



Barbara Strozzilaan 201

1083 HN Amsterdam
The Netherlands

gssbsecretariat@globalreporting.org

GRI Sector Standards Project for Textiles and Apparel

Project proposal

Approved by the Global Sustainability Standards Board (GSSB) on 10 February 2022

To contact the project team email textiles-apparel@GlobalReporting.org.

Contents

| | |
|-----------------------------------|---|
| Project background | 3 |
| Sector overview | 3 |
| Sustainability impacts | 4 |
| Project objectives | 5 |
| Division of responsibilities..... | 5 |
| Timeline | 6 |

Project background

In February 2019, the Global Sustainability Standards Board (GSSB) approved the [GRI Sector Program](#) to improve clarity and consistency in sustainability reporting.

The key criterion for prioritizing sectors is their sustainability impacts. This considers the significance of the sector's impacts, considering their scale, scope, character, and likelihood. It also considers the sector's size, distribution around the world, and the number of organizations from that sector that are in a position to use the GRI Standards. A second criterion for prioritizing a sector is the potential to exploit learnings and synergies from other Sector Standards recently developed.

The first pilot sector standard – *GRI 11: Oil and Gas Sector 2021* – is finalized and has been released. The GSSB is currently considering the Sector Standard for Coal for approval, the Sector Standard for agriculture, aquaculture, and fishing is in the final stages of content development, and a fourth Sector Standard for mining is under development. A project proposal for a Sector Standard for food and beverages is also being presented to the GSSB.

Textiles and apparel is prioritized for standard development, according to the [list of sectors](#) approved by the GSSB in November 2020.

Sector overview

It is proposed that the Sector Standard for textiles and apparel will apply to organizations whose primary focus lies on:

- Textile production
- Apparel manufacturing
- Footwear manufacturing
- Apparel and footwear retail

The textiles and apparel sector provides a basic societal need (clothing). It encompasses a broad value chain from the production of raw materials and fibers to spinning, weaving, knitting, dyeing, finishing, cutting and sewing, logistics and distribution, and apparel retail sales.

The textiles and apparel sector is widely distributed across the globe, with major retailers in the clothing industry located in the United States, Europe, and Australia, and major manufacturers located in developing countries such as India, China, Turkey, Pakistan, Indonesia, Bangladesh, etc. Therefore, products are traded across countries. Many organizations are vertically integrated, but this is a highly competitive and fragmented sector.

It is proposed that the Standard be titled 'GRI 16: Textiles and Apparel Sector 20XX'.

The scope and name of this standard may deviate from this proposal following recommendations from the Textiles and Apparel Working Group.

Table 1 lists the relevant classifications from external classification standards, specifically the International Standard Industrial Classification of All Economic Activities (ISIC), Industry Classification Benchmark (ICB), Global Industry Classification System (GICS), and SICS Sustainable Industry Classification System® (SICS®)¹.

Table 1: Proposed sector key for the Sector Standards Project for Textiles and Apparel

| Classification Standard | Classification No. | Classification Name |
|-------------------------|--------------------|--|
| ISIC | 13 | Manufacture of textiles |
| | 14 | Manufacture of wearing apparel |
| | 15 | Manufacture of leather and related products |
| | 4641 | Wholesale of textiles, clothing, and footwear |
| | 4751 | Retail sale of textiles in specialized stores |
| | 4782 | Retail sale via stalls and markets of textiles, clothing, and footwear |
| | 9601 | Washing and (dry-) cleaning of textile and fur products |
| ICB | 55101020 | Textile Products |
| | 40204020 | Clothing and Accessories |
| | 40204025 | Footwear |
| | 40204030 | Luxury Items |
| | 40401020 | Apparel Retailers |
| GICS | 252030 | Textiles, Apparel & Luxury Goods |
| | 25504010 | Apparel Retail |
| SICS® | CG.1 | Apparel & Textiles |

Sustainability impacts

Textile and apparel products are highly traded across borders, following a complex and multi-layered value chain that may prevent stakeholders from identifying sustainability impacts of organizations.

Apparel is a labor-intensive industry, and it is estimated that 75 million people are employed in clothes manufacturing today, 80% of whom are young women between the ages of 18 and 24². Poor working conditions and wages not meeting living standards are on the agenda among the concerns in the

¹ Sustainable Industry Classification System® or SICS® is the classification system of SASB.

