

Textiles and Apparel Sector Standard

Frequently Asked Questions

This document is in support of the public consultation of the [Textiles and Apparel Sector Standard exposure draft](#). For more information about the project as well as links to the draft standard, how to participate in the public consultation, explanatory memo and more, please refer to the GRI project page on our website: [here](#)

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General – project related

How will you achieve international representation with your working group?

Of the almost 200 applications received to participate in the Textiles and Apparel Working Group (WG), we needed to ensure global representation, as the textiles and apparel sector has a complex global value chain, with no one dominant concentration of manufacturing, brands or retailers. The WG membership should reflect a balance of multi-stakeholder constituencies. As a minimum, the WG shall have at least one person drawn from each of the constituencies on which the membership of the GSSB is based, as defined in the GSSB Terms of Reference. The process of selecting and roles of the WG are laid out in the Global Sustainability Standards Board, Due Process Protocol. The final composition of the WG is 21 global members representing the 5 constituencies of GRI. For further information on members of the WG their biographies are available on the GRI website: [here](#).

Scope

To what organizations does the standard apply?

This Standard can be used by any organization in the textiles and apparel sector, regardless of size, type, geographic location, or reporting experience. The organization must use all applicable Sector Standards for the sectors in which it has substantial activities. The Textiles and Apparel Sector Standard will apply to organizations that have business activities in any of the activities outlined in the list below. This can include entities such as subsidiaries, joint ventures, and affiliates, including minority interests. The organization should report information for the same group of entities as covered in its financial reporting. To learn more about the scope and content of the standard, please refer to the exposure draft: [here](#) and explanatory memo: [here](#)

The Textiles and Apparel Sector Standard will apply to organizations undertaking:

- Textile manufacturing, including the transformation of fibers into yarn and fabrics for domestic and commercial purposes
- Apparel manufacturing
- Footwear manufacturing
- Jewelry manufacturing
- Apparel retail
- Footwear retail
- Jewelry retail
- Textile retail

Why include jewelry into the scope of textiles and apparel and not its own standard?

There is a high level of similarity in the impacts in the manufacturing to retail value chains from textiles, apparel and jewelry. Whilst also considering scales of the sector, textiles and apparel has annual global turnovers of trillions of dollars, which is significantly higher than that of jewelry, excluding mining and refining, which are covered by existing or future Sector Standards (e.g. GRI 14: Mining 2024, and metal processing, that will be developed in the future). There is also significant overlap between the textiles, apparel and jewelry with global brands and retailers often engaging in both apparel and jewelry, so by including jewelry into the scope, this reduces the reporting burden for organizations in the sector.

Why are metal processing or metal refining organizations excluded from the project scope, if jewelry is included?

While metal processors or refiners are an essential piece of infrastructure within the jewelry sub-sector, they will be subject to their own Sector Standard to be developed in the future and are therefore out of scope for this sector standard. Manufacturers who take refined materials and transform them into workable materials, such as sheet, rod, bar, and pipe are included in the scope of the textiles and apparel sector standard. For further information on the standards to be developed by GRI, please see the schedule and links to the work program: [here](#).

Alignment with other frameworks

What is the relationship between the Textiles and Apparel Sector Standards and other relevant initiatives in the sector?

The GRI Textiles and Apparel Sector Standard provides a framework for assessing material impacts and have been informed and developed considering global sustainability initiatives, and key instruments for the sector. The Textiles and Apparel sector Standard is informed by relevant global frameworks, such as the OECD Due diligence Guidance for Garments and Footwear and the OECD Due Diligence Guidance for Conflict-Affected and High-Risk Areas.

Building on existing relevant instruments and frameworks, the Sector Standard complements other tools while offering a unique contribution to enhance transparency and accountability regarding the Textiles and Apparel sector's impacts on the economy, environment, and people.

Materiality assessment

Which topics are identified as likely to be material for the sector?

A total of 18 topics have been identified as likely to be material for most organizations in the sector, covering impacts on the economy, environment, and people, including their human rights. Organizations in the sector are involved with these impacts through their own activities or as a result of their business relationships:

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 or compulsory labor
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

How were these likely material topics identified and selected?

Likely material topics represent the sector's most significant impacts on the economy, environment, and people, either through their own activities or their business relationships. The exposure draft includes the most significant impacts as identified by Standards Department research, including sustainability reports and other sector initiatives, the WG, which were then scrutinized by Peer Reviewers, with significance determined by both severity and likelihood. Severity of an actual or potential negative impact is determined by the scale, scope, and irremediable character of the impact.

The likelihood of a potential negative impact refers to the chance of the impact happening. A topic can be material where the severity of the impact outweighs the likelihood of it occurring. In the case of potential negative human rights impacts, the severity of the impact takes precedence over its likelihood. When prioritizing other types of impacts, such as potential negative environmental impacts, the organization may also choose to prioritize highly severe negative impacts even though they may be less likely to occur.

