A Year in Review
2013 Annual Report

INFORM. LEAD. CONNECT.
Driving Meaningful Change in the Textile Industry

www.TextileExchange.org
Welcome

Welcome to the 2013 Textile Exchange Year in Review.

More than an annual report, this is a collection of Textile Exchanges’ achievements over the last year. And there were many. As the Board Chair, I’ve been immensely proud to be a witness and a contributor to the growth of Textile Exchange for the last five years. During this time, I’ve seen countless examples of the Textile Exchange team doing what they do best for our industry: Inform, Lead and Connect.

TE has been an advocate, leader and change-maker in the textile world for the last 11 years. On a broad level, we’ve led the way to create awareness about sustainable options for materials, manufacturing, farming, packaging and more. We’ve opened the doors to textile sustainability and have worked to keep those doors open.

TE has also made significant in-roads to align and grow the organic cotton market in an unbiased, non-competitive atmosphere. We’ve stated these numbers many times before because we’re proud of them — a 2,000% growth in the organic cotton market from 2001 to 2010. That’s the foundation on which we continue to build, with a focus on a dynamic list of “more” sustainable fibers such as organic cotton, bamboo, and man-made cellulosics.

To pave the way for future success, Textile Exchange’s leaders spent a good part of 2013 identifying TE’s position among the many organizations and working groups that support increased textile sustainability. Any organization that makes concerted efforts to increase sustainable materials and practices is moving the industry in the right direction and they have our respect. However, a crowded industry means a competitive struggle for funding and, as a non-profit; we’ve seen those dollars become more limited than they’ve ever been.

I can’t tell you how many times people are surprised to hear that Textile Exchange is a non-profit organization because we do so much. We produce so many valuable resources. We have a presence at a great deal of industry events. We are the go-to resource for farmers, brands and even manufacturers and the majority of knowledge is available for free.

We know that many of the biggest sustainability impacts are felt at farm level. And, we also know that small-scale farmers don’t have a strong position of influence. So it’s TE’s job to translate our member organizations’ investment along the entire value chain so that positive and tangible changes are eventually realized at the farm level. In many ways, we act as a voice for these farmers — and I’m proud to say that we do it all on a shoestring budget.

It’s that budget that has required us to focus. In 2013, a core team began an earnest outreach to foundations and other grant-making organizations. We started those relationships with an introduction and a peek inside our busy world. Then called “Organic Exchange,” the founding members worked throughout the supply chain. Then called “Organic Exchange,” the founding members worked throughout the supply chain. Then called “Organic Exchange,” the founding members catalyzed the change that was overdue across the entire supply chain. Pioneers for sure, we were the one organization that took an unbiased and noncompetitive stance. We were the first to accept the challenges facing the entire industry.

Today, Textile Exchange is a global nonprofit organization that brings textile industry stakeholders together to create and enact substantial changes. These changes accelerate sustainability across the textile value chain.

This means —

• Less harm to the people who create the products from the farm to the store.
• Less impact on our water, land and air.
• Better opportunities for farmers to farm sustainably.

While Textile Exchange is a multifaceted organization, everything we do falls under one of three umbrellas:

• We help embed sustainability into evolving business and supply chain strategies.
• We make it easier to adapt to changing opportunities and requirements in textile sustainability.
• We work to ensure that actions taken toward sustainability result in real and meaningful change.

“Textile Exchange acts as an advocate and a leader in our industry. It’s our goal to provide the most current information about the ever-evolving portfolio of preferred sustainable materials.”

Elsie Masterson
Board Chair, Esquel Group
Textile Exchange Team

Undoubtedly, Textile Exchange’s greatest resource is our passionate and experienced team. Our full and part-time teams seamlessly work together to bring sustainability to new levels each day.

Leadership Team

La Rhea Pepper, Managing Director


That’s what fuels her passion. She understands the daily tribulations that organic cotton farmers face because she has grown up doing the same thing. She understands their drive to use fewer chemicals, the need to make life safer for farming families and their love of the land.

As the Managing Director for Textile Exchange, La Rhea advocates for the best practices along the entire supply chain—from the farmer to the store shelf. She knows that at every step of the way, Textile Exchange can inform, lead and connect this industry so it becomes more sustainable, more ethical and less harmful to the environment.

