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About this guidance

Introduction

Textile Exchange's Regenerative Agriculture Outcome Framework aims to help the fashion, textile, and apparel industry align on outcomes for assessing the holistic impacts of regenerative agriculture. It is designed to respect the inherent place-based nature of these systems while shifting the industry's focus from avoiding negative outcomes to achieving measurable, positive ones instead.

The framework draws on rigorous research, related sector methodologies (such as science-based targets for nature and the GHG Protocol), scientific literature, and other outcome frameworks. Most importantly, it respects and centers local farm community knowledge. Its main objectives are to:

- Align farmers, brands, and retailers around a flexible, context-specific set of outcomes that should be expected from regenerative agriculture.
- Offer a foundational series of indicators that can be used to measure these outcomes over time.
- Support and empower producers to establish context-appropriate baselines and track progress, helping them to gain recognition and rewards through sourcing partnerships that measure and ideally deliver beneficial outcomes.

What is regenerative agriculture?

Textile Exchange's Regenerative Agriculture

<u>Landscape Analysis</u> report draws on extensive
research and interviews to establish that regenerative
agriculture is inclusive of the following:

- A view of agriculture that works in alignment with natural systems, recognizing the value and resilience of interconnected and mutually beneficial ecosystems versus extractive agricultural systems.
- An acknowledgement that Indigenous and Native peoples have been employing this approach to growing food and fiber for centuries—it is not a new concept—and that regenerative agriculture must include a focus on social justice.
- A holistic, place-based, outcome-focused systems approach, not a "one-size-fits-all" checklist of practices.

Examples of desired environmental outcomes for regenerative systems can be reflective of biodiversity, soil health, water quality and availability, and more. Equally important are outcomes related to social justice, Indigenous rights, gender equity, farmer and community resilience, and animal welfare. Over time, regenerative practices can increase productivity, naturally reduce the need for external inputs, and improve economic stability for producers.



Photo: Anass Ouaziz

Who can use this framework?

Who can use the framework?

The Regenerative Agriculture Outcome Framework is designed for use worldwide in any natural fiber or raw material production system, including cropping, grazing, and agroforestry. Special consideration was given to ensure it works for smallholders and resource-poor farmers.

It is important to note that the Regenerative Agriculture Outcome Framework is not a standard. Instead, it provides a set of measurable and quantifiable indicators that can be referenced and used alongside existing standards where appropriate. While these indicators are suggested for use in monitoring outcomes across different regions and production systems, Textile Exchange does not provide specific measurement thresholds or requirements for them.

Selecting indicators from this framework is only a first step. Training, baseline development, recordkeeping, implementing data tracking systems (or integrating it into existing systems), and establishing specific testing cadences will all be needed to put the framework into practice in specific geographic and farming contexts. Value chain partners can use the framework in the following ways:

All users

- To support a common understanding of the categories of outcomes and indicators that characterize a holistic regenerative system, creating shared expectations for outcome monitoring.
- To increase alignment between regenerative initiatives and existing standards, frameworks, and/or industry guidance.
- To increase understanding of the basic indicators behind monitoring technologies such as soil probes, satellite monitoring, or ecological health assessments, supporting more informed choices on such technologies.
- To provide transparency across the value chain about the level of effort required to monitor various indicators.

Producers, suppliers, and grower groups

- To help navigate the different outcomes and indicators of a regenerative production system, supporting the process of choosing indicators and metrics aligned to set objectives.
- To improve the standardization of indicators and provide examples of methodologies for monitoring them used by different farms within a farm group.
- To support conversations with brands and project developers on regenerative agriculture projects, encouraging fair financing approaches and assistance from supply chain partners in measuring outcomes.

Brands and retailers

- As a screening tool to assess the holistic approach to outcome monitoring of projects and programs.
 Note that Textile Exchange's Fiber and Materials Matrix can provide an initial assessment of a program before using the framework to evaluate the approach to outcome monitoring.
- To provide a set of options for discussion with producers during project development.
- As a starting point for a gap analysis of current metrics being used across suppliers and/or funded projects, and to identify a common set of indicators to fill these gaps.
- To support the greater alignment of indicators and provide examples of methodologies for monitoring them when used by different projects supported by the brand, allowing context specificity.

