Corporate Fiber & Materials Benchmark Program


Frequently Asked Questions
The purpose of this document

This document provides a quick guide to some of the most frequently asked questions about the Corporate Fiber and Materials Benchmark (CFMB) program.

It is designed as a quick FAQ-style read for:

- Practitioners wanting to get started and requiring general knowledge of the CFMB program or wishing to share key aspects of the program with colleagues, senior management or their boards.
- Executives and company board members wanting to understand the general aspects of benchmarking.
- External stakeholders wanting insight into the CFMB program.
- NGOs, investors, industry experts, and others with an interest in benchmarking.
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Frequently Asked Questions

Q1. Why is the sustainability of fiber and materials so important?

Textile companies, have the roots of their businesses in nature (the fields, forests, and mines) and increasingly the waste streams of our industry or other industries, have an important role to play in the transition to a more resilient, regenerative and circular economy. Millions of people - fiber farmers, foresters, waste collectors, polymer engineers and other textile feedstock providers - form the base of the textile supply network and are impacted by the decisions brands and retailers make every day. Influencing fiber and material production, use and disposal is one of the greatest opportunity’s textile companies have to securing a sustainable future.

Q2. Why has Textile Exchange created a corporate benchmark?

One of Textile Exchange’s key organizational objectives is to accelerate the uptake of preferred materials. This objective is built on the urgency to respond to key risks for the textile industry and the huge potential to make improvements in areas such as water, land, air - and the lives of people everywhere. These risks and opportunities are most likely to occur during the production of raw materials. By creating a benchmark program for companies, Textile Exchange not only measures and reports company and industry progress but provides strategic direction for the companies that participate. Through program engagement alone, companies embark on a “bench learning” journey, with the support of Textile Exchange staff and fellow participants. The contributing to and receiving of knowledge creates a virtuous circle of learning and improving. View a 3-minute video of stakeholders and experts explaining Textile Exchange’s benchmark.

Q3. What is the Corporate Fiber and Materials Benchmark program?

The Corporate Fiber and Materials Benchmark (CFMB) program is THE place to measure, track and compare a company’s sustainability progress related to fibers and materials. The CFMB program is the overarching structure that gives rise to “products” such as the Material Change Index Leaderboard, Insight’s Report, and Impact Dashboard. See mci.textileexchange.org and explore for yourself!
Q4. What is the Material Change Index?

The Material Change Index (MCI) is the largest peer-to-peer comparison initiative in the textile industry. It tracks the apparel, footwear and home textile sector’s progress toward more sustainable materials sourcing, as well as alignment with global efforts like the Sustainable Development Goals and the transition to a circular economy. More than 190 companies (including subsidiaries) voluntarily participated in this year’s program, including iconic fashion – you can find the complete list of 2020 participants here.

The MCI provides a robust structure to help companies systematically measure, manage and integrate a preferred fiber and materials strategy into mainstream business operations, to compare progress, and to transparently communicate performance and progress to stakeholders. The MCI offers a quantified index ranking including a company’s position in relation to peers and the overall industry (universe of participants). It provides an indicator of progress, helps companies identify strengths and gaps, and encourages year-on-year improvement and a "race to the top." Company participants see a lot of detail about their performance, and industry averages are reported for public consumption. Participants receive a comprehensive “scorecard” comparing their own progress year-on-year and how they rank alongside their peers. Customized scorecards are confidential to the participant. The wider industry and interested stakeholders receive the annual Material Change Index results alongside the Material Change Insights Report which includes the benchmark leaderboards and sector analysis and is shared in the public domain.

Q5. What are the benefits of benchmarking?

Benchmarks work for five core reasons:

1. They help companies track progress.
2. They clarify where and how companies can contribute to sustainability agendas.
3. They promote dialogue and are a proven and effective engagement tool for companies.
4. They clarify what societies expect from industries.
5. They promote a race to the top.

[The above five benefits of benchmarking are from the World Benchmarking Alliance, of which Textile Exchange is a proud ally. For further details visit the World Benchmarking Alliance here.]

Q6. Who is eligible to participate?

All textile-related companies, including brands, retailers, manufacturers and suppliers of textile products are eligible to participate in the Material Change Index. In fact, the more companies taking part, the more meaningful the results for all involved.

The 2021 benchmark program for suppliers and manufacturers will remain a pilot this year. However, we are inviting more companies to join us during this second proof-of-concept year, and we will be integrating suppliers/manufacturers more fully into the MCI cycle.

Q7. What has been the response so far?

In 2015, Textile Exchange launched the Preferred Fiber & Materials Benchmark (PFMB) for measuring how a company systematically integrates a preferred fiber and materials strategy into mainstream business operations. Industry-led, voluntary and free to participate, within five years the benchmark program broadened to become the Corporate Fiber & Materials Benchmark (CFMB), to include circularity and the Sustainable Development Goals, and establish itself as a leading global benchmark for the textile industry.

