The state of fiber and materials sourcing
2020 and COVID-19 will certainly go down in history as a tragedy – and an awakening on many levels. Working with my team and the industry on this program fills me with a sense of contribution and urgency. Our job at Textile Exchange is to make sure the textile and apparel industry is a force for good over this next decisive decade – and provide the tools it needs. As ever, it’s only through collaboration and gritty determination that we will get to the place we need to be.

I want to thank and congratulate all participants. The results are truly inspiring – they not only give us a calculated insight into progress being made, they also give us hope and inspiration!

All 191 companies that stepped up to join the Material Change Index in 2020 are indeed Companies Creating Material Change.

Liesl Truscott
Director of European & Materials Strategy
Textile Exchange
Navigating the Report

State of the Sector

The report opens with the “State of the Sector,” an overview of benchmark findings and inspiring messages supported by key 2020 takeaways in numbers and topic summaries. Next comes an introduction to the Material Change Index, featuring the Leaders Circle, celebrating leading and up-and-coming companies that performed exceptionally well across the holistic Material Change Index (MCI), including Circularity and the Sustainable Development Goals (SDGs). For the first time, the Leaders Circle showcases “big movers” whose scores were the most improved year-on-year. It also welcomes new companies that have either stepped up to the MCI for the first time this year or have jumped straight in and completed the full MCI survey from the get-go.

Part A: Analysis

Part A contains the main body of the analysis and is organized according to the benchmark framework: Business Integration, Sustainable Development Goals, Circularity, and Materials Portfolio including Cotton, Polyester, Polyamide, Manmade Cellulosics, Wool, Down, and Leather. Each topic includes the following:

- Topic summaries: A succinct look at the industry state of play and opportunities for improvement
- Top-line numbers: An infographic for each material, providing a profile of the participants, outcomes, and impacts of their improved sourcing practices, with a focus on climate change - in collaboration with the Sustainable Apparel Coalition and Higg.
- Company highlights: A snapshot of company actions based on survey submissions, designed to spark inspiration.
- Analysis highlights: A round-up of the quantitative and qualitative data; bringing important findings from Part B: Data Deep Dive into an analytical narrative.
- Extra insights: Additional contributions, analysis, and findings that complement the data.

Part B: Data Deep Dive

Part B contains the quantitative data analysis. Highly visual, Part B is organized according to the benchmark framework, mirroring Part A. Part B also includes a representative selection of company comments (presented as quotes), unattributed but identified by sub sector category.

Part C: Extra Insights – Pioneering the Suppliers Pilot

Part C provides an overview of the qualitative insights derived from the Material Change Index Pilot for Suppliers. The pilot, an opportunity for suppliers and manufacturers to benchmark in much the same way as brands and retailers, is organized according to themes from the benchmark framework: Strategy and Materiality, Materials Portfolio, Circularity, Climate Change, and the Sustainable Development Goals. Each theme is accompanied by “Supplier Spotlights” that highlight the positive steps these pioneering suppliers and manufacturers are taking towards producing and sourcing preferred materials.

Part D: About the Benchmark Program

Further information on the benchmark program.
Executive Summary

5 material changes that need to happen – to reach a 45% GHG reduction goal.

To reach science-based climate targets of 45% reduced emissions in materials by 2030, we urgently need to:

#1. Be "deforestation and land conversion-free" for everything.
From cellulose feedstocks to animal fibers, and leather to rubber production. For manmade cellulosics, brands should source from CanopyStyle’s “green shirt” suppliers.

#2. Source from climate-smart and nature-positive farms.
Find farms that work to sequester carbon, protect and restore landscapes and biodiversity (both on and off “productive” land). Research and guidance on carbon sequestration, nature-based solutions, and regenerative agriculture is improving but still in its infancy. Look for responsible wool, organic, organic in-conversion, and regenerative organic certified, among others.

#3. Decouple your materials portfolio from oil.
There are ways to do this that can disrupt conventional business models and materials (although some are still emerging as solutions); such as, displacing virgin oil-based synthetics by sourcing more recycled and responsibly produced biobased materials, scaling textile-to-textile recycling, and shifting to re-commerce and other service-based models that increase the first life or products.

#4. Address the innovation gap.
Invest, partner, and pilot R&D and green technology, including biobased and innovative new materials, closed loop production systems, and other innovation that will accelerate, scale, and lead to wider systems change.

#5. Invest for multiple returns.
Your return on investment must create prosperity and a better world for all - doing good, not just less bad. We call this “ROP” - Return on Investment x Return on Impact. Value sharing and inclusive wealth creation incentivizes and rewards the right action. Making sure there is a just transition towards a new economy will also be key to reaching global goals.

While we cannot yet put hard carbon metrics against all the above, we know enough to act positively. A “no regrets” approach to action is important (but be mindful of not overstating claims and greenwashing). We also know it will take multiple good acts to move the industry forward (it will not be a one size fits all). So, alongside action, we must commit to science-based improvements, transparency, and dialogue - and, most of all, collaboration.

10 years – This is our decisive decade.

Our results show progress, but the transition towards a kinder and more sustainable world needs to happen fast. This means our industry must be socially just, nature positive, and circular – and make real change - within the next 10 years.

Join us in Creating Material Change.
State of the Sector

Executive Summary

5  Insights – Be inspired.

#1. Ambition is in fashion.
Business is driving a race to the top with leading companies stepping up on ambitious target setting. At 88%, a clear majority of participating companies have now set 100% uptake targets for preferred materials and 45% have set circular targets into corporate agendas.

#2. From selling goods to selling Good.
When a surfwear brand’s website is all about ocean conservation rather than selling clothes, AND it commits to 100% recycled or more sustainable materials, we know the system is shifting. Piping Hot, an Australian surfwear brand, focuses its sustainability strategy by asking itself how we can continue to surf for generations to come. Backing up its ambition with action and results, Piping Hot has moved up from a Level 2 in 2019 to a Level 3 this year.

#3. People and planet at the heart of corporate mission.
Beyond the business targets, action has become a moral imperative for leaders, joining the dots between interconnected crises. Companies now have a materials mission. Whether it is focused on climate change, nature loss, or the mountains of waste driving the cause, leaders know their business depends upon integrating solutions to these problems. With tangible efforts being made both upstream into supplier communities and within the neighborhoods of their customers, business is IN and FOR society.

#4. Finding their superpower.
Companies are finding their own path to making an impact, while keeping their eyes on the goal. Leverage and scale might work for some companies, while agility and intimacy may work for others. First movers can develop an innovation and others can follow with scale; there can be complementary fits between a new startup and an iconic brand. We are seeing a shift from siloing issues to thinking about system shifts, with the Insights Report playing a role to surface and share these individual learnings that can benefit everyone.

#5. Committed to improvement. Together.
Collecting data and reporting is central to transparency. Textile Exchange works hard to keep everyone on track and accountable. We provide the framework, the yardstick, and the support. Beyond just providing the data template, we train, educate, and support companies completing the benchmark with workshops, training, and connecting members to each other. The virtuous cycle of benchmarking and knowledge-sharing allows the entire industry to benefit - so we’re committed to continuing this support.
State of the Sector

Key 2020 Takeaways

Five big trends

17% Material Change Index scores increased on average by 17%.

44% Uptake of preferred materials now account for 44% of the Index portfolio (previously, 39%).

125% Companies in the MCI Level 4 Leading band increased from 16 in 2019 to 36 in 2020.

37% Circularity scores increased on average by 37%. Outdoor/sports companies by 57%.

30% Volume uptake of recycled polyester increased by 30%.

Participant profile

75% Textile Exchange members

191 companies, including subsidiaries

85% returning participants

16 suppliers and manufacturers piloting the benchmark

18 new participants

$767 billion estimated turnover (USD)

3.5 million employees

Market segments

- Apparel/footwear (59%)
- Outdoor/sports (20%)
- Multi-sector (12%)
- Home/hospitality (9%)

Regions

- Europe (60%)
- North America (30%)
- Oceania (3%)
- Latin America (2%)
- Africa (<1%)

Key 2020 Takeaways

Preferred materials uptake by region

Europe accounted for 70% of global preferred materials uptake in 2019.

Preferred materials uptake by country and market segment

Participating companies are headquartered in 18 countries, yet global uptake of preferred materials is concentrated in just 3: Sweden, USA, and Germany. Latin America is now represented by Brazil and Chile. The majority of preferred materials (39%) made their way into the products of just 14 multi-sector companies.
State of the Sector

Key 2020 Takeaways

Beneficial outcomes resulting from preferred materials sourcing

- 545,474 Participating cotton farmers
- 23,653,950,280 PET bottles diverted from waste
- 1,151,157 Sheep covered by preferred wool programs
- 900,081,063 Birds covered by preferred down programs

- Wool: improved land use: 2,315,252 hectares
- Cotton: improved land use: 1,485,311 hectares
- Manmade Cellulosics: improved land use: 27,266 hectares

Positive environmental impacts achieved through preferred materials sourcing

- 1.37 million tonnes CO₂eq of greenhouse gas emissions saved
- 28 billion megajoules of fossil fuel energy saved
- 649 billion liters of water saved

- Equivalent to driving 5.4 billion kms in an average sized car
- Equivalent to powering 631,014 US homes for one year
- Equivalent to the water needs of 582 million people for one year

Circularity strategies are on the rise but yet to be realized

- 99% of companies have made SDG 12 a priority
- 90% of companies have made SDG 13 a priority
- 79% of companies have made SDG 8 a priority
- 74% of companies have made SDG 6 a priority
- 73% of companies have made SDG 5 a priority

- Currugarity strategy (87%)
- No strategy (13%)

- Set measurable targets (48%)
- No targets (52%)

- 0.07% of all materials are estimated to come from post-consumer textile waste

Responsible Consumption & Production and Climate Action are priority SDGs*

- 99% of companies have made SDG 12 a priority
- 90% of companies have made SDG 13 a priority
- 79% of companies have made SDG 8 a priority
- 74% of companies have made SDG 6 a priority
- 73% of companies have made SDG 5 a priority

* Data excludes the 15% of companies not prioritizing SDGs
State of the Sector

Topic Summaries

Strategy

State of play
Material strategies are the norm, cotton-focused, and increasingly aligning with company strategy and SDGs. Approaches to materiality assessments are inconsistent but arrive at similar priority themes: addressing climate change, biodiversity, and human rights.

Areas to improve
With material strategies in full flow, now is the time to sharpen customer-facing communications by publicizing targets and using them as an engagement tool from over-the-till conversations with customers to third-party validated sustainability reports.

Sustainable Development Goals

State of play
Companies increasingly recognize the SDGs as a common language with which to unite intentions. Whether the SDGs are leading brands’ strategic direction, or they simply align with their existing goals, most brands recognize the important themes to which they need to contribute. However, measuring progress is not easy.

Areas to improve
There is significant room to formally write the SDGs into strategies. Increasing supply chain transparency would facilitate prioritization and target setting. To improve confidence, and cross-industry collaboration and investment in issues that matter, brands could also consider what role they can play in engaging stakeholders, including investors, in this global language.

Circularity

State of play
A circularity agenda is proving to be an essential part of every company’s strategy, with companies setting measurable targets to help them focus. Resource efficiency through supply chain management is the most advanced area of implementation, which generally has its origins in good business efficiencies.

Areas to improve
Business models are starting to shift but there needs to be more scale. Companies are investing in circular design, however, next is to go beyond “longevity/durability” to capture innovative design principles such as recyclability. Line of sight into destinations and volumes of post-consumer waste needs to improve to better understand risk and opportunity.

Cotton

State of play
Cotton is the focus fiber for investments, uptake commitments, and supply chain mapping. Preferred renewable cotton is in growth, with preferred materials programs widespread. Recycled uptake remains static. More companies are reporting positive impacts, but most are based on generic industry data.

Areas to improve
A focus on mapping supply chain to farm location level will enable more direct intervention and impact monitoring. Full supply chain certification will improve operations and consumer engagement. There is untapped potential around recycled cotton - investment in innovation and greater collaboration are needed to boost and scale.
State of the Sector

Topic Summaries

Down

State of play
Most brands have reached their “100% more sustainable down” target, relying on certified down to mitigate the highest rated risks, which are at farm level. Responsible Down Standard (RDS) is the widest used program, and Downpass has the highest uptake.

Areas to improve
A reliance on certified down has left direct intervention and regional supply chain mapping low priority. With greater supply chain transparency back to farm level, brands can more accurately assess, monitor, and intervene to mitigate key risks and enable contact directly with suppliers.

Leather

State of play
Brands are gradually mapping their leather supply chain and most manage to identify suppliers back to tanning level. Only a few have managed to map their leather supply back to farm level. Very few brands use robust traceability systems, and there is no certified traceability scheme available for virgin leather. Brands rely on policy from suppliers to manage risks at farm level. Half of the respondents are sourcing from Leather Working Group (LWG) suppliers, and many have targets to increase their sourcing from LWG suppliers.

Areas to improve
Many leather-dominant brands, who are already engaged in working on the sustainability of their supply chain, are investing a lot of resources in traceability and setting targets to fully trace their leather supply chain. This will enable companies to implement direct interventions at farm level; mitigation more effective than relying on policies provided to suppliers at a higher tier.

Photo (right): Veja (Peru cotton)
State of the Sector

2020 Material Change Leaderboard

The Material Change Index

Textile Exchange’s Material Change Index (MCI) is a voluntary benchmark that tracks the apparel and 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. As a voluntary benchmark, the MCI is based on companies’ willingness to be transparent and disclose their materials uptake and management practices - in order to learn from each other and promote inclusive progress.

The MCI Family of Indices

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 priority materials, i.e., comprising over 10% of their material use by volume, and/or assessed as holding high risk and/or opportunity potential (see definition in the methodology). The MCI family of indices includes a number of related indices: Circularity, SDGs, and Material Portfolio Indices for Cotton, Polyester, Polyamide, Manmade Cellulosics, Wool, Down, and Leather. Companies can benchmark themselves within “non-priority” materials, but scores do not contribute to their overall MCI result.

Methodology

Our methodology is continually refined through consultation with a wide range of stakeholders, including our participating companies. Our program and processes are externally assured 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. See Part D for further details and links to resources.

Performance Bandings

MCI 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.

2020 Material Change Leaderboard

Participation in 2020

The chart shows a distribution of the 2020 participants’ overall achievement within our set “bandings.” MCI Level 1 also includes companies submitting modular surveys. Progress Trackers do not receive index scores, but their reported volumes are incorporated into the uptake accounting and contribute to the Material Impact Dashboard.

Material Change Leaderboard

The Material Change Index produces the public Material Change Leaderboard and includes all participants taking part in the MCI, either by completing the full MCI, modules within the MCI family of indices, or the progress tracker – and that agree to be publicly listed. Note, companies are allowed to participate anonymously, especially at the beginning of their benchmarking journey, if they so choose.

Textile Exchange introduced the public-facing Material Change Leaderboard in 2019 to provide a more holistic and contemporary assessment of leadership than the volume-based focus of the past. The MCI 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 the Material Change Index – Leaderboard for 2020.
State of the Sector
2020 Material Change Leaderboard

Material Change Index – Leaders’ Circle 2020

The 2020 Material Change Leaders Circle includes companies that have achieved a Level 4 Leading position in the 2020 Material Change Index (MCI) and/or have made achievements in other ways (as listed).

**MCI Level 4 Leading**

36 companies reached a level 4 Leading in the MCI this year – indicating exceptional progress by this group of frontrunners across the board from embedding strategy, expansion and growth in preferred materials portfolios, and actioning circularity agendas.

<table>
<thead>
<tr>
<th>MCI Level 4 Leading</th>
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<tbody>
<tr>
<td>adidas AG</td>
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<tr>
<td>ARMEDANGELS</td>
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<td>Boll &amp; Branch</td>
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<tr>
<td>C&amp;A</td>
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<tr>
<td>Coop Group</td>
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<tr>
<td>DECATHLON SA</td>
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<tr>
<td>Dedicated Sweden AB</td>
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<tr>
<td>EILEEN FISHER, INC.</td>
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<td>Gap Inc.</td>
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<tr>
<td>H&amp;M Group</td>
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<tr>
<td>IKEA of Sweden AB</td>
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<td>Inditex Group</td>
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<tr>
<td>KALANI-home</td>
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<tr>
<td>Kathmandu Limited</td>
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<td>Kering</td>
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<tr>
<td>Kuyichi BV</td>
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<tr>
<td>Levi Strauss &amp; Co.</td>
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<td>Lindex</td>
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<td>Loomstate, LLC</td>
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<td>Mantis World Limited</td>
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<td>Marks and Spencer</td>
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<td>MUD Jeans International AB</td>
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<td>NIKE, Inc.</td>
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<td>Norrna Sport</td>
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<td>Nudie Jeans</td>
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<td>Patagonia</td>
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<td>prAna</td>
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<td>PUMA SE</td>
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<td>PVH Corp.</td>
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<td>Smartwool</td>
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**SDG Level 4 leaders**

These 13 companies reached a level 4 in the SDG Index.

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<thead>
<tr>
<th>SDG Level 4 leaders</th>
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<tr>
<td>C&amp;A</td>
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<td>Deckers Brands</td>
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<td>Dickies, a division of VF Outdoor, LLC</td>
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<td>H&amp;M Group</td>
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<td>IKEA of Sweden AB</td>
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<td>Outerknown</td>
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<td>PUMA SE</td>
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<tr>
<td>PVH Corp.</td>
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<tr>
<td>Smartwool, a division of VF Outdoor, LLC</td>
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<tr>
<td>Naturepedic Organic Mattresses</td>
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<tr>
<td>New Balance</td>
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<tr>
<td>Next Plc.</td>
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<tr>
<td>Reformation</td>
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<tr>
<td>Sanctuary Innerwear</td>
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<tr>
<td>Scania Truck Gear</td>
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<tr>
<td>Smartwool, a division of VF Outdoor, LLC</td>
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<tr>
<td>The Cotton Group</td>
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<tr>
<td>The North Face</td>
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<tr>
<td>VARNER</td>
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<td>Zalando</td>
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**Circularity Level 4 leaders**

These 9 companies reached a level 4 in circularity.

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<tr>
<th>Circularity Level 4 leaders</th>
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<td>C&amp;A</td>
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<td>H&amp;M Group</td>
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<td>prAna</td>
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<td>The North Face, a division of VF Outdoor, LLC</td>
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**MCI Big Movers**

These 10 companies made the greatest improvement in the MCI from 2019 to 2020.

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<thead>
<tr>
<th>MCI Big Movers</th>
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<tbody>
<tr>
<td>C&amp;J Clark Limited</td>
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<tr>
<td>Columbia Sportswear Company</td>
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<td>Darn Tough Vermont</td>
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<tr>
<td>Deckers Brands</td>
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<tr>
<td>KappAhl Sveridge AB</td>
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<td>Royal Robbins LLC</td>
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**MCI New Entries**

These 22 companies completed the MCI (full survey) for the first time.

<table>
<thead>
<tr>
<th>MCI New Entries</th>
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<tbody>
<tr>
<td>Anubha Industries Private Limited</td>
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<tr>
<td>Birla Cellulose, India</td>
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<td>Crestex</td>
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<tr>
<td>Eastman</td>
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<td>Egedeniz Textile</td>
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<td>Eonenex Textiles</td>
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<td>Sapphire Textile Mills Limited</td>
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**MCI Suppliers Pilot**

These 16 companies are pioneers by piloting the MCI for suppliers and manufacturers.

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<tr>
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Part A: Analysis
Business Integration
Strategy

State of play
Material strategies are the norm, cotton-focused, and increasingly aligning with company strategy and SDGs. Approaches to materiality assessments are inconsistent but arrive at similar priority themes: addressing climate change, biodiversity, and human rights.

Areas to improve
With material strategies in full flow, now is the time to sharpen customer-facing communications by publicizing targets and using them as an engagement tool from over-the-till conversations with customers to third-party validated sustainability reports.

Company Highlights
- A fashion brand has shown how financial and environmental sustainability go hand in hand by addressing overproduction. They have reduced production, improved the sustainability of materials, and increased the cost to the consumer. Turnover has increased, waste reduced, and environmental and social impacts improved.
- A luxury fashion brand has partnered with a gaming company to help engage consumers in its sustainable digital fashion line. Players can select outfits from a sustainable range and on entering rooms containing the outfits their ‘mood’ goes up.
- A fashion brand will not work with suppliers until they have declared their suppliers’ subcontractors (Tier 2) and fiber producers (Tier 3). Another prerequisite is a commitment to meeting their sourcing policy, and a willingness to work transparently and collaboratively with the brand to guarantee compliance with those requirements.
- One company inspires its 38,000+ employees to incorporate biodiversity into their daily lives, through diverse activities such as bee-keeping clubs, citizen science projects, online biodiversity, and sustainability training and games.
- To assess materiality, one jeans brand assesses impact through third-party consultant Life Cycle Assessments (LCAs) of current and potential materials, incorporating regional supplier, processing, and scarcity factors to ensure accuracy. They weigh up all material choices against their long-term sustainability commitments, ROI potential, reputational value, and stakeholder concerns to ensure alignment. They then identify and assess risks through periodic formal assessments including materiality assessments, supply chain risk assessments, and life cycle analyses.
- One outdoor brand’s founder, now 80 years old, takes a proactive approach to raise awareness about social and environmental issues - going as far as helping to sue Donald Trump!
### Business Integration

#### Strategy

1. **Strategy - More targets - mostly for cotton; public commitments & SDGs helping**

   Nearly all respondents (99%) have a materials strategy, and great annual progress has been made aligning with corporate strategy (91% - up 15% YOY). This overall increase is mostly accountable to company alignment with the UN Sustainable Development Goals (SDGs), the strategic north star for 45% of respondents (up 10% YOY) - see page 28. Popularity in public commitments to global agendas has grown 8% within the reporting year to 66%, with a 10% rise in our respondents signing the Science Based Target initiative (34%), now top of the list followed by the Fashion Industry Charter (33%), and UN Global Compact (28%). Cotton is the most popular fiber for which to set a “100% more sustainable” target, chosen by 78 companies, followed by manmade cellulosics (42 companies), down (35), polyester (34), wool (23), leather (22), and polyamide (16).

2. **Leadership - Leadership could be improved through more senior level accountability, vocal support and advocacy**

   For the majority of companies, the CEO (50%) or Board (10%) holds accountability for fiber and materials strategy, setting the “tone at the top”. However, there is room for more vocal support and advocacy at this level given 91% of companies’ fiber and materials strategies are aligned with corporate strategy. 85% of CEOs displayed leadership in the reporting year; 63% in an annual report statement (and not all companies had these), 53% through corporate advocacy, and 30% by presenting at a major conference.

3. **Internal Engagement - Room for development with consumer-facing staff, and incentives**

   For 88% of respondents, responsibilities for fiber and materials strategy extend beyond the sustainability department. Implied departments include product design (89%), sourcing (88%), marketing/communications (77%), and sales (59%). This is evidenced through training (90%), job descriptions (86%), and key performance indicators (KPIs) (68%). Brands are making progress assigning more responsibility to C-Suite and Board members, up 7% (65%) and 10% (43%) respectively on last year. Although we see responsibilities shifting towards core business activities, which indicates that sustainability is becoming more embedded in the company’s strategy and operations including through inclusion in job descriptions (86%) and KPIs (68%), in 60% of cases delivery is not incentivized or rewarded.