Project developers and technical assistance providers

- To support conversations with potential clients/ brands about the importance and beneficial outcomes of regenerative agriculture.
- To provide options for discussion and prioritization with brands and producers during project development.
- As a starting point for a gap analysis of current metrics being used across projects, and to identify a common set of indicators to fill these gaps.
- To support dialogue with farmers who have been using regenerative practices for a long time but have not been collecting data, providing them with options for initial monitoring.
- To clarify the partnership roles of brands and farmers in establishing monitoring systems for selected outcome indicators.

Before getting started

While the Regenerative Agriculture Outcome Framework focuses on outcome monitoring and measurement, this is part of a broader set of activities.

Brand expectations

The framework contains a set of fundamental brand-level expectations that should be in place before projects or programs are considered, or claimed, to be regenerative.

Before getting started with the framework, brands must have a strong understanding of their value chain. This includes assessing and prioritizing social and economic equity, ecological, and animal welfare outcomes, as well as taking steps to mitigate any negative outcomes. A solid understanding of the value chain is built on three foundations:

- **Supply chain mapping:** Identifying producer groups and supply chain actors to gain awareness of risk hotspots.
- Assessment and response: Conducting human rights assessments, audits, and corrective actions.
- Knowledge and capacity building: Providing producers with the resources and information needed to meet the requirements of standards, projects, or initiatives.

Figure 1 on the next page shows the common steps in a company's approach to its regenerative agriculture journey. Before using the Regenerative Agriculture Outcome Framework, brands need to take Steps 1, 2, and 3: Assess, Interpret and Prioritize, and Act.

Once this groundwork is in place, companies can use the framework to help with Steps 4 and 5 to measure a baseline, set targets, and monitor and report progress over time.

Preliminary steps for farms

Before using the framework, farms and farm groups should also have an understanding of social and economic equity, ecological, and animal welfare risks within the context of their farms or landscapes that farm groups operate in, as well as taking steps to mitigate any negative outcomes. One way to address this is by using appropriate certifications for fibers and materials.

While farm groups and grower associations can use the framework independently of brand partners, they are encouraged to understand brand expectations, including reporting requirements, and maintain dialogue with buyers and partners when developing an outcome-monitoring approach.



Photo: Danilo Arenas

Brand expectations



Step 1: Assess

Understand impacts and dependencies



Step 2: Interpret & Prioritize

Develop strategy with objectives



Step 3: Act

Take action



Step 4: Measure, Set & Disclose

Measure baselines and set targets



Step 5: Track

Share successes and challenges

Figure 1: Brand expectations

Social & Economic Equity

Carry out a social impact assessment covering the full scope of the project/value chain (as relevant) and all potentially impacted stakeholders.

Ecological Health

Carry out a nature risk assessment using available risk filters and/or consideration of available conservation planning priorities. The Materials Impact Explorer can be used in this step.

Animal Welfare

Carry out an animal welfare risk assessment using a robust due diligence process.

Prioritize efforts in response to the output of Step 1

 Establish any connection to and responsibility for social impacts.

• Prioritize the most important social impacts for action.

Identify spheres of influence and prioritize key places to take action.

- Provide for, or cooperate in, remediation where appropriate
- Put an improvement plan in place
- · Put preventative measures in place
- Use or build leverage to influence others to act where needed
- Use certified materials that address ecological management, aligning the chosen certification to the company's level of ambition and its overall strategy.
- The Fiber and Material Matrix can be used in this step.

Use certified materials that adhere to animal welfare requirements.

