

# ANNUAL REPORT 2016

**BCI** Better Cotton Initiative™  
BetterCotton.org



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# OUR AIM, MISSION AND STORY

## *Aim*

BCI aims to transform cotton production worldwide by developing Better Cotton as a sustainable mainstream commodity.

## *Mission*

The Better Cotton Initiative exists to make global cotton production better for the people who produce it, better for the environment it grows in and better for the sector's future.

BCI works with a diverse range of stakeholders, connecting people and organisations across the cotton sector from field to store, to promote measurable and continuing improvements for the environment, farming communities and the economies of cotton-producing areas.

*“In the 2015 – 2016 season, 12% of all the cotton produced globally was licensed as Better Cotton. By 2020, we are aiming for this figure to be 30%.”*



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## *The Better Cotton Story*

Look down. What are you wearing? Chances are that one or more items of your clothing are made from cotton. Or maybe it's your bed sheets, towels or the bank notes in your pocket. Nearly everyone on Earth uses or wears cotton products every day.

Cotton is a renewable natural resource but the future of cotton production is vulnerable to poor environmental management, poor working conditions and unstable markets. In 2005, a group of visionary organisations came together to work out a practical solution that would secure the sustainable future of the industry. The result was Better Cotton.

Cotton that is grown in this way meets the Better Cotton Standard. The standard has been developed by the Better Cotton Initiative (BCI), a multi-stakeholder organisation committed to making Better Cotton a mainstream commodity. From farmers to household brand names, from NGO partners to garment manufacturers, all BCI stakeholders are working to transform the way cotton is produced and safeguard the future of the sector.

**BCI Farmers are farmers who commit to a process of continuous improvement by:**

- 1 Using water more efficiently**
- 2 Caring for the health of the soil and natural habitats**
- 3 Reducing the use of the most harmful chemicals**
- 4 Promoting fair and decent work**

The Better Cotton Standard gives assurance that more sustainable farming is happening on the ground. Every step of cotton production, from sowing and growing to picking and harvesting, adheres to six production principles. BCI Farmers are expected to continually improve their production processes. The standard can be applied to different scales of cotton production – from smallholder farms in Mali, Mozambique and Tajikistan to large, mechanised operations in China and USA.

Top international brands, organisations and governmental agencies including WWF, the Sustainable Trade Initiative (IDH), the Australian, German and Dutch Governments (among others), adidas, ASOS, BESTSELLER, C&A, H&M, IKEA, Levi Strauss & Co., M&S, Nike, Inc., and VF are engaged in efforts to promote Better Cotton. Their support, and that of all BCI Members, means that more and more Better Cotton is coming onto the market.

*“The standard can be applied to different scales of cotton production.”*

### **Some retailers who source Better Cotton:**



BESTSELLER®



LEVI STRAUSS & CO.



VARNER

# MESSAGE FROM THE CEO

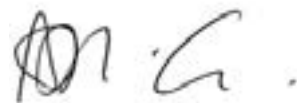
The Better Cotton Initiative brings together thousands of organisations, large and small, whose work is aimed at making cotton production better. Their efforts converge in cotton fields around the globe, where farmers and our Implementing Partners work day in, day out to bring to life more socially, economically, and environmentally sustainable growing practices. We bring their voices to the fore in our 2016 Annual Report and share stories from four production countries, in the feature article, that show the diversity of issues that characterise sustainable development in cotton production – from decent work training, to inclusion and empowerment of women, and cross-country collaboration. These stories represent just a small selection from the various geographies and contexts where Better Cotton is grown, but they constitute a representative illustration of the work taking place in the field and what we really mean by ‘growing cotton more sustainably.’

As BCI continues to scale up and engage with more farmers around the world, the role of data collection, management, and analysis becomes critical. It enables us to identify, isolate, and report on the effects and results of implementing the Better

Cotton Standard System. BCI has built a comprehensive monitoring and evaluation system, and we collect millions of results indicator data points each season. BCI has evolved into a data management organisation, and we use this knowledge to prioritise our interventions, demonstrate farmers’ continuous improvement, and eventually, start incorporating impact into our conversations. There is a clear need in the standards sector to reliably measure the impact of implementation, demonstrating the real and measurable change which is brought about in the field. We are gearing up for this enormous task in a way that takes into account the diversity in parameters related to cotton production.

Another impetus for scale and impact is the BCI Growth & Innovation Fund (BCI GIF), launched in 2016. The fund is a global project portfolio designed to become a catalyst for transforming cotton production around the world. In its first year, the BCI GIF mobilised a project portfolio of €8.9 million, and made direct investments totalling €4.2 million to provide farmers in China, India, Mozambique, Pakistan, Senegal, Tajikistan and Turkey with essential training.

This report unveils a sample of the different ways the thousands of BCI Stakeholders are working towards making Better Cotton a mainstream commodity. It stands as testimony to the BCI Farmers, Members, Partners and Funders whose combined efforts have delivered such rapid change in a few short years. We are now focused on leveraging this change into market transformation with an ambitious target of reaching 30% of global cotton production by 2020. We believe this is possible if we continue to strive together, from farm to factory to high-street retailer, to make cotton better for the people who produce it, better for the environment it grows in and better for the sector’s future.



Alan McClay, CEO



*“We bring their voices to the fore in our 2016 Annual Report and share stories from four production countries, in the feature article, that show the diversity of issues that characterise sustainable development in cotton production.”*

# THE BCI GROWTH AND INNOVATION FUND

## *A catalyst for change*

In 2016 we launched the BCI Growth and Innovation Fund (GIF), a global project portfolio designed to become a catalyst for transforming cotton production by achieving scale and impact. Backed by contributions from BCI Retailer and Brand Members, along with public and private investment, the BCI GIF is well-placed to support our ambition to make global cotton production better for the people who produce it, better for the environment it grows in, and better for the sector's future.