In 2015 there were 57 piloting brands and retailers and last year (2020) 207 companies (191 brands/retailers and 16 suppliers/manufacturer pilots). That’s a growth rate of 263% in 5 years! Furthermore, Index scores have been improving steadily year on year. The MCI average moved up 9.8 points from last year (increasing
17% from 65.33 in 2019 to 72.53 in 2020). The historical improvement of the Index average has been from 53 out of 100 in 2017, to 56 in 2018, to 65 in 2019, to 72.5 in 2020. For more information, see the 2020 Material Change Insights Report.

Q8. Can you provide a concise overview of the MCI survey?

The MCI survey comprises of three sections: Section I: Strategy and Integration, Section II; Fiber and Materials Portfolio, and Section III: Circularity. The sections act as cornerstones to the framework. Progressive companies may be able to demonstrate good practice within one or two of the sections, while leading companies will be able to show good practice across the board.

Each of the three sections consists of six key themes. Within each theme are elements (or sub-themes). There are 35 elements in total. Responses to the question sets form the indicators of progress. Indicators include both qualitative (management based) and quantitative (performance based) metrics.

The Portfolio Section (Section II) is composed of seven materials modules (cotton, wool, manmade cellulosics, polyester, nylon, leather and down). Within each module, participants select their materials portfolio, i.e. conventional (if used) and the sustainability programs they are sourcing from. Sustainability programs include both renewable and recycled material options. In 2020, we also introduced a “generic” module, to accommodate reporting for other materials such as hemp, silk, rubber, etc. beyond the current selection of customized material modules. See Appendix 3 for a closer look at the benchmark framework and the scoring methodology.

In 2020, the CFMB program also developed a Biodiversity Benchmark (Beta version). The aim of this benchmark is to support companies on a biodiversity strategy, evaluate the management and performance of sourcing practices, and track improvements and impact over time. The results of the first cycle will be published later in 2021 as the first every biodiversity baseline for the industry.

Q9. How different is the 2021 survey from the earlier version?

The good news (especially for returnees) is that the 2021 survey has not changed significantly in terms of survey structure and questions. This is because the survey went through a major overhaul in 2019. For returnees, the 2020 survey will be auto populated with 2020 responses and the company will only have to check responses and update where appropriate, except for materials uptake data that will require a fresh calculation each year.

Q10. Do we have to complete the whole survey?

Not necessarily, since the survey has built-in flexibility. At the start of each section and materials module is a prompt asking for a decision to proceed or not. However, for a holistic overview of your efforts, a complete scorecard, and to qualify for the overall Material Change Index (MCI) results, companies have to provide answers in all three sections of the survey: strategy, materials portfolio, and circularity (even if the answer to a question is “no” or “don’t know.”). This means you are completing the “Full survey”. Note, only scores for “priority” materials will count towards your overall MCI result.

For companies that do not feel ready to take on the entire survey, or for those that prefer to focus on a limited number of material modules (for instance), the option is there for you to pick and choose your survey sections and modules. This is called the “Modular” approach.

The third option is the “Progress tracker” which offers the option to submit material uptake targets and volumetric data only. This option allows for progress tracking against targets and specifically accommodates those companies signed up to various fiber challenges or commitments which require annual reporting of uptake volumes, such as the 2025 Sustainable Cotton Challenge, and the 2025 Recycled Polyester Challenge (introduced new this year).
Q11. How do companies benefit from taking part?

We have designed the Corporate Fiber & Materials Benchmark (CFMB) Program to be much more than a benchmark. Here’s a reminder of how companies benefit from taking part.

The CFMB Program provides a:

– Roadmap to building and implementing a robust materials strategy, incorporating materials circularity.
– Digital scorecard that summarizes your performance, and helps you communicate results to team members, your board, and external stakeholders.
– Externally verified reporting framework for tracking progress against targets year on year.
– Focal point for alignment with the Sustainable Development Goals.
– Placement in the Material Change Index and visibility of your company’s good work among other frontrunners.
– Sector progress tracker - by aggregating data and building a community of companies willing to voluntary disclose information and share learnings with the wider industry.

Q12. How does Textile Exchange manage program quality?

– **Program credentials**: Textile Exchange has ensured its benchmarking program has been on par with best practice from the very start. In the beginning, the CFMB was designed in line with the Business In The Community’s (BITC) Corporate Responsibility Index (CRI). The CRI benchmarked the FTSE 100 companies (i.e. those listed on the London Stock Exchange) and was published in the Financial Times each year. Knowledge transfer from BITC to Textile Exchange ensured a credible program was built at inception. We partner with a trusted technology partner, 73bit, to run the online benchmark platform (Probench). Textile Exchange and 73bit have worked together since the beginning of the CFMB. 73bit has a growing list of clients, including the United Nations Principles for Responsible Investment (UNPRI), Access to Nutrition Index, and the Business Benchmark on Animal Welfare.

