

2019 UPDATE

Corporate Fiber & Materials Benchmark

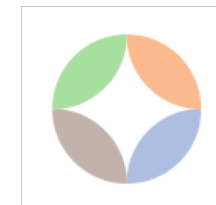


Corporate Fiber & Materials
Benchmark

Insights. Action. Impact.

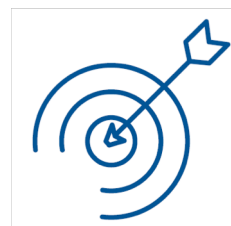


We Drive Industry Transformation



We work closely with our members and leaders across the textile sector to accomplish five principal goals.

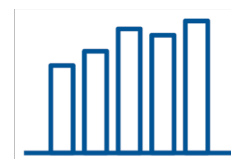
1. Drive an **increase in the adoption** of preferred fibers and materials.
2. **Increase integrity** throughout the value chain via the adoption of standards and certifications.
3. Enable **collective impact and action** across the industry.
4. **Raise awareness** about the positive, meaningful changes accomplished.
5. Use the **Sustainable Development Goals** as a common vocabulary and reporting framework.



Commitments



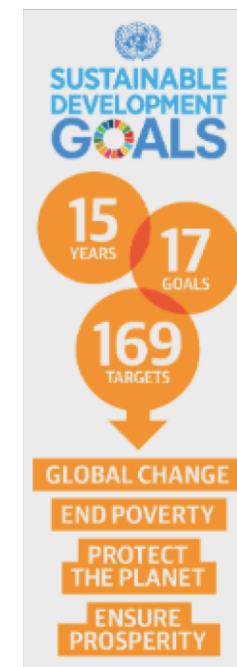
Standards



Benchmarking



Peer Learning



By accomplishing these goals, we will catalyze transformative change that will result in a more sustainable, responsible textile industry.

The Preferred Fiber & Materials Benchmark helps companies systematically measure, manage and integrate a preferred fiber and materials strategy into mainstream business operations.



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What we will talk about

- How the context of benchmarking is improving
- Making the benchmark better
- The run up to this year's benchmark
- What's coming next





It is the sourcing of raw materials that is the direct interface between business and nature. Through sustainable sourcing and reconfiguring supply chains, we can help drive change in agriculture, mining, and forestry, and promote regenerative, wildlife-friendly approaches to production.

Dr. Helen Crowley,
Head of Sustainable Sourcing Innovation, Kering



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Why benchmark fibers and materials?

<https://textileexchange.org/pfm-benchmark/>



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Benchmarking is rising up the ISEAL agenda. Defining good practices for credible benchmarking.



Sustainability Benchmarking Good Practice Guide Draft v0.2 for Consultation (first half of 2019)

Scope covers both the benchmarking of standards, and corporate benchmarking programs.

ISEAL aims to:

- **Contribute a framework and practical set of good practices** and considerations for organisations and initiatives considering whether to carry out a benchmarking exercise or develop a benchmarking program.
- **Publicise existing benchmarking programs** as a means to limit the proliferation of benchmarks.
- **Support increased consistency** and strengthening of sustainability benchmarking programs so that they can effectively support better practices and a faster transition to a more sustainable world.

Corporate Benchmarking and the Sustainable Development Goals: The rise of the corporate benchmark



Textile Exchange is a member of the World Benchmarking Alliance

The WBA is: “building a movement to measure and incentivize business impact towards a sustainable future that works for everyone”.

- Developing benchmarks to compare company performance.
- The private sector has a crucial role to play in advancing the SDGs.
- To boost company's motivation there needs to be a change in the way that their impact is measured.
- Working with a broad group of allies who help the WBA be a successful driver of change.
- Founded by the UN Foundation, Index Initiative and Aviva. A number of governments including the UK, Norwegian and Swedish governments are also supporting the WBA.



Priority areas for the WBA:

1. Food and Agriculture
2. Gender Equality and Empowerment
3. Digital Inclusion
4. Climate and Energy
5. Seafood



How benchmarks help companies.



1.

—
**Benchmarks
clarify what
societies expect
from industries
and companies.**

2.

—
**Benchmarks
clarify where and
how companies
can contribute to
sustainability.**

3.

—
**Benchmarks
promote a race to
the top.**

4.

—
**Benchmarks help
companies track
progress.**

5.

—
**Benchmarks
promote dialogue
and are a proven
and effective
engagement tool
for companies.**

The Corporate Fiber & Materials Benchmark (CFMB) runs on a trusted technology platform.