In its first year, the BCI GIF directly invested €4.2 million in field-level programmes and mobilised an additional €4.7 million in co-funding from partners - a total portfolio value of €8.9 million. Over the 2016-17 cotton season the GIF is projected to have enabled over 600,000 farmers across China, India, Pakistan, Mozambique, Turkey, Tajikistan and Senegal to participate in BCI programmes. The BCI GIF portfolio needs to grow rapidly over the next four years to keep BCI on track to achieve our ambitious targets, transitioning from hundreds of thousands of farmers to millions. To achieve scale, we must innovate, an important facet of BCI that will become increasingly significant as we grow.



*“To achieve scale, we must innovate, an important facet of BCI that will become increasingly significant as we grow.”*

## *2016 Highlights*

**€8.9 million**  
Total GIF Project Portfolio

**€4.2 million**  
GIF Fund direct investments

**42**  
Total number of projects funded

**34**  
Total number of IPs supported

**600,000**  
Projected number of farmers reached

## How is the BCI GIF managed?

The BCI GIF is governed by the BCI Council in partnership with BCI Retailers and Brands, Civil Society Members, and with governmental bodies. These stakeholders work in tandem to pursue a strategy in line with BCI's wider objectives. IDH, the Sustainable Trade Initiative, is the official Fund Manager along with being an important funder. Representatives from IDH and BCI form the BCI GIF Secretariat. The secretariat proposes and implements the BCI GIF strategy, manages and processes project applications, promotes knowledge sharing, and manages a growing innovation pipeline.

Two multi-stakeholder committees set the BCI GIF's annual investment programme: The Buyer and Investor Committee (BIC) and the Field Innovation and Impact Committee (FIIC). The BIC is charged with linking supply and demand and proposing new strategic initiatives, while the FIIC is charged with running the annual application process and seeking out new approaches to more effective and efficient implementation. Companies who contribute more than €150,000 per year, or make public commitments to procure over 50% of their total cotton supply as Better Cotton by 2020, are invited to join the BCI GIF committees and participate in the development of its investment strategy.

## Matching Private and Public Contributions

The success of the BCI GIF is directly linked to the commitment of BCI Retailer and Brand Members, whose contributions are made through a fee based on the volume of Better Cotton they procure. This fee enables brands to directly and efficiently support field-level programmes. In 2016, BCI saw its retailer and brand membership base grow by 43% to 66 members, and this number is expected to rise significantly in 2017, a positive sign for the growth of the BCI GIF.

Global institutional donors and government agencies are invited to match the fees contributed by the private sector to achieve a multiplier effect. In 2016, the BCI GIF attracted investment from the Australian Government's Department of Foreign Affairs and Trade (DFAT), The German Government's Federal Ministry for Economic Cooperation and Development (BMZ), and The Sustainable Trade Initiative (IDH). Indirect supporters through IDH include the Dutch Government, the Swiss Government and the Danish Government. The global nature of these bodies echoes the GIF's scope and potential.

*"The success of the BCI GIF is directly linked to the commitment of BCI Retailer and Brand Members..."*

Current committee members are:

### Field Innovation & Impact Committee



### Buyer and Investor Committee



### *How does the GIF allocate investments?*

The GIF makes investments on an annual basis, funding capacity building projects that aim to help farmers adopt practices consistent with the Better Cotton Production Principles. These projects are delivered by approved BCI Implementing Partners (IPs) around the globe. Each year, IPs are invited to submit project proposals to the BCI GIF. Following a rigorous review process that includes in-person meetings with all applicants, funding is allocated to projects that align with the GIF's annual priorities and long-term strategy, and meet the BCI GIF assessment criteria as published in the Annual Programme Statements.

### *Looking ahead*

Globally, the cotton industry supports more than 250 million people's livelihoods, making the BCI GIF well-placed to change the lives of millions of people in farming communities around the world. During the first Better Cotton harvest in 2010-11, BCI reached 68,594 farmers globally. Five years later, BCI programmes reached over 1,584,915 farmers during the 2015-16 cotton season.

By 2020, BCI aims to more than triple this figure to reach 5 million farmers and account for 30% of global cotton production, transforming the cotton sector worldwide through the establishment of Better Cotton as a sustainable, mainstream commodity. To achieve this growth, and to enable BCI to continue to address the most pressing issues in cotton farming and the communities it supports, BCI is delighted to issue an open invitation to new public and private investors to step in and help improve the lives and the environment for millions of cotton farmers around the world. The rapid expansion of the Better Cotton Initiative has been remarkable. Now, the BCI GIF has a clear opportunity to bring the project to scale and transform the cotton industry as we know it.

*“BCI is delighted to issue an open invitation to new public and private investors to step in and help improve the lives and the environment for millions of cotton farmers around the world.”*



# STORIES FROM THE FIELD

## FEATURE ARTICLE



*“So what does it take to grow Better Cotton, day by day? This year, we highlight some of the great work accomplished by our Implementing Partners (IPs) on the ground, and step into the lives and fields of cotton farmers in four production countries.”*

The Better Cotton Initiative exists to make global cotton production better for the people who produce it, better for the environment it grows in, and better for the sector's future, by developing Better Cotton as a sustainable, mainstream commodity. In the 2015 – 16 harvest, we reached nearly 1.6 million farmers in 22 countries, including China, India, and Pakistan, some of the world's biggest cotton producing nations. Meanwhile, demand for Better Cotton continues to rise, as more brands and retailers join us and opt to make Better Cotton an integral part of their sustainable cotton strategies. A sizeable 12% of global cotton production is already licensed as Better Cotton, and we are targeting 30% by 2020. That's 8.2 million metric tonnes of Better Cotton.

