Textile Exchange

Corporate Fiber & Materials Benchmark Program

Circularity Companion Guide

Textile Exchange | Corporate Fiber & Materials Benchmark Program

Circularity Companion Guide 2022

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Acknowledgement

The following guidance and the associated survey questions have been developed with input from the Ellen MacArthur Foundation's Make Fashion Circular Initiative, the Waste and Resources Action Programme (UK), and the consulting company Corporate Citizenship.

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Materials Circularity

Textiles are an everyday necessity, yet the way textile products are made, used and disposed of today leads to significant volumes of waste and pollution. The concept of circularity in the textile industry is to transition to a circular economy that would benefit business, society, and the environment, by implementing strategies that entail gradually decoupling economic activity from the consumption of finite resources and designing waste out of the system.

According to the Ellen MacArthur Foundation (EMF), the Circular Economy is based on the principles of "designing out" waste and pollution, keeping products and materials in use, and regenerating natural systems. Crucially, it is both a massive economic opportunity for companies and governments as well as an effective way of reducing emissions. For more information on principles of the circular economy, see Ellen MacArthur Foundation – Make Fashion Circular.

The Purpose of this Guide

This guide is intended as a resource to support companies responding to the Circularity Module of the Corporate Fiber and Materials Benchmark (CFMB) Survey. The guide will evolve and become more granular over the years to come. Input from benchmark participants will be a critical part of the improvement process, as companies deepen their circularity activities and reporting.

The Circularity Companion Guide provides:

- A convenient consolidated view of the circularity related questions.
- Insights into what the question is asking for, definitions and examples of how to answer.
- Links to further reading and other reporting frameworks.
- Alignment with the Ellen McArthur Foundation's Make Fashion Circular.

CR-0. Section Selection

CR-0. Do you wish to complete the circularity section?

Why this is important

The breadth of circularity strategies and ambition levels are increasing rapidly, with some aligning circularity with the SDGs. In order for a company to baseline their circularity engagement, spot potential gaps and opportunities to increase commitments, completing the circularity section will provide companies with this feedback to further evolve circularity engagement in the future.

What this question is looking for

Circularity plays an increasingly important role within a preferred materials portfolio. We encourage all participants to complete this section of the survey. Please note that the circularity section is a required component of the Material Change Index (MCI) and included in the scoring

Please indicate whether you will be completing the circularity section. By selecting “yes” the circularity section will unlock.

- ☐ No
- ☐ Yes

Additional reading

- Ellen MacArthur Foundation: What is the Circular Economy?
- Ellen MacArthur Foundation: Make Fashion Circular

CR-1. Circularity Strategy

CR-1a. Strategy

CR-1a-1. What does your company's circularity strategy cover?

Why this is important

Strategic planning is important because it provides direction and supports day-to-day decision making. A strategy defines longer-term goals, responsibilities, timelines and resources. The objective of this question is to determine if participants have started to strategically work on circular solutions.

What this question is looking for

There are many elements to a circularity strategy and ultimately, they work together to achieve the desired effect of designing out waste. Please select the circularity elements from the list below that are currently covered by your company's circularity strategy. Note, the language and terminology are not meant to be prescriptive so please select the descriptions that best align with your terminology and/or select “other” and provide details of additional key elements covered by your strategy.

- ☐ No strategy
- ☐ In development
- ☐ Strategy covers (select all that apply)
  - ☐ Reuse
  - ☐ Design for disassembly
  - ☐ Extended life
  - ☐ Technical cyclability
  - ☐ Biological cyclability
  - ☐ Material health
  - ☐ Textile collection and sorting
  - ☐ Use of recycled materials
  - ☐ Resource efficiency, waste prevention and diversion
  - ☐ Other important aspects of circularity

    Please provide details.

Please provide any additional information and/or weblinks.

Definitions - circularity strategy

- **Circularity strategy**: A plan of action designed to achieve circular economy objectives and commitments. The strategy sets the objectives, scope, timeline, responsibilities and resources to ensure that change is made. It includes looking beyond the current take-make-waste extractive industrial model. A circular economy aims to redefine growth, focusing on positive society-wide benefits. It entails gradually decoupling economic activity from the consumption of finite resources and designing waste out of the system (Ellen MacArthur Foundation).

