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Purpose of this Guide

This document is designed to help participants and the wider audience of interested readers to understand and interpret the Material Change Index (MCI) which is the public-facing results of the Corporate Fiber and Materials Benchmark (CFMB) program.

The guide covers:

− Navigating the MCI Leaderboard
− Unpacking the Company-level Progress Cards
Introduction

Textile Exchange’s Material Change Index (MCI) and wider family of indices are the product of the Corporate Fiber & Materials Benchmark (CFMB) program. The MCI tracks the textile sector’s progress toward more sustainable materials sourcing, as well as its alignment with global efforts like the Sustainable Development Goals (SDGs) and the transition to a circular economy. The CFMB program has more recently introduced a pilot MCI for suppliers and a Biodiversity Benchmark, currently in beta version.

Voluntary and business-led

Participation in the CFMB program is voluntary and business led. The program is designed to recognize and celebrate the commitment and efforts being made by all participating companies in improving the sustainability of their fiber and material use. The MCI and family of indices are publicly reported annually, creating an opportunity for participants to demonstrate their commitment to sourcing more sustainable materials and their contribution to industry change. Public results allow the entire textile industry to gain insight into how reporting companies are doing, and to track progress in materials strategy, management, and impacts. This voluntary display of transparency by participating companies provides a unique opportunity to measure progress. Program participants are role models for the rest of the industry and help set the pace. Textile Exchange hopes their leadership motivates others to join.

Benchmarking and bench-learning

The objectives of the MCI are to accelerate change, drive a race to the top, and provide an opportunity for all to learn from collective insights and leading practices. The MCI is based on the participating companies’ evidenced disclosure against the survey framework and quantitative materials uptake (volume) data. During the survey submission phase, Textile Exchange provides participants with hands-on and documented guidance. The survey validation process involves a comprehensive review of each company’s submission. Validation is a two-way process, with Textile Exchange staff and company benchmark practitioners discussing the company’s submission together. Textile Exchange’s benchmarking processes and systems are verified by a third party, Elevate, and documented in an annual Assurance Statement.

Robust and reliable

Our technology partners, 73Bit, have extensive experience in providing online benchmarking platforms. Textile Exchange has been working - and growing - together with 73bit from the beginning. Other 73Bit clients include: The Grantham Research Institute on Climate Change and the Environment, United Nations Principles of Responsible Investment, Access to Nutrition Index, and the Business Benchmark on Farm Animal Welfare. Our methodology is continually refined through consultation with a wide range of stakeholders, including participating companies. Textile Exchange hired Elevate in 2019 (then called BSD Consulting) to provide an independent assessment of the processes and methods used to develop and implement the benchmark, and annual assess improvements. Elevate used the ISEAL Benchmarking Guidelines for conducting this assessment. For data collection and data validation processes Elevate also refers to the Global Reporting Initiative (GRI) principles of completeness, accuracy, reliability, and comparability. This assessment helps Textile Exchange to continuously improve the program. The 2020 Assurance Statement can be downloaded here.
MCI Leaderboard

The MCI Leaderboard (v2) brings a new level of interactivity for the user. In this section, the various filter functions, definitions and tool tips are explained.

Material Change Index

Textile Exchange’s Material Change Index (MCI) and wider family of indices are the product of the Corporate Fiber & Materials Benchmark (CFMB) program. The MCI tracks the textile sector’s progress toward more sustainable materials sourcing, as well as its alignment with global efforts like the Sustainable Development Goals (SDGs) and the transition to a circular economy.

Assessment year

The Material Change Index (MCI) involves an annual survey. The survey is released in May each year and participants have six weeks to submit their completed surveys. The reporting period is the calendar year (or the corresponding fiscal year, production year, or last 12 months, if the reporting cycle of the company differs from the calendar year). To maximize consistency, Textile Exchange encourages calendar year reporting but is not prescriptive. The most important aspect of the reporting period is that the company is consistent year to year.

Reporting scope

Companies can select to complete the full survey, one or a number of modules, or disclose material use volumes and track progress.

MCI (full survey): Companies completing the full survey receive a placement in the Materials Change Index, Material Circularity Index and Material SDG Index, as well as placements for each Materials module completed.