How should materiality be considered in the context of globally fragmented supply chains?

Assessing materiality in the context of global supply chains presents additional complexity. A reporting organization has to determine its material topics following the requirements of [GRI 3](#). Sector Standards are not a replacement of the materiality assessment. Textiles and apparel organizations, through their business relationships, may be directly linked to negative impacts across many activities in their value chains. Materiality shall be assessed across an organization's entire value chain, regardless of the significance that products or supplier represents.

Should organizations report on all topics included in the draft Standard?

The reporting organization is required to use the applicable GRI Sector Standards when determining its material topics. Sector Standards guide an organization's materiality process. If any of the topics that are included in the applicable Sector Standards have been determined by the organization as not material, the organization is required to list them in the GRI content index and explain why they are not material. The organization is required to determine its material topics based on its specific circumstances. Using the GRI Sector Standards supports the organization in this process. The Sector Standards provide information for organizations about their likely material topics.

Why does the Sector Standard consider impacts via business relationships, especially suppliers with the most significant impacts?

Organizations reporting in accordance with GRI are required to consider their actual and potential, negative and positive impacts across its activities and business relationships. In the case of negative impacts that are directly linked to the organization's operations, products, or services by its business relationships, seek to prevent or mitigate these impacts even if it has not contributed to them. The organization is not responsible for providing for or cooperating in the remediation of these impacts, but it can play a role in doing so.

This requirement reflects GRI's alignment with authoritative instruments such as the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for MNEs. Both of these instruments outline that organizations must seek to prevent, or mitigate impacts with which they are involved via their business relationships. Such impacts are particularly relevant for the textiles and apparel sector, especially organizations (such as brands and retailers) which often instruct others to manufacture or produce products and request services of upstream organizations.

Will the sector recommendations in the exposure draft be mandatory to report?

Sector Standards may list additional sector disclosures for organizations to report. Reporting these additional sector disclosures is a recommendation. The organization is not required to provide a reason for omission for the additional sector disclosures it does not report.¹ 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.

The GSSB made this decision during the pilot projects to develop the first Sector Standards. It was determined that making the additional sector reporting mandatory would be too onerous for reporting organizations. Despite this, the additional sector reporting does provide the best practice for the sector. As we review our Topic Standards, many of the recommendations that were developed for the sector pilot projects are being incorporated as mandatory disclosures in the revised Topic Standards, for example in the new Climate Change and Biodiversity Topic Standards. In December 2024 the GSSB agreed to review the non-mandatory nature of additional sector reporting for future Sector Standards and future revision of existing or under development Sector Standards.

Supply chain reporting from textiles and apparel organizations

Are the post-consumer impacts of textiles and apparel organizations' downstream considered in the Sector Standard?

The exposure draft does not include disclosures on how organizations assess and manage impacts of the end consumers. This is due to the limited applicability of those who engage with end consumers (mostly brands, retailers and other consumer-facing organizations), as well as a lack of authoritative global data availability on consumer practices on their purchased textiles and apparel products.

'Supply chain Disclosures' - As this is not a likely material topic, does this mean it is not mandatory for organizations to report on this section?

The reporting under this section is additional sector reporting. All additional sector reporting included in the draft, both additional sector recommendations and additional sector disclosures, is a recommendation to organizations who wish to report using the GRI Standards. Whilst reporting these additional sector disclosures is a recommendation, reporting organizations may wish to include in their content index that they are not reporting against this disclosure and provide one of the applicable reasons for omission.

Involvement with negative impacts from suppliers and supply chain organizations

In which cases are organizations 'directly linked' to negative impacts?

An organization's operations, products, or services may be 'directly linked to' a negative impact by its business relationships. For example, if the organization uses cobalt in its products that is mined using child labor, the negative impact (i.e., child labor) is directly linked to the organization's products through the tiers of business relationships in its supply chain (i.e., through the smelter and minerals trader, to the mining enterprise that uses child labor), even though the organization has not caused or contributed to the negative impact itself. 'Direct linkage' is not defined by the link between the

organization and the other entity, and is therefore not limited to direct contractual relationships, such as 'direct sourcing'.

In which cases do organizations 'contribute to' negative impacts?

An organization 'contributes to' a negative impact if its activities lead, facilitate, or incentivize another entity to cause the impact. The organization can also contribute to a negative impact if its activities in combination with the activities of other entities cause the impact. For example, if the organization sets a short lead time for a supplier to deliver a product, despite knowing from experience that this production time is not feasible, this could result in excessive overtime for the supplier's workers. In such a case, the organization may contribute to negative impacts on the health and safety of these workers. An organization can cause or contribute to a negative impact through its actions as well as by failure to take action (e.g., failure to prevent or mitigate a potential negative impact).

