

MATERIAL CHANGE

INSIGHTS REPORT
2020

ACTION

IMPACT

INSIGHTS

The state of fiber and
materials sourcing





Foreword

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

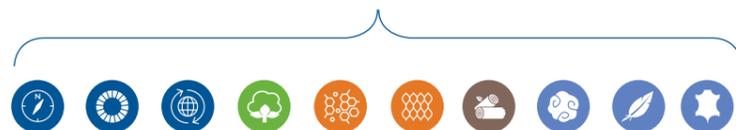


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Navigating the Report

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 Material Portfolios 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.

Use these icons to navigate to **Part B: Data Deep Dive**



State of the Sector Executive Summary

5 Index trends – growth boosted by circularity efforts.

#1. Participation up 10%.

191 participants compared to 173 the previous year, greatest participation growth was within the Apparel/Footwear sub-sector, and in terms of survey selection, participation in the full MCI survey grew more than modular or progress tracker entries.

#2. Index average score up 17%.

The average MCI score was up by 9.8 points (increasing 17% from 65.33 to 72.53), while remaining at the Level 3 “Maturing” performance band.

#3. Circularity drives the increase.

The score for circularity tipped the Circularity Index average from a Level 2 over to a Level 3 (up 16.01 points from 34.82 to 50.83). Circularity scores increased on average by 37% with the biggest growth among outdoor/sports brands.

#4. Preferred materials now 44% of Index portfolio.

Uptake of preferred materials was up 24%, (from 1.7 million tonnes reported in 2019 to 2.0 million tonnes reported in 2020) and preferred materials now account for 44% of the Index portfolio (previously, 39%). Preferred renewable cotton and recycled polyester accounted for most of this growth. Preferred cotton increased by 26% (1.3 million to 1.6 million tonnes/63% of cotton uptake) and recycled polyester by 30% (from 0.2 million tonnes/18% of polyester uptake to 0.3 million tonnes/21%).

#5. Greenhouse gas savings show some improvement.

While the volumes of preferred materials increased, the impact on carbon emissions requires more evidence. This is because much of the uptake growth is coming from the increased use of Better Cotton (BCI) and there is currently no life cycle assessment (LCA) data to back climate improvements. The most evidence of reduction is linked to the use of recycled polyester. Savings there were 0.7 million tonnes CO₂eq, a 16% saving over a fully conventional polyester use.

5 materials-related business risks – biodiversity tops the list.



Biodiversity Loss/
Land Use Change
83%



Climate Change
74%



Human Rights
70%



Water
67%



Chemicals
66%

Awareness of environmental, social, and governance (ESG) risk has increased sharply over the past year and not least in relation to raw materials. We highlighted the direct connection between biodiversity loss and climate change in our last report and, while climate change was the top-rated risk in the 2019 benchmark, in 2020 biodiversity loss has taken over, rising from 6th to 1st position.

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 of 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 "ROI²" - 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.

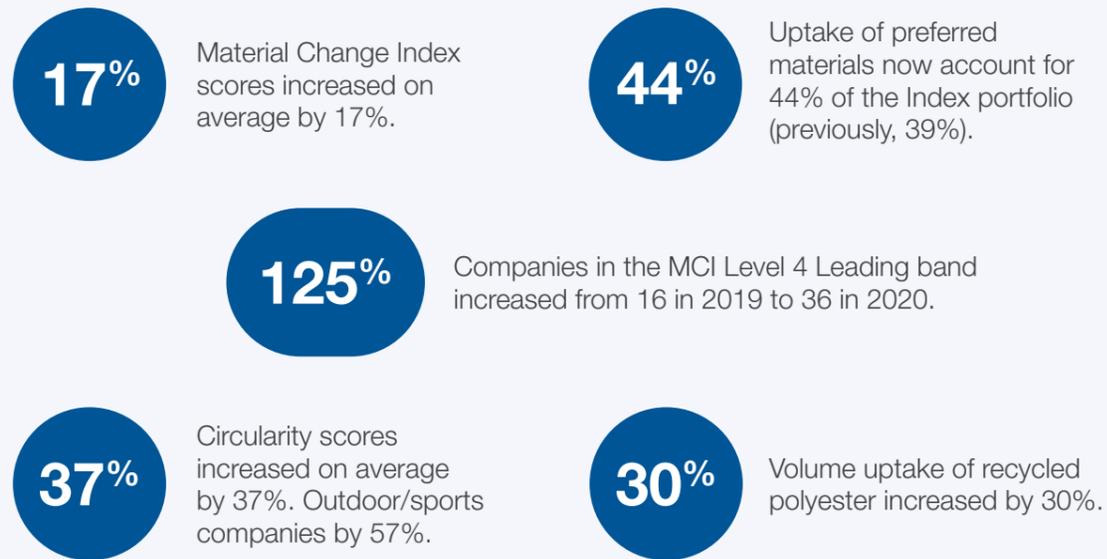


Photo (right): Ludovic Carème, Veja (Cotton leader on bales)

State of the Sector

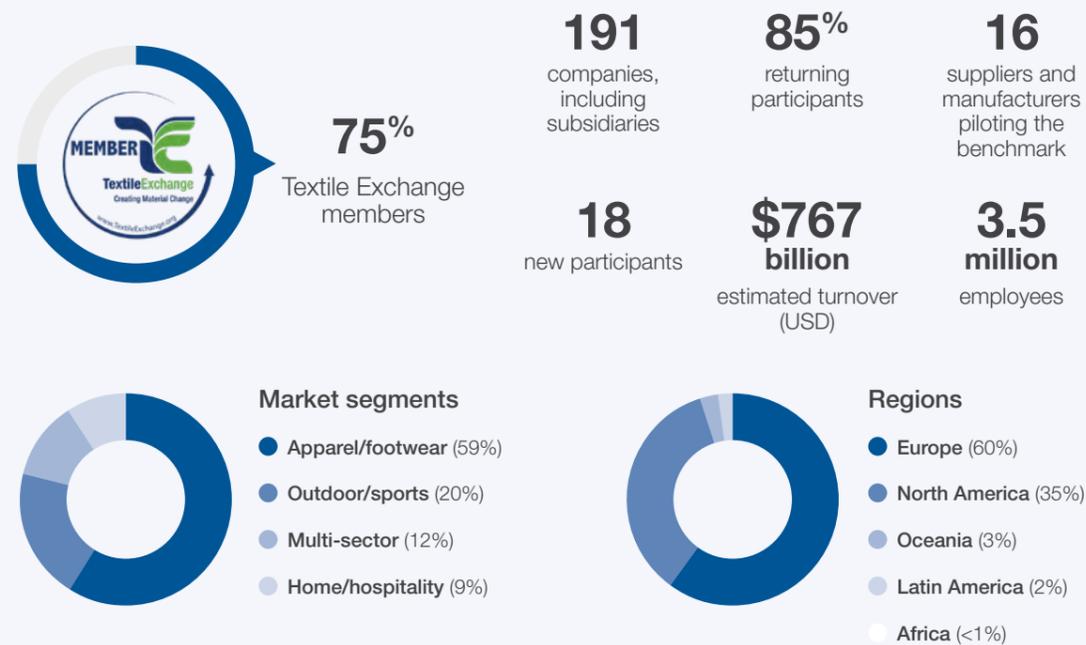
Key 2020 Takeaways

Five big trends



Participant profile

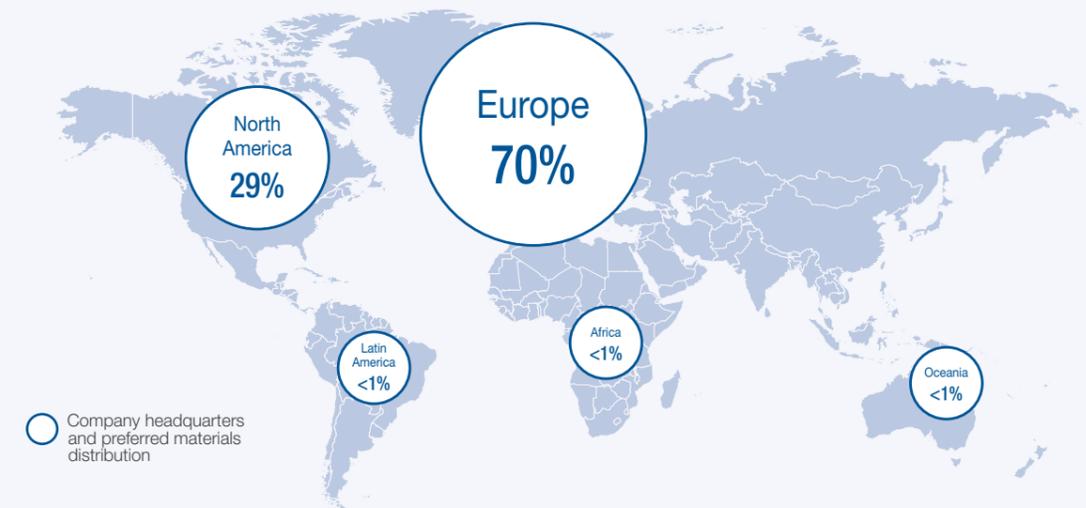
[See full participant list](#)



Key 2020 Takeaways

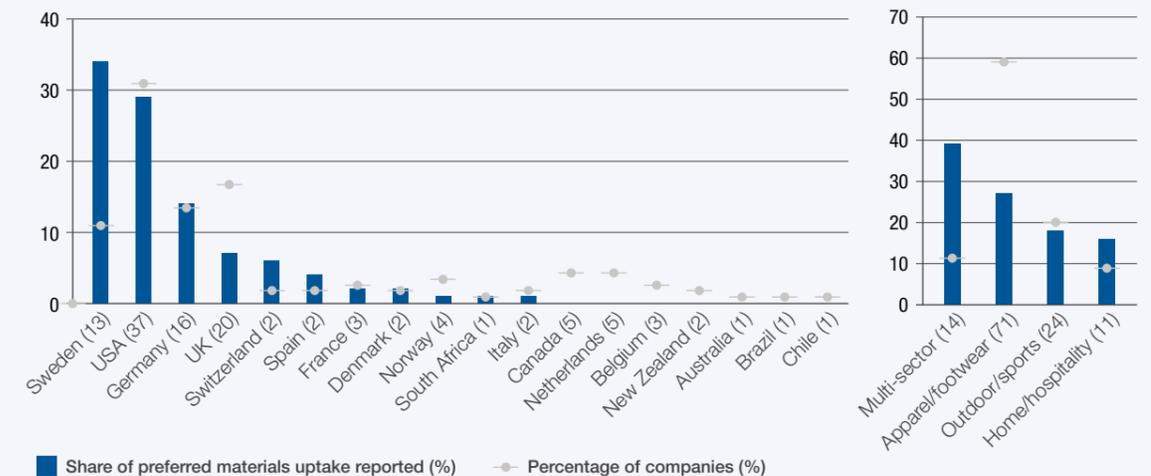
Preferred materials uptake by region

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



Preferred materials uptake by country and market segment

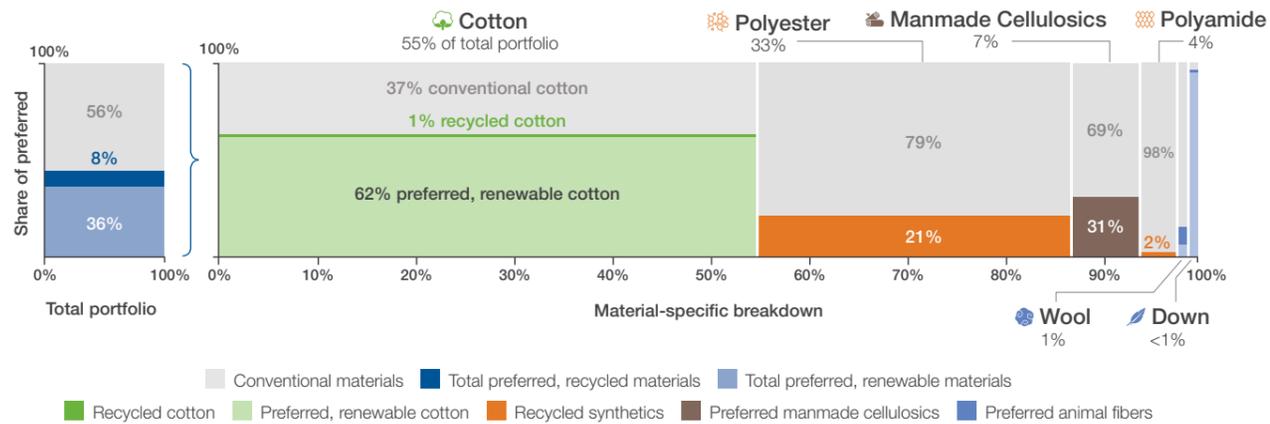
Participating companies are headquartered in 18 countries, yet global uptake of preferred materials is concentrated in just 3: Sweden, USA, and Germany. Latin America is now represented by Brazil and Chile. The majority of preferred materials (39%) made their way into the products of just 14 multi-sector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



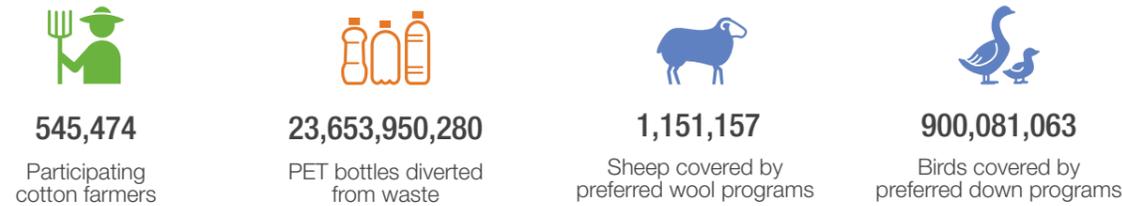
State of the Sector

Key 2020 Takeaways

Snapshot of preferred materials



Beneficial outcomes resulting from preferred materials sourcing



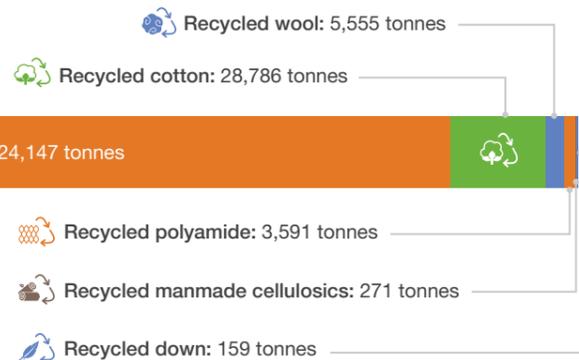
Wool: improved land use: 2,315,252 hectares

Cotton: improved land use: 1,485,311 hectares

Manmade Cellulosics: improved land use: 27,266 hectares

3,827,829 hectares

Land under improved farming practices or certified forestry - equivalent to 5.4 million soccer fields



89%

Recycled materials coming from plastic waste streams (0.32 million tonnes)

Key 2020 Takeaways

Positive environmental impacts achieved through preferred materials sourcing

1.37 million tonnes CO₂e_q of greenhouse gas emissions saved



Equivalent to driving 5.4 billion kms in an average sized car

28 billion megajoules of fossil fuel energy saved



Equivalent to powering 631,014 US homes for one year

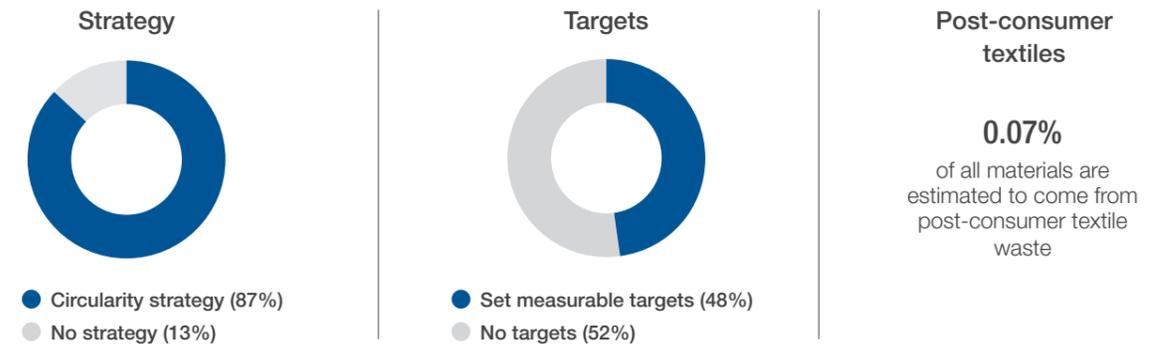
649 billion liters of water saved



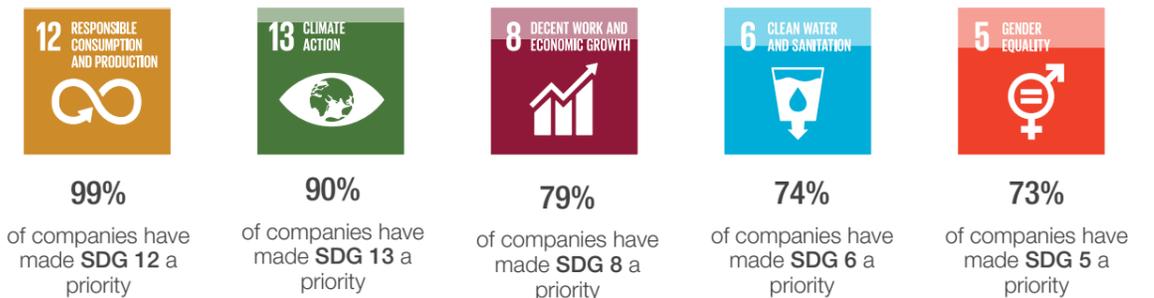
Equivalent to the water needs of 582 million people for one year

Based on the Higg MSI

Circularity strategies are on the rise but yet to be realized



Responsible Consumption & Production and Climate Action are priority SDGs*



* 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.

Topic Summaries

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.

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.

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.

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.

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.

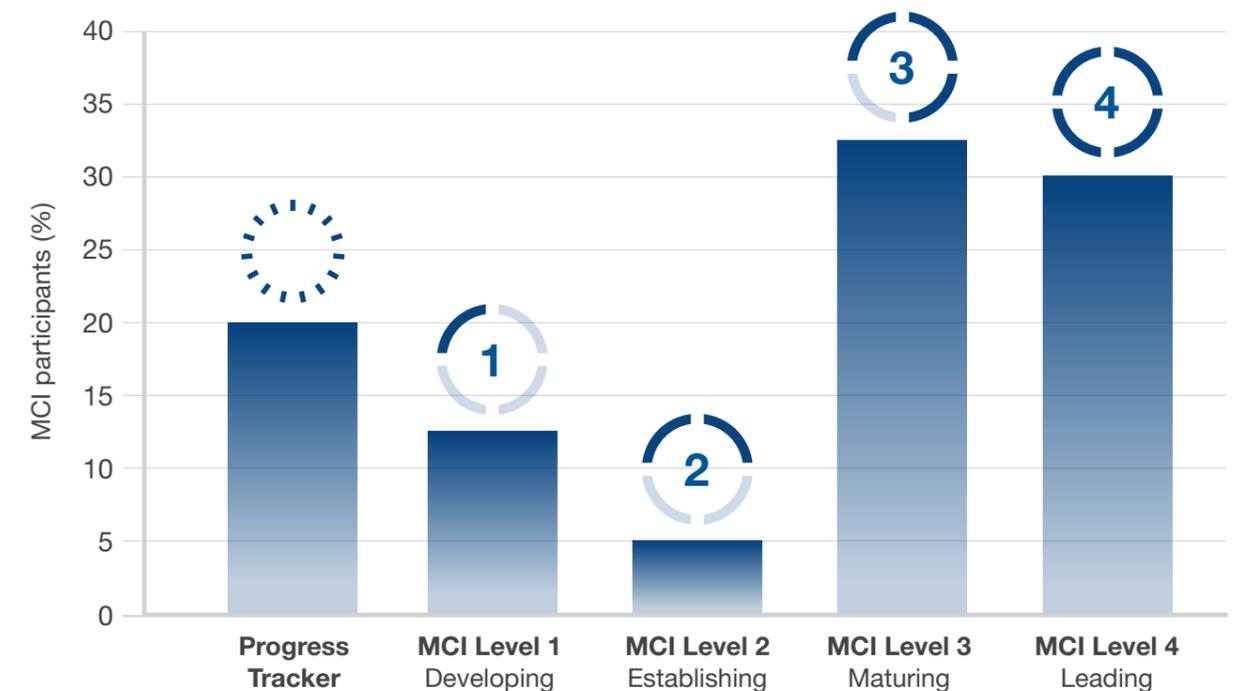
 <p>1 Developing This level is for companies that are laying the foundation of their programs and scored 25 or less out of 100 possible points.</p>	 <p>2 Establishing This level is for companies that are strengthening their programs and scored 26-50 out of 100 possible points.</p>
 <p>3 Maturing This level is for companies with emerging leadership that scored 51-75 out of 100 possible points.</p>	 <p>4 Leading This level is for companies that are pioneering industry transformation and scored 76-100 out of 100 possible points.</p>

-  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.