Modular: Companies completing one or more survey modules receive Index placements for each module completed.

Progress Tracker: Companies reporting on their uptake targets, verification status, and volumes are listed as participants in the Material Change Index for all reported materials. While company data is validated, there are no performance bandings associated with progress tracker entries.

The Progress Tracker helps companies monitor and communicate progress against their uptake targets, and volumes are aggregated in the uptake totals.

Progress tracking for cotton is a minimum requirement of the 2025 Sustainable Cotton Challenge, for which Textile Exchange is the accredited data collection partner, and the 2030 Recycled Polyester Challenge.
Performance banding

The MCI and family of Indices results are assigned to one of four performance bands.

- **Developing**: This level is for companies that are laying the foundation of their programs and scored 25 or less out of 100 possible points.
- **Establishing**: This level is for companies that are strengthening their programs and scored 26-50 out of 100 possible points.
- **Maturing**: This level is for companies with emerging leadership that scored 51-75 out of 100 possible points.
- **Leading**: This level is for companies that are pioneering industry transformation and scored 76-100 out of 100 possible points.

The **Modular** symbol recognizes companies who have completed one or more fiber modules.

The **Progress Tracker** symbol recognizes companies who have not completed material modules but who do submit progress data.

Sub-sector

Companies are benchmarked against the entire group of participants (the sector), and within market segments (called sub-sectors). There are four sub-sectors as listed below.

- **Apparel/Footwear**: Companies of all sizes, mainly apparel and fashion footwear. Including, but not exclusively, designer, luxury, fashion, family, workwear/uniforms, baby, basics, intimates, and footwear.
- **Sports/Outdoors**: Companies of all sizes, of outdoor, sportswear, and footwear. Including, but not exclusively, mountain, active and performance sports, yoga, lifestyle, backpacks, sports bags, and footwear.
- **Home/Hospitality**: Companies of all sizes, of exclusively or predominantly home textiles. Including, but not exclusively, dining (tablecloths, napkins), bed and bath, and indoor or outdoor soft furnishings.
- **Multi-sector**: Companies of all sizes, handling a mix of apparel, footwear, and/or home textiles. Including, a range of product categories.

Supply chain segment

The Material Change Index (MCI) is open to brands and retailers of textile products. In the future, the MCI will be open to suppliers and manufacturers of textile products as well.

Fiber/Material

See **Materials Portfolio** on page 9.
Company size

The MCI uses the European Union "number of employees" as its dominant business classification condition, the other being turnover. Number of employees takes precedent over annual turnover due to data availability and completeness received in responses from companies.

- **Micro-enterprise**: 1 to 9 employees (turnover under US$2.35 million).
- **Small enterprise**: 10 to 49 employees (turnover between US$2.36 and 11.76 million).
- **Medium-sized enterprise**: 50 to 249 employees (turnover between US$11.77 and 58 million).
- **Large enterprise**: 250 employees or more (turnover over US$58 million).

Headquarters

The country in which the company’s headquarters are located.

Reporting company

The list of reporting companies reflects the number of survey submissions. However, a number of submissions are from holding companies with subsidiaries. Textile Exchange individually counts company subsidiaries in the total number of participants.

- **Holding company**: A company that holds and controls all or a large part of the capital stock of other (legally separate) enterprises. A holding company is a corporate parent, and the enterprises which it controls are subsidiaries.

- **Subsidiary brand**: A company whose stock is more than 50 percent owned by another company; an enterprise in which another enterprise has majority voting rights and/or effective operational control.

- **Independent brand**: Defined here as a company whose stock is owned by neither another independent company nor a company who is holding the stock of another company, i.e., neither a subsidiary or affiliate nor a holding company.

Material Change Index

The Material Change Index (MCI) is based on a company’s management practices as well as the adoption rate of preferred fibers and materials and steps made towards the circular use of textiles. The MCI is the result of the overall performance of a company that completed the full MCI survey, based on an assessment of Strategy (25%), Material Portfolio (65%) and Circularity (10%). The MCI requires a company to report on all priority materials from the options provided.
Strategy
Strategy reflects a company’s materials sustainability strategy and how it is integrated into the core of its business and management systems. The score for Strategy is derived from a company’s response to questions on Materials Strategy, Leadership, Internal Engagement, Materiality, Customer Engagement and Reporting.