Definitions - elements of the circularity strategy
Design for circularity: Proactive design strategies supporting the implementation of a circular textile economy, including, for example design for longevity and durability, design to be repaired, design to be recycled, design to biodegrade, and design for material health (i.e. safe chemistry).
Reuse: Increasing the utilization of products, through business models that keep them at their highest value (e.g. repair, rental, re-commerce).
Service-based: Business models that extend the first life of a product and divert or delay a product from being downcycled (i.e. recycled into a lower value good or landfilled) such as repair, rental and re-commerce.
Design for disassembly: Ensuring products can be disassembled for remanufacturing and recycling. Design for disassembly utilizes strategic material and construction choices, in order to enable efficient disassembly for reuse and remodel into new product (Wrap UK).
Extended life: Increased utilization and durability, both physical and emotional.
Technical cyclability: Technical cycles recover and restore products, and product components. Technical cycles enable the continued circulation of products, components, and materials in the economy through strategies such as reuse, remanufacturing, or (in the last resort) recycling (Ellen MacArthur Foundation – Systems Map).
Biological cyclability: Includes composting and biodegradation. Biological cycles enable materials to feed back into the biosphere, through processes such as composting and anaerobic digestion, returning nutrients to ecosystems and rebuilding natural capital (Ellen MacArthur Foundation – Systems Map).
Material health: Safe chemistry and closed loop processes. Avoiding chemicals of concern and shift to inherently safer chemicals; committing to continuous improvement toward greener chemistry (C2Ccertified); here also referring to the use of fibers more sustainably produced in their first life.
Textile collection and sorting: Any system to collect post-consumer textiles for recovery and diversion from disposal (e.g. in-store boxes, shipping system to send back used textiles or similar). Ensuring products can be collected and sorted to be reused, remanufactured, and recycled.
Resource efficiency, waste prevention and diversion: Maximizing resource efficiency (by optimizing energy, water, chemicals, and materials use). Approaches include demand forecasting and/or on-demand production, engaging with suppliers to prevent and address waste.
Use of recycled fibers: Uptake of fibers made from reclaimed feedstock.
Other: For example, the use of renewable energy in the manufacturing, distribution, sorting, and recycling of products.

Alignment with other reporting frameworks

- Ellen MacArthur Foundation: Make Fashion Circular Vision (planned for release autumn 2020)

Additional reading

- Ellen MacArthur Foundation: What is the Circular Economy?
- Ellen MacArthur Foundation: Make Fashion Circular
- Ellen MacArthur Foundation: Completing the Picture: How the Circular Economy Tackles Climate Change
- Circle Economy: Circle Textiles Program

- Global Fashion Agenda: 2020 Commitment
- Wrap UK: Sustainable Textiles
- Resource Recovery Services: Textile Recovery in the U.S: A Roadmap to Circularity

CR-1a-2. Does your company work on a strategy to decouple economic growth from finite resource use?

Why this is important

Decoupling economic growth from resource consumption is key to ensuring future economic growth while remaining within the planetary boundaries.

What this question is looking for

Alongside, or incorporated into, a company's circularity strategy is an explicit intention (outcome) to decouple economic success from resource consumption. There are a variety of metrics used to monitor and track this positive outcome. Please select from the list below or provide details of your own strategic approach to decoupling and the metrics used. This is a stretch question and case studies are welcome. If your company has made progress on decoupling, please provide further details in the additional information text box.

- ☐ No
- ☐ Yes, for the reduction of virgin fibers and materials used relative to our economic growth (intensity reduction)
- ☐ Yes, for the absolute reduction of virgin fibers/materials used
- ☐ Yes, by sourcing virgin renewable materials with regenerative qualities
- ☐ Yes, we work on decoupling growth from fiber/materials use in other ways

Please provide any additional information and/or weblinks.

Definitions
Decoupling: "The term decoupling refers to breaking the link between "environmental bads" and "economic goods. [...] Decoupling occurs when the growth rate of an environmental pressure is less than that of its economic driving force (e.g., GDP) over a given period. Decoupling can be either absolute or relative." (OECD)
Relative to our economic growth: "Decoupling is said to be relative when the growth rate of the environmentally relevant variable is positive but less than the growth rate of the economic variable." (OECD)
Absolute reduction: Absolute decoupling "is said to occur when the environmentally relevant variable is stable or decreasing while the economic driving force is growing." (OECD)

CR-1a-3. Has your company aligned its circularity strategy with the Sustainable Development Goals (SDGs)?

Why this is important

The Sustainable Development Goals set out to achieve a better and more sustainable future for all. Transitioning to a circular economy plays a strategic role in meeting the Goals, particularly SDG 12 Sustainable Consumption and Production. Global Goals concerning water, climate, energy, innovation, infrastructure, cities and wellbeing, among others align as well. Companies should carry out their own strategic mapping to determine the commonalities between circularity and their priority SDGs.

What this question is looking for

Considered effort to align company strategy with Sustainable Development Goals (SDGs) embeds commitment to achieving SDGs within the overall framework used to guide decision-making on sustainability engagement. Please identify if your company has mapped your sustainability strategy (which includes circularity) or your standalone circularity strategy with the SDGs, and whether target setting is also aligned to SDGs. Some companies previously reported that the mapping exercise identified blind spots in existing strategy, which was a catalyst for expansion of strategic scope and commitment to activities to reduce impacts.

- ☐ No
- ☐ We are working on alignment
- ☐ Yes
  - ☐ We have aligned our circularity strategy with the SDGs
  - ☐ We have aligned our circularity strategy and target setting with the SDGs

Please provide any additional information and/or weblinks.

CR-1a-3a. Please specify priority SDG(s) and any SDG-aligned target setting.

Please provide any additional information and/or weblinks.