MCI Level 4 Leading		
adidas AG	Inditex Group	NIKE, Inc.
ARMEDANGELS	KALANI-home	Norrøna Sport
Boll & Branch	Kathmandu Limited	Nudie Jeans
C&A	Kering	Outerknown
Coop Group	Knickey	Patagonia
Coyuchi, Inc.	Kuyichi BV	prAna
DECATHLON SA	Levi Strauss & Co.	PUMA SE
Dedicated Sweden AB	Lindex	PVH Corp.
EILEEN FISHER, INC.	Loomstate, LLC	Smartwool
Gap Inc.	Mantis World Limited	Stanley/Stella SA
H&M Group	Marks and Spencer	Tchibo GmbH
IKEA of Sweden AB	MUD Jeans International BV	Veja Fair Trade SARL

SDG Level 4 leaders

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

SDG Level 4 leaders
C&A
Deckers Brands
Dickies, a division of VF Outdoor, LLC
H&M Group
IKEA of Sweden AB
Inditex Group
Kering
Levi Strauss & Co
MUD Jeans International BV
Outerknown
PUMA SE
PVH Corp.
Smartwool, a division of VF Outdoor, LLC

Circularity Level 4 leaders

These 9 companies reached a level 4 in circularity.

Circularity Level 4 leaders
C&A
H&M Group
Knickey
MUD Jeans International BV
Nudie Jeans
Outerknown
Patagonia
prAna
The North Face, a division of VF Outdoor, LLC

2020 Material Change Leaderboard

MCI Big Movers

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

MCI Big Movers	
C&J Clark Limited	Kuyichi B.V.
Columbia Sportswear Company	ORSAY GmbH
Darn Tough Vermont	Outerknown
Deckers Brands	Piping Hot Australia Pty Ltd.
KappAhl Sveridge AB	Royal Robbins LLC

MCI New Entries

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

MCI New Entries	
Benetton Group	Naturepedic Organic Mattresses
Dickies, a division of VF Outdoor, LLC*	New Balance
ECOofashion Corp	Next Plc.
Gina Tricot	Reformation
Hanky Panky	Sanctuary Innerwear
IVY & OAK	Scania Truck Gear
Joules	Smartwool, a division of VF Outdoor, LLC
Kering	The Cotton Group
Lojas Renner	The North Face
Moose Knuckles	VARNER
Mulberry	Zalando

MCI Suppliers Pilot

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

MCI Suppliers Pilot	
Anubha Industries Private Limited	Sulochana Cotton Spinning Mills Pvt. Ltd
Birla Cellulose, India	Sustainable Down Source
Crestex	The Schneider Group
Eastman	Unifi, Inc.
Egedeniz Textile	Waste2Wear
Lenzing AG	Welspun India Limited
Orimpex Textiles	WestPoint Home LLC
Sapphire Textile Mills Limited	World Textile Sourcing (WTS)

Part A: Analysis

Business Integration Strategy

Index average



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!



Photo (right): SAPPI (Project Khulisa)





Analysis Highlights

Deep dive into data

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 cellulose (42 companies), down (35), polyester (34), wool (25), 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% (55%) 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 consult 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

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 (68%) 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

Index average



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)

Business Integration Sustainable Development Goals



Analysis Highlights

Deep dive into data

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.

Sustainable Development Goals



Analysis Highlights

Deep dive into data

Customer Engagement - Weaving in slowly to external comms

Interestingly, brands are more committed to communicating the SDGs externally than internally, with 34% doing so - up 10% YOY. This is a promising indication that consistent language is being used to help consumers to make connections between sustainable textiles and global issues.

Reporting - One fifth reporting substantially on SDGs

A third of brands (62%) integrate the SDGs into their company reporting to an extent; 21% excel by reporting targets and progress against targets. One fashion brand's annual report features an interactive diagram featuring all of its SDG priorities. When you click on each SDG, a box-out reveals the targets, progress against targets, and how they are achieving this.

Extra Insight Circularity

Index average



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.

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.

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.

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.



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% (YOY). 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.



Photo: EILEEN FISHER (Renew)

Circularity



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 reevaluating 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 for them 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.



Resource efficiency

Pre-consumer textile waste – greatest improvements through demand forecasting

The majority of participants (92%) are working on preventing and reducing pre-consumer (sometimes called post-industrial) waste through a variety of techniques. This was up by 10% (YOY). Greatest improvements were seen in demand forecasting which went from 49% of companies to 65% (YOY), including on-demand production. 64% of companies are engaging directly with their suppliers to address pre-consumer waste and 30% provided examples of additional actions they were employing to reduce pre-consumer waste, such as investing in manufacturing efficiencies, actively managing their order quantities, restyling committed capacity, and ensuring efficient lay planning to minimize fabric scraps. Some companies also mentioned product packaging and shipping, and explained their shift to recycled hangers, using cardboard boxes (instead of plastic garment bags) and so on.

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, resale, 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.



Company Highlights

- A fashion company has worked progressively on reducing over-production and the number of pieces produced. From a financial point of view, this is to reduce the number of garments sold at a reduced price. From a sustainability point of view, it is mainly to minimize overproduction. The company says this is a very good example of how financial and environmental sustainability go hand in hand. Their price level has increased, but they have filled their products with more sustainable materials and processes, and they are of higher quality. At the same time turnover has increased.
- An outdoor company is engaging with its finished goods supply chain to better understand the volume of pre-consumer waste. The brand is also connecting upstream with recyclers in its supply chain, as well as outside of its supply chain, and is working to connect them to its finished good factories. In addition, it is looking to optimize MOQs (minimum order quantities) on orders to ensure less waste upstream.
- One outdoor company calculated that up to 15% of its fabric use was going to waste e.g., cutting waste or defects in production. In a new partnership with The Else Group, its factory partners now collect, sort, and sell this waste to be converted to recycled fabric.
- A luxury fashion brand has several internal workstreams which aim to reduce the amount of waste created at initial production stages; this includes better planning and quality assessments, and finding solutions for suppliers' waste.
- One apparel company actively manages order quantities to minimize over production, including restyling of committed capacity. Efficient lay planning is standard business practice to minimize fabric scraps, and the company designs liability fabrics into new products for its clearance offer.
- A fashion brand makes clothes in limited quantities in the styles that people want to wear to help reduce clothing waste at the end of the season. The company starts with small orders for each garment. It then closely monitors what people buy, whether it provided the right fit, and has a team dedicated to monitoring customers' feedback. Based on this data driven feedback loop, the company decides which styles will be produced more and which not. This approach not only leads to close to 100% sales of items, but also to less waste.
- An outdoor company saves its unsold finished goods, such as expired products, from landfill disposal via staff uptake. Annually, quality-affected product and used customer returns are transferred to its Staff Store. Faulty and/or returned product are stripped down for spare parts to use for customer spares requests.
- Garments that are not sold through this company's retail and e-commerce channels within the expected timeframe are moved to outlets across Europe, where they are usually sold out. Goods that do remain are examined for quality issues, repaired as needed, and then sold in countries where the company does not have direct business, providing a third opportunity for that item to be purchased. This process enables the company to sell nearly 100% of the garments it creates. The Product, Buying, and Merchandise divisions work hand in hand to develop a smart purchasing strategy which ensures the right number of products, in the right places, at the right times.
- When it comes to unsold goods, one large retailer states that everything goes to reuse. It tries to keep overproduction to a minimum by using predictive artificial intelligence tools to match demand with production as accurately as possible and sell most of it through its own channels, and the rest goes to “reuse” to external partners.



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.



Photo: Nudie Jeans (Repair service)

Circularity



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.



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.



Photo: MUD Jeans x IKEA collaboration



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.

Extra Insight Circularity



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 (6), 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).



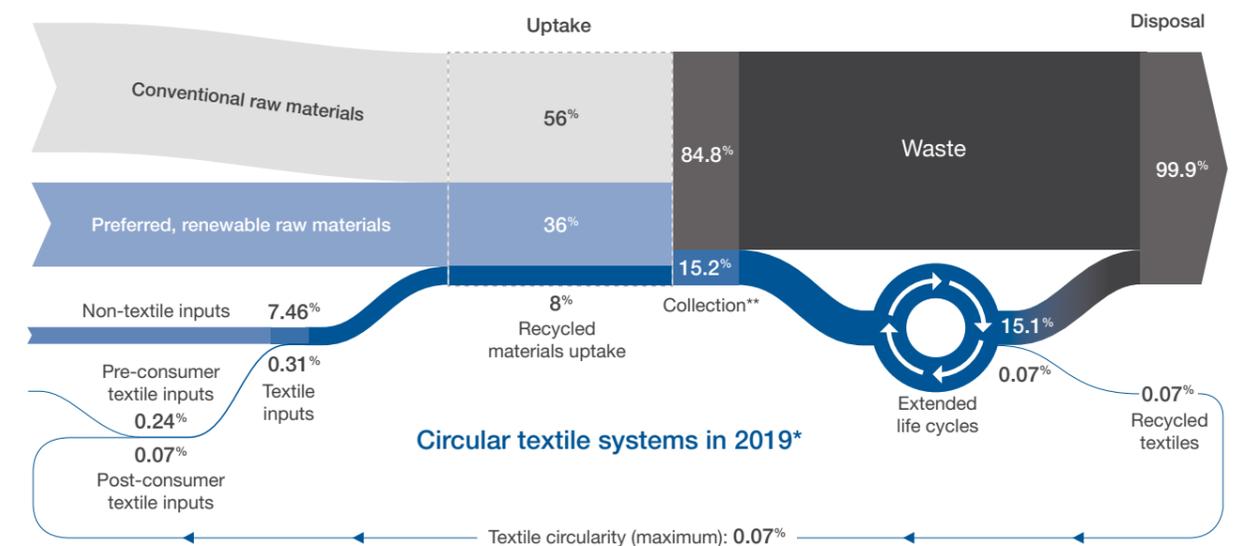
Photo (right): MUD Jeans (Denim recycling process)

Circularity



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.



*Uptake: Based on 2020 MCI (2019 reporting cycle).

**Collection: EPA industry estimated recycling rate, 2017.

Source: <https://www.epa.gov/facts-and-figures-about-materials-waste-and-recycling/textiles-material-specific-data>

Materials Portfolio

Cotton

Index average



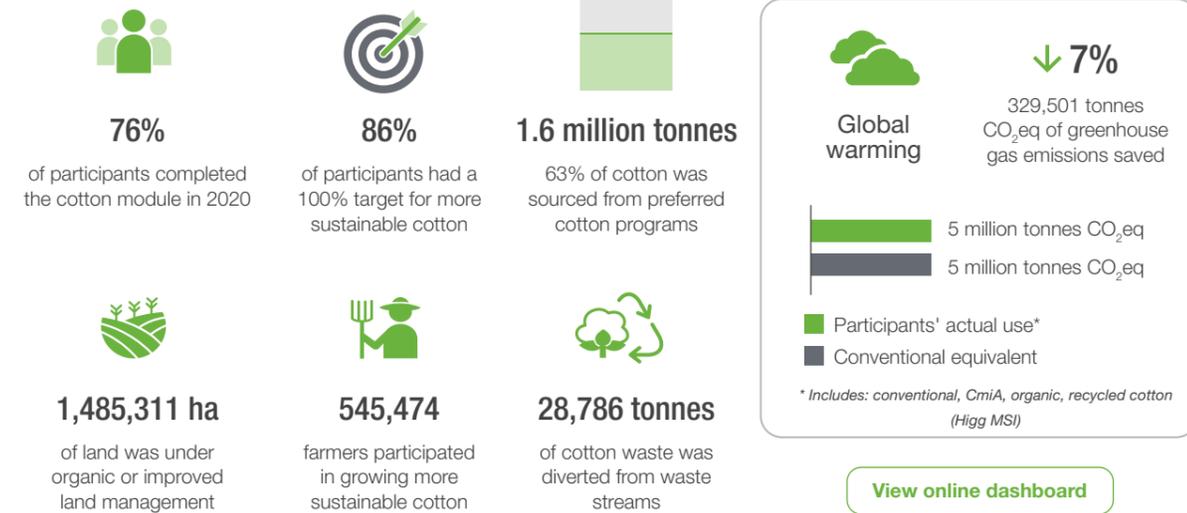
State of play

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



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.



Photo: Martin J Kielmann, Cotton made in Africa (Cotton boll)



Analysis Highlights

Deep dive into data

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 (YOY), and respondents now consider child labor (93%), forced labor (93%), 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% YOY), 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% YOY), 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% YOY), 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 YOY), 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%), wool (33%), manmade cellulose (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% YOY), 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 8% YOY), with the home textile sector pushing the percentage down as they were least likely to publish suppliers.

Analysis Highlights

Deep dive into data

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% YOY to 86%. Over a quarter (29%) 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% YOY, 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% YOY). 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% YOY

Two-thirds (63%) of cotton sourced by reporting companies is preferred renewable, which has risen 8% YOY. The most frequently reported preferred cotton by volume is BCI (49%), followed by organic (11%), then CmiA (1.5%). Conventional makes up 37% (down 7% YOY), 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% use 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% YOY 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

Index average



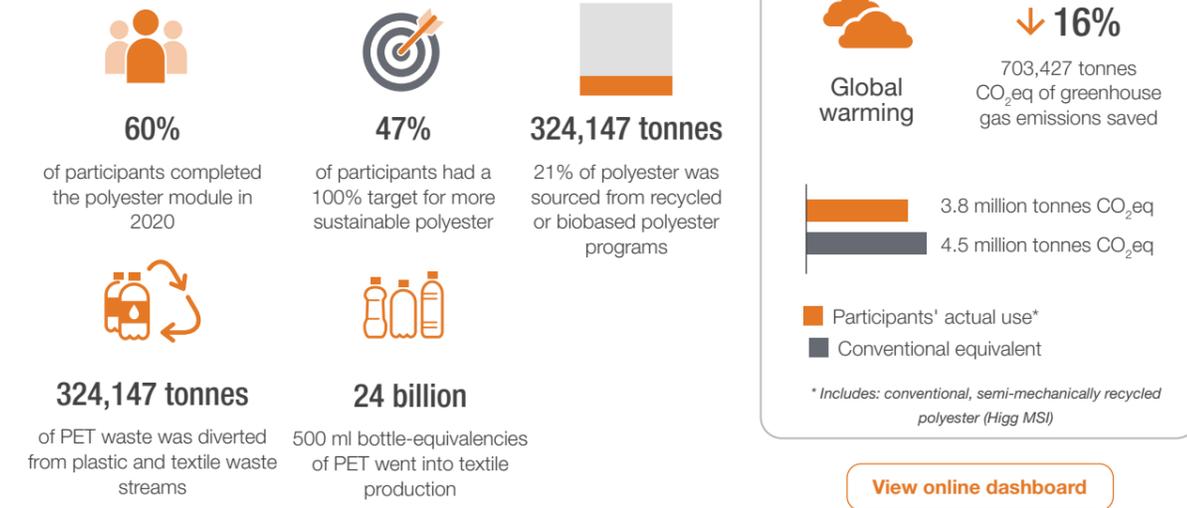
State of play

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



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)



Analysis Highlights

Deep dive into data

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 (67%), greenhouse gas emissions (64%), and energy use (60%). Certification through GRS (76%) 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.

Analysis Highlights

Deep dive into data

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 63% 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

Index average



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



35%

of participants completed the polyamide module in 2020



40%

of participants have a target for 100% more sustainable polyamide



3,591 tonnes

1% of polyamide was sourced from recycled polyamide programs



3,591 tonnes

of polyamide waste was diverted from textile and other waste streams (e.g. fishing nets)



Global warming

↓ 2%

25,817 tonnes CO₂eq of greenhouse gas emissions saved



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

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

[View online dashboard](#)

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.

Photo (right): Piping Hot (Classic swimwear)





Analysis Highlights

Deep dive into data

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.



Analysis Highlights

Deep dive into data

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.



Materials Portfolio

Manmade Cellulosics

Index average



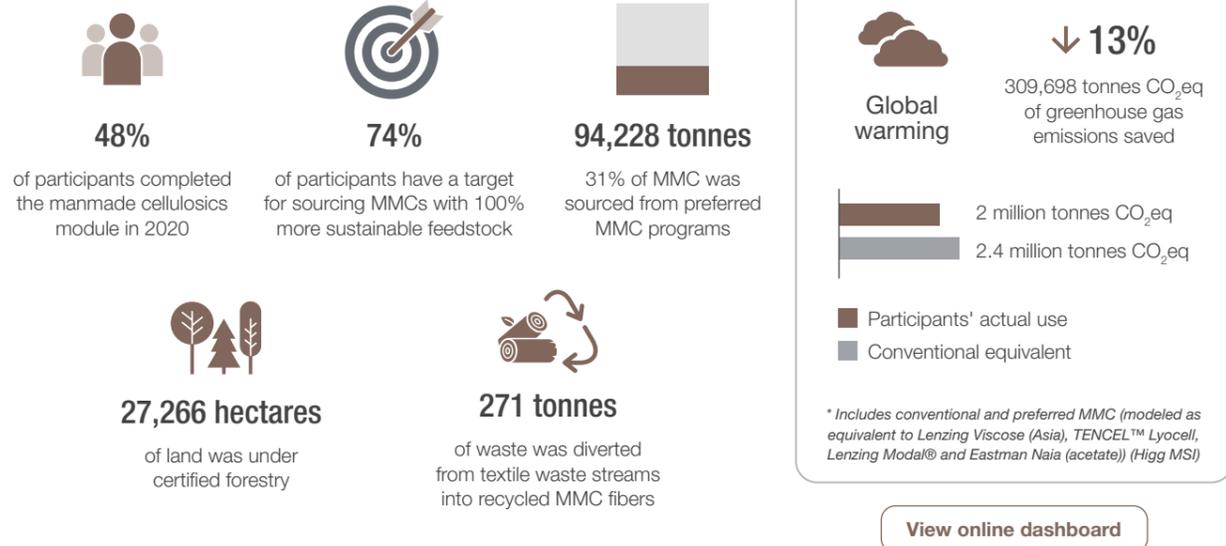
State of play

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



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.



Photo: SAPPI (Forestry research laboratory)



Analysis Highlights

Deep dive into data

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 (68% - 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 (56%). 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 (54%). 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.



Analysis Highlights

Deep dive into data

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 MMCs 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 (94%) 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

Index average



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

15% 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

[View online dashboard](#)

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 EO (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.



Photo: The New Zealand Merino Company (Sheep grazing)



Analysis Highlights

Deep dive into data

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 (76%). 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.



Analysis Highlights

Deep dive into data

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 17 YOY).

Materials Portfolio Down

Index average



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.



31%

of participants completed the down module in 2020



95%

of participants had a 100% target for more sustainable down



22,834 tonnes

95% of down was sourced from preferred down programs



900 million

birds were covered by animal welfare programs



159 tonnes

of waste down was diverted from textile waste streams

[View online dashboard](#)

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.



Photo: Sustainable Down Source (Down warehouse)



Analysis Highlights

Deep dive into data

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.



Analysis Highlights

Deep dive into data

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

Index average



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

67% of Leather Working Group and <1% of preferred leather programs.



38 million meters²

of hides covered by improved processing (Leather Working Group)



195,170 meters²

of waste leather was diverted from textile waste streams

[View online dashboard](#)

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.