Circularity
The Circularity Index reflects a company's progress towards designing, building, and tracking progress towards a circular textile system. The score for Circularity is derived from a company’s response to questions on Circularity Strategy, Business Models, Resource Efficiency, Design for Circularity, Textile Collection and Recycled Content. Circularity is embedded in the overarching MCI result and normalized to a score out of 100 to form the Circularity Index.

Sustainable Development Goals
Progress against the Sustainable Development Goals (SDGs) is measured by the SDG Index - a cross-cutting score that draws selected SDG-related results aggregated from the Strategy (85%), Materials Portfolio (2.5%) and Circularity (12.5%) sections of the benchmark. This aggregate result is then normalized to a score of 100.

Materials Portfolio
The Material Portfolio score reflects a company’s management (30%), uptake performance (absolute 50% and relative 20%) of six possible materials (cotton, wool, down, manmade cellulosics, polyester and polyamide) as deemed “priority” according to our definition and weighted against the use of each. Leather has been excluded from the Material Portfolio score pending further development in conversion methodology from surface area to volumetric uptake.

The Management score of each material is based on a company’s response to questions on Risk Management, Investment, Transparency, Targets, Uptake and Impact Monitoring. The Absolute Uptake Performance score is based on a company’s volumetric uptake of preferred materials, scaled by quartiles based on the distribution of all uptakes reported for the material in 2019 and maintained for comparability.

The Relative Uptake Performance score is based on a company’s share of preferred material uptake relative to conventional. Sustainability weightings are applied to preferred materials sourced from sustainability programs (e.g., recycled polyester).

- **Cotton Index:** The Cotton Index is part of the Material Change Index (MCI) family of indices and is derived from the company's responses to the Cotton Module. The Cotton Index is a holistic consideration of both management and uptake of preferred cotton. The preferred cotton portfolio is aligned with the 2025 Sustainable Cotton Challenge and includes the following programs: organic cotton, recycled cotton, and (in alphabetical order) cotton grown to the requirements of BASF e3, the Better Cotton Initiative (BCI), bioRe standards, Cotton made in Africa (CmiA), Fair Trade or Organic Fair Trade, Field 2 Market, ISCC Certified, myBMP, CottonConnect's REEL, Regenerative Organic Certified (ROC), Responsible Brazilian Cotton (ABR), and the US Cotton Trust Protocol.

- **Polyester Index:** The Polyester Index is part of the Material Change Index (MCI) family of indices and is derived from the company's responses to the Polyester Module. The Polyester Index is a holistic consideration of both management and uptake of preferred polyester. The preferred polyester portfolio includes biobased and recycled polyester.
Polyamide Index: The Polyamide Index is part of the Material Change Index (MCI) family of indices and is derived from the company’s responses to the Polyamide Module. The Polyamide Index is a holistic consideration of both management and uptake of preferred polyamide. The preferred polyamide portfolio includes biobased and recycled polyamide.

Manmade Cellulosics Index: The Manmade Cellulosics Index is part of the Material Change Index (MCI) family of indices and is derived from the company’s responses to the Manmade Cellulosics Module. The Manmade Cellulosics Index is a holistic consideration of both management and uptake of preferred manmade cellulosics. The preferred manmade cellulosics portfolio includes acetate, lyocell, model, and viscose with forestry certification (e.g., FSC, PEFC), and recycled cellulose. This Index is also influenced by important work by CanopyStyle and the ZDHC.

Wool Index: The Wool Index is part of the Material Change Index (MCI) family of indices and is derived from the company’s responses to the Wool Module. The Wool Index is a holistic consideration of both management and uptake of preferred wool. The preferred wool portfolio includes organic wool, recycled wool, and wool certified to the Responsible Wool Standard (RWS), ZQ Certified, and the Land to Market Ecological Outcomes Verification (EOV) developed by the Savory Institute.

Down Index: The Down Index is part of the Material Change Index (MCI) family of indices and is derived from the company’s responses to the Down Module. The Down Index is a holistic consideration of both management and uptake of preferred down. The preferred down portfolio includes organic and recycled down programs, and down certified to the Responsible Down Standard (RDS), the Traceable Down Standard (TDS), and Downpass Certified.