Anne Gillespie
Director of Industry Integrity

Liesl Truscott
Director of TE Europe & Farm Engagement

Donna Worley
Communications & Events Manager

Lee Tyler
Operations Manager

Ashley Gill
Integrity Coordinator

Terry Hyde
Executive Assistant

Brittany Moore
Communications & Events Coordinator

Diana Santos
Office Administrator

Sharon Whitley
Financial Administrator

Hanna Denes
Farm Program Manager

Ben Mead
Textile Sustainability Specialist - Processing & Chemistry

Hanna Denes
Farm Program Manager

Ashley Gill
Integrity Coordinator

Terry Hyde
Executive Assistant

Brittany Moore
Communications & Events Coordinator

Diana Santos
Office Administrator

Sharon Whitley
Financial Administrator

Ambassadors

A truly-global organization, Textile Exchange proudly works with and is represented by many ambassadors from around the globe.

For a complete list of current TE Ambassadors, visit the staff pages of the TE website.
Leadership in Action

The global textile market can seem like a vast web of brands, manufacturers, for- and non-profit organizations and more. To help Textile Exchange solidify our role in this growing and dynamic industry, we rely heavily on our leadership volunteers. A non-profit organization is only as good as its volunteers and thanks to the groups listed below, our organization has a strong global reach and respected presence:

Textile Exchange Board of Directors

2012-2013

Executive Committee

Elayne Masterson
Board Chair, Esquel Group, USA

Tricia Carey
Vice Chair, Lenzing, USA

Jerry Wheeler
Secretary, ecoCentric Ltd/SustainTex, USA

Ryan Thompson
Treasurer, Patagonia, USA

Marc Zaroff
Member at Large President – Portico Brands, USA
Foundation – Under the Canopy, USA

Shona Quinn
Eileen Fisher, USA

Orlando Rivera
Bergman/Rivera, Peru

Andreas Steubig
Otto Group-Hamburg, Germany

Darlene Vogler
Texas Organic Cotton Marketing Cooperative, USA

Board Members

Elena de Ois
Target, Hong Kong

Paolo Foglio
ICEA, Italy

Mitsuya Inagaki
Kowa Company, Japan

Cheryl Millard-Nutt
Nike, USA

Adam Mott
The North Face, USA

Mark Prose
Control Union, Bangladesh

Shona Quinn
Eileen Fisher, USA

Orlando Rivera
Bergman/Rivera, Peru

Andreas Steubig
Otto Group-Hamburg, Germany

Darlene Vogler
Texas Organic Cotton Marketing Cooperative, USA

Advisory Council

Textile Exchange’s Advisory Council consists of textile professionals that are leading the industry towards sustainable change. Their diverse experience helps us build consensus across not only our members but also partnering and competing organizations.

Textile Exchange Europe

In the effort to support small-scale farmers and further extend our global influence, Textile Exchange Europe was created in 2011 as a UK registered charity. TE Europe’s mission — to connect with charitable trust organizations and other funders in Europe so that they will support our farm programs.

