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
- Africa: 5.26%, 4 Responses
- Asia: 44.74%, 34 Responses
- Australasia: 5.26%, 4 Responses
- Europe: 44.74%, 34 Responses

**Session 2:** 66/97 attendees responded
- Americas: 33.33%, 22 Responses
- Asia: 4.55%, 3 Responses
- Europe: 62.12%, 41 Responses
### Which member category does your organisation represent?

**Session 1: 74/135 attendees responded**

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Associates</td>
<td>9.46%</td>
<td>7</td>
</tr>
<tr>
<td>Civil Society</td>
<td>14.86%</td>
<td>11</td>
</tr>
<tr>
<td>Producer Organisations</td>
<td>5.41%</td>
<td>4</td>
</tr>
<tr>
<td>Retailers and Brands</td>
<td>55.41%</td>
<td>41</td>
</tr>
<tr>
<td>Suppliers and Manufacturers</td>
<td>14.86%</td>
<td>11</td>
</tr>
</tbody>
</table>

**Session 2: 54/97 attendees responded**

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Associates</td>
<td>5.56%</td>
<td>3</td>
</tr>
<tr>
<td>Civil Society</td>
<td>5.56%</td>
<td>3</td>
</tr>
<tr>
<td>Producer Organisations</td>
<td>1.85%</td>
<td>1</td>
</tr>
<tr>
<td>Retailers and Brands</td>
<td>75.93%</td>
<td>41</td>
</tr>
<tr>
<td>Suppliers and Manufacturers</td>
<td>11.11%</td>
<td>6</td>
</tr>
</tbody>
</table>
What was the BCI highlight of the year so far for you?

**Session 1:** 74/135 attendees responded

<table>
<thead>
<tr>
<th>Highlight</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>BCI counting with more than 1,900 members worldwide</td>
<td>3 Responses</td>
</tr>
<tr>
<td>Members sourcing 1.5 million MT of Better Cotton in 2019</td>
<td>47 Responses</td>
</tr>
<tr>
<td>The evolution of the Assurance Programme</td>
<td>10 Responses</td>
</tr>
<tr>
<td>The creation of the BCI Gender Strategy</td>
<td>14 Responses</td>
</tr>
</tbody>
</table>

**Session 2:** 58/97 attendees responded

<table>
<thead>
<tr>
<th>Highlight</th>
<th>Response Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>BCI counting with more than 1,900 members worldwide</td>
<td>6 Responses</td>
</tr>
<tr>
<td>Members sourcing 1.5 million MT of Better Cotton in 2019</td>
<td>31 Responses</td>
</tr>
<tr>
<td>The evolution of the Assurance Programme</td>
<td>11 Responses</td>
</tr>
<tr>
<td>The creation of the BCI Gender Strategy</td>
<td>10 Responses</td>
</tr>
</tbody>
</table>
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

-10% WATER
-15% SYNTHETIC FERTILISER
+9% YIELD
+24% PROFIT
+7% ORGANIC FERTILiser
-19% PESTICIDE
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
“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

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.

<table>
<thead>
<tr>
<th>5000</th>
<th>365</th>
<th>15m</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>tonnes of clothing are donated every year to Oxfam through our donation banks in over 340 stores</td>
<td>clothing recycling banks across our store car parks</td>
<td>garments are diverted from landfill each year by Sainsbury’s customers donating their unwanted clothing in Oxfam donation banks</td>
<td>of the plastic in Tu clothing hangers is recycled material</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>320</th>
<th>9.41bn</th>
<th>€2.74m</th>
<th>13,259</th>
</tr>
</thead>
<tbody>
<tr>
<td>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</td>
<td>litres of water were saved in 2019 thanks to our sourcing of Better Cotton - that’s the equivalent of 3764 Olympic sized swimming pools!</td>
<td>additional profit** benefited BCI Farmers** in 2019 thanks to our sourcing of Better Cotton</td>
<td>lbs of pesticides were avoided in 2019 thanks to our sourcing of Better Cotton - that’s the equivalent to 8027 bags of sugar</td>
</tr>
</tbody>
</table>

*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’

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
- Preparation and use of pesticides
- Harvest practices to ensure fibre quality

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

IN
23
COUNTRIES PRODUCED

2.1
MILLION
LICENSED FARMERS

22%*
OF GLOBAL COTTON AS BETTER COTTON

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/index/14.18
BCI Farmers Around the World