4. **Materiality - Generic data and supplier/NGO/staff input informing most assessments**

   85% of companies considered environmental and socioeconomic risk factors for all or the majority of their fibers. We observed that companies struggled to clearly identify and/or prioritize risks and opportunities for this question; perhaps calling for more uniformity or support in this area. Through mostly qualitative reviews (78%) and materiality assessments (59%), the most commonly cited risks across their materials portfolio were biodiversity loss/land use change (83%), climate change (74%), and human rights (70%), with integrity the lowest-rated risk (23%) by comparison. Companies consulted widely on their materials strategy, but external consultation from suppliers (87%) and NGOs (78%) were the most prized inputs alongside employees (78%). To inform strategy-making, generic industry data using the Sustainable Apparel Coalition’s Higg MSI (59% - up 12% YOY) and generic LCAs (53%) were favored over supply chain-specific data i.e., supplier LCAs (41%), own tools (36%), and self-commissioned LCAs (29%).

### Analysis Highlights

1. **Deep dive into data**

   - **Business Integration**
   - **Strategy**
   - **Analysis Highlights**
   - **Deep dive into data**

5. **Customer Engagement - Inclusion of SDGs and collaboration across internal teams would support deeper customer engagement on sustainability topics**

   There is widespread customer engagement but to varying degrees among brands and retailers. 98% of respondents publish information about sustainable sourcing, mostly through their website (90%), and own on-product labels (83%), and to a lesser extent (53%) through standardized third-party certification. The majority (88%) of respondents are not yet considering engaging customers on SDGs. Although 77% of brands engage their customers through social media campaigns; closer alignment between sustainability and marketing, communications and sales teams would increase the reach of sustainability messaging on important sustainability topics including sourcing, certification and SDGs.

6. **Reporting - Widespread, but depth and assurance of information varies**

   52% of participants make themselves publicly accountable by sharing progress against targets, and 18% share general information only. Sustainability reports are published by 72% of respondents, with 17% reporting in the company’s financial report and 16% as part of an integrated report. Reporting to a recognized framework is an investment in time and resource made by 15% of respondents (mostly the larger sized, publicly owned companies), and 15% engage a third-party to review reports using a standardized framework. 35% of participants seek data assurance by independent third parties, 36% rely on internal reviews, and 12% do not validate data at all.
Business Integration
Sustainable Development Goals

State of play
Companies increasingly recognize the SDGs as a common language with which to unite intentions. Whether the SDGs are leading brands’ strategic direction, or they simply align with their existing goals, most brands recognize the important themes to which they need to contribute. However, measuring progress is not easy.

Areas to improve
There is significant room to formally write the SDGs into strategies. Increasing supply chain transparency would facilitate prioritization and target setting. To improve confidence, and cross-industry collaboration and investment in issues that matter, brands could also consider what role they can play in engaging stakeholders, including investors, in this global language.

Company Highlights
- A jeans brand addresses SDGs 1, 3, 4, 5, and 8 with its employee wellbeing practices, and volunteer work through its worker well-being initiative. The brand’s goal is that by 2020, 80 percent of its product volume would be produced in locations that have worker well-being programs in place, reaching 200,000 workers.
- One company has identified, through its materiality matrix, its main priorities that align the Group with the UN SDGs. As defined by the company’s 2025 Sustainability Strategy, each of these priorities has assigned to it quantitative targets to be reached by 2025.
- A large fashion brand has prioritized SDG 12 - Responsible Consumption and Production. The company is committed to achieving the sustainable management and efficient use of natural resources, to adopting sustainable practices, and to integrating sustainability information into the reporting cycle.
- A small fashion brand has selected a majority of SDGs where they have a positive impact. Parallel to this, internal trainings are conducted with relevant employees and data is collected along the value chain to compare the company goals with the SDGs. Furthermore, in 2020 they started to communicate SDGs actively with B2B customers.

Photo (right): SAPPI (Mapumalanga, environmental awareness)
Alignment - Strategy themes are converging with SDGs
Most companies (88%) recognize that their strategies align with the UN Sustainable Development Goals (SDGs), a promising sign that the textile industry is increasingly uniting on key issues of global importance. However, only half of brands (45% - up 12% YOY) have actually formalized this connection as part of their corporate/materials strategy. Half (48%) have simply identified where their strategy aligns with one or more SDG. Great progress would be formalizing strategies to align with the SDGs.

Tracking progress - Transparency may be stalling efforts to track progress
18% have set targets relating to one or more SDG, and an additional 22% go as far as tracking outcomes and impacts. Target setting and impact monitoring is low though e.g., 29% set targets for Goal 12 (Sustainable Consumption and Production), and 35% are tracking outcomes and impacts. Setting and measuring targets was most challenging for Goal 14 - Life Below Water; Goal 10 - Reduced Inequality; Goal 6 - Clean Water and Sanitization; and Goal 2 - Zero Hunger (i.e., these SDGs were prioritized but only in a few cases were targets set and impacts monitored).

Prioritization - Environmental and economic focus
The top SDG priorities were Goal 12 - Responsible Consumption and Production (84% selected this); Goal 13 - Climate Action (76%); and Goal 8 - Decent Work and Economic Growth (67%). Goal 1 - No poverty is the fastest rising priority (up 5% YOY to 35%) but is in 12th place.

Investment - Significantly more brands investing
Financial investment in addressing the SDGs, over and above the cost of purchasing preferred materials, has become significantly more widespread than last year (45% - up 20% YOY). Of the 41 respondents who are investing, 7% invest through innovative investment schemes such as green bonds, an area where options are rapidly evolving in the financial sector. However, the majority contribute financially through corporate investments (23%) e.g., a project to eliminate chemical use from the cotton supply chain in the Cauvery River Basin; the planting of trees in Africa to reduce deforestation and boost employment; and helping suppliers to seek funding to reduce water and energy usage.

Leadership - Still finding its way
There is a scattered distribution of accountability for the SDGs, at C-Suite/Board level (29%), senior management (29%), while over a quarter (27%) did not hold anyone accountable to the SDGs.

Employee Programs - Still low engagement, a huge opportunity for company culture
Of the respondents, 27% are either already talking or are starting to talk to employees about the SDGs and integrate activities that encourage employees to consider their own contributions. Given this figure is far lower than the number of companies who are aligning with the SDGs, it represents a huge opportunity which could help deliver on targets, develop positive company culture, and contribute to staff retention programs. More work and direction is possibly needed to help companies discover options and bridges between existing corporate programs, such as volunteering and the SDGs.
Extra Insight
Circularity

State of play
A circularity agenda is proving to be an essential part of every company’s strategy, with companies setting measurable targets to help them focus. Resource efficiency through supply chain management is the most advanced area of implementation, which generally has its origins in good business efficiencies.

Areas to improve
Business models are starting to shift but there needs to be more scale. Companies are investing in circular design, however, next is to go beyond “longevity/durability” to capture innovative design principles such as recyclability. Line of sight into destinations and volumes of post-consumer waste needs to improve to better understand risk and opportunity.

Introduction
In 2020, Textile Exchange aligned the circularity section of the Material Change Index (MCI) with the Ellen MacArthur Foundation’s Vision of a Circular Economy for Fashion and, together with Textiles 2030, produced a revised module and accompanying Circularity Companion Guide. The Ellen MacArthur Foundation is a leader in driving a circular economy and works with business, academia, policymakers, and institutions to mobilise systems solutions at scale, globally. Textiles 2030 is a partnership of leading businesses for sustainability across clothing retail, supply, reuse and recycling committed to fast-tracking the UK Circular Economy. Both organizations bringing a wealth of knowledge and vision to the Material Change Index.

The section was completed by 83 companies (totaling 145 when including subsidiaries covered) as part of their MCI submission. Overall, a spectacular improvement was made, with scores increasing on average by 37% across the board and shifting the sector from a Level 2 (Establishing) position to a Level 3 (Maturing). Notably, the outdoor/sports sub-sector made the greatest progress.

The following insights on circularity, takes a deeper dive into this rapidly evolving topic, exploring the results of the 2020 benchmark, including a rich collection of company highlights.

As we head into this next decisive decade, Textiles 2030 will accelerate the industry’s move towards circular use of textile products and materials – reducing pressure on our climate and natural capital. Collaboration will be key, so the initiative brings together organisations from across the clothing and textiles sector to work towards ambitious targets for GHG and water footprint. Textile Exchange and Textiles 2030 support this sector alignment and we believe consistent and aligned reporting are key to making this happen.

Dr. David Moon, WRAP

Working with Textile Exchange to align the Material Change Index with our Vision of a Circular Economy for Fashion is an exciting step towards adopting a common industry language that can inform measuring progress and setting goals. It means we can better identify where the industry needs to collectively take action and where we can celebrate success.

Laura Balmond, Make Fashion Circular

Photo (right): Donnie Heddon, Patagonia (Quest for circularity)
Circular strategy

Strategy – Commonplace, if at the beginning stages
Back in 2017, 29% of participants had a circularity strategy (and 52% under development). A year later, it was up to 43% and by 2019, doubled to 86%. With almost every MCI participant either having a strategy (87%) or developing one (12%), circularity is becoming embedded in business. However, many participants emphasized that it is still early days. There were 3-4 key areas of focus: the use of recycled materials (80%), extending product life (72%), and resource efficiency, waste prevention, and diversion (64%). Reuse (59%) and textile collection (57%) were also popular elements. Lagging was designing for disassembly (40%), technical (41%), and biological (25%) cyclability.

Alignment with Sustainable Development Goals – a third align with these
35% of participants are aligning their circularity strategy with the SDGs, mostly SDG 12 - Responsible Production and Consumption and SDG 13 - Climate Action. 11% of participants are going the extra mile and making SDG target-level commitments.

Leadership – becoming more senior
Completely different story this year. In 2019, only 9% of participants said accountability for their circularity strategy sat with senior leadership. This year, 29% said accountability sits with the C-suite and 10% said the Board. Oversight is most likely to be with directors or senior managers (43%) and seldom left to middle level managers to tackle alone (10%). Operationally, circularity tends to be integrated into sustainability team remits, but is also likely to be supported by, or part of, a cross-functional approach.

Decoupling consumption from economic growth – interest in decoupling growing
There was a significant hike in the number of companies working to decouple economic growth from resource use, from 24% to 69% (YOY). Intensity reduction i.e., the reduction of virgin materials used relative to economic growth, went from 19% of participants to 27%, while absolute reduction in materials use went from 5% to 14%. Sourcing virgin renewable materials with regenerative qualities attracted a response from 22% participants.

Target setting – most targets around use of recycled feedstock
48% of participants reported to have set one or more SMART target (Specific, Measurable, Achievable, Realistic, and Timebound) for circularity. Use of recycled content (34%) is the most common, followed by design for durability/longevity (25%), design for recyclability and disassembly (24%), post-consumer textile collection, and use of safe chemistry (both at 23%).

Investment – three quarters funding innovation and technology
Corporate investment in circularity, both financial (59%) and in-kind (67%), is reportedly higher this year at 82% of participants compared to 66% the year before. From the financial data provided by 23 companies (28% of participants), 91% were investing in circular innovation and technology, 52% collaborations, 35% supply chain, and 35% internal operations and capacity building, totaling just over USD 20 million. Approximately 75% of the spend went to circular innovation and technology. 18% said outcomes are open source.

Corporate reporting – communicating commitments and activities increase
Reporting on circularity in the public domain has gone up from 50% to 73% (YOY) indicating a growth in confidence and organization. General messaging is at 54% and commitments are at 53% (previously 38% and 32%, respectively). Reporting on progress is behind at 34% and, while strategy is being embedded, as noted earlier, only 29% said they made their circularity strategy publicly available. In terms of public communications, participants’ comments suggest an increase in the near future.

Extra Insight
Circularity

Company Highlights

- For one apparel/footwear company, 2019 was essentially a year of planning culminating in a new set of corporate goals. Its 2019 efforts focused largely on increasing the use of recycled materials and development of new recycled/circular materials. Further activities included expanding its footwear repair program to cover more regions and models, building capabilities to support apparel repair and re-commerce, and various supply chain efforts related to production efficiency, and waste reduction/diversion.
- An outdoor company has set internal goals to divert all cutting waste from landfill by 2025, ensure 100% of its own waste (post-industrial and post-consumer) is used for high value, durable products by 2030, and have an end-of-life solution for every product it sells.
- One large holding company has standard operating procedures (SOPs) in place that outline appropriate steps to take in case of excess inventory. This SOP is in line with the EPA Waste Hierarchy and is referenced to ensure that products are sourced with waste prevention in mind. For the company, this can take different forms including, reusing or donating items, buying in bulk, reducing packaging, redesigning products, and reducing toxicity. Source reduction is also taken into account in the manufacturing process. Ultimately, the company is focused on reuse, upcycling and down cycling and then finally recycling keeping the most environmentally preferred strategies in mind.
- One jeans company reported a specifically marketed range which contains 40% post-consumer recycled denim. This company has also invested in building out the regenerative organic supply chain by agreeing to purchase in-conversion organic cotton from smallholder farmers. In addition, it has increased its uptake of hemp, a renewable fiber which is researched to be less water and chemical intensive than cotton in the cultivation stages. The company joined Fashion for Good to invest in start-ups that are focusing on all areas of circularity from field to store.
- One footwear company is prioritizing SDG 13 - Climate Action and SDG 12 - Responsible Consumption and Production. Other targets include setting a science-based target to reduce greenhouse gas emissions by 2030, and sourcing only materials with a minimum of 50% recycled content. The company has also set a target to launch a fully circular product by 2030.
- An apparel company is partnering with the Hong Kong Research Institute of Textiles and Apparel to move from a linear model to a circular model across the lifecycle of its textiles. The funded research is in two important areas: separation of spandex from used garments and denim decolorization for recycling.
Extra Insight

Circularity

Business models

Service models – rental services constitute 74% of units reported

Extending the first life of a product through alternative business models is definitely an area to watch. “Business as usual” was (and continues to be) disrupted by the COVID 19 pandemic, resulting in sink or swim for some businesses. Arguably COVID sped up the route to market of “plans in progress” and for some there was no choice but to innovate and accelerate their fledgling alternatives. Responses to our survey have started to reflect early signs of change, and this is likely to continue. Watch this space!

Companies extending the first life of products through service provision and other models to maintain value in the first life of a product went from 62% up to 69%. In terms of “life-extending” offerings, repair services are still the most common (34%), re-commerce and upcycling, both at 27% of respondents, and companies offering rental services went up from 12% to 18% (Y/Y). 35% of participants said they were customizing their business models through “other methods”. Examples put forward included product bring-back and exchange schemes, encouraging responsible product care through education, and even supplying washing accessories (to increase first life), and tips for customers so they can “do-it-yourself” home repair. Due to the high response to “other”, Textile Exchange will be reviewing and improving this question and the guidance provided.

It is early days for quantifying the commercial success of service-based business models, and companies were either not able to report, or not comfortable reporting against the quantifiable metrics in the survey. Out of the three options (share of business turnover, share of business displaced, and number of units) it was “number of units” that had the best response rate. 14% of companies could provide metrics, resulting in over 6 million units reported, with rental being the most commonly reported service application.

Company Highlights

- In 2018, one apparel/footwear company announced that it was stopping, with immediate effect, the practice of destroying unsaleable finished products. During that year, the brand expanded existing reuse, repair, donation, and recycling routes, while developing new partnerships and evaluating solutions. The following year, the company handled around 15,000 repair and replacement-part enquiries for products ranging from well-loved leather goods to vintage items. The company also donated over 19,000 items of business clothing as part of its long-term partnerships with charities such as Smart Works (an organization that is dressing and coaching unemployed women for job success).
- One large retailer extended the life of its products either through re-commerce or by donating or selling its overstock to B2B partners. In 2019, the company reported to have extended the life of one million products through these channels and is currently aligning its new business approach with its circularity strategy.
- A company that makes uniforms (among other products) provides a garment take back initiative, and designs for re-personalization of uniforms.
- One apparel company reported being in the pilot phase of starting up its circular business models, with second hand as a starting point. For the company, the aim is to learn enough so that it can start strategizing around growth and profitability from circular business models through the selling of used garments.
- One high-end fashion company integrates multiple techniques to extend a garments life, including mending, overdyeing, re-utilizing in felting or garment reconstruction.
- An outdoor company has begun helping its customers to connect with others to trade and sell their branded used products. The company wants its products to last at least 30 years.
- A fashion brand has published a guide and video tutorials for its customers that explain how to repair, and extend the life of garments by taking better care of them.
- One apparel brand described how it encourages customers to carry out proper care at home and offers customers biodegradable laundry products for hand washing, and lingerie wash bags for machine washing.
- A smaller brand trains its customer care team to suggest repair techniques to customers contacting them regarding product defects that are easily repairable (e.g., loose button, open seam, etc.). Since the company is not yet able to offer in-house repair services, the customer is offered compensation (e.g., partial refund, gift card towards future purchase etc.) to help encourage them to facilitate repair. The company reports that, to date, customers have been very receptive to this and the service has greatly reduced the number of replacements being issued.
Unsold finished goods policy – over half have a policy, mostly including repair, resell, and donate where feasible
61% of companies reported to have a policy in place for managing unsold goods, although not all companies were able or willing to provide the actual policy. 22% of companies said they did not have a policy (or were still working on developing one) and a further 17% said a policy was not applicable since all their goods were eventually sold. Some mentioned that while they did not have a policy, they did have procedures or programs in place. Repair, resell, or donate were priority options, unless health and safety was an issue and goods needed to be destroyed. If this was the case, policy stipulated incineration to energy. In some countries, regulations are at play and dictate company options.

Volumes of unsold finished goods – two thirds unwilling or unable to disclose
The majority of respondents were unable or reluctant to share information on volumes of unsold finished goods, with 16% not tracking at all and 47% choosing not to disclose details. For the companies that could report, 14% selected to do so confidentially (and did not include this data in their survey submission). A further 22% said that unsold goods were “not applicable”, since products continue to be available for sale until they are sold. Perhaps not surprisingly, there were no companies reporting actuals in the public domain, although a small number of companies publicly reported having no unsold goods and associated waste problems. All in all, there was no volumetric data provided on unsold finished goods.

Destinations of unsold finished goods – most resold in original form or donated
77% of companies knew the destination of their unsold finished goods. This figure includes 16% of companies that reported no goods went unsold. 24% said they had partial insight into where their goods went, and the remaining 23% had no insight at all. The selling on of products in their original form was the most common fate (85%) followed by donating at 58%. Downcycling, others such as employee deals, recycling and remanufacturing were less frequent, and landfill or incineration was unlikely with a strong preference for incineration for energy, and landfill was explicitly not allowed in many cases.
Extra Insight

Circularity

Design for circularity

Capacity building — training in product durability and longevity leads
When it comes to circularity and product design, most (86%) companies are investing in staff training and internal capacity building to some degree. Aspects of circularity covered by product design training include durability and longevity (82%); use of safe, renewable, and recycled inputs (60%); reuse, remanufacturing, and recyclability (57%); and resource use, waste prevention, and diversion (53%).

Implementation of design factors — implementation follows same direction of travel as capacity building — with durability and longevity most common
Almost all, 93% of companies, said they were starting to implement circular design factors into business operations, with most respondents saying that implementation was integrated broadly. Implementation follows the same pattern as capacity building with durability and longevity at 84% of respondents, use of safe, renewable and recycled inputs at 58%, reuse, remanufacturing and recyclability at 54%, and resource use, waste prevention, and diversion at 41%.

Use of certification — too early for many brands
The use of circularity related certification for recyclability and biodegradability (i.e., beyond certification for recycled inputs) was unsurprisingly low given the early maturity of this type of certification. However, 6% of respondents were certifying or piloting certifications such as Cradle-to-Cradle (C2C). While some companies made it clear that recycled standards (such as the Global Recycled Standard) were used entirely for claiming use of a recycled material, others were looking to how these standards could fit into their circularity toolkit.

Company Highlights

• A company is designing all its products with end-of-life solutions in mind. If a product comes back, the company will first aim to repair it. If it must be replaced, the company will work to keep components out of the landfill. At its global headquarters repair center, the company diverted 60-85% of every hard good from landfill by down-cycling them into items like beer sample holders for its local breweries, shelving units, and employee name tags. Globally, in 2019 it repaired 28% of warranty claims. The company’s aim is to repair 40% by 2020, while implementing new end of life solutions each year.

• A fashion brand is gearing up to take on circular design principles for 100% of its products. All members of the product design team are being trained on circular design, and the company has developed a circular design handbook and product scorecards. The brand is committed to integrating circular economy thinking into all business areas.

• One large fashion company developed a circular design training curriculum and guidebook for its design and development teams in partnership with the Centre for Sustainable Fashion, a research center at the London College of Fashion. To date, more than 80% of the company’s designers globally have been trained on circular design strategies. The training was created by first collecting insights from the business to tailor the content of the circular design program and curriculum to the needs of each team. The training was then piloted and fine-tuned before delivering the final training content to a broader group. Additionally, the company has implemented 3D design tools in over 50% of divisions to facilitate real-time design feedback on circularity.

• Material selection is a significant part of one high-end fashion company’s Design Smart approach. The company’s goal is to select sustainable materials so inputs can be recycled as materials or nutrients. Its designers, product teams, and Environmental Sustainability and Product Safety teams will work together to ensure that the company selects more sustainable materials that promote circularity.

• At an outerwear company, a collaborative group consisting of material innovation, sustainability, and material development teams has given high level and detailed overviews on what the company is currently doing, what its goals are, and what it needs from its line planners and designers to get there. While some challenges still do not have a solution, the company believes there are numerous opportunities to limit waste upstream in its supply chain as well as to increase the life of each garment through increasing the ease of repairability.

Photo: Nudie Jeans (Repair service)
**Textile collection**

**Collection services – nearly twice as many brands collect their own goods as use third parties**

The use and offering of collection schemes for post-consumer textiles remains strong at 67% of participants. 42% are raising awareness and encouraging customers to pass on used textiles, 43% are offering in-house collection services and less, just over a quarter (27%) are contracting a third-party service provider to collect and manage their recycling for them. 20% are monitoring and evaluating their process to inform their strategy and operations, and 23% are providing customers with feedback on what happens to their returned clothing/textiles.

**Volumes of post-consumer textile products – most brands unable to report**

The majority of companies (63%) could not report on volumes of textiles collected, but a further 16% said they were starting to make progress through estimates (6%), and partial accounting (10%). 22% are collecting data and can report on volumes. Since this is a new question, we anticipate improvements as companies embed and strengthen their textile collection strategies and activities.

Once again, in terms of quantitative data, reporting was thin on the ground with 27% of companies able to provide volumes of post-consumer textiles collected. Nevertheless, reporting is heading in the right direction with 23% growth in volumes (from 37,825 tonnes reported in 2019 to 46,568 tonnes in 2020).

**Destinations of collected post-consumer textile products – a third have visibility and most products are resold in original form**

The majority (52%) of companies (with collection schemes in place) do not know what happens to their collected materials or have little visibility. The remainder (48%) said they had some visibility, within that group (11%) had good to full visibility. Most companies reported that post-consumer goods are resold or donated in their original form, followed by recycled and downcycled.

