



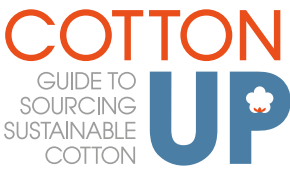
# A PRACTICAL GUIDE TO SOURCING MORE SUSTAINABLE COTTON







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CottonUP is a practical resource to inform and guide business leaders and sourcing teams on the issues, benefits and options for sourcing more sustainable cotton. The guide is part of Cotton 2040, a multi-stakeholder initiative to significantly increase the use of sustainable cotton internationally.

Is your business looking to source more sustainable cotton? Whether you're a senior manager on a mission or a buyer with targets to hit, CottonUP is here to help. This guide answers three big questions about sustainable cotton: why it's important, what you need to know and do, and how to get started.

Find what you're looking for in the sections below.



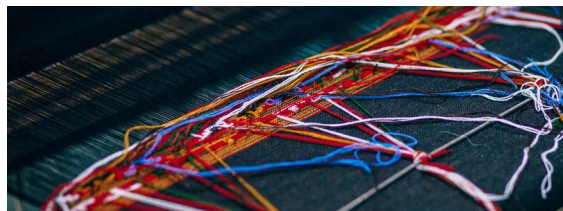
## 1. Why source sustainable cotton pg10

Reputation, resilience and returns: why sustainable cotton makes sense for your business.



## 2. Your sourcing options pg 28

All you need to know about finding and choosing the right cotton to meet your sustainability targets.



## 3. How to source sustainable cotton pg 74

Know you want to source sustainable cotton but not sure how to join the dots along your supply chain?.



## 4. In practice pg 92

Learn from other companies about their sourcing journeys.



## 4.Further Resources & References pg 108

Access useful resources.

## About this guide

### Is this guide for you?

Are you a senior manager on a mission? A sustainability professional researching sourcing options? A buyer with targets to hit and suppliers to manage? If so, the answer is 'yes'.

This guide will provide you with the practical information and resources to either start sourcing sustainable cotton or increase your volumes. We're here to help you go further, faster.

### What is the CottonUP guide?

Cotton is vital for fashion brands and retailers, but it can come at a high social and environmental cost. Sourcing more sustainable cotton is essential to reducing the commodity's negative impacts and ensuring future supply.

However, researching the most appropriate sourcing approach for your organisation's sustainability priorities is time and resource intensive.

The CottonUP guide exists to help apparel industry professionals develop and implement sourcing strategies, in particular across multiple standards such as organic, Fairtrade or the Better Cotton Initiative, among others.

The guide shares direct experiences and learning from companies that have already navigated the complex challenges of sourcing more sustainable cotton.

### How this guide can positively impact the industry

#### Deliver a lower-cost sourcing policy

Although producing a sustainable sourcing strategy for a fibre can be expensive and time-consuming, it can help big brands and retailers reach wider sustainability goals. The CottonUP guide provides a comprehensive overview of the information and processes organisations need to deliver and deploy a cotton fibre strategy.

#### Develop a shared vision

Organisations often have difficulty developing and aligning on a vision and its supporting goals. This can be especially true for the complex and rapidly changing landscape of sustainability. The CottonUP guide addresses this by raising awareness and understanding of the challenges and opportunities involved in more sustainable cotton sourcing.

#### Skill up colleagues

In pursuit of its goals, this guide will also enable capacity building within organisations. We want colleagues to have a shared understanding of the benefits, challenges and options for sourcing sustainable cotton. This equips them to participate in policy setting, support any resulting decisions, and – when necessary - take action.



# Cotton 2040 Partners



The CottonUP guide was made possible by generous funding from the C&A Foundation. It was jointly developed by the members of the **Cotton 2040** initiative, with input from numerous other industry stakeholders.

Cotton 2040 is a unique cross-industry partnership, bringing together leading international brands and retailers, cotton standards, existing industry initiatives and other stakeholders across the supply chain. The initiative is convened by global sustainability non-profit Forum for the Future.

Cotton 2040 aims to integrate and accelerate action on critical issues to sustainably grown cotton, reducing the system's negative impacts and ensuring supply for the future.

One priority of Cotton 2040's work is to increase how much sustainable cotton brands and retailers source, by enabling professionals in the apparel industry to more easily develop and implement sustainable cotton sourcing strategies.

## Help us improve this guide

We want this guide to help you on your cotton sourcing journey – whether you're just starting out or are working towards a 100% sustainable cotton target.

Your feedback is vital. We'd love to know what you think of this guide, and how we can improve it. Which information is particularly valuable? What is missing? Which resources would help you move forward more quickly?

Please take our short survey and help us drive uptake of sustainable cotton sourcing.

By **registering** your contact details, we can better support you on your sustainability journey. For example, we'll let you know about events, webinars, resources and case studies we think you'll find useful.



## Aditya Birla Fashion and Retail Limited

Aditya Birla Fashion and Retail Limited (ABFRL), a part of Aditya Birla Group, is India's largest pure-play fashion and lifestyle company with an elegant bouquet of leading fashion brands and retail formats. A member of United Nations Global Compact, the Group aims to become the leading Indian conglomerate for sustainable business practices. At ABFRL, we strongly believe that it is our responsibility to play a leadership role in seeding and cascading sustainability in the sector. [www.abfirl.com/#sustainability](http://www.abfirl.com/#sustainability)

## C&A Foundation



## C&A Foundation

The C&A Foundation is a corporate foundation. We are here to transform the fashion industry. Through financial support, sharing our expertise and providing access to a network of specialists, we strengthen platforms, NGOs and other changemakers. They can then transform the fashion industry and make it work better for every person it touches. <http://www.candafoundation.org/>



## Better Cotton Initiative

The Better Cotton Initiative (BCI) is a not-for-profit organisation that stewards the global standards for Better Cotton, and brings together cotton's complex supply chain, from farmers to retailers. <https://bettercotton.org/>

## Centre for Sustainable Fashion - London College of Fashion

Centre for Sustainable Fashion is a Research Centre of the University of the Arts London based at London College of Fashion. Our work explores vital elements of Better Lives, London College of Fashion's commitment to using fashion to drive change, build a sustainable future and improve the way we live. <http://sustainable-fashion.com/>

## Cotton Australia

Cotton Australia is the main representative body for the Australian cotton growing industry, led by a Board of nine cotton growers and ginners. <http://cottonaustralia.com.au/>



## Solidaridad



## CottonConnect

CottonConnect is a pioneering company with a social purpose, delivering business benefits to retailers and brands by creating more sustainable cotton supply chains. <http://cottonconnect.org/>

## Cotton made in Africa

Cotton made in Africa (CmiA) is an initiative of the Aid by Trade Foundation (AbTF) that helps people help themselves through trade. It improves the social, economic and ecological living conditions of smallholder cotton farmers and their families in Sub-Saharan Africa. <http://www.cottonmadein africa.org/en/>

## Fairtrade Foundation

Fairtrade is a movement for change that works directly with businesses, consumers and campaigners to make trade deliver for farmers and workers. <https://www.fairtrade.org.uk/>

## Forum for the Future

Forum for the Future is an international non-profit working with business, government and civil society to solve complex sustainability challenges. <https://www.forumforthefuture.org/>

## IDH – The Sustainable Trade Initiative

IDH accelerates and scales sustainable trade by building impact-oriented coalitions of leading multinationals, civil society organisations, governments and other stakeholders. <https://www.idhsustainabletrade.com/>

## Marks and Spencer

Marks and Spencer plc (also known as M&S) is a major British multinational retailer with a commitment to building a sustainable future. It specialises in the selling of clothing, home products and luxury food products. [https://corporate.marksandspencer.com/?intid=gft\\_company](https://corporate.marksandspencer.com/?intid=gft_company)

## Organic Cotton Accelerator

As an accelerator, the OCA works with sector stakeholders to find and implement solutions that will speed up the structural shift towards organic cotton. <http://www.organiccottonaccelerator.org/>

## Proudly Made in Africa

Founded in 2008, Proudly Made in Africa is a UK and Ireland based non-profit organisation that builds sustainable channels to market for African products. <http://www.proudlymadein africa.org/>

## Solidaridad

Solidaridad is an international development organisation with more than 45 years of experience in improving the sustainability of global supply chains. <https://www.solidaridadnetwork.org/>

## Target

Target Corporation is the second-largest discount retailer in the United States and is a component of the S&P 500 Index. <https://corporate.target.com/>

## Textile Exchange

Textile Exchange is a global non-profit organisation that focuses on minimising the harmful impacts of the global textile industry and maximising its positive effects. <http://textileexchange.org/>





SECTION 1

# WHY SOURCE SUSTAINABLE COTTON?



## 1.1 Cotton at a glance

This first section of the guide puts forward the case for sustainable cotton. We explore some of the problems cotton production can create unless it's done according to sustainable principles. We then present the challenges and huge opportunities of more sustainable production. This section closes with a guide to getting started on your sustainable sourcing journey.

Cotton touches most of us every day. Although figures fluctuate, it represents about 30% of all fibre used in the textile sector. Globally, around 30 million hectares are planted with cotton, accounting for more than 2% of total arable land, and producing approximately 25 million metric tonnes (MT) of cotton annually.

Cotton is grown in over 80 countries and its production supports the livelihoods of over 350 million people, including between 50 to 100 million farmers.



Cotton is loved for many reasons.

### It's practical and affordable

- Cotton is a versatile fibre that can be woven into many fabrics, from denim to lace. It can be easily dyed, and blended with other types of fibres, like polyester.
- Because it's so widely available, the price of cotton is affordable.

### It's tough

- Cotton fibres are tough and durable. It's the only fibre that becomes even stronger when wet. Clothes made from cotton can be worn, washed and worn again and again.
- Because cotton can tolerate very hot water and high temperatures, it's easy to sterilise, making it the fibre of choice for hospital clothing and accessories, as well as firefighting and other emergency services' uniforms.

### It's good to wear

- Fabrics made of cotton are soft and non-irritating – they don't scratch or chafe the skin. Cotton is one of the only natural fibres that causes virtually no allergic reactions, making it ideal for babies and people with sensitive skin, or those prone to skin problems such as eczema.
- Cotton fabric allows skin to breathe. It draws moisture away from the body, which means in hot weather it keeps you dry, and in cool weather it provides great insulation.
- It's breathable and doesn't retain odours.

### It's naturally environmental

- Cotton is biodegradable and a renewable resource (though it can use non-renewable resources in the growing process).
- Cotton fibres can be re-used and recycled. Given the right technology, cotton fabric can be broken down and the fibres recycled into new yarn, or even into paper.

### It's more than a fibre crop

- Cotton is an important rotation crop for smallholders, both for fibre, fuel and food (such as cotton oil). The cash income it generates is vital to improved living standards.

Cotton is the fabric of choice for so many styles and uses; it's hard to imagine life without it. But in the face of a changing world and climate, with issues like water scarcity, decreasing soil quality, and increased pressures on agricultural land, we can't take the future supply of cotton for granted.

Good due diligence by companies, as per guidelines from the Organisation for Economic Co-operation and Development (OECD), will help us understand these issues across multiple supply chains. In turn, this will help us take the right corrective action and report on the results.

This guide exists to help brands, retailers and others to source cotton in sustainable ways, so we can continue to enjoy its benefits in the future.

## Key facts about cotton

- ☞ Most years, farmers from over 80 countries produce about 25 million metric tonnes of cotton, making it the world's most abundantly produced natural textile.
- ☞ The global average water footprint of seed cotton is 3,644 cubic metres per tonne, the equivalent of nearly 1.5 Olympic swimming pools.
- ☞ It makes up nearly 30% of global textile production and it has a history dating back over 8,000 years.
- ☞ Globally, we grow an estimated 60% of our cotton in irrigated fields and 40% under rain-fed conditions.
- ☞ The fibre from one 227 kg cotton bale can produce 215 pairs of jeans, 250 single bed sheets, 1,200 t-shirts, 2,100 pairs of boxer shorts, 3,000 nappies, 4,300 pairs of socks or 680,000 cotton balls.
- ☞ Over 60% of cotton is produced by smallholder farmers in developing countries, who are some of the poorest and most vulnerable in the world.



## From niche to mainstream

Over the past 30 years, many cotton production standards and programmes have been developed that are making good progress towards addressing challenges related to cotton. More sustainably grown cotton is available than ever before, reaching over 2.6 million tonnes in 2015/16.

However, despite its resulting market growth, sustainably grown cotton is still a niche product. For 2016/17, the total volume of sustainable cotton is estimated to be 15% of global production, but only a fifth (21%) of this is actually bought by companies for their products. As a result, the remaining cotton is sold as conventional.

For sustainable cotton production to continue to grow, it's essential that brands and retailers provide the essential "pull" factors that send strong signals to cotton farmers all over the world that sustainable cotton is what the customer wants.

By raising awareness among brands, retailers and others in the industry about the importance of sustainable cotton, and by making it easier to source across a range of standards, together we can make sustainable cotton the mainstream choice.



## 1.2 Challenges for cotton

Cotton farming systems vary hugely between geographical areas. In countries such as the USA, Australia and Brazil, cotton is grown on larger, modernised farms using more mechanised technology and systems. In other parts of the world like India and Mali, it's more likely to see small-scale, labour-intensive production like hand weeding and picking.

Wherever it's grown, unless produced according to sustainable practices, cotton production can present significant challenges, and in some parts of the world may be associated with high social, environmental and economic impacts.

Thanks to progress in the industry, these impacts have been reduced in recent years, and there are encouraging signs that this trend is continuing. However, significant issues remain.



The most common challenges for unsustainable cotton growing systems include:

### Water quantity and quality issues

- Under poor management practices cotton can contribute to over-consumption of water, depending on where and how it's grown. The global average water footprint of seed cotton is 3,644 cubic metres per tonne, the equivalent of nearly 1.5 Olympic swimming pools.
- Various factors affect how much water is used, and how much pollution is generated. These include whether or not the cotton is rain-fed, irrigation methods used, which types and quantities of fertilisers and pesticide are applied, and soil types. Globally, we grow an estimated 60% of our cotton in irrigated fields and 40% under rain-fed conditions.
- Unless managed well, cotton production can use and pollute significant amounts of water. Irrigation farmers use groundwater and/or surface water, which, if not well managed or regulated, depletes freshwater resources, particularly in water stressed regions.
- In cotton production, as with many crops, the use of fertilisers can cause eutrophication (enrichment of water with nitrogen), which in turn impacts drinking water sources for people, animals and aquatic life.

### Inappropriate and excessive use of pesticides and fertilisers.

- When not grown according to sustainable practices, cotton production can be an intensive user of pesticides and petroleum based fertilisers. While their use has reduced over recent years, cotton currently uses 2.5% of the world's arable land, yet

10% of all agricultural chemicals such as those in pesticides and fertilisers. In 2009 cotton producers accounted for 6.2% of total global pesticide sales and 14.1% of insecticide sales for all crops.

- Pesticides and fertilisers, inappropriately used, can seriously pollute water sources and decrease soil fertility. They also can have significantly harmful effects on human health and biodiversity.
- Fertiliser production and use can contribute to greenhouse gas emissions.

### Low incomes of smallholder farmers

- Over 60% of the world's cotton is produced by smallholder cotton farmers, who are among the poorest and most vulnerable in the world. Around 90% of these estimated 100 million smallholder farmers live in developing countries and grow the crop on less than two hectares.
- Many smallholder cotton farmers live below the poverty line, earning less for the sale of their cotton than they need to meet basic needs such as food, healthcare and tools.
- Smallholder farmers often suffer high levels of debt, in part due to high input costs (such as pesticides and fertilisers). Along with other market factors, this can contribute to a perpetual cycle of poverty for many.

- Sustainable cotton has the potential to lift millions of people out of poverty by providing a more stable income and improved working conditions. Cotton is an important rotation crop for smallholders, both for fibre, fuel and food (such as cotton oil) and the cash income it generates is vital to improved living standards.

### Forced labour and child labour

- The US Department of Labor reported in 2016 that child labour or forced labour existed in the cotton production process in 18 countries, including several of the top six producer nations (China, India, Pakistan, Brazil). In 2018 the USA banned import of cotton from Turkmenistan due to findings of state-enforced slave labour.
- Encouragingly, recent improvements in labour rights have been reported in some areas, notably Uzbekistan, though more progress needs to be made.

### Soil depletion

- Like other crops, cotton farming can lead to land clearing, soil erosion and contamination, and loss of soil biodiversity. Poorly managed soils can lead to the loss of soil fertility and declines in productivity.
- Sustainable cotton production can improve soil health, including reducing greenhouse gas emissions through more sustainable practices.

### Adapting to land use pressures of the future

- With a world population set to rise to 9 billion by 2030, the increased demand for food, water and energy will challenge the feasibility of many crops, including cotton. Demand for food could rise by 40%, water by 35%, and energy by 50% or more,

increasing the pressure to convert land use from fibres, such as most cotton production is, to food and fuel.

- The area under cotton cultivation has been decreasing, in part due to improved yields and productivity. Average world cotton yields reached 780 kilograms of lint per hectare in 2013/14, up from 230 kilograms of lint per hectare in the 1950's. There is potential for continued improvement in land use efficiency through better growing practices.
- Even so, the quantity and quality of cotton will be increasingly affected by the impacts of climate change, as cotton growing regions experience more frequent floods, droughts and extreme heat and storms. This will present mounting difficulties across the entire supply chain of agricultural commodities, including cotton.

### Price volatility and an uncertain market

- The price of cotton can be volatile, due to a range of factors such as national regulation, stockpiling, and government subsidies for farmers. This, combined with other factors, creates an uncertain market for farmers, which can make cotton a less attractive crop to grow.
- The financialisation of cotton is a lesser-known issue significantly impacting the stability of cotton markets. Where these markets were once used to manage risk, they are now used in times of low returns in conventional stock markets and investments as a source of profit. This results in significant fluctuations in price and therefore instability in the cotton price farmers can realise at a given time, despite having no real connection to physical supply and demand.



### More information on the challenges associated with cotton production

Recent coverage highlights the urgency of the problems associated with cotton, and captures the growing momentum for action. This includes [the annual Sustainable Cotton Ranking Report](#), the [ISU Commitments Communiqué](#) and the controversial [True Cost film](#).



## 1.3 How cotton can contribute to a better future

Reducing the land, water and social impacts of cotton production will considerably reduce the impact of the apparel sector and play a part in moving the world closer to achieving the UN's Sustainable Development Goals (SDGs).

### Achieving the SDGs

At the United Nations Sustainable Development Summit in September 2015, world leaders adopted the 2030 Agenda for Sustainable Development, which includes a set of 17 Sustainable Development Goals (SDGs) and 169 targets. These will stimulate collaborative action over the next 15 years that address areas of critical importance for humanity and the planet.



By making cotton production more sustainable, we can also work towards achieving several of these goals. The most relevant are:



### SDG 6

#### Clean water and sanitation

Reducing water use for irrigation to avoid shortages for basic needs in water scarce regions; reducing chemical pollution of water.



### SDG 8

#### Promote inclusive and sustainable economic growth, employment and decent work for all

Focus on decoupling growth from environmental destruction, eliminate exploitative work practices (including forced and child labour) and ensure economic growth creates decent jobs.



### SDG 12

#### Ensure sustainable production and consumption patterns

Systemic approach and cooperation among actors operating in the supply chain, from producer to final consumer; sustainable procurement and raising consumer awareness to drive sustainable lifestyle choices.

## Other positive impacts

Sustainably produced cotton can also contribute to many other positive outcomes. These vary according to each standard, but can include:

### Environmental

- Increasing soil health, erosion control and reducing compaction.
- Protecting biodiversity and ecosystem services.
- Improving water quality and conservation through more efficient irrigation techniques.
- Reducing reliance on harmful pesticides.

### Social and economic

- Instilling practices that prepare farmers and communities for the impacts of climate change and help them become more able to adapt.
- Offering opportunities for women in farming communities to improve gender equality.
- Preventing the use of child and forced labour, a key aspect of many Modern Slavery Acts.
- Creating safe farm workplaces by reducing risk of exposure to harmful chemicals, and improving safe access to first aid, machinery etc.
- Reducing poverty among cotton farmers and their workers through fair wages and better income from higher yields.
- Building farmers' resilience to price shocks and improving their ability to avoid debt cycles.
- Investing in communities to help them develop long-term resources and resilience.



The production of sustainable cotton has enormous potential to create change. By sourcing sustainable cotton, businesses can help dramatically reduce some of the negative environmental impacts of the apparel sector and create positive benefits for millions of farmers and communities.

To find out how the different sustainability programmes work to improve farmers' livelihoods, head to [Cotton sustainability standards and codes. \(pg 42\)](#)

## 1.4 What is sustainable cotton?

In this guide, 'sustainable' is defined as development that "meets the needs of the present without compromising the ability of future generations to meet their own needs".

Sustainable cotton is therefore grown in a way that can maintain levels of production with minimal environmental impact, can support viable producer livelihoods and communities, and can do so in the face of long-term ecological constraints and socioeconomic pressures.



Sustainability standards and certification schemes aim to address the issues associated with unsustainable cotton production. They provide guidance to farmers on sustainable practices and give assurance to buyers that they meet certain requirements. Sourcing cotton produced according to a sustainable standard or certification is a good first step for companies to take to improve the sustainability of the cotton they procure. While each sustainable cotton standard is different, sourcing cotton from one or more sustainable standard can have significant environmental, social and economic benefits.

### Environmental

- 🌱 improve soil health
- 🌱 improve biodiversity
- 🌱 reduce water use
- 🌱 reduce chemical fertiliser use
- 🌱 reduce chemical pesticide use

### Social and economic

- 🌱 promote decent work for farmers, workers and communities
- 🌱 help farmers become more profitable
- 🌱 increase confidence and trust among consumers

### The impact of more sustainable cotton

Sustainable cotton standards and certification schemes vary in their requirements, but typically share common benefits. These include:



Reducing use of hazardous chemicals on farms, or safer handling and more efficient use where chemicals are still used.



Less excessive water use for irrigating cotton crops, which can benefit other local water users and natural habitats, particularly in water-stressed regions.



Reducing poverty for cotton farmers and workers on cotton farms through higher yields.

Addressing each of these issues is critical for the long-term viability and sustainability of the industry.

Understanding the different sustainable **cotton standards and certification schemes**, what they focus on, and their commonalities and differences is a vital first step for any company wishing to source more sustainable cotton. This guide provides information on those that are leading the way in sustainable cultivation practices and recognition by stakeholders.

## 1.5 The business case for sustainable cotton

How can my organisation benefit from sourcing (more) sustainable cotton?

In addition to the environmental and social benefits of sourcing sustainably grown cotton, there are strong business benefits for companies that either shift entirely to sustainable cotton or significantly increase the amount they buy. These are summarised below.

We also share some success stories from companies that have benefitted from using sustainably grown cotton in the **Learning from others (pg 94)** section of this guide.



### 1.5.1 Business benefits

#### Build brand positioning for responsibility

Over a third of consumers choose to buy from a company they perceive as environmentally or socially responsible.

#### Wins

- Build customer loyalty
- Differentiate your brand
- Gain investor approval
- Attract and retain talent

Sourcing sustainable cotton will help you position your company as a brand with purpose – one that is considered responsible and meaningful. Brands with purpose have stronger customer loyalty, and attract and retain high-quality employees.

Over a third of consumers choose to buy from a company they perceive as environmentally or socially responsible, and the global demand for responsible products is big and growing fast. About 70% of sales growth in retail chains in the U.S. comes from 'responsible consumption' products, which are worth around \$400 billion USD.

Brands with a recognisable and meaningful purpose are more successful in business terms, in cases outperforming competitors by 206% over a ten-year period. Research has shown that brands recognised as "meaningful" can increase their share-of-wallet by up to nine times, and deliver up to 137% greater returns on KPIs.

A clear, well-communicated approach to sustainable procurement will add credibility to your business for consumers, employees and other stakeholders such as investors. This should include the steps your organisation is taking to overcome challenges.

There is a growing perception that businesses have a responsibility to both reduce impacts and contribute to positive environmental and social impacts. Sourcing sustainable cotton is an impactful way to demonstrate your commitment to sustainability, and to work towards the fulfilment of the UN's 2030 Sustainable Development Goals.





### Minimise reputational risk

Sourcing more sustainable cotton can reduce your organisation's reputational risk, such as through association with exploitative working conditions and environmental damage.

#### Wins

- Avoid cost of supply chain scandals
- Answer your critics
- Score well in sustainability rankings of raw materials

Customers (and other stakeholders, including investors) expect businesses to take responsibility for addressing the negative environmental, social and economic impacts in their operations and wider value chain. You are at greater risk if your business cannot identify and document its current supply chains, right back to raw materials.

Sourcing more sustainable cotton can reduce your organisation's reputational risk, such as damage through association with exploitative working conditions, including forced labour, and environmental damage.

As a minimum, sourcing more sustainable cotton demonstrates that your business is taking action to avoid sourcing from areas that treat people and environments badly. But by doing more, you can associate your product with positive supply chain impacts.

Take a look at the [case study on ASOS \(pg 94\)](#) in the 'In practice' section of this guide to find out how sourcing sustainable cotton helps them remove supply chain risks, such as the use of forced labour.

