



BCI General Assembly

.....
09 June 2020

Anti-trust policy

The following topics are not to be discussed

- Prices
- Market share
- Customer allocation
- Anything that could be construed as limiting competition



Welcome and Introductions

Agenda

- BCI Activity Report 2019
- Update on Strategy 2030
- BCI Management of Covid-19
- BCI Council Elections
- Q&A





Polls

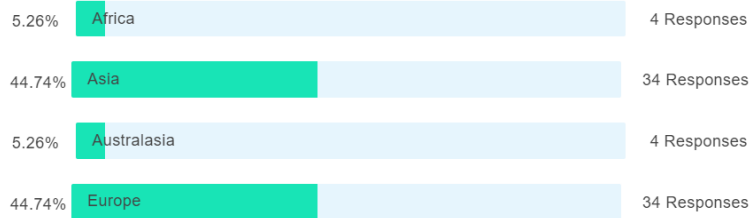
Region

Membership category

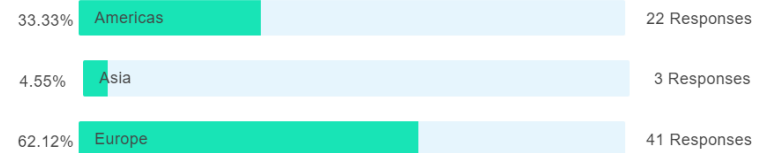
2019 Highlight

Which region are you based in?

Session 1: 76/135 attendees responded

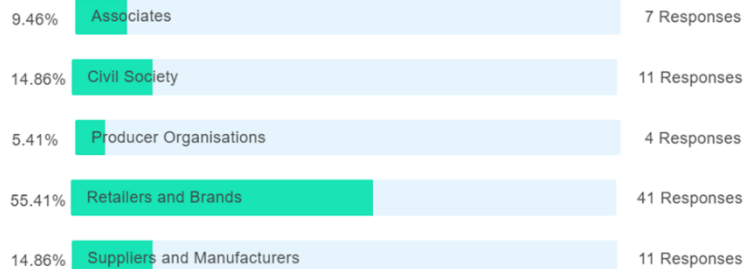


Session 2: 66/97 attendees responded

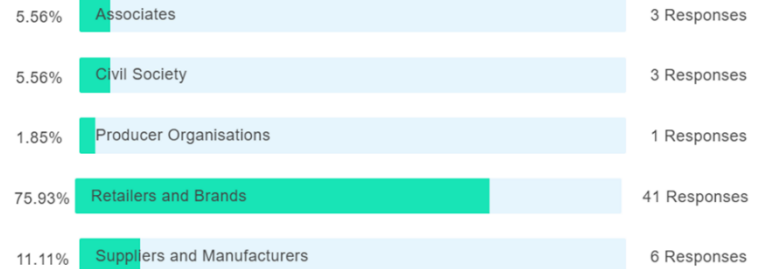


Which member category does your organisation represent?

Session 1: 74/135 attendees responded

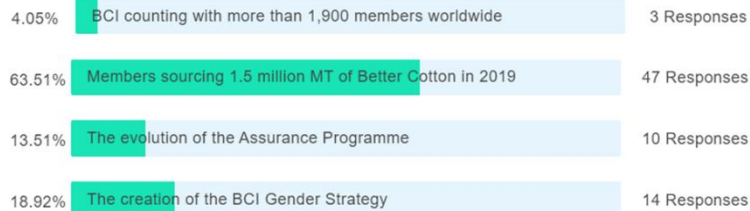


Session 2: 54/97 attendees responded



What was the BCI highlight of the year so far for you?

Session 1: 74/135 attendees responded



Session 2: 58/97 attendees responded



BCI Activity Report 2019



Year in Review

Marc Lewkowitz, Chair
Supima

Phil Townsend, Vice Chair
Marks and Spencer

.....
9 June 2020



OUR GOAL

SINCE 2009

To transform cotton production worldwide by developing Better Cotton as a **more sustainable mainstream commodity**...

Making cotton production better for producers, the environment and for the cotton sector's future.



