<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table of Contents

Introduction .................................................................................................................................................. 3
Balance Sheet 1 ........................................................................................................................................... 5
Balance Sheet 2 ........................................................................................................................................... 6
Balance Sheet 3 ........................................................................................................................................... 9
Balance Sheet 4 ......................................................................................................................................... 11
Balance Sheet 5 ......................................................................................................................................... 13
Material Modules – Section 5 .................................................................................................................. 15
Circularity – Section 6 ............................................................................................................................... 18
Introduction

The Materials Balance Sheet Guide aims to explain how to enter data on the volumes of materials which your company has placed onto the market for the reporting year. This is primarily completed by answering questions in the survey section called "Materials Balance Sheet".

The Materials Balance Sheet identifies “which materials your company sources” and how much was sourced of those materials. We use the term material as an overarching term for raw materials and their initial processing which includes both fibers which can be spun into yarn, and non-fibers that are not spun into yarn, but are otherwise transformed into textile products or product components (for example, down, leather and rubber). Your responses to “which materials does your company source” will determine the material modules available in your company’s survey. This year, we also have generic modules available to support detailed reporting on sustainability activities for materials like cashmere, hemp, linen and rubber.

To complete the Materials Balance Sheet section of the survey, you will need to prepare your company’s uptake data for the reporting period. Uptake data, or volume-based data associated with how much material your company sourced, can be calculated at various points in the supply chain.
For example, the most accurate data for your company might be at product-level using product composition data, product weights and numbers of products. Other companies may have the most accurate data at fabric-level or yarn-level.

Please use the calculation approach which is the best fit for your company and will produce the most accurate results.

For more information on best practices for completing uptake data calculations, please see the Textile Exchange Fiber Uptake Guide which was developed in collaboration with the Partnership for Sustainable Textiles in Germany and Waste and Resources Action Programme in the UK, as well as with support from the Better Cotton Initiative and the Global Organic Textile Standard. To support your uptake calculations, we have prepared an Excel calculator for you to convert your uptake into fiber-level estimations.
Balance Sheet 1

In Balance Sheet 1, you will select what material types your company sourced over the reporting period. The reporting period for the 2020 survey is typically January 1st to December 31st, 2019, however your company may adjust this depending on your fiscal year or buying calendar. Importantly, your CFMB reporting cycle should align with your annual reporting cycle – so you can easily track progress in line with your internal reporting. We do not expect you to make a separate calculation for the CFMB.

Before we walk through actual reporting in the survey, it is worth noting that you will be able to hover over any underlined text to view a definition, for example, “other non-fibers” includes other materials which are not spun into yarn, including natural rubber, synthetic rubber, synthetic leather and plant-based leather.

Your material selections in Balance Sheet 1 will determine which tables you see in Balance Sheet 2.
Balance Sheet 2

Balance Sheet 2 will ask for detailed reporting of your portfolio of programs for the material types which your company selected as sourced. For example, if you do not click that you source any wool, the wool portfolio table will not be visible to you. This filtering function has been set up to help keep your balance sheet as clean and easy-to-read as possible.

Similarly, your material selections in the Balance Sheet will determine which material modules, or sections of the survey, are available for you to view. Once sections 1 to 4 of the Balance Sheet are complete, the material modules which are in scope for your survey will be unlocked. We will discuss this in more detail when we explain Balance Sheet 4.

Balance Sheet 2 is focused on your company’s fiber portfolio, or the group of programs (including conventional) which you source and which can be spun into yarn. In this section, you will report on uptake volumes of conventional fibers and programs which are defined by Textile Exchange as material-specific initiatives, standards and processes having a higher sustainability performance than the conventional alternative of that material type.
How to successfully complete reporting for specific programs or conventional fibers, can be simplified in 9 steps:

− **Step 1**: Identify which specific programs you sourced from during the reporting period, and in the first column, select ‘Used’.

− **Step 2**: Please select whether that material type was used to produce Apparel, Home Textile, or Mixed for a combination of both.

− **Step 3**: Please enter a numerical amount of material which your company sourced during the reporting period.

− **Step 4**: Please select the unit associated with the number entered for the volume column. Data can be reported in Kilograms, Metric Tons (MT) and Pounds (US).

− **Step 5**: Please select the supply chain stage associated with the “Volume” reported. As mentioned previously, companies can complete uptake calculations at different points in the supply chain (the main stages this can be calculated are at Product-level, Fabric-level, Yarn-level and Fiber level. For example, if uptake volume is calculated based upon product compositions and weights, please select “Product-Level”.