Definitions
Circularity strategy aligned with the SDGs: Circularity is an important part of the SDGs, particularly SDG 12.5 "By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse". Drawing connections between a company's circularity strategy and the SDGs helps drive home the opportunities for integration. The intention of this question is to ask whether your company has explicitly linked its circularity strategy to the SDGs.
SDG 12: Ensure sustainable production and consumption patterns (SDG Compass)

CR-1b. Targets

CR-1b-1. Has your company set targets for circularity?

Why this is important

Targets are powerful as they can focus attention on achieving desirable outcomes. SMART targets define precisely what a company wants to achieve and allow to measure progress.

What this question is looking for

Please report whether your company has any SMART targets for circularity, and if so, the topics which are included in the scope of your company targets. If your company has established targets which are not specific, measurable or time-bound, please select Qualitative only.

- ☐ No
- ☐ Qualitative target only
- ☐ SMART targets for: (select all that apply)
  - ☐ Service-based business models
  - ☐ Design for durability and longevity
  - ☐ Design for recyclability and disassembly
  - ☐ Post-consumer textile collection
  - ☐ Use of safe chemistry
  - ☐ Resource efficiency
  - ☐ Recycled content
  - ☐ Renewable materials produced using regenerative practices
  - ☐ Other circularity-related targets (please specify)
- ☐ Other circularity-related target (please specify)

Please provide details.

Please provide any additional information and/or weblinks.

CR-1b-1a. Please provide details on your company's SMART uptake targets for circularity.

SMART target description	Target	Metric	Indicator	Baseline year	Target year	Public year	Setting year	Target adjusted
Income from service-based business								
Number of products designed to be circular								
Post-consumer textile materials								
Use of post-consumer recycled content								

Please provide details.

Please provide any additional information and/or weblinks.

Definitions
SMART target: SMART stands for Specific, Measurable, Achievable, Realistic and Time-bound. SMART target refers to an aimed activity or uptake of materials by a set deadline.
Qualitative only: Targets that are not defined in measurable terms; e.g. "we commit to sourcing more recycled materials".
Business models: Targets in relation to business models that extend the first life of a product and divert or delay a product from being downcycled (i.e., recycled into a lower value good or landfilled) such as repair, rental and re-commerce.
Resource efficiency: Targets in relation to maximizing resource efficiency (by optimizing energy, water, chemicals, and materials use). Approaches include demand forecasting and/or on-demand production, engaging with suppliers to prevent and address waste.
Design (e.g. for disassembly): Targets in relation to design considerations. Design for disassembly ensures products can be disassembled for remanufacturing and recycling. Design for disassembly utilizes strategic material and construction choices, in order to enable efficient disassembly for reuse and remodel into new product (Wrap UK).
Use of safer chemicals: Targets in relation to safe chemistry and closed loop processes. Avoiding chemicals of concern and shift to inherently safer chemicals; committing to continuous improvement toward greener chemistry (C2Ccertified); here also referring to the use of fibers more sustainably produced in their first life.
Post-consumer textile collection: Targets in relation to offering a post-consumer textile collection scheme that is either owned and operated by the company or managed by another company. Post-consumer textile collection managed by a third-party service provider includes collection schemes managed by a third-party with drop off bins located in brand retail stores (example I:CO, Wearable Collections, etc.).

Recycled content: Targets in relation to the consumption of recycled FIBER / MATERIAL, referred to in either percentage of total FIBER / MATERIAL consumption or actual volume of the recycled FIBER / MATERIAL.
Commitment to circularity: This refers to the binding a company has made to a course of actions of relevance to its circularity target(s). A public commitment leads to higher accountability than internal commitments.
Circularity strategy: A plan of action designed to achieve circular economy objectives and commitments. The strategy sets the objectives, scope, timeline, responsibilities, and resources to ensure that change is made.
Circularity activities: Any actions related to the circular economy including training, implementing sustainable design programs, or sourcing recycled materials.
Circularity progress: Refers here to measurable movement towards a circularity related target over time. This may include progress in management, output or impact related KPIs (e.g., investment, uptake or impacts).

Additional reading

- Global Fashion Agenda (GfA): 2020 Commitment
- Ellen MacArthur Foundation (EMF): Make Fashion Circular
- Circle Economy: Circle Textiles Program

CR-1c. Leadership

CR-1c-1. Who holds overall accountability for the delivery of the company's circularity integration into business operations?

Why this is important

To set the right tone and to ensure the successful delivery of a circularity strategy, it is important that materials circularity holds status within the company. Company directors and senior managers should ultimately be accountable for the delivery of the circularity strategy.

What this question is looking for

Please report the most senior level of your company with responsibility to embed circularity commitments throughout your organization and drive engagement. This could be a sustainability manager, director-level, CEO, etc.

- ☐ Not currently covered
- ☐ Middle management
- ☐ Senior management/directors
- ☐ Chief Executive Officer (or equivalent)
- ☐ Board member(s)
- ☐ Other

Please provide details

Please provide any additional information and/or weblinks.

CR-1e. Reporting

CR-1e-1. Does your company regularly report on its circularity activities and progress?

