	Supply Chain	Consumption	Customer Engagement
Q1. Corporate Values	Q10-11. Processing Standards & Initiatives	Q19. History	Q22-24. Market Presence
Q2-5. Sustainability Strategy	Q12-13. PFM Portfolio	Q20. Targets	Q25-26. Product Differentiation
Q6-7. Integration	All following questions will be modularized according to PFM selected.	Q21. Volume	Q27-28. Corporate Returns
Q8. Tools	Q14. Chain of Custody		Q29. Education
Q9. Reporting	Q15-16. Traceability		
	Q17-18. Investment		

PFM BENCHMARK – SURVEY SUMMARY

CORPORATE STRATEGY		SUPPLY CHAIN		CONSUMPTION	
Corporate Values	1. Corporate Values <ul style="list-style-type: none"> Sustainability incorporated into overall vision and mission 	Supply Chain Part A: Processing		History	19. Sourcing History <ul style="list-style-type: none"> Number of years sourcing the PFM
Sustainability Strategy	2. Sustainability Strategy <ul style="list-style-type: none"> Sustainability strategy includes fibers/materials 	Processing Standards & Initiatives	10. Sustainability Standards <ul style="list-style-type: none"> Adoption of sustainability standards in factories 	Targets	20. SMART Targets <ul style="list-style-type: none"> Targets set for PFM consumption
	3. Risk Assessment <ul style="list-style-type: none"> Business risk/opportunity assessment covers fibers/materials 		11. Sustainability Initiatives <ul style="list-style-type: none"> Supply chain codes of conduct and initiatives 	Volume	21. Volume Consumed <ul style="list-style-type: none"> Estimate of bulk fiber/materials consumed Conversion of conventional to preferred
	4. Goals <ul style="list-style-type: none"> Long-term sustainability goals for fibers/materials 	Fiber & Materials Portfolio	12. Fiber and Materials Profile <ul style="list-style-type: none"> Breakdown of fiber/materials usage 	CUSTOMER ENGAGEMENT	
	5. Policies <ul style="list-style-type: none"> Natural Capital, Social Capital and Animal Welfare 		13. Portfolio Selection For Benchmark <ul style="list-style-type: none"> Cotton: BCI, CmiA, Fairtrade, Organic, Organic-Fairtrade Other fibers and materials: Certified Down, Pref. MM Cellulosics, rPET Self-select: e.g. Rec. Cotton, Rec. Nylon, Organic Linen, Bio-based 	Market Presence	22. Product Range <ul style="list-style-type: none"> Product ranges containing a PFM
Integration	6. Accountability <ul style="list-style-type: none"> Accountability held at senior level 	Supply Chain Part B: Product Integrity			23. Key Markets
	7. Responsibility, Performance & Compensation <ul style="list-style-type: none"> Responsibility integrated through the company KPIs integrated through the company Incentives integrated through the company Mechanisms in place to ensure integration 	Chain of Custody	14. Content Claim <ul style="list-style-type: none"> Use of chain of custody standard or initiative guideline 		24. Sales <ul style="list-style-type: none"> Sales turnover and growth forecasts
	8. Rating Tool <ul style="list-style-type: none"> Sustainability of fiber/materials objectively evaluated Rating tool influencing sourcing decisions 	Traceability	15. Traceability Management System <ul style="list-style-type: none"> Keeping track of PFM through a traceability system 	Product Differentiation	25. Brand Identity <ul style="list-style-type: none"> Core or complementary
Tools			16. Supply Chain Relations <ul style="list-style-type: none"> Deepening sustainability impact through supplier relations 		26. Produce Differentiation <ul style="list-style-type: none"> On-product labeling and off-product messaging
	9. Public Reporting <ul style="list-style-type: none"> Fiber/materials sustainability activities, progress against KPIs Report independently verified 	Investment	17. Sustainability Value <ul style="list-style-type: none"> Pricing that captures sustainability benefits 	Corporate Returns	27. Company Returns <ul style="list-style-type: none"> Analyzing returns on investment
			18. Sustainability Investment <ul style="list-style-type: none"> Investing in supply chain and evaluating impact 		28. Return On Investment <ul style="list-style-type: none"> Calculating financial ROI and ROI in sustainability
				Engagement Strategy	29. Customer Engagement Strategy <ul style="list-style-type: none"> Education/awareness raising strategy in place
					30. Evaluation of Customer Engagement <ul style="list-style-type: none"> Monitoring & Evaluation of activities and impact

BUILDING A PFM PORTFOLIO



➤ A "preferred" fiber or material is:

Ecologically and socially progressive and has been selected because it has more sustainable properties in comparison to conventional options.

