

General Assembly November 2023

Transcript of video recording

0:13

Thanks for that.

0:14

We'll go on to the next slide.

0:17

So I'm very pleased to, as I said, there's a number of council members with us today.

0:22

And I'm very pleased to hand over to Marc Lewkowitz, the CEO of Supima, who is also the Chair of the Better Cotton Council.

0:28

Over to you, Marc.

0:31

Thank you very much, Alan.

0:33

It is a pleasure to be here with everybody tonight or this morning or afternoon, wherever you may be.

0:38

Thank you for your engagement with Better Cotton and with your participation in this important process.

0:46

So as Alan indicated, I'm going to begin with a review of this annual report from 2023 and I'm presenting that to the membership to request approval.



0:59

Our annual report provides an important opportunity to reflect on the progress we have made towards our goals in the past year, exploring field, market, and organisational successes, challenges, opportunities, and key financial and governance information.

1:15

The latest report looks at the 2021-22 cotton season, the 2022-23 financial year and general organisational development spanning 2022 and the first quarter of 2023.

1:31

The report's key findings begin at field level reach in the 2021-2022 cotton season.

1:39

Better Cotton work with close to 60 partner organisations to deliver training and support to just over 2.8 million farmers in an astounding 22 countries.

1:50

Of the 2.8 million farmers who received training, more than 2.2 million received a license to sell their cotton as Better Cotton and produced 5.4 million tons of Better Cotton.

2:02

This represents around 22% of global cotton production and is a 15% increase on the 2020-21 season production volumes.

2:14

Market research: In 2022, our network continued to grow and we were pleased to welcome more than 370 new members ending the year at 2,563 total members.

2:27

This also represents a 6% increase from the previous year, a 12% increase in the number of non member suppliers including ginners, traders, spinners, fabric mills, garment and end product manufacturers as well as sourcing agents using the Better Cotton Platform.

2:46

Took the total number of suppliers using the platform to beyond 10,000 for the first time with a year-end total of 11,234.

2:57

In 2022, 260 Retailer and Brand Members collectively sourced 2.6 million tonnes of Better Cotton, an increase of 7% on the year before.

3:07

This represents a 10% of cotton produced globally.

3:11

However, uptake of Better Cotton by spinners and membership dropped by 7% in comparison to 2021 levels.

3:18

Better Cotton trading partners mirror those of the global cotton trade and according to the USDA cotton outlook, milled cotton consumption overall was affected by slowed global demand, a trend which continues currently into 2023.

3:35

Consumer spending was reduced due to high inflation indirectly impacting consumption and mill consumption was directly impacted by significant increase in cotton prices and spinning mills experienced lower profit margins.

3:49

Launch of Principles and Criteria Version 3.

3:53

In early 2023, we completed the latest revision of our Principles and Criteria also known in short P&C, our farm level standard which is a foundation of everything

4:04

we seek to accomplish. The refined principles in this version include management, natural resources, crop protection, fibre quality, decent work and sustainable livelihoods supported by the cross cutting properties of gender equality and climate change mitigation and adaptation.

4:24

Will be integrated or will be integral into deepening our impact and improving the future for our farming communities.

4:34

A key focus of this year was our traceability solution.

4:37

It will be, it launched at the start of this month.

4:44

This was a culmination of a custom project in India.

4:52

Alia will talk more about this later in the presentation.

4:56

We also launched the impact targets in December 2021.

5:00

We published the Better Cotton 2030 strategy, our road map to generating deeper impact across the cotton sector.

5:08

As part of this strategy, we also developed impact targets spanning solar health, women's empowerment, pesticides, sustainable livelihoods and climate change mitigation to help guide our journey forward and enable progress to be clearly measured and communicated.

5:25

With the first target, climate change mitigation, launched with the 2030 strategy, Better Cotton said about formulating the remaining 4 targets, which launched in 2023.

5:37

With our five targets, we plan to help farmers improve soil health, reduce pesticide use and greenhouse gas emissions, empower women, and add resiliency to smallholder livelihoods.

5:49

These are big ambitions that have made measurable outcomes to ensure we are achieving the impact we all aim for.

5:58

Next slide.

6:00

And finally, at the end of 2022, Uzbekistan became the latest country to launch a Better Cotton Programme.

6:07

The world's sixth largest cotton producing country, Uzbekistan has had a challenging history in the sector.

6:13

But after a lengthy pilot program and an International Labour Organization finding that Uzbek cotton is now free from systemic child labour and forced labour, we are very pleased to have Better Cotton in Uzbekistan.

6:28

With that, I'm now happy and proud to hand it over to Amit Shah, who has served amazingly as the Treasurer of the association who will now present the fiscal year 2023 audited accounts.