− **Step 6**: Is the conversion rate. In order to aggregate industry uptake totals, all uptake reporting is converted to fiber-level, or the stage before material is transformed into yarn. To convert to fiber-level reporting, the uptake volume is multiplied by a number which is called a conversion rate in order to estimate the amount of fiber needed to achieve the uptake volume at another supply chain stage, accounting for supply chain losses. For example, the product-to-fiber conversion rate for cotton is 1.65. Put simply, 1.65 units of fiber is required to produce 1 unit of material at product-level.

  − In the Conversion Rate column, the Textile Exchange default conversion rate will display in the cell based upon the Product type and Reporting Tier selected. If your company would like to use a custom conversion rate, please delete the value and enter your company’s custom conversion rate.

  − For more information on the Textile Exchange conversion rates, please see the Fiber Conversion Methodology guide.

− **Step 7**: Is completed automatically in the survey, converting all reported uptake into a value in Metric Tons.

− **Step 8**: Is Estimate share %. This step only applies if your company used a material, but is unable to identify a volume. If this is the case, please enter an approximate percentage that material represents of your sourcing of that material type. For example, if you sourced recycled cotton and know this is approximately 5% of your total cotton sourcing, please enter 5.

− **Step 9**: Is completed automatically in the survey. This is the final uptake volumes in metric tons including any estimates you may have entered.
Please repeat steps 1-9 for each unique fiber type your company sourced during the reporting period. If you selected that your company sourced “Other Fibers” uptake reporting is slightly different.

The initial columns in the table are consistent in approach as previously described – this includes columns Used, Product Category, Weight, Unit, Reporting Tier, Conversion Rate and Final Uptake (MT). After this, there are 3 additional columns to complete. This allows you to enter what percentage of the uptake of a material is conventional, what percentage is recycled and what percentage is preferred renewable. For example, if you reported 100 metric tons of flax or linen, 25 metric tons could be certified organic and the remainder conventional. In that case, you would enter 25 under ‘preferred renewable %’ 75 under “conventional %” and 0 under recycled %.
Balance Sheet 3

Balance Sheet 3 is focused on your company’s non-fiber portfolio, or the group of materials which you source which is not a fiber which can be spun into yarn. In this section, you will report on uptake volumes of conventional materials, or the mainstream material options which have not been produced in a more sustainable way, as well as any more sustainable programs.

The initial section focuses on reporting Down and Feather uptake which is completed using the same process as described in Balance Sheet 2 for fibers.

The second non-fiber section is leather. The leather uptake calculations are quite different from the fiber calculations. Instead of using weight as the basis of calculating uptake, for leather, we ask that reporting is completed in terms of surface area. This is due to the fact that, during our leather pilot last year, most companies told us that they are able to identify the total area of finished leather from internal systems or from suppliers.
For reporting leather uptake in the survey, please follow these 8 steps:

- **Step 1**: Identify which specific programs you sourced from during the reporting period, and in the first column, select “Used”.
- **Step 2**: Please enter a numerical amount of material which your company sourced during the reporting.
- **Step 3**: Please select the unit associated with the number entered for "Surface Area". Data can be reported in Square Meters, Square Feet or Square Inches.
- **Step 4**: Please select the reporting tier associated with the "surface area" reported. This can be product-level, finished leather, untanned hide or mix which is a combination of different reporting tiers.
- **Step 5**: Please select the product type associated with the leather uptake.
- **Step 6**: Is completed automatically in the survey, converting all reported uptake into a value in square meters.
- **Step 7**: Is estimate share %. This step only applies if your company used a material, but is unable to identify a volume. If this is the case, please enter an approximate percentage that material represents of your leather uptake.
- **Step 8**: Is completed automatically in the survey. This is the final uptake volumes in square meters including any estimates you may have entered.

The next section of Balance Sheet 3 is “other non-fibers”. Reporting of other non-fibers is completed in the same way as “other fibers” as previously explained, by reporting the initial volumetric information and then entering what percentage of the uptake of a material is conventional, what percentage is recycled and what percentage is preferred renewable.
Balance Sheet 4

Balance Sheet 4 provides an overview of uptake reported, allows you to enter an estimated percentage of uptake, and introduces priority thresholds.

