



Textile  
Exchange

# Textile Exchange Annual Report 2023

## → A note from our CEO, Claire Bergkamp



While taking action for climate and nature is more urgent than ever, by now it's clear that there is no one-size-fits-all solution for the global fashion, textile, and apparel industry. That's why, to really lean into our vision of system-level transformation, we're working to ensure that our community has all the tools and resources needed to drive change at scale – no matter their stage in the journey.

By providing access to the best available data and information, we're fostering joined-up thinking across the entire supply system when it comes to issues like biodiversity, regenerative agriculture, global production volumes, and regional-based risks. Through our materials sustainability standards and traceability tools, we're enabling more transparent claims and enhanced industry integrity.

With all of these tools and resources at our disposal, it's crucial to remember that unlocking their potential is going to require widespread, pre-competitive collaboration. Ultimately, we win together, and we lose together. That's why we're doubling down on fostering alignment and partnership.

Toward the end of 2023, we took the time to weigh up our strategic priorities, honing our focus to ensure we are set up to truly inspire and equip the industry to meet our 2030 Climate+ targets. As part of this, we adjusted our organizational structure, which will better enable us to provide the guidance and cohesion that our community needs to succeed.

It is thanks to the support and action of our driven global community that we built such momentum throughout 2023, and I'd like to thank our members for consistently showing up to learn, share experiences, and grow.

2023 was another banner year for us in terms of our financial growth and industry support. We reached new heights with the number of certified sites, conference attendance, and membership. This is all thanks to those who continue to show up and support our vision for change.

Thank you to all of you that aligned behind the change we want to see. I have every hope that we can continue to amplify our impact going forward, together helping to shape a better system from the inside.

*Claire Bergkamp*  
CEO, Textile Exchange

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# 01 OUR MISSION

## → Our mission, vision, and goal

### **We're striving for a global production model that gives back more than it takes from nature.**

Textile Exchange is a global non-profit driving beneficial impact on climate and nature across the fashion, textile, and apparel industry. We guide a growing community of brands, manufacturers, and farmers towards more purposeful production from the very start of the supply chain.

Our goal is to help the industry achieve a 45% reduction in the emissions that come from producing fibers and raw materials by 2030. To get there, we are keeping its focus holistic and interconnected, accelerating the adoption of practices that improve the state of our water, soil health, and biodiversity too.

For real change to happen, everyone needs a clear path to beneficial impact. That's why we believe that approachable, step-by-step instruction paired with collective action can change the system to make preferred materials and fibers an accessible default, mobilizing leaders through attainable strategies, proven solutions, and a driven community.

# Mission

### **Our mission**

Textile Exchange inspires and equips people to accelerate the adoption of preferred materials through clear and actionable guidance.

We convene the fashion, textile, and apparel industry to collectively achieve climate reduction goals and holistic positive impacts across fiber and raw material production.

# Vision

### **Our vision**

We envision an enriching global fashion, textile and apparel industry that protects people and planet by positively impacting climate, soil health, water, and biodiversity.

# Goal

### **Our goal**

At the heart of our organizational strategy, Climate+, is the goal of guiding the industry towards reducing greenhouse gas (GHG) emissions from fiber and raw material production by 45% by 2030.

This goal was developed to be in line with the Paris Agreement and to keep global warming to a 1.5°C pathway. But it doesn't stop there. The way we lead the industry is unique in that it goes beyond just greenhouse gas emissions to ensure a holistic view of impacts.

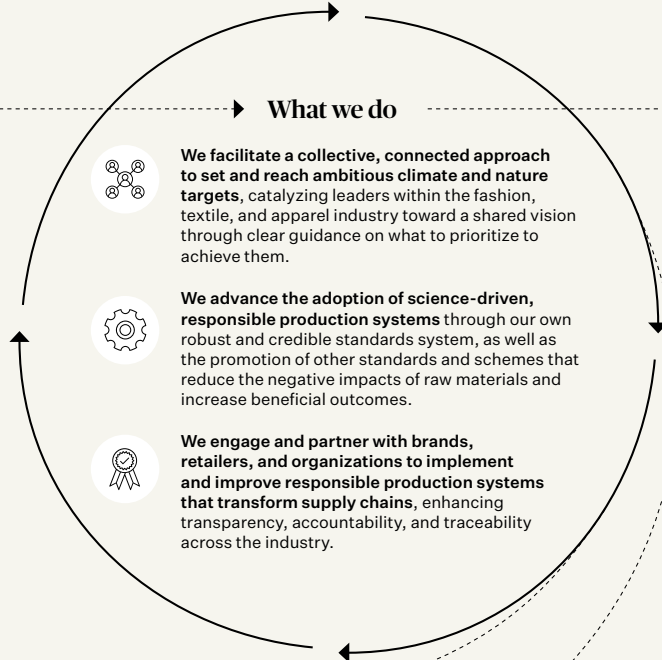
# → Our Theory of Change

## The fashion, textile, and apparel industry today

- **Material production negatively impacts climate, soil health, water, biodiversity, and communities.** The production and extraction of raw materials makes up about 24%<sup>1</sup> of the industry's greenhouse gas emissions, as well as negatively impacting the communities and ecosystems that produce them.
- **Supply chains are long, complex, and opaque.** Most brands and retailers don't have full visibility into their supply chains. This is especially true for the raw material sourcing stage.
- **The industry is producing too much new material.** The pace of growth in new material production is at odds with the need for an overall reduction in greenhouse gas emissions.
- **We're not on track to meet our targets.** The supply and demand of preferred materials is growing, but not quickly enough to reach our 2030 targets.
- **We need better data to facilitate change.** There are significant data gaps to identify which potentially preferred materials should be scaled.
- **The fashion, textile, and apparel industry is massive, diverse, and fragmented.** For that reason, there's no one-size-fits-all solution. Solutions will need to be holistic, represented by diverse perspectives, and championed beyond the reach of one organization.

<sup>1</sup>World Resources Institute, Apparel Impact Institute, 2021.  
 "Roadmap to Net-Zero: Delivering Science-Based Targets in the Apparel Sector."

## What we do



**We facilitate a collective, connected approach to set and reach ambitious climate and nature targets,** catalyzing leaders within the fashion, textile, and apparel industry toward a shared vision through clear guidance on what to prioritize to achieve them.

