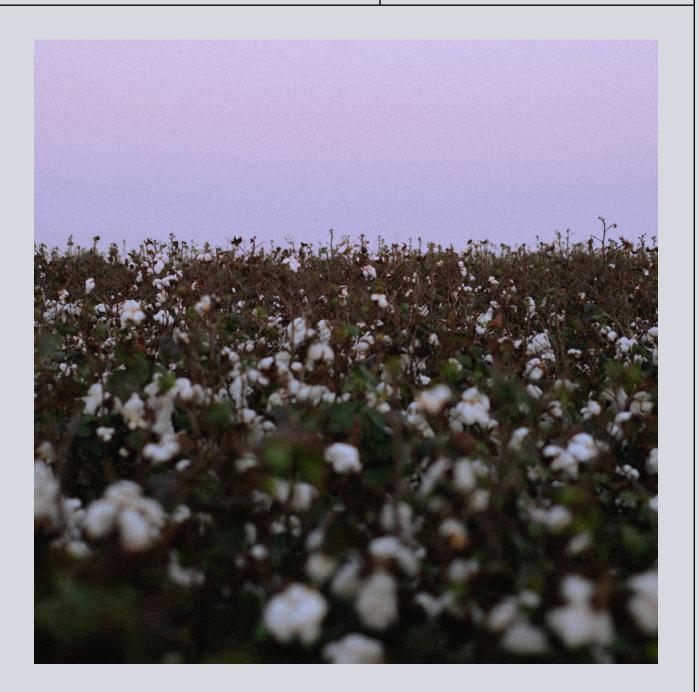
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MATERIALS MATTER STANDARD PILOT V1.0



# SUMMARY PAPER FIBER CROPS

# Summary Paper – Fiber Crops

# Materials Matter Standard Pilot V1.0

# About Textile Exchange

Textile Exchange is a global non-profit helping to drive beneficial outcomes for climate and nature across the fashion, textile, and apparel industry, right from the start of the supply system.

Our goal is to help the industry achieve a 45% reduction in the greenhouse gas emissions that come from producing fibers and raw materials by 2030 (from a 2019 baseline). To get there, we are keeping our focus holistic and interconnected, accelerating the adoption of practices that improve soil health, water, and biodiversity while respecting human livelihoods and animal welfare.

Over the last 20 years, our internationally recognized standards for the production of different fibers and raw materials have helped build integrity in the industry. As a member of <u>ISEAL</u>, we comply with three credibility Codes of Good Practice which underpin our policies and procedures for organizational functions like standard-setting, assurance, and monitoring, evaluation, and learning. These practices ensure we provide value, rigor, accessibility, and transparency in our standards.

All of our standards are anchored by an independent, third-party assurance model that supports organizations in consistently demonstrating and maintaining conformity while handling and trading their certified products, through an independently verifiable and impartial process.

## **About the Materials Matter Standard**

The Materials Matter Standard is a voluntary sustainability standard for the production and initial processing of raw materials used in the fashion, textile, and apparel industry.

The standard sets out to incentivize a system in which the materials in our clothing and textiles support the climate, respect human rights and animal welfare, and drive beneficial outcomes for soil health, water, and biodiversity. It aligns the industry on a shared trajectory towards this vision by establishing what best practice looks like for different materials in various settings, from farms to recycling facilities.

By focusing specifically on the start of the supply chain, the Materials Matter Standard provides a global certification model that is connected to the unique contexts of producers and processors, as well as their local communities and landscapes. A blend of practice-based criteria and outcomebased indicators helps participating organizations get acknowledged for meeting core requirements and builds their capacity to measure results. At the same time, it gives brands and retailers that choose certified materials a way to speak confidently to customers about them.

In the long term, the Materials Matter Standard provides a foundation for producers and processors to understand how their activities impact the people and ecosystems around them, track their progress based on different practices, and learn where to improve over time to drive beneficial outcomes on the ground. Beyond getting certified, optional leadership criteria invite participating organizations to raise the bar through areas like regeneration, renewable energy, and textile-to-textile recycling.

Over time, the Materials Matter Standard will be improved and adapted using insights from the auditing process and outcome measurements. This will help make sure it brings more meaningful benefits to those producing materials for the industry, as well as those directly impacted by the practices they use.



Please note that the Materials Matter Standard was known as the "unified standard" during its development. With the release of the Pilot V1.0, Textile Exchange is pleased to share its official name with stakeholders.

#### **Transitioning towards the Materials Matter Standard system**

In 2021, Textile Exchange began a comprehensive revision of its existing standards framework to develop a more harmonized system across all of our material-specific standards. Our goal was to meaningfully embed our organizational climate and nature goals into the production of all raw materials included in the scope of our certification, as well as to facilitate a simplified communication at the consumer level through more integrated and aligned claims and labeling.