6:41

Off to you, Amit.

6:41

Thank you.

6:44

Thanks so much, Marc.

6:47

Hello to everyone joining from all parts of the world.

6:50

I'm here to present to you the 2023 audited accounts if you can.

6:57

The council approved these accounts in 2023 in the September of 2023 and I have the privilege of presenting them to you the membership.

7:07

At the end we will be asking you for a approval of the same just to give you a perspective the accounts you see in front of you and that also speaks of the scope of operations that Better Cotton has.

7:22

It talks about accounts related to the association, our branches in India and China and our strategic partner BCI Pakistan.

7:32

There was also much awaited change which I'm happy to report in 2022.

7:35

We have the council has approved to move the financial year to 31st March to better align with the cotton growing season and I think this will make reporting a lot better and more efficient.

7:51

You'll be pleased to know that we follow the Swiss GAAP method of accounting and comply with the Swiss Code of Obligations.

7:58

Our auditors are RSM Switzerland and I'm happy to underline as the treasurer that the auditors have given an unqualified opinion on the financial statements which confirms the strength of our systems and controls.

8:12

Coming to the slide in front of, you know if you can just go a slide behind, sorry, yeah, let's start with, sorry the next slide.

8:24

I think I was on the right side.

8:26

I do this every time.

8:27

Let's start with looking at the organisation's assets, liabilities and reserves.

8:32

As you can see, Better Cotton had a healthy year end bank balance of €30.5 million, providing quite a bit of stability to Better Cotton.

8:42

Farmers continue to remain our primary focus and in line with that a large proportion of these funds will be sent to the field in 23-24 to support farming communities.

8:53

The remainder reflects the growth in organisational capital shown on the right hand side of the slide.

8:59

So with that, the majority of the liability side that you see constitutes unused Volume Based Fees payable to GIF at.

9:10

The year-end which remains mainly on account of the change of year and the high level of VBF in February and March.

9:20

And with all of this, if I were to sum total that 15 months, we have a very healthy reserve position for Better Cotton with total reserves at €23.9 million.

9:34

So as you can see it's a strong position for Better Cotton and, if you can move on to the next slide, so switching focus from financial position and looking at the operations, the total income that you see in front of you is €48.6 million.

9:55

Now mind you this is for 15 months.

9:57

So if you were to give you a rebase 12-month figure to give you a comparison with the last 12 months that ended on 31st December 21, even then it speaks of a 32% growth in income from the previous year, which comes up with a net surplus of €2.2 million.

10:21

In terms of expenses, the total value of contribution to partners and donations, which as you understand goes to the field, grew to €24.9 million, again demonstrating Better Cotton's commitment to farmers.

10:36

The growth of income and ambition was reflected in the recruitment drive

10:40

that led to a headcount rise from 141 to 191 people within Better Cotton.

10:48

In terms of financial results, you see this amount of €207,000 which is mainly on account of currency value on the year-end for positions taken, for which mark-to-market losses have to be booked as per accounting standards.

11:04

A small part is bank charges as well, but as you can see Better Cotton remains committed in a big way to farmers and farming partners and contribution to that. We can move on to the next slide.

11:20

So just to summarise the expenses and also maybe take a slightly deeper dive, total operating expenses for the 15 months were €46.2 million. Of this, as we saw in the previous slide, the total value of contribution to partners and donations during the period were €24.9 million.

11:42

And if you were to analyse the remaining portion of expenses which is basically personnel and operating expenses of €21.3 million.

11:51

And again if we rebase it to a 12-month period, they have been actually 8% lower as compared to the previous 12 months.

12:01

And this was mainly due to an extended recruitment period.

12:05

So that we can recruit really high-calibre staff.

12:09

All in all, I am pleased to say that this speaks of Better Cotton being poised for strong growth so as to achieve our 2030 Impact Targets, both in terms of an organisation that has grown from 141 to 191 people and in terms of supporting farmer projects on the field.

12:32

So I hope that gives you a summary of our financial operations and the audited results.

12:38

I will now hand it over to Alan to carry on with the formal proceedings related to the accounts.

12:46

Many thanks, Amit.

12:47

And it's really stunning to see those figures in one go like that.

12:52

It shows just how far Better Cotton has come.

12:56

I need to now return to my colleagues to find out if we have quorum.

12:59

I think Linus you should be able to tell me.

13:03

I know we've had a really exceptional turnout.

13:07

I can see 172 participants listed which is terrific. Linus?

13:13

So we have a very good turnout.

13:15

Yes, I've been told, so good that we've taken some time to count all the participants.

13:22

So I don't have confirmation yet, but if you could proceed assuming we are at quorum and then I'll let you know.