**We advance the adoption of science-driven, responsible production systems** through our own robust and credible standards system, as well as the promotion of other standards and schemes that reduce the negative impacts of raw materials and increase beneficial outcomes.

**We engage and partner with brands, retailers, and organizations to implement and improve responsible production systems that transform supply chains,** enhancing transparency, accountability, and traceability across the industry.

## Our 2030 target

**We meet our goal of a 45% reduction in greenhouse gas emissions from fiber and materials production.** Our end goal is to guide the fashion, textile, and apparel industry toward a 45% reduction<sup>2</sup> in greenhouse gas emissions that come from fiber and raw material production by 2030, while driving positive impacts on soil health, water, and biodiversity.

We call this **Climate\***.

<sup>2</sup> From a 2020 baseline

## The impact we want to have

We're paving the way for a resilient future for the **industry** by helping it to transform its approach to fiber and material production, so it can reduce greenhouse gas emissions whilst protecting soil health, water, and biodiversity.

Ultimately, we envision a **society** where the ecosystems and communities that produce fibers and materials are not only respected and protected from negative impacts, but also benefit from improved production practices.

## In the long-term



**Brands and suppliers have stronger relationships.** Brands and retailers have full visibility of their certified material supply chains and increased visibility of all other material supply chains.



**Responsible production systems are continuously improved.** As we learn from the impact data we observe, production systems are continuously improved, and these findings are quickly shared through a network of organizations directly engaging producers and producer groups.



**Responsible production systems are driving the availability of preferred materials.** Producers feel the benefits, incentivizing others.



**Strong leadership catalyzes positive action.** The community of leaders among brands, retailers, and organizations driving responsible production systems continues to help lead other industries meet their climate targets. Companies without responsible production systems in place are less likely to succeed, thanks to the positive pressure from both inside and outside the industry.

## In the short-term



**Brands, retailers, and material production organizations have the clarity and support they need to accelerate action for climate and nature through materials production.** This includes annual, credible data on progress across holistic impact areas, as well as clear and actionable guidance.



**Brands and retailers have set material-specific sourcing and investment targets and are reporting their progress.** Textile Exchange members have set targets for sourcing and investing in preferred materials. These include material conversion targets and targets related to slowing the growth in production of new materials. We see an increase in the share of certified, verified materials across priority fiber categories.



**Responsible production systems are identified and promoted.** Through more effective partnerships, there is increased engagement from material production organizations in advancing best practices, impact measurement, and mechanisms to scale promising solutions. Programs and suppliers are on track or well positioned to deliver beneficial climate and nature outcomes.



**The voices of producers and those directly involved in production systems are elevated.** Previously marginalized and under-represented voices are brought into the conversation. A growing community of individuals and organizations at either end of the supply chain actively share their knowledge and experiences, helping to accelerate transformation that is ambitious and sustainable.

# 02 ACCESS TO INFORMATION

## → Providing access to accurate data and information on climate and nature

If we are to reach our collective goals on time, we need to ensure that the industry is on the same page when it comes to setting targets and strategies for climate and nature at the raw material level. This also means equipping the industry with the tools and resources it needs to make and track progress against these goals.

That's why we stepped up our commitment to tracking progress against climate and nature goals with the launch of our "Climate+" dashboard in 2023. This dashboard provides the industry with a common reference point to monitor our collective progress on key impact areas, which currently include greenhouse gas emissions, freshwater, and biodiversity.

To help the industry take a holistic approach to addressing the climate and nature impacts of raw material sourcing,

we launched updated versions of two key impact tools in 2023. Our Materials Impact Explorer (MIE) helps companies to better understand the regional-specific risks associated with their raw material sourcing, and our Preferred Fiber and Materials Matrix (PFMM) offers a holistic view of what is covered within different standard systems.

We also released a range of reports in 2023, aiming to fill knowledge gaps and foster industry alignment around key topics. With our reports and research, we seek to break down complex issues such as biodiversity and regenerative agriculture, as well as to provide key insights on global fiber and material production trends annually.

7,139

visits to our Climate+  
impact dashboard in  
2023

2,923

users of the Preferred  
Fiber and Materials  
Matrix in 2023

425

companies using  
the Materials Impact  
Explorer since launch in  
October 2023

14,439

website views of our research  
and reports released in 2023



## → Tracking the industry’s sustainability progress at the raw materials level



### Tracking the industry’s impacts on climate, freshwater, and biodiversity with an interactive dashboard

We can’t know whether we’re on track to reach our Climate+ goal of reducing greenhouse gas emissions by 45% by 2030 if we don’t measure our progress. The Climate+ dashboard allows us to

do that, giving us a way of looking at annual fiber and raw material production data and the associated greenhouse gas (GHG) emissions against a 2019 baseline. Current figures show that the industry is not on track to reach the 45% GHG reduction goal, and significant action still needs to be taken.

Our Climate+ dashboards also cover water, with a hotspot assessment for

water consumption and eutrophication impacts, as well as biodiversity, outlining areas of biodiversity significance with key fiber and material production geographies. We’re working on expanding our dashboards to include other LCA+ areas including human rights and livelihoods and animal welfare in the future.

[Explore the Climate+ Dashboard](#) →



### Tracking materials production volumes from year to year in our Materials Market Report

Our annual Materials Market Report outlines the big picture in terms of global production volumes and availability of different fibers and raw materials, as well as trends and progress towards the adoption of more

sustainable materials and practices. This volume data is then used for the climate and freshwater impact modelling in our Climate+ dashboard.

[Download the report](#) →

👁 **Website views:** 4,153

👤 **Report users:** 3,017

MEDIA COVERAGE



### Textile Exchange production report unpacked

Textile Exchange’s 10th annual Materials Market Report, formerly the Preferred Fiber and Materials Market Report, found that global fibre production increased to a new record level – 116 million tonnes – last year while the amount of textiles being recycled actually fell back, after years of growth, from 8.5% in 2021 to 7.9% in 2022. [...]

[Read the full story](#) →

## → Calculating environmental impacts with Life Cycle Assessment (LCA) data

Life Cycle Assessment (LCA) is the most common methodology used today to understand the environmental impacts associated with fibers and raw materials at a broad scale in today's fashion, textile, and apparel industry.

