



2030 Strategy: A Midterm Refresh

November 2024

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Background: Why We Are Sharing this Update



Photo: Better Cotton/Boulos Abdelmalek, D&B Graphics, Egypt.

In 2021, we launched our 2030 Strategy — a ten-year roadmap designed to accelerate the uptake of Better Cotton and scale our mission of helping cotton communities survive and thrive, while protecting and restoring the environment. Despite unprecedented global shocks, including the pandemic, economic downturns and the conflict in Ukraine, Better Cotton's growth has remained strong with an increasing market share, geographic expansion and consistent revenue from member fees. This has enabled a steady investment pipeline that directly benefits some of the world's most marginalised communities, underscoring our model's strength compared to traditional development interventions.

Through times of economic downturn and whilst experiencing ever more frequent extreme weather events, Better Cotton Farmers around the world continue transforming how they grow cotton, demonstrating improved yields, reduced use of costly synthetic inputs, lower water usage and improved soil health. Awareness and understanding of the importance of sending children to schools — not fields — has also increased, and women are gradually playing a more prominent role in decision-making.

Not only has the Better Cotton business model proven resilient, but with results like these, it also contributes significantly to global sustainability goals.

To remain current and innovative amidst an increasingly challenging external environment, we carried out a proactive review of the strategy early 2024. This has strengthened our resolve to stay responsive and

adaptable in the face of global headwinds and development challenges. Supported by an internal consultation process across Better Cotton, we reaffirmed our commitment to system transformation, our farmer-centric approach and our five **Impact Targets**. Our ambition for transformative change in farming communities grows each year, but we recognise that our impact is tied to available resources. While we may occasionally reassess specific targets to align with externalities, our dedication to meaningful, global impact is steadfast. We are focused on implementing scalable, practical improvements that help maximise the benefits of every action, with an understanding that sustained investment is essential to realising our community's shared vision for the cotton sector.

The review process underscored the need for new priorities to keep pace with current realities, such as regulatory changes, technological advancements and the growing emphasis on regenerative agriculture. It confirmed that cotton provides a critical entry point to addressing today's social and environmental challenges, from household income to the climate crisis. In this document, we provide an overview of our findings and an update on our strategic aims, along with details on initiatives designed to help us meet our 2030 goals.

At the halfway point to 2030, this updated strategy will guide our ongoing work to foster sustainable cotton farming communities where both people and planet thrive.

A Message from the CEO



Photo: Better Cotton/Joe Woodruff, India.



In today's world, rapid change has become the new normal, bringing both unprecedented challenges and opportunities. For the cotton sector, these changes are especially daunting, with crises such as the climate emergency, global instability, shifting consumer expectations and labour shortages causing disruption. For the world's cotton farmers —

the vast majority of whom are smallholders spread across 70 countries — these challenges are compounded by informal work conditions, poverty, lack of social protection and insufficient infrastructure, which hinder their ability to achieve sustainable livelihoods.

At Better Cotton, we have always been driven by the pressing need and tremendous potential to transform the cotton sector into one that not only supports people but also regenerates the environment. Over the past few years, we have made significant strides towards that vision and our corresponding 2030 Impact Targets. **I am proud to say that Better Cotton now accounts for more than 20% of global cotton production.** We have expanded into new geographies, including Spain, Côte d'Ivoire and Benin, and deepened our partnerships in existing markets.

In 2023, the launch of **Better Cotton Traceability** was a major milestone, providing greater visibility of supply chains. This initiative, combined with an increase in our Volume Based Fee and support from our Growth and Innovation Fund, have enabled us

to reinvest more at the farm level than ever before. With just over **2.4 million farmers reached globally**, our ability to deliver positive impacts on the ground has never been stronger.

However, this period of growth has also underscored the need for us to keep evolving in order to accomplish our goal of making Better Cotton a mainstream commodity. The devastating floods in Pakistan in 2022 highlighted the vulnerability of cotton farming communities to climate-related events. At the same time, evolving regulations and increasing scrutiny around sustainability claims have given us the additional push to move towards certification.