 $For a gricultural\ production\ systems: Supported\ by\ the\ Regenerative\ Agriculture\ Outcome\ Framework$

- Select indicators to monitor and measure baseline performance
 - Develop a plan for the ongoing monitoring of outcomes
- Set targets, such as SBTN Land and Freshwater targets and GHG Protocol Land Sector Removal targets
 - Monitor performance trends and adapt management accordingly
- · Report publicly on findings of performance in line with the achievement of targets and progress made over time
 - Share both successes and challenges as a means of knowledge exchange

Understanding the indicators

Understanding the indicators

The framework includes three major categories of outcomes and indicators:

- Social and economic equity outcomes: Social and economic equity outcomes play a critical role in holistic regenerative agriculture and these are given equal weight in our framework alongside the widely discussed ecological outcomes. This category includes indicators on income and asset security, inclusive participation, health and well-being, and more.
- Ecological health outcomes: The second section of our framework references one of the most-cited elements of regenerative agriculture: ecological health outcomes. It covers outcomes related to soil health, biodiversity, water use efficiency and water quality, synthetic input risk reductions, GHG emissions, and more. This area continues to be supported by ongoing research and frameworks, including the science-based targets for nature industry guidance.
- Animal welfare outcomes: Our framework also fully includes animal welfare as a component of regenerative systems that is inextricably linked with both human welfare and ecosystem health.

Note on synthetic input risk reductions

Textile Exchange's stance, aligned with the World Business Council for Sustainable Development (WBCSD), is to shift the focus from simply reducing synthetic inputs to minimizing their impact on biodiversity, soil, and water—better aligning with regenerative principles. Expected actions to reduce these risks include the adoption of more environmentally friendly products, more efficient and strategic applications, and a reduction in the use of these inputs over time as regenerative systems become more self-sustaining.

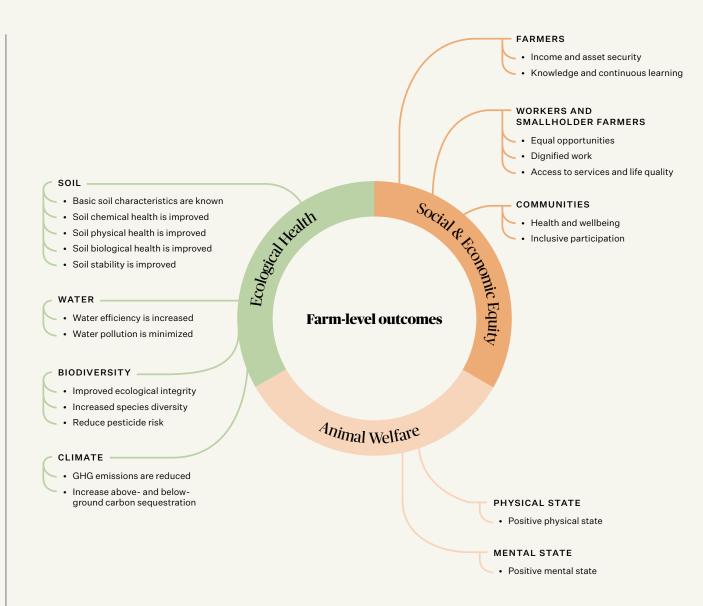


Figure 2: Farm-level outcomes

Understanding the indicators

For each outcome area, a choice of indicators is offered. This approach respects the context-based nature of regenerative agriculture and allows programs in different regions or at different stages of the regenerative journey to select indicators that work for them.

Projects are not expected to demonstrate progress toward every outcome indicator listed. However, they are expected to select, establish a baseline for, and show meaningful efforts to track progress toward a context-appropriate selection of indicator(s) within each outcome area, as indicated in the detailed Excel Framework.

For each indicator, references for standard operating procedures, methods, or specific guidance on assessment from existing sources are included, but these are not prescriptive, and others can be used if fit for purpose.

Details on the unit, reference, notes, and method/ standard operating procedure for each indicator can be provided on request in the Metrics Guide.

Brand- and farm-level indicators

Indicators are organized into farm-level and brandlevel categories. The only exception to this is for indicators related to collaborative processes that have been intentionally included as shared indicators.