### Demonstrate positive impact

Sourcing sustainable cotton with a due diligence approach can demonstrate your organisation's progress towards sustainability goals.

#### Wins

- Share tangible results with customers and other stakeholders
- Meet and go beyond legal requirements and voluntary commitments

Sourcing sustainable cotton with a due diligence approach can contribute to delivering organisational KPIs on sustainable procurement (including human rights), supply chain impacts and other measures to demonstrate progress against sustainability goals. It can also help meet legal requirements and voluntary expectations for reporting non-financial data.

By demanding more sustainable cotton, your business will be able to show you're creating greater market pull. Depending on the standard or type, this can have a range of positive impacts - from improving livelihoods for farmers, to reducing excess use of water or chemicals. In turn, this could improve your corporate reputation with a range of stakeholders, and help you meet certain strategic sustainability goals. It can also be a significant way to demonstrate commitment to the UN Sustainable Development Goals.

### Keep pace with competitors

More and more companies have made commitments to more sustainable cotton sourcing and are reporting progress in actual uptake.

#### Wins

- Build / maintain trust with customers
- Be part of a wider movement
- Avoid negative comparisons with more sustainable brands

In 2017, 37 major clothing and textile companies committed to ensuring 100% sustainable cotton sourcing by 2025.

In May 2017, 13 of the world's most renowned clothing and textile companies signed up to a Sustainable Cotton Communiqué, which commits them to ensuring that 100% of their cotton comes from sustainable sources by 2025.

The pledge was the result of a meeting organised by HRH The Prince of Wales's International Sustainability Unit (ISU) in collaboration with M&S and The Soil Association. In October 2017, 24 more clothing and textile companies signed up. The total number of companies that have signed the Sustainable Cotton Communiqué now stands at 38.

The 38 companies are: ASOS, C&A, EILEEN FISHER, Greenfibre, H&M, IKEA, Kering, Levi's, Lindex, M&S, Nike, Sainsbury's, F&F at Tesco, Woolworths, Adidas, A-Z, BikBOK,

Burberry, Burton Snowboards, Carlings, Coyuchi, Cubus, Days like This, Dressmann, Hanky Panky, House of Fraser, Indigenous Designs, KappAhl, Kathmandu, Mantis World, MetaWear, Otto Group, prAna, SkunkFunk, Timberland, Urban, Volt and Wow.

Today, the [2025 Sustainable Cotton Challenge \(https://textileexchange.org/2025-sustainable-cotton-challenge/\)](https://textileexchange.org/2025-sustainable-cotton-challenge/) runs the pledge programme. It challenges retailers and brands to champion the greater use of sustainable cotton by aiming that 100% of the cotton from their supply chains comes from the most sustainable sources. Each company will report annually on their use of more sustainable cotton, starting in 2018, through the [Textile Exchange](#).

Companies are also ranked on their use of sustainable cotton in a [publicly available report published by WWF, Solidaridad and the Pesticide Action Network](#), based on research by Rankabrand. <http://www.sustainablecottonranking.org>





### Maintain and build investor interest

How companies integrate sustainability increasingly influences investment choices. Sourcing sustainable cotton will help companies attract and retain investors.

#### Wins

- Increase investment
- Reduce costs
- Mitigate risk

Investors are paying increasingly close attention to environmental, social and governance (ESG) performance. Higher ESG performance has been shown to lower the cost of capital, improve operational performance, and increase stock prices equating to higher financial return on investment. ESG investments now represent a \$23 trillion-dollar market, and the UN's Principles for Responsible Investing (PRI) has over 1,800 signatories representing over \$68 trillion in assets under management.

The investment community has developed standards for ESG reporting to communicate sustainability practices.

The Sustainable Accounting Standards Board, (SASB) and the Task Force for Climate Disclosure (TFCD) help retail companies disclose financially material information to investors and show how material sustainability issues impact a company's financial performance. For example, SASB Apparel, Accessories & Footwear industry standards address raw material sourcing and the percentage of cotton that is third-party certified. SASB regulates that companies describe environmental and social risks associated with cotton, and how it is managing those risks. Sourcing sustainable cotton will help your company outperform peers with these disclosures, thereby boosting your attractiveness to investors.

### Increase transparency

Transparency about traceability underpins the accountability of your business and is key to improving environmental and workplace conditions in fashion supply chains.

#### Wins

- Building trust in your product
- Enable accountability to stakeholders

Stakeholders increasingly expect business to be more transparent. This makes it more important for you to be able to trace products and materials across your supply chain.

Traceability is the ability to gather information about where your cotton comes from; transparency is making that information available. Together, these practices underpin the accountability of your business, and are key to improving environmental and workplace conditions in fashion supply chains.

While different standards offer different approaches to supply chain traceability, all are working to give more

assurance to customers and other stakeholders that a product meets certain requirements. These typically specify that neither the environment nor the lives of farmers and workers have been negatively affected while producing the cotton in your product.

With increasing potential environmental and supply disruption risks in corporate supply chains, and greater investor scrutiny on supply chains, business is recognising the benefits of increased supply chain traceability. For a detailed look at the traceability systems used by different standards, see the [Section 2.5 \(pg 62\)](#).

### Create long-term resilience and security of supply

Those organisations who invest in developing supply chains from sustainable sources build greater resilience, and customer confidence, which underpins a sustainable business in the long term.

#### Wins

- Build resilience and reduce risk

The textile and apparel industries rely on the continued supply of cotton. Investing in sustainability and supply chain transparency is essential to ensuring a stable future market supply. The goal of most sourcing schemes is to reduce impacts within cotton production, which can also lead to better yields, fewer risks of supply disruption, and so improve the availability of cotton now and in the long term.

Sustainability standards and programmes provide guidance for farmers on more sustainable farming practices. This supports farmers, particularly smallholders who are most vulnerable, to continue farming in the face of increasing disruptions in a climate changing world. This is not a silver

bullet: farmers around the globe will continue to deal with the effects of a changing and unpredictable climate.

Increasing pressures from NGOs, governments and other stakeholders are beginning to influence consumer behaviour towards ethical and more sustainable consumption. New innovations and the introduction of ethical products into the mainstream retail market are expected to drive market growth. Those organisations who invest in developing supply chains from sustainable sources build greater resilience and customer confidence, which underpins a sustainable business in the long term.

### Demonstrate commitment to systemic sustainability

Companies are committing to work together to ensure their own products meet high sustainability standards, and to change the apparel and textile industry for good.

#### Wins

- Lay the foundations for more ambitious systems change
- Play a proactive role in a wider movement

Companies that rely largely on cotton as a raw material play a crucial role in securing the future of the sustainable cotton market. 40 Today, 85% of cotton is grown within a conventional farming system. If brands and retailers demand and source more sustainable cotton, it will make it more mainstream.

Beyond this, companies are also committing to work together to shift the apparel industry towards sustainability, through

initiatives such as the 2025 **Sustainable Cotton Challenge**, **Cotton 2040**, the **Organic Cotton Accelerator**, and others. Companies involved in such initiatives are working not only to ensure their own products meet high sustainability standards, but to change the industry for good.

If your company wants to help lead this transformation, it needs - as a foundation - to demonstrate sustainable and responsible sourcing practices.



## 1.5.2 Benefits to farmers

All sustainable standards benefit farmers in several ways; these vary depending on the standard and where the cotton is grown, and how the standard is implemented.

### Reduction of inputs

Sustainable standards and programmes reduce or eliminate farmers' use of hazardous chemicals, and promote safer practices.

#### Wins

- Improve farmers' and workers' health
- Improve health of local ecosystem, particularly water systems
- Reduce costs of inputs
- Build capacity for sustainable farming techniques

Sustainable standards and programmes reduce or eliminate farmers' use of hazardous chemicals, and promote safer practices. This creates safer conditions for farmers and labourers in the fields, reducing pollution and enhancing biodiversity.

Cotton can be a thirsty crop. Sustainable cotton standards and programmes connect farmers with training and capacity building in sustainable farming practices and appropriate technologies, reducing use and contamination of water.

### Resilience in changing conditions

Standards and the organisations that help implement them equip farmers with the knowledge and skills to make their farms more resilient in a changing climate.

#### Wins

- Training that enhances resilience
- Increase fertility of the land in the long term
- Benefit future generations of farmers

The future of cotton farming is threatened by our changing climate. Although standards and the organisations that help implement them can't address this threat directly, they do equip farmers with the knowledge and skills to make their farms more resilient.

For example, most standards provide farmer training in sustainable water, soil and environmental management, which all help build greater resilience amidst impacts such as water scarcity and drought. These skills are useful and important in the short term but will become even more so in the face of a rapidly changing climate.

### Cotton premiums improve livelihoods and communities

Certain standards create a cotton premium that directly benefits farmers and their communities.

#### Wins

- Many cotton standards create premium opportunity for farmers
- Ripple effect of increased farmer income felt in local community
- Support gender equality – improving opportunities for women in farming communities
- Prevent the use of child and forced labour

When a farmer starts producing cotton according to a sustainability standard's guidelines, it can have far-reaching benefits for his or her livelihood, their family's wellbeing and the wider community.

empower producers to combat poverty in their own lives and communities. The Fairtrade standard has a particularly good track record for improving livelihoods and communities.

The range and scale of these benefits depend on the standard and the farmer's geography, but typically improve yields and promote fairer trading conditions. These, in turn,

Take a look at how a **project M&S funded (<https://vimeo.com/219837961>)** in India has improved farmers' livelihoods, enabled them to send their children to school, build homes and generate increasing yields, while using less water, pesticides and fertilisers.

### Training opportunities

Farmers that start producing more sustainable cotton often benefit from training opportunities that increase their wider skills sets and long-term earning potential.

#### Wins

- Educate and skill up smallholder cotton farmers
- Build capacity for long-term sustainable farming

Alongside sustainability standards, implementing partner programmes usually provide guidance and training for farmers on more sustainable farming practices, such as water

and soil management techniques, as well as wider skills such as setting up farmer collectives.

## 1.6 Getting started

Previous sections of this guide told you about the opportunities, challenges and benefits of sourcing sustainable cotton. But what next? In this section, we'll guide you towards taking the next steps towards integrating sustainable cotton into your supply chain. It contains information on gaining internal buy-in, setting targets, developing a strategy, talking to suppliers and starting sourcing.



### 1. Gaining internal buy-in

Getting the right people involved at the beginning of your journey is invaluable. Bringing colleagues on board early means they understand how and why targets were set, and gives them ownership over the decisions made.

Step one is therefore to map your critical internal stakeholders. Be creative, ask yourself: Who needs to be aware, involved or supportive of our vision for us to deliver? You may find yourself considering colleagues in buying, technology, design teams, finance, marketing and quality control.

As you move through the target setting and strategy process, return to this step and check you have the right stakeholders on board. Ask yourself who holds the mandate, who provides support and who owns the resources your strategy needs.

With your internal stakeholders on board, it's time to go outside your business. Start recruiting external stakeholders by asking which ones you'll need to join you on your sustainability journey.

### 2. Setting targets and developing a strategy

Good targets will help align your organisation as it increases how much sustainable cotton it sources. This means targets that are both stretching and achievable.

Here are a few shortcuts. The **case studies section (pg 94)** will show you how others approached this part of their journey. The **2025 Sustainable Cotton Challenge** is a best practice example of target setting. With almost 40 companies now committed to sourcing 100% sustainable cotton by 2025, this goal is realistic and achievable for even those organisations near the start of their sustainable sourcing journey.

Good targets should also resonate within the wider context of your organisation's sustainability goals. For example, do you have goals for reducing carbon, water, and waste, and for enhancing the livelihoods of those in your value chain? Can you demonstrate how changes to your cotton sourcing will contribute to your overall sustainability targets?

In addition, many sustainability strategies connect with the Sustainable Development Goals (SDGs). Making that same connection for your cotton sourcing will help you communicate about the benefits of more sustainable cotton.

As you develop your strategy, consider whether a portfolio approach to sustainable cotton sourcing is the best approach for your organisation. This allows you to benefit from the positives of each standard, and means your buyers can decide the best fit for your product range.

Once you have set targets, you need to develop a strategy to meet them. In **Creating a cotton strategy and implementation plan (pg 70)** you will find key steps and an example sourcing policy to use as you begin your journey.

### 3. Talking to suppliers and begin sourcing!

With your strategy in place, it's time for your buyers to talk to your suppliers about integrating your chosen sustainable option(s) into your value chain.

To help your buyers do this, read the section covering how to work with suppliers. It provides a good basis of knowledge about the types of supplier-specific questions to ask, how and when to push back, and how your buyers can help suppliers understand the benefits of offering sustainable supply to their customers.

Once your suppliers are on board, the integration of more sustainable supply into your products is the final step in implementing your strategy.



### Discover Sourcing Options

**Continue to the next section of this guide (pg 30)** if you want to learn about finding and choosing the right cotton to meet your sustainability targets.





SECTION 2

# YOUR SOURCING OPTIONS

## 2.1 Understanding standards, codes and other cotton programmes

You've made the decision to source more sustainable cotton, but how do you make sure you actually are? How can you know the cotton you're buying meets all your sustainability requirements?

This section of the guide has detailed information about the different sustainability programmes and traceability models. It also has tools and resources to help you begin creating a cotton sourcing strategy for your company.



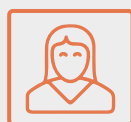
Sustainability programmes like Organic cotton, Fairtrade cotton, Better Cotton and others emerged because of patchy national and non-existent global legislation, strong NGO pressure, grassroots movements and emerging consumer awareness. Brands that wanted to demonstrate the sustainability credentials of their products turned to independent standards for assurance.

Today, there are more programmes, standards and codes than ever before. This is down to a growing awareness of sustainable and ethical production among brands, and new legislation - such as the **Modern Slavery Act (2015)** in the UK, the **California Transparency in Supply Chains Act (2010)** in the US, the Proposition de Loi in France (on companies' duty of vigilance), and the Dutch law on child labour "Wet Zorgplicht Kinderarbeid".

The scope of sustainable cotton programmes has also increased. Companies now use standards that can verify some or all of the following in their cotton supply chain:



**Environmental issues**, such as responsible water use and pesticide/fertiliser use, and caring for soil health;



**Social issues**, such as community stability;



**Economic issues**, such as poverty and debt cycles among producer farmers.

### What is the difference between standards, codes and different assurance models?

Sustainability programmes fall into several different categories. These vary according to the level of assurance and rigor they require from participants. You can find more detailed information about the different sustainable cotton programmes here.

#### Standards

A standard is an agreed way of doing something. It could be about how you make a product, manage a process, deliver a service or supply materials. Standards can cover a huge range of activities undertaken by organisations, and they are used by producers, companies, governments, financial institutions and consumers.

Sustainability standards are voluntary and independently assessed. They evaluate performance against a set of criteria that define good social or environmental practices in an industry or product. In this way, standards can help filter out sustainable from unsustainable products or approaches, and drive better production practices and long-term sustainability improvements. Find out more in this short video by the **ISEAL Alliance**.

- **Product versus process standards.** Product standards are about the characteristics of a product; process standards are about the way a product is made (but don't necessarily influence the characteristics of the end product). In agriculture, most social and environmental standards are process standards.
- **Process standards can be further divided into 'management system standards' and 'performance standards'.** Management system standards set criteria such as documentation or monitoring and evaluation procedures.

Performance standards set verifiable requirements, such as the availability of certain pesticides or access to sanitary services in the workplace.

Examples: Better Cotton, Fairtrade, Organic Cotton, CmiA, and myBMP

#### Codes

Cotton industry codes are written by organisations or associations to guide their actions and those of their suppliers in line with their values and standards. Codes can play an important role in the industry, especially for companies looking to do due diligence mixed with a more bespoke approach to sustainable cotton sourcing.

A code like this is similar to a standard but is often not linked to an independent verification system. It improves consistency of evaluation at an organisation or industry level and outlines the minimum requirements to be used when reporting on sustainability.

Examples: REEL Cotton (Cotton Connect)

#### Assurance models

Standards and codes are valuable partly because they can be used as a tool to evaluate performance. That process of evaluation is called 'assurance' and different sustainability programmes use different assurance models. The key differences in these models come from how independent the assessor is from the farm or buyer, how rigorous and frequent the evaluation is, and the scoring mechanism used. The type of claims a company can make when it sources certified products is affected by the assurance model in their chosen sustainability programme.

#### Certification

Most sustainability standards have a verification process, often referred to as 'certification'. Third-party certification is always done by an independent party that has no direct interest in the economic relationship between the supplier and buyer. It can become more complex if a certifier addresses more than one part of the value chain. First-party verification is typically a self-assessment; second-party verification is usually when a buyer verifies if a supplier adheres to a standard.

Third-party certification is best practice, especially in the middle of the supply chain. This involves certifiers giving written assurance that a product, process or service conforms to certain standards. Second-party certification is often used at farm level and is considered reliable.

When a farm is third-party certified, this assurance can be communicated and used along the supply chain. For example, a buyer can trust an independently-certified supplier with greater confidence than one who 'certifies' themselves.

- **Certification body** - The organisation performing the certification is called a certification body or certifier. The certifier will either do the inspection or contract it out to an inspector or inspection body. The certification decision (i.e. the granting of the written assurance or 'certificate'), is based on an inspection report, although it can be complemented by other information sources.

#### Accreditation

Sustainability programmes often have several certification bodies carrying out performance assessments. Obviously, they want to ensure these bodies are operating competently, consistently and impartially. To do this they might employ accreditation or oversight bodies. In other words, they are checking the checkers.

In this way, accreditation provides a further level of assurance that the programme is working properly and is effective. In the case of the International Federation of Organic Agriculture Movements (IFOAM) voluntary standards, which go beyond legal requirements, they also accredit that certifiers can certify to these. In this case, a buyer can see that a certifier accredited to IFOAM must verify certain social and economic criteria that a non-accredited certifier does not.



## 2.2 Choosing a standard to meet your sustainable sourcing ambitions

Although each sustainability standard has its own primary goals, focus and verification systems, they largely share the same long-term ambitions and objectives, and incorporate environmental, social and economic aspects. Most differences concern pricing schemes, regulatory/verification structure, and traceability. In this section we cover fibre standards. If you'd like more information on processing standards (which take into account the whole supply chain), please [read the detailed profile of Organic Cotton \(pg 50\)](#).



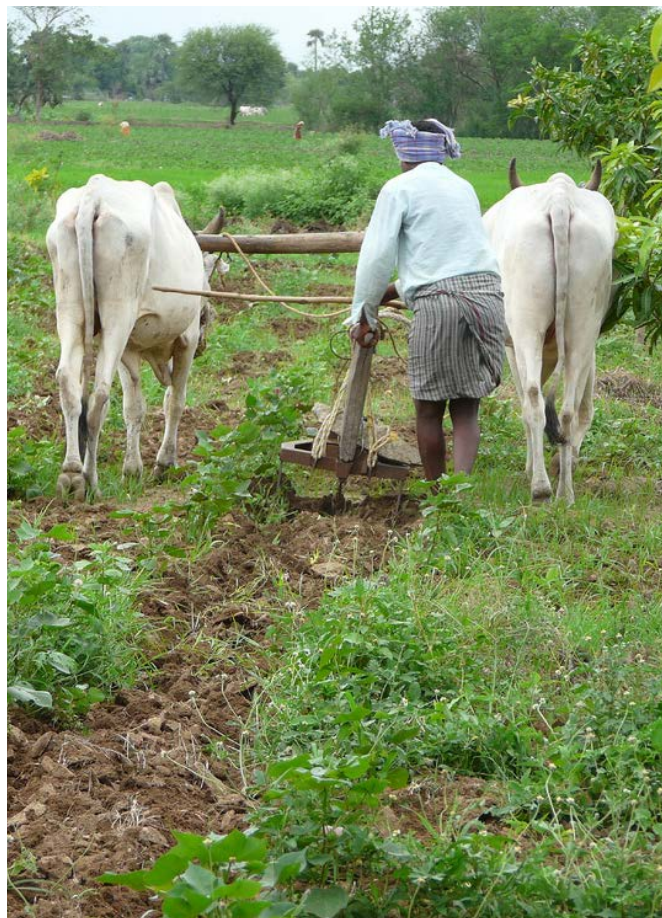
### Aligning with your goals

Different sustainability programmes face a variety of challenges, ranging from effective verification or traceability systems to cost effectiveness, and from achieving scale to driving uptake of sustainable cotton.

To choose the right sustainability programme for your organisation, consider any specific strategic goals, such as water reduction, improved farming practices or increased farmer incomes. Similarly, think about whether your organisation has any specific policies, for example around traceability or organic products.

With these questions answered, you will need to examine how the pricing models and application structure of different standards fit your requirements. We have summarised the major parameters over the next few pages, including application and audit processes, membership fees and structures, product premiums and traceability.

The best way to find out more about working with a specific programme is to contact them directly. You can find all [contact details next to the different standards' profiles on the following pages](#).



## 2.3 Sourcing options: sustainability considerations

This guide defines the following sources as sustainable:

- Better Cotton Initiative (BCI)
- Cotton Made in Africa (CmiA)
- Fairtrade
- myBMP
- Organic, which is defined by national farming standards and with two standards organisations: OCS and GOTS;
- Recycled cotton certified to an independently verifiable standard, such as the Global Recycled Standard (GRS) or the Recycled Claim Standard (RCS).

In addition, Cotton Connect's REEL code, The Responsible Brazilian Cotton programme (ABR) and other programmes including Cotton LEADS and Bayer's E3 offer sustainability programmes which could be helpful in your sustainable sourcing journey.

The table over the next few pages provides in-depth information about each standard, covering key facts and figures, and details about their programme's emphasis on different **sustainability** issues. It should help you choose which would align best with your goals and brand values.

The information in this table has been provided and verified by Textile Exchange (TE) and is republished in the CottonUP guide with their permission. Production data refers to 2016/17 and will be updated annually.

You can also explore **technical** details across these standards, which may be particularly relevant for buyers and sourcing teams.





