

# Q&A Report

## BCI General Assembly, 9 June 2020

This report includes questions asked by members before and during the virtual BCI General Assembly sessions on the agenda items and answers provided by BCI. Questions are grouped under the following topics:

- Covid-19
- Membership and Elections
- Organisational Questions
- Supply Chain and Traceability
- Field Level Questions
- Suspension of Licensing in Xinjiang
- Forced Labour Concerns

### Covid-19

Are there problems expected in the supply of Better Cotton, now that many orders are cancelled due to Covid-19? / How will Covid-19 impact Better Cotton production and uptake?

*Cintha Kemp, WE Europe B.V., Netherlands, RB*  
*Hammad Khan, Matrix Sourcing, Pakistan, SM*

➤ This is a difficult question and one with which the entire industry is grappling. We anticipate a slow-down in orders and consumption of Better Cotton across the supply chain in 2020. However, after the volume of Better Cotton globally reached 22% of global production in the 2018-19 cotton season, our early season estimates for the 2019-20 indicate that as a percentage of global production, Better Cotton will continue to increase.

Are there any BCI projects to support the farmers through Covid-19? How can members get involved and support?

*Karen Perry, John Lewis & Partners, United Kingdom, RB*

➤ Yes, as we are all coping with the impact of the Covid-19 pandemic, BCI remains committed to supporting cotton farming communities and ensuring that the safety of staff, partners and farmers remains a priority. BCI exists to improve farmer livelihoods through the adoption of more sustainable practices, and now more than ever, we can leverage our tools, resources and partnerships to promote resilience within farming communities, beyond the Better Cotton Standard System to address the specific issues raised by the pandemic. Learn more about what is happening on-the-ground at our [COVID-19 Hub on the BCI website](#)

What actions are planned by BCI for farmers' development and wellbeing? / What is the strategy of BCI to support the farmers & members both in terms of health & business during Covid-19?

*Waseem Afzal, US Denim Mills, Pakistan, SM*

➤ BCI has quickly taken steps to adjust our systems and approaches where appropriate so that BCI, and our on-the-ground partners, can continue to implement the Better

Cotton Standard System safely. Learn more about what is happening on-the-ground at our [COVID-19 Hub on the BCI website](#)

How is BCI dealing with the default of contracts by BCI Members in the supply chain?

*Alan Deepak, Agrocorp International, Singapore, SM*

- This issue has been raised by several of our trader and merchant members, so we are pleased to take this opportunity to clarify the BCI role. BCI's remit is at field level: our mission is to engage with the whole supply chain and channel demand into delivering, through our capacity building programmes, tangible progress in sustainable agricultural practices. We do expect members to conform with BCI values, and sustainability including contract sanctity, but the commercial relationships in the supply chain are explicitly outside BCI's scope. Since we are engaged with the supply chain, we have teamed up with other associations including ICA and ICAC, to call on the whole sector to work together in order to emerge stronger out of the crisis. We believe flexibility and pragmatism between trading partners will support the resilience needed to get through to a recovery. Against this backdrop, we also underline that the farmer is often the most dependent and vulnerable element in the supply chain and is most forgotten. Our goal is to ensure that farmers are not left behind.

What changes will Covid-19 bring to BCI and what is BCI doing to address them?

*Amit Agarwal, Trident Limited, India, SM*

- BCI must remain flexible as we implement the Better Cotton Standard System safely within the new constraints that the pandemic presents. BCI has prioritised the development of two online learning systems for Field Facilitators and will continue to develop and pilot online learning content so that farmers can be trained safely. BCI has successfully piloted a remote assurance process in Mozambique, and we will endeavour - to the degree possible - to ensure that Covid-19 related restrictions don't unfairly affect the status of existing BCI licenses and the ability of existing farmers to become re-licensed. BCI has moved its direct member and supply chain engagement to online webinars, and is currently preparing online ginner engagement.

Learn more about how we are adapting at [BCI COVID-19 Hub](#).

