



Annual Report 2024-25



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.



The Better Cotton Initiative (BCI) has been formally recognised as compliant with the International Social and Environmental Accreditation and Labelling Alliance (ISEAL) Code of Good Practice for Sustainability Systems, following an independent evaluation of its standard-setting, assurance and impact measurement systems. This recognition confirms that BCI operates in accordance with internationally accepted norms for sustainability standards, governance and transparency, as defined by ISEAL.

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 'BCI cotton'. In 2023, BCI revised its P&C and launched v.3.0. The revision was carried out in compliance with the ISEAL Code of Good Practice v.6.0.



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This annual report reflects on our activities and finances between April 2024 and March 2025, including the 2023–24 cotton season, which concluded in August 2024. It highlights field, market and organisational successes, challenges and opportunities. The report also contains key financial and governance information, aligned with Swiss Generally Accepted Accounting Principles (GAAP) reporting requirements.

A Message from the CEO

As I settle into my new role as the Better Cotton Initiative (BCI) CEO, I am excited to share a few initial observations about this incredible organisation. I am already deeply impressed and inspired by the hard work and passion that I have encountered. It is a real privilege to join a team so committed to supporting cotton farmers and farming communities, protecting the environment and driving positive change across the globe.

It was a transformative period for the Better Cotton Initiative in 2024 and 2025. We demonstrated progress across our impact areas and at the Better Cotton Conference in June, we announced that over the next 12 months we will close the remaining gaps so that our standard is fully aligned with the

fundamental principles of regenerative agriculture. The steps that we now are taking mean that BCI will fully function as a regenerative standard system by the 2026/7 cotton season.



We were also formally recognised as a certification scheme, made possible through our strengthened traceability, which has paved the way for a new consumer-facing label set to appear in stores next year as part of our refreshed brand identity.

The refreshed brand also marks a major milestone for the organisation — 20 years since the Better Cotton Initiative was established at a multi-stakeholder roundtable discussion in Geneva focused on the sustainability challenges in cotton production. The growth, influence and impact that the organisation has driven since then is significant; shaping the global cotton sector and providing powerful foundations on which to build more sustainable and responsible cotton supply chains.

During the last financial year, we have built on this progress in several new and exciting areas. Our transition to becoming a certification scheme is an undeniably complex process but one that is enabling us to align with increasingly stringent requirements and expectations in a rapidly changing market and to ensure that the BCI Standard remains both relevant and credible.

Alongside this, we have made impressive strides in rolling out our traceability solution. The ability to track cotton from gin to store is a major advancement, achieved in collaboration with stakeholders across the supply chain. It is a testament to the collective power of our members and their commitment to transparency and supply-chain integrity. We will soon launch traceability to the farm level, allowing sourcing partners to better understand and engage with farming communities at the base of their supply chains — so that they

can track progress, report impact and conduct meaningful due diligence.

Over this period, we also launched new programmes in Benin, Cote D'Ivoire and Spain; we've introduced a new label that will provide consumers with confidence that the cotton used in a product was grown by BCI Farmers and we implemented a new approach to Life Cycle Assessments that helps us better measure the carbon footprint of cotton production. Each of these initiatives is helping us expand our reach globally to deliver and demonstrate sustainability impact at scale.

Since our inception, we have believed that to be truly sustainable, cotton should be farmed in ways that do more than just mitigate or reduce environmental harms but which also actively aim to restore and regenerate the environment. For several years, our standard has reflected most of the key tenets of regenerative agriculture with its emphasis on soil health, water conservation, biodiversity and socio-economic wellbeing. Our recent commitment — announced at our annual conference in June — to make a few refinements to our system by June 2026 so it can operate as a credible regenerative standard will help us build on our work to date, accelerating efforts that enable cotton farmers to restore and protect biodiversity and improve the health of the land they farm.

It is also clear that those who produce the world's cotton must be able to do so in good working conditions. As we move forward, the Decent Work Strategy that we have developed over the past year will help set the agenda for improving working

conditions and protecting children's rights in our sector, while also complementing our commitment to regenerative agriculture — ensuring that the shift to more sustainable practices supports resilient livelihoods and promotes human rights for cotton farmers and workers.

Our ability to convene diverse stakeholders from across the cotton sector and beyond remains a key strength. This year, we launched vibrant multi-stakeholder dialogues in Brazil and Pakistan, bringing together stakeholders from every corner of the industry to identify shared challenges and champion best practices. We also lent our weight to strategic coalitions such as the Policy Hub and Make the Label Count, with the goal of driving critical policy change on an industry-wide basis. These engagements allow BCI to serve its stakeholders not just as a certification scheme, but as a powerful catalyst for systemic change across the cotton sector.

Over the next year, we will continue to sharpen our data collection and impact measurement approach. Our aim is to ensure that the targets we set are as relevant and ambitious as possible, the metrics we collect are as in-depth and meaningful as they can be and that transparency and accountability — both for our successes and our failures — remain fundamental to our mission. In this year's report, you will notice a renewed emphasis on impact reporting. The metrics we have collected tell a compelling story about the difference BCI is making.

Over 650,000 cotton farmers worldwide have

shown average seasonal profitability gains since becoming BCI Farmers, and nearly 800,000 BCI Farmers are decreasing the use of synthetic pesticides per hectare, highlighting the positive impact we can bring to both farmers and the natural environment.

However, while our impact data is encouraging, it also helps us identify areas where refinements to support continuous improvement may be needed. Over the next year, we will continue to sharpen our data collection and impact measurement approach. Our aim is to ensure that the targets we set are as relevant and ambitious as possible, the metrics we collect are as in-depth and meaningful as they can be and that transparency and accountability — both for our successes and our failures — remain fundamental to our mission.

I am convinced that meaningful collaboration with stakeholders from across the cotton sector is the only way to address the escalating systemic challenges affecting cotton farmers and cotton farming communities around the world. In my very first days in my new role, I had the privilege of meeting with a wide variety of our farmers, suppliers, manufacturers and retailers at this year's BCI conference and was genuinely inspired by their enthusiasm and commitment to the shared goal of building a sustainable cotton sector that thrives within protected and restored ecosystems.

The reality is that the world is changing rapidly and there are significant headwinds we must contend with. The unrelenting advance of climate

change, disruptions to global trading norms and growing signs of backpedalling on sustainability commitments in some quarters threaten to rob us of momentum. But I believe that these challenges are precisely why BCI is needed. We are uniquely positioned to help our stakeholders adapt to these seismic shifts. The work highlighted in this report shows this potential, and I am excited and energised to lead the organisation into its pivotal next chapter.

Of course, none of the achievements documented in this report would have been possible without the dynamic stewardship of my predecessor, Alan McClay, the phenomenally skilled and dedicated team he assembled and the steadfast support of BCI Members, Programme Partners, Strategic Partners, companies and other stakeholders. Alan's leadership over more than a decade has been integral to the success we celebrate today, and I am grateful both for the legacy he has left and for the community of partners we now continue to build upon.

As I step into Alan's shoes, I am committed to ensuring that BCI remains agile, responsive and forward-thinking, so that we can continue to lead the charge towards a more sustainable and resilient future for cotton. Thank you for your continued support, and I look forward to working together in the years to come.

Sincerely,

Nick Weatherill
Chief Executive Officer, Better Cotton Initiative



Photo Credit: Better Cotton Initiative/ Heike Watson, BCI Farmer, Andrew Watson, Australia 2015.



Field Results

Field Results: 2023-24 Season

In the 2023–24 cotton season, the Better Cotton Initiative (BCI) worked with 56 Programme Partners to deliver training and agricultural support, including guidance on soil health, water management and responsible pesticide use, to 1.63 million farmers (1,634,395) in 15 countries.

Out of the 1.63¹ million farmers who received training, 1.39 million received a licence to sell their cotton as 'BCI Cotton'. These farmers produced 5.64 million (5,637,470)² metric tonnes of BCI Cotton. This represents around 23% of global cotton production.

While there was a drop in BCI Farmers due to the end of our equivalency agreement with the Aid by Trade Foundation (AbTF), which manages the Cotton made in Africa (CmiA) standard, production volumes remained high. At the same time, we were pleased to welcome Spain as a new BCI country, where farmers in Andalusia began growing cotton under their Integrated Production System (IPS), a benchmarked BCI Standard.



1.39 million
Licensed farmers



5.64 million MT
BCI Cotton production



24.71 million MT
Global cotton production



23%
of global cotton
production is BCI Cotton

Type	Country
BCI Direct ³ Programme Countries	China Egypt India Mali Mozambique Pakistan Tajikistan Türkiye United States Uzbekistan
Sub-Total	10
Benchmarked Countries ⁴	Australia Brazil Greece Israel Spain
Sub-Total	5
TOTAL PARTNER COUNTRIES	15

¹ This is the number of farmers BCI supported during the 2023–24 cotton season despite not all of them attaining a licence. It is important to acknowledge that the number of people who benefit from BCI's field-level work is far higher and includes farm workers and surrounding communities.

² In 2023, USDA revised Brazil's historical cotton production estimates. Since October 2023, area, production and yield numbers dating back to marketing year 2000/01 shifted one year ahead (USDA report number BR2025-0010). The International Cotton Advisory Committee (ICAC), whose data we use, aligns on this temporal shift. However, Brazil's Ministry of Agriculture didn't implement the shift, resulting in a differentiation between seasons, depending on which source of information is being considered. As our partner in Brazil, ABRAPA, follows the seasonal definition of Brazil's Ministry of Agriculture, we decided to stay aligned on that definition as well. This is why we use ICAC's Brazilian production value for 2024–25 (3 million MT of lint) instead of the 2023–24 value (3.2 million MT of lint).

³ BCI's direct country programmes implement our standard system and must comply with our P&C to attain a licence and sell their cotton as 'BCI Cotton'.

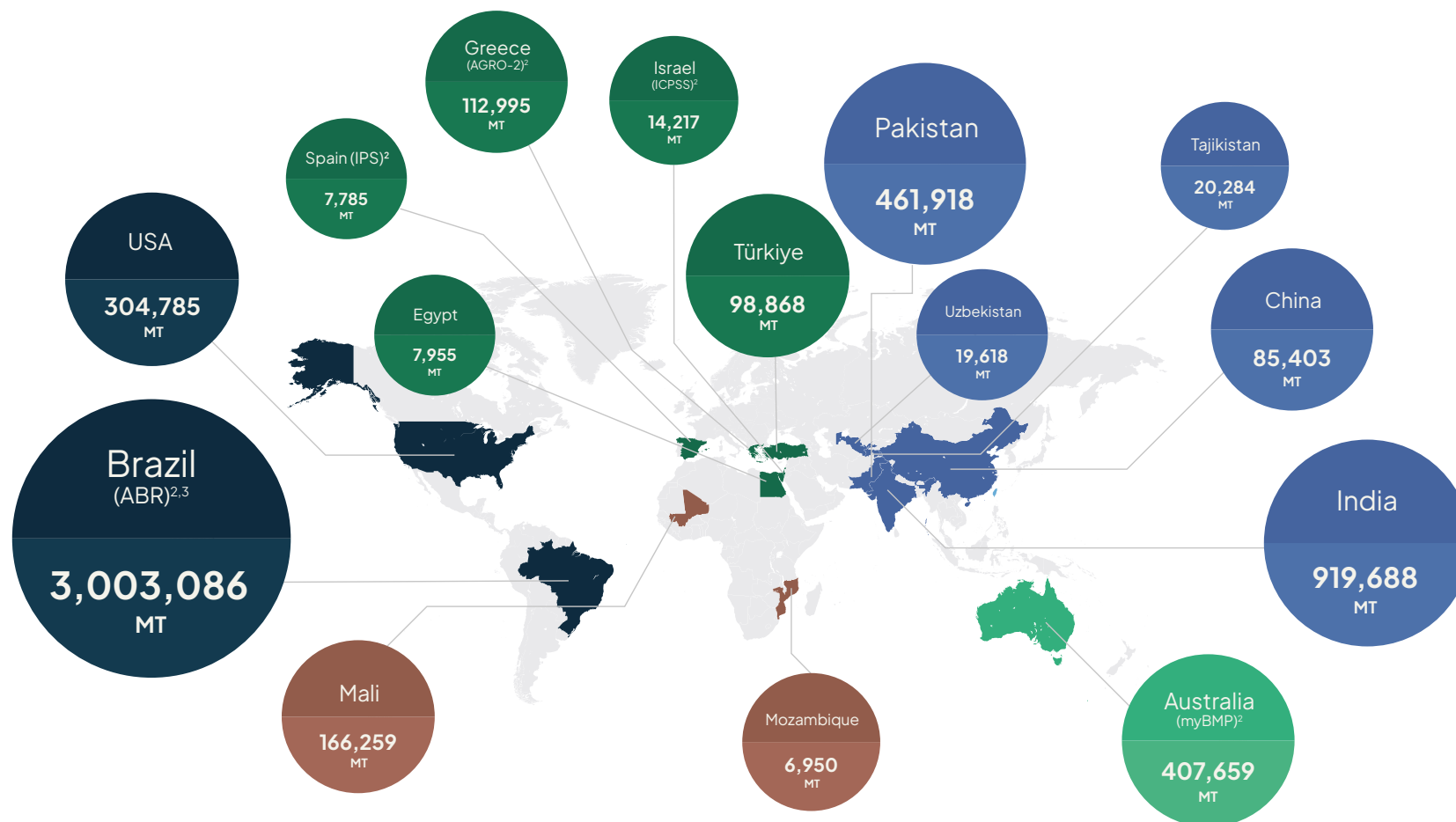
⁴ Recognised as a BCI Equivalent Standard country, meaning it has a sustainable cotton programme that is aligned with and benchmarked against the BCI Standard.

