



Corporate Fiber & Materials Benchmark

Insights. Action. Impact.

SDG Insights



Announcement of New Name for our Benchmarking Program

We are pleased to announce that our Preferred Fiber and Materials Benchmark has been renamed the Corporate Fiber and Materials Benchmark (CFMB). This name change reflects a shift from asking questions primarily about specific “Preferred Fiber and Materials” to covering a company’s overall fiber and materials portfolio. This shift allows us to assess the overall management and performance of a company’s fiber and materials portfolio in a holistic way. Furthermore, the name change reflects the need to differentiate our benchmark, which compares companies, from other types of benchmarks, which compare fibers or standards.

Cover: Organic cotton market scene, India. Photo: J.Böthling for bioRe Foundation

Textile Exchange

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Textile Exchange

Foreword

A corporate call to action

The United Nations Sustainable Development Goals (known as the SDGs or the Global Goals) were launched in 2015 to be achieved by 2030 and have been widely adopted by member nations and non-governmental organizations. Business is expected to play a key role in reaching the SDGs.

The textile industry has the potential to deliver significantly on the SDGs

According to the McKinsey Global Fashion Index, the fashion industry is worth an estimated USD 2.4 trillion. The garment sector alone employs 60-75 million people (Clean Clothes Campaign), and cotton is the most widespread non-food crop in the world, providing income for more than 250 million people and employing almost 7 percent of all labor in developing countries (WWF). The World Resources Institute (WRI) reports that an estimated 5 trillion liters of water is used for dyeing processes and an estimated 48–144 billion square yards of fabric from factory scraps is sent to landfill each year. On the current trajectory, by 2050, the sector is expected to contribute nearly 26 percent to global carbon emissions (WRI).

Textile Exchange is paving the way forward on the SDGs

Textile Exchange's commitment to the SDGs continues to grow and strengthen as we work closely with stakeholders to ensure that our organizational strategy resonates ever more closely with the SDG agenda. Key components of our SDG strategy include:

- **SDG Engagement Framework and Roadmap:** Our trailblazing report, Threading the Needle, produced in partnership with KPMG last year, set the scene for ongoing development of an SDG Engagement Framework and Roadmap for the sector. In 2019, we will build on the important foundations laid down in this report.
- **Corporate Fiber & Materials Benchmark:** After the introduction of an SDG component in 2017, this year's Benchmark has evolved to become the platform for sector SDG data gathering, measuring and progress reporting.
- **Standards:** Our suite of textile sustainability standards provides an essential pathway towards achieving the SDGs within corporate supply chains and on the ground in supply locations.
- **Global Textile Sustainability Conference “United by Action”:** Since our public commitment in 2017, our conference has become the nucleus of sector SDG conversations, learnings, and exchanges.

We are committed to the SDGs. The agenda is urgent, it unites us all, and ours is the generation to deliver.



La Rhea Pepper, Managing Director, Textile Exchange



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The world is a complex socio-ecological system in which all SDGs are interconnected. A holistic approach is important to ensure that progress towards certain SDGs is not to the detriment of others. The way we produce, (re)use, and dispose or recycle our fibers and materials has an impact on every SDG - whether positive or negative.

Liesl Truscott, Director European & Materials Strategy, Textile Exchange

BOTTLE COLLECTOR, HAITI
PHOTO: THREAD INTERNATIONAL

Textile Exchange

Introduction to this report

Accelerating the use of preferred fibers and materials

Textile Exchange creates leaders in fiber and material sustainability by providing learning opportunities, tools, insight, standards, data, measurement and benchmarking—and by building a community that can collectively accomplish what no individual or company can alone.

One of our most important communities is building around our benchmarking program

Piloted in 2015, Textile Exchange developed the Corporate Fiber & Materials Benchmark (CFMB) to help textile and apparel companies systematically measure, manage and integrate a preferred fiber and materials strategy into mainstream business operations. Textile Exchange has an unrivaled database of industry activity through its benchmarking program. The CFMB now has well over one hundred companies involved and is poised for further growth.

In 2017, Textile Exchange introduced an initial set of SDG questions to the Benchmark

In this briefing, we look at two years of participant responses. Early findings suggest growth in SDG alignment, at least among the frontrunners.

Corporate reporting on the SDGs is taking shape, but there is still some way to go on truly integrating the SDGs into business models, setting measurable targets and tracking progress. On a positive note, there is definitely a sense of SDG-readiness, and signs that the sector is gearing up for action. The opportunity to do more in collaboration with others to achieve success is enormous. The Benchmark is a home for sector SDG data, analytics and peer learning. SDG Insights, like this one, will be released annually and will become even more comprehensive with growth in the number of participants and the accumulation of reporting years.

Stepping up on benchmarking SDG progress in 2019

Textile Exchange, with support from key stakeholders, has reviewed the CFMB through the lens of the SDGs and threaded elements of the Goals through the entire program. The 2019 survey reflects these positive changes.

We invite all apparel, footwear, home and related textile companies to participate. Not only will participation show a willingness to disclose progress and learn about your own company's positioning, but will help build a critical mass of data, in a consistent format, that we as an industry can explore collectively. Together, we can learn from each other, discover common threads, and aggregate important data for showing progress, while maintaining the flexibility and freedom required for diversity and innovation. Please [contact us](#) or visit our [webpage](#) to find out how to take part.

SDG Agenda

Textile Exchange's SDG Agenda

Timeline and key milestones

- 2016** Textile Exchange publishes Achieving the SDGs Through Organic Cotton.
- 2017** Public commitment to support the textile industry in advancing the SDGs.
- 2017** SDG-specific questions added to the Corporate Fiber & Materials Benchmark (CFMB).
- 2017** Launch of SDG-inspired conference theme “United by Action”.
- 2018** Launch of dedicated landing page, textilesforsdgs.org.
- 2018** Partnership with KPMG on SDG Roadmap for the Apparel, Retail and Textile Sector.
- 2019** Launch of the revised CFMB, with a more in-depth and integrated SDG theme.
- 2019** Next phase of SDG Engagement and Framework development and implementation

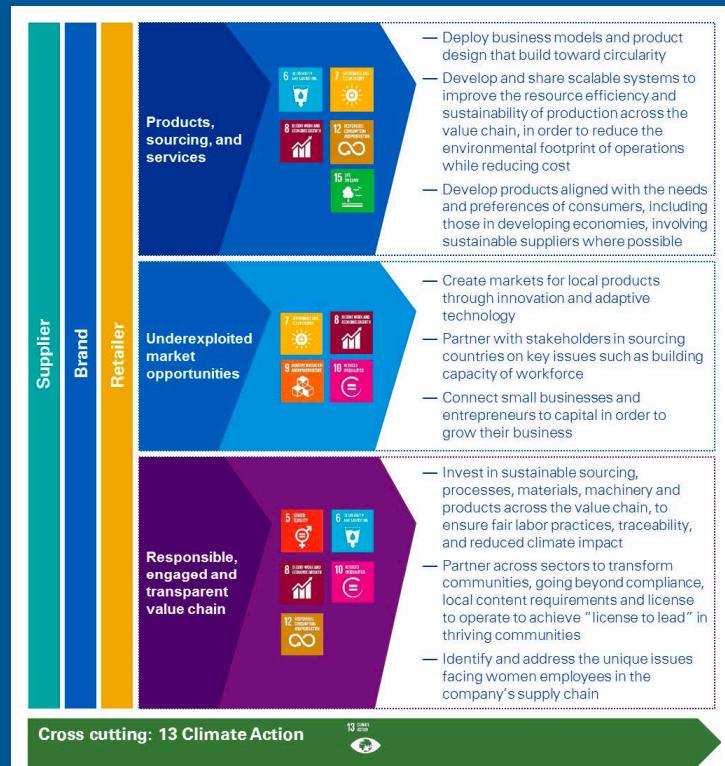
Textile Exchange Partnership with KPMG

KPMG and Textile Exchange have partnered on a new report titled “Threading the Needle: Weaving the SDGs into the Textile, Retail and Apparel Industry”.

A culmination of industry interviews, NGO input, and desk research, the report highlights shared value examples for companies in the sector grappling with how to integrate the SDGs into their core business and global supply chain.

From the interviews and research, an SDG Engagement Framework was developed. The Framework comprises three impact opportunity clusters across eight SDGs where the textile industry can have a direct impact. Climate action is a cross cutting issue across these clusters.

Every company is encouraged to conduct its own materiality assessment for all SDG themes, and to consider all the positive and negative linkages and trade-offs in taking action toward one SDG target over others.