## 2. YOUR SOURCING OPTIONS

### 2.3 Sourcing options : sustainability considerations



### Organic Production

## GENERAL

<b>Objective</b>	To transform the market by making Better Cotton a sustainable main-stream commodity	Sustainable African Cotton for a global Textile Industry.	To make trade fair, empower small scale producers and workers and to foster sustainable livelihoods.	To produce high quality, high yielding fibre while sustaining the natural environment, people and regional communities	Sustaining the health of soils, ecosystems and people
<b>Overview</b>	BCI sets out to improve the sustainability of mainstream cotton production. Growers must meet minimum environmental and social requirements for their cotton to qualify as Better Cotton. Continuous improvement is a key element of the Assurance Programme	Cotton made in Africa is an initiative of the Aid by Trade Foundation (AbTF) that helps African smallholder cotton farmers to improve their living conditions. Growers must meet minimum environmental and social requirements for their cotton to qualify as CmiA	Fairtrade changes the way trade works through better prices, decent working conditions and a fairer deal for farmers. The Fairtrade standards require farmers to organize in democratic producer organizations and environmentally sound agri-cultural practices. It ensures the Fairtrade Minimum Price and Fairtrade Premium	The myBMP (Best Management Practices) program is the Australian cotton industry's environmental and social standard. To achieve full certification, growers must comply with over 400 checklist items across 10 modules including soil health, water management, natural assets, pest management, energy efficiency and worker health and safety	Organic cotton is grown within a rotation system that builds soil fertility, protects biodiversity, and is grown without the use of any synthetic chemicals or GMOs. Growers must meet organic agri-cultural standards as set nationally, and by importing country if export is carried out. Definition : <a href="http://www.ifoam.bio/en/organiclandmarks/definition-organic-agriculture">http://www.ifoam.bio/en/organiclandmarks/definition-organic-agriculture</a>

## PRODUCTION

<b>Producing Countries (2015/16 unless otherwise stated)</b>	China, India, Israel, Madagascar, Mali, Mozambique, Pakistan, Senegal, South Africa, Tajikistan, Turkey, USA - PLUS Benchmarked standards in an additional 11 countries	Cameroon, Côte d'Ivoire, Ethiopia, Ghana, Mozambique, Tanzania, Uganda, Zambia, Zimbabwe	Burkina Faso, India, Kyrgyzstan, Tajikistan, Senegal, Uganda	Australia	Benin, Brazil, Burkina Faso, China, Egypt, India, Israel, Kyrgyzstan, Mali, Pakistan, Peru, Senegal, Tajikistan, Tanzania, Thailand, Turkey, Uganda, USA
<b>Fiber Production 2015/16 (MT)</b>	2,513,000	280,814	43,481	71,400	107,980
<b>Market Share of Total Cotton Grown (2015/16)</b>	11.93% (2015)	1.33%	0.21%	0.28%	0.51%
<b>Growth in production (2014/15 - 2015/16)</b>	28% increase	18% decrease	190% increase	79% increase	4% decrease
<b>Projected growth in production</b>	Target to account for 30% total cotton by 2020	Projected increase	Projected increase	Projected increase	Projected to increase (85,671 ha in-conversion 2015/16- 2017/18)
<b>Yield (see accompanying "TE Position" notes)</b>	No numeric data. Yield addressed in the standard.	Claim of 20% avg. yield increase	Yield increases recorded. Dependent on rainfall as most Fairtrade cotton is rainfed.	2235 kg/hectare	Claim of yield increases recorded in West Africa, India, Tajikistan and others. Dependent on rainfall in rainfed areas, alongside availability of other resources such as training. In conversion farmers sometimes report a decline as soils stabilize to non-chemical conditions

## 2. YOUR SOURCING OPTIONS

### 2.3 Sourcing options : sustainability considerations



### Organic Production

#### ENVIRONMENTAL WATER

Rainfed / Irrigated	Combination	100% rainfed	Predominantly rainfed (75% in 2015)	77% irrigated, 23% rainfed	75-80% rainfed
<b>Water Management</b>	A principle of Better Cotton is to use water efficiently and care for the availability of water.	CmiA farmers practice rainfed agriculture exclusively. This means they do not use any artificial irrigation	Promotes efficient and sustainable use of water resources	67 criteria related to water management, 42% water use efficiency gain industry wide	Common Objectives and Requirements of Organic Standards (COROS): 1.2 Resource Management Organic management ensures that water resources are used sustainably
<b>Water Consumption (m3 / 1000kg fiber*) or best practices used to conserve water</b>	No LCA data	1 (~100% reduction - LCA)\	No LCA data	No LCA data. 67 criteria related to water management	182 (91% reduction - LCA)

#### ENVIRONMENTAL - LAND / SOIL

<b>Soil Fertility</b>	Soil health addressed in standard. Management practices address erosion, soil and water contamination and enhancement of soil fertility.	Farmers receive training to improve agricultural practices, particularly soil and water conservation. Composting and manure are encouraged whilst crop rotation is mandatory.	Encourages improvement of soil fertility through composting, crop rotation & intercropping, and reduction/ prevention of soil erosion.	32 criteria related to soil health including: minimum tillage, crop rotation, soil testing, organic carbon, stubble retention, erosion and salinity prevention, fertilizer efficiency and plant monitoring.	Soil fertility is key to the success of organic cotton and farmers report increases in organic matter (OM). Soil fertility challenges vary from region to region. Studies by FiBL, FAO and Rodale Institute show soil fertility increases on organic farms. Common Objectives and Requirements of Organic Standards (COROS): 4.2 Soil Conservation and Crop Rotation, 4.3 Management of soil fertility.
<b>Biodiversity</b>	Practices to enhance biodiversity on site are encouraged. Biodiversity is addressed in the standard but no specific criteria.	Destruction of primary forest (or other designated resources protected by national or international law) for the purpose of cotton production is prohibited.	Ensures no negative impact on protected and HCV areas and must comply to national legislation on agricultural land use and carry out activities to protect and enhance biodiversity.	28 criteria related to sustainable landscapes, including: management of native vegetation and natural assets, improve habitat for biodiversity, assess and monitor native vegetation condition, stock exclusion.	Common Objectives and Requirements of Organic Standards (COROS): 1.1 Ecosystem Management: Organic management maintains or enhances biodiversity in crop and non-crop habitats on the farm holding. FAO and FiBL studies alongside others show increased biodiversity on organic farms.
<b>Eutrophication (kg of phosphate - eq / 1000 kg fiber *)</b>	No LCA data	20.4 (436% increase - LCA)	No LCA data	No LCA data	2.8 (26% reduction - LCA)

## 2. YOUR SOURCING OPTIONS

### 2.3 Sourcing options : sustainability considerations



## Organic Production

### ENERGY / TECHNOLOGY

Use of Hazardous Pesticides	Pesticides listed in Annex A and B of the Stockholm convention are forbidden. Pesticides classified WHO 1a and 1b and pesticides listed on annex III of the Rotterdam convention are to be phased out based on the availability of alternatives.	Promotes bio-intensive IPPM and excludes pesticides banned under the Stockholm Convention on Persistent Organic Pollutants (POPs), the WHO list of highly hazardous and hazardous pesticides, and pesticides listed in the Rotterdam Convention on PIC.	Promotes IPM and organic practices. Prohibited Materials List is divided in two: The Red List includes materials that are prohibited, whilst the Amber List includes materials that are under evaluation for inclusion in the Red List.	80 criteria related to pesticide management. Over 90% decrease in pesticide use industry-wide. Practices include IPM, compulsory training, pupae busting, farm mapping, weather monitoring, safe storage and handling.	No use of synthetic pesticides.
Use of Synthetic Fertilizer	Soil health is addressed in standard but no specific criteria.	Excessive use of fertilizers not an issue in CmiA's growing regions; IPM, organic manure and compost pits encouraged.	Red and amber list of PML (based on POP, PIC, WHO, PAN 12)	13 standards relating to fertilizer efficiency including plant monitoring to assess requirements, pre and in-season nutrient budgets, monitoring and record keeping.	Common Objectives and Requirements of Organic Standards (COROS): Organic soil fertility management does not use synthetic fertilizers or fertilizers made soluble by chemical methods, e.g. superphosphates. Organic crop production does not use sodium (chilean) nitrate. Organic soil fertility management uses only crop fertility substances that are on (a) list(s) referenced by the standard. Such lists are based on lists and/or criteria in international organic standards
GMOs Permitted?	Yes	No	No	Yes - regulated and carefully managed	No
Primary Energy Demand MJ / 1000 kg fiber *	No LCA data	No data	No LCA data	4000Mj / 1000kg of lint (on farm only) + 17 standards in myBMP addressing energy efficiency	5,800 (61% reduction - LCA)
Global Warming (kg of CO <sub>2</sub> -eq / 1000kg fiber*)	No LCA data	1,037 (42% reduction - LCA)	No LCA data	No LCA data	978 (46% reduction - LCA)

### SOCIAL

Social considerations / regulations	Production must comply with labor standards as set by the ILO.	Production must comply with labor standards as set by the ILO. CmiA standard includes farm as well as gin level criteria. Social project investment with AbTF and retail partners/ cotton companies.	Stringent criteria on freedom from discrimination, forced/ compulsory labor, child labor, freedom of association and collective bargaining. Operators in the supply chain must comply with ILO core conventions.	All Australian cotton growers subject to high standards by law for fair work conditions, pay, health and safety. myBMP includes 49 criteria related to human resources and worker health and safety including 35 standards required by Australian law.	To qualify as organic, production must comply with labor standards as set by the ILO.
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## 2. YOUR SOURCING OPTIONS

### 2.3 Sourcing options : sustainability considerations



### Organic Production

## SOCIAL (contd.)

<b>Livelihoods</b>	No price differential for farmers but incomes expected to improve. Volume-based fees feed into farmer capacity building programs.	No price differential for farmers but the volume-based fee paid by brands/retailers is reinvested in the Foundation's activities.	Farmers paid FT Minimum Price. Communities benefit from FT Premiums - spending decided democratically by cooperatives.	No price differential paid directly to farmers - farmers paid based on prevailing market price and quality.	A price differential/sustainable price (i.e. meeting the cost of production and of ecosystem value addition) is expected to occur via market mechanisms and producer group policy, but is not a requirement of the standard. Optional/ partnership investment via NGOs, corporate investment, and PG investment goes back into the community.
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## ASSURANCE

<b>Verification / Certification (farm level)</b>	Self-Assessment, 2nd Party and 3rd Party Verification.	Self-assessment and 3rd party certification on field and gin level.	Certification by 3rd party.	Self assessment, 3rd party verification and certification + spot checks.	Verification (annual); certification by 3rd party.
<b>Chain of Custody (supply chain)</b>	Physical segregation farm to gin; mass balance gin to retailer.	Mass Balance from spinning mill onward (hard identity from field to spinning mill); full traceability possible through Hard Identity Preserved (option).	Two models: (1) Classic - physically segregated and traceable, (2) Mass balance - physically traceable until spinner; CoC maintained through supply chain via online tool.	Physical segregation and tracing possible, unique barcode identifier on every bale tracking field to spinning mill.	Identity Preserved; Certification of Supply Chain.
<b>LCA available?</b>	No	Yes - PE International (2014a)	No	No	Yes - PE International (2014b)
<b>Product marketing / labeling</b>	On-product Claims Framework.	In store marketing/ on product labeling (own label or CmiA hangtag).	On product and In store marketing. Third party certified (Fairtrade Mark).	In store marketing and on- product label (own label or Australian cotton swingtag).	In store marketing/ on product label. 3rd party certification label optional.
<b>Consumer recognition</b>	Consumer messaging began in 2015.	13% awareness among German consumers (measured Aug 2016).	Fairtrade mark widely understood and trusted by consumers.	Higher levels of awareness in Australia.	Concept of organic widely understood, trusted and respected by consumers.

## PRICE / QUALITY

<b>Cost implications/ impacts</b>	No price differential at point of sourcing but membership and volume-based fees apply.	No membership fee but retailers/ brands pay a volume- based fee and spinning mills pay a small annual registration fee.	Price differential (Fairtrade Minimum Price). Buyers also pay Fairtrade Premium for community investment.	No price differential at point of sourcing, no membership or licensing fees.	Price differential paid to farmer/ producer group.
<b>Quality perception / implications</b>	No known quality implications.	Historical perceptions of quality being an issue - but not so much these days.	Historical perceptions of quality being an issue - but not so much these days.	Consistently very high quality, amongst highest in the world across all parameters.	Historical perceptions of quality being an issue - but not so much these days.

## 2.4 Cotton sustainability standards, and other programmes

### 2.4.1 Standards



#### BCI Membership fee models

[https://bettercotton.org/wp-content/uploads/2014/02/BCI-Membership-Fees-2017-2020\\_Retailers-and-Brands.pdf](https://bettercotton.org/wp-content/uploads/2014/02/BCI-Membership-Fees-2017-2020_Retailers-and-Brands.pdf)

**Website** <http://bettercotton.org/>

**Membership enquiry** [membership@bettercotton.org](mailto:membership@bettercotton.org)

### The Better Cotton Initiative (BCI)

The Better Cotton Initiative (BCI) is the world's largest farm-level cotton sustainability programme. BCI aims to transform cotton production by developing Better Cotton as a sustainable mainstream commodity. BCI stewards the Better Cotton Standard System.

The Better Cotton Standard System has six components.

1. Principles and Criteria: Provides a global definition of Better Cotton.
2. Capacity Building: Support and training for farmers to enable them to grow Better Cotton.
3. Assurance Program: Regular farm assessment and measurement of results, emphasising continuous improvement.
4. Chain of Custody: Connects supply with demand for Better Cotton.
5. Claims Framework: Guidelines for Members to ensure accurate communications.
6. Results and Impact: Measures progress to ensure Better Cotton delivers intended impact.

Cotton made in Africa (CmiA), myBMP and Algodão Brasileira Responsável (ABR) have been successfully benchmarked against the Better Cotton Standard System and are accepted as equivalents under the BCI umbrella.

#### BCI membership process

1. Contact BCI Membership Team ([membership@bettercotton.org](mailto:membership@bettercotton.org)) to learn about BCI.
2. Build your business case.
3. Obtain high level internal alignment and support for BCI membership.
4. Submit your application.
5. BCI carries out its due diligence.
6. BCI approves application.
7. Membership decision is final after consultation with BCI Members.
8. Membership is initiated.

#### Membership

Retailers and brands are obliged to be members of BCI to implement the Better Cotton Chain of Custody and communicate about Better Cotton.

To join, retailers and brands must contact BCI: [membership@bettercotton.org](mailto:membership@bettercotton.org).

#### Audits/Verification

BCI retailers and brands implement the Better Cotton Chain of Custody.

They are obliged to use the Better Cotton Platform as part of implementing the Better Cotton Chain of Custody.

The data entries on the Better Cotton Platform are subject to audit by BCI.

#### Product Premium

BCI farmers do not receive a premium.

Prices are set by the market.

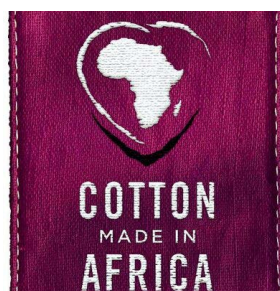
### Spotlight on Farmers

In less than 10 years, BCI and its partners have reached over 1.6 million cotton farmers in 22 countries, training them in more sustainable agricultural practices. Today, Better Cotton accounts for more than 12% of global cotton production. It is truly a joint effort, bringing together organisations from farms to fashion and textile brands, and is driving the cotton sector towards sustainability. Our 2020 goal is to train 5 million farmers and account for 30% of global cotton production.

Here is a link to a video that provides an overview on BCI: <https://vimeo.com/133645183>.

## 2. YOUR SOURCING OPTIONS

### 2.4 Cotton sustainability standards, and other programmes | 2.4.1 Standards



**Website** <http://cottonmadeinafrica.org/>

**Membership enquires** <http://cottonmadeinafrica.org/en/get-involved/companies>

**Membership Fees** [info@abt-foundation.org](mailto:info@abt-foundation.org)

**Phone number** +49 (0)40 - 2576 - 755 - 00

## Cotton made in Africa (CmiA)

The Cotton made in Africa (CmiA) initiative is the largest standard for sustainable cotton from Africa. Established in 2005, CmiA's goal is to sustainably improve the working and living conditions of smallholder cotton farmers in Sub-Saharan Africa.

In agricultural and business trainings conducted by agricultural extension staff of CmiA-verified partners, smallholders learn efficient and environmentally friendly cultivation methods. This knowledge allows farmers to comply with CmiA's set of sustainability criteria. Women receive special support through a variety of measures that reinforce their rights and strengthen their role in society. Making farming communities more sensitive to gender equality and the importance of the child labour ban is fundamental to the CmiA programme.

An international alliance of textile companies and brands is built to create a strong demand network for CmiA cotton. Partners integrate the CmiA verified cotton into their supply chains and pay a licensing fee to use the CmiA seal. The proceeds of the licensing fees finance training, regular verification by third-party auditors at field and gin level, impact assessment and further projects in the Sub-Saharan region. Community cooperation projects, such as support for women clubs or water and sanitation, help tackle other SDG relevant issues.

### CmiA membership process

1. Contact CmiA to determine how and where you want to source CmiA-certified cotton.
2. With the support of CmiA, choose your appropriate license option.
3. Decide on one of two models for integrating CmiA into your value chain - mass balance or hard identity preserved.
4. Sign a license agreement with CmiA.
5. CmiA offers ongoing support in your supply chain management, as well as external communication and marketing.

#### Membership

1. Companies pay a minor license fee to CmiA for using sustainable CmiA certified cotton in their supply chains.
2. The license fees are directly re-invested to foster sustainability in the CmiA project and cotton growing regions.
3. Companies gain transparency and traceability in their supply chains.
4. CmiA company partners can communicate on their engagement on product and/or corporate level with the support of CmiA.

#### Audits/Verification

1. The verification system is based on the CmiA matrix of sustainability criteria for cotton companies and their contracted farmers.
2. Cotton companies provide an annual self-assessment.
3. Both cotton companies and farmers are regularly audited by independent third-party auditors following a two-tiered verification system that consists of missions at field and ginner level.
4. Cotton companies issue a comprehensive management and improvement plan for sustainable development.
5. Upon compliance with the CmiA matrix, cotton companies are issued a certificate and license to sell their cotton as CmiA certified.

#### Product Premium

No price premium.

## Case study : Bonprix

As one of Cotton made in Africa's largest retailer partners, Bonprix has integrated the CmiA story into its customer communication at the online point of sale. The retailer introduces the many faces behind their products in a video shot in the CmiA project regions in Uganda: <https://www.bonprix.se/kategori/dam-dammode-a-oe-nachhaltige-produkte/>



## Spotlight on Farmers

In choosing CmiA-certified cotton for their production, textile companies worldwide are supporting farmers and their families. Baluku Bayeya and his wife Mary Mbambu are two of over 1 million smallholder farmers who cultivate CmiA certified cotton: "Through the training of CmiA, I can better support my family and organise myself with other farmers in groups. I could yield more cotton since participating in the training. This allowed me to finish my house and pay the school fees for my children. I wish that consumers around the world want to know more about where the cotton in their clothes comes from."



## 2. YOUR SOURCING OPTIONS

### 2.4 Cotton sustainability standards, and other programmes | 2.4.1 Standards



**Main global website** <https://www.fairtrade.net>

**Certification/ standard info page** <https://www.fairtrade.net/standards.html>

**Membership info page**  
<https://www.fairtrade.net/about-fairtrade/fairtrade-and-you/fairtrade-near-you.html>

**Contact details page** <https://www.fairtrade.net/about-fairtrade/fairtrade-and-you/fairtrade-near-you.html>

**Contact email** [cotton@fairtrade.org.uk](mailto:cotton@fairtrade.org.uk) ; [commercial@fairtrade.org.uk](mailto:commercial@fairtrade.org.uk)

## Fairtrade

By making changes to the conventional trading system, Fairtrade aims to benefit disadvantaged small producers through promoting fairer terms of trade and expanding access to markets. Fairtrade's goal is to empower small producers and foster sustainable livelihoods.

The Fairtrade system comprises of Fairtrade International, national organisations that license and promote Fairtrade, producer networks, and FLOCERT, an independent certification body, which inspects producers and supply chain actors to ensure compliance with Fairtrade standards.

Fairtrade cotton farmers receive the Fairtrade Minimum Price, which aims to cover the cost of sustainable production acting as a safety net against fluctuating market prices. The Fairtrade Premium is paid on top of the selling price and provides additional income that the farmers' cooperatives democratically decide to invest. This can be spent on their businesses, families and communities, and is often invested in education and healthcare, farm improvements to increase yield and quality etc. Additional support includes pre-financing, access to credit and long-term contracts.

Fairtrade Standards are designed to protect the natural and human environment, with strict rules on pesticides, water conservation, soil erosion, GMOs, biodiversity, energy use and reducing carbon footprint. Fairtrade encourages organic farming practices and 75% of Fairtrade cotton is certified organic.



### Fairtrade's initial certification process for every step in the supply chain

1. Review applicable Fairtrade Standards.
2. Contact FLOCERT directly to receive an application package.
3. Complete and return your registration form to FLOCERT.
4. FLOCERT conducts physical audit after certification fee payment.
5. In case of non-conformities, corrective actions are required.
6. FLOCERT certificate delivered once all corrective measures approved.

#### Membership

1. Certification is mandatory for every producer and company involved in the supply chain of a Fairtrade product.
2. Companies sign an agreement and pay a small license fee to Fairtrade. This certifies use of the Fairtrade mark and traceability of cotton.
3. The mass balance model is a sliding volume-based fee.

#### Audits/Verification

1. Segregation and physical traceability at every step in the supply chain.
2. Three-year certification cycle with initial audit in year zero for entire supply chain.
3. Up to two confirmation audits (focused or unannounced) per cycle.
4. These depend on compliance with the Fairtrade Standards, Fairtrade Premium amount received/paid and deviations from standard, risks and allegations respectively.
5. For mass balance model, physical segregation takes place until spinner and volumes are verified through online platform - Fairtrace.

#### Product Premium

1. Fairtrade Premium of 0.05 Euros/kg of seed cotton for farmers.
2. Fairtrade Minimum Price varies and is set for every region.
3. Fairtrade Minimum Price for organic cotton 20% higher than conventional.
4. Fairtrade labelled product is 5-12% more expensive for the company. This could be higher for small volumes for SMEs but is much lower with mass balance model.

## Case study

<https://www.fairtrade-deutschland.de/fuer-unternehmen/best-practice/fachhandel-best-practice.html> OR [http://www.fairtrade.no/pressemeldinger/artikkel.html?tx\\_news\\_pi1\[news\]=69&cHash=eac4b](http://www.fairtrade.no/pressemeldinger/artikkel.html?tx_news_pi1[news]=69&cHash=eac4b)

## Spotlight on Farmers

Chetna Organic Agriculture Producer Company Ltd (COAPCL), India. Established in 2004, Chetna Organic supports more than 15,000 farmers, helping them increase the sustainability and profitability of their farming systems. Chetna Organic Agriculture Producer Company Ltd (COAPCL) is a part of Project Chetna, a development initiative aimed at improving the lives of smallholder and marginalised cotton farmers in different rain-fed cotton growing regions in India. Find out more at <http://www.fairtrade.org.uk/Farmers-and-Workers/Cotton/CHETNA-ORGANIC-AGRICULTURE-PRODUCER-COMPANY-LTD>



**Website** [www.mybmp.org.au](http://www.mybmp.org.au)

**Email** [admin@mybmp.com.au](mailto:admin@mybmp.com.au) - for myBMP enquiries  
[cotton2market@cotton.org.au](mailto:cotton2market@cotton.org.au) - for supply chain enquiries

**Ph** +61 2 9669 5222 – Cotton Australia

myBMP

myBMP (Best Management Practices) is the Australian cotton industry’s environmental management standard for growers, ginners and classers. It provides self-assessment mechanisms, practical tools and resources, on-farm extension, technical support and independent third-party auditing to ensure that Australian cotton growers are implementing best practice to produce economically, socially and environmentally sustainable cotton.

myBMP is a whole-farm approach consisting of over 400 standards that growers must meet to achieve full certification, across 10 modules:

- Biosecurity – the avoidance, management and control of pests and diseases
- Energy and input efficiency - efficient energy inputs such as electricity, fuel and fertilisers
- Fibre quality - growing the best quality cotton possible
- Human resources and work health and safety
- Integrated pest management
- Sustainable natural landscapes
- Pesticide management, storage and handling
- Petrochemical storage and handling
- Soil health - maintaining and/or improving soil quality and fertility
- Water management - quality, efficiency of storage and distribution

In 2017, there were more than 610,000 bales of cotton produced from myBMP certified farms. Participation in the myBMP program is growing at 20% per year and the number of myBMP certified farms has more than doubled in two years.

Sourcing process

myBMP cotton has a different membership process to other standards. myBMP/ Australian cotton can be sourced through the supply chain without becoming a member of a specific organisation.

1. Contact Cotton Australia at [cotton2market@cotton.org.au](mailto:cotton2market@cotton.org.au) to enquire about the use of myBMP/Australian cotton
2. Cotton Australia works with brand/retailer to source and trace myBMP/Australian cotton into the supply chain
3. Brand may apply to use the Australian Cotton Mark(s) on product
4. Brand signs license agreement with Cotton Australia

Farm Level Certification

1. Grower registers on-line at [www.myBMP.com.au](http://www.myBMP.com.au).
2. The myBMP office (run by Cotton Australia) establishes a user account for the grower and provides initial advice and support to get started in the program.
3. Grower works through the self-assessment for all modules.
4. Grower is invited to request an audit when all Level 1 and Level 2 checklist items are completed and then selects an auditor from a list of accredited independent auditors.

For more information please visit:  
[http://cottonaustralia.com.au/uploads/publications/myBMP\\_background\\_doc\\_200218.pdf](http://cottonaustralia.com.au/uploads/publications/myBMP_background_doc_200218.pdf)

Membership	Audits/Verification	Product Premium
No membership fees.	<p>Certification Audits</p> <ol style="list-style-type: none"><li>1. Once the risk assessment is completed and a grower is confident that all certification standards are met, growers seeking myBMP certification are independently audited.</li><li>2. The auditor reviews the grower’s assessment and associated documentation and follows the myBMP Audit Procedure and Guidelines when conducting on-farm audits.</li><li>3. The audit report is then written to determine whether the grower has achieved all the myBMP certification standards and should be certified. If granted, the myBMP certification remains in place for five years.</li></ol> <p>Random Audits</p> <p>To monitor the effectiveness of the certification process, random surveillance audits are also conducted across certified farms.</p>	<ol style="list-style-type: none"><li>1. Australian cotton growers do not receive a premium for participating in the myBMP program.</li><li>2. Prices are set by the market.</li></ol>



Spotlight on Farmers

“Over two years ago our farm became accredited in the Australian Cotton industry’s myBMP programme. We realised that for most of the modules we were already achieving sustainability at a high level, however through the process we were able to improve some of our practices to a greater level. This continuous improvement approach is central to our farming strategy that focuses on improving yield and profitability, maximising water efficiencies, reducing inputs like pesticides and fertilisers and using technology to drive innovation. Most importantly, we want to pass on our farm in better health and we see ourselves as custodians rather than owners of the land.”

- Nigel and Beth Burnett, Colorada Cotton, Emerald - Queensland Australia



## 2. YOUR SOURCING OPTIONS

### 2.4 Cotton sustainability standards, and other programmes | 2.4.1 Standards



# Organic Cotton

Website <http://aboutorganiccotton.org/>

Membership enquiries [Materials@TextileExchange.org](mailto:Materials@TextileExchange.org)

#### Definition

Organic cotton is cotton that is produced and certified according to organic agriculture standards. Organic production systems replenish and maintain soil fertility, expand biologically diverse agriculture, and prohibit the use of synthetic toxic and persistent pesticides and fertilisers, as well as genetically engineered seed.

#### Organic Farm Standards

IFOAM - Organics International is the overarching body for organic agriculture and provides information on the 'family of standards' for organic farming. Organic standards most commonly associated with organic cotton at farm level include (but are not restricted to) the USDA - National Organic Program (NOP), EU Organic Regulation, and APEDA's National Programme for Organic Production (NPOP) in India.



#### Organic Chain of Custody and Textile Processing Standards

The Organic Content Standard (OCS) from Textile Exchange and the Global Organic Textile Standard (GOTS) are voluntary standards that provide chain of custody assurance from farm to the final product, with GOTS also requiring textile processing social and environmental criteria.