Why this is important

"Sustainability reporting is the practice of measuring, disclosing, and being accountable to internal and external stakeholders for organizational performance towards the goal of sustainable development. Reporting enhances companies' accountability for their impacts and therefore enhances trust, facilitating the sharing of values on which to build a more cohesive society." (GRI) Reporting on circularity activities demonstrates leadership in this area and creates visibility for the company. It also shows a willingness to "open your books" and communicate risks, challenges, and opportunities associated with circularity, as well as progress against key performance indicators (KPIs) and towards targets.

What this question is looking for

This question seeks to identify the scope of circularity reporting your company completes. Please identify whether your external reporting is limited to a commitment, publishing a complete circularity strategy, regularly reporting circularity activities and/or progress (for example, annual reporting). Multiple answers can be selected for this question.

- ☐ No
- ☐ We have published our commitment to circularity
- ☐ We have published our circularity strategy
- ☐ We regularly report our circularity activities
- ☐ We regularly report our circularity progress

Please provide any additional information and/or weblinks.

Definitions
Publicly reporting on circularity activities and progress: Disclosure of a company's actions and the tracking of results related to circular economy.
Commitment to circularity: This refers to the binding a company has made to a course of actions of relevance to its circularity target(s). A public commitment leads to higher accountability than internal commitments.
Circularity strategy: A plan of action designed to achieve circular economy objectives and commitments. The strategy sets the objectives, scope, timeline, responsibilities and resources to ensure that change is made.

Circularity activities: Any actions related to the circular economy including training, implementing sustainable design programs or sourcing recycled materials.
Circularity progress: Refers here to measurable movement towards a circularity related target over time. This may include progress in management, output or impact related KPIs (e.g. investment, uptake or impacts).

Additional reading

- Global Fashion Agenda (GfA): 2020 Commitment
- Ellen MacArthur Foundation (EMF): Make Fashion Circular
- Circle Economy: Circle Textiles Program

CR-2. Business Models

CR-2a. Service Provision

CR-2a-1. Does your company extend the first life of its products through service-based business models?

Please provide details to support you're answer In CR-2a-1a

Why this is important

Flows of money change in a circular economy. For instance, the pay-for-use (service) model has a very different cash flow structure to the traditional pay-for-ownership (consumption) approach. New business models such as repair services, selling as second hand or leasing are important drivers for circularity. To help accelerate a transition to a circular economy, it is critical to understand the relative "uptake" of different service provisions, and the magnitude of these service-based extensions of the first life of a product.

What this question is looking for

This question seeks to understand which service-based business models, companies are using, and identify the scope of business (for example, is this limited to a very small number of products or are some of these services a significant share of the company's turnover or volume of units). Please report which services your company offers, and where possible either the share of turnover (%), the share of materials displaced (%) or the number of units involved in the specific service method.

- ☐ No
- ☐ Re-commerce
- ☐ Upcycle or remanufacture products
- ☐ Offer repair/refurbishment services
- ☐ Offer a rental service
- ☐ Extend the first life of our products through other methods

Please provide details

CR-2a-1a. Please report the share of your company's business related to service-based business models.

Please indicate the share of your business converted to a service-based business model (e.g. by turnover). If none of these reporting options are applicable, please tell us your preferred metric in the textbox below.

Services	Share of turnover (%)	Share of materials displaced (%)	Number of units
Re-commerce			
Upcycling or remanufacturing of products			
Repair services			
Rental services			
Extend the first life of our products through other methods			

Please provide any additional information and/or weblinks, including impact of ROI analysis if available.

Definitions
Re-commerce: Reselling finished, branded products through owned resale or through a partnership resale model.
Remanufacture: Reassembling components such as fabrics into new products.
Repair: Fixing or treating products so that the products are able to continue to be used, for example replace zipper, repair a tear, or reapply a durable water repellent.
Rental: Includes subscription, leasing, one-off rental.

Alignment with other reporting frameworks

- Linked to the Global Fashion Agenda 2020 Circular Fashion System Commitment (2020 Commitment) - Action Point 3 "Increasing the volume of used garments and footwear resold".

CR-3. Resource Efficiency

CR-3a. Pre-Consumer Waste

CR-3a-1. Does your company work on preventing and reducing pre-consumer waste?

Why this is important

Pre-consumer waste can be significant in volume. Preventing waste during production makes good business sense, building in efficiencies, saving costs, as well as reducing the burden of waste on society and the environment. It is important to engage directly with suppliers to find solutions and prevent pre-consumer waste.

What this question is looking for

This question seeks to identify the ways your company works to address pre-consumer waste. Please select all approaches used by your company to prevent and/or reduce this waste stream.

- ☐ No
- ☐ Yes, through demand forecasting and/or through on-demand production
- ☐ Yes, by engaging with suppliers to address waste

Please specify the level of the supply chain you are engaging with on pre-consumer waste and your activities.

- ☐ Other waste prevention or reduction measures

  Please provide any additional information and/or weblinks.

Please provide any additional information and/or weblinks.