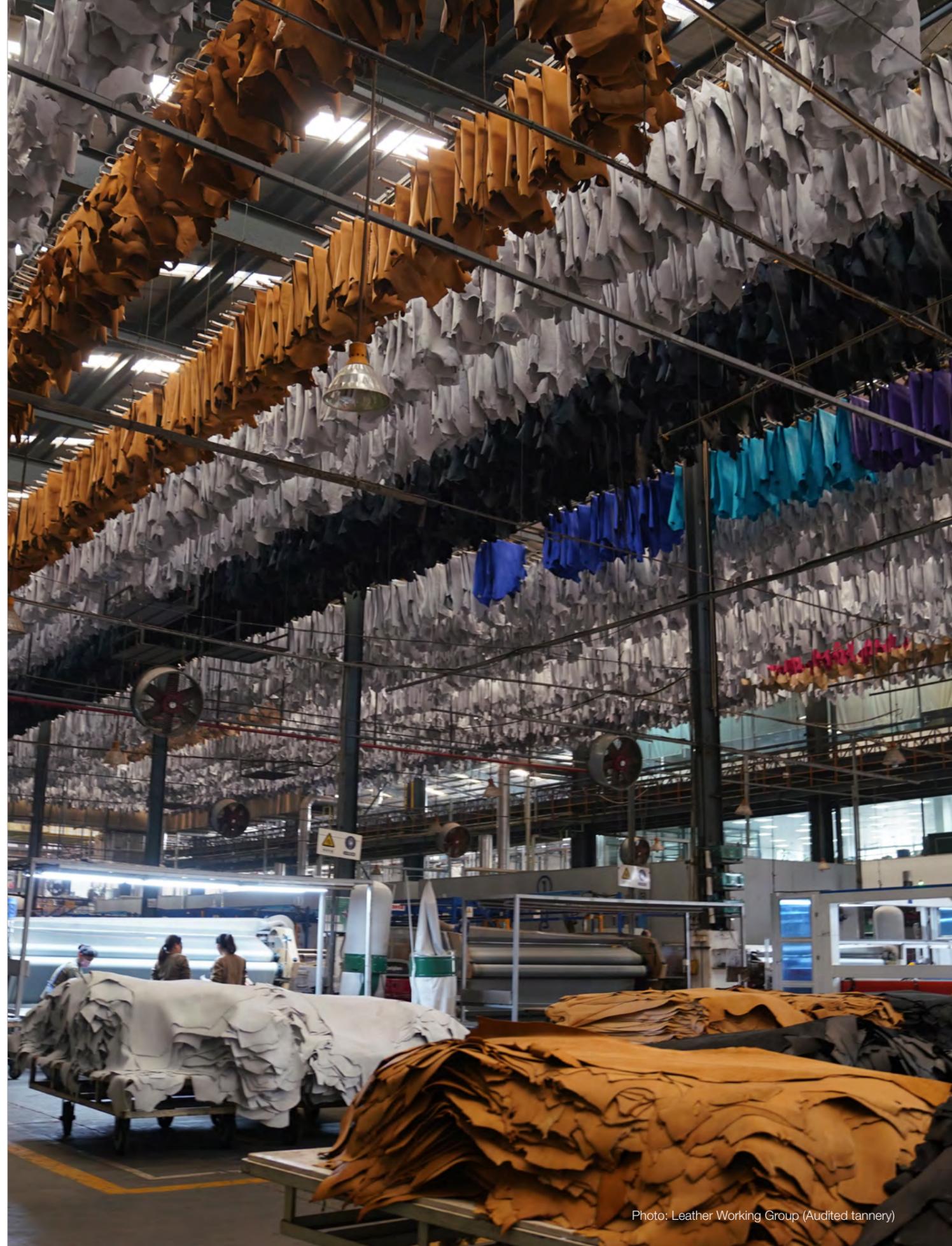


Photo: Leather Working Group (Audited tannery)



Analysis Highlights

Deep dive into data

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 67% 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*

78% 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.



Analysis Highlights

Deep dive into data

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.



Extra Insights

Other Materials



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.



Photo (right): Camilla Coutinho, Veja (Amazon rubber)



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 waters), 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](#).



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

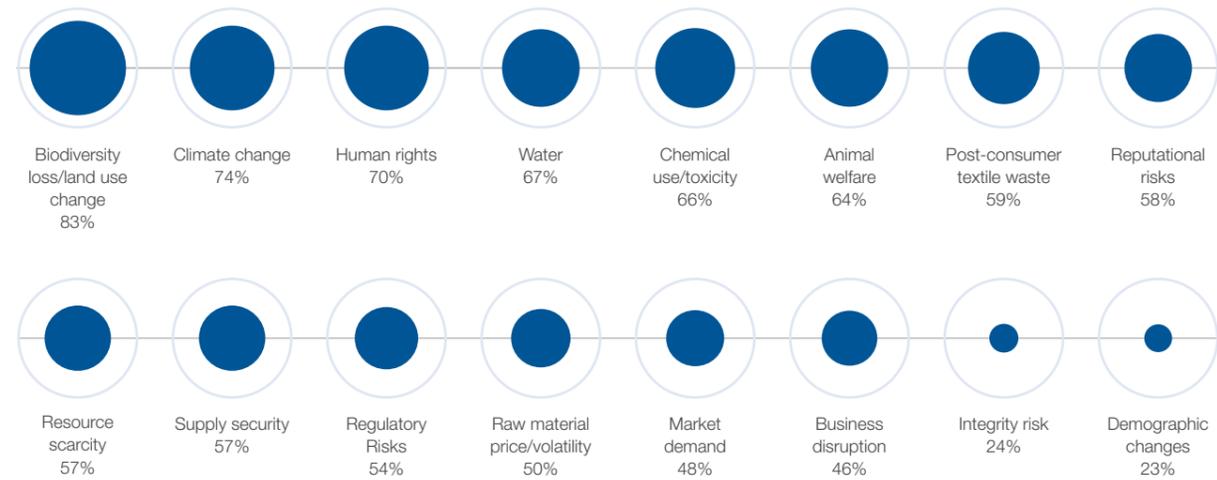
Business Integration Strategy



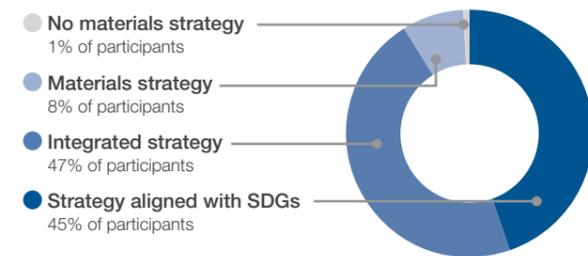
A materials strategy provides a framework to identify risks to supply, focus investment and drive sustainability performance. Engaging with a diverse range of stakeholders ensures risks and opportunities are not overlooked. The following analysis is based on the 92 companies that completed the Strategy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

1. Strategy

Top materials-related business risks



Strategy integration



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.

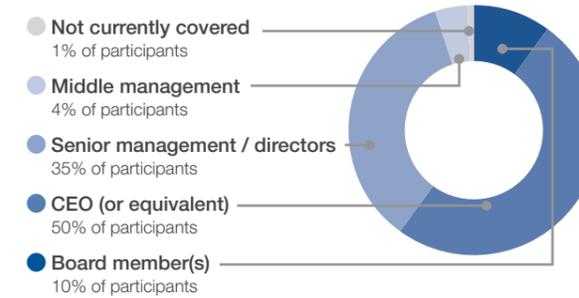
Apparel/footwear company



Strategy

2. Leadership

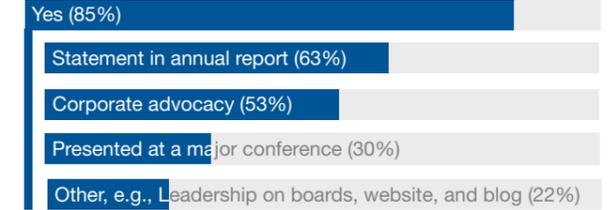
Materials strategy leadership



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

CEO leadership examples

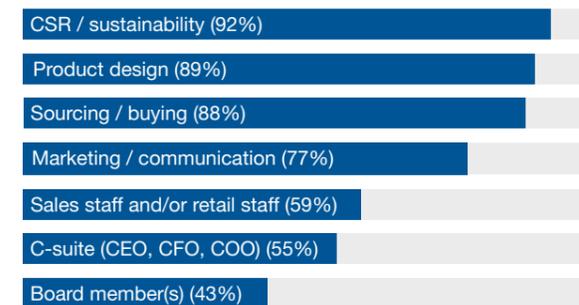


We use our 1% of sales fund to plant trees in Africa expanding employment and reducing deforestation. We also use funds for ocean clean-up and invest through Fashion for Good to improve environmental and social conditions for the textile industry. We pay a premium for preferred fibers and dyes using 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.

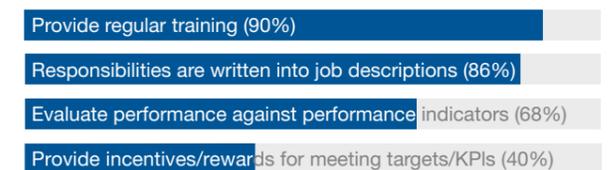
Outdoor/sports company

3. Internal Engagement

Responsibility for materials sustainability



Incentivization for materials sustainability

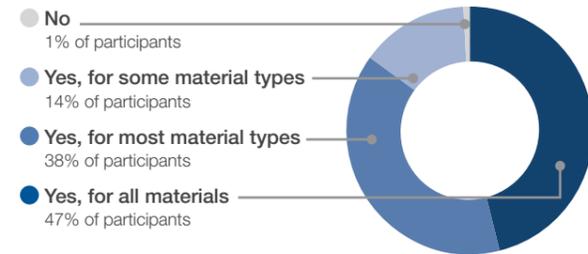


Business Integration Strategy

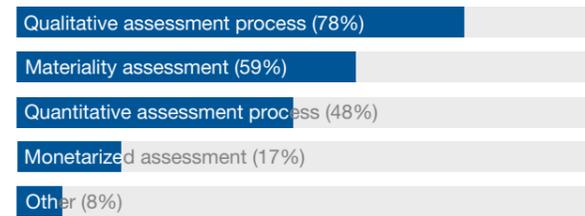


4. Materiality

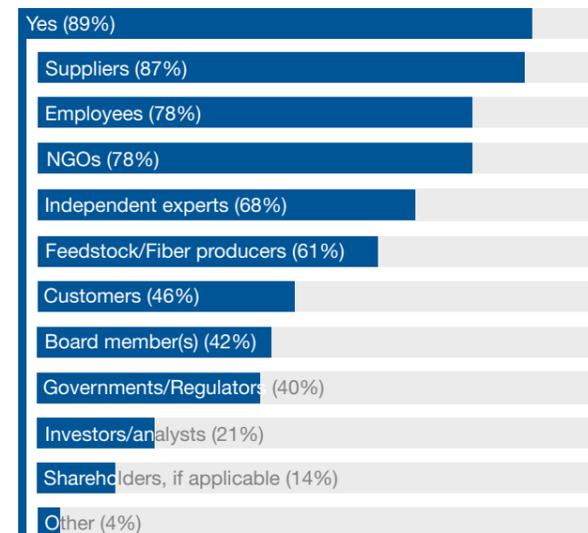
Risk assessment



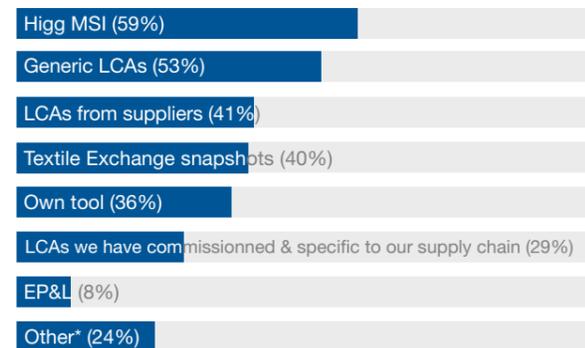
Materiality assessment: approaches



Materiality assessment: stakeholder engagement



Decision making tools for quantifying impact



* Other, e.g. Ecological Value Framework, Environmental assessments, MADE-BY Fiber Benchmark

We have set a science-based target to reduce our greenhouse gas emissions. Our goal is that 50% of all materials used in our products should be minimum 50% recycled or renewable content by 2030.

Outdoor/sports company

We are beginning our transition to more sustainable fibers, including 100% adoption of RWS alongside changing out virgin synthetics for recycled and more sustainable alternatives.

Outdoor/sports company

100% of our materials should be recycled or sustainably sourced by 2025. 100% of our cotton should be sustainably sourced by 2020.

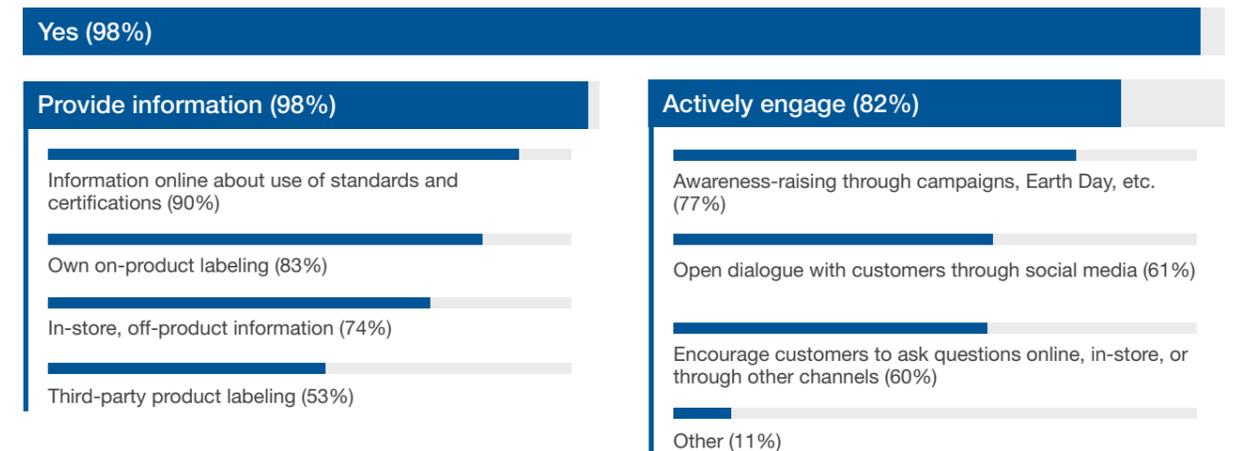
Apparel/footwear company

Strategy



5. Customer Engagement

Engaging customers on the sustainability benefits of more sustainable materials



Since 2003, our company has been on a mission to transform the lives of our customers through safer, healthier sleep. By eliminating materials like flame retardants and polyurethane foam from our line of certified organic natural mattresses, we support an organic holistic lifestyle while protecting the environment.

Home/hospitality company

We strive to be as transparent as possible on how our products are made. For us, transparency is a key part of the sustainability work. We believe that only by knowing all steps, from the cotton fields, the fabric process, the trims and laundries to the stitching processes all the steps in between, we will be able to address non-compliances and take responsibility in our supply chain.

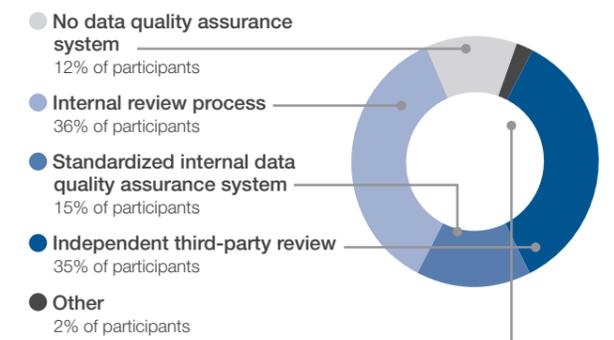
Apparel/footwear company

6. Corporate Reporting

Public reporting on materials sustainability



Data assurance

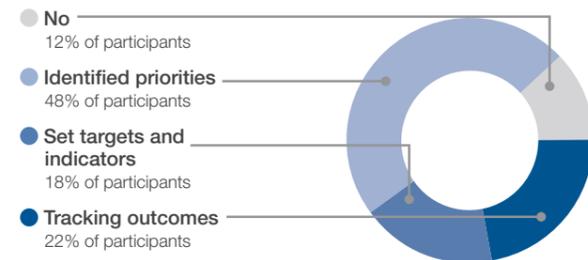


Business Integration Sustainable Development Goals



The Sustainable Development Goals (SDGs) is a cross-cutting theme within the survey, with SDG-specific questions embedded in the Strategy and Integration and Circularity sections. The following analysis is based on the 83 companies that completed the SDG questions as part of a full survey response.

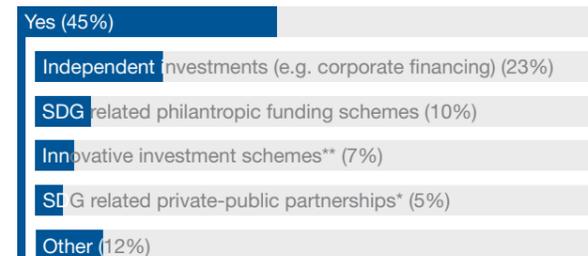
Measuring progress towards the SDGs



To achieve the goals set through partnerships we have to work holistically on sustainability, and among that are goals to convert to more sustainable fibers and materials. Our sustainable fiber staircase is based on Higg MSI to compare fibers and materials.

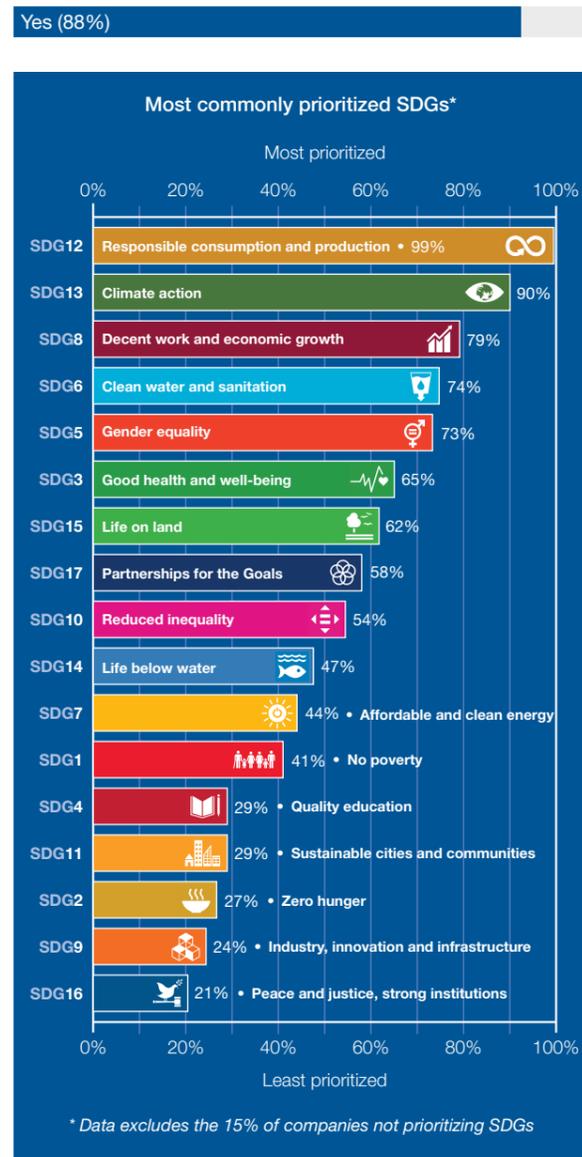
Apparel/footwear company

SDG investing



* SDG related private-public partnerships e.g. blended financing
** SDG related philanthropic funding schemes e.g. SDG bonds

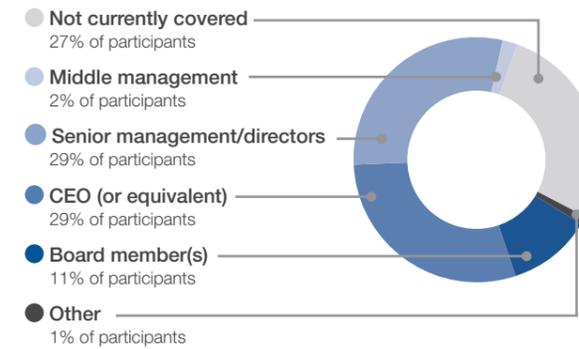
SDG prioritization



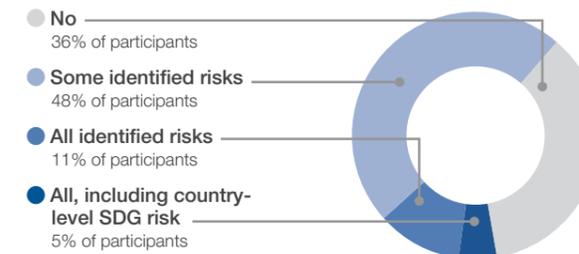
Sustainable Development Goals



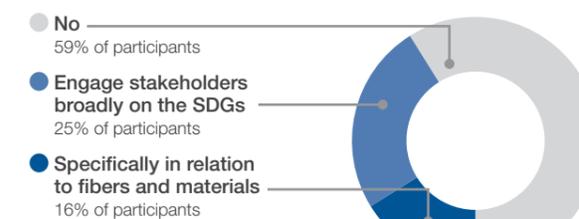
Accountability for delivering the SDGs



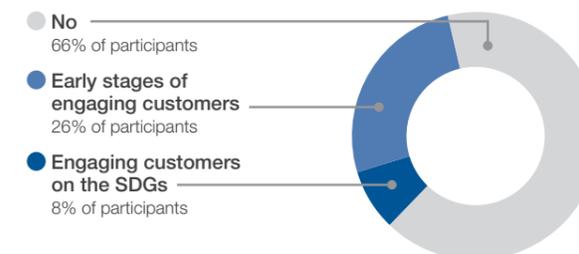
Materiality: SDG-related risk assessment



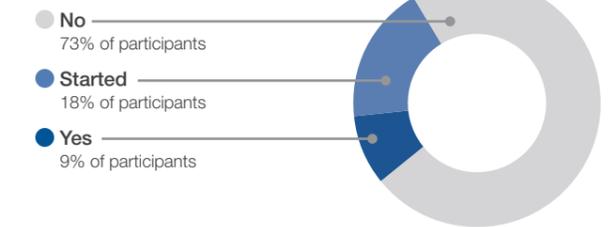
Materiality: SDG stakeholder engagement



Customer engagement on SDGs



Integrating SDGs into employee programs



SDG reporting



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.