Leather Index: After an initial pilot, the Leather Index is now part of the Material Change Index (MCI) family of indices and is derived from the company’s responses to the Leather Module. The Leather Index is a holistic consideration of both management and uptake of preferred leather. The preferred leather portfolio includes organic and recycled leather, leather produced to the Leather Working Group (LWG) with a focus on tanning, and the Land to Market Ecological Outcomes Verification (EOV) developed by the Savory Institute.

Other materials: New in 2020, was the introduction of a generic module for companies wanting to report on other materials important to their operations. Responses to the generic module help shape future material-specific modules. This year, other materials reported included acrylic, cashmere, elastane, hemp, and rubber.

See the Scoring Methodology for more details.
Progress Cards

Company-level progress cards are new this year. They are intended to provide a summary of a company’s benchmarking progress and complement the company’s confidential results with a public-facing summary. Progress Cards are a useful tool to communicate with stakeholders such as Board members, investors, ESG (environment, social, governance) raters and rankers.

Below is a progress card mock-up and contents unpacked on the next page.
Progress Cards contain:

- **Company profile**: The company’s logo, boilerplate and link to the company's website.

- **MCI badge**: The company’s MCI badge with performance banding and year.

- **Textile Exchange membership logo** – members only.

- **Participation details**: The sub-sector the company belongs to, organizational reporting scope and size of company, MCI entry status (i.e., new or returnee), survey scope (i.e., (MCI) full survey, modular entry or progress tracker). See descriptions of each earlier in this guide.

- **Index sections**: MCI overall result and scores for Section 1: Strategy and Sustainable Development Goals, Section II: Materials Portfolio and Section III Circularity.

- **Materials portfolio**: Displays the fiber and material modules completed by the company (and fades out the others). Company performance bands are displayed alongside sub-sector and sector averages.

- **Portfolio progress**: Charts a company’s progress towards a preferred materials portfolio. There is a milestone of >50% preferred and 100% preferred, and specific call out to companies that have reached 100% organic, organic-Fairtrade, recycled, and/or lyocell for manmade cellulosic (depending on the material). See **scoring methodology** for details.

- **Top 10 by volume**: Provides rankings of companies sourcing relatively high volumes of preferred materials and are placed in the “top 10” by volume for that year. Rankings include overall preferred, recycled, organic, organic-Fairtrade, lyocell, use of wool certified to the Responsible Wool Standard and down to the Responsible Down Standard.
Appendix 1: About the Benchmark

Background
The Corporate Fiber & Materials Benchmark (CFMB) program 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 CFMB comprises three sections: Section I: Strategy and Integration, Section II: Materials Portfolio, and Section III: Material 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.

Textile Exchange works hard to keep the Benchmark aligned with important initiatives and has stepped up the initiative mapping to include the Global Reporting Initiative (GRI), Sustainable Assessment Standards Board (SASB), United Nations Global Compact (UNGC), and more.

Reporting period
The CFMB involves an annual survey. The survey is released in May each year and participants have six weeks to submit their completed survey. The reporting period is the calendar year (or the corresponding fiscal year, production year, or last 12 months, if the reporting cycle of the company differs from the calendar year). To maximize consistency, Textile Exchange encourages calendar year reporting but is not proscriptive. The most important aspect of the reporting period is that the company is consistent year-to-year.

Benchmark framework
There are a total of 18 key themes (6 themes per section as outlined in the diagram below). Within each theme are the 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.
## Framework themes and elements