Firstly, if you indicated that you used a material type but were unable to report any uptake data for any programs or conventional volume of that material, the “Estimate Uptake Share percentage” column will have an unshaded cell where you are able to enter a number to represent that estimated percentage of uptake that material type represents. For example, if you know that you source wool but do not have a specific volume but know this is approximately 2% of your total fiber sourcing, please enter “2” in Estimate Uptake Share Percentage. “Final Uptake Metric Tons” is completed automatically in the survey, which includes any estimates. “Final uptake Share percentage” is also completed automatically based upon the “Final Uptake Totals” and presents the percentage breakdown of sourcing of the various fiber types.

The last 3 columns of the table relate to priority threshold and priority status. There are three parameters that determine whether a material (fiber or non-fiber) is a priority and must be completed for an "overall" benchmark score and placement in the Material Change Index (MCI). These parameters are scale, risk, and opportunity.

- **Scale**: means that the “fiber” represents a percentage of volumetric use beyond a threshold of 10% of overall fiber use. Or, in the case of "non-fibers", it represents 10% of the final product range (i.e. by count of products with major components of non-fiber materials e.g. down or leather).

- **Risk**: If a material type is a priority based on risk, the material (fiber or non-fiber) represents an important risk to the company. Risks associated with a low volume material include sourcing from high environment and/or socioeconomic risk sourcing regions, animal welfare risk, reputational risk, etc.

- **Opportunity**: If a material type is a priority based on opportunity, a company has seized the opportunity to advance the sustainability of the raw material even if the material is below the volumetric use threshold or is not considered a significant risk.

Priority threshold is related to Scale, and is the Textile Exchange percentage where if exceeded, reporting on that material type is required for the Material Change Index – in the case of fibers, this
is 10% of the total fiber portfolio. Column "Priority by threshold" displays the material types which are priority and are required for Material Change Index reporting, and those which are "Non-Priority" and reporting is optional.

Under column “Final Priority Status”, please adjust the priority status for your materials, indicating where through completing a risk and/or opportunity assessment, some materials may be identified as priority for sustainability engagement and therefore also for reporting. It is worth note that your company may decide not to complete a module, even if the material used is above the volume threshold and is recognized as a key risk. For example, your company may be in the process of decommissioning the use of a specific material but that this transition is not yet complete – in this case you could change the status from priority to minority. If any thresholds are changed, we ask that you please provide an explanation in the text box below the table.

As previously mentioned, for non-fibers, the priority threshold is set by using the percentage of final products where that material type is a major component. For example, this would exclude leather labels on denim, but would include products where there is a major leather component – for example, a leather jacket, a leather bag which is lined with another material, or shoes with leather uppers.

Once all priority thresholds are finalized and you have identified all priority materials for your survey this year, saving Balance Sheet 4 will trigger the survey to unlock your applicable material modules. The material modules are sections in the survey which ask detailed questions on the risk management, investment, transparency, targets, uptake and impact monitoring of a specific material type. For the 2020 survey, we have introduced generic material modules in addition to the existing modules on Cotton, Wool, Down, Manmade Cellulosics, Polyester and Nylon. If you selected that you used “Other Fibers” or “Other Non-Fibers”, you are able to report on your company’s engagement on other materials such as linen, hemp, cashmere or rubber. It is worth note that generic modules are not required for MCI scoring.
**Balance Sheet 5**

The last page of the Materials Balance Sheet section is called “Metadata Form”. Metadata means data about data, and this page or form is intended to provide an overview of how uptake calculations were completed. This gives Textile Exchange increased visibility into uptake calculations so we can validate if your company’s reporting methodology is consistent year-on-year. This metadata will also inform Textile Exchange on best practices and allow for further progress on alignment and comparability within the industry. This form may also assist your company with keeping a record of how calculations have been completed, for internal data control and, in the event of staff turnover, can be used as a guide to ensure that comparable data continues to be collected.

Many answers in the initial questions of the Metadata Form are pre-filled from your previous responses in the survey, but we have included this so it centralizes all information in 1 page which can be saved as a PDF and filed in your company’s systems. Please fill any gaps which may remain.

In the next phase, you will require to the scope of data reported. This includes the specific time period of uptake data, and any product categories, fiber categories or major components of products which are excluded from your company’s uptake calculations.
Data methodology questions then further clarify the data sources of your calculation, specific conversion rates used in uptake calculations, the process of data cleaning, validation of calculations and if any changes were made from previous uptake reporting methodologies.