13:31

If that is not the case. That's fine.

13:32

And by the way, I've seen, I've just seen without going into detail that people are using the chat to put questions.

13:40

Please do not put your questions in the chat on Zoom.

13:43

There is a special Q&A function which I'm sure you'll find on your screen somewhere that is the proper place to put questions, and then we'll be able to take them into consideration at the end.

13:55

Right now I'm just going to ask if there are any questions specifically on the annual report or on the

audited accounts on the overall performance and health of the organisation, not on any other issues which we'll come to at the end.

14:10

So if there are any questions, please put them in the Q&A and I will ask Lara to let me know, or Naomi or Eva. To let me know if there are any questions in the Q&A because I can't actually see that box.

14:29

OK.

14:29

I'll take silence as being there are no questions.

14:35

Yes.

14:41

Eva, do you want to go ahead?

14:42

Do you see the questions?

14:44

Yes.

14:45

Sorry, Alan, there's a question around the audited accounts.

14:48

There's a question around the personnel budget of €2.8 million for the 191 staff members.

14:56

So is this personnel budget of €2.8 million for the 191 staff members or including other costs?

15:04

Is it just personnel or is that including other costs?

15:07

It's personnel, but it includes all the social and other charges that are associated with payroll.

15:15

OK, sorry.

15:15

And it's €12.8 million.

15:17

Yes, I thought 2.8 something was a little bit low. Not surprisingly for an organisation like Better Cotton.

15:23

And I think this is true of many member organisations as well as anyone in the service sector.

15:28

By far the biggest item in our expenses is people, and we're very fortunate to have grown extremely fast and that's why you see such a strong increase on the payroll.

15:45

Most of my colleagues will tell us that we need more people.

15:48

So we're running as fast as we can.

15:51

I think, however, the growth is probably going to slow a little bit at the moment.

15:54

But yes, that is the payroll and it includes all the social charges as well as the benefits and any other associated costs.

16:02

Sure.

16:03

We have another question on the accounts.

16:04

So what was the major contribution for the increase in total and income?

16:09

Is it membership fees or Volume Based Fee?

16:14

Good question, it's mostly membership and BCP fees, but the Volume Based Fee has also been increased as well.

16:23

So it's a bit of both but the membership has grown apace and so has the Better Cotton Platform usage.

16:33

In fact you know we're almost up to 14,000 organisations associated in one way or another with Better Cotton.

16:41

So that's driving the Secretariat income.

16:43

Of course Volume Based Fee is also growing because that is directly related to the amount of Better Cotton which is sourced as Better Cotton by our Retailer and Brand Members, and that is continuing to increase as well.

16:56

So it's a bit of both, but as far as the Secretariat is concerned it's the growth in membership.

17:04

There is I guess we have time maybe for one last question here at this stage, but there is a question on Uzbekistan.

17:10

So it says: "Earlier purchases from Uzbekistan were banned under Better Cotton. What now?" So I suppose a sort of update on Uzbekistan.

17:21

Well, like in any other country, if Better Cotton is produced, it has to be licensed.

17:28

So we're starting very slowly, step by step.

17:30

A small number of farms are licensed.

17:36

So there's a small amount of cotton that is being produced and you should be able to access it in your normal channels of supply.

17:43

But as you all know, Uzbekistan has got a very particular policy of income substitution and vertical integration.

17:51

So you can't really buy the raw cotton.

17:53

They've deliberately got an industrial policy of processing, or beginning processing, in the country and going as far down the chain as possible.

18:01

So some of it may not even have reached the market yet, but we're starting very small anyway.

18:06

So there won't be huge volumes in the first couple of years, but we hope to grow.

18:11

It'll grow as the licensing grows and as the performance of our partners grows.

18:19

OK. Do we have time for another question, Naomi?

18:22

Yes, one more question.

18:32

And so, as I said earlier in the presentation, we're not going to have time to answer all of these live, but we're going to be following up and we'll circulate a document with responses because there's lots of great questions coming in.

18:45

So the last one is: "I would like to understand Better Cotton's expansion plans up to 2030. How do you plan to move beyond the 22% market share?"

18:57

You know, that's a really good question and what we can say is that our priority now is to make sure that we're deepening impact.

19:09

22% is already considerable.

19:13

It's scale in a market like cotton and we really want to focus on delivering the impact that all of the stakeholders in Better Cotton are expecting.

19:24

And this probably means that we're going to pay less attention to growing the share of the market, but that doesn't mean that we think there's going to be stagnation.

19:31

On the contrary, we can see the growth continuing by osmosis.

19:37

It's just that we're not going to drive volumes as a priority.

19:42

So, it's a little bit of an iffy answer, but I hope it makes sense.