As we look towards 2030, we must stay focused on our core mission: to support farmers to produce more equitable and sustainable cotton while ensuring that Better Cotton remains accessible to all. Our business model continues to attract increased investment and reflects the cotton sector's potential as a force for addressing social and environmental issues globally. By mobilising support, aligning resources and fostering sector-wide collaboration, Better Cotton can embed sustainable cotton practices as the go-to industry standard to secure greater and more lasting impact.

I remain deeply grateful to our partners, donors, members and the incredible Better Cotton Team for their constant efforts to make sustainable cotton production a reality. Together, we will continue pushing the boundaries of what's possible and align more farmers and organisations under our vision of cotton as a force for good.


Alan McClay | Chief Executive Officer, Better Cotton

Our Strategic Aims




Photo: Better Cotton/Seun Adatsi, Mali.

Our three Strategic Aims, as outlined in our 2030 Strategy, remain relevant and central to our work at Better Cotton:

 **Embed sustainable farming practices and policies** to ensure that soil health is preserved and enhanced on cotton farms, and that land, water and other resources are managed for the good of local communities and the planet.

Midterm update: Capacity strengthening and knowledge sharing continue to form the backbone of our approach to farming, which actively promotes soil health, water stewardship, carbon capture and biodiversity. Whilst also learning from innovative practices adopted by farmers and facilitating cross-learning opportunities, we continue to encourage governments, agricultural extension services and regulators to be part of this journey. Their engagement helps improve infrastructure, enact policies that incentivise sustainable practices and secure long-term support for farmer-led initiatives. Ultimately, our goal is for national actors to take ownership of Better Cotton, lead the adoption of practices, set priorities and only lean on us for global coordination and alignment.

 **Enhance well-being and economic development of cotton farmers** by helping to make cotton farming economically viable for them and their communities, with improved working conditions, good health prospects and a better quality of life.

Midterm update: Making cotton farming economically viable is critical, particularly for smallholder farmers and workers. Better farming practices, such as improving soil health, enhancing resource efficiency, and ensuring safe working conditions, contribute to the resilience and sustainability of farming communities. These practices not only support long-term productivity but also improve well-being, enabling farmers and workers to adapt to challenges like climate change and market fluctuations. By fostering a stronger understanding of workers' rights and demonstrating how safe work and gender equality benefit individuals, families, and businesses, we aim to drive meaningful change. Through strengthened monitoring, improved access to grievance mechanisms, and effective remediation, we address labour rights risks and promote fair and dignified working conditions. By amplifying underrepresented voices, particularly those of women and workers, we strive to empower farming communities to thrive socially and economically while contributing to a more equitable cotton sector.

 **Drive global demand for sustainable cotton** throughout the fashion and textile industries' complex supply chains, by making Better Cotton the preferred choice for growers and buyers.

Midterm update: We are doing everything we can to give farming communities increased market access for their crop and continue to encourage suppliers, manufacturers, retailers and brands to source Better Cotton. Traceability and certification, in particular, are instrumental in reinforcing demand. Through new partnerships and the growth of our programme, we are building awareness, interest and preference for Better Cotton among consumers. We engage deeply with supply chain actors to ensure we design our processes and mechanisms in a way that supports uptake, minimises incentives for fraud and maximises incentives for participation.



A Changing World: the Need for Strategic Adaptation

Photo: Better Cotton/Demarcus Bowser, USA.

Since the launch of our 2030 Strategy in 2021, the global landscape has shifted dramatically. Today, more than ever, the relevance of Better Cotton is clear, and the opportunity to deepen our impact is more achievable. Changes in consumer behaviour and regulatory frameworks, combined with advancements in technology, have created an environment in which our mission can flourish. Let's look at some of those shifts and how Better Cotton is responding.

Accelerating Climate Action

The urgency of the climate crisis has never been more apparent. 2023 was [the hottest year on record](#), with the global average temperature approximately 1.45°C warmer than the pre-industrial baseline. This is contributing to more frequent heatwaves and extreme weather, and the cotton sector is directly impacted by its effects. As seen in the 2022 floods in Pakistan, 40% of the annual cotton crop was affected or lost.