To finish the form, you will be asked to describe any opportunities for improvement. Together, this provides an overview of your company’s calculations and will support consistent year-on-year reporting in the future.

You have now completed the majority of your uptake reporting through your responses in the Material Balance Sheet section. Your data will appear again in other sections of your survey which we will now show you, and for specific materials, we may ask additional questions for further detail.
Material Modules – Section 5

The first place in the survey where you will see your uptake data again is in section 5 of the Material Modules, in question 5b. Looking at an example of a Cotton Module, you will see a historic overview of your uptake volumes from 2015 to 2019. 2015-2018 will be auto-populated from previous survey submissions and 2019 data is directly auto-populated from your responses in the Balance Sheet and cannot be edited.

If you wish to make changes to 2019 numbers, please return to the Materials Balance Sheet module to adjust. For any data from 2015 to 2018 which may be missing or incorrect, we ask that you please edit the values in question 5b ensuring that data is reported at fiber-level. Correcting this data will ensure that your year-on-year comparisons in your company’s Scorecard are as accurate and complete as possible. Your company will receive your Scorecard once the survey is closed and all data is validated (as the Scorecard includes comparison against industry averages). Advanced and Premium Scorecards include “outcome” and “impact” infographics modeled on your uptake data – making this data and how we can support you with progress tracking very important. Sustainable Apparel Coalition members will benefit from more detailed modeling using Higg MSI impact data. The Scorecards will be discussed in a future guide. But overall, it is worth having a comprehensive data submission and we strongly encourage you to please adjust any historic data which may be incorrect.

Question 5c in the material modules asks your company to provide a breakdown of the types of your recycled materials. This question is structured around 3 main tables – one table for recycled textiles, one table for recycled non-textiles and one for unknown. For the recycled textiles table, please report the percentage share of your uptake of that material which is pre-consumer recycled textiles, post-consumer recycled textiles or of recycled textile origin but you are not sure if this is pre- or post-consumer. Complete this process again for non-textile feedstock, and for any remaining feedstock where you have no knowledge of process or origin, please report this under the “Unknown (textiles / non-textiles)” table. As a reminder, definitions of any underlined words or terms such as pre-consumer, post-consumer recycled materials are available by hovering over this in the survey.
The polyester and nylon modules ask for detailed information on all polyester and polyamide materials your company has sourced. If any non-textile-based feedstock is reported in either of these modules, we ask if you can please indicate the source of that feedstock, i.e. whether it is derived from plastic bottles, ocean waste, something else or if it is not known.

Next, we ask you to please report on the portion of that recycled material which was chemically recycled, mechanically recycled, or if you are not sure of the recycling process.
Lastly, please indicate if any of the recycled feedstock for this material type was sourced from a socially responsible collection initiative such as First Mile, Plastics for Change, or another initiative which may have robust social credentials or Fairtrade certification.
Circularity – Section 6

An overview of your company’s **Recycled Materials Portfolio** will be auto-populated in your Materials Circularity, section CR-6. A “historical” summary of your company’s Recycled Materials Portfolio is being built on last year’s submission (2018 data) and now will include 2019 and is presented by material type. Please confirm that this is accurate, and if so, please select the share of your company’s portfolio which is recycled. If it is not correct, please return to the Material Balance Sheet to correct your input data.

![Image of the table](image)

Similarly, a summary of **Post-consumer Recycled Textiles for 2018 and 2019** is presented by material type. This data is being specifically requested as it will help feed valuable insights back to the sector, and help monitor the transformation of the textile system – which will not be truly circular until companies can source end-of-life textile material as the feedstock for new products. Please confirm that this data is accurate, and if so, please select the share of your company’s recycled portfolio which is post-consumer textiles. We appreciate that estimates may be inevitable, especially if you are just beginning to report on this; however, it is worth note that there is always the opportunity to adjust previous reporting as your company’s data collection improves. If it is not correct for this year’s reporting, please return to question 5c in the applicable material module to correct your data or add estimates. If prior years’ data requires adjusting, please manually adjust this in this table (CR-6).
This concludes our detailed look at uptake data reporting in the CFMB survey. We understand the complexity of this topic, but we are hopeful that the detailed explanations given in this guide will support you in completing your survey this year. Please do not hesitate to email us at CFMB@TextileExchange.org if you have any further questions.