2023-24 Season Data

Volume of BCI Cotton Grown (Metric Tonnes of Cotton Lint¹)

TOTAL BCI COTTON PRODUCED

5.64 MILLION METRIC TONNES



¹ 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'.

² Recognised as a BCI Equivalent Standard country, meaning it has a sustainable cotton programme that is aligned with and benchmarked against the BCI Standard.

³ The International Cotton Advisory Committee (ICAC) reports 3.2 million MT, while we use CONAB's report of 3.7 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, BCI 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 BCI cotton season (2023-24) with the ICAC season (2024-25). Since the rest of the countries follow ICAC's seasonality, we also account for this difference when calculating the world's total cotton production.

2023-24 Season Data

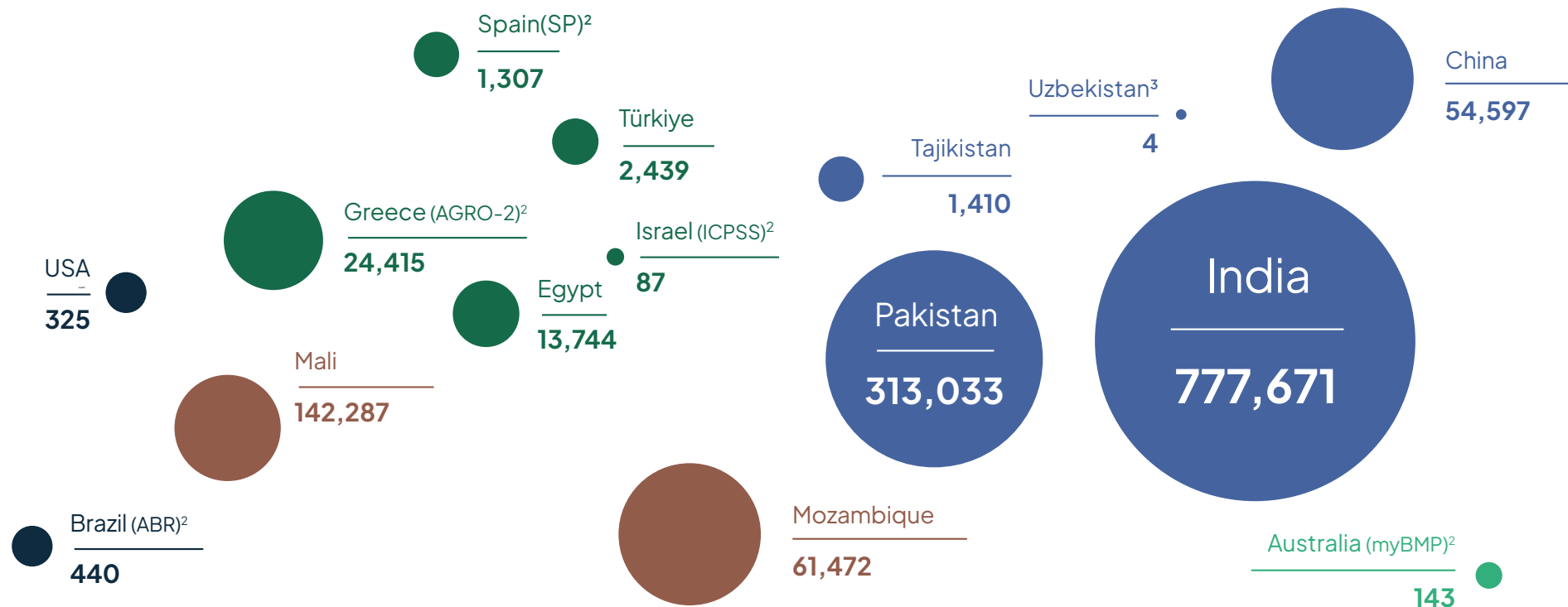
BCI Cotton Licensed Farmers Around the World

TOTAL FARMERS LICENSED

1.39 MILLION

TOTAL FARMERS TRAINED
AND SUPPORTED

1.63¹ MILLION



¹ This is the number of farmers BCI supported during the 2023-24 cotton season despite not all of them attaining a licence. It is important to acknowledge that the number of people who benefit from BCI's field-level work is far higher and includes farm workers and surrounding communities.

² Recognised as a BCI Equivalent Standard country, meaning it has a sustainable cotton programme that is aligned with and benchmarked against the BCI Standard.

³ This is the number of clusters in Uzbekistan. The total number of farm workers in Uzbekistan is 954, of which, 833 are male and 121 are female.

BCI Licensed Farmers Around the World

Country	Licensed 2022–23	Licensed 2023–24	Increase/ decrease [abs]	Increase/ decrease [%]
Australia (myBMP) ¹	124	143	19	15%
Brazil (ABRAPA) ¹	366	440	74	20%
China	102,772	54,597	-48,175	-47%
CmiA ¹	567'734	Agreement Stopped	*	*
Egypt	3,787	13,744	9,957	263%
Greece (AGRO-2) ^{1,3}	15,096	24,415	9,319	62%
India	842,385	777,671	-64,714	-8%
Israel (ICPSS) ¹	80	87	7	9%
Mali	144,845	142,287	-2,558	-2%
Mozambique ⁴	69,488	61,472	-8,016	-12%
Pakistan	351,062	313,033	-35,735	-10%
South Africa	12	Programme stopped	*	*
Spain	No programme	1,307	*	*
Tajikistan	1,162	1,410	248	21%
Turkiye	2,417	2,439	22	1%
United States	332	325	-7	-2%
Uzbekistan ⁵	5	4	-1	-20%

¹ Recognised as a BCI Equivalent Standard country, meaning it has a sustainable cotton programme that is aligned with and benchmarked against the BCI Standard.

² 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 BCI licensed were only counted once), Nigeria, Tanzania and Zambia.

³ In the 2022–23 cotton season, we reported the number of farm groups (called ABGs) for Greece. In the 2023–24 season, we started reporting the total number of farmers participating in the benchmarked programme.

⁴ Farmers in Mozambique which are both CmiA and BCI licensed are only counted once.

⁵ All season data reflects the number of farm clusters (private enterprises overseeing the full cotton value chain, from cultivation to textile production) in Uzbekistan.

A full-page photograph of a farmer, Bobby Byrd, standing in a field. He is wearing a blue patterned short-sleeved shirt, blue jeans, a tan baseball cap, and sunglasses. He has a white beard and is holding a small object in his hands. In the background, there is a green and yellow agricultural machine on the left and two large black grain silos on the right. The ground is dry and dusty. A dark blue circular graphic is overlaid on the right side of the image, containing the text 'Highlights from the Year'.

Highlights from the Year

The Better Cotton Initiative Programme

Outcomes from Action

From gender inclusion in India to pest control innovation in the United States, our partners are driving progress. Across the globe, they are advancing the core goals of our 2030 Strategy: improving livelihoods, restoring landscapes and embracing our traceability solution to make cotton's journey from farm to shelf more transparent.

The following snapshots highlight how our country teams are translating the 2030 Strategy into action and bringing our mission to life in diverse contexts.

“In the face of an increasingly uncertain climate and market landscape, I’m heartened by the strength of our partnerships and the resilience of BCI Farmers. As we work toward our 2030 goals, we’re seeing how the sustainable and regenerative practices promoted through the BCI Programme are driving real change in cotton-growing communities — the kind of local transformation that builds a global movement.”



**Lena Staafgard, Chief Operating Officer,
Better Cotton Initiative**



Australia

In 2024, we deepened our collaboration with Better Cotton Initiative (BCI) Strategic Partner Cotton Australia, renewing our benchmarking agreement for another three years. Cotton Australia's myBMP Standard, now aligned with our latest P&C revision, is set for full implementation by the 2025–26 season. This is an important step in our journey to increase BCI adoption and collaboration across Australia, helping drive global demand for more sustainable cotton. The new agreement also provides the framework for the onboarding of Australian growers into our traceability programme starting in cotton season 2024–25.

Benin

Following its launch in October 2024, the BCI Programme in Benin made rapid progress. Due diligence checks and 'Training of Trainers' sessions laid the groundwork for farm-level implementation, integrating Benin's cotton farmers into our global network and supporting the adoption of sustainable farming practices in line with our 2030 Strategy.

Brazil

Brazil remains a global cotton heavyweight, producing over 3 million metric tonnes of BCI Cotton — 81% of its total crop — in the 2023–24 season. That same season, it also became the world's largest cotton exporter. In 2024, we renewed our benchmarking agreement with our Strategic Partner in the region, Associação Brasileira dos Produtores de Algodão. The new agreement lays the groundwork for onboarding Physical BCI Cotton¹ and new risk management tools tailored to Brazil's large-scale

¹The new agreement lays the groundwork for onboarding traceable BCI Cotton — known as Physical BCI Cotton — and new risk management tools tailored to Brazil's large-scale farming context.

farming context. This work, supported by research and extensive stakeholder engagement, marks the beginning of a new phase of collaboration focused on implementing these tools and enabling traceable, responsible cotton sourcing at scale.

China

In 2024, China scaled up best practices through farmer-focused training videos. More than 70% of surveyed farmers applied what they learned, and over 90% found the videos useful. The adoption of Physical BCI Cotton was also a key focus. Nearly 2,600 stakeholders joined training sessions on BCI Traceability, signalling growing demand for transparency across the Chinese cotton sector.

More than
70% of surveyed farmers in China applied what they learned in video training

Côte d'Ivoire

Côte d'Ivoire's BCI Programme became fully operational during the 2024–25 season. 13 Producer Units worked across four Programme Partners to reach over 62,000 farmers and produce 75,900 metric tonnes of BCI Cotton. Through one BCI Growth and Innovation Fund (GIF)-supported project, women began producing organic fertiliser that not only improved soil health but also created new income opportunities, helping push forward our 2030 goals on women's empowerment, soil health and improving farmer livelihoods.

Egypt

In the 2023–24 cotton season, BCI took important steps toward implementing Physical BCI Cotton in Egypt, training relevant partners to ensure proper handling and tracking throughout the supply chain.



Photo credit: Boulos Abdelmalek, D&B Graphics
Cotton workers, including Nagat Mohamed (left), picking cotton, Egypt 2023

Greece

Greece reaffirmed its role as Europe's top BCI Cotton producer. In the 2023-24 cotton season, the country produced around 113,000 metric tonnes of BCI cotton across approximately 25,000 farms. A renewed agreement with Strategic Partner ELGO-DOV ensured continued alignment with the BCSS, helping to drive more traceable and responsible cotton across the region.

'We welcome the continuation of our collaboration and look forward to achieving further progress in close cooperation with BCI for the benefit of the entire cotton supply chain.'

Prodromos Ousoultzoglou, President of the PanHellenic Union of Ginners and Exporters

India

In the 2023-24 cotton season, the BCI Programme in India reached nearly 800,000 farmers and over half a million farm workers, with a renewed focus on livelihoods, gender equality and community-led change. Programme Partners also explored new ways to centre women and youth as key drivers of sustainability and regeneration. Those efforts paid off with women now making up 10% of BCI Farmers and 28% of Field Staff in 2024 and 2025, helping advance our women's empowerment and smallholder livelihoods targets.

The BCI Programme in India reached nearly

800,000

farmers and over half a million farm workers

'Earlier I sprayed pesticides without assessing our needs. Through BCI's training, I learned to observe pests and act only when required, saving 20-25% in costs. High density planting raised my yield by 40 percent and allowed me to grow a second crop. This support has truly improved my income and practices.'

Tushar Vinayak Raut, BCI Farmer, Maharashtra

Israel

In 2024, we worked closely with the Israel Cotton Production and Marketing Board to strengthen requirements around soil health, biodiversity and labour. This sets the stage for introducing Physical BCI Cotton in the near future, aligning with our soil health and sustainable farming aims.

Mali

Mali's BCI Programme reached approximately 170,000 farmers across 36 Producer Units in the 2023-24 cotton season. A major highlight was the launch of the Integrated Pest Management (IPM) Ladder pilot, where 30 locally adapted demonstration plots helped farmers explore safer, more sustainable ways to manage pests, reducing their reliance on chemical pesticides and directly contributing to our pesticide use reduction target. Women led income-generating projects like soap making and vegetable gardening, supported by funds from the BCI GIF and Knowledge Partner Fund. Six women's groups





also received training in literacy and biopesticide and biofertiliser production, furthering our women's empowerment and soil health goals. At the same time, community forests across five villages supported biodiversity and ecosystem restoration.

