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GRI Sector Standard Project for Textiles and Apparel – Explanatory memorandum to the exposure draft

This explanatory memorandum sets out the objectives of the GRI Sector Standard Project Textiles and Apparel. It also includes the significant proposals contained in the Textiles and Apparel exposure draft and summarizes the Global Sustainability Standards Board's (GSSB) involvement on the development of the drafts.

This document has been prepared by the GRI Standards Division and is made available to observers at meetings of the Global Sustainability Standards Board (GSSB). It does not represent an official position of the GSSB. Board positions are set out in the GRI Sustainability Reporting Standards. The GSSB is the independent standard setting body of GRI. For more information visit www.globalreporting.org.

Objectives for the project

The textiles and apparel sector was identified as a priority for a reporting standard by the GSSB in 2019 due to its wide-ranging impacts on the economy, environment and people, including impacts on their human-rights.

The project's primary objective is to develop a Sector Standard for textiles and apparel, which includes jewelry, to improve transparency on the impacts of organizations in these sectors and to enable complete and consistent reporting.

The Standard aims to identify and describe the topics likely to be material for reporting by organizations in the textiles and apparel sector based on the following:

- their most significant impacts;
- evidence provided and authoritative references on these impacts; and
- relevant disclosures listed for reporting.

A Working Group (WG) has been appointed to contribute to the development of the exposure draft, as laid out by the [GSSB Due process protocol](#). The group consists of 21 experts across the sector, representing civil society, mediating institutions, business enterprises, labor, and investment institutions.

For more information on the project, consult the [project proposal](#) and Working Group [terms of reference](#).

Significant proposals

An exposure draft for textiles and apparel has been developed in line with the project objectives set out above.

Notable inclusions, such as the likely material topics and related reporting in the exposure draft are summarized below:

1. Likely material topics

A total of 18 topics have been identified as likely to be material for most organizations in the sector, representing their most significant impacts on the economy, environment, and people, including human rights. Textiles and apparel organizations can be involved with these impacts through their own activities or via their business relationships.

See [Table 1](#) for the list of likely material topics.

2. Additional sector reporting

The majority of likely material topics (16) include additional sector reporting. The additional sector reporting was identified as critical by the WG due to the nature of textiles and apparel activities and their business relationships. Additional sector recommendations and disclosures were developed by the WG or informed by other normative reporting instruments already used by organizations in the sector to disclose their impacts.

3. Likely material topics that do not have corresponding Topic Standards

For the following five topics there are no corresponding GRI Topic Standards.

- [Waste, Materials and Circular Economy](#)

The focus of this topic is the significant human and environmental impacts material use and waste generation can produce. These impacts are intrinsically linked to circular economy, a critically important business model to the sector to address the significant impacts it has on increased use of virgin materials, its contribution to climate change, and negative impacts on biodiversity and water and effluents.

While there are Topic Standards for Waste and Materials, the 'circular economy' component of the waste, materials, and circularity measures in these Topic Standards are insufficient to address the impacts in the sector. Additional sector reporting on this topic focuses on the

actions and processes of the reporting organization's transition to circular business models and activities.

- **Hazardous Chemicals**

The textiles and apparel sector uses thousands of different chemicals. The choice, use, management, and disposal of these chemicals may differ for several reasons, such as prices demanded by buyers, geographic location with the local applicable legislation, and technical knowledge of the chemical products used. Combined with negative health impacts to the workers from improper handling, sometimes without sufficient protective equipment, disposal, or accidental spills can lead to contamination of water and local biodiversity impacts.

The reporting of this topic focuses on the impacts associated with use of hazardous chemicals, including disclosures on air emissions, significant spills, local community and customer health and safety. Additional sector recommendations augment GRI 3-3, with more details requested on the management of these substances, including, their plans for emergencies involving chemicals and their use of recognized Restricted Substances Lists.