Striving to ensure that the industry has access to more up-to-date and robust Life Cycle Assessment (LCA) data, we spearheaded work on seven new LCA studies in 2023 – covering cotton, polyester, leather, cashmere, Responsible Wool Standard wool, Responsible Mohair Standard mohair, and nylon.

It is more critical than ever for the industry to have credible data to rely on, and in doing these seven LCAs, we believe that we can begin to address the long-standing issue of out-of-date underlying data. Results of these studies are scheduled to be published in 2024 and 2025.

[Find out more about LCAs](#) →

### **Taking a holistic view of impact measurement**

At Textile Exchange, we take an approach to impact data we call “LCA+,” recognizing the importance of Life Cycle Assessment data and working to improve this for the industry, while also seeking out other data sources and methodologies that address impact considerations not covered by LCA methodology.

[Find out more about LCA+](#) →



# → Establishing the tools that facilitate more informed material sourcing decisions

In 2023, we updated and publicly released two core tools that help guide the industry’s sourcing decisions with qualitative and quantitative data, taking a holistic approach to impacts in-line with our “LCA+” approach.



## The Materials Impact Explorer (MIE)

The Materials Impact Explorer (MIE), launched in partnership with Google, NGIS, and WWF, is a first-of-its-kind risk assessment tool specifically for the fashion, textile, and apparel industry, helping brands to understand the regionally-specific risks associated with their fiber and raw material sourcing.

Now a free, open-source tool, the MIE improves companies’ visibility into environmental risks and opportunities associated with their raw materials, laying the foundation for them to start working with their value chain partners to collectively tackle the challenges posed by climate change and nature loss.

[Discover the tool](#) →

👤 **Registered users:** 888

MEDIA COVERAGE



## Textile Exchange launches Materials Impact Explorer tool

Textile Exchange has launched Materials Impact Explorer (MIE), a “first-of-its-kind risk assessment tool” specifically for the fashion, textile, and apparel industry. [...]

[Read the full story](#) →



## The Preferred Fiber and Materials Matrix (PFMM)

In 2023, we launched the PFMM as an open-source tool for the industry, providing a shared view of what is covered within different standard systems, across 80 qualitative and quantitative indicators.

In addition to helping brands make informed material sourcing decisions, this tool also provides the owners of these standards systems a way to view their performance in a standardized way and toward a shared “direction of travel” for beneficial impact.

The PFMM currently assesses standards systems across the impact areas of Climate, Freshwater, Chemicals, Land, Resource Use and Waste, Biodiversity, Human Rights, and Animal Welfare. In addition, Initiative Integrity addresses the robustness and governance of a given standard system.

[Explore the tool](#) →

👁️ **Website views:** 4,817

👤 **Users:** 2,923

MEDIA COVERAGE



## What’s New with Textile Exchange’s Preferred Fiber and Materials Matrix? Plenty.

Textile Exchange launched on Monday the newly updated Preferred Fiber and Material Matrix, an interactive platform designed to bolster what the sustainability multistakeholder group describes as a “holistic” understanding of certified material choices. [...]

[Read the full story](#) →

# → Establishing the tools that facilitate more informed material sourcing decisions

## Materials Directory

Alongside the Materials Market Report, in 2023 Textile Exchange also launched the Materials Directory – a unique, filterable online repository for raw material suppliers, production units, and branded materials used in the fashion, textile, and apparel industry.

The Materials Directory helps the industry find raw material suppliers, see where they operate, and understand what branded materials they offer in the form of interactive maps and a filterable database. In doing so, the tool increases transparency around suppliers and their materials by connecting different data sets into one central directory.

[Discover the Materials Directory](#) →

## Cotton Gins – Facilities

Company  
All

Country  
All

Raw Material  
All

Raw Material Standard  
All

Facility Standard  
All

CTRL + click to make multiple selections



**700+**  
fiber and raw material production facilities and producers from around the world

**280+**  
branded fibers and raw materials

| Facility ID | Company                                       | State/Province | Country       | City (or Other Differentiator Term) | Latitude | Longitude | Website   | Raw Material(s) | Raw Material Star <sup>®</sup> |
|-------------|---|----------------|---------------|-------------------------------------|----------|-----------|---|-----------------|--------------------------------|
| GIN0000457  | 4-way Gin Co., Inc.                           | Missouri       | United States |                                     | 36.14    | -90.16    |   | Cotton          |                                |
| GIN0000460  | A.C. Riley Cotton Co.                         | Missouri       | United States |                                     | 36.60    | -89.54    |   | Cotton          |                                |
| GIN0000464  | Abadgar Cotton Ginning Pressing               | Sindh          | Pakistan      |                                     | 25.75    | 68.66     |   | Cotton          |                                |
| GIN0000474  | Factory. ABHISHEK GINNING & PRESSING PVT.LTD. | Maharashtra    | India         |                                     | 21.32    | 74.59     |   | Cotton          |                                |
| GIN0000476  | Adams Cotton Merchants, Inc.                  | Texas          | United States |                                     | 32.75    | -101.95   |   | Cotton          |                                |
| GIN0000478  | Adams Land Company                            | Arkansas       | United States |                                     | 35.94    | -90.25    | <a href="https://www.adamslandco.net/">https://www.adamslandco.net/</a> | Cotton          |                                |
| GIN0000480  | Adcock Gin                                    | Texas          | United States |                                     | 32.81    | -101.92   |   | Cotton          |                                |
| GIN0000483  | ADITYA AGRO INDUSTRY                          | Haryana        | India         |                                     | 29.55    | 75.02     |   | Cotton          |                                |
| GIN0000489  | Adobe Walls Gin                               | Texas          | United States |                                     | 36.08    | -101.25   |   | Cotton          |                                |
| GIN0000493  | Afrisian Ginning Company                      | Dar es Salaam  | Tanzania      |                                     | -2.54    | 32.97     | <a href="https://afrisian.com/">https://afrisian.com/</a>               | Cotton          |                                |
| GIN0000502  | AGRAWAL GINNING & PRESSING Pvt. Ltd.          | Maharashtra    | India         |                                     | 21.26    | 75.31     |   | Cotton          | Organic                        |
| GIN0000525  | AIFAZ COTTON PROCESSORS GAT                   | Maharashtra    | India         |                                     | 20.06    | 78.98     |   | Cotton          | Organic                        |
| GIN0000536  | Akova Pamuk Tar. Ürn. San. Tic. A.Ş.          | Şanlıurfa      | Turkey        |                                     | 36.85    | 38.95     |   | Cotton          | Organic                        |

Updated as of: 12/12/2023

# → Publishing in-depth research and guidance to enable beneficial impact

Our research and reports are designed to offer a shared reference point and a defined course of action to empower stakeholders to move together toward shared goals.