The CFMB is powered by [Probench](#), developed and delivered by our technology partners [73Bit](#). Probench was originally built to power the successful Business In The Community's suite of benchmarks and indices.

Participants' Portal:

- ❖ Secure confidential access
- ❖ Live survey and embedded guidance material
- ❖ Library of guidance notes and other useful support tools
- ❖ Confidential library of company feedback reports
- ❖ Confidential archive of company survey submissions
- ❖ Benchmark community noticeboard

Benchmarking programs powered by Probench include:



Making the benchmark better



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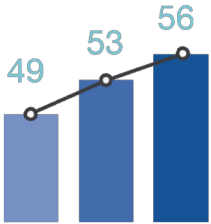
Three years of benchmarking have laid the foundations.



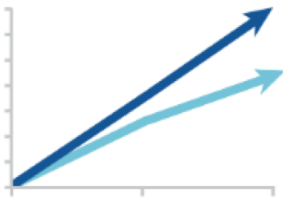
Piloted in 2015, the PFM Benchmark has become the **biggest peer-to-peer exercise** in the industry.



Increased number of participants since the pilot in 2015. From 71 to 111 (increase of 56%)



Continuous improvement in scores since the first PFM Benchmark in 2016. From a sector average of 49 in 2016 to 56 in 2018 (growth of 14%).



43 companies participated consecutively across 3 years (60% of the original 71).

Snapshot of 2018 Participants

111 Companies

17 Countries

US\$ 1.65 Trillion Est. Turnover

80 Returning Participants

43 Founders Club

31 New Participants

Above: Results from the [PFMB Insights Report 2018](#)

Program Review: Where did we focus?

After 3 years of benchmarking we are making some exciting updates

PRIORITY AREAS UNDER REVIEW:

1. Harmonizing with other initiatives
2. Improving data quality
3. Growing participation
4. Simplifying and streamlining the survey
5. More focus on Circularity and the Sustainable Development Goals
6. Reviewing the definition of “preferred” – deep dive into “preferred manmade cellulosics”
7. Improving company feedback and public reporting
8. Building a resilient business model

Program support:



“

We welcome the new approach that Textile Exchange is taking in moving from ranking brands solely on volume toward recognizing brands for their holistic leadership in preferred fibers and materials. The new Leaders Circles aim to recognize brands that are going beyond volumes, toward holistic and impactful material strategies and a new era of preferred fiber and material sourcing approaches.

Jeffrey Hogue, C&A

NUDIE JEANS REPAIR SHOP, SOHO, LONDON
PHOTO: NUDIE JEANS

Towards harmonization with others

Dialogue - Open and continued dialogue

Referencing - Tag or reference work done by others

Definitions - Harmonization of key concepts

Aligning - Identifying overlaps, interfaces and differentiation

Collaboration - Improve value and reduce burden



Sustainable Cotton Ranking

and more



“

At ASOS we have analyzed the environmental footprint of the fibers we use in our garments and home textiles. We scoped out our consumption leading to the prioritization and action plan for cotton, polyester and viscose. Using the PFM Benchmark as a tool, we have created a fiber switching framework for our retail teams to follow in order to switch to more sustainable alternatives. We have used the PFM Benchmark to benchmark our progress in relation to other retailers and brands to support our sustainability strategy, and continue to refer to it as a key resource.

Tara Luckman, ASOS

MAINE FORESTER
PHOTO: SAPPI NORTH AMERICA, INC

Improving Data Quality

- Textile Exchange received questions about the quality and consistency of consumption data submitted by participants, and called for us to find a way to support improvements.
- Research launched on Fiber Calculations (current and best practices), methodologies and data integrity systems.
 - Over 50 organisations have provided feedback
- Aim is to develop a best practices guidance document to encourage consistent measurement throughout industry.
- Research conducted with support from:



“

It's time to take bold action now, we owe this to our children, to the planet, and to the people who work in our supply chains. So let's work together and be accountable to our progress. Let's commit to sourcing raw materials with integrity and fairness. Let's honour the value of people, energy, water and the soil. Let's work together to really create positive impact in the world, because this is the task for our generation.

We only have this one world and if we don't take care of it, who will?

Nanda Bergstein, Tchibo

“AUNTY”
PHOTO: PLASTICS FOR CHANGE

Improving Data Quality

The **Fiber Consumption Calculation Guidance Document** will:

- Support the identification of the most suitable data source from the company's internal systems
- Support the processing of data and sharing of best practice examples
- Give recommendations on product integrity systems to collect supplementary information on preferred fibers/materials (supporting accuracy and claims)
- Share the methodology by which company-reported consumption is converted into industry totals for the CFMB and leaderboards
- Introduce a **Fiber Consumption Calculation Metadata Form** to increase transparency of calculations.