Mozambique

In early 2024, cotton farmers in Mozambique piloted an agroforestry model to access carbon credits. While the initiative showed promise, it requires further investment to scale. The season also saw strong progress on the topic of sustainable livelihoods. A Labour Monitoring and Remediation pilot led to the formation of local committees and the appointment of Gender Leads by Programme Partners, helping build community-level accountability. Meanwhile, our IPM Ladder pilot entered phase two, incorporating lessons from the first phase to improve pesticide selection, demonstration plot layout and the strategic use of barrier crops.

Pakistan

Two years after the floods, the BCI Programme in Pakistan is bouncing back with renewed energy. In 2024, we onboarded two new Programme Partners, rolled out GIS mapping to all Producer Units, and saw ginner participation in Physical BCI Cotton jump to 96%. A new pilot was launched across 25% of cotton farms to improve wage transparency, and studies on everything from soil to gender helped fine-tune future plans. With six new collaborations underway, momentum is building for BCI Cotton across the country.

Ginner participation in Physical BCI Cotton jumped to

96%

Spain

We completed our first full year of partnership with BCI Strategic Partners Espalgodón and the Regional Government of Andalusia, recognising their IPS as equivalent to the BCSS. Despite facing severe drought, more than 1,300 BCI Farmers produced a notable 7,800 metric tonnes of lint cotton across 13,000 hectares. Our focus now shifts to scaling uptake of Physical BCI Cotton in the country.

'With the recognition of IPS as equivalent to the BCSS, we believe that it will be possible to increase the competitiveness, and therefore, the resilience of Andalusian farms by growing the value of cotton for farmers who have joined this alliance.'

Manuel Forastero García del Olmo, Head of Integrated Control, Department of Agriculture, Fisheries, Water and Rural Development of the Regional Government of Andalusia

Türkiye

Over 500 BCI Farmers and farm workers in Türkiye were empowered through agronomic training, smart farming technologies and decent work initiatives as part of our efforts to scale sustainable cotton production in key regions. In the 2023-24 cotton season, 2,439 licensed farmers cultivated cotton on a total of 51,730 hectares in line with BCI principles. Field-level trainings supported the adoption of water-saving practices and soil health improvements, while decent working conditions for seasonal farm workers were promoted as part of our efforts to improve farmer livelihoods.

United States

In 2024, BCI in the US strengthened its presence, piloting group certification with three Programme Partners and over 120 producers, while nearly 490,000 bales of Physical BCI Cotton entered the market. In Arizona, researchers from the University of Arizona partnered with BCI Farm, Ak-Chin Farms, to test biological control of whiteflies, a common cotton pest, using spray thresholds based on natural predator populations. Supported by the GIF, the findings were shared at national conferences along with field events in Arizona, California and across the border in Mexico, helping to reduce pesticide reliance and strengthen climate resilience in cotton production.

Uzbekistan

Uzbekistan made headway in many areas during the 2023–24 cotton season. Farms installed drip irrigation on 22% of programme land, slashing water use by up to 60%. Soil labs opened to support regenerative practices, while thousands of trees were planted to restore biodiversity. Training sessions on the topics of decent work and grievance mechanisms reached over 1,000 people, and a new co-financing model helped bolster the long-term financial stability of cotton clusters (private enterprises overseeing the full cotton value chain, from cultivation to textile production).

'By adopting sustainable practices in our cluster, we expanded our customer base and the quality of Uzbek cotton products in major markets, including in the EU. In this way, we are helping to strengthen our economy, creating new jobs and increasing incomes.'

Ashraf Shernazarov, BCI Programme Coordinator for the Navbahor Textile and Samarkand Cotton Clusters

Regional Spotlight: West Africa



We continue to broaden our presence across the African continent, working alongside national stakeholders, international funders and Programme Partners to expand access to more sustainable and regenerative farming practices.

While the benchmarking agreement between Better Cotton and Cotton made in Africa (CmiA) — run by Better Cotton Strategic Partner Aid by Trade Foundation (AbTF) — ended in 2022, certain volumes of CmiA cotton from validated countries in West Africa were still sold as Better Cotton during the 2023–24 season under a quota agreement with AbTF.

In 2024 and 2025, Better Cotton conducted baseline assessments in Benin and Côte d'Ivoire as part of the World Trade Organisation-led 'Partenariat pour le Coton', supported by Afreximbank. Better Cotton was also front and centre at the first-ever World Cotton Day in Africa, a landmark event hosted in Benin in October 2024, where global cotton stakeholders gathered to exchange ideas and shape a shared path forward for the sector.



Innovating for Tomorrow: The New Initiatives Powering Us Forward

At the Better Cotton Initiative (BCI), we know that creating a world where sustainable cotton is the norm means staying ahead of the curve. That's why we're constantly testing new ideas and forging partnerships to push sustainability and regeneration forward. From innovative pest control to third-party certification, explore some of the initiatives helping us — and our partners — shape a more resilient, responsive cotton sector.

Major Organisational Changes

A New Era of Assurance: Transitioning to a Certification Scheme

In February 2025, we took the next step forward in developing our assurance model by becoming an accredited third-party certification scheme. This transition not only strengthens our credibility and transparency but also ensures our programme keeps pace with tightening legislation and evolving market demands.

Previously, our approach combined second-party assessments by BCI Staff with third-party audits, and final licensing decisions were made in-house. This model was instrumental in scaling our programme while upholding credibility — balancing rigour, accessibility and cost. The transition to full third-party certification marks a new era, one that reinforces trust, increases transparency and positions BCI to meet the evolving demands of legislation and global markets.

Launching Claims Framework v.4.0 and the New BCI Cotton Label

Keeping pace with the evolving green claims landscape requires regular updates and scheduled revisions to the BCI Claims Framework. These developments ensure that our claims remain meaningful to consumers, meet legal requirements and reflect the value we offer to members.

Version 4.0, launched in January 2025, represents one of the most significant revisions to date. It reflects major developments across the BCSS, including the introduction of BCI Traceability, enhanced field-level data collection and the shift to third-party certification, as highlighted above.

As part of this update, we also launched the new BCI Cotton Label. This label is available to certified BCI Members sourcing Physical BCI Cotton through a fully certified supply chain. It signals that the cotton in a product was grown by BCI Farmers who have been certified against the requirements of our farm-level standard.

Both the Claims Framework v.4.0 and the new label were shaped through months of multi-stakeholder consultation, legal review and consumer testing. Together, they mark an important next step in enabling BCI Members to communicate their involvement with BCI in a transparent, credible and impactful way.



Environmental Initiatives

Turning Sustainable Practices into Cash for Farmers

From carbon sequestration and soil regeneration to biodiversity preservation, farmers provide a range of social and environmental benefits, yet markets rarely account for these contributions in the price of cotton. To create a more equitable cotton sector, BCI led three pilots to explore practical ways for directing finance to farmers adopting sustainable and regenerative practices.

Tracing Carbon Reductions with the Unlock Pilot:

One such effort is the Unlock Programme, developed with the NGO Future Earth Lab. After a successful pilot with 50 farmers in India during the 2022–23 season, the initiative expanded to 10,000 participants in the 2023–24 cotton season. The programme supports the transition to regenerative practices that reduce farm emissions, with verified carbon reductions now traceable through participating BCI Member supply chains. This allows companies to demonstrate progress on climate targets, including Scope 3 emissions (those generated across their entire value chain).

Validating Soil Carbon Storage with IndigoAg:

BCI also launched a soil carbon pilot in the United States with IndigoAg focused on measuring and validating carbon storage in soil. These learnings will help shape credible, traceable soil carbon credits.

Biochar Projects with Planboo: In parallel, we partnered with Planboo to begin designing biochar pilot projects. These pilots will test scalable models for long-term carbon storage and soil health improvements, backed

by rigorous measurement, reporting and verification systems, enabling them to tap into potentially lucrative carbon and impact markets.

Together, these pilots are paving the way for a future where farmers are fairly rewarded for their commitment to sustainable and regenerative practices.

Strengthening Our Approach to Data Collection

In 2024 and 2025, we strengthened how we measure and report climate impact through three interconnected efforts:

Improving the Use of Lifecycle Assessments (LCAs):

LCAs can be powerful tools for analyzing environmental footprints, but only if they are used correctly. That's why we co-authored a position paper with global partners to advocate for the responsible use of LCAs in cotton sustainability claims, calling for better data practices and the inclusion of both social and environmental indicators.

Charting Textile Impact with the Higg Materials Sustainability Index:

We also continued sharing LCA data through the Higg Materials Sustainability Index, a tool that helps apparel and footwear brands assess the ecological impact of their materials and understand greenhouse gas (GHG) emissions across their supply chains.

Developing a GHG Emissions Methodology:

At the farm-level, we developed our GHG emissions methodology, aligning it with leading global frameworks for climate action, including the Science Based Targets Initiative (SBTi) Forest, Land and Agriculture Guidance and GHG

Protocol. The system will integrate with the Cool Farm Tool platform, a calculator used to estimate emissions from farming practices. Roll out of the methodology will begin across countries in 2026, supporting our Impact Target of cutting emissions by 50% per tonne of lint by 2030.

Boosting Biodiversity from the Bottom Up in Pakistan

BCI partnered with Pilio Ltd and Sama^Verte to co-create community-led biodiversity plans in Punjab. The initiative focused on four core components: mapping biodiversity resources and degraded areas, setting baselines, designing an enhancement strategy, building partner capacity and implementing Community Biodiversity Enhancement Plans. By identifying 'windows of vitality' — a specific area within a landscape that shows strong potential for environmental regeneration — through participatory workshops and field studies, the project disrupted traditional top-down mapping approaches and led to targeted ecosystem restoration. It also helped shape new biodiversity metrics, guidance materials and tools for wider application across the BCI Programme.



Social Initiatives

Powering Gender Equality in the Field Through the APEBI Project

In 2024 and 2025, BCI expanded its commitment to gender equity through the APEBI project — Approaches to Advance Producer Empowerment within BCI Initiatives in India. The 12-month pilot was carried out by Prarabdh Food and Future Private Ltd. in Maharashtra and Telangana with support from CottonConnect and World Wildlife Fund India and funding from ISEAL. It explored how to increase women's leadership in cotton-growing communities. Participating Programme Partners exceeded BCI's 25% target for women Field Staff by the end of the pilot, and insights from the pilot helped shape new gender guidance and training materials across BCI. It explored how to increase women's leadership in cotton-growing communities, and insights underscored the ripple effects that women leaders can have on smallholder farming systems.

Benchmarking Living Incomes in India

In 2024, we completed our first Living Income Study in India — conducted by Ecociate Consultants and funded by IDH, The Sustainable Trade Initiative — to better understand the economic realities of small-scale cotton-farming households. The study surveyed 800 households across Maharashtra and Telangana and found that most smallholders are not earning enough to support a decent standard of living. Key factors affecting income included land size, income diversification, input costs, yield levels and the prices farmers are able to sell their cotton for. These insights will shape future programming and advocacy efforts to help build more secure, sustainable livelihoods for cotton farmers.



Photo Credit: Better Cotton Initiative/Khula Jamil. Better Cotton Initiative Farmer Jam Muhammad Saleem playing with his 2-year-old daughter, Pakistan.

From Field Action to Policy Influence: Our Advocacy Work

Our work at the Better Cotton Initiative (BCI) extends far beyond the field. As the world's largest cotton sustainability programme, we also have a responsibility to use our voice and platform to help shape the global policy landscape. From EU regulatory proposals to climate advocacy, we're elevating the role of natural fibres, championing responsible sourcing and pushing for fair and inclusive frameworks that support farmers and the wider cotton supply chain.

Elevating Cotton's Voice in EU Policy

As an active member of the Policy Hub, BCI continues to advocate for legislation that recognises the strong sustainability characteristics of cotton and other natural fibres. Sitting on the advisory group, we have contributed to industry discussions on major pieces of EU legislation, including the Ecodesign for Sustainable Products Regulation and its Digital Product Passport, the Green Claims Directive and the Omnibus Simplification Package. Our position is that frameworks must be inclusive of smallholders, technically feasible across global value chains and rooted in the realities of natural fibre production.

In partnership with the Make the Label Count coalition, we are also advancing more meaningful environmental labelling standards. Through public campaigning and stakeholder engagement,

we have pushed for the Product Environmental Footprint (PEF) methodology to consider the full life-cycle impact of fibres, paying special attention to the renewable, biodegradable and regenerative characteristics of natural materials such as cotton.

