



# 2023-24 Annual Report





## Vision

A world where all cotton production is sustainable.

## Mission

To help cotton communities survive and thrive, while protecting and restoring the environment.

## Strategic Aims

- Embed sustainable farming practices and policies.
- Enhance well-being and economic development for cotton farming communities.
- Encourage and drive global demand for sustainable cotton.

Photo Credit: Better Cotton/Katrina McArdle

This Annual Report provides a reflection on the 2022-23 cotton season (July 2022-August 2023), the 2023-24 financial year (January 2023-March 2024) and general organisational developments spanning 2023. It highlights field, market and organisational successes, challenges and opportunities. The report also contains key financial and governance information, aligned with Swiss GAAP reporting requirements.

The Better Cotton Standard System (BCSS) is underpinned by our field-level Principles and Criteria (P&C), which set out the requirements that cotton farmers must comply with to attain a licence to sell their cotton as 'Better Cotton'. In 2023, Better Cotton revised its P&C and launched v.3.0. The revision was carried out in compliance with the ISEAL Standard Setting Code of Good Practice v.6.0, a globally recognised framework that defines practices for effective and credible sustainability systems.



Better Cotton is ISEAL Code Compliant. That means our system, including our assurance programme, has been independently evaluated against ISEAL's Codes of Good Practice. For more information, see [isealliance.org](https://isealliance.org).



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# A Message from the CEO



Photo: Alan McClay © Jay Louvion

The world around us is changing rapidly, with a shifting business landscape, civil unrest challenging societies and climate change accelerating at an unprecedented pace. Yet, amidst these challenges, there are still some signs of progress, such as the growth in renewable energy generation and the reduction in global child mortality rates. At Better Cotton, we are proud to be part of the positive change towards a better world, proving time and again that sustainable practices in cotton farming can drive meaningful change for farmers, agricultural communities and individuals across the supply chain. We also know that as we navigate these complex times, the need to accelerate our scale and impact has never been more urgent — and we are ready to meet this challenge head-on.

Over the past decade, Better Cotton has experienced impressive growth. In just 15 years, I'm proud to say that we have aligned more than a fifth of the world's cotton with our standard and reached just over 2.4 million farmers, bringing us closer to our vision of a world where all cotton farming is more sustainable. With this speed and scale of growth comes a journey of constant improvement and many defining moments.

In 2023, a significant milestone was the launch of [Better Cotton Traceability](#) in November. It's now possible to track Physical Better Cotton yarn from spinners to retailers and brands, giving members greater visibility of their supply chains and a verified country of origin of the Physical Better Cotton in their products. This was made possible by a new [Chain of Custody \(CoC\) Standard](#) and will be supported by a new Claims Framework to be released in quarter three of 2024.

This year also saw our work expand to Spain and Côte d'Ivoire. In Spain, the Regional Government of Andalusia

aligned its Integrated Production System with the BCSS, and in Côte d'Ivoire, we're collaborating with the Professional Association of Cotton Companies of Côte d'Ivoire to support 200,000 farmers over five years.

While Better Cotton production remained consistent during the 2022-23 season, we saw a marginal drop in the number of licensed Better Cotton Farmers. This was mainly due to external factors, like the devastating floods in Pakistan in 2022. Looking ahead, we aim to strengthen our presence in these areas and elsewhere. In Africa, we are currently in talks with Benin and Cameroon to launch Better Cotton Programmes.

We have reported remarkable progress this year in India, home to the largest number of Better Cotton Farmers. In September, we released our India Impact Report, examining data across eight cotton seasons. Among other results, the report highlighted a 53% decrease in pesticide use and a 15.6% reduction in overall costs on Better Cotton Farms — insights that are helping us strengthen our work in the country.

Strengthening our programme also comes from critical feedback. In April 2024, an environmental non-profit published a report highlighting potential issues on Better Cotton licensed farms in Brazil's Matopiba region. We responded by commissioning an independent report to establish the facts and are closely addressing the issues raised. This incident has urged us to look at due diligence beyond the farm gate in greater depth, and we are drawing on the key points in the report to evolve our programme in Brazil and beyond accordingly. Throughout this period, constructive discussions with our members have been invaluable, helping us develop an updated member engagement approach.

Highlights of the year included the 2023 Better Cotton Conference held in Amsterdam (and online) in June, with

over 350 stakeholders from 38 countries. In November and December, we were admitted as observers at the UNFCCC COP28<sup>1</sup> in the UAE where we witnessed a turning point in the fight against climate change, with agriculture recognised as a key driver of transformation. To foster more moments of connection like this year-round, we launched the [myBetterCotton](#) membership portal in mid-2023, enabling members to engage with Better Cotton and collaborate more easily.

Better Cotton is at an exciting juncture, and if there is one key takeaway from 2023, it is the need for us to come together and build on the momentum we've created. The proven solutions we've developed have taken us far, but continued commitment and investment in cotton farming communities are essential to accelerate the wider impact our world needs.

**Better Cotton is a movement, driven by the common values, commitment and energy of a wide range of colleagues and stakeholders.**

I extend my deepest gratitude to our members, partners, donors and the entire Better Cotton Team for their constant efforts in promoting sustainable cotton, especially the farming communities at the forefront of this mission. Together, we are making significant strides towards a future where cotton farming not only sustains but also enriches the lives of people and the health of our planet. So, join us and the cotton-producing community, and be part of something better.

**Alan McClay**  
Chief Executive Officer, Better Cotton

<sup>1</sup> UNFCCC – United Nations Framework Convention on Climate Change; COP – Conference of the Parties



# Year in Review: Events

## Bringing Stakeholders Together to Share and Learn

Time and time again, we have witnessed the power of collaboration to drive progress. That's why, throughout the year, we brought together stakeholders from various parts of the cotton industry – including farmers, fashion brands, suppliers and manufacturers, civil society organisations and academics – to share and learn from each other. Explore some of the highlights from these events below.

### Better Cotton Conference 2023 | Amsterdam, the Netherlands and Online

On 21-22 June 2023, the annual Better Cotton Conference took place in Amsterdam (and online), attracting 300 participants from 37 countries. During the conference, stakeholders from across the cotton sector dove deep into the most salient issues facing sustainable cotton production, including climate change adaptation and mitigation, traceability, sustainable livelihoods and regenerative agriculture.

With interactive workshops and panel discussions led by 38 speakers, the conference was a chance to bring together our industry network while spotlighting cotton farmers. We were pleased to be joined by nine Better Cotton Farmers and Field Facilitators from Pakistan, India, Mozambique, the US and Australia who gave us first-hand insights from the field.

[Explore a visual overview of the event.](#)

*“The event was organised wonderfully, covering all the aspects and challenges faced by the agricultural sector. All the speakers shared their precious experiences in a well-organised manner. I’m looking forward to next year!”*

Conference Participant



Photo Credit: Better Cotton/Dennis Bouman  
Better Cotton Conference 2023, Amsterdam





Photo Credit: Better Cotton/Dennis Bouman  
Better Cotton Conference 2023, Amsterdam

## Programme Partner Meeting | Online

In December 2023, we held our annual Programme Partner Meeting online. Across three days, Better Cotton partners were able to learn from and interact with fellow front-line implementers.

We welcomed a record 486 participants from 25 countries, including Programme Partners and Producer Unit Managers, and the event covered three key themes: climate change and improved data use, livelihoods and decent work and implementation insights. We also held a dedicated session for Better Cotton Large Farms on day two, which focused on climate change and water stewardship.

Better Cotton has a network of close to 60 Programme Partners around the world, each of which has its own team of Field Facilitators, Producer Unit Managers and other Field Staff who work directly with Better Cotton Farmers. To make the event accessible to as many Field Staff as possible, we provided interpretation in eight languages, including French, Portuguese, Mandarin, Hindi, Telugu, Urdu, Sindhi and Turkish.

[Learn more about the meeting.](#)

*“There were many opportunities to learn new things about climate change, data, decent work and livelihoods, and the presentations and discussions were high quality.”*

WWF Pakistan

## Large Farm Symposium | Online

On 11 October 2023, we held the Better Cotton Large Farm Symposium, an opportunity for Better Cotton Large Farms to exchange success stories, best practices and ideas for overcoming challenges.

In total, we welcomed 133 growers and partners from six continents and were joined by four keynote speakers from the US, Australia and Uzbekistan. Interpretation was offered in four languages: Portuguese, Turkish, Urdu and Uzbek.

[Watch a recording of the symposium.](#)

*“The content presented was very relevant to my work with Better Cotton Farmers. There were many opportunities to learn new things about climate change, data, decent work and livelihoods.”*

Symposium Participant



# Field and Market Results



The field-level data presented in this section of the report is accurate as of the 2022-23 cotton season (July 2022 – August 2023).

The membership and Better Cotton sourcing data is accurate as of the end of the 2023 calendar year.

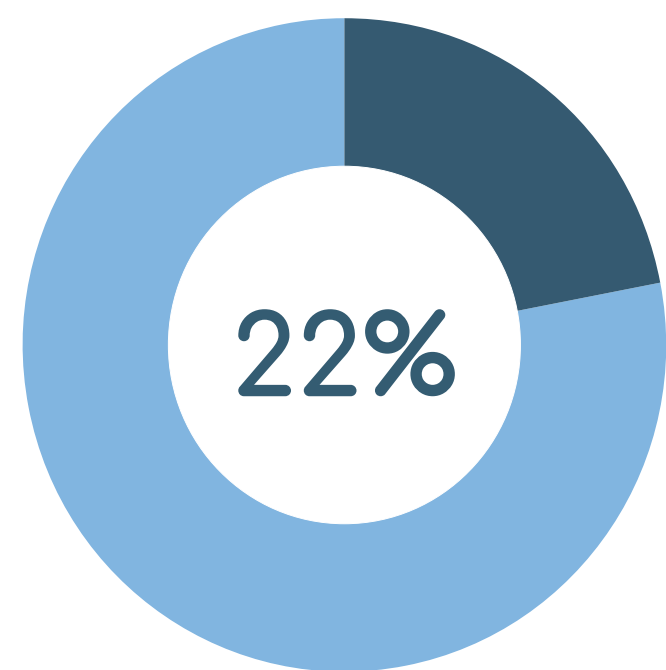


# Field Results: 2022-23 Season

In the 2022-23 cotton season, Better Cotton worked with close to **60 Programme Partners** to deliver training and support to **2.43 million farmers (2,430,430)** in **22 countries**.

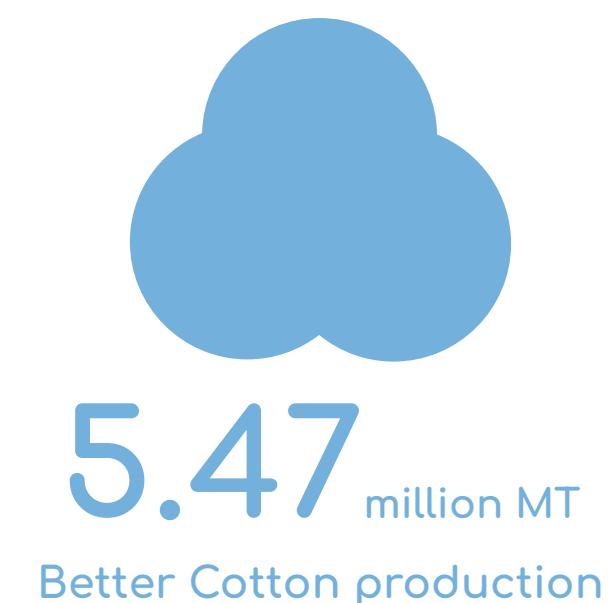
In the 2022-23 cotton season, out of the 2.43<sup>1</sup> million farmers who received training, more than **2.13 million** received a licence to sell their cotton as 'Better Cotton'. These farmers produced **5.47 million (5,467,081)<sup>2</sup> metric tonnes of Better Cotton**.

This represents **around 22% of global cotton production**.



of global cotton production is Better Cotton

<sup>1</sup> This is the number of farmers Better Cotton supported during the 2022-23 cotton season despite not all of them attaining a licence. It is important to acknowledge that the number of people that benefit from Better Cotton's field-level work is far higher and includes farm workers and surrounding communities.  
<sup>2</sup> The International Cotton Advisory Committee (ICAC) reports 2.5 million MT, while we use ABRAPA's report of 2.6 million MT. The discrepancy is due to a difference in production seasons, as ICAC have shifted all their production seasons for Brazil from 2000-2001 onwards. What used to be considered the 2022-23 cotton season is now the 2023-24 season. To maintain alignment with ABRAPA, Better Cotton has not changed its cotton calendar to align with ICAC. However, when reporting Brazil as a percentage of Brazil's national production, we 'artificially align' the Better Cotton season (2022-23) with the ICAC season (2023-24). Since the rest of the countries follow ICAC's seasonality, we also account for this difference when calculating the world's total cotton production.



Type	Country
Better Cotton Direct <sup>3</sup> Programme Countries	China
	Egypt
	India
	Mali
	Mozambique
	Pakistan
	South Africa
	Tajikistan
	Türkiye
	United States
	Uzbekistan
<b>Sub-Total</b>	<b>11</b>
Benchmarked Countries <sup>4</sup>	Australia
	Brazil
	Greece
	Israel
<b>Sub-Total</b>	<b>4</b>
Cotton Made in Africa (CmiA)	Benin
	Burkina Faso
	Cameroon
	Cote d'Ivoire
	Mozambique
	Nigeria
Tanzania	
Zambia	
<b>Sub-Total</b>	<b>8</b>
<b>TOTAL PARTNER COUNTRIES</b>	<b>22<sup>5</sup></b>

<sup>3</sup> Better Cotton's direct country programmes implement our standard system and must comply with our P&C to attain a licence and sell their cotton as 'Better Cotton'.  
<sup>4</sup> Recognised as a Better Cotton Equivalent Standard country, meaning it has a sustainable cotton programme that is aligned with and benchmarked against the Better Cotton Standard.  
<sup>5</sup> Producers in countries with both Cotton Made in Africa and Better Cotton licenses are not double counted.



Photo credit: Better Cotton/Carlos Rudiney

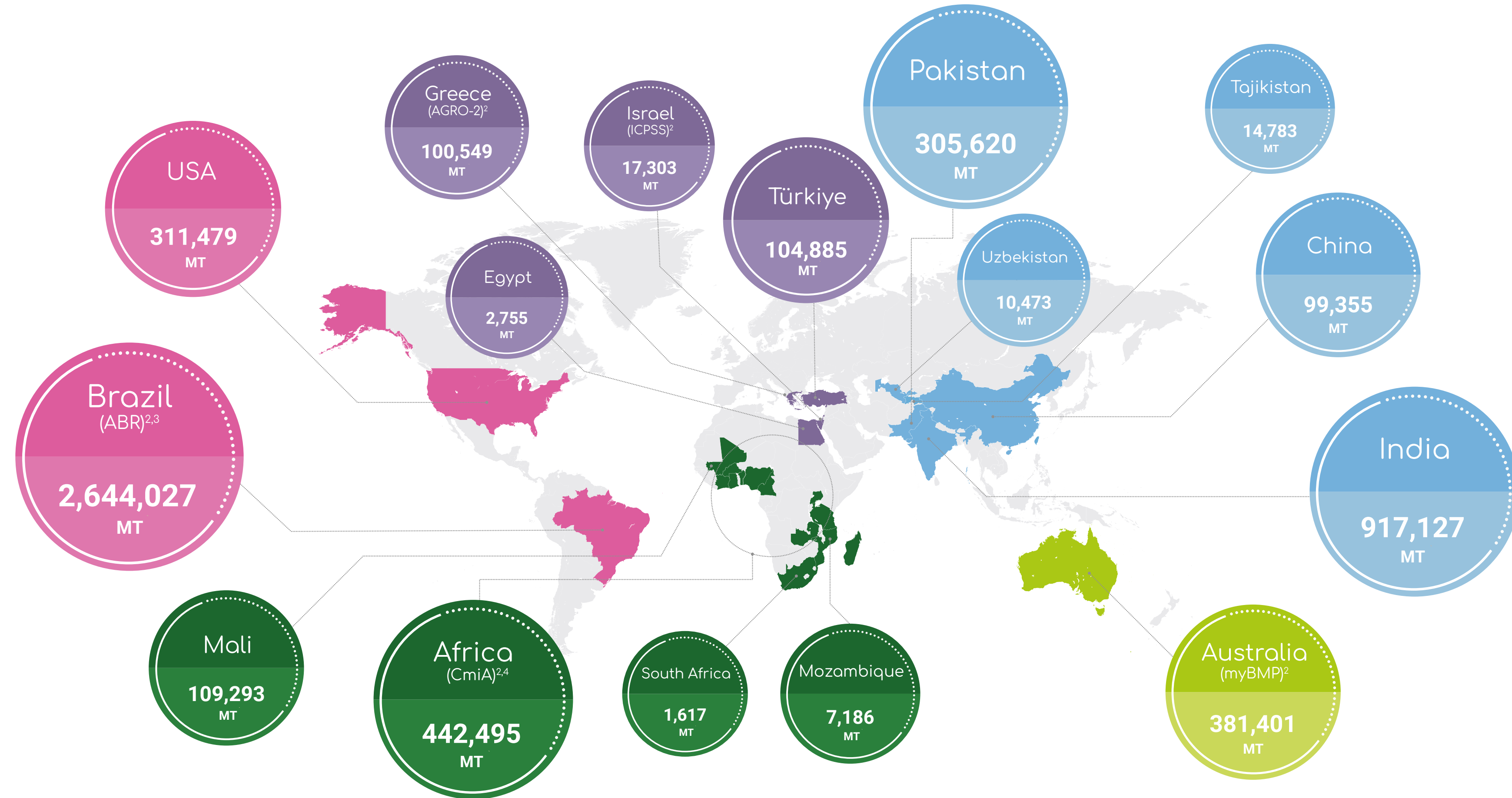


# 2022-23 Season Data

Volume of Better Cotton Grown (Metric Tonnes of Cotton Lint<sup>1</sup>)

Total Better Cotton Grown

**5.47** MILLION METRIC TONNES



<sup>1</sup> Cotton fibres that are ready to be spun into yarn after being separated from cotton seeds through the ginning process; also referred to as 'virgin cotton'.