Mani Chinnaswamy
Appachi Cotton Company/Ethics, India

Ben Ramsden
Pants to Poverty, United Kingdom

Simon Cooper
CSR Consultancy, United Kingdom

Heinrich Schultz
OrganiMark, South Africa

Dr. Helen Crowley
Kering, France

Tong Yeung
Marcilla, China

Mahesh Ramakrishnan
Arvind Limited, India

John Cable
JPKE Supply Chain Specialists, USA

Dr. Charu Jain
Oystar, Republic of Singapore

Phil Chamberlain
C&A, Belgium

Sophie Mathier
bioWilton, United Kingdom

Shreyaskar Chaudhary
Pratibha Syntex, India

Dr. Samuel Moore
Hohenstein Institute, USA

Eric Duncin
Sustainable Cotton Consultancy, France

Sreeranga Raja
Diberna, India

Eraina Duffy
Nike, USA

Aydin Unsal
Egerdeniz Textiles, Turkey

Jill Dumain
Patagonia, USA

Allison Ward
CottonConnect, United Kingdom

Mike Farid
NatureUSA, USA

Eric Wilmanns
Brown & Wilmanns, USA

Hussain Ahmed Fazel
Hussain Group, Pakistan

Dr. Samuel Moore
Hohenstein Institute, USA

Sreeranga Rajan
Diberna, India

Aydin Unsal
Egerdeniz Textiles, Turkey

Dr. Charu Jain
Oystar, Republic of Singapore

Sophie Mathier
bioWilton, United Kingdom

Shreyaskar Chaudhary
Pratibha Syntex, India

Eric Duncin
Sustainable Cotton Consultancy, France

Eraina Duffy
Nike, USA

Jill Dumain
Patagonia, USA

Mike Farid
NatureUSA, USA

Hussain Ahmed Fazel
Hussain Group, Pakistan

Eric Wilmanns
Brown & Wilmanns, USA

2013 was our most productive year to date. Here are some of our top accomplishments.

Inform

The world of textile sustainability is very complex. Vast and sometimes contradictory data exists regarding best practices, ethical issues, supply chain integrity, chemical and agricultural data and more. Oftentimes, information is confusing, restricted and only available in limited languages. Time and time again, we see a demonstrated need for centralized, non-biased information about textile sustainability.

It is our goal at Textile Exchange to openly share any and all information that enhances sustainability in textiles. We believe that the more knowledge we research, scrutinize, clarify and publish, the more efficient the road to sustainability will become.

In 2013, we made a collective decision to allow public access to more reports than ever before and the response has been overwhelmingly positive. 2013 marked the first year that both the Farm & Fiber and the Organic Cotton Market Reports were both free on our website.

A great portion of our resources is directed to sharing information with our member organizations, farmers, business leaders, students and eventually, consumers. This is an area in which Textile Exchange needs continuous financial support, especially to update our outdated technology platforms so that we can continue to provide this valuable information in easy-to-access formats.

TextileExchange.org

The Textile Exchange website is often our first connection with the world. In 2013, we made a concerted effort to keep the website updated with current and past reports, updated industry information, news about upcoming TE events and, of course, hundreds of tools to help guide the path to sustainability. More and more people are referring to the website for this information. This is due, in part, to our continuous efforts to post research data, formal reports, event information, latest news and thought-provoking blogs. In the last quarter of 2013, we began a technology migration to an updated platform. While costly, these updates will provide for a better search experience, quickening the path to specific data.

Organic Cotton Farm Hub

Home to an immense amount of data for farmers, the Farm Hub equips organic cotton producers with a network of support. Updated on a consistent basis, the Farm Hub also provides an online marketplace for trade in organic cotton. The “Find a Producer” section saw the most traffic in 2013. Overall last year, the Farm Hub saw more than 20,000 visits, a marked increase over 2012.

International Reports

Each year, Textile Exchange publishes two significant reports, the Farm & Fiber Report and the Organic Cotton Market Report. Both reports have grown in popularity and respect across all audiences including international media. These reports are intensely data-driven, providing a comprehensive look at sustainable and organic data, including supply and demand issues, farmer stability, pricing struggles and even overviews of other cotton initiatives. What makes these two seminal reports so useful is the analysis provided by our team. The data alone can’t make impactful changes to the industry—it’s the combination of the data and our detailed analysis that can help spur positive change.

Textile Exchange Knowledge Center

Conceptualized in late 2013, the new Knowledge Center is an all-encompassing information platform. Created to inspire and equip our audiences to successfully implement and accelerate sustainable business practices, the Knowledge Center houses both tangible data and customized consulting.

DATA - Convenient and popular, the Fast Facts, Chemical Snapshots and Material Snapshots are demonstrations of the Knowledge Center’s new platform. These resources are downloaded again and again and provide simplified, streamlined information on subjects that no sustainability effort should be without.

CONSULTING – In 2013, our consulting work included chemical management strategies, customized webinars and in-house training. Each member organization brings unique needs and the Knowledge Center team can help focus priorities and recommend a customized consulting program.