Calling for Practical Due Diligence

Amid the evolving debate around the EU's Omnibus Simplification Package, BCI published a public position article — 'Omnibus or Not, Due Diligence is a Must' — to emphasise the importance of a clear, coherent due diligence framework. Our message: corporate sustainability rules must be equitable, practical and designed to support producers, not penalise them. We have also added our voice alongside 40 like-minded organisations by co-signing a position paper led by the Fair Trade Advocacy Office. The paper calls on legislators to consider the risk of negative economic impacts and unintended consequences of the proposal on smallholders, and to ensure they are mitigated in the design of the legislation and its enforcement measures, including limited market access, inadequate financial resources and insufficient infrastructure.

Engaging in EU Public Consultations

In 2024 and 2025, BCI submitted responses to two important EU consultations:

Digital Product Passport (DPP): In its response, BCI emphasised the need for harmonised data requirements, meaningful integration of social and environmental performance indicators and accessibility for all participants across the supply chain, including farmers. The position supports a DPP system that promotes transparency while staying aligned with the realities of global cotton production.

EU Bioeconomy Strategy: BCI has called for the explicit recognition of cotton and other natural fibres as strategic renewable resources in the EU Bioeconomy Strategy. As the EU aims to accelerate its transition toward a climate-resilient and circular economy, natural fibres must be positioned as key enablers of this transformation. Recognising the strategic role of cotton and investing in regenerative, nature-based solutions will be essential to secure a sustainable future for textiles and beyond.

Our Experience at the Standards Pavilion – COP29

We took part in the Standards Pavilion at the COP29 Summit in Baku in November 2024, hosted by the International Organization for Standardization, to showcase how international standards can drive systemic, scalable solutions for large-scale climate resilience.



Photo Credit: Better Cotton Initiative/Afra Usman. BCI Farmer Abdur Rehman demonstrating habitat creation for beneficial birds, Pakistan 2024.

We led two public sessions:

Highlighting climate change impacts on smallholder farming communities and presenting community-driven adaptation and mitigation strategies tested in the field.

Examining the potential environmental and human impacts of the PEF methodology, and the role of Make the Label Count in advocating for accurate, transparent labelling to support informed, sustainable consumer choices.

Our participation at COP29 also provided a platform to raise awareness of BCI's potential to connect farmers with financing and data. This work can enable farmers to adopt sustainable practices, make evidence-based decisions, reduce emissions and strengthen farm resilience.

Looking ahead to COP30, BCI is exploring opportunities to contribute to the global climate agenda. We aim to spotlight how climate-smart cotton farming can support both adaptation and mitigation. Key focus areas include:

Promoting regenerative agriculture and biodiversity

Protecting soil health and water resources

Ensuring a just transition for farming communities, one backed by inclusive climate finance and international cooperation

Through this advocacy work, we are building a future where policies work with — not against — the people and practices behind sustainable cotton.

Where Ideas Spark Action: Coming Together for Cotton's Future

At the Better Cotton Initiative (BCI), we've seen the powerful change that can happen when people come together. Throughout the year, we hosted events that connected farmers, partners, members and experts across the cotton sector. These events offered opportunities to share insights, tackle common challenges and ignite fresh thinking on some of the cotton industry's most pressing issues.

Below are a few standout moments that reflect the energy and collaboration driving our work forward.

Global Events

Better Cotton Initiative Conference 2024 | 26-27 June 2024

In June 2024, more than 450 participants joined us — 310 in person in Istanbul and 142 online — from 44 countries at our annual BCI Conference. The two-day event centred around four key themes: Putting People First, Driving Change at the Field Level, Understanding Policy and Industry Trends and Reporting on Data and Traceability.

Attendees praised the diversity of voices, especially hearing directly from BCI Farmers themselves. 52 speakers, including four keynotes, brought valuable insights on gender equity, innovation and the adoption of regenerative practices by both smallholder and large-scale farmers.

'The conference was insightful. Industry leaders, experts and stakeholders shared experiences, strategies and challenges around sustainable cotton production. I'm already hoping to attend next year. Well done!'

BCI Conference 2024 Attendee



Large Farm Week | 19-23 August 2024

From 19–23 August 2024, BCI and İyi Pamuk Uygulamaları Derneği (IPUD), our Strategic Partner in Türkiye, hosted the first BCI Large Farm Week. 18 representatives from Australia, Brazil, Pakistan, the US, Uzbekistan and Türkiye spent a week in Diyarbakır and Şanlıurfa visiting farms, gins and spinning mills.

The goal was to foster greater collaboration across BCI's Large Farm countries and accelerate progress in key impact areas. Participants shared challenges and successes from large-scale cotton production, leaving with insights to inspire their own communities.

'It's been great to hear from other BCI Large Farm cotton-producing countries and listen to their challenges. It helps us see how we can work together to increase not only cotton demand but also the amount of sustainably grown cotton worldwide.'

Tom Mannes, Regional Manager, Cotton Australia

General Assembly 2024 | 17 September 2024

This year's General Assembly was more than a formality; it was a moment of connection, transparency and shared purpose. Held online, the meeting brought together 265 BCI Members from around the world to review our progress and chart our path forward.

We introduced new features to make the event more interactive, including an 'Ask Me Anything' session where members could submit questions in advance or during the meeting to the BCI Council and team. Alongside formal approvals of financial statements, activity reports and statute changes, members also shared ideas for future engagement. A recurring theme: more opportunities for field visits and first-hand learning experiences.





Photo Credit: Better Cotton Initiative/Vincent Tan.
Programme Partner Meeting, 2025.

Large Farm Symposium 2024 | 18 November 2024

Following our momentous Large Farm Week in Türkiye, we gathered members of the BCI Large Farm community along with guest speakers to exchange strategies and celebrate developments surrounding cotton. Held virtually on 18 November 2024, this was our fourth annual Large Farm Symposium, with over 110 participants joining the discussion live.

The event spotlighted crop management and biological controls in the face of pest and disease pressure, as well as the urgent need to advocate for natural fibres amid the rise of fossil-fuel based synthetics. Keynote speaker Elisabeth van Delden of Make the Label Count challenged attendees to think critically about upcoming regulations and the role of cotton and other natural fibres in a rapidly evolving textile landscape. The symposium underscored the value of continued collaboration across regions and reaffirmed the need for unified action to support a more sustainable future for large-scale cotton farming.

Programme Partner Meeting 2025 | 11-13 February 2025

In February 2025, over 100 delegates from Programme Partners came together in Penang, Malaysia, for our ninth annual Programme Partner Meeting. With one year of implementing P&C v.3.0 behind us, partners reflected on the advancements and their implementation experiences across a range of critical topics, including climate change, crop protection, livelihoods, personal protective equipment, gender and decent work.

The gathering also spotlighted BCI's evolving impact priorities and the importance of using data not just for compliance but also for continuous learning. One highlight was the Innovation Marketplace, where partners explored new tools and approaches — from community-based savings systems to irrigation methods — to adapt to their own contexts.

'The atmosphere was incredibly open and collaborative. I left with practical tools, new connections and a renewed sense of purpose for our work with farming communities.'

Programme Partner Attendee

Regional Events

While our global events bring the BCI community together at scale, much of the real relationship-building happens regionally, where locally relevant best practices come into sharper focus. This year, regional meetings gave rise to new collaborations, bold ideas and meaningful conversations across some of the world's most important cotton-growing and trading hubs.

US Cotton Connections 2024 | July 2024 | United States

BCI and Quarterway Cotton Growers hosted the US Cotton Connections 2024 field trip in Plainview, Texas, focusing on local solutions to advance sustainable and regenerative cotton farming in the country's largest producing state. The event gave farmers, researchers and brands a chance to discuss concerns and explore regenerative practices, the latest precision agriculture technology, ways to support long-term farm viability and more.

Camp Cotton and the Australian Cotton Conference | August 2024 | Australia

We engaged growers and stakeholders at Camp Cotton and the Australian Cotton Conference, sharing updates on traceability and our revised P&C.

Multistakeholder Dialogue – Brasília | March 2025 | Brazil

The inaugural Multistakeholder Dialogue in Brasília brought together a broad spectrum of voices — from growers and exporters to brands, researchers and NGOs. The conversation highlighted key priorities, including climate resilience, traceability and sector-wide collaboration. As Márcio Portocarrero, Executive Director of ABRAPA, put

it: 'Dialogue is a way for us to build a coalition of ideas and solutions.' That spirit of open exchange is already sparking new innovations and relationships across the Brazilian cotton landscape.

World Cotton Day in Africa | October 2024 | Benin

BCI was front and centre at the first-ever World Cotton Day in Africa — a landmark event hosted in Benin — where global cotton stakeholders gathered to exchange ideas and shape a shared path forward for the sector.

Brazilian Cotton Conference | November 2024 | Brazil

BCI participated in the 14th Brazilian Cotton Conference in Fortaleza, attended by more than 4,200 participants.

Uzbekistan Multistakeholder Meeting | November 2024 | Uzbekistan

The BCI held its annual multistakeholder meeting in Tashkent, Uzbekistan, bringing together over 70 representatives from government, civil society, producers, manufacturers, retailers, donors and knowledge partners to review programme progress and foster dialogue on sustainable cotton production. Discussions focused on strategic partnerships, sector challenges and the importance of social sustainability, with participants reaffirming the value of a collaborative, people-centred approach to strengthening the cotton sector in Uzbekistan.



Photo Credit: Better Cotton Initiative/Katrina McArdle. US Cotton Connections 2024.

Beltwide Cotton Conference | January 2025 | United States

At the Beltwide Cotton Conference in New Orleans, BCI convened 38 pest scientists and agronomists to explore ways to expand IPM and phase out Highly Hazardous Pesticides (HHPs). The session, held with the Western and Southern IPM Centers, the Arizona Pest Management Center and the National Cotton Council, highlighted 30 years of pesticide reduction progress in Arizona and helped identify new research collaborations.

Cotton Revival and Multistakeholder Platform Relaunch | February 2025 | Pakistan

We launched a national conversation on cotton revival. BCI Pakistan introduced a cotton brief to guide future dialogue and formally relaunched its Multistakeholder Platform, a forum where government, brands, donors, suppliers and academics can come together. Through this platform, partners are beginning to align around joint priorities and develop action plans for a stronger, more sustainable sector.

Bharat Tex 2025 | February 2025 | India

At Bharat Tex 2025, India's largest-ever textile industry event, hosted by the Ministry of Textiles, BCI made its mark as the only sustainability platform of our scale in cotton production. With more than 3,500 exhibitors, 40,000+ business visitors and participation from over 100 countries, the event attracted leading figures from across the global cotton and textile sector. BCI contributed to key panel discussions, conducted a high-impact masterclass and hosted our annual membership meeting, engaging directly with leaders to help shape the future of the industry.

Nearshore Supply Chain Tour | March 2025 | Central America

Our Nearshore Supply Chain Tour brought together stakeholders throughout the cotton supply chain with representatives from leading companies. The tour began with a visit to a SIERRA spinning mill in Cofradía, Honduras, where participants saw sustainability and traceability in action. From iron-on tracking tags to advanced yarn testing, guests previewed innovations shaping the future of responsible sourcing. A stop at Alcatextil, Guatemala's largest knitting mill, showcased robust traceability systems, including detailed labelling and custom tracking software.

Strategic Engagement Meetings | May 2025 | China

BCI deepened its engagement through a series of strategic meetings with key government officials, industry associations and private sector actors. These meetings helped build trust, open channels of dialogue and explore shared goals around sustainability, transparency and supply chain integrity in the Chinese cotton sector.

Egypt Stakeholder Meeting | Egypt

An in-person meeting was held in Cairo with the Cotton Egypt Association and other partners to explore challenges related to the limited uptake of BCI Cotton from Egypt. A survey is now being developed to assess demand and inform next steps.



Photo credit: Better Cotton Initiative/Abhishek Sisodiy, Bharat Tex 2025, Circular Economy in Textiles: Global Best Practices in Hazardous Chemical Elimination panellists.

Photo credit: Better Cotton Initiative/Seun Adatsi, Tata Djibe, Agronomist, Mali 2019.

A woman wearing a pink headscarf and an orange and pink striped dress is harvesting cotton in a field. She is holding a bunch of white cotton bolls in her right hand. The field is filled with cotton plants, and there are trees in the background.

Growth and Innovation Fund

Growth and Innovation Fund

The Better Cotton Initiative (BCI) Growth and Innovation Fund (GIF) identifies and makes strategic investments in BCI's field-level programmes. It is one part of our capacity strengthening programme. Alongside our standard system, field-level investments made through the 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 one or more of the five impact areas: soil health, women's empowerment, climate change mitigation and adaptation, crop protection and smallholder livelihoods. A smaller amount of funding is dedicated to support knowledge transfer to Programme Partners from external experts and to pilots or research-based projects in BCI Large Farm contexts.

Following a rigorous review process of requested proposals, the GIF awards grants to projects which align with the Fund's annual priorities, assessment criteria and BCI's 2030 Strategy.