#### Textile Exchange

Textile Exchange collects data on global organic cotton fiber production, convenes an Organic Cotton Round Table, and creates learning tools such as [aboutorganiccotton.org](http://aboutorganiccotton.org) and the Quick Guide to Organic Cotton. Although there is no overarching body for organic cotton, Textile Exchange, along with other organisations, works hard to support the sector.



#### Organic Cotton Accelerator (OCA) [www.organiccottonaccelerator.org/](http://www.organiccottonaccelerator.org/)

As an accelerator, the OCA unites those who are committed to being part of the change in organic cotton. Together with market-driven interventions that are designed to be self-sustaining and scalable in the long-run, the OCA builds on existing initiatives, mobilises others into action and creates shared opportunities across the supply chain.

#### Certification

##### Farm Level Certification

The producer (or occasionally buyer) of the organic cotton meets the certification costs.

In the USA, for example, farm certification costs approx. US\$750 per farm per calendar year.

For smallholder farmers (e.g. in Africa and India) certification can be at the group level whereby farmers work in producer groups (called an Internal Control System). For more information please visit [IFOAM Internal Control Systems for Group Certification](#).

##### Audits/Verification

Third-party audit is required.

Annual and unannounced audits also take place.

Validity of certificate is one year.

##### Organic Differential

Farmers may be paid more for their organically grown products (between 5-50% over conventional commodity prices) and/or other terms & conditions agreed such as pre-financing.

Organic seed cotton and fiber differentials vary depending upon quality, geography, and arrangements made between trading partners.

For more information please see the Kering/Textile Exchange report on [Organic Cotton Pricing and Trading](#).



#### Case study : prAna

##### prAna: Taking the final step in our conversion to 100 percent organic cotton

In 2018, we reached our cotton goal of being 100 percent organic for all of prAna's cotton products. Our commitment to replacing all conventional cotton in our products speaks to the continued momentum of the Sustainable Clothing Movement and the drive to lessen our impact on the planet. This achievement was a big moment for us and represented the long journey prAna has been on ever since learning about the impact of insecticides and pesticides, not only the soil, but also on the farmers of conventional cotton. At prAna, we not only consider the best practices in the raw materials we use, but are also committed to hiring sustainable vendors to expand our value that all humans should be treated equally and have access to their basic needs. Therefore, we directly microfinance (See: [Why Organic Matters — Sustainable Clothing Movement](#)) an organic cotton farmer co-op in India that allows farmers to purchase cotton seeds and other supplies interest-free each season. This means the organic farmers can avoid high interest rates on bank loans, something which has contributed to one of the highest farmer suicide rates on the planet among conventional farmers.

#### Spotlight on Farmers

"With the organic farming our field has become more fertile; we learned how to organize proper crop rotation. Besides, the income from organic farming is higher in comparison with conventional farming. This year I started working as village bio inspector (VBI). The work is difficult but very interesting. I want to prove that a woman can also work as VBI."  
- Shamshieva Sonunai, Kyrgyzstan Bio Farmer Coop (Shaidan village, Jalal-Abad County, Kyrgyzstan)

## 2. YOUR SOURCING OPTIONS

### 2.4 Cotton sustainability standards, and other programmes



#### 2.4.2 Other programmes and codes



**Website** [www.abrapa.com.br](http://www.abrapa.com.br)

**Email address** [faleconosco@abrapa.com.br](mailto:faleconosco@abrapa.com.br)

**Telephone number** +55 61 3028-9700

**Sustainability video link** <https://youtu.be/9zswOyuds9c>

**Membership fees**  
<http://www.abrapa.com.br/Paginas/Associadas.aspx>

**Membership enquiries**  
<http://www.abrapa.com.br/EN-US/Paginas/sustentabilidade/algodao-brasileiro-responsavel.aspx>

#### ABRAPA and the national sustainable certification, ABR.

The Brazilian Association of Cotton Producers (ABRAPA) has been an Implementing Partner of the Better Cotton Initiative since 2010, acting with the Responsible Brazilian Cotton Program – ABR.

ABR seeks to:

- Promote the progressive evolution of good social, environmental and economic practices in order to build a good image for Brazilian cotton and gain space in the growing responsible cotton market.
- Continuously improve the sustainable management of production units as they raise the level of compliance with sustainability criteria and the ABR program.
- Raise awareness of sustainability issues among its members, placing the sector in line with the issues that guide governments, other organisations and society.

The ABR program is sustained by three pillars: social, environmental, and economic.



#### ABR Membership process

See the BCI membership process for information about corporate membership

#### Diagnostic and certification criteria

The Verification for Property Certification (VDP) lists the necessary requirements for the conformity assessment of the production unit. It is divided into eight criteria: (1) work contract; (2) prohibition of child labour; (3) prohibition of work analogous to slavery or in degrading or unworthy conditions; (4) freedom of association; (5) prohibition of discrimination against persons; (6) safety, occupational health and the work environment; (7) environmental performance; (8) good agricultural practice.



#### Spotlight on Farmers

Carlos grows cotton on three properties, and all have been licensed by BCI and certified by ABR since the beginning of the programme in 2013. The properties have met the continuously evolving economic, environmental and social requirements of the programme. For the 2016/17 crop, Carlos Moresco applied 25% fewer pesticides to control cotton boll weevil than in the 2015/16 season. Several other achievements were possible thanks to the combination of technical knowledge, software for monitoring and operational efficiency. Carlos is learning more about sustainable practices each day, thanks to the continuous improvements of the Brazilian Cotton Responsible program, the Better Cotton Initiative and the experience of other Brazilian cotton growers.



## 2. YOUR SOURCING OPTIONS

### 2.4 Cotton sustainability standards, and other programmes | 2.4.2 Other programmes and codes



**Website** [www.cottonconnect.org](http://www.cottonconnect.org)

**Membership enquiries** [info@cottonconnect.org](mailto:info@cottonconnect.org)

**Phone number** +44 203 865 7038

**Membership fees** CottonConnect is yet to publish a standard fee structure template. Fee structure for Program development, verification and certification can be advised by CottonConnect on a case by case basis depending on the geography, project size and supply chain optimisation required.

## REEL (Responsible Environment Enhanced Livelihoods)

The REEL Cotton Programme is a three-year agricultural programme that provides farmers with training on sustainable cotton farming practices. Run by CottonConnect in partnership with leading brands and retailers, the programme is proven to increase yields and farm profits while reducing environmental impacts. REEL Cotton can be fully traced from farmer to store by its complementary organisation, TraceBale. Brands can opt to include this as part of supply chain mapping and market linkage support expected from CottonConnect, but TraceBale is not a mandatory offer along with REEL.

Since 2010, the REEL programme has trained over 20,000 farmers, mainly in India, China, Pakistan and Peru.

The REEL Cotton Programme is independently verified by the REEL Code, a code of conduct developed with FLOCERT. The REEL Code verifies that farmers in the REEL programme are using sustainable practices, with added elements that ensure traceability and decent work. The code is based on eight principles:

1. Management skills
2. Plant and field management
3. Soil nutrient management
4. Pest management
5. Water management
6. Ecosystem protection
7. Waste management
8. Institutional grouping

REEL is a code rather than a standard. This means it can be tailored to focus on sustainability issues that brands and retailers are trying to address in their supply chains. Social intervention programmes include 'Women in Cotton', 'Farmer Business School' and 'Health and Safety in Cotton Gins'.

### REEL application process

1. Submit your application to REEL for evaluation
2. REEL assign the verification assessment to a 3rd party verifier FLOCERT (accepted/denied)
3. FLOCERT coordinates and conducts on-site verification assessment
4. FLOCERT completes and submits verification assessment report to RCI HQ

#### Membership

1. Three year agricultural training course that promotes sustainable cotton farming practices.
2. The REEL Cotton Code is developed with and independently verified by FLOCERT.
3. Fee structure for Program development, verification and certification can be advised by CottonConnect on a case by case basis depending on the geography, project size and supply chain optimisation required

#### Audits/Verification

1. Verification Assessment Tool to be completed by the producer group.
2. Assessment Order with description of scope, allocation of time, interpreter reference etc.
3. Check on verifier's compliance ratings against self-assessment.

#### Product Premium

Zero premium model.

## Case study

### Helping Primark to source cotton sustainably and make a meaningful difference to women cotton farmers and their families

CottonConnect has been working with Primark, and the Self-Employed Women's Association (SEWA) since 2013 on Primark's sustainable cotton training programme. The Primark Sustainable Cotton Programme, based on the REEL Cotton programme, trained 1,251 female cotton farmers in the Gujarat region in India in its first three years. Since the outcomes of the Programme far exceeded expectations, in 2016 Primark decided to substantially scale up the initiative to train an additional 10,000 women farmers over the next six years. They are also supporting CottonConnect's Farmer Business School and Rights and Life Skills Education programmes, to build resilience and capacity within cotton growing communities.

For more information about CottonConnect's partnership with Primark visit <http://cottonconnect.org/portfolio-posts/primark-sustainable-cotton-case-study/>

## Spotlight on Farmers

"Thanks to the REEL Cotton Programme we learnt about the essential nutrients required for healthy cotton growth. For the first time in so many years we received a better quality of cotton with increased yields which resulted in a high market price for our cotton."

– Godiben Vasani, cotton farmer from Surendranagar, Gujarat, India.

## 2. YOUR SOURCING OPTIONS

### 2.4 Cotton sustainability standards, and other programmes | 2.4.2 Other programmes and codes



**Website** [www.cottonleads.org](http://www.cottonleads.org)

**Enquiries** <http://cottonleads.org/contact-cotton-leads/>

### The Cotton LEADS™ Program

The Cotton LEADS™ Program is founded on a partnership between the Australian and U.S. cotton industries. The goal is to engage and connect textile businesses across the global supply chain with leading efforts in sustainable cotton production. Over 500 brands, retailers and manufacturers are partners in the Cotton LEADS™ Program, in support of national sustainability efforts in both founding countries.

Australia and the U.S are producing cotton with nationwide commitments to sustainability, traceability, data collection, research and technology. Cotton from the two Cotton LEADS countries is grown with robust government and industry oversight ensuring that worker, consumer and environmental safety is prioritised during production.

This national approach is an effective way to drive large-scale, continuous improvements that are accessible to the greatest number of growers and downstream businesses.

For many companies, Cotton LEADS provides assurances that cotton sourced from Australia and the U.S. has been sustainably produced.



#### Case study : Hugo Boss

“To have a transparent global supply chain, it is essential to have recognised national sustainability programs in place to respond to the enormous complexity of the cotton system. For HUGO BOSS, the five core principles of the Cotton LEADS™ sustainability program match well with our own cotton commitment. There is transparency around the continuous improvement programs and through the Cotton LEADS™ traceability system, with its unique bale identification number. Cotton is our most important raw material and the availability of long and extra-long staple cotton and high purity of cotton fibres are critically important for HUGO BOSS products.”

- Heinz Zeller, Head of Sustainability & Logistics, HUGO BOSS



#### Spotlight on Farmers

“We’ve always been involved in myBMP, and around five years ago we went down the certification path. It allowed us to fund farm improvement programs and it’s also good for our business. We can now demonstrate that we operate to the highest industry standards in all areas, such as employee safety and soil health. A sustainability program like Cotton LEADS is good for the end user because they can have confidence the cotton they are sourcing has been produced sustainably and ethically. We produce above the world average and so it’s important that we lead from the front. From the end user’s perspective, it ticks all the boxes.”

- Hamish and Mary McIntyre, McIntyre Agriculture,  
St George, Queensland, Australia



### Bayer’s CropScience’s e3Cotton

e3 farmers sign up to commit to grow cotton more efficiently and without harming the environment. Third-party, independent auditors certify a farmer’s commitment to grow e3 cotton in an environmentally responsible, economically viable, and socially equitable manner in the United States. e3 is U.S. grown from superior seed which produces high-quality fiber and yarn. The e3 program supports farmers with the latest techniques. e3 also meets the needs of consumers by providing enormous quantities of sustainably produced cotton.

#### Membership process

1. Farmers sign up and commit to grow cotton efficiently and responsibly.
2. Third-party, independent auditors certify a farmer’s commitment to grow e3 cotton.
3. All e3 cotton originates with Bayer Crop Science’s Certified FiberMax® or Authentic Stoneville® seed that can be traced.
4. Farmers will show improvement in aggregate by region and country on an annual basis.
5. A third party for random inspections of baselines assessment & if no attempt is made at improvement, the producer will not be enrolled.

#### Membership

1. There is no cost to the grower to participate. Requires annual sign-up and qualification to participate.
2. All e3 cotton originates with Bayer Crop Science’s Certified FiberMax® or Authentic Stoneville® seed that can be traced.

#### Audits/Verification

e3 cotton growers agree to certification, verification and independent audits by Wakefield Inspections.

#### Product Premium

1. Improving on input efficiencies improves the bottom line and, thus, profit.
2. e3 farmer will be paid a small per bale incentive to reinvest in sustainable improvement practices.
3. Small premium is negotiated with the individual retail and apparel brand





### 2.4.3 Other programmes – further information

Having explored sustainability programmes and codes individually in detail on the previous pages, you may find a direct comparison of these programmes useful as you consider how to incorporate sustainable cotton into your supply chain.

**Sustainability considerations**

The table below provides in-depth information about other programmes and codes, covering key facts and figures, and details about their programme's emphasis on different sustainability issues. It should help you choose which would align best with your goals and brand values.

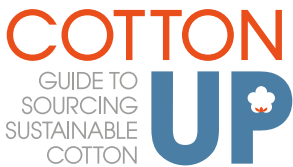
The information in this table has been provided and verified by Textile Exchange and is republished in the CottonUP guide with their permission. Production data refers to 2015/16 and will be updated annually.

The digital version of this guide ([www.cottonupguide.org](http://www.cottonupguide.org)) will in future also include more information on recycled cotton standards and options. In the meantime, please visit the Textile Exchange website.



GENERAL		
Objective	To create a more sustainable American landscape	To create more sustainable, traceable cotton
Overview	e3™ is Bayer CropScience's more sustainable cotton option. It is grown in the USA with care by cotton producers striving to improve their sustainability in production of the highest- quality upland cotton for apparel and home furnishings	The REEL Cotton Programme is a 3-year modular program for farmers with Sustainable Agricultural Practices (SAP) at its core. It has four key focus areas: - Agronomic training - Social mobility and engagement - Supply chain verification - Brand reputation

PRODUCTION		
Producing Countries (2015/16 unless otherwise stated)	USA	China, India, Peru
Fiber Production 2015/16 (MT)	578,000	12,155
Market Share of Total Cotton Grown	0.0274	0.06%



PRODUCTION (contd.)		
Growth in production (2014/15 - 2015/16)	410% increase	76% decrease
Projected growth in production	Projected increase	Projected increase
Yield (see accompanying "TE Position" notes)	No data	Claims 16% avg. yield increase among REEL farmers compared to control

ENVIRONMENTAL - WATER		
Rainfed / Irrigated	Combination	Mostly irrigated
Water Management	Aims to reduce irrigation water use	Promotes water efficiency. Claims 16% avg. reduction in water use
Water Consumption (m3 / 1000kg fiber*) or best practices used to conserve water	No LCA data	No LCA data

ENVIRONMENTAL - LAND / SOIL		
Soil fertility	No specific criteria on soil fertility. Activity is assessed on various factors including land use and soil carbon. The concept is to improve one's performance on these parameters	Promotes soil health and nutrient management through crop rotation and composting
Biodiversity	No specific criteria on biodiversity. Activity is assessed on various factors including conservation. The concept is to improve one's performance on these various parameters	Promotes biodiversity conservation
Eutrophication (kg of phosphate-eq / 1000 kg fiber *)	No LCA data	No LCA data

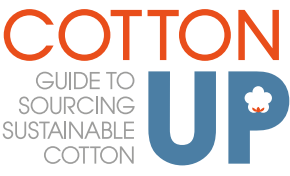


ENERGY / TECHNOLOGY

Use of Hazardous Pesticides	REEL farmers are trained in pest management and reduction of harmful chemical use. Training is provided on organic pesticides e.g. neem spray. Claims 43% avg reduction in chemical pesticide use among REEL farmers
Use of Synthetic Fertilizer	REEL farmers trained on crop rotation, composting and reduction in use of chemical fertilizers. Claims 20% reduction in chemical fertilizer use among REEL farmers
GMOs Permitted?	Yes
Primary Energy Demand MJ / 1000 kg fiber *	No LCA data
Global Warming (kg of CO2-eq / 1000kg fiber*)	No LCA data

SOCIAL

Social considerations / regulations	Provides training to produce cotton with respect for Human Rights principles for decent working conditions: no child labor, application of health and safety principles, gender inclusion. Focus on women empowerment
Livelihoods	REEL farmers receive training to improve yields and profits. Claims 41% avg. increase in profit compared to control farmers



ASSURANCE

Verification / Certification (farm level)	Self-evaluation and 3rd party audits	Developed and verified by Flo-Cert (3rd party)
Chain of Custody (supply chain)	CoC to the mill (for further content claims use)	Bale preserved - procurement links to supply chain provided if required
LCA available?	No	No
Product marketing / labeling	No data	In store and on product marketing
Consumer recognition	No data	Primarily B2B but in-store marketing

PRICE / QUALITY

Cost implications / impacts	Small price differential paid to farmers, negotiated with individual brand / retailer	Brand / retailer pays for service
Quality perception / implications	No known quality implications	No known quality implications.



## 2.5 Understanding traceability

According to the United Nations Global Compact, traceability means being able to identify and trace the history, distribution, location and application of products, parts and materials. Along with approaches such as due diligence, if products, parts and materials are traceable for all or part of their journey along the supply chain, it creates opportunities to assess or understand human rights, labour practices and environmental impacts, etc.

Traceability also provides a basis for establishing credible sustainability, quality or origin claims and attributing them to end products. It is important to recognise that different stakeholders in a supply chain will have different ideas about what traceability means.

### The need for traceability

To ensure their supply chain is sustainable, brands should want to know where their products come from, who created them, the conditions under which they were created and their impacts on the environment.

Complex supply chains often go hand-in-hand with a lack of traceability, which in turn makes it hard to make sustainability improvements. Full knowledge of the supply chain is essential to demonstrate a link between corporate sustainable sourcing policy and practice, and actual supply chain sustainability improvements.

Improvements in traceability bring several benefits:

- Brands and retailers can validate claims about products and practices, and communicate these to customers.
- End consumers can trust a product's origin, which increases their trust and engagement with a brand.
- Farmers can secure contracts more easily, and get better access to markets and services like finance and education. Traceable certification can also help them obtain price premiums.
- Suppliers can see an increased level of trust and sales, and more secure supply. Traceability also improves supply chain management.



Most companies that source sustainable cotton work with certification schemes that are experienced in fulfilling their sourcing commitments and ensuring traceability. When combined with a due diligence approach, this provides a robust approach to sustainable sourcing.

### Understanding traceability models

Different sustainability programmes use different traceability models, each of which has advantages and disadvantages. Those attempting to trace their supply chain will follow one or more of the following systems:

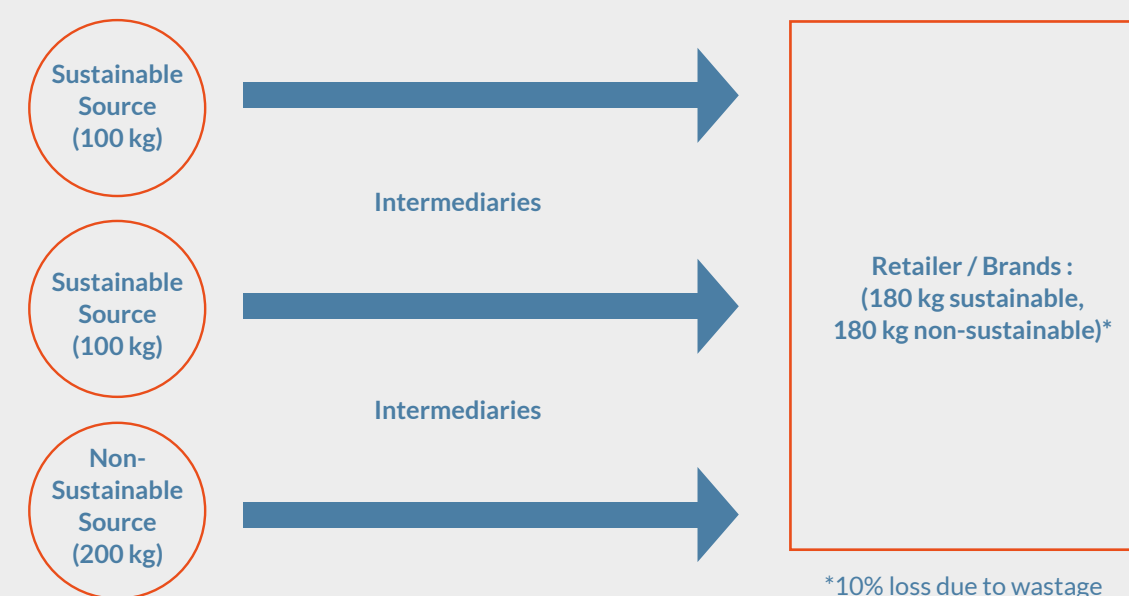
1. Identity preservation
2. Bulk segregation
3. Mass balance
4. Certificate trading or 'book and claim' model

### Model 1 : Identity preservation

#### Methodology

This approach provides traceability back to a single point of origin, from a farm or group of farms to the gin or final users. Each lot, batch, quantity or consignment of certified product is treated separately. It is physically separated from other certified or non-certified product throughout the supply chain, as is its associated documentation.

This model does not allow mixing of non-certified materials anywhere in the supply chain.



#### Limitations

Identity preservation is the most expensive traceability model and is not currently feasible for all industry players. The logistical challenges involved in introducing and maintaining this approach are very resource-intensive. However, new technologies - such as blockchain - could well change that.

#### Key features

Product can be traced back to a single point of origin. Each lot, batch, quantity or consignment of certified product is kept separate from others throughout the supply chain.

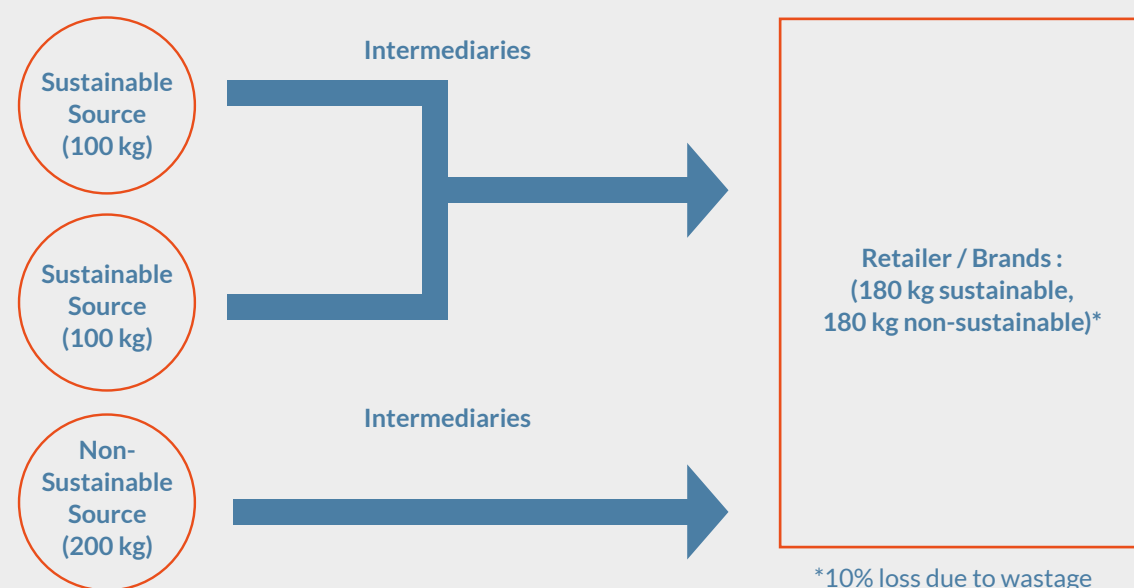
#### Examples

Organic; BCI: from farm to gin; Cotton made in Africa (CmiA): traceability from gin level (cotton bale) to finished product possible; Fairtrade cotton classic model; Fairtrade mass balance programme: till spinner gate; myBMP: from farm to spinning mill.

## Model 2 : Bulk segregation

### Methodology

In bulk segregation, certified product is kept physically separate from non-certified product through each stage of the supply chain. The mixing of certified materials from different producers is permitted, but documentation denoting the region or country of origin is often kept. All producers must comply with the certification standards.



### Limitations

Again, this is a costly approach to traceability. The cotton cannot be traced to the exact farm level; it is not possible to identify which fibre came from which certified source. However, because users will be able to access information about all the farms that fed into a supply chain, they could seek further information.

### Key features

In bulk segregation, certified product is separate from non-certified product through each stage of the supply chain. The mixing of certified product is permitted.