From breaking down complex issues like biodiversity and regenerative agriculture, to unpacking the competitive advantages of investing in sustainable materials now, our freely available reports provide access to critical data and insights that will enable the industry to move toward more purposeful production, right from the start of the supply chain.



## Biodiversity Landscape Analysis

Since so many of the materials used by the fashion, textile, apparel, and footwear industry come from the land, companies have a vital opportunity to not only reduce harm and mitigate risk, but to actively protect, restore, and regenerate natural ecosystems.

The Biodiversity Landscape Analysis synthesizes the broad state of play on biodiversity action in our industry today,

focusing on raw materials produced in agricultural systems. This report helps the industry make sense of the wealth of biodiversity tools, methods, frameworks, and standards available today, toward urgent collective action.

[Download the report](#) →

🌐 **Website views:** 2,271

👤 **Users:** 1,497

MEDIA COVERAGE



## How Can Fashion Benefit Biodiversity? Textile Exchange Has Some Ideas

With more than a third of their materials sourced from land-based ecosystems, fashion, textile, and apparel companies play a key role in protecting biodiversity. [...]

[Read the full story](#) →



## Regenerative Agriculture Outcome Framework

The Regenerative Agriculture Outcome Framework aims to help the fashion, textile, and apparel industry understand what it means for a program to be truly “outcomes-based.”

The framework provides a flexible, context-adaptable way to assess the holistic benefits of regenerative systems, laying out key outcomes for ecological health, social and economic equity, and animal welfare, while allowing users to select the most appropriate outcomes for them.

It was released as “Version One” to reflect our ongoing commitment to refining the framework, and testing began through our Round Table Working Groups in the summer of 2023. We invite companies, project developers, and farm groups to join in helping us to refine it going forward.

[Discover the framework](#) →

[Download the background report](#) →

🌐 **Website views:** 4,434

👤 **Users:** 2,554

MEDIA COVERAGE



## A new framework for regenerative agriculture wants to help fashion measure impacts

A new framework for regenerative agriculture wants to help fashion measure impacts

Textile Exchange is working to define and measure regenerative agriculture, which has been embraced by fashion but doesn't yet have formalised guidelines. [...]

[Read the full story](#) →

## → Publishing in-depth research and guidance to enable beneficial impact



### Growing Hemp for the Future

Since its recent legalization in countries around the world, the global textile industry is increasingly turning to hemp. Growing Hemp for the Future: A Global Fiber Guide looks at fiber hemp production around the world, identifying its benefits and concerns, providing recommendations to guide fiber hemp programs toward a resilient future.

Fiber hemp holds strong sustainability potential, but as it gains popularity, it is vital that we look at how it is grown. This means taking on board lessons learned from other fiber crops, where heavy synthetic pesticide and fertilizer use have become the norm.

[Download the report](#) →

🌐 **Website views:** 3,581

👤 **Users:** 2,486

MEDIA COVERAGE

Just Style

### Textile industry must seize opportunity to shape fibre hemp standards

The hemp sector is being urged to ramp up its focus on data and evidence around hemp production if the fibre is to be adopted as a serious sustainable alternative to cotton. [...]

[Read the full story](#) →



### Sustainable Raw Materials Will Drive Profitability for Fashion and Apparel Brands

Released at our 2023 conference, this report by [Boston Consulting Group](#) (BCG), in collaboration with [Textile Exchange](#) and [Quantis](#) makes the case that investing in more sustainable material supply now will pay off in the future, driving profitability as well as securing supply, helping brands double down on reducing their carbon emissions, and prepare for new regulations.

The report found that brands that successfully increase the share of preferred raw materials in their portfolios may see a 6% average net profit increase

over a five-year period. As such, the report makes the business case for why C-suite and executive teams need to prioritize investment in preferred alternatives to conventional materials.

To get there, among other recommendations laid out in the report, brands should focus on fostering direct and long-lasting partnerships in supply systems, which means making long-term commitments with farmers, growers, mills, spinners, and finished goods suppliers to de-risk their investments in preferred materials and to send market signals about the importance of such materials.

[Download the report](#) →

MEDIA COVERAGE

VOGUE  
BUSINESS

### Want to boost profits? Invest in sustainable materials

As the industry's key climate goal deadlines near, Textile Exchange has released a report that aims to convince fashion execs of the long-term financial upsides of investing in sustainable materials, alongside a new sourcing tool for practitioners. [...]

[Read the full story](#) →

# 03 STANDARDS

## → Enabling credible claims through materials sustainability standards

Over the last 20 years, our sustainability standards have helped us build integrity in the fashion, textile, and apparel industry. Today, Textile Exchange offers eight standards that are tailored to key concerns around resource management, human livelihoods, animal welfare, and traceability mechanisms that come with producing different types of materials.

While our standards have historically focused on minimizing negative impacts, we are now working to raise the bar, finding solutions for how to set standards that reward and measure raw material production practices that bring about beneficial impacts for climate and nature.

As such, since 2021 we have been moving to harmonize our eight standards into a more unified, impact-focused system. As we drive forward a holistic approach to climate action, we need new criteria that reflects this. This is why, as part of this transition, we are proactively identifying indicators that show lasting impact in key areas, such as climate, soil health, water, and biodiversity, as well as human livelihoods and animal welfare.

Alongside the remodeling of our standard system, we have also been working to further build out our Trackit traceability offering, which is designed to strengthen integrity and supply chain efficiency for our standards. Our Trackit system allows brands to choose how to trace their transactions, with Digital Trackit (dTrackit) tracing certified materials by digitalizing transaction certificates, and Electronic Trackit (eTrackit) tracing certified materials online via eTransactions. In November, eTrackit was commercially released for the Global Recycled Standard (GRS) and Recycled Content Standard (RCS).

Looking ahead, we will continue to uphold our firm dedication to maintaining a robust and effective standards system that links brands, retailers, and large suppliers to certified materials, assuring that they can provide labels and claims that are both compelling and verifiable.

# 74,500\*

sites certified to our standards over the past year

\*This is our current best estimate and may change as new information is available.