– **Survey submission validation**: Textile Exchange undertakes a systematic review of all company submissions and checks for consistency, completeness, and accuracy. Note that this is not an audit – however submissions are validated by a trained team. However, there are checks in place to strengthen program quality. For example, the participating company submits a sign-off from a senior member of staff declaring that all answers have been provided in good faith and, to the best of the company’s knowledge, are valid and complete. Once a company has submitted its survey, the CFMB review team completes a desk top review and corresponds with the company’s lead practitioner to close out any points for clarification. This validation process is carried out in full transparency with the company. Once all outstanding issues have been resolved and agreed between the reviewer and the company, updates (if any) are made online, and the survey is formally closed out.

– **Independent program verification**: For the second year running, our program and processes are externally verified by ELEVATE in accordance with Global Reporting Initiative (GRI) guidelines, bringing increased credibility and confidence in the results as the program grows in size and importance.

– **Ongoing improvement**: To ensure the CFMB program is fit for purpose and continuously improving, Textile Exchange collaborates and consults with a wide range of stakeholders. First and foremost, our participants: each year an open consultation is held to review the entire program and priority areas (e.g. fiber calculations). For peer-to-peer learning and collaboration we have become an ally of the World Benchmarking Alliance, and we are involved in the recent developments of the ISEAL benchmarking best practice guidelines (see Appendix 5 for an overview of the ISEAL draft guidelines and links to further information).
Q13. How does Textile Exchange assure the accuracy of fiber usage data?

Calculating fiber usage volumes is a valuable exercise for companies – especially for those who have never done such a calculation before. As more and more companies set targets for use of specific fibers (such as recycled, organic, and use of sustainability standards) they will need to understand their starting place and progress rate.

Textile Exchange strives to constantly improve the quality of data reported through the CFMB. We have worked hard to develop tools, in collaboration with industry, such as the Fiber Uptake Calculation Guide, uptake calculators, and a Fiber Conversion Rates Methodology. We also request all participants to complete a “metadata form” which provides an overview of data quality and origins. In the past, companies have needed to significantly amend their reported volumes for many reasons (e.g. staff turnover, errors in Excel, and “more sustainable” products converted to conventional towards the end of range planning). The program guides (and accompanying metadata form) will help companies identify the most accurate data in their systems, document their calculation approach, and, hopefully, decrease the frequency of errors occurring.

Q14. What is Textile Exchange doing to harmonize with other reporting initiatives?

Knowing how much work is involved in survey submissions (by companies), Textile Exchange works very intentionally to align or consolidate our systems with others. For example, we partner with the Sustainable Apparel Coalition (SAC) to produce our annual Materials Impact Dashboard drawing on the Higg Materials Sustainability Index (Higg MSI) for impact modeling. We are also collaborating with the German Partnership for Sustainable Textiles, WRAP UK’s Textiles 2030, Ellen MacArthur Foundation’s Make Fashion Circular initiative, CDP, The Fashion Pact, Conservation International, The Biodiversity Consultancy and other stakeholders/industry experts to encourage alignment and harmonization. We are also members of the World Benchmark Alliance, Science-based Targets for Nature (SBTN) industry platform, and the UN IPCC Fashion Industry Climate Alliance.

Q15. How much does it cost to take part?

There is no fee to participate. The priority is to grow participation rates by making the CFMB accessible for all. Thanks to the generous financial support over the years from C&A and Tchibo, costs associated with the early developments of the program and the technology platform were covered.

However, as the program continues to grow, Textile Exchange is looking for partners (and other ways) to ensure the long-term financial sustainability of the program and ensure we have the resources required to deliver a high-quality benchmarking product.

Today, financial compensation comes from (1) a voluntary participation fee (donation) and (2) differentiated scorecard contents (see more about company scorecards in Q15 below).

Q16. Can you tell me more about the scorecards?

All participants receive digitalized, customized, and confidential company scorecards. Company scorecards offer a useful reporting tool for each participating company to share with important internal and external stakeholders, including the investment community.

All participants receive a customized “scorecard” comparing their own progress year-on-year and how they rank alongside their peers. These digital scorecards are confidential to the participant and come in three versions:

- **Standard Scorecard**: The standard scorecard is free of charge for all participants and provides a comprehensive benchmark across all areas of the Material Change Index completed by the company.
- **Advanced Scorecard**: The advanced scorecard includes all the features of the standard scorecard plus a "traffic light" gap analysis and an "impacts dashboard" that models the
company’s sustainability footprint in key areas, including energy, greenhouse gas emissions and water, according to the Higg Material Sustainability Index (Higg MSI). This scorecard is only available for Textile Exchange members and Sustainable Apparel Coalition (SAC) members.

- **Premium Scorecard:** Premium scorecards are tailored to the needs of your company and are part of our consulting services. Please contact CFMB@TextileExchange.org to discuss.

Samples of the MCI 2020 Scorecards can be viewed here. The 2021 MCI Scorecards are expected to be available to participants in Q1 of 2022.