SDG Agenda

Benchmarking and the SDGs

The [Corporate Fiber & Materials Benchmark \(CFMB\)](#) (previously called the Preferred Fiber & Materials Benchmark) provides an important entry point to the Sustainable Development Goals (SDGs), enabling progress to be tracked at company, sub-sector, and sector levels.

About the Corporate Fiber & Materials Benchmark

The Corporate Fiber & Materials Benchmark (CFMB) helps companies systematically measure, manage, and integrate a preferred* fiber and materials strategy into mainstream business operations. It also allows companies to better understand how their work in preferred fibers, including the SDGs, compares to that of their peers, providing a further catalyst to change.

Why the CFMB is important



Science-based data is proving that some of the biggest sustainability impacts of textile production occur during the production and extracting of raw materials.



Knowing the origin and production conditions of raw materials is key to addressing supply risks and opportunities.



Companies are seeking reliable, credible, and consistent ways to measure and assess progress in sustainability.



Companies face increasing pressure from stakeholders, including investors, to publicly disclose non-financial data.

Five reasons corporate benchmarking works:

<p>1.</p> <p>Benchmarks clarify what societies expect from industries and companies.</p>	<p>2.</p> <p>Benchmarks clarify where and how companies can contribute to sustainability.</p>	<p>3.</p> <p>Benchmarks promote a race to the top.</p>	<p>4.</p> <p>Benchmarks help companies track progress.</p>	<p>5.</p> <p>Benchmarks promote dialogue and are a proven and effective engagement tool.</p>
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[World Benchmarking Alliance](#)

*Textile Exchange describes a preferred fiber or material as ecologically and/or socially progressive which has been selected because it has more sustainable properties in comparison to other options (full definition can be found on the website).

SDG Agenda

Benchmarking and the SDGs

Benchmark Framework

The benchmark framework* follows a systematic approach to integrating preferred fibers and materials into business strategy .



SDG 12 is a Gateway Goal for fibers and materials sustainability

The CFMB acknowledges **SDG 12: Responsible Consumption and Production** as a gateway to many of the other SDGs, such as **SDG 2: Zero Hunger** (which includes promote sustainable agriculture), **SDG 15: Life on Land**, and **SDG 9: Industry Innovation and Infrastructure**. Improved practices on the land, in the mills, and through waste reduction and recycling can result in a positive impact on **SDG 6: Clean Water & Sanitation**, **SDG 7: Affordable & Clean Energy**, and **SDG 13: Climate Action**.

Through tracking the uptake of recycled and more sustainable renewable fiber and materials, the CFMB is in the early stages of modeling the potential outcomes and impacts of the textile industry on people and the environment.



* Please note the benchmark 2019 framework has been revised. The SDGs feature more prominently in the new CFMB survey. See Appendix 2 for a detailed mapping of the CFMB with SDG 12.

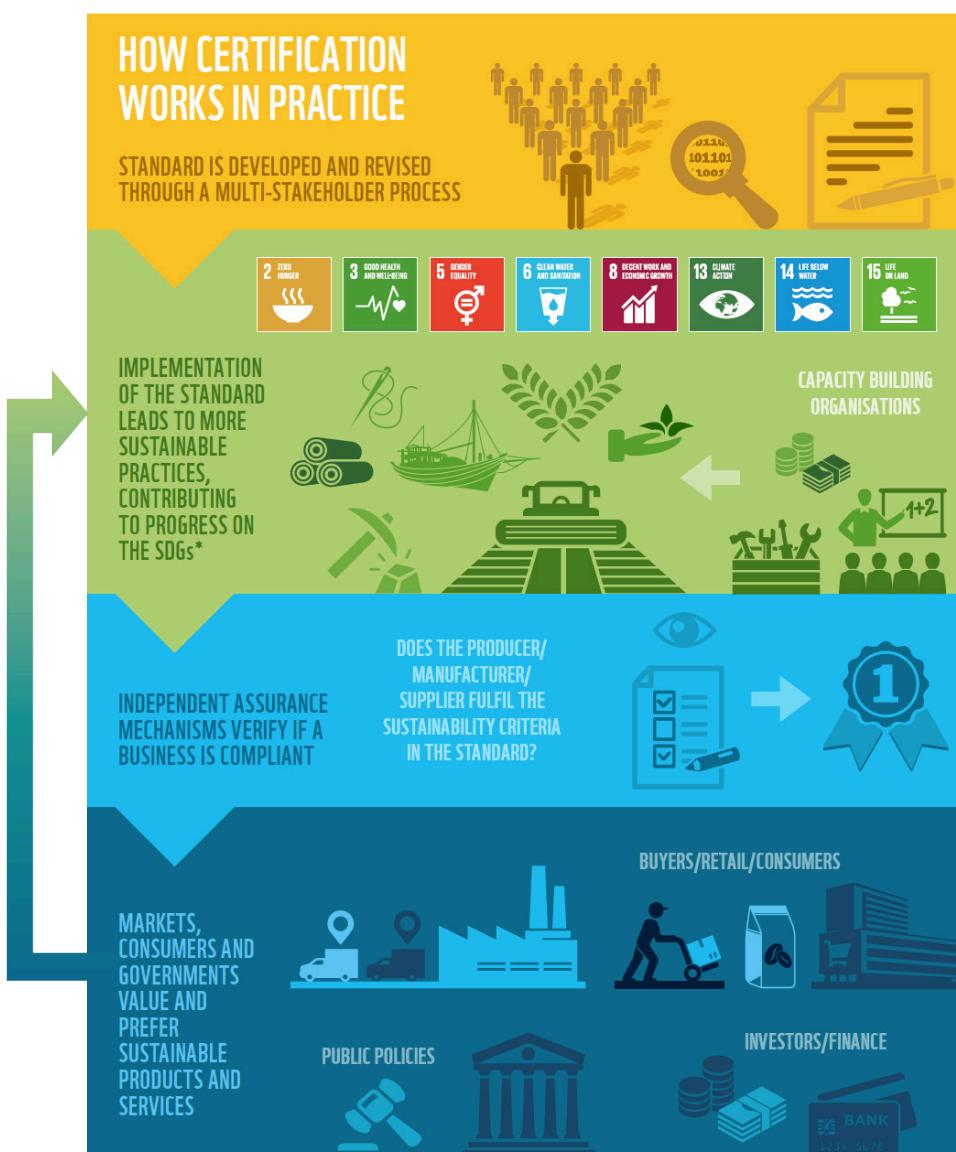
SDG Agenda

Sustainability Standards and the SDGs

Credible sustainability standards form the backbone of a preferred fiber and materials portfolio.

The role of credible sustainability standards in achieving the SDGs

Sustainability standards are market based tools, designed to address the most pressing sustainability challenges within a given sector or industry. They establish criteria that producers, processors and other supply chain actors must meet to bring about positive social, environmental and economic impacts. By integrating more sustainable practices in supply chains, they provide a concrete link between sustainable production and sustainable consumption (WWF/ISEAL).



*Depending on the sustainability standard in question, the implementation can contribute to a variety of SDGs, as further explained in this report.

About the infographic: Page 19 of the WWF/ISEAL report [SDGs Mean Business: How Credible Standards Can Help Companies Deliver The 2030 Agenda](#) sets out the different elements making up a standards system and shows how certification works in practice.



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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

SDG Insights

What We Asked

What questions did we ask companies?

The SDG question-set in the Corporate Fiber & Materials Benchmark is based on the [United Nations Global Compact Communication of Progress](#) (COP) section on the SDGs.