<table>
<thead>
<tr>
<th>THEME</th>
<th>ELEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Section I: Strategy and Integration</strong></td>
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<tr>
<td>S-1. Corporate Strategy</td>
<td>S-1a. Integration</td>
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<td></td>
<td>S-1b. Commitments</td>
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<tr>
<td>S-2. Leadership</td>
<td>S-2a. Accountability</td>
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<td>S-2b. Leadership Example</td>
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<td>S-3. Internal Engagement</td>
<td>S-3a. Capacity Building</td>
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<td>S-4b. Stakeholder Engagement</td>
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<td>S-6. Reporting</td>
<td>S-6a. Sustainability Reporting</td>
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<td>S-6b. Assurance</td>
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<tr>
<td><strong>Section II. Materials Portfolio</strong></td>
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<tr>
<td>FM-1: Risk Management</td>
<td>FM-1a. Feedstock Production</td>
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<tr>
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<td>FM-1b. Feedstock Processing</td>
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<tr>
<td>FM-2: Investment</td>
<td>FM-2a. Sustainability Investment</td>
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<td></td>
<td>FM-3b. Supply Chain Mapping</td>
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<td>FM-3c. Supplier Listings</td>
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<td>FM-4: Targets</td>
<td>FM-4a. Target Setting</td>
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<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>
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<td></td>
<td>FM-5c. Recycled Details</td>
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<td>FM-6: Impact</td>
<td>FM-6a. Impact Measurement</td>
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<td>FM-6b. Impact Improvement</td>
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<td><strong>Section III. Material Circularity</strong></td>
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<td></td>
<td>CR-1b. Circularity Targets</td>
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<td></td>
<td>CR-1c. Leadership</td>
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<td>CR-1d. Investment</td>
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<td>CR-1e. Reporting</td>
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<td></td>
<td>CR-3b. Unsold Finished Goods</td>
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<td></td>
<td>CR-4b. Design Factors</td>
</tr>
<tr>
<td></td>
<td>CR-4c. Certification Schemes</td>
</tr>
<tr>
<td>CR-6. Recycled Content</td>
<td>CR-6a. Recycled Inputs</td>
</tr>
</tbody>
</table>
Portfolio approach

Designing and implementing a portfolio of sustainability programs involves:

- Building a suite of preferred fibers and materials, from a choice of preferred options, through the consideration of impacts and organizational priorities.
- Embedding a strategy that leads to preferred options replacing unsustainable or less sustainable options.
- Committing to the principles of continuous improvement and ensuring options selected result in a positive impact.
- Recognizing that “one size does not fit all” and allowing participants to build their own portfolio of sustainability programs based on the company’s strategic assessment and implementation plan.

The CFMB program currently includes sustainability programs within seven material categories (survey modules). Companies are advised to select modules based on their priority materials (i.e., those accounting for over 10% of their overall materials use). As mentioned earlier, the MCI requires a company to complete modules for all priority materials.

Within each module, participants select both the sustainability programs they source from, and conventionally produced materials (where used). Sustainability programs include both renewable and recycled fiber and material options (see also definitions in Appendix 3).
Drilling into the performance bandings

A company may perform at different levels within different indices, indicating that their organization is more advanced in some areas of materials sustainability than others. The chart below provides a generalized overview of what might typically be happening at each performance level.

<table>
<thead>
<tr>
<th>Level 1 Developing</th>
<th>Level 2 Establishing</th>
<th>Level 3 Maturing</th>
<th>Level 4 Leading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laying the foundations. 1 - 24 points</td>
<td>Strengthening practice. 25-49 points</td>
<td>Leadership is emerging. 50-74 points</td>
<td>Pioneering the transformation. 75-100 points</td>
</tr>
</tbody>
</table>

**Section I Strategy and Integration**

<table>
<thead>
<tr>
<th>Level 1 Developing</th>
<th>Level 2 Establishing</th>
<th>Level 3 Maturing</th>
<th>Level 4 Leading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Materials sustainability strategy and reporting frameworks are in development. Early integration of strategy into business operations.</td>
<td>Materials sustainability strategy in place, some public reporting of activities. Some integration of strategy into business operations, usually via a sustainability officer or team.</td>
<td>Mature materials sustainability strategy, stakeholder informed. Public reporting of materials activities and some coverage of impacts and trends. Integration of strategy into business operations and retail markets. Accountability with senior directors and broad staff responsibility.</td>
<td>Advanced, stakeholder driven materials sustainability strategy, aligned with the SDGs. Public reporting of materials activities, impacts, and trends. Full integration of strategy into business operations and company brand. Use of preferred materials is a company differentiator. Leadership at C-suite and integrated staff responsibilities.</td>
</tr>
</tbody>
</table>