2019 Themes & Highlights

- IMPACT
- DEMAND
- SOCIAL SUSTAINABILITY
- KEY METRICS

Assessing Field Level Results & Impact

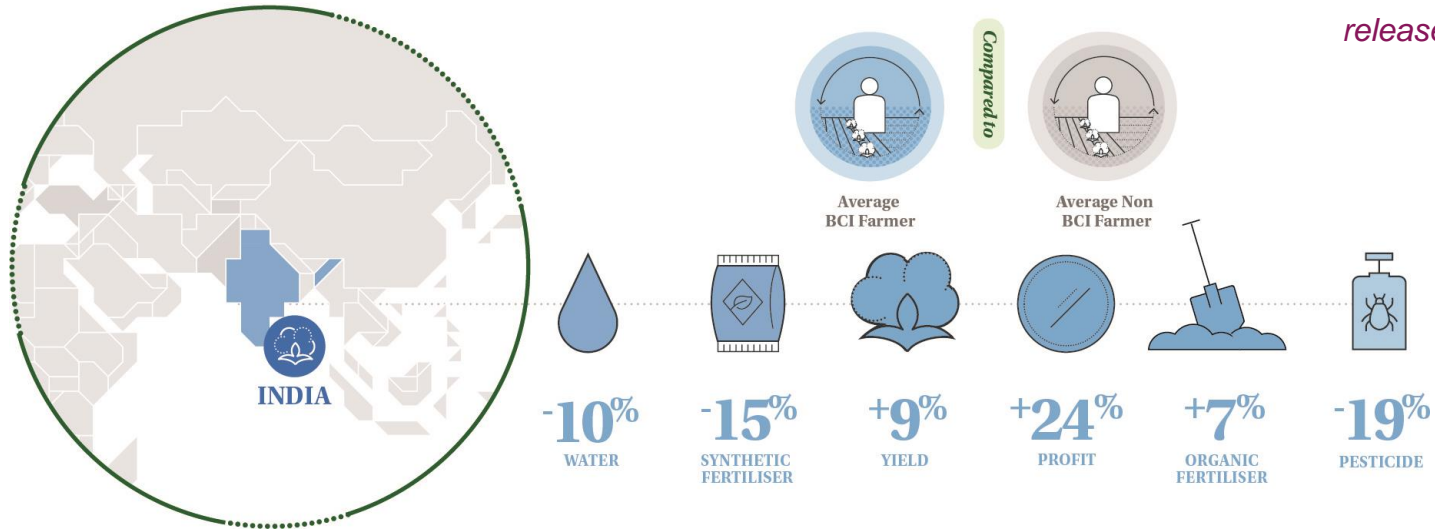
Measuring what matters most according to BCI's Theory of Change: continuous improvement of environmental, social and economic conditions in cotton cultivation



Farmer Results 2017-18 Season

INDIA: ENVIRONMENTAL & ECONOMIC RESULTS

**Farmer results for the 2018-19 season will be released in October.*



SAMPLED MONITORING



My choice to become an agronomist was guided by a passion to help smallholder farmers in the cotton sector, especially women. Cotton is a real source of pride in my region, but farmers face many challenges in raising their yields, from irregular rain to poor soil health, high input costs and unstable cotton prices.”

— Tata Djire, 2019



stories.bettercotton.com/Tata_Coulibaly

“It all began back in 2012, when a group of us BCI Farmers in Kanakya village set up a committee to help other farmers in our community use pesticides and fertilisers more efficiently. We wanted to promote plant-based natural alternatives, but they weren’t readily available locally, so we had to find a way to make it easier for farmers to gain access to these products at reasonable prices.”

— BCI Farmer Balubhai Parmar



Driving Demand



Record Level of Sourcing

150 Retailer and Brand Members collectively sourced more than **1.5 million metric tonnes** of cotton as Better Cotton.

Member Numbers

Suppliers and Manufacturers: 1,585
Retailers and Brands: 168
Civil Society: 42
Producer Organisations: 30
Associates: 17



Retailer & Brand sourcing increased 40% on 2018.

BCI Members
committed to
sourcing
100% more
sustainable
cotton.



*Updated in Jan 2020

Sustainably sourced? Organic? Better? Recycled? What's the difference?

Confused? Yes, it's can seem complex. But it's not as confusing as it seems, once you figure this out: sustainably sourced cotton is to organic, recycled or Better Cotton what the word fruit is to pears, oranges and apples. They are all fruits. Great fruits. Just different types.