After review and approval of the public project plan from an International Working Group (IWG), the first draft of the Materials Matter Standard (then referred to as the "unified" standard) was made available for public consultation from May to July 2023, with the second draft open for public consultation from October to November 2023. Following invaluable feedback from stakeholders, the Materials Matter Standard Pilot V1.0 was released publicly in early June, 2024.

The rest of our progress in 2024 will then be focused on feasibility testing, the preparation of supplementary documentation, and outreach events to raise awareness among standard users. Learnings from these activities will be used to refine criteria and related policies for the final version of the standard which, following pilot testing and system updates, will be published in mid-2025.

The final published standard will state an effective date and a mandatory date. The effective date is planned for the first quarter of 2026 and means that auditing and certification may begin on a voluntary basis whereby organizations may request an audit to the Materials Matter Standard from licensed certification bodies. This will remain optional during a transitional period for organizations already certified to current standards superseded by the Materials Matter Standard, including the Global Recycled Standard (GRS), Recycled Claim Standard (RCS), Responsible Wool Standard (RWS), Responsible Mohair Standard (RMS), Responsible Alpaca Standard (RAS), and Responsible Down Standard (RDS).

The mandatory date is planned for mid-2026, 12 months after the final standard publication date. This means that all applicable audits (for both sites that are already certified and new applicants) will be required to be to the new Materials Matter Standard from that date onwards.



# Timeline

<b>March 2024:</b> Materials Matter Standard Pilot V1.0 is approved by IWG	Finalize core content to release for 2024 implementation planning and pilot testing
<b>June 2024:</b> Public release of the Materials Matter Standard Pilot V1.0	Unified standard released publicly with Materials Matter name, as well as supporting documentation to guide standards users
<b>Apr–Oct 2024:</b> Pilot test criteria and hold workshops for stakeholders	Pilot testing remotely and in the field; full standards system updates; promotion and education of new/revised content; progress on approach to recognition partnerships for external standards/tools
<b>2025:</b> Final Materials Matter Standard publication	Criteria and related policies are planned to be released on the publication date in mid-2025; a transitional period will follow publication to allow certification bodies and certified organizations to fully prepare for auditing
<b>2026:</b> Published standard will have an effective date followed by a mandatory date that begins during 2026	Standard becomes effective in the first quarter of 2026: organizations may request audits by approved certification bodies; standard becomes mandatory mid-2026: auditing and certification required for prior standard scopes superseded by the Materials Matter Standard

#### Scope

The Materials Matter Standard criteria cover practices and outcomes for the production and initial processing of raw materials, including primary/recycled feedstocks, and apply to farms, producers, and first processing facilities.

The main impact areas of the Materials Matter Standard focus on virgin raw material production (including land use practices in the raising of animals, as well as animal welfare, and treatment of workers), and the first processing stage of extracted raw materials and feedstocks (including processes such as wool scouring, dissolving pulp, chemical/mechanical recycling, down processing, and ginning).

The materials included in the scope of the pilot version of the Materials Matter Standard include:

- Animal fibers and materials: Sheep wool, Mohair, Alpaca, Down, and Skins
- Recycled: Synthetics, Natural materials, Recycled MMCF

Some of the materials proposed for inclusion within the scope of the standard will be added through a framework for recognition partnerships with organizations that own sustainability systems in an effort to focus on collaboration first and avoid duplication of standards systems. Partnerships for full recognition mean Textile Exchange would accept related certified raw material inputs into its standard system rather than through direct Textile Exchange raw material certification. Proposed materials that may be added over time are:

- Animal fibers and materials: Cashmere
- Fiber crops: Cotton
- Forest/plant-derived: MMCF, Biosynthetics



The standard is globally applicable, with no explicit geographic limitations except those that may occur due to legal restrictions.

### **Chain of custody**

Principle 6 of the Materials Matter Standard contains fundamental chain of custody criteria to be met at the raw material production level. This section contains criteria for:

- **Material handling**: The physical segregation of certified materials from non-certified materials, maintaining an adequate identification system.
- **Volume reconciliation**: Maintaining records of volumes collected, produced, stored, and sold as certified.
- **Sale of certified materials**: The conditions to fulfill for making a certified transaction, including the application for a transaction certificate to be issued by the certification body for each shipment.
- **Logo use and claims:** The conditions for using the Materials Matter trademarks, including the Materials Matter name, the Materials Matter logo, and the Materials Matter Certified label. We will be releasing an updated version of our Logo Use and Claims Policy to align with the Materials Matter Standard in 2024/2025.