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CONSULTING – In 2013, our consulting work included chemical management strategies, customized webinars and in-house training. Each member organization brings unique needs and the Knowledge Center team can help focus priorities and recommend a customized consulting program.
Textile Exchange, as an organization, has never been a follower. From the early days as Organic Exchange, founding team members waded through the uncertainty that all companies were facing. Everyone knew that something must be done — but what? After continuous conversations, we made the decision to create a knowledge hub and lead the way. We have never looked back.

We are the organization that brands come to when they want to share their vision to become more sustainable, and it's our job to lead them down the right path. In fact, more than half of all the work we do at Textile Exchange is rooted in industry integrity. Companies can attend one of our Basics Workshops held around the world (New York City, USA and Istanbul, Turkey in 2013). When brands need direct support for standards and certification, they consult our Integrity team, as adidas, Anvil, Desguai, Eileen Fisher, Inditex, Nike, the North Face and many others did last year. And when it's time to support sustainability claims, we host a wide range of standards to provide validity. We're proud that we're seeing a continual rise in standards inquiries.

More than anything, we're leading because we're neutral. Textile Exchange is a non-competitive organization, meaning we're here to help any brand, manufacturer or farmer that's willing. This position allows us to remove political barriers and focus on our shared vision of a more sustainable textile environment with endless possibilities.

Industry Standards
Standards are used to validate the content of a garment. If the tag says that it's made with recycled product, a standard can validate that claim through the full supply chain. TE's Integrity platform works continuously to ensure that our standards are up-to-date and easily understood. In 2013, significant updates and additions were made, including:

- Organic Content Standard (February, replacing OE 100 and OE Blended standards)
- Recycled Claim Standard (October)
- Global Recycled Standard (December)

In addition, we helped The North Face and Control Union develop the Responsible Down Standard to verify that specific down comes from ethically treated animals. We also took part in the development of Aid by Trade Foundation’s Cotton made in Africa, CmiA–Organic Standard.

Organic Cotton Roundtable
Textile Exchange created the Organic Cotton Roundtable in 2012 as a platform to discuss the sector’s key barriers to growth. Comprised of our industry leaders, this group communicates throughout the year and meets annually. The 2013 Roundtable was held in Istanbul in November in correlation with our annual global conference. The meeting broke into two task forces (Business Models and Seed Supply) in addition to an open forum. Inspiring concepts and conversation will carry the Roundtable work plan through 2014.

Organic Cotton Consumer Video
2013 saw a leap in our communication strategy as we worked with prAna to produce a consumer-directed video about the benefits of organic cotton. The short feature was sponsored by C&A, Breganwood Organics, Eileen Fisher, Patagonia, Portico Home / Under the Canopy, prAna, Indigenous Designs, Nordstrom, and Quiksilver. We were careful to avoid specific branding so that once again, TE could lead the industry in a non-competitive environment. Consumers learned why choosing organic makes a difference.

The Certification Challenge
Introduced in 2013, the Certification Challenge is designed to encourage brands to review their current integrity strategies for products made with sustainable materials and then move at least one step forward towards maximum integrity. “Taking the Challenge” means committing to take the next step, whatever it may be. This Challenge is free for all Textile Exchange members and is also an excellent way to invite new brands to Textile Exchange. C&A, prAna, H&M and Portico are already fully engaged in the Challenge. If every brand committed to taking just one step closer to maximum integrity, we’d see instantaneous industry benefits. In addition to increased integrity, this program can also generate much-needed funds for Textile Exchange through new member organization, increased consulting and additional certification fees.
Connect

In the sustainable textile world, connections mean everything. No one company can embark on the sustainability journey on their own. So, Textile Exchange ensures that all learning experiences, workshops, conferences and even webinars provide industry leaders with the opportunity to network.

Textile Exchange membership is the primary way in which we directly connect with the industry. It is through membership that we are able to create partnerships between businesses, encouraging a collaborative, not competitive, environment. The pinnacle platform of connection is our annual global conference. Planning the conference happens throughout the entire year, so when our passionate and intelligent business community comes together at this global event, the energy and enthusiasm for positive change is tangible.