Apparel/footwear company

Business Integration Circularity



In 2019, materials circularity became its own "section" in the benchmark. This new section builds on earlier, circularity strategy-based questions and now covers a broader range of activities. The analysis is based on the 83 companies that completed the circularity section.

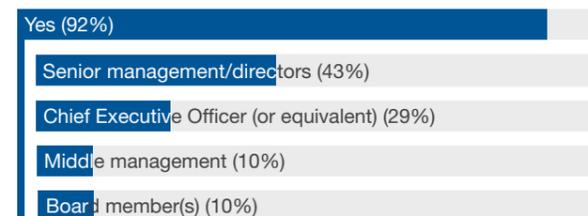
1. Circularity Strategy

Circularity strategy and strategy scope

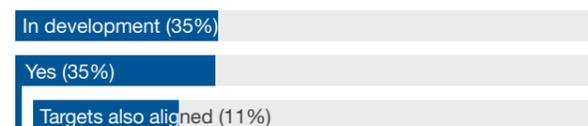


*Other: e.g., transition to renewable energy, reducing water usage in production countries, phase out hazardous chemicals, etc.

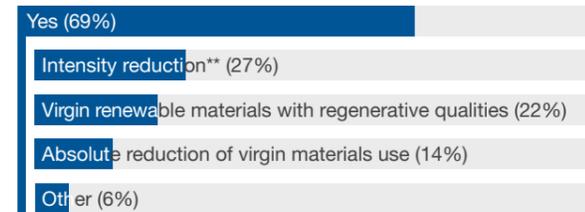
Circularity leadership



Aligning circularity strategy with the SDGs

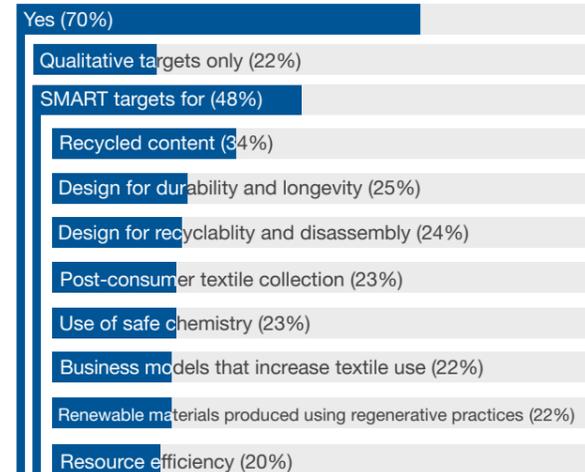


Decoupling economic growth from resource use



**Reduction of virgin materials use relative to economic growth

Circularity targets



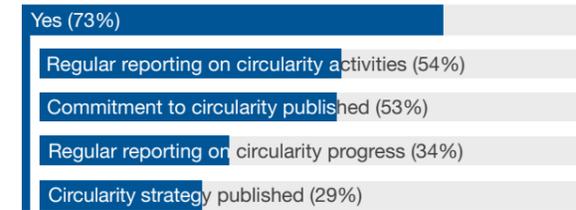
Investing



Circularity



Public reporting

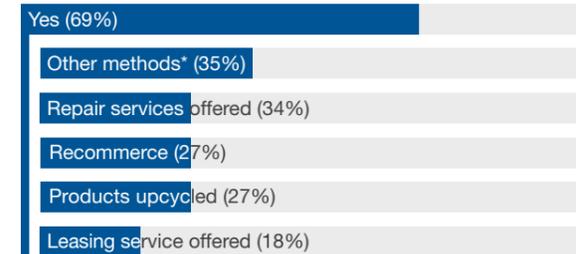


We must take the responsibility of our future together. Companies and governments have to collaborate, be transparent and show leadership in their transition to a circular economy.

Multi-sector company

2. Business Models

Extending first life of products



*Other methods (e.g. resell own products, DIY repair guidance)

We are in the pilot phase of starting up circular business models with second hand products. The aim is to learn enough so that we can strategize around growth and profitability from circular business models by selling used garments again.

Apparel/footwear company

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

As part of our 2020 Sustainability Goals, we aim to increase the repair rate of global product warranty claims and therefore extend the life of our products and cut down on material waste. In 2019 our global repair rate increased to 28%.

Outdoor/sports company

Our focus is to ensure that the way we design products, the way we select and support our manufacturing partners, and the way we distribute and reclaim our goods all work together to become a circular and sustainable economy.

Apparel/footwear company

Business Integration Circularity



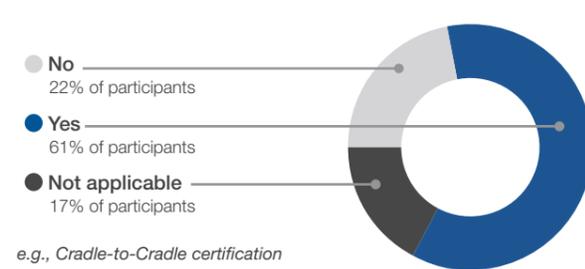
3. Resource efficiency

Preventing and reducing pre-consumer waste

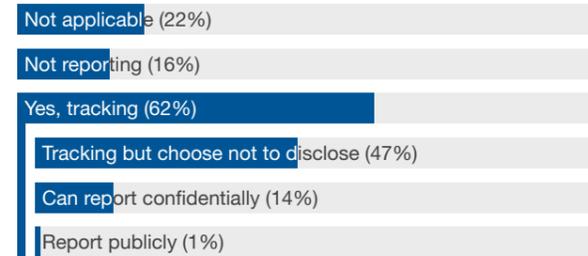


* Other: (e.g., manufacturing efficiencies)

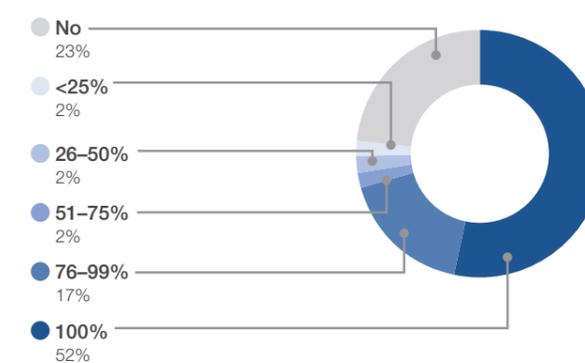
Unsold finished goods policy



Reporting on volumes of unsold finished goods



Identifying outcomes for unsold finished goods



Reporting on destinations of unsold finished goods

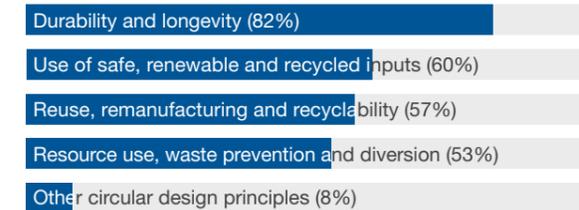
Destination	Companies Reporting
Resold in its original product form (or modified only by de-branding)	85%
Donated in its original product form (or modified only by de-branding)	58%
Downcycled (e.g., as insulation material or cleaning material)	20%
Feedstock for recycled fibers	13%
Feedstock for remanufactured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

Circularity

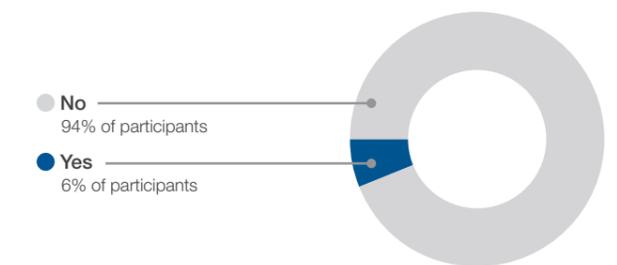


4. Design for circularity

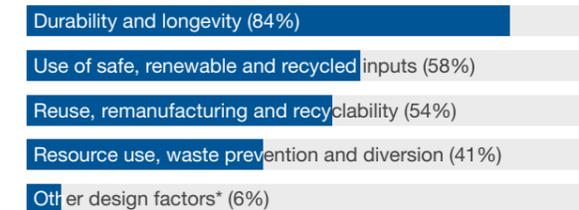
Capacity building



Recyclability or biodegradability certification



Implementation of design factors



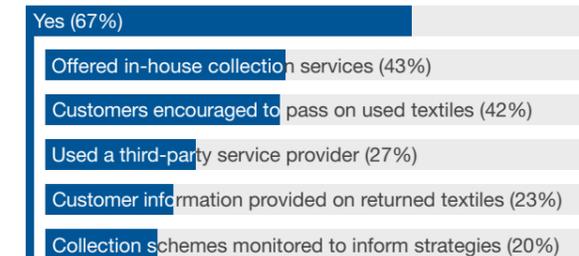
* Other design factors: (e.g., modularity, "upgradability", zero waste)

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

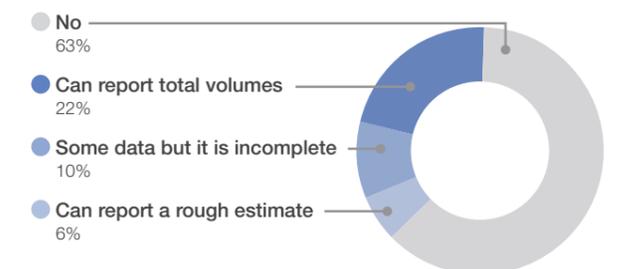
Apparel/footwear company

5. Textile collection

Collection scheme for post-consumer textiles



Reporting on volumes of post-consumer textile products



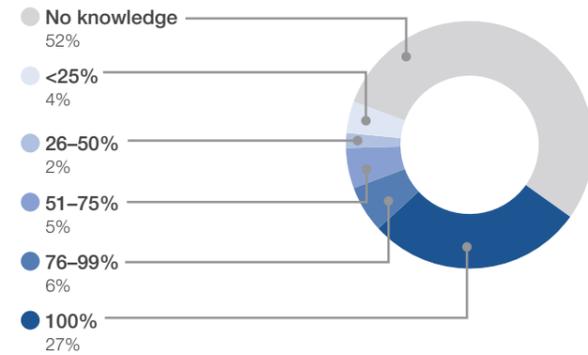
Reporting year (YOY)	Units reported	Companies
2019 (based on 2018 data)	37,825 tonnes	20
2020 (based on 2019 data)	46,568 tonnes	22
Increase	23%	10%



Circularity



Identifying outcomes for collected post-consumer textile products



We offer a take back system where products that comes back gets sorted by quality which determines whether it 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

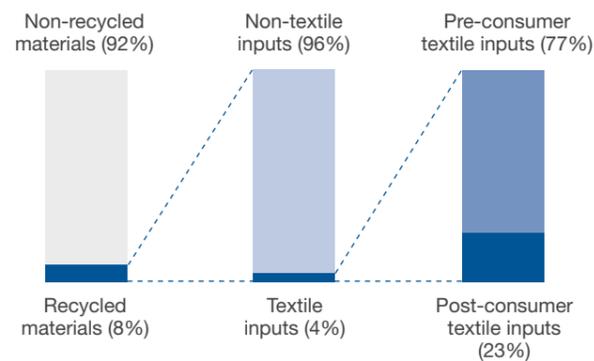
Identifying destinations for collected post-consumer textile products

Destination	Companies Reporting
Resold in its original product form (or modified only by de-branding)	61%
Donated in its original product form (or modified only by de-branding)	46%
Feedstock for remanufactured products	41%
Feedstock for recycled fibers	39%
Downcycled (e.g., as insulation material or cleaning material)	34%
Landfilled or incinerated	1%
Other*	95%

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

6. Recycled Content

Breakdown of recycled materials



Breakdown of post-consumer textiles

Very little is known about the origins of post-consumer textile inputs, with 93% of participants that 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



Photo: Nudie Jeans (Denim jeans)

Materials Portfolio

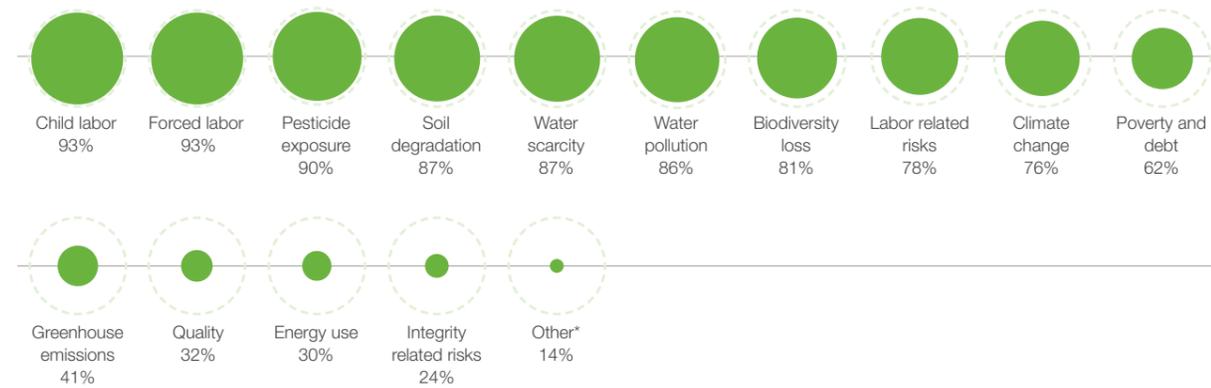
Cotton



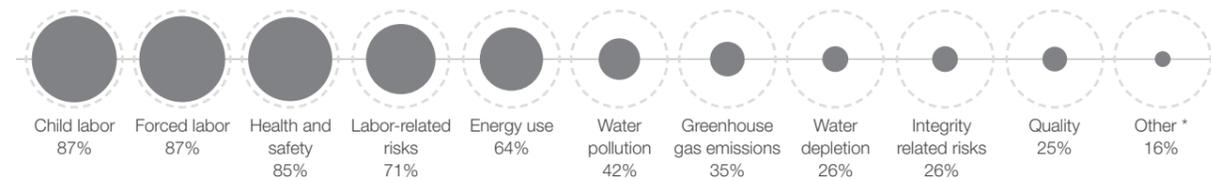
Cotton was the dominant fiber type among benchmarking companies. Comprising 55% of uptake, cotton was the highest volume material reported and the most frequently completed fiber module (76% of all companies). The following analysis is based on the 91 companies that completed the cotton module. Uptake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

1. Risk Management

Highest rated cultivation risks



Highest rated cotton ginning risks



*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

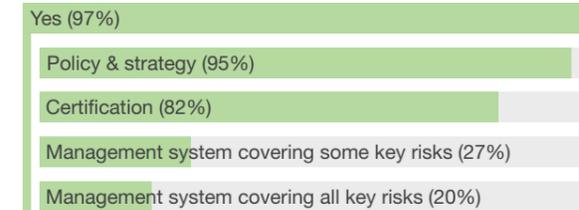
We started working with a new supplier from 2019 and we are actively working on increasing our orders with them, and helping them get Fairtrade certification by ensuring better payment to the farmers and protection against child and forced labor.

Apparel/footwear company

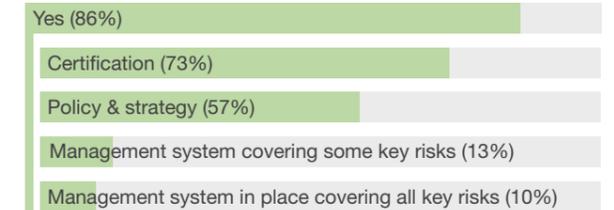
Cotton



Risk management approaches: cotton cultivation

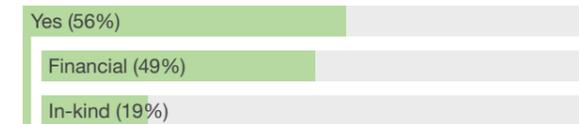


Risk management approaches: ginning and recycling

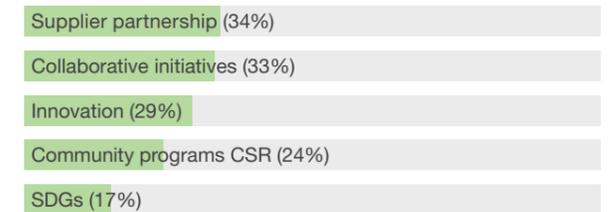


2. Investment

Investing in sustainability of cotton production

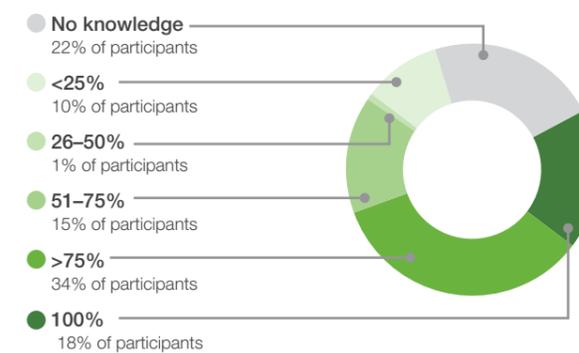


Types of investment

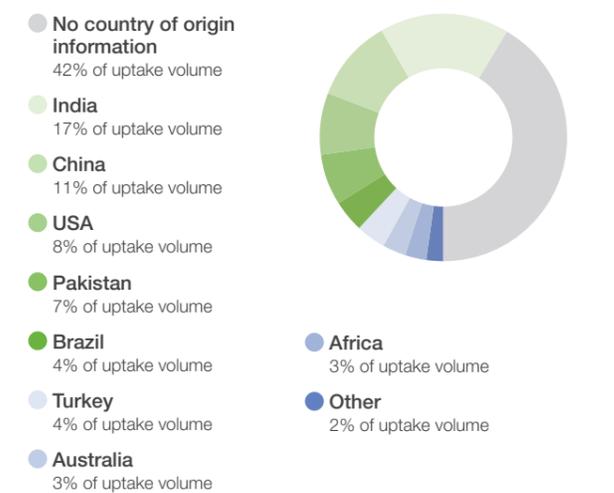


3. Transparency

Country of origin: visibility



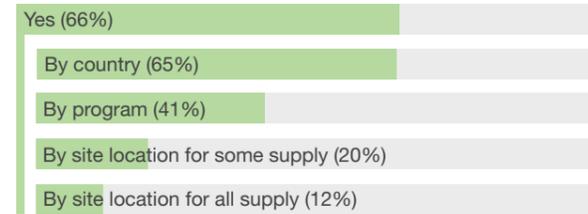
Country of origin: by cotton uptake volume



Cotton



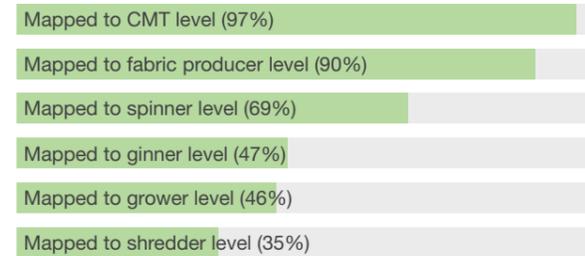
Cotton supply: by country and site location



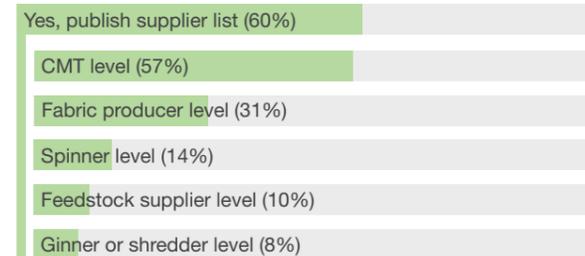
We have carried our manual full chain of custody mapping and achieved visibility of Ginner and of growing regions. This we have done for approximately 10% of our products. We are currently implementing mandatory visibility of ginner into all our internal systems.

Multi-sector company

Cotton supply chain mapping



Public listing of cotton suppliers



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

Home/hospitality company

100% sustainable cotton sourced by end of 2018 - achieved.

Outdoor/sports company

4. Targets

Setting more sustainable* cotton targets



*"More sustainable" as defined by the company

Cotton



5. Uptake

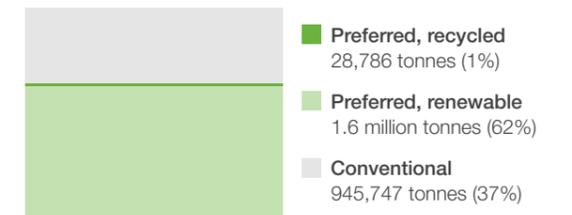
Uptake reporting: number of participants



*Includes bioRe Standard

**Abrapa and myBMP reported as BCI

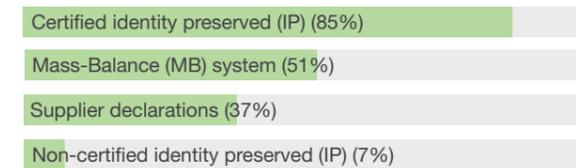
Uptake volumes: percentage share



Reported in 2020 (2019 data).