In addition to the VBF paid by Retailer and Brand Members, the GIF receives some additional grants. Grantees also contribute either through their own funds or by fundraising from other donors. While co-funding varies, it is normally around 30% of the total portfolio spend.

Within the GIF, there are three distinct sub-funds: the Small Farm Fund, the Knowledge Partner Fund and the Large Farm Fund. Below is a snapshot of the projects each fund supported in the 2024-25 financial year.

1. Small Farm Fund

The Small Farm Fund, which receives the majority of GIF grant funding, supports Programme Partners working with smallholder and medium-scale cotton farming communities.

In 2024 and 2025, partners continued to evolve their projects to deliver tangible benefits for both farming communities and the environments they depend on.

Key areas of focus included:

Water Management

Partners constructed and renovated water-harvesting and irrigation structures at both the farm and community level according to local needs.

In some areas, GIF grants were matched with government funding to support micro-irrigation units, enabling year-round cultivation.

Crop Protection

Hundreds of women's self-help groups and other collectives produced alternatives to synthetic pesticides, such as biopesticides, traps and bio-controls. These approaches improved access to less toxic pest control methods while also generating income for community members.

18,543,000
euros

distributed through the GIF and spent by programme partners and other grantees between April 24 and March 25



17,815,000

euros distributed from Small Farm Fund



728,000

euros distributed from Large Farm Fund and Knowledge Partner Fund



Soil Health and Regenerative Practices

Projects promoted techniques such as agroforestry, intercropping and border cropping.

Partners also worked to reduce residue burning (the harmful practice of burning leftover cotton stalks after harvest) by encouraging stalk incorporation into soil, as a form of compost or converting it to biochar, a form of charcoal used to improve soil structure and retain nutrients.

Reducing Risk of Pesticide Use

Other partners looked at methods to safely dispose of empty pesticide containers, which pose serious poisoning risks when reused, through:

- Community collection scheme pilots

- Engaging with pesticide companies to explore take-back responsibilities

Women's Participation

Higher numbers of women Field Staff helped create more inclusive spaces, boosting the participation of women farmers in meetings and demonstrations.

2. Knowledge Partner Fund

Still relatively new, this fund supported three key areas of work in 2024 and 2025:

- Embedding regenerative practices in Türkiye

- Co-developing biodiversity enhancement plans with communities in Pakistan

- Advancing safer crop protection approaches in India through biofertilisers and pest control centres

3. Large Farm Fund

We continued to make progress on projects funded during the 2024-25 cotton season.

These included:

- Establishing pest and predator thresholds in the US to avoid unnecessary synthetic pesticide use

- Trialling low-cost methods to breed parasitic wasps in Brazil as a way of reducing pest populations naturally

- Scaling regenerative practices on commercial farms in Israel

- Improving farmer outreach and support in Australia

Despite the growing toll of extreme weather — now a recurring theme in project reports — the determination of Programme Partners and farming communities remains strong. The GIF continues to be a vital mechanism for turning sustainability ambitions into on-the-ground progress, especially by funding targeted, high-impact projects that may otherwise struggle to secure support. This ability to channel resources where they are most needed remains one of the Fund's greatest strengths.

1,368,120

farmers

reached through GIF Small Farm Fund

♀ 123,922
women

♂ 12,441,998
men

1,497,218

workers

reached through GIF Small Farm Fund

♀ 459,374
women

♂ 1,037,844
men

Photo credit: Boulos Abdelmalek, D&B Graphics. Cotton workers, including Nagat Mohamed (right), picking cotton, Egypt 2023.



Photo Credit: Better Cotton Initiative /Baran Vardar, Türkiye 2022



Market Results



Market Results: Membership

The Better Cotton Initiative's (BCI) global membership network plays a central role in advancing sustainable cotton. Throughout 2024, we worked to keep members informed, engaged and empowered to contribute to positive change.

We welcomed 519 new members in 2024, and overall net membership remained stable. Even in a challenging global landscape shaped by inflation, legislative shifts and economic uncertainty, committed members are leaning in, making BCI a core part of their responsible sourcing efforts.

Across our network, members are more connected and involved than ever in shaping the future of BCI. We engaged members through a mix of in-person and digital channels, sharing updates on our evolving Chain of Custody (CoC), traceability progress and the impact being driven in cotton-growing communities. In the fall of 2024, we launched two major consultations to shape the future of our standard system. Dozens of members and stakeholders contributed to the development

of our updated Claims Framework v.4.0, published in March 2025, and provided input on our regenerative agriculture consultation, leading to our announcement that BCI will become a regenerative standard in 2026.

Our Membership and Supply Chain team expanded outreach efforts, organising an impressive 221 events reaching more than 7,600 BCI Members and supply chain actors worldwide. As part of our push to scale traceability, we nearly doubled the number of ginners and suppliers participating in trainings and events compared to the 2023–24 cotton season.

Field trips continued to offer members and stakeholders a valuable window into farm-level practices. In 2024, 191 people joined us on trips to the US, India, Pakistan and Türkiye to see BCI in action, gaining insight into the practices being implemented by BCI Farmers.



“The Better Cotton Initiative has been working closely with members worldwide to evolve our approach in line with the sector’s growing needs for legislative compliance and traceability. Looking ahead, we will continue our efforts to deliver value for our members while keeping our mission of positive impact at the field-level in sharp focus.”

Eva Benavidez Clayton, Senior Director of Demand and Engagement, Better Cotton Initiative



Photo Credit: Better Cotton Initiative/Bec Sloane, Large Farm Week, Brazil, 2025.

New Members in 2024



+519
NEW MEMBERS IN 2024

Total Members in 2024



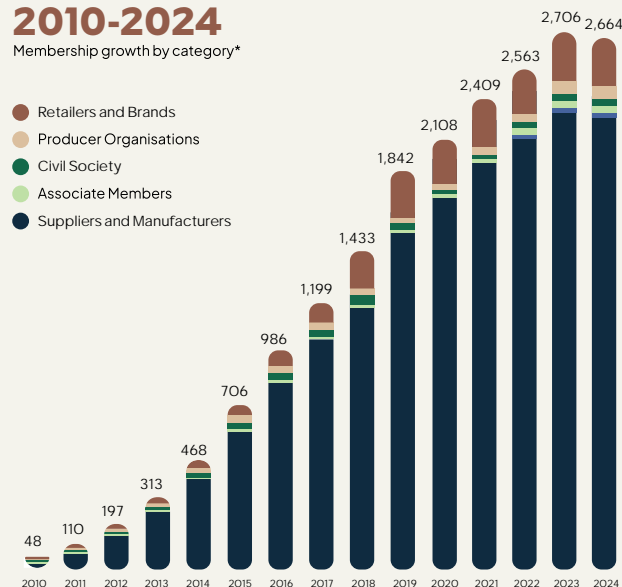
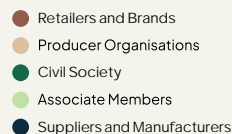
2,664
TOTAL MEMBERS IN 2024

Total Members

2,664
at end of 2024

Membership 2010-2024

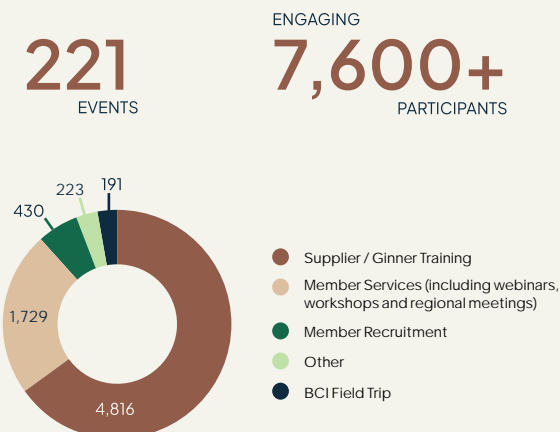
Membership growth by category*



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

2024 Events

In 2024, the BCI Demand and Engagement team organised 221 events, which were attended by 7,602 participants.



Member Code of Practice

The Better Cotton Initiative monitors its members against its Member Code of Practice. Our Monitoring Protocol outlines the scope and process for how we deal with potential breaches of the Code of Practice. At the end of the 2025 financial year, there were 11 open monitoring cases, all for members that were listed on the International Cotton Association List of Unfulfilled Awards (LouA), which is a breach of the Business Integrity criteria of the Member Code of Practice. During the year, 20 cases were closed, 12 of which were resolved, and the members continued their membership. Eight cases resulted in expulsion for breach of the Member Code of Practice (two for being listed on the Uyghur Forced Labor Prevention Act Entity List and six for being listed on the ICA LouA).

Membership 2010-2024

Country	Retailers and Brands	Producer Organisation	Civil Society	Associate Members	Suppliers & Manufacturers	Total	Members Growth	Growth Rate
2010	12	5	6	6	19	48		
2011	18	8	9	6	69	110	62	129%
2012	22	12	10	6	147	197	87	79%
2013	29	14	15	8	247	313	116	59%
2014	33	18	19	7	391	468	155	50%
2015	46	30	26	9	595	706	238	51%
2016	66	31	33	10	846	986	280	40%
2017	85	32	31	12	1,039	1,199	213	22%
2018	102	29	41	15	1,246	1,433	234	20%
2019	168	30	42	17	1,585	1,842	409	29%
2020	219	20	32	16	1,821	2,108	266	14%
2021	283	18	28	15	2,065	2,409	301	14%
2022	325	17	34	16	2,171	2,563	154	6%
2023	354	17	38	11	2,286	2,706	143	5.3%
2024	344	18	34	12	2,256	2,664	-42	-1.6%

Non Member Better Cotton Platform Suppliers	Better Cotton Platform Growth	
N/A	-	-
N/A	-	-
N/A	-	-
N/A	-	-
N/A	-	-
N/A	-	-
792	-	-
1,504	712	90%
2,308	804	53%
5,665	3357	145%
7,389	1724	30%
9,988	2,599	35%
11,234	1,246	
11,501	267	2.4%
11,248	-253	

Market Results: Sourcing

Market demand for BCI Cotton remained strong in 2024, with BCI Retailer and Brand Members sourcing 2.55 million metric tonnes of cotton, a 3% increase compared to the 2022-23 cotton season.

Mill uptake rose by 14%, reaching 3.6 million metric tonnes in 2024. 5% of this total was Physical BCI Cotton, representing a major milestone in our journey to expand traceability across the BCI Programme.

Since the launch of BCI Traceability in November 2023, uptake has steadily accelerated. In just nine months, BCI Retailer and Brand Members started integrating Physical BCI Cotton into their strategies, sourcing 254 metric tonnes of it — and that growth is increasing exponentially in 2025.

With Physical BCI Cotton now flowing through supply chains, we're charting a path toward a fully transparent and accountable cotton sector.



BCI Cotton Uptake by Retailer and Brand Members 2014-2024

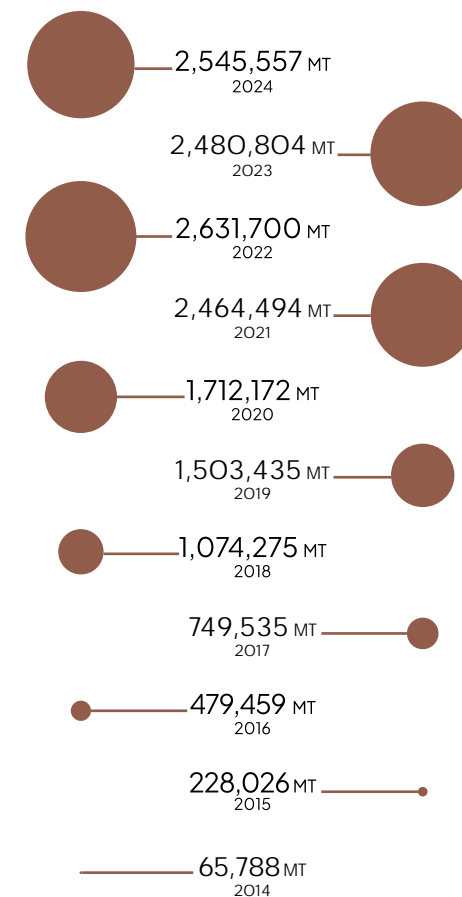


Photo credit: Better Cotton Initiative/Eugénie Bacher. Spinning machine, Rubenis factory, Türkiye, 2022.

