Textile Exchange Standard Monitoring and Evaluation Procedures

Last Updated April 2017

Scope of Monitoring and Evaluation (M&E) System - the goal of Textile Exchange's (TE) M&E system is to ensure that the individual goals of each standard is being accomplished. These procedures are intended only for TE planning purposes until the TE/GOTS Centralized Database (*see Resources and Capacity for description*) is created and in use. It is written using guidance from the *ISEAL Assessing the Impacts of Social and Environmental Standards Systems.* It is crucial that TE maintain data confidentiality of those providing data and use the data only to improve the standards' effectiveness.

M&E Staff – The Industry Integrity Team makes up the staff involved directly with M&E for the TE standards. The TE Standards and Compliance Manager is responsible for the M&E system procedures and its implementation overall. Each standard has a lead person that supports the data gathering methodology for their respective standards. These leads are currently Lee Tyler for the Content Claim Standard and Organic Content Standard; Ashley Gill for the Recycled Claim Standard, Global Recycled Standard, and Responsible Down Standard; and Hanna Denes for the Responsible Wool Standard. Anne Gillespie is the Director of Industry Integrity and oversees all the standards.

Separate from the above mentioned Industry Integrity Team, the Fiber and Materials Team produces research, surveys, benchmarks, and other reports that support the uptake of the sustainable materials our standards rely on. See more at http://textileexchange.org/materials/.

For inquiries or comments related to the TE M&E system, email integrity@textileexchange.org.

Resources and Capacity – TE is a non-profit organization at its core with several sources of income, including certification fees from standards. All income sources contribute collectively to the advancement of our mission and it is sometimes difficult to ascertain if our efforts in one area are driving a sustainable material's uptake over another effort. Standards income has been on an upward trend and capacity in terms of staff and systems are likewise increasing. TE has been in discussion with a major funder – to be completed in 2017 – to enable systems development and additional staff.

TE also leverages collaboration with other organizations, such as the project with the Global Organic Textile Standard to create a Centralized Database System (CDS) that will be funded through grants and brand sponsorship. Development is beginning in 2017 and is targeted for full use by all certification bodies in 2018. Once the CDS is active, TE will analyze site data – we have never had access to – to determine what the most impactful changes to the standard requirements, TE fee structure, accreditation procedures, etc. would be.

Separate from the "Industry Integrity Team" that administrates the standards, TE annually gathers brand and retailer data on CSR strategies and policies, "preferred fiber" usage and targets and goals. This survey's capabilities will be greatly expanded with the creation of a TE Preferred Materials Database, that is being built alongside the CDS to complement each other.

As more funds become available, TE will implement further incremental improvements to the M&E system that will include TE staff performing more site visits with and without certification bodies for data gathering and interviews as well as commissioning impacts assessment through third-parties that evaluate social, environmental, and financial changes due to TE standard implementation.

Intended Outcomes

The standards are designed to maintain material chain of custody and some additionally contain social, environmental, and animal welfare criteria. The chain of custody aspects are in place to ensure that the product's content claims are accurate with the intended outcome of increased trust in sustainable materials that leads to increased production of those sustainable materials. The social, environmental, and animal welfare criteria in TE standards exist to ensure safe and fair worker conditions, prevent direct negative effects to the surrounding environment, and protect the five freedoms[1] of animals at certified production sites.

Success Indicators – the following indicators is how TE determines if the goals of the standard are being met, which ideally can be measured as an immediate change at the onset of certification and over time:

Impact area	Standard	Indicator	Data Collection Method	Reporting	Status
General	All	Number of certified sites	Certification Bodies	TE Annual Reports, PFM Report	Ongoing
Chain of Custody	All	Increased volume of sustainable materials	Preferred Fibers and Materials Market Report Data Collection	Preferred Fibers and Materials Market Report	Ongoing
	All	Increased ratio of certified material compared to conventional material	Preferred Fibers and Materials Market Report Data Collection	Preferred Fibers and Materials Market Report	Ongoing
	All	Increased consumer confidence in sustainability claims (e.g. organic, recycled, responsible)	Consumer Survey	Commissioned Report	Planned
	All	Increased consumer recognition of TE standards' logos	Consumer Survey	Commissioned Report	Planned
Social Requirements	GRS (only)	Improvements in worker health and safety	Certification Bodies, Commissioned Impact Assessment	Commissioned Report	Planned
	GRS (only)	Improvements in protections for worker rights	Commissioned Impact Assessment	Commissioned Report	Planned

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[1]Freedom from Hunger and Thirst, Freedom from Discomfort, Freedom from Pain, Injury or Disease, Freedom to Express Normal Behavior, and Freedom from Fear and Distress

	GRS (only)	Improvements in protections for working conditions	Commissioned Impact Assessment	Commissioned Report	Planned
	GRS (only)	Improvements in protections for worker representation	Commissioned Impact Assessment	Commissioned Report	Planned
Environmental Requirements	GRS	Reductions in negative impacts of manufacturing	Certification Bodies	Centralized Database Report	Planned
	GRS	Reductions in emissions to air, water, and surrounding environments	Certification Bodies	Centralized Database Report	Planned
	GRS	Reduction in energy use and greenhouse gases	Certification Bodies	Centralized Database Report	Planned
	GRS	Reduction in the use of hazardous chemicals	Certification Bodies	Centralized Database Report	Planned
	RWS (only)	Improvement in land management practices	Certification Body Reporting	Governance IWG reports	Planned
Animal Welfare	RWS, RDS	Increased number of farms and animals certified	Certification Body Reporting	IWG Reports, TE Annual Reports, PFM Report	Ongoing
	RWS	Increased adoption of best farming practices (e.g. recording of mortality rates, body condition scoring)	Certification Body Reporting	IWG Reports, TE Annual Reports, PFM Report	Ongoing
	RWS	Decreased non-conformities related to animal welfare issues	Certification Body Reporting	IWG Reports, TE Annual Reports	Ongoing