At Better Cotton, addressing the dual challenge of climate mitigation and adaptation has become a top priority. As part of our commitment, we have integrated these as core principles of our [updated Principles and Criteria](#) (P&C), which go further to support farmers in adopting practices that reduce greenhouse gas emissions and build climate resilience, such as avoiding land clearance and implementing more water efficient irrigation methods.



Photo: Better Cotton/Carlos Rudiney, Brazil, 2023

Cotton farming itself offers unique potential in reducing emissions via carbon sequestration, setting cotton apart from synthetic fibres. With advancements in climate-smart and data-driven agriculture, cotton can play a key role in global mitigation efforts. Notably, [an acre of no-till cotton stores 350 pounds \(158 kg\) more atmospheric carbon than it emits during production, making cotton's overall contribution to the carbon equation net negative](#). According to the International Cotton Advisory Committee, cotton production systems employ various carbon-sequestration strategies, including the ability of cotton fibres to store carbon for an average lifespan of around 20 years.

Furthermore, approximately 44 million tonnes of carbon are contained within the 100 million tonnes of cotton stalks produced annually, which can be converted into biochar that retains carbon for over 100 years. As we move forward, we are working to further develop our [Climate Approach](#), focusing on measuring and reporting progress against clear climate targets.

Legislative Changes and the Need for Advocacy

With the introduction of stricter legislation, we are beginning to see enhanced oversight in supply chains. These regulations push for stronger commitments to transparency, environmental protection and the respect of labour rights from businesses and organisations. At Better Cotton, we welcome these regulations and any oversight that can bring us closer to our vision of a world where sustainable cotton is the norm. In line with these evolving regulations, we are transitioning our assurance programme to an accredited certification scheme. Moving forward, that means all licensing decisions will be made by independent, third-party bodies, bringing an additional layer of independence and allowing for more robust sustainability claims.

We recognise the critical role of advocacy in supporting and driving these changes, and as a result, have ramped up our efforts on this front. 2023 was a pivotal year for this as we began participating in law-making processes through public consultations, including [submitting feedback](#) on the EU's Green Claims Directive and becoming an

observer to the UN Climate Change Conference.

By collaborating with policymakers and industry leaders, we can help align international and national sustainability goals with cotton production practices, driving the systemic change that enables more tangible improvements on the ground.

Changing Consumer Behaviour and Awareness

Consumers are increasingly better informed about the environmental and social impacts of their purchases. There is a growing consciousness around climate mitigation and adaptation, and this heightened awareness is driving demand for sustainable products across industries. Better Cotton is uniquely positioned to meet this demand by offering a sustainable, traceable, accessible and responsible choice to consumers worldwide.

Pro-Sustainability Focus Across the Value Chain

This increasing awareness is also present across the wider value chain, with the global business environment seeing a marked shift towards sustainability. International and domestic policies, such as corporate sustainability objectives and new regulatory frameworks, are pushing companies to adopt more responsible practices. Notably, the EU's

Corporate Sustainability Due Diligence Directive has heightened the focus on supply chain traceability and is calling on companies to identify, prevent and mitigate risks related to human rights abuses and environmental harm.

However, some of the incoming compliance demands may inadvertently risk excluding smallholders who lack the resources to meet these intensive documentation and reporting requirements. With Better Cotton's global reach and commitment to supporting some of the world's most marginalised communities, we will continue advocating for smallholders, helping ensure that they can sustain their household income and livelihoods.

As regulatory expectations grow, we have been working with our members to enhance supply chain transparency and address social and environmental issues at the farm level, including through the [updated Better Cotton Standard](#) published in 2023. Within the standard is our [revised 'Assess and Address' approach](#), which helps tackle the root causes of labour rights challenges. We are also strengthening grievance mechanisms like worker complaint hotlines and will proactively convene multistakeholder platforms at regional and country levels to align stakeholders on key issues and action plans. This will enable us to promote systemic change through coalitions of changemakers and industry leaders.