By buying cotton products from Monki, you're either supporting organic cotton, recycled cotton or BCI Farmers and responsibly grown cotton. Organic cotton is grown with no pesticides or chemical fertilizers and with non-GMO seeds. That's awesome. But even though it stands for a large part of Monki's sustainably sourced cotton, it stands for a smaller part of the global cotton production—because transitioning to organic cotton is not always easy, or fast. The Better Cotton Initiative exists to make global cotton production as a whole better, and more quickly. That is awesome too, in a different way. Recycled cotton helps make fashion circular, a necessary step going forward. Basically, three cool things.

Sustainability at Tu

At Tu, we're making choices that support a more sustainable future. We're not new to sustainability, but we're ramping up our efforts. We know it's not always going to be easy, but we're ready for the challenge. We'd love to share this journey with you - because together our impact can be stronger.

5000

tonnes of clothing are donated every year to Oxfam through our donation banks in over 340 stores

365

clothing recycling banks across our store car parks

15m

garments are diverted from landfill each year by Sainsbury's customers donating their unwanted clothing in Oxfam donation banks

100%

of the plastic in Tu clothing hangers is recycled material

320

tonnes of hangers have been reused and recycled in the last 12 months. In the next 12 months we will aim to increase that to 800 tonnes

9.41bn

litres* of water were saved in 2019 thanks to our sourcing of Better Cotton - that's the equivalent of 3764 Olympic sized swimming pools!

€2.74m

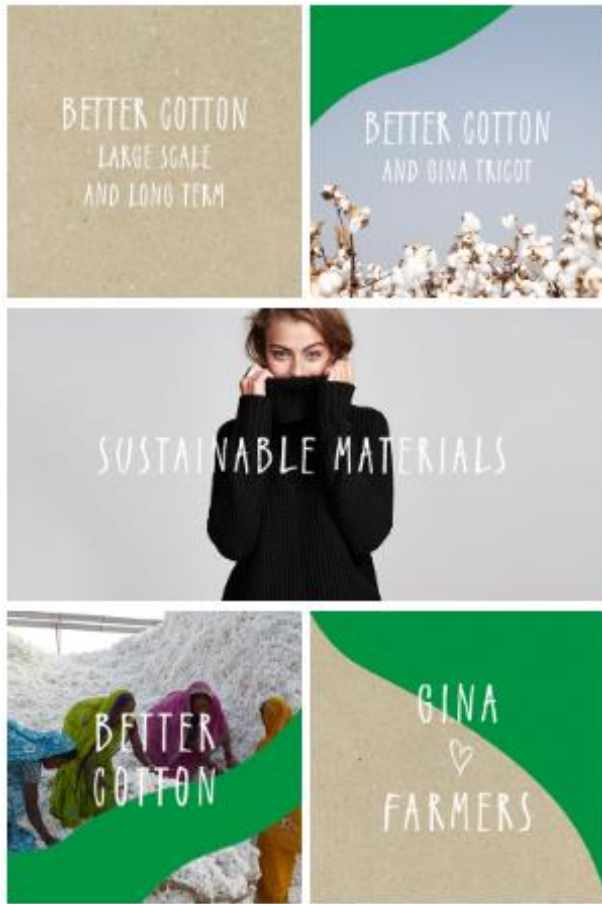
additional profit* benefitted BCI Farmers** in 2019 thanks to our sourcing of Better Cotton

13,259

lbs of pesticides* were avoided in 2019 thanks to our sourcing of Better Cotton - that's the equivalent to 6027 bags of sugar

*Estimated

**BCI Farmers experience profit increases for a variety of reasons, most commonly due to increased yields and/or optimised use of inputs (such as irrigation water, pesticides or synthetic fertiliser)



Using pesticides without understanding the soil requirements had a bad effect on my land and it was one of the reasons why I had such a poor harvest. Once I got involved in the project, I started using natural fertilizers,” says BCI Farmer, Chaturbai Devijibhai.

'Female cotton farmers in Pakistan will be the voice of empowerment and gender equality'

Nicola Moynie

March 27, 2019 9:32 pm



So while you shop the M&S summer collections guilt-free this season, know that female farmers like Almas are continuing to empower more women in their communities to farm cotton more sustainably.



**THANKS
A TONNE!**
*(actually thanks
630 tonnes!)*

DID YOU KNOW?

Through our partnership with Better Cotton Initiative, Cotton On Kids is now sourcing more than **630 TONNES** of sustainable cotton across all of our brands. WOW!