Textile Exchange considered the following priorities when identifying the brand- and farm-level indicator options:

- Emphasizing the shared responsibility between brands and farmers.
- · Selecting indicators that are grounded in science.
- Ensuring indicators are representative across different farming systems, such as cropping, grazing, and agroforestry.
- Including only non-proprietary tools and indices to ensure methodologies are transparent and publicly available.
- Reflecting the holistic understanding of regenerative agriculture outlined in Textile Exchange's Regenerative Agriculture Landscape Analysis.
- Incorporating a spectrum of basic to more advanced indicators to increase the accessibility and applicability of the framework.

Outcome monitoring should also be used in conjunction with other measurement practices to fully assess the performance and longer-term impact of a project or program.

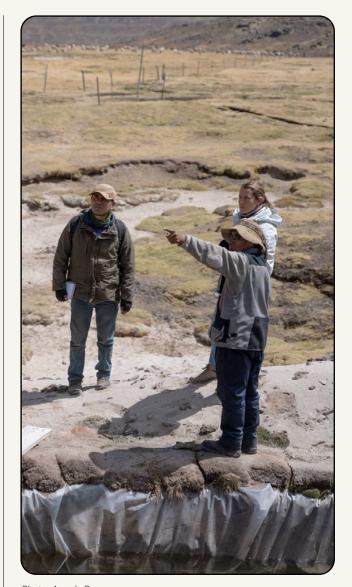


Photo: Angela Ponce

Farm-level indicators

Monitoring farm-level indicators

Producers should not be expected to monitor regenerative outcomes without support or provide outcome data to brands for free. Instead, farm-level indicators can be assessed through collaboration with:

- Brands
- · Project developers
- · Extension agents
- Testing labs
- · Grower groups
- Farmers

By offering a choice of indicators for each outcome area, and including options tailored for smallholder and resource-poor farmers, the Regenerative Agriculture Outcome Framework prioritizes outcome alignment while allowing flexibility in selecting indicators and metrics based on context.

At the farm level, Textile Exchange recommends that the framework is used as part of a broader three-step process:

- Practicing: The farm or material producer should identify best practices that are contextually appropriate for the raw material production systems and regions. Meanwhile, the brand should identify the best practices that are contextually appropriate for their company's fiber and raw material portfolio and sourcing strategy.
- Measuring: Both farm and brand should use the Regenerative Agriculture Outcome Framework to jointly identify a set of contextually appropriate outcome indicators.
- 3. **Performing:** Both farm and brand should ensure robust verification and reporting mechanisms.

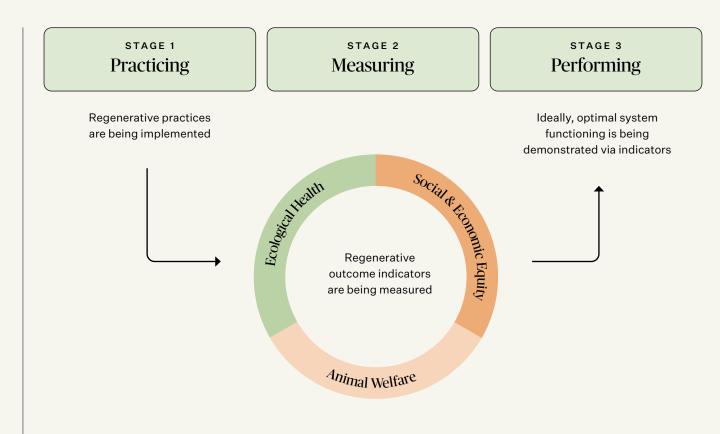


Figure 3: Three-step process developed by VF Corporation gifted to Textile Exchange for use in conjunction with the Regenerative Agriculture Outcome Framework

Brand-level indicators

Brand-level indicators reinforce the message that companies must share costs and risks with growers and meet basic criteria before projects can be considered, or claimed, to be fully regenerative.

In many cases, these indicators are closer to "input" or "activity" indicators, where funds, technical assistance, and other types of resources, are mobilized to help achieve the desired outcomes. To emphasize the key role of brands, to clarify this difference in indicator types, and to keep the central focus on farm-level indicators, the brand-level indicators were moved to a separate section within the framework.