19:45

Our priority now? Impact is everything. It's what all the stakeholders expect. It's what the funders expect. It's what our retailers and brands expect. It's what our donors expect and it's our mission.

20:01

We want to continue at scale and we want to continue to grow as fast as we have in previous years.

20:18

Great.

20:19

I think then we will keep moving and, like I said, we'll be responding to the rest of these questions and circulating answers via e-mail.

20:28
Great.

20:28
Thank you.

20:29
Can I ask Linus if he's managed to count up yet or are we still counting in the back there?

20:36
I'm still waiting to hear.

20:40
OK, we can double check this retrospectively.

20:44
I will ask now, for all those present on the call, if anybody has any objections to approving the report and the accounts.

20:55
And if there are no objections and when we retroactively count, we find we've got quorum, then we will consider both the report and the accounts to be approved.

21:05
And I will ask you if you do have an objection to please put it also into the Q&A box forever to let me know.

21:13
So let's give you 30 seconds or so for that to appear, if there are any.

21:17
And then we'll do the tally before the end of the webinar.

21:33
Are you seeing any objections?

21:34
I don't see anything coming into the Q&A chat.



21:38

OK, well, we'll move on and hopefully we'll get an update before the end of the session.

21:42

There's a hand raised. Please, we can't take verbal questions because there's too many people.

21:46

So we'd ask you to please put any questions into the Q&A box.

21:51

We will now move on to the updates I mentioned earlier and if we can have the next slide, please.

22:01

So you all know we went live. I won't steal Alia's thunder.

22:06

We have a big update on traceability.

22:08

This has been years in the making.

22:10

We're really happy that it's moving forward.

22:12

We're really excited for the industry.

22:14

Over to you, Alia.

22:15

Thank you very much.

22:17

And let's actually move to the next slide to get started.

22:21

So until now, Better Cotton has really grown thanks to the flexibility of our Mass Balance Chain of Custody model.



22:27

And Mass Balance is fantastic in that it acknowledges how complex the cotton supply chain is and it makes sure that the amount of cotton sold never exceeds the amount of Better Cotton grown.

22:40

As we look ahead, we need to make sure that Better Cotton Farmers and their farming communities can continue to survive and thrive.

22:47

That's our mission. In doing so, they'll be able to continue selling their crop in the global market.

22:53

And the landscape has changed hugely which is why we are introducing traceability.

23:03

So on November 2nd, just last week, we switched on traceability and we opened the door for both members and suppliers to prepare and to source with us.

23:14

Traceability brings benefits both in terms of market access.

23:20

It's about being able to verify and qualify the country of origin of the cotton that allows farmers, suppliers and manufacturers to access increasing regulated markets and receive a fair price for their products.

23:36

It's also about supply chain transparency.

23:39

Supply chains will have access to the origin and the root to market data of the raw material allowing them to meet customer demand for supply chain transparency.

23:47

This is critical and it's also about, in the long-term, bringing new value to farmers.

23:52

So, as we all look ahead at what we need to do in terms of meeting our own sustainability objectives in countries around the world, a lot of the burden of change will rest on the farmer and we need to,



down the road, develop a mechanism to make sure that the new value from connecting farmers can also be realised by the farmers themselves.

24:19

So, in the Southern Hemisphere, countries that already have Traceable Better Cotton entering our system are China, Spain, India, Tajikistan, Pakistan and Turkey.

24:32

And then in later harvest seasons we have coming in, in early 2024, there will be Mali, Mozambique, Uzbekistan, Greece, Egypt and South Africa.

24:45

And from there, the US, Brazil, Australia, Israel and more to come.

24:54

And we're not stopping there.

24:56

We will look to make sure that other countries continue to join the coming years.

25:00

And then looking also at the supply chain side, suppliers in 44 countries have already started preparing to source traceable Better Cotton.

25:08

And for all of you members out there, you and your suppliers can join them if you haven't already.

25:15

So next slide please.

25:18

You might be thinking about what do we actually mean by traceability, because that term is used by many in different contexts with different meanings.

25:25

In Better Cotton, it's about knowing which country the traceable Better Cotton comes from.

25:31

It's about showing the journey of Traceable Better Cotton and looking ahead.



25:35

It's about directing impact investment to these cotton farming communities.

25:40

And Traceability is powered by our new Chain of Custody Standard which includes physical chain of custody models and enhanced digital platform data collection which is the Better Cotton platform and also updated supply chain assurance processes to make sure that the supply chain is monitored to enforce the Chain of Custody Standard.

26:04

And last but not least, a new Chain Claims Framework is coming in the summer of next year.

26:10

And the sum of all of these parts is for Better Cotton traceability.