➤ Ways to recognize or achieve a preferred status include:

- The fiber or material has a **recognized industry standard in place** that confirms its status as preferred.
- The fiber or material has **sustainability criteria** developed through a formalized **multi-stakeholder process**.
- The fiber or material has been **objectively tested or verified as having sustainability attributes**, such as through a peer reviewed Life Cycle Assessment.

BUILDING A PFM PORTFOLIO



TE describes a **Portfolio Approach** as:

- The **process of building a suite of preferred fiber and materials** from a choice of preferred options, through the consideration of impacts and organizational priorities.
- The **embedding of a strategy that leads to preferred options** replacing conventional*.

The process and transition to a portfolio of preferred fiber and materials takes time and usually **involves cultural as well as business evolution**.

* *i.e. a movement towards practices that do not depend on virgin or fossil based raw materials and chemical inputs, depletion of resources such as soil, water, etc. that result in degradation of environmental, social human capital and animal welfare issues.*

BUILDING A PFM PORTFOLIO

Current modules in PFM Benchmark, not a definitive list...

Preferred Cotton & Down

- Better Cotton
- Cotton made in Africa
- Fair Trade
- Organic Cotton
- Organic-Fair Trade Cotton
- Responsible Down
- Traceable Down

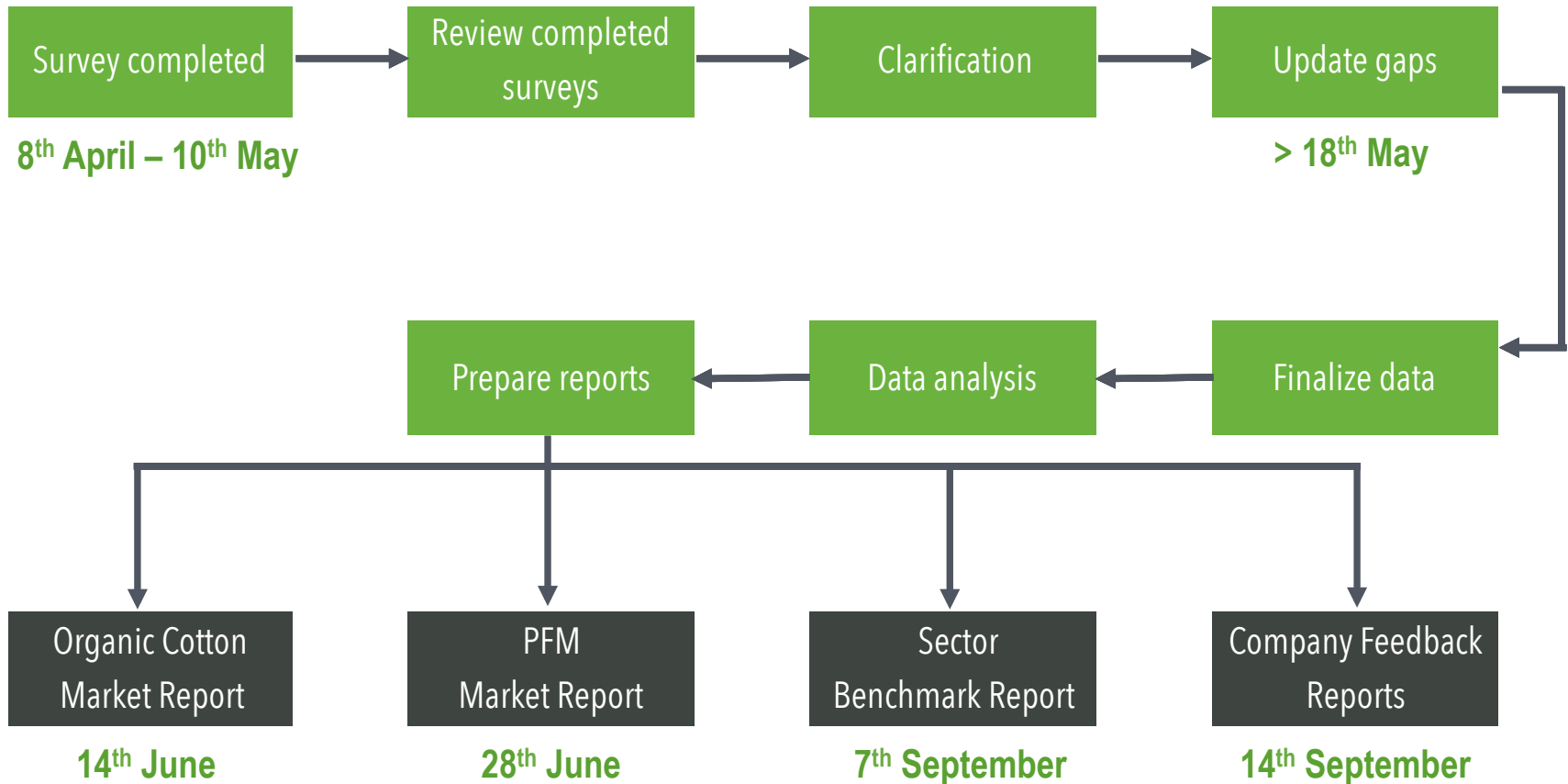
Recycled Materials & Preferred MM Cellulosics

