



Item 04 – GRI Sector Standards Project for Textiles and Apparel – Draft project proposal

For GSSB approval

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| Date | 7 October 2021 |
| Meeting | 21 October 2021 |
| Description | <p>This document sets out the draft project proposal to develop a Sector Standard for the textiles and apparel sector, for Global Sustainability Standards Board (GSSB) discussion and approval to send to the GRI Board and Stakeholder Council for feedback.</p> <p>The proposed scope for the sector includes retailers, a decision that will need to be ratified by stakeholder consultations.</p> <p>After feedback from the GRI Board and Stakeholder Council has been received and incorporated, the Standards Division will present the proposal to the GSSB for final approval, in accordance with the Due Process Protocol.</p> <p>Please note: the development and submission of this draft project proposal marks the intention for the GRI Sector Standards Project for Textiles and Apparel to be next to commence under the GRI Sector Program. The commencement date of this project has not been determined and is subject to the resource availability.</p> |

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.

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2 Project background

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

5 The first pilot sector standard – *GRI 11: Oil and Gas Sector 2021* – is finalized and has been
6 released; the Standards for coal, and agriculture, aquaculture, and fishing have completed their public
7 comment periods and a fourth Sector Standard, for mining, is under development. A draft project
8 proposal for a Sector Standard for food is also being presented to the GSSB.

9 Textiles and apparel are the next sector in line to have a standard developed, according to the [list of](#)
10 [sectors](#) approved by the GSSB in November 2020. In this decision, consideration was given to the
11 high sustainability impact of its activities to the synergies this sector will have with the Agriculture,
12 Aquaculture and Fishing Project.

13 Sector overview

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

- 16 • Textile production
- 17 • Apparel manufacturing
- 18 • Footwear manufacturing
- 19 • Apparel retail.

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

23 The Standards Division recommends including retail into the scope of the sector.

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

29 It is proposed that this project is titled 'GRI Sector Standards Project for textiles and apparel'.
30 However, the scope and name of this standard may deviate from this proposal following
31 recommendations from the Textiles and Apparel Working Group.

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

¹ [Sustainable Industry Classification System](#)® or SICS® is the classification system of SASB.

| 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 |

37 Sustainability impacts

38 The key criterion for prioritizing sectors is their sustainability impacts. This takes into
 39 account the significance of the sector’s impacts, considering their scale, scope, character and
 40 likelihood. It also considers the size of the sector, the sector’s distribution around the world and the
 41 number of organizations from that sector that are in a position to use the GRI Standards.
 42 A second criterion for prioritizing a sector is the potential to exploit learnings and synergies from other
 43 Sector Standards that have been recently developed. Based on these criterion, textiles and
 44 apparel has been selected to be the Sector Standard to be developed next.

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

47 Apparel is a labor-intensive industry, and it is estimated that 75 million people are employed in clothes
 48 manufacturing today; 80% of whom are young women between the ages of 18 and 24². Poor working
 49 conditions and wages not meeting living standards are on the agenda among the concerns in the
 50 textiles and apparel sector. According to the United States Department of Labor³, there’s evidence of
 51 forced and child labor in the fashion industry in Argentina, Bangladesh, Brazil, China, India,
 52 Indonesia, Philippines, Turkey, Vietnam and more.

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>

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>

53 Production of textiles and apparel have notable environmental impacts, including water pollution and
54 the release of microplastics. Waste is also a critical issue for the industry, with more than 80% of
55 clothes and other textiles ending its life being incinerated or landfilled⁴. These impacts are provided to
56 give a first indication of the scope of issues covered by the proposed project. However, the issues
57 recommended for inclusion within a Sector Standard for the textiles and apparel sector will be
58 determined by a multi-stakeholder process in accordance with the Due Process Protocol and may
59 diverge from those contained within this project proposal.

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

64 **Project objectives**

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

68 This Sector Standard will:

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

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

76 Recommendations may also be made by the Working Group regarding:

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

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

82 **Division of responsibilities**

83 A multi-stakeholder Working Group will be formed to contribute to identifying the most significant
84 impacts for the textiles and apparel sector and give recommendations on the development of the
85 Standard. The Standards Division will draft the Standard, and the GSSB will have oversight and final
86 approval over the Standard before its release.

87

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>

88 The Standards Division will ensure coherence between the Sector Standard for textiles and apparel
89 and any Standards approved or under development.

90

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

92 **Timeline**

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

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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.

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