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MATERIALS MATTER STANDARD PILOT V1.0



**SUMMARY PAPER**CLAIMS & LABELING



# Summary Paper - Claims and Labeling

## 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 outcome-based 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 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 Version 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**

March 2024: Materials Matter Standard Pilot V1.0 is approved by IWG	Finalize core content to release for 2024 implementation planning and pilot testing
June 2024: 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
Apr-Oct 2024: 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
2026: 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 Version 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



#### About the Materials Matter standard claims and labeling system

We are currently in the process of developing a new claims and labeling system that will accompany the Materials Matter Standard. These updates include but are not limited to:

- Allowed claims language options and requirements
- Claims categories
- Minimum content percentages
- Eligibility requirements
- · Document format and navigation
- Claims approval process
- Monitoring and misuse procedures
- Retailer claims
- New standard system logo and certification label

#### **Creating the Materials Matter standard brand**

In late 2021, Textile Exchange launched a labeling task force to obtain feedback from key stakeholder groups on our current claims and labeling system as part of the development of the unified standard.

Once it became clear that we would need a new name and label for the standard, we initiated a branding development project with an agency in early 2022. During 2022, the labeling task force provided critical feedback on the branding direction from different perspectives of the supply system. At the same time, emerging changes were being announced to EU legislation on green claims. We sought legal counsel on the name and logo options to make sure we were on the right path to align with upcoming legislation.

We continued this work in 2023. By the end of the year, we had created a single name and logo that encompasses the various materials and scopes of the standard under one clear, harmonized look and feel. While we are pleased to release the official name and elements of the brand visuals with the publication of the Materials Matter Standard Pilot V1.0, the logo will be released in October 2024.

The consumer-facing certification label that will be used for certification claims is still underway. As we move forward in 2024, the labeling task force continues its work to provide feedback on the certification label from an industry perspective. Given the importance of labels for consumer appeal, we are aiming to conduct consumer surveys or focus groups to also gain this audience's insights. Finally, we are continuing our due diligence work related to legal compliance for claims and labeling. We are therefore planning further legal reviews and assessments of the new claims and labeling system to support legal compliance.



#### Timeline for the adoption of the Materials Matter standard labeling

The timeline for the rollout and adoption of the Materials Matter branding is planned as follows:

- During 2024: Develop claims and labeling system
- Mid Q2 2024: First consultation on Claims Policy draft
- Q4 2024: Second consultation on Claims Policy draft
- Q3 2025: Updated Claims Policy and Labeling System are published
- Q1 2026: Updated Claims Policy and Labeling System are effective

To support this shift, we are creating a transition plan that will allow adequate time for certified organizations to move to the new claims and labeling system while phasing out the logos of the current standards. The transition timeline is still to be determined.