Photo: Angela Ponce

Making claims about the framework

Making claims about the framework

Due to the framework's range of use cases and flexible nature, there is no single approach to statements that can be made about it. Instead, communications should be adapted to the specific context. The guidance in this section is intended for users that are interested in making statements related to their use, implementation of, and efforts to align with the framework.

Since the Regenerative Agriculture Outcome Framework itself does not contain specific baselines or thresholds for any indicators, this guidance **does not** apply to statements related to performance measurement of outcomes, or how to make performance claims related to regenerative agriculture. Such claims would need to be developed in relationship to the specific, context-appropriate baseline established for each project or sourcing relationship.



Photo: Tristan McKenzie

Guidelines for farms and producers

Statements about impact monitoring or outcome measurement

The Regenerative Agriculture Outcome Framework helps farmers track the impacts of their management actions on key outcomes. This approach, known as adaptive management, uses monitoring results to adjust practices and achieve set targets.

Farmers can use the framework to identify which outcomes to monitor, select relevant indicators, and explore appropriate measurement methodologies. In this context, they may communicate their alignment with the framework.

Suggested language

"We are implementing the measurement of ecological, social and economic equity, and animal welfare outcomes into our production system's monitoring design, aligning our approach with the Regenerative Agriculture Outcome Framework."

For projects aimed at achieving only one or more targeted outcome, suggested language includes:

"In our production system's monitoring design, we are implementing the measurement of targeted [animal welfare/ecological/ socioeconomic] outcomes in line with our project objectives, aligning our approach with the Regenerative Agriculture Outcome Framework."

Statements about impacts or outcomes

Textile Exchange does not allow statements that speak to the performance, impacts, or outcomes achieved to be made with reference to the Regenerative Agriculture Outcome Framework without further robust information to back them up, as detailed below.

Claims about achieving outcomes must be backed by performance data over time and are most credible when verified. Simply using the Regenerative Agriculture Outcome Framework is not enough to back up statements about impact. However, farms can acknowledge the framework's role in shaping their monitoring approach.

Suggested language

"In our production system's monitoring design, we are aligning our approach to outcome monitoring for [animal welfare/ecological/socioeconomic] outcomes with the Regenerative Agriculture Outcome Framework."



Photo: Anass Ouaziz

Guidelines for brands and retailers

Statements evaluating programs or producers

Brands and retailers can use the Regenerative Agriculture Outcome Framework to assess how their sourcing programs and suppliers approach outcome monitoring. However, this evaluation should be part of a broader assessment, incorporating tools like the Textile Exchange Fiber and Materials Matrix. No public statements or communications can be made based on this assessment alone.

Statements about impact monitoring or outcome measurement

Brands and retailers can also use the Regenerative Agriculture Outcome Framework to create a comprehensive outcome monitoring system within a specific sourcing partnership. In this context, they may communicate their alignment with the framework.

Suggested language

"In this sourcing partnership, we are supporting the measurement of ecological, socio-economic, and animal welfare outcomes, aligning our approach to outcome monitoring with the Regenerative Agriculture Outcome Framework." For projects aimed at achieving only one or more targeted outcome, suggested language includes:

"In this sourcing partnership, we are supporting the measurement of targeted outcomes in line with the project objectives. We are aligning the approach to outcome monitoring for [animal welfare/ecological/socioeconomic] outcomes with the Regenerative Agriculture Outcome Framework."

Statements about industry alignment

Brands and retailers can align how they track progress toward regenerative outcomes across their entire material and sourcing portfolio with the Regenerative Agriculture Outcome Framework. While Textile Exchange does not allow statements with reference to the framework to be made in this context, general statements focused on supporting industry alignment are permitted.

Suggested language:

"We support efforts to align the industry in how impact is measured and monitored, and how progress is tracked toward production systems that deliver positive environmental, socioeconomic and animal welfare outcomes."

Statements about impacts or outcomes

Textile Exchange does not allow statements that speak to the performance, impacts, or outcomes achieved to be made with reference to the Regenerative Agriculture Outcome Framework without further robust information to back them up.