The Guidance Document & Metadata Form to launch end of April.



Organic-Fairtrade Cotton Farmer, Brazil
PHOTO: TATIANA CARDEAL FOR C&A FOUNDATION

Growing participation

Broadening brands and retailer participation

- All Textile Exchange member brands and retailers
- All previous benchmark participants
- All signatories and members of sustainable sourcing initiatives (Sustainable Cotton 2025, rPET Commitment, etc.)
- At least 75% of textile and apparel brands by market share

Piloting the program for suppliers

- Explore the applicability of the corporate benchmark for others, such as suppliers of fibers/materials
- Create a pilot working group made up of different fiber specialists



Reviewing the definition of “preferred”

Overall review of “preferred”

- Textile Exchange cross-functional team
- Ensuring definition is fit-for-purpose for at least the next 3 years
- Pre-spin phase (including all processes not just growing)
- Alongside review of “preferred” we are reviewing the *process* for reviewing and the options within a portfolio

Deep dive in manmade cellulosic fibers

- Inquiry process with around 20 experts
- Building a holistic definition from feedstock to fiber gate
- Covering the key MMCFs but also recognizing the growth and innovation in feedstock options.

“

Credible sustainability standards and certification schemes are a key tool in market transformation and its contribution to the SDGs. Standards provide a scalable solution, allowing companies to be part of a broader movement toward greater sustainability in their sector.

Patrick Mallet, Director Innovations, ISEAL Alliance

Simplifying and streamlining the survey

- 1. Reducing the number of questions
- 2. Consolidating modules and removing repetition

I. Strategy and Integration	II. Portfolio Management and Performance
S1. Leadership	Portfolio overview
S2. Responsibilities	Risk Management
S3. Risk Assessment	Corporate Investment
S4. Goals	Transparency
S5. Customer Engagement	Targets
S6. Company Reporting	Uptake



Responsible Down Farmer, China
PHOTO: ALLIED FEATHER & DOWN

Circularity and the Sustainable Development Goals

1. A new module on circularity
2. A closer look at SDG target setting and progress tracking
3. Remain aligned with the UNGC

III. Circularity

CR-1 Circularity Strategy

CR-2 Reduce

CR-3 Design for Circularity

CR-4 Collection

CR-5 Repair, reuse, resell

CR-6 Recycle



PHOTO: ECOALF

Improving company feedback and public reporting

1. **Moving from static to interactive** - Exploring the different options for display dashboards - for both individual companies and for the public report and leaderboards
1. **Implementing levels of feedback** - From basic results to enhanced analytics.
1. **Public reporting of benchmarking results** - Exploring different ways to present leaderboards, and more storytelling, possibly linking more to the SDGs.
1. **A move away from volume-based leaderboards** - Until now, self-reported volume- based “Top 10s” have been publicly reported. Going forward, we aim to give a more holistic overview of company progress. Data in the public domain will be validated first.



“

At Inditex, we are committed now and in the future to doing business sustainably and responsibly. As part of this, we have a clear commitment to using resources efficiently in our supply chain. The PFM Benchmark has become a key component of this strategy enabling us to measure our progress in the use of sustainable raw materials.

Felix Poza, Inditex

VALLABH AND PRABHABEN, ORGANIC COTTON FARMERS
PHOTO: BEN LANGDON FOR C&A FOUNDATION

Building a resilient business model

1. **Partnership** – Partnerships with companies, investment community, foundations and governments. Fundraising is required now that the program is growing rapidly.
2. **Voluntary participation fee** – This year we are introducing a voluntary contribution (based on company size). There will be no financial barrier to participate.
3. **Access to enhanced data and analytics** – Payment structure for access to enhanced analytics and visualization of data. Member benefits (see details on next page).
4. **Consulting** – E.g. Supporting companies with strategic development, calculating fiber volumes, gap analysis, etc. Delivering company presentations, workshops, peer learning round tables.
5. **Sponsored publications** - Potentially release deep dives into benchmark findings sponsored by partner organizations.

Validation of data in public domain: This year through partnerships with support organizations, and during roll-out of new fiber calculation guidance, the cost of data validation will be absorbed. From 2020, we will be factoring this into the cost of delivering the program.