With the pandemic creating a havoc, do you think that sustainability standards like BCI will come out stronger?

*Sumit Roy, WWF India, CS*

- At present, it seems that Sustainability will not take a back seat after the pandemic and will continue to be a priority for business and government. BCI is fortunate to be part of a vast network of partnerships which can amplify efforts to mobilize support and make an impact. This has proved useful during the pandemic and we believe it will remain a strength after the pandemic.

## Membership and Elections

What are the current business trends for all cotton, including BCI cotton and organic cotton?

*Kun Ten Huang, Everest Co. Ltd, Taiwan, China, SM*

- BCI is optimistic and does not think that the importance of sustainability as a priority will decrease in the future. There is still a lot of continued attention to it, as indeed the polls from the General Assembly indicate. Our collaborative work with organic cotton partners will continue. The challenge with organic cotton is that production and distribution costs are high. However, organic cotton is gaining strength and BCI is there to extend support where possible and needed. On mainstream cotton, our goal is that all cotton is sustainably produced. We have reached scale at 20% of global production but our mission and ultimate goal is to go much further and support the transformation of the whole market to sustainable production.

How does Better Cotton lead to sustainable businesses?

*Ratih Kurniasari, Argo Manunggal Triasta, Indonesia, SM*

- The data that BCI has collected over the last 10 years underlines that in the long run, adopting sustainable agricultural practices provides better yield, productivity and in turn better income for farmers while reducing the damage to the environment. Retailers, brands, suppliers and manufacturers can build sustainable business models and strategies around sourcing more sustainably produced raw materials. Moreover, there is an opportunity for building demand at consumer level.

What is the profile of BCI Members?

*Kalra Anmol, Lotus Hometextiles, India, SM*

- BCI is a joint effort, encompassing organisations all the way from farms to fashion and textile brands. A list of all current BCI Members can be filtered by caucus via the [online list](#)

How can a member run for the BCI Council?

*Jaiminy Nitin, Harman Cottex and Seeds, India, SM*

*Ul Haq Anwar, KB Enterprises, Pakistan, SM*

- Information on Council Elections including how to run for a Seat will be shared starting from 21 June when the Election dates are confirmed. For any specific questions please contact [membership@bettercotton.org](mailto:membership@bettercotton.org)

## Organisational Questions

What are the dates for the 2021 Global Cotton Sustainability Conference?

*Alberto Gallina, Benetton Group, Italy, RB*

- BCI will host the conference and global member meeting in Lisbon on 2-4 March 2021. Complete details are online at [www.globalcotton.org](http://www.globalcotton.org).

How does BCI implement the Sustainable Development Goals in cotton farming? And how do you enforce Implementing Partners to implement?

*Davy Kuren Manavalan, Action For Food Production, India, CS*

- BCI conducted a mapping exercise whereby we compared BCI's organisational objectives to the 17 SDGs, and related targets, to determine where BCI is driving the SDGs in a tangible way. Complete details are [here](#). Please click through individual goals to see how BCI's work relates to them. Implementing Partners are trained on the Better Cotton Principles & Criteria (P&C), which address many of the key issues covered by the SDGs, and BCI regularly monitors the quality and effectiveness of the capacity building and support they provide to farmers centred around the Better Cotton P&Cs

BCI facilitates an extended training programme each year before the cotton season starts. BCI country staff train implementing partners on all Better Cotton Principles & Criteria, and 'sustainability hotspots' - issues which countries have identified as particularly pertinent to their context such as water stewardship or biodiversity. This training is cascaded to the farmer, and the aim is to improve farmer livelihoods and protect the environment through the adoption of more sustainable practices. Throughout the cotton season, BCI staff visit implementing partners to ensure that the cascade training model is working for farmers and to support IPs to achieve their 'continuous improvement plans' - a plan which details areas they need to improve to meet BCI's principles and criteria. BCI staff, and third-party verifiers, also visit farms in this period to check whether farmers are working towards Better Cotton Principles & Criteria, if they are, their cotton will be licensed for that season. You can read more about this process [here](#).