**Q17. Are the results made public?**

Individual company scorecards are confidential to the participants.

The Material Change Index (MCI) and Impacts Dashboard are annually published on our website along with the annual Material Change Insights Report. The annual MCI and Insights Report is released at the end of each benchmarking cycle. Textile Exchange requests permission from all participants and shares the leaderboard results and a communications toolkit before publishing.

**Q18. Which Index will our company be eligible for?**

The survey framework provides a holistic approach to fiber and materials reporting. Companies submitting a full survey response are eligible for the MCI (including the leaders circle). Companies reporting on specific fiber and materials or sections of the survey (e.g. circularity) are still eligible for Index results and “Best in Class” leaderboards. An important change is that Best in Class leaderboards replace the volume-based leaderboards of the past and require companies to provide management as well as uptake data. A driver for the change in the leaderboard came from the Textile Exchange Board who made a decision in 2018 that going forward, the leaderboards should not only focus on how much of a specific preferred fiber is being used, but how well it is being managed.

**Q19. Why is there a whole section dedicated to circularity?**

Circularity is playing an ever increasing and critical role in reducing the industry’s dependence on natural virgin resources. In addition, textile waste will increasingly serve as a feedstock to displace some of the virgin materials it currently relies upon. Addressing textile waste and its “re-invention” as a valuable resource has become a critical part of a fiber and materials strategy.

We are delighted to commence alignment of our circularity module with the Ellen MacArthur Foundation’s Make Fashion Circular initiative this year. We anticipate further integration over the next few years.
Q20. Why are the Sustainable Development Goals such a big part of the benchmark?

The 17 Global Goals (SDGs) are an overarching set of goals that can connect the textile industry to the world’s most important agenda. The SDGs cover environmental, social and economic themes that will be critical to the health and prosperity of people and planet - and the long-term viability of business. The MCI helps companies make this connection. See Appendix 3 for an overview of SDG and MCI mapping, and the SDG Companion Guide for further guidance.

Q21. Why did Textile Exchange introduce a Biodiversity Benchmark in 2020?

Textile Exchange recognizes that climate change and biodiversity loss are inextricably linked and are best considered within an integrated strategy. The textile industry with its inextricable links to the land is well placed to support regenerative and restorative approaches to materials production.

At this stage, the focus on biodiversity in the textile industry – as with many others - is nascent. The Biodiversity Benchmark (beta version) has been developed to prepare the textile industry for action. The benchmark survey and guidance material were developed in collaboration with Conservation International, The Biodiversity Consultancy and a Biodiversity Advisory Group of 50+ stakeholders, companies and experts. The benchmark results (due out in Oct 2021) will form a baseline from which to track the level of engagement and effort that companies are starting to put into biodiversity.

The methodology for companies to set targets and track their contribution to the global goals for nature are being developed now through the Science Based Targets Network Biodiversity (SBTN). “Our” Biodiversity Benchmark aims to support and develop alongside wider/global initiatives in order to reinforce consistency in language, frameworks, and measurements. Additionally, use of this benchmark – and its future iterations – will help companies prepare for stakeholder (including investor) questions around “nature-related risk”. See more on our Biodiversity Benchmark and find links to our survey and guidance material.

Q22. How much time and resource do we need to complete the survey?

Whilst there is no clear answer to this question, the time and resource you need to set aside depends on a number of factors, including the following:

- **Whether you are a new or previous participant**
  - For past participants, survey answers are automatically populated with the previous year’s answers, so you will just need to check responses, update them where necessary, and submit along with your consumption data for 2020. You may also wish to change your level of participation by increasing or decreasing the number of modules you complete.
  - For new participants, where possible, we recommend allocating a team to complete different sections of the team depending on their area of expertise and which modules you are completing. If you are time poor, please be reassured that while there are text boxes frequently placed throughout the survey, you can use these at your own discretion.

- **Whether you have all the information to hand** - There is also work involved in organizing your data streams; we ask for data and evidence relating to uptake consumption of 7 key fiber categories (cotton, polyester, manmade cellulosics, polyamide, wool, down, and leather), transparency of your supply chains, your verification models etc. For some companies who have this data, the survey can take a matter of hours.

- **The organizational structure of your company** - This may have an impact on how quickly or easily you can get hold of the information needed. Larger companies may have more resources in place, but it may be harder for departments to prioritize your requests. We recommend starting the process as early as possible to give all parties sufficient time to submit the survey by 30th September 2021.

- **Which level of participation you choose** – The minimum requirement for participation is update reporting on your volumes of preferred vs conventional fibers. Beyond this, it is up to you how many modules you
The more modules you complete, the more useful the benchmark will be to you and across the industry. Participants tell us that just the act of completing the survey provides a valuable roadmap for improvement. Please refer to Q10 for more information about the options available.

Please see Appendix 3 for the timeline and steps involved along the way. Textile Exchange is here to guide participants every step of the way. We have developed various resources, including a suite of Guides, webinars, and presentations. The CFMB team is available by email and we can arrange a one-to-one conversation with you if needed.