At the heart of our efforts to transform cotton production sits the Better Cotton Standard System (BCSS). It is a proven approach, guiding farmers on a journey of training, monitoring and continuous improvement against six major environmental and social production principles. Additionally, our Growth and Innovation Fund is helping to shine a light on the best technologies and practices to address pressing sustainability challenges. By following the BCSS Production Principles and adopting new farming practices, farmers across the world are reducing their costs and experiencing measurable improvements in yields and profits.

So what does it take to grow Better Cotton, day by day? This year, we highlight some of the great work accomplished by our Implementing Partners (IPs) on the ground, and step into the lives and fields of cotton farmers in four production countries. We'll explore how our IP in Turkey is empowering Producer Units to deliver vital decent work training to farmers and workers. We'll accompany an agricultural advisor in the cotton fields of Tajikistan, and we'll hear from a woman in rural Pakistan who rose above cultural barriers to become a successful and respected farmer. Elsewhere, we'll uncover how Australian farmers are gearing up to share their world-class knowledge of efficient, environmentally sustainable growing practices with farmers in Pakistan.

**We hope you enjoy getting close to the action!**

## Helping farmers promote decent work

All workers have the right to decent work – work that offers fair pay, security and equal opportunities for learning and progression, in an environment where people feel safe, respected, and able to express their concerns or negotiate better conditions. Helping BCI Farmers to promote decent work is vital to improving farmers' and workers' wellbeing and livelihoods. That's why it is one of the six BCSS Production Principles, and an important part of the training we provide through our IPs.

Cotton farmers across the world face multiple decent work challenges, ranging from protecting workers from pesticide exposure, discrimination against women and providing adequate transport, food and accommodation for seasonal workers, to identifying and preventing child labour.

To promote decent work in Turkey, BCI's IP IPUD (Good Cotton Practices Association) conducts field visits and holds training events to raise BCI Farmers' awareness of topical issues. In 2016, it built on these efforts by developing a comprehensive decent work training programme, in partnership with the Fair Labor Association (FLA), covering a broad range of decent work topics. To reach as many people as

possible, IPUD set out to empower producer unit (PU) managers and field facilitators to train and share knowledge with fellow farmers and workers.

Firstly, IPUD provided three days of 'train the trainer' training to 64 PU managers and field facilitators in the Aydın and Şanlıurfa regions. Through learning materials developed in partnership with the Fair Labor Association (FLA), farmers learnt about decent work issues related to agriculture and cotton, regional differences and BCSS criteria, as well as international, national and local regulations. Participants were also able to exchange knowledge, and learn best practice techniques for training farmers and workers. They also learnt about monitoring compliance with decent work standards in the field, and partnering with NGOs to improve labour conditions.

With the support of IPUD and the FLA, each PU organised field-level training for its farmers and workers throughout the season, adapting it to suit their needs. For example, seasonal workers, who help with irrigating crops, learnt about securing work permits and fair pay, while permanent workers, who typically help with weeding and harvesting, focused on contractual



issues. Some PUs also invited local doctors to provide additional health and safety sessions.

Overall, 998 people participated in the training, and the results are already visible. Some PU managers are making improvements to contractual conditions, and providing contracts to migrant workers. Elsewhere, they improved the living and transport conditions for seasonal workers.

"Following on from the training, we noticed a significant improvement in the awareness of decent work issues among both farmers and workers," says Ömer Oktay, IPUD's field training and capacity building specialist. "We'll encourage Production Unit managers to build on this success by continuing to share their decent work knowledge with farmers and workers every year."

*"Following on from the training, we noticed a significant improvement in the awareness of decent work issues among both farmers and workers. We'll encourage Production Unit managers to build on this success by continuing to share their decent work knowledge with farmers and workers every year."*

## *Raising awareness of child labour and gender equality*

Among the decent work issues we see in some cotton production countries, there are two challenges in particular that we are working hard to address: gender inequality and child labour.

Despite the UN-led global push for education for all, child labour remains a challenge in developing (and sometimes in developed) countries, particularly when families are struggling to make ends meet. BCI takes this complex issue very seriously and works closely with independent labour experts to optimise our approach. We support farmers by helping them to understand and respect national legal requirements, as well as the fundamental, interrelated ILO conventions on respecting minimum ages for young workers (C138) and avoiding the 'worst forms of child labour' (C182). In the context of cotton farming, this could mean activities deemed hazardous for children, such as pesticide application.

We highlight the extent to which children can provide help on family farms, share advice on promoting young people's health and wellbeing, and encourage parents to maximise educational opportunities, where they are available. Increasingly, we are working with our IPs to measure farmers' awareness of child labour issues.



*“BCI currently works with 40,560 women farmers worldwide.”*

## Raising awareness of child labour and gender equality

Our focus on decent work issues extend to gender inequality, too. Supporting women in the cotton supply chain has a multiplier effect, boosting their confidence, and strengthening their standing in their family and community. With women typically investing 90% of their income in their families, it also helps families save towards children's healthcare and education. BCI currently works with 40,560 women farmers worldwide.

However, all too often, women cotton workers are likely to undertake the least skilled work (such as seasonal or part-time work), and enjoy less job security than men. Women workers globally are particularly vulnerable to low wages, receiving (on average) 25%-30% less pay than men for the same work.

In Pakistan, cultural forces combine to perpetuate these issues. For example, women have less voice in their family and community, with men leading decision-making, particularly in rural areas. Women have few rights to livestock, land or property, and are often restricted to indoor activities. In the country's cotton sector, women perform much of the manual labour, yet few have the opportunity to be recognised as farmers or make farm management

decisions. In making the leap, they face challenges from illiteracy to accessing government subsidies, training and resources such as water, fertiliser, as well as markets for their crops.