**Section II Materials Portfolio**

<table>
<thead>
<tr>
<th>Level 1 Developing</th>
<th>Level 2 Establishing</th>
<th>Level 3 Maturing</th>
<th>Level 4 Leading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Materials management systems in development. Qualitative targets and/or SMART (measurable) targets in development. Supply mapping and uptake data measurement in development. Limited use of standards and product labeling.</td>
<td>Management systems focusing on one or two material types. SMART targets in place for one or two material types. Supplier mapping and uptake data measurement for one or two material types. Increased use of standards and some product labeling. Early customer engagement.</td>
<td>Management systems covering all priority materials. SMART targets in place for all priority materials. Formally constructed supplier mapping and uptake data measurement system covering all priority materials. Comprehensive use of standards and product labeling. Customer engagement maturing.</td>
<td>Comprehensive management systems covering entire portfolio of materials. SMART targets in place, managing a portfolio approach, and continuously improving. Advanced supplier mapping and uptake data measurement system. Standards use and product labeling set as the minimum. Advanced customer engagement.</td>
</tr>
<tr>
<td>Section III: Materials Circularity</td>
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<td>------------------------------------</td>
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<tr>
<td><strong>Circularity strategy in concept stage only or under development.</strong></td>
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<tr>
<td>Use of reclaimed materials recognized as a first step.</td>
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<tr>
<td><strong>Circularity strategy formalized internally.</strong></td>
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<tr>
<td>Training teams and building capacity in-house. Early stages of operational execution.</td>
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<tr>
<td>Identifying opportunities for reducing waste and “closing the loop” on material use.</td>
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<tr>
<td><strong>Circularity strategy in place and wider engagement with suppliers and other stakeholders.</strong></td>
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<tr>
<td>Investments in staff and organizational needs to advance implementation.</td>
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<tr>
<td>Implementing initiatives for reducing waste, “closing the loop,” and exploration of business models that extend product life.</td>
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</tr>
<tr>
<td><strong>Circularity embedded in business strategy. Circular initiatives embedded in-house.</strong></td>
<td></td>
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</tr>
<tr>
<td>Working with suppliers and pre-competitively with others to advance and accelerate circular materials and production models.</td>
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<tr>
<td>Quantifying and tracking resource and waste reduction.</td>
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</tr>
<tr>
<td>Investing in circular and/or service-based business models.</td>
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</tbody>
</table>
Appendix 2: Program Terms and Definitions

See our Terminology Guide for further definitions.

**Benchmark:** is the reference point against which something is evaluated. To benchmark is the act of determining (or judging) alignment with the fixed reference point. ([ISEAL](https://www.isealcoalition.org))

**Circularity:** the concept of materials circularity is to transition to a circular economy that would benefit business, society, and the environment by implementing strategies that entail gradually decoupling economic activity from the consumption of finite resources and designing waste out of the system.

**Material:** A specific substance that is used to make textiles. Textile Exchange defines a material as either a fiber that is transformed into yarn or a non-fiber material produced using other production processes to reach an otherwise prepared/cleaned material state ready for this transformation. Primary processing could include ginning, pulping, shredding, cleaning, tanning, etc. The term "material" is used as overarching for both fibers and non-fiber materials.

- **Fiber:** A material which is transformed into yarn (and typically into fabric and then finished products). In the CFMB program, impacts of fibers are considered from raw material extraction and any primary processing, up to preparing the fiber for spinning.

- **Non-fiber:** A material, which is not transformed into yarn, but rather is produced using other production processes to reach an otherwise prepared/cleaned material state (e.g., down cleaning and drying, leather tanning, rubber production).

- **Conventional material:** all mainstream fibers and materials not grown or produced according to any sustainability program.

**Index:** a statistical tool designed to measure performance over time.

**Materials portfolio:** the range of fiber and materials in use by a company. The [overall] materials portfolio is inclusive of both preferred and conventionally produced materials. See preferred material, sustainability programs portfolio.

**Participant count:** the number of legal entities including independent, subsidiary, and affiliate companies (without counting holding companies and country-specific subsidiaries).

**Preferred material:** Textile Exchange describes a fiber or material as preferred when its production results in improved environmental and/or social sustainability outcomes and/or impacts in comparison to conventional production. Note: Textile Exchange is currently developing a preferred materials matrix which shows the strengths and gaps of assessed sustainability programs. See sustainability programs.