Q23. In some questions there is space for five years of data, do we need to provide all data?

Five-year data tables are visible in questions where the survey has, indeed, been collecting data year-on-year. If you are a returnee company and provided fiber uptake or financial turnover data each year, this data will be pre-filled. This provides easy visibility of trends, and also allows companies to review and adjust should this be necessary. For new companies, and those with no data history, you can choose to ignore or add historical data. Most important will be data aligning with the current reporting period. Note, new in 2021, is the opportunity to add forecast data and start plotting out your plans to meet your targets.

Q24. How long do we have to complete the survey?

The 2021 survey is open from June 25th to September 30th – which gives companies a 12-week period to make their submissions and the CFMB team is always on hand and happy to support this process.

Once the survey closes, Textile Exchange undertakes a systematic review of all submissions and checks for consistency, completeness, and accuracy. Note that this is NOT an audit – submissions are considered self-assessment. However, we do expect a sign-off from a senior member of staff declaring that all information is truthful.

In order to provide extra support to companies, this year the CFMB team will – provide more practitioner training, more program updates through webinars, more interactive support through benchmark clinics, and more feedback and consulting services. Please contact us to know more about our consulting services.

Q25. How flexible is the deadline, and what’s required of us after we submit our survey?

The submission window is 12 weeks, this year the dates are June 25th to September 30th. Any overflow after that, impacts the review team’s ability to meet the review deadline, which shortens the time for analysis and report development. In the past, we have allowed companies to submit surveys post deadline which has had a knock-on effect for us. As the program grows, it has become increasingly important to keep to the submission date. Please keep us informed of your progress and any issues you may have with meeting the deadline.

Q26. How do we get started and where do we go for support?

Registration to the CFMB portal

To register (as a new participating organization) or to sign back (if you are a returnee) go directly to https://cfmb.textileexchange.org.

Join the CFMB Hub community

For companies benchmarking with us, we have a new online home at the Textile Exchange Hub. Please follow the link here, and make sure you join the Companies Creating Material Change - CFMB Hub community, which you will find under "My communities". This is your new go-to place for receiving frequent
updates, participating in discussion posts, creating community dialogues and for exploring the resource library which holds CFMB-related webinar recordings, reports, guides and more.

**Explore the CFMB program** Suite of Guides
- FAQs (this document)
- Survey Guide
- CFMB Portal User’s Guide
- Fiber Uptake Calculation Guide
- SDG Companion Guide
- circularity Companion Guide
- Fiber Conversion Methodology

**MCI Website**
To find out more about the program, visit our website - [https://mci.textileexchange.org/](https://mci.textileexchange.org/)

**CFMB Team**
For any questions or concerns that you may have, do not hesitate to contact the CFMB team by writing to us at [CFMB@TextileExchange.org](mailto:CFMB@TextileExchange.org).

The CFMB team is happy to arrange a conference call to talk you through the benchmarking process and answer your questions directly. Please take some time exploring the survey and the guidance documents first. If you continue to have questions, we would be pleased to discuss engagement options with you and your team to ensure you get off to the best start!

For any inquire please write us to [CFMB@TextileExchange.org](mailto:CFMB@TextileExchange.org)
Appendix 1. Common Terminologies

**Corporate Fiber & Materials Benchmark (CFMB) program:** The CFMB program is THE place to measure, track and compare a company's sustainability progress related to fibers and materials. The CFMB provides a robust structure to help companies systematically measure, manage and integrate a preferred fiber and materials strategy into mainstream business operations, to compare progress, and to transparently communicate performance and progress to stakeholders.

**Material Change Index and family of indices** are a product of the CFMB program and offers a quantified index ranking including a company's position in relation to peers and the overall industry.

**Material Change Index:** The Material Change Index (MCI) is the cornerstone of the MCI family of indices. The MCI incorporates scores achieved across the full benchmark framework: strategy and integration, circularity, and the portfolio of materials.

**Performance bands:** Company results are assigned to one of four performance bands.

**Leaderboard:** The new Material Change Leaderboard includes Level 4 Leading companies across the Material Change Index (MCI) and family of indices. As a result of the benchmark program review carried out over Q4 2018 and Q1 2019, Textile Exchange has introduced the Material Change Leaderboard in 2019 to provide a more holistic and contemporary assessment of leadership than the volume-based focus of the past.

The Leaderboard is based on a company's management practices (including risk assessment, transparency, investment, target setting, and impact measurement) as well as the adoption rate of preferred fibers and materials. In this way it reflects both intention and action. See full listing on next page.

**Leaders Circle:** The companies included in the annual Leaders Circle have achieved a “Level 4 – Leading” performance band which means they have robust materials sustainability strategies, comprehensive integration and implementation systems in place, including circularity, and are making good progress in transitioning their materials portfolio to preferred options.
Appendix 2. Describing a Preferred Material

A preferred material

Textile Exchange defines a preferred fiber or material as one which results in improved environmental and/or social sustainability outcomes and impacts in comparison to conventional production.