BCI's IPs in Pakistan, including the Rural Education Economic and Education Development Society (REEDS), seek to create an environment that encourages both women and men to join its Learning Groups. In 2016, REEDS worked with 30 women farmers and 5,072 women workers. One of the women who was engaged by REEDS, Shama Bibi, had lost her husband, a cotton farmer, and was keen to become a farmer in her own right.

Despite initial resistance from her family, Shama became part of REEDS' Learning Group in Rahim Yar Khan in 2015, steadily building her confidence and farming knowledge, covering every aspect of cotton growing, from seed to harvest. In particular, she learnt about best practice in observing crop health and spraying chemicals safely, replacing conventional pesticides with natural substances, and improving soil fertility, as well as optimising her irrigation and water harvesting techniques, and promoting decent work.

Now, a year on, Shama is running her farm profitably and is able to provide for her eight dependents. In particular, she has saved costs by using fewer pesticides, reduced post-harvest losses and maximised the crop she can take to market. She keeps track of costs, yield and profit in her Farmer Field Book. Meanwhile, improving her understanding of soil health is increasing her chances of cultivating healthy crops in the future.

"I have learned a lot through my discussions with Learning Group members," says Shama. "My in-laws are impressed and often come to me for advice on cotton production issues. Next year, I am expecting to achieve a higher yield and better profitability."

Importantly, understanding decent work principles prompted her to send her daughter to school rather than allowing her to help on the farm. Shama's action is part of a wider trend, according to REEDS executive director, Shahid Saleem.

"The opportunity to share and build knowledge through the Better Cotton project inspires women to invest in their own and their daughters' education, become involved in women's entrepreneurship groups and scale up

their business activities," he says. "As they gain confidence and leadership skills, women also gain more respect in the community, and become more involved in household and farm decision-making. One of our Learning Group members went on to become a field facilitator herself and is now helping other women improve their cotton farming knowledge."

In 2017, REEDS plans to reach more than 7,300 women workers and 50 female farmers in the rural districts of Rahim Yar Khan and Vehari.

*"Despite the UN-led global push for education for all, child labour remains a challenge in developing (and sometimes in developed) countries, particularly when families are struggling to make ends meet"*

## *A day in the life of an agricultural advisor*

“Our IPs’ field facilitators are the face of BCI in the field,” explains Romain Deveze, BCI’s Global Programme Manager. “Their contribution is critical in reaching farmers with much-needed advice and expertise, and demonstrating that the BCSS Production Principles really do deliver results. Increasingly, we are strengthening our relationship with facilitators and empowering them to do more to help farmers overcome production challenges, including by connecting them with NGOs, research groups and independent farming and labour experts.”

*“Our IPs’ field facilitators are the face of BCI in the field.”*

In Tajikistan, farmers face challenges including water scarcity and extreme weather. In 2015-16, flood waters washed away newly planted seeds in the northern Sughd region, and unseasonably high summer temperatures damaged cotton crops across the country. Farmers also struggle to ensure contracts, and safe working conditions for seasonal cotton pickers.



*“When workers have a moment to relax, they often ask me questions about cotton growing – everything from the benefits of higher quality seeds or reducing soil acidity to identifying the insects they see in the fields”*

## *A day in the life of an agricultural advisor*

Chamangul Abdusalomova has been an agricultural advisor with Sarob, our IP in Tajikistan, since 2013, supporting field facilitators in delivering training and advice to farmers. An agronomist by training, she holds field days to showcase new technologies and runs practical demonstrations to help farmers implement each BCSS production principle. She also provides important advice on decent work. Her day begins early, often at dawn in the harvest season.

“Agriculture does not have working hours,” she says. “In September, harvest season, I go to the field at 6am and check how farmers are getting on with harvesting, and how well they’re following the BCSS criteria. For example, it’s important that they don’t use plastic bags to store cotton, as this encourages moisture. After the harvest, I help them to minimise losses by protecting the cotton in transport and storing it in a dry spot. I also monitor whether farmers are providing seasonal cotton pickers with drinking water, and whether there are children or pregnant women in the field.”

Chamangul visits two to three farmers a day, advising farmers and workers on how best to address the issues they’re experiencing and implement best practices. Her ‘toolkit’ of ideas and demonstrations varies during the season. For example, at the beginning of the cotton season, she helps farmers gauge the best moment to sow seeds by measuring soil temperature and giving advice on optimum weather for sowing. Both farmers and seasonal cotton pickers are keen to learn from her, she explains.

“When workers have a moment to relax, they often ask me questions about cotton growing – everything from the benefits of higher quality seeds or reducing soil acidity to identifying the insects they see in the fields,” she says. “Often, I run question and answer sessions to address common challenges, and I share all the information with my team, so that other Learning Groups can benefit too.”

Asked whether she has observed positive changes on the ground, Chamangul says she has seen evidence of farmers adopting both more progressive environmental and social practices, with positive results. For example, beneficial insects, and using non-chemical alternatives to synthetic pesticides, helped BCI Farmers (compared to non-BCI Farmers) reduce their use of synthetic pesticides by 23% in 2015-16.

“In the rural villages where I work, farmers are increasingly learning to dispose of pesticide bottles responsibly, rather than throwing them in the river,” she says. “This is helping to preserve the quality of local water supplies. Similarly, farmers are no longer grazing animals near areas due for pesticide spraying.

I’m also seeing farmers introduce ‘beneficial insects’ and cultivate wild flowers and plants that ‘trap’ pest insects, which is helping to reduce their reliance on chemicals. By adopting simple, cost effective pest management techniques, they’re also saving money and putting less strain on the environment.”

