

Textile Exchange Preferred Fiber & Material Benchmark Program

TextileExchange Getting Started Webinar with Liesl Truscott and Evonne Tan



Kindly supported by:





OUR VISION, MISSION & GOALS



VISION

We envision a global textile industry that protects and restores the environment and enhances lives.

MISSION

Textile Exchange inspires and equips people to accelerate sustainable practices in the textile value chain. We focus on minimizing the harmful impacts of the global textile industry and maximizing its positive effects.

GOALS

Embed sustainability into evolving business and supply chain strategies.

Make it easier for companies to adapt to changing opportunities and requirements in textile sustainability.

Ensure that actions taken toward sustainability result in real and meaningful change.

TEXTILE EXCHANGE AROUND THE WORLD

Our 20 team members and ambassadors are spread across in 10 countries around the globe.



OUR MEMBERS

Our membership network extend across 25+ countries, from all points of the sustainability process.



ORGANIZATIONAL OVERVIEW



TE FIBER & MATERIALS TEAM

Platform Staff



Liesl Truscott European & Materials Strategy Director



Lisa Emberson Materials Platform Coordinator





Kalai Nathan Data Analyst

Regional Ambassadors



Ambassador, Africa



Silvio Moraes Ambassador, Latin America



Atila Ertem Ambassador, Turkey



Allen Yao Ambassador, China

TE Ambassadors



Evonne Tan

Creative and Analytics

Specialist

Karla Magruder Textile Consultant



Simone Seisl Advisor



Silvère Tovignan





BUSINESS IN THE COMMUNITY





- CR Index "Companies That Count"
- "Universities that Count" supported by HEFCE



BUSINESS IN THE COMMUNITY



The CR Index challenges companies to devise and deliver business strategies that have responsibility at their heart.

It does it by conducting a gap analysis, benchmarking against industry peers, and recognising and communicating achievement.

Powered by PROBENCH (73bit), which also drives UNPRI's Benchmark of Principles for Responsible Investment and the Access to Nutrition Index, among others.

PFM STRATEGY DEVELOPMENT



Performance Improvement

THE PFM BENCHMARK OFFERS

Everyone - from absolute beginners to industry leaders....

A **framework** to help companies systematically measure, manage and integrate a preferred fiber and materials strategy into mainstream business operations.

A customized **Company Feedback Report**, allowing you to confidentially benchmark your performance both internally and against industry peers.

An **annual event** which means a consistent basis for measurement and a commitment from us to support your year-on-year performance improvement review.

Identify	Identify gaps for improvement and reinforce good practice.
Track	Track progress over time and drive continuous improvement.
Benchmark	Benchmark against peers and leading practice.
Engage	Engage leadership and raise awareness internally.

THE PFM BENCHMARK IS NOT...

What it is...

- A framework to help companies integrate a preferred fiber and materials strategy into mainstream business operations.
- A tool to help identify the strengths and the gaps where future progress can be made.
- A self-assessment process. TE carries out desk-based reviews.
- Company feedback (provided confidentially), and a "state of the industry" sector benchmark.
- An annual event, giving a consistent measurement process which supports a company's year-on-year performance improvement.

What it is not...

- X A framework to review all fibers and materials used by a company or all activities in a supply chain.
- X An in-depth tool for evaluating the preferred (sustainability) status of a fiber/ material.
- A third party audit of a company's activities.
- × A public ranking of company performance.
- A one-off survey for TE's reporting purposes alone.

PFM BENCHMARK FRAMEWORK

Corporate Strategy	Supply Chain	Consumption	Customer Engagement
Q1. Corporate Values	Q10-11. Processing Standards & Initiatives	Q19. History	Q22-24. Market Presence
Q2-5. Sustainability Strategy	Q12-13. PFM Porfolio	Q20. Targets	Q25-26. Product Differentiation
Q6-7. Integration	All following questions will be modularized according to PFM selected.	Q21. Volume	Q27-28. Corporate Returns
Q8. Tools	Q14. Chain of Custody		Q29. Education
Q9. Reporting	Q15-16. Traceability		
	Q17-18. Investment		