How many tiers should organizations consider relevant to be included in their due-diligence and reporting? ; i.e. how far does the supply chain go?

Identifying actual and potential negative impacts with which the organization is involved or could be involved is the first step of due diligence. The Textiles and apparel sector standard does not specify a fixed number of tiers that organizations should consider. Instead, organizations are expected to identify how the products, services, they instruct or provide are linked to impacts. Business relationships that the organization has with entities in its value chain include those beyond the first tier, and with any other entities directly linked to its operations, products, or services should be included in their due diligence activities.

In some cases, the organization might be unable to identify actual and potential negative impacts across all its activities and business relationships. This could be, for example, because the organization has diverse or multiple global operations or because its value chain comprises many entities. In such cases, the organization may carry out an initial assessment or scoping exercise to identify general areas across its activities and business relationships (e.g., product lines, suppliers located in specific geographic locations) where negative impacts are most likely to be present and significant. Once the organization has conducted an initial assessment or scoping exercise, it can identify and assess actual and potential negative impacts for these general areas.

According to OHCHR instruments, the existence of a business relationship alone does not establish a direct link between the organization and the impact; the connection must specifically relate to the product or service and the impact. This means that organizations should assess how they are involved with impacts, particularly negative ones, focusing on high-risk areas such as specific activities or geographic locations and prioritize these for further assessment. This involves developing policies and processes for identifying and managing impacts across activities. The severity of impacts including their scale, scope, and irremediability is the key factor in determining the depth, breadth and complexity of due diligence processes.

Reporting expectations

Isn't the reporting in this standard too ambitious? The data from or regarding employees/workers is generally not available to organizations upstream in the sector.

We recognize that some of the reporting requirements are ambitious and that data may not currently be available for all organizations. Feedback from the WG indicates that organizations in the sector face challenges in identifying the appropriate data to request from their business relationships. Whilst some data may not yet be readily available, this standard can support organizations in prioritizing their data collection efforts over time.

One of the objectives of the Public Comment Period (PCP) is to test the availability of data and feasibility of reporting. As such, a question on feasibility of the proposed reporting and availability is included in the proposed PCP questionnaire..

Questions on likely material topics

Why is there a section on 'supply chain disclosure' before the material topics and do I need to report against it?

Due to the complex and fragmented nature of the value chain, it is sometimes difficult to understand where impacts occur in the textiles and apparel sector. Improved transparency and clarity of supply chains, support organizations to conduct due-diligence, manage impacts, and provide stakeholders access to more reliable data to support identify where impacts occur. The Textiles and Apparel exposure draft includes additional supply chain-specific recommendations and disclosures, that organizations are encouraged to report, regardless of their position in the value chain. Organization who do not wish to report against the supply chain disclosure reporting, must report this through their content index, providing reasoning.

Why isn't circular economy its own likely material topic?

Circular economy is a growing area of interest for the textiles and apparel sector, however its implementation amongst organizations remains very low. There is also significant overlap between circular economy activities and the use of materials and the handling of waste. Some of the most prevalent examples of circular economy within the sector, such as repair, repurpose and recycle activities are growing, but it is yet to a level where it would be globally applicable for the majority of the sector (a determining factor for likely material topics), therefore, it is combined with materials and waste. There is also not currently a GRI topic standard for Circular Economy, however if one is to be developed in the future, the Textiles and Apparel Sector Standard would be updated with this topic following an alignment project.

Why is there a likely material topic on Conflict-affected and high-risks areas (CAHRA), when mining is out of scope?

Whilst it is more likely to be recognized by organizations in the jewelry sector, it should be noted that with such globally fragmented and complex supply chains, it is highly likely that textiles and apparel organizations may contribute, cause or be directly linked to impacts related to CAHRA, especially when materials and products either originate from, are traded via or transported through a CAHRA. CAHRA impacts are severe, such as financing or otherwise contributing to conflict, human rights abuses or bribery, money laundering and tax evasion. Due to the severity of the impacts, even if an organization has a limited business volume in a particular CAHRA, it may be causing, contributing or being directly linked to impacts related to CAHRA, it is therefore likely to be material to the majority of

organizations in the sector and has been included in the Textiles and apparel exposure draft as a likely material topic.

GRI and the GRI Standards

Who is GRI?

GRI is a nonprofit international organization tasked with being the global standard setter for impact reporting. We follow an independent, multi-stakeholder process and maintain the world's most comprehensive sustainability reporting standards: the GRI Standards. Our Standards are available as a free public good. Formed over 20 years ago to help organizations be transparent and take responsibility for their impacts, GRI's mission is to advance sustainable development for a sustainable future. To find out more information on GRI, please go to our website: [GRI - About GRI](#)