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**Company Highlights**

- One large home textiles company is working on a pilot project with one of its hospitality distributors. When the distributor sends out new products to their customer, products that the customer is retiring are sent back to the distributor. The company bought and installed a baler at its warehouse, and regularly picks up bales of returned goods when it delivers new products. These are then sent to a recycler who re-purposes these returns.

- A large multi-sector retailer launched a trial in 87 of its stores in April 2018 to collect clothing, shoes, and textiles from customers. The company rollout has been delayed due to COVID, but it hopes to have it in all its stores with textile space (approx. 520 stores) in the next 4-6 months. The company also donates to charity, and has a trial working with a textile recycler to collect clothing, shoes, and textiles from customers. These items are either sold for re-wear, re-use in a secondary industry, or recycled.

- A large retailer offers a trade-in scheme for good-quality products through its “app”. Products can be resold through its pre-owned category. Customers receive a credit note to spend with the retailer.

- A jeans company offers a 20% discount on a new pair of jeans when turning in an old pair. The company only takes back its own jeans, and collects them in all of its own stores globally.

- In 2019, an outdoor company enabled its customers to bring back any used items to its stores or send back to the warehouse. These items were then collected and shipped to i:Collect who sorted all used product into downcycle or resale streams.

- One outerwear company has a denim guaranteed life program, which includes take-back, repairing, upcycling, or recycling.

- One Scandinavian retailer has collection set up in all its stores in Sweden, Norway, and Finland. The company aims to set up collection services in all its own stores and, so far, has covered 90%. The company’s service partner receives all its collected garments and reported that 68% of their collected garments were reused, 22% downcycled, 9% went to incineration, and less than 1% went to landfill.

- In 1990, a large sportswear brand set up its Reuse-A-Shoe program and has since collected and recycled more than 30 million pairs of used shoes. The company collects old shoes from consumers (they can drop them off at store locations), breaks down the shoes, and converts them. These materials are then used to create a variety of new products (e.g., apparel trims, sport surfaces, etc.). The success of this program is evidenced by its scale and longevity.

- A large home furnishing company has begun to test refurbishment. The first test took place in late 2019, involving sofas collected from customers through product claims and takebacks. The sofas were then refurbished and resold. This first test was limited in size. With this more practical knowledge, the company will be able to conduct further tests, and learn how to scale up the model. The aim is to offer even more affordable home furnishings through the sale of refurbished products.
Recycled content

Use of recycled content – little known about inputs, but most is non-textile
The majority of participants (92%) have no, or very little, certainty about the feedstock origins or recycling processes associated with their recycled materials. From what could be reported, recycled input is mostly plastic from other industries, and most likely mechanically recycled (97%), with only 10 companies reporting chemically recycled.

Use of post-consumer recycled textiles
Only 28 companies reported “knowingly” using post-consumer recycled textiles, and most of this small group (93%) had very little or no insight into its origins. The majority (20) of this cohort were sourcing post-consumer recycled polyester textile waste. Other post-consumer textiles sourced included cotton (7), polyamide (8), wool (4), recycled cellulose (2), and one company reported sourcing post-consumer down. Post-consumer recycled polyester fiber also constituted the greatest volume at 136,061 tonnes, followed by cotton (1,668 tonnes), polyamide (95 tonnes), wool (15 tonnes), down (14 tonnes), and recycled cellulose (0.04 tonnes).

Company Highlights
- A large fashion company is reducing its reliance on sourcing virgin raw material so that 50% of the materials used in its collections by 2025 are aligned with Circular Economy principles.
- A denim company is using post-consumer waste in a new jeans collection which contains 40% post-consumer denim. Each part of the jean – the trims, the thread, etc. – are carefully calibrated to ensure it meets recycling specifications, allowing it to have a second life when it’s worn out. The brand worked with its innovation partner to ensure the jeans can go back into their system and be used to make new raw materials, demonstrating that this garment is fully recyclable and truly circular.
- A denim company, already heavily invested in using recycled denim in its products, is partnering with academics and other experts to produce a pair of jeans made from 100% post-consumer recycled cotton. By blending mechanical recycled cotton with chemical recycled cotton, the company aims to reach 100% whilst keeping the original denim look and feel. Producing jeans from 100% post-consumer recycled cotton will be an industry first.
- 50% of wool and cashmere used by a global fashion company contains post-consumer recycled textiles.
- A fashion brand has managed to fully divest from conventional virgin polyester and has reached 100% preferred polyester - a shining light of how this can be done.
- For one jeans brand, 95% of its post-consumer recycled content is from jeans collected and recycled through its own stores.
- One apparel brand developed an exclusive special edition denim, made from old jeans that were worn by residents of its European hometown. The resulting jeans contained 20% worn “Utrechtse” jeans fibers, 79% organic cotton, and 1% elastane to keep it comfy.

Circular textile systems in 2019*

*Uptake: Based on 2020 MCI (2019 reporting cycle).
**Collection: EPA industry estimated recycling rate, 2017.
State of play
Cotton is the focus fiber for investments, uptake commitments, and supply chain mapping. Preferred renewable cotton is in growth, with preferred materials programs widespread. Recycled uptake remains static. More companies are reporting positive impacts, but most are based on generic industry data.

Areas to improve
A focus on mapping supply chain to farm location level will enable more direct intervention and impact monitoring. Full supply chain certification will improve operations and consumer engagement. There is untapped potential around recycled cotton - investment in innovation and greater collaboration are needed to boost and scale.

Top-line numbers
- 76% of participants completed the cotton module in 2020
- 86% of participants had a 100% target for more sustainable cotton
- 1.6 million tonnes of cotton was sourced from preferred cotton programs
- 1,485,311 ha of land was under organic or improved land management
- 545,474 farmers participated in growing more sustainable cotton
- 28,786 tonnes of cotton waste was diverted from waste streams
- 329,501 tonnes CO₂eq of greenhouse gas emissions saved

Company Highlights
- A multi-sector company partners with CottonConnect to develop a more robust and resilient cotton supply chain. Through its “Women in Cotton” program, female cotton farmers learn organic cotton farming practices to improve livelihoods and learn about labor rights, health, and education.
- A fashion brand claims full transparency for all its cotton suppliers through commitment but also strong management expectations. It requests Scope Certificates from its yarn suppliers and maps its supply chain for each cotton product to ensure full traceability.
- Since joining the Organic Cotton Accelerator (OCA), one company committed to tackling supply issues by engaging farmers directly, and investing in organic training for over 1,900 farmers.
- A sports/outdoor company works with a vertically integrated cotton supplier (from spinning to finished product); it uses on-site visits and meetings to engage in sustainability topics and provide training.
- One company has a traceability program that reaches cotton suppliers at all tiers. The program helps the company identify where it could be sourcing from high-risk countries and provides links to reports of forced labor and human rights abuses.
- 95% of the post-consumer recycled cotton used by one jeans company is from its own products. Collected in-store, the recycled materials go straight back into the brand’s recycled product line.
Materials Portfolio
Cotton

1. Risk Management - Processing risk management low; reliance on certifications; labor a focus
Overall, environmental and labor risks to cultivation have increased in significance year on year (Y/OY), and respondents now consider child labor (83%), forced labor (83%), pesticide exposure (90%), water scarcity (87%), and soil degradation (87%) the main risks. Direct farm-level interventions are still low, although marginally higher than last year – 27% (up 10% Y/OY), perhaps due to low visibility at specific farm location. A focus on precise mapping should be an integral next step to implementing direct interventions. Most companies use certification (82%) and/or have policies in place (95%) - up 23% Y/OY), which last year was second to certification.

Welfare-related risks, such as Health & Safety, were reported as the main priorities at processing level (ginning of seed cotton and shredding for recycled), Certification (73% - up 14% Y/OY), and policy (57%) also remain the primary mitigation tools to manage processing risks. The proportion of brands who employ direct interventions at processing level is 13% (6% rise Y/Y), but 14% of participants are not managing risks of ginning or shredding at all.

2. Investment - More investment needed to upscale more sustainable cotton supply and drive innovation
The rate of investment in preferred cotton, beyond the cost of supply and membership fees, is comparable to last year (59% of brands). Cotton is the fiber in which brands prioritize investment compared to leather (53%), wood (33%), manmade cellulosics (26%), polyester (32%), polyamide (19%), and down (11%). Investments are three times more likely to be financial (49%) than in-kind, e.g., skills sharing (19%). Investments are primarily multi-stakeholder, and relatively evenly split between supply partners (34%); collaborative ventures (33%), e.g., Organic Cotton Accelerator, Chetna Coalition; innovation (29% - up 9% Y/OY), e.g., Fashion for Good, university initiatives around circularity; and community programs (24%).

3. Transparency - Work to do on transparency, not much progress on last year
Most companies could identify the country of origin for some of their cotton (78%). However, only 20% can pinpoint the specific farm location for some of their supply, and 12% can pinpoint site location for all cotton supply. Brands have more visibility of farmer collectives or cooperatives growing at least some of their cotton (46%), through which they most likely manage some risks. However, site location risk profiles of cotton farms are very different, therefore human rights and environmental risks are potentially not sufficiently mitigated. Of the 88 companies who have mapped their CMT suppliers (97%), over half (60%) publish their supplier list (up 6% Y/OY), with the home textile sector pushing the percentage down as they were least likely to publish suppliers.

4. Targets - A quarter have met 100% more sustainable targets but need to increase ambition
Uptake targets for more sustainable cotton are the norm (95%). Showing real determination to make a significant impact, more companies have set specific targets for “100% more sustainable cotton” - up 12% Y/OY to 86%. Over a quarter (25%) have already met their 100% target, and 65% are on their way to achieving their targets. Only 5% are yet to set a SMART target. Across fibers in this survey, cotton (86%) comes second only to down (95%) for the percentage of brands who have a “100% more sustainable” target, but considerably more brands reported on cotton (91) than down (37).

76% of commitments made were public, and the more ambitious the target, the more likely a company is to publicize it. Up 12% Y/OY, half of brands (54%) have signed a public commitment on cotton, which is much higher than with any other fiber. The most popular is Textile Exchange’s Sustainable Cotton Challenge 2025 (34% - up 6% Y/OY). Companies are however more likely to sign up for a pan-fiber public commitment – please refer to “Strategy” on page 24.

5. Uptake - Preferred renewable grown 8% Y/OY
Two-thirds (63%) of cotton sourced by reporting companies is preferred renewable, which has risen 8% Y/OY. The most frequently reported preferred cotton by volume is BCI (49%), followed by organic (11%), then GMI (1.5%). Conventional makes up 37% (down 7% Y/OY), and recycled cotton remains at 1%. A portfolio approach of one or more preferred cotton types remains common. Though BCI ranks higher by volume than organic cotton, twice as many companies use organic than BCI (85% vs organic vs 47% BCI). 69% of brands still use conventional cotton, and 38% brands source recycled.

6. Impact Monitoring - Generic industry data a helpful first step in the right direction
We’ve seen a 14% annual increase in companies monitoring the impact of their sourcing choices (90%), which tallies with the 15% Y/OY increase (68%) in reliance on industry tools, such as the Sustainable Apparel Coalition’s Higg Materials Sustainability Index (Higg MSI). The sector leaning most on industry tool measurement is the sports/outdoor sector (92% selected this), whose reputation for caring for the environment comes into greater public focus given its products’ “outdoor” nature.

Far more companies reported that they could see a positive sustainability impact using preferred cotton than with any other fiber; 78% compared with leather (50%), polyester (46%), down (43%), MMC (42%), wool (39%), and polyamide (33%). This is still primarily down to industry tools based on generic industry data (43%). Quantitative (27%) and qualitative (21%) feedback from companies’ supply chains is unlikely to grow ahead of improved supply chain mapping.
Materials Portfolio
Polyester

State of play
Certified recycled polyester is on the rise and slowly displacing conventional, with as many brands using conventional as are using preferred programs. GRS is the most widely adopted certification. Most brands are set on a "100% more sustainable" target, but these are not widely publicized.

Areas to improve
More focus is needed to accelerate the transition to recycled polyester, preferably from post-consumer textiles and socially responsible collection programs. Brands should aspire to certify their entire supply chains and monitor impacts through data provided from their own supply chain.

Top-line numbers

- 60% of participants completed the polyester module in 2020
- 47% of participants had a 100% target for more sustainable polyester
- 324,147 tonnes of PET waste was diverted from plastic and textile waste streams
- Global warming:
  - 16% reduction, 703,427 tonnes CO₂eq of greenhouse gas emissions saved
  - 3.8 million tonnes CO₂eq of greenhouse gas emissions avoided
  - 4.5 million tonnes CO₂eq of greenhouse gas emissions avoided
- 24 billion 500 ml bottle-equivalencies of PET went into textile production

Company Highlights

- One brand is developing textiles made from a combination of recycled PET bottles and recycled coffee grounds to produce odor-resistant, breathable, and quick-drying materials.
- A fashion brand is using recycled polyester only, as a way to minimize the risk of supporting fracking or crude oil extraction. The brand leverages its use of rPET to reduce its carbon footprint, and all its fibers and yarns are at least GRS or RCS certified.
- A multi-sector company initiated a 24-month research project together with the Hong Kong Research Institute of Textiles and Apparel (HKRITA) to build a Management Tool for Microplastics from Textile Production Process. This project studies the release of microplastics and their management in textile manufacturing processes.
- One brand assessed its risks associated with rPET manufacturing and sourcing. Based on the results it has set internal policies, started monitoring these risks, and sourced all of its rPET with the standard to ensure its end products are actually recycled from waste.

Photo (right): Plastics for Change (Beach cleanup)
Materials Portfolio
Polyester

1. Risk Management - Certification main mitigating tool
The feedstock production risks (the extraction of fossil fuel-based raw material) most commonly selected by brands are chemical-related (42%), and the depletion of fossil-based resources (39%). Most companies are taking steps to manage risks (86%) by introducing recycled polyester (79%) and developing sourcing policies and/or strategies (64%). Certifications used to validate recycled polyester use are Global Reporting Standard (GRS) (used by 81% of companies), Recycled Claim Standard (RCS) (49%), and SCS Global Services certified (7%). Note, certification does not always extend throughout the entire supply chain or result in the use of a third-party logo.

Companies rate primary processing risks (up to fiber production level) more highly than those at feedstock level, possibly because they feel less able to influence, and just as many (90%) are set on managing them. The biggest risks are chemical-related risks (81%), labor risks (87%), greenhouse gas emissions (64%), and energy use (60%). Certification through GRS (78%) remains the key to managing processing risks, with 50% of brands implementing policies and/or strategies. At both levels, direct intervention and results monitoring are extremely low.

2. Investment - Most are financial investments in innovation and research
Investment remains at a consistent level with last year. 32% of brands invested, mostly financially (21%) rather than in-kind (13%), with funds directed towards innovation (24%) and collaborative initiatives (14%). Examples include academic research into recycling technologies and the release of microplastics through textile manufacture, an app to measure chemical use throughout the supply chain, and developing textiles made from a combination of recycled PET bottles and recycled coffee grounds. Companies from the outdoor/sports sector were proportionately most likely to invest (54%), which, for many, aligns with their high dependency on synthetic materials to produce high-performance wear. Examples of CSR such as community or beach clean-ups were also mentioned, linking polyester (PET) to the ocean waste and plastic pollution crisis.

3. Transparency - Incremental improvements, but more work needed on mapping polyester
Supply chain mapping of recycled plastic, textile collectors, or biobased feedstock presents a challenge, with more than half of brands (46%) unable to trace country of origin. The top performing 15% of brands can estimate country of origin for over 75% of recycled/biobased supply. Certification is generally used to manage integrity and content claims risk but tracking back to geographies is now on the radar for some companies. Of the sectors reporting, the larger-volume polyester users in the home/hospitality sector had the most success in identifying site location for some or all of its recycled/biobased supply (50%). Efforts increased in publishing supplier information; two-thirds (61%) publish their CMT suppliers, compared with 45% last year, and 26% list fabric suppliers. The more upstream supply chain (spinner/extruder of fiber producer level, polymer suppliers, feedstock collectors, etc.) is largely unknown and not communicated.

4. Targets - Growing, with an increase in 100% commitments (not always public)
Though 90% of brands have set a target on polyester, only 38% are publicized. Up 12% on last year, nearly half (47%) of ambitions are for “100% more sustainable polyester,” usually recycled - a particular driver amongst the outdoor sector respondents of whom 65% selected this. 11% have reached their 100% target already, so the vast majority (79%) are making progress - a great sign of the potential for future uptake. 10% of brands reporting on polyester have yet to set a SMART target.

5. Uptake - Annual climb in recycled polyester certifications and uptake - starting to displace virgin inputs
101 companies reported on their uptake volume of polyester, showing that 79% of volume (down 3% YOY) is conventional, 23% is recycled (up 3% YOY), <1% is biobased, and 1% comes from "other" PET programs. The increased proportion of companies using recycled polyester (84% - up 11% YOY) puts it now on a par with the number of brands using conventional (88% - up 5% YOY).

Of the 72 companies answering the recycled polyester module, 81% (up 16% YOY) used GRS, and 49% (up 19% YOY) used RCS. Uptake data is mostly reported through certification (82% - up 16% YOY), and supplier declarations (58%). There is scope for more companies to certify through the supply chain, though, given only 11% verify all supply through the full supply chain. Only 7% knew the company sourcing the feedstock was from a socially responsible collection initiative, hence the high recognition of labor risks reported earlier. 42% of recycled polyester feedstock is from post-consumer, non-textile waste (mostly from mechanically recycled plastic bottles), and over half (56%) is of unknown derivation, which can be assumed to be recycled plastic. The remaining 2% is from textile-based feedstock; most is of unknown derivation, but <1% is pre-consumer waste - mostly from textiles (0.5%).

6. Impact Monitoring - Up on last year, but still based on generic data
A third of brands (35%) don’t measure the sustainability impact associated with polyester production, missing the opportunity that using an industry tool such as SAC Higg MSI presents in doing so. Of those that measure sustainability impacts, 54% rely on industry tools (up 9% YOY) to work out equivalent sustainability impacts for use in internal engagement, marketing, and reporting. 46% of respondents could report a positive impact on sustainability as a result of sourcing preferred polyester. Where quantitative data was collected from brands’ specific polyester supply chains (by 24% of respondents), only in a quarter of cases (6%) did they report impact improvements.
## Materials Portfolio

### Polyamide

#### State of play
As a lesser used fiber, polyamide uptake is overwhelmingly conventional, despite half of brands sourcing recycled polyamide (mostly GRS certified). Traceability, direct intervention, and investment are low.

#### Areas to improve
Given widespread public concern about plastic, taking action on polyamide is an untapped engagement opportunity. This starts with investing in exploring sustainable alternatives – a few industry programs exist to do this - and setting targets.

#### Top-line numbers

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of participants completed the polyamide module in 2020</td>
<td>35%</td>
</tr>
<tr>
<td>% of participants with a target for 100% more sustainable polyamide</td>
<td>40%</td>
</tr>
<tr>
<td>3,591 tonnes of polyamide waste was diverted from textile and other waste streams (e.g. fishing nets)</td>
<td>1%</td>
</tr>
<tr>
<td>3,591 tonnes of polyamide was sourced from recycled polyamide programs</td>
<td>35%</td>
</tr>
</tbody>
</table>

#### Index average

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global warming</td>
<td>2%</td>
</tr>
<tr>
<td>25,817 tonnes CO₂eq of greenhouse gas emissions saved</td>
<td>1.36 million tonnes CO₂eq</td>
</tr>
<tr>
<td>3,591 tonnes CO₂eq of greenhouse gas emissions saved</td>
<td>1.39 million tonnes CO₂eq</td>
</tr>
</tbody>
</table>

- **Participants’ actual use**: includes conventional, mechanically recycled polyamide (Higg MSI)
- **Conventional equivalent**:

#### Company Highlights
- A fashion brand processed 12 million PET bottles and 19 tonnes of recycled scrap polyamide – including nearly 5 tonnes of discarded fishing nets – to produce textiles made from recycled material. Its resulting product line includes swimming trunks produced using 263,000 recycled PET bottles.
- A multi-sector brand is developing biobased polyamide fibers to replace synthetic oil-based materials. This is through its participation in a multi-national research project developing biobased polyamide.
- One company is targeting its high-volume polyamide programs and transitioning to recycled content. Now all new polyamide fabrics need to be sourced using recycled content.
- A sports/outdoor brand is working with its supply chain to conduct Life Cycle Assessment (LCA) on recycled polyamide production. In addition, the company uses the Higg Facility Environmental Module (Higg FEM) and its own supply chain monitoring to understand the impacts of the production process.
- A number of brands produce swimwear using branded ingredients such as ECONYL®, a 100% regenerated polyamide fiber made from pre-and post-consumer waste, including fishing nets, industrial plastic waste, and fabric scrap.

*Includes: conventional, mechanically recycled polyamide (Higg MSI)*

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*Photo (right): Piping Hot (Classic swimwear)*
5. Uptake - Half of brands source recycled polyamide, but conventional polyamide dominates
Polyamide made up 4% of fiber volume, as reported by 84 companies. By volume, 2% of polyamide volumes were recycled, increasing slightly from 1% last year - with the remaining 97.6% of volume conventional polyamide. However, recycled polyamide is well on the radar since 48% of respondents use recycled polyamide - and one company uses biobased polyamide. The 28 respondents who completed the full polyamide module in its MCI submission use certification to verify it: GRS (71% - up 4% YOY), and RCS (39% - up 9%). Again, most polyamide is only partly certified up the supply chain. Of all fibers, polyamide uptake had the lowest rate of being verified (79%). Companies in the multi-sector were the most likely to hold certification (75% of the sector), and apparel/footwear companies relied the most on supplier declarations (63%). The feedstock of recycled polyamide is largely unknown, but if it was able to be reported, this was typically mechanically recycled. 2 companies claimed sourcing their recycled polyamide feedstock from a socially responsible collection initiative.

6. Impact Monitoring - Reliance on industry tools remains
No progress of note since last year. Specific impact data pertaining to the quantitative (14%) and qualitative (12%) impact of sustainable polyamide is scarce, so industry tools are on the slight increase (55% - up 5% YOY). Suppliers using ocean waste offer an excellent opportunity for visual storytelling, e.g., numbers of fishing nets recovered and repurposed.

1. Risk Management - Risks are mostly not managed
Chemicals, and the use of non-renewable fossil-based resources (both 43%), present the greatest risks to polyamide sourcing, and where processing (up to fiber production level) is concerned, chemicals (76%), labor (64%), and greenhouse gas emissions (60%) top the list. Of 42 brands reporting on polyamide, two-thirds (67%) manage risk at feedstock level, and 74% at the processing level. To manage feedstock and processing risks, brands implement strategies/policies (50% for feedstock/50% for processing) and use certifications (45%/45%). Widespread uptake of preferred polyamide is lacking, remaining at 2% of total polyamide uptake volume. Direct intervention is extremely low (7%). This indicates that policies are handed to suppliers downstream in the supply chain and brands have limited control over the implementation of the policies and their effectiveness in reducing risks.

2. Investment - Uncommon but mostly in innovation
A minority (14%) of brands invested in polyamide, both financial and in-kind contributions (12%) towards innovation in fiber development and recycling (12%) e.g., EFFECTIVE, an EU-funded research project to develop biobased polyamide. The multi-sector and outdoor/sport sectors were the only sectors to invest, even though the multi-sector used the most significant polyamide volume.