# 97

countries in which our standards are used

# 34

certification bodies licenced to certify to our standards



## → Committing to continuous improvement through independent evaluations

The Responsible Wool Standard (RWS) was launched by Textile Exchange in 2016, along with a wide range of industry experts and stakeholders. The goal was to help promote traceability for responsible wool, produced with improved environmental, social, and animal welfare practices, while rewarding the farmers who set a strong example.

In the space of just a few years, the RWS grew significantly. By the end of 2022, approximately 4400 farms in eleven countries were RWS certified, accounting for around 20 million sheep.

To take stock of progress, in 2022, we commissioned an independent evaluation of the RWS, which carried out research in South Africa, one of the world's leading producers of wool. Insights from the report, which highlight the positive impacts of the RWS as well as areas for improvement, will be used to implement changes going forward.



Photo: Joya Berrow

## → Transitioning our standards into a more unified system

In 2021, we began a sweeping revision of our standards framework with the aim of developing a harmonized system that incorporates outcomes focused on our Climate+ strategy. The unified standard system will let us track and communicate progress more efficiently and effectively across all certified materials included in the scope, while increasing the value for participants.

Throughout 2023, we set about refining the unified standard system, carrying out two phases of public consultation. Having completed the first draft of the unified standard, in May of 2023 we invited the public to share their feedback, aiming to ensure that the new system is created with the input of as many stakeholders that are impacted and interested as possible. After collecting this feedback, we then created the second draft, which we again shared for open consultation in October.

Following these two rounds of public feedback, the next version of the standard is planned to be released in early 2024, although it will not be immediately effective or mandatory at this stage. This will be considered the planning version for pilot testing to understand the feasibility of the criteria in different contexts.

This new standard system is being developed in collaboration with an International Working Group (IWG) made up of 22 members with diverse representation across regions, industries, and climate expertise.

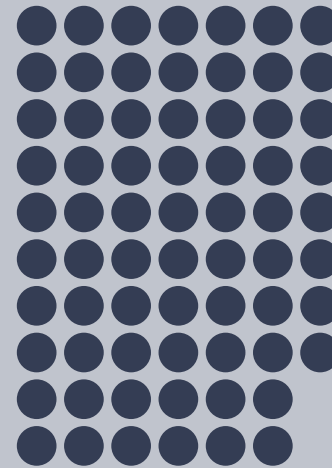
[Find out more about our standards transition](#) →

# Two drafts

released for public consultation

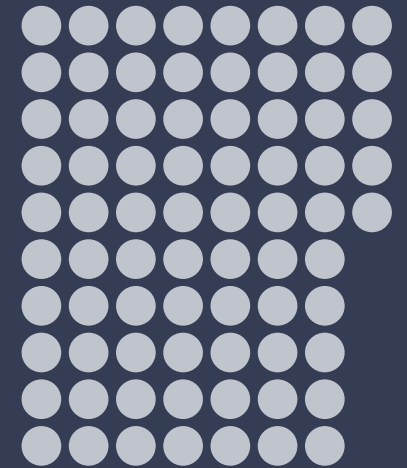
# 68

individuals shared feedback in first consultation



# 75

individuals shared feedback in second consultation



# 04 INDUSTRY INITIATIVES

## → Creating space for collaboration and shared accountability

Fostering connectivity and creating opportunities to learn from one another is key to accelerating industry transformation. Our community-building efforts – whether through our annual conference, Materials Benchmark program, or The Hub – help our global network to align around a shared trajectory for change.

Our community continued to grow throughout 2023, which saw our largest conference to date, the number of round table participants almost doubling from the previous year, and companies taking part in our Materials Benchmark expanding to also include suppliers and manufacturers.

Through our initiatives, we help motivate the industry to come together around specific, time-bound goals.

Alongside our ongoing 2025 Material Challenges for cotton and recycled polyester, in 2023 we also launched an initiative focused specifically on creating deforestation-free leather supply chains. Showing public commitment to achieving these goals is a vital step, and using a shared framework empowers companies to hold each other to account.

Moving forward, we will be doubling down on cultivating strategic partnerships to unlock collective action. Alongside our membership program, our work with industry partners, and our ongoing collaborations as part of Fashion Conveners and apparel alliance, we will be placing further emphasis on building dynamic partnerships with organizations working directly with producers. This, we believe, represents a vital opportunity to accelerate industry transformation.



## → Creating a common reporting framework for materials sustainability

As the largest peer-to-peer comparison initiative in the fashion, textile, and apparel industry, Textile Exchange’s Materials Benchmark showcases companies’ progress toward more sustainable materials sourcing. In helping to keep each other accountable, we are driving a race to the top to reach our collective goals.

The Materials Benchmark allows companies to track, measure, and report their fiber and materials uptake and impact. By providing a standardized framework for companies to fill in, the program creates consistency in sustainability reporting at the materials level.

In 2023, we extended the focus of our benchmark survey to look beyond solely increasing the adoption of preferred materials, with questions updated to include progress, targets, monitoring, and reporting across climate, biodiversity, freshwater, ocean, land use, and soil health too.

Every year, we publish the results of the benchmark in our Material Change Index, which showcases the performance of companies that have chosen to take part.

[See the 2023 results in the Materials Change Index](#) →

### Discover key insights and trends in our Materials Benchmark Reports

Data from the benchmark is analyzed in our Materials Benchmark Reports, helping to create a better understanding of the state of the sector, as well as the solutions needed to reach our goals. 2023 also saw us launch the Materials Benchmark for suppliers and manufacturers (from fibers to garment production), whose results are published in a separate report.

[Read the data report for brands and retailers](#) →

[Read the data report for suppliers and manufacturers](#) →

394

brands/retailers that took part in the benchmark

52

suppliers/manufacturers that took part in the benchmark



## → Fostering shared commitments to preferred materials uptake

By taking part in our initiatives and challenges, companies gain access to clear, detailed requirements and roadmaps, as well as guidance along the way, meaning they are supported on their journey toward accelerating positive change.

### **Deforestation-Free Call to Action for Leather**

In June, we officially launched the Deforestation-Free Call to Action for Leather, in partnership with Leather Working Group. In September, World Wildlife Fund (WWF) also joined as a partner.