Definitions
Textile waste: Material that is deemed unusable for its original purpose by the owner.
Pre-consumer waste: Fashion and textile industry waste created during fiber, textile and clothing production while post-consumer textile waste is created during consumer use and disposal. Pre-consumer waste also includes textile waste generated or consolidated at the retail level before use by the consumer. Examples include overstock, deadstock, returns, damaged or defective goods, off-spec products, sample waste, and other goods that for one reason or another are unsalable. Excluded from pre-consumer waste is the reutilization of materials such as rework, regrind or scrap generated in a process and capable of being reclaimed within the same process that generated it (ISO 14021:1999 and used in the GRS v4.0).
Post-industrial waste: Textile waste generated during the manufacturing or production process. Examples include cut and sew waste, excess or damaged fabric, overruns, and off-spec material.

Post-consumer waste: Textile waste generated after consumer or commercial use. Examples include used clothing and home textiles and used textiles from the hospitality sector.
Demand forecasting: Refers to the process of predicting the future demand for the company's product. In other words, demand forecasting consists of a series of steps that involves the anticipation of demand for a product in future under both controllable and uncontrollable factors (Business Jargons).
On-demand production: Business model where products are produced once they have been ordered.
Engaging with suppliers to address post-industrial waste: Any collaboration with suppliers on any supply chain level to reduce textile waste. This includes, for example, the introduction of more efficient pattern use and cutting systems, or use of the last meters of fabric rolls, sometimes referred to as "deadstock material".

CR-3b. Unsold finished goods

CR-3b-1. Does your company have a policy covering what happens to unsold finished goods?

Why this is important

Unsold finished goods, and how companies manage these goods, continue to receive heighted public attention. Some companies have faced criticism for their approaches to managing unsold finished goods. Other countries are looking to legislate the destruction of unsold finished goods (e.g. France). It is increasingly important that companies have documented policies or procedures on how to manage these unsold goods.

What this question is looking for

This question seeks to identify if your company has a course of action identified to manage unsold finished goods, including best practice policies documented and communicated throughout the company.

- ☐ No
- ☐ Yes, we have a policy for unsold finished goods
- ☐ Not applicable, we have no unsold finished goods

If your company reports no unsold goods, please describe your business model in terms of how unsold goods are prevented.

Please provide any additional information and/or weblinks.

CR-3b-2. Can your company report the volume of its unsold finished goods?

Please provide details to support your answer in CR-2b-2a.

Why is this important

Unsold finished goods can be a significant source of textile waste. In order to understand the magnitude of this material stream, and explore impact modeling and reduction, it is crucial to understand how significant this volume is in context to your broader business.

What this question is looking for

Please identify how much information your company can collect on unsold finished goods. For CR-3b-2, please indicate whether your company can or cannot track and disclose volumes, track but cannot disclose or if you do not have any unsold goods.

In CR-3b-2a, please report the volume of your company's unsold finished goods – either by weight or by count of products.

- If you can identify the weight of unsold finished goods, please enter a number in "Volume" and select the corresponding "Unit". This will automatically convert your reported volume to "Total volume" in metric tons.
- If you are not able to identify collected textiles by weight but are able to identify the number of products collected, please report the number of products under Volume and select "products' as a Unit. By then selecting the type of Product collected, an approximate average product weight is displayed, and then is used to estimate the Total Volume in Metric Tons. If you are able to identify a more accurate average product weight, please delete the default value and enter your specific value.

Unsold pre consumer goods can be tracked and reported in one of two ways (please ensure your company is reporting using a consistent method year-over-year):

- Physical Dates: when the product is physically removed from sale (i.e. retail or e-commerce), or
- Accounting Dates: when the inventory is written off the balance sheet. If you choose to use this method, please report on the total inventory written off within your financial year

If your company does not have unsold finished goods (i.e. goods physically retained in inventory and on the balance sheet until sold – for example, a company may roll any active inventory into future seasons or if discontinues a style it will push the style to outlet stores until sold) then you should answer "Can fully report" and "0".

- ☐ No
- ☐ Yes, we track but choose not to disclose
- ☐ Yes, we track and can report confidentially
- ☐ Yes, we track and report publicly
- ☐ Not applicable, our products continue to be available for sale until they are sold

CR-3b-2a. Please report the volume of your company's unsold finished goods.

Please report the volume of your company's unsold finished goods.

	Volume	Unit	Product	Product weight (g)	Conversion rate	Total volume (MT)
2019						
2020						

Please provide any additional information and/or weblinks.

Definitions
Unsold finished goods: Finished products which could not be sold in the intended way as well as faulty or sample products. Includes any finished goods that are written-off (i.e. liability goods) such as returns, defects, samples and other unsold inventory. Does NOT include unfinished textiles such as cutting scraps, trim, etc.

Alignment with other reporting frameworks

- French Government Circular Economy Roadmap

CR-3b-3. Can your company identify what happens to its unsold finished goods?

Please provide details to support your answer in CR-2c-3a. If all your company's products are sold, please select 100%.

Why is this important

Companies are transitioning to seeing unsold finished goods as a resource for their company – some producing new collections by designing and remaking new products from the previously unsold products. As a starting point in this paradigm shift, it is crucial for companies to being identifying volumes of unsold finished goods and identify what currently happens to these products. By identifying this, companies are able to assess the scale of impact of unsold goods for their company and can explore finding solutions to keep materials in the high-value stream.