From a social perspective, Chamangul explains that farmers are increasingly stepping up to their responsibility to provide clean drinking water for workers, particularly during the harvest season. Additionally, children are tending to help their parents only outside of school time, with simple activities such as looking after the wild flowers bordering the field.

“I hope that more farmers will join BCI in Tajikistan because they will really see the benefits, particularly as demand for Better Cotton grows,” she concludes.

*“Beneficial insects, and using non-chemical alternatives to synthetic pesticides, helped BCI Farmers reduce their use of synthetic pesticides by 23% in 2015-16.”*

## Sharing progressive environmental practices globally



Climate change poses a real and growing threat for the world's cotton farmers, many of whom cultivate their crops in countries that are particularly vulnerable to climate risks. Irregular rainfall, in particular, creates a steep challenge, with farmers under pressure to use less water to grow a traditionally water-intensive crop. Beyond water, cotton production often puts unnecessary stress on the environment through pesticide use, soil depletion and disruption to local habitats. BCI is moving to encourage farmers adapt to the effects of climate change, build resilience and reduce their own carbon footprint. Our enhanced BCSS will be central to helping farmers navigate extreme and evolving weather patterns.

Through the BCSS production principles, we help farmers to adopt more environmentally sustainable practices, focusing on protecting crops with fewer pesticides, optimising water use, managing soil health and encouraging biodiversity to flourish. Our IPs draw on these principles to help farmers respond to the sustainability challenges they see on the ground.

In Australia, water scarcity is the biggest challenge for cotton farmers, as cotton is only produced when

water is available. Over the last few decades, Australian farmers have made significant progress irrigating their crops with limited water supplies, thanks to advances and uptake in irrigation technology, cutting edge scientific research, and continuous improvement programmes such as myBMP, run by our Australian partner, Cotton Australia. The Australian cotton industry has achieved a 40% increase in water productivity over the last decade.

myBMP is the underlying platform accelerating farmers' uptake of more sustainable practices in Australia. The programme is aligned to the BCSS Production Principles, allowing myBMP-certified farmers to sell their cotton globally as Better Cotton. Through the platform, farmers can compare practices, access expert advice on driving improvements, and measure progress. According to Rick Kowitz, Cotton Australia's myBMP Manager, the opportunity to access Better Cotton markets has provided an additional incentive for cotton farmers to get involved, increasing grower participation in myBMP by 50% since 2014. Overall, Australian cotton farmers traded 50,035 metric tonnes of Better Cotton lint in 2016, up from 16,787 metric tonnes in 2015, and the volumes are only forecast to grow.

*"We see Pakistan's cotton farmers not as competitors, but as part of the global cotton industry to which we all belong."*

## Sharing progressive environmental practices globally

“The wider community benefits too, as more farmers join the movement,” he explains. “Farmers and regional communities are making the most of more efficient and profitable farming systems, a healthier natural environment, and safer, more rewarding work opportunities,” he says.

Now, 20 years on from the launch of myBMP, Cotton Australia is gearing up to share the world-class knowledge and skills gained by Australian cotton farmers with Better Cotton projects in other countries, particularly those operating at the frontline of climate change. In 2017, the Cotton Australia team will support BCI’s IPs in Pakistan in delivering training on progressive environmental practices to the country’s farmers. The move has been made possible through a \$500,000 grant from the Australian Government’s Department of Foreign Affairs and Trade (DFAT), which will be matched by the BCI Growth and Innovation Fund. Together, Cotton Australia, DFAT and BCI aim to reach 50,000 new farmers in 2017, enabling a total of 200,000 farmers in Pakistan to grow and sell Better Cotton.

“We see Pakistan’s cotton farmers not as competitors, but as part of the global cotton industry to which we all belong,” says Cotton Australia’s CEO, Adam Kay. “It’s vital that we work together to address cotton’s sustainability challenges. We can help by sharing our knowledge and expertise with our fellow farmers through BCI.”

Focusing on Pakistani farmers’ most pressing challenges, BCI and Cotton Australia will develop practical training tools and share the latest management practices to help Pakistan’s cotton farmers adopt progressive farming techniques and improve their yields. Cotton Australia will tailor its recommendations to Pakistan’s farming system, drawing on Australian farmers’ in-depth experience to help participants build their knowledge and understanding of best practice techniques.

*“We see cross-country collaboration as an important tool to help farmers address global climate change risks”*

Cotton Australia is exploring the best way to reach farmers with vital information, such as research and development findings, and practical tips and advice on more sustainable production methods. The team is also considering how to facilitate knowledge exchanges between farmers and researchers. Importantly, both Cotton Australia and BCI will gain valuable knowledge about how to share knowledge effectively with cotton farmers in developing countries.

“We see cross-country collaboration as an important tool to help farmers address global climate change risks,” says Corin Wood-Jones, BCI’s Senior Programme Manager – Global Supply. “It’s a vital part of our broader intervention strategy to strengthen the global industry and mainstream Better Cotton.”

### Looking ahead

These stories are just a snapshot of the many stories we see every day on the ground in the diverse regions and countries where Better Cotton is produced. We will continue to support cotton farmers around the world in adopting the Better Cotton Standard System to address pressing sustainability challenges, raise their yields and boost profits. Their cumulative efforts present a huge opportunity to transform global cotton production – at scale – protecting the sector’s 250 million workers and preserving natural resources for future generations.