3. Transparency - Not prioritized; visibility is extremely low
There is untapped potential in tracing recycled and biobased polyamide. 26% of brands can estimate at least country of origin of its recycled plastic, textile collectors, or biobased feedstock suppliers, 7% knew the country of origin for 75% or more of its supply, and 5% know the site location for some of its recycled/ biobased supply. The multi-sector appears to be progressing the most with mapping, given a quarter of respondents from this sector know site location for some supply, and 75% have mapped some of its recycled plastic, textile collectors, or biobased feedstock suppliers. Publishing suppliers upstream of fabric producer (21%) is negligible, though 62% of brands (up 9% YOY) are starting to publish Tier 2 (fabric) suppliers.

4. Targets - Growing but not yet mainstream or public
Target-setting has moved up on last year, with 40% of brands (up 22% YOY) setting a SMART target for “100% more sustainable” polyamide (covering recycled, bluesign certified, and biobased). One company has already reached its *100%* goal, and 76% are in progress, but 9 companies (21%) are yet to set a SMART target. Brands in the multi-sector have set the most targets (100% of this sector), and the apparel/footwear has set the least number (74%). Targets are discreet, given 79% of brands have one (up from 63% last year), but only 21% are public.
Materials Portfolio

Manmade Cellulosics

State of play
Deforestation and pollution remain the top-cited risks from fiber production. The most significant advances are in the sustainability of pulp and fiber production and exploring alternative feedstock options.

Areas to improve
Investment and stakeholder collaboration are needed to improve transparency in feedstock sourcing. The pace of change is linked to sourcing from a few key leading suppliers rather than having industry sustainability standards for pulp and fiber production. Developments in ZDHC guidelines are addressing these areas for improvement.

Top-line numbers
- 48% of participants have a target for sourcing MMCs with 100% more sustainable feedstock.
- 94,228 tonnes of MMC was sourced from preferred MMC programs.
- 31% of MMC was sourced from preferred MMC programs.
- 27,266 hectares of land was under certified forestry.
- 271 tonnes of waste was diverted from textile waste streams into recycled MMC fibers.
- 13% of MMC was sourced from preferred MMC programs.
- 306,698 tonnes CO₂eq of greenhouse gas emissions saved.
- 2 million tonnes CO₂eq of greenhouse gas emissions saved.
- 2.4 million tonnes CO₂eq of greenhouse gas emissions saved.

Company Highlights
- One company discusses its forestry interests directly with viscose producers and is strategically increasing the use of recycled cellulose in its manmade cellulosics portfolio.
- When vetting manmade cellulosics supply chains, one large company requests CO₂ emissions data for each fiber type and requires suppliers to create a carbon reduction roadmap as a contingency for continued partnership.
- One company has made a public goal for manmade cellulosics, committing to zero deforestation and to the protection and sustainable management of natural forests by only choosing certified manmade cellulosics by 2023.
- A multi-sector brand is working with Zero Discharge of Hazardous Chemicals (ZDHC) on a roadmap and guidelines for closed-loop production.
- A fashion brand estimates that, by sourcing more sustainable cellulosics in 2019, it avoided 57,157 tonnes of CO₂eq emissions compared to conventional cellulosic fibers, a 45% reduction.
- A fashion brand’s viscose is sourced from four suppliers: for staple fiber and filament — all of which earned “green shirts” in the CanopyStyle Hot Button report.
- 271 tonnes of waste was diverted from textile waste streams into recycled MMC fibers.
- 2.4 million tonnes CO₂eq of greenhouse gas emissions saved.

View online dashboard

* Includes conventional and preferred MMC (modeled as equivalent to Lenzing Viscose (Asia), TENCEL™ Lyocell, Lenzing Modal® and Eastman Naia (acetate)) (Higg MSI)
Materials Portfolio
Manmade Cellulosics

Analysis Highlights

1. Risk Management - Certified source materials prioritized over pulp processing
There has been a significant improvement in mitigating the risks in the production of manmade cellulosic fibers (MMC), with 18% more companies than last year taking measures (88%). Policy and/or strategy (88%) remains the most common risk management approach, and the highest-rated risks are now level pegging, with 86% of respondents selecting them: logging of high conservation value forests (up 10% YOY) and deforestation (up 8% YOY). Direct intervention remains low at around 11% (fiber processing), and 5% (pulp production).

Fiber pulp processing remains a challenge for brands, carrying the top risks of water pollution (58%), chemicals (53%), and health and safety (53%). Only 51% of brands address risks through policy/strategy; certification falls short as an assurance system here (18%). The lack of MMC-specific certification schemes results in brands asking their fabric suppliers to source only from certain leading fiber suppliers; they usually do not explore their supply chains further.

2. Investment - Niche investments in innovation and collaboration
Marginally up on last year, investing in manmade cellulosics is not commonplace beyond the fiber and certification costs associated with branded ingredients. Investments, primarily financial, and contributing to innovation in new fibers (18%) and collaborative projects (16%) were reported by 11 respondents, mainly from the apparel/footwear sector.

3. Transparency - Industry tools helping to plug gap in supply chain visibility
Due to its unique supply chain, where most preferred MMC is sourced via a small number of suppliers, there is not as much incentive to trace supply back beyond fabric suppliers. However, some progress is being made, especially as more suppliers offer markers or smart technologies to trace their fiber. 51% of brands can trace supply back to spinner level (up 9% YOY), 58% at fiber producer level, and 30% (up 17% YOY) have managed to estimate the country of origin of 75-100% of feedstock. In the absence of clarity on specific feedstock supply, since only 11% know site location for some supply, companies continue to rely on resources such as Canopy’s Hot Button ranking and report to manage risks. Brands are keen to be more transparent, though – two-thirds (66% - up 17% YOY) of brands publish supplier details.

4. Targets - Bolder targets are in progress
More companies are setting targets, with a 10% annual rise on uptake targets for preferred manmade cellulosics (84%) and a 13% rise in signed public commitments (86%). As with other fibers, the most frequently adopted target is for “100% more sustainable feedstock” (74%). It is promising to see 40% of brands challenge themselves with pulp processing targets, where risks (and opportunities) are less understood than at forest-level, and visibility is poorer. The CanopyStyle Commitment remains the most popular public commitment (64%). 28% of brands have already reached their target, but 16% are yet to set one. The apparel/footwear sector is most likely to set targets on MMC, since 95% of the 38 brands in this sector who responded to this question have set a target.

5. Uptake - Little progress on preferred uptake, though more companies are using certification
Manmade cellulosics represents 7% of the total volume of fiber reported, provided by 85 companies. Three quarters is conventional (69%), and “preferred, renewable” is down 3% on last year (31%). Preferred MMos currently include lyocell, modal, viscose and acetate with certified forestry feedstock. 26% of manmade cellulosics uptake is FSC or PEFC certified, and 7% is reported to be exclusively FSC certified. Uptake data continues to be verified by supplier declarations (74%), but the use of certification has increased (49% compared with 32% last year). The majority (84%) of recycled cellulosic feedstock is of unknown source, and where brands know about the recycling process, the majority is mechanically processed. Socially responsible programs for recycled feedstocks for pulp are not apparent (0%).

6. Impact Monitoring - Great progress, if mostly based on generic data
Brands have taken great strides in both measuring and showing sustainability impact through sourcing “preferred” MMC. 72% of brands (up 17% YOY) are measuring impact. Thanks mostly to industry tools based on generic data e.g., Higg MSI (up 15% YOY to 58%), half of brands can now see positive impacts (up 16% YOY to 42%). However, more work needs to be done to make measuring widespread and more specific to a company’s own supply chain data.
Materials Portfolio

Wool

State of play
Conventional wool dominates, and recycled wool is the most common preferred program despite minimal uptake. Though many brands employ “non-mulesing” policies, direct interventions remain low to monitor the effectiveness of policies. More brands now use certification to manage processing risks but this is often where certification stops.

Areas to improve
Half of brands are yet to set SMART targets, which is key to improving the uptake of preferred wool programs. Further investment is needed in direct intervention and/or certification to ensure the efficacy of risk management at farm level, where the top risks lie.

Top-line numbers

- 38% of participants completed the wool module in 2020
- 54% of participants had a 100% target for more sustainable wool
- 9,584 tonnes of wool was sourced from preferred wool programs
- 1,151,157 sheep were covered by farm programs
- 5,555 tonnes of waste wool was diverted from textile waste streams

Company Highlights
- A fashion brand visits its wool grower regularly and assesses the farming risks on-site. Thanks to the local partnership and two-way dialogue, the brand and farmers exchange knowledge, understanding of the needs and how to address them, and progress is being made.
- By 2025, 100% of all wool used by a multi-sector company will either come from Responsible Wool Standard (RWS) certified farms or from recycled/regenerated sources, or be replaced with other sustainable, non-animal fibers.
- A significant portion of a fashion company’s wool is from the Ovis21 network, a Savory Land-to-Market supplier. The wool growers’ land is verified for showing continuous improvement in ecological health using the EOV (Ecological Outcome) methodology. Through a carbon insetting project with Native Energy, carbon sequestration is measured as a result of the transition to regenerative practices.
- A sports/outdoor company has undertaken training and capacity building over the last four years throughout all parts of its supply chain, from farms, spinners, and mills to garment factories as part of its RWS rollout.
- 50% of a fashion brand’s total uptake of wool and cashmere contains post-consumer recycled textiles.
- A lifestyle brand’s current target is to have 100% of its wool either recycled or RWS certified by 2022.
Wool

1. Risk Management - Rise in managing processing risks; policy leads; highest farming risks not gone away

The highest reported sheep farming risks remain as mulesing and welfare risks (both 93%), and land degradation from grazing (78%). Risk management has focused on policies (93%) and the use of certification (57%). When brands implement a policy to manage risk, it is often the precursor to becoming certified, so it appears that a third of brands may be on their journey to certification. 13% of brands have done well to implement some degree of direct farming intervention.

When it comes to wool processing (e.g., cleaning, scouring, and drying), chemical-related risks remain the highest rated (down 14% YOY to 57%), alongside occupational health and safety (52%), "other labor," and water pollution (both 46%). The number of brands addressing risks has significantly increased (up 39% YOY to 63%), but risks in this area are still less explored, and reported as a lower priority than animal welfare. The rise is attributable to the uptake in policy (up 35% YOY to 46%) and certification (up 20% YOY to 37%).

2. Investment - Mostly financial investments in supply chain

More brands have invested in wool beyond sourcing (up 9% YOY to 33%), with investments most likely to be financial (24%) and in supply chain partners (17%). One company cited working with its mills to process recycled wool from its sheepskin tanneries. Another invested in getting its suppliers trained in and certified to the Responsible Wool Standard (RWS).

3. Transparency - Many know country of origin; more are publishing suppliers

Mapping remains consistent with last year – 72% know wool processors, 33% can identify feedstock suppliers and collectors. Over half (57%) can estimate country of origin for 75% or more of supply, and 20% go further to identify exact site location for at least some supply. There is potential to publish more supplier information given, for example, that 72% of brands have mapped wool processors, but 15% are published.

4. Targets - Half are setting ambitious targets; a quarter have no target

While a quarter (28%) of brands have not set longer-term targets for wool, half (54% - up 19% YOY) have the ambition to reach "100% more sustainable" wool (including organic, regenerative, and recycled) - and most of these (39%) are publicly stated. 9% have achieved their "100% targets," and 63% are still working on it, showing considerable potential for increased uptake of preferred wool in years to come. Additionally, policies and near-term company targets typically focus on sourcing non-mulesing wool.

5. Uptake - Recycled and preferred in the minority but growing; most certified wool not certified to product level

82 companies reported their wool uptake by volume. Conventional wool remains abundant (85% - down 8% YOY), but please note that much of this may be non-mulesed wool – without any other sustainability credentials, our benchmark categorizes this as "conventional." Of the remaining volume, 8.8% (up 4% YOY) is recycled, and 6.4% (up 3% YOY) is "preferred" which comprises ZQ New Zealand (3.9%), RWS (1.5%), ZQ "other" (0.6%), and organic (0.5%). 13 companies (0.7%) reported using "other" wool programs, such as Climate Beneficial wool and Cradle-To-Cradle certified. When we analyze the number of companies sourcing these varieties, 77% are sourcing conventional wool, 29% use recycled wool, 21% are RWS certified, 13% use certified organic, 8.5% use ZQ-NZ, and 1.2% use ZQ from "other" countries.

Three-quarters of brands using certified wool use wool that has not been certified through the entire supply chain, so there is much room for brands to invest in certification for its marketing benefits. Two-thirds (65%) of recycled feedstock is from pre-consumer recycled textiles, and almost all of it is mechanically recycled. Still, only one apparel/footwear company knows its recycled wool is from a socially responsible collection initiative.

6. Impact Monitoring - Industry tools attribute to the rise in monitoring and reporting

Two-thirds of brands (61% - up 15% YOY) measure impacts, and 39% (up 17% YOY) can report positive sustainability impacts of their wool supply. Data is more likely to be reported if from the brand’s specific supply chain, or investments, but industry tools are the most popular way of calculating equivalent impacts (43% - up 14% YOY).
Materials Portfolio

Down

State of play
Most brands have reached their “100% more sustainable down” target, relying on certified down to mitigate the highest rated risks, which are at farm level. Responsible Down Standard (RDS) is the widest used program, and Downpass has the highest uptake.

Areas to improve
A reliance on certified down has left direct intervention and regional supply chain mapping low priority. With greater supply chain transparency back to farm level, brands can more accurately assess, monitor, and intervene to mitigate key risks and enable contact directly with suppliers.

Company Highlights
- From 2020 onwards, a luxury brand will only source from suppliers with certified chain of custody to the standards of RDS and/or TDS. Suppliers claiming this certification need to show evidence with the appropriate certificates, document traceability, and demonstrate proof of recent audits.
- A sports/outdoor brand has moved from 100% conventional down to Recycled Down Standard (RDS). Thanks to this certification, the company can now map and manage its risks throughout its down supply chain.
- One company has implemented a system to enable it to trace down and feathers from the supplier back to the slaughterhouse and direct to farm level. Suppliers of down and feathers must also ensure sub-suppliers comply with the same requirement.
- One company has been visiting its suppliers since 2015, not just processors but also the collectors, slaughterhouses, and down farms to ensure risks are mitigated. Lots of different objectives during these visits: from raising awareness and education, to acknowledging sustainability work, and highlighting the impact of its efforts.
- A fashion brand buys all down from one supplier and requires Recycled Down Standard (RDS) Transaction Certificates on an annual basis. The Global Recycled Standard (GRS) is always needed for that application, as well.
1. Risk Management - A combination of certification and policies mainly mitigate risks
The feedstock risks considered most important are live plucking and force-feeding (both 97%). It appears participants agree that a combined approach works best if risks are to be properly mitigated. 100% of respondents to this question (up 8% YOY) had a management system in place for farming; certifications (89%) are still mostly adopted to mitigate the risks alongside or instead of policy/strategy (95% - up 19% YOY). 16% of companies know the upstream source of all their down supply, and 5% implement direct intervention to address risks e.g., improving transportation system from farm to slaughterhouse. Due to the importance of animal welfare at farm level, down is one of the few materials where companies assess and manage risks more consistently at geese and duck farming level than at processing level (e.g., de-dusting, washing, and drying down) - but the gap is slowly closing. The top processing risks were much lower on the agenda; occupational health and safety (46%) and “other” labor (38%) have overtaken water pollution (35%), last year’s top risk. Though only half of brands (51%) manage processing risks, this has significantly risen by 19% YOY. The key approach to addressing processing risks remains through policy or strategy (41% - up 27% YOY) rather than through certification alone (22% - up 11% YOY), e.g., bluesign.

2. Investment - Uncommon, but directly invested in supply chain
Investment is down on last year, and still scarce. Only 4 out of 37 companies invest in addition to the cost of supply and certification; and in-kind investments (11%) slightly outweigh financial (8%). Examples are collaborative and/or with supply partners, including contributing towards certification costs at facility level, and helping reduce its environmental impacts. A luxury fashion brand is working with fabric mills and finished goods vendors on renewable energy procurement, chemical management, and an NRDC assured Energy and Water Reduction Program.

3. Transparency - Majority know country but not site origin
The majority of respondents had a rough idea about country of origin, but exact locations were opaque. 70% of companies can trace 75% or more of their down supply back to country level, but little else is known of the remaining brands’ supply. Some companies are working with specific nominated suppliers. However, public transparency remains at a similarly low level to last year. 65% have mapped their down processors (e.g., cleaning and sorting down), but only 11% have published their details; and not one company has published upstream of this, despite the fact that 41% of brands have traced some supply to collectors/slaughterhouse and 35% have mapped some farm and/or recycled feedstock suppliers.

4. Targets - Bold targets, which most have met
It is promising to see that 95% of brands recognize the value in setting a target for “100% more sustainable” supply. In fact, the majority (84%) have arrived at their target of 100% preferred down already, which is a proportionately higher progress rate than with any other fiber or material. Four companies are working on their target and two companies have yet to set one. There is a huge potential in sharing these intentions publicly, since only half (51%) have made them public.

5. Uptake - Downpass and RWS lead, conventional in minority
58 companies reported their down uptake volume, which represents 0.6% of the total materials reported for 2019, by weight. A small volume, but excellent progress displacing conventional; by uptake volume, 95% is “preferred”, 5% is conventional and <1% is recycled. The success is largely down to the seven companies (12% of brands) that use Downpass – mostly from the home textiles/hospitality sector, which reported by far the biggest down uptake volume. A third (32%) of uptake is down certified to the Responsible Down Standard (RDS), which is the most widely used program (adopted by 74% of brands). 22% of brands use conventional, 10% recycled, and only one company used organic and another the Traceable Down Standard (TDS). Recycled down is mechanically recycled, mostly from post-consumer sources.

6. Impact Monitoring - Only positive impact shown through supply-specific data
As with other materials, more companies are measuring sustainability impacts for their down (59%) than are able to demonstrate positive impacts (43%). The majority (41%) rely on industry tools to measure and for reporting; the vast majority of supply chain-specific information showed a positive impact on sustainability.
Materials Portfolio
Leather

State of play
Brands are gradually mapping their leather supply chain and most manage to identify suppliers back to tanning level. Only a few have managed to map their leather supply back to farm level. Very few brands use robust traceability systems, and there is no certified traceability scheme available for virgin leather. Brands rely on policy from suppliers to manage risks at farm level. Half of the respondents are sourcing from Leather Working Group (LWG) suppliers, and many have targets to increase their sourcing from LWG suppliers.

Areas to improve
Many leather-dominant brands, who are already engaged in working on the sustainability of their supply chain, are investing a lot of resources in traceability and setting targets to fully trace their leather supply chain. This will enable companies to implement direct interventions at farm level; mitigation more effective than relying on policies provided to suppliers at a higher tier.

Top-line numbers

- 30% of participants completed the leather module in 2020
- 61% of participants had a 100% target for more sustainable leather (using own definition)
- 38 million meters² of hides covered by improved processing (Leather Working Group)
- 195,170 meters² of waste leather was diverted from textile waste streams

Company Highlights

- One company, together with business partners, is investing in ways to increase the traceability of leather in their supply chain and reduce the impact of leather in the country of origin of the animals.
- One company has a traceability program in place to monitor leather suppliers at all tiers of leather processing to identify potential risks in its supply chain.
- A fashion brand requests its suppliers (tanneries) to enter detailed information about their sourcing volumes and practices in a supplier database. This includes mapping the supply chain back to slaughterhouse or farm and mapping sustainability certifications or protocols (environmental, social, animal welfare) in their own or their suppliers’ operations.
- Two large companies have diverted from chrome tanning and are now sourcing 100% chrome-free leather.
- A footwear manufacturing company has mapped its entire leather supply chain back to farm level and aims to trace 100% of hides to the country of origin.
Leather

1. Risk management - Reliant on policies and use of LWG suppliers
The key farm level risks identified by participants were animal welfare (89%) and deforestation (64%). 89% of participants indicate using a policy to manage risks at farm level. Still, only 3% of participants currently map their leather supply upstream back to farm, which indicates that policies are handed to suppliers downstream. Therefore, brands have limited control over the implementation of policies and their effectiveness in reducing farm level risks.

The top key risks identified at leather processing are water pollution (89%), occupational health and safety (83%), and energy use (78%). 92% of participants are managing risks for leather processing e.g., tanning; 81% are implementing policies and/or strategies and 87% rely on certification schemes, many referencing the Leather Working Group (LWG). 24% of participants do not know the tanning processes used in their leather production. Half (47%) of participants indicate using to some degree chrome-free tanning and vegetable tanning in their leather production.

2. Investment - Half are investing, mostly in collaborative projects
42% of respondents invest in the sustainability of leather, the second most frequently invested in material according to our survey, next to cotton (59%). 19% invested through collaborative initiatives; contributions to Textile Exchange’s work on leather (Leather Impact Accelerator and the Responsible Leather Round Table), and contributions to the LWG animal welfare group were common examples. 31% invest through innovation projects, many linked to traceability.

3. Transparency - Extremely limited upstream of tanning
75% of participants have mapped the majority of their leather supply back to tanning level, only very few have been able to map beyond, and only 3% have mapped back to farm level. 67% of participants know the country of origin of their leather. The majority of participants rely on their tanneries to provide this information.

4. Targets - Widespread, many linked to LWG
75% of participants (up 4% YOY) have set a target related to their leather supply, 11% have committed to zero deforestation and conversion, 61% have set SMART targets for “100% more sustainable” feedstock, for the vast majority these targets are linked to sourcing from LWG rated suppliers. Some brands are also setting targets to have fully traceable supply chains. 50% of participants completing this module are LWG members.

5. Uptake - Most volume is LWG, which nearly half of brands use
A third (67%) of leather uptake was processed in at least one LWG rated facility between beamhouse and leather finishing, and conventional represents 32%. The remaining 1% includes organic and recycled. Conventional bovine (cow) leather was the most widely used, with 57% of brands sourcing it. But nearly half (42%) were using LWG bovine leather. Only one company used organic bovine and recycled bovine leather.

Only 11% of participants indicate having used an Identity Preserved (IP) system to verify their virgin leather supply and, in most cases, this represents pilots and trials, limited to a minor share of the company’s total leather supply. Given there is no certified traceability system in place for virgin leather, it is not surprising that 78% of participants rely on supplier declarations to verify their leather supply.

6. Impact Monitoring - Increased thanks to industry tools
72% (up 9% YOY) of participants are measuring their sustainability impacts related to the use of leather; the majority (39%) continue to rely on industry tools. The industry tools most frequently quoted were the Sustainable Apparel Coalition’s Higg MSI, and results provided by the LWG on certified facilities. 50% were able to demonstrate a positive impact on sustainability from using preferred leather, and the majority (28%) refer to industry tools to achieve this. The robustness of LCAs and industry tools currently available for leather has been the subject of debate in the past years. Several organizations are currently working on new LCAs and impact data to provide a more accurate overview of the impacts related to leather.
This year Textile Exchange launched the Generic Module, to capture “other” key materials used by participants. From now on, companies can report in this module across a broad spectrum of fibers and materials, including additional priority materials, new and emerging innovative materials, and the “balance” of a company’s portfolio. This new module is used by Textile Exchange to assess and identify materials of importance to companies that could eventually be included as customized modules in the benchmark survey.