There were five core questions:

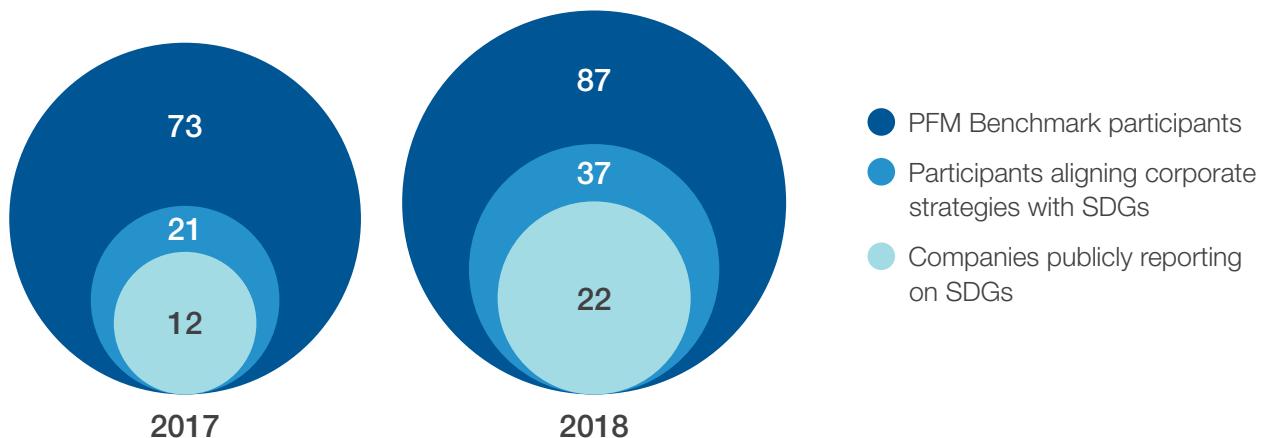
- 1. Are companies aligning their corporate strategy with the SDGs?**
- 2. How are companies engaging with key stakeholders?**
- 3. Which SDGs are companies prioritizing?**
- 4. How are companies progressing alignment with the SDGs?**

- Identifying opportunities and responsibilities that one or more of the SDGs represent to their business;
- Identifying where the company's priorities lie with respect to one or more SDGs;
- Setting targets and indicators with respect to one or more SDGs;
- Integrating the (expected) outcomes and impact of the company's activities related to the SDGs;
- Working in collaboration with other stakeholders on activities relating to the SDGs.

5. Are companies publicly reporting on their SDG strategy and related activities?

What were the response rates?

Between 2017 and 2018 SDG alignment grew by 14%. In 2018, 43% of 87 participants reported alignment compared to 2017 when it was 29% of 73. Relative growth rates in reporting were less striking, with a 2-percentage point increase between 2017 and 2018 (57% vs 59% of participants).



SDG Insights

What We Found

Key findings and observations

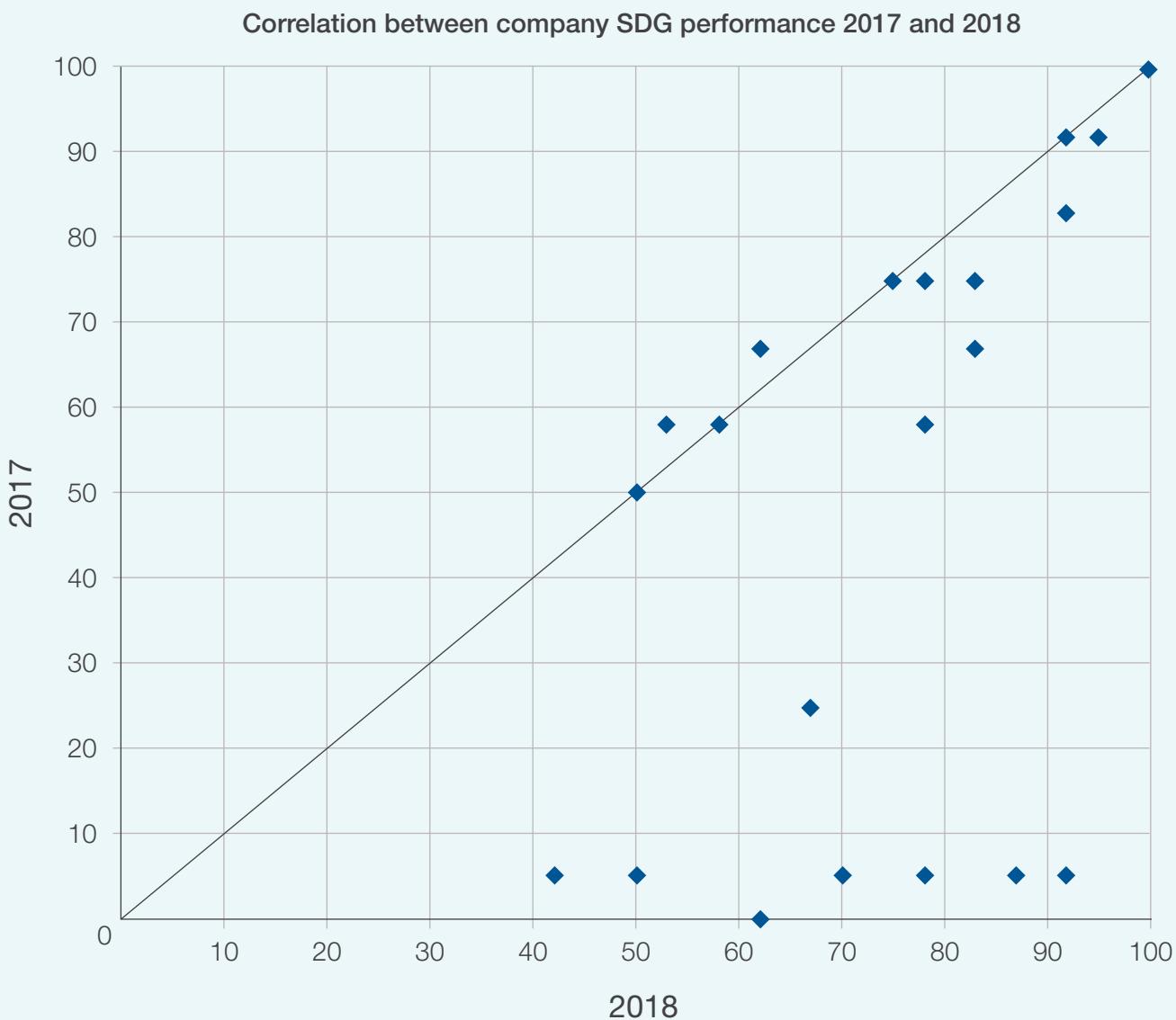
- 1 Companies aligning their corporate strategies with the SDGs are increasing, but are still a minority.** In 2018, 37 out of the 87 companies that completed the CFMB (i.e. not including the 24 that completed the Consumption Tracker option) said they were aligning corporate strategies with the SDGs. This result is considerably higher than the year before, when 22 out of 73 could answer positively. However, at 43%, these companies are still a minority of the overall group of benchmarkers.
- 2 There is evidence of gear-changing among Benchmark participants.** Overall, companies improved their SDG scores from one year to the next. Companies with solid scores in 2017 remained constant or improved in 2018, while companies with low scores in 2017 significantly improved their scores in 2018.
- 3 Communication is key to progress and there's room for improvement.** Stakeholder engagement appears strong among the 37 SDG-active companies. There has been a good level of SDG engagement with company employees and board members, but greater engagement with suppliers and shareholders (where relevant) on SDGs would offer a valuable opportunity for insights and action.
- 4 Setting SDG targets and measuring progress is still embryonic.** Companies are making good progress on identifying areas to act but are slower to set indicators and measure progress. This is not surprising and reflects a clear need to identify common indicators. It is encouraging to see a relatively high number of participants (59% of the 37 companies engaging on the SDGs) indicate that they are collaborating with others.
- 5 Larger companies are leading the way on corporate reporting on the SDGs.** 73% of the 22 companies that are producing SDG reports are from the Multi-sector/Extra Large or Large Apparel sub-sectors. Larger companies are also more likely to conduct and report on their stakeholder/materiality assessments and use of frameworks such as the Global Reporting Initiative (GRI) and United Nations Global Compact (UNGC).

SDG Insights

Are Companies Improving?

Companies leading on the SDGs are maintaining their advantage, while others are improving fast.

Our results show that companies with high SDG scores in 2017 (with scores over 50 out of a possible 100) maintained high scores in 2018. For those with low scores in 2017 (towards the bottom of the graph below), SDG scores improved markedly in 2018.



Explaining the chart: The companies in the upper right quadrant are those with medium to high SDG scores (more than 50) in both 2017 and 2018. Those just below the diagonal line are companies that improved scores between 2017 and 2018. The companies in the lower right quadrant are those that had low SDG scores in 2017 (less than 30), which improved considerably in 2018 (to above 40).

SDG Insights

Recommendations

Make sure the SDGs are more than a bolt-on.

To ensure long-term benefits for all (including your company), you will want to align your SDG agenda with your business competencies, priorities, risks, and opportunities. A key step will be to ask your stakeholders what they think. Through materiality assessment or plain, old-fashioned conversations, hearing from others with different perspectives is essential for positive SDG action. Benchmark results indicate that leading companies are engaging internally with staff and boards and could do more to bring in suppliers and shareholders (where relevant). [See Section 2. Engaging.](#)

Prioritize the SDGs that align best with your business.