Substantiating these types of claims should be done in line with industry guidance, best practice, and regulation. Currently, Textile Exchange does not provide a mechanism to substantiate these types of claims.

Development and next steps

Development and next steps

Development

The Regenerative Agriculture Outcome Framework is being developed through a rigorous, research-based, and collaborative process. So far, this has included:

- A thorough review and synthesis of over a dozen existing frameworks and hundreds of potential outcome indicators for the assessment of sustainable agriculture, agroecology, regenerative agriculture, and other fields.
- A high-level review by the Textile Exchange Regenerative Agriculture Community of Practice.
- Extensive internal and external expert review process integrating over 40 sets of comments on the draft set of indicators.

Next steps

The Regenerative Agriculture Outcome Framework will be updated periodically to reflect developments in outcome measurement for agricultural systems. Companies, project developers, and farm groups are encouraged and welcome to test the framework and help us refine future versions.

Please contact <u>impactdata@textileexchange.org</u> for more details and to be involved.



Photo: Angela Ponce

Key terms and definitions

Key terms and definitions

Activity

Actions taken or work performed through which inputs, such as funds, technical assistance, and other types of resources, are mobilized to produce specific outputs.

Aligned with the OECD <u>Glossary of Key Terms in Evaluation</u> and Results-Based Management, 2nd Edition (2022).

Biodiversity

The total variety of all Earth's species, their genetic information, and the ecosystems they form.

Aligned with the Science Based Targets Network.

Impact

The higher-level effects of an activity's outcomes. The ultimate effects or longer-term changes resulting from the activity. Such impacts can include intended and unintended, positive or negative higher-level effects.

Aligned with ISEAL and adapted from the OECD Glossary of Key Terms in Evaluation and Results-Based Management, 2nd Edition (2022).

Indicator

A quantitative or qualitative factor or variable of interest that provides a means to track and understand changes and performance. Indicators may be related to an activity, a scheme, its clients, scheme or client performance or results, or the context in which the activity, scheme, or client operates.

Aligned with ISEAL and adapted from the OECD Glossary of Key Terms in Evaluation and Results-Based Management, 2nd Edition (2022).

Indicator protocol

A detailed explanation of how an indicator is constructed and is to be measured. It includes the metrics needed for an indicator, units of measurement, definitions of key terms, data source(s), and approach used for data collection.

Aligned with ISEAL.

Indigenous Peoples

Distinct social and cultural groups that share collective ancestral ties to the lands and natural resources where they live, occupy, or from which they have been displaced. The land and natural resources on which they depend are inextricably linked to their identities, cultures, livelihoods, as well as their physical and spiritual well-being.

Aligned with the World Bank Indigenous Peoples Overview.

Input

The financial, human, material (in-kind), and institutional (including technological and information) resources used for the activity.

Aligned with ISEAL and adapted from the OECD Glossary of Key Terms in Evaluation and Results-Based Management, 2nd Edition (2022).

Metric

A system or standard of measurement.

Aligned with ISEAL.

Outcome

Short-term and medium-term results or changes resulting from the outputs of an activity.

Aligned with ISEAL and adapted from the OECD Glossary of Key Terms in Evaluation and Results-Based Management, 2nd Edition (2022).

Outcome-based standard

Standards that define the outcomes that are to be achieved but allow for flexibility in how this is done rather than requiring a defined set of practices. The term outcome measurement refers to measurement of outcomes rather than earlier stages of the causal pathway such as inputs or practices.

Aligned with Gorter, J. and Wojtynia, N., Outcome-Based Standards.

Output

The products, capital goods, or services that result directly from an activity.

Aligned with the OECD Glossary of Key Terms in Evaluation and Results-Based Management, 2nd Edition (2022).

Rightsholders

Potentially affected people. Used to emphasize the human rights component of a farm's potential impact, setting them apart from what farms may usually consider as their stakeholders.

Aligned with Oxfam Meaningful Rights Holder Engagement: An Introduction.