26:15

Next slide please.

26:16

So if you want to start sourcing traceable Better Cotton, the first step we suggest is to get support at a senior level in your organisation and get in touch with us.

26:29

We can help.

26:30

We're launching a new Retailer and Brand tool kit next month to help support these conversations.

26:37

And we also have a Traceability activation fee for those who haven't been actively involved in the retail and brand traceability panels and that's for retailers and brands to start sourcing traceable Better Cotton.

26:50

It's a one-off fee designed to fund the provision of Traceability while protecting the funding that we are already channelling towards direct impact on our field level programs.

27:00

And you can find out lots more about this on our website, bettercotton.org.



27:07

And for all of you suppliers out there, you will need to adopt the new Chain of Custody standard by May 2025.

27:17

And we know that you all have different customers and with different needs.

27:22

And just to confirm that in the new Chain of Custody standard, Mass Balance is still there.

27:28

So even if you're adopting the new Chain of Custody standard, it could be only to continue with Mass Balance, but it's also to be able to, if you choose, to support the physical models and the physical tracing of cotton.

27:45

And just to confirm that by sourcing traceable Better Cotton, you will be supporting up our field level programs and helping us to ensure that Better Cotton growers from small to large have an easy route to access markets that increase in demand this spy chain transparency and due diligence. And you know nowadays, understanding the provenance of raw materials is critical.

28:13

So this is just the beginning and thank you to everyone who supported us along this journey and we are working down the road to grow the amount of cotton that's available as Traceable, but also to increase the granularity of the provenance reporting.

28:32

We're looking towards a regional view. In a couple of years' time, you know we'll start working with bail tags and other technologies such as Tracers, which will offer some opportunities here.

28:45

And with this more granular knowledge it will open the door to directing investment towards cotton farming communities that you're sourcing from and giving greater visibility the impact you're making both within the farming communities and the environment.

28:57

So that is all for me from the time being, but I would really encourage you to get in touch to read more, and to engage because this is an effort that will only succeed in great mass form with your participation.



29:15

And a huge thanks to all those who have been making this go so smoothly so far.

29:22

And I will pass over to Paula to talk about the Member Value Proposition.

29:28

Good afternoon and Good morning, everyone.

29:31

I'm happy to be here to explain to you a little bit about what we're doing in the review of the Member Value Proposition for Better Cotton.

29:39

Next slide please.

29:42

So Better Cotton is crucial for the sustainability of our sectors.

29:46

You know, we weigh heavily in the world of cotton today, about 22% of world cotton production and this is thanks to your investment since 2010.

29:56

10% of world cotton today is sourced by the High Street in many parts of the world.

30:02

As Better Cotton by retailer and brand members.

30:07

We are mature network of global multi-stakeholder actors from farm to retail with a mission and a vision that all cotton farming must be sustainable.

30:19

We're poised to deliver more through our 2030 impact strategy mobilising for deeper impact and we've been doing this since 2020.

30:29

If you remember 2020 was the year of the pandemic, but we mobilised. We have laid the foundation for delivering impact.

30:36

We've created a new standard, the Ps and Cs that Marc talked about at the start of the meeting version three. So our new standard, we created the impact targets, we created a new Chain of Custody with Traceability and Country Level Life Cycle Assessments would be delivered in the coming year.

30:55

And this is just to name of few of the changes and the work that has been going on in Better Cotton.

31:01

We need to finance our operations to continue on this trajectory.

31:06

Hence we are reviewing our Member Value Proposition which we started on the 6th of September.

31:14

So we've had some surveys and interviews and you've told us some things.

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The most important things for Better Cotton to deliver as we move forward to 2030 is scalability, affordability and positive field level impact.

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Many members are looking for reputational benefits and marketing.

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Some members are looking for attributable impacts and recognition for the efforts and investments that they're making as investors in Better Cotton.

31:45

Some members are also looking for incentives for farmers.

31:48

And more and more this discussion is having some amplitude across the sector.

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Everyone wants to be able to source Traceable Better Cotton.

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Even when we speak to producer organisations who do not source but understand the importance of being able to source Traceable Better Cotton, your preference is for a high value core offering or standard offering depending on which membership category you belong to.

32:21

As Alia mentioned and Alan mentioned, Traceability is essential in 2030.

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It has become a market requirement at scale.

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It is a great game changer and it is a game changer for Better Cotton for the benefit of the sector in this work stream, we've created a new Chain of Custody and enhanced Better Cotton platform, a more extensive Chain of Custody monitoring and verification system.

32:47

We've created a compliance desk for this work and we are in progress of reviewing or creating a new Claims framework to be able to make claims against this Chain of Custody.