There is no one-size-fits-all when it comes to prioritizing the SDGs, although themes are emerging. Each SDG is important and interconnected with others, however, it is likely that some SDGs will resonate more strongly with your business risks and opportunities. Get acquainted with all 17 Goals, their associated targets, and indicators. While SDG targets and indicators are customized for country-level reporting, there are many good resources available to help you translate into business language, such as the [SDG Compass](#) and Textile Exchange's [textilesforsdgs.org](#). [See Section 3. Prioritizing.](#)

Move from goals to targets to get ahead on the SDGs.

Companies with mature sustainability strategies have the advantage when it comes to setting priorities and measuring SDG outcomes and impacts. Credible sustainability standards provide a pathway for business to deliver to the SDGs. Leaders understand the business case and are using the SDGs to drive innovation. They know success will be through collaboration not competition. The next critical step for companies, even SDG leaders, is to move past the goal level and work at the target-level. Only then can progress be effectively measured and managed. [See Section 4. Progressing.](#)

Remember that SDG reporting is more than a communications strategy.

Authenticity and transparency matter. Rules around reporting continue to tighten, especially for publicly-listed companies. SDG reporting should include quantitative data such as progress against targets. It's good to also share financial contributions made by the company. The GRI and Global Compact offer helpful reporting frameworks, especially for larger companies. Not only does reporting contribute to accountability, but it helps share good practices and inspire action in others.

[See Section 5. Reporting.](#)

Use the Corporate Fiber & Materials Benchmark as a learning platform for the SDGs.

Corporate benchmarking on the SDGs will be a key yardstick for business. As a business-led initiative, the CFMB provides a race-to-the-top for fibers and materials sourcing. At the same time, it provides a framework for building and executing a materials sustainability strategy, including alignment with the SDGs. [See Appendix III. An Introduction to the PFM Benchmark.](#)



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The pathway to a sustainable future, as outlined in the SDGs, can only be achieved through transformational change. Business can play a key role in leading these transformations by creating sustainable, inclusive and innovative solutions. In order for this to be possible it is crucial to address the missing flow of information that prevents innovation and improvement.

Gerbrand Haverkamp, Executive Director, World Benchmarking Alliance

DENIM REPAIR AND ALTERATION STATION, NUDIE JEANS, LONDON
PHOTO: NUDIE JEANS

Results

1. Aligning

Why is this important? The SDGs call on companies everywhere to advance sustainable development through the investments they make, the solutions they develop, and the business practices they adopt. In doing so, the Goals encourage companies to reduce their negative impact while enhancing their positive contribution to the sustainable development agenda. (SDG Compass)

Are companies aligning their corporate strategy with the SDGs?

What we found: In 2017, 21 out of 73 reporting companies had aligned their strategies with the SDGs. This number climbed to 37 out of 87 reporting companies in 2018, with a further 34 companies telling us that alignment was under review. Only 16 reported to not yet have any alignment with the SDGs. Comments from the companies who reported “yes”, “no alignment” or “under review” included:

We have aligned our Strategy with the SDGs’ Agenda for 2030 and have committed to the 17 Sustainable Development Goals. These SDGs are developed through 169 specific targets. In 2017, we started to identify and align our strategy with those goals in which our influence might be remarkable. For this reason, we have done an analysis of our business model and our priorities based on the Guidance “Business Reporting on the SDGs: An Analysis of Goals and Targets”. The results of this analysis and goals’ prioritization is shown in our Sustainability Balance Sheet.”

– Multi-Sector/Extra Large Apparel retailer

“We are not actively seeking to align our corporate goals with the SDGs, but they do overlap and the SDGs provide a useful tool to communicate about our sustainability efforts. We are currently reviewing where they overlap, and how to communicate about them.”

– Multi-Sector/Extra Large Apparel retailer

“We have goals on the 10 principles of the UN Global Compact. We are a bit confused about the 17 goals and the connection between them.”

– Outdoor/Sports retailer

Strategy alignment with SDGs



Results

2. Engaging

Why is this important? The SDGs reflect stakeholder expectations as well as future policy direction at the international, national and regional levels. Companies that align their priorities with the SDGs can strengthen engagement with customers, employees, and other stakeholders, while those that don't will be exposed to growing legal and reputational risks. (SDG Compass)

Which Stakeholders are Companies Engaging With on the SDGs?

What we found: There is strong engagement by companies with their board and employees, closely followed by supplier engagement. Note that not all participating companies are publicly-listed, making shareholders irrelevant for some companies. Over half, 22 out of 37 (59%) are engaging with all stakeholders (board, employees and suppliers). With the majority, 26 out of the 37 (70%) talking to their suppliers about the SDGs.

Stakeholder Engagement

In 2018, 32 of the 37 companies engaged with employees and the same number engaged with their boards. This compares to 19 out of 22 in 2017. There are fewer SDG-related discussions with suppliers and company shareholders, with 26 out of 37 (70%) telling us in 2018 that they discussed SDGs with suppliers, and 19 out of 37 (51%) with shareholders.

Board Accountability for Sustainability vs. SDG Engagement with the Board

An analysis of accountability and board-level engagement on strategy in the 2018 survey showed that only a few companies held the board accountable. Of the 32 companies that answered positively on board engagement with SDGs, only seven (22%) said the board was accountable for the sustainability strategy. For the majority (59%), it is the CEO (or equivalent) who holds accountability.

● No ● Yes





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The SDGs are an important roadmap for business innovation and growth. Better data can help companies inform company boards, investors, and other market participants with an interest in facilitating capital flows to SDG solutions.