Volume of cotton reported: 2.5 million tonnes.

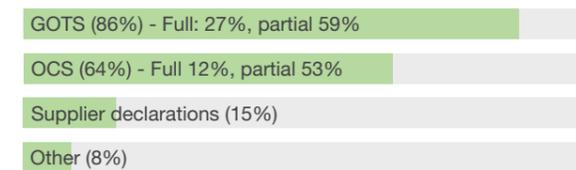
Using cotton program verification



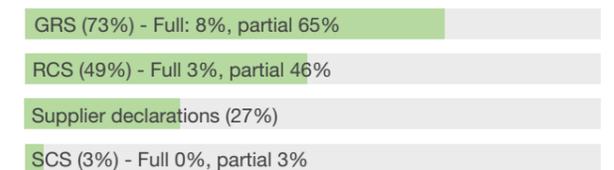
We commit to use 100% more sustainable cotton by 2020 - that means either recycled, or BCI or organic cotton.

Multi-sector company

Organic cotton verification models



Recycled cotton verification models

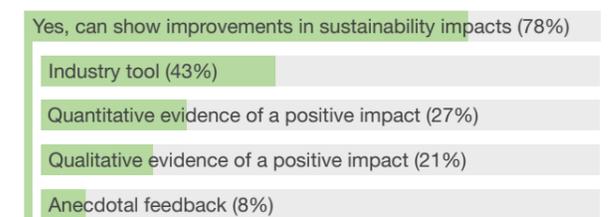


6. Impact Monitoring

Measuring impact of cotton production



Impact improvement in own supply chains



Materials Portfolio

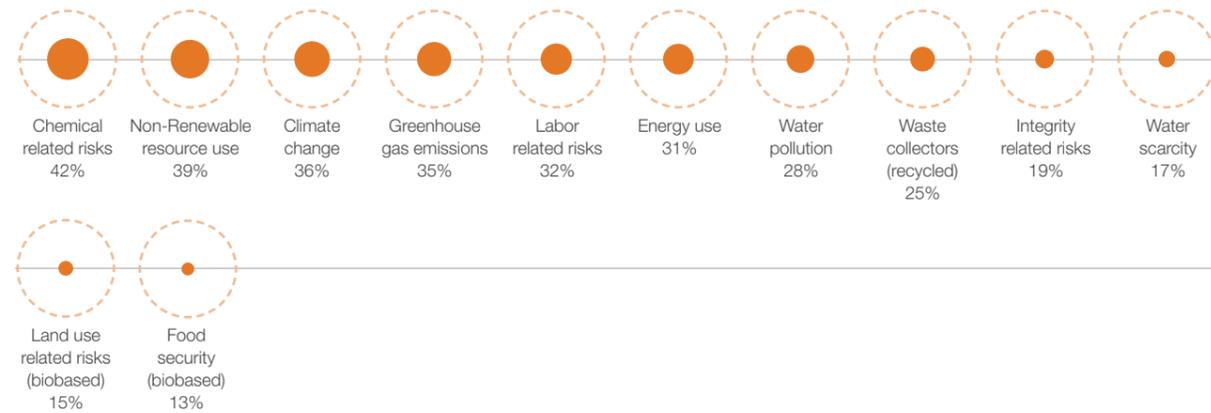
Polyester



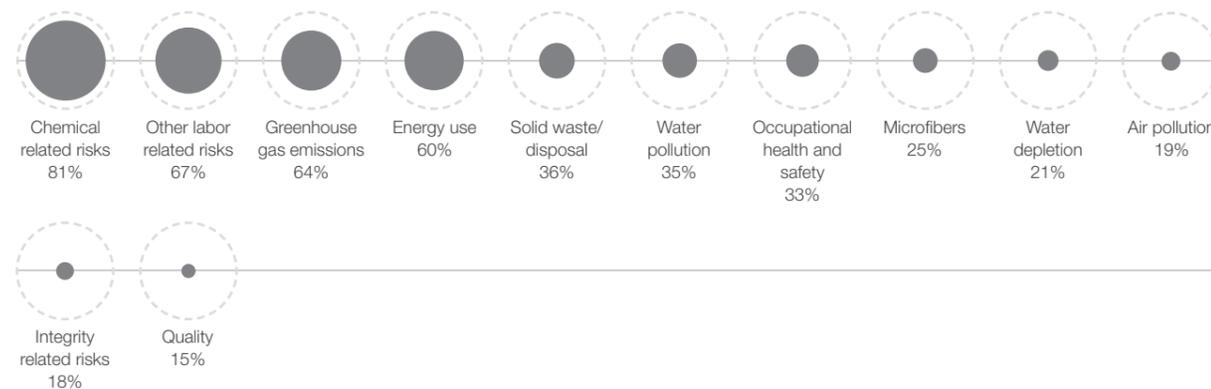
Polyester comprised 33% of total materials uptake reported in the benchmark, the second highest volume reported by the benchmarking cohort after cotton. 72 companies (60% of all participants) completed the polyester module. The following analysis is based on the 72 companies that completed the polyester module. Uptake reporting (number of companies and uptake volume) includes both module and "progress tracker" respondents.

1. Risk Management

Highest rated feedstock risks



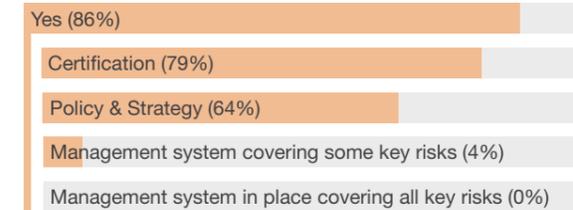
Highest rated production risks



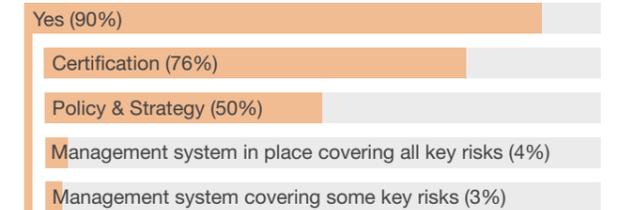
Polyester



Risk management approaches: polyester cultivation



Risk management approaches

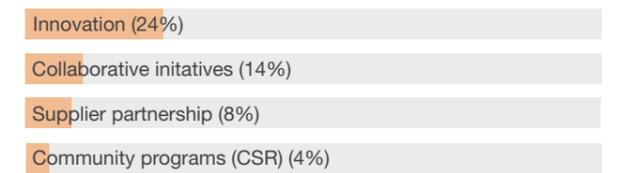


2. Investment

Investing in sustainability of polyester production

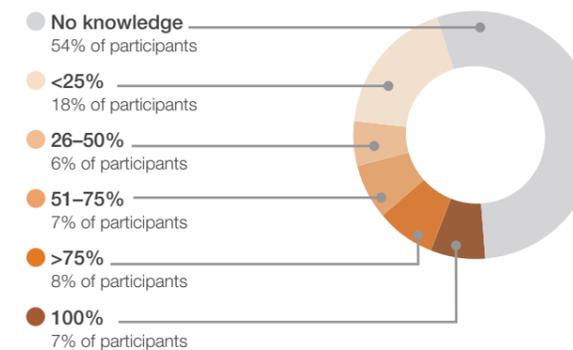


Types of investment

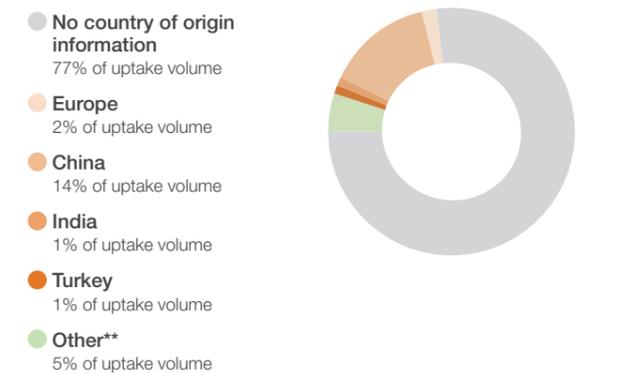


3. Transparency

Polyester production: country visibility



Country of origin: by polyester uptake volume



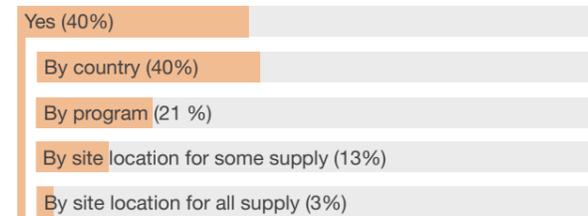
Note: Polyester production country refers to polyester production, collection for recycled feedstock, and country of initial processing of biobased polyester.

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



Polyester

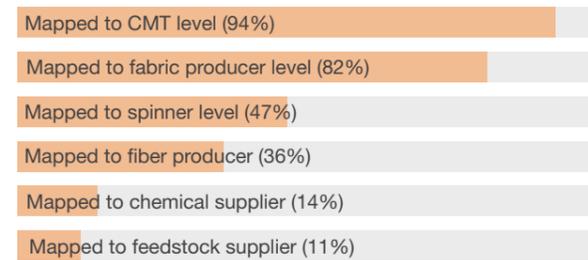
Polyester supply: by country and site location



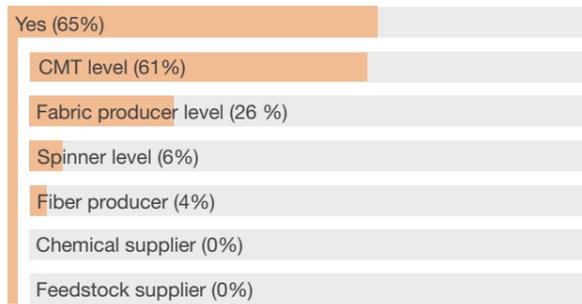
We have exclusively used recycled polyester for 100% of our polyester needs since we started using polyester in our products.

Apparel/footwear company

Polyester supply chain mapping

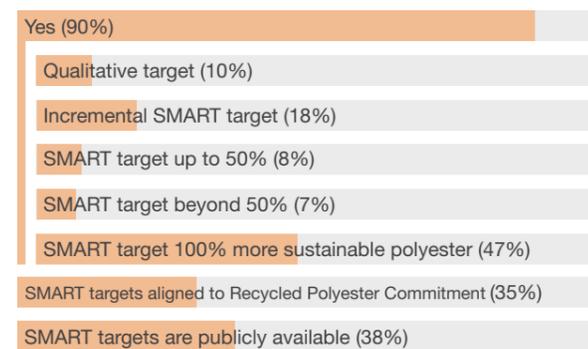


Public listing of polyester suppliers



4. Targets

Setting more sustainable* polyester targets



We have committed to the Recycled Polyester Commitment. Our SMART objective is to use only recycled polyester by 2025.

Apparel/footwear company

All polyester will be 100% recycled polyester by 2023.

Outdoor/sports company

* "More sustainable" as defined by the company



Polyester

5. Uptake

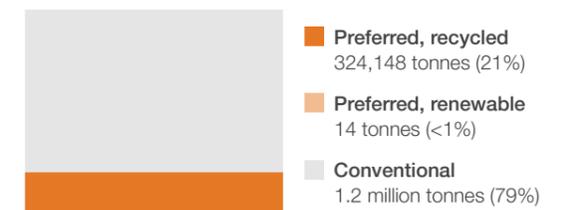
Uptake reporting: number of participants



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

Uptake volume: percentage share

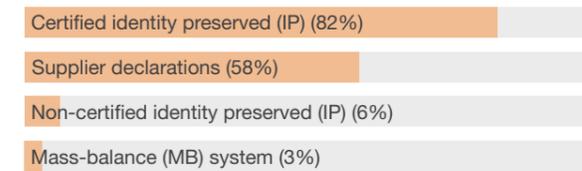


Reported in 2020 (2019 data). Volume of polyester reported: 1.5 million tonnes

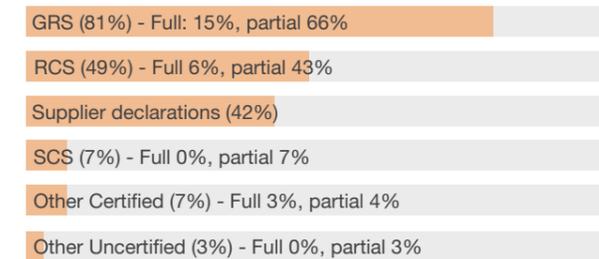
We aim to eliminate our use of polyester entirely.

Outdoor/sports company

Using polyester program verification

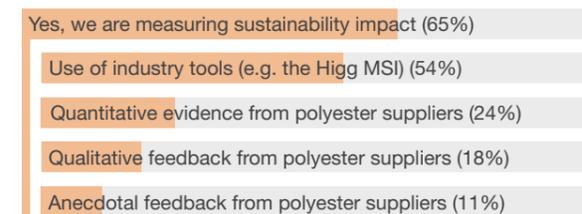


Recycled polyester verification models

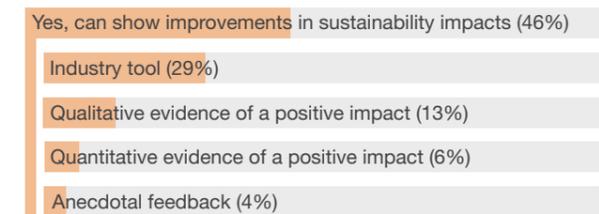


6. Impact Monitoring

Measuring impact of polyester production



Impact improvement in own supply chains



Materials Portfolio

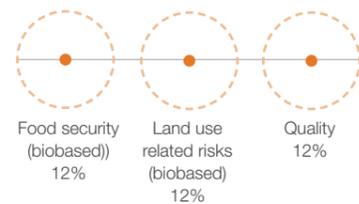
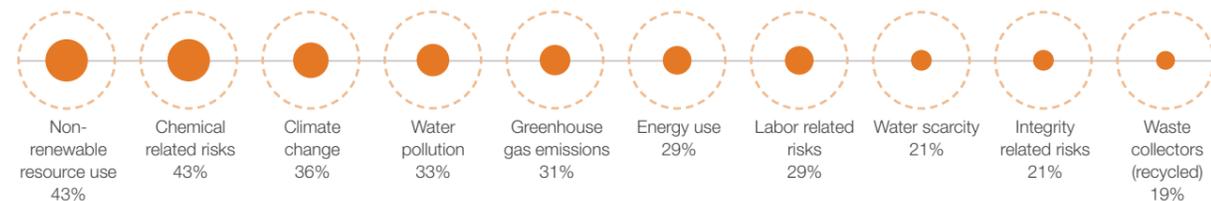
Polyamide



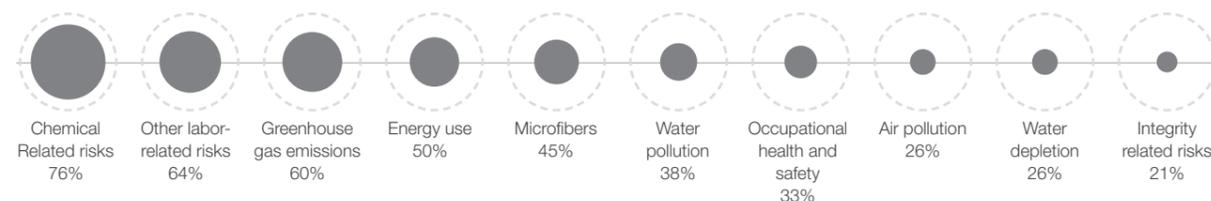
Polyamide comprised 4% of participants materials reported in the benchmark, the lowest reported volume outside of animal fibers. 42 companies (35% of all participants) completed the polyamide module. The following analysis is based on the 42 companies that completed the polyamide module. Uptake reporting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

1. Risk Management

Top fossil-based feedstock risks



Top polyamide production risks



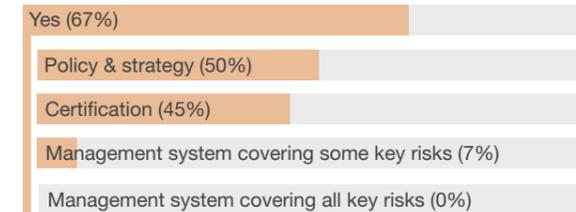
We aim to replace virgin polyamide with a recycled alternative as soon as possible. This is a high priority and is associated with strategies to improve.

Outdoor/sports company

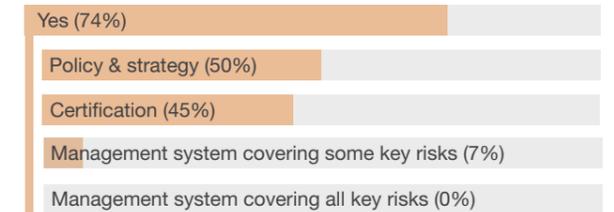
Polyamide



Risk management approaches: polyamide production



Risk management approaches



2. Investment

Investing in sustainability of polyamide production

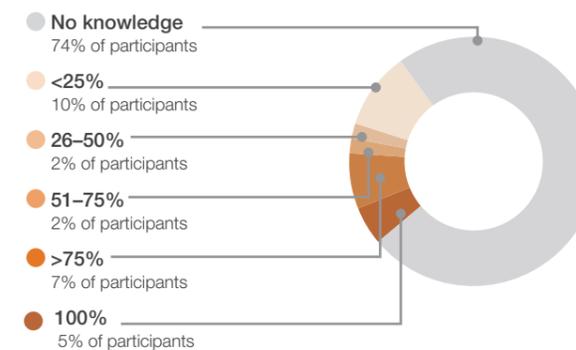


Types of investment



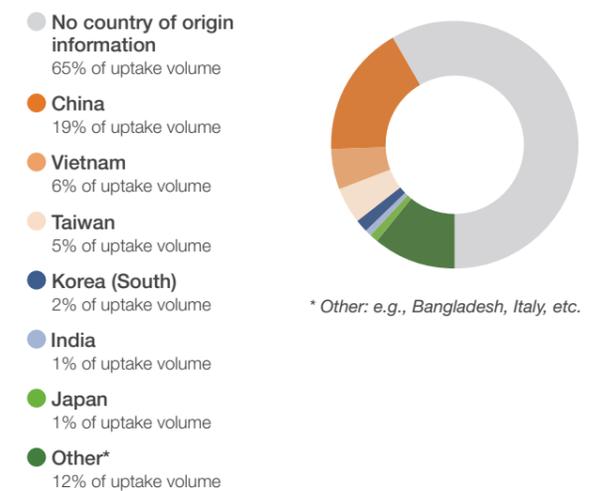
3. Transparency

Polyamide production: country visibility



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

Country of origin: by polyamide uptake volume



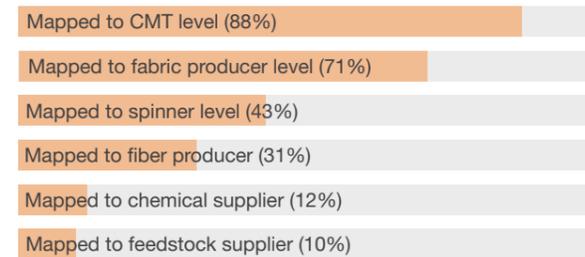
Polyamide



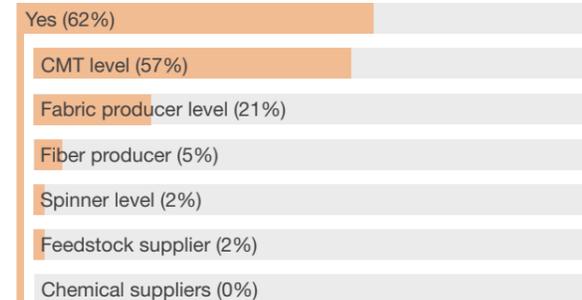
Polyamide supply: by country and site location



Polyamide supply chain mapping



Public listing of polyamide suppliers

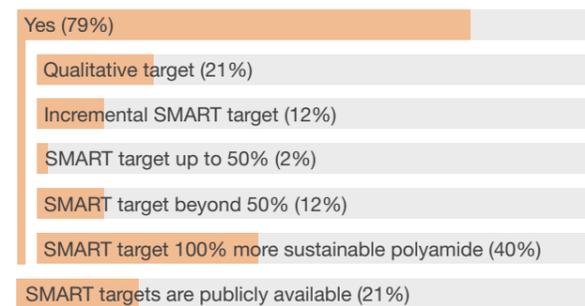


We are sourcing recycled polyamide whenever possible for new programs, but have been running into supply limitations.

