SUPPLY CHAIN SPOTLIGHT



We are working with pairs of Ginners and Spinners to highlight the efforts of those who are making Better Cotton a reality. They are proof of a system that works which is gaining momentum. Here they tell us in their own words why others should join the movement and continue to procure more and more Better Cotton.

Be part of something Better.

<u>Click here to find out more and become a member today.</u>

OUR BCI GINNER AND SPINNER PAIR – CHINA



GINNER: Mr. Chen Hao Deputy General Manager (Purchasing & Material)

Xinjiang Huafu HengFeng Cotton Industry Co was established in June 2007, located in Awati County, Akesu Area, Xinjiang. It is an agricultural enterprise focusing on the cotton industry, leading agriculture industrialization in the municipality.



SPINNER: Ms. Sandie Peng Vice Director of Marketing

Founded in 1993, Huafu Top Dyed Melange Yarn Co is a global manufacturer and supplier of middle-high grade innovated yarn. With its headquarters located in Shenzhen, it has grown into one of the largest mélange yarn enterprises in the world after 18-year development.

Website: http://www.e-huafu.com/



WHY BETTER COTTON?

CH: Before joining BCI, cotton farmers' pesticide application was not an educated process, and potential safety problems existed. By conforming to the Stockholm Convention in the project, our cotton farmers' habits of optional pesticide application have changed, and both production safety and the environmental standards have improved.

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SP: Huafu is in agreement with the BCI mission. Huafu is a socially responsible manufacturer that also strongly advocates environmental processes throughout the supply chain. Compared with traditional techniques, Huafu's fibre dye-then-spin techniques have reduced water usage by more than 50%; and since 2011, we have been working with BCI on improving cotton producing environments, countryside, community and economic development. BCI has brought us Mass Balance Administration and the Better Cotton Tracer, which rids suppliers of inventory pressure. That, alongside the increasing number of brands BCI's Standard connects suppliers with, opens up new business fields for Huafu.

HOW DID YOU FIND YOUR SUPPLY CHAIN PARTNER?

CH: We accessed information about our business partners in the supply chain by collecting supplier information through both the introductions made by the retailers, and the BCI official website.

DID YOU ENCOUNTER ANY CHALLENGES IN SUPPLYING OR PURCHASING BETTER COTTON?

CH: We have clear processes that keep things running smoothly. First we use our list of licensed BCl farmers to verify and separate BC seed cotton from conventional seed cotton. Then more than 50 workers handpick contaminants out of the seed cotton to prepare it for the ginning process, where we produce 100% BC lint bales. We store the BC bales separately from the conventional bales. Because our gins in Xinjiang have huge empty spaces, physical segregation hasn't been a challenge for us.

SP: Huafu has its own BCI cotton fields and gins, making the cotton purchasing straightforward. We feel that BCI could strengthen the promotion and training to fabric and garment factories, especially BCI's concept, Mass Balance and the Better Cotton Tracer system. This could improve the communication efficiency between the clients and Huafu. As Huafu has built factories and sold BCI cotton in Vietnam, we hope to be able to issue BCCU certificates to clients in the name of Vietnam Huafu in future.

WHY SHOULD OTHER SUPPLY CHAIN ACTORS BECOME BCI MEMBERS?

CH: As a result of BCI's Decent Work criteria, cotton farmers receive training and work according to employment contracts which standardise their tasks and guarantee their rights as employees. In addition to this, as part of BCI farming principles we employ professors and experts to oversee farmers at several stages of cotton growing and solve problems and puzzles on site, which helps farmers to produce more successful crops. By scientifically soil testing fertilizer application, the cotton output has increased, and with costs cut, the farmers' income often increases.

SP: Working with BCI not only helps us to promote Huafu's environmental principles but also greatly increases our sales volume. With further emphasis on environment protection by social groups, Huafu is experiencing success as one of the first collectives to join the BCI project in China and offer a recognised cotton product to brands and retailers.

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BCC Better Cotton Initiative www.bettercotton.org

WHAT DIFFERENCES, IF ANY, HAVE BEEN MADE TO YOUR CURRENT BUSINESS AFTER LEARNING ABOUT AND WORKING WITH THE BETTER COTTON STANDARD SYSTEM?

CH: After Huafu joined the BCI project we started following the decent work principles to improve the farmer and worker conditions, giving everyone concerned a much better sense of security in the work they do. Protocols now include wearing protective clothes when applying pesticide, and cotton hats and aprons to keep foreign fibres away when picking the seed cotton. By the same token, gin workers cannot enter working areas without first putting on the necessary protective hats, masks and clothing.

SP: We can see the improvement in lint cotton quality as a result of our farming and ginning work in adherence with the BCI standard. Our product used 5,000MT of BC in 2014, and in 2015, we have already increased by 100% to 10,000MT. It's amazing progress, and we are looking to increase a further 50% in the next year, knowing that our lint cotton is more responsible and sustainable by being grown following BCI principles and criteria.

Promotionally, Huafu supported the 2015 BCI China Supply Chain event as a partner, which was a great opportunity to make Huafu visible to more brands and supplier members. We are looking for more opportunities to work with BCI to promote Huafu as a responsible enterprise.

WHAT DO YOU THINK THE FUTURE LOOKS LIKE FOR BETTER COTTON?

Both: Nowadays, with the global environment under increasing threat and the public paying more attention to environment protection and sustainable development, we believe that there will be more and more retail brands, fabric factories, spinning mills and other enterprises in the supply chain taking the environment protection and sustainability of the products and their suppliers into account. Under such circumstances, BCI meets contemporary demand. Its non-premium sales, flexible operating system and replaceable principle will help it to develop faster and better.

"[BCI's] decent work principles improve the farmer and worker conditions, giving everyone concerned a much better sense of security in the work they do"

Mr. Chen Hao, Huafu Deputy General Manager

"The increasing number of brands BCI's standard connects suppliers with opens up new business fields for Huafu."

Ms. Sandie Peng, Vice Director of Marketing