Textiles & Manufacturing

Terms of Reference: Materiality Assessment for Alternative inputs for Textile Materials

September 7th, 2020

1. Introduction - IDH

IDH Sustainable Trade Initiative (IDH) accelerates and up-scales sustainable trade by building impactful coalitions of front running companies, civil society, governments, knowledge institutions and other stakeholders in several commodity sectors. We convene the interests, strengths, and knowledge of public and private partners in commodity programmes that aim to mainstream sustainability. We jointly formulate strategic intervention plans with these partners, and we co-invest in activities that generate public goods.

On basis of these Terms of Reference IDH aims to select a party that will conduct a **Materiality Assessment for Alternative Inputs for Textile Materials.**

2. Introduction – Textiles & Manufacturing BU

The Textiles and Manufacturing Business Unit's cotton programme is mature and is driving impact at scale, achieving market transformation in the global cotton value chain by creating both supply and demand for Better Cotton. IDH will continue to build on this strong foundation of sectoral expertise by convening partners, funding research, and working with brands to scale innovative solutions that address sustainability issues in sourcing materials other than cotton. Given the linkage between material use and design, IDH will explore alternative feedstocks for textiles, for end use in the apparel sector in which resource input and waste, GHG emissions, and energy leakage are minimized by narrowing energy and material loops.

IDH is in an optimal position to leverage its existing network in over 50 cotton growing countries as well as major garment manufacturing hubs including China, Vietnam, Pakistan, and India, to solve potential cross-value chain barriers. IDH is also well placed to continue working closely with 90+ brands and retailer partners in the EU and USA to drive systemic changes.

3. Context

The apparel value chain is long and complex, spanning many types of companies, each with their own social and environmental sustainability challenges. The sector needs to urgently address its environmental externalities. On the current trajectory, emissions from textile production will rise by more than 60% by 2030, according to a 2017 report[1]. A McKinsey analysis[2] has estimated a 77% increase in CO2 emissions, 20% in water use and a 7% increase in land use by 2025.

The materials mix is one of the biggest drivers of an apparel brand's environmental footprint. Across segments it determines up to two-thirds of a brand's impact in terms of water, energy, and land use,

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[1] Global Fashion Agenda and The Boston Consulting Group (2017), Pulse of the Fashion Industry
[2] Remy N., Speelman E., Swartz S.(2016), Style that's sustainable: A new fast-fashion formula, McKinsey&Company

as well as its air emissions and waste. Changing the mix of materials used can reduce the environmental footprint of an apparel producer significantly.

IDH wants to explore the landscape for alternative material inputs, specifically for polyester and man-made cellulosic fibres (MMCF), whilst assessing the commercial viability for the private sector. This research will be a springboard into stakeholder convening, where IDH aim to act as facilitator to connect innovation and supply, exploring technically and economically viable alternative sustainable materials and increased offtake of these materials. Thought leaders such as Canopy, Fashion for Good and the Ellen MacArthur Foundation command respect in convening and elevating innovative voices, but comparative data for next generation inputs is lacking. This research aims to give the private sector tangible information, to make informed material choices and to drive future impact.

4. Objectives

The objective of the research is to conduct a robust materiality assessment of viable next generation alternative feedstocks for both polyester and MMCF fibres. Including and not limited to pre-consumer waste, post-consumer waste, alternative agricultural inputs, bio-based inputs, or microbial inputs.

This research should assess and compare; resource input and wastage, GHG emissions, energy leakage, water use, recovery rates for energy, water, and chemicals (if applicable) and chemical use. Key to this research will be to assess the commercial viability of alternative inputs and detail any foreseen barriers to achieving scale or quality standards needed to meet industry demand.

Where possible, this research should account for environmental impacts specific to sourcing regions and look to forecast and quantify unintended impacts of next generation alternative inputs – i.e. biodiversity impacts, reliance on a consistent waste infrastructure etc.