Technology Advancements and Demand for Traceability

The rapid digitalisation of agriculture is creating new opportunities for deeper engagement with cotton farming communities. Global advancements in mobile technology, satellite imaging and big data analytics are making it easier to collect, monitor and analyse farming data in real time. These technologies enable more precise tracking of farming practices, improving sustainability and efficiency across the cotton supply chain. At the same time, there is greater demand for traceability as consumers, regulators and businesses alike are seeking greater transparency in the cotton supply chain.

At Better Cotton, we're harnessing these advancements and responding to this demand through tools like myBetterData, a mobile application and digital dashboard for Programme Partners to collect, store and visualise real-time field data. Similarly, the launch of [Better Cotton Traceability](#), supported by our new Chain of Custody Standard, uses digital platforms to trace Physical Better Cotton throughout the supply chain. It's now possible to track Physical Better Cotton from ginners to retailers and brands, giving Better Cotton Members greater visibility of their supply chains and a verified country of origin for the Physical Better Cotton in their products.

These new tools are helping us scale our operations more effectively, provide our partners with stronger proof of sustainability performance and support farmers — especially smallholders — in adopting sustainable practices that will future-proof cotton production.

Growing Expectations Around Regenerative Agriculture

Regenerative agriculture has gained significant attention over the past few years as an essential practice to combat climate change, restore ecosystems and improve farm resilience. At Better Cotton, many regenerative practices — like enhancing crop diversity and reduced tillage — have long been woven into the Better Cotton Standard System. In order to ensure that we are recognising these activities, our updated P&C has an explicit focus on the key tenets of regenerative agriculture, prioritising sustainable soil management, water use optimisation and biodiversity enhancement.

In 2023, we also expanded our commitment to regenerative agriculture through a pilot programme in India funded by H&M, where farmers are adopting techniques like conservation tillage, crop diversification and the use of biopesticides.

Photo: Better Cotton/Joe Woodruff, India, 2023



These practices not only contribute to healthier soil and increased carbon sequestration but also help farmers adapt to the impacts of climate change, such as drought and unpredictable weather patterns. Importantly, we believe regenerative agriculture is about more than environmental and productivity benefits; it must also be inclusive and bring tangible benefits to farmers themselves. With that in mind, we are making steady progress towards our goal to ensure that, by 2030, all Better Cotton Farmers have improved the health of their soil through techniques that sustain and actively improve the ecosystems in which they operate.



Our Business Model

Photo: Better Cotton/Carlos Rudiney, Brazil.

Better Cotton operates a unique, self-sustaining business model in which the sector itself invests in Better Cotton as a mainstream, sustainable commodity. Our steady growth — expanding into new geographies and strengthening our member base — has created an uninterrupted flow of resources for farm-level activities, providing consistent support even through recent global disruptions. This resilience demonstrates a stark benefit compared to development initiatives that remain vulnerable to changes in funding and political sentiment.

However, as climate change, biodiversity loss and ongoing social challenges intensify, and as expectations from governments, consumers and the public continue to grow, our pricing structure may need to be re-evaluated to support a rapid acceleration of impact at scale. Additionally, as we continue to enhance our value through improved outcomes — such as traceability, robust data and rigorous due diligence — we also recognise the need to evolve our business model to deliver transformational value at the required pace.

Better Cotton was designed as a public-private partnership, with investment coming from the industry, governments and growers. For Better Cotton to succeed long-term, this vision must be reinforced, building a global movement for sustainable cotton that empowers partners to invest in, drive and sustain progress. In remaining both mainstream and accessible, we must also consider strategies such as increasing philanthropic funding, adjusting membership fees



or inspiring greater investment from national players, including governments and local actors. While our current model is effective, it may not meet the urgency of our goals without additional support and investment.

Our aim is for national actors to take full ownership of Better Cotton to drive practice adoption and set priorities. In this scenario, Better Cotton would serve as a harmonising force, maintaining global alignment while empowering national stakeholders to lead. We recognise that this shift involves relinquishing some control, yet we believe it is essential to accelerate progress and build a self-sustaining, resilient movement for sustainable cotton.