Ways to recognize or achieve a preferred status

- Sustainability criteria developed through a formalized multi-stakeholder process.
- A recognized industry standard in place which confirms its status as preferred.
- A robust chain of custody system in place to track or trace the material through the supply chain and back to its origin.
- Objectively and scientifically tested or verified as having greater sustainability attributes, such as through a peer reviewed Life Cycle Assessment.
- Potential for circularity (under consideration for inclusion in updated preferred material assessment)

A portfolio approach

- Build a suite of preferred materials, from a choice of preferred options, through the consideration of impacts and organizational priorities.
- Embed a strategy that leads to preferred options replacing unsustainable or less sustainable options.
- Make a commitment to the principles of continuous improvement and ensuring options selected result in a positive impact.

See the Terminology Guide for further information.
Preferred material portfolio options

Taking a portfolio approach means recognizing that there might not be one single fiber, material, or program that works for your business, and that your selection might change over time. It can be achieved by:

− Building a suite or mix of preferred fibers and materials, based on the consideration of impacts and organizational priorities.
− Embedding a strategy that leads to preferred options replacing unsustainable or less sustainable options over time - including target setting to align commercial and sustainability teams and drive progress.
− Having a commitment to integrity and the principles of continuous improvement thus ensuring the options selected result in a positive change.

There is not "one size fits all" and the MCI allows for participants to build their own portfolio based on the fiber and materials options and programs that their company is implementing.

An evolving landscape

No single fiber or material is fully sustainable; there are strengths, weaknesses, and trade-offs with all sustainability programs or options. There are, however, practices that should not be accepted, such as sheep mulesing, use of toxic and persistent chemicals, and deforestation. Best practices, thresholds, expectations and ambitions are constantly evolving - alongside technology, connectivity and ever-increasing transparency.

Different programs and schemes may have different strengths and product offerings, but generally there is a shared vision and some common ground. There is also an agreement on constantly striving to improve and a mounting urgency to move along the continuum from minimizing the harmful impacts to maximizing the positive.

Ultimately, the goal is to decouple the industry’s growth and success from the consumption of natural resources, and secure a regenerative, circular textile production system that benefits the world now and into the future.

We need to accelerate positive sourcing practices, supply chain integrity, and fair returns for environmental stewardship. Most of all, we all need the courage to take on new and innovative business models that will move us towards a regenerative and circular industry.
Appendix 2. The MCI Survey Deconstructed

Benchmark framework

<table>
<thead>
<tr>
<th>I. Strategy</th>
<th>II. Materials Portfolio</th>
<th>III. Circularity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Strategy</td>
<td>Integrating fibers and materials into company strategy and aligning with the Sustainable Development Goals (SDGs).</td>
<td></td>
</tr>
<tr>
<td>Leadership</td>
<td>Bold and visionary leadership sets the tone from the top, signing up to important global goals and industry commitments.</td>
<td></td>
</tr>
<tr>
<td>Internal Engagement</td>
<td>Equipping people and building team, rewarding achievement, and creating opportunities for personal development.</td>
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<tr>
<td>Materiality</td>
<td>Fiber and materials integrated into corporate risk assessment and stakeholder engagement.</td>
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<tr>
<td>Customer Engagement</td>
<td>An opportunity to educate and influence customers.</td>
<td></td>
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<tr>
<td>Reporting</td>
<td>Public disclosure of activities, key data, and progress tracking.</td>
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</tbody>
</table>

Table A: MCI Themes and Descriptors

Section I. Strategy

| Corporate Strategy | Integrating fibers and materials into company strategy and aligning with the Sustainable Development Goals (SDGs). |
| Leadership | Bold and visionary leadership sets the tone from the top, signing up to important global goals and industry commitments. |
| Internal Engagement | Equipping people and building team, rewarding achievement, and creating opportunities for personal development. |
| Materiality | Fiber and materials integrated into corporate risk assessment and stakeholder engagement. |
| Customer Engagement | An opportunity to educate and influence customers. |
| Reporting | Public disclosure of activities, key data, and progress tracking. |

Section II. Materials Portfolio

| Risk Management | Risk and opportunity identification, policy setting and intervention. |
| Investment | Financial and/or in-kind contributions to improvement and growth. |
| Transparency | Mapping of supply regions and Tier 4 supplier/producer base. |
| Targets | Setting SMART targets (specific, measurable, attainable, relevant, and bound) for the uptake of fibers/materials from sustainability programs. |
| Uptake | Calculating uptake, measuring progress towards targets, and verification of content claims. |
| Impact | Ensuring interventions and investments have a positive impact. |