*“We will continue to support cotton farmers around the world...”*

# GLOBAL HARVEST REPORT

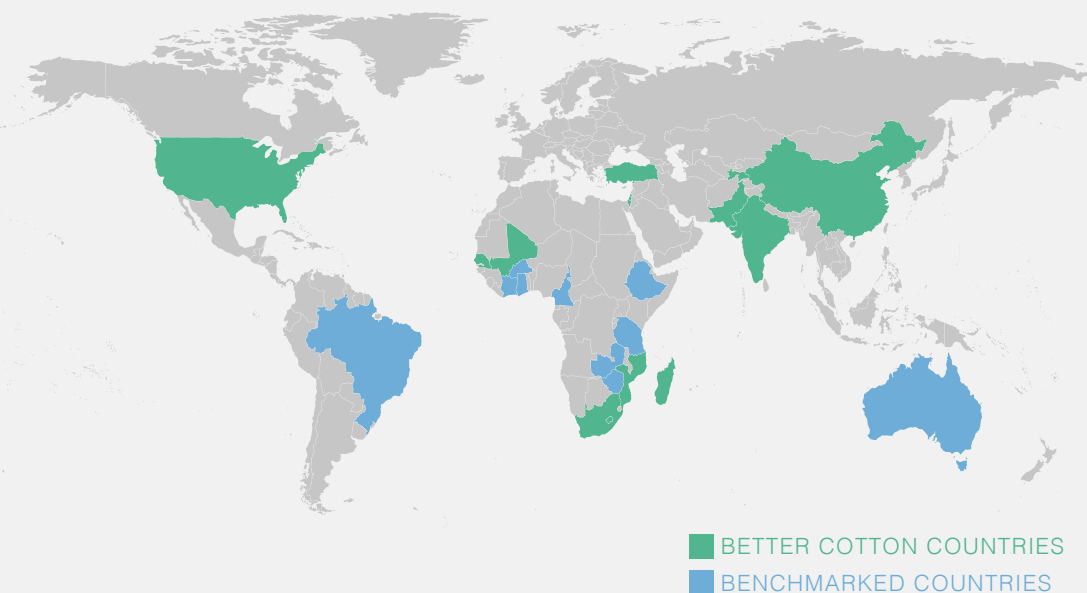
## 2015-16



The 2015 – 16 Global Harvest Report provides an overview of the Better Cotton Initiative's engagement around the world and includes finalised global reach and country-level reach figures. This season approximately 1.5 million farmers were licensed to sell Better Cotton. With the addition of Israel, Madagascar, and South Africa, Better Cotton was grown in 22 countries and accounted for 12% of the global cotton supply.

For the first time, we are reporting global statistics in line with the international cotton season – August to July. You can find more information about the change to our reporting calendar further in this section.

# GLOBAL REACH FIGURES 2015-16



**1,584,915**

Farmers  
Participating

**1,528,537**

BCI  
Farmers

**3,491,263**

Better Cotton  
Hectares

**2,504,613**

MT of Better Cotton  
Lint produced

**12%**

of global  
production

**22**

countries on  
**5**  
continents

| Country      | Better Cotton Farmers | Area Under Better Cotton Cultivation (ha) | MT of Better Cotton Lint produced |
|--------------|-----------------------|-------------------------------------------|-----------------------------------|
| China        | 86,575                | 246,000                                   | 415,000                           |
| India        | 408,948               | 638,000                                   | 373,000                           |
| Israel       | 91                    | 10,000                                    | 19,000                            |
| Madagascar   | 1,229                 | 2,000                                     | 1,000                             |
| Mali         | 49,293                | 138,000                                   | 56,000                            |
| Mozambique   | 72,571                | 89,000                                    | 16,000                            |
| Pakistan     | 129,574               | 498,000                                   | 352,000                           |
| Senegal      | 5,511                 | 6,000                                     | 1,000                             |
| South Africa | 30                    | 2,000                                     | 1,000                             |
| Tajikistan   | 820                   | 12,000                                    | 11,000                            |
| Turkey       | 441                   | 13,000                                    | 23,000                            |
| USA          | 84                    | 25,000                                    | 34,000                            |

## BENCHMARKED COUNTRIES

|                   |         |           |         |
|-------------------|---------|-----------|---------|
| Australia (MyBMP) | 44      | 27,000    | 52,000  |
| Brazil (ABR)      | 198     | 607,000   | 832,000 |
| CMiA/SCS          | 773,128 | 1,178,263 | 318,613 |

## *Farmers Reached*

2015-2016: 1,584,915 farmers



2014-2015: 1,288,443 farmers



2013-2014: 1,058,994 farmers



2012-2013: 262,673 farmers



2011-2012: 125,648 farmers



2010-2011: 68,594 farmers



## *Farmers Licensed*

2015-2016: 1,528,537 farmers



2014-2015: 1,220,843 farmers



2013-2014: 997,848 farmers



2012-2013: 193,656 farmers



2011-2012: 89,607 farmers



2010-2011: 28,368 farmers



## *Area (ha) under Better Cotton Cultivation*

2015-2016: 3,491,263 hectares



2014-2015: 2,599,356 hectares



2013-2014: 2,027,830 hectares



2012-2013: 699,566 hectares



2011-2012: 434,500 hectares



2010-2011: 94,542 hectares



## *Production (MT lint) Better Cotton*

2015-2016: 2,504,613 MT



2014-2015: 1,945,699 MT



2013-2014: 1,529,266 MT



2012-2013: 665,789 MT



2011-2012: 454,500 MT



2010-2011: 73,647 MT



## *Change to Harvest Reporting Calendar*

Since 2013, BCI has focused its aggregated reporting on harvest seasons, grouping the northern and southern hemispheres into calendar year harvest periods from January to December.

As BCI continues to expand into major cotton-producing regions and deepens its partnerships across the textile value chain, aligning statistical reporting becomes increasingly important. Going forward, BCI will align reporting of global statistics with the international cotton season; August to July.

### **What does this mean for the publication of BCI's Harvest Reports?**

BCI will continue to release country Harvest Reports on a rolling basis on our website when the data and accompanying narrative are finalised. We will also release a Global Harvest Report that brings the country Harvest Reports together in one place and reports on global figures for that season.