Under specific circumstances detailed in the preface of the Materials Matter Standard Pilot V1.0, organizations are required to implement the full Content Claim Standard (we will be releasing an updated version of this document to align with the Materials Matter Standard in 2024/2025), instead of Principle 6 of the Materials Matter Standard.



# Structure of the standard

1. Organizational	1.1. General Requirements
Management	1.2. Shared Responsibilities
2. Human Rights and Livelihoods	2.1. Policies, Management Systems and Records
	2.2. Labor Rights
	2.3. Social Justice
	2.4. Livelihoods
	2.5. Management of Waste Collection for Recycled Inputs
3. Land Use	3.1. Management Plan
	3.2. Soil Health
	3.3. Soil Nutrients
	3.4. Pest Management
	3.5. Water Management
	3.6. Conservation of Biodiversity
4. Animal Welfare	4.1. Health and Welfare Plan
	4.2. Animal Nutrition
	4.3. Living Environment
	4.4. Husbandry Procedures
	4.5. Animal Shearing
	4.6. Herd Management
	4.7. Breeding, Birthing, and Caring for Young Animals
	4.8. Handling and Transport
	4.9. Handling and Transport Managed by the Organization
	4.10. Euthanasia and On-Farm Slaughter
	4.11. Slaughterhouse
5. Processing Facility	5.1. Environmental Management System
	5.2. Chemical Management and Restrictions
	5.3. Waste Management
	5.4. Water Use and Discharge
	5.5. Air Emissions
	5.6. Energy Use
6. Chain of Custody	6.1. Material Handling
	6.2. Volume Reconciliation
	6.3. Sale of Certified Materials
	6.4. Logo Use and Claims
7. Group Certification	7.1. Group Configuration
	7.2. Group Management System
	7.3. Group Member Requirements
	7.4. Inspection of Members
	7.5. Adding and Removing Members

# The Materials Matter Standard approach to fiber crops

Fiber crops refers to natural raw materials produced as crops that are used for the fashion, textile, and apparel sector. Within this category, cotton is the highest volume fiber and the primary strategic fiber crop for Textile Exchange. Within our standards system, our work has historically been focused on the Organic Content Standard (OCS), which provides chain of custody certification for the raw materials coming from production that is certified to an organic standard recognized by IFOAM (Organics International). Our standards scope has not extended into direct farm-level certification in cotton or other fiber crops.

Our aim for the Materials Matter Standard (MMS) is to provide a unified approach to certification and chain of custody across all the materials within our strategic focus. Within cotton, it is important to acknowledge that there is a robust landscape of sustainability systems that already cover farm-level standards and certification as well as implementation support to producers. Following stakeholder review during the unified standard development process, we have concluded that the best way for our standards system to contribute to our strategic goals in cotton is to focus on two pathways:

- 1. Support the uptake and efficiency of existing cotton farm-level sustainability systems. We will do this through our work outside of the standards system but can also offer certified input recognition and access to our traceability tools to support those systems that may benefit from those tools. We will approach this with a focus on partnership and alignment behind shared climate and nature goals.
- 2. Manage the Organic Content Standard as a standalone standard in parallel to the MMS. Future development may also include a way to recognize organic producers and producer groups that are addressing areas out of the scope of traditional organic certification systems (e.g., human rights and livelihoods, regenerative practices, and impact data collection).

## **Cotton in the Materials Matter Standard**

As was the case in the second draft of the unified standard criteria development, the MMS Pilot Version 1.0 does not include farm-level cotton production criteria to align with the stated approach above. The standard includes facility-level criteria for eligible cotton feedstocks entering the MMS system at the first processing stage for cotton (ginning) as part of our future plans to include cotton through recognition partnerships. The MMS facility-level criteria will not be required for sites seeking certification to the separate OCS.

## **Cotton in the Organic Content Standard (OCS)**

The OCS was created with a goal to increase organic agriculture production and provide organic farmers with access to the global organic market. This is a valuable niche that Textile Exchange will continue to support in the new standard system. The OCS will be managed as a standalone standard in parallel to the MMS and will be available for the certification of cotton coming from organic production systems.

The OCS today accepts national organic standards operating at the farm level that are recognized by the IFOAM family of standards. On this basis, the OCS utilizes a form of recognition by accepting inputs into its system that have been certified through external standards. Increased uptake of the OCS has provided insight into areas that will benefit from review and revision. In order to keep the OCS robust and relevant in a changing environment, a standard revision is planned to start in 2024. This will follow our standard-setting procedures that include mechanisms for a transparent process and public feedback.



#### Hemp and flax in our future standard system

Cotton is currently the first and only fiber type included in the MMS scope for fiber crops. However, we intend to review opportunities for other fiber crops in later versions of the standard. How we work with cotton in this new system is laying the groundwork to test responsible practices connected to our climate and nature goals and will determine our approach to hemp and flax.