- Recycled Polyester
- Preferred MM Cellulosic Fibers

Self-Selected Options

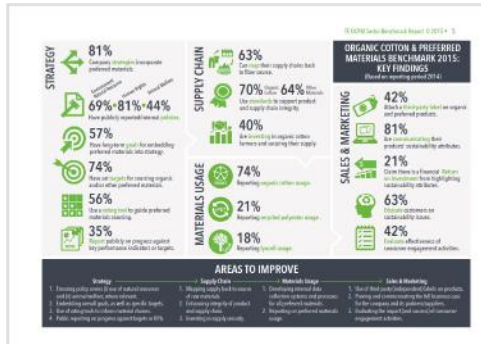
- **Other certified organic fibers** such as organic linen, silk.
- **Other certified recycled fibers and materials** either from natural or synthetic “waste” such as cotton, wool, down, and nylon.
- **Bio-based synthetics** fibers are currently a small category with opportunities for conventional polyester replacement.
- **Other self-selected preferred fibers and materials** such as hemp, and other preferred cottons such as Bayer’s e3, CottonConnect’s REEL Cotton, The Sustainable Cotton Project’s CLEANER COTTON™.

PFM BENCHMARK ROADMAP



Disclaimer: *The Textile Exchange PFM Benchmark is based on participant self-assessment and TE does not verify the quality of the data or disclosures within a company's survey submission, or the process of preparing the disclosures. That responsibility remains with the participating company.*

COMPANY FEEDBACK REPORTS



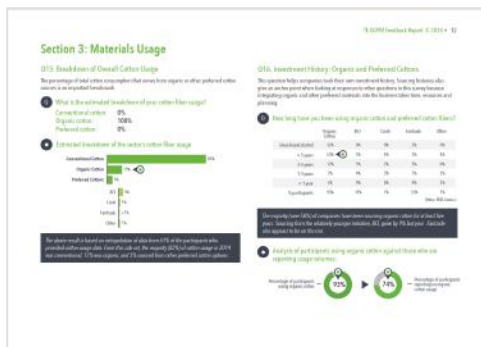
Customized and confidential Company Feedback Reports

- Share internally with team – reflect to drive improvement cycles
- Present to the board and stakeholders
- Communicate to Investors
- Share with other important stakeholders



Sector Report

- Showing “state of the sector” results



TE further support

- Performance review report
- Presentation of your results and recommendations
- Customized deeper dives – fiber/theme specific, etc

PFM BENCHMARK ONLINE DEMONSTRATION



QUESTIONS & ANSWERS



THANK YOU



Please visit our website: TextileExchange.org
aboutorganiccotton.org