Apparel/footwear company

4. Targets

Setting more sustainable* polyamide targets



* "More sustainable" as defined by the 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

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

Apparel/footwear company

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

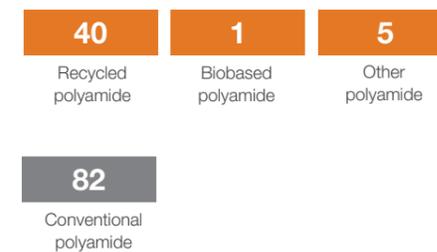
Apparel/footwear company

Polyamide



5. Uptake

Uptake reporting: number of participants

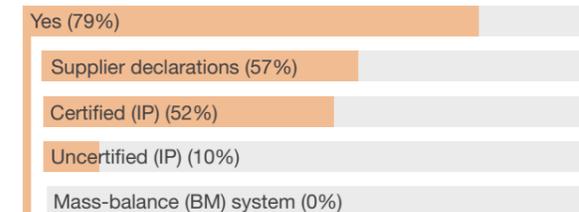


Uptake volumes: percentage share



Reported in 2020 (2019 data). Volume of polyamide reported: 177.263 tonnes

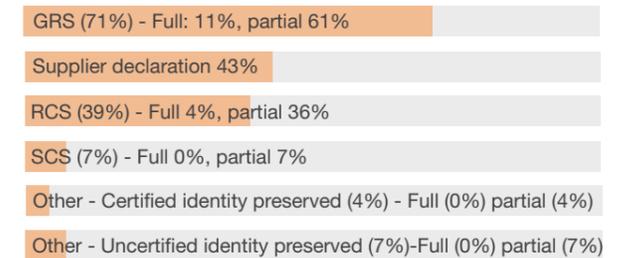
Using polyamide program verification



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

Outdoor/sports company

Recycled polyamide verification models



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



Impact improvement in own supply chains



Materials Portfolio

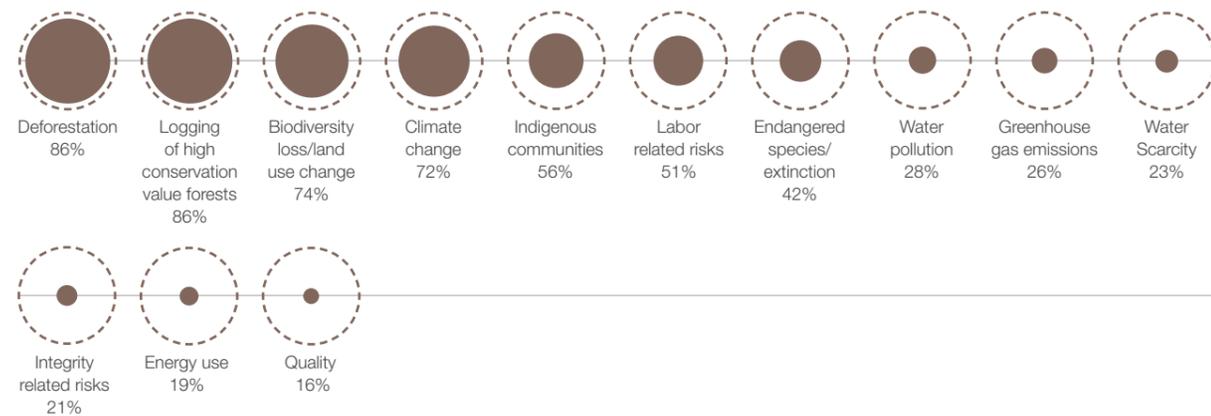
Manmade Cellulosics



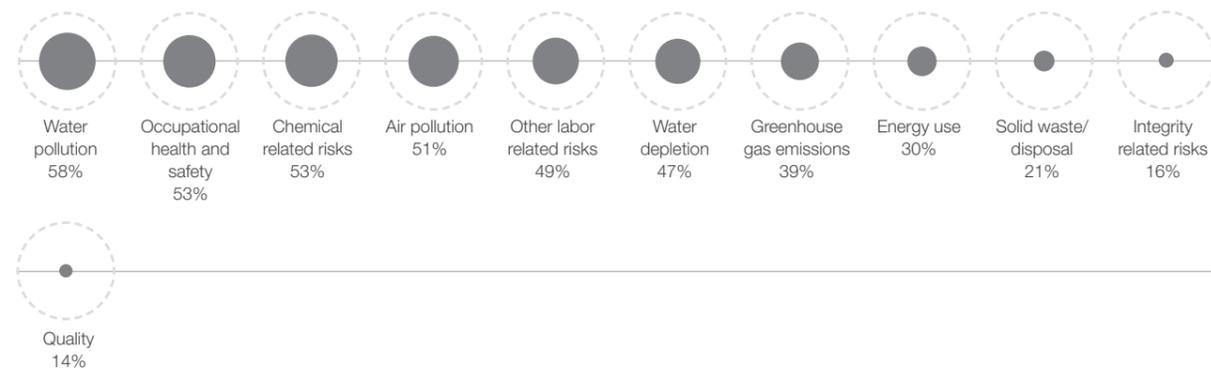
Manmade cellulosic fibers (MMC) comprised 7% of materials reported in the benchmark, and 57 companies (48% of all participants) completed the MMC module. The following analysis is based on the 57 companies that completed the MMC module. Uptake reporting (number of companies and update volume) includes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

1. Risk Management

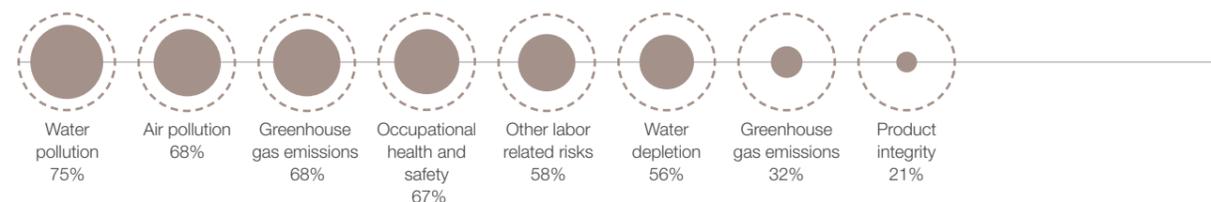
Highest rated feedstock/forestry risks



Highest rated pulp production risks



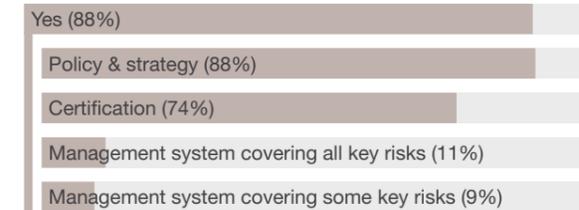
Highest rated MMC fiber production risks



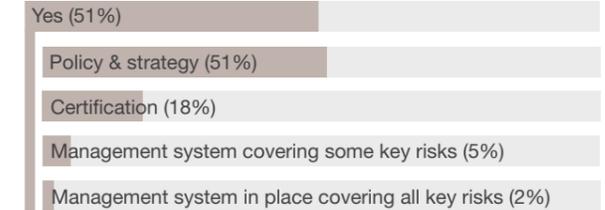
Manmade Cellulosics



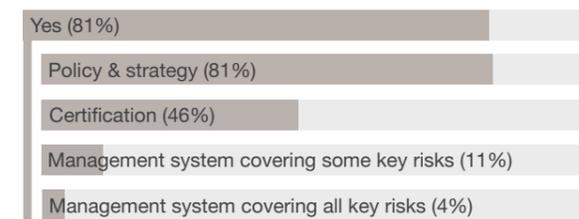
Risk management approaches: feedstock/forestry



Risk management approaches: pulp production



Risk management approaches: fiber production



Our company has signed the canopy agreement focusing on the elimination of ancient and endangered forests from the production of rayon and viscose fibers. Internally we are increasingly sourcing more sustainable manmade cellulosics focusing on Lenzing fibers.

Apparel/footwear company

2. Investment

Investing in sustainability of MMC production



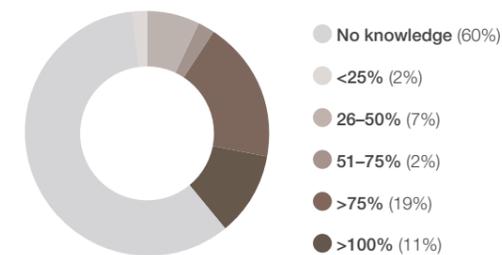
Types of investment



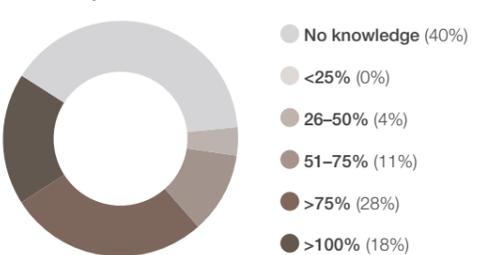
3. Transparency

Country of origin: knowledge of MMC supply

Feedstock / forestry



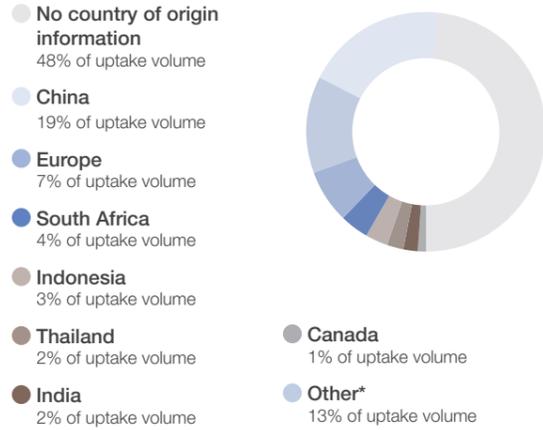
MMC production



Manmade Cellulosics

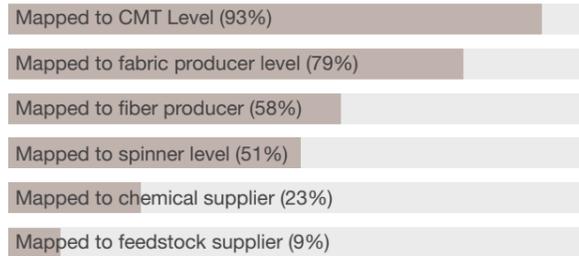


Country of origin: by MMC uptake volume



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

MMC supply chain mapping



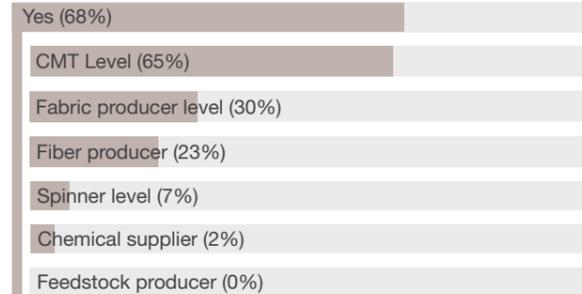
Manmade supply: by country and site location



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

Public listing of MMC suppliers

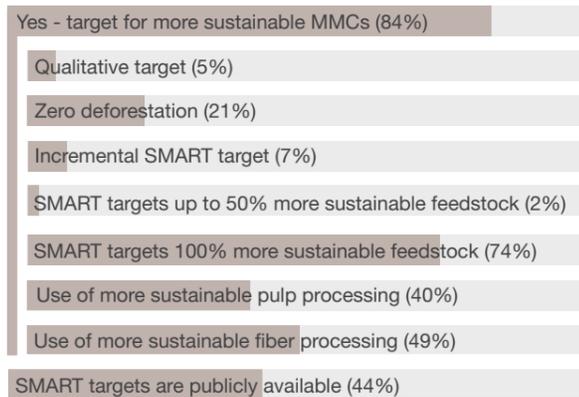


Our goal is to source 100% preferred viscose till 2025. To meet this, we are gradually increasing the share of preferred viscose year by year with SMART targets set for each year.

Apparel/footwear company

4. Targets

Setting more sustainable* MMC targets

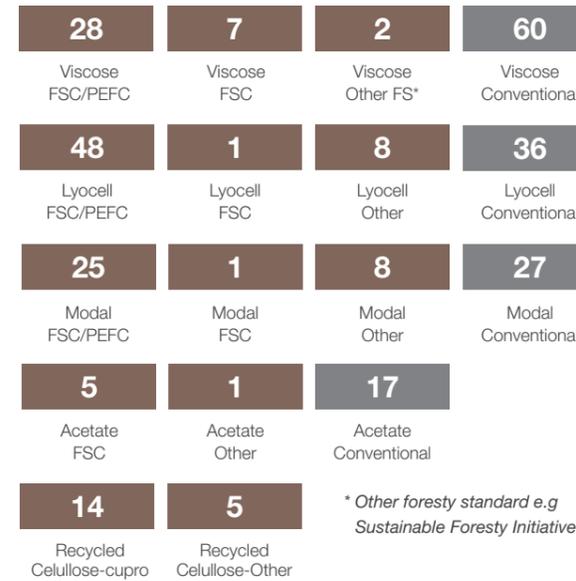


Manmade Cellulosics

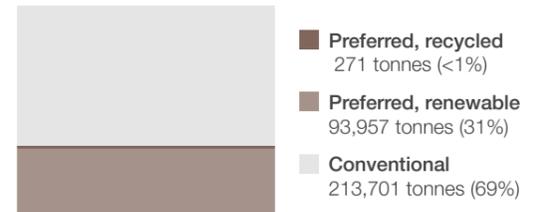


5. Uptake

Uptake reporting (number of participants)



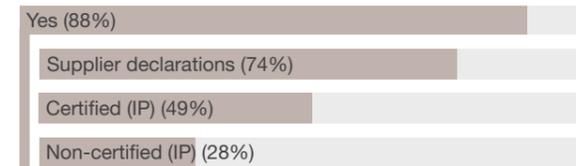
Uptake volumes: percentage share



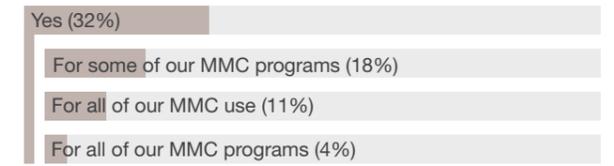
More than ninety percent of our existing feedstock is from certified sources.

Home/hospitality company

Using MMC program verification



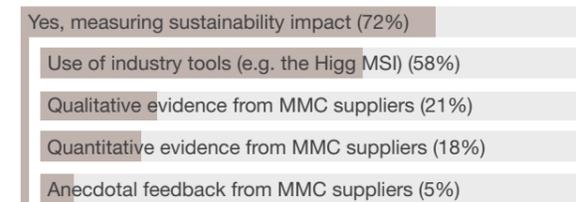
Using factory-level standards/initiatives*



* e.g. bluesign, European Union's Best Available Techniques (BAT) compliance, and OEKO-TEX® 100 certification

6. Impact Monitoring

Measuring impact of MMC production



Impact improvement in own supply chains



Materials Portfolio

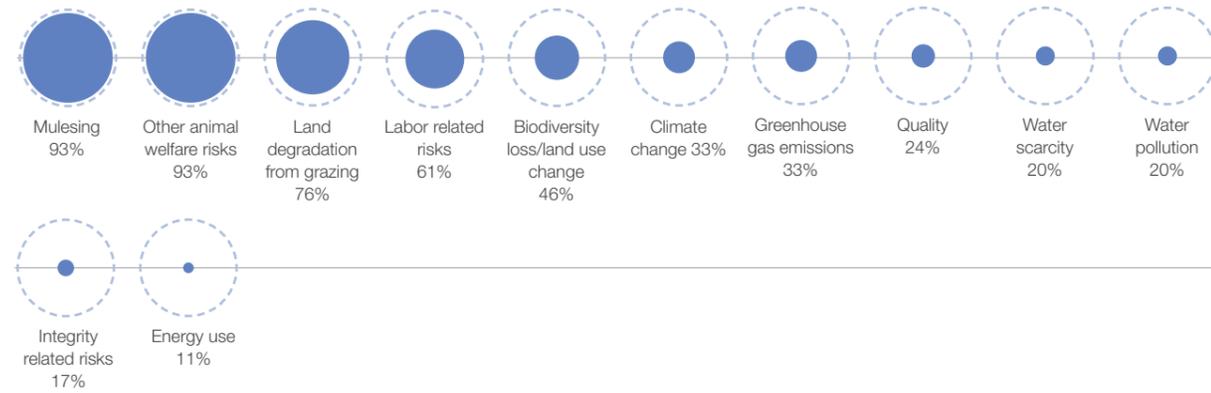
Wool



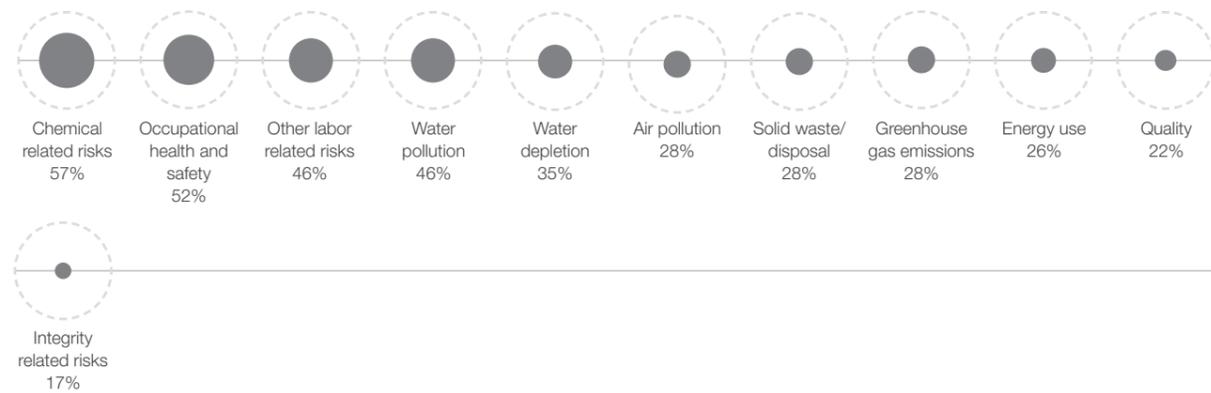
Wool comprised 1% of materials reported in the benchmark, and 46 companies (38% of all participants) completed the wool module. The following analysis is based on the 46 companies that completed the wool module. Uptake reporting (number of companies and update volume) includes both module and "progress tracker" respondents.

1. Risk Management

Highest rated sheep farming risks



Highest rated scouring risks



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

Apparel/footwear company

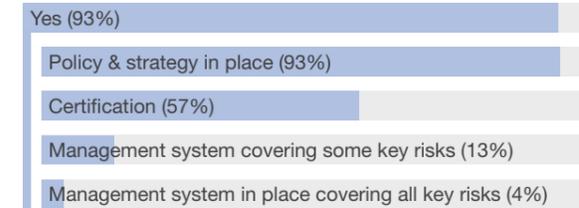
We mitigate the risk of using harmful chemicals during processing by encouraging suppliers to use bluesign approved chemistry and to work with third party certifiers such as bluesign, and OEKO-TEX.