New Initiatives for 2030



Photo: Better Cotton/Eugénie Bacher, Turkey.

As we progress towards our 2030 goals, a series of new initiatives will shape our efforts going forward. These initiatives aim to increase our reach, amplify our impact and lead the cotton sector towards a more sustainable and regenerative future.

Mobilising Resources

Mobilising resources will be central to achieving our 2030 goals. We want to raise more capital, forge innovative partnerships that generate more self-funding and actively engage with governments to secure additional direct investment in farming communities. Accelerating our efforts to integrate the cost of sustainable fibre production into the supply chain will be key, as will reinforcing our national embedding efforts to ensure that government support for farming communities also advances sustainability goals.

Launching Better Cotton Certification

Certification of Better Cotton will be a big focus of our work in the next five years. Work is already underway to transition to an accredited certification scheme. We will continue to fully comply with the EU Empowering Consumers Directive and global policy standards like ISEAL, ensuring our stakeholders can trust our commitment to excellence.



Better Cotton/Khaila Jamil, Pakistan. 2020

Better Cotton's current assurance approach combines assessments by approved third-party organisations with assessments by trained Better Cotton Staff, support visits by Programme Partners and regular self-assessments by farmers themselves. Under the new approach, 100% of certification decisions will be made by a third party. This system builds on our existing approach, maintaining the key aspects that worked well — including the same suite of standards — but updating how we carry out assurance. As we make this transition, we will work with certification bodies to ensure they receive quality training in order to add value to our existing approach. We will also continue to carry out ongoing second-party monitoring as part of a multi-layered assurance approach, which we think is the best route forward.

Throughout this process, we remain committed to maintaining free access for smallholder farmers to participate in Better Cotton's capacity strengthening and certification programmes while ensuring that certification does not burden the supply chain. One of the key principles guiding our approach is reducing barriers to entry for suppliers, ensuring that all stakeholders can continue to join Better Cotton without added logistical strain.

Advancing Traceability

Traceability has become integral to the future of sustainable cotton, driven by global demand for transparency and accountability in supply chains. New regulations, such as the proposed EU Green Claims

Directive, are pushing for lifecycle data on all textile products. This will require that every stage of the supply chain — from raw materials to consumer-facing products — is documented and transparent.

These new requirements complement our ongoing work around traceability. To provide more value to Better Cotton Members and Farmers, we are enhancing Better Cotton Traceability and will publish the Better Cotton Claims Framework v.4.0 in 2025. This will be accompanied by a new label that will allow brands to market products containing Physical Better Cotton. Complemented by a robust approach to assurance, we will support our members to meet reporting requirements more effectively, positioning them as leaders in sustainable cotton sourcing. These changes will also enable farmers to be financially rewarded for adopting sustainable practices.

Promoting Regenerative Agriculture Practices

While regenerative agriculture has always been part of Better Cotton's approach, it is now taking a more prominent role in our strategy. Our focus remains on expanding regenerative practices such as cover cropping, agroforestry and no-till farming, to name a few. These efforts are key to creating resilient cotton farming communities and achieving Better Cotton's 2030 climate target of reducing greenhouse gas emissions per tonne of Better Cotton produced by 50%.

As we continue to deepen our efforts, we are focused on developing approaches that better incentivise and communicate progress in the shift towards regenerative practices. This includes improving regenerative project implementation, reporting on outcomes and responding to market needs.

Supporting Farmers with New Income Streams

As the value of sustainable farming practices becomes clearer, there is a growing recognition of the services farmers provide beyond just producing cotton. Whether through carbon sequestration, soil regeneration or biodiversity preservation, for too long, farmers have provided a range of social and environmental benefits at no financial gain because the system fails to value these positive externalities. This poses a challenge on two fronts: farmers bear the cost of environmental protection while facing price competition from more harmful products. Sadly, in today's economic system, environmental degradation tends to incur no cost while sustainable practices often require costly up-front investments. This imbalance skews market dynamics against sustainable practices and must be addressed if we are serious about building a system that prioritises environmental stewardship and social responsibility.