The initiative calls on brands to commit to sourcing all bovine leather from deforestation-free supply chains by 2030 or earlier, aiming to leverage the size and power of consumer-facing leather brands and align their action to catalyze change in leather value chains.

With the Deforestation-Free Call to Action for Leather, brands receive a detailed roadmap, with specialist guidance on how to take action from multiple angles along the way.

This ranges from setting leather sourcing commitments to implementing traceability and making investments. The call to action partners work closely with an NGO advisory group and other industry experts to develop and deliver on the strategy and guidance for the signatories to move along the roadmap.

To ensure enhanced accountability and transparency, signatories will be reporting their progress towards meeting the requirements of their commitments through our [Materials Benchmark](#) in April 2024.

[Find out more about the Deforestation-Free Call to Action for Leather](#) →

Photo: Ana Caroline de Lima



## → Fostering shared commitments to preferred materials uptake

### 2025 Sustainable Cotton Challenge

In a drive to shift the market towards using cotton grown with agricultural practices with improved environmental and social outcomes, our Sustainable Cotton Challenge encourages companies to commit to sourcing 100% of their cotton from more sustainable programs and initiatives by 2025.

The challenge recognizes 16 programs and initiatives from around the world. In 2020, industry adoption of these programs and initiatives sat at 30%, and our goal is to raise this beyond 50% by 2025.

The 2025 Sustainable Cotton Challenge Dashboard tracks participating companies' progress towards their targets, which is submitted annually through our Materials Benchmark. The 2023 data will be collected and published in 2024.

[Discover the 2025 Sustainable Cotton Challenge Dashboard](#) →

159

participating brands

76%

cotton sourced by recognized programs and initiatives by signatories in 2022

24%

of signatories reached the target of sourcing 100% of their cotton by recognized programs by 2022

8%

approximate share of the total cotton market covered by the signatories

### 2025 Recycled Polyester Challenge

Launched in 2021 alongside the UNFCCC, our 2025 Recycled Polyester Challenge calls on companies to commit to sourcing from 45%-100% of their polyester from recycled sources by 2025.

Since polyester is the most used material in the fashion, textile, and apparel industry, our goal is to stop new fossil-based synthetic fibers from entering the system, rather than substitute other material categories or justify increased industry growth.

The 2025 Recycled Polyester Challenge Dashboard tracks participating companies' progress towards their targets, which is submitted annually through our Materials Benchmark. The 2023 data will be collected and published in 2024.

[Discover the 2025 Recycled Polyester Challenge Dashboard](#) →

124

participating brands

58%

of signatories committed to replacing 100% of their virgin fossil-based polyester with recycled by 2025

11%

of signatories have already reached their target

3%

approximate share of the total apparel polyester market covered by the signatories

## → Building momentum by bringing stakeholders together

With 7,349 registered users in 2023, The Hub – our online community platform – provides a valuable space for pre-competitive collaboration among stakeholders worldwide. In fact, according to our 2023 Membership Survey, The Hub was considered the most valued benefit for our members.

Also on The Hub, in 2023 we launched two new Communities of Practice, which provide a neutral space to share information, cross-pollinate learnings, and identify opportunities for action and partnerships related to key topics that cut across individual fiber and materials categories.

In 2023, we also created opportunities for our community to come together in person at two convening events in London and New York. At these events, attendees took part in facilitated discussions and workshops that explored a particular tool or program, supporting them with implementation and acceleration towards Climate + goals.

### Round tables and working groups

Our round tables help the sector to develop a shared understanding of its core sustainability issues, create alignment on goals and actions, boost commitment from major players, and measure progress.

Alongside our round tables, we also convene a range of working groups made up of key stakeholders who agree to meet regularly to work through key topics together. In 2023, a total of 97 members took part in working groups to develop resources, create alignment on definitions and goals, and drive innovative projects forward.

Throughout 2023, we hosted dedicated global and regional round table summits. The global summits convened round table communities at existing industry events to gather fiber-specific insights, and regional summits connected the industry to fiber and material producers to strengthen understandings of regional landscapes, fibers, and contexts.

The year saw over 4000 participants coming together for round tables, which were dedicated to the following fibers and materials:

- Organic Cotton
- Sustainable Cotton
- Recycled Polyester
- Biosynthetics
- Manmade Cellulosics
- Animal Fibers
- Leather

[Find out more about round tables](#) →

870+

Textile Exchange member organizations

5,100

people registered to our webinars in 2023

7

working groups with 97 total members

4,000+

round table participants, up from 2,040 the previous year



## → Building momentum by bringing stakeholders together

### **Regenerative Agriculture Community of Practice**

After publishing our Regenerative Agriculture Landscape Analysis report in January 2022, the pressing need for the fashion, textile, and apparel industry to convene in real time around regenerative agriculture and soil health became clear.

With the vision of accelerating the transition to regenerative fiber

production systems and value chains, this community was created to enable stakeholders to work across fiber categories to cross-learn, address common barriers, and expand on collective knowledge. Throughout 2023, the community saw brands, supply chain partners, growers, the scientific community, and more coming together around the common goal of land restoration and soil regeneration.

🌐 **People joined in 2023:** 381

### **Impact Measurement Community of Practice**

We launched this community in April 2023 to convene the industry around topics related to impact data, measurement practices, and methodologies.

Among other topics, this includes the data and methods used for

calculating impacts and setting targets aligned to the Science Based Targets initiative, such as the GHG Protocol, the Science Based Targets Network, and Science Based Targets for Nature, with a focus on Tier 4 fashion, textile, and apparel supply chains.

🌐 **People joined in 2023:** 243

### **Biodiversity Community of Practice**

Following up on our 2023 [Biodiversity Landscape Analysis](#), this community provides a dedicated online space for stakeholders in our key production landscapes as well as across supply

chains to connect, share knowledge, and collaborate around biodiversity.

The aim of the community is to support supply chains in taking a holistic approach for improved biodiversity outcomes and healthy, resilient ecosystems.



## → Hosting our biggest ever Textile Exchange conference

From October 23–27 2023, the Textile Exchange Conference was held in London for the first time. It was also our largest conference to date, with 1,422 attendees coming together at the O2 Intercontinental, overlooking the River Thames in Greenwich. An additional 525 also took part via our virtual offering. We were joined by attendees from a total of 57 countries, including representatives of 730 companies.