Libby Bernick, Global Head of Corporate Business, Trucost

ORGANIC COTTON FARMERS IN MEATU, TANZANIA
PHOTO: SALA LEWIS FOR BIORE FOUNDATION

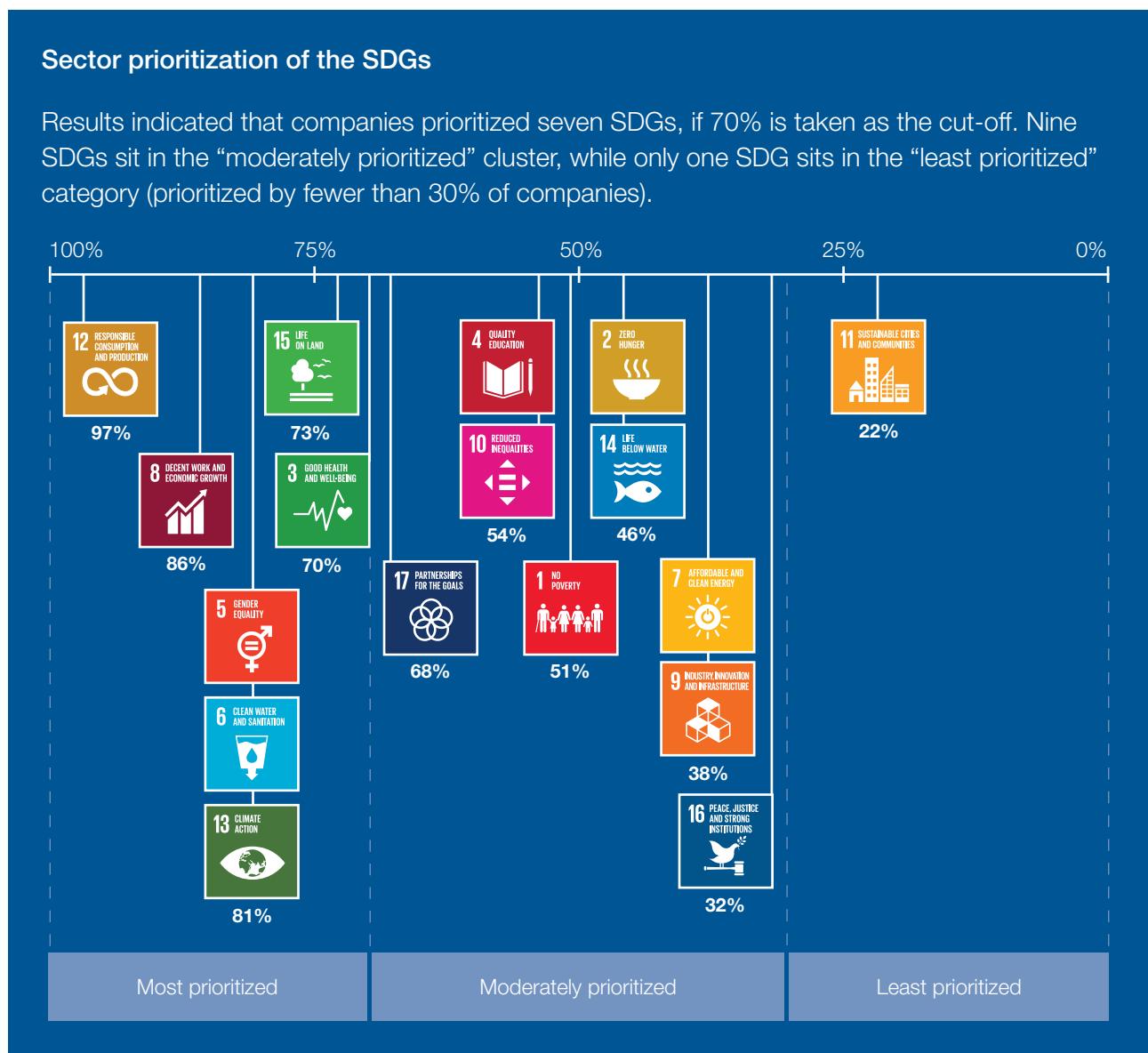
Results

3. Prioritizing

Why is this important? To seize the most important business opportunities presented by the SDGs and to reduce risk, companies are encouraged to define their priorities based on an assessment of their positive, negative, current, and potential impact on the SDGs across their value chains (SDG Compass).

Which SDGs Are Companies Prioritizing?

What we found: For two years running, priority SDGs have remained consistent, despite changes in the number of companies reporting through the Benchmark. There is a strong bias towards the following seven SDGs: SDG 12 Responsible Consumption and Production; SDG 8 Decent Work and Economic Growth; SDG 13 Climate Action; SDG 6 Clean Water and Sanitation; SDG 5 Gender Equality; SDG 15 Life on Land; and SDG 3 Good Health and Well-being.



Results

3. Prioritizing

Are Sub-sectors Prioritizing SDGs Differently?

The matrix takes the seven “most prioritized” SDGs (as displayed in the chart on the previous page) and shows the differences in priorities between sub-sectors. Observations include: (i) Not all Apparel (XL) companies selected SDG 12 as a priority (thus reducing the percentage), unlike all other sub-sectors; (ii) The Apparel (L) sub-sector aligns most closely with the overall sector prioritization pattern (page 14); (iii) All companies in the Apparel (S/M) sub-sector selected SDG 5: Gender Equality as a priority SDG; (iv) Both the Home Textiles sub-sector and the Outdoor/Sports sub-sector displayed a more consolidated set of SDG priorities.

Sub-sector prioritization of the SDGs



Explaining the chart: When interpreting the matrix, keep in mind that the number of companies within each sub-sector differs (this number is shown in the first column). The number inside each bubble is the percentage of participants within each sub-sector prioritizing that particular SDG. The SDGs are ordered by prioritization (most prioritized on the left).

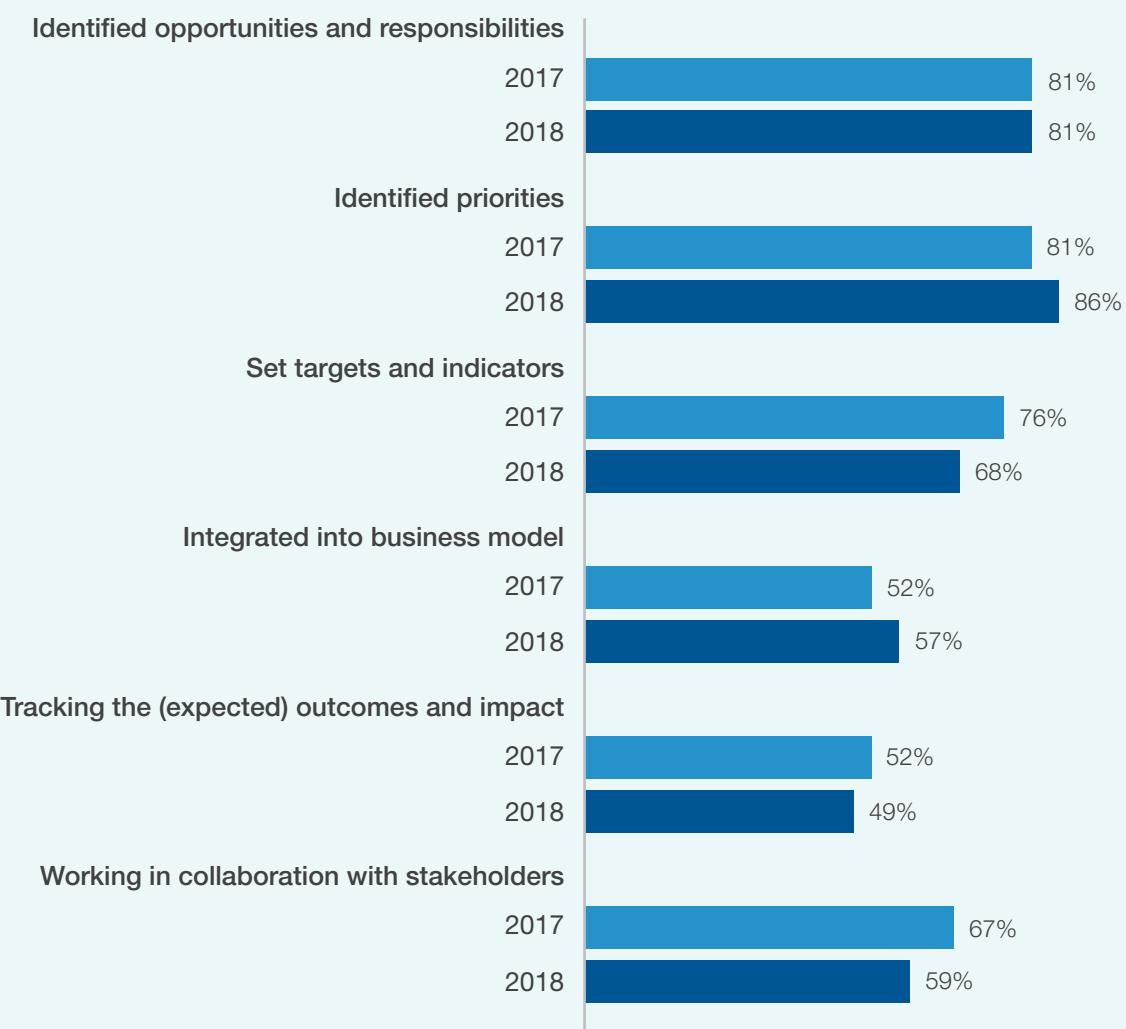
Results

4. Progressing

Why is this important? Integrating sustainability into core business and governance, and embedding sustainable development targets across all functions within the company, are key to achieving set goals. To pursue shared objectives or address systemic challenges, companies increasingly engage in partnerships either across the value chain, within their sector, or with governments and civil society organizations. (SDG Compass)

How Are Companies Progressing the SDGs?

What we found: As one would expect, companies are further ahead in identifying SDG priorities, opportunities and responsibilities, than they are in setting and tracking outcomes and impacts. Integrating the SDGs into company business models and collaborating with others are also important areas of opportunity. This pattern of progress has not changed much over the two years of data collection, despite the growth in participation.



A photograph showing the back of a woman with blonde hair tied back, wearing a light-colored uniform. She is holding a small child wrapped in a blue blanket. They are looking out over a vast, calm blue ocean under a clear sky. The image has a soft, slightly overexposed quality.

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Sustainability and social value generation are at the heart of our business. Our annual report sets out our contribution to the 17 United Nations Sustainable Development Goals for tackling climate change, poverty and inequality as well as our commitment to the United Nations Global Compact and the Guiding Principles on Business and Human Rights.

Pablo Isla, Chairman and CEO, Inditex

SUPPORT TO THE MSF EMERGENCY UNIT

PHOTO: INDITEX ANNUAL REPORT 2017 (PHOTO: GABRIELE FRANÇOIS CASINI/MSF)

Results

5. Reporting

Why is this important? The SDGs enable companies to report information on sustainable development performance using common indicators and a shared set of priorities. (SDG Compass)

How are Companies Reporting on the SDGs?

What we found: There was a marked improvement in the number of companies reporting publicly on their SDG activities. In 2018, 22 of the 37 companies communicated their SDG activities publicly. This compares to 12 of the 22 companies in 2017. These numbers represent an almost doubling between 2017 and 2018, while overall participation in the benchmark grew from 73 to 87.