BCI Cotton Uptake: Tracking Our Progress

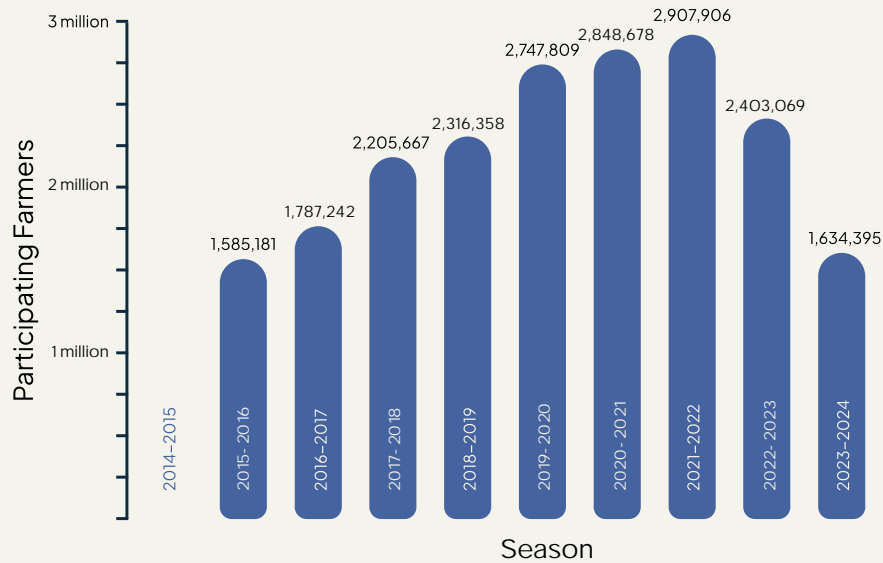
Season	Participating Farmers	Licensed Farmers	Cultivated Area [Ha]	Production [MT lint]
2014–15		1,220,843		1,945,699
2015–16	1,585,181	1,501,239	3,458,599	2,491,389
2016–17	1,787,242	1,580,627	3,713,009	3,431,062
2017–18	2,205,667	1,947,010	5,199,890	5,055,614
2018–19	2,316,358	2,105,846	5,945,018	5,634,779
2019–20	2,747,809	2,409,056	6,243,852	6,086,899
2020–21	2,848,678	2,248,849	5,359,779	4,694,432
2021–22	2,907,906	2,271,854	6,258,374	5,441,230
2022–23	2,403,069	2,101,667	5,935,338	5,459,813
2023–24	1,634,395	1,393,374 ¹	4,763,744	5,637,470

¹ Our equivalency agreement with the Aid by Trade Foundation (AbTF), which manages the Cotton made in Africa (CmiA) standard, came to an end in 2022. This, along with the conclusion of our programme in South Africa due to partner funding restraints, contributed to a drop in the number of licensed BCI Farmers.

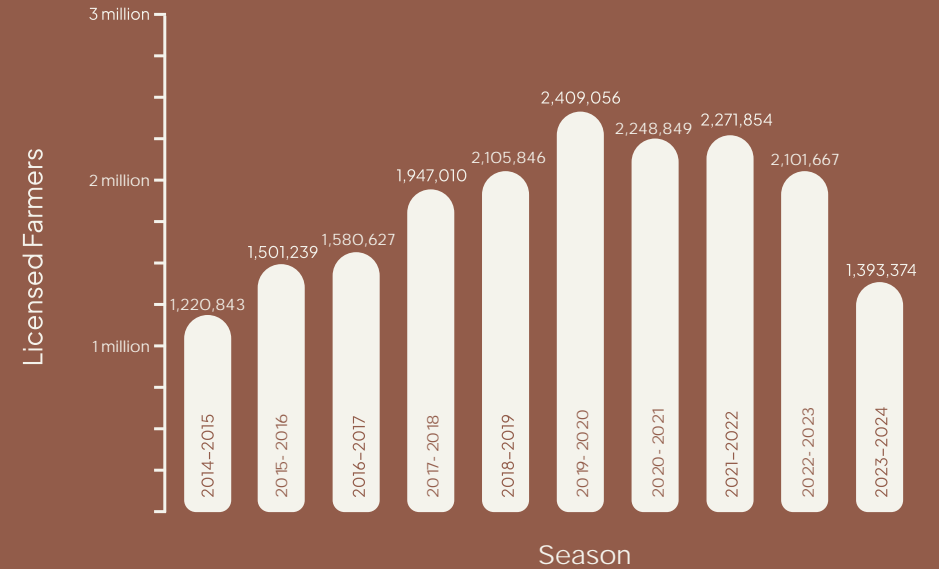




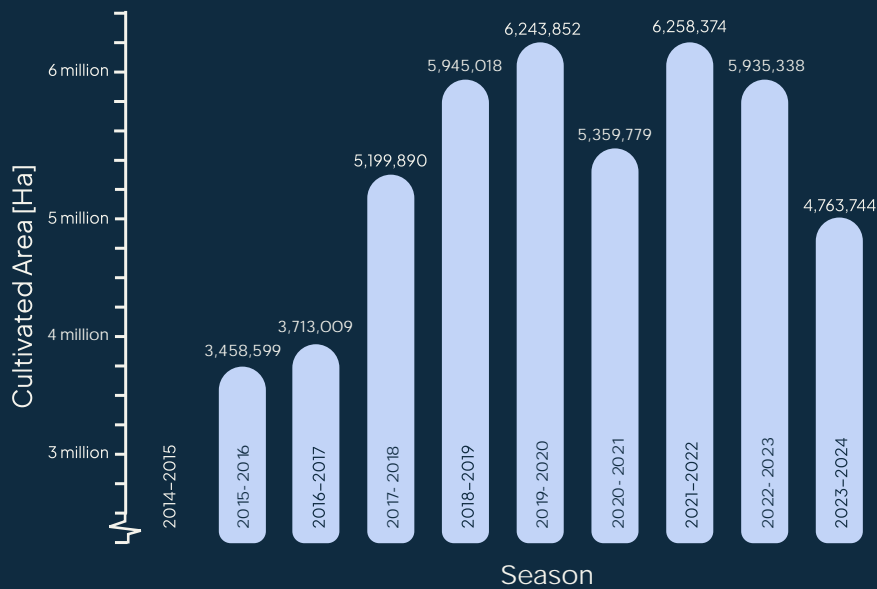
Participating Farmers 2014-2024



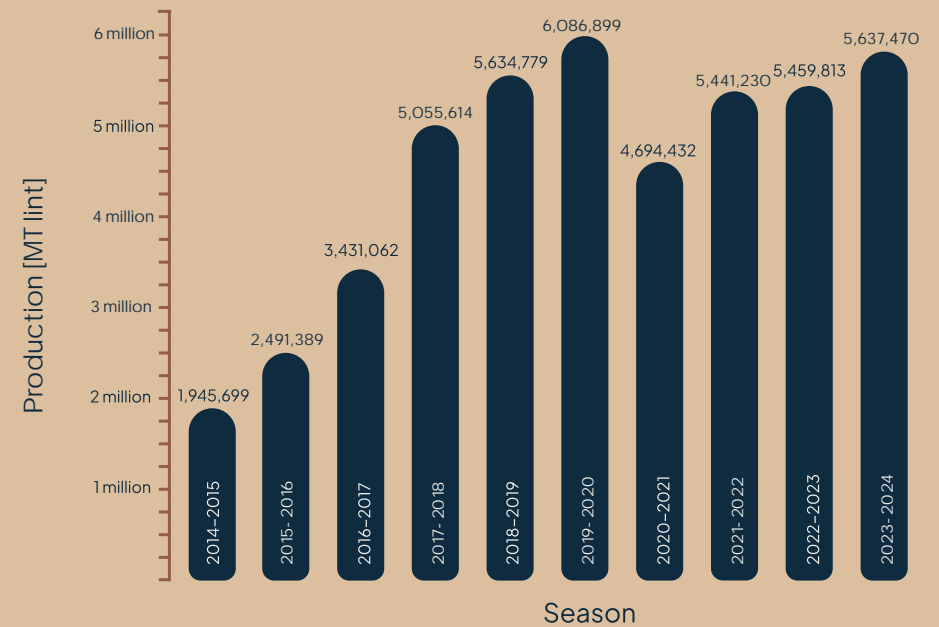
Licensed Farmers 2014-2024



Cultivated Area [Ha] 2014-2024



Production [MT lint] 2014-2024







Our Impact

Our Impact: Progress, Learning and Future Developments

Measuring our Impact

Over the past 15 years, the Better Cotton Initiative (BCI) has grown significantly in terms of scale and reach.

Ultimately however, real progress is determined by the impact that we are making as we seek to improve conditions for cotton growing communities and to reduce the environmental impact of cotton being farmed by BCI Farmers. To assess our impact, we gather data across five key thematic areas — set against targets that were agreed upon during our 2030 Strategy review.

This process enables us to determine the progress we are making towards our overarching mission and to identify and address any areas where we are not as successful as we would like — helping us to learn from our experiences to date, continuously improve our approach and ensure that we are as impactful as possible.

Our Impact to Date

Analysis of this data has shown encouraging progress across several areas. While results vary across different contexts, they help highlight the positive contribution that the Better Cotton Initiative — through both our standard and GIF investments — is making at the farm level as we seek to support cotton growing communities and their efforts to better protect the environment. This data has also helped to identify important areas for improvement in our approach, as well as highlighting some of the more challenging aspects of our work. This is summarised against each of the thematic areas below.

Sustainable Livelihoods

BCI aims to sustainably increase the net income and resilience of two million cotton farmers and workers by 2030, enabling them to better withstand greater economic and climate-related shocks.

Progress to date has been promising, with more than 650,000 cotton farmers showing average seasonal profitability gains since becoming licensed BCI farmers.

However, significant challenges remain — particularly in building resilience to extreme weather events, as seen with the severe floods in Pakistan and recent droughts in Côte d'Ivoire, which have had major impacts on farmer incomes. Additionally, measuring income accurately — especially among seasonal and informal workers — and understanding the role of diversified income streams in cotton smallholder farming systems continues to be a complex but essential part of designing effective and appropriate livelihood interventions.

Nearly
700,000
cotton farmers



from the 1.63 million participating have shown average seasonal profitability gains since becoming BCI Farmers

Soil Health

Ultimately, we aim to ensure that, by 2030, 100% of BCI Farmers are taking active steps to improve the health of their soil. To track progress, one of the key indicators we use is the reduction of synthetic nitrogen per metric tonne of cotton lint.

By the conclusion of the 2023-24 cotton season, our data showed that nearly 700,000 BCI Farmers across 2.15 million hectares showed a yearly average reduction of their synthetic nitrogen use per kilogram of cotton produced since joining the programme.

These reductions are driven by a range of practices that are promoted within the BCI Standard, ranging from composting and cover cropping to intercropping and crop rotation, all of which contribute to soil health improvements a reduction in synthetic nitrogen use.

In the 2023-24 cotton season, nearly

700,000
farmers across
2.15m hectares

showed a yearly average reduction of their synthetic nitrogen use since joining the BCI Programme

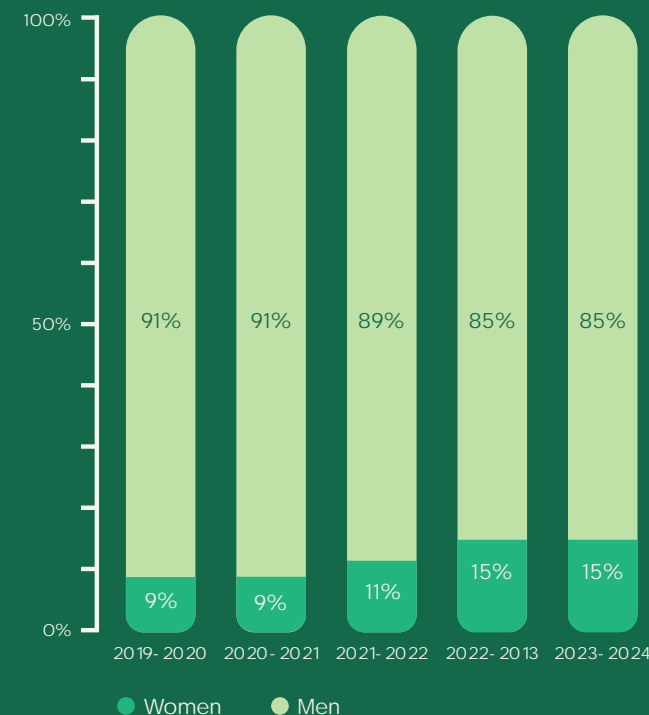
Women's Empowerment

We aim to reach one million women in cotton with programmes and resources that promote equal decision-making, climate resilience and support improved livelihoods by 2030. We aim for 25% of BCI Field Staff to be women, holding roles where they can influence sustainable cotton production and farm-level outcomes.

To support these ambitions, we have taken several steps to strengthen our gender-responsive programming. Results show that in the 2023-24 cotton season, 15% of both Producer Unit Managers and Field Facilitators were women, marking an increase from 9% in the 2019-20 season. More than 575,000 women farmers and workers attended one or more BCI-led training events as part of capacity strengthening activities. In 2024 and 2025, we also introduced a Gender Capacity Assessment for Programme Partners to enhance gender-responsive programming.

We've also explored ways to revise how farmers are defined in the P&C to support women's inclusion, launched two women-focused pilot projects in India and tested multiple data collection tools to improve gender-related insights.