Section III. Circularity

| Circularity Strategy | Vision and commitment for steps towards a circular system. Including, decoupling resource use from revenue growth. |
| Business Models | Business model innovation to extend product life through repair, reuse, resell services. |
| Resource Efficiency | Building in efficiencies and managing pre-consumer (post-industrial) waste. |
| Design for Circularity | Building capacity and using design principles to improve durability and to create safe products for perpetual cycling. |
| Textile Collection | Customer engagement and participation in a circular system. |
| Recycled Content | Use of recycled fibers and materials instead of virgin. |
Table B: MCI Themes and Elements

<table>
<thead>
<tr>
<th>Theme</th>
<th>Element</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Section I: Strategy</strong></td>
<td></td>
</tr>
<tr>
<td>S-1. Corporate Strategy</td>
<td>S-1a. Integration</td>
</tr>
<tr>
<td></td>
<td>S-1b. Commitments</td>
</tr>
<tr>
<td>S-2. Leadership</td>
<td>S-2a. Accountability</td>
</tr>
<tr>
<td></td>
<td>S-2b. Leadership Example</td>
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<tr>
<td>S-3. Internal Engagement</td>
<td>S-3a. Capacity Building</td>
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<tr>
<td></td>
<td>S-4b. Stakeholder Engagement</td>
</tr>
<tr>
<td>S-6. Reporting</td>
<td>S-6a. Sustainability Reporting</td>
</tr>
<tr>
<td></td>
<td>S-6b. Assurance</td>
</tr>
<tr>
<td><strong>Section II. Materials Portfolio</strong></td>
<td></td>
</tr>
<tr>
<td>FM-1: Risk Management</td>
<td>FM-1a. Feedstock Production</td>
</tr>
<tr>
<td></td>
<td>FM-1b. Feedstock Processing</td>
</tr>
<tr>
<td>FM-2: Investment</td>
<td>FM-2a. Sustainability Investment</td>
</tr>
<tr>
<td></td>
<td>FM-3b. Supply Chain Mapping</td>
</tr>
<tr>
<td></td>
<td>FM-3c. Supplier Listings</td>
</tr>
<tr>
<td>FM-4: Targets</td>
<td>FM-4a. Target Setting</td>
</tr>
<tr>
<td></td>
<td>FM-4b. Public Commitments</td>
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<tr>
<td>FM-5: Uptake</td>
<td>FM-5a. Verification Models</td>
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<tr>
<td></td>
<td>FM-5b. Uptake Reporting</td>
</tr>
<tr>
<td></td>
<td>FM-5c. Recycled Details</td>
</tr>
<tr>
<td>FM-6: Impact</td>
<td>FM-6a. Impact Measurement</td>
</tr>
<tr>
<td></td>
<td>FM-6b. Impact Improvement</td>
</tr>
<tr>
<td><strong>Section III. Circularity</strong></td>
<td></td>
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<tr>
<td></td>
<td>CR-1b. Business Integration</td>
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<tr>
<td></td>
<td>CR-1c. Investment</td>
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<td></td>
<td>CR-1d. Reporting</td>
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<tr>
<td></td>
<td>CR-3b. Unsold Pre-Consumer Goods</td>
</tr>
<tr>
<td></td>
<td>CR-4b. Design Factors</td>
</tr>
<tr>
<td>CR-6. Recycled Content</td>
<td>CR-6a. Recycled Inputs</td>
</tr>
</tbody>
</table>
## Appendix 3. Timeline and Steps

<table>
<thead>
<tr>
<th>Participation</th>
<th>Company</th>
<th>Textile Exchange</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Register and set up company details to access online portal and 2021 survey.</td>
<td>Registration begins in July. Previous participants contacted and invitations sent to potential participants.</td>
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<tr>
<td></td>
<td>Survey lead established to coordinate responses from all relevant data owners.</td>
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<tr>
<td></td>
<td>Survey is completed. Online is the most efficient approach (word format available).</td>
<td>CFMB team available to field questions and support companies during the submission period.</td>
</tr>
<tr>
<td></td>
<td>Survey lead together with senior staff reviews final submission.</td>
<td></td>
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<tr>
<td></td>
<td>Senior staff member completes sign-off form. Completed survey is submitted.</td>
<td>Receives notification of submitted survey and runs a high-level completion check.</td>
</tr>
<tr>
<td>Validation</td>
<td>Reviews comments and responds, providing additional evidence where requested.</td>
<td>Reviews submission for completion, consistency, accuracy and checks evidence provided.</td>
</tr>
<tr>
<td></td>
<td>If necessary, the company and CFMB validation team arrange a conference call to discuss and close out the review.</td>
<td>Emails the completed review to the company, along with queries, requests for further information, and other points raised.</td>
</tr>
<tr>
<td>Analysis</td>
<td></td>
<td>Makes updates to the survey online (based on the validation process outcomes). Documentation is sent to the company for their records.</td>
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<tr>
<td></td>
<td></td>
<td>Generates company, sub-sector and sector scores. Undertakes analysis of the data.</td>
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<tr>
<td></td>
<td></td>
<td>Prepares companies’ confidential scorecards.</td>
</tr>
<tr>
<td>Reporting: Insights Report</td>
<td>Communications of results e.g., use of MCI “badge” and social media clips.</td>
<td>Releases scorecards to companies. Publishes MCI results and launches Insights Report</td>
</tr>
<tr>
<td>Review</td>
<td>Feedback and input through consultation.</td>
<td>Survey, guidance notes, technical notes, “getting started” webinars and other supporting tools prepared.</td>
</tr>
<tr>
<td>Bench learning</td>
<td>Peer-to-peer learning opportunities are provided throughout the year via virtual meetings, webinars, workshops, community hub, and annual conference.</td>
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</tbody>
</table>
Appendix 4. ISEAL Benchmarking Good Practice Checklist