Growth in Public Reporting

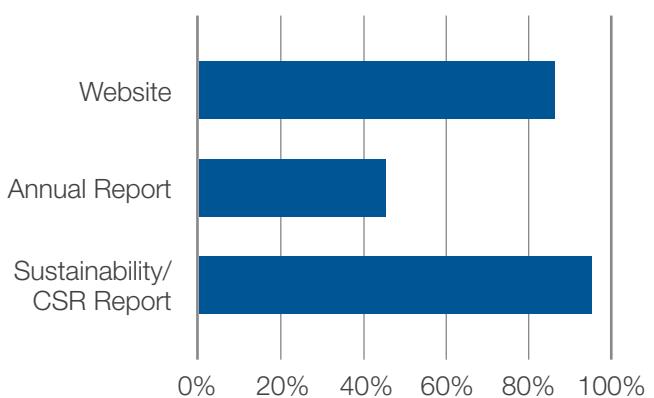
Of the 22 companies reporting publicly on their SDG activities in 2018, almost all have integrated the SDGs into their annual, corporate responsibility or sustainability report.

Companies are also integrating information directly onto their websites and promotional brochures.

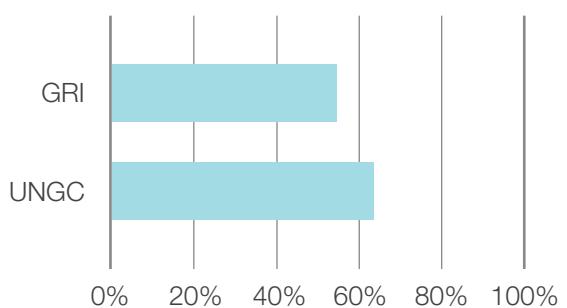
The majority (73%) of companies using the GRI and/or UNGC are from the Multi-sector/XL and Large apparel sub-sectors.

While priority SDGs are commonly reported, target-level reporting and progress tracking are still relatively rare.

Reporting Channels



Reporting Frameworks



GRI: Global Reporting Initiative

UNGC: United Nations Global Compact

Note: Information and commentary provided here on corporate SDG Reporting (pages 16–17) is a combination of benchmark results and desktop research of company websites

Results

5. Reporting

Of the 37 SDG-aligned companies, 22 answered positively to the reporting question. These companies are listed below, along with details of their reporting frameworks, and links to their publicly available SDG reports. Please note, the SDG report links provided are those given through the 2018 Benchmark survey and may not be the company's latest (or only) report on the SDGs.

Company	Sub-sector	Country	Reporting Frameworks	SDG Report links
AB Lindex	Apparel (L)	Sweden	GRI	Sustainability Report 2017
ALDI Einkauf GmbH & Co. oHG	MultiSector (XL)	Germany	UNGC, GRI	Interim Report 2016
C&A Global	MultiSector (XL)	Belgium	UNGC, GRI	Global Sustainability Report 2017
Coop Switzerland	MultiSector (XL)	Switzerland	UNGC	Sustainability Progress Report 2017
DECATHLON	Outdoor & Sports	France	GRI	Web: Responsible Consumption
Deckers Brands	Outdoor & Sports	USA	UNGC, GRI	Corporate Responsibility Report 2018
Dibella	Home Textiles	Netherlands	UNGC, GRI	2017 Communication on Progress (DE)
Esprit	Apparel (L)	Germany	GRI	Sustainability Report 2017/18
Gucci	Apparel (L)	Italy	UNGC	2017 Communication on Progress
H&M	MultiSector (XL)	Sweden	UNGC	Sustainability Report 2017
Hemtex	Home Textiles	Sweden	UNGC, GRI	Sustainability Report 2017
HUGO BOSS	Apparel (L)	Germany	GRI	Sustainability Report 2017
Inditex Group	MultiSector (XL)	Spain	UNGC, GRI	Annual Report 2017
KappAhl Sverige AB	Apparel (L)	Sweden	GRI	Annual Report 2017
Mantis World	Apparel (SM)	UK		2018 Company Overview (p. 68-69)
Marks and Spencer	MultiSector (XL)	UK	UNGC, GRI	“Plan A” Report 2018
NIKE, Inc.	Outdoor & Sports	USA	UNGC, GRI	Sustainable Business Report 2016/17
Nudie Jeans	Apparel (L)	Sweden		Sustainability Report 2017
PUMA SE	Outdoor & Sports	Germany	UNGC, GRI	Web: Sustainability - Our Approach
PVH Corp	MultiSector (XL)	USA	UNGC	Corporate Responsibility Report 2016
Target Corporation	MultiSector (XL)	USA	GRI	CSR Report 2016
Tchibo GmbH	MultiSector (XL)	Germany	UNGC	Sustainability Report 2016

GRI: Global Reporting Initiative

UNGC: United Nations Global Compact

Companies are listed in alphabetical order

Results

Spotlight on Inditex's SDG Reporting

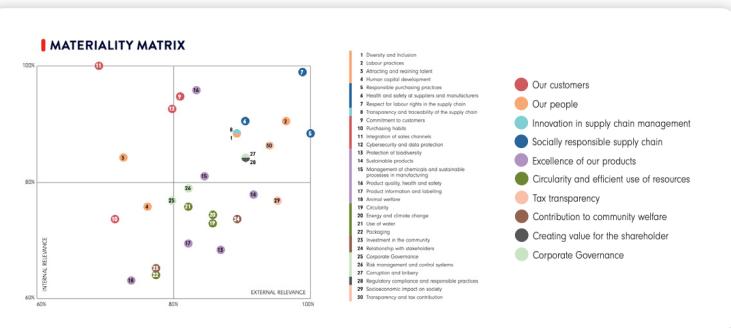
Reporting Framework

Inditex's Sustainable Strategy is aligned with the SDGs, communicated through their [Annual Report](#) in compliance with the Global Reporting Initiative (GRI). Information is submitted to the [UN Global Compact](#).



Stakeholder Engagement

A Materiality Analysis is carried out to ensure reporting aligns with their stakeholders' most relevant issues.



SDG Alignment

Inditex is reporting on the SDGs at target level. Relevant SDG targets are mapped to:

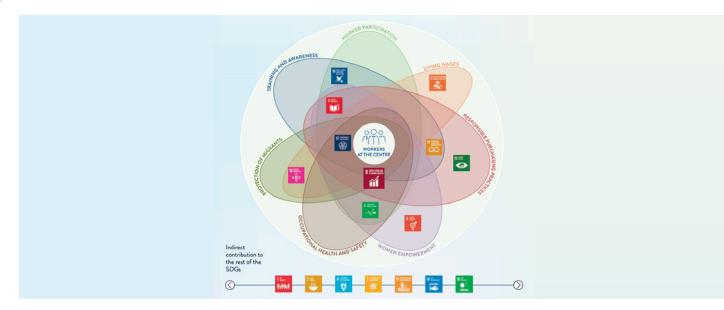
- Sustainability Priorities
 - Main Related Indicators

SUSTAINABLE DEVELOPMENT GOAL	Targets	PRIORITIES	Main related indicator or content	Pages
	12.2	Innovation in supply chain management	Identification of suppliers and manufacturers	71,73
	12.2	Socially responsible supply chain	Suppliers trained	104,105
	12.2	Our people	Number of internal people dedicated to sustainability	236
	12.2	Excellence of our products	GRI 301-2	122
	12.2	Circularity and efficient use of resources	GRI 302-2	249
	12.2	Contribution to community welfare	GRI 205-2	170,184
	12.4	Excellence of our products	Chemical substances regulated in The List, by Indelix	243
	12.4	Circularity and efficient use of resources	GRI 306-1	251
	12.5	Excellence of our products	GRI 301-2	122
	12.5	Circularity and efficient use of resources	GRI 306-2	249, 250
	12.8	Excellence of our products	GRI 417-1	119
	12.8	Our clients	Number of enquiries received through the different customer service channels	45

Each of Inditex's Sustainability Priorities is aligned with the relevant SDGs, and Inditex's contribution is reported. Sub-categories within Priority Areas are also aligned with relevant SDGs.



Programs and Initiatives are aligned with certain SDGs. For example, their “Workers at the Centre” program contributes directly to 10 SDGs, and Inditex communicates the interconnectivity between these SDGs.



Results

Spotlight on Inditex's SDG Reporting

Outcome Measurement

Outcomes have been quantified within each of the priority areas. For example, Inditex's commitment to more sustainable raw materials through their "Excellence of Products" priority area includes product volumes. The "Circularity and Efficient Use of Resources" Priority Area includes data on volumes of textiles collected from store take-back schemes.