*accounting
for around* **30%** *of our total
cotton supply*

5 THINGS YOU DIDN'T KNOW ABOUT THE BETTER COTTON INITIATIVE



Since 2016, we've been a proud member of the Better Cotton Initiative (BCI for short), a nonprofit that improves cotton production to benefit both farmers and the environment. Looking to learn more, we turned to Team Madewell's sustainability expert Gonzalo, who shared some facts about the initiative that might surprise you.

1. 2 million farmers participate, making it the biggest cotton sustainability program in the world (!).
2. Small farms are a huge focus. 99% of BCI farmers use less than 20 hectares of land.
3. BCI has partners all over the globe, in 21 countries across five continents.
4. There's more BCI cotton out there than you might think. It makes up 19% of global cotton production (and that number is growing every day).
5. Education is key: BCI teaches farmers about using water efficiently, caring for the soil, reducing the use of harmful chemicals and respecting the rights of workers.

Thanks for the info, Gonzalo. Get even more in the know about our Do Well initiatives [here](#).

Social Sustainability

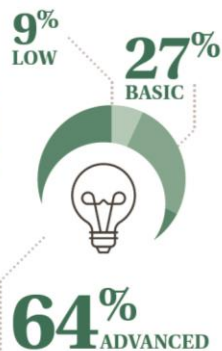


Farmer Results 2017-18 Season

PAKISTAN: SOCIAL RESULTS



Improving Farmer Knowledge of Child Labour Issues



Women's Inclusion in BCI Training Activities

Percentages represent the proportion of women trained as a total of all participants.

Training topic:

Health & safety, labour, gender or other social issues



13%

Preparation and use of pesticides



2%

Harvest practices to ensure fibre quality



16%

SAMPLED MONITORING

FORCED LABOUR AND DECENT WORK

Uzbekistan

Historic forced labour and Decent Work challenges.

International Finance Corporation (IFC) launched independent sustainable cotton project in the 2018-19 season based on Better Cotton Principles & Criteria.

Participating in IFC's Sustainable Cotton Project Consultative Council as observer member.

BCI established Task Force on Forced Labour and Decent Work.



The Better Cotton Standard prohibits all forms of forced labour in cotton production.




STRENGTHENING THE BCSS ASSURANCE PROGRAMME WORLDWIDE

After review and deliberation in 2019, in March 2020, BCI suspended assurance activities in the Xinjiang Uighur Autonomous Region (XUAR) effective the 2020-21 season.

Better Cotton licensing is suspended pending a wholesale review of the BC Assurance Programme, both internally and with input from independent experts.

The goal is to ensure Assurance activities are conducted credibly.



We will continue to engage with experts and all stakeholders to adapt and respond to challenges.



I saw tears in my son's eyes when I told him we were going to buy him some shoes... school shoes. Now, he is happy, healthy and confident that his dreams will be fulfilled.