Materials reported

9 pioneering companies (from the outdoor/sports, apparel/footwear, and multi-sector sub-sectors) reported on one or more “other” material. Between them, they reported on eight different materials that hold significance for them and were reported as either key components in their products and/or because they are working on the sustainability risks associated with their use.

- **Plant-based**: hemp, rubber
- **Animal-based**: cashmere, silk
- **Synthetics**: acrylic, elastane, synthetic leather/polyurethane (PU), and EVA foam

Top risks identified

While it is impossible to aggregate risks across the reported material categories there are some observable trends, which will not be surprising. Human rights related risks in crop-based materials, animal welfare both domestic and wild for animal fibers, and use of non-renewables and chemicals in synthetics. Climate change was a risk identified across all “other” material categories. With greenhouse gas emissions being singled out for animal fibers.

**Plant-based materials**
- child labor
- forced labor
- climate change

**Animal fibers**
- animal welfare
- harm to endangered species
- climate change/greenhouse gas emissions

**Synthetic materials**
- climate change
- use of non-renewable resources
- chemical-related risks

A brief introduction to the materials selected and company highlights follow.
**Plant-based materials**

**Hemp**

The term “hemp” refers to the industrial use of the stalk and seed of the *cannabis sativa* L. plant. The strong, woody bast fiber (fiber found inside the outer bark) is extracted from the stalk by a process called retting, which separates the fiber from the stems using micro-organisms and moisture. There are three basic retting methods: dew retting (with natural bacteria), natural water retting (standing and moving water), and water retting (either with chemicals or enzymes). After retting, the stems go through additional processes to further remove the fibers from the core. Combing and spinning are the final processes before textile manufacturing.

Hemp is considered to have relatively low environmental impacts at the growing stage due to its resistance to pests and low fertilizer and water requirements. Small amounts of hemp are grown organically, and one company reported its use of organically grown, dew retted, hemp. With dew retting, the stalks are left to rot in the field and require regular turning for even retting. Dew retting is identified in the Higg MSI as having a lower impact compared to the conventional water bath method.

For more information on hemp and what you can do to source more sustainably, our members can access the Material Summary and Material Snapshot. Non-members can purchase the Summary here. You can also refer to page 20 of Textile Exchange’s 2020 Preferred Fiber and Materials Market Report.

**Rubber**

Natural rubber is a renewable raw material usually produced by the Hevea tree. *Hevea brasiliensis* is a species of rubberwood that is native to rainforests in the Amazon region of South America. Today, the Hevea tree is also cultivated in plantations throughout Southeast Asia and Western Africa. Rubber production depends on natural capital such as healthy trees and soils, a reliable supply of water, energy, sunlight, dependable weather/seasons, and a stable climate for its ongoing availability. Healthy forest-based crops depend on nature’s contributions to people for pollination and preventing economic damage to rubber trees from pests and disease.

There are a number of initiatives and standards aimed to improve the sustainability of rubber production. A key focus is addressing deforestation and land conversion, alongside livelihoods and impacts on communities. Standards include forestry certification (FSC, PEFC), organic cultivation and processing according to the Global Organic Latex Standard (GOLS), fair rubber and recycled. Company highlights include a company buying directly from, and pays a premium to, co-operatives made up of families of rubber tappers. The premium helps to conserve the rainforest and increase its economic value. Another reported that all Amazonian rubber is Fair for Life certified. And another reported the use of post-industrial recycled rubber in some of its foams.

For more information on rubber and what you can do to source more sustainably, our members can access the Material Snapshot. Non-members can purchase this resource here. You can also refer to page 17 of Textile Exchange’s Biodiversity Companion Guide.

**Animal fibers**

**Cashmere**

Cashmere goat herding and farming depends on healthy grazing lands and other natural capital such as healthy soils, a reliable supply of water, energy, sunlight, dependable weather/seasons, and a stable climate for its ongoing availability. It also depends on nature’s contributions to people for pollinating native pastures and controlling pests and disease.

Cashmere comes with a host of sustainability issues that impact the areas of animal welfare, the environment, and societies, particularly in China and Mongolia where 60-70% is produced. One company has funded a sustainable cashmere program in the South Gobi in Mongolia. The program is especially focused on rangeland health, livelihoods and animal welfare. In addition, the company has supported various efforts to help develop a sustainable cashmere standard in Mongolia. Procurement of recycled cashmere was also reported.

For more information on cashmere and what you can do to source more sustainably, please refer to page 37 of Textile Exchange’s 2020 Preferred Fiber and Materials Market Report and page 25 of our Biodiversity Companion Guide.

**Silk**

Silk is a protein fiber produced by caterpillars. A single silk filament of Mulberry Silk, perhaps the most popular silk, is the product of the domesticated silkworm, *Bombyx mori*, which feeds on cultivated mulberry trees. During the caterpillar phase, the worm wraps itself in a liquid protein secreted by two large glands in its head, which hardens upon exposure to the air. The resulting filament is bonded by a gum called sericin and forms the cocoon.

Under natural conditions, a moth eventually breaks through its cocoon. In sericulture, the larva is killed in the cocoon by steam or hot air in the chrysalis stage before its metamorphosis. The cocoon is then cooked in a soap solution to soften the sericin, reduce the gumming force, and enable reeling. This is the process where the silk filament is unwound, and several filaments are combined with a slight twist into one strand. The manufacture of silk has negative implications on animal welfare, toxicity associated with the dyeing and finishing process of silk textiles, and water and energy use.

One company uses only certified organic silk to mitigate sustainability risk, with the Global Organic Textile Standard (GOTS) certification being its preferred option. GOTS silk is produced and processed to environmental and social standards, and only low impact dyes and inks are used.

For more information on silk and what you can do to source more sustainably, our members can access the Material Summary. Non-members can purchase this resource here. You can also refer to page 42 of Textile Exchange’s 2020 Preferred Fiber and Materials Market Report.
Extra Insights

Other Materials

Synthetic fibers and materials

While more sustainable options exist for the synthetic materials reported by participants and outlined below, they are less scaled in their availability and are not yet well integrated into preferred material strategies and portfolios. Most of the participants reported being at the early stages of their preferred journeys in relation to the following synthetic materials. Textile Exchange aims to support companies through awareness raising of risks, opportunities, new innovations and developments in these materials and covers progress annually through our Preferred Fiber & Materials Market Report. Useful links are added for each material category below.

Acrylic

Conventional petroleum-based acrylic is a synthetic fiber which can be used in substitution for cotton, polyamide, polyester, and wool. It is used in knitwear, fleeces, athletic-wear, and for outdoor and industrial fabrics. Sustainability implications include the use of a finite natural resource, the toxicity of acrylonitrile, the main chemical input for acrylic, which is also possibly carcinogenic, toxic wastewater (if left untreated), and greenhouse gas emissions.

For more information on acrylic and what you can do to source more sustainably, our members can access the Material Snapshot. Non-members can purchase this resource here. You can also refer to page 77 of Textile Exchange's 2020 Preferred Fiber and Materials Market Report.

Elastane

Conventionally, elastane is made from petroleum-based chemicals. Its production involves a number of different processes, including refining the oil, breaking it into chemicals, and creating the co-polymer. This is then extruded and spun into filaments.

Given that conventional elastane relies on crude oil it contributes to the depletion of a finite, non-renewable natural resource. Both the primary extraction of crude oil and processing of chemicals through multiple steps require significant energy. Greenhouse gas emissions are caused by various petroleum refining processes and delivery which result in the production of fossil fuel derived carbon dioxide, methane and nitrous oxide. Finally, reaction conditions and appropriate chemical ratios must be carefully controlled to ensure that unreacted chemicals do not remain in the final product as these could cause consumer health and safety issues.

For more information on acrylic and what you can do to source more sustainably, our members can access the Material Summary. Non-members can purchase this resource here. You can also refer to page 77 of Textile Exchange's 2020 Preferred Fiber and Materials Market Report.

Ethylene-vinyl acetate (EVA) foam

EVA – which can be used as an alternative to PVC – is made from petroleum-based chemicals. EVA can be used in film and adhesives as well as molded and compounded applications. The latter applications include hoses, footwear components, athletic and protective equipment. EVA foams can be laminated to other materials or molded into midsoles for footwear. The sustainability implications for EVA include the use of a finite natural resource, chemicals, and the significant use of energy and greenhouse gas emissions.

For more information on EVA and what you can do to source more sustainably, our members can access the Material Summary and Material Snapshot. Non-members can purchase the Summary here and the Snapshot here.

Synthetic Leather/Polyurethane (PU)

Conventionally, polyurethane (PU) is made from petroleum-based chemicals; its raw material is crude oil. Alongside apparel, footwear, and accessories produced for the textile industry, polyurethane is used in applications such as buildings and insulation, beddings, and furniture. The sustainability implications include the use of toxic chemicals; the use of finite natural resources; high energy use through the production and delivery of its raw materials, and the release of toxic compounds when waste is burned.

For more information on synthetic leather and what you can do to source more sustainably, our members can access the Material Summary. Non-members can purchase this resource here. You can also refer to page 77 of Textile Exchange's 2020 Preferred Fiber and Materials Market Report.
Part B: Data Deep Dive
Business Integration Strategy

A materials strategy provides a framework to identify risks to supply, focus investment and drive sustainability performance. Engaging with a diverse range of stakeholders ensures risks and opportunities are not overlooked. The following analysis is based on the 92 companies that completed the Strategy and Integration section.

1. Strategy
Top materials-related business risks

- Biodiversity loss/land use change: 85%
- Climate change: 74%
- Human rights: 70%
- Water: 67%
- Chemical use/toxicity: 66%
- Animal welfare: 64%
- Post-consumer textile waste: 59%
- Reputation risks: 58%
- Resource scarcity: 57%
- Supply security: 57%
- Regulatory risks: 54%
- Raw material price/volatility: 50%
- Market demand: 48%
- Business disruption: 46%
- Integrity risk: 24%
- Demographic changes: 23%

Strategy integration
- No materials strategy: 1% of participants
- Materials strategy: 8% of participants
- Integrated strategy: 47% of participants
- Strategy aligned with SDGs: 45% of participants

When we developed our sustainability strategy we considered the SDGs as our biggest impact areas.

Apparel/footwear company

The CEO chairs the Sustainability Steering Committee which oversees sustainability strategies and progress.

Apparel/footwear company

We use our 1% of sales fund to plant trees in Africa expanding employment and reducing deforestation. We also use funds for ocean clean-up and invest through Fashion for Good to improve environmental and social conditions for the textile industry. We pay a premium for preferred fibers and dyes using only third-party verified materials concentrating on bluesign, GRS, OEKO-TEX, GOTS, RWS, RDS, and use the Higg Index MSI which looks at chemical use as well as normal LCA impacts. Beyond this, we use knowledge so we can better understand our impacts and how they impact humans and the environment. We believe in industry collaboration and spend both time and money in the most effective way we can as an SME.

Outdoor/sports company

2. Leadership
Materials strategy leadership

- Not currently covered: 1% of participants
- Middle management: 4% of participants
- Senior management / directors: 35% of participants
- CEO (or equivalent): 50% of participants
- Board member(s): 10% of participants

CEO leadership examples
- Yes (85%)
- Statement in annual report (63%)
- Corporate advocacy (53%)
- Presented at a major conference (30%)
- Other, e.g., Leadership on boards, website, and blog (52%)

The industry faces significant challenges. We know that change requires collective action and cooperation. Thus we are proud of our commitments to a number of important global plans and alliances. This year we have joined five new partnerships with United Nations Fashion Industry Charter for Climate Action, Textile Exchange, Sustainable Apparel Coalition, The Fashion Pact, and The Ten Principles of United Nations Global Compact.

Apparel/footwear company

3. Internal Engagement
Responsibility for materials sustainability

- CSR / sustainability: 92%
- Product design: 89%
- Sourcing / buying: 88%
- Marketing / communication: 77%
- Sales staff and/or retail staff: 59%
- C-suite (CEO, CFO, CDO): 55%
- Board member(s): 49%

Incentivization for materials sustainability

- Provide regular training (93%)
- Responsibilities are written into job descriptions (91%)
- Evaluate performance against performance indicators (64%)
- Provide incentives/rewards as for meeting targets/KPIs (41%)

The following analysis is based on the 92 companies that completed the Strategy and Integration section.
### Strategy

#### 5. Customer Engagement

Engaging customers on the sustainability benefits of more sustainable materials

- **Provide information (98%)**
  - Information online about use of standards and certifications (90%)
  - Own on-product labeling (83%)
  - In-store, off-product information (74%)
  - Third-party product labeling (53%)

- **Actively engage (82%)**
  - Awareness-raising through campaigns, Earth Day, etc. (77%)
  - Open dialogue with customers through social media (61%)
  - Encourage customers to ask questions online, in-store, or through other channels (60%)

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#### 6. Corporate Reporting

Public reporting on materials sustainability

- **Yes (99%)**
  - Regularly report activities and progress (53%)
  - Regular activities report and progress report to a recognized framework (21%)
  - General information (18%)
  - Regular activities report (7%)

- **Data assurance**
  - No data quality assurance system (12% of participants)
  - Internal review process (34% of participants)
  - Standardized internal data quality assurance system (15% of participants)
  - Independent third-party review (35% of participants)
  - Other (2% of participants)
Our company is committed to The CEO Water Mandate ("CEOWM"), which convened the Apparel Working Group where we, together with other apparel brands signatories have planned a project in the Cauvery River basin complementary to the work of WWF. Additionally, we have also used a number of different resources, insights and tools to develop a comprehensive global water strategy. The strategy is informed by the UN CEO Water Mandate commitment - a global water risk analysis conducted by WWF and insights into the lifecycle impacts of our products. Through this we cover SDG 12, 15 and 17.

SDG prioritization

Most commonly prioritized SDGs*

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<thead>
<tr>
<th>SDG</th>
<th>Description</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>SDG12</td>
<td>Responsible consumption and production</td>
<td>99%</td>
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<tr>
<td>SDG13</td>
<td>Climate action</td>
<td>92%</td>
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<td>SDG6</td>
<td>Clean water and sanitation</td>
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<td>No poverty</td>
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<td>SDG10</td>
<td>Reduced inequality</td>
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<td>SDG8</td>
<td>Peace, justice, strong institutions</td>
<td>55%</td>
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<td>SDG9</td>
<td>Industry, innovation and infrastructure</td>
<td>53%</td>
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<td>SDG7</td>
<td>Affordable and clean energy</td>
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<td>SDG5</td>
<td>Quality education</td>
<td>47%</td>
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<td>SDG4</td>
<td>Quality education</td>
<td>43%</td>
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<td>SDG3</td>
<td>Good health and well-being</td>
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<td>SDG2</td>
<td>Zero hunger</td>
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<td>SDG17</td>
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<td>Life below water</td>
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<td>Peacemaking, strong institutions</td>
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<tr>
<td>SDG10</td>
<td>Reduced inequality</td>
<td>11%</td>
</tr>
<tr>
<td>SDG8</td>
<td>Clean water and sanitation</td>
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<tr>
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</tr>
<tr>
<td>SDG1</td>
<td>No poverty</td>
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</tr>
<tr>
<td>SDG12</td>
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<td>4%</td>
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<td>SDG10</td>
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<td>1%</td>
</tr>
<tr>
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<td>No poverty</td>
<td>1%</td>
</tr>
</tbody>
</table>

* Data excludes the 15% of companies not prioritizing SDGs
Business Integration

1. Circularity Strategy

Decoupling economic growth from resource use

- Yes (69%)
- Intensity reduction** (27%)
- Virgin renewable materials with regenerative qualities (22%)
- Absolute reduction of virgin materials use (14%)
- Yes or 69%

Circularity targets

- Yes (70%)
- Quantitative targets only (22%)
- SMART targets for 24%
- Recycled content (24%)
- Design for reusability and disassembly (24%)
- Post-consumer textile collection (23%)
- Use of safe chemistry (23%)
- Business models that increase textile use (22%)
- Renewable materials produced using regenerative practices (21%)
- Resource efficiency (20%)

Investing

- Yes, investing in circularity (82%)
- Investing in internal operations and capacity building (73%)
- Investing in circularity innovation and technology (51%)
- Investing in our supply chain operations (45%)
- Investing in stakeholder collaboration (33%)
- Some Investment becomes open-source (18%)

In development (12%)

- Yes (87%)
- Use of recycled materials (80%)
- Extended life (72%)
- Resource efficiency, waste prevention & diversion (64%)
- Reuse (59%)
- Textile collection and sorting (67%)
- Material health (62%)
- Technical cyclability (61%)
- Design for disassembly (40%)
- Biological cyclability (25%)
- Other important aspects of circularity* (12%)

*Other: e.g., transition to renewable energy, reducing water usage in production countries, phase out hazardous chemicals, etc.

Allying circularity strategy with the SDGs

- In development (35%)
- Yes (55%)
- Targets also aligned (11%)

2. Business Models

Extending first life of products

- Yes (89%)
- Other methods* (35%)
- Recommerce (27%)
- Products upcycled (27%)
- Leasing services offered (18%)

Service model

- Units reported
- Companies
- Rental service
- 4,519,340
- 6
- Other methods e.g., bring-back and exchange schemes
- 1,029,005
- 4
- Re-commerce
- 426,984
- 8
- Upcycling or remanufacturing of products
- 69,354
- 4
- Repair services
- 36,253
- 3
- Total
- 6,080,936
- 12

Investing

- Yes, investing in circularity (82%)
- Other investment outcomes (18%)
- Open-source (18%)

C. Multi-sector company

We must take the responsibility of our future together. Companies and governments have to collaborate, be transparent and show leadership in their transition to a circular economy.

2. Business Models

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Service model

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Investing

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- Other investment outcomes (18%)
- Open-source (18%)

C. Multi-sector company
Business Integration

3. Resource efficiency

Preventing and reducing pre-consumer waste

- Yes (82%)
  - Demand forecasting & on-demand production (85%)
  - Engaging with suppliers to address waste (64%)

- No (18%)
  - Not applicable (20%)

- Other (30%)

  * Other (e.g., manufacturing efficiencies)

Reporting on volumes of unsold finished goods

- Yes (61% of participants)
- No (22% of participants)
- Not reporting (16% of participants)
- Not applicable (2% of participants)

Identifying outcomes for unsold finished goods

- No (23%)
- <25% (2%)
- 26-60% (7%)
- 61-75% (2%)
- 76-99% (17%)
- 100% (53%)

Reporting on destinations of unsold finished goods

<table>
<thead>
<tr>
<th>Destination</th>
<th>Companies Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resold in its original product form (or modified only by de-branding)</td>
<td>85%</td>
</tr>
<tr>
<td>Donated in its original product form (or modified only by de-branding)</td>
<td>58%</td>
</tr>
<tr>
<td>Downcycled (e.g., as insulation material or cleaning material)</td>
<td>20%</td>
</tr>
<tr>
<td>Feedstock for recycled fibers</td>
<td>13%</td>
</tr>
<tr>
<td>Feedstock for remanufactured products</td>
<td>13%</td>
</tr>
<tr>
<td>Landfilled or incinerated</td>
<td>2%</td>
</tr>
<tr>
<td>Other e.g., employee deals</td>
<td>18%</td>
</tr>
</tbody>
</table>

4. Design for circularity

Capacity building

- Durability and longevity (82%)
- Use of safe, renewable and recycled inputs (60%)
- Reuse, remanufacturing and recyclability (57%)
- Resource use, waste prevention and diversion (53%)
- Other circular design principles (8%)

Implementation of design factors

- Durability and longevity (64%)
  - Use of safe, renewable and recycled inputs (58%)
  - Reuse, remanufacturing and recyclability (54%)
  - Resource use, waste prevention and diversion (41%)
  - Other design factors* (6%)

- Other design factors: (e.g., modularity, “upgradability”, zero waste)

Recyclability or biodegradability certification

- Yes (94% of participants)
- No (6% of participants)

By 2025, three of the company’s most commonly purchased products will be completely circular including the full traceability of key raw materials.

Apparel/footwear company

5. Textile collection

Collection scheme for post-consumer textiles

- Offered in-house collection services (43%)
- Customers encouraged to pass on used textiles (42%)
- Used a third-party service provider (27%)
- Customer information provided on returned textiles (23%)
- Collected schemes monitored to inform strategies (20%)

Reporting on volumes of post-consumer textile products

- Yes (62%)
- No (38%)
- Can report total volumes (22%)
- Some data but it is incomplete (10%)
- Can report a rough estimate (6%)

Reporting year (YOY) | Units reported | Companies
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2019 (based on 2018 data)</td>
<td>37,825 tonnes</td>
<td>20</td>
</tr>
<tr>
<td>2020 (based on 2019 data)</td>
<td>46,568 tonnes</td>
<td>22</td>
</tr>
<tr>
<td>Increase</td>
<td>23%</td>
<td>10%</td>
</tr>
</tbody>
</table>
### Identifying outcomes for collected post-consumer textile products

- No knowledge: 52%
- <25%: 4%
- 26–50%: 2%
- 51–75%: 5%
- 76–99%: 6%
- 100%: 27%

We offer a take back system where products that come back are sorted by quality, which determines whether they will be resold, upcycled, or recycled. There are certain products that are more challenging to find solutions for and currently these are stored until a better solution is identified. Recycling and repair is handled internally while resale is co-managed with a partner organization.

- Outdoor/sports company

### Identifying destinations for collected post-consumer textile products

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<tr>
<th>Destination</th>
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</tr>
<tr>
<td>Landfilled or incinerated</td>
<td>1%</td>
</tr>
<tr>
<td>Other*</td>
<td>95%</td>
</tr>
</tbody>
</table>

* Many companies reported alternative activities and/or used alternative.

### 6. Recycled Content

#### Breakdown of recycled materials

- Non-recycled materials (92%)
- Non-textile inputs (96%)
- Pre-consumer textile inputs (77%)
- Recycled materials (8%)
- Textile inputs (4%)
- Post-consumer textile inputs (23%)

#### Breakdown of post-consumer textiles

Very little is known about the origins of post-consumer textile inputs, with 93% of participants who use post-consumer textiles having little or no direct insight.

We have targets for growing our refurbished clothing program, and targets for replacing our virgin synthetics with recycled synthetics.

- Outdoor/sports company

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*Photo: Nudie Jeans (Denim jeans)*
Materials Portfolio

Cotton

Cotton was the dominant fiber type among benchmarking companies. Comprising 55% of uptake, cotton was the highest volume material reported and the most frequently completed fiber module (76% of all companies). The following analysis is based on the 91 companies that completed the cotton module. Uptake reporting (number of companies and uptake volume) includes both module and "progress tracker" respondents.