33:01

We are now integrating Traceability into business as usual as of this month.

33:07

Traceability facilitates Better Cotton farmers and suppliers to access regulated markets by giving country or countries of origin of the cotton in products.

33:19

It will leverage our scale and our rather large supplier network.

33:28

We have a number of things in the pipeline and Better Cotton is going to be creating an Impact Marketplace.

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In that Marketplace we are wanting to offer credit trading, country-level LCAs and mechanisms to finance deeper impact at farm level.

33:47

Our 2030 Impact Strategy, which we started working on in 2020, is producing new value for you, our members.

33:58

This is just a graph of our timeline and progress on our project.

34:03

We kicked off actually on the 6th of September and a lot of pieces of work have been completed.

34:12

At this point, we are working on a lot of the financial planning with different teams and across Better Cotton in fact and with one of the two consultants on this work, with KPMG.

34:23

And we've just kicked off the work on the marketing and narrative part of our member value review with Weber Shandwick, the consultant that's helping us with this part of the work. We're kicking off actually after this meeting.

34:39

What is important is what is in the red box.

34:41

We are aiming to take our new value proposition to the Finance Committee for sign off towards the end of November and at the start of December to the council for sign off.

34:54

We would like to announce to you new fees as of 15th of December.

35:03

Next slide please.

35:06

So what will it mean for you? The last value proposition review that we did took place in 2016.

35:16

Rapid growth of membership actually helped us keep fees down and in fact we did not do big reviews of fees over the period last year,

35:28

we did a small inflationary increase because of the situation that was in a full review.



35:38

There will be new fees and Better Cotton starting next year.

35:43

This as mentioned by mid-December 2023 or just after mid-December.

35:51

For all members, new membership fees will apply from the 1st of April 2024 and on a rolling basis.

35:58

And by that I mean on your renewal anniversary, so the date that you joined Better Cotton, you will get a new fee invoice two months or 30 days before that anniversary depending on where you sit in the membership.

36:16

For Retailer and Brand Members there will be a new volume based fee that will apply from the 1st of January 2024.

36:23

You will have over a year to budget this increase on the fees which you will know by mid-December, or next month, you will know that the new fees.

36:31

Volume based fees are usually fully charged or fully invoiced the year after they were incurred.

36:41

So you have more than a year to budget and plan for new volume based fees. On the BCP access fee which your suppliers do your Tier 1 and Tier 2 suppliers mainly use in Better Cotton,

36:56

new fees will also apply from the 1st of April 2024 and again on a rolling basis on the anniversary of when the fee actually started.

37:08

We will be implementing changes imposed on us by the new value proposition as of January 2024 and you will be hearing more of the narrative, the new narrative that we will be bringing to you in January 2024.

37:25

We'll be working on fixing systems and adding new processes as needed.

37:31

Thank you very much and look forward to see whether there are any questions for me on this piece.

37:42

Thank you, Paula.

37:43

Thank you.

37:46

Hello everyone.

37:47

This is Eren Ozalay,

37:48

I'm going to be presenting to you in the next minutes on the Council Elections 2024.

37:56

So on the next slide you have the overview of the council.

38:05

As you know, the council is mandated by the General Assembly, so by all our members here on this call and not on this call today to take decisions on its behalf.

38:16

There are three members each from all the four member categories you see here, Producer Organisations, Supply Manufacturers, Civil Society, Retailers and Brands.

38:27

Associate Members don't have a representation on the council.

38:30

In addition to the member representatives, we also have up to three independent Council Members.

38:39

In the next slide, you see who is currently on the council.

38:42

So there are 12 members on the council currently.

38:47

You see that the member representatives are here with their member logos and the independent members are acting in their individual capacity.

38:56

Half of this council will be renewed in the upcoming elections in 2024 and the applications are now open for members to put forward their candidacy.

39:10

So what I have next is a video from our current council members on their experience and on their message to the members who want to put forward their candidacy in this election round.

39:25

So my name is Tamar Hoek and I work for Solidaridad.

39:28

We're an international civil society organisation and have been a Better Cotton member for a long time.

39:34

My name is Arvind.

39:35

Arvind Rewal and I was elected to the Better Cotton Council in July of 2022 for a fixed term of four years representing IKEA under the member category of Brands and Retailers.

39:47

My name is Marc Lewkowitz,

39:48

I'm currently the chair of Better Cotton and that will conclude my term here next June.

39:55

I currently work as a President, CEO of Supima.



39:59

Supima is a nonprofit promotional organization for American Pima cotton growers.

40:05

From my perspective, the council is making a difference because it's a group of people with different backgrounds and we represent different parts of the value chain.

40:13

So we actually complement each other.