— BCI Farmer Jam
Muhammad Saleem



Key Metrics



BCI Global Reach

2018-19 COTTON SEASON

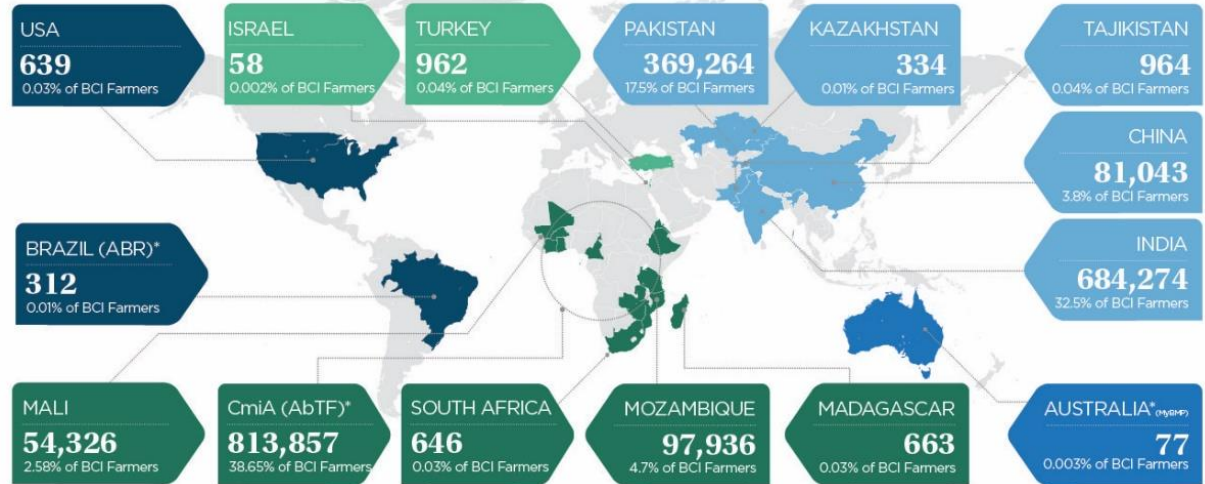


NB: This figure is subject to change based on the finalisation of 2018-19 ICAC world production figures. Source of ICAC World Production Figures: <https://icac.gen10.net/statistics/index14.18>

BCI Farmers Around the World

2018-19 COTTON SEASON

LICENSED
BCI FARMERS
2.1
MILLION

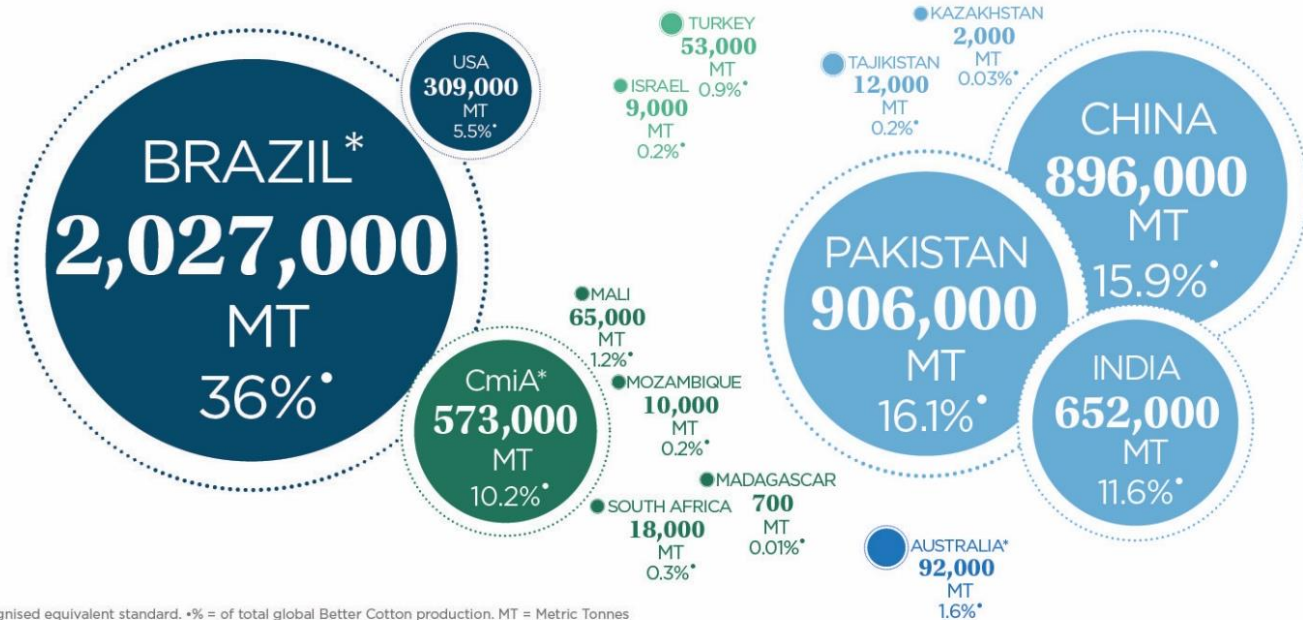


*BCI recognised equivalent standard

CmiA countries: Benin, Burkina Faso, Cameroon, Cote d'Ivoire, Ghana, Mozambique, Nigeria, Tanzania, Uganda and Zambia