1. Risk Management

Highest rated cultivation risks

- Child labor: 93%
- Forced labor: 93%
- Pesticide exposure: 80%
- Labor-related risks: 71%
- Energy use: 64%
- Water pollution: 36%
- Greenhouse gas emissions: 35%
- Water depletion: 26%
- Integrity-related risks: 24%
- Quality: 23%
- Other*: 14%

Highest rated cotton ginning risks

- Child labor: 87%
- Forced labor: 87%
- Health and safety: 85%
- Labor-related risks: 71%
- Energy use: 64%
- Water pollution: 42%
- Greenhouse gas emissions: 35%
- Water depletion: 26%
- Integrity-related risks: 24%
- Quality: 25%
- Other*: 18%

*Other processing risks include contamination and documentation issues

The ginners we know personally are in Tanzania. We have a very long-term trusting relationship. We also know that there is no genetically modified cotton in Tanzania so no risk of contamination.

Apparel/footwear company

We started working with a new supplier from 2019 and we are actively working on increasing our orders with them, and helping them get Fairtrade certification by ensuring better payment to the farmers and protection against child and forced labor.

Apparel/footwear company

2. Investment

Investing in sustainability of cotton production

Types of investment

- Yes (96%)
  - Financial (49%)
  - In-kind (19%)

Risk management approaches:

- Cotton cultivation
  - Yes (97%)
    - Policy & strategy (95%)
    - Certification (82%)
    - Management system covering some key risks (27%)
    - Management system covering all key risks (20%)

- Ginning and recycling
  - Yes (86%)
    - Certification (73%)

3. Transparency

Country of origin: visibility

- No knowledge: 22% of participants
- <25%: 10% of participants
- 26–50%: 1% of participants
- 51–75%: 10% of participants
- >75%: 34% of participants
- 100%: 18% of participants

Country of origin: by cotton uptake volume

- No country of origin information: 42% of uptake volume
- India: 17% of uptake volume
- China: 11% of uptake volume
- USA: 8% of uptake volume
- Pakistan: 7% of uptake volume
- Brazil: 4% of uptake volume
- Turkey: 4% of uptake volume
- Australia: 3% of uptake volume
- Africa: 3% of uptake volume
- Other: 2% of uptake volume

*Other processing risks include contamination and documentation issues
Cotton

Cotton supply: by country and site location

- Yes (86%)
  - By country (85%)
  - By program (41%)
  - By site location for some supply (21%)
  - By site location for all supply (12%)

Cotton supply chain mapping

- Mapped to CMT level (97%)
- Mapped to fabric producer level (90%)
- Mapped to spinner level (69%)
- Mapped to grower level (47%)
- Mapped to ginner level (41%)
- Mapped to CMT level (97%)
- Mapped to shredder level (35%)

Public listing of cotton suppliers

- Yes, publish supplier list (60%)
  - CMT level (67%)
  - Fabric producer level (31%)
  - Spinner level (14%)
  - Feedstock supplier level (10%)
  - Ginner or shredder level (8%)

4. Targets

Setting more sustainable* cotton targets

- Yes (85%)
  - Qualitative target (1%)
  - Incremental SMART target (4%)
  - SMART targets up to 50% (3%)
  - SMART targets beyond 50% (7%)
  - SMART target 100% more sustainable cotton (86%)
  - SMART targets aligned to the 2025 Sustainable Cotton Challenge (42%)
  - SMART targets are publicly available (76%)

*“More sustainable” as defined by the company

Our company is already 100% organic or organic fair trade. Our target is to have 100% traceable cotton supply by 2025.

- Home/hospitality company

5. Uptake

Uptake reporting: number of participants

- Organic cotton
  - BCI (1%)
  - Recycled (51%)
  - GOTS (27%)
  - OCS (64%)
  - USTrust (5%)

- Conventional cotton
  - Other (86%)
  - SCS (3%)
  - RCS (49%)
  - GR (73%)

- Biore (8%)

We commit to use 100% more sustainable cotton by 2020 - that means either recycled, or BCI or Organic cotton.

- Multi-sector company

Uptake volumes: percentage share

<table>
<thead>
<tr>
<th>Preferred, recycled</th>
<th>Preferred, renew</th>
<th>Conventional</th>
</tr>
</thead>
<tbody>
<tr>
<td>200,786 tonnes (1%)</td>
<td>1.6 million tonnes (82%)</td>
<td>945,747 tonnes (37%)</td>
</tr>
</tbody>
</table>

Volume of cotton reported: 2.5 million tonnes.

We have carried our manual full chain of custody mapping and achieved visibility of ginner and of growing regions. This we have done for approximately 10% of our products. We are currently implementing mandatory visibility of ginner into all our internal systems.

- Multi-sector company

Organic cotton verification models

- GOTS (85%): Full: 27%, partial 59%
- OCS (64%): Full: 18%, partial 53%
- Supplier declarations (15%)
- Other (8%)

Recycled cotton verification models

- GRS (73%): Full: 8%, partial 65%
- RCS (49%): Full: 0%, partial 48%
- Supplier declarations (27%)
- BCI (3%): Full 0%, partial 3%

We have carried our manual full chain of custody mapping and achieved visibility of ginner and of growing regions. This we have done for approximately 10% of our products. We are currently implementing mandatory visibility of ginner into all our internal systems.

- Multi-sector company

Certified identity preserved (IP) (85%)

Mass-Balance (MB system) (51%)

Supplier declarations (97%)

Non-certified identity preserved (IP) (7%)

Using cotton program verification

6. Impact Monitoring

Measuring impact of cotton production

- Yes, measuring sustainability impact (90%)
- Use of industry tools e.g. the Higg MSI (84%)
- Qualitative evidence from our cotton suppliers (35%)
- Quantitative evidence from our cotton suppliers (33%)
- Anecdotal feedback from suppliers (24%)

Impact improvement in own supply chains

- Yes, can show improvements in sustainability impacts (78%)
- Industry tool (43%)
- Qualitative evidence of a positive impact (21%)
- Anecdotal feedback (8%)
Polyester comprised 33% of total materials uptake reported in the benchmark, the second highest volume reported by the benchmarking cohort after cotton. 72 companies (60% of all participants) completed the polyester module. The following analysis is based on the 72 companies that completed the polyester module. Uptake reporting (number of companies and uptake volume) includes both module and "progress tracker" respondents.

### 1. Risk Management

#### Highest rated feedstock risks

- Chemical related risks: 42%
- Non-Renewable resource use: 36%
- Climate change: 36%
- Greenhouse gas emissions: 35%
- Labor related risks: 32%
- Energy use: 31%
- Water pollution: 28%
- Waste collectors (recycled): 25%
- Integrity related risks: 19%
- Water scarcity: 17%

#### Highest rated production risks

- Chemical related risks: 61%
- Other labor related risks: 67%
- Greenhouse gas emissions: 64%
- Energy use: 63%
- Solid waste/disposal: 36%
- Water pollution: 35%
- Occupational health and safety: 33%
- Microfibers: 25%
- Water depletion: 21%
- Air pollution: 19%

### 2. Investment

**Investing in sustainability of polyester production**

- Yes (25%)
  - Certification (20%)
  - Policy & Strategy (15%)
  - Management system in place covering all key risks (5%)

**Types of investment**

- Financial (21%)
  - In-kind (13%)

### 3. Transparency

**Polyester production: country visibility**

- No knowledge: 54% of participants
  - <25%: 16% of participants
  - 26–50%: 6% of participants
  - 51–75%: 7% of participants
  - >75%: 8% of participants
  - 100%: 7% of participants

**Country of origin: by polyester uptake volume**

- No country of origin information: 78% of uptake volume
  - Europe: 15% of uptake volume
  - China: 15% of uptake volume
  - India: 1% of uptake volume
  - Turkey: 1% of uptake volume
  - Other: 5% of uptake volume

*Other: e.g., India, Pakistan, Bangladesh, Tanzania, Vietnam, etc.

Note: Polyester production country refers to polyester production, collection for recycled feedstock, and country of initial processing of biobased polyester.
Polyester

Polyester supply: by country and site location
- Yes (40%)
- By country (40%)
- By program (21%)
- By site location for some supply (13%)
- By site location for all supply (3%)

Polyester supply chain mapping
- Mapped to CMT level (94%)
- Mapped to fabric producer level (82%)
- Mapped to spinner level (47%)
- Mapped to fiber producer (36%)
- Mapped to chemical supplier (14%)
- Mapped to feedstock supplier (11%)

Public listing of polyester suppliers
- Yes (85%)
  - CMT level (61%)
  - Fabric producer level (26%)
  - Spinner level (6%)
  - Fiber producer (4%)
  - Chemical supplier (0%)
  - Feedstock supplier (0%)

4. Targets

Setting more sustainable polyester targets
- Yes (80%)
  - Qualitative target (10%)
  - Incremental SMART target (18%)
  - SMART target up to 50% (8%)
  - SMART target beyond 50% (7%)
  - SMART target 100% more sustainable polyester (47%)
  - SMART targets aligned to Recycled Polyester Commitment (35%)
  - SMART targets are publicly available (38%)
* "More sustainable" as defined by the company

We have committed to the Recycled Polyester Commitment. Our SMART objective is to use only recycled polyester by 2025.
- Apparel/footwear company

Polyester supply: by country and site location
- Yes (40%)
- We have exclusively used recycled polyester for 100% of our polyester needs since we started using polyester in our products.
- Apparel/footwear company

We aim for 100% recycled polyester by July 2021, this includes GRS certification by March 2021. Further, our aim is to move beyond recycled polyester, to bio-synthetics by 2023.
- Apparel/footwear company

Apparel/footwear company

Outdoor/sports company

We aim to eliminate our use of polyester entirely.
- Outdoor/sports company

Using polyester program verification
- Certified identity preserved (IP) (82%)
- Supplier declarations (68%)
- Non-certified identity preserved (IP) (8%)
- Mass-balance (MB) system (3%)

Recycled polyester verification models
- GRS (81%) - Full: 15%, partial 66%
- RCB (49%) - Full 6%, partial 43%
- Supplier declarations (42%)
- SGS (7%) - Full 0%, partial 7%
- Dye Certified (3%) - Full 3%, partial 4%
- Other Uncertified (3%) - Full 0%, partial 3%

6. Impact Monitoring

Measuring impact of polyester production
- Yes, we are measuring sustainability impact (85%)
  - Use of industry tools (e.g. the Higg MBD) (64%)
  - Quantitative evidence from polyester suppliers (24%)
  - Qualitative feedback from polyester suppliers (18%)
  - Anecdotal feedback from polyester suppliers (11%)

Impact improvement in own supply chains
- Yes, can show improvements in sustainability impacts (48%)
  - Industry tool (29%)
  - Qualitative evidence of a positive impact (13%)
  - Quantitative evidence of a positive impact (6%)
Materials Portfolio
Polyamide

Polyamide comprised 4% of participants materials reported in the benchmark, the lowest reported volume outside of animal fibers. 42 companies (35% of all participants) completed the polyamide module. The following analysis is based on the 42 companies that completed the polyamide module. Uptake reporting (number of companies and update volume) includes both module and "progress tracker" respondents.

1. Risk Management

Top fossil-based feedstock risks

- Non-renewable resource use: 43%
- Chemical related risks: 43%
- Climate change: 38%
- Water pollution: 33%
- Greenhouse gas emissions: 31%
- Energy use: 29%
- Labor related risks: 29%
- Water scarcity: 21%
- Integrity related risks: 21%
- Waste collectors (recycled): 19%

Top polyamide production risks

- Chemical related risks: 78%
- Other labor-related risks: 64%
- Greenhouse gas emissions: 63%
- Energy use: 50%
- Microfibers: 45%
- Water pollution: 38%
- Occupational health and safety: 33%
- Air pollution: 26%
- Water depletion: 26%
- Integrity related risks: 21%

2. Investment

Investing in sustainability of polyamide production

- Yes (67%)
- Policy & strategy (50%)
- Certification (45%)
- Management system covering some key risks (7%)
- Management system covering all key risks (0%)

Types of investment

- Innovation (12%)
- Collaborative initiatives (7%)
- Supplier partnerships (2%)
- Community programs (CSR) (0%)

3. Transparency

Polyamide production: country visibility

- China: 19% of uptake volume
- Vietnam: 6% of uptake volume
- India: 1% of uptake volume
- Japan: 1% of uptake volume
- Korea (South): 1% of uptake volume
- Taiwan: 1% of uptake volume
- Other*: 12% of uptake volume

Country of origin: by polyamide uptake volume

- China: 65% of uptake volume
- Vietnam: 19% of uptake volume
- Taiwan: 7% of uptake volume
- Korea (South): 5% of uptake volume
- India: 1% of uptake volume
- Japan: 1% of uptake volume
- Other*: 12% of uptake volume

* Other: e.g., Bangladesh, Italy, etc.

Note: Polyamide Production Country refers to polyamide production, collection for recycled feedstock, and country of initial processing of biobased.

We aim to replace virgin polyamide with a recycled alternative as soon as possible. This is a high priority and is associated with strategies to improve.

© Outdoor/sports company
Polyamide

Polyamide supply: by country and site location

<table>
<thead>
<tr>
<th>Yes (24%)</th>
<th>No (76%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>By country (26%)</td>
<td></td>
</tr>
<tr>
<td>By program (12%)</td>
<td></td>
</tr>
<tr>
<td>By site location for some supply (5%)</td>
<td></td>
</tr>
<tr>
<td>By site location for all supply (0%)</td>
<td></td>
</tr>
</tbody>
</table>

Polyamide supply chain mapping

- Mapped to CMT level (88%)
- Mapped to fabric producer level (71%)
- Mapped to spinner level (4%)
- Mapped to fiber producer (31%)
- Mapped to chemical supplier (12%)
- Mapped to feedstock supplier (10%)

Public listing of polyamide suppliers

- Yes (82%)
- CMT level (57%)
- Fabric producer level (21%)
- Fiber producer (5%)
- Spinner level (2%)
- Feedstock supplier (2%)
- Chemical suppliers (0%)

We are sourcing recycled polyamide whenever possible for new programs, but have been running into supply limitations.

- Apparel/footwear company

4. Targets

Setting more sustainable* polyamide targets

- Yes (79%)
- Qualitative target (21%)
- Incremental SMART target up to 50% (2%)
- SMART target beyond 50% (12%)
- SMART target 100% more sustainable polyamide (40%)
- SMART targets are publicly available (21%)

* "More sustainable" as defined by the company

- Apparel/footwear company

- Outdoor/sports company

By 2025, our goal is to substantially increase the material share of recycled polyamide. In 2019 we laid the foundation for the development of strategic approaches to achieving this goal. The process is still continuing and aimed to be implemented in 2021.

- Apparel/footwear company

Our SMART targets specify 100% displacement of conventional polyamide by 2025.

- Apparel/footwear company

- Apparel/footwear company

We have set a goal to source circular polyamide - renewable and biodegradable or compostable, by 2025.

- Apparel/footwear company

5. Uptake

Uptake reporting: number of participants

<table>
<thead>
<tr>
<th>40</th>
<th>1</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recycled polyamide</td>
<td>Biobased polyamide</td>
<td>Other polyamide</td>
</tr>
</tbody>
</table>

Uptake volumes: percentage share

- Preferred, recycled: 3,591 tonnes (2%)
- Preferred, renewable: <1 tonnes (<1%)
- Conventional: 173,672 tonnes (98%)

Using polyamide program verification

- GRS (71%): Full 11%, partial 61%
- Supplier declaration 43%
- Certified IP (52%)
- Uncertified IP (10%)
- Mass-balance (BM) system (0%)

We have increased our share of polyamide recycling from 64% in 2018 to 84% in 2019.

- Outdoor/sports company

Our goal is to decrease our use of polyamide. In cases where we do use polyamide, we would use recycled instead of conventional.

- Apparel/footwear company

6. Impact Monitoring

Measuring impact of polyamide production

- Yes, measuring sustainability impact (87%)
- Use of industry tools (e.g. the Higg MSI): 65%
- Quantitative evidence from our polyester suppliers (14%)
- Quantitative feedback from suppliers (12%)
- Anecdotal feedback from suppliers (2%)

Impact improvement in own supply chains

- Yes, can show improvement in sustainability impacts (33%)
- Use of industry tools (e.g. the Higg MSI): 17%
- Quantitative evidence of a positive impact: 10%
- Anecdotal evidence of a positive impact: 5%
- Anecdotal feedback from suppliers (2%)
Materials Portfolio
Manmade Cellulosics

Manmade cellulose fibers (MMC) comprised 7% of materials reported in the benchmark, and 57 companies (48% of all participants) completed the MMC module. The following analysis is based on the 57 companies that completed the MMC module. Uptake reporting (number of companies and update volume) includes both module and “progress tracker” respondents.

1. Risk Management

Highest rated feedstock/forestry risks

- Deforestation of high conservation value forests (86%)
- Logging of high conservation value forests (86%)
- Biodiversity loss/land use change (74%)
- Climate change (72%)
- Indigenous communities (56%)
- Labor related risks (51%)
- Endangered species / extinction (42%)
- Water pollution (28%)
- Greenhouse gas emissions (26%)
- Water Scarcity (23%)
- Integrity related risks (21%)
- Energy use (19%)
- Quality (16%)  

Highest rated pulp production risks

- Water pollution (58%)
- Occupational health and safety (53%)
- Chemical related risks (53%)
- Air pollution (51%)
- Other labor related risks (49%)
- Water depletion (47%)
- Greenhouse gas emissions (39%)
- Energy use (32%)
- Solid waste / disposal (21%)
- Integrity related risks (16%)
- Quality (14%)

Highest rated MMC fiber production risks

- Water pollution (70%)
- Air pollution (68%)
- Greenhouse gas emissions (68%)
- Occupational health and safety (67%)
- Other labor related risks (58%)
- Water depletion (56%)
- Greenhouse gas emissions (54%)
- Product Integrity (21%)

2. Investment

Investing in sustainability of MMC production

Yes (81%)
- Policy & Strategy (81%)
- Certification (48%)
- Management system covering all key risks (11%)
- Management system covering some key risks (11%)
- Management system covering all key risks (6%)

Types of investment

- Policy & Strategy (51%)
- Certification (51%)
- Management system covering key risks (51%)
- Management system in place covering all key risks (51%)

- Policy & Strategy (51%)
- Certification (51%)
- Management system covering key risks (51%)
- Management system in place covering all key risks (51%)

- Policy & Strategy (51%)
- Certification (51%)
- Management system covering key risks (51%)
- Management system in place covering all key risks (51%)

3. Transparency

Country of origin: knowledge of MMC supply

Feedstock / forestry

- No knowledge (50%)
- <25% (25%)
- 26-50% (25%)
- >50% (25%)

MMC production

- No knowledge (40%)
- <25% (10%)
- 26-50% (10%)
- >50% (10%)

Internally we are increasingly sourcing more sustainable manmade cellulosics focusing on Lenzing fibers.
We are transitioning to purchasing 100% FSC/PEFC sourced feedstock in our manmade cellulosics programs, and hope to use 100% sustainable feedstock by 2025.

Apparel/footwear company

Our goal is to source 100% preferred viscose till 2025. To meet this, we are gradually increasing the share of preferred viscose year by year with SMART targets set for each year.

Apparel/footwear company

Country of origin: by MMC uptake volume

- No country of origin information 48% of uptake volume
- China 19% of uptake volume
- Europe 7% of uptake volume
- South Africa 4% of uptake volume
- Indonesia 3% of uptake volume
- Thailand 2% of uptake volume
- Canada 1% of uptake volume
- Other* 13% of uptake volume

*Other: e.g., Slovenia, Germany, Belarus, Madagascar, Russia, etc.

Manmade supply: by country and site location

Yes (28%)

<table>
<thead>
<tr>
<th>Country</th>
<th>% of Uptake Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>By country</td>
<td>25%</td>
</tr>
<tr>
<td>By program</td>
<td>16%</td>
</tr>
<tr>
<td>By site location</td>
<td>11%</td>
</tr>
<tr>
<td>By site location</td>
<td>2%</td>
</tr>
</tbody>
</table>

Public listing of MMC suppliers

Yes (68%)

<table>
<thead>
<tr>
<th>MMC Supplier Level</th>
<th>% of Uptake Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMT Level</td>
<td>65%</td>
</tr>
<tr>
<td>Fabric producer</td>
<td>30%</td>
</tr>
<tr>
<td>Fiber producer</td>
<td>23%</td>
</tr>
<tr>
<td>Spinner level</td>
<td>7%</td>
</tr>
<tr>
<td>Chemical supplier</td>
<td>2%</td>
</tr>
<tr>
<td>Feedstock producer</td>
<td>0%</td>
</tr>
</tbody>
</table>

MMC supply chain mapping

- Mapped to CMT Level (93%)
- Mapped to fabric producer level (79%)
- Mapped to fiber producer (66%)
- Mapped to spinner level (51%)
- Mapped to chemical supplier (23%)
- Mapped to feedstock supplier (9%)

4. Targets

Setting more sustainable* MMC targets

Yes - target for more sustainable MMCs (64%)

- Qualitative target (5%)
- Incremental target (5%)
- SMART targets up to 50% more sustainable feedstock (5%)
- SMART targets up to 50% more sustainable feedstock (74%)
- Use of more sustainable pulp processing (40%)
- Use of more sustainable fiber processing (48%)
- SMART targets are publicly available (44%)

5. Uptake

Uptake reporting (number of participants)

28

<table>
<thead>
<tr>
<th>Viscose FSC/PEFC</th>
<th>Viscose FSC</th>
<th>Viscose Other*</th>
<th>Viscose Conventional</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>8</td>
<td>2</td>
<td>60</td>
</tr>
</tbody>
</table>

48

<table>
<thead>
<tr>
<th>Lycocell FSC/PEFC</th>
<th>Lycocell FSC</th>
<th>Lycocell Other*</th>
<th>Lycocell Conventional</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>1</td>
<td>8</td>
<td>27</td>
</tr>
</tbody>
</table>

5

<table>
<thead>
<tr>
<th>Acetate FSC</th>
<th>Acetate Other</th>
<th>Acetate Conventional</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>15</td>
<td>17</td>
</tr>
</tbody>
</table>

14

<table>
<thead>
<tr>
<th>Recycled Cellulose-cupro</th>
<th>Recycled Cellulose-Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>

Uptake volumes: percentage share

- Preferred, recycled: 21,171 tonnes (1%)
- Preferred, renewable: 93,957 tonnes (31%)
- Conventional: 213,701 tonnes (69%)

More than ninety percent of our existing feedstock is from certified sources.

Home/hospitality company

Our goal is to source 100% preferred viscose till 2025. To meet this, we are gradually increasing the share of preferred viscose year by year with SMART targets set for each year.

Apparel/footwear company

Measuring impact of MMC production

Yes, measuring sustainability impact (72%)

- Use of industry tools (e.g., Higg MSI) (64%)
- Quantitative evidence from MMC suppliers (21%)
- Qualitative evidence from MMC suppliers (18%)
- Direct feedback from MMC suppliers (5%)

Impact improvement in own supply chains

Yes, can show improvements in sustainability impacts (42%)

- Quantitative evidence of a positive impact (18%)
- Use of industry tools (e.g., Higg MSI) (16%)
- Stakeholder feedback from suppliers (12%)
- Anecdotal feedback from suppliers (7%)
Wool comprised 1% of materials reported in the benchmark, and 46 companies (38% of all participants) completed the wool module. The following analysis is based on the 46 companies that completed the wool module. Uptake reporting (number of companies and update volume) includes both module and “progress tracker” respondents.