<sup>2</sup> Recognised as a Better Cotton Equivalent Standard country, meaning it has a sustainable cotton programme that is aligned with and benchmarked against the Better Cotton Standard. For a list of benchmarked programmes, visit: <https://bettercotton.org/who-we-are/partners/strategic-partners/>

<sup>3</sup> The International Cotton Advisory Committee (ICAC) have shifted all their production seasons for Brazil from 2000-2001 onwards, so what used to be considered the 2022-23 cotton season is now the 2023-24 season. To maintain alignment with ABRAPA, Better Cotton has not changed its cotton calendar to align with ICAC; however, when reporting Brazil as a percentage of Brazil's national production, we "artificially align" the Better Cotton season (2022-23) with the ICAC season (2023-24). This explains a discrepancy between the 2.6 million MT production figure reported by Better Cotton and the figure reported by ICAC of 2.5 million MT.

<sup>4</sup> The CmiA countries in the 2022-23 season include: Benin, Burkina Faso, Cameroon, Côte d'Ivoire, Mozambique (farmers in Mozambique which are both CmiA and Better Cotton licensed are only counted once), Nigeria, Tanzania and Zambia.



# 2022-23 Season Data

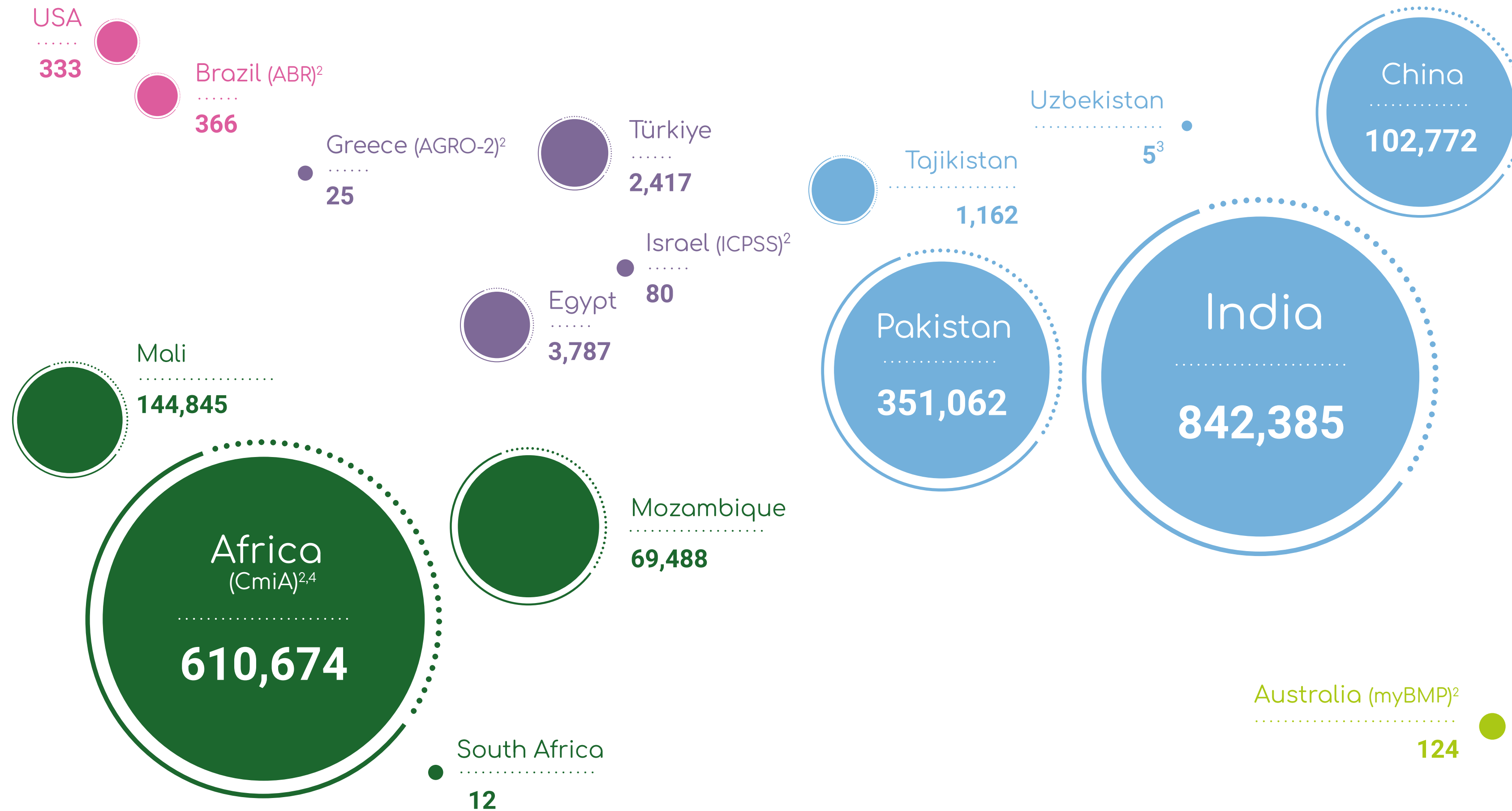
## Better Cotton Licensed Farmers Around the World

Total Farmers Trained and Supported

**2.43**<sup>1</sup>  
MILLION

Total Farmers Licensed

**2.13**  
MILLION



<sup>1</sup> This is the number of farmers Better Cotton supported during the 2022-23 cotton season despite not all of them attaining a licence. It is important to acknowledge that the number of people that benefit from Better Cotton's field-level work is far higher and includes farm workers and surrounding communities.

<sup>2</sup> Recognised as a Better Cotton Equivalent Standard country, meaning it has a sustainable cotton programme that is aligned with and benchmarked against the Better Cotton Standard. For a list of benchmarked programmes, visit: <https://bettercotton.org/who-we-are/partners/strategic-partners/>

<sup>3</sup> This data reflects the number of farm clusters in Uzbekistan as farmer data will only be available in the 2023-24 season.

<sup>4</sup> The CmiA countries in the 2022-23 season include: Benin, Burkina Faso, Cameroon, Côte d'Ivoire, Mozambique (farmers in Mozambique which are both CmiA and Better Cotton licensed are only counted once), Nigeria, Tanzania and Zambia.



# 2022-23 Season Data

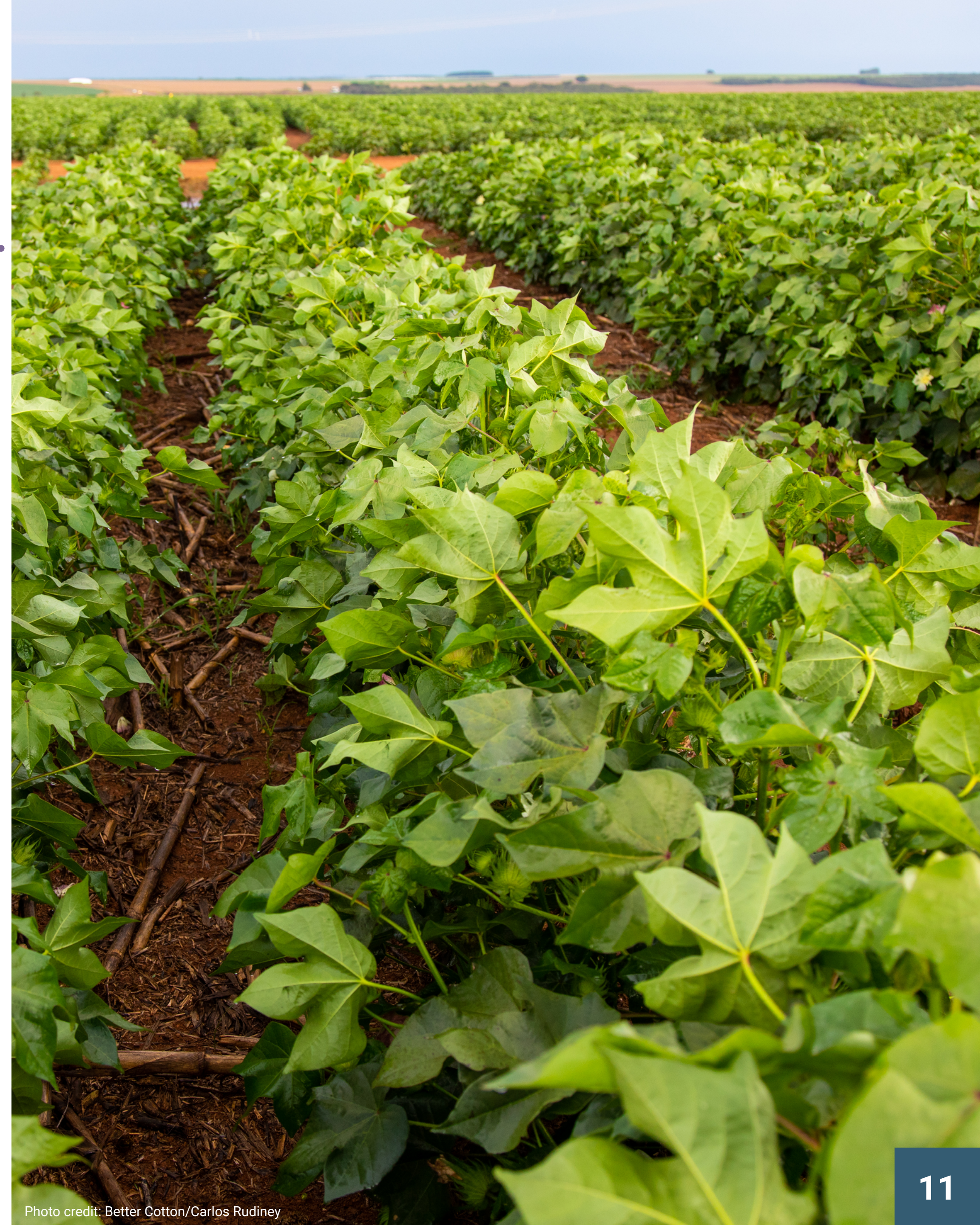
## Better Cotton Licensed Farmers Around the World

Country	Licensed Farmers 2021-2022	Licensed Farmers 2022-2023	Increase/Decrease [abs]	Increase/Decrease [%]
Australia <sup>1</sup>	131	124	-7	-5.3%(-5%)
Brazil (ABRAPA) <sup>1</sup>	370	366	-4	-1%
China	107,180	102,772	-4,408	-4%
Africa (CmiA) <sup>1,2</sup>	570,740	610,674	39,934	+7%
Egypt	3,589	3,787	198	+5%
Greece (ELGO-DOV) <sup>1</sup>	21	25	4	+16%
India	904,292	842,385	-60,987	-6.8 (-7%)
Israel (ICB) <sup>1</sup>	39	80	41	+51%
Kazakhstan	507	0	-507	-100%
Mali	114,500	144,845	30,345	+21%
Mozambique	55,907	69,488	13,581	+20%
Pakistan	510,327	351,062	-159,265	-45%
South Africa	808	12	-729	-6,633%
Tajikistan	1,095	1,162	67	+6%
Türkiye	2,018	2,417	399	+17%
United States	330	333	+3	+0.9% (+1%)
Uzbekistan <sup>3</sup>	0	5	5	-

<sup>1</sup> Recognised as a Better Cotton Equivalent Standard country, meaning it has a sustainable cotton programme that is aligned with and benchmarked against the Better Cotton Standard. For a list of benchmarked programmes, visit: <https://bettercotton.org/who-we-are/partners/strategic-partners/>

<sup>2</sup> The CmiA countries in the 2022-23 season include: Benin, Burkina Faso, Cameroon, Côte d'Ivoire, Mozambique (farmers in Mozambique which are both CmiA and Better Cotton licensed are only counted once), Nigeria, Tanzania and Zambia.

<sup>3</sup> This data reflects the number of farm clusters in Uzbekistan as farmer data will only be available in the 2023-24 season.





# Better Cotton Programme

## Highlights and Challenges

Better Cotton production and uptake increased slightly from the 2021-22 season, while the number of licensed Better Cotton Farmers marginally decreased, from 2.2 to 2.1 million. This drop was largely due to the devastating floods in Pakistan in 2022. The following section reflects on the challenges and activities within the 2022-23 cotton season<sup>1</sup> and looks ahead using the context of the 2023-24 season.

*“As we expand our global footprint, I’m impressed by our Programme Partners’ ambition and resilience in driving on-the-ground progress. Their efforts towards helping cotton farmers implement more sustainable practices not only help farmers produce more equitable and sustainable cotton but also encourage the broader supply chain to embrace responsible practices. It’s these daily actions that add up to a big impact, bringing us closer to our vision of a world where all cotton production is sustainable.”*

Lena Staafgard, Chief Operating Officer at Better Cotton

### Programmes in Africa

As we entered a new form of collaboration with Cotton made in Africa during the 2022-23 cotton season, we aimed to strengthen our presence across the African continent. Côte d’Ivoire launched its Better Cotton Programme in 2023, and we are working with stakeholders in Benin to launch a programme in 2024. Talks are also underway with Cameroon. Better Cotton participated in the WTO-FIFA Steering Committee for

the Cotton-4+ countries (Benin, Burkina Faso, Chad, Mali and Côte d’Ivoire) in West and Central Africa. This provides a key opportunity to engage with the wider cotton community and helps bring visibility to smallholder farmers in the region. A successful proposal to Afreximbank will strengthen impact measurement in Benin and Côte d’Ivoire where Better Cotton will conduct field-level sustainability mapping and baselines. In Egypt, we enjoyed continued support from the Cotton Egypt Association.

<sup>1</sup> Better Cotton’s 2023-24 Annual Report reflects on the 2022-23 cotton season as it is the latest data available. This is due to the cotton season cycle, meaning next year’s report will focus on the 2023-24 cotton season.



Photo credit: Better Cotton / Joe Woodruff



## Australia

The Australian cotton sector continues to demonstrate commitment to sustainability targets, as highlighted by the Fourth Independent Environmental Assessment of the Australian Cotton Industry published in October 2023. The assessment found a positive correlation between the use of Better Cotton Equivalent Standard myBMP and improved environmental performance when aggregating findings across all farms visited and criteria considered. Pest management is another area where the industry has made continual progress, with pesticide use significantly reduced due to the introduction of pest resistant cotton varieties and implementation of Integrated Pest Management (IPM) strategies.

## Brazil

Brazil continued to supply the largest share of Better Cotton in 2023, marking a record-breaking season for the country with 2.64 million metric tonnes of Better Cotton lint produced. During this period, Better Cotton focused on strengthening collaboration with our Strategic Partner ABRAPA, including improving IPM practices and enhancing tools to address land use challenges. We are also assessing opportunities to look beyond the BCSS when carrying out due diligence for large commercial farms, particularly at their corporate owners. This will inform our current re-alignment process with ABRAPA, and we are encouraged by the progress made so far. For more info, please see our [action plan](#).

## China

2022-23 was a season of steady progress for China, with a focus on improving soil health, reducing pesticide use and addressing climate change impacts. Through a new

monitoring system to oversee and verify improvements made by Producer Units, the country saw enhanced field implementation credibility and is steadily on its way to reaching its synthetic fertiliser and pesticide reduction targets. With a clearer division of roles and responsibilities, Programme Partners have strengthened their internal management systems and increased the proportion of women Producer Unit managers and Field Facilitators. New demonstration sites are helping accelerate the adoption of sustainable farming practices throughout the country.

## India

In the 2022-23 season, the Better Cotton Programme in India operated through 16 Programme Partners across eight states, licensing an impressive 842,385 farmers. Operations resumed in Andhra Pradesh with a new Programme Partner, and capacity strengthening activities were carried out across the country. These included workshops on topics like decent work and IPM and online sessions covering a range of sustainable practices. Building on progress made in reducing synthetic pesticides and fertilisers and managing natural resources, the programme shifted its focus to promoting regenerative agriculture and climate action. Farmers were trained in various regenerative practices, such as conservation tillage and converting cotton stalks to biochar. A Labour Monitoring Remediation System was piloted in Gujarat which will help address risks faced by distinct categories of cotton farm workers, including interstate migrant workers and resident sharecroppers. In partnership with Fashion Pact, the Unlock Programme was piloted with 50 farmers. The pilot is supporting cotton farmers to reduce greenhouse gas (GHG) emissions and make supply chain claims that can help them earn additional income. A Climate Action

Inventory study was also conducted to understand climate risks, identify smart practices and barriers and provide recommendations for building resilient cotton communities.