### Examples

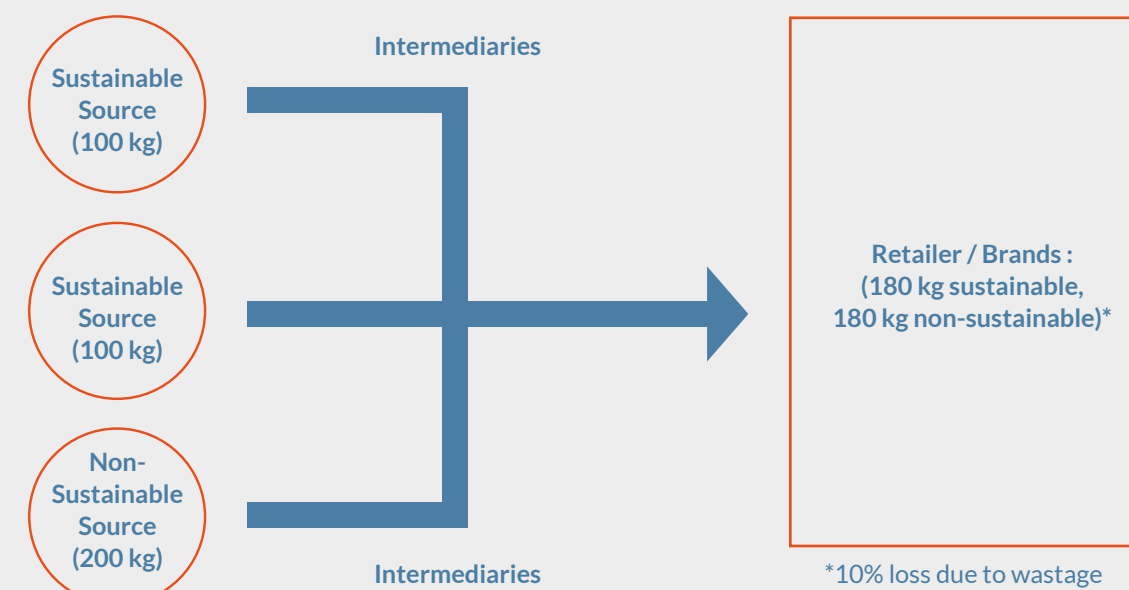
Textile Exchange standards; Better Cotton Initiative (BCI) – Physical segregation until the bale of cotton is formed; Fairtrade International – Product segregation for cotton, bananas, other fresh fruits, coffee, flowers, nuts, rice, spices; Cotton made in Africa (CmiA): physical segregation up to spinning mill level.

Forest Stewardship Council (FSC) – “FSC Pure Products”; Roundtable for Sustainable Palm Oil (RSPO) – RSPO Segregated System; Marine Stewardship Council (MSC)

## Model 3 : Mass balance

### Methodology

In the Mass Balance model, products from both certified sustainable and non-sustainable sources are mixed. As they move through the supply chain, an exact account of volume ratios is kept. In this way, the volume of certified product entering the operation is controlled and an equivalent volume of product leaving the operations (minus about 20% wastage through processing) can be sold as certified.



### Limitations

There is no guarantee that the end product actually contains sustainable cotton.

### Key features

The Mass Balance model makes large scale production of more sustainable cotton possible. For brands and retailers, the cost of entry is lower, and it is faster and easier to get started. It is possible to make sustainability claims without demonstrating physical traceability, and the model actively involves all supply chain actors in the sustainable cotton market.

### Examples

Better Cotton Initiative – Mass Balance model once the bale of cotton is broken and split into yarn; Fairtrade International – mass balance for cocoa, sugar, cotton and juice; Cotton made in Africa (CmiA): mass balance from spinning mill onwards.

Forest Stewardship Council (FSC) – FSC volume based system; Roundtable for Sustainable Palm Oil (RSPO) – RSPO Mass Balance System; UTZ Certified – Mass Balance Traceability Programme



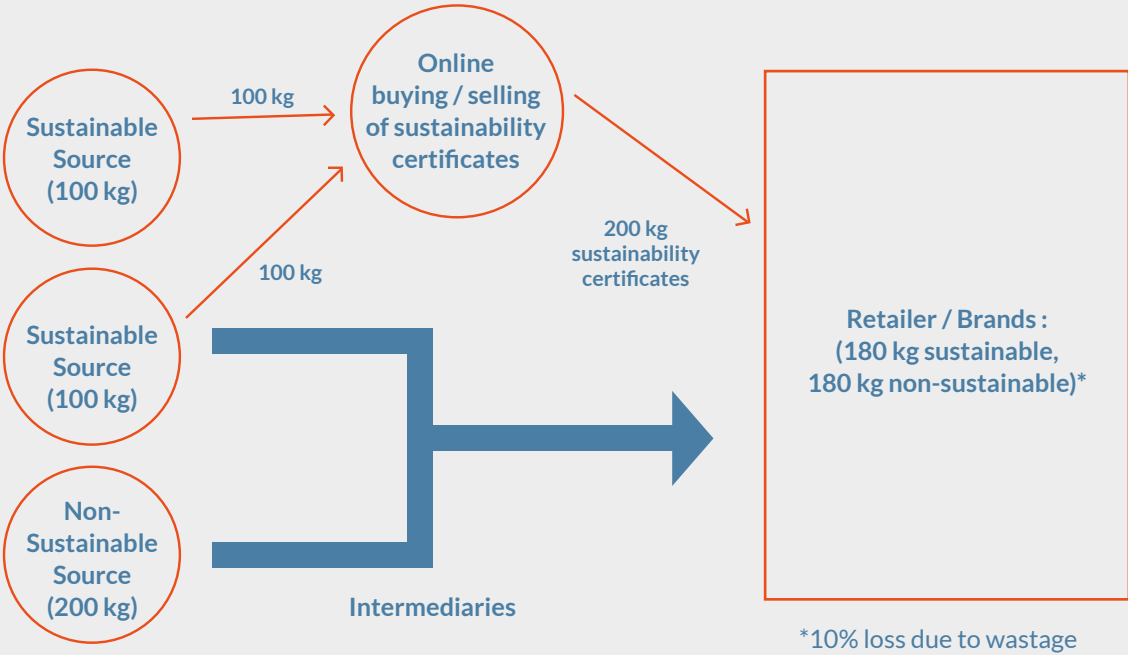


Model 4 : Certificate trading / Book and claim

Methodology

In this model, certified and non-certified product flow freely through the supply chain. Sustainability certificates or credits are issued at the beginning of the supply chain by an independent issuing body and can be bought by market participants, usually via a certificate or credit trading platform.

This model provides tradeable certificates for certified products. The claim is not directly connected to the certified product but rewards responsible production. It allows outputs to be sold with a credit claim corresponding to the quantity of certified inputs.



Limitations

There is no monitoring to check for presence of actual sustainable cotton, no data against legislation, lifecycle assessments (LCA), footprinting or physical traceability through the supply chain.

Key features

This model provides tradeable certificates for certified product and is intended to reward responsible production. It allows outputs to be sold with a credit claim corresponding to the quantity of certified inputs.



Examples

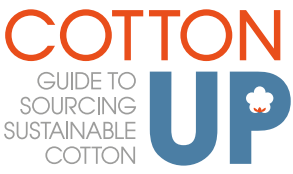
Bonsucro – Credit trading system (Block and Claim); RSPO – Book and Claim system; UTZ Certified – Trading & Traceability Programme used in collaboration with RSPO Segregated System; Marine Stewardship Council (MSC)

2.6 Comparing the different traceability models

There are advantages and disadvantages to each traceability model. When you're choosing which sustainability standard to work with, it's important you understand the traceability model they use. This will help you assess whether it meets the requirements of your sustainability strategy and any sustainability claims you wish to make about your products.



Properties / Models	Model 1 Identity Preservation	Model 2 Bulk Segregation	Model 3 Mass Balance	Model 4 Certificate Trading
 Advantages	<ul style="list-style-type: none"><li>Type and source of cotton in products can be uniquely traced and labelled.</li><li>End consumer gets product which contains certified sustainable cotton.</li><li>Enables positive impact stories to be linked to specific cotton producing communities.</li></ul>	<ul style="list-style-type: none"><li>End consumer gets a product which contains certified sustainable cotton.</li><li>More flexible over sources of sustainable cotton so easier to source.</li><li>One supply chain actor can combine certified volumes from several IP sources into one stock item.</li></ul>	<ul style="list-style-type: none"><li>Large scale production possible.</li><li>Lower cost of entry.</li><li>Faster and easier to get started.</li><li>Claim of support to sustainability without physical traceability is possible.</li><li>Actively involves all supply chain actors in sustainable cotton market.</li></ul>	<ul style="list-style-type: none"><li>Limited costs because no changes are made to the supply chain (Free Flow).</li><li>Claims of “product supports the sustainable sourcing and production of essential commodities” can be made.</li><li>Useful model for markets where the local demand for sustainable products exceeds the local supply.</li></ul>
 Disadvantages	<ul style="list-style-type: none"><li>Additional documentation and systems for verification at all stages of the supply chain discourages suppliers from handling IP materials.</li></ul>	<ul style="list-style-type: none"><li>Additional documentation and systems may discourage suppliers who also handle ‘non-certified’ sources from handling certified sources.</li><li>Not possible to identify which fibre came from which certified farm, group of farms or primary processors.</li></ul>	<ul style="list-style-type: none"><li>No guarantee that there is any certified content in each final product.</li><li>Burden on suppliers: entering and leaving volumes of certified/ non-certified ingredients must be balanced (minus wastage).</li><li>Quantities need to be controlled when mixing.</li><li>Reconciliation required, time consuming process.</li></ul>	<ul style="list-style-type: none"><li>No physical supply of certified product, only trading.</li><li>Lesser credibility and trust factor.</li><li>Difficult to communicate to consumers.</li></ul>



Summary of properties of each model

Properties / Models	Model 1 Identity Preservation	Model 2 Bulk Segregation	Model 3 Mass Balance	Model 4 Certificate Trading
Ensure that volumes of certified material sold match (or don't exceed) volumes of certified material bought	Yes	Yes	Yes	Yes
Traceability linked to volume reconciliation over a set time period	No	No	Yes	Yes
Allows mixing of certified and non-certified content	No	No	Yes	Yes
Physical traceability	Yes	Yes	No	No
Identify origin of a final product or product component in actual product	Yes	Yes, but 'origin' may not be as specific as IP Model, depending on the supply chain (e.g. to country or region may be possible)	No	No

Standards	Model 1 Identity Preservation	Model 2 Bulk Segregation	Model 3 Mass Balance	Model 4 Certificate Trading
ABR		At Lint level	Yes (via BCI)	
BCI	Yes (farm to gin only)	At Lint level	Yes (gin to end product)	No
REEL (Cotton Connect)	Piloting in India			
CmiA	Yes (farm to end product)	At Lint level	Yes (after spinning mill)	No
Fairtrade cotton classic model	Yes	No	No	No
Fairtrade cotton sourcing through mass balance model	Yes, till spinner gate	No	Yes, after spinner	No
myBMP	Yes (from farm to spinning mill)	At Lint level	Yes (via BCI)	
Organic	Yes	Yes	No	No



## 2.7 Create a cotton strategy

Creating a cotton strategy can provide the structure, direction and shared understanding your organisation needs to begin or increase sourcing sustainable cotton. There are several parts to creating a sourcing strategy and many companies choose to involve outside advisors in this process. The below outlines the steps you might take to get started:

### 1. Consider who needs to be involved

Think about the key people and departments that need to be included in creating a cotton strategy: this may include designers, technicians, buyers, senior managers, and CSR/Sustainability colleagues. Find out who will help champion and implement the strategy and get them involved early to get internal buy in.

### 2. Develop a top-level mandate

While it's important your strategy is supported by people across your organisation, having a clear mandate from top management eases the way for both developing and deploying a successful strategy. Much of the information in this guide is designed with senior managers in mind. The Challenges for Cotton page is about issues in the apparel industry that can be tackled through sustainable sourcing, while the business case section shows how sustainable cotton sourcing can support a thriving business.

### 3. Align with your wider sustainability goals

Don't forget to look at your existing corporate sustainability goals and targets. The sourcing policy you develop can support and strengthen these, so it is important to create alignment. For example, if a key pillar of your corporate sustainability strategy is to support smallholder farmers, you could start sourcing sustainable cotton with strong social outcomes for smallholders. If part of your strategy is to source within the country or region in which you operate, you will need to look at programmes that can deliver material sourced and certified from that specific country or region.

### 4. Agree a process and consult

After you've gathered the internal stakeholders and some key information, it's time to develop a process for building the strategy. This could include workshops with key stakeholders, internal interviews to gather points of view, and speaking with your suppliers. As you define the desired outcomes of your sourcing strategy, you need to speak to your suppliers to find out if they can take the kind of action you need them to take.



### 5. Set your vision and clear targets

One key purpose of the strategy is to ensure your organisation has a clear strategic direction. It's worth bearing in mind that momentum is rapidly growing for companies to commit to sourcing 100% sustainable cotton by 2025 or sooner. You can find out more about the 40+ companies that have signed up to this ambition thus far here.

### 6. Consider how flexible you can be

Typically, companies used to commit to source all their sustainable cotton from one standard or programme. Today, a portfolio approach is often the preferred method. Though it can take a bit more time and cost to implement, this approach can help you reach your targets faster. For example, using this approach you could specify that pesticide-free cotton is best for baby, children and home linens, whereas other sustainable options may be more appropriate for denim and upholstery lines. In this way, a flexible strategy allows buyers to source different kinds of sustainable cotton in line with product requirements and consumer demand.

### 7. Decide how traceable you want to be

It's important to know what level of transparency your organisation aspires to, and that you have access to a traceability model that can deliver. For example, some organisations will want to be able to say where every fibre came from, while others won't require that level of detail. The traceability section of the guide will walk you through the different models and help you understand which programmes are right for your needs.

### 8. Engage with the standards and review your plan

Once you have a draft of your strategy and goals, get in touch with the standards, codes and/or programmes you're considering working with. The sourcing options

pages have information on each of the standards, including how to make contact. You may choose to revise your strategy and tweak your approach based on these conversations.

### 9. Finalise your strategy, write your policy, and embed in your systems

It's time to put this plan into action! It's important you share the strategy across your organisation, particularly with the key stakeholders you've already identified. You may want to work with those responsible for cotton sourcing to make sure the policy contains everything they need to get going. Finally, start embedding the policy into your internal systems.

With your strategy set, you'll find specific information on how to get your sourcing colleagues up and running in the [Working with suppliers section \(pg 88\)](#) of the guide. The [Overcoming barriers section \(pg 76\)](#) will help you address the challenges that can arise in the development and implementation of this sort of strategy.

## 2.8 Sample sustainable cotton sourcing policy outline

In creating the CottonUP guide we feel it is important to help you learn from companies that have already navigated the complex challenges of sourcing more sustainable cotton, so you don't need to reinvent the wheel. Therefore, when we think about what makes a good cotton sourcing policy and what that policy might entail, we thought it would be helpful to take a few examples of sourcing policies from the industry and amalgamate them to demonstrate what you might want to include in your sourcing policy.

### Critical success factors

Before you embark on creating a sustainable sourcing policy it is important to consider a number of critical success factors:

- Awareness level & support from sourcing, buying, or product team/s
- Awareness level and support from management
- Support from board
- Practical sustainable procurement goals and targets
- Location of suppliers
- Cost of product
- Scale

Below is an example of a sustainable sourcing policy, in outline form. When developing your own sourcing policy you may want to consider this structure and adapt it to fit your organisation including how it might fit with existing policies.

### Example: Sustainable Sourcing Policy Outline for Sustainable Cotton

#### Policy content

#### 1. Introduction

- Scope
- Objective- to ensure compliance with fundamental requirements
- Definitions/ Abbreviations
- Policy Statement- standard disclosures
- Implementation plan

#### 2. Overview of the Sustainable Cotton Strategy

- Organisational profile, company vision
- Approach to sustainability
- Ethical business practises, CSR:
  - Environment
  - Social aspects:
    - human rights
    - labour
  - KPIs, key facts and figures
  - Alignment with SDGs, UNGPs and Modern Slavery Act (UK businesses)
- Cotton standards or programmes used
- Governance
  - Committee
  - Board
  - Stakeholder engagement
  - Independent verification
- Published codes, policies, reports
- Risk assessments

#### 3. Available cotton regulations

- Your roles and responsibilities
  - Mandatory legislations
  - Suppliers compliance
  - Mitigation processes
  - Health & Safety

- Identified implications in the supply chain
- Impact of the regulations in the supply chain

#### 4. Sustainable cotton concerns

- Product, sourcing and operational challenges and risks
  - Farm level
  - Ginner level
  - Spinner level
  - Factory level

#### 5. Sustainable cotton proposition and new solutions

- Available standards of environmentally friendly cotton
- Supply chain
  - Sourcing
    - Supplier compliance- choosing responsible partners
    - Process for becoming the compliant business partner
  - Environment
    - Response to climate change
    - Resource use in agriculture, dyeing and garment production
    - Hazardous chemicals management
    - Use of pesticides and fertilisers
    - Measuring carbon and water footprint
  - Communities
    - Wages
    - Working conditions
    - Discrimination
    - Empowering women
    - Children rights
- Mitigation and undertaken initiatives
- Recycling/ Circular economy
- Engaging customers and internal teams
- Directives, regulations applying to all cotton products
- Transparency
- Innovations and new goals

#### 6. Measurement & Evaluation

- Overview of the data systems and methodologies
- Farm level
- Ginner level
- Spinner level
- Factory level

#### 7. Reporting

- Reporting process and frequency
- Reporting matrix: key issues, challenges, activities, goals, performance
- Whistleblowing systems to report any violations of company policies

#### 8. Audit

- Announced and unannounced audit process
- Auditors' responsibilities
- Self-auditing tools
- Performance evaluation and correcting violations
- Incident handling
- Follow-up methods

#### 9. Glossary

#### 10. Definitions

#### 11. Abbreviations

#### 12. Contact for person who updates policy

#### 13. Appendices





SECTION 3

# HOW TO SOURCE SUSTAINABLE COTTON?



## 3.1 Overcoming barriers to sustainable cotton sourcing

This section of the guide takes a detailed look at how to start sourcing more sustainable cotton. We begin by troubleshooting some of the most common barriers within organisations, before sharing in depth advice on how to work with suppliers to meet your sustainable sourcing goals.

Despite its many benefits, sourcing cotton sustainably isn't always easy. Here we share some of the potential barriers and challenges you may experience, along with examples and ideas for overcoming them. These are both on an internal level – actions you can take within your organisation; and on a sector level – actions you can support through collaboration with others in the industry.



### Price

A major concern for companies that operate with tight profit margins can be an increase in product cost because of the potentially higher cost of sustainable cotton.

Cotton pricing is complex. Depending on various factors, sustainable cotton can in some circumstances cost more. This can be due to: premiums paid to farmers or farming communities; farmers, traders and others in the value chain charging more to reflect market demand for more sustainable cotton; certification processes and documentation including impact assessment and reporting; and supply chain players covering their real costs of segregating cotton sources and administration. Buyers at brands and retailers are usually many steps removed from the price negotiations at earlier stages of the supply chain.

However, depending on volumes and other factors, sustainable cotton does not always come at a higher price.

#### Overcoming the 'price' barrier

##### Internal actions

- Identify the values of your organisation that drive it towards selecting a standard matching these values.
- Understand the real reason for the higher cost and who is benefiting from it (e.g. the farmers).
- Explore different certifications; some specifically aim to offer price parity.
- Design your marketing strategy to reflect whether you can differentiate 'sustainable cotton' products and charge more (and demonstrate money reaches farmers), or incorporate more sustainable cotton into your 'standard' product ranges.
- Look to source an amount of sustainable cotton that keeps a dedicated supply line open all the time, reducing costs from downtime, cleaning and segregation.
- Negotiate with suppliers
- For information on the pricing models for major sustainable cotton standards, visit the Cotton Sustainability Standards and Codes page.

##### Sector actions

- Improve the efficiency of certification verification schemes to reduce costs and duplication of effort (and resulting resource costs) for suppliers.
- Grow demand and supply: increasing demand can be a 'pull' to unlock greater supply. This should increase sourcing options within the value chain, facilitating economies of scale and market dynamics.

### Internal awareness

Teams and individuals at your company may not know why sourcing more sustainable cotton is important for your business and society. They may also struggle to evaluate sourcing options and the information provided by suppliers. A lack of awareness about more sustainable options can simply mean buyers don't ask for them. As a result, it is not offered even if available.

Your company might well already have a sustainability strategy and accompanying targets. It is surprisingly common for employees to be unaware of the contribution they can, and are expected to make, to this strategic ambition.

#### Overcoming the 'internal awareness' barrier

##### Internal actions

- Train key decision-making staff about the important positive impacts of sustainable cotton sourcing.
- Decentralise sustainability responsibility so that all departments (however modest) have a sustainability plan 'champion'. Provide training for retail and customer facing staff.
- Bring different roles together to talk about sustainability and how it links to your organisation's values. Explain the business benefits and available options, then encourage discussion to clear up internal differences in understanding.
- Share case studies with others, internally and externally.
- Incentivise sustainable sourcing within usual performance management processes - this will drive demand for training and awareness as people see this as part of their 'day job'.

##### Sector actions

- Awareness raising by trade organisations and professional bodies.
- Offer training and awareness materials that target decision makers.
- Provide recognition, for example, awards for sustainable sourcing.

### Need for additional resource / time

Launching a new sustainable procurement approach involves new learning, new processes and additional activities. For example, identifying a baseline of what volumes of cotton you are currently sourcing can be time consuming, as can training all relevant staff on sustainability and new sourcing systems.

#### Overcoming the 'resource' barrier

##### Internal actions

- Ensure you have senior support (ideally at board level) for sustainable sourcing and that there are clear expectations and targets.
- Integrate training and sustainable sourcing into existing processes where possible, such as training within existing courses.
- Acknowledge resource requirements when planning your implementation of a sourcing strategy and allocate appropriate resource (along with performance measures).

##### Sector actions

- Simplify systems to make training quicker and more straightforward. It should be easy to merge with existing sourcing activities.





## Sourcing difficulties

Depending on the type of sustainable cotton you choose, you may encounter difficulties in finding partners who are able and willing to meet your demand. This will make it hard to establish suitable supply chains for your requirements.

You probably have well established supplier relationships along your supply chain. We recommend you work with existing suppliers first because it is the best way to ensure product quality and delivery expectations. If a more sustainable cotton is not available within your existing supply chain after working with existing suppliers, you may have to facilitate and negotiate new relationships. This can be a barrier for busy procurement staff and a potential source of concern in terms of quality, delivery and other commercial risks.

### Overcoming the 'sourcing difficulties' barrier

#### Internal actions

- Ask for help from your chosen standard or certification in finding suitable suppliers.
- Make a public commitment to source with targets. This will send a strong signal to suppliers.
- Engage with your suppliers so they understand your plans, which in return helps them build their business case, forecast and plan their buying.

#### Sector actions

- Collectively advancing commitment to source more sustainable cotton will send a strong market signal and encourage more suppliers to offer more sustainable cotton options.
- Provide innovative and/or flexible financing models.

## Aligning company vision / values with sustainable procurement

Without an overarching commitment at the top of your business, which avoids contradiction between sustainable sourcing and core business values and goals, it can be difficult to justify allocating resource to sourcing more sustainable cotton. Some of the reputational benefits of sustainably sourced cotton may also be missed if the overall corporate vision and values contradict this.

### Overcoming the 'vision / values' barrier

#### Internal actions

- Communicate clearly internally how sourcing sustainable cotton supports organisational values and sustainability aspirations.
- Try piloting sustainable cotton sourcing within a small range or part of your business. Use the pilot to demonstrate clear business benefits, which will help gain support for wider sustainable cotton sourcing strategy at senior level.

## Traceability difficulties

A major motivation for many organisations sourcing more sustainable cotton is the claims you can make about products or in reports of your progress. However, the extent to which you can or cannot make claims about your products depends heavily on the relevant sustainability programme's traceability model. This is not necessarily a barrier but it's an important point to understand and be aware of.

### Overcoming the 'traceability' barrier

#### Internal actions

- Identify the level of traceability you require before you choose which approach to take to sustainable sourcing.
- Ensure your chosen sourcing option provides the level of traceability you require.
- Find out more about traceability and the models used by the main sustainable cotton programmes.

#### Sector actions

- Standards and certifications schemes already provide information about the level of traceability they offer. They are constantly evolving their traceability systems.
- Businesses can encourage improvements at a sector level, across different standards, sharing information on how to simplify and align with their own systems.
- Support innovations. For example, connect with start-ups or academic researchers engaged on useful projects.

## Supply chain awareness

Once your organisation has decided to adopt a sustainable cotton sourcing strategy, you also need to ensure you bring actors in your supply chain along on your journey. However, the benefits may not always be evident to them.

### Overcoming the 'supply chain awareness' barrier

#### Internal actions

- Identify the priority suppliers to approach for support and cooperation.
- One option is to change suppliers but this can come at a high cost.
- First, engage directly with your suppliers to raise awareness, explain your aims and set out the business case for them.
- This may take longer but will pay off in the long run.
- Head to the Working with Suppliers page to access lots of tips for overcoming this barrier.

#### Sector actions

- By helping your suppliers meet your needs, you are also helping them prepare to meet the needs of other brands on similar journeys. This puts them in a good position to benefit as demand for more sustainable cotton grows.