What this question is looking for

From your total volume of unsold finished goods, please identify what happens to them - by the percentage share of total volume. Destinations can include destruction (landfilling or incineration), downcycling, donation, resale or becoming recycled feedstock for new products or recycled fibers.

Once the percentage is identified, please report the appropriate percentage banding. For example, if your company has visibility of what happens to 52% of unsold products, please select '51%-75%' in CR-3b-3.

In CR-3b-3a, please report what happens to the portion of unsold goods which your company has visibility to. The remaining percentage share not reported should be reported as 'Unknown'.

- ☐ No unsold finished goods
- ☐ Unknown
- ☐ Less than 25%
- ☐ 26%-50%
- ☐ 51-75%
- ☐ 76-99%
- ☐ 100%

CR-3b-3a. Please specify what happens to your company's unsold finished goods?

Methods	Share of unsold products (%)
Not unsold finished goods	
Unknown	
Resold in its original product form (or modified only by debranding)	
Donated in its original product form (or modified only by debranding)	
Feedstock for remanufactured products	
Feedstock for recycled fibers	
Downcycled (e.g. as insulation material or cleaning material)	
Landfilled	
Incinerated	
Other	
Total	

If other is selected, please provide details.

Please provide any additional information and/or weblinks.

Definitions
Unsold finished goods: Finished products which could not be sold in the intended way as well as faulty or sample products. Includes any finished goods that are written-off (i.e. liability goods) such as returns, defects, samples and other unsold inventory. Does NOT include unfinished textiles such as cutting scraps, trim, etc.
Percent (%) of unsold products: Share of unsold textile products by weight under each category, e.g. the majority of our unsold products were sold to the second-hand market in developing countries.
Unknown: Products for which it is unknown what happens to them.
Resold in its original product form: Products that are re-sold – with no modifications or modifications limited to debranding - under own brand, through resale partners, or through second-hand markets
Donated in its original product form: Products that are donated – with no modifications or modifications limited to debranding – to nonprofits or other institutions to then be given away or sold at a discount

Feedstock for remanufactured products: Products are disassembled and their components (such as fabrics and trims) are used to create a new garment.
Feedstock for recycled fibers: Products are disassembled and their components (such as fabrics and trims) are reprocessed to create new fibers.
Downcycled as insulation or cleaning material: If products are downcycled into lower value material such as insulation or cleaning material.
Landfilled or incinerated: Products are sent to disposal areas or burnt.
Other: Any other method not listed above.

CR-4. Design for Circularity

CR-4a. Capacity Building

CR-4a-1. What aspects of circularity does your product design training cover?

Why this is important

Circularity starts at the design phase. It is very important to design products in such a way that they can easily be repaired, reused and recycled.

What this question is looking for

This question identifies the different aspects of circularity which are included in your product design training. Please report which of the below elements were embedded in training for product designers or developers in 2019.

- ☐ Not currently covered
- ☐ Durability and longevity
- ☐ Resource use, waste prevention and diversion
- ☐ Reuse, remanufacturing and recyclability
- ☐ Use of safe, renewable and recycled inputs
- ☐ Other circular design principles
  Please provide details

Please provide any additional information and/or weblinks.

Definition – capacity building
Design teams trained: Refers to designers and product developers who have been trained in circular design. This can be through a formal training or on-the-job training.

CR-4b. Design Factors

CR-4b-1 What aspects of circularity are covered in your product design?

Why is this important

Circularity starts at the design phase. It is very important to design products in such a way that they can easily be repaired, reused and recycled. Also, it can be beneficial that the majority of circularity aspects are considered during the product design phase.

What this question is looking for

This question identifies the different aspects of circularity which are covered in your product design requirements and if design factors are emerging i.e. only applicable to a minority of products (e.g. capsule collection, one category, e.g. only womenswear), or is more mature and widely applicable to the majority of products.

- ☐ Not currently covered
- ☐ Durability and longevity

  Please indicate the coverage.

  - ☐ Covers a minority
  - ☐ Covers a majority
- ☐ Resource use, waste prevention and diversion

  Please indicate the coverage.

  - ☐ Covers a minority
  - ☐ Covers a majority
- ☐ Reuse, remanufacturing and recyclability

  Please indicate the coverage.

  - ☐ Covers a minority
  - ☐ Covers a majority
- ☐ Use of safe, renewable and recycled inputs

  Please provide details.

- ☐ Other circular design principles

  Please provide details.

Please provide any additional information and/or weblinks.

Definition - circular design strategy
Design strategies for circularity: proactive design strategies supporting the implementation of a circular textile economy, including for example design for repairability, design for disassembly, design for durability, design for recyclability or design for biodegradability.
Definition - elements of the circular design strategy
Design briefs including circular design aspects: Written description of how a new product should look and be produced - including circular design aspects such as design for recyclability, design for biodegradability, or design for repairability.
Products designed for durability: Products proactively designed for physical durability and/or emotional durability.
Products designed for recyclability: Products that are proactively designed for easy and full technical recyclability and do not release any chemicals of concern into the environment (material health/ safe chemistry).
Products designed for biodegradability: Products that are proactively designed for biodegradability and do not release any chemicals of concern into the environment (material health).
Definitions - share
Not covered: 0% (of team members, design briefs or products) or unknown, please select this option.
Minority: If less than 50% (of the team members, design briefs or products), please select this option.
Majority: If more than 50% (of team members, design briefs or products), please select this option.