## Pakistan

Despite catastrophic floods that devastated the 2022-23 season and wiped out much of their efforts, cotton farmers in Pakistan demonstrated extraordinary resilience, managing to produce over 305,000 metric tonnes of Better Cotton. While Better Cotton yields improved, the number of registered farmers declined due to the aforementioned environmental issues, coupled with programmatic restructuring. To ensure we're on track to meet our 2030 targets, the Better Cotton Pakistan team has been hard at work developing a comprehensive strategy for accelerating field impact, which covers approaches to strengthening capacity and expanding outreach. In line with this, many new partnerships were formed, including with Search for Justice to fight child labour and Pilo and SAMA Verte to increase biodiversity. Additionally, Better Cotton signed two Memorandums of Understanding, one with the Federation of Pakistan Chambers of Commerce and Industry to amplify the benefits and accelerate the uptake of Better Cotton across the country and another with Net Zero Pakistan to promote sustainability on cotton farms and explore ways to reduce carbon emissions.

Additionally, two new Programme Partners in Sindh were onboarded and strategic collaborations with the Punjab Agriculture Extension Department and the All-Pakistan Textile Mills Association were initiated to incorporate sustainability standards within both the public and private sectors.

## United States

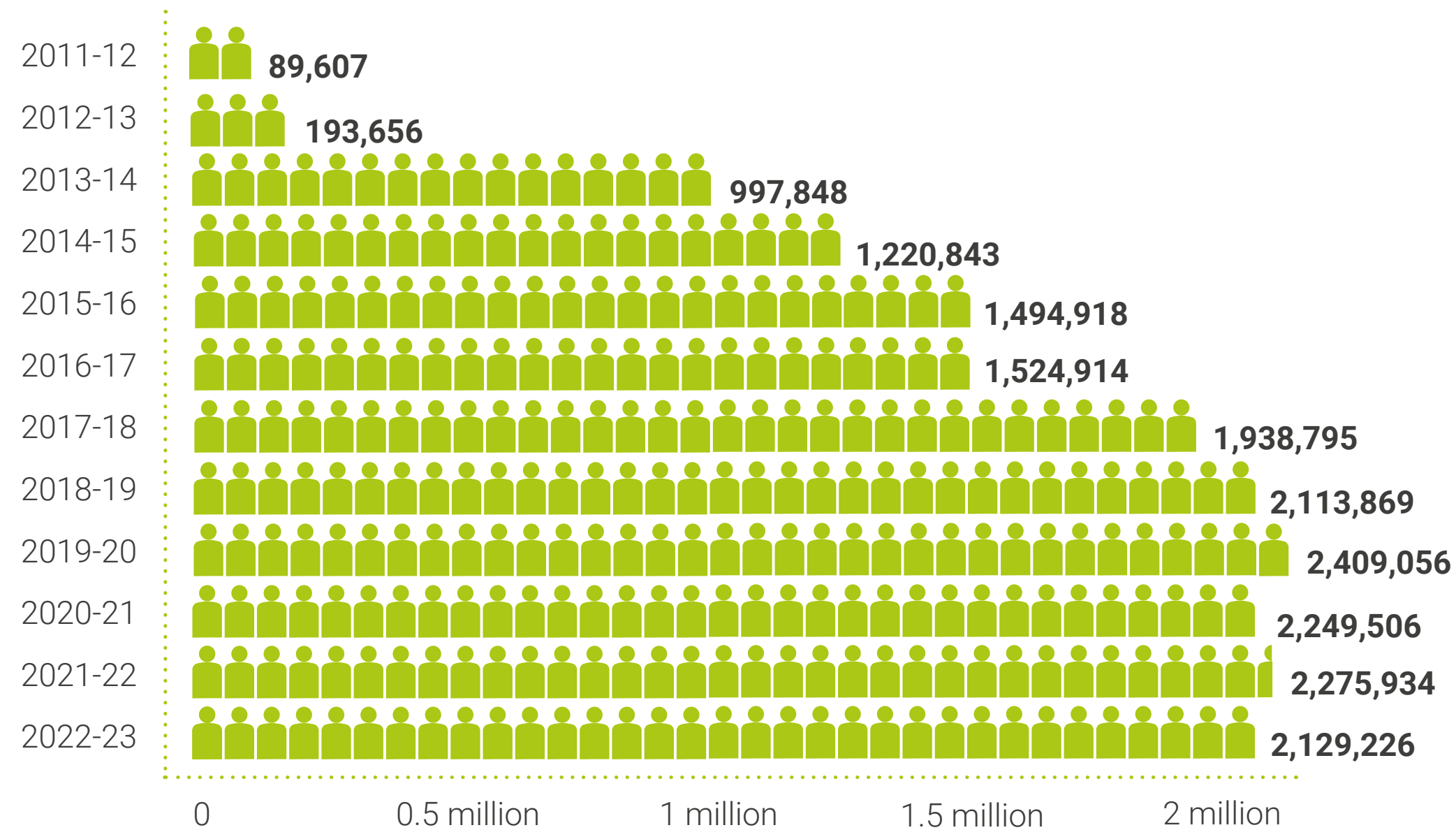
Despite relentless heat and drought, 2023 was a year of resilience and progress for US cotton farms. The country team updated their programme strategy, emphasising robust data management, context-specific communications and innovative partnerships. Collaboration with the University of Arizona's Maricopa Agricultural Center has encouraged research into innovative pest management techniques, while efforts to link Better Cotton Farmers using regenerative practices with market opportunities continued. Better Cotton Members also engaged with Better Cotton Programme Partner Quarterway Cotton Growers in Texas for a field event to learn about sustainable cotton systems. As the US team moves towards their 2030 targets, they look to continue facilitating supply chain connections, promoting forward-thinking research and advancing soil health by moving away from the use of synthetic nitrogen fertiliser and Highly Hazardous Pesticides.



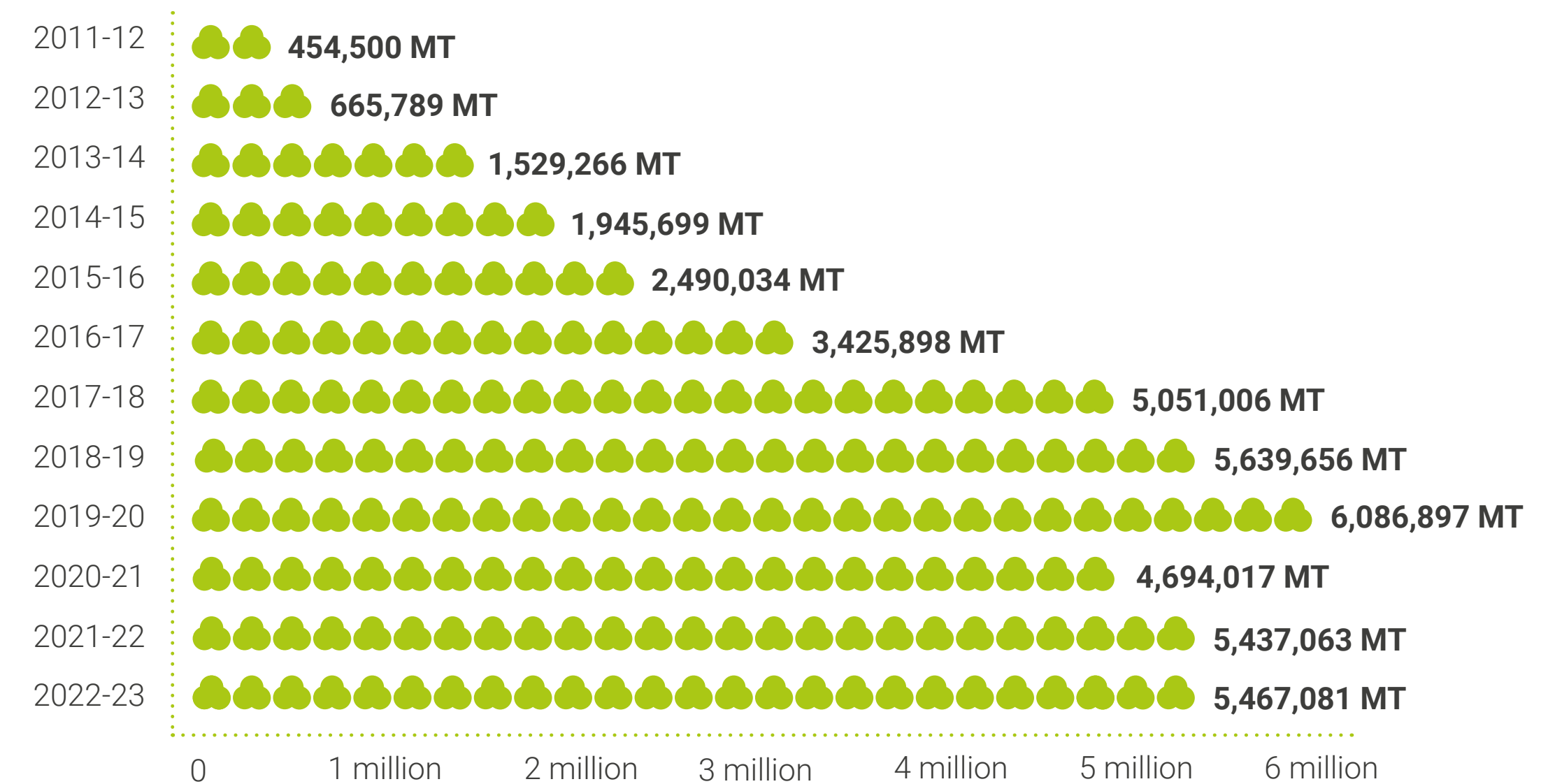
# Tracking Progress Over Time

## Licensed Farmers and Better Cotton Grown

2011-12 to 2022-23 Licensed Better Cotton Farmers



2011-12 to 2022-23 Volumes of Better Cotton Grown (Metric Tonnes of Cotton Lint<sup>1</sup>)



<sup>1</sup> Cotton fibres that are ready to be spun into yarn after being separated from cotton seeds through the ginning process; also referred to as 'virgin cotton'.



# Market Results: Membership

Better Cotton membership spans a global, multi-stakeholder network of organisations that work in every area of the cotton sector. Despite a challenging geopolitical and economic climate, Better Cotton membership continued growing in 2023.

We made a 7% adjustment to our membership fee and an increase of 19% in the Better Cotton Platform access fee, which were unchanged since 2017. The new fees went into effect on 1 April 2023 and were necessary to deal with increasing operational costs due to inflation.

In 2023, membership grew by 5.6% (compared to 6.4% in 2022), and we welcomed 302 new members.

We continued to engage with our members through regular webinars and face-to-face meetings and training to ensure they stay up to date on major Better Cotton developments, including a new CoC Standard that introduced new models to source Physical Better Cotton through Better Cotton Traceability and the updated Better Cotton P&C v.3.0 and Claims Framework v.3.1. Most of the face-to-face engagement took place in South Asia, where we have the most members.

During the cotton harvest, we organised Better Cotton field trips in Türkiye, India, Pakistan, the US and Egypt. These trips are an opportunity to bring together Better Cotton Retailer and Brand Members with Supplier and Manufacturer Members to visit our farm-level projects and better understand other key processes along the cotton supply chain.

Listening to member feedback from our 2022 Annual Member Self-Assessment Survey, we launched [myBetterCotton](#) in June 2023 – a new member portal that enables direct member-to-member engagement.

## Total Membership in 2023



## Total Members

# 2,706

at the end of 2023  
Find all members [here](#)

## New Members in 2023



# +311

New Members in 2023

*“On a global level, and within the textile and apparel sector, there have been many significant shifts over the past few years. In the face of these changes, Better Cotton retains an engaged member community, who year after year, demonstrates their commitment to supporting sustainable cotton production and its positive social and environmental impacts. Thank you to all our members around the globe, totalling more than 2,700 in 2023 from 69 countries. We look forward to continuing our work together as Better Cotton drives deeper impact and evolves to meet sector demands.”*

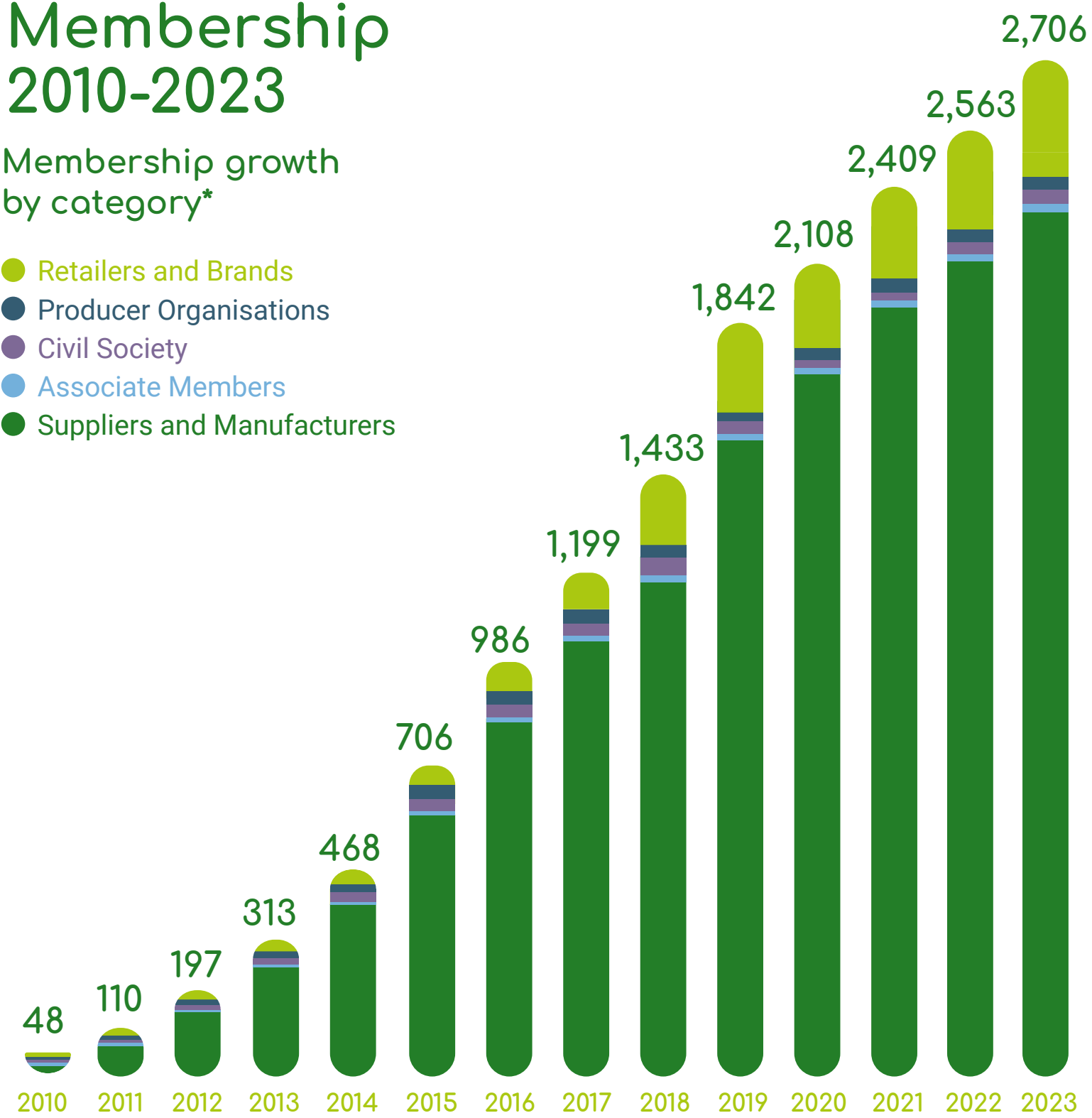
Eva Benavidez Clayton, Senior Director of Membership and Supply Chain at Better Cotton



## Membership 2010-2023

Membership growth by category\*

- Retailers and Brands
- Producer Organisations
- Civil Society
- Associate Members
- Suppliers and Manufacturers



\*This graph shows the net amount of members at the end of the calendar year.