## 3.2 Your sourcing options: technical considerations

In the last section of the guide, we explored some of the sustainability benefits from across the different sourcing options. Here, we explore a few **technical** considerations that buyers may need to know to practically source within your organisation's selected programmes.



### Organic Production

#### GENERAL

Objective	To transform the market by making Better Cotton a sustainable mainstream commodity.	Sustainable African Cotton for a global Textile Industry.	To make trade fair, empower small scale producers and workers and to foster sustainable livelihoods	To produce high quality, high yielding fibre while sustaining the natural environment, people and regional communities	Sustaining the health of soils, ecosystems and people
Overview	BCI sets out to improve the sustainability of mainstream cotton production. Growers must meet minimum environmental and social requirements for their cotton to qualify as Better Cotton. Continuous improvement is a key element of the Assurance Programme	Cotton made in Africa is an initiative of the Aid by Trade Foundation (AbTF) that helps African smallholder cotton farmers to improve their living conditions. Growers must meet minimum environmental and social requirements for their cotton to qualify as CmiA	Fairtrade changes the way trade works through better prices, decent working conditions and a fairer deal for farmers. The Fairtrade standards require farmers to organize in democratic producer organizations and environmentally sound agricultural practices. It ensures the Fairtrade Minimum Price and Fairtrade Premium	The myBMP (Best Management Practices) program is the Australian cotton industry's environmental and social standard. To achieve full certification, growers must comply with over 400 checklist items across 10 modules including soil health, water management, natural assets, pest management, energy efficiency and worker health and safety	Organic cotton is grown within a rotation system that builds soil fertility, protects biodiversity, and is grown without the use of any synthetic chemicals or GMOs. Growers must meet organic agricultural standards as set nationally, and by importing country if export is carried out. Definition : <a href="http://www.ifoam.bio/en/organiclandmarks/definition-organic-agriculture">http://www.ifoam.bio/en/organiclandmarks/definition-organic-agriculture</a>

#### PRODUCTION

Producing Countries (2015/16 unless otherwise stated)	China, India, Israel, Madagascar, Mali, Mozambique, Pakistan, Senegal, South Africa, Tajikistan, Turkey, USA - PLUS Benchmarked standards in an additional 11 countries	Cameroon, Côte d'Ivoire, Ethiopia, Ghana, Mozambique, Tanzania, Uganda, Zambia, Zimbabwe	Burkina Faso, India, Kyrgyzstan, Tajikistan, Senegal, Uganda	Australia	Benin, Brazil, Burkina Faso, China, Egypt, India, Israel, Kyrgyzstan, Mali, Pakistan, Peru, Senegal, Tajikistan, Tanzania, Thailand, Turkey, Uganda, USA
Fiber Production 2015/16 (MT)	2,513,000	280,814	43,481	71,400	107,980
Market Share of Total Cotton Grown (2015/16)	11.93% (2015)	1.33%	0.21%	0.28%	0.51%
Growth in production (2014/15 - 2015/16)	28% increase	18% decrease	190% increase	79% increase	4% decrease
Projected growth in production	Target to account for 30% total cotton by 2020	Projected increase	Projected increase	Projected increase	Projected to increase (85,671 ha in-conversion 2015/16- 2017/18)





Organic Production

ASSURANCE					
Chain of Custody (supply chain)	Physical segregation farm to gin; mass balance gin to retailer.	Mass Balance from spinning mill onward (hard identity from field to spinning mill); full traceability possible through Hard Identity Preserved (option).	Two models: (1) Classic - physically segregated and traceable, (2) Mass balance - physically traceable until spinner; CoC maintained through supply chain via online tool.	Physical segregation and tracing possible, unique barcode identifier on every bale tracking field to spinning mill.	Identity Preserved; Certification of Supply Chain.
Product marketing / labeling	On-product Claims Framework.	In store marketing/ on product labeling (own label or CmiA hangtag).	On product and In store marketing. Third party certified (Fairtrade Mark).	In store marketing and on- product label (own label or Australian cotton swingtag).	In store marketing/ on product label. 3rd party certification label optional.
Consumer recognition	Consumer messaging began in 2015.	13% awareness among German consumers (measured Aug 2016).	Fairtrade mark widely understood and trusted by consumers.	Higher levels of awareness in Australia.	Concept of organic widely understood, trusted and respected by consumers.
PRICE / QUALITY					
Cost implications/ impacts	No price differential at point of sourcing but membership and volume-based fees apply.	No membership fee but retailers/ brands pay a volume- based fee and spinning mills pay a small annual registration fee.	Price differential (Fairtrade Minimum Price). Buyers also pay Fairtrade Premium for community investment.	No price differential at point of sourcing, no membership or licensing fees.	Price differential paid to farmer/ producer group.
Quality perception / implications	No known quality implications.	Historical perceptions of quality being an issue - but not so much these days.	Historical perceptions of quality being an issue - but not so much these days.	Consistently very high quality, amongst highest in the world across all parameters.	Historical perceptions of quality being an issue - but not so much these days.

## 3.3 Before you start talking to your suppliers

Talking to your suppliers is an important milestone in your journey to sustainable sourcing, and there are a few steps to take before you make first contact.

### 1. Understanding your sourcing aims and approach

Sourcing sustainable cotton can be as simple as finding the right swatch at a fabric fair and placing an order. Or, it can involve working with your suppliers to create a new supply chain that meets your particular sustainability needs.

Before you start your search for sustainable cotton, a good understanding of your business' sourcing aims – what kind of cotton do you want, how much and by when – will allow you to be more strategic in your approach. We typically recommend taking a portfolio approach; there is rarely a 'one size fits all' solution. By sourcing different kinds of more sustainable cotton, you will meet your priorities and progress towards your targets more efficiently.

First, do you know what percentage of sustainable cotton you want to source and by when? For example, does your business have specific targets for different departments, brands or for the parent company? If you don't have targets yet, now is the time to set them out.

And second, are there any suppliers or perennial product lines that could switch to or use large volumes of sustainable cotton? These are often a good place to start.

### 2. Determining where to start

Although more sustainable cotton comes in many different shapes and sizes, it is split into two categories. Before you start talking to your suppliers, you should know which type you want to source, or whether you're happy with a mix (our recommended approach).

#### Quality specific cotton

- **Find the right quality for your products:** Quality specific cotton is traced along its whole supply chain. Organic cotton is classed as quality specific cotton, and it means you can trace the fibre from the farm/facility to the end product. Buyers tend to choose a quality that aligns with their product specifications and to purchase directly from the supply chain.
- **Use:** Because quality specific cotton is segregated from non-sustainable cotton throughout the supply chain, it's easy to integrate into your current system. Making on-product claims for this type of cotton is also easy, because the actual cotton exists in the end product.
- **Certify:** Using this type of cotton requires due diligence and certification. Scope certificates confirm a unit is approved to sell the fibres, transaction certificates travel with the cotton along its supply chain, and a final certificate is passed from the mill to the Cut, Make and Trim facility.

#### Mass Balance Cotton

Mass balance cotton comes from systems like BCI or CmiA. Programmes using mass balance do not require sustainable and non-sustainable cotton to be segregated in the supply chain. This means you can source the same cotton as normal, while also investing in more sustainable cotton farming. By supporting these programmes, your business is increasing the global supply of more sustainable cotton.

Programmes for mass balance cotton require membership, and we explain the typical steps below. Your sustainable sourcing goals will help you choose the right programme for your needs.

- **Understand your cotton baseline:** Start by establishing how much cotton – in tons – your business uses. Each mass balance scheme has its own calculator for you to use. For all of them, you'll need a year's worth of your production data (the last calendar year), grouped by a) product type (e.g. men's shirts, bedlinen) and b) fibre content (e.g. % amount

of cotton content in a garment). You will use this total tonnage figure to work out your programme membership fee. N.B. It's worth checking if this step has already been conducted within your organisation.

- **Identify your top suppliers:** Once you've joined a mass balance cotton programme, the next step is to identify the biggest actors in your supply chain. This could include agents, supply routes, mills or even spinners, depending on your supply chain visibility. These actors will be key partners in achieving your sustainable sourcing goals.
- **Determine priority suppliers:** From these key suppliers, select a shortlist of those that are both important and which you have a good relationship with and/or strong influence over (i.e. your business volume or brand name is valuable to them). Start with these suppliers; they will tend to be keener to assist with your sourcing priorities!
- **Check relevant supplier lists:** With your suppliers organised in this way, check with the different membership bodies to see if they are already listed in their programme. Some of these lists are freely available while others are only available after sign up. However, most bodies will help you determine who on your priority supplier list is already signed up with them. With this information, it's time to ask your suppliers to switch their cotton source for your product. Suppliers can start aligning your purchase orders with the requirements of mass balance chain of custody as required by the sustainability programme.

### 3. Setting your aspirations and determining your approach

It is important to set the right foundations as you start to source more sustainable cotton. For starters, ask yourself: who do I need to involve and what steps do we need to take next?

#### Identify key internal stakeholders

Every organisation is different, but - in general - the key people to involve at the start of your sustainable cotton sourcing journey include:

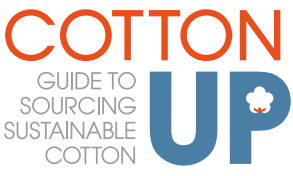
- **Designers/Buyers/Fabric Buyers** – Designers and buyers choose fabrics, so they're in the right place to search for sustainable fibre options for your products. If they understand the business targets and sustainability aims, they can make a huge difference to your sourcing success.
- **Production/Sourcing** – Production teams have links with the supply base and can advise who the best suppliers are to work with on sustainable cotton. For smaller brands that source mostly through agents, this might mean the need for service providers.
- **Quality/QC** – If there are decisions around changing qualities, involve your QC team early to engage them in the reasons behind the change and to ensure new qualities meet existing standards.
- **Finance** – You will need support from finance for any extra costs associated with sustainable sourcing.
- **Marketing** – This team is essential to help you understand when and how to communicate sustainable activities to the consumer.
- **Select chosen standard and set up membership**

Once you have chosen the right standard and approach for your organisation, ensure that all conditions for using the sustainable cotton are met. For example, that your membership is validated, or that the suppliers processing the cotton are able to do so in accordance with the requirements of the sustainability programme's chain of custody or other requirements.

#### Establish your capability to document purchasing of cotton-containing products

The ability to document your sustainable sourcing of cotton-containing products is essential if you want to demonstrate performance against internal targets. It is important to think carefully about which data or procedures you need as you set up any internal documentation system. Ensure that you know which suppliers your cotton-containing products are coming from – this will enable the due diligence required by the cotton options where you need certification. Some cotton options do not require certification, like the BCI programme, which has an online verification tool, the Better Cotton Platform, and would need to be integrated into your business process.





**Check organisational systems for recording purchasing**

Your organisation will probably already have a collection of systems to manage and record purchasing. It is worth thinking about if and how you can use these. For example, is it possible to enter sustainable cotton composition instead of a standard composition when running a report? There might also be opportunities to adapt and use existing tools. For example, some buying systems have modules that enable tracking.

If no existing systems seem useful, it is important you start working with your team and the relevant departments to figure out how purchases can be recorded.

**Acquire access to a relevant industry tool for the sustainability standards and certification schemes**

Acquire access to a relevant industry tool for the sustainability standards and certification schemes you decide to adopt (e.g. the Better Cotton Platform). There are useful industry tools to help with your sourcing and bespoke systems are an option. BCI Membership is obligatory for retailers and brands, and includes access to the Better Cotton Platform which documents the Better Cotton Chain of Custody as you source cotton-containing products as Better Cotton. It registers the 'Better Cotton Claim Units' (or BCCUs) credited to your account by your suppliers. Be aware that use of the Better Cotton Platform is governed by the Better Cotton Chain of Custody which requires membership for certain categories of your suppliers.

Many tools are accessed via membership of the various cotton organisations and are integral to their correct use within brands.

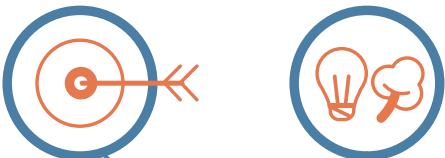
**Sustainable cotton production volumes by geography**

COUNTRY	ABR (MT 2016)	BETTER COTTON (MT 2015/16)	CMIA COTTON (MT 2016)	FAIRTRADE COTTON (MT 2015/16)	myBMP (MT 2016/17)	ORGANIC COTTON (MT 2015/16)
Global	832,000	2,500,000	320,100	16,640	138,000	107,980
India		373,000		14,122		60,184
China		415,000				14,817
Turkey		23,000				7,577
USA		34,000				4,524
Kyrgyzstan				394		7,981
Tajikistan				365		
Brazil	832,000					22
Africa			320,100	1,894		
Australia					138,000*	

\* 75% of myBMP production is sold as Better Cotton

**Working with suppliers – Key steps**

Determine your sourcing aim and approach



Understand the available sourcing options. (Mass Balance vs Quality Specific Cotton)



Understand the cotton baseline

Determine your priority suppliers and check relevant supplier lists



Identify your key internal stakeholders

Understand the challenges your suppliers may face and their business case



Engage internal stakeholders to ensure buy-in and consider all sourcing implications

Set in place ability to trace cotton purchasing



Select your chosen standard(s) and set up membership where needed

Communicate your company policy and targets



Build capacity and increase volumes over the medium and long term



Track volumes and report against targets

## 3.4 Working with suppliers

To give your new strategy a headstart, take some time to understand what you need from your suppliers, and to consider their potential expectations and concerns.

### Questions to ask your suppliers to help get you started:

You have determined your brand strategy for sourcing more sustainable cotton and decided on the priority suppliers you will approach for support and cooperation. Now it's time to explain your aims and make sure they understand the targets you are working to meet.

One priority for this stage is to map your existing supply chains to identify any potential disruption that may come because of changing areas of supply and fibre mixes.



### Here are some of the key questions to ask your suppliers

- ☛ What sustainable cotton options do you already offer? Many suppliers are already working hard to incorporate more sustainable options into their mix in response to customer demand. Follow up by asking more about their current efforts:
- ☛ Where do you source your sustainable cotton from? You want to find out if your suppliers are using their usual cotton contacts or if there is another link in the chain.
- ☛ What certification systems do you have in place, if any? This is important for sourcing particular cotton types, such as the GOTS for organic cotton.
- ☛ Can you cost products in both conventional and certified organic cotton? What about other blends? If sourcing 100% certified organic cotton is too expensive, the cost of a blend might be a more viable entry point. In some cases (e.g. Recycled Cotton), a blend is necessary. Working directly with a mill or vertical supplier is usually the easiest way to access blends.
- ☛ Which clients do you already source for? Any pre-existing sustainable sourcing relationships allows you to check targets, policies and qualities. Look out for opportunities to 'tag onto' other orders – buying larger volumes can reduce costs for everyone.
- ☛ If you are not sourcing more sustainable cotton options already, are you able and willing to start?

### Questions your supplier may ask you

Your suppliers will have their own set of partners that supply their business, and – like you – they probably have preferred brokers or suppliers for cotton. This may become a barrier if your expectations create an impact upon on their costs or lead times.



### Here are some of questions your suppliers may ask you

- ☛ **My suppliers can't meet your needs – do you want me to change who I work with?**  
If your supplier's suppliers can meet your requirements, sourcing sustainable cotton poses very few challenges. However, if your suppliers need to change their suppliers to meet your needs, it will likely raise questions and concerns.
- ☛ **Will you cover the costs to my business that come from your shift to sustainable sourcing?**  
If your requirements create new costs for your suppliers, they may want to pass those on to you. For example, although cotton sources such as BCI are supposed to be cost neutral, your supplier may need to purchase a smaller – and therefore more expensive – quantity to meet your needs. Establish whether these are upfront or ongoing costs and – if they seem fair – consider including them in your strategy.
- ☛ **What are your timelines? How flexible are you?**  
As you're probably aware (by now!), changing suppliers can take time. Your suppliers may have to go through the same internal and external processes as you, so the more support you can give them in this, the better. At the same time, be as clear as possible about your expectations and deadlines.
- ☛ **Can you guarantee demand for more sustainable cotton?**  
The changes that you're asking your supplier to make may represent a risk to their business – particularly if it involves changing supplier. Can you make a long-term commitment to purchase a minimum quantity of sustainable cotton if they can guarantee it will fulfil your criteria?





## Understand the business case for your suppliers

It may seem obvious to you why your suppliers would benefit from sourcing more sustainable cotton. However, many brands are either approaching these discussions via a sustainability team, or in a piecemeal way that gives little confidence to suppliers that their investment of time or money will be worthwhile.

Taking the time to understand the wider business case for sustainable cotton for your suppliers will be invaluable achieving your sourcing goals.

### Continuing your relationship

This is perhaps the most obvious business benefit for your suppliers. If they can help you source more sustainable cotton, you will be able to continue to purchase garments from them. If your goal is to keep increasing the amount of sustainable cotton you source, make sure you communicate this 'bigger picture' to your suppliers.

### Better quality relationship

The shift to more sustainable cotton will require greater collaboration between your business and your suppliers. Opening new channels of communication will help you build more transparent and rewarding business relationships. Your understanding and sympathy for the issues they may well face as they accommodate your demands is important, particularly if you are also asking them to increase their transparency on the nature of the relationships in their own supply chain.

### Well positioned for industry shift

As you are no doubt aware, the garment and textile industry is shifting towards sourcing more sustainable cotton. By helping your suppliers meet your needs, you are also helping them prepare to meet the needs of other brands on similar journeys. This puts them in a good position to benefit as demand for more sustainable cotton grows.



## Communicating your sustainable sourcing policy and targets

It is important to share your company policy for sourcing more sustainable cotton with the right people and through the right channels. Identify and communicate with any relevant internal teams, and make sure you align within any product-based training. This communication can come through existing internal channels, in briefings or via workshops, with additional information shared internally as a reference guide or cotton sourcing toolkit.

It is important at this stage that your designers and buyers understand the importance of sustainable sourcing and are equipped to deal with supplier questions. In the future, questions around sustainability will become standard to the beginning of any supplier relationship.

## 3.5 Following up with your suppliers

By this point, you will have researched and chosen your standard/s and started the ball rolling towards sourcing more sustainable cotton. The next step towards achieving your targets is to work with your suppliers to track and measure your cotton sourcing so you can clearly demonstrate and report on your progress.

### Building capacity and increasing volumes over time

It is best to take a strategic approach to build your volumes of sustainable cotton over the medium and long term.

Once you have approached the suppliers most likely to help you meet your sustainable sourcing goals, along with those already included in your chosen cotton option database, we recommend you focus either on supplier volume OR product volume. For example, does one of your major suppliers already offer a more sustainable option you could switch to? Or would it make sense to start by focusing on a product line with high cotton usage, such as menswear or childrenswear?

Knowing how your business works, start planning what changing one product line or one supplier would do, and map this against the timeframes you are working to. If appropriate, you may also want to consolidate your buying with other departments to create a more cohesive and efficient sourcing strategy.

### Tracking volumes and reporting against targets

It is vital that you build the capacity to track and report on your sourcing strategy's progress from the start of your journey. As a minimum, you will need to track the total amount of cotton your business uses, as well as the total amount of sustainable cotton.

Make sure you have established an internal process for who will collect the necessary documents related to the relevant standards and chain of custody (e.g. transaction certificates, output declaration forms) and where these files are collated and stored internally for demonstrated compliance in case of audits. The rules around these activities are found in the relevant chain of custody procedures of the different sustainability



The background of the entire page is a photograph of a textile factory. It shows multiple rows of large, vertical spinning spindles, each with a spool of white thread. The spindles are arranged in a grid-like pattern, and the threads are hanging from the top. The lighting is soft and industrial, with a slightly hazy or misty atmosphere. A dark blue horizontal bar is overlaid on the right side of the image, containing the text.

SECTION 4

# IN PRACTICE



## 4.1 Learning from others

Increasing numbers of major retailers are shifting towards sourcing more sustainable cotton. Here, we share stories from those who are leading the way – by learning from their mistakes and successes, we can speed up the transition to a more sustainable cotton sector.

### ASOS

In 2012, ASOS took its first steps to sustainable sourcing by signing up to The Sustainable Clothing Action Plan (SCAP) which aims to assess clothing across its lifecycle to find ways to make it less wasteful, and to work with signatories to reduce their impacts by 15% by 2020.

#### Why cotton?

A life-cycle analysis conducted in collaboration with SCAP and not-for-profit organisation Made-By, confirmed cotton as the most resource-intensive natural material the business uses, and the fibre which makes up the largest proportion of all fibres ASOS sources.

ASOS' focus on sourcing more sustainable cotton started in Spring 2015, with partnerships forming with Cotton made in Africa (CmiA) and the Better Cotton Initiative (BCI) in June 2015. Over that first summer, the sustainable sourcing team looked at opportunities to introduce key garment suppliers to more sustainable cotton, and identify the most relevant internal departments to work with, before beginning to formally track its uptake of more sustainable cotton in Autumn 2015.

#### Key drivers for sourcing more sustainable cotton

- **Future-proofing the business:** The drive to reduce the overall impact of the business was led at Director level, as part of a clear strategic ambition to do the right thing as a business, and to future-proof it by safeguarding the long-term availability of resources, raw materials, water and by reducing pesticide use.
- **Supporting customers:** ASOS is a young brand aimed at young customers who are very aware of issues like climate change, making sourcing with integrity an important way for the business to support its customers' needs now and in the future.
- **Transparency:** Transparency is a key element of the business's strategy; only by building transparency of materials sources can those materials be managed to business and environmental advantage

- **Minimising supply chain risk:** reducing the risk of forced or child labour in the supply chain is a key driver. Therefore, ASOS does not support the use of cotton from Uzbekistan or Turkmenistan in its textile products and requires suppliers to identify the source of raw cotton used in ASOS textiles products and document this.

- **Brand leadership:** ASOS want to be a leader among fashion companies globally and is part of a group of brands and retailers such as H&M, Inditex and Patagonia that is leading the way by signing strong commitments to source 100% sustainable cotton by 2025. It is also receiving recognition by NGOs for its practices and the rate at which its cotton sourcing programme has progressed.

- **Senior buy-in:** Senior management buy-in remains a key driver, and today, ASOS' CEO is a vocal advocate for Fashion with Integrity, ASOS' Corporate Responsibility Programme – a core value integral to every area of the business, ensuring sustainable decision-making.

#### Developing a sourcing strategy

ASOS' sustainable sourcing team worked closely with the buying teams, investigating options such as chemical management programmes and fibre switching, and analysing large amounts of internal data to identify the biggest opportunities to reduce the carbon, water and waste impact of their cotton products. By evaluating cotton's proportion of the fibre mix, the largest sourcing regions, key suppliers and the internal departments with the highest use of cotton they were able to prioritise action.

The top 30% of suppliers accounted for 73% of ASOS' cotton mix, so it was clear that in order to deliver change, the focus had to be on engaging key suppliers in the biggest cotton sourcing regions of Mauritius, Europe and Turkey first of all. It also became apparent that cotton use in the business was driven largely by menswear departments, through denim and jersey products, with 73% of the sustainable cotton sourced

by ASOS today being consumed by menswear, compared to 26% in womenswear, where other fibres play a bigger part.

Today, the sustainable sourcing team sits within ASOS' Sourcing Department of the retail division to better embed sustainability considerations across its retail operations. The team of eleven materials and sustainability specialists advise internal teams and suppliers on how to design and source more sustainable products and participate in cross industry initiatives in order to better understand, measure and reduce the environmental impacts of the fashion industry. In doing so, ASOS is then able to translate fashion sustainability for customers through product information and marketing campaigns.

#### Setting targets and tracking performance

As a signatory to SCAP's 2020 Commitment ASOS is committed to reducing the carbon, water and waste footprint of clothing by 15% by 2020 and uses SCAP's assessment tool to calculate ASOS' own-label products' environmental footprint annually, submitting this to SCAP so that progress can be tracked across the UK sector.

ASOS has increased its previous target of reaching 80% more sustainable cotton by 2020 to a new target of sourcing 95% by 2020. In May 2017, ASOS and 12 other companies came together to sign the Clarence House International Sustainability Unit pledge to reach 100% sustainable cotton by 2025.

In 2016, ASOS procured 5230 metric tonnes of cotton of which 1967 tonnes, or 38%, was more sustainable cotton. In September 2017, this reached 46% and whilst the goal of sourcing 100% by 2025 is stretching it is considered achievable based on current tracking and the continued engagement with suppliers.

As ASOS' sustainable cotton programme matures, attention now turns to the introduction of organic and recycled fibre alongside BCI and CmiA. ASOS is applying a circular approach to raw materials to build its supply chain of the future, so materials that can cycle through degradation or through mechanical or chemical processing will be prioritised across its whole materials portfolio.

Clearly it is critical to be able to accurately track performance against public targets, and ASOS has

worked closely with CmiA to create tools to support the reporting of accurate and relevant data for a range of audiences such as its stakeholders, the management board, external audiences, the corporate website or internal departments. Early work focused on the Better Cotton Platform and, once it was clear what the business wanted to track and which formulae were most relevant, bespoke tools were created to capture and analyse more detail.