Textile Exchange will be ensuring the CFMB methodology aligns with the ISEAL new guidance for benchmarking good practice (currently under development). The checklist below distils key steps in the draft ISEAL guidance for setting up and implementing a sustainability benchmarking program. Visit the ISEAL website for more information on the draft benchmarking good practice consultation and further resources here.

Develop the framework

- **Audience**: identify who is the intended audience and what are their needs; speak with potential users to understand more deeply their expectations (8.1.1).
- **Purpose**: define the goal or purpose of the benchmarking program and ensure this is explicit and included in all communication about the benchmarking program (8.1.2).
- **Strategy**: assess whether a benchmarking program is the most effective strategy to achieve their purpose (8.1.2).
- **Needs assessment**: assess whether existing benchmarks already meet all or part of the articulated goal (use Annex 1 as a starting point) (8.1.2).
- **Scope**: decide who or what is being benchmarked, including the sector or commodity, geography, type of entity, supply chain scope, and market presence (8.2).
- **Openness**: decide whether to target specific companies or initiatives with the benchmark and which ones, or to allow any qualifying entity to be evaluated (8.2.3).
- **Management**: determine who will manage the benchmarking program (8.3).
- **Claims**: develop a publicly available claims policy that ensures claims are grounded in, and consistent with the actual results and do not misrepresent the conclusions that can be drawn from the evaluation (8.7).

Determine the benchmark

- **Process**: set the process for determining the content of the benchmark (8.4).
- **Stakeholders**: determine whether and how to engage stakeholders in the content development and, where appropriate, follow good practices in the ISEAL Standard-Setting Code for how to engage stakeholders (8.4.1.1).
- **Technical experts**: define the role for technical experts in content development, including their role in decision-making (8.4.1.2).
- **Commonalities**: identify all the characteristics that entities that fall within the scope of the program have in common, as a starting point for determining what is relevant to include in the benchmark (8.4.4).
- **References**: use international reference documents to inform content and encourage consistency (8.4.3).
- **Definitions**: include definitions of key terms in the benchmark to support consistent interpretation (8.4.1.4).
- **Content**: for sustainability standards, include in the benchmark at least standards content criteria and criteria to assess the assurance mechanisms. Also, strongly consider criteria on governance, traceability and sustainability claims (8.4.2 and Annex 3).
- **Alternative models**: for sustainability standards and related tools, consider how to accommodate different standards models, including those with different scoring models, different assurance models, and different strategies for incentivizing uptake of more sustainable practices (8.4.4.1, 8.4.4.2).
- **Evaluation**: determine the evaluation structure of the benchmark (8.5).
Develop the benchmarking process

- **Effectiveness**: find a balance in the benchmarking process that achieves credible results in an accessible and cost-effective way (8.8.2).
- **Application**: determine the application process where benchmarking programs are open to qualifying entities (8.6.1).
- **Desk review**: carry out a review of detailed documentation about the entity’s procedures and practices (8.6.1).
- **Additional data collection**: consider whether and how to gather additional information, such as an office visit or witness audit, to inform potential performance (8.6.1).
- **Benchmarking committee**: determine whether to put in place a benchmarking committee or some other mechanism (e.g. evaluator peer review) to support consistency of interpretation (8.6.1).
- **Public consultation**: consider a public consultation on draft evaluations and put in place the steps to do so where relevant (8.6.1).
- **Decision-making**: determine how decisions on benchmarked entities will be made (8.6.1).
- **Dispute resolution**: put in place a dispute resolution mechanism (8.6.1).
- **Alignment**: establish a process for monitoring continued alignment between the benchmark and the benchmarked entity over time (8.6.2).
- **Competence**: ensure that evaluators, decision-makers and others involved in the benchmarking process are competent for their work (8.8.1).

Additional considerations

- **Transparency**: make information about the benchmarking program, including how it works, governance, policies, decision-making and results publicly available and accessible (various clauses).
- **Impartiality**: manage for potential conflicts of interest in setting of the benchmark and implementation of the benchmarking program (8.3, 8.4.1.3, 8.6.1, 8.8.4).
- **Improvement**: capture insights and learning from implementation of the benchmarking program to inform its regular revision and improvement (8.8.3).