40:16

And with that we can be a mirror to the Better Cotton Secretariat, but at the same time provide strategic direction and input that would help the organisation to steer the direction towards its mission and vision.

40:28

I think when I got this, you know, kind of an offer to become the council member, I was very excited because this gave us the opportunity to steer the the future and the evolution of Better Cotton as we know Better Cotton is going through a massive, you know, transition in terms of evolution.

40:45

We are talking about physical traceability, we are talking about scaling up, we are talking about impacts.

40:50

So I wanted to be part of this conversation and also steering the future for Better Cotton so that we can, we can, we can create a better world for everyone.

40:58

You know all around us your engagement and participation is formative and ability to influence a greater collective good. And the opportunities for relationship building, connecting with other council members to develop those broad based relationships from grower levels all the way through to the brand retailer are pretty unique.

41:22

If you are eager to expand your horizons and to make an impact in the world of cotton, I would highly recommend and suggest that you seriously look at participating in and providing your knowledge, your insights to help shape and better form what the future of cotton can look like.

41:52



Thank you so much for this video to our council members who inputted and also to our communications team who recently worked on it.

42:01

And here you see the council election process.

42:05

As council members mentioned, the applications are ongoing until 5th of December this year.

42:12

When we collect all the applications, the nominations committee will approve the candidacies and the campaign period will start.

42:20

This is when the candidates in your member category will reach out to you in the various communications channel, communication channels we have from newsletters to LinkedIn groups and tell their candidacy their vision for a better going forward and this will be leading to the electronic voting which will take place in March 2024.

42:44

The primary contact of your organisation will receive a link to vote in the Council elections which will be announced.

42:53

The winners will be announced in April and there will be an induction for the new members joining the council. And the new council will start duty in June 2024 in the in-person meeting of the Council which is adjacent to the Better Cotton Conference.

43:13

In the next slide we have we are pleased to announce one we can see for election in each of the four member categories.

43:21

So all our members in these four categories can put forward their candidacy for a four year term on Council.

43:30

You've already received the application form in member communications.

43:35

Please watch, look out for the next reminder where you can find the application form to fill or you

can nominate someone else who you think will be suitable and available in to serve as Council Member in the next four year time.

43:50

So I'm concluding my presentation here and handing over to Eva for her presentation on the Better Cotton events.

43:59

Thank you.

44:00

Great thanks so much.

44:04

So, so over the course of the past year Better Cotton has offered lots of different engagements and events opportunities for all our members in a variety of different formats both in person and online and in different geographies.

44:22

And I am going to run through just a few highlights of our events opportunities that we shared with you last year.

44:30

So if you can please move forward.

44:33

The first one is of course the conference that we host an annual conference every year. this year was in Amsterdam in June and we were happy to welcome over 350 participants both online and in person.

44:47

And you can see the themes that we had, the four main themes that we covered across the two days.

44:54

You know these are sort of the most relevant themes for our members and for Better Cotton as an organisation.

45:02

So it was a great opportunity to dig into those and to engage and discuss and debate.

45:08

One of the things that sets the conference that makes the conference unique is that we're very intentional about bringing the field level perspective and the farmer and the worker voice front and centre.

45:21

And so at this year's conference, we had 9 farmers and field facilitators participate and share their first hand experiences and they were coming from India, Pakistan, Australia, Mali and the US. And we will be hosting the conference again in June.

45:39

It will be the week of the 17th of June and we are going to be announcing the dates and the location in the coming weeks.

45:46

So stay tuned for that.

45:49

We also did next slide, please host a couple of Oh yes and here are some of the, the keynote speakers from the Amsterdam conference.

46:03

We do also host a few programs specific or very much field experience focused events throughout the year.

46:13

One is the Programme Partner Meeting.

46:15

This took place this past year it took place in February in Thailand and this is an opportunity for field level program partners to come together.

46:25

I think we had partners coming from 11 different yeah 11 different cotton growing countries to share to share their good practices and training farmers and capacity strengthening around the Better Cotton principles and criteria.

46:42

One of the one of the things that people really like about this event and appreciate is the impact marketplace that gives the opportunity for partners to they have a booth and they're able to speak to

a specific innovation or intervention or activity that they that they do in their in their local context and to talk about how it's effective and share that knowledge and they can they can hear from other program partners from other parts of the world and it's a really rich exchange.

47:14

We also hosted the Large Farm Symposium in October online.

47:18

So this brings together growers from the large farm context to share also their success stories and also to dig into with you know, what is needed from their perspective to drive to drive deeper change and sustainability improvements.

47:36

We were lucky to have the founder of Advancing Eco Agriculture and a host of a very popular podcast on regenerative agriculture participate in that event and we're able to highlight some great practices in Australia and Uzbekistan.