Percentage of Field Staff by Gender



Crop Protection

Crop protection and the reduction of pesticide use is a central pillar of our work to improve the health of farming communities and protect the environment and biodiversity. We aim to reduce the use and risk of synthetic pesticides applied by BCI Farmers and workers by at least 50% by 2030, with a particular focus on eliminating HHPs. The 'risk' component goes beyond quantity to consider toxicity, method of application and exposure pathways.

We have seen encouraging progress in these areas: more than 788,000 BCI Farmers are decreasing the use of synthetic pesticides per hectare, with 81% of farmers not using HHPs. Results have been especially strong in countries such as India.

In countries like Brazil, changing weather patterns and the development of pest resistance have contributed to greater pest pressure. These challenges present ongoing obstacles for reducing pesticide use, even with active efforts in place.

More than

788,000

BCI farmers



are decreasing the use of pesticides per hectare since joining the BCI Programme

With

81%

not using HHPs

Climate Change Mitigation

Climate change mitigation remains a fundamental tenet of our strategy, and we are aiming for a 50% reduction in GHGs per tonne of BCI lint produced by 2030.

BCI's approach to GHG accounting has evolved significantly. In 2021, BCI Farmers were found to emit 19% less GHGs than non BCI Farmers on average .

In 2024, we partnered with Cascale via its Higg MSI tool to publish a LCA for BCI Cotton in India. While not designed to measure progress, the LCA offered a robust snapshot of emissions up to the gin gate and identified fertiliser use, especially synthetic nitrogen, as a major hotspot, responsible for up to 70% of total GHGs in some regions.

In 2025, we finalised the BCI GHG Emissions Methodology to enable consistent data collection and track improvements over time.



Looking Ahead: Deepening Our Impact in Cotton Communities

Over the past two years, our impact targets have proven to be a practical and powerful framework for measuring progress and fostering continuous improvement across our work. As we evolve our approach next year, we remain committed to investing in robust measurement systems and advancing our understanding of the changes being delivered through the Better Cotton Initiative (BCI) Standard and our partners in the field — grounded in high-quality data and supported by credible evidence.

In parallel, we are considering ways to deepen and refine some of our targets — not to reduce ambition, but to ensure we stay responsive to the evolving needs of cotton-farming communities. To enable this, we will define clear global pathways, backed by evidence and adaptable to country-specific strategies, ensuring our efforts remain both impactful and locally relevant.

We want to deepen our approach to sustainable livelihoods, with an increasing focus on resilience of farming communities and not only on increased profits. In 2025, we will define a framework for farmer resilience, recognising that long-term success depends on farmers' ability to withstand shocks, diversify income and adapt to future risks.

Over the course of 2025 and 2026, we will be strengthening our approach to regenerative agriculture so it is more explicit and more holistic — and is embedded in the updated P&C for the BCI standard that will be published in 2026. This will further strengthen requirements on soil health, water stewardship and biodiversity and will help drive positive outcomes for cotton growing communities.

Our gender and inclusion strategy aims to go beyond reaching women. We will strengthen decision-making power, leadership and help increase access to resources for all women in cotton farming households.

With the launch of our 2025–2030 Decent Work Strategy and the start of baseline data collection, we are formalising 'Decent Work' as an impact target. Building on our earlier strategy and grounded in international labour standards, this new approach reflects progress made and responds to evolving legislative and field-level risks. Although measuring outcomes in seasonal and informal labour remains complex, this data will provide critical insights and help shape clear, measurable targets in the years ahead.

In crop protection, we are moving toward country-specific strategies that respond to diverse regulatory and farming realities. We will continue to support efforts to phase out HHPs and scale up IPM practices, supported by transparent global reporting.

On climate, we are piloting approaches to reduce fertiliser use,

build carbon-rich soils and prepare for credible carbon accounting, guided by international frameworks like the GHG Protocol and the Science Based Targets Initiative's guidance. In smallholder countries, we will enhance the adaptive capacity of farming communities as they increasingly face climate risks and shocks.

Each of these developments reflects the lessons and insight that we have been able to gather by taking a data-led approach to impact. We are confident that they will enable us to continue to improve our work and lead the transformation toward a more sustainable, resilient and equitable cotton sector.



Photo credit: Better Cotton Initiative/Khula Jamil, Almas Parveen, BCI Farmer and Field Facilitator, with her family (parents, brother, sister, aunt and uncle), Pakistan 2018.



The Better Cotton Initiative Network



amis

The Better Cotton Initiative Network

The Better Cotton Initiative (BCI) network brings together every link in the cotton value chain — from farmers and field technicians to brands, retailers, civil society and governments — to build a more sustainable and regenerative future for cotton. This diverse coalition is key to delivering the ambitious targets set out in our 2030 Strategy. In 2024, collaboration remained our greatest strength, helping us respond to emerging challenges and create greater collective impact.

Key Terms

Producer Unit: A Producer Unit (PU) is a group of Smallholders (SH) or Medium Farms (MF) who are organised together under a common management structure to participate in the BCI Programme. Each PU is overseen by a dedicated PU Manager who is responsible for implementing an internal management system to support, train and monitor farmers across the PU. The size of a PU depends on local circumstances, although the optimal size is between 3,500 to 4,000 farmers for a SH PU and around 100 farmers for a MF PU. Farmers in a SH PU are further divided into Learning Groups.

Producer Unit Manager: The main individual responsible for implementation of the BCI P&C at the PU level.

Field Facilitator: Field Facilitators are part of the management structure for BCI PUs. They are trained field-based staff who help organise farmers, collect farm level data and carry out capacity strengthening activities in farming communities. Field Facilitators are typically employed by either Programme Partners or their affiliated local partners.



2,256
SUPPLIERS
AND MANUFACTURERS



344
RETAILERS
AND BRANDS



34
CIVIL SOCIETY
ORGANISATIONS



18
PRODUCER
ORGANISATIONS



12
ASSOCIATE
MEMBERS



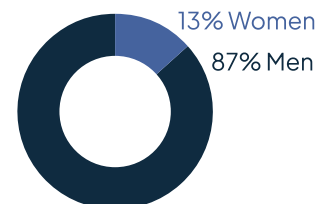
41,059
LEAD FARMERS



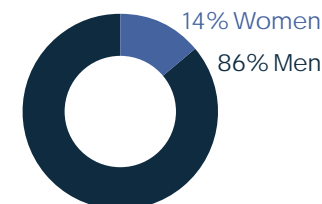
6
STRATEGIC
PARTNERS



56
PROGRAMME
PARTNERS



6,370
FIELD FACILITATORS
852 women
5,518 men



521
PRODUCER UNIT
MANAGERS
73 women
448 men

Secretariat Staff

BCI Employees

205

Direct Employment¹

48

Subcontracted²



¹ As of March 2025

² Not directly employed by Better Cotton Initiative

³ The majority of staff in China are employed by Mian Feng Da, a separate legal entity. At the end of March 2025, there were 13 full-time equivalent staff employed by Mian Feng Da.

⁴ Staff in Pakistan are employed by BCI Pakistan, a separate legal entity. At the end of March 2025, there were 35 full-time equivalent staff employed by BCI Pakistan.

⁵ Staff in Burkina Faso, Côte d'Ivoire, Kenya, Mali, Mozambique and Pakistan are consultants.

Governance and the Better Cotton Initiative Council

The Better Cotton Initiative

The Better Cotton Initiative (BCI) was founded in July 2009 in Switzerland as an association under Article 60 et seq of the Swiss Civil Code. BCI is registered on the Swiss Trade Register in Geneva and Switzerland. The head office is in Chemin de Balexert 7-9, 1219 Châtelaine, Geneva. It conducts activities, via local partners, in a range of countries. The strategic direction of BCI is determined by its multistakeholder Council, established pursuant to Article 9 of the Statutes and mandated by the General Assembly. The Council operates as the governing body responsible for oversight and high-level decision-making. Operational management is delegated to the Secretariat, led by the Executive Group, which implements Council decisions and ensures compliance with BCI's statutory obligations and strategic objectives.

BCI Council

The BCI Council, which is the subject of a biennial nomination and election process, comprises a select group of members who are responsible for the organisation's strategic direction. The BCI Council is established according to article 9 of the Statutes and granted its powers from the General Assembly. Council Members represent producers, suppliers and manufacturers, retailers and brands and civil society. Together, Council Members shape the approach that ultimately enables BCI to fulfil its mission: to help cotton communities survive and thrive, while protecting and restoring the environment. Our Council also establishes any working 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.

Council Committees 2025

Executive Committee

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

Members: Bill Ballenden (Co-chair), Tamar Hoek (Co-chair), Arvind Rewal (Secretary) and Robert Dall'alba (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 BCI's financial outlook and policies.

Members: Robert Dall'alba, Nadia Bilal, Ramisetty Murali, Doug Forster and Kees Kempenaar (external)

Governance and Risk Committee

This committee considers issues of governance and structure. It makes recommendations to the Council on any necessary changes, including revisions of the statutes and bylaws so that BCI maintains a high standard of good governance, appropriate for a multistakeholder initiative of its size, operations and reach. The Committee also reviews the Risk Register of the organisation.

Members: Vicente Sando, Ashok Hegde, Tamar Hoek and Arvind Rewal



Nominations Committee

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

Members: Shahid Zia, Nadia Bilal, Rajan Bhopal and Elodie Gilart

CEO Strategy Steering Group

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

Members: Shahid Zia, Bill Ballenden, Rajan Bhopal and Elodie Gilart

In addition to these Committees, BCI established an Incident Response Taskforce and a Communications and Branding Committee this year.

The Council's Incident Response Task Force ensures that serious incidents are managed appropriately and independently, especially where handling them internally would pose a conflict of interest. The Taskforce is convened on a needs basis. Current Council Members are Nadia Bilal, Bob Dall'alba and Tamar Hoek.

The Communications and Branding Committee is a subgroup of the Council looking closely at BCI's brand visibility and external communications. Current members are Nadia Bilal, Elodie Gilart, Murali Ramisetty, Arvind Rewal and Vicente Sando.

Name	Title	Location	Date Appointed to Current Role	Start Date at BCI
Alan McClay (retired)¹	Chief Executive Officer	Geneva	28.09.15	28.09.15
Nick Weatherill	Chief Executive Officer	Geneva	15.06.2025	15.06.2025
Lena Staafgard	Chief Operating Officer	Lund	01.04.2017	01.08.2010
Alia Malik	Chief Development Officer	London	02.01.2024	23.04.2018
Eva Benavidez Clayton	Senior Director of Demand & Engagement	Geneva	02.01.2024	09.11.2015
Graham Sutherland	Senior Director of Finance & Services	London	02.01.2024	21.08.2023
Ben Maitland	Senior Director of Communications	London	01.04.2025	01.04.2025
Iveta Ouvry	Senior Director of Programmes	London	22.04.2024	22.04.2024
Jannis Bellinghausen	Senior Director of Standard System Integrity	Cologne	01.05.2024	06.12.2024
Iain Gardiner	Senior Director of Impact and Development	London	03.06.2024	03.06.2024

Last day: 8 July 2025

BCI Council Composition

Name of Council Member	Organisation	Status	Start of Mandate	End of Mandate	Member Category
Rajan Bhopal	Pesticide Action Network (PAN) UK	Elected	06.2024	06.2028	Civil Society
Tamar Hoek	Solidaridad	Co-opted	06.2022	06.2026	Civil Society
Ramisetty Murali	Modern Architects for Rural India (MARI)	Co-opted	10.2024	06.2028	Civil Society
William Ballenden	Louis Dreyfus Company (LDC)	Elected	06.2024	06.2028	Suppliers and Manufacturers
Nadia Bilal	Nishat Chunian Ltd	Co-opted	06.2024	06.2028	Suppliers and Manufacturers
Ashok Hegde	OLAM Agri	Elected	06.2022	06.2026	Suppliers and Manufacturers
Doug Forster	J Crew Madewell	Co-opted	06.2024	06.2026	Retailers and Brands
Elodie Gilart	Marks & Spencer	Elected	06.2024	06.2028	Retailers and Brands
Arvind Rewal	IKEA	Elected	06.2022	06.2026	Retailers and Brands
Robert Dall'alba	Australian Food & Fibre (AFF)	Elected	06.2022	06.2026	Producer Organisations
Vicente Sando	Fórum Nacional dos Produtores de Algodão (FONPA)	Co-opted	06.2024	06.2028	Producer Organisations
Shahid Zia	Rural Business Development Center (RBDC)	Elected	06.2024	06.2028	Producer Organisations

Liz Hershfield and Marc Lewkowicz were Independent Council Members from June 2024 until December 2024; Kevin Quinlan was an Independent Council Member from February 2023 to June 2024; and Amit Shah was an Independent Council Member from September 2014 to September 2024.

Highlights of Council Decisions

In addition to approving the annual operating plan and budget, the BCI Council adopted the following strategic decisions:

Agreed to the launch of the BCI content label as a result of the upcoming transition to certification and opened the way for use of the BCI label by certified organisations. This also resulted in the updated CoC standard in January 2025.