To support farmers in monetising the value they deliver beyond fibre production alone, we are piloting a credit trading system for sustainability impacts. This will help boost farmer incomes and

livelihoods through a combination of incentive payments and remuneration for sustainable outcomes and metrics. It will also incentivise greater results in areas such as regenerative agriculture, water stewardship and gender equality while boosting demand through verified outcome data for those that source Better Cotton. The guiding principle is to help farmers access new income streams by monetising the social and environmental gains they create through the sale of credits, allowing them to benefit from their contributions to the ecosystem. By linking cotton farmers to credit markets, they can better translate their contributions to sustainability into tangible economic returns.

Greater Advocacy for Sustainable Cotton

As we enter the next phase of our strategy, advocacy will become a more prominent aspect of our work. Our advocacy efforts will be direct, partner-led and achieved through coalitions. They will be underpinned by clear strategies to ensure we influence policy and legislative frameworks that shape global, national and regional markets directly affecting our members and partners. These efforts will also include tactics and activities that promote sustainable practices across the key thematic issues that lie at the heart of Better Cotton's purpose, such as natural resource use, pesticides/toxicity, climate change adaptation, farmer livelihoods, gender equality and decent work.

By strengthening our visibility and thought leadership, our goal is to become a go-to source of expertise on sustainable cotton-related issues. Our advocacy strategy will focus on engaging policymakers to ensure that smallholders have access to global markets, sustainable practices are incentivised, global policies do not inadvertently favour unsustainable alternatives like plastics or fossil fuels and the burden of legislation is shared equitably across the supply chain.

Strengthening Our Organisation

To continue making steady progress towards our ambitious goals, it is essential we also look inward to ensure Better Cotton has the required capabilities, resources and approaches to succeed. This includes continuing our journey towards being a recognised employer of choice — but it goes further than that.

To remain relevant and act in accordance with our strategic principles, we must address the traditional power dynamics between the Global North and South, both in our partnerships, our organisational structure and how we fund programmes. That involves building an organisational ecosystem based on equity — where country programmes and Strategic Partners have the space and agency to co-create priorities and direction. This approach will more effectively shape our global agenda, enabling us to deepen impact and continually reinvest in our ability to drive social, economic and environmental progress.

We must also take a critical look at how we fund programmes and select partners around the world. This is to ensure that we



do not perpetuate unhelpful and asymmetrical power relationships, where trust is often low and rules are predominately shaped by the realities and needs of the Global North, leaving limited flexibility for the grantees.

Finally, while we continue to operate a global vision and shared definition of Better Cotton, it is vital that our activities are relevant and add value across all regions. These ongoing efforts will help ensure that our strategies reflect the diverse realities of cotton farming communities worldwide.



Looking Ahead: Turning Strategy into Action

Photo: Better Cotton/Carlos Rudiney, Brazil.

As we look to the future, our vision at Better Cotton is one of transformation and hope. We stand at the forefront of a movement that not only champions the farmers who cultivate the world's most essential natural fibre, but also uplifts entire global communities and ecosystems.

Since the launch of our 2030 Strategy in 2021, Better Cotton has seen considerable growth, with increasing market share, expansion into new geographies and higher revenue from our members and fees. This success has created a robust investment pipeline for farm-level activities that benefit some of the world's most marginalised communities.

Today, over a fifth of global cotton aligns with our standards, but we are just getting started. Our vision is clear: a world where all cotton is more equitable and sustainable. At this pivotal halfway point, our unwavering commitment to creating a fairer and more sustainable cotton industry remains resolute.

The next decade will see us at the forefront of technical advancements, creating the mechanisms for greater field-level impact and sustained investment. With our partners across the cotton industry, we can leverage our collective influence to promote sustainable best practices and drive investments that bring about environmental and social change. We must move forward together, not just as a network of stakeholders, but as a united force for good. With transparency as our guiding principle, we will continue building trust and partnership across the entire supply chain, ensuring that every thread tells a story of hope and progress.



Photo: Better Cotton/Joe Woodruff, India, 2023



 bettercotton.org

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

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