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Public Comment period for Raw Materials Sourcing in Apparel project

Question 1: Does the proposed change to the “priority raw materials” definition in the qualitative metric (CG-AA-440a.1) improve alignment with common industry practices and guidance?

We welcome convergence of definitions between standards and international organisations for clarity and simplicity and believe it will provide more comparable and transparent data. As the Textile Exchange’s definition is widely used by companies within the industry, we agree that adopting the definition should also be more cost effective for companies.

Question 2: Do you agree with the rationale to structure metrics by priority raw material (e.g., cotton, leather, etc.) versus by another component such as sourcing region or environmental/social factor (e.g., water scarcity, animal welfare, etc.)?

The metrics proposed by SASB are more granular and will provide more specific data than via environmental or social factors. We welcome better disclosure and data. However, we note that this will make it more difficult to understand these metrics in comparable ways to already established ESG metrics and classifications. We recommend including these more granular metrics under broader E and S “themes” to make cross-referencing clearer.

Question 4: The Board considered two approaches to revise the list of certifications/standards included in metric CG-AA-440a.2. Do you have a preference between the two approaches, and if so, why? What principles would you consider when evaluating the credibility and/or selection of third-party certifications/standards?

We prefer a set of principles that companies can use to identify credible certifications/standards rather than a list of third-party certifications/standards. This allows for a broader range of standards to qualify, some of which may be more or less popular in certain regions, or newer certifications, as long as they meet the specified criteria. This approach also does not require ongoing maintenance of the list to ensure that the certifications/standards referenced are up to date.

Question 5: Do you agree with the Board’s conclusion to not expand the scope of the Raw Materials Sourcing disclosure topic to include materials used for packaging?

We do not agree with this conclusion, and think that materials used for packaging should fall under the scope of the Raw Materials Sourcing disclosure topic. This is because many investors have interest in supply chain activities and standards. For example, there are many popular corporate engagements focused on modern slavery within company supply chains, one of which we are a member of. Scope 3
emissions are also now being considered by many investors, and the UN Global Compact also considers supply chain violations as violations. As such, we believe that materials used in packaging are still part of the whole output and should be included.