This year, the Global Harvest Report will be included here, as a section of this Annual Report. However, this section currently includes global reach and country-level reach figures, and not the finalised results indicator figures and accompanying narratives. We will be publishing the complete Global Harvest Report in the coming months when the information is finalised. When this new content is added, we will be informing all of our stakeholders.

The 2014-2015 southern hemisphere results will also be included, as BCI has not yet reported them publicly.

### **What about BCI's global reach indicators from past years?**

This report includes a set of statistics reorganised along the international cotton season—August to July. These retrospective figures indicate the global totals of number of farmers participating in the Better Cotton Standard System, number of farmers who earned a Better Cotton license, hectares on which Better Cotton was grown, and volumes of Better Cotton produced. This demonstrates an updated set of global trend lines for BCI growth, while country-level statistics do not change.



# Change to Harvest Reporting Calendar

## Better Cotton Standard System

The Better Cotton Standard System (BCSS) is a holistic approach to more sustainable cotton production which covers all three pillars of sustainability: environmental, social, and economic. The BCSS is made up of the following components, each of which work together to support the credibility of Better Cotton and BCI:

- Production Principles and Criteria
- Capacity Building
- Assurance Program
- Chain of Custody Guidelines
- Claims Framework
- Results and Impact

The Production Principles and Criteria provide a global definition of Better Cotton through six key principles:

- Crop protection
- Water efficiency
- Soil health
- Natural habitat
- Fibre quality
- Decent work

Here is an example of the process that farmers undertake in order to become licensed BCI Farmers:

- 1 Farmers make an informed decision to participate in a BCI programme and commit to a process of continuous improvement**
- 2 Participating farmers have access to training and work towards BCI's Production Principles and Criteria**
- 3 Participating farmers maintain individual Farmer Field Books and participate in BCI's Assurance Program**
- 4 Farmers meeting the minimum requirements earn the Better Cotton license, and are able to sell their cotton as Better Cotton**
- 5 Farmers focus on continuously improving their production practices through support, training, and data collection**

### Updating the Production Principles & Criteria of the Better Cotton Standard System

BCI is committed to reviewing its Production Principles and Criteria at least once every five years. This is a unique opportunity to integrate feedback from a diverse group of stakeholders and ensure that the BCSS remains relevant, reflecting the current sustainability challenges faced in cotton production. The revision process gives opportunities to the general public and BCI's members to contribute to the way in which the BCSS evolves. BCI began the Production Principles and Criteria revision process in September 2015, and the new version is expected to be approved by the BCI Council in 2017. For more information, visit: [bettercotton.org](http://bettercotton.org)



# What is Standards System Benchmarking?

*“Benchmarking can be an effective way to mainstream sustainability in cotton production, by building on existing knowledge and activities through meaningful partnerships.”*

## What do we mean by ‘Benchmarking’?

Benchmarking (or ‘recognition agreement’) is a process of comparing one organisation’s policies and practices with those of a similar organisation. For sustainability initiatives, this usually means comparing standards systems and identifying gaps between them. The Better Cotton Standard System covers a number of dimensions, both normative (setting and implementing standards) and procedural (how things are done). This means for BCI, the benchmarking process not only needs to pay careful attention to the comparison of standards, but also needs to look further into the way BCI and the potential Benchmarked Standard make decisions, enable improvement of farmer performance, assess compliance, evaluate impact and collect data, finance themselves, and trace cotton through the supply chain. This process is undertaken by an independent, competent third party. The benchmarking exercise needs to provide practical recommendations both to us and to the partner so that, where necessary, amendments can be agreed that allow us to recognise an existing standard or programme as delivering Better Cotton: this is also referred to as ‘one-way recognition’.

## When is a benchmarking process entered?

The benchmarking process is considered if a national standard for sustainable cotton production exists and is publicly available in a country. We initiate the benchmarking process only if a credible Strategic Partner is available in the country and the proposal is in line with our expansion strategy. Benchmarking can be an effective way to mainstream sustainability in cotton production, by building on existing knowledge and activities through meaningful partnerships.

## Where do we work in a benchmarked context?

2014 saw BCI successfully complete the benchmarking of Australia’s nationally-developed cotton standard, myBMP (My Best Management Practice), so that it is now aligned with the Better Cotton Standard. The original BMP programme began in 1997 before being reviewed and redeveloped in 2006-07, leading to the launch of a new online myBMP system in 2010. Recognition of the myBMP programme in Australia follows the achievement in 2013 of a BCI benchmarking exercise with ABRAPA (Associação Brasileira dos Produtores de Algodão). This alignment

of ABRAPA’s own ABR (Algodão Brasileiro Responsável/Responsible Brazilian Cotton) programme with the Better Cotton Standard led to a large increase in the availability of Better Cotton in the market place. Complementing this, it’s now been four years since benchmarking the ‘Cotton made in Africa’ (CmiA) and ‘Smallholder Cotton Standard’ (SCS) of Aid by Trade Foundation (AbTF) with the Better Cotton Standard.

## Reporting on results in a benchmarking context

BCI aims to ensure that real sustainability improvements are being seen everywhere Better Cotton is produced. In order to ensure this, we must be confident in our approach to measuring results. We develop results monitoring and data sharing agreements with our Benchmarked Partners, enabling them to measure field level progress in a way that is credible and recognised by BCI. Benchmarked Partners collect data against the same Results Indicators as BCI (yield, water use, fertiliser and

pesticide use). As no Comparison Farmer data is available, we do not publish this data, as the results would be without context. To overcome this, we are developing an approach in which results trends can be reported over time, making the need for Comparison Farmer data obsolete. This approach will enable us to strengthen our focus on measuring continuous improvement.