Volumes of Better Cotton Grown

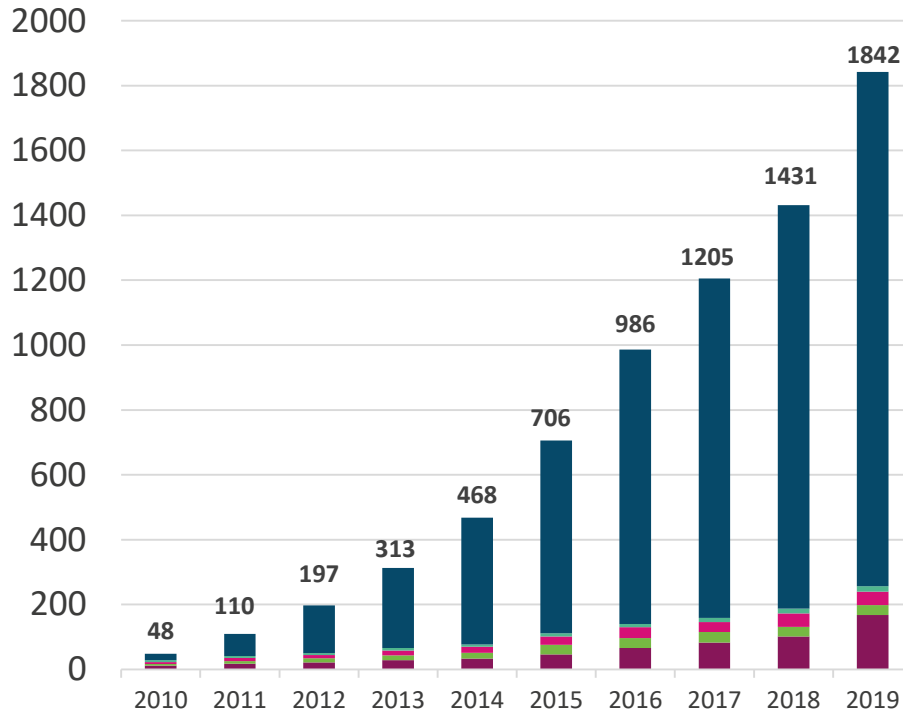
2018-19 COTTON SEASON



*BCI recognised equivalent standard. *% = of total global Better Cotton production. MT = Metric Tonnes

CmiA countries: Benin, Burkina Faso, Cameroon, Cote d'Ivoire, Ghana, Mozambique, Nigeria, Tanzania, Uganda and Zambia

BCI GLOBAL MEMBERSHIP



1,952 Members as of 04 June 2020

- Suppliers & Manufacturers
- Associate Members
- Civil Society
- Producer Organizations
- Retailers and Brands

*Plus **7,000** Better Cotton Platform Users, in addition to membership*



Earlier, we were confined to the four walls of our homes.

Watch the film and read the full story at: stories.bettercotton.com/SFPO/

Status update of the BCI 2030 Strategy

Poll

2030 Strategy

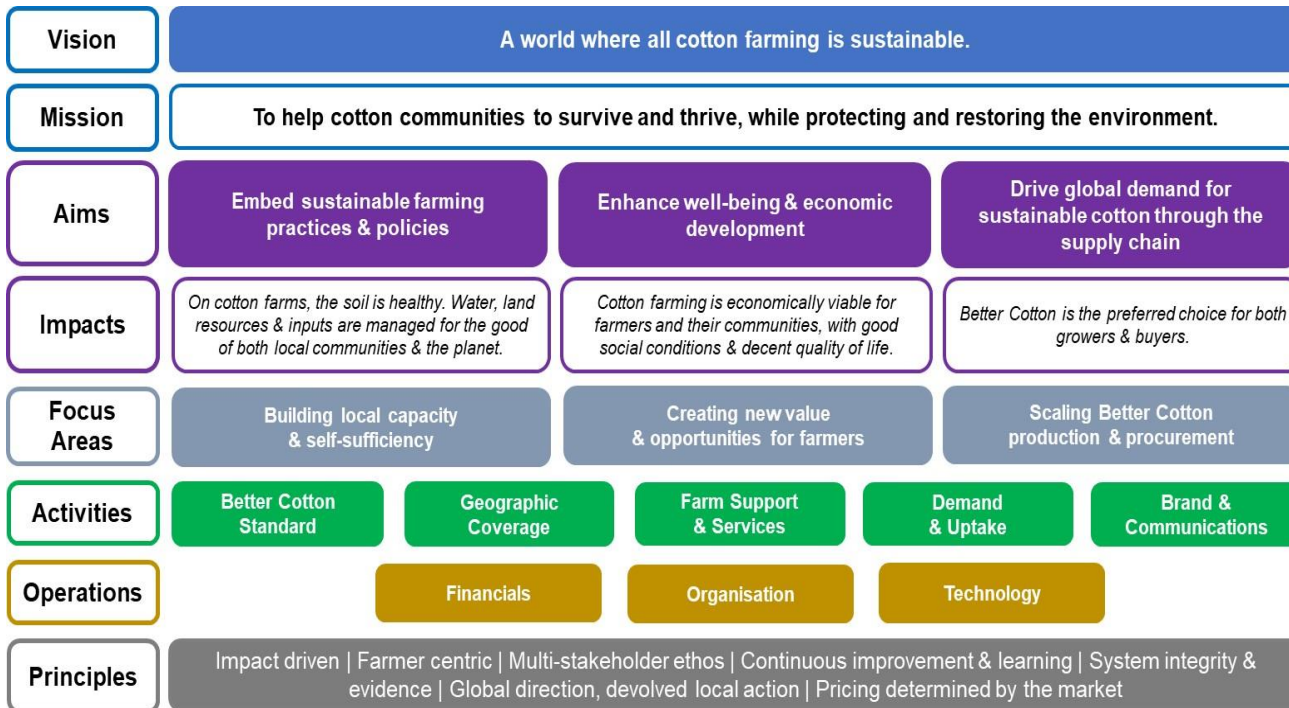
Which principle do you think should guide BCI's 2030 strategy more strongly?