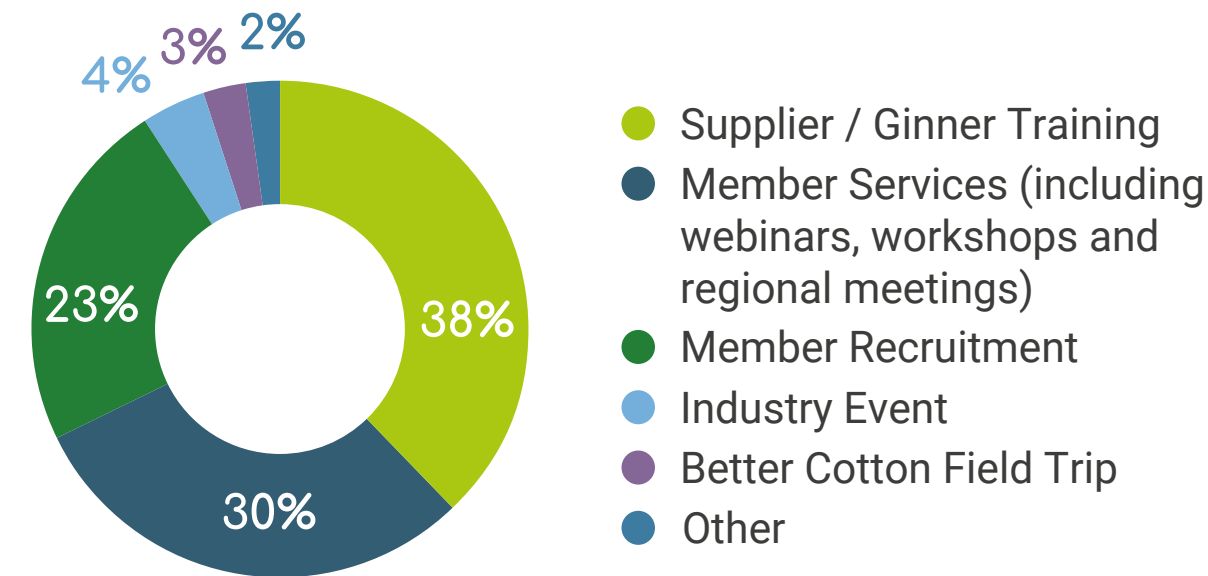
## Events

Our training and awareness events, both online and in-person, reach several thousand textile and apparel professionals each year. Some events are standardised while others are tailored to the interests of our specific members. This includes many consultation workshops and specialised working groups across Better Cotton such as for traceability or our Claims Framework revision. This year, we increasingly engaged with ginners, as well as middlemen, to strengthen our CoC.

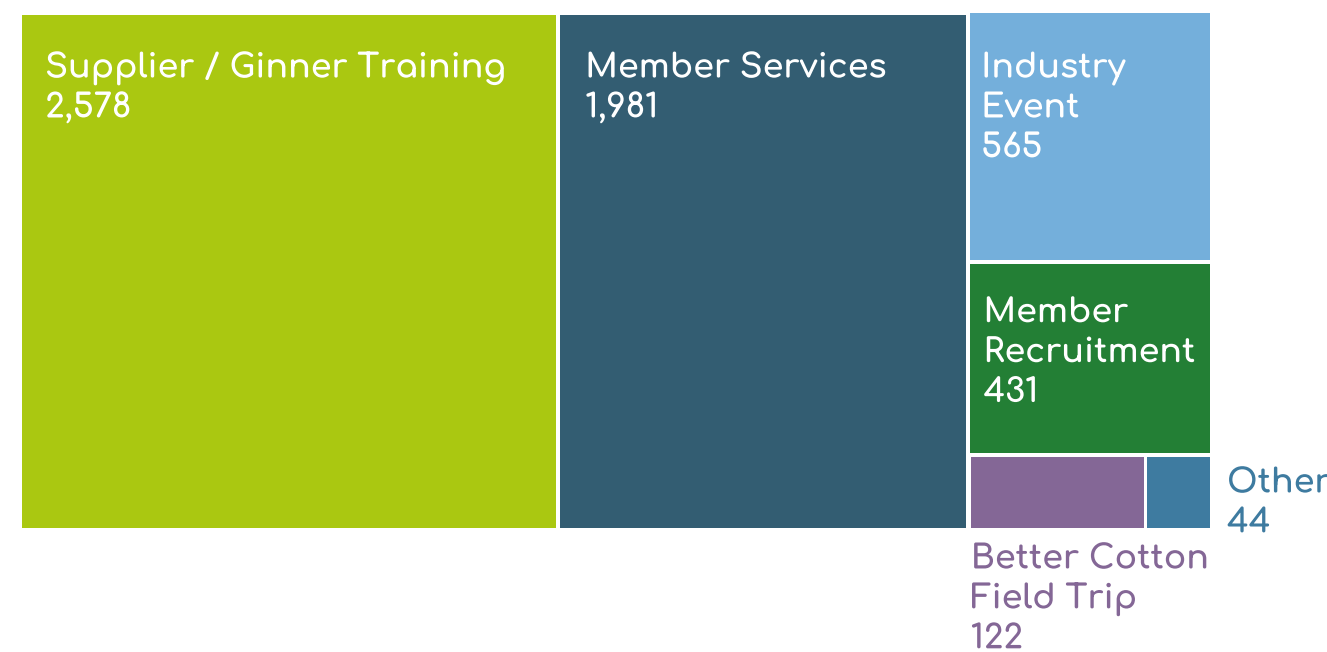
## Events Attendees 2023

In 2023, the Better Cotton membership team organised 159 events, which were attended by over 5,700 participants.

159 events  
Engaging 5,700+ participants



## Member Event Reach in 2023



Over 120 members attended Better Cotton field trips organised in five regions. Beyond our members, the membership team reached 500+ industry professionals through regional industry events.

## Member Code of Practice

In August 2023, Better Cotton published a new version of its Member Monitoring Protocol, which outlines how Better Cotton screens new members as well as how existing members are monitored against our Member Code of Practice. Updates include a new risk assessment process for monitoring cases and a formalised resolution process.

All new member applications are screened and approved in line with the monitoring protocol, and existing members will be screened through it during their regular reviews. At the end of the 2024 financial year, there were no open monitoring cases, and during the year, one case was closed, resulting in expulsion for breach of the Member Code of Practice.

## WHAT IS THE BETTER COTTON PLATFORM?

The Better Cotton Platform (BCP) is our proprietary online system used by members and supply chain actors (starting from ginners) to document volumes of cotton sourced as 'Better Cotton' as they pass through the supply chain. Access to the BCP allows organisations to participate in the Better Cotton CoC by recording information about cotton-containing orders sourced as Better Cotton, managing the required documentation and recording information about relevant sales to customers. As of November 2023, the BCP was updated to make it possible to track Physical Better Cotton following the new models in the CoC Standard. Suppliers now manage all volumes sourced as 'Better Cotton' — mass balance and Physical — within the BCP.

## OTHER AFFILIATIONS ACROSS THE SUPPLY CHAIN

Better Cotton Supplier and Manufacturer Members come from across the supply chain. For supply chain actors who only need to fulfil a few orders and are neither traders nor spinners, we sell access to the BCP. At the end of 2023, there were 11,501 suppliers with access to the BCP, a 2.4% increase from 2022. It is important to note that we also work with a few hundred ginners through our CoC.



# Market Results: Sourcing

Market demand for Better Cotton remains crucial in promoting sustainable cotton production. Better Cotton Traceability now gives organisations the ability to source Physical (or traceable) Better Cotton through adoption of our new CoC Standard v.1.0. Whether a supplier wishes to buy or sell 'Better Cotton' as Physical Better Cotton or through the mass balance model, they must meet the requirements of the CoC Standard from May 2025. We are pleased to report that only eight weeks after Better Cotton Traceability went live, spinning mills (mainly in India and some in Pakistan) had purchased a notable 3,400 metric tonnes of Physical Better Cotton through the BCP. This amount is included in the overall 3.2 million metric tonnes of Better Cotton sourced by Spinner Members in 2023.

Despite a challenging business landscape, member sourcing was almost on par with 2022 sourcing results: 343 retailers and brands sourced Better Cotton in 2023.

On average, Better Cotton Retailer and Brand Members sourced

**7,062**  
metric tonnes of  
Better Cotton

Which is around  
**8.8**  
million pairs  
of jeans

**31** Retailer and  
Brand Members  
sourced  
**80%**  
of 2023 uptake

**50%**  
of total uptake was  
sourced by the top 10  
sourcing Retailer and  
Brand Members

## Spinner Member Uptake 2023

**3.2**  
Million

CoC Guidelines v.1.4  
Sourcing (Mass Balance)  
**Metric Tonnes of Mass  
Balance Better Cotton  
Sourced**  
(1 January – 31 December 2023)

Decrease of  
**7%**  
from 2022

**3.4**  
Thousand

CoC Standard v.1.0  
Sourcing (Mass Balance  
and Physical)  
**Metric Tonnes of  
Physical Better Cotton  
Sourced<sup>1</sup>**  
(November 2023 launched – December 2023)

## Retailer and Brand Member Uptake 2023 - Mass Balance CoC

**2.5**  
Million

Metric Tonnes of Better  
Cotton Sourced  
(1 January – 31 December 2023)

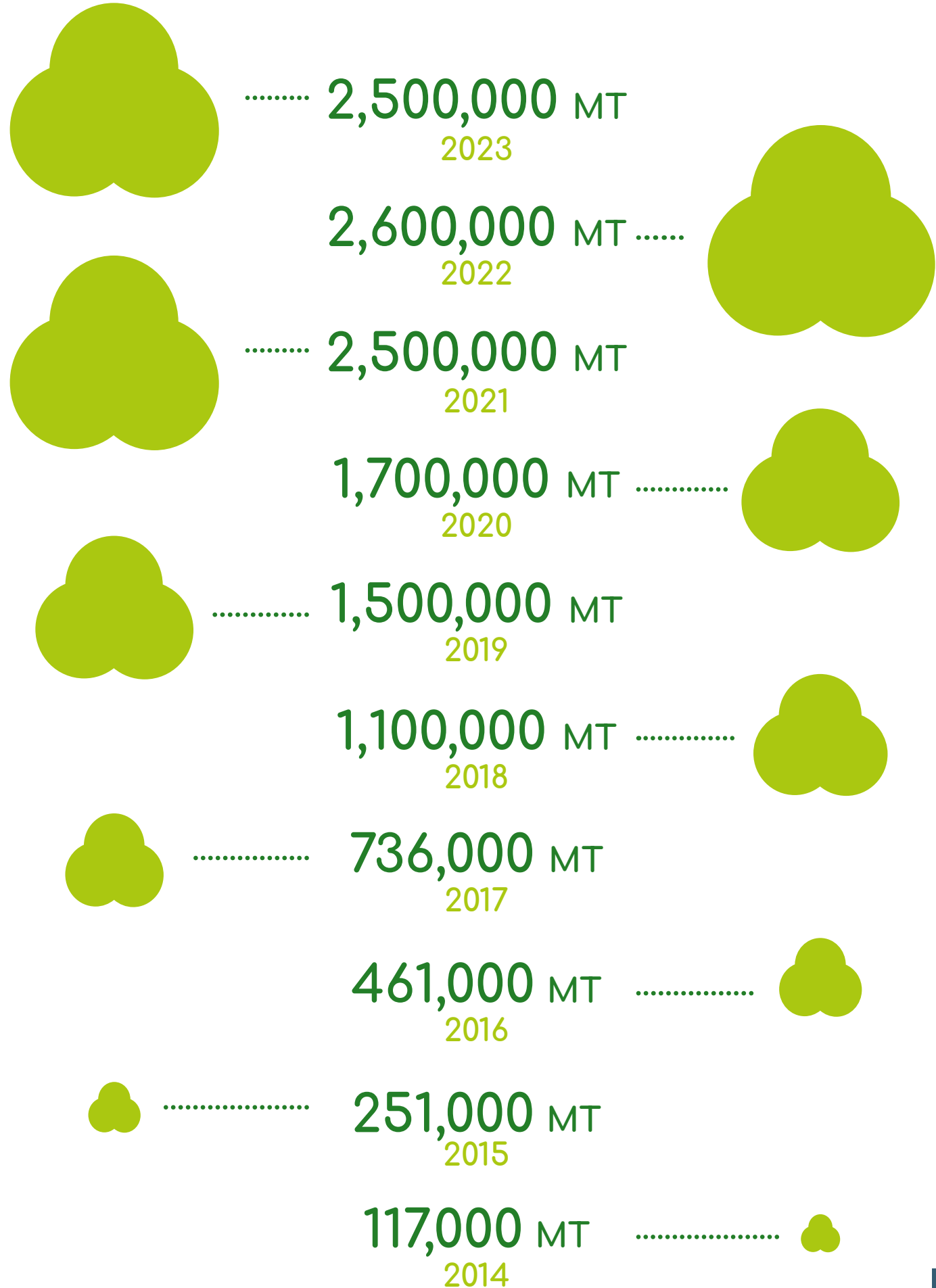
Decrease of  
**6%**  
from 2022

With the launch of Better Cotton Traceability in November 2023, we will report on Physical Better Cotton in our 2025 report.

Want to source Physical Better Cotton? [Visit our traceability page to learn more.](#)

<sup>1</sup> The 3,400 metric tonnes of Physical Better Cotton sourced is included in the overall figure of Better Cotton sourced in 2023.

## Better Cotton Uptake by Retailer and Brand Members 2014-2023





# Spotlight: Tracking Towards 2030 Goals

## An Update on Our Impact Targets

Better Cotton's five Impact Targets — approved by the Better Cotton Council in January 2023 — are key drivers of our 2030 Strategy. Since their approval, we have been developing metrics and rolling out activities to ensure consistent progress.

While many advancements have been made in 2023 and 2024, we must act fast and do more to rise to the challenges facing our world. With agriculture playing a pivotal role in combatting climate change, rural poverty and gender inequalities, more investment is needed. At Better Cotton, we have the network and programmes in place to scale global impact. We invite our partners to join and support us in this mission as we work to scale the kinds of initiatives outlined below.

### Soil Health and Regenerative Agriculture



Good soil health is the foundation of cotton production, which is why by 2030 our goal is to ensure that 100% of Better Cotton Farmers have improved their soil health. It's also why we have always actively pursued initiatives that ensure cotton farming is not only sustainable but also regenerative, meaning it gives back to our soil and society. Regenerative agriculture has gained more traction and attention recently, but many regenerative practices — like enhancing crop diversity and reduced tillage — are centred around soil health and have long been woven into the BCSS.

**India Regenerative Agriculture Pilot:** This three-year project, funded by H&M, is supporting 7,000 farmers in Telangana to improve soil and carbon sequestration through regenerative agricultural practices while improving gender equality. Now in year two, we are already seeing positive outcomes. 26,498 tree saplings have been distributed to farmers, with a survival rate

of 78%, and 88% of farmers reported an understanding of the benefits of biopesticides. 52% of farmers are now using only 'green label' pesticides, including botanical and biopesticides. With such great results, we plan to expand the pilot into country-wide programmes in Pakistan and India.

**Developing our Regenerative Agriculture Approach:** In parallel, we are building the necessary tools to monitor, report and communicate regenerative outcomes and progress. This work was highlighted during the Better Cotton Conference 2023, where we shared our evolving approach to regenerative agriculture. The approach underscores the importance of prioritising smallholder livelihoods throughout this regenerative transition.

**Promoting Regenerative Practices in the P&C:** In the latest revision of the Better Cotton P&C v.3.0, released in March 2023, requirements that promote regenerative practices have been strengthened, including those related to maximising crop diversity and soil cover, optimising water use, enhancing biodiversity and more.

*“Sustainable and resilient livelihoods and regenerative agriculture go hand in hand. Regenerative agriculture helps protect the natural resources that farming communities depend on, leading to more profitable and long-term benefits. In turn, when farming communities thrive, they are better positioned to adopt practices that enhance soils, biodiversity and water cycles, creating a cycle of growth and resilience for both people and planet.”*

Natalie Ernst, Farm Sustainability Standards Senior Manager at Better Cotton

### Sustainable Livelihoods



By 2030, we aim to sustainably increase the net income and resilience of two million cotton farmers and workers to improve living standards and make a positive contribution to the eradication of poverty in smallholder cotton farming communities. To reach this target, we have been running pilots and developing tools that can help us accelerate progress towards achieving living incomes and increased resilience for cotton farmers.

**Living Income Benchmark Study:** We conducted our first living income benchmark study across 800 households in Maharashtra and Telangana, India. The study, funded by IDH, revealed that the majority of smallholder farmers growing on less than five acres (which makes up around 70% of farmers in each state) do not earn a living income, which is essential for a decent standard of living. Addressing the living income gap and improving smallholder livelihoods requires a smart mix of strategies targeting multiple income drivers and a multi-stakeholder approach. With the support of IDH and others from the Living Income Community of Practice, we are exploring options to move the needle. Insights from the study will help us strengthen pathways to living incomes in the Better Cotton Programme.

**Resilience Study and Indicators:** To understand and monitor the resilience of farmers, which can contribute to more stable incomes, we conducted a study on smallholder farmers in Telangana and Karnataka, India. The study found that, when responding to shocks and agricultural challenges, farmers coped by reducing spending on essentials — a strategy that is detrimental to their long-term livelihoods. As a part of this study, we also designed and tested a suite of performance indicators looking at key aspects related to farmer risks, including shocks and coping abilities, involvement in social structures, environmental protection and economic viability.