#### Working with sustainability standards

ASOS began working with CmiA in February 2016 to source more sustainable cotton for denim products. It pays a license fee to buy CmiA cotton and this money is then used by CmiA to train more farmers on its standards. Customers shopping ASOS denim ranges can now find products advertised with the CmiA logo and explanation that the product is supporting 'Cotton Made in Africa sustainable farming methods'.

ASOS also works closely with BCI, who use their membership fees and farmer support contributions from brands like ASOS to provide guidance, training and on-the-ground support to suppliers. ASOS has traced the country of origin of approximately 35% of the cotton used in its own-label products for 2016, and so far it has identified that 80% of its sustainably sourced cotton comes from India and the remaining 20% from Turkey. Today, ASOS is primarily working with CmiA and BCI, as they offer cost-neutral access to more sustainable cotton, and can assure the availability required across its key sourcing regions.

#### Engaging suppliers and retail teams

ASOS is working hard to engage its suppliers as early as possible in their trading relationship, in person and through the sustainability standards bodies who can provide guidance, training and on-the-ground support. It seeks to provide suppliers with all the information they need, then empower them to start sourcing more sustainable cotton in a way that fits their business, and to recognise suppliers who have supported ASOS sustainability goals.

ASOS is investing in training for retail teams to enable them to understand sustainable materials and the ASOS ambition to reduce its impacts. Stories of how more sustainable cotton improves the livelihoods of farmers, helps protect the environment and future-proofs the business have proven a great way to drive engagement internally. Individuals want to do the right





thing, they just need the tools and empowerment to deliver it.

#### Barriers to sourcing, and how to overcome them

- **Understanding the standards and the chain of custody:** For any business working with BCI, understanding the mass balance system is critical. Investing some time at the beginning to learn from other brands already sourcing sustainable cottons has been invaluable to ASOS and in turn something they would like to support other companies with.
- **Pricing:** There have been issues on pricing in certain regions. It's important to understand where price increases might apply – this is particularly the case where a business has to change sources because it's not able to source BCI cotton through its existing connections. Ideally, ASOS would like to support existing relationships to make it as easy for suppliers as possible, and works with each supplier to assist them in finding solutions.
- **Tracking tools:** In order to be able to accurately track the huge volumes of cotton and report accurately on progress, ASOS needed to develop its own tools that marry with internal data management structures.
- **Engaging buyers through training:** The more buyers know, the easier it is for them to understand the issues, opportunities and processes. The more they can have ownership to drive change, the easier it is to get them on board. To this end, ASOS worked with an external company to set up e-learning materials focused on switching to sourcing sustainable from conventional cotton, covering key questions such as reasons for fibre switching, questions to ask their suppliers, and how they can support suppliers with sourcing. Aiming to provide buyers with essential facts (eg, what is BCI, what is my responsibility, what is the supplier's responsibility etc), supported by more detailed information as needed, and links to further resources.

Internally, the approach to switching to more sustainable cotton has been very positive and retail teams have responded enthusiastically, once they were clear on what the company wants to achieve and how they can play their part.

#### What's next for ASOS?

The immediate priority is to work towards the sourcing targets and, as those targets are approached, the sustainability goals will be enhanced so that the cotton programme continuously improves, through, by way of example, the introduction of organic and recycled cotton.

#### Lessons learned

- Set your aims and ambitions early and set these out clearly with stakeholders and buyers to drive engagement and support.
- Toolkits: ensure you know what you need to track and have the right toolkits in place to do so.
- Engagement of suppliers, work closely with the first few to build experience and unlock barriers.

## Marks & Spencer

Marks & Spencer's journey towards sourcing more sustainable cotton started in 2006, with the development of Plan A.

#### Why cotton?

Cotton was and is the retailer's most important raw material. Within the Clothing & Home business it is the largest raw material and on average, M&S use around 50,000 tonnes of lint cotton each year. Ten years ago, senior executives and raw material specialists were becoming increasingly aware of the issues in the cotton industry – from chemical and water usage, to issues around land usage and social impacts. There was therefore a clear case for including a separate sustainable cotton commitment in Plan A, and M&S have been working towards it ever since.

#### Developing targets

Internally, the commitment to sourcing more sustainable cotton was driven in three ways: top-down, by a CEO committed to Plan A as a sustainability framework that underpins the whole business; by a commitment across the organisation to get the basics right; and through specific expertise within the business, with raw material and technical specialists bringing their knowledge to the table, shaping specific commitments around cotton and replicating these across other areas of the business to ensure the initial Plan A commitments were all pulled together.

The main aim of M&S's responsible sourcing policy for cotton is to reduce its dependency of conventional cotton. Targets had to be ambitious but realistic. However, in 2007, the availability of sustainable cotton on the market was limited to Fairtrade, Organic and some recycled cotton and there was simply not enough of it on the market to go from 0% to 100% straight away. Therefore, an initial target was set of converting to 25% sustainable cotton by 2015.

#### Evaluating sourcing options

To achieve this, M&S in part used what was already available – by deliberately increasing the amounts of Fairtrade, Organic or recycled cotton it sourced every year. But the company also decided to go beyond this, by working with other brands to develop a new global standard that could go beyond the M&S supply chain and that could transform the entire cotton industry globally. As a result, the business shaped the

Better Cotton Initiative as founding member, to build capacity with farmers, promote sustainable cotton and accelerate its availability in the market place globally. In choosing which standards to work with, some of the key factors for M&S include:

- **Availability:** do we have access to the fibre in the market place?
- **Quality:** is the quality of the cotton right for the end use and the consumer?
- **Verification:** is certification based on a credible and independently verifiable process?
- **Cost:** what is the investment required? In a competitive market, M&S does not want to pass on premiums for sustainability to customers but offer good value products which are sourced in a responsible way.

#### Drivers for sourcing more sustainable cotton

Whilst there certainly are important and tangible benefits to M&S directly such as increased brand integrity or customer satisfaction, the main driver for sourcing more sustainable cotton is to help to improve the livelihoods of the hundreds of thousands of cotton farmers and communities that are part of the supply chain of this huge industry.

**“It's easy to forget the implications of your business when you're sitting in your head office, but seeing and hearing first-hand how our sourcing decisions are improving the lives of farmers through improved yields, and how they deliver economic as well as environmental benefits, confirms time and time again that we're doing the right thing. It's important to remember that this is a positive story.”**

PHIL TOWNSEND  
Sustainable Raw Materials Specialist, M&S

M&S are committed that every product they sell by 2020 would have at least one sustainability characteristic or story to it. There are a number of different metrics & KPIs recognised as measures of sustainability, and four of these are sustainable cotton options.



### Engaging sourcing teams

It initially took considerable effort to develop a sustainable cotton sourcing strategy, and to make sure it wasn't just going to be a bit of good PR. Some of the key questions to be considered were: What was it going to cost the business? Were the supply chains lined up and ready to deliver? In some cases they weren't so the value chains had to be lined up and put in a position to connect with the sustainable cotton supply chains.

At first, only a few specialists in M&S were focused on sustainable cotton but as cotton is used by nearly every buying department, it was critical to engage teams across the business with the issues, and really embed sustainability and Plan A in the business as a whole. Buying teams played an important role in the retailer's journey, as they negotiate all processes, develop the products and are at the sharp end with the supply base.

At first, engagement with buyers was through targets for their teams that would help deliver the business targets. This was supported with customised training for the teams, using less technical language, and focusing on marketing opportunities, price negotiations and elements of buyers' roles that they could relate to.

A very powerful tool to engage buying and sourcing teams at M&S are stories directly from the supply base – videos or interviews of cotton farmers that bring to life how the projects M&S have funded (in this case, in India) have improved livelihoods of BCI farmers (compared to non-BCI farmers), enabled them to send their children to school, build a house and generate increasing yields, while using less water, chemicals and fertilisers.

At M&S, buying teams are now actively engaged with the opportunities sustainable cotton creates, looking at marketing opportunities, how to engage suppliers more, and how to tell the many positive stories to customers. A lot of great progress has been made already but there's a lot more work to do – after all, only 15-20% of cotton globally available today is more sustainable.

### Barriers to sourcing, and how to overcome them

- **Understanding the standards:** For any business wanting to sourcing sustainable cotton, it's crucial to understand the differences between the standards, their specific requirements, chain of

custody, and reporting requirements. This can be quite complicated, and an organisation need to know enough about all these aspects before moving forward.

- **Cost and premiums:** Physically segregated materials like organic carry a premium, but present huge benefits too. Each business needs to find its way of costing its ROI, as it is a very competitive business environment. M&S used this challenge to think about new cost models and funding mechanisms in the business, which recent innovations are now helping to deliver.
- **Availability:** This was certainly an issue in the early years, when sustainable cotton supply was quite limited, but this shouldn't be a barrier now.
- **Engaging suppliers:** M&S, like many retailers, doesn't buy fibre, its suppliers do that. It is therefore important to get the suppliers on board for this journey, invest in training and education to help them understand what they are being asked for, and ensure they share the business's ambitions and values. Some of these challenges are still around today. The fashion industry is a very competitive space, the sustainability issues the industry faces are complex, and there are many different standards, codes and initiatives working in this space. All this can be confusing for those new to it, so a key insight is to keep it as simple as possible, make it easy for buying teams and for suppliers to understand and to get involved, and to make it as easy as possible from a cost point of view.

### What's next for M&S?

In 2017/18, 77% of the cotton sourced by M&S's suppliers (by volume) came from more sustainable sources. This amounts to 23,000 metric tonnes of more sustainable cotton lint. The majority of this figure was met by sourcing Better Cotton, with the remainder made up of organic, recycled cotton or Fairtrade.

As part of the updated Plan A, M&S is committed to sourcing 100% of its cotton more sustainably by 2019. They recognise four sustainable cotton models – BCI, Fairtrade, organic and recycled cotton.

M&S also aims to convert 25% of sustainably sourced cotton to a combination of Fairtrade, organic or recycled cotton by 2025. These are set out in its Policy

for Cotton Sourcing. The increased commitment to Fairtrade, organic and recycled cotton reflects M&S's desire to ensure these sources continue to be well-represented in the market.

Whilst 15-20% of global cotton production today is 'sustainable', there is a lot more to do to mainstream sustainable cotton, which is why M&S is also looking at shaping the wider cotton industry, not just its own supply chain.

To do this, M&S will work with the standards to look further ahead to the future, ensure areas like the social and ethical aspects of cotton production are adequately covered, and work with them shape the strategic direction of its own cotton policy.

It will also work on improving traceability, establishing a better connection to M&S's cotton supply chains, and focus on innovation in cotton cultivation such as climate smart agriculture, to build more resilience in the cotton supply chain.

The retailer is also planning to do more on measuring the impacts of sustainable cotton, which will require huge amounts of data, impact measurement tools and new ways to engage consumers with the issues, possibly even breaking impact measurement down to individual products such as t-shirts.

M&S would also like to see designers getting more engaged with consciously designing more sustainable products, as the selection of the raw material accounts for 80% of a product's impact. Enabling designers to make informed choices when selecting materials will have a significant impact.

### Lessons learnt

- **The supply and marketing opportunities are now there:** The uptake globally of sustainable cotton by brands and retailers is growing, but it is not where it needs to be as it's falling short of the supply. Around 15-20% of global cotton production is now more sustainable, so there is a huge amount of sustainable cotton on the market that companies can tap into straight away. It is quite easy to get on board now, the benefits and potential are enormous. Today, any company, no matter how large or small, has the opportunity to convert its whole range and all products over to a sustainable footing and

mainstream sustainable cotton. Provided that there is a commitment from the top, it is setting goals and targets to demonstrate it is taking the standards seriously and not seeing this as a PR exercise, then sourcing sustainable cotton is perfectly achievable as the supply and marketing opportunities are both there. The chain of custody requirements are now also quite flexible to allow the cost impacts on the product to be minimal.

- **Talk to other brands, share insights:** Brands interested in getting started should talk to those who have been doing it for a while, including their competitors. There is a growing community coming together where brands share their learnings and most are willing to be quite open about their journeys and insights.
- **Engage buyers and designers early on:** This would have enabled M&S to move quicker and make progress in certain areas sooner.
- **Engage your suppliers:** It's important to engage your suppliers and remember that they are not only hearing messages about cotton, but also about chemicals, viscose and other issues. Work with them, make it simple and align your requests to them, to avoid putting too much pressure on the supplier base and ultimately do more bad than good.
- **Create good internal communications networks:** This helps to create internal engagement beyond the core team and bring others on board. Connecting others to the stories from the field is very powerful.
- **Collaborate:** A spirit of collaboration is a key driver and enabler or progress, and acts as an important measure of success.
- **It's getting easier:** Many initiatives are starting to converge and increasing collaboration of standards and initiatives is beginning to reduce the complexity that many companies wanting to source sustainable cotton are facing at the moment. This is a very dynamic industry undergoing constant change, and hopefully, brands and retailers getting involved with sourcing sustainable cotton now will find it a lot easier than it was for M&S ten years ago.



**Case studies, videos, or blogs about M&S's work on sourcing sustainable cotton:**

M&S's sustainable cotton story and the Warangal project in India M&S funded, and implemented with the BCI.  
<https://corporate.marksandspencer.com/plan-a/clothing-and-home/product-standards/raw-materials-commodities/cotton>

Blog post about the collaboration of WWF and M&S on sustainable cotton.  
<https://blogs.wwf.org.uk/blog/green-sustainable-living/cotton-ing-on-to-sustainable-clothing-ms-report-from-the-field/>

**Contact** Phil Townsend, Raw Materials Specialist:  
Phil.Townsend@marks-and-spencer.com

## Burberry

As a global luxury retailer and manufacturer with more than 10,000 employees, over 400 retail locations and a supply chain that touches the lives of thousands of people worldwide, Burberry is passionate about driving positive change for our industry, our communities and the environment.

### Burberry's Responsibility Agenda

Burberry has a strong track record of caring for its communities and the environment. Starting in 2004, Burberry established its ethical trade, community investment and environmental programmes and launched its first five-year responsibility goals in 2012. Burberry has since completed nearly 3,000 supply chain audits and assessments, donated more than £30 million to charitable causes, and reduced its market-based CO2e emissions by over 50%.

Burberry's Responsibility agenda is designed to drive positive change and build a more sustainable future through partnership and innovation. Burberry has set new ambitious goals for 2022 that address key risks and opportunities across the entire footprint of its operations. To achieve these, Burberry is investing in the communities at the heart of its business through a series of bespoke programmes, delivered in partnership with expert organisations. Through these programmes, Burberry is driving new approaches to some of the most pressing problems faced by the fashion industry, and leading by example to champion more sustainable resources. Further information on Burberry's responsibility strategy, 'Creating Tomorrow's Heritage', can be found [here](#).

### Why focus on cotton?

Used in many products today, cotton is one of Burberry's most significant raw materials. It is the fibre used to make gabardine, the breathable and weatherproof fabric that was invented by the brand's founder, Thomas Burberry, in 1879. Woven in Burberry's Yorkshire Mill, gabardine has been used to create Burberry's trench coats for over 100 years.

Burberry is aware that cotton production and global demand have significantly changed since it first manufactured gabardine. Today, conventional cotton farming can have significant environmental and social impacts, due to the amount of water, fertilisers and pesticides

used in cultivation, as well as the energy-intensive processes of spinning, weaving and dyeing cotton.

### Developing targets for Cotton

As part of Burberry's commitment to drive positive change through 100% of its products, Burberry is aiming to source 100% of its cotton as Better Cotton by 2022.

In 2012 an independent baseline assessment identified that over half of Burberry's environmental impacts arose during raw material production. As a result of this, Burberry set public targets to address its environmental impacts, identifying Peru as a focus area because it had been procuring cotton in the country for over 30 years. In partnership with CottonConnect, Burberry introduced a three-year farmers' training programme, encouraging and supporting Peruvian farmers to adopt more sustainable cotton farming practices.

Burberry completed the programme in March 2017, and found that farmers reported lower environmental impacts, with a 69% reduction in the use of chemical pesticides and a reduction in the use of irrigation. The programme also achieved a 14% increase in yields and 100% increase in the use of protective equipment.

Because of this success of the programme, Burberry identified the need for scale when implementing future initiatives. Therefore, as part of its new responsibility strategy called 'Creating Tomorrow's Heritage', Burberry is committed to ensuring that all of its products have more than one positive attribute by 2022. Positive attributes relate to social and/or environmental improvements achieved at either the raw materials, sourcing or manufacturing stage. To support this goal, Burberry is working directly with supply chain partners, NGOs, academics, and internal and external stakeholders to establish a responsible sourcing strategy for cotton. As part of this work, Burberry became a member of the Better Cotton Initiative in 2015.

### Working with the Better Cotton Initiative

Over the past two years, Burberry has been proactively working with the Better Cotton Initiative to build awareness and understanding within internal teams





as well as supply chain partners. In 2017, Burberry partnered with the Better Cotton Initiative and its other members to run supply chain training and engagement days in both Italy and Portugal, helping its partners to learn more about the initiative, the future challenges facing cotton production and how the partners can be part of the solution.

#### Delivering the strategy and creating an ethos of responsibility

##### Responsibility Governance

Burberry's Chief People, Strategy and Corporate Affairs Officer is responsible for the delivery of the 2022 responsibility goals, including the target to source 100% of cotton through the Better Cotton Initiative by 2022. The Chief People, Strategy and Corporate Affairs Officer regularly reports on Burberry's progress towards its sustainability goals to the Group Risk Committee and the Burberry Group plc Board.

The implementation of responsibility programmes is guided by the Burberry Responsibility Advisory Committee, a group of leading independent stakeholders with expertise in different areas of sustainability. This committee of 'critical friends' meets several times a year to hear progress updates and comment on draft strategies.

**"As members of Burberry's [Responsibility] Advisory Committee, we have witnessed a significant evolution in how Burberry approaches corporate responsibility, with environmental and social issues becoming embedded in the business to an unusual degree. As advisors, we have been encouraged by the way in which this has occurred, with a steadily growing level of buy-in from the senior leadership team to the factory floor."**

MARK SUMNER Lecturer in Sustainability, Retail & Fashion,

University of Leeds; SALLY UREN Chief Executive, Forum for the Future; RACHEL WILSHAW Ethical Trade Manager, Oxfam GB

##### Responsibility Culture

Burberry has five strategic pillars: Product, Communication, Distribution, Operational Excellence and Inspired People. A key target of Burberry's strategic priority, 'Inspired People', is to drive positive sustainable change across every part of Burberry's footprint.

Targets relating to Burberry's 2022 responsibility goals, including the target to procure 100% of cotton through the Better Cotton Initiative, are owned by members of the senior leadership team.

Embedding responsibility targets into the performance objectives of teams across the business has been key in accelerating progress. Burberry's Raw Materials Management team owns Burberry's 2022 goal to source 100% of cotton through the Better Cotton Initiative. This goal has been cascaded down from management to the implementation team.

Burberry's Responsibility team works with and supports internal teams to ensure that Burberry's responsibility strategy is being implemented and progress is being made towards the 2022 goals. Team members are based globally, across London, Leeds, Florence, Hong Kong and Tokyo.

##### Responsible Stakeholders

Burberry's cotton goals and broader responsibility agenda have been shaped by many individuals, organisations and business partners. Burberry actively seeks out organisations that share its commitment to responsibility, encouraging open collaboration to create positive system change.

Burberry takes a collaborative approach to addressing shared sustainability challenges. For cotton, this includes the multi-brand supply chain training events held in Italy and Portugal and Burberry's contribution to the multi stakeholder Cotton2040 initiative. Burberry interacts with customers both in-store and digitally, through a variety of channels and platforms.

Burberry monitors and responds to customer feedback related to its responsibility programmes, and encourages external stakeholders to contact its

Responsibility team directly using a dedicated email address. Feedback is used to inform programme development and communications plans.

Burberry has an open dialogue with its investors and on an annual basis, it completes a number of investor indices. Burberry has been included in the Dow Jones Sustainability Index in the 'Textiles, Apparel & Luxury Goods' sector for three consecutive years, reflecting the strength of the company's commitment to continuously exploring more productive and sustainable ways of working.

Burberry is also a constituent of the FTSE4Good Index and the MSCI World ESG Leaders Index, a participant in the Carbon Disclosure Project (CDP), a signatory of the UN Global Compact, a member of the Ethical Trading Initiative and a Principal Partner of the Living Wage Foundation.

##### Beyond Cotton sourcing

Recognising the impact of cotton production goes beyond the farming stage, Burberry's responsibility strategy provides a holistic approach to creating a resilient supply chain for the future and includes programmes which aim to create a positive impact at different stages of its cotton supply chain.

Initiatives include an NRDC assured energy and water reduction programme delivered at key cotton mills in Italy, living wage accreditation at Burberry's manufacturing facilities in Yorkshire, and a chemical management programme implemented across Burberry's global supply chain.

In May 2018, Burberry became a core partner of the Ellen MacArthur Foundation's Make Fashion Circular initiative. Joining together with fashion industry leaders, the initiative will explore how the fashion industry can work towards the vision for a circular economy.

Pam Batty Burberry's Vice President of Corporate Responsibility, said:

**"Realising the vision of a circular model for fashion will take true collaboration and bold innovation**

**from all corners of our industry. As a core partner of the Ellen MacArthur Foundation's Make Fashion Circular initiative we are proud to champion the conversation about circularity, and encourage others to take the opportunities to rethink their approach for the benefit of the environment, our communities and the global economy."**

As members of Cotton2040 and through collaborations with industry stakeholders, Burberry also hopes to drive further industry and systemic change to create a sustainable supply chain for cotton. Burberry hosted a Cotton 2040 meeting in December 2017 focused on building the resilience of smallholder cotton farmers. Through this work, Burberry is looking beyond its current responsibility goals for 2022 to identify the most critical issues facing its industry.

##### What's next for Burberry?

In 2017/18, Burberry reported significant progress towards its goal to drive positive change through all of its products. In the first year of the strategy, 28% of Burberry's products have one positive attribute, and a further 14% have more than one positive attribute. Burberry sourced 21% of its cotton as Better Cotton.

Burberry's Responsibility, Raw Materials and Sourcing teams have collaborated to create a challenging plan to source 100% of its cotton as Better Cotton by 2022. Collaboration with the Better Cotton Initiative and industry peers will be crucial in achieving Burberry's cotton goal and broader responsibility targets.

Following the success of the supply chain training and engagement days Burberry organised in partnership with the Better Cotton Initiative in Italy and Portugal, Burberry will be organising an additional event to engage more key suppliers.



#### Sources and further reading:

- Burberry's Approach to Responsibility  
<https://www.burberryplc.com/en/responsibility/approach.html>
- Burberry's Responsibility Strategy 2017-2022  
<https://www.burberryplc.com/en/responsibility/responsibility-strategy/product.html>
- Progress towards Responsibility goals for 2022  
<https://www.burberryplc.com/en/responsibility/performance.html>

## C&A

C&A's journey to sourcing more sustainable cotton began at the end of 2004, when the retailer reinforced its focus on the issue of sustainability, by examining the materials used in its collections in much greater detail.

### Why cotton?

Like most clothing retailers, C&A offers products that are made of natural fibres such as cotton or wool, or synthetic fibres such as nylon or polyester.

In-depth material analyses led to a series of decisions within the company to switch to more sustainably grown materials over the long term. Given the importance of cotton to the business and the impacts it can create, it was clear that in order to drive sustainability in its products, the main starting point had to be cotton. This was the signal for the launch of organically grown cotton at C&A, which as a principle also very strongly aligns with the values of C&A and its shareholders. Organic cotton has now been at the heart of C&A's sustainable materials strategy for more than 10 years.

### Working in partnership

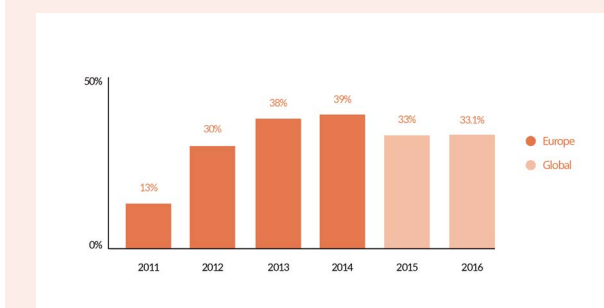
In 2005 C&A joined the non-profit organisation Organic Exchange (today called Textile Exchange), which advised the retailer on the development of a long-term strategy for organic cotton. Since the end of 2007 C&A has been one of the world's leading textile companies in the field of organic cotton. In 2007 C&A decided on a long-term strategy to expand the use of organic cotton for its products. In order to draw consumers' attention to these new products and to raise their awareness of the subject of organic cotton, C&A developed a broad range of organic cotton clothing for men, women and children. The introduction of the new collection was accompanied by campaigns and special showroom presentation. The next crucial step was taken in 2008. Together with Organic Exchange, C&A formed a strategic partnership with the Shell Foundation to initiate a five-year project in India, and to set up a new organisation – Cotton Connect - with the aim of being able to help other companies and business partners to develop their own organic strategies.

### Developing targets

2012 marked a significant milestone for the business, with C&A committing to sourcing 100% sustainable cotton by 2020, together with other leading companies such as Adidas, IKEA and H&M.

This was supported by the strategy becoming embedded throughout the business, with responsibility for the implementation moving from the sustainability team to the sourcing teams, and each buying team being set specific organic sourcing targets. This had a significant impact on uptake, as the below graph illustrates.