When will we know more about the 2030 Strategy?

*Veronique Rochet, Puma, Hong Kong, RB*

- The plan was to announce the BCI 2030 Strategy during the Global Cotton Sustainability Conference in June 2020 but the process has been paused due to Covid-19. The Strategy will now be finalised after the summer when we will engage yet again with membership. The mission of BCI in its second decade remains the transformation of the cotton sector. We started in 2009 and tested our concept and model. When the model proved to work, we launched our first long term strategic period in 2012, focusing on achieving scale and establishing a large global community. The next natural step for the upcoming decade is to focus on deepening our impact in the regions and communities we have engaged, whilst allowing for organic growth to take place. One important change is that we will expand our official targets to include clear ambitions for the kinds of outcomes and impacts we are aiming for, for example securing healthy soil, making cotton farming economically and socially attractive for farmers and their communities, protecting and enhancing water sources and supporting biodiversity. This does not mean we will end our focus on the connection between demand and supply. As laid out in our theory of change, linking the demand and supply together, and driving global demand for Better Cotton will remain at the core of our efforts.


The work on the new Strategy will recommence after August 2020 when we expect to have more visibility of the sector. The 2030 Strategy will be presented to BCI Council for approval in November 2020. We will re-engage with the membership on next steps, timelines and key changes / ambitions after the summer.

## Supply Chain and Traceability

Can you trace back from Cotton DNA if used Cotton is a BCI cotton?

*Deniz Thiede, Matrix Sourcing, Germany, SM*

- No, BCI does not offer any physical traceability options under our Chain of Custody model. The mass balance approach is intended to create a pull (the demand) through the supply chain, ultimately scaling up the growth of more sustainable production at the



ground level. Complete information about this approach is online:  
<https://bettercotton.org/about-better-cotton/better-cotton-standard-system/chain-of-custody/>.

Considering the demand for traceability from its members, is BCI considering physical traceability in the future?

*Karen Perry, John Lewis & Partners, United Kingdom, RB*

- Yes, BCI is considering various options for the evolution of our chain of custody programme. BCI will run broad member consultations to gain input and is in the final stages of convening a new member-based Chain of Custody (CoC) Advisory Group. The group will contribute to this through providing advice on the development of the Better Cotton Chain of Custody model and helping BCI consider the stakeholder input received through broad consultation. The development of the CoC programme will explore the options and implications of additional models to the mass balance approach, including exploring physical segregation, book and claim, and consider the use of new technologies to achieve ours and members' objectives. Details of the group's formation are online at: <https://bettercotton.org/bci-creates-new-chain-of-custody-advisory-group-apply-now/> and more information will be published soon.

## Field Level

What is the latest BCI impact data? How does BCI collect data and when will BCI publish the farmer results of the 2018-2019 season?

*Kristina Seidler-Lynders, Esprit, Germany, RB*

- BCI Farmer Results provide an overview of the outcomes BCI Farmers are experiencing at field-level by participating in the BCI Programme and adhering to the Better Cotton Principles & Criteria (P&C). Adhering to the Better Cotton P&C enables BCI Farmers to produce cotton in a way that is measurably better for people, the environment and farming communities. You can find farmer results from the 2017-18 season here: <https://bettercotton.org/farmer-results/>. We are in the process of cleaning and analysing data from the 2018-19 season and will share farmer results for this season via the BCI website in October 2020. In terms of BCI's approach to assessing field-level results and impact, we are committed to measuring sustainability improvements everywhere Better Cotton is produced. BCI uses complementary research and evaluation methods and works with independent organisation and researchers to assess the field-level impacts of the BCI Programme. Learn more about our Monitoring, Evaluation & Learning efforts [here](#).

## Suspension of Licensing in Xinjiang

How much does the Xinjiang region account for the overall global production of Better Cotton, and what are the steps taken to include the production in other regions?