² Elizabeth Reichart and Deborah Drew, 'By the Numbers: The Economic, Social and Environmental Impacts of "Fast Fashion"', 1 October 2019, <https://www.wri.org/insights/numbers-economic-social-and-environmental-impacts-fast-fashion>

textiles and apparel sector. According to the United States Department of Labor³, there is evidence of forced and child labor in the fashion industry in Argentina, Bangladesh, Brazil, China, India, Indonesia, Philippines, Turkey, Vietnam, and more.

Production of textiles and apparel has notable environmental impacts, including water pollution and the release of microplastics. Waste is also a critical issue for the industry, with more than 80% of clothes and other textiles ending its life being incinerated or landfilled⁴.

These impacts are provided to give a first indication of the scope of issues covered by the proposed project. However, the issues recommended for inclusion within the Sector Standard for textiles and apparel will be determined by a multi-stakeholder process in accordance with the Due Process Protocol and may diverge from those contained within this project proposal.

Project objectives

The primary objective of this project is to develop a Sector Standard that improves the sustainability reporting of textiles, footwear, and apparel organizations, making reporting more complete and consistent across the sector.

This Sector Standard will:

- Identify and describe the topics that are likely material for a reporting organization in the textiles, footwear, and apparel sector based on the sector's most significant impacts.
- Provide evidence and authoritative references for these topics to assist organizations in identifying if they are material for them.
- Identify and list appropriate disclosures for reporting on those topics.

As per the new GRI Universal Standards, organizations in the textiles and apparel sector that want to report in accordance with GRI standards will be required to use this Sector Standard.

Recommendations may also be made by the Textiles and Apparel Working Group regarding:

- The scope, key, and name of the Sector Standard.
- Considerations that may be relevant to Sector Standards for related sectors.
- Revisions or updates to other GRI Standards.

Impacts identified within this project for which no GRI Standard exists will be assessed and prioritized by the GSSB for future GRI Standards development.

Division of responsibilities

A multi-stakeholder Working Group will be formed to identify the most significant impacts for the textiles and apparel sector and give recommendations on the development of the Standard.

The Standards Division will draft the Standard, and the GSSB will have oversight and final approval over the Standard before its release. The Standards Division will ensure coherence between the Sector Standard for textiles and apparel and any Standards approved or under development.

³ U.S. Department of Labor, 'List of Goods Produced by Child Labor or Forced Labor', 23 June 2021, <https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods>

⁴ European Parliament, 'The Impact of Textile Production and Waste on the Environment', 29 December 2020, <https://www.europarl.europa.eu/news/en/headlines/society/20201208STO93327/the-impact-of-textile-production-and-waste-on-the-environment-infographic>

The project will be conducted in accordance with the [GSSB Due Process Protocol](#).

Timeline

The commencement date of this project has not been determined and is subject to resource availability. Table 2, on the following page, outlines the anticipated project duration. The commencement date and the predicted dates of other key milestones will be confirmed once known.

Table 2: Estimated duration of Sector Standards Project for Textiles and Apparel⁵

| Phase | ~Duration (months) | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 | Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 | Month 13 | Month 14 | Month 15 | Month 16 | Month 17 | Month 18 | Month 19 | Month 20 | Month 21 | Month 22 | Month 23 | Month 24 |
|---|--------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Project commencement | 1 | █ | | | | | | | | | | | | | | | | | | | | | | | |
| Open call & recruitment of PWG | 3 | | █ | █ | █ | | | | | | | | | | | | | | | | | | | | |
| GSSB approval of Working Group membership | - | | | | ◆ | | | | | | | | | | | | | | | | | | | | |
| Content development by Working Group | 9 | | | | | █ | █ | █ | █ | █ | █ | █ | █ | █ | | | | | | | | | | | |
| GSSB approval of exposure draft | 1 | | | | | | | | | | | | | | ◆ | | | | | | | | | | |
| Public comment period | 3 | | | | | | | | | | | | | | | █ | █ | █ | | | | | | | |
| Analysis of public comments and revision of draft | 6 | | | | | | | | | | | | | | | | | | █ | █ | █ | █ | █ | █ | |
| GSSB approval of final standard | 1 | | | | | | | | | | | | | | | | | | | | | | | | ◆ |
| Total (months) | 24 | | | | | | | | | | | | | | | | | | | | | | | | |

⁵ Project scheduling changes may occur over the course of the project, including extensions to the duration of project due to approval processes or other circumstances.