Unintended Consequences

Both positive and negative unforeseen consequences can occur due to the certification activities relating to TE standards. Through the *TE Standards Setting Procedure* and the related *Complaints Procedure*, stakeholders have the opportunity to voice their concern about potential changes or to let TE know about current consequences that are occurring. Actions can be taken directly with the affected parties or changes can be made to the standard scheme to enhance or mitigate these effects as needed.

Positive Effects – These effects can occur in many forms apart from those directly related to the goals of each standard.

- Enhanced efficiency – Some companies may benefit from an improved internal control system and training that is required in order to adhere to the standard. This might result in efficiencies of logistics

and worker skill. This could also apply to resource efficiency as this is monitored in the GRS over time, allowing them to measure their own improvements.

- Consolidation of input suppliers at each level due to certification costs. In the long term, this is beneficial as stronger relationships form between buyer and seller.
- Higher profit margins and lower turnover from being recognized as a sustainable company.

Negative Effects – These are recognized negative effects and our work towards mitigating them.

- Extra cost and work - If a company already has a strong control system in place (e.g. major clothing brands), the standards require extra documentation and audits for sites that may not even handle product. They could also already be certified to another standard for certain requirements (e.g. social, environmental).
    o Some exemptions for post-production supply chains have been created to ease the burden of site certification.
    o The standards are being written to take existing certifications into consideration as part of the inspection and evaluation process. The *TE Accepted Equivalent Standards* document details what standards have been approved as equivalent to certain TE Standards or parts of those standards.
- Increased competition – and thus increased price – for already scarce material such as organic cotton and recycled textiles.
    o TE as an overall organization works separately from its standards to educate and drive growth of sustainable raw materials at the source (e.g. organic cotton farms).
- Drawing attention to the worst practices, when maybe the majority of producers do not have terrible practices (e.g. PETA attacking down and wool farmers).
    o TE educates about this fact and advocates on behalf of those producers doing the right thing.
- Competing with other existing efforts with similar goals, but different methods and requirements. This causes confusion and unnecessary effort for certified sites.
    o TE undertakes a review of known standards (e.g. their purpose, specific requirements, and verification method) before ever deciding to attempt creating a similar standard.
    o Existing standards and NGOs are communicated with for either mutual or partial recognition. This may include fully accepting another standard as an input (e.g. Global Organic Textile Standard is accepted into the Organic Content Standard as an input).

Collection of Monitoring Data and Ongoing Evaluation

Data Sources – TE currently collects site-level data on a monthly basis from the certification bodies. TE holds the majority of this information confidential, while publishing basic site-level data on our website so certified companies can be identified. In addition, information can be provided by individual certified sites directly to TE. The Fiber and Materials Team's annual *Preferred Fibers and Materials Market Report* collects and reports information on other industry standards alongside the uptake of TE standards. TE facilitates a sustainability benchmarking program open to textile industry brands and retailers. The Benchmark report contains detailed analysis of the use of standards and progress towards sustainability within the participating companies.

Future Collection Method – TE will begin collecting additional site level, product, and transactional data through certification body input into the Centralized Database System (CDS) in 2017. After the CDS is fully active and running, its ownership will be handed over to a newly created foundation that will continue to administrate the CDS.

In addition to certified data, certain 2nd party "value-added data" will be voluntarily input by certified sites or other standards bodies that participate in the foundation that will own and operate the CDS. This can include other certifications, number of workers, worker safety trainings, or any number of defined fields. All of this data will be separately shown distinct from certification data, but will allow for analysis not normally available to just standards bodies. The Foundation will ensure a third-party holds commercial data confidential but is still able to analyze and report on it.

Analysis – The certified unit data will be analyzed by TE, while the value-added data may be analyzed by a combination of TE and the Centralized Database Foundation. Data will be used to compare annual progress on the various categories for each site as well as aggregate trends. The results will be reported out to stakeholders in a publically available annual report, used to further adjust requirements of the standards, and/or reported back to any individual units if deemed appropriate. Feedback to the annual report data and collection methods will be requested along with the report announcement. The feedback will be used to further improve the data collected and/or the methods for the future.

Future Efforts - Other data collection and analysis efforts will be planned and determined based on the results of the Centralized Database and availability of funds. Some possible efforts (in order of least cost) include:

1. **TE Report** – This most likely would be online surveys constructed for TE stakeholders to participate with follow up interviews over the phone and in-person if possible.
2. **Certification Body M&E** - Any data that is not pertinent to the audit itself can be collected by the certification body separately from the normal inspection and only after it is made clear that the information gathered does not affect the certification process, but only is used towards the improvement of the TE standards. This can be done on site or remotely depending on the circumstances, but must be done annually at the same interval. If possible, the certification body should collect data from a period prior to implementing certification requirements. The certification body staff responsible for gathering the data will review records and perform interviews to adequately determine the aforementioned success indicators. This could be performed once or with regular frequency.
3. **Third-Party Report** – Just like the TE report, but involves commissioning third-party experts that specializes in M&E to assess the impact and value of each standard for its stakeholders.