Alignment with other reporting frameworks

- Ellen MacArthur Foundation (EMF): Make Fashion Circular
- Linked to the Global Fashion Agenda 2020 Circular Fashion System Commitment (2020 Commitment) - Action Point 1 "Implementing design strategies for cyclability".
- Circle Economy, see: https://www.circle-economy.com/the-7-key-elements-of-the-circular-economy

CR-4c. Certification Schemes

CR-4c Is your company using a certification scheme for recyclability or biodegradability of textile products at end-of-life?

Why this is important

Certification schemes offer credibility if a company wants to make claims on their products recyclability or biodegradability, which in turn allow for the materials to either be reused or safety disposed.

What this question is looking for

The scope of this question is certifications that validate whether a product can be recycled (i.e. if the product can be broken down with widely accessible technology) or if it meets biodegradability standards. Outside of scope of this question is certification of recycled content in products.

☐ No
☐ Yes

Please indicate the percentage share of products covered by these certifications

Please provide the name of the certification

Please provide any additional information and/or weblinks.

Definitions
Certification scheme: Any second- or third-party certification scheme to verify the claims made with regard to recyclable or biodegradable products. Examples which may be applicable include: • Cradle 2 Cradle Certified Platinum (https://www.c2ccertified.org/get-certified/levels/platinum/v3_0) • BPI World family of standards (i.e. ASTM D6868). Note, does not include recycled content certification.

CR-5. Textile Collection

CR-5a. Post-consumer Textile Products

CR-5a-1. Does your company offer a collection scheme for post-consumer textile products?

Why this is important

Collection schemes are important mechanisms to retain that value of post-consumer textiles and provide a second life. As most post-consumer textiles are sent to landfill before the end of their useful life it is crucial that companies develop collection capacity to retain this value.

What this question is looking for

Please identify whether your company currently offers customers with ways of returning textile products which are at the end of their use with that specific customer. Typically, this is in the form of in-store or mail-in collection; however, some company take alternative approaches by directing customers to local collection in specific regions which are not specific to the company which sold the product.

- ☐ No
- ☐ We encourage our customers to pass on used textiles
- ☐ We provide customer information on returned textiles
- ☐ We offer in-house collection service

  Please indicate the market coverage.

  - ☐ Minority
  - ☐ Majority
- ☐ We use a third-party service provider

  Please indicate the market coverage.

  - ☐ Minority
  - ☐ Majority
- ☐ We monitor and evaluate the scheme to inform improvement strategies

Please outline the collection schemes your company offers e.g., In-store, NGO partner, Municipal partnership, etc.

Definition – collection scheme
Collection scheme: Any system to collect post-consumer textiles (e.g. in-store boxes, shipping system to send back used textiles or similar). This includes collaboration with NGOs or others to promote textile collection. Collection schemes are often also called take-back schemes. As many collection schemes also include the collection of textiles from other brands or retailers and not only taking back their own products, but the term collection scheme is also used here.
Definitions – elements of the collection scheme
Encourage customers to pass on used textiles: On-product labelling or other form of communication to positively influence and support customers to pass on their used textiles. This included for example donation, resale, sharing or returning them to a textile collection point (e.g. in-store boxes offered by retailers).
Provide customer information on what happens to returned textiles: Public or on-demand disclosure of information about what happens to collected textiles.
Offer in-house collection services: Offering post-consumer textile collection services that are owned and operated by the company
Use a third-party service provider: Offering a post-consumer textile collection scheme that is managed by another company. This includes collection schemes managed by a third-party with drop off bins located in brand retail stores (example I:CO, Wearable Collections, etc.).
Monitor and evaluate the collection scheme: Regular review of the collection scheme and its effectiveness.
Definition - Coverage of markets
Coverage of markets: Markets that a company sells into through retail, ecommerce, or distribution partners • **Minority:** Offered in less than 50% of markets that a company sells into • **Majority:** Offered in 50% or more markets that a company sells into

Alignment with other Frameworks & Benchmarks

- Partly aligned with the Global Fashion Agenda 2020 Circular Fashion System Commitment (2020 Commitment) – Action Point 2 "Increasing the volume of used garments and footwear collected".
- Extended Producer Responsibility https://www.oecd.org/env/tools-evaluation/extendedproducerresponsibility.htm

CR-5a-2. Can your company report the volume of post-consumer textile products collected through its collection scheme?

Please provide details to support your answer in CR-5a-2a.

Why this is important

Measuring the collection volumes is an important first step in order to set clear Key Performance Indicators (KPIs) and measure progress. It is crucial that the company can identify the magnitude of collected textile products. By identifying this, companies are able to assess the impact of collected textiles and can explore finding solutions to keep materials in the high-value stream.