PFM BENCHMARK – SURVEY SUMMARY

	CORPORATE STRATEGY		SUPPLY CHAIN		CONSUMPTION
Corporate	1. Corporate Values	Supply Chain Part A: Processing		History	19. Sourcing History
Values	 Sustainability incorporated into overall vision and mission 	Processing	10. Sustainability Standards		 Number of years sourcing the PFM
Sustainability	2. Sustainability Strategy	Standards & Initiatives	• Adoption of sustainability standards in factories	Targets	20. SMART Targets
Strategy	Sustainability strategy includes fibers/materials	muatives	11. Sustainability Initiatives		 Targets set for PFM consumption
	3. Risk Assessment		• Supply chain codes of conduct and initiatives	Volume	21. Volume Consumed
	Business risk/opportunity assessment covers	Fiber &	12. Fiber and Materials Profile		• Estimate of bulk fiber/materials consumed
	fibers/materials	Materials	 Breakdown of fiber/materials usage 		Conversion of conventional to preferred
	4. Goals	Portfolio	13. Portfolio Selection For Benchmark		CUSTOMER ENGAGEMENT
	• Long-term sustainability goals for fibers/materials		• Cotton: BCI, CmiA, Fairtrade, Organic, Organic-	Market	22. Product Range
	5. Policies		Fairtrade	Presence	 Product ranges containing a PFM
	Natural Capital, Social Capital and Animal Welfare		 Other fibers and materials: Certified Down, Pref. MM Cellulosics, rPET 		23. Key Markets
Integration	6. Accountability		• Self-select: e.g. Rec. Cotton, Rec. Nylon, Organic		24. Sales
	• Accountability held at senior level		Linen, Bio-based		Sales turnover and growth forecasts
	7. Responsibility, Performance & Compensation	Supply	Chain Part B: Product Integrity	Product	25. Brand Identity
	• Responsibility integrated through the company	Chain of	14. Content Claim	Differentiation	Core or complementary
	• KPIs integrated through the company	Custody	 Use of chain of custody standard or initiative guideline 		26. Produce Differentiation
	• Incentives integrated through the company	Traceability	15. Traceability Management System		On-product labeling and off-product messaging
	• Mechanisms in place to ensure integration	inaceability	Keeping track of PFM through a traceability	Corporate	27. Company Returns
Tools	8. Rating Tool		system	Returns	 Analyzing returns on investment
	Sustainability of fiber/materials objectively		16. Supply Chain Relations		28. Return On Investment
	evaluated		 Deepening sustainability impact through supplier relations 		• Calculating financial ROI and ROI in sustainability
	Rating tool influencing sourcing decisions	Investment	17. Sustainability Value	Engagement	29. Customer Engagement Strategy
Reporting	9. Public Reporting	mvestment	Pricing that captures sustainability benefits	Strategy	• Education/awareness raising strategy in place
	 Fiber/materials sustainability activities, progress against KPIs 		Pricing that captures sustainability benefits 18. Sustainability Investment		30. Evaluation of Customer Engagement
	Report independently verified		Investing in supply chain and evaluating impact		 Monitoring & Evaluation of activities and impact

BUILDING A PFM PORTFOLIO



A "preferred" fiber or material is:

Ecologically and socially progressive and has been selected because it has more sustainable properties in comparison to conventional options.

Ways to recognize or achieve a preferred status include:

- The fiber or material has a **recognized industry standard in place** that confirms its status as preferred.
- The fiber or material has **sustainability criteria** developed through a formalized **multi-stakeholder process**.
- The fiber or material has been objectively tested or verified as having sustainability attributes, such as through a peer reviewed Life Cycle Assessment.

BUILDING A PFM PORTFOLIO



TE describes a Portfolio Approach as:

- The process of building a suite of preferred fiber and materials from a choice of preferred options, through the consideration of impacts and organizational priorities.
- The embedding of a strategy that leads to preferred options replacing conventional*.

The process and transition to a portfolio of preferred fiber and materials takes time and usually **involves cultural as well as business evolution**.

* i.e. a movement towards practices that do not depend on virgin or fossil based raw materials and chemical inputs, depletion of resources such as soil, water, etc. that result in degradation of environmental, social human capital and animal welfare issues.

BUILDING A PFM PORTFOLIO

Current modules in PFM Benchmark, not a definitive list...

Preferred Cotton & Down

- Better Cotton
- Cotton made in Africa
- Fair Trade
- Organic Cotton
- Organic-Fair Trade Cotton
- Responsible Down
- Traceable Down

Recycled Materials & Preferred MM Cellulosics

- Recycled Polyester
- Preferred MM Cellulosic Fibers

Self-Selected Options

- Other certified organic fibers such as organic linen, silk.
- Other certified recycled fibers and materials either from natural or synthetic "waste" such as cotton, wool, down, and nylon.
- **Bio-based synthetics** fibers are currently a small category with opportunities for conventional polyester replacement.
- Other self-selected preferred fibers and materials such as hemp, and other preferred cottons such as Bayer's e3, CottonConnect's REEL Cotton, The Sustainable Cotton Project's CLEANER COTTON[™].

PFM BENCHMARK ROADMAP



Disclaimer: The Textile Exchange PFM Benchmark is based on participant self-assessment and TE does not verify the quality of the data or disclosures within a company's survey submission, or the process of preparing the disclosures. That responsibility remains with the participating company.

COMPANY FEEDBACK REPORTS

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Customized and confidential Company Feedback Reports

- Share internally with team reflect to drive improvement cycles
- Present to the board and stakeholders
- Communicate to Investors
- Share with other important stakeholders

Sector Report

Showing "state of the sector" results

TE further support

- Performance review report
- Presentation of your results and recommendations
- Customized deeper dives fiber/theme specific, etc

PFM BENCHMARK ONLINE DEMONSTRATION



QUESTIONS & ANSWERS



THANK YOU

Please visit our website: TextileExchange.org aboutorganiccotton.org