Apparel/footwear company

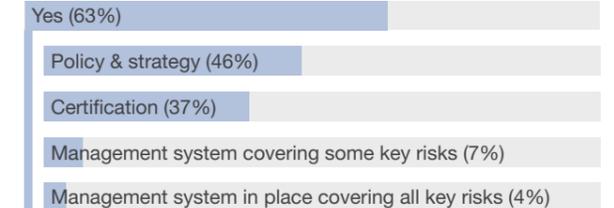
Wool



Risk management approaches: sheep farming



Risk management approaches: wool scouring

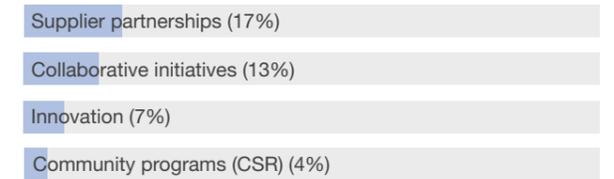


2. Investment

Investing in sustainability of wool production

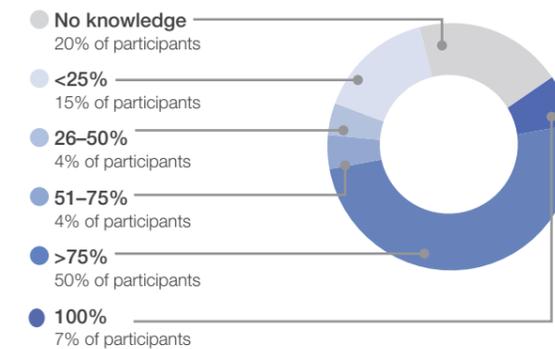


Types of investment

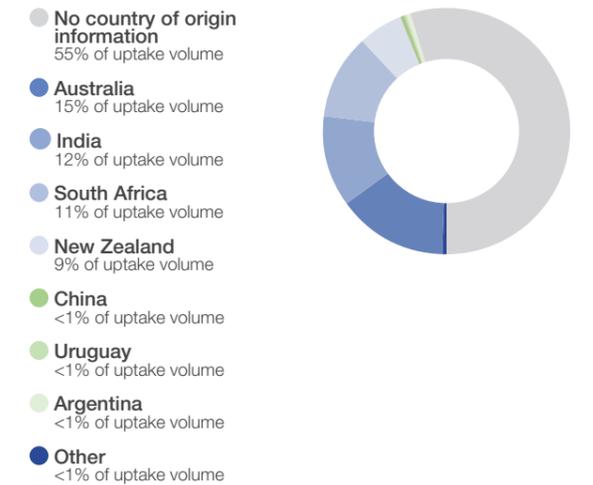


3. Transparency

Country of origin: knowledge of wool supply



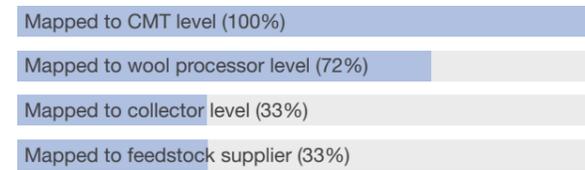
Country of origin: by wool uptake volume



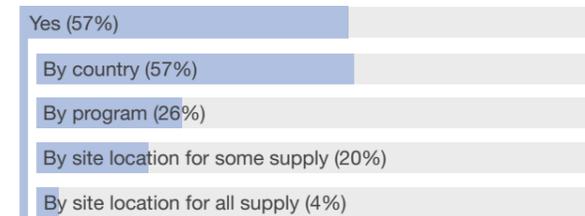
Wool



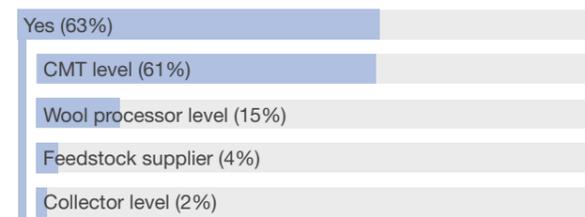
Wool supply chain mapping



Wool supply: by country and site location



Public listing of wool suppliers



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

4. Targets

Setting more sustainable* wool targets



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

* "More sustainable" as defined by the company

Wool



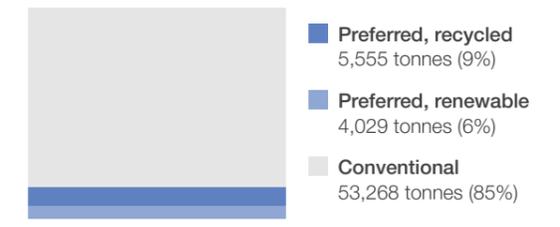
5. Uptake

Uptake reporting: number of participants



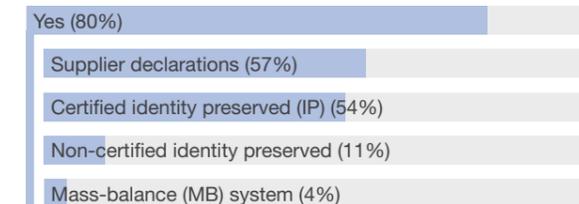
* Other wool: e.g. Climate Beneficial Wool

Uptake volumes: percentage share



Volume of wool reported: 62,852 tonnes

Using wool program verification

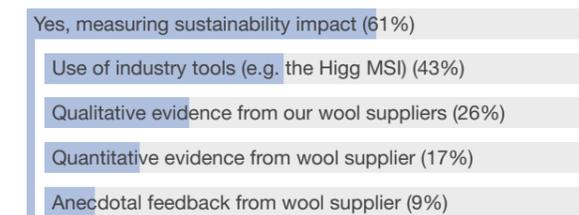


Our aim is to swap 100% of our wool to be from recycled or other more responsible options like Responsible Wool Standard.

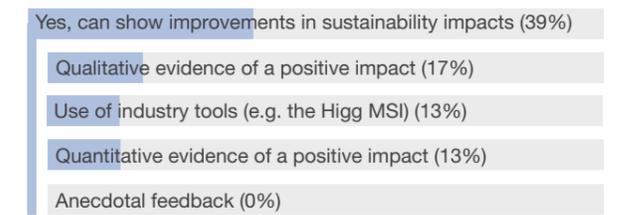
Apparel/footwear company

6. Impact Monitoring

Measuring impact of wool production



Impact improvement in own supply chains



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

Apparel/footwear company

Materials Portfolio

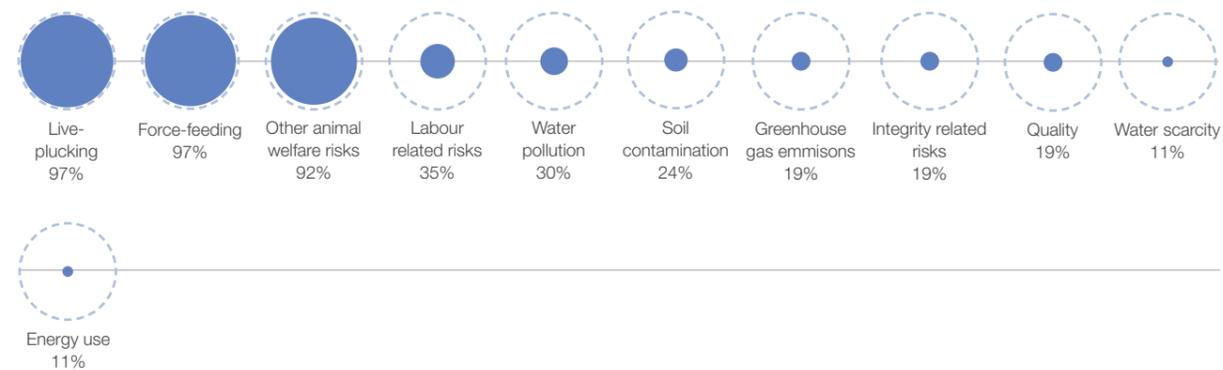
Down



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 uptake 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

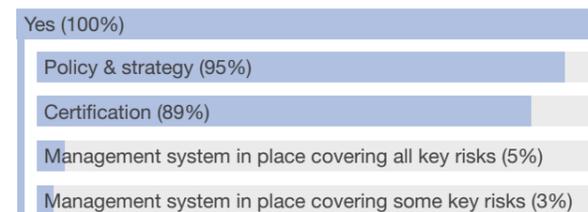
Highest rated bird farming risks



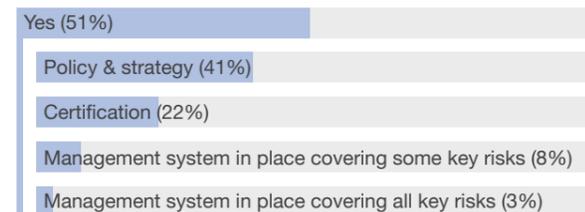
Highest rated down processing risks



Risk management approaches: bird farming



Risk management approaches: down processing



Down



2. Investment

Investing in sustainability of down production

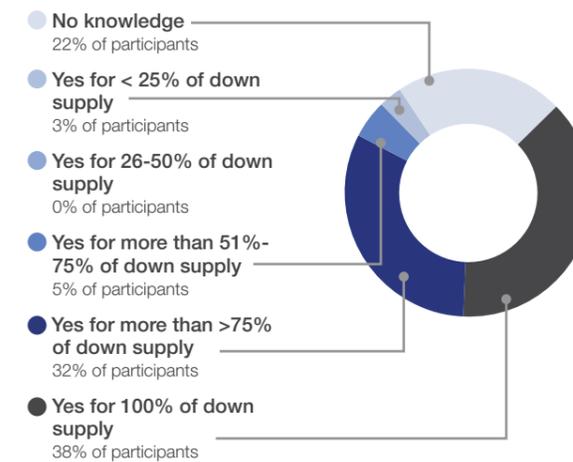


Types of investment

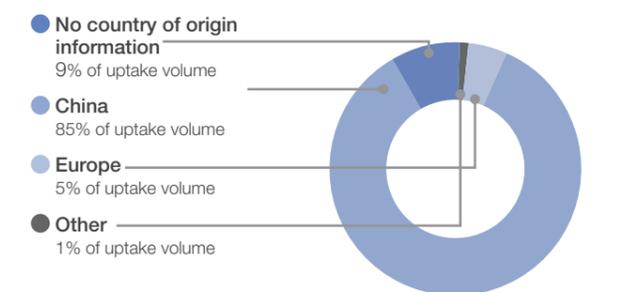


3. Transparency

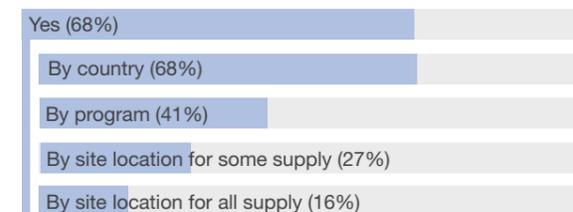
Country of origin: knowledge of down supply



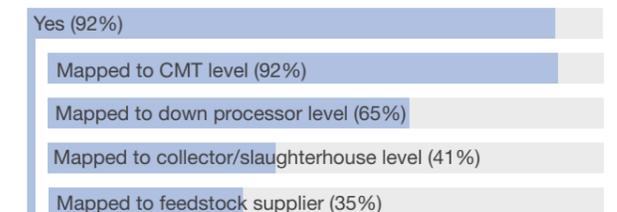
Country of origin: by down uptake volume



Public listing of down suppliers



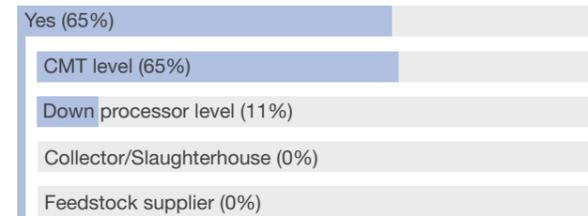
Down supply chain mapping





Down

Public listing of down suppliers



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



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.

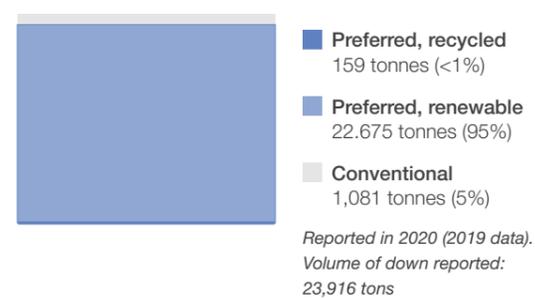
Apparel/footwear company

5. Uptake

Uptake reporting: number of participants



Uptake volumes: percentage share

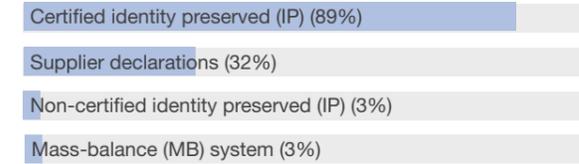


* Other programs: e.g. internal program, Traumpass



Down

Using down program verification



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.

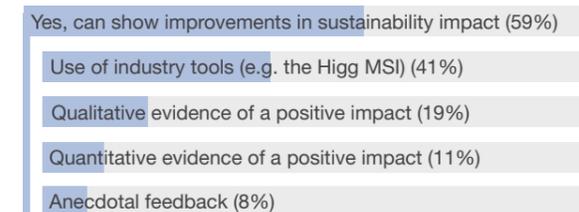
Apparel/footwear company

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

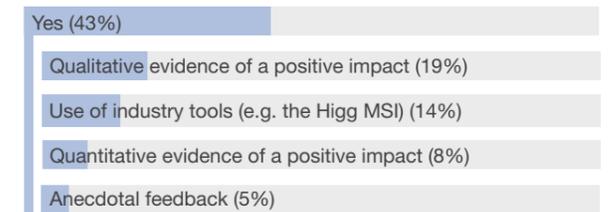
Apparel/footwear company

6. Impact Monitoring

Measuring impact of down production



Impact improvement in own supply chains



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

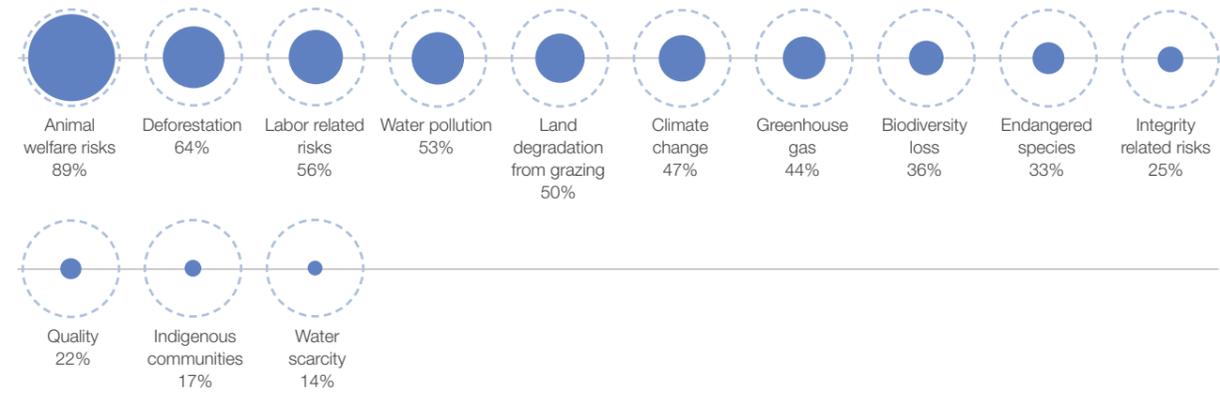
Leather



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



Highest rated leather processing risks



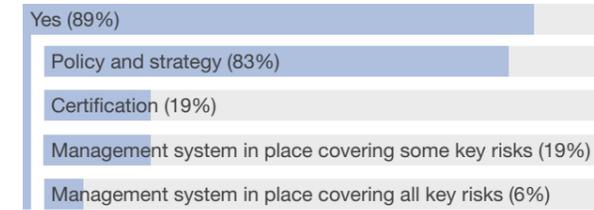
We are committed to 100% chrome-free leather for our products and also agree this contractually with our producers. By refraining from chrome tanning, we avoid environmental pollution and health risks.

Apparel/footwear company

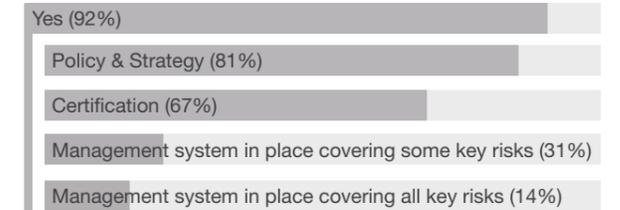
Leather



Risk management approaches: animal farming

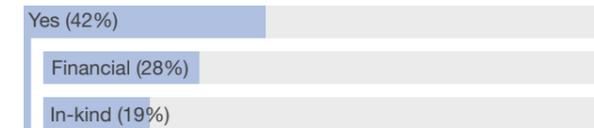


Risk management approaches: leather processing

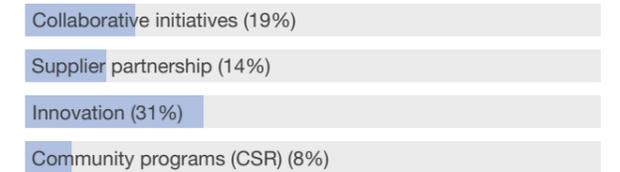


2. Investment

Investing in sustainability of leather production

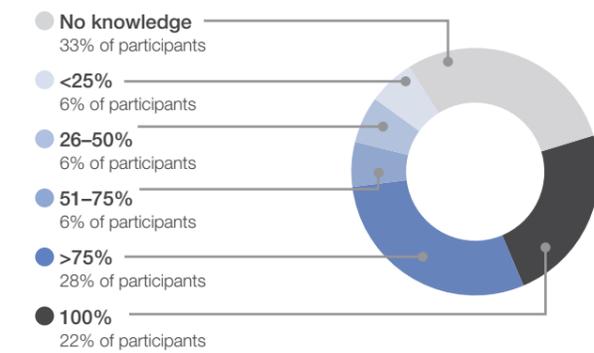


Types of investment

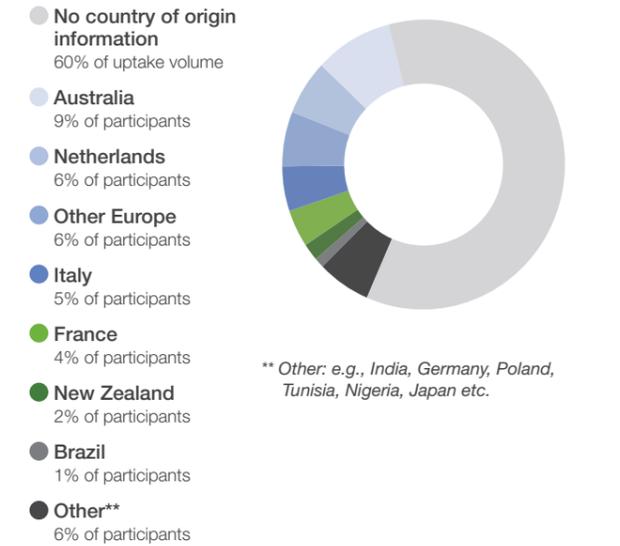


3. Transparency

Country of origin*: knowledge of leather supply



Country of origin: by leather uptake volume



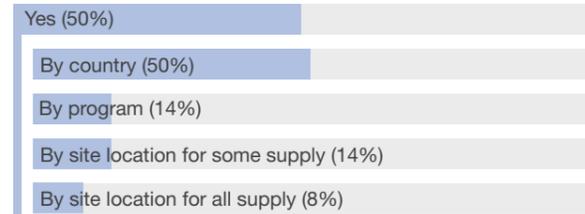
* Country of origin corresponds here to the knowledge of farm location or slaughterhouse location.

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

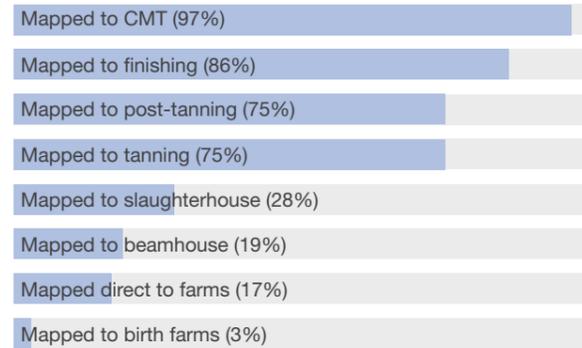
Leather



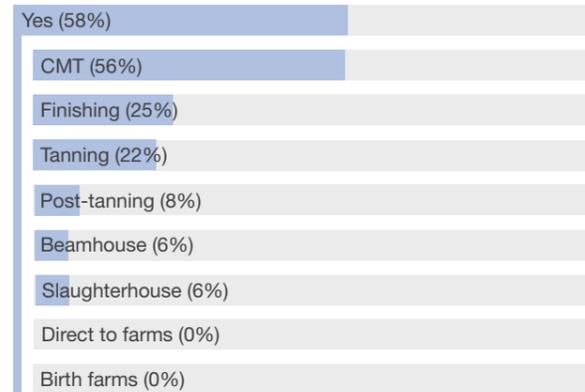
Leather supply: by country and site location



Leather supply chain mapping



Public listing of leather suppliers



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

4. Targets

Setting more sustainable* leather targets



By 2025, 100% of all leather used by our company will be chrome-free.

Multi-sector company

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

Apparel/footwear company

Leather

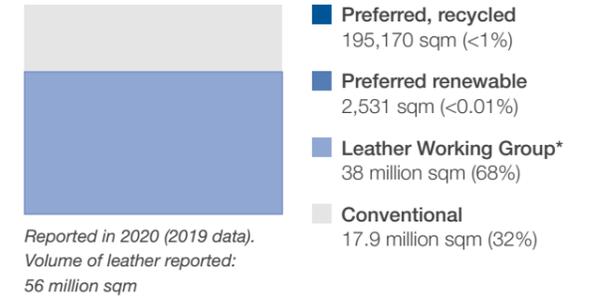


5. Uptake

Uptake reporting: number of participants



Uptake volumes: percentage share

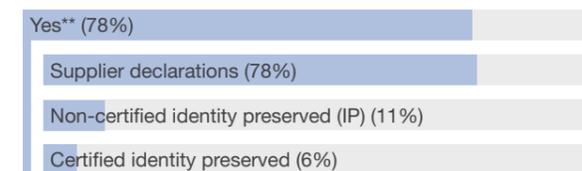


* The MCI survey does not currently capture what tiers of the supply chain are audited to LWG. Leather Working Group uptake here refers to leather that has been processed in at least one LWG rated facility. Some brands may have leather that is processed in LWG rated facilities from beamhouse to finished leather, whilst others may just know that their leather has been processed in an LWG rated tannery for instance. The MCI survey intends to evolve in order to capture these variations.