Organic cotton as % share of total cotton sourced



C&A's goal for 2020 is for 100% of the cotton it uses to be more sustainable. In 2016, 53% of the cotton sold met this standard, with 33% being organic cotton and 20% cotton sourced as Better Cotton.

Working with sustainability standards C&A is still strongly committed to organic cotton and has been since 2005. It co-founded Cotton Connect with the Shell Foundation and Organic Exchange in 2009, and developed the bespoke more sustainable cotton programme, REEL Cotton in 2010, with Cotton Connect, focusing on India, China and Pakistan R.

In 2015 C&A switched from their bespoke more sustainable cotton programme, and migrated over to the leading industry-wide Better Cotton Initiative (BCI), reflecting C&A's commitment to industry wide transformation. REEL Cotton paved the way for rapid implementation.

Through BCI, C&A has been able to source a greater variety of more sustainable cotton fibre, from more origins, helping accelerate uptake. In 2016, 20% of the cotton was sourced as Better Cotton making C&A the 6th largest buyer of Better Cotton worldwide. While it does not replace C&A's commitment to organic cotton, Better Cotton is vital to its cornerstone goal of sourcing 100% more sustainable cotton by 2020. Better Cotton is produced in greater quantities and greater varieties than organic cotton, as it advocates a more 'inclusive' approach. It works via a mass balance system, meaning



that each unit of Better Cotton that C&A buys supports the production of a unit of Better Cotton in the world. It also means that the costly segregation process is not necessary, making Better Cotton easier to adopt in the chain and as a result more scalable.

#### Engaging suppliers

BCI provided support through training, both internally for C&A teams, and to the supply chain partners, helping everyone understand how BCI works, what to expect, and how to go about sourcing Better Cotton.

Joining the BCI at a later stage meant that it was fairly easy for C&A to rapidly accelerate its sourcing of Better Cotton. In part this was possible because C&A had already engaged its supply chain and internal teams on sustainability over several years through its work with organic cotton and the REEL Cotton, and therefore didn't have to build a new supply chain or acquire large amounts of new expertise.

In addition, many of the big fashion brands and retailers share their supply chains, so that many of C&A's suppliers were already used to supplying other brands such as H&M or M&S with Better

Cotton, which in turn enabled them to fairly easily and quickly switch to supplying C&A with Better Cotton as well. As a result, C&A achieved a 20% increase in its uptake of Better Cotton within one year of joining BCI, and is expecting an even higher increase for 2017.

This illustrates that large numbers of spinners, ginners and garment makers in the supply chain already know how to source Better Cotton and can help a brand or retailer set up their own programme. As a result, sourcing more sustainable cotton is now relatively straightforward for those just starting out, particularly if sourcing from Asia.

#### Driving internal engagement

At the beginning of its journey, driving engagement internally was challenging, as buyers and sourcing teams needed to develop their understanding of the reasons for sourcing more sustainable cotton, which often cost margins. A key driver for internal engagement was the embedding of the programme from 2012 onwards. In 2015, C&A worked with every single buying team to develop a bottom-up roadmap to 2020, with each team setting out how they will achieve

the 2020 target. Today, the 'why' and the 'what' are well understood and established across the business, with clearly defined roles, responsibilities, accountabilities and targets. As uptake grows, the way the sourcing programme is managed between C&A's different retail regions and within each of these regions is becoming more sophisticated. The 'how' is now the main focus, to further develop and improve the necessary systems, processes and procedures.

#### Barriers to sourcing, and how to overcome them

Of all the elements of sourcing more sustainable cotton, the transactional process of buying organic cotton or sourcing Better Cotton is not the hardest. The biggest challenge is due diligence. C&A needed to develop the right tools, systems and processes to monitor its sourcing programmes and to ensure its approaches are solid and have the level of integrity required. Sourcing organic cotton requires meticulous, and in part still manual, attention to ensuring the integrity of the cotton, and it can take time to identify the right partners. For BCI, the processes required to manage the Better Cotton Platform and ensuring that everything you buy is claimed, are also quite complex.

#### What's next for C&A?

A key area of focus for C&A remains the organic cotton supply chain, and collaborating to address market challenges such as a lack of availability and access to quality non-GMO seeds, few incentives for farmers, limited access to the market and lack of supply chain traceability and transparency. C&A is also working hard to ensure it can not only meet its targets by 2020, but also ensure it can be confident in the data, so ensuring accountability and further developing and improving its monitoring systems and processes is an important factor.

#### Helping drive industry-wide change

By joining the Better Cotton Initiative – along with many mainstream industry partners – C&A is increasing demand for cotton made in better ways. In partnership with the other 65 retail and brand members who are part of the BCI, C&A is aiming to double its 2016 performance and procure another million metric tonnes of Better Cotton while encouraging other brands in key sourcing regions like Brazil to consider Better Cotton.

#### Lessons learnt

- **Focus on meaningful cotton:** Look at the biggest programmes available, find out about how to work with them and decide what fits best with your business.
- **Work with your suppliers:** Start with your key suppliers in your key sourcing regions, and engage them in your vision and values. In your supply chain, look for partners who already know about sourcing sustainable cotton. Tapping into their knowledge and learning from them can accelerate your journey significantly.
- **Engage internal teams:** Invest time into getting teams across the business on board and ensuring they understand the challenges and opportunities as well as their role and responsibilities.
- **Understand Mass Balance:** Any sourcing team working with Better Cotton needs to understand the Mass Balance system and its implications in the supply chain. Likewise, marketing and communication teams need to understand what this means for them.
- **Talk to other brands, share insights:** Driving uptake of more sustainable cotton is in the industry's interest. People are open to questions and willing to give advice, so tap into your peers, ask competitors high level questions that can help you think things through. It can help to know that companies of all sizes are on this journey together, we're all learning all the time, and many companies share the same challenges.

#### Sources and further reading:

##### CR Reports


- 2010: How Organic cotton started in 2004 (p203)  
[https://www.c-and-a.com/uk/en/corporate/fileadmin/mediathek/uk-uk/downloads/CSR\\_Report\\_2010\\_en.pdf](https://www.c-and-a.com/uk/en/corporate/fileadmin/mediathek/uk-uk/downloads/CSR_Report_2010_en.pdf)
- 2016:
  - Cotton strategy, history and uptake  
<http://sustainability.c-and-a.com/sustainable-products/sustainable-materials/more-sustainable-cotton/>
  - Organic cotton  
<http://sustainability.c-and-a.com/sustainable-products/sustainable-materials/more-sustainable-cotton/organic-cotton/>
  - Better Cotton  
<https://bettercotton.org/>

##### Other links

- Talking to consumers about C&A's Organic Cotton programme  
<http://sustainability.c-and-a.com/sustainable-lives/enabling-customers/communicating-with-customers/>
- National Geographic: For the love of fashion  
<http://www.natgeotv.com/int/for-the-love-of-fashion>
- C&A Foundation sustainable cotton programme  
<http://www.candafoundation.org/what-we-do/sustainable-cotton/>

**Contact** Charline Ducas, Unit Leader of Global Circular Economy, C&A: [charline.ducas@canda.com](mailto:charline.ducas@canda.com)



A photograph of a cotton field under a blue sky with light clouds. In the foreground, several cotton bolls are in various stages of maturity, some fully open showing white cotton, others still in their husks. The background is a vast field of similar cotton plants stretching to the horizon.

SECTION 5

# FURTHER RESOURCES & REFERENCES



## 5.1 Links and resources

This section lists and describes other initiatives and organisations working for sustainable cotton.



### Multi-stakeholder initiatives:



#### Cotton 2040 <https://forumforthefuture.org/cotton-2040>

Cotton 2040 is a unique cross-industry partnership, bringing together leading international brands and retailers, cotton standards, industry initiatives and other stakeholders across the supply chain to accelerate action on and remove barriers to sustainable cotton.



#### Fair Fashion Centre <https://www.gcny.com/fairfashioncenter/>

The FFC develops market-based solutions that combine economic value creation with environmental stewardship, social inclusion and sound ethics. The goal is nothing less than the re-design of fashion. Changes to each area creates momentum, but transformative power comes from collective action.



#### ISEAL Alliance <https://www.isealalliance.org/>

ISEAL is the global membership association for credible sustainability standards. Its members are sustainability standards that meet its Codes of Good Practice and promote measurable change through open, rigorous and accessible certification systems. They are supported by international accreditation bodies, which are required to meet accepted international best practice.



#### Organic Cotton Accelerator (OCA) [www.organiccottonaccelerator.org/](http://www.organiccottonaccelerator.org/)

As an accelerator, the OCA unites those who are committed to being part of the change in organic cotton. Together with market-driven interventions that are designed to be self-sustaining and scalable in the long-run, the OCA builds on existing initiatives, mobilises others into action and creates shared opportunities across the supply chain.



#### Organic Cotton Roundtable (OCRT) [textileexchange.org/organic-cotton-round-table/](http://textileexchange.org/organic-cotton-round-table/)

The Organic Cotton Round Table (OCRT) is a global stakeholder platform that supports and brings together the organic cotton community to be inspired, mobilised and equipped to act.



#### Partnership for Sustainable Textiles <https://www.textilbuendnis.com/en/>

The Partnership for Sustainable Textiles is a multi-stakeholder partnership consisting of companies, associations, non-governmental organisations, trade unions, standards organisations and the Federal German Government. The stakeholders formed the Partnership in 2014 with the aim of achieving improvements along the entire textile supply chain. To this end, they have agreed on ambitious social and environmental targets.



#### 2025 Sustainable Cotton Challenge

<https://textileexchange.org/2025-sustainable-cotton-challenge-1/>

The 2025 Sustainable Cotton Challenge asks retailers and brands to champion an increased use of sustainable cotton. Those participating will aim for 100% of their cotton to come from the most sustainable sources.

## Standards and certifications



#### Better Cotton Initiative (BCI) <https://bettercotton.org/>

BCI is a not-for-profit organisation that stewards the global standards for Better Cotton, and brings together cotton's complex supply chain, from farmers to retailers.



#### Cotton made in Africa (CmiA) <https://www.cottonmadeinafrica.org/en/>

Cotton made in Africa (CmiA) is an initiative of the Aid by Trade Foundation (AbTF) that helps people help themselves through trade. It improves the social, economic and ecological living conditions of smallholder cotton farmers and their families in Sub Saharan Africa.



#### Fairtrade Foundation <https://www.fairtrade.org.uk/>

Fairtrade is a movement for change that works directly with businesses, consumers and campaigners to make trade deliver for farmers and workers.



#### Bayer E3 <https://www.e3cotton.us>

This is a certification for U.S. cotton growers who are committed to the principles and practices of sustainability. E3 cotton is certified, verified and audited.



#### myBMP <https://www.mybmp.com.au/>

'myBMP' is a voluntary farm and environmental management system which provides self-assessment mechanisms, practical tools and auditing processes to ensure that Australian cotton is produced according to best practice.



#### Pre-Organic Programme [www.preorganic.com/en/](http://www.preorganic.com/en/)

The Pre-Organic Cotton (POC) programme is an initiative between kurkku and Itochu Textile Company. It supports cotton farmers in India to make the transition to organic farming, while also providing supply chain solutions to brands and retailers.

## Implementing organisations



#### ACF Action Contre la Faim <https://www.actioncontrelafaim.org/en/missions/india/>

Created in 1979, this NGO – Action Against Hunger – is fighting against hunger in the world. Its mission is to save lives by eradicating hunger through the prevention, detection, and treatment of malnutrition, in particular during and after emergency situations caused by conflicts and natural disasters.



## 5. FURTHER RESOURCES & REFERENCES

### 5.1 Links and resources



#### Action for Food Production <http://www.afpro.org/about-us/>

AFPRO is a secular socio-technical development organisation with Christian inspiration. It works to enable the rural poor to move towards sustainable development through an overall increase in their knowledge and skills in areas that directly affect their standard and quality of life.



#### Action for Social Advancement (India) [www.asaindia.org/](http://www.asaindia.org/)

ASA is a non-profit development organisation founded in 1996 by a group of development professionals with considerable collective experience of working with the tribal people in the central part of India in participatory natural resources development. ASA has emerged as a lead organisation in the sector of farm-based livelihood for poor and natural resource management. ASA is a past BCI implementer and current organic cotton implementer in India.



#### Aga Khan Rural Support Programme (India) [www.akrspindia.org.in](http://www.akrspindia.org.in)

The Aga Khan Rural Support Programme (AKRSP) is a private, non-profit company, established by the Aga Khan Foundation in 1982 to improve the quality of life of the people of Gilgit Baltistan and Chitral (GBC). The overall goal of the organisation is to improve the socio-economic conditions of the people of northern Pakistan. Implements BCI and organic in India.



#### Bio Service [www.bioservice.kg/en/](http://www.bioservice.kg/en/)

"Bio Service" Public Foundation was founded with the support of the Development of Production and Trade Promotion Project, Organic Cotton (BioCotton). Their mission is to provide competitive, quality services and organic certification standards, training and consulting in order to preserve the environment and improve the lives of the rural population in Kyrgyzstan.



#### bioRe <http://www.remei.ch/en/>

bioRe cotton is organic cotton coming from the bioRe Project, currently functioning in India and Tanzania. The bioRe Project is known globally as a leading large-scale visionary project and has received many international awards for its achievements.



#### CMDT The Malian Company for the Development of Textiles

<https://www.cmdt-mali.net/>

Established in 1974, the Malian Company for the Development of Textiles (CMDT) is a joint stock company of mixed economy, in charge of managing the cotton production sector of Mali.



#### Chetna Organic [www.chetnaorganic.org.in/](http://www.chetnaorganic.org.in/)

Established in 2004, Chetna Organic supports more than 15,000 farmers, helping them increase the sustainability and profitability of their farming systems. Chetna Organic Agriculture Producer Company Ltd (COAPCL) is a part of Project Chetna, a development initiative aimed at improving the lives of smallholder and marginalised cotton farmers in different rain-fed cotton growing regions in India.



#### CAIM <http://caim.gov.in/>

Convergence of Agricultural Interventions in Maharashtra's Distressed District Programme.



#### CottonConnect [cottonconnect.org/](http://cottonconnect.org/)

CottonConnect works throughout the cotton supply chain, from brands and retailers to cotton farmers, to make cotton more sustainable. They do this by connecting brands and retailers to farmers to create a transparent supply chain, training farmers in agro-economic practices, and supporting the enhancement of farmer livelihoods and strong farming communities.



#### Fairtrade Producer Networks

Fairtrade does not work with Implementation Partners but has its own Producer Networks in Africa, Asia, Latin America and the Caribbean. These are Fairtrade Africa, NAPP (for Asian & Pacific Producers) and CLAC (for Latin American and Caribbean Producers and Workers).



#### GIZ Deutsche Gesellschaft für Internationale Zusammenarbeit

<https://www.giz.de/en/html/index.html>

GIZ is a German development agency. As a provider of international cooperation services for sustainable development and international education work, we are dedicated to building a future worth living around the world. GIZ has over 50 years of experience in a wide variety of areas, including economic development and employment, energy and the environment, peace and security. GIZ is an implementation partner in Tanzania.



#### Helvetas <https://www.helvetas.org/>

Helvetas is an independent Swiss development organisation that is building capacity in about thirty countries in Africa, Asia, Latin America and Eastern Europe. Helvetas run programmes in Burkina Faso, Kyrgyzstan and Mali introducing organic and Fairtrade cotton.



#### Ivoire Coton <http://www.ivoire-coton.ci/>

Ivoire Cotton's mission is to promote the development of farms to guarantee the supply of our factories, to transform the seed cotton, to market the semi-finished products and thus to contribute to the improvement of the standard of living of the rural communities in Ivory Coast.



#### JFS SAN <http://www.jfs.co.mz/jfsweb/conteudo/san/informacao-corporativa>

The Society Algodoeira de Niassa JFS, SAN works in partnership with more than 40,000 producers and implements BCI in Mozambique.



Lok Sanjh Foundation

#### Lok Sanjh Foundation <https://loksanjh.org/>

Lok Sanjh is a non-profit, non-governmental organisation working with the rural communities, particularly with women farmers, in Pakistan. The Lok Sanjh Foundation promotes strategies for socially and environmentally sound agriculture through focused research, policy advice and advocacy. It promotes networking and links with a wide range of institutions and individuals through seminars, workshops and exchange visits.



#### NWK Ltd

<https://www.agdevco.com/our-investments/by-investment/NWK-AGROPRENEURS>

NWK Agri-Services is Zambia's leading provider of agricultural services supplying the industry with competitive and innovative equipment, agronomic advice and financial solutions for the farmers, and the best market exposure for the commodities.



#### OLAM <http://olamgroup.com/locations/east-africa/mozambique/>

OLAM operates three cotton concessions in the North and Central regions of Mozambique, increasing productivity yields through innovative Cotton Extension Services to improve the lives of rural farmers in these regions. By actively supporting 40,000 farmers, OLAM ensures farmers receive agricultural inputs, financing and a ready market for their produce.

## 5. FURTHER RESOURCES & REFERENCES

### 5.1 Links and resources



#### OBEPAB Beninese Organization for the Promotion of Organic Agriculture

<http://www.obepab.bj/>

OBEPAB works for sustainable development with a focus on enhancing local resources in Benin and developing sustainable agricultural production systems, preserving the health of producers and consumers, and safeguarding the environment.



#### Pesticide Action Network UK (PAN) [www.pan-uk.org/](http://www.pan-uk.org/)

PAN strives to eliminate hazardous pesticides, reduce dependence on pesticides and promote ecologically sound alternatives to chemical pest control.



#### Pratibha Syntex <https://pratibhasyntex.com/>

Pratibha Syntex is a vertically integrated sustainability-orientated manufacturer of knitted textile products. Driven by a strong progressive vision, Pratibha is committed to creating relationships across the value chain, bringing together over 30,000 farmers, 10,000 employees and renowned global apparel brands from over 20 countries



#### RARE <https://www.rare.org/>

Rare is an international conservation organisation whose stated mission is to help communities adopt sustainable behaviours toward their natural environment and resources. It works on cotton in China.



#### SANAM [geingroup.com/sanam.html](http://geingroup.com/sanam.html)

Over the years, SANAM has emerged as one of the largest and most dependable suppliers of good quality staple cotton from Mozambique to international buyers.



#### Sodecoton <http://www.sodecoton.cm>

The Cotton Development Corporation (Sodecoton) is a Cameroonian state enterprise created in 1974 to manage the cotton sector. Its mission is to organise the production and marketing of cotton throughout the territory. It owns several production sites throughout Cameroon.



#### SOFITEX Burkina Faso Textile Fibers Company [www.sofitex.bf/](http://www.sofitex.bf/)

The Burkina Faso Textile Fibers Company (Sofitex) is a mixed economy company, initially public and then privatised, created in 1974. Their mission is the development of the cotton agro-industry in Burkina Faso.



#### Solidaridad Network <https://www.solidaridadnetwork.org/>

The Solidaridad Network is an international civil society organisation founded in 1969. Its main objective is facilitating the development of socially responsible, ecologically sound and profitable supply chains. Solidaridad implements BCI and organic cotton programmes in multiple geographies including Brazil and India.



#### UNPCB National Union of Cotton Growers of Burkina [unpcb.org/](http://unpcb.org/)

UNPCB is the national umbrella organisation of cotton producers in Burkina Faso. Its vision is for producers of professional cotton in Burkina Faso to have improved food security and a higher income through efficient, sustainable, secure and resilient production systems. By grouping within a union of cooperative societies, they are able to defend their interests in level and at the national, regional and international levels.



#### WWF <https://www.wwf.org.uk/>

WWF is the world's leading independent conservation organisation, determined to ensure that people and nature can thrive together, for generations to come.

## Donors, NGOs, Associations

### C&A Foundation



#### C&A Foundation <http://www.candafoundation.org/>

The C&A Foundation is a corporate foundation, which exists to transform the fashion industry. Through financial support, sharing expertise and providing access to a network of specialists, they strengthen platforms, NGOs and other changemakers to help make the fashion industry work better for every person it touches.



#### Forum for the Future <http://www.forumforthefuture.org>

Forum for the Future is an international non-profit working with business, government and civil society to solve complex sustainability challenges.



#### IDH - The Sustainable Trade Initiative <https://www.idhsustainabletrade.com/>

IDH accelerates and scales sustainable trade by building impact-oriented coalitions of leading multinationals, civil society organisations, governments and other stakeholders.



#### Soil Association

<https://www.soilassociation.org/organic-living/fashion-textiles/organic-cotton/>

The Soil Association supports certified organic cotton and the proven benefits it delivers for people and the environment. When it comes to making sustainability claims you can trust, certified organic cotton is hard to beat.



#### Textile Exchange <http://textileexchange.org/>

Textile Exchange is a global non-profit organisation that focuses on minimising the harmful impacts of the global textile industry and maximising its positive effects.

#### International Cotton Advisory Committee (ICAC) <https://www.icac.org/>

The International Cotton Advisory Committee is an association of governments of cotton producing, consuming and trading countries, which acts as the international commodity body for cotton and cotton textiles.



#### FiBL <http://www.fibl.org/en/homepage.html>

The Research Institute of Organic Agriculture (FiBL) is an independent, non-profit, research institute which aims to advance cutting-edge science in the field of organic agriculture. FiBL's research team works together with farmers to develop innovative and cost-effective solutions to boost agricultural productivity while never losing sight of environmental, health and socio-economic impacts.



## 5. FURTHER RESOURCES & REFERENCES

### 5.1 Links and resources



## Regional Representations



**Cotton Australia** <http://cottonaustralia.com.au/>

Cotton Australia is the peak representative body for the Australian cotton growing industry, led by a Board of nine cotton growers and ginners.



**Proudly Made in Africa** <http://www.proudlymadeinafrica.org/>

Founded in 2008, Proudly Made in Africa is a UK and Ireland based non-profit organisation that builds sustainable channels to market for African products.



**ABRAPA (Associação Brasileira dos Produtores de Algodão)**

<http://www.abrapa.com.br/EN-US>

The Brazilian Association of Cotton Producers, known as ABRAPA, is an entity that brings together cotton producers in Brazil. The Responsible Brazilian Cotton programme has been an Implementing Partner of the Better Cotton Initiative since 2010.



**Cotton Incorporated** <http://www.cottoninc.com/>

Cotton Incorporated aims to increase the demand for and profitability of cotton through research and promotion and to ensure that cotton remains the first choice among consumers in apparel and home products.



**Indian Cotton Federation** <http://www.indiancottonfederation.in>

ICF, Indian Cotton Federation formerly known as SICA (The South India Cotton Association) is a premier organisation representing the textile industry, cotton brokers and cotton growers of India.

## Other Organisations



**Centre for Sustainable Fashion - London College of Fashion**

<http://sustainable-fashion.com/>

Centre for Sustainable Fashion is a Research Centre of the University of the Arts London based at London College of Fashion. Its work explores vital elements of Better Lives, London College of Fashion's commitment to using fashion to drive change, build a sustainable future and improve the way we live.



**Cotton LEADS** <http://cottonleads.org/>

Cotton LEADS is a programme born out of partnership between the Australian and U.S. cotton industries. The programme connects textile manufacturers, brands and retailers with opportunities to support their cotton growers' sustainability efforts and share data, resources and technologies globally for the benefit of improving cotton around the world.

## 5. FURTHER RESOURCES & REFERENCES

## 5.2 Feedback

We want this guide to really help you on your cotton sourcing journey – whether you're just starting out or are working towards a 100% sustainable cotton target.



### Your feedback is vital

Please tell us what you think of this guide, and how we can improve it. Which information is particularly valuable? What is missing? Which resources would help you move forward more quickly?

Please take our short survey and help us improve this guide. This will help to fuel the movement to increase the use of sustainable cotton across the entire fashion industry.



Share your views at

<https://drive.google.com/drive/u/1folders/1Fj9u5qi2DdNUm2AkjVauvyECWIGVBdVw>

### Stay connected, stay informed

If you register your contact details, we can better support you on your sustainability journey. For example, we'll let you know about events, webinars, resources and case studies we think you'll find useful. We can also tell you about opportunities to meet those companies that have already navigated the complex challenges of sourcing more sustainable cotton. If you'd like, we can get in touch with you directly to see how you're getting on, and – if possible – to help you move forwards.



To stay in touch, just sign up to our mailing list at

<http://cottonupguide.org/in-practice/feedback/>

## 5.3 References and contributors

This page and the following pages contain a list of the sources we consulted to create this guide, which may be of interest for further reading. We would also like to thank the many

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## 5.4 Contact us

### Get in touch

If you have any questions about this guide, would like to find out about how we can help you make the most of this resource, or are interested in joining the Cotton 2040 initiative please get in touch with Forum for the Future.



You can use the form at <http://cottonupguide.org/about-cotton-up/contact-us/>

### Email registration

The CottonUP guide is here to help you source more sustainable cotton. If you register your contact details, we can better support you on this journey. For example, we would like to let you about related events or webinars, new resources and case studies.

We would also like to get in touch with you directly to see how you're getting on, and – if possible – to help you move forwards. This kind of contact will also help us demonstrate the impact of this guide in driving the uptake of sustainable cotton across the apparel sector.

## Image Credits

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5.5 Cotton 2040 Stakeholders