“

We are very pleased to be ranked in the PFM leaderboards for the second year running. By participating in the PFM Benchmark, ALDI North gains valuable information on the development of our efforts towards more sustainable textile fibers, compared to the results of other relevant actors in the market. The results motivate us to gradually increase our use of more sustainable fibers and hence to achieve even better results in years to come. The PFM Benchmark also enables us to further commit to ambitious goals, e.g. to increase the use of sustainable cotton for the German market to 30% in 2018, and thus supports our shift towards a more transparent and sustainable textile value chain.

Rayk Mende, ALDI Einkauf GmbH & Co. oHG

COTTON RECYCLER, SPAIN
PHOTO: RECOVER/ HILATURAS FERRE S.A.

The run up to this year's benchmark



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The Framework



I. Strategy and Integration	II. Portfolio Management and Performance	III. Circularity
S1. Leadership	Portfolio overview	CR-1 Circularity Strategy
S2. Responsibilities	Risk Management	CR-2 Reduce
S3. Risk Assessment	Corporate Investment	CR-3 Design for Circularity
S4. Goals	Transparency	CR-4 Collection
S5. Customer Engagement	Targets	CR-5 Repair, reuse, resell
S6. Company Reporting	Uptake	CR-6 Recycle

A company's PFM portfolio is now assessed within fiber categories



COTTON FIBERS



SYNTHETIC FIBERS (Polyester, Nylon)



MANMADE CELLULOSIC FIBERS



ANIMAL FIBERS - WOOL



ANIMAL FIBERS - DOWN



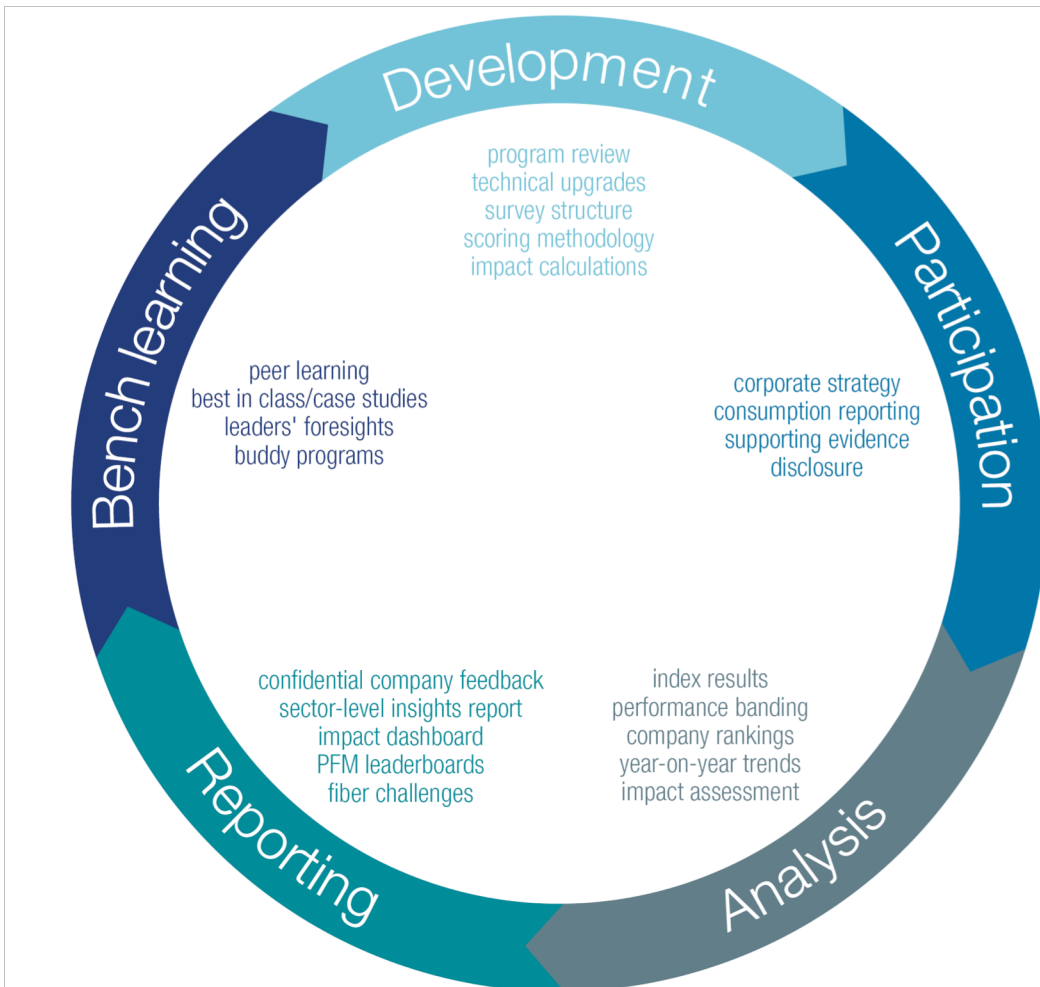
OTHERS (e.g. linen, hemp, leather)