**Additional Livelihoods Criteria:** The latest revision of the Better Cotton P&C v.3.0, introduces new requirements focused on sustainable livelihoods for smallholders and Better Cotton Medium Farms. This aims to ensure that Better Cotton production always takes into account the well-being and livelihoods of the farming communities involved in or impacted by farming activities.

## Gender



women's empowerment

According to the International Cotton Advisory Committee (ICAC), about 43% of labour in cotton production is carried out by women, depending on the region. With women playing such a significant role in production, we recognise that advancing gender equality is not only the right thing to do but it's also critical to advancing sustainability in the cotton sector. That's why, to help us achieve our target of reaching one million women in cotton with our programmes and resources and ensuring 25% of Better Cotton Field Staff are women, we have strengthened our policies and partner support.

**Gender Committee Guidance:** We released guidance to help our Programme Partners strengthen and roll out gender committees, which are a requirement of the P&C v.3.0. Gender committees help amplify the voices of women farmers and workers and overcome gender-based barriers within farms.

**Increasing Women in Field Staff Roles:** In 2023, we successfully supported our Programme Partners to bring more women into Field Staff roles. 15% of Better Cotton Field Staff are now women, up from our 9% 2020-21 cotton season baseline. With support from ISEAL, we are also leading a qualitative research project to further boost this number. The study is examining strategies for recruiting and retaining women Field Staff in Producer Units, especially in managerial roles. Increasing the amount of women in Field Staff roles is a key vehicle for deepening women's participation in cotton farming. The research will also be diving deep into best practices for strengthening and activating gender committees so they can better assist women in raising

their concerns and co-creating solutions. The lessons from this study will be shared within Better Cotton and throughout the wider cotton sector via the ISEAL platform.

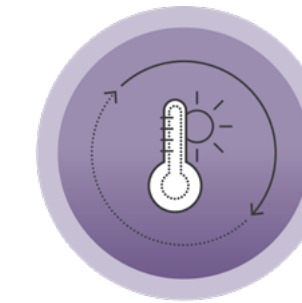
**Better Cotton India Women's Leadership Workshop:** In January 2024, Better Cotton India organised its first two-day leadership workshop for women Field Staff. The workshop revealed insights into how gender influences leadership and examined how the organisation can enhance the overall experience of women in Better Cotton projects.

**Stronger Gender Criteria:** In the Better Cotton P&C v.3.0, we made gender equality a cross-cutting priority across all principles, giving the entire standard a stronger gender lens.

*"Increasing women's autonomous decision-making abilities has a proven impact on enhancing household incomes, well-being and nutrition, family productivity, soil health and environmental sustainability. Cultivating women's voices, their agency and autonomy demands creating focused action on gender equality with men and boys as equal participants in meaningful engagement. Transforming negative social and gender norms that harm both women and men is at the heart of inclusive growth and protecting environments."*

Nini Mehrotra, Senior Manager for Gender Equality at Better Cotton

## Climate



climate change mitigation

To reduce GHG emissions by 50% per tonne of Better Cotton lint by the end of the decade, our focus this year has been on developing the methodologies and tools that will enable the needed reductions.

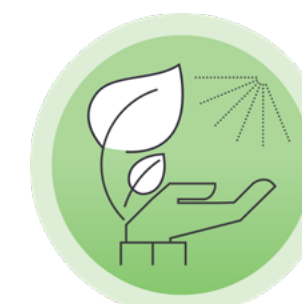
This included a focus on:

**GHG Measurement Systems:** We are developing a farmer GHG reporting methodology and toolkit to enable data collection at the farm level that can be aligned with the different existing reporting frameworks (e.g., the GHG Protocol and the Science Based Targets Initiative).

**Carbon Credit Pilots:** Through the Unlock Programme, developed by the Fashion Pact, we are scaling up a pilot in India to provide carbon credits designed for the textile supply chain. These credits would be based on mitigating emissions on cotton farms. The goal is to quantify the GHG benefit from more sustainable practices at the farm level and offer incentives for farmers to adopt them.

**Climate as a Cross-Cutting Priority:** In the P&C v.3.0, climate change is a strong cross-cutting priority, requiring that farmers include climate change mitigation and adaptation considerations into all their decision-making. We support farmers in identifying and implementing locally relevant practices and activities which help farming communities build resilience for climate change impacts as well as mitigate the effects.

## Pesticides



pesticide use

As we strive to halve the use and risk of synthetic pesticides applied by Better Cotton Farmers and workers by 2030, we have taken several significant steps forward in that direction.

**Integrated Pest Management (IPM) Pilots:** An IPM approach is integral to phasing out pesticides on Better Cotton Farms. IPM helps farmers develop plans to control pests while reducing their pesticide use and boosting both soil health and biodiversity. Throughout



the 2023-24 cotton season, we have been piloting projects in India, Pakistan and Mozambique to test and adapt our IPM framework. The goal is to make it more locally responsive, identify gaps and develop a reporting mechanism to monitor progress. Insights will be scaled up throughout the Better Cotton Programme from the 2024-25 cotton season onwards.

**Highly Hazardous Pesticide (HHP) Exceptional Use Procedure:** Released in October 2023, our HHP Exceptional Use Procedure is an essential element in helping Better Cotton farming households phase out the use of HHPs, which pose great risks to both the environment and health of farming communities. While the long-term goal is to eliminate the use of HHPs, this procedure recognises the trade-offs in phasing out pesticides, especially where viable alternatives might not yet exist and phasing out could lead to adverse impacts. This process aims to be clear, transparent and unbiased, with external experts making the final decision.

**Revival of the IPM Coalition:** The IPM Coalition, formed in 2016, is an alliance of over 10 ISEAL members aiming to eliminate HHPs, promote sustainable alternatives and harmonise pesticide approaches among ISEAL standards. After a strategic review of its goals and objectives in 2022, the IPM coalition was revived in 2023, with a new proposed governance model and a clear action plan that will come into effect throughout 2024.

**Stronger Crop Protection Criteria:** In the P&C v.3.0, we further strengthened our requirements on crop protection measures by emphasising a detailed focus on IPM to reduce synthetic pesticide use, phase out HHPs and ensure responsible pesticide handling.

*“Since I started growing Better Cotton, the training I’ve received has been a massive advantage. For example, previously we applied pesticides without any control and even sprayed the fields twice a week. With the arrival of Better Cotton, we learned how to monitor pests and to see what kind of cotton pests or natural enemies are present in the field.”*

Jessemane Burai, Better Cotton Farmer in Mozambique



Photo Credit: Better Cotton/ Joe Woodruff



# Spotlight: Launching New Initiatives

It was a year full of landmark launches for Better Cotton. From our highly awaited traceability offering to an updated framework for making claims, we pushed forward new ways to level up the Better Cotton experience, both on and off the field.

## Introducing Better Cotton Traceability

After three years of development, we officially launched [Better Cotton Traceability](#) in November 2023. It's now possible to track Physical Better Cotton yarn from ginners to retailers and brands, giving members greater visibility of their supply chains and a verified country of origin for the Physical Better Cotton in their products.

Traceability at Better Cotton means:

- Knowing which country Physical (or traceable) Better Cotton comes from, and increasing that granularity in the years to come;
- Greater transparency of the journey of Physical Better Cotton along the supply chain.

The key priority for the launch of Better Cotton Traceability was training all gins in direct programme countries<sup>1</sup> to ensure there was enough supply of Physical Better Cotton at the beginning of the supply chain. We trained over 700 gins to implement the new CoC Standard and updated BCP, making Physical Better Cotton available from gins in India, Pakistan, Türkiye, China, Mali, Uzbekistan and Tajikistan.

The first Physical Better Cotton transactions in the BCP between gins and spinners took place in December 2023, and by the end of the financial year, more than 800 suppliers (including traders, sourcing agents, suppliers and

manufacturers) had begun or completed their onboarding to the CoC Standard to buy and sell Physical Better Cotton. By the end of March 2024, over 23,000 metric tonnes of Physical Better Cotton lint had been sourced by spinners.

As we continue to develop Physical Better Cotton, it's important to note that our mass balance CoC model remains integral to sourcing 'Better Cotton' and supporting our work in the field. Mass balance is still the most scalable CoC model for reaching Better Cotton Farmers globally.

## First Mile Traceability Pilots and myBetterData

To continue improving supply chain transparency, our next step is to transform data collection and connectivity, transitioning from our current analogue or paper-based data collection methods to digital tools. In the 2023-24 financial year, we conducted first mile traceability pilots to digitise how volume and transaction data is recorded within the so-called 'first mile' between the farm and gin in smallholder farming communities in Pakistan and India. Taking the lessons from the 2023-24 cotton season, larger pilots are being planned for 2024-25 to further test and refine the approach.



A new [Chain of Custody Standard](#), which introduces three Physical Chain of Custody Models



An enhanced digital platform for data collection, known as the [Better Cotton Platform](#)



Robust [supply chain monitoring](#) and assurance processes to check and enforce the CoC Standard



A new [Claims Framework v.4.0](#) to be published in January 2025

<sup>1</sup> Better Cotton's direct country programmes implement our standard system and must comply with our P&C to attain a licence and sell their cotton as 'Better Cotton'.



## myBetterData

To facilitate our digitalisation efforts, we created myBetterData, a suite of digital tools for Programme Partners to collect, store and visualise field data.

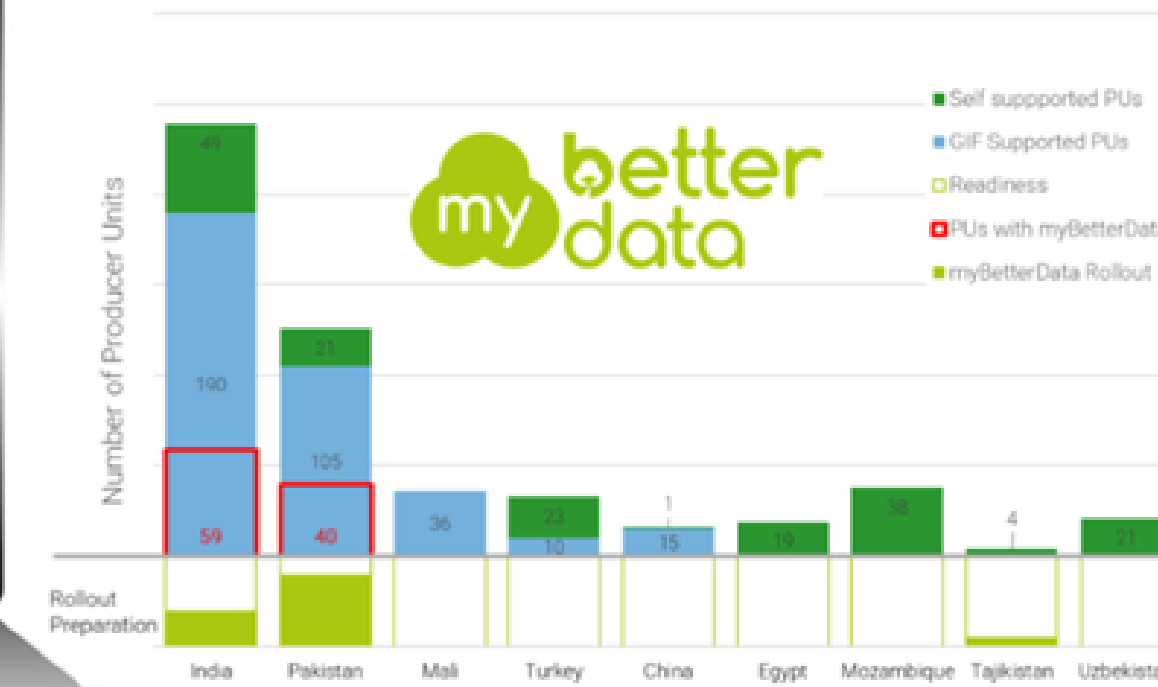
It consists of two components:

- A mobile Android app that is used by Field Facilitators and Producer Unit managers to collect field data
- A digital dashboard used by Programme Partners and country teams for near real-time data visualisation

myBetterData aims to enhance Programme Partners' efficiency and impact by improving their data quality, ensuring data traceability, elevating analytics capacity and strengthening data governance.



myBetterData Rollout to Countries (24-25)



## A New Member Portal — myBetterCotton

In response to member feedback, we also developed a new online home for Better Cotton Members in June 2023. The portal enhances the Better Cotton membership experience, providing opportunities for members to connect, collaborate and network with each other in discussion groups. It also makes key member processes easier. For example, Retailer and Brand Members now submit all of their marketing and communications materials through the platform for approval. The portal user experience is tailored to each of our member categories, ensuring myBetterCotton delivers the value and resources our members need.

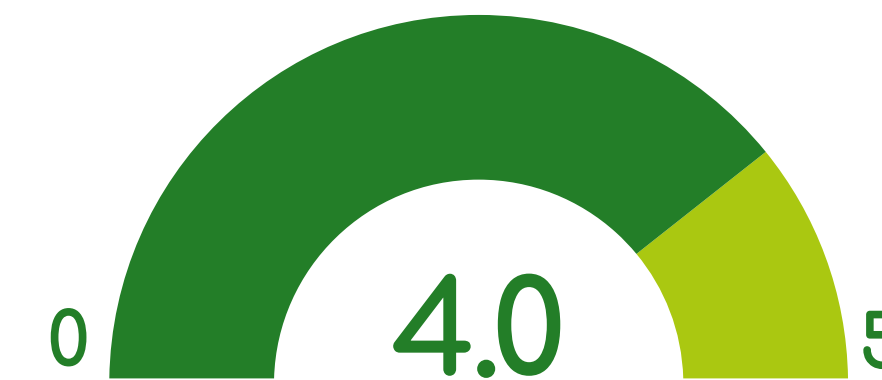
**In the 2022 Member Survey, 43% of responding members said they wanted more opportunities to network with each other. myBetterCotton provides an online community that facilitates this.**

Access to myBetterCotton was provided to all member categories in a phased approach throughout 2023-24. Members shared their feedback in the 2024 Member Feedback Survey with positive results.

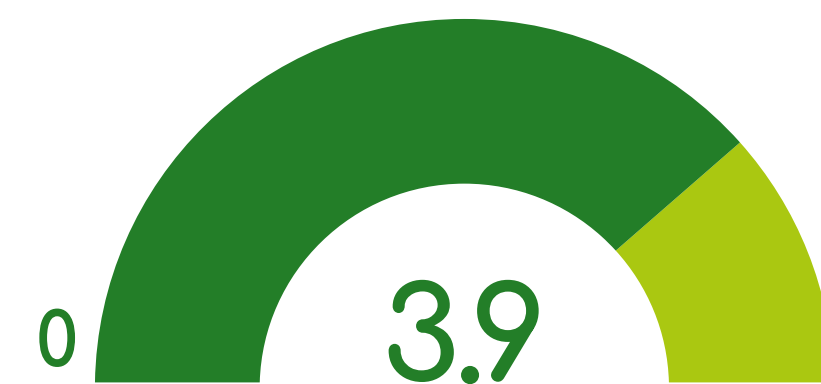
We are taking this feedback into account as we continuously evolve the portal in line with changing member needs. Future updates in development include the translation of myBetterCotton content to our primary member languages and a refreshed 'myCommunity' area that will facilitate in-depth engagement across vibrant discussion groups.



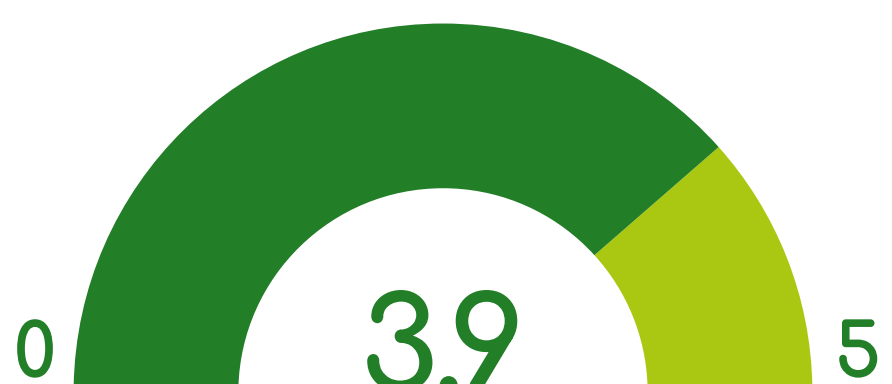
## 2024 Member Survey Results on myBetterCotton



How satisfied are you with your experience using myBetterCotton?



Is the content available in myBetterCotton relevant to your interests and needs as a Better Cotton Member?



How easy is it to navigate myBetterCotton and find the information you are looking for?



## The Better Cotton Claims Framework

It's important that our members, taking action to ensure more responsible business practices, can communicate their progress to stakeholders. It's even more important that they do so in a way that is consistent, transparent and meaningful. Mounting pressure is building on large businesses, with the fashion industry under increased scrutiny amid endless accusations of greenwashing. At Better Cotton, we're using this timing as an opportunity to take a critical look at the claims Better Cotton Members can make. In the last year, we've:

- Performed a consumer research study
- Surveyed Retailer and Brand Members
- Analysed legislation
- Built a task force of Retailer and Brand Members to guide our Claims Framework evolution through a consultative process
- Taken stock of the direction the industry is going concerning green claims

We are now focusing our efforts on developing and launching a new label in 2025 for products sourced via our Physical CoC model, which contain Better Cotton. Members can look forward to contributing to the development of the Claims Framework 4.0 during the next phase of consultation, from October 2024.