47:52

So moving on to the field trips here, I'll be quick to wrap up.

47:56

So we hosted 2 field trips and this was this past the first week in October.

48:04

This, the first one in Türkiye was located in the southeastern part of Türkiye where participants were able to visit both cotton farms and ginning facility facilities and it took place during World Cotton Day.

48:19

So there was also sort of an ancillary event around that where different representatives from IPUD and the UN development program and others were able to come together and have an event and a celebration around World Cotton Day.

48:33

And then lastly in Egypt members were able to visit a farm in Kafr Saad.

48:41

They were also able to come together in Cairo too with where we had an event and our strategic partner in the in the region, our strategic partner Cotton Egypt Association was able to share what is happening in the country and to see some of the progress on the ground in Egypt.



49:03

So the field trips are a great place where we're able to showcase the work of partners and what they're doing in local communities.

49:16

So with that, that is my the last slide there I believe I am handing it over back to Alan.

49:25

So we have a few minutes for Ask me Anything for some more questions and we did have folks did submit questions in advance.

49:37

So I believe we're going to take two questions that that came in prior to today.

49:45

So the first, many thanks.

49:49

Oh, sorry, you're going to read these out.

49:50

Yes, go ahead.

49:51

Oh, sure.

49:52

So the first one is just how is Better Cotton doing on its journey to minus it to reduce greenhouse gas emissions by 50% by 2030, submitted by the Cotton Group.

50:07

I think I can pass that straight over to Alia.

50:11

Thanks, thanks.

50:13

It's a great question.

50:16

So as you know the 50% target is what we need to achieve if we're going to stay within the 2% degree increase in temperature.

50:33

So we set it actually from that direction and what we've done so far to make progress we're very busy on this count as many of you will know that we put out a study on GHG emissions conducted by anthesis in 2021.

50:50

And in that study it highlighted kind of a path to reducing, gave us clear data which we see that footprint is coming from irrigation and fertiliser use.

51:14

And these are already elements that we're tackling in our programme.

51:16

And so we're exploring how to double down our efforts.

51:22

We have also published a climate approach structured around mitigation adaptation and adjust transition and we are, we've already integrated climate mitigation and adaptation considerations into our principles and criteria.

51:36

So in the new standard, a lot of the practices that you might be familiar with from regenerative agriculture are now being asked for the Better Cotton Standard.

51:45

We've also commissioned country level studies on implementation of climate smart practices in Brazil, Mali and in Gujarat and Maharashtra.

51:56

And we have more studies coming up on climate smart practices across Pakistan and India.

52:01

And so we're working with all the country programs in our network, So wherever we have direct country production to develop climate change strategies and work plans because we think the approach to working on climate change in the field will be a little bit different in most country contexts.

52:17

But again, those two common threads, we'll run through it.

52:20

The huge footprint of irrigation and fertiliser use are massive drivers of the GHG emissions footprint at the farm.

52:31

And going forward we're also developing, implementing an accounting system to help us estimate and report on GHG emissions at various levels from farms to farming communities, regions and countries using different models.

52:48

And I think that we've also mentioned in some forums that we are taking steps now that we have traceability to offer a country level life-cycle assessments and that kicks off in this next spring, summer.

53:06

And on top of that, we are also developing an impact marketplace which will help our members target investments into the farms we're sourcing from.

53:16

And also will open US, open up the ability for us to work with other actors that are investing in climate change, climate change mitigation.

53:25

Alia.

53:26

With that exciting news, I'm going to interrupt because we're actually running out of time and I do want to make one statement before people have to leave.

53:33

So, but thanks very much for that and please ask us any questions you like, especially about the impact marketplace because all of these are really exciting new developments.

53:42

So I'm now going to close the meeting since we since we've come to time.

53:48

But in closing, I want to say two things.

53:50

First, there's been a number of questions written down into the Q&A and to and sent to us and we will deal with all of those offline.

53:58

So never worry we will be getting, we will be producing the answers to that.

54:02

Secondly, more importantly, I'm delighted and relieved to say that we have got a quorum that the annual report and the financial statements are therefore approved by this General Assembly.

54:13

Thank you all very much.

54:15

I'm going to close the proceedings now.

54:18

Thank you all for participating.

54:20

Please do, please do respond to the survey.

54:23

Let us know how we can make this even more valuable for you.

54:26

We think it's a great opportunity, as I said, to take a step back and have an overview and we want to make sure that every second is valuable for all of our members.

54:36

So thank you all for joining.

54:38

See you again soon at one of our events at the latest, possibly in June, but maybe before.



54:44
And this, this Annual General Assembly is now closed.

54:54
Goodbye.