What this question is looking for

Please identify how much information your company can collect on post-consumer textiles which are collected via the collection scheme. For CR-5a-2, please indicate whether your company can report total volumes, some data but this is incomplete, or only a rough estimate of volumes collected.

In CR-5a-2a, please report the volume of your company's post-consumer collected textiles – either by weight or by count of products.

- If you can identify the weight of collected textiles, please enter a number in "Volume" and select the corresponding "Unit". This will automatically convert your reported volume to "Total volume" in metric tons. This is the preferred reporting approach.
- If you are not able to identify collected textiles by weight but are able to identify the number of products collected, please report the number of products under Volume and select "products" as a Unit. By then selecting the type of Product collected, an approximate average product weight is displayed, and then is used to estimate the Total Volume in Metric Tons. If you are able to identify a more accurate average product weight, please delete the default value and enter your specific value.

☐ No

☐ Yes, we can report a rough estimate

☐ Yes, we have some data but it is incomplete

☐ Yes, we can report total volumes

CR-5a-2a. Please report the volume of textiles collected through its collection scheme.

	Volume	Unit	Product	Product weight (g)	Conversion rate	Total volume (MT)
2019						
2020						

Please provide any additional information and/or weblinks.

Definitions - textiles collected
Textiles collected: Any textile products collect through a collection scheme.
Collection scheme: Any system to collect post-consumer textiles (e.g. in-store boxes, shipping system to send back used textiles or similar). This includes collaboration with NGOs or others to promote textile collection. Collection schemes are often also called take-back schemes. As many collection schemes also include the collection of textiles from other brands or retailers and not only taking back their own products, the term collection scheme is used here.

Alignment with other reporting frameworks

- Linked to Global Fashion Agenda 2020 Circular Fashion System Commitment (2020 Commitment) - Action Point 2.
- Linked to GRI 301-3 Reclaimed Products.

CR-5a-3. Can your company identify what happens to its collected post-consumer textile products?

Please provide details to support your answer in CR-5a-3a.

Why this is important

Knowing what happens to collected textile products helps your company to understand the full life cycle, identify and measure impacts associated with textile collection, develop strategies for higher-value (more impactful) options and get insights into how design teams can improve the design for circularity.

What this question is looking for

From your total volume of post-consumer textile products that are collected, please identify what happens to them - by the percentage share of the total volume. Destinations can include destruction (landfilling or incineration), downcycling, donation, resale or becoming recycled feedstock for new products or recycled fibers.

Once the percentage is identified, please report the appropriate percentage banding. For example, if your company has visibility of what happens to 45% of products which have been collected, please select "26%-50%" in CR-5a-3.

In CR-5a-3a, please report what happens to the portion of post-consumer textile products collected which your company has visibility to. The remaining percentage share not reported should be indicated as "Unknown".

- ☐ No collection
- ☐ Unknown
- ☐ Less than 25%
- ☐ 26%-50%
- ☐ 51-75%
- ☐ 76-99%
- ☐ 100%

CR-5a-3a. Please specify what happens to your company's collected post-consumer textile products

Methods	Share of unsold products (%)
No collection	
Unknown	
Resold in its original product form (or modified only by debranding)	
Donated in its original product form (or modified only by debranding)	
Feedstock for remanufactured products	
Feedstock for recycled fibers	
Downcycled (e.g. as insulation material or cleaning material)	

Methods	Share of unsold products (%)
Landfilled or incinerated	
Other	
Total	

If other is selected, please provide details.

Please provide any additional information and/or weblinks.

Definitions - collected textiles
Collected textiles: Post-consumer textile products which were collected by companies and/or partners through textile collection schemes.
Percent (%) of collected volume: Share of collected textiles by weight under each category, e.g. the majority of our collected textiles were sold to the second-hand market in developing countries.
Methods: Please see question CR-2c-2 for definitions.
Resold in its original product form: Products are re-sold – with no modifications or modifications limited to debranding - under own brand or through resale partners or through second-hand markets
Donated in its original product form: Products are donated – with no modifications or modifications limited to debranding – to nonprofits or other institutions to then be given away or sold at a discount.
Feedstock for remanufactured products: Products are disassembled and their components (such as fabrics and trims) are used to create a new garment.
Feedstock for recycled fibers: Products are disassembled and their components (such as fabrics and trims) are reprocessed to create new fibers.
Downcycled as insulation or cleaning material: Products are downcycled into lower value material such as insulation or cleaning material.
Landfilled or incinerated: Products are sent to disposal areas or burnt.

Alignment with other reporting frameworks

- This question is connected to GRI 301-3 “% of reclaimed materials”.

BS-5: Balance Sheet 5 - Recycled Content

The section related to Recycled fibers and sourcing has been moved in the Materials Balance Sheet module. Please find guidance on the specific section in the Materials Balance Sheet Guide.

Textile Exchange | Corporate Fiber & Materials Benchmark Program

Find out more about the Material Change Index here:

mci.textileexchange.org
www.textileexchange.org