## India Impact Report

Since the first Better Cotton harvest in India in 2011, the country has been a pioneering force within Better Cotton. In 2023, we took a closer look at the country with the largest number of Better Cotton Farmers to glean insights that can be applied across the Better Cotton ecosystem.

The [India Impact Report](#) examined results from the 2014-15 to 2021-22 cotton seasons, as well as programmatic information up to 2023. With eight seasons of data, we were able to see significant progress:

- Pesticide use decreased by 53% on Better Cotton Farms
- Water usage for irrigation decreased by 29%
- Costs for Better Cotton Farmers (excluding land rental) decreased by 15.6%
- Women Field Facilitators represented 15.5% of our Field Facilitators in India in 2021-22 – an increase from 10% just two years prior

The Better Cotton Programme in India has come far since its inception. Our goal for this next phase is to deepen impact in line with our 2030 Strategy. As we work to do so, the results from this report are helping us align stakeholders and prioritise our areas of focus, in India and elsewhere. This includes enhancing farmer resilience to climate change by mapping farmer practices and building stronger and more inclusive partnerships with existing and potential partners in the country.

*“India is a crucial cotton-producing country and has been a priority for us for many years. All of us at Better Cotton are hugely encouraged by these impressive results from our India programme.”*

*From pesticides to yields, water to decent work, these results show the considerable impact that giving farmers and farm workers access to the necessary tools, training and support can have on the sustainability of the cotton sector.”*

Jyoti Narain Kapoor, India Country Director at Better Cotton





# Spotlight: Our Advocacy Work

2023 was a pivotal year for Better Cotton's advocacy efforts as we began participating in law-making processes through public consultations. As the cotton industry rises to meet the increasingly complex legislative agenda, governments and institutions must prioritise the needs of farmers and the broader cotton sector. This means understanding the impacts of sustainability laws on farmers and farming communities globally, investing in safer farming practices and training programmes and fostering collaboration across the supply chain. Together, we can promote a more sustainable cotton future that benefits both people and planet.

Discover an overview of our advocacy work below.

## U.S. Federal Trade Commission's Green Guides Review

In April 2023, Better Cotton [provided feedback](#) on the United States Federal Trade Commission's (FTC) ongoing review of its Green Guides for the Use of Environmental Marketing Claims. These guides ensure that sustainability claims made by companies are accurate and substantiated. In our feedback, we highlighted our support for the initiative and emphasised the need for the guides to consider agricultural contexts and field-level progress.

We support the FTC's efforts to establish a common framework for sustainability claims, which benefits businesses by promoting fair competition and empowering them to pursue bolder sustainability targets. Yet we urged the FTC to include examples of substantiation from a range of methods. At this stage, favouring a single methodology

for substantiation could be limiting and would not cover all of the relevant impact categories for every product type.

## The European Commission Green Claims Directive

In July 2023, Better Cotton [submitted feedback](#) on the European Commission's proposal for a Directive on the Substantiation and Communication of Explicit Environmental Claims (Green Claims Directive). This directive aims to address greenwashing and protect consumers from misleading environmental claims.

Our feedback highlighted our support for the directive, recognising the need for clear guidance to standardise industry practices and prevent greenwashing. We also advocated for the EU Commission's proposed position to accept diverse substantiation methods and not prescribe one single method such as the EU Commission's Product Environmental Footprint (PEF). Given the complex and interconnected aspects of cotton production, reliance on a single methodology, like a PEF, could prevent companies from making claims that demonstrate their commitment to sustainable cotton.

## Advocacy Against Highly Hazardous Pesticides (HHPs)

Ahead of the fifth session of the International Conference on Chemicals Management in September 2023, Better Cotton and our partners in the IPM Coalition issued a position paper demanding a global phase-out of HHPs in

agricultural supply chains. Our recommendations included:

- Coordinated, time-bound actions for global HHP phase-out
- Support for agricultural producers to transition to sustainable practices like IPM
- Investment in research for safer pesticide alternatives
- Education and training programmes for farmers on IPM practices
- Collaboration to prevent HHP subsidies and strengthen regulatory frameworks

Across Better Cotton's network and those of our partners in the IPM Coalition, over seven million farmers have adopted more sustainable pest management solutions, reducing their reliance on HHPs.

## Observer Status at the United Nations Framework Convention on Climate Change (UNFCCC)

In 2023, Better Cotton was honoured to become an observer to the UNFCCC, the UN process charged with organising the global response to climate change. This status allows us to attend and participate in meetings and sessions, including the yearly climate change Conference of the Parties (COP). It also means Better Cotton can use COP as a platform to advocate for specific issues, influence negotiations and raise awareness about sustainable cotton production in the context of global climate goals.



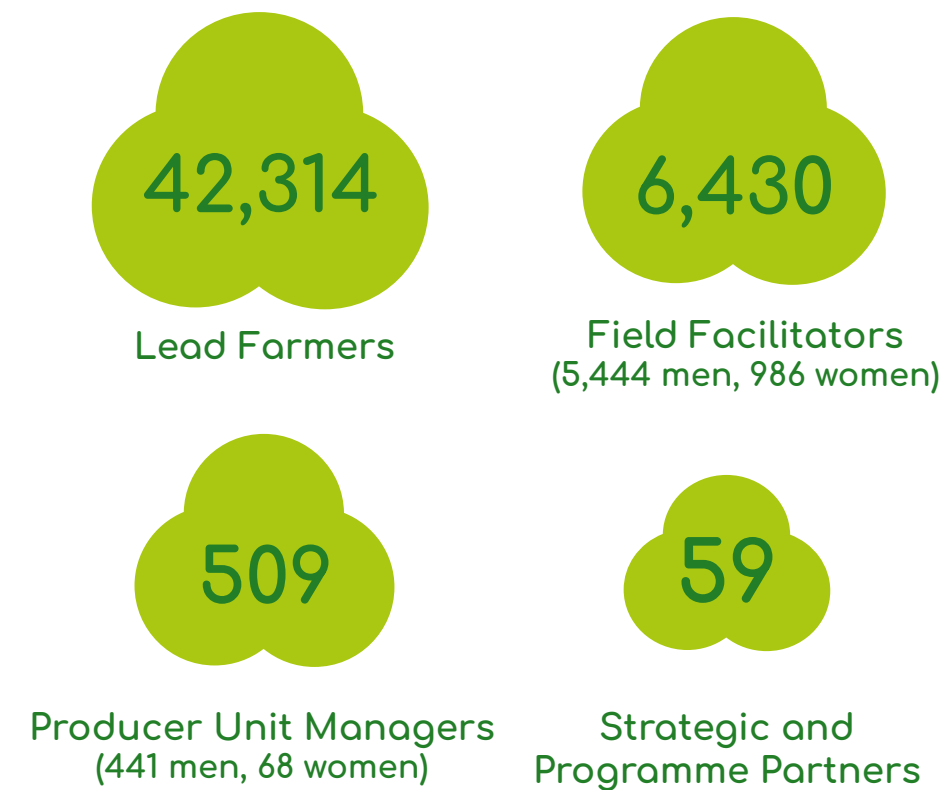


# The Better Cotton Network

The Better Cotton network unites the entire cotton industry – farmers, ginners, spinners, suppliers, manufacturers, brands, retailers, civil society organisations, agricultural experts, donors and governments – under the vision of a sustainable cotton future. Each stakeholder plays an important role in helping us reach the bold goals outlined in our 2030 Strategy.

As we drive forward, we will continue to rely on the unwavering collaboration and commitment of our entire network, seeking new ways to strengthen our bonds and partnerships along the way.

## Programme Partners & Field Level Staff 2022-23



## Secretariat Staff



## Number of Full-Time Employees per Country

UK	67	Brazil	6
Switzerland	43	Sweden	3
India	55	Uzbekistan	2
Pakistan	(1) <sup>1</sup>	Kenya	1
China	(1) <sup>2</sup>	Burkina Faso	1
USA	5	Mali	1
Mozambique	3	The Netherlands	3
Türkiye	3	Côte d'Ivoire	2
Denmark	1		

## Members



Suppliers and Manufacturers



Retailers and Brands



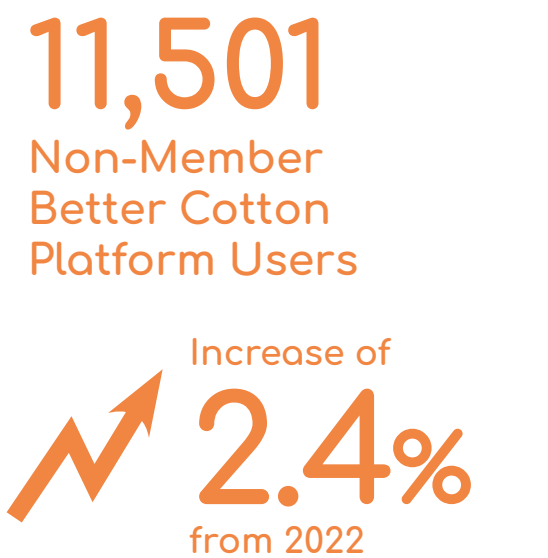
Civil Society Organisations



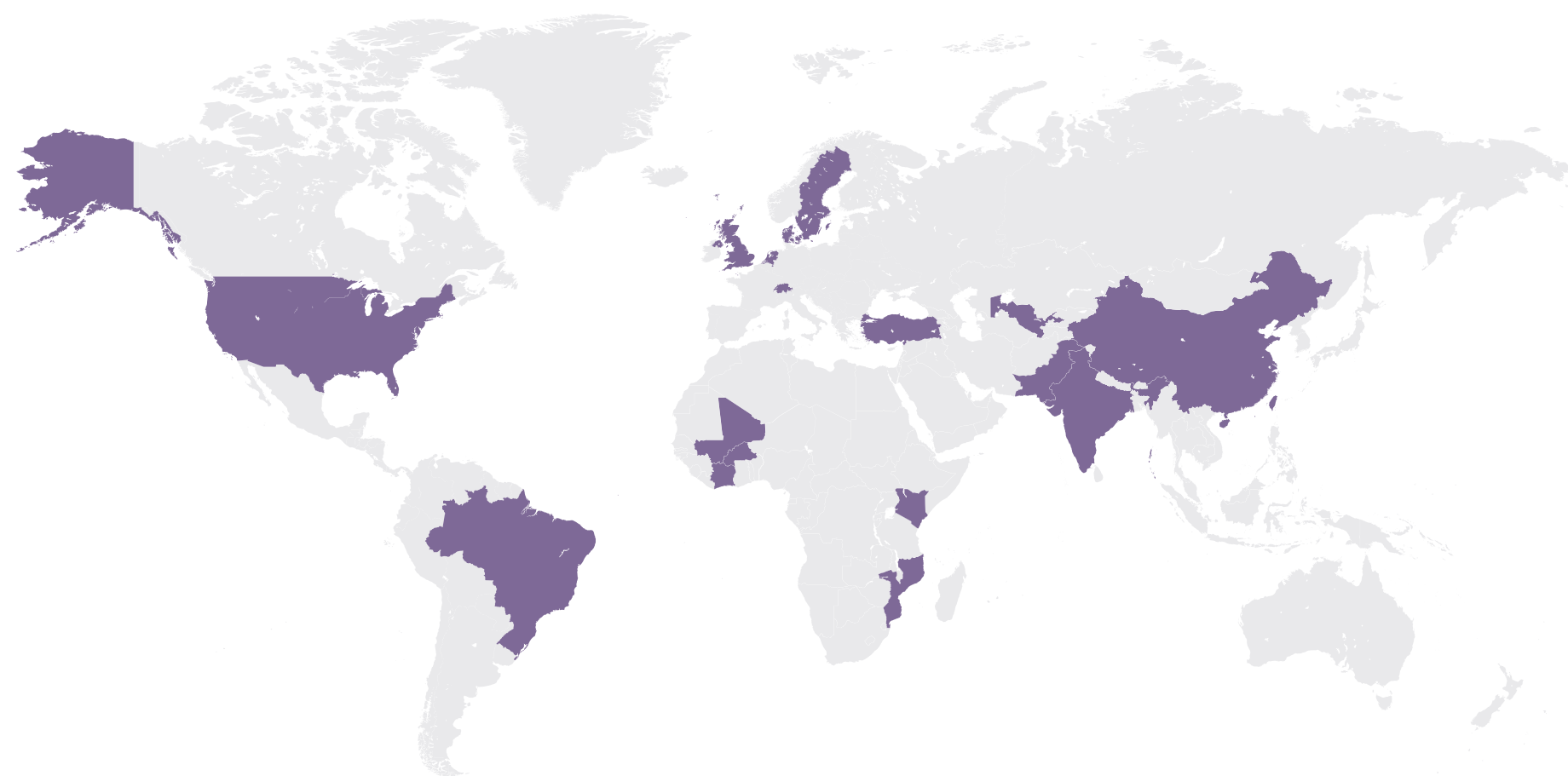
Producer Organisations



Associates



## Countries With Full-Time Better Cotton Staff



<sup>1</sup> Staff in Pakistan are employed by the Better Cotton Initiative (BCI) Pakistan, a separate legal entity. At the end of March 2024, there were 33 full-time equivalent staff employed by BCI Pakistan.

<sup>2</sup> The majority of staff in China are employed by Mian Feng Da, a separate legal entity. At the end of March 2024, there were 11 full-time equivalent staff employed by Mian Feng Da.



# Governance and the Better Cotton Council

## The Better Cotton Initiative

The Better Cotton Initiative (BCI) is a not-for-profit organisation founded in July 2009 and established in Switzerland as an association under Article 60 et seq of the Swiss Civil Code.

BCI is registered on the Registre du Commerce of Geneva and Switzerland. The head office is in Chemin de Balxert 7-9, 1219 Châtelaine, Geneva.

Better Cotton has offices and representations in the countries listed in the table below. It also conducts

activities, via local partners, in a range of other countries. Better Cotton works with a diverse range of stakeholders across the cotton supply chain to achieve its mission. We aim to promote measurable and continuing improvements for the environment, farming communities and economies of cotton-growing regions.

Better Cotton's future is shaped by our Council, the board that helps drive cotton towards its truly sustainable future. A global team, led by the Better Cotton Executive Group, manages day-to-day operations and acts as the conduit between Council decision-making and ground-level action.

The Better Cotton Secretariat is responsible for managing the Better Cotton Membership Association.

## The Better Cotton Council

The Better Cotton Council, which is the subject of a biennial nomination and election process, comprises a select group of members which sit at the centre of the organisation and are responsible for its strategic direction. Council members represent retailers, brands, manufacturers, suppliers, producers, and civil society across the cotton industry.

Together, council members shape the approach that ultimately enables Better Cotton to fulfil its mission: to help cotton communities survive and thrive, while protecting and restoring the environment.

Our Council also establishes any groups or committees that could help achieve our aims. There are three permanent committees in place: the Executive, Finance, and Governance and Risk Committees. There is also a Nominations Committee established before each election round to oversee fair and transparent elections.

## Executive Group

Better Cotton Offices	Countries with Better Cotton Representation	Name	Title	Location	Date Appointed to Current Role	Start Date at Better Cotton
Switzerland	United States	Alan McClay	Chief Executive Officer	Geneva	28.09.2015	28.09.2015
United Kingdom	Brazil	Lena Staafgard	Chief Operating Officer	Lund	01.04.2017	01.08.2010
China <sup>1</sup>	Türkiye	Alia Malik	Chief Development Officer	London	02.01.2024	23.04.2018
India	Mozambique	Eva Benavidez Clayton	Senior Director of Membership and Supply Chain	London	02.01.2024	09.11.2015
Sweden	Burkina Faso	Graham Sutherland	Senior Director of Finance and Services	London	02.01.2024	21.08.2023
Uzbekistan <sup>2</sup>	Mali	Chelsea Reinhard (Resigned) <sup>5</sup>	Senior Director Standards and Assurance	London	02.01.2024	15.08.2017
Pakistan <sup>3</sup>	Uzbekistan <sup>4</sup>	Damien Sanfilippo (Resigned) <sup>6</sup>	Senior Director Programmes	Geneva	02.01.2024	01.03.2014

<sup>1</sup> Better Cotton Initiative Shanghai Representative Office (the office of our Strategic Partner)

<sup>2</sup> Since July 2023

<sup>3</sup> Office of Better Cotton Initiative Pakistan, which is a separate legal entity

<sup>4</sup> Prior to July 2023

<sup>5</sup> Last day: 5 April 2024

<sup>6</sup> Last day: 31 March 2024



## Council Committees 2023

### Executive Committee

This committee consists of elected Council Officers: the Chair, Vice-Chair, Secretary and Treasurer, who are elected from Council members.