Portfolio approach

- Building a suite of preferred fibers and materials, from a choice of preferred options, through the consideration of impacts and organizational priorities.
- Embedding a strategy that leads to preferred options replacing unsustainable or less sustainable options.
- A commitment to the principles of continuous improvement and ensuring options selected result in a positive impact.
- Recognizes that one size does not fit all” and allows participants to build their own portfolio based on the PFMs their company is implementing.

The Corporate Fiber & Materials Benchmark (CFMB) is cyclic with a predetermined window for survey submission



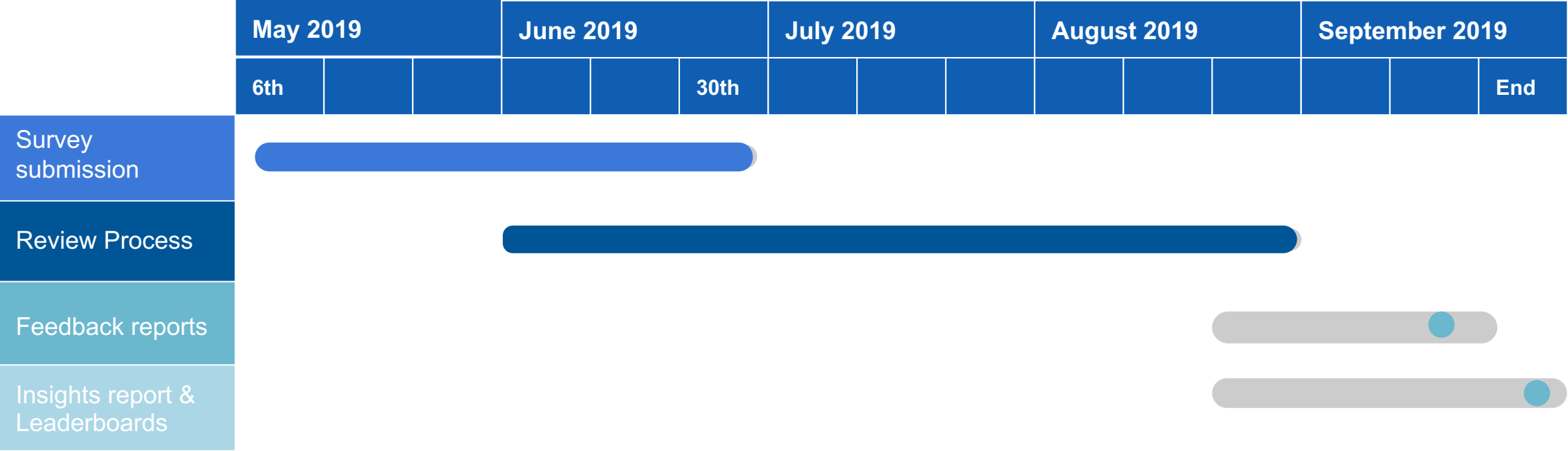
WAYS TO ENGAGE

- CFMB Program
- Cotton 2025 Challenge
- rPET Commitment

SURVEY OPTIONS

- **Benchmark Survey**
What you get: Company Feedback Report
- **Consumption Tracker** (lighter survey option)
What you get Basic progress report

Timeline



Benchmark process



Data to prepare for the benchmark

- Fiber consumption for the reporting period, by fiber type and preferred fiber
- Supplier lists
- Documentation relative to fiber certification in the supply chain



Next Webinar

Scheduled May 6th 2019 (time and details will be sent soon)

- Presentation of the online portal; including new functionalities
- Survey questions and submission requirements
- Guidance options available
- Scoring methodology



Meet the Textile Exchange benchmark team and friends.



Liesl Truscott



Sophia Opperskalski



Nicole Lambert



Simone Seisl



Vikram Shetty, 73bit



Gautam Shah, 73bit



Evonne Tan



SuetYin Siew



Stefanie Maurice



Sarina Saddiq (intern)



Cory Skuldt, FWD IMPACT



<https://textileexchange.org/pfm-benchmark/>



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