*Rohini Kale, New Look Retailers, UK, RB*

- In the 2019-2020 season, approximately 800K metric tons of better Cotton was produced in Xinjiang. In the previous season (2017-2018) for which we have confirmed global figures, Xinjiang accounted for 15% of the global Better Cotton production. There will no Better Cotton coming out of the Xinjiang region this season. To ensure that we fill the demand gap, we would like to reiterate that, BCI together with Implementing Partners (IPs) has been well prepared over the years to ensure we have an over-supply compared to demand, ensuring we have a margin to manage any crunches such as these. Any additional expansion of supply this year will be limited due to Covid-19 crisis and the challenges it has brought upon our IPs and to our funding model. However, with the GIF and BIC, we are looking at mapping out the supply and demand patterns so we invest in the areas where we can fill the demand. There is a member only section on the BCI website on the supply chain mitigation measures as a result of the suspension of licensing where you can find more detailed information.

Only Chinese state-owned companies can buy imported cotton (quota), how can private companies buy cotton if you banned XJ cotton?

*Jing Li, AA Global China Ltd, China, SM*

- BCI has put in place a supply chain impact mitigation workstream and shares information with members through this and in the member only pages of the BCI website. Information shared to date shows that there is a surplus of BCCUs available at China-based businesses through the supply chain that surpasses expected demand for this year and contributes to next year. In addition, supply is anticipated from provinces in Eastern China that continue to participate in the programme and where production is expected to increase for the 2020-21 programme.

Has BCI issued a statement regarding the reduction of supply for BCI cotton out of China this year?

Ethan Barr, Target, US, *RB*

- Yes, the supply details and content for a supply chain impact mitigation plan is outlined for all members online at: <https://bettercotton.org/western-china-resources-for-members/>. As new information becomes available, we will continue to share mass emails with all BCI Members.

So far, we haven't seen any evidence to show BCI projects have force labour issue in Xinjiang, but BCI still decided to suspend the license in Xinjiang. So why did BCI still make this decision? Did BCI get pressure from any members?

Leo Xiao, Ikea, China, *RB*

- Following reports of the situation in Xinjiang, China, where “re-education” and forced labour programmes target Uighurs and other ethnoreligious minorities, it became increasingly clear that the systems we have in place are not sufficient to ensure credible assurance and licensing at this time. As a result, the multi-stakeholder BCI Council, which includes representatives from producer organisations, civil society members, supplier / manufacturers and retailers and brands, took the decision to suspend assurance activities in the Xinjiang region of China for the upcoming cotton season (2020-21). More details are online at: <https://bettercotton.org/western-china-resources-for-members/>.

## Forced Labour

Given increased forced labour concerns, why is BCI backing away from Country of Origin on the Declaration Form and with traders?

Patricia Jurewicz, Responsible Sourcing Network / As You Sow, US, *CS*

- BCI is reviewing various scenarios to facilitate the flow of cotton sourced as Better Cotton through the supply chain, including whether they pose any risks to the credibility of the programme. BCI recently removed the ability for Retailer and Brand members to produce a country of origin report for their sourcing through the BCP, as the information contained within that report for RBs is not verified by BCI and presented a risk of being misunderstood and therefore misused. We will consult on any significant proposed changes and communicate transparently about any others. There are no changes planned at this time with regard to traders, and members will be updated on the regular webinars where info is provided on this topic.

Could you please share the progress of the investigation related to any forced/child labour issue in Western China?

Shuya Yue, Esquel Group, China, *SM*

- BCI's core work is at the farm level, hence, we are looking into forced labour in cotton farming. We have launched an independent research looking into the labour situation in Western China in cotton farming. We have made much progress on this front which will be finalised in the next months.

We are also looking into reinforcing our standard system globally. To that end, we have convened a taskforce on Forced Labour and Decent Work, to deliver a set of recommendations which will be discussed by the Council in September.