The consultant is expected to present a framework for value chain analysis for alternative inputs to be utilized during this project. To conclude the assessment, a recommendation of alternative inputs should be highlighted with detailed reasoning.

5. Deliverables

The final output of the assessment should include:

- Access to the raw data – including declared sources for any data used.
- Clear guidance and justification for any proxy data used to build assumptions in data modelling.
- A robust materiality assessment detailing value chains for all alternative inputs assessed. Comparing consistent impact areas of; resource input and wastage, GHG emissions, energy leakage, water use, recovery rates (for energy, water and chemicals) and chemical use, and any other impact metric the consultancy sees as a valuable comparable metric. This can be presented in an excel document and should be supported by clear visuals and graphs.
- A complimentary written analysis report which will demonstrate the approach and methodology used by the consultant, including background, findings, and conclusions. An overview of the process of selection (of alternative inputs) and a detailed analysis of commercial viability should be included, as well as comprehensive overview of any market risks. Lastly this should conclude with recommendations for the sector. This can be presented in a word document and should be supported by clear visuals and graphs.

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- A summary presentation with the main findings and recommendations that should be able to be read independently from the complete report.
- The research is not intended to be an academic exercise and should draw heavily on existing commitments of retailers and brands that IDH partners with. Interviews with relevant brands should form part of the methodology (IDH can facilitate introductions).

Deliverables of project	Deadline
Inception report	9th October
Alternative input shortlist and selection	16th October
Data collection and writing of methodology	16th October
First Materiality Assessment review and report meeting	16th October
Final Materiality Assessment and report review meeting	30th October
Summary presentation review	4th November
Complete materiality assessment	9th November
Complete summary presentation	9th November

6. Proposal guidelines

The technical proposal will include the following information:

- Profile of the research company or consultancy firm and its relevant work within the textiles and apparel sector.
- Approach and methodology demonstrating how the consultant intends to conduct the materiality assessment, along with likely sources of data and duration of project.
- Ways of working with IDH, including agreements on milestones, validation of research and analysis, and final recommendations.
- Clear description of the project team, relevant experience of team members and time allocation per team member
- Statement of experience (only experience from the suggested team members is relevant)

The financial proposal will include the following information:
- Inclusion of a budget with a break-down of day rate per consultant (EUR)
- All applicable taxes (VAT and withholding taxes) shall be included. If the financial proposal is silent on taxes, IDH shall assume that these are inclusive.

7. Selection criteria & procedure

Consultant/Consultancy profile

For this assignment we expect a consultant (individual, company, or consortium) who brings the following assets/experiences:
- Extensive experience working with the textiles and apparel sector
- Conceptual clarity of global value chains, and a strong understanding of common sourcing models for industry.

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- Understanding of and the ability to capture, analyse and structure robust assessments of the environmental impacts of textile production processes.
- Neutral and trusted.
- Suitable communication skills and experience.
- Appropriate cost-effective budget.

Procedure

The procedure will be as follows:

- Inviting consultancy companies for presenting a full proposal based on the TOR

- Pitching of the proposal for the IDH programme teams

- Evaluation of the proposals by an evaluation committee consisting of Pramit Chanda, Ruchira Joshi and Beckie Ellis. The evaluation committee will evaluate the proposals on the basis of the exclusion, selection and award criteria.

- Decision on selection of consultancy

- Inception meeting with the selected consultancy company

Tender process	Timeline
Deadline for submission of proposals*	25th September
Awarding of contract to successful consultant (may require brief phone call in week of 5 October)	8th October
Final report due	9th November

* Please submit proposals to ellis@idhtrade.org. Proposals submitted after the deadline will be returned and will not be considered in the tender procedure.

Selection Criteria

The evaluation of proposals will be made based on overall proposal quality, feasibility of proposed approach for data collection, expertise in the textiles and apparel sector, demonstrated advanced skills and experience in impact measurement and budget allocation. IDH is not bound to accept any proposal or to assign any reason for non-acceptance of a proposal.

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