**Members:** Marc Lewkowitz (Chair), Gerson Fajardo (Vice-Chair), Arvind Rewal (Secretary) and Amit Shah (Treasurer)

### Finance Committee

Council members as well as external experts (when

required) make up this committee. The committee recommends the approval of the budget and annual financial statements to the Council. In addition, the committee regularly reviews Better Cotton's financial outlook and policies.

**Members:** Pierre Chehab, Gerson Fajardo, Amit Shah and Kees Kempenaar (external)

### Governance and Risk Committee

This committee considers issues of governance and structure and makes recommendations to the Council

on any necessary changes, including revisions of the statutes and by-laws so that Better Cotton maintains a high standard of good governance, appropriate for a multistakeholder initiative of its size, operations and reach.

**Members:** Rajan Bhopal, Pierre Chehab, Bob Dall'alba, Kevin Quinlan and Arvind Rewal

### Nominations Committee

This committee is set up around each Council election period to oversee elections and the co-optation process.

**Members:** Ashok Hegde, Tamar Hoek, Marc Lewkowitz and Arvind Rewal

### Strategy Steering Group

This is an ad hoc committee convened by the CEO to oversee the 2030 Strategy process.

**Members:** Ashok Hegde, Liz Hershfield, Kevin Quinlan and Shahid Zia

## The Better Cotton Council Structure

Name of Council Member	Organisation	Status	Start of Mandate	End of Mandate	Member Category
Rajan Bhopal	Pesticide Action Network (PAN) UK	Elected	03.2021	06.2024	Civil Society
Tamar Hoek	Solidaridad	Co-opted	06.2022	06.2026	Civil Society
Pierre Chehab	Louis Dreyfus Company (LDC)	Co-opted	06.2021	06.2024	Suppliers and Manufacturers
Ashok Hegde	OLAM Agri	Elected	06.2022	06.2026	Suppliers and Manufacturers
Gerson Fajardo	Walmart	Co-opted	06.2022	06.2024	Retailers and Brands
Liz Hershfield	J. Crew	Co-opted	02.2023	06.2026	Retailers and Brands
Arvind Rewal	IKEA	Elected	06.2022	06.2026	Retailers and Brands
Robert Dall'alba	Australian Food & Fibre	Elected	06.2022	06.2026	Producer Organisations
Marc Lewkowitz	SUPIMA	Elected	03.2021	06.2024	Producer Organisations
Shahid Zia	Rural Business Development Center (RBDC )	Co-opted	08.2021	06.2024	Producer Organisations
Kevin Quinlan	Independent	Co-opted	02.2023	06.2026	Independent
Amit Shah	Independent	Co-opted	09.2014	09.2024	Independent





Photo Credit: Better Cotton/Katrina McArdle

## Highlights of Council Decisions

In the 2024 financial year (1 April 2023 to 31 March 2024), the Better Cotton Council approved:

- The 'Risk Register' of the organisation
- Accounts of the previous year
- The annual operating plan and budget for financial year 2025
- A 15% increase in membership dues and a 15% increase in the Volume-Based Fee
- The proposed move towards certification and subsequent label for Physical Better Cotton
- The phase-out of the on-product mark
- The renewal of our Strategic Partnership Agreement with the Israel Cotton Board (with conditions)
- Endorsement of the March 2024 election result

## Council Elections

Better Cotton held elections in March 2024, and the following individuals were elected, commencing their duties in June 2024:

- Rajan Bhopal of PAN UK, re-elected in the Civil Society category
- Shahid Zia of RBDC, re-elected in the Producer Organisations category
- Bill Ballenden of LDC, elected in the Suppliers and Manufacturers category
- Elodie Gilart of Marks & Spencer, elected in the Retailers and Brands category

The next Council elections will be held in June 2026.



## Better Cotton Growth and Innovation Foundation (GIF)

The Better Cotton Growth and Innovation Foundation (Better Cotton GIF or the Fund) is a field-level grant-making programme. The Better Cotton GIF is designed to further the Better Cotton mission. It is funded through the Volume-Based Fee paid by Better Cotton Retailer and Brand Members, as well as through contributions from donors, and the Programme Partners themselves.

The Better Cotton GIF is governed by the GIF Board and supported by two advisory committees composed of Better Cotton Retailer and Brand Members, Better Cotton Civil Society Members and donors. These advisory committees support and approve the Fund's grant-making programme. Better Cotton Members who meet our contribution thresholds are invited to join these committees and participate in the development of the Fund's investment strategy.

The Fund comprises four distinct sub-funds: the Small Farm Fund, the Knowledge Partner Fund, the Innovation and Learning Fund and the Large Farm Fund. Each has its own unique objectives which are detailed [here](#).

## Legal Entity and Branch Offices

Name of Entity	Legal Structure	Created	Location
Better Cotton Initiative	Swiss Association under Article 60 et seq of the Swiss Civil Code	2009	Geneva, Switzerland
Better Cotton Initiative Shanghai Representative Office China	Resident Representative Office of a Foreign (Region) Enterprise	2012	Shanghai, China
Better Cotton Initiative India	Branch Office established with the Reserve Bank of India's ("RBI") permission	November 2015 <sup>5</sup>	New Delhi, India

The financial statements within this report include Better Cotton's branch offices in China and India and all activities of the association. Better Cotton Initiative (BCI) Pakistan and the Better Cotton Growth and Innovation Foundation are independent entities. Transactions between the entities are disclosed as related parties.

## Related Parties

Name of Entity	Legal Structure	Created	Location
Better Cotton Growth and Innovation Foundation	A foundation established by charter in Geneva in 2016	2016	Geneva, Switzerland
Better Cotton Initiative Pakistan	Established on 23 Jun 2017; its licence to operate as an international field-level NGO was granted in April 2021	2017 <sup>6</sup>	Lahore, Pakistan

<sup>5</sup> Activities began in 2016

<sup>6</sup> Activities began in 2018





## Better Cotton Initiative Pakistan

BCI Pakistan is an independent legal entity established in June 2017. A board of five members govern the entity; one board member is one of the Better Cotton Directors. Its executive management includes the Better Cotton Regional Director for Pakistan operations. This entity received a licence to operate as an international NGO in Pakistan in April 2021.

A collaboration agreement existed to implement the BCSS up until September 2022. The partnership between BCI Pakistan and Better Cotton then changed as of 1 October 2022. It was formalised through a National Office Agreement (NOA). The NOA is a multi-year donor agreement based on an annual budget, which allows BCI Pakistan to use the Better Cotton brand and sets out the responsibilities of both parties. All the local Pakistan activities are delivered via this entity. Staff working in Pakistan are employed via BCI Pakistan.

## Better Cotton's Approach to Risk Management

Based on ISEAL guidance and industry best practice, Better Cotton has built a risk assessment, recording and management process that is led by a cross-functional working group. Risks are periodically assessed and reported to management and the Better Cotton Council. The risk management process informs the annual planning process, which includes mitigation strategies for organisational risk.





# Complaints, Safeguarding and Whistleblowing

The comprehensive Better Cotton Complaints Policy, working in tandem with the Safeguarding and Whistleblowing Policy, provides an easy way for anyone who engages with Better Cotton activities, people or programmes to raise a concern relating to any aspect of Better Cotton and its activities, including third parties with a direct relationship with Better Cotton.

The direct feedback we receive through these channels is essential for us to continue to learn and strengthen our procedures and programmes. This section provides an overview of total admissible complaints and incidents received between April 2023 and the end of March 2024, through our safeguarding, whistleblowing and complaints mechanisms.

In total, we processed 65 admissible complaints during this period, double the amount received during the previous year (32 complaints). In contrast, we did not receive any reports of whistleblowing or safeguarding incidents, marking a drop from the previous reporting year. The absence of reported safeguarding incidents shows that we need to increase efforts to raise awareness of our reporting mechanism beyond our direct staff, particularly at farm level.

We continue to receive more complaints from Pakistan compared to other countries, with 63% of all admissible complaints related to Pakistan. Frequently occurring complaints range from helpdesk processing times to reports of labour

rights concerns at Programme Partner organisations. We take all complaints received seriously and assess and respond to them promptly with the aim of seeking a resolution as quickly as possible.

The information from these complaints has taught us valuable lessons. It has led us to improve our management processes for Programme Partners, and our decent work team has become more involved during due diligence to ensure that there is additional monitoring and oversight of corrective action plans for partners. As awareness increases of these policies, we will continue to strengthen our understanding of potential trends and deliver continuous improvement.

**Table 1: Overall number of admissible complaints received each financial year (FY)**

Type of Incident	FY 2023	FY 2024
Complaints	32	65
Whistleblowing	1	0
Safeguarding	2	0

**Table 2: Breakdown of admissible complaints per country**

Country	Number of Admissible Complaints	Percentage
Pakistan	41	63%
India	6	13%
Other <sup>1</sup>	18	40%

**Table 3: Breakdown of admissible complaints per category**

Category	Number	Complaints Relating to Decent Work
Membership and Supply Chain	21	1
Programmes	43	33
Assurance	1	1

<sup>1</sup> Countries that received two or less admissible complaints

## WHAT'S THE DIFFERENCE BETWEEN COMPLAINTS, SAFEGUARDING AND WHISTLEBLOWING?

### COMPLAINTS

Complaints can relate to any aspect of Better Cotton and its activities, including third parties with a direct relationship with Better Cotton.

[Learn more about complaints.](#)

### SAFEGUARDING

Safeguarding means incidents of sexual harassment, sexual exploitation or sexual abuse where the person causing the harm is associated with Better Cotton or one of our partners.

[Learn more about safeguarding.](#)

### WHISTLEBLOWING

Whistleblowing is the reporting of suspected wrongdoing or concerns of a public interest in relation to Better Cotton's people or activities.

[Learn more about whistleblowing.](#)



# Financials

The following financial information summarises the statutory financial statements for the year ended 31 March 2024. In 2022, the Better Cotton financial year end changed from 31 December to 31 March, as a result of a decision by the Better Cotton Council to align with the cotton season and also streamline the joint delivery of field funding for Better Cotton and the Better Cotton GIF. As a result of this transition, the comparable figures for the previous period shown below reflect Better Cotton's performance for a 15-month period.

Better Cotton is a charitable non-profit organisation. It raises its income from members and the public, receives donations from grant-making foundations and governmental organisations and provides services that benefit the general public.

*Better Cotton prepares its financial statements under Swiss GAAP Core 1-6 and FER 21 "Accounting for charitable non-profit organisations" that aims to increase the significance and comparability of the reporting of charitable non-profit organisations in Switzerland and comply with the Swiss Code of Obligations. The use of Swiss GAAP FER improves the transparency of the allocation of the resources spent on behalf of our members and donors or partners.*

## Summary of Audited Accounts

### Financial Position

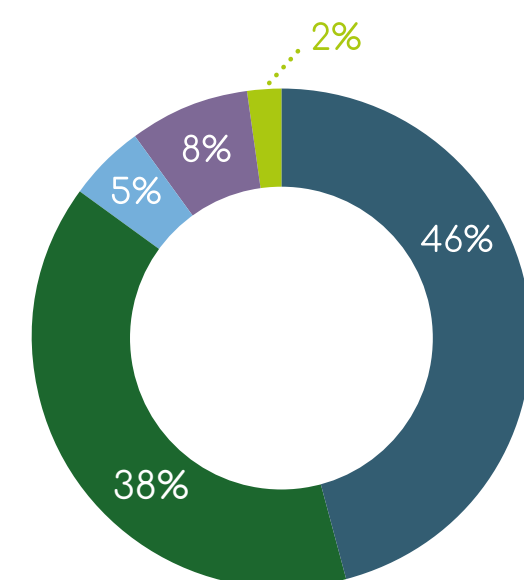
€'000s	2024 31 Mar 2024	2022-23 31 Mar 2023
Short-Term Assets	44,281	42,504
Long-Term Assets	487	174
<b>TOTAL ASSETS</b>	<b>44,768</b>	<b>42,678</b>
Short-Term Liabilities	19,055	18,742
Long-Term Liabilities	321	20
Funds - Restricted	12,896	12,959
Organisational Capital	12,496	10,957
<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>44,768</b>	<b>42,678</b>

### Statement of Operations

€'000s	2024 12-Month 31 Mar 2024	2022-23 15-Month 31 Mar 2024
Income*	40,285	48,555
Operating Expenses	(38,312)	(46,184)
Operating Result	1,973	2,371
Net Financial Result	(434)	(207)
<b>ANNUAL RESULT</b>	<b>1,539</b>	<b>2,164</b>
Change in Funds	(63)	3,805
Annual Result Before Allocations	1,476	5,969
Change in Restricted Funds	63	(3,805)
Allocation to Earned Capital - Unrestricted	(1,539)	(2,164)
<b>Annual Result After Allocation to Capital</b>	<b>-</b>	<b>-</b>
<i>*of which is restricted</i>	24,123	31,312

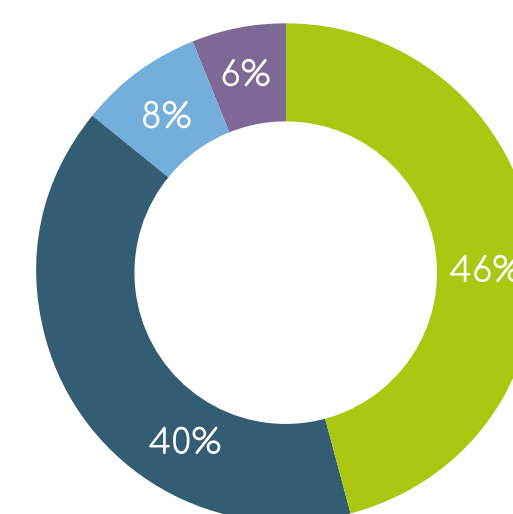
## Better Cotton 2023-24 Income

### Combined Income



- Membership and Better Cotton Platform Access Fees
- Volume-Based Fee (Paid by Better Cotton Retailer and Brand Members)
- Grants From Private / Public Donors
- Project Credibility Income
- Partnership, Events and Training Income

### Restricted/Unrestricted Income



- Unrestricted Income
- Restricted Income (Project Credibility)
- Restricted Income (Used for GIF Projects and Field Funding)
- Restricted Income

## Volume-Based Fees

Better Cotton Retailer and Brand Members pay a Volume Based Fee (VBF) for their participation in Better Cotton. This fee is calculated based on the total Better Cotton Claim Units<sup>1</sup> recorded in the BCP and corresponds to the volume of Better Cotton sourced by Retailer and Brand Members.

The rest of the VBF is donated to fund farmer support, the majority through donations to the Better Cotton GIF (or the Fund) which are then allocated to field-level projects. This relationship and the legal framework between the GIF and Better Cotton was formalised through a donation agreement signed on 6 April 2023.

The use of the VBF is restricted and separate from donations to the Better Cotton GIF. A portion of the fees are used by Better Cotton to perform assurance activities, help our Strategic Partners with implementation costs and cover GIF management costs. All of the VBF is donated to the GIF that funds field-level programmes.

## Other Funding

Other restricted funding includes grants and donations from donors for specific projects. By the end of calendar year 2023, our membership base exceeded 2,700 members, and we had more than 11,000 BCP users. Revenues from membership and non-member suppliers using the BCP constitute the primary source of our unrestricted operating income.

<sup>1</sup> One Better Cotton Claim Unit represents one kilogram of Better Cotton lint sourced from a gin.



## Position and Outlook

We are confident in Better Cotton's continuity, and therefore, the valuation of its assets and liabilities. As a result, the financial statements are prepared on a going concern basis. Our financial position at the close of 2024 remains healthy, with a strong cash position, well-managed receivables and a level of unrestricted reserves which provide a buffer should there ever be an unexpected short-term dip in future income.

Operational income continued to grow during the year as our membership and BCP user base increased. Performance is closely measured against forecast, and during this financial year, actual total income exceeded our expectations by 8%.

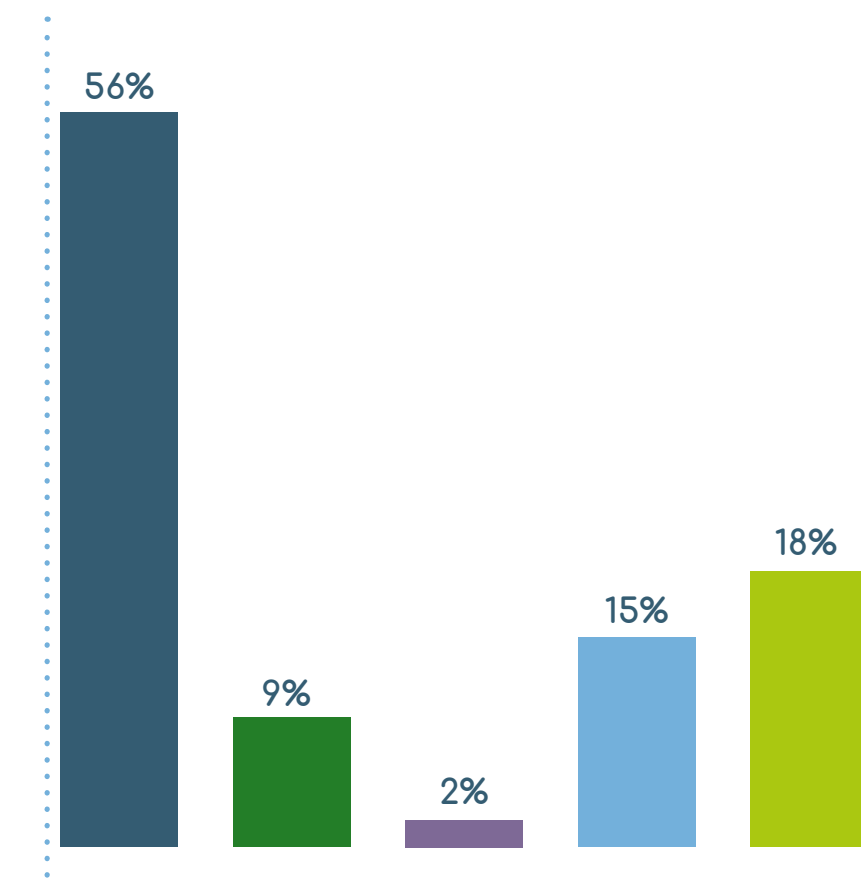
Operating expenses remain well managed, coming in 9% below budget for the financial year. Overall expenditure is increasing to support organisational growth, our 2030 Strategy and the development of Better Cotton Traceability.