On the renewal of BCI's benchmarking agreement with ABRAPA, the Council decided to maintain the integrity of indicator 2.4.1 of our P&C to include natural ecosystems.

Approved indexing the VBF and membership fees with an annual adjustment to reflect inflation.

Council Elections

BCI 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

William Ballenden of LDC, elected in the Suppliers and Manufacturers category

Elodie Gilart of Marks & Spencer, elected in the Retailers and Brands category

Shahid Zia of RBDC, re-elected in the Producer Organisations category

In June 2024, Nadia Bilal was co-opted to the Council in the Suppliers and Manufacturers category and Vicente Sando in the Producer Organisations category.

In October 2024, Ramisetty Murali was co-opted to the Council in the Civil Society category.

The next Council elections will be held in 2026.

BCI Growth and Innovation Fund

The GIF (or the Fund) is a Swiss Foundation and distinct entity founded in 2016. It is our field-level grant-making programme. The GIF is fundamental to supporting cotton farmers and driving sustainability across the sector. It is funded through the VBF paid by BCI Retailer and Brand Members, as well as through contributions from donors and with contributions from Programme Partners.

The GIF is governed by the GIF Board and supported by an advisory committee composed of BCI Retailer and Brand Members, BCI Civil Society Members and donors. This funding committee supports and provides recommendations on the Fund's grant-making programme. BCI 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 three distinct sub-funds: the Small Farm Fund, the Knowledge Partner Fund and the Large Farm Fund. Each has its own unique objectives. The Innovation and Learning Fund ran until cotton season 2023-24, with one grant still active in the 2024-25 season.



Photo credit: Better Cotton Initiative/Emma Upton, Tajikistan, 2020.

Complaints, Safeguarding and Whistleblowing

The BCI Complaints Policy, working alongside the Safeguarding Policy and Whistleblowing Policy, provides a way for anyone who engages with BCI activities, people or operations to raise a concern relating to any aspect of BCI and its activities, including third parties that have a direct relationship with BCI. 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 2024 and the end of March 2025. In total, we processed 58 admissible complaints during this period, a 10% decrease from the previous year (65 complaints). In addition, we received a small number of whistleblowing (two) and safeguarding (four) reports during the year. These figures reflect reports received rather than the outcomes of any subsequent investigations. This marks an increase from the previous reporting year, when we received none. This increase is a positive development, indicating that our reporting channels are functioning effectively and that the message of a 'speak-up' culture is resonating across our operations. It also demonstrates that our efforts to raise awareness of safeguarding and complaints mechanisms, particularly at the farm level, are having the desired impact.

53 % of all admissible complaints this year originated from one region. Although this represents a 25 % decrease in this region compared to last year, we recognise the need for continued attention. In response, we are implementing targeted capacity building with partners in the region and carrying out

thorough due diligence to identify and address any gaps between our values and partner structures.

The most frequent complaints relate to helpdesk processing times (40%) and concerns regarding labour rights within Programme Partner organisations (24%).

As awareness of our policies continues to grow, we remain committed to identifying trends and supporting ongoing improvement. BCI's Complaints, Safeguarding and Whistleblowing mechanisms are governed by internal policies aligned with applicable legal and regulatory frameworks. These mechanisms include clear escalation procedures, confidentiality safeguards and protections against retaliation for individuals who raise concerns. All reports are handled in accordance with due process and applicable data protection laws.

Type of Incident	FY 2023 ¹	FY 2024	FY 2025
Complaints	32	65	58
Whistleblowing	1	0	2
Safeguarding	2	0	4

¹ The Better Cotton Complaints, Safeguarding Policy and Whistleblowing Policy were implemented mid-year.

What's the Difference Between Complaints, Safeguarding and Whistleblowing?

Complaints

Complaints can relate to any aspect of BCI and its activities, including third parties that have a direct relationship with BCI.

Safeguarding

Safeguarding refers to the prevention of, and response to, incidents of sexual harassment, exploitation, abuse, bullying or harassment, where the person causing harm is associated with BCI or one of our partners.

Whistleblowing

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



Financials

Financials

The following information summarises the statutory financial statements for the year ended 31 March 2025. The Better Cotton Initiative (BCI) 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.

BCI 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. BCI has audit procedures in place, and its financial statements are reviewed and approved by the Finance Committee and subsequently ratified by the Council in accordance with the Statutes. This process ensures compliance with Swiss GAAP FER 21 and the Swiss Code of Obligations, and supports transparency of the allocation of the resources spent on behalf of our members, donors or partners and accountability in financial governance

Summary of Audited Accounts

Financial Position

€"000s	2025 1 Mar '25	2024 31 Mar '24
Short-Term Assets	46,301	44,281
Long-Term Assets	606	487
TOTAL ASSETS	46,907	44,768
Short-Term Liabilities	17,108	19,055
Long-Term Liabilities	95	321
Funds – Restricted	14,462	12,896
Organisational Capital	15,242	12,496
TOTAL LIABILITIES AND CAPITAL	46,907	44,768

Statement of Operations

€"000s	2025 1 Mar '25	2024 31 Mar '24
Income*	42,932	40,285
Operating Expenses	(40,026)	(38,312)
Operating Result	2,906	1,973
Net Financial Result	161	434
ANNUAL RESULT	2,745	1,539
Change in Funds	1,564	(63)
Annual Result Before Allocations	4,309	1,476
Change in Restricted Funds	(1,564)	63
Allocation to Earned Capital – Unrestricted	(2,745)	(1,539)
Annual Result After Allocation to Capital	-	-
<i>*of which is restricted</i>	22,705	24,123

Volume-Based Fees

BCI Retailer and Brand Members pay a VBF for their participation in BCI. This fee is calculated based on the total BCI Claim Units¹ recorded in the BCI Platform (BCP) — our proprietary online system used by members and supply chain actors to document volumes of cotton sourced as ‘BCI Cotton’ — and corresponds to the volume of BCI Cotton sourced by Retailer and Brand Members. VBF is donated to fund farmer support, the majority through donations to the BCI GIF, which are then allocated to field-level projects. This relationship and the legal framework between the GIF and BCI was formalised through a donation agreement signed on 6 April 2023. The use of the VBF is restricted and separate from donations to the BCI GIF. A portion of the fees are used by BCI to perform assurance activities, help our Strategic Partners with implementation costs and cover GIF management costs. All of the remaining VBF is donated to the GIF, which funds field-level programmes.

¹ One BCI Claim Unit represents one kilogram of BCI Cotton lint sourced from a gin.

Other Funding

Other restricted funding includes grants and donations from donors for specific projects. By the end of calendar year 2024, our membership base exceeded 2,600 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.

Position and Outlook

We are confident in BCI’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 position at the close of financial year 2025 (31 March 2025) 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 through membership and BCP user fees. Performance is closely measured against forecast, and during this financial year, actual total income exceeded our expectations by 4%. Operating expenses remain well managed, coming in 2% below budget for the financial year. Overall expenditure is increasing to support organisational growth, our 2030 Strategy and the development of BCI Traceability. The unrestricted reserves held by BCI meet the reserves policy — which is coverage of at least six months of the next year’s planned operational expenses — enabling our organisation to navigate any potential challenges.



Summary of Audited Accounts

Total Expenditure Split	2025 12-month Audited	2025 12-month Budgeted	2024 12-month Actual	2022–23 15-month
Field Level	56%	49%	56%	63%
Assurance	8%	11%	9%	8%
Stewardship of the Standard	2%	3%	2%	2%
Demand	16%	17%	15%	10%
Governance, Administration, Fundraising and Communications	18%	20%	18%	17%
	100%	100%	100%	100%

Field Level

The VBF received by BCI is used to cover the costs of field-based assurance and data collection. The remainder — the majority of the income — is recognised when it is donated to the Fund. It is then used to manage operational costs and award grants to BCI Programme Partners. GIF's primary source of income is derived from the VBF paid by Retailer and Brand Members. Donor contributions made up a smaller share of revenue, and we extend our sincere thanks to all who supported the GIF and its three funds in 2024 and 2025.

In the 2023–24 cotton season, out of the 1.63 million farmers who received training, more than 1.39 million received a licence to sell their cotton as BCI Cotton.

Assurance Programs

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.

In February 2025, we evolved our assurance programme to become a certification scheme. This shift required the development of several new documents and processes as well as the approval of independent third-party verifiers, commonly known as Certification Bodies. Under this approach, 100% of certification decisions are made by these independent Certification Bodies, covering both producer and supply chain assessments.

What sets our model apart is that we do not require smallholder farms to pay their own certification

fees. Instead, we cover these costs to ensure participation remains accessible. Beyond that, we also directly fund a wide range of activities that certification schemes typically leave out, such as monitoring, evaluation and learning, data collection and feedback to partners.

We see third-party certification, combined with these additional commitments, as essential to strengthening the credibility of our work and ensuring that the BCSS remains both rigorous and inclusive in an evolving legislative landscape.

Stewardship of the Standard

In line with ISEAL's Standard Setting Code of Good Practice v.6.0, the BCI 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 BCI's 2030 Strategy. These reviews are conducted with extensive stakeholder consultation and input.

Demand

Our Chain of Custody connects supply with demand, providing documentation and evidence of BCI Cotton as it moves through the supply chain. It ensures that the volume of BCI Cotton claimed by Retailer and Brand Members does not exceed the volume produced by licensed farmers in any given time period.

Growing demand for supply chain visibility has created a need to be able to trace BCI Cotton, and as part of our 2030 Strategy, we launched a new solution in November 2023. The solution was funded by a retailer and brand traceability panel and an advisory group of BCI Retailer and Brand Members that have invested significant resources in the development of traceability. All parties sourcing cotton as BCI Cotton can apply to use this solution.

In 2023, we released a revised version of our CoC Guidelines, now called the CoC Standard, which offers both mass balance and physical CoC models. This supports the need for traceable BCI Cotton while continuing our important work at the farm level.

The new CoC Standard v.1.0 has been valid since October 2023.



Donors and Partners 2024

We extend our sincere thanks to all donors and partners who supported the Better Cotton Initiative (BCI) in 2024 and 2025. Their backing is instrumental in building a future where cotton farming not only sustains secure livelihoods but also contributes to healthier, more resilient landscapes.

We're especially grateful to the following donors and funding partners for helping further our shared goals: GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit), IDH, H&M Group, GAP Inc., Future Earth Lab, the Rockefeller Foundation via Dalberg Catalyst, the World Bank Multi-Donor Trust Fund and Afreximbank.

Several of this year's initiatives were made possible thanks to multiple grants from the ISEAL Innovations Fund, which is supported by the Swiss State Secretariat for Economic Affairs (SECO) and UK International Development from the UK government. Their support enabled progress across a wide range of initiatives — from farmer livelihoods and climate resilience to gender inclusion, technology and traceability.

Australia

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

Benin

AIC

Brazil

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

China

Huangmei County Huinong Technology Specialized Cooperative

Binzhou Bincheng Nongxi Cotton Specialized Cooperative

Cote d'Ivoire

APROCOT-CI – Strategic Partner

Ivoire Coton

CIDT

SECO

COIC

Egypt

ALKAN

Cotton Egypt Association

El Ekhlas

Modern Nile Cotton

Greece

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

India

Ambuja Foundation

Arvind Ltd.

Basil Commodities Pvt. Ltd. (Basil Group)

Action for Food Production (AFPRO)

Aga Khan Rural Support Programme India (AKRSPI)

CottonConnect India

Centre for People's Forestry (CPF)

Deshpande Foundation India

Development Support Centre

Lupin Human Welfare and Research Foundation

Spectrum International (SIPL)

World Wide Fund for Nature (WWF) India

Modern Architects for Rural India (MARI)

Vardhman

Welspun Foundation for Health and Knowledge (WFHK)

Israel

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

Mali

Compagnie Malienne pour le Développement des Textiles (CMDT)

Mozambique

Sociedade Algodoeira de Namialo (SANAM)

Sociedade Algodoeira de Niassa - JFS (SAN-JFS)

Sociedade Agrícola e Pecuária (FESAP)

Sociedade Algodoeira de Mutuali (SAM – Mutuali)

Pakistan

Centre for Agriculture and Biosciences International (CABI) – Pakistan

The Central Cotton Research Institute (CCRI) funded by Mahmood Group

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

Spain

Ministry of Agriculture, Fisheries, Water, and Rural Development of the Regional Government of Andalusia

Espalgodón – **Strategic Partner, Benchmarked Programme**

Tajikistan

Cooperative Sarob funded by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)

Türkiye

Agrita Tarım Gıda Hayvancılık Sanayi ve Ticaret A.Ş.

GAP Regional Development Administration

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

US

Allenberg (Louis Dreyfus)

Jess Smith & Sons

Olam

Plains Cotton Cooperative Association (PCCA)

Quarterway Cotton Growers

Staple Cotton Cooperative Association (Staplcotn)

Viterra

Uzbekistan

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)

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