On each day of the conference, sessions unpicked the defining issues faced by our global community today, providing a space to collaboratively explore challenges and solutions to overcoming the climate crisis. We welcomed brands, supply chain partners, material innovators, farmers, non-profits, academics, and more to the floor, bringing changemakers from every corner of the fashion, textile, and apparel industry together to help shape a better system from the inside.

Our 2023 conference host was climate and environment journalist Whitney Bauck, who is known for her in-depth investigative writing at the intersection of climate and fashion, as featured in the Guardian, the New York Times, the Financial Times, New York Magazine, Grist, Bloomberg, and more.



### Catch up on everything that happened at the 2023 conference

Our 2023 Conference Report brings all the highlights and key takeaways together in one place. By creating a shared reference-point to look back on, the report helps the community to consolidate learnings and access a collective course of action moving forward.

[Read the 2023 Conference Report →](#)

# 05 RAISING AWARENESS

## → Textile Exchange in the media

Discover the range of media outlets that featured our work throughout 2023.



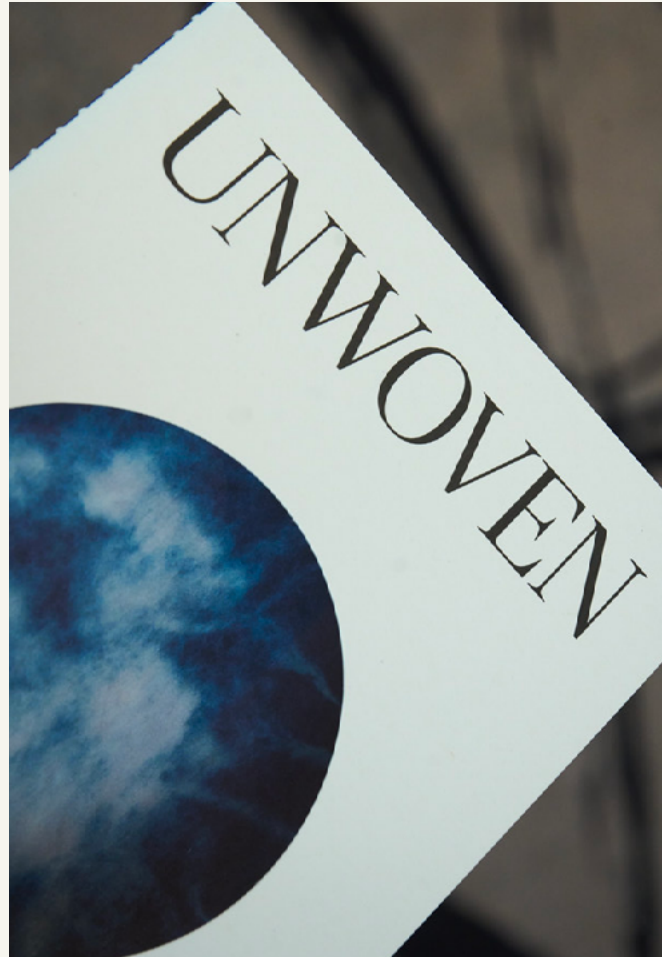
## → Telling stories of materials production from around the world

Throughout 2023, we worked with a range of contributors – from subject matter experts to photographers and journalists – to document stories from the field, create space for on-the-ground voices, and help define what best practice currently looks like.

This work culminated in the production of *Unwoven*, the first edition of Textile Exchange's magazine exploring materials production around the world, which was available in print at our 2023 conference. Each piece offers its own take on the links between materials and people, place, culture, and nature – as well as their interconnectedness with questions around sustainability, social justice, and systems change.

It also features words from thinkers such as Christine Goulay, Leah Thomas, and Rachel Arthur alongside imagery from the winners of Textile Exchange's [photography competition](#) in partnership with Magnum Photos.

[Read Unwoven online](#) →



## → Exploring textile transformations with Magnum Photos

Launched in May of 2023, the second edition of Textile Exchange's photography competition, in collaboration with Magnum Photos, invited emerging photographers to share a project under the theme "Textile Transformations."

The 2023 brief explored the visual stories that take place when fibers and materials are cultivated, created, spun, woven, sewn, loved, and cherished – gaining cultural and emotional significance through the journey.

The competition saw over 500 photographers from over 70 countries share their interpretations of the multitude of ways in which we transform textiles, and textiles in turn transform us. By placing these themes at the center of the story, the resulting entries reframed the way we relate to their social, cultural, and environmental implications, helping to alter our attitude towards these everyday items.

This year's winner and runner up were Kin Coedel and Madeleine Brunmeier, chosen by a jury including Aditi Mayer (Photojournalist, Sustainability Activist), Claire Bergkamp (CEO, Textile Exchange), Sonia Jeunet (Education Director, Magnum), Yessenia Funes (Independent Environmental Journalist), Emily Chan (Senior Sustainability and Features Editor, British Vogue), Lindokuhle Sobekwa (Magnum Photographer), and Peter Van Agtmael (Magnum Photographer).