Session 1: 90/135 attendees responded

Session 2: not polled



Core Strategy





Finalising the 2030 strategy process

- Pause in further development until August 2020
- Finalisation planned for November 2020
- 2021 to be a 're-boot' year following on from the current crisis

Management of Covid-19



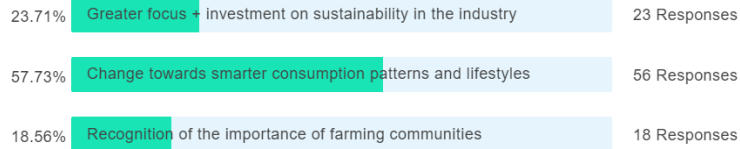
Poll

COVID-19

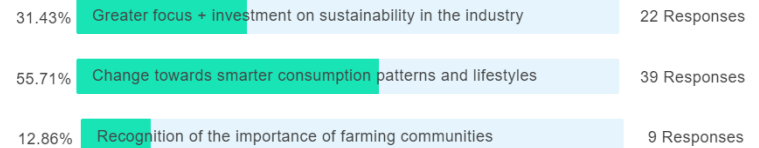
What is the greatest opportunity for the industry arising from the Covid-19 pandemic?



Session 1: 97/135 attendees responded



Session 2: 70/97 attendees responded



COVID-19 - FIELD OPERATIONS

Production status and impact:

- Some impact expected on production, however aiming to maintain production levels from 2019
- Fundraising efforts
- Field level working group
- Support to farmers on Covid response



How will COVID 19 impact BCI production and uptake? [Hammad Khan, Matrix Sourcing, SM, Pakistan](#)

What is the strategy of BCI to support the farmers & members during and after the Covid-19 pandemic? [Waseem Afzal, US Denim Mills, SM, Pakistan](#)

IPs support to farming communities

Leverage on BCI's vast network and close interaction with villages, farmers and farm workers



©WWF Pakistan Women Field Facilitator delivering training to women farmers and workers



©REEDS distributed PPEs and ration among community, Pakistan



© SWRDO FF delivering training to farmers / Pakistan.



©Mask and information material distribution by ACF in Maharashtra, India



© Lupin Foundation masks distribution to farmers / Maharashtra, India.

COVID-19 – UPTAKE AND THE MARKET

Uptake status and impact:

- Seeing a moderate downturn in RB uptake, however less of a downturn in spinner uptake
- Support for members – payment terms extended, BCCU transfer deadlines extended, Covid hub, online training



How will COVID 19 impact BCI production and uptake?