**Preferred, recycled:** a fiber or material which results in improved environmental and/or social sustainability outcomes and impacts in comparison to conventional production and which is a pre- or post-consumer material diverted from waste streams and used as feedstock to produce recycled fiber or material.

**Preferred, renewable:** a fiber or material which results in improved environmental and/or social sustainability outcomes and impacts in comparison to conventional production and which is grown, naturally replenished, or cleansed on a human time scale. A renewable resource is capable of being exhausted but can last indefinitely with proper stewardship (ISO 21930:2017).
**Priority material:** The benchmark determines a material as a “priority” based on the scale, risks, and opportunities it represents to a company.

**Full definition:**
For the purposes of benchmarking, Textile Exchange defines a priority/non-priority material by the scale, risk, and opportunity it represents to the company.

- **Scale:** The "fiber" represents a percentage of volumetric use beyond a threshold of 10 percent of overall fiber use, e.g., cotton, polyester, man-made cellulosic fibers, nylon, and wool. Or, in the case of "non-fiber" materials (e.g., leather, down), it represents 10 percent of the final product range (i.e., by "count of products" with "major components" of non-fiber materials, e.g., down or leather).

- **Risk:** The raw material represents a "material risk" to the company. Risks associated with a minority (low volume) raw material include sourcing from environmentally and/or socio-economically high-risk sourcing regions, animal welfare risk, reputation risk, etc.

- **Opportunity:** The module should also be selected if the 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 risk.

I. Requirements: The three parameters (above) determine whether a material (fiber or non-fiber) is a priority and must be completed for a Material Change Index score and placement in the Material Change Index (MCI).

II. Risk: Materiality assessments help a company identify its most “material” issues. The process of identifying/assessing these issues (including risks and opportunities associated with fiber/materials use) involves reaching out to internal and external stakeholders to get their input.

III. Exceptions: The 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, if the company is in the process of decommissioning the use of the said material (e.g., based on the company’s risk and opportunity assessment) and the transition is not yet complete.

IV. Evidence: The company is to disclose its priority/non-priority materials status with supporting evidence such as uptake documentation, risk assessment, etc. A company’s completed Material Balance Sheet and accompanying Metadata Form is sufficient proof of volumetric uptake.

V. Financial materiality: For the purpose of the Sustainability Accounting Standards Board (SASB) standard-setting process, information is financially material if omitting, misstating, or obscuring it could reasonably be expected to influence investment or lending decisions that users make on the basis of their assessments of short-, medium-, and long-term financial performance and enterprise value. ([SASB](https://sasb.org))

**Sustainability programs:** refers to specific initiatives, standards, and processes listed by Textile Exchange or distinguished by the company to have a higher sustainability performance than its conventional option. Program sustainability weights were allocated to each program (details in the [Scoring Methodology](#)).

**Sustainability programs portfolio:** the range of fiber and material sustainability programs in use by a company. See [preferred material](#), [materials portfolio](#), [sustainability programs](#).

Designing a portfolio of sustainability programs involves:

- Building a suite of preferred fibers and materials, from a choice of preferred options, through the consideration of impacts and organizational priorities.
- Embedding a strategy that leads to preferred options replacing unsustainable or less sustainable options.
- Committing to the principles of continuous improvement and ensuring options selected result in a positive impact.
Recognizing that “one size does not fit all” and allowing participants to build their own portfolio of sustainability programs based on the company’s strategic assessment and implementation plan.

**Sustainable Development Goals:** a framework to be implemented by “all countries and all stakeholders, acting in collaborative partnership” around a set of 17 specific, aspirational goals that address the social, economic, and environmental dimensions of sustainable development. See Textile Exchange’s [Textiles for SDGs](#). The benchmark includes an SDG Materials Index.
Appendix 3: Disclaimer

The Textile Exchange Corporate Fiber and Materials Benchmark (CFMB) results (including the Material Change Index and the Material Impact Dashboard) are based on information that Textile Exchange receives from each participating company. Any statements, opinions, or conclusions contained in the CFMB results are honestly and reasonably held or made by Textile Exchange at the time of publication only and may change without notice. Any opinions expressed in the CFMB results are those of Textile Exchange and do not necessarily reflect the views of any of Textile Exchange’s funders, member organizations, or advisers.

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