- **Non-discrimination, equal opportunity and gender**

The majority of the sector's workforce consists of women, mostly occupying junior and low-skilled roles as supervisors, while management, and senior roles are predominately occupied by men. With the imbalance in roles within the sector, impacts such as discrimination, harassment, and violence, including sexual and gender-based violence, are prominent. Whilst GRI Topic Standards exist that address non-discrimination, equal opportunity, diversity and inclusion, the sector's focus on gender was considered critical to emphasize in the reporting expectations for this topic. Additional sector reporting focuses on an organizations' approach to gender-based impacts. Reporting includes identification of impacts, description of relevant policies, and disclosure of metrics on the composition of their employees and supply chain workers in terms of gender pay-gaps, treatment of pregnant workers and initiatives to promote women to leadership positions.

- **Conflict-affected and high-risk areas**

This topic covers an organization's approach and impacts on operating in, sourcing from or via conflict-affected and high-risk areas. It focuses on the importance of conducting robust due diligence when operating or sourcing from conflict-affected and high-risk areas, which present a heightened risk for severe human rights abuses and illicit financial flows. Lacking a corresponding GRI Topic Standard, the reporting consists of additional sector disclosures, modelled after the topic 14.25 in *GRI 14: Mining Sector 2024*. Reporting on this topic addresses due diligence expectations and adherence to international humanitarian law.

- **Supply chain traceability**

This topic covers an organization's approach to supply chain traceability and provides the means to identify and prevent potential negative impacts linked to an organization's products. Lacking a corresponding GRI Topic Standard, the reporting consists of additional sector disclosures, modelled after the topic 13.25 in *GRI 13: Agriculture, Aquaculture and Fishing Sectors 2022*. Reporting on this topic focuses on how organizations trace the source or origin of products or materials.

4. Alignment with current exposure drafts

The likely material topics Employment, Remuneration and working time, Non-discrimination, equal opportunity and gender list relevant disclosures from the following Topic Standard exposure drafts.

- [GRI Topic Standard Project for Labor – Employment Exposure draft](#)
- [GRI Topic Standard Project for Labor– Remuneration and Working Time Exposure draft](#)
- [GRI Topic Standard Project for Labor – Working Parents and Caregivers Exposure draft](#)
- [GRI Topic Standard Project for Labor – Non-discrimination and equal opportunity](#)
- [GRI Topic Standard Project for Labor – Diversity and Inclusion](#)

GSSB involvement on the development of this draft

The GSSB was presented, for their consideration, the Textiles and Apparel project proposal, which it approved in February 2022. After an extensive application and interview process for the formation of the Working Group, the SD sought input from the GSSB on the final applicants, considering their experience, areas of expertise, geographic location, and GRI constitutional balance. The GSSB approved the WG composition in July 2023. The meeting recordings can be accessed on the [GSSB website](#).

Table 1. Likely material topics included in the exposure draft for textiles and apparel

The organization needs to use this Standard when determining its material topics. However, circumstances for each organization vary, and the organization needs to determine its material topics according to its specific circumstances. Because of this, not all topics listed in this Standard may be material for all organizations in the textiles and apparel sector. See [GRI 3: Material Topics 2021](#) for step-by-step guidance on how to determine material topics.

If the organization has determined any of the topics included in this Standard as not material, then the organization is required to list them in the GRI content index and explain why they are not material.

See [Requirement 3 in GRI 1: Foundation 2021](#) and [Box 5 in GRI 3](#) for more information on using Sector Standards to determine material topics.

Table 1. Likely material topics included in the exposure draft for textiles and apparel

Likely material topic
1. Climate change
2. Biodiversity
3. Water and effluents
4. Hazardous chemicals
5. Waste, materials and circular economy
6. Rights of Indigenous Peoples
7. Child labor
8. Forced labor and modern slavery
9. Freedom of association and collective bargaining
10. Non-discrimination, equal opportunity and gender
11. Occupational health and safety
12. Employment
13. Remuneration and working time
14. Procurement practices

15. Anti-corruption
16. Marketing and labeling
17. Conflict-affected and high-risk areas
18. Supply chain traceability

Exposure draft for public comment