1. Risk Management

Highest rated sheep farming risks

- Mulesing 93%
- Other animal welfare risks 20%
- Land degradation from grazing 76%
- Labor related risks 61%
- Biodiversity loss/land use change 46%
- Climate change 33%
- Greenhouse gas emissions 33%
- Quality 24%
- Water scarcity 20%
- Water pollution 20%

- Integrity related risks 17%
- Energy use 11%

Highest rated scouring risks

- Chemical related risks 57%
- Occupational health and safety 52%
- Other labor related risks 46%
- Water pollution 46%
- Water depletion 35%
- Air pollution 29%
- Solid waste/disposal 28%
- Greenhouse gas emissions 28%
- Energy use 26%
- Quality 22%

- Integrity related risks 17%

2. Investment

Investing in sustainability of wool production

- Yes (93%)
- No knowledge (20% of participants)
- <25% 15% of participants
- 26–50% 4% of participants
- 51–75% 4% of participants
- >75% 50% of participants
- 100% 7% of participants

Types of investment

- Financial (24%)
- In kind (17%)
- Collaborative initiatives (13%)
- Innovation (7%)
- Community programs (CSR) (4%)

3. Transparency

Country of origin: knowledge of wool supply

- No knowledge 20% of participants
- <25% 15% of participants
- 26–50% 4% of participants
- 51–75% 4% of participants
- >75% 50% of participants
- 100% 7% of participants

Country of origin: by wool uptake volume

- No country of origin information 55% of uptake volume
- Australia 15% of uptake volume
- India 14% of uptake volume
- South Africa 11% of uptake volume
- New Zealand 9% of uptake volume
- China <1% of uptake volume
- Uruguay <1% of uptake volume
- Argentina <1% of uptake volume
- Other <1% of uptake volume

We have partnered with an organization to increase the share of wool that we source comes from regenerative agriculture.

- Apparel/footwear company

We mitigate the risk of using harmful chemicals during processing by encouraging suppliers to use bluesign approved chemistry and to work with third party certifiers such as bluesign, and OEKO-TEX.

- Apparel/footwear company
By 2025, 100% of all wool used will either be farm certified by the Responsible Wool Standard, or come from recycled or regenerated sources, or be replaced with other sustainable, non-animal fibers.

Multi-sector company

4. Targets

Setting more sustainable* wool targets

<table>
<thead>
<tr>
<th>Target</th>
<th>Yes (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qualitative target</td>
<td>72%</td>
</tr>
<tr>
<td>Incremental SMART target</td>
<td>7%</td>
</tr>
<tr>
<td>SMART target beyond 50%</td>
<td>9%</td>
</tr>
<tr>
<td>SMART target up to 50%</td>
<td>9%</td>
</tr>
<tr>
<td>SMART target 100% more sustainable wool</td>
<td>64%</td>
</tr>
</tbody>
</table>

* "More sustainable" as defined by the company

- Multi-sector company

Wool supply chain mapping

<table>
<thead>
<tr>
<th>Level</th>
<th>Yes (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mapped to CMT level</td>
<td>100%</td>
</tr>
<tr>
<td>Mapped to wool processor level</td>
<td>72%</td>
</tr>
<tr>
<td>Mapped to collector level</td>
<td>33%</td>
</tr>
<tr>
<td>Mapped to feedstock supplier</td>
<td>33%</td>
</tr>
</tbody>
</table>

Public listing of wool suppliers

- Yes (63%)
  - CMT level (61%)
  - Wool processor level (15%)
  - Feedstock supplier (4%)
  - Collector level (2%)

Wool supply: by country and site location

<table>
<thead>
<tr>
<th>Location</th>
<th>Yes (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>By country</td>
<td>67%</td>
</tr>
<tr>
<td>By program</td>
<td>26%</td>
</tr>
<tr>
<td>By site location for some supply</td>
<td>20%</td>
</tr>
<tr>
<td>By site location for all supply</td>
<td>4%</td>
</tr>
</tbody>
</table>

Our company is committed to achieving the highest level of transparency within its wool value chain. In this context, suppliers will make all reasonable efforts to provide us with the origin and the journey of the wool that they supply to our brands. This information includes: where cleaning and scouring was performed, the farms and movement of wool through the supply chain, and certifications such as GOTS.

- Apparel/footwear company

5. Uptake

Uptake reporting: number of participants

<table>
<thead>
<tr>
<th>Type</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recycled Wool</td>
<td>24</td>
</tr>
<tr>
<td>RWS Wool</td>
<td>18</td>
</tr>
<tr>
<td>Wool Other*</td>
<td>13</td>
</tr>
<tr>
<td>Organic Wool</td>
<td>11</td>
</tr>
<tr>
<td>ZQ Certified Wool</td>
<td>7</td>
</tr>
</tbody>
</table>

- Preferred, recycled 5,055 tonnes (3%)
- Preferred, renewable 4,029 tonnes (6%)
- Conventional 53,268 tonnes (85%)

Uptake volumes: percentage share

- Volume of wool reported: 62,852 tonnes

Using wool program verification

<table>
<thead>
<tr>
<th>Verification</th>
<th>Yes (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplier declarations</td>
<td>87%</td>
</tr>
<tr>
<td>Certified identity preserved (IP)</td>
<td>54%</td>
</tr>
<tr>
<td>Non-certified identity preserved</td>
<td>11%</td>
</tr>
<tr>
<td>Mass-balance (MB) system</td>
<td>4%</td>
</tr>
</tbody>
</table>

Our aim is to swap 100% of our wool to be from recycled or other more responsible options like Responsible Wool Standard.

- Apparel/footwear company

6. Impact Monitoring

Measuring impact of wool production

<table>
<thead>
<tr>
<th>Method</th>
<th>Yes (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainability impact (Higg)</td>
<td>81%</td>
</tr>
<tr>
<td>Use of industry tools (e.g. the Higg MSI)</td>
<td>43%</td>
</tr>
<tr>
<td>Quantitative evidence from wool suppliers</td>
<td>35%</td>
</tr>
<tr>
<td>Quantitative evidence from wool supplier</td>
<td>17%</td>
</tr>
<tr>
<td>Anecdotal feedback from wool supplier</td>
<td>9%</td>
</tr>
</tbody>
</table>

Impact improvement in own supply chains

- Yes, can show improvements in sustainability impacts (39%)
  - Qualitative evidence of a positive impact (17%)
  - Use of industry tools (e.g. the Higg MSI) (13%)
  - Quantitative evidence of a positive impact (13%)
  - Anecdotal feedback (5%)

We run many LCA projects, collecting data from sheep farming and wool scouring sites.

- Apparel/footwear company
Down comprised 1% of materials reported in the benchmark, and 37 companies (31% of all participants) completed the down module. The following analysis is based on the 37 companies that completed the down module. Uptake reporting (number of companies and update volume) includes both module and “progress tracker” respondents. Please note, the down analysis is derived from both duck and goose down and feather.

1. Risk Management

Highest rated bird farming risks

- Live-plucking: 97%
- Force-feeding: 97%
- Other animal welfare: 92%
- Labour related risks: 35%
- Water pollution: 30%
- Soil contamination: 24%
- Greenhouse gas emissions: 19%
- Integrity related risks: 19%
- Quality: 19%
- Water scarcity: 11%

Highest rated down processing risks

- Occupational health and safety: 46%
- Other labor related risks: 35%
- Water depletion: 32%
- Energy use: 32%
- Integrity related risks: 22%
- Quality: 22%
- Greenhouse gas emissions: 16%
- Solid waste/disposal: 14%
- Air pollution: 11%

Risk management approaches: bird farming

- Yes (100%)
  - Policy & strategy (95%)
  - Certification (89%)
  - Management system in place covering all key risks (5%)
  - Management system in place covering some key risks (3%)

Risk management approaches: down processing

- Yes (51%)
  - Policy & strategy (41%)
  - Certification (22%)
  - Management system in place covering some key risks (8%)
  - Management system in place covering all key risks (3%)

2. Investment

Investing in sustainability of down production

- Yes (16%)
  - Financial (8%)
  - In kind (11%)

Types of investment

- Collaborative initiatives (5%)
- Supplier partnership (5%)
- Innovation (3%)
- Community programs (CSR) (5%)

3. Transparency

Country of origin: knowledge of down supply

- No knowledge: 22% of participants
- Yes for < 25% of down supply: 3% of participants
- Yes for 26-50% of down supply: 0% of participants
- Yes for more than 51-75% of down supply: 5% of participants
- Yes for more than >75% of down supply: 32% of participants
- Yes for 100% of down supply: 38% of participants

Country of origin: by down uptake volume

- No country of origin information: 9% of uptake volume
- China: 85% of uptake volume
- Europe: 5% of uptake volume
- Other: 1% of uptake volume

Public listing of down suppliers

- Yes (68%)
  - By country (68%)
  - By program (41%)
  - By site location for some supply (27%)
  - By site location for all supply (16%)

Down supply chain mapping

- Yes (92%)
  - Mapped to CMT level (92%)
  - Mapped to down processor level (85%)
  - Mapped to collector/slaughterhouse level (41%)
  - Mapped to feedstock supplier (35%)
**Down**

**Public listing of down suppliers**

- Yes (65%)
  - CMT level (65%)
  - Down processor level (11%)
  - Collector/Slaughterhouse (0%)
  - Feedstock supplier (0%)

We have internal policies and procedures relating to animal welfare. 100% of down we source must be Responsible Down Standard (RDS) certified or recycled.

☐ Apparel/footwear company

**4. Targets**

Setting more sustainable* down targets

- Yes, (95%)
  - Qualitative target (0%)
  - Incremental SMART target (0%)
  - SMART targets up to 50% (3%)
  - SMART targets beyond 50% (0%)
  - SMART target 100% more sustainable down (95%)
  - SMART targets are publicly available (51%)

From 2020 onwards, all our brands will only source from suppliers with certified chain of custody to the standards of the Responsible Down Standard and/or Traceable Down Standard.

☐ Apparel/footwear company

**5. Uptake**

Uptake reporting: number of participants

- **43** Responsible Down Standard
- **8** Downpass
- **6** Recycled Down
- **3** Other Programs*

Uptake volumes: percentage share

- **Preferred, recycled**
  - 159 tonnes (<1%)
- **Preferred, renewable**
  - 22,675 tonnes (90%)
- **Conventional**
  - 1,081 tonnes (5%)

Reported in 2020 (2019 data). Volume of down reported: 23,916 tons

* Other programs: e.g. internal program, Traumpass

**6. Impact Monitoring**

Measuring impact of down production

- Yes, can show improvements in sustainability impact (59%)
  - Use of industry tools (e.g. the Higg MSI) (41%)
  - Qualitative evidence of a positive impact (19%)
  - Qualitative evidence of a positive impact (19%)
  - Anecdotal feedback (8%)
  - SMART targets up to 50% (3%)
  - SMART target 100% more sustainable down (95%)

We use Textile Exchange tools and the SAC MSI to measure our savings made by replacing conventional down use with more sustainable down options.

☐ Apparel/footwear company

**Down program verification**

Certified identity preserved (IP) (89%)

Supplier declarations (52%)

Non-certified identity preserved (IP) (3%)

Mass-balance (MB) system (3%)

Our aim is to achieve the use of more recycled down. The target was set in 2019.

☐ Home/hospitality company

In 2020, we had 100% of our down certified with Responsible Down Standard.

☐ Apparel/footwear company

For several years now, we have only sourced RDS-certified product.

☐ Apparel/footwear company

Impact improvement in own supply chains

- Yes (43%)
  - Qualitative evidence of a positive impact (19%)
  - Use of industry tools (e.g. the Higg MSI) (14%)
  - Qualitative evidence of a positive impact (8%)
  - Anecdotal feedback (5%)

Our aim is to achieve the use of more recycled down. The target was set in 2019.

Home/hospitality company

For several years now, we have only sourced RDS-certified product.

☐ Apparel/footwear company

In 2020, we had 100% of our down certified with Responsible Down Standard.

☐ Apparel/footwear company

We use Textile Exchange tools and the SAC MSI to measure our savings made by replacing conventional down use with more sustainable down options.

☐ Apparel/footwear company
Materials Portfolio

Leather

36 companies (30% of all participants) completed the leather module. The following analysis is based on the 36 companies that completed the leather module. Uptake reporting (number of companies and uptake volume) includes both module and "progress tracker" respondents.

1. Risk Management

Highest rated animal farming risks

- Animal welfare risks: 89%
- Deforestation: 64%
- Labor related risks: 56%
- Water pollution: 53%
- Land degradation from grazing: 50%
- Climate change: 47%
- Greenhouse gas: 44%
- Biodiversity loss: 36%
- Endangered species: 33%
- Integrity related risks: 25%

Highest rated leather processing risks

- Water pollution: 89%
- Occupational health & safety: 83%
- Energy use: 78%
- Water depletion: 67%
- Air pollution: 67%
- Chemical related risks: 67%
- Other labor related risks: 58%
- Solid waste/disposal: 50%
- Greenhouse gas: 42%
- Quality: 25%

We are committed to 100% chrome-free leather for our products and also agree this contractually with our producers. By refraining from chrome tanning, we avoid environmental pollution and health risks.

© Apparel/footwear company

Risk management approaches: animal farming

- Yes (89%)
  - Policy and strategy (83%)
  - Certification (19%)

- No (11%)
  - No policy and strategy (36%)
  - No certification (81%)

Risk management approaches: leather processing

- Yes (92%)
  - Policy & Strategy (81%)
  - Certification (81%)

- No (8%)
  - No policy & strategy (19%)

2. Investment

Investing in sustainability of leather production

- Yes (42%)
  - Financial (28%)
  - In-kind (19%)

- No knowledge (33% of participants)
  - <25%: 6% of participants
  - 26–50%: 6% of participants
  - 51–75%: 6% of participants
  - >75%: 28% of participants

Country of origin: knowledge of leather supply

We are committed to 100% chrome-free leather for our products and also agree this contractually with our producers. By refraining from chrome tanning, we avoid environmental pollution and health risks.

© Apparel/footwear company

Country of origin: by leather uptake volume

- No country of origin information: 60% of uptake volume
  - Australia: 9% of participants
  - Netherlands: 6% of participants
  - Other Europe: 6% of participants
  - Italy: 6% of participants
  - France: 4% of participants
  - New Zealand: 4% of participants
  - Brazil: 1% of participants
  - Others*: 6% of participants

* Country of origin corresponds here to the knowledge of farm location or slaughterhouse location.

** Other: e.g., India, Germany, Poland, Tunisia, Nigeria, Japan etc.
Leather

Leather supply: by country and site location

Yes (61%)

- By country (60%)
- By program (14%)
- By site location for some supply (14%)
- By the location for all supply (8%)

Leather supply chain mapping

- Mapped to CMT (97%)
- Mapped to finishing (86%)
- Mapped to post-tanning (75%)
- Mapped to tanning (75%)
- Mapped to slaughterhouse (28%)
- Mapped to beamhouse (19%)
- Mapped direct to farms (17%)
- Mapped to birth farms (3%)

Public listing of leather suppliers

Yes (58%)

- CMF (56%)
- Finishing (56%)
- Tanning (22%)
- Post-tanning (8%)
- Bio-nunhouse (8%)
- Slaughterhouse (6%)
- Direct to farms (6%)
- Birth farms (6%)

Leather: targets

Setting more sustainable* leather targets

Yes (78%)

- Qualitative only (8%)
- Zero deforestation and conversion (11%)
- SMART target beyond 50% (6%)
- SMART targets 100% more sustainable feedstock (61%)
- Other targets (1%)

SMART targets are publicly available (33%)

* Predominantly Leather Working Group

5. Uptake

Uptake reporting: number of participants

<table>
<thead>
<tr>
<th>1</th>
<th>21</th>
<th>27</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bone</td>
<td>Bone</td>
<td>Bone</td>
</tr>
<tr>
<td>Leather Recycled</td>
<td>Leather LWG</td>
<td>Leather Conventional</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
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<th>6</th>
<th>3</th>
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<td>Pigskin</td>
<td>Pigskin</td>
<td>Pigskin</td>
</tr>
<tr>
<td>LWG</td>
<td>LWG</td>
<td>Conventional</td>
</tr>
</tbody>
</table>

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<thead>
<tr>
<th>9</th>
<th>14</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheepskin</td>
<td>Sheepskin</td>
<td>Other species</td>
</tr>
<tr>
<td>LWG</td>
<td>Conventional</td>
<td>Conventional, e.g., buffalo, bison</td>
</tr>
</tbody>
</table>

Mapped to CMT (97%)

Mapped to finishing (86%)

Mapped to post-tanning (75%)

Mapped to tanning (75%)

Mapped to slaughterhouse (28%)

Mapped to beamhouse (19%)

Mapped direct to farms (17%)

Mapped to birth farms (3%)

Our company expects to have full traceability of hides up to the farm level by 2025, supported by documentation, physical traceability mechanisms and verification. By 2025, all suppliers will be required to only source leather/hides from our preferred countries, or from specific sources that are verified as sustainable.

○ Apparel/footwear company

Our approach is centred around using tanneries which have achieved a medal rating under the Leather Working Group audit. We monitor tannery medal ratings and push for them to improve. We conduct social audits of our tanneries as well, and would require our tanneries to implement any necessary improvements dependent on audit result.

○ Apparel/footwear company

6. Impact Monitoring

Measuring impact of leather production

Yes, can show improvements in sustainability impact (72%)

Use of industry tools (e.g., the Higg MSI) (31%)

Quantitative evidence of a positive impact (19%)

Qualitative evidence of a positive impact (19%)

Anecdotal feedback (11%)

Uptake volumes: percentage share

- Preferred, recycled
  195,170 sqm (<1%)
- Preferred renewable
  2,531 sqm (<0.01%)
- Leather Working Group
  38 million sqm (68%)
- Conventional
  17.9 million sqm (32%)

Our company expects to have full traceability of hides up to the farm level by 2025, supported by documentation, physical traceability mechanisms and verification. By 2025, all suppliers will be required to only source leather/hides from our preferred countries, or from specific sources that are verified as sustainable.

○ Apparel/footwear company

Our target is to source 100% of our leather from Leather Working Group certified tanneries by end of 2020.

○ Apparel/footwear company

Impact improvement in own supply chains

Yes, can show improvements in sustainability impacts (50%)

Use of industry tools (e.g., the Higg MSI) (28%)

Quantitative evidence of a positive impact (14%)

Qualitative evidence of a positive impact (8%)
Part C: Extra Insights
Introduction

A First in Benchmarking Suppliers and Manufacturers

When it comes to Material Change, all corporations have a role to play. While retailers and brands have participated in the Material Change Index (MCI) for several years now, we always recognized that suppliers and manufacturers are influential in driving the agenda and not simply responding to it. For this reason, we are delighted to share the highlights of our pilot for suppliers and manufacturers.

CFMB surveys provide a framework for assessing the industry’s collective and individual progress while customizing to respective companies through scorecards. External verification gives confidence that the program is fit for purpose. With the inclusion of suppliers and manufacturers, benchmarking now encompasses the entire value chain. It enables a consistent platform for target setting, measuring, and reporting across the sector. Furthermore, supporting Material Change across the entire textile value chain provides industry-wide benefits and opportunities. Opportunities that enable suppliers and manufacturers to align with the demands of brands, retailers, and consumers and the possibility for closer collaboration with customers to align on targets proactively. As a Material Change company, each participating supplier and manufacturer will be better placed to track individual performance and sector progress in much the same way as brands and retailers.

This pilot offered the opportunity for suppliers and manufacturers from a cross-section of the industry – specializing in different materials – to road test the program within a small advisory group of pioneering companies. The group contributed different perspectives and valuable insights from different tiers of the value chain, allowing us to learn and adapt.

To ensure the benchmarking survey was fit for purpose, Textile Exchange worked closely with the 16 pioneering companies who signed up for the pilot. The invaluable feedback we have received to date is positive. All pioneers said they would consider participating again. The majority took it as an opportunity to have an expert assessment of materials-related activities to contribute to sector-level data collection, analysis, and improvement.

Of the 16 participating companies, 11 completed the full MCI survey, of which around 50% also participated in the Biodiversity Benchmark (also in its early phase). Three companies completed one or more materials module, and two companies completed the Material Tracker. Here, we summarize the highlights and key themes and include pioneer stories to illustrate the great work that is already going on. Together with the results, these stories provide a baseline for measuring progress and inspiring us to conceive what is possible. While we have got some work to do going forward, we look forward to welcoming back those pioneers that supported us in this pilot phase and expanding the scope to include more suppliers and manufacturers who are committed to Material Change.

– Liesl Truscott
  Director of European & Materials Strategy, Textile Exchange
While public commitments are strong, there is room for improvement in terms of risk management strategies, Action, and the Ellen McArthur Foundation. Based Targets, Fashion Industry Charter for Climate committing, to the UN Global Compact, Science Others have committed, or are in the process of Global Commitment, and the US Plastics Pact. Other public commitments, including the CanopyStyle cellulosics, several companies have made various to the Recycled Polyester Challenge. For manmade pledges, including the Textile Exchange 2025 Cotton have public commitments to cotton programs and visions, for most companies the preferred decision-making tools to quantify fiber and materials related impacts included Textile Exchange material snapshots, and quantitative assessments, such as Life Cycle Assessment (LCAs), with some participants taking steps to measure their company’s carbon footprint.

Materials portfolio
Most companies are making public commitments to sourcing more sustainable fibers. Five companies have public commitments to cotton programs and pledges, including the Textile Exchange 2025 Cotton Challenge, and three companies have committed to the Recycled Polyester Challenge. For manmade celluliosics, several companies have made various public commitments, including the CanopyStyle campaign, Changing Markets Roadmap and ZDHC. Other public commitments include global frameworks that are not fiber-specific, or one of the following: CEO Water Mandate, CDP, New Plastics Economy Global Commitment, and the US Plastics Pact. Others have committed, or are in the process of committing, to the UN Global Compact, Science Based Targets, Fashion Industry Charter for Climate Action, and the Ellen McArthur Foundation. While public commitments are strong, there is room for improvement in terms of risk management strategies, investment in the sustainability of fiber production beyond the cost of sourcing and impact measurement.

Naia™ wants to make sustainable textiles accessible to all and we want to proactively play our part in creating a healthy textiles industry. We believe that transparency is critical and fully support the great work Textiles Exchange is doing in creating peer-to-peer comparison initiatives, to help move our industry to further integrate sustainable fibers. There is simply no time to waste, we need to repair and prepare our planet and its precious resources for future generations.

Ruth Farrell, Marketing Director, Eastman Naia™

For better integration of sustainability strategies, Welspun engages with farmers directly through the sustainable farming team. These teams help the farmers to grow more sustainable forms of cotton, provide training on various agricultural techniques that conserve the environment, align farmers with technology and advancements in agriculture, and enable fair trade.

Having identified stakeholder engagement as an essential aspect of assessing risk and opportunity, World Textile Sourcing (WTS) works with its partners, including local and indigenous communities, to establish priorities in its sustainability strategy.

In terms of leadership, many companies are illustrating leadership in different areas. With a preference for internationally recognized standards related to manmade cellullosic fiber manufacturing, Birla Cellulose works closely with senior leaders and the industry to highlight the benefits of implementing these standards to support targets and roadmaps, and leads the industry in sustainable forestry practices (rank #1 in Canopy Hot Button Report), Higg (3.0) FEM with benchmarked scores, and Changing Markets Roadmap implementation.