2013 Textile Sustainability Conference

Each year, Textile Exchange hosts our signature event – the global Textile Sustainability Conference. In 2013, this event was held in Istanbul, Turkey in November. The gateway for Europe to the Middle East was an exciting location. Turkey is a large producer of organic cotton and home to several Textile Exchange members. This was our best conference to date as we welcomed 300 delegates who represented every segment of the textile industry including farmers, manufacturers, input suppliers, brands and retailers. The conference covered a wide range of textile sustainability issues, materials, standards, solutions, roadblocks, collaborative opportunities and more. The atmosphere encouraged deep-dives into new, challenging and inspiring ideas as well as issues that accelerate sustainability.

We recently announced that the 2014 Textile Sustainability Conference will be held in Portland, Oregon, USA, November 10-12.


Textile Exchange Membership

A membership with Textile Exchange helps companies navigate the complex sustainable textile industry. Membership provides access to industry experts, exclusive networking opportunities, personalized consulting and an incredibly comprehensive collection of industry reports and tools.

It’s through membership that brands, retailers, manufacturers and farmers can connect with each other to solve problems and innovate together. In an otherwise segmented market, TE memberships help break down barriers and promote collaboration.

2013 brought a revised membership structure so that we can better tailor services and information to meet member needs. It also brings new member benefits such as access to premium publications and a specialized introduction system that connects members to each other. The improvements to the membership structure also better position our membership platform to be a stronger revenue stream in 2014. In 2013, we welcomed 18 new member organizations to TE. The membership breakdown demonstrates TE’s wide international influence as well as industry representations.

List of members: http://textileexchange.org/list-of-members

World Environment Day

The United Nation’s World Environment Day is an annual event that globally celebrates positive environmental action. The 2013 theme was THINK EAT SAVE – an ideal opportunity to raise school children’s awareness of traditional food crops that are commonly grown alongside cotton and provide important nutrition for farming families.

Textile Exchange partnered with 24 organizations representing the entire cotton value chain (farmers, manufacturers, brands and retailers) from around the world. The schools were located in Tajikistan, India, China, Benin, Tanzania and Brazil.

Each child was asked to create an art project following the theme “From the field to my plate.” The artwork created by the children was beautifully inspirational. They did an amazing job promoting the advantage of having fresh, local and safe food production. Thanks to 12 generous sponsors (all TE members), Textile Exchange was able to purchase classroom supplies, books and sports gear for each of the 12 participating schools.

Visit the FarmHub to see the children’s artwork and to learn more about the program: http://farmhub.textileexchange.org/.
Financial Information

2013 was an incredibly productive year. And, as we’ve said, it was a year to focus. Textile Exchange is fully ready for 2014 and the opportunities and challenges it will bring. Here is a look at our income and expenses for 2013.

Incomes Sources

- Consulting and Trainings: 7%
- Grants and Program Funds: 28%
- Certifications Fees: 20%
- Global Conference: 19%
- Membership: 26%

Expenses by Class

- Knowledge and Research: 17%
- Funding and Communications: 12%
- Industry Engagement: 17%
- General and Administrative: 24%
- Conference: 19%
- Membership Services and Communications: 22%
- Event and Conference: 7%

A Glimpse of 2014

2014 has already started to shape up as an interesting year. In conjunction with the Organic Cotton Roundtable, we’ve embarked on Multi-Stakeholder Review project which will come to fruition in 2014. The first phase of a Multi-Stakeholder Review, focusing on successful brand and retail strategies in organic cotton, has been completed and the results shared during the Organic Cotton Round Table. In 2014, the review will follow a similar process with producers and suppliers. Our ambition is to facilitate inclusive, “healthy” and “sustainable” organic cotton value chains that meet the needs of all.

Financially, we’re actively looking for additional revenue from sources such as member organizations, grant-making foundations, new memberships and increased consulting and certification fees.

More than half of our needs are based around technology. TE’s ancient technology platforms are in immediate need of replacement, from our general server to staff computers.

If you could check just one box below, what is the ideal way in which you would support Textile Exchange?

- Attend a Textile Exchange industry event in 2014.
- Embark on the Certification Challenge!
- Sponsor an upcoming event.
- Take part in the Multi-Stakeholder project.
- Partner with Textile Exchange in a cause marketing program, encouraging consumer education about sustainable materials.
- Support a specific project, such as the Chemical and Material Snapshots

We are extremely thankful for our generous supporters that helped make 2013 a successful year.