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

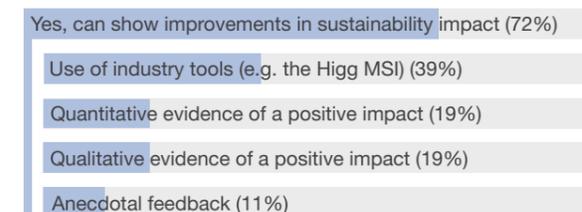
Using program verification



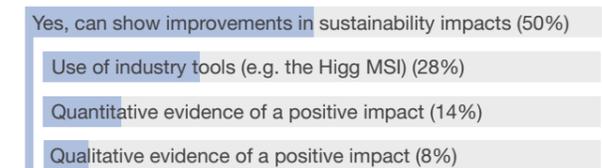
** Predominantly Leather Working Group

6. Impact Monitoring

Measuring impact of leather production



Impact improvement in own supply chains





Part C: Extra Insights

Extra Insight

Benchmarking Suppliers & Manufacturers

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

Benchmarking Suppliers & Manufacturers

Benchmark pioneers

Thank you to these pioneering suppliers and manufacturers; each of them a Company Creating Material Change! We look forward to expanding this group with the next round.

Pilot participants (alphabetical)

- Anubha Industries Private Limited
- Birla Cellulose, India
- Crestex
- Eastman
- Egedeniz Textile
- Lenzing AG
- Oripex Textiles
- Sapphire Textile Mills Limited
- Sulochana Cotton Spinning Mills Pvt. Ltd
- Sustainable Down Source
- The Schneider Group
- Unifi, Inc.
- Waste2Wear
- Welspun India Limited
- WestPoint Home LLC
- World Textile Sourcing (WTS)



This pilot project offered suppliers and manufacturers the opportunity to work together uniquely and positively. As such, we are showcasing some company specific highlights to illustrate company examples of tangible efforts to meet commitments and achieve targets. This is not indicative of their final review, and the company still receives their confidential scorecards. However, we wanted to take this opportunity to showcase some positive actions these pioneer companies are taking.

The CFMB is a great way to see the impact of a product design from an early stage. It offers brands a path to greener products and it offers manufacturers insight, and the ability to set targets where they are most needed.

☞ **Caroline Zapf**, Sustainable Down Source

Extra Insight

Benchmarking Suppliers & Manufacturers

Strategy and materiality

All companies manage risk to some degree. Half of the responding companies have integrated their fiber and materials sustainability strategy into their overall corporate strategies. Of these, most companies align the overall corporate strategy with the UN Sustainable Development Goals (SDGs). For only half of companies, the CEO or board holds accountability for the materials strategy but, similarly to brands and retailers, this reduces significantly when it comes to responsibility for the SDGs.

In terms of materiality, most of the responding companies assess environmental and socioeconomic risks and opportunities for the majority of fibers; less than half do so for all of their fibers. The majority of companies prioritized business risks, such as business disruption, price volatility, and market demand over environmental and social risks. In assessing risks and opportunities, qualitative reviews are the most used resource, followed by a combination of qualitative and materiality assessments. Some companies are going further and conducting a combination of qualitative, quantitative, materiality, and monetarized assessments. In determining sourcing choices, 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 cellulose, 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™

Benchmarking Suppliers & Manufacturers

Supplier spotlights

This MCI pilot for suppliers and manufacturers allows the entire textile value chain to understand better how their engagement compares to their peers, customers, and collaborators. Here are a few examples of some of the leading companies, with a strong foundation, illustrating how they are on track to build more holistic materials strategies that make a positive impact.

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.

Other companies responded to the Covid-19 crisis. **WestPoint Home's** CEO took the decision to pivot production to make facemasks during the early stages of the pandemic. In doing so, WestPoint Home was able to donate more than one million masks to first responders and others with critical needs.

In terms of leadership, many companies are illustrating leadership in different areas. With a preference for internationally recognized standards related to manmade cellulosic 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.

Working with LCAs that are Cradle to Gate in scope and incorporating the impact of raw material suppliers enables **Eastman Naia™ cellulosic fiber** to measure and evaluate their fiber environmental footprint with a consistent approach. This, in turn, supports interventions to reduce environmental impacts, including carbon emissions.

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.

With strong global commitments forming part of its materials strategy, **Lenzing** has committed itself to reduce greenhouse gas emissions per tonne of product by 50% by 2030 compared to a 2017 baseline and committed to improving Lenzing Group's specific wastewater emissions by 20% by 2022.

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.



Photo: Unifi Inc.

Benchmarking Suppliers & Manufacturers

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.

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.

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.

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.

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.



Photo: Orimpex

Benchmarking Suppliers & Manufacturers

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.

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.

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.

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.

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

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.

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, Oripex



Photo: Egedeniz

Benchmarking Suppliers & Manufacturers

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:

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*.

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.

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*.

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.

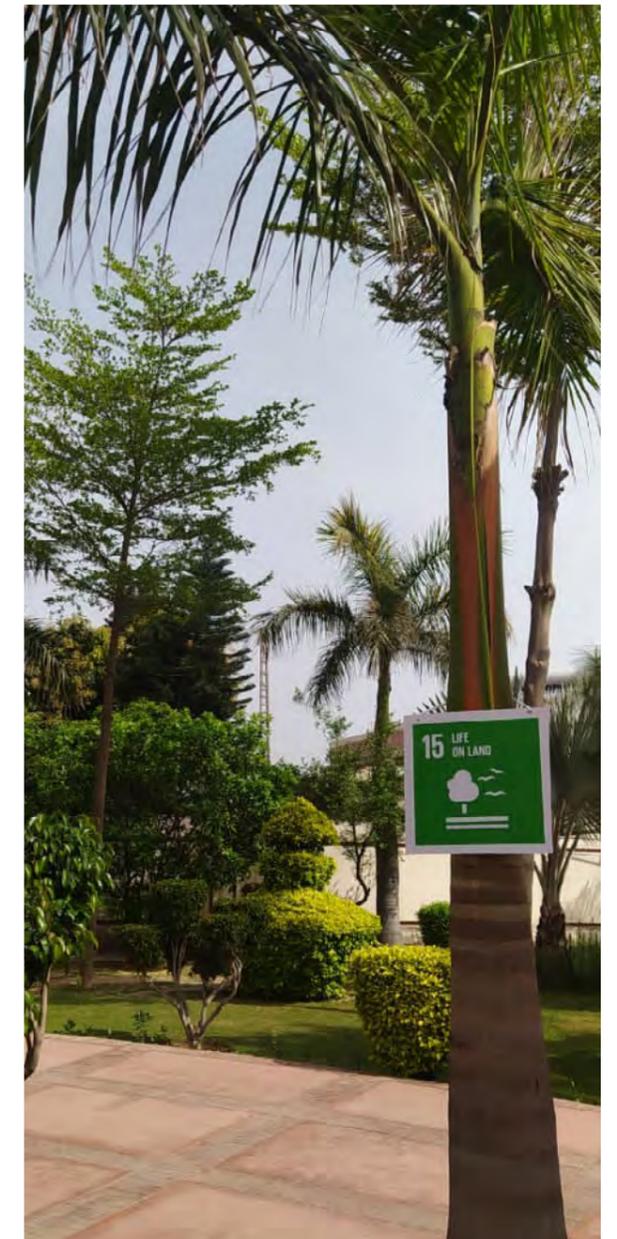


Photo: Sapphire Textile Mills Limited

Extra Insight

Benchmarking Suppliers & Manufacturers

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:



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.



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.



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.



Photo (right): Bergman Rivera

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.

Organization	Introduction
Anubha Industries Private Limited	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 "sustainability first", Anubha keeps a strong focus on innovation to create value where conscious product development takes centre stage.
Birla Cellulose, India	Birla Cellulose, part of the Aditya Birla Group, is a leading supplier of sustainably produced manmade cellulose. The wood based fibers are fully renewable and come from sustainably managed forests. Birla Cellulose leads the industry in application 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 fulfil the growing demand of sustainably designed fashion products.
Crestex	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, Greige/Processed Fabrics, Home Textile, and Institutional Garments.
Eastman	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.
Egedeniz Textile	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.
Lenzing AG	The Lenzing Group produces LENZING™ Lyocell and Modal cellulosic fibers of botanic 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
Orimpex Textiles	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.

Benchmarking Suppliers & Manufacturers

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 Polyesters 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.	Unifi, Inc. is a global textile solutions provider and a leading innovator in manufacturing synthetic and recycled performance fibers. Through REPVEVE®, 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:

I. Strategy	II. Materials Portfolio							III. Circularity
	Plant Fibers	Animal Fibers & Materials			Regenerated Fibers	Synthetic Fibers		
	Cotton	Wool	Down	Leather	Manmade Cellulosics	Polyester	Polyamide	
Materials Strategy	Risk Management							Circularity Strategy
Leadership	Investment							Business Models
Internal Engagement	Transparency							Resource Efficiency
Materiality	Targets							Design for Circularity
Customer Engagement	Uptake							Textile Collection
Reporting	Impact Monitoring							Recycled Content

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:



The **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.



The **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.

Plant Fibers and Materials	Animal Fibers & Materials	Regenerated Fibers	Synthetic Fibers
Cotton BASF e3 Better Cotton Initiative (BCI) bioRe Cleaner Cotton Cotton made in Africa (CmiA) Fair Trade Field 2 Market ISCC Certified myBMP Organic cotton Organic Fair Trade REEL Cotton Regenerative Organic Certified (ROC) Responsible Brazilian Cotton (ABR) US Cotton Trust Protocol Recycled cotton	Cashmere Certified Wildlife Friendly™ Good Cashmere Standard Sustainable Fibre Alliance Standard (SFA) Recycled cashmere Down Downpass Organic down Responsible Down Standard (RDS) Traceable Down Standard (TDS) Recycled down Leather Land to Market™ Leather Working Group Organic leather Recycled leather Wool Organic wool Ecological Outcome Verification (EOV) Responsible Wool Standard (RWS) ZQ Certified Recycled wool	Manmade Cellulosics Acetate (FSC, PEFC) Cupro Lyocell (FSC, PEFC) Modal (FSC, PEFC) Viscose (FSC, PEFC) Recycled cellulose	Polyamide Bio-based polyamide Recycled polyamide Polyester Bio-based polyester Recycled polyester

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:

Preferred Fiber & Materials Market Report (2020)

Download document [here](#)

Organic Cotton Market Report (2020)

Download document [here](#)

2025 Sustainable Cotton Challenge

Visit website [here](#)

About the Benchmark Program

2020 Participants

Company	HQ	Sub sector	Status	Member
adidas AG	DE	Outdoor / Sports	Returnee	●
ALDI South Group / ALDI Nord Group of Companies <i>ALDI, HOFER S/E</i>	DE	Multi-sector	Returnee	
ARC'TERYX Equipment	CA	Outdoor / Sports	Returnee	●
Aritzia LP	CA	Apparel / Footwear	Returnee	●
ARMEDANGELS	DE	Apparel / Footwear	Returnee	●
Arthur and Henry	GB	Apparel / Footwear	Returnee	
ASOS Plc.	GB	Apparel / Footwear	Returnee	●
Benetton Group <i>United Colors of Benetton (UCB), Sisley</i>	IT	Apparel / Footwear	New	●
BESTSELLER A/S	DK	Apparel / Footwear	Returnee	●
Boll & Branch	US	Home / Hospitality	Returnee	●
Brooks Running	US	Outdoor / Sports	Returnee	
Burberry	GB	Apparel / Footwear	Returnee	●
Burton	US	Outdoor / Sports	Returnee	
C&A	CH	Apparel / Footwear	Returnee	●
C&J Clark Limited	GB	Apparel / Footwear	Returnee	●
Columbia Sportswear Company <i>Columbia Sportswear, Sorel, Mountain Hardwear</i>	US	Outdoor / Sports	Returnee	●
Continental Clothing Co.	GB	Apparel / Footwear	Returnee	
Cotonea	DE	Multi-sector	Returnee	●
Coyuchi, Inc.	US	Home / Hospitality	Returnee	●
Darn Tough Vermont	US	Outdoor / Sports	Returnee	
DECATHLON SA	FR	Multi-sector	Returnee	
Deckers Brands <i>UGG, Koolaburra by UGG, Hoka, Teva and Sanuk</i>	US	Apparel / Footwear	Returnee	
Dedicated Sweden AB	SE	Apparel / Footwear	Returnee	●
Dibella Group	NL	Home / Hospitality	Returnee	●
Dickes, A division of VF Outdoor, LLC	US	Apparel / Footwear	New	●
EILEEN FISHER, Inc.	US	Apparel / Footwear	Returnee	●
Esprit Europe Services GmbH	DE	Apparel / Footwear	Returnee	●
Falabella Retail S.A	CL	Apparel / Footwear	New	
Fjällräven International AB	SE	Outdoor / Sports	Returnee	●
G-Star RAW B.V.	NL	Apparel / Footwear	Returnee	●
Gant	SE	Apparel / Footwear	New	●
Gap Inc. <i>GAP, Banana Republic, Old Navy, Athleta, Hill City, Janie and Jack</i>	US	Apparel / Footwear	Returnee	●
Gina Tricot	SE	Apparel / Footwear	New	●
Globetrotter Ausrüstung GmbH	DE	Outdoor / Sports	Returnee	●
Greenfibres limited	GB	Multi-sector	Returnee	
H&M Group <i>H&M, COS, Monki, Weekday, & Other Stories, H&M Home, ARKET, Afound</i>	SE	Multi-sector	Returnee	●
Hanky Panky Ltd	US	Apparel / Footwear	Returnee	●
Helly Hansen AS	NO	Outdoor / Sports	Returnee	

2020 Participants

Company	HQ	Sub sector	Status	Member
HempAge AG	DE	Apparel / Footwear	Returnee	
Hemtex AB	SE	Home / Hospitality	Returnee	
HUGO BOSS	DE	Apparel / Footwear	Returnee	
IceBreaker, a division of VF Outdoor, LLC	NZ	Outdoor / Sports	Returnee	●
IKEA of Sweden AB	SE	Home / Hospitality	Returnee	●
INDIGENOUS	US	Apparel / Footwear	Returnee	●
Inditex Group <i>ZARA, Bershka, Pull&Bear, Massimo Dutti, Stradivarius, Oysho, Zara Home, Uterqüe</i>	ES	Multi-sector	Returnee	●
IVY & OAK	DE	Apparel / Footwear	New	
J Sainsbury Plc	GB	Multi-sector	Returnee	
JCPenny	US	Multi-sector	New	●
Joules	GB	Apparel / Footwear	New	
KALANI-Home	BE	Home / Hospitality	Returnee	●
KappAhl Sverige AB	SE	Apparel / Footwear	Returnee	●
Kathmandu Limited	NZ	Outdoor / Sports	Returnee	●
Kering <i>Gucci, Saint Laurent, Bottega Veneta, Balenciaga, Alexander McQueen, Brioni, Boucheron, Pomellato, DoDo, Qeelin, Ulysse Nardin, Girard-Perregaux</i>	FR	Apparel / Footwear	Returnee	●
KID Interior AS	NO	Home / Hospitality	Returnee	●
KNICKEY	US	Apparel / Footwear	Returnee	●
KnowledgeCotton Apparel	DK	Apparel / Footwear	Returnee	●
Kuyichi B.V.	NL	Apparel / Footwear	Returnee	
Levi Strauss & Co.	US	Apparel / Footwear	Returnee	●
Lindex	SE	Apparel / Footwear	Returnee	●
Lojas Renner	BR	Apparel / Footwear	New	●
Loomstate, LLC	US	Apparel / Footwear	Returnee	●
Mantis World Limited	GB	Apparel / Footwear	Returnee	●
Mara Hoffman	US	Apparel / Footwear	Returnee	●
Marc Cain GmbH	DE	Apparel / Footwear	Returnee	
Marks and Spencer	GB	Multi-sector	Returnee	●
Mayamiko	GB	Apparel / Footwear	Returnee	●
ECOfashion Corp	US	Apparel / Footwear	Returnee	●
Moose Knuckles	CA	Apparel / Footwear	New	●
MUD Jeans International BV	NL	Apparel / Footwear	Returnee	●
Mulberry	GB	Apparel / Footwear	New	
Coop Group	CH	Apparel / Footwear	Returnee	
Naturepedic Organic Mattresses	US	Home / Hospitality	Returnee	●
New Balance Athletics, Inc.	US	Outdoor / Sports	Returnee	●
Next Plc.	GB	Multi-sector	Returnee	●
NIKE, Inc. <i>Nike, Converse, Hurley, Jordan</i>	US	Outdoor / Sports	Returnee	●
Norrøna Sport	NO	Outdoor / Sports	Returnee	●

About the Benchmark Program

2020 Participants

Company	HQ	Sub sector	Status	Member
Nudie Jeans	SE	Apparel / Footwear	Returnee	●
ORSAY GmbH	DE	Apparel / Footwear	Returnee	
Otto Group <i>OTTO, Bonprix, Witt, Heine, Sheego</i>	DE	Multi-sector	Returnee	●
Outerknown	US	Apparel / Footwear	Returnee	●
Pact	US	Apparel / Footwear	Returnee	●
Patagonia	US	Outdoor / Sports	Returnee	●
People Tree Ltd	GB	Apparel / Footwear	Returnee	
Piping Hot Australia Pty Ltd	AU	Outdoor / Sports	New	●
prAna	US	Outdoor / Sports	Returnee	●
PUMA SE <i>PGS, Cobra</i>	DE	Outdoor / Sports	Returnee	●
PVH Corp <i>Tommy Hilfiger, Calvin Klein, Van Heusen, IZOD, ARROW, Warner's, Olga, True&Co, Geoffrey Beane</i>	US	Apparel / Footwear	Returnee	●
Recreational Equipment, Inc. (REI)	US	Outdoor / Sports	Returnee	●
Reformation	US	Apparel / Footwear	Returnee	●
Royal Robbins LLC	US	Outdoor / Sports	Returnee	●
Sanctuary Innerwear	CA	Apparel / Footwear	New	
Scania Truck Gear	SE	Apparel / Footwear	Returnee	●
SKFK ethical fashion	ES	Apparel / Footwear	Returnee	●
Smartwool, a division of VF Outdoor, LLC	US	Apparel / Footwear	New	●
Stanley/Stella SA	BE	Apparel / Footwear	Returnee	●
Stella McCartney	GB	Apparel / Footwear	Returnee	●
Stio	US	Apparel / Footwear	Returnee	
Superdry Plc	GB	Apparel / Footwear	Returnee	
Target Corporation	US	Multi-sector	Returnee	●
Tchibo GmbH	DE	Multi-sector	Returnee	●
Ted Baker	GB	Apparel / Footwear	Returnee	●
Ten Tree International Inc.	CA	Apparel / Footwear	Returnee	
Tesco Stores Ltd	GB	Multi-sector	Returnee	●
The Cotton Group SA	BE	Apparel / Footwear	Returnee	●
The North Face, a division of VF Outdoor, LLC	US	Outdoor / Sports	Returnee	●
The Very Group <i>Very, Littlewoods, Littlewoods Ireland</i>	GB	Apparel / Footwear	New	
Tierra	SE	Outdoor / Sports	Returnee	●
Tiger of Sweden	SE	Apparel / Footwear	New	●
Timberland, a division of VF Outdoor, LLC	US	Outdoor / Sports	Returnee	●
Trendsetter Home Furnishings	GB	Home / Hospitality	Returnee	
Under The Canopy	US	Home / Hospitality	New	●
Vans, a division of VF Outdoor, LLC	US	Apparel / Footwear	New	●
VARNER <i>Dressmann, Cubus, Carlings, Volt, Bik Bok, Wow, Urban, Days Like This</i>	NO	Apparel / Footwear	Returnee	●
Veja Fair Trade SARL	FR	Apparel / Footwear	Returnee	●

2020 Participants

Company	HQ	Sub sector	Status	Member
Washbär GmbH	DE	Apparel / Footwear	Returnee	●
WE Europe BV	NL	Apparel / Footwear	Returnee	
Pact	US	Apparel / Footwear	Returnee	●
Williams-Sonoma, Inc. <i>Mark & Graham, Pottery Barn, Pottery Barn Kids, Pottery Barn Teen, Rejuvenation, West Elm, Williams Sonoma, Williams Sonoma Home</i>	US	Home / Hospitality	Returnee	●
WOOLWORTHS (PTY) LTD	ZA	Multi-sector	Returnee	●
Zalando	DE	Apparel / Footwear	New	●

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

Textile Exchange membership: Current status as of January 2021.

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

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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