OUR COMMITMENT TO MORE SUSTAINABLE RAW MATERIALS IN 2017 ALLOWED US TO ACHIEVE THE FOLLOWING RESULTS:

58.7 MILLION
GARMENTS MADE USING
ORGANIC COTTON
60% MORE THAN 2016

9.2 MILLION
ITEMS WITH
TENCEL™ LYOCELL
45% MORE THAN 2016

3.6 MILLION
GARMENTS MADE USING
RECYCLED MATERIALS

481,101
TENCEL™ LYOCELL GARMENTS MADE USING
REFIBRA™ TECHNOLOGY

CLOSING THE LOOP, IN 2017

- Collecting 12,229 tonnes of clothing, footwear and accessories
- Present in 598 Zara stores in fourteen markets
- Inditex is committed to extending this programme to 2,000 stores by 2020

Financial Investment

Inditex maps both financial and non-financial contributions to each SDG.



We invest in social programmes whose main goal is directly related to the goal of eradicating poverty (€1,459,180 in 2017).



Reducing inequality is one of the main goals upon which our corporate community investment has been focused in 2017. 18% of our investment in social programmes contributes to this goal.



In 2017, we invested €221,255 in programmes that contribute to the goal of zero hunger as part of our strategy to contribute to community welfare.



Making cities and human settlements inclusive, safe, resilient and sustainable is a goal which we have contributed to in 2017 through an investment of €1,255,581 in social programmes.



We develop activities to guarantee safe and healthy working environments for our own employees as well as for all the workers of our supply chain. In 2017, we continued with the certification of our facilities under the OHSAS 18001 standard and we have developed health and safety programmes that have benefited 484,070 workers of our supply chain.



Our actions in product life cycle management are aimed at achieving a circular system where through our different standards and programmes, we promote sustainable behaviours both for our suppliers and our customers.

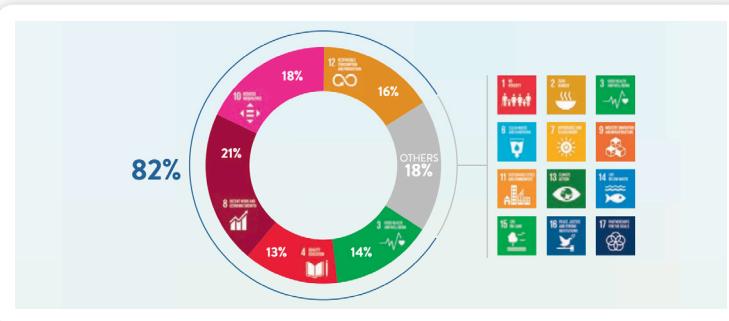
SDG

SDG	2017 (in euros)	2017 (in %)	2016 (in euros)	2016 (in %)	Variation
1. End of poverty	1,459,180	3.1%	1,373,014	5.5%	+6%
2. Zero hunger	221,255	0.5%	498,408	1.3%	-56%
3. Health and well-being	6,778,230	14.2%	4,467,452	11.5%	+52%
4. Quality education	6,228,674	13.1%	4,755,360	12.0%	+31%
5. Gender equality	1,744,451	3.7	1,586,758	2.8%	+61%
6. Clean water and sanitation	812,227	1.7%	849,033	2.2%	-7%
7. Affordable and clean energy	135,237	0.3%	70,850	0.2%	+91%
8. Decent work and economic growth	9,852,885	20.7%	7,435,487	18.8%	+33%
9. Industry, innovation and infrastructure	950,553	2.0%	1,069,291	2.7%	-11%
10. Reducing inequality	8,630,758	18.1%	6,784,429	17.2%	+27%
11. Sustainable cities and communities	1,225,581	2.6%	1,608,558	4.1%	-24%
12. Responsible production and consumption	7,458,651	15.7%	6,735,675	16.9%	-12%
13. Climate action	109,290	0.2%	65,514	0.2%	+67%
14. Underwater life	215,708	0.4%	465,811	1.1%	-52%
15. Life of terrestrial ecosystems	155,172	0.3%	492,714	1.2%	-69%
16. Peace, justice and strong institutions	470,933	1.0%	590,613	1.5%	-20%
17. Partnerships to achieve goals	1,134,331	2.4%	1,201,842	3.0%	-6%
TOTAL	47,580,913	100.0%	39,494,789	100.0%	20%

% costs
of management
excluded

Distribution of Corporate Community Investment by SDG is displayed, with comparisons between years available.

Priority SDGs are aligned with Inditex's financial contribution. For example, 82% of Corporate Community Investment in 2017 went towards SDGs 3, 4, 8, 10, and 12 – the priority SDGs for that year.



Appendix I

Detailed Results

The following analysis provides a closer look at how companies scored in the SDG question in 2018, broken down by sub-sector. Results are presented both for the full cohort of 37 companies, and for the Top 10* performers.

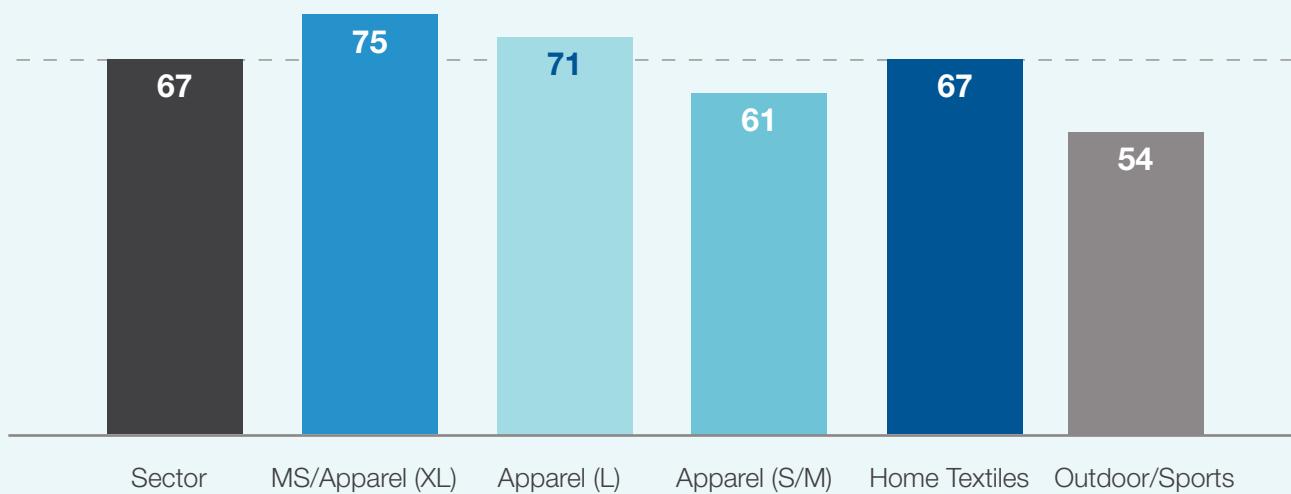
1. Profile by Sub-sector

- All 37 companies
- Top 10 companies

2. Performance by Sub-sector

- All 37 companies
- Top 10 companies

Sustainable Development Goals (Average Sector and Sub-sector Scores)



These results are for the 37 SDG-active companies.

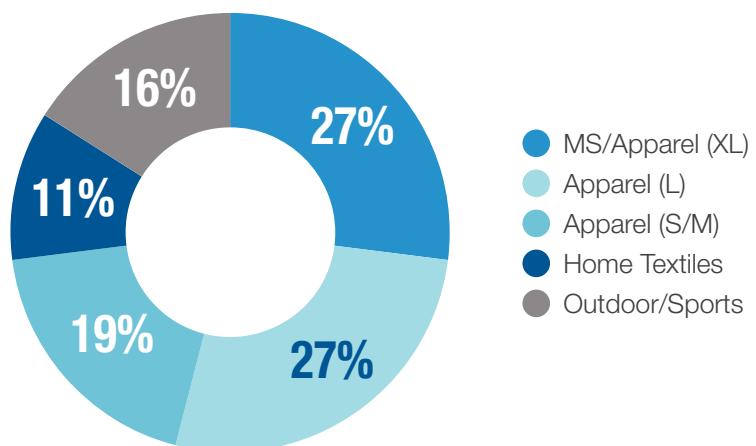
For full sector results see: textileexchange.org/downloads/2018-preferred-fiber-and-materials-benchmark-sector-report

Appendix I

Detailed Results

All 37 companies: profile by sub-sector

20 of the 37 SDG-active companies (54%) are in the Multi Sector/Apparel (Extra Large) or Apparel (Large) sub-sectors, indicating that larger companies are more likely to be investing in the SDGs. There also appears to be a prominent geographical trend, with 75% of the 37 companies located in Europe (and the UK).