[Discover the winning entries](#) →



Photo: Kin Coedel



Photo: Kin Coedel



Photo: Madeleine Brunmeier

500+  
entries

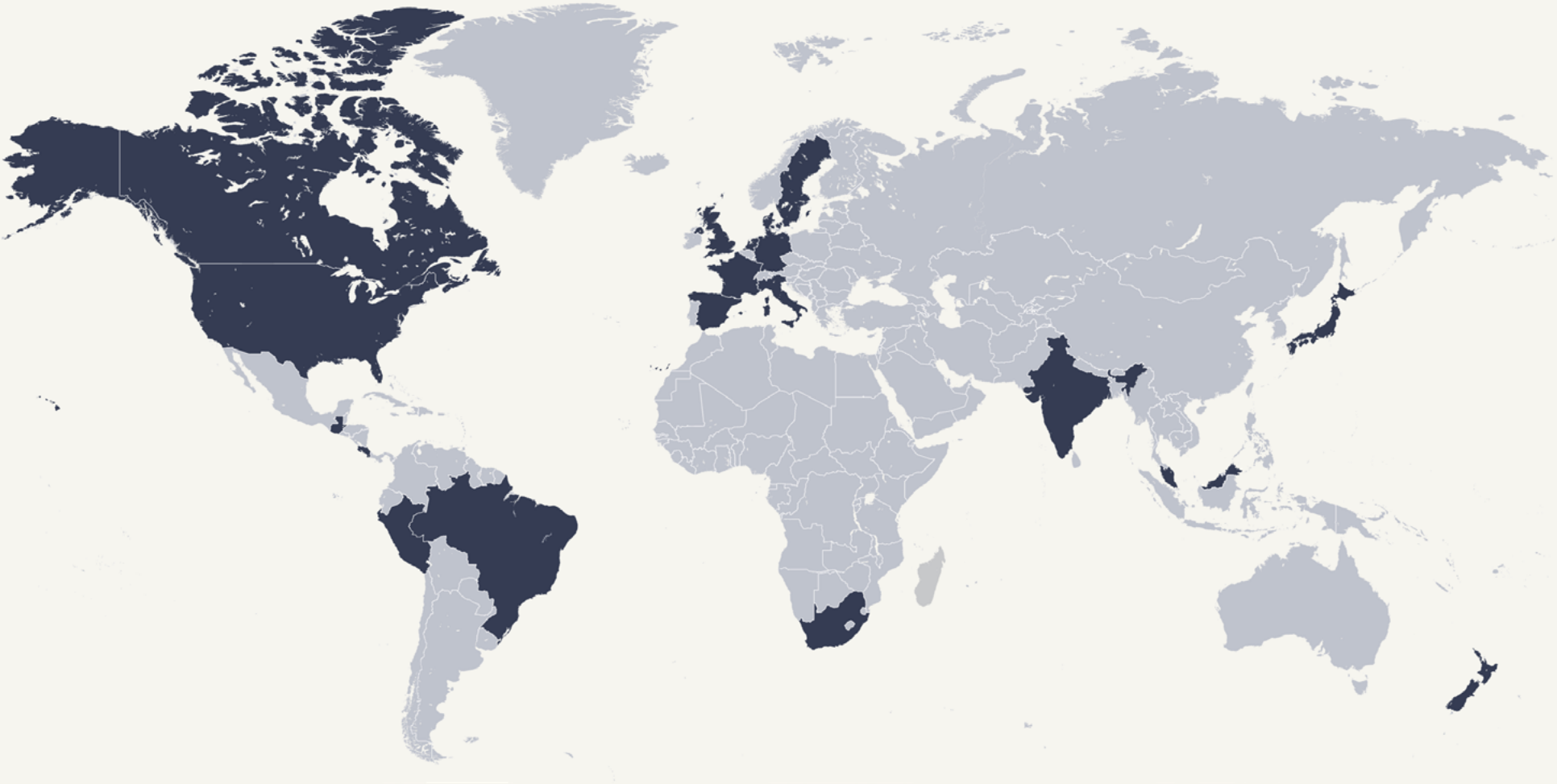
70  
countries

8,000  
photographs

# 06 PEOPLE & FINANCE

# → Our 2023 team

Our growing team is based all over the world, bringing interdisciplinary experience and knowledge from a wide range of sectors. [Explore our interactive global team map](#) →





## → A snapshot of our finances

2023 saw continued growth and interest in our activities. Total revenues were 23.9M USD for all programs, up from 20.5M USD in 2022. The total number of certified sites related to our standard grew to over 70,000, with continued growth in our membership and conference revenues.

2023 was a year of “catching up to our scale.” With such immense growth in previous years, our hiring began to catch up to our size, which is reflected in our expenses. Total expenses were 24.3M, which represented a change in net assets of -431,000 USD. We had planned a negative net income this year to account for heavy investments in our standards systems, including our Trackit launches, as well as an urgency to fund research and reporting such as Lifecycle Assessment (LCA) studies to equip the industry with the knowledge needed to hit our 2030 goals. Some of that investment will carry into 2024 as these activities continue.

We continue to have an asset-heavy and “liability-light” balance sheet, with healthy cash balances of over 13M USD – of which 8.2M USD is located short/medium term savings. These savings will support future investment needs, as well as help hedge inflation and any negative macroeconomic trends that may arise in the coming years.

*Please note, as of the writing of this report, these figures represent unaudited financials. We do expect some shifts as we finalize our audit, but not materially.*



Photo: Ana Caroline de Lima

## → Our 2023 summary

| QUARTER 1  | QUARTER 2   | QUARTER 3  | QUARTER 4   |
|--|---|--|---|
| January–March  | April–June  | July–September   | October–December  |
| <ul style="list-style-type: none"> <li>• Introduction of dedicated global and regional round table summits, convening round table communities at existing industry events</li> <li>• Development of LCA+, our holistic approach to impact measurement</li> </ul> | <ul style="list-style-type: none"> <li>• Materials Benchmark survey streamlined to more closely align with Climate+ goals</li> <li>• Materials Benchmark program for suppliers and manufacturers moved out of its pilot phase</li> <li>• Our Theory of Change published</li> <li>• Completion of the first draft of the unified standard system</li> <li>• Public consultation on the first draft of the unified standard system</li> <li>• Global membership community grows to over 800</li> <li>• The second of our photography competition launched, in partnership with Magnum Photos</li> <li>• Launch of the Deforestation-Free Call to Action for Leather, in partnership with Leather Working Group</li> </ul> | <ul style="list-style-type: none"> <li>• Regenerative Agriculture Outcome Framework launched</li> <li>• Completion of the second draft of the unified standard system</li> <li>• Growing Hemp for the Future: A Global Fiber Guide released</li> </ul> | <ul style="list-style-type: none"> <li>• Preferred Fiber and Materials Matrix made publicly available</li> <li>• Public consultation on the second draft of the unified standard system</li> <li>• Materials Market Report released (formerly the Preferred Fiber and Materials Market Report)</li> <li>• Materials Directory launched</li> <li>• Biodiversity Landscape Analysis released</li> <li>• Our largest conference to date held in London</li> <li>• Materials Impact Explorer (MIE) officially launched</li> <li>• The third annual Ryan Young Climate+ Awards recognized climate leaders</li> <li>• <i>Sustainable Raw Materials Will Drive Profitability for Fashion and Apparel Brands</i> report released by Boston Consulting Group (BCG), in collaboration with Textile Exchange and Quantis</li> <li>• eTrackit commercially launched for Global Recycled Standard (GRS) and Recycled Content Standard (RCS)</li> <li>• Catalyst and Co-Founder La Rhea Pepper transitioned to advisory role</li> </ul> |