2018-19 COTTON SEASON

LICENCED BCI FARMERS

2.1 MILLION

USA
639
0.03% of BCI Farmers

ISRAEL
58
0.002% of BCI Farmers

TURKEY
962
0.04% of BCI Farmers

PAKISTAN
369,264
17.5% of BCI Farmers

KAZAKHSTAN
334
0.01% of BCI Farmers

TAJIKISTAN
964
0.04% of BCI Farmers

CHINA
81,043
3.8% of BCI Farmers

INDIA
684,274
32.5% of BCI Farmers

BRAZIL (ABR)*
312
0.02% of BCI Farmers

MALI
54,326
2.58% of BCI Farmers

CmiA (AbTF)*
813,857
39.65% of BCI Farmers

SOUTH AFRICA
646
0.03% of BCI Farmers

MOZAMBIQUE
97,936
4.7% of BCI Farmers

MADAGASCAR
663
0.03% of BCI Farmers

AUSTRALIA**
77
0.003% of BCI Farmers

*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

**BRAZIL***
2,027,000
MT
36%*

**USA**
309,000
MT
5.5%*

**CmiA***
573,000
MT
10.2%*

**PAKISTAN**
906,000
MT
16.1%*

**CHINA**
896,000
MT
15.9%*

**INDIA**
652,000
MT
11.6%*

**Mali**
65,000
MT
1.2%*

**Turquie**
53,000
MT
0.9%*

**Israel**
9,000
MT
0.2%*

**Mozambique**
10,000
MT
0.2%*

**Madagascar**
700
MT
0.01%*

**South Africa**
18,000
MT
0.3%*

**Australia**
92,000
MT
1.6%*

**Kazakhstan**
2,000
MT
0.3%*

**Tajikistan**
12,000
MT
0.2%*

*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

<table>
<thead>
<tr>
<th>Principle</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmer centricity</td>
<td>22</td>
</tr>
<tr>
<td>Global direction, devolved local action</td>
<td>17</td>
</tr>
<tr>
<td>Multi-stakeholder ethos</td>
<td>5</td>
</tr>
<tr>
<td>Pricing determined by the market</td>
<td>6</td>
</tr>
<tr>
<td>System integrity &amp; evidence</td>
<td>40</td>
</tr>
</tbody>
</table>
Core Strategy

- **Vision:** A world where all cotton farming is sustainable.
- **Mission:** To help cotton communities to survive and thrive, while protecting and restoring the environment.
- **Aims:**
  - Embed sustainable farming practices & policies
  - Enhance well-being & economic development
  - Drive global demand for sustainable cotton through the supply chain
- **Impacts:**
  - On cotton farms, the soil is healthy. Water, land resources & inputs are managed for the good of both local communities & the planet.
  - Cotton farming is economically viable for farmers and their communities, with good social conditions & decent quality of life.
  - Better Cotton is the preferred choice for both growers & buyers.
- **Focus Areas:**
  - Building local capacity & self-sufficiency
  - Creating new value & opportunities for farmers
  - Scaling Better Cotton production & procurement
- **Activities:**
  - Better Cotton Standard
  - Geographic Coverage
  - Farm Support & Services
  - Demand & Uptake
  - Brand & Communications
- **Operations:**
  - Financials
  - Organisation
  - Technology
- **Principles:** Impact driven | Farmer centric | Multi-stakeholder ethos | Continuous improvement & learning | System integrity & evidence | Global direction, devolved local action | Pricing determined by the market
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

- 23.71% Greater focus + investment on sustainability in the industry (23 Responses)
- 57.73% Change towards smarter consumption patterns and lifestyles (56 Responses)
- 18.56% Recognition of the importance of farming communities (18 Responses)

Session 2: 70/97 attendees responded

- 31.43% Greater focus + investment on sustainability in the industry (22 Responses)
- 55.71% Change towards smarter consumption patterns and lifestyles (39 Responses)
- 12.86% Recognition of the importance of farming communities (9 Responses)
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
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
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

Amit Shah
Joost Oorthuizen
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
• OLAM
• Ambuja Cement Foundation
• PRDIS
• Farmers Association of Pakistan
• Supima

➢ 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
Questions Received from Members
Member Questions
Pausing Licensing in Xinjiang

Rohini Kale, New Look, RB, UK
Jing Li, AA Global China, SM, China
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

<table>
<thead>
<tr>
<th>Response</th>
<th>Percentage</th>
<th>Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eager to engage both in-person + with online opportunities</td>
<td>56.6%</td>
<td>30</td>
</tr>
<tr>
<td>Intrigued by the opportunity of more virtual options</td>
<td>16.98%</td>
<td>9</td>
</tr>
<tr>
<td>Very excited to meet in person again at the 2021 GCSC</td>
<td>26.42%</td>
<td>14</td>
</tr>
</tbody>
</table>
Thank you