The unrestricted reserves held by Better Cotton meet the reserves policy, which is six months of the next year's planned operational expenses, enabling our organisation to navigate any potential challenges. In January 2024, the Better Cotton Council approved revised fees for membership and access to the BCP for non-members. These revised fees will positively impact our financial performance in the coming year and will support the developing Better Cotton model.

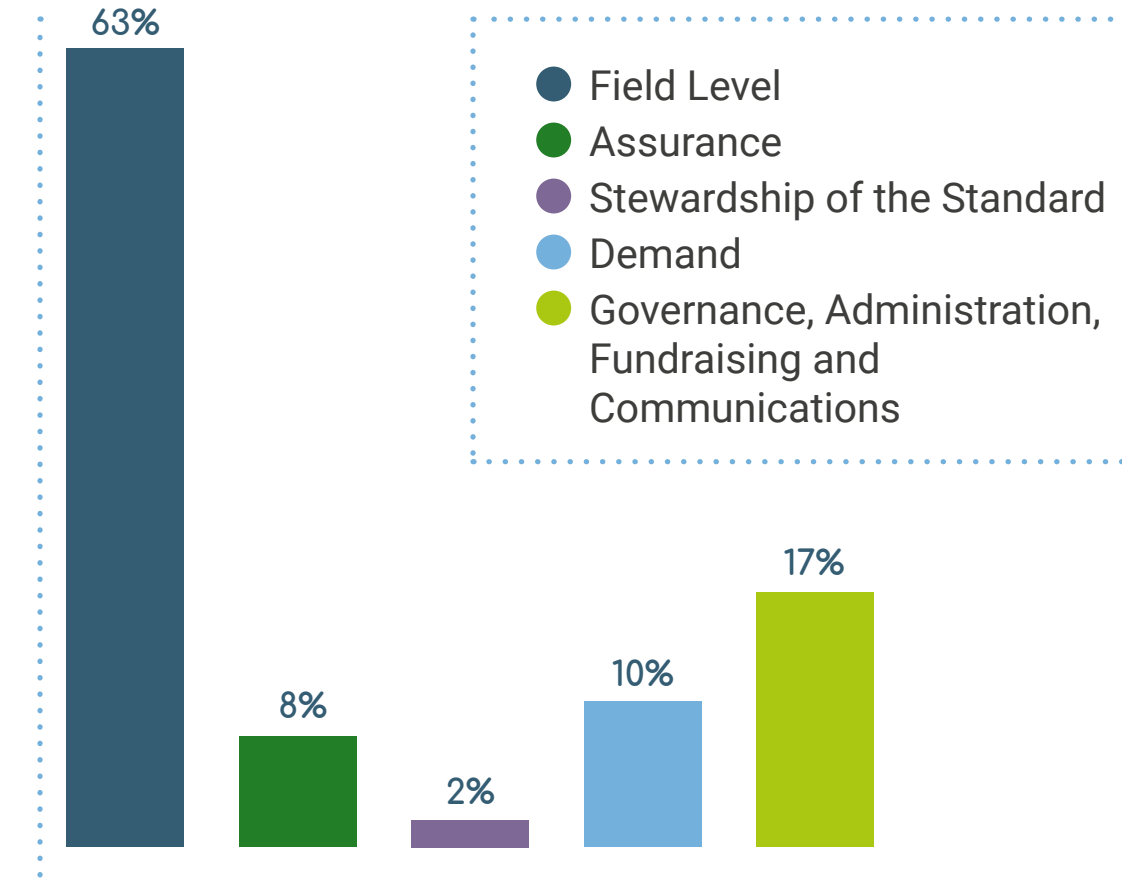
## Better Cotton 2022-23 Expenditures

### Expenditures Overview

#### 2024 12-Month (31 Mar 2024)



#### 2022-23 15-Month (31 Mar 2023)



### Field Level

The VBF received by Better Cotton is used to cover the costs of field-based assurance and data collection. The remainder, the majority of the income, is recognized when it is donated to the Fund, which then uses it to manage operational costs and award grants to Better Cotton Programme Partners.

GIF's primary source of income is derived from VBF paid by Retailer and Brand Members. A smaller portion of the revenue comes from donors, which, in 2023-2024, were IDH, Laudes Foundation and H&M Group.

A huge thank you to all who contributed to the GIF and its four funds in 2023-2024.

In the 2022-23 cotton season, out of the 2.43 million farmers who received training, more than 2.13 million received a licence to sell their cotton as Better Cotton.

### Assurance Programme

An effective assurance system is an essential part of any sustainability programme. Assurance refers to the measures put in place to verify that something meets a certain performance level. The Better Cotton Assurance Programme verifies that farms and farmer groups meet all the core requirements of the Better Cotton P&C before they can be licensed to sell Better Cotton.

Better Cotton's approach to assurance and licensing combines assessments by approved third-party verifiers with assessments by trained Better Cotton staff members, support visits by Programme Partners and regular self-assessments by producers themselves.

### Stewardship of the Standard

In line with ISEAL's Standard Setting Code of Good Practice v.6.0, the Better Cotton P&C is continually reviewed and updated to ensure it addresses all pillars of sustainability, continues to meet best practices, is effective and locally relevant and aligns with Better Cotton's 2030 Strategy.

### Demand

The Better Cotton CoC connects supply with demand, from the farmers who produce Better Cotton to the companies that source it. Our CoC ensures that the volumes of Better Cotton claimed by Better Cotton Retailer and Brand Members does not exceed the volumes licensed.



## Better Cotton and the Growth and Innovation Foundation

The [Better Cotton GIF](#) identifies and makes strategic investments in Better Cotton field-level programmes and innovations. It is one part of our [Capacity Strengthening Programme](#). Alongside our standard system, field-level investments made through the Better Cotton GIF play an important role in enabling us to support Programme Partners in driving change within farming communities.

Aligned with our [2030 Strategy](#), GIF projects target any of five impact areas: soil health, women's empowerment, climate change mitigation, pesticides and smallholder livelihoods. A smaller amount of funding is dedicated to innovative or research-based projects that show promise in the future of sustainable cotton farming. Following a rigorous review process of requested proposals, the GIF awards grants to projects which align with the Fund's annual priorities, long-term strategy and assessment criteria.

Each cotton season, Better Cotton Programme Partners can apply for grants to support their field-level training and support programmes. As described above, in addition to the VBF paid by Retailer and Brand Members, the Better Cotton GIF is funded through donations from institutional donors, as well as through contributions from the Programme Partners themselves, which invest directly in the projects they run through the GIF.

Within the GIF, there are four distinct sub-funds. Here's a look at some of the projects funded through each sub-fund in the 2023-24 financial year:

**1. Small Farm Fund:** The Small Farm Fund, through which the majority of funding is given, makes grants to partner organisations that work with smallholder and medium-farm cotton communities. In the 2023-2024 financial year, many Programme Partners added

new and creative activities to their funded projects. This boosted the benefits for farming communities involved in the Better Cotton Programme and helped further protect and regenerate the environment they work in. Ingenious water structure renovation, use of solar power, mass production of bio inputs (to replace or supplement synthetic pesticides and fertilisers), experimentation with biochar, agroforestry, intercropping and homemade fungi growth stimulators are just a few of the projects that were funded this year.

Partners have also stepped up their work with women, recognising their huge contribution to cotton cultivation and that involving them properly in projects is critical to make adequate and lasting progress. Some of the farmer producer organisations supported through the GIF made impressive strides this year as well. Many provide lower price, better quality inputs to farmers, while using profits to pay dividends to their farmer shareholders – more established ones have even taken over some of the activities of our Programme Partners. Other exciting progress has been made by involving government stakeholders, such as through village and municipal composting schemes, or by encouraging gins to distinguish between and pay for different qualities of fibre.

**2. Knowledge Partner Fund:** This newly established fund from the 2023-2024 season made available expertise and novel approaches to Programme Partners and their communities on crop protection, regenerative agriculture, child labour and biodiversity.

**3. Large Farm Fund:** This new fund, created in 2023, is supporting ongoing projects in Brazil, Australia, the US and Israel that will lead to some interesting results, including new and cost-effective ways to breed parasitic wasps to reduce pesticide use in Brazil and pesticide reduction along with huge cost savings

for farmers in Arizona through a project which researched and promoted precise information on pest thresholds.

**4. Innovation and Learning Fund:** The Innovation and Learning Fund supported projects that aim to provide nuanced research on the conditions small businesses need to be successful, as well as in-depth training on decent work in the medium-sized farm context of Türkiye.

However, despite the uplifting progress of many of our long-term partners and the interesting projects of the new sub-funds, much of the potential of GIF's grant-making is undermined by extreme weather events. Cotton is a 'fragile' crop – it does not thrive in erratic rain and heat – and this results in many farmers looking for alternative ways to earn a living. The existence of smallholder cotton farmers is becoming more precarious.

Looking ahead, Better Cotton and our partners will redouble our efforts and commitment to this farming group.





# Donors and Partners 2023

We would like to thank all of our donors and partners who, by supporting Better Cotton, are driving positive change in the cotton sector.

A special thank you to IDH for their multi-million, multi-year flexible funding commitment which has been critical in supporting us to deliver both scale and impact this year. We also want to thank the ongoing support we received from H&M, GAP, GIZ, World Bank Multi-Donor Trust Fund, SECO, ISEAL, Laudes Foundation and Cou Cou Intimates, who are furthering environmental and social impact for cotton farming communities worldwide with enhanced visibility through traceability.

This year we welcomed new funding sources from Afreximbank and Rockerfeller Dalberg, partnerships we look forward to strengthening in the years ahead. Finally, we are forging pathways towards more sustainable finance mechanisms for smallholder cotton farmers with the impact investing firm FS Impact Finance. Plans are underway to launch a joint incubator fund to reduce traditional finance barriers for our smallholder farmer community.



## Strategic and Programme Partners

### Australia

Cotton Australia – **Strategic Partner, Benchmarked Programme**

### Brazil

Associação Brasileira dos Produtores de Algodão (ABRAPA) – **Strategic Partner, Benchmarked Programme**

### China

CottonConnect China

Huangmei County Huinong Scientific and Technology Planting and Breeding Cooperative

Shandong Binzhou Nongxi Cotton Professional Cooperative

Songzi Nanwuchang Grain Cotton Oil Specialised Cooperative

### Egypt

Modern Nile Cotton

ALKAN

### Greece

ELGO-DOV – **Strategic Partner, Benchmarked Programme**

### India

Arvind Ltd.

Basil Commodities Pvt. Ltd. (Basil Group)

Coastal Salinity Prevention Cell (CSPC)

Ambuja Cement Foundation (ACF)

Action for Food Production (AFPRO)

Aga Khan Rural Support Programme India (AKRSPI)

CottonConnect India

Deshpande Foundation India

Development Support Centre

Lupin Human Welfare and Research Foundation

Spectrum International (SIPL)

World Wide Fund for Nature (WWF) India

Mahima

UGSSS

Vardhman

Welspun Foundation for Health and Knowledge (WFHK)

### Israel

The Israel Cotton Production and Marketing Board (ICB) – **Strategic Partner, Benchmarked Programme**

### Kazakhstan

Louis Dreyfus Company (LDC)

### Mali

Compagnie Malienne pour le Developpement des Textiles (CMDT)

### Mozambique

SANAM

SAN-JFS

Sociedade Agrícola e Pecuária (FESAP)

Sociedade Algodoeira de Mutuali (SAM – Mutuali)

### Multiple African Countries

Cotton made in Africa (CmiA) – **Strategic Partner, Benchmarked Programme**

### Pakistan

The Centre for Agriculture and Bioscience International Pakistan (CABI)

The Central Cotton Research Institute (CCRI)

Rural Business Development Consultancy (RBDC)

The Rural Education and Economic Development Society Pakistan (REEDS)

Sangtani Women Rural Development Organization (SWRDO)

World Wide Fund for Nature (WWF) Pakistan

Research and Development Foundation (RDF)

Sami Foundation

### South Africa

Cotton South Africa

### Tajikistan

SAROB

### Türkiye

Canbel Tarım Urunleri Danismanlik Egitim Pazarlama San. Tic. Ltd. Sti (Canbel)

GAP Regional Development Administration

World Wide Fund for Nature (WWF) Turkey

The Good Cotton Practices Association (IPUD) – **Strategic Partner**

### US

Allenberg (Louis Dreyfus)

Calcot

Cargill

Jess Smith & Sons

Olam

Plains Cotton Cooperative Association (PCCA)

Quarterway Cotton Growers

Staple Cotton Cooperative Association (Staplcotn)

Viterra

### Uzbekistan

GIZ

International Finance Corporation (IFC)



# Outlook to 2024-25

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As we move steadily towards the vision outlined in our 2030 Strategy, our focus for the year ahead is on setting up the tools and frameworks that can help us accelerate progress. Over the past year, Better Cotton has been closely monitoring the legislative landscape impacting our members and stakeholders. From the EU's Corporate Sustainability Due Diligence Directive to the Green Claims Directive, a wave of new legislation is poised to strengthen environmental and human rights due diligence for companies as well as the claims they can make related to their sustainability efforts. This represents significant progress for both people and nature, including the rights of farmers and farm workers around the world. It also means that businesses will need to adapt to new requirements.

In response, Better Cotton has been working with members, peer sustainability standards schemes and other relevant stakeholders to evolve our standard requirements and Claims Framework. In 2025, we will publish our Claims Framework v.4.0 to address these new realities. As part of this, complemented by a robust approach to assurance, we are developing a new label which will enable brands sourcing Physical Better Cotton to market products to consumers as containing Better Cotton for the very first time. Organisations sourcing Physical Better Cotton will soon be able to use key traceability information to help meet their reporting requirements.

We are also working on evolving our assurance programme to an accredited certification scheme, where all licensing decisions will be carried out by independent, third parties moving forward. Approved by the Better Cotton Council in October 2023, this transition will occur over three years, allowing some existing producers time to adjust to the new way of verifying field-level indicators. However, new producers joining from 2025 onwards will need to be certified by third parties immediately. This shift will enable legal compliance and further strengthen the credibility of our assurance activities and the Better Cotton label. In February 2024, we officially communicated this change to Better Cotton Members, and we have already merged our farm level and supply chain assurance teams into one certification team that has end-to-end visibility of assurance activities.

We are also exploring ways to keep the assurance scheme extremely cost-efficient. This will help us continue to fund assurance costs for smallholder farmers, ensuring that the financial burden of certification doesn't fall on their shoulders.

Amidst all of these new requirements and changes, we want to find ways to reward farmers for their commitment to sustainability. From 31 July to 4 August 2023, we convened Better Cotton Retailer and Brand Members, impact experts and system designers to develop a concept for a platform

that would direct investments to farmers who are driving positive change on the ground. The idea is to build on the foundations of our field-level presence, capacity-strengthening programme, monitoring approach and Better Cotton Traceability to create a credit trading system for sustainability impacts. This will help boost farmer livelihoods through a combination of incentive payments and remuneration for sustainable outcomes and metrics. It will also incentivise deeper impacts in areas such as regenerative agriculture, water stewardship and gender equality while boosting demand through verified outcome data for those that source Better Cotton.

We will continue to develop approaches that better reward and communicate progress in the shift towards regenerative practices and outcomes. This includes enhancing regenerative project implementation, improving regenerative reporting and exploring potential regenerative certification.

With so many exciting developments ahead, the next year will be a busy and rewarding one. Through it all, we are keeping our mission front and centre: improving the lives of cotton farmers and transforming the way the world sources and produces cotton. We are confident that these projects will set the stage to make our bold ambitions a reality. Stay tuned throughout the year as we share updates on this work.



Photo Credit: Better Cotton/Morgan Ferrar





 [bettercotton.org](https://bettercotton.org)

 [BCICotton](https://twitter.com/BCICotton)

 [better-cotton-initiative](https://www.linkedin.com/company/better-cotton-initiative)

 [bettercottonorg](https://www.instagram.com/bettercottonorg)