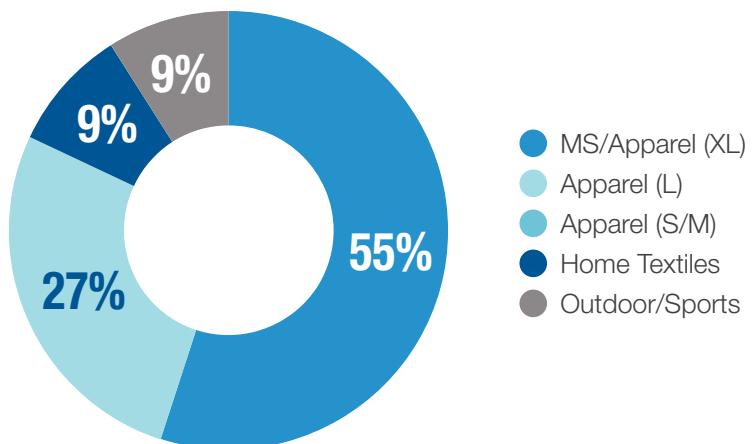
	MS/Apparel (XL)	Apparel (L)	Apparel (S/M)	Home Textiles	Outdoor/Sports
No. of companies	10	10	7	4	6
Median SDG Score	81	73	62	63	50
Median Strategy Score	79	74	62	67	88
Median Index Score	61	55	64	59	66
Median Turnover (EUR)	10 billion	1.3 billion	7 million	66 million	2.5 billion
Location	8 in Europe 2 in USA	9 in Europe 1 in USA	5 in Europe 2 in USA	3 in Europe 1 in USA	3 in Europe 2 in USA 1 in Australasia

Appendix I

Detailed Results

Top 10 companies: profile by sub-sector

Zooming in on the top 10* performing companies by SDG score, it is clear that the larger apparel companies dominate the ranking, with six of the top scores held by Multi-Sector/Apparel (XL) retailers. All bar one is located in Europe, and five reported a turnover of more than USD 10 billion. One explanation for this outcome could be that larger companies are more likely to have the resources and systems in place to develop their SDG strategy and reporting frameworks.



	MS/Apparel (XL)	Apparel (L)
No. of companies	6	3
Median SDG Score	88	87
Median Sector 1 Score	89	78
Median Index Score	66	54
Median Turnover (EUR)	17 billion	606 million
Location	5 in Europe. 1 in USA.	3 in Europe.

The Top 10s: There were 11 companies in the Top 10 in 2018 due to the tenth and eleventh companies having the same score. Since there was only one Home Textile company and one Apparel (S/M) company in the Top 10, results are not displayed. There were no Outdoor/Sports companies in the Top 10.

The use of medians: The median is the central point of a data set, while the average refers to the sum of all values divided by the total number of values. Averages can skew results if there are a small number of very high or very low scores. In the PFM Benchmark analysis of scores we use averages. However in this closer look at the scores we have used medians instead of averages.

Appendix I

Detailed Results

All 37 companies: performance by sub-sector

Companies performed best in stakeholder engagement (question 2) indicating that, in the main, SDG-active companies are highly-likely to bring stakeholders into the development of their SDG strategies. Larger companies scored best for public reporting (question 5), reflecting a good level of SDG communication. Companies scored lowest in progress (question 3), which is not surprising given the early stages of development.

Sub-sector	2. Engaging	4. Progressing	5. Reporting	Median Score
MS/Apparel (XL)	100	67	80	81
Apparel (L)	100	75	80	73
Apparel (S/M)	100	67	0	62
Home Textiles	67	83	50	63
Outdoor/Sports	83	50	40	50
Median Score	100	67	80	70

Top 10 companies: performance by sub-sector

The Top 10* companies scored well for stakeholder engagement, as well as for public reporting. The Top 10 performed considerably better in progressing the SDGs compared to the overall group of 37, showing that they have the edge on implementation of strategy and monitoring of progress.

Sub-sector	2. Engaging	4. Progressing	5. Reporting	Median Score
MS/Apparel (XL)	100	83	100	88
Apparel (L)	100	83	80	87
Median Score	100	67	80	70

Detailed scores for Questions 2, 4, and 5. There are no detailed results for “Aligning” (Question 1) as it is the entry question (yes or no) to the other SDG questions, nor for “Prioritizing” (Question 4) which is non-scoring. Scores are normalized out of 100.

Appendix II

Mapping Framework

SDG 12 Responsible Consumption and Production	SDG 12 Indicators	Strategy & Integration	Portfolio Fibers and Materials Plant Animal Manmade Cellulosic Synthetic	Circularity
 <p>12.2</p> <p>Sustainable management and use of natural resources: By 2030, achieve the sustainable management and efficient use of natural resources.</p>	<p>12.2.1: Material footprint</p>	<p>S-1. Corporate Strategy S-1a-2. Measuring SDG progress</p>	<p>FM-5. Uptake FM-6. Impact</p>	<p>CR-2. Resource Use CR-2a. Decoupling Growth from Consumption</p>
 <p>12.4</p> <p>Responsible management of chemicals and waste: By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.</p>	<p>12.4.1: Number of parties to international multilateral environmental agreements on hazardous waste, and other chemicals</p>			<p>CR-3. Design for Circular</p>
 <p>12.5</p> <p>Substantially reduce waste production: By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.</p>	<p>12.5.1: Tons of material recycled</p>		<p>FM-5. Uptake FM-5c. Recycled Content Details</p>	<p>CR-2. Resource Use CR-2b. Waste Prevention CR-5. Textile Collection CR-6. Recycled Content</p>
 <p>12.6</p> <p>Encourage companies to adopt sustainable practices and sustainability reporting: Encourage companies, especially large and transnational companies to adopt practices and to integrate sustainability information into their reporting cycle.</p>	<p>12.6.1: Number of companies publishing sustainability reports</p>	<p>S-6. Reporting S-6a. Sustainability Reporting</p>		<p>CR-1d. Reporting</p>
 <p>12.8</p> <p>Promote universal understanding of sustainable lifestyles: By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.</p>	<p>12.8.1: Extent to which global citizenship education are mainstreamed</p>	<p>S-5. Customer Engagement</p>		
<p>SDG initial outcomes and impact mapping: Based on scenario modeling (e.g. land under certified cotton and forests, number of sheep and ducks, and equivalency in plastic bottles,), LCA and Higg MSI metrics.</p>	 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>		 <p>17 PARTNERSHIPS FOR THE GOALS</p>	
<p>SDG future mapping: The CFMB continues to improve the mapping and measurement links to the SDGs.</p>				

Model featured in the SDG Companion Guide

Appendix III

About This Insights Series

Insights Series

This is the first of an ongoing series of Benchmark Insights, featuring important themes such as the SDGs, Circularity, Investment, and more.

The series offers a topic-related quick read, drawing out key data coming out of the Benchmark.

We hope our insights orientate, inspire and accelerate your company to take action.



For More Information

Corporate Fiber & Materials Benchmark Program ([website](#))

Textiles for SDGs ([website](#))

2019 Textile Sustainability Conference ([website](#))

Key Reports

PFM Benchmark Insights Report 2018 ([download](#))

Threading the Needle ([download](#))

Multi-Media

Why the Corporate Fiber & Materials Benchmark is important ([video](#))





www.textileexchange.org

Founded 15 years ago, Textile Exchange is a global non-profit with more than 300 members that represent leading brands, retailers and suppliers – the quality and global reach of which has meaningfully accelerated the use of preferred fibers and increased the adoption of standards and certifications in the global textile industry.

As an organization, Textile Exchange creates leaders in the sustainable fiber and materials sector by providing learning opportunities, tools, insight, standards, data, measurement and benchmarking—and by building a community that can collectively accomplish what no individual or company can do alone.

Textile Exchange members are connected to a powerful community of brands, retailers and companies, large and small, from across the textile world—all seeking to create a more sustainable and responsible fiber and materials industry.

Members gain access to a suite of valuable tools, relevant data, insight reports, industry networks and connections—and, above all, the opportunity to take action, individually or collectively. Our goal is to help you succeed. Please join us in our collective journey.

Find out more about the Corporate Fiber & Materials Benchmark (CFMB) here:
textileexchange.org/cfmb

Textile Exchange is a proud member of the World Benchmarking Alliance
and an associate member of ISEAL Alliance.



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