Hammad Khan, Matrix Sourcing, SM, Pakistan

What is the strategy of BCI to support the farmers & members during and after the Covid-19 pandemic? *Waseem Afzal, US Denim Mills, SM, Pakistan*

BCI Covid-19 Hub

bettercotton.org/covid-19-hub/



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[Resources](#)

[Members' Area](#)

[LOGIN](#)



[EN](#)



Covid-19 Hub

[From the Field: Hear from Cotton Farming Communities](#)



[CEO Blog Series: Covid-19 and the Cotton Sector](#)



[Innovation: Adapting Implementation of the BCI Model to Support Farming Communities Through the Crisis](#)



[Member Support and Information: How BCI Is Supporting Members](#)



COVID-19 – BCI OUTLOOK

Long term impact on BCI

BCI response



What is the impact of Covid-19 on BCI, what is BCI's view for the future? [Anmol Kalra, Lotus Textiles, SM, India](#)

What changes will Covid-19 bring for BCI and how is BCI looking to address them? [Amit Agarwal, Trident, SM, India](#)



BCI Council Elections

BCI COUNCIL



**Civil
Society**



**Producer
Organisations**



**Suppliers
& Manufacturers**



**Retailers
& Brands**

Independent

BCI Council as of 2018



**COTTON
AUSTRALIA**
Advancing Australian Cotton



Joost
Oorthuizen

Solidaridad



SUPIMA®
WORLD'S FINEST COTTONS



LEVI STRAUSS & CO.

Amit
Shah



Rationale for Postponing Elections

BCI Council Elections 2018

BCI Council Elections 2020 – June 2020

BCI Council Elections 2022



Application period
& Covid -19
Lockdown

Low interest in
Council
Applications

Secretariat
proposal to
postpone Elections

Action proposed: Postpone BCI Elections to March 2021, alongside the Global Cotton Sustainability Conference in Lisbon.



Proposal to Postpone Elections

- Council agrees to postpone the Elections to March 2021
- Mandates of 6 Council members need to be prolonged by 6 months (September 2020 to March 2021)
 - **Marks & Spencer** Phil Townsend (Vice Chair)
 - **OLAM** Sandeep Hota
 - **Ambuja Cement Foundation** Chandrakant Kumbhani
 - **PRDIS** Sarvareddy Venku Reddy
 - **Farmers Association of Pakistan** Bilal Israel Khan (Secretary)
 - **Supima** Marc Lewkowitz (Chair)
- Approval by BCI members needed



Voting

“Do you approve the proposal to postpone BCI Council Elections to March 2021?”

- YES
 - NO
-
- Primary contact receiving email with the link to vote
 - Voting starts after Session II on 9 June – 21 June
 - Only one vote per member organisation
 - Results announced within a week



Election Timeline

November 2020

Applications are open

Mid December 2020

Announcement of candidates

22 Feb – 8 March

BCI Council Elections

1 March 2021

Candidates present at the Lisbon Conference meet outgoing Council

15 March -1 April

Cooptation

1 April

New Council announced to all members, incl. co-opted seats

May 2021

1st call for incoming Council

Q&A





Questions Received from Members

Member Questions

Pausing Licensing in Xinjiang



Rohini Kale, New Look, RB, UK

Jing Li, AA Global China, SM, China

Member Questions FORCED LABOUR

Patricia Jurewicz, Responsible Sourcing Network/
As You Sow, CSO, US

Shuya Yue, Esquel Group, SM, China



The Better Cotton Standard prohibits all forms of forced labour in cotton production.

Member Questions COVID-19

What will be the actions taken by BCI for the farmers development and well being? [Ehtesham Ahmed](#), KAM International, SM, Pakistan

How can members get involved and support BCI Covid-19 projects at the farm level? [Karen Perry](#), [John Lewis](#), RB, UK



Member Questions - General

How is the organisation taking up defaults by BCI member spinning mills? [Deepak Agrawal, Agrocorp International, SM, Singapore](#)

What is BCI's view on the business trend of Better Cotton, organic cotton and mainstream cotton? [Kun Ten Huang, Everest Co, SM, Taiwan, China](#)

Can you trace Better Cotton from cotton DNA? [Deniz Thiede, Matrix Sourcing, SM, Germany](#)





Poll

Future large scale events

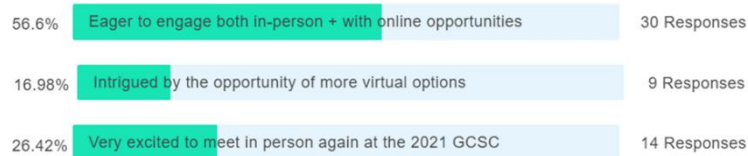
Poll

Future Large Scale Events

How should our large scale events take place in the future?

Session 1: not polled

Session 2: 53/97 attendees responded



Survey



Thank you

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