Recognizing the importance of environmental performance, with the help of bluesign and ZDHC, Sustainable Down Source has identified water usage as a priority risk and opportunity. As such, water testing is performed quarterly against the ZDHC MRSL. Energy usage and greenhouse gas emissions are tracked monthly.

Crestex is committed to a fiber and materials sustainability strategy that is integrated into the company’s overall corporate strategy and aligned with the Sustainable Development Goals.
**Extra Insight**

**Benchmarking Suppliers & Manufacturers**

**Circularity**

Most suppliers and manufacturers are working to align circularity strategies with SDG commitments and targets. Business models are slowly adapting, evidenced by a slight increase year on year in the share of recycled content in fiber and materials portfolios. However, for most companies, recycled content accounted for less than 25% of the share of the company’s materials portfolio. For one leading company, recycled content makes up 100% of the company’s fiber and materials portfolio.

Most company strategies emphasize preventing and reducing pre-consumer waste in the early phases of design and sourcing feedstock through demand forecasting and/or through on-demand production. Others are shifting the BAU (business-as-usual) paradigm by basing their entire business model on circularity and developing bespoke solutions, including designing CADs (computer aided design) that support waste reduction and sourcing pre-consumer waste as feedstock for the production process.

There is some room for improvement in decoupling consumption from economic growth and increasing the uptake of post-consumer waste. One leading company is working to provide a bespoke solution to extend the first life of products.

**Supplier spotlights**

The Ellen MacArthur Foundation (EMF) defines a circular economy as one that designs out waste and pollution, keeps products and materials in use, and regenerates natural systems. The EMF argues that it needs to radically redesign its operating model and decouple financial success from natural resource consumption for the fashion industry to thrive and survive. A transition to a circular system has the potential to unlock an enormous economic opportunity for those brands who are willing to innovate and invest in new ways of doing business. Here are some examples of business models founded on the principles of circularity and waste management.

**Waste2Wear** is committed to building a transparent and traceable supply chain for the recycled polyester industry by using blockchain technology to engage suppliers and other stakeholders. Tracking the journey of recycled plastic from waste to the product helps to bring accountability to the circular textile industry.

In 2020, **Eastman** launched its Naia™ Sustainability Goals, which focus on and align with various UN SDGs. For example, Naia™ aims to mainstream circularity in that by 2025 more than 50% of Eastman’s textile’s portfolio is Naia™ Renew – a circular fiber made from recycled waste material, and by 2030, more than 90% of the portfolio is Naia™ Renew.

**Sulochana Cotton Spinning Mills** shows a strong commitment towards building a more circular apparel system by integrating preferred fibers into the business and increasing its sourcing of recycled textile fibers. With a unique dope dyeing process, polyester fibers take their colors without using a drop of water, saving millions of liters of water every day. Recycling post-industrial cutting waste and post-consumer clothing then blending them with recycled polyester gives new life to the waste and helps to reduce thousands of tonnes of textile waste going into landfill.

**Unifi Inc.** is a fiber and filament company specializing in recycled polyester and polyamide. Unifi focuses on collaborative and innovative projects that involve incorporating recycled materials, including post-industrial waste and used plastic bottles - diverting billions of plastic bottles from landfills and oceans - and transforming them into recycled fiber. Research to create ecologically sound solutions for manufacturing processes is a key component of the company’s overall corporate strategy.

As part of the design process, **Anubha** incorporates the circularity principles of longevity and durability in the design and development of seasonless collections by considering designs for the garment’s second life. The company is ambitious in its plans for circularity and contributing to a circular economy which include developing fabrics using recycled materials; reusing and upcycling waste and, finally incorporating materials with minimum environmental impact.

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Extra Insight

Benchmarking Suppliers & Manufacturers

**Climate change**

Most companies identified climate change as a business risk. The SDG, *Goal 13 - Climate Action*, is the preferred mechanism to implement climate strategies, with some companies leveraging integrated operations to achieve carbon neutrality across different areas of the operations. Few companies have set targets, and fewer are tracking outcomes/impacts. Only a small number of companies have integrated climate action into their company operations. Across the fiber and materials portfolios, the preferred risk management tool was certification. Only a small number of companies developed policies and strategies to reduce greenhouse gas emissions and address climate change risk. A small number of companies are making themselves publicly accountable as signatories to Science-Based Targets, Carbon Disclosure Project, and the Fashion Industry Charter for Climate Action. Not accounting for investments in circularity, overall, there is a limited direct investment to reduce climate change impacts among participating companies. For the most part, for companies that are not producing feedstock but are sourcing feedstock, strategies include measuring carbon footprints, reducing greenhouse gas emissions through investment in more efficient energy use, and conservation projects.

**Supplier spotlights**

Raising climate change ambition is not limited to brands and retailers, furthermore it is well-recognized that a retailer’s “scope 3 emissions” are the most significant contributors to a brand’s carbon footprint and will inevitably be a supplier’s “scope 1 or 2 emissions” – so supply chains working together as a network or ecosystem on climate action will be a game-changer for the industry. Suppliers and manufacturers have an essential role to play and are positioned to take the lead on reducing carbon emissions as opposed to responding to it. From this brief overview, we can see that companies with direct links to forests and forestry plantations can more readily leverage this integration to reduce company carbon footprints by setting targets for reducing emissions and implementing climate change strategies. Some positive steps are being taken towards that, with some examples showcased here:

- **Birla Cellulose** has achieved carbon neutrality in Scope 1 and 2 emissions through its sustainably managed forests.

- **Sapphire Textile Mills Limited** has a solid commitment to setting and tracking SDG targets with signed global commitments to several initiatives and others related to carbon, water, and climate change.

- **Lenzing** launched a new collection of carbon-zero TENCEL branded fibers in 2021 (lyocell & Modal).

- **A member of the Textile Exchange Biodiversity Working Group and strategic partner of Textile Exchange on several projects, The Schneider Group** is a signatory to The Fashion Pact, engaged in the Climate Disclosure Project and is committed to establishing Science-Based Targets for greenhouse gas emissions. These initiatives are embedded in the company’s overarching TOGETHER 2030 Sustainability Strategy which is extended to brokers and growers through their AUTHENTICO Program and WOOL CONNECT grower conference.

- **As part of the Orimpex Carbon Neutralization Program, the company is measuring the carbon footprint of vehicles and offsetting this through a free planting project with the Aegean Forest Foundation.**

Companies that are sourcing feedstock are also contributing to this ambition. Some examples shared here rely primarily on proxy investments and measuring carbon footprints. These are reasonable steps towards understanding where company baselines are and where companies can make a positive impact. From there, companies can develop more innovative climate strategies and illustrate progress going forward.
Extra Insight

Benchmarking Suppliers & Manufacturers

**The Sustainable Developmental Goals**

Similarly, to brands, the top SDG priorities were Goal 12 - Responsible Consumption and Production, Goal 8 - Decent Work and Economic Growth, and in equal place Goal 9 - Industry Innovation and Infrastructure and Goal 6 - Clean Water and Sanitation. While there is evidence of converging strategy themes with SDGs, there is still a way to go with only two companies measuring progress against the SDGs. Some outstanding companies are showcasing tangible examples of direct interventions, through investment and innovation, for targeted SDGs considered of high importance.

A small number of companies are leveraging independent investments through corporate investment. Investment varies among companies, with some focusing on increasing recycled content. Others have identified areas critical to their sourcing and production strategies and target these, such as water recycling, and increasing energy efficiency by converting to solar power. While it is positive to see the majority of companies reporting on SDGs, this is, for the most part, limited to general information. With deeper integration of SDGs goals into sustainability and corporate strategies, we could expect to see this increasing in the future.

**Supplier spotlights**

The SDGs are shared goals, so forming collaborations within and between sectors and industries is essential if we are to achieve them. For the textile industry, Goal 12 - Responsible Consumption and Production is a gateway to many other SDGs. The importance of these shared goals is not limited to brands and retailers but extends to suppliers and manufacturers for whom the SDGs were of particular importance. Here are some diverse examples of alignment, prioritization, and investment:

- **Egedeniz**
  - With a mixed portfolio of materials, Egedeniz has set ambitious SDG targets. In terms of investment, Egedeniz is collaborating with customers on a living wage project, aligning strongly with Goal 8 - Decent Work and Economic Growth.

- **Welspun**
  - As a part of Goal 12 - Responsible Consumption and Production, Welspun is working on integrating processes that allow for the upcycling of fabric waste. As well as exploring ways to increase recycling of packaging, Welspun is exploring the feasibility of recycling factory waste as a raw material input.

- **World Textile Sourcing (WTS)**
  - With strong commitments and priorities around SDGs, Crestex is on track to report on the impacts of the company’s effort to align with SDGs related to priority materials plus Goal 14 - Life Below Water, Goal 13 - Climate Action, and Goal 4 - Quality Education.

- **Orimpex**
  - Having identified company priorities with respect to multiple SDGs, World Textile Sourcing (WTS) is committed to a fiber and materials sustainability strategy that is integrated into the company’s overall corporate strategy.

**Answering CFMB questions**

Answering CFMB questions helped us to map our environmental impact, understand where we are on our sustainability journey and discover improvement opportunities. We will use CFMB results to find the most effective way to reduce our impact and enhance our sustainability strategy.

- **Ali Polat**, General Manager, Orimpex

**Photo:** Egedeniz
Conclusion - Leveling up on preferred materials

Our 2019 Insights Report highlighted the need to rethink the textiles industry and make it fit for the future. As per previous reports, the scope was limited to brands and retailers. The key takeaways included noticeable trends of increasing uptake of raw materials from preferred sources and the importance of circularity. The report also highlighted challenges, with most companies not setting measurable targets within the SDG framework. And perhaps, the most poignant given the chaos of the previous year, the report highlighted that climate change and raw materials sourcing are inevitably linked and that sourcing preferred materials is a powerful way for a company to reduce its climate impacts.

Recognizing that material change cannot occur in isolation, and that suppliers and manufacturers can benefit from a preferred materials strategy, we were delighted to launch the suppliers and manufacturers pilot in 2020. Encompassing the entire textile value chain, the MCI will support suppliers and manufacturers with roadmaps towards sourcing and producing more sustainable materials while facilitating alignment with global efforts like the SDGs and actions around a transition to a circular economy. While gaining a better understanding of how a company’s engagement in sustainability compares to its peers, the benefits and opportunities go beyond meeting customer demands.

Suppliers and manufacturers that level-up have a chance to support material change across the entire value chain through their own systematic approach that is enabled via the CFMB program, and by doing so, supporting the efforts of retailers and brands to meet the demands of their own preferred materials strategy.

Suppliers and manufacturers who benchmark:

1. **Explore new business models.**
   Leading suppliers and manufacturers take a systems-thinking approach and incorporate new business models that extend the life of products by considering durability, longevity, reuse, remanufacturing and recyclability within the scope of design factors; incorporate recycled materials; reduce carbon emissions; and can pivot manufacturing to integrate alternative feedstock that supports the reduction of pre-and post-consumer waste.

2. **Push the industry forward.**
   Leading suppliers and manufacturers lead by example, continuously working towards best practice by increasing investments in innovation that supports meeting targets aligned with global frameworks. They share examples of good business practice and participate through industry groups to share learnings and collaborate on important issues and topics. They engage with stakeholders internally and across the value chain to support progress for the benefit of the entire industry.

3. **Support brands/retailers (customers) in achieving sustainability goals.**
   Leading suppliers and manufacturers through improving their own practices and building holistic materials strategies make a positive impact. The benefits of this extend across the value chain, Leveling up means that more preferred materials are available to meet customers’ demands while supporting the industry to meet targets; support more fair and sustainable business practices; and address global issues of climate change and pollution.
### Extra Insight

**Benchmarking Suppliers & Manufacturers**

#### The Supplier & Manufacturers Pilot Advisory Group

The Supplier & Manufacturers Pilot Advisory Group for the suppliers and manufacturers pilot was made up of stakeholders from a cross-section of the industry, specializing in different fibers and materials. In collaboration with Textile Exchange, these 16 pioneering companies participated in developing the Material Change Index (MCI) for suppliers and manufacturers, as well as participating in the live pilot survey.

<table>
<thead>
<tr>
<th>Organization</th>
<th>Introduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anubha Industries Private Limited</td>
<td>Based in India and founded in 2013, Anubha Industries Private Limited is an integrated denim and piece dyed fabric manufacturing company that provides a broad range of high-quality fabric products and services. With a motto of &quot;sustainability first&quot;, Anubha keeps a strong focus on innovation to create value where conscious product development takes centre stage.</td>
</tr>
<tr>
<td>Birla Cellulose, India</td>
<td>Birla Cellulose, part of the Aditya Birla Group, is a leading supplier of sustainably produced manmade cellulosics. The wood-based fibers are fully renewable and come from sustainably managed forests. Birla Cellulose leads the industry in applying on sustainable forestry practices and closed-loop environmentally efficient technologies that recycle raw materials and conserve natural resources. The responsibly produced fibers provide extensive and unmatched sustainability benefits that fulfills the growing demand of sustainably designed fashion products.</td>
</tr>
<tr>
<td>Crestex</td>
<td>Based in Pakistan, Crestex is a vertically integrated textile manufacturing company known for its world-class textile development and exports. Founded in 1950, Crestex is engaged in the manufacturing of yarn, Geige/Processed Fabrics, Home Textile, and Institutional Garments.</td>
</tr>
<tr>
<td>Eastman</td>
<td>Eastman is a global specialty materials company that produces a broad range of products found in everyday items such as textiles, agriculture, transportation, building and construction, and consumables. In 2019, Eastman began commercial-scale molecular recycling for a broad set of waste materials that would otherwise end up in the environment. As a globally inclusive and diverse company, Eastman employs approximately 14,500 people and serves customers in more than 100 countries.</td>
</tr>
<tr>
<td>Egedeniz Textile</td>
<td>Specializing in organic cotton fibers, yarns, knitted and woven fabrics, and garments, Egedeniz is a textile company based in Izmir, Turkey producing a range of natural and man-made textile products.</td>
</tr>
<tr>
<td>Lenzing AG</td>
<td>The Lenzing Group produces Lenzing™ Lyocell and Modal cellulosic fibers of botanical origin. Wood is the foundation of everything the Lenzing Group produces. Wood pulp from the forest is transformed into biobased Lenzing™ Lyocell and Modal fibers which are used in a diverse range of industrial applications and consumer products.</td>
</tr>
<tr>
<td>Orimpex Textiles</td>
<td>Founded in 2007, Orimpex is a design-to-delivery Dutch-Turkish garment supplier, providing a wide range of organic and ethical products. Orimpex’s GOTS certified production facility, with a monthly capacity of 50,000 units, is located in Izmir. In-house processes include cutting, sewing, quality control and packing.</td>
</tr>
</tbody>
</table>

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**Organization**

**Introduction**

- **Sapphire Textile Mills Limited** Based in Pakistan, Sapphire Textile Mills Limited has a diversified fabric and product range, specializing in manufacturing and exporting textile products globally.
- **Sulochana Cotton Spinning Mills Private Limited** Sulochana Cotton Spinning Mills is the largest producer of mélange/marl yarn in India. Sulochana Polysteres manufacture polyester from PET bottles (roughly consuming 7 million PET bottles every day) with a blockchain enabled tracking system. The company has a strong CSR program investing in tree-planting, health clinics, and pharmacies selling medicines at a subsidised rate, and a shelter for more than 700 stray dogs.
- **Sustainable Down Source** Sustainable Down Source is a US based, bulk down supplier to the home textiles, fashion, and outdoor industries.
- **The Schneider Group** For nearly a century, The Schneider Group has been a leading name in the processing and trading of fine wools and specialty fibers. The Schneider Group sources, processes and supplies wool and natural fibers to assist their customers in producing sustainable, fully traceable, high-quality products. Schneider trades in the most prominent textile hubs worldwide.
- **UNIFI, INC.** UNI, Inc. is a global textile solutions provider and a leading innovator in manufacturing synthetic and recycled performance fibers. Through REPREVE®7, one of UNIFI’s proprietary technologies and the global leader in branded recycled performance fibers, UNIFI has transformed more than 25 billion plastic bottles into recycled fiber for new apparel, footwear, home goods and other consumer products.
- **Waste2Wear** Waste2Wear creates innovative textiles made from recycled plastics and traced with blockchain technology. The Waste2Wear® blockchain system verifies that Waste2Wear® fabrics are really made from plastic waste, and that the whole supply chain is certified and compliant. All products are supplied with an environmental impact report and an RA3 analysis to corroborate their recycled content.
- **Welspun** Welspun is a leading home textile company with a distribution network in over 50 countries, steered by a robust team of 20,000 people. Welspun is on track to meet changing consumer preferences, driven by its differentiation strategy based on branding, innovation, sustainability, along with sustained focus on the domestic market.
- **Westpoint Home LLC** WestPoint Home is a supplier of fashion and core home textile products. WestPoint Home is headquartered in New York City with manufacturing and distribution facilities in the United States and overseas. Products include a diverse range of home fashion textile products including: towels, fashion bedding, sheets, comforters, blankets, mattress pads, pillows and more.
- **World Textile Sourcing** World Textile Sourcing (WTS) is a US trading company with 25 years of leadership in the textile industry, with offices in New York, and Peru. WTS is constantly evolving and creating new ways to reduce its impact on the environment, starting with fibers and materials through the design process and production and continually integrating innovative solutions.
Part D:
About the Benchmark Program
About the Benchmark Program

Methodology

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 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 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.” Participants see substantial 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, and annual insights, including index results, are shared in the public domain. Starting in 2019, the CFMB now integrates an enhanced alignment with the Sustainable Development Goals (SDGs).

Benchmark framework

Participating companies complete a survey consisting of three sections:

<table>
<thead>
<tr>
<th>I. Strategy</th>
<th>II. Materials Portfolio</th>
<th>III. Circularity</th>
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<td>Impact Monitoring</td>
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The framework is aligned with the Sustainable Development Goals (SDGs).

Material Change Leaderboard and progress tables

As a result of the CFMB program review carried out over Q4 2018 and Q1 2019, Textile Exchange replaced its volume-based leaderboards of the past with a more holistic and contemporary assessment of leadership. Volume-based results are presented in progress tables for each material category. The leaderboards and progress tables are based on the participating companies’ self-reported data. While Textile Exchange reviews all data entries, checks calculations, and carries out a consistency check, it does not verify the accuracy of the data. The responsibility for the accuracy of the data remains with the participating companies.

Methodology

The Material Change family of indices is driven by a sophisticated scoring methodology. A simplified summary of how the scoring works for each index category is provided below, however please refer to the Scoring Methodology for full details.

The Material Change Index is the result of an assessment of the overall performance of a company that has completed the full CFMB survey. It is based on scores within each of the three sections, i.e. Strategy and Integration (25%), Materials Portfolio (65%) and Materials Circularity (10%). MCI results are normalized to a score out of 100.

Strategy and Integration reflects a company’s materials sustainability strategy and how it is integrated into the core of the business and its management systems.

Family of indices:

- **Materials SDG Index** reflects progress against the Sustainable Development Goals (SDGs). It is derived of a cross-cutting score that draws selected SDG-related results aggregated from the Strategy and Integration (85%), Materials Portfolio (2.5%) and Circularity (12.5%) sections of the benchmark. This is then normalized to a score out of 100 to create the SDG Index.

- **Materials Circularity Index** is derived from a company’s response to questions in Section III of the CFMB survey and normalized to a score out of 100.

Material index scores reflect the sustainability progress made by the company at the individual material level, and cover both management (30%) and performance (70%). There are seven Material Indices: Cotton, Polyester, Polyamide, Manmade Cellulosics, Wool, Down, and Leather.

Portfolio of preferred materials

Participants select their portfolio composition based on which materials are most used in their supply chain.
About the Benchmark Program

Methodology

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.

Resources

Material Change Index (MCI) webpages:
- Material Change Index
  Visit website here
- Materials Impact Dashboard
  Visit website here
- MCI Tools and Reports
  Visit website here
- Assurance Statement
  Download document here

Corporate Fiber & Materials Benchmark (CFMB) guides:
- Material Change Index Results Guide
  Download document here
- Material Impact Dashboard Guide
  Download document here
- CFMB Survey Guide
  Download document here
- CFMB Scoring Methodology
  Download document here
- Getting Started Guide (FAQs)
  Download document here

Other Textile Exchange reports:
  Download document here
  Download document here
- 2025 Sustainable Cotton Challenge
  Visit website here
# About the Benchmark Program

## 2020 Participants

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<tr>
<td>Ted Baker</td>
<td>GB</td>
<td>Apparel / Footwear</td>
<td>Returnee</td>
<td>●</td>
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<tr>
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<td>Returnee</td>
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<td>Multi-sector</td>
<td>Returnee</td>
<td>●</td>
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<tr>
<td>The Cotton Group SA</td>
<td>BE</td>
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<td>Returnee</td>
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<tr>
<td>The North Face, a division of VF Outdoor, LLC</td>
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<td>Outdoor / Sports</td>
<td>Returnee</td>
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<tr>
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<td>New</td>
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<td>Returnee</td>
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<tr>
<td>Under The Canopy</td>
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<td>VAPOR Consumer, Cubus, Carlings, Vifit, BM Bok, Wine, Urban, Days Like This</td>
<td>NO</td>
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<td>Returnee</td>
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<td>Veja Fair Trade SARL</td>
<td>FR</td>
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### Key

#### Company

In 2020, the CFMB was applicable for companies with the following business scopes.

**Independent company:** A company whose stock is not owned by another company nor a company who is holding the stock of another company, i.e. neither a subsidiary or affiliate nor a holding company.

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

**Affiliate company:** A company whose parent only possesses a minority stake in the ownership of the company.

**Holding company:** A company which 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.

#### Headquarters

Company headquarters: While many participants conduct business in multiple countries, country of headquarters is used to localize a company.

#### Sub sector categories

- **Apparel / Footwear:** Companies and retailers, of all sizes, mainly apparel and fashion footwear. Product categories include designer, luxury, fashion, family, workwear/uniforms, baby, basics, intimates, and footwear.
- **Home / Hospitality:** Companies and retailers, all sizes, of exclusively or predominantly home textiles. Product categories include dining (tablecloths, napkins), bed and bath, and indoor or outdoor soft furnishings.
- **Outdoor / Sports:** Companies and retailers, all sizes of outdoor, sportswear, and footwear. Product categories include mountain, active and performance sports, yoga, lifestyle, backpacks, sports bags, and footwear.
- **Multi-sector:** Companies and retailers, all sizes, handling a mix of apparel, footwear, and/or home textiles.

#### Survey scope

**Full survey:** Companies who have completed all sections of the benchmark, including all priority fibers.

**Modular:** Companies who have completed one or more fiber modules.

**Progress tracker:** Companies who have not completed material modules but who do submit progress data.

#### Membership


By participating in the CFMB, all of the companies on this list have demonstrated a commitment to transparency and continuous improvement of their materials sourcing strategy. [mci.textileexchange.org](http://mci.textileexchange.org)
Acknowledgements

The thing about benchmarking is that the more companies take part, the more each individual company benefits. So, a huge thank you to the 191 companies for making this program a success for all of us. You are all Companies Creating Material Change!

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Apparel Coalition

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