In this report we present our global indicators – BCI Farmers, hectares under Better Cotton cultivation and metric tonnes of Better Cotton lint. By harmonising our efforts, BCI, in collaboration with our Benchmarked Partners, is working towards a more sustainable future for the sector as a whole.

We are pleased to share the exciting progress made through these partnerships during the 2015-6 season. More detail can be found on the country pages of this report, including links to the results published by our Benchmarked Partners where available.

*“We develop results monitoring and data sharing agreements with our Benchmarked Partners, enabling them to measure field level progress in a way that is credible and recognised by BCI.”*

# GROWING DEMAND

## *Membership in 2016*

For Better Cotton to become a truly mainstream commodity, BCI's membership base must continue to grow. Our Retailer and Brand Members play an important role in generating demand for Better Cotton, making sure the cotton that is grown in accordance to the Better Cotton Standard System is actually bought and sold as Better Cotton. We call this 'uptake.' During 2016, we focused on increasing Better Cotton uptake whilst maintaining chain of custody compliance from ginner to retailers and brands.

## **Chain of Custody Compliance**

### *We conducted*

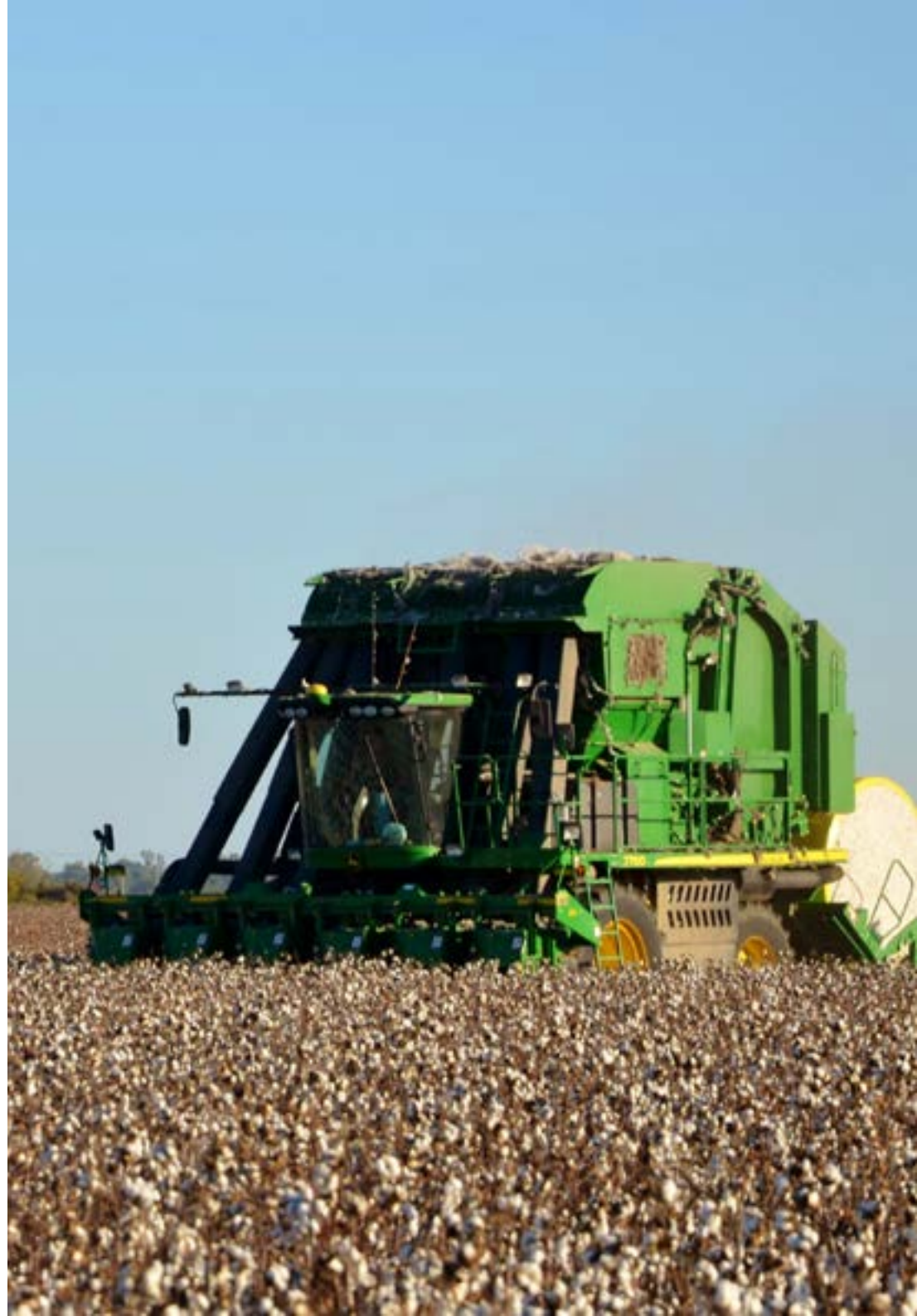
**260** ginner audits in 10 countries (China, India, Kazakhstan, Mali, Mozambique, Pakistan, Senegal, South Africa, Tajikistan and Turkey)

**25** Supplier Training Programme workshops in the supply chains of 17 Retailer and Brand Members in five countries, reaching some 640 textile professionals from 265 different suppliers and manufacturers.

Third-party Better Cotton Tracer audits in Bangladesh, China, India and Pakistan. BCI worked with KPMG, PwC and Control Union to conduct these audits.

Third-party Better Cotton Tracer audits of two large Retailer and Brand Members.

Online learning courses for 340 professionals from 30 countries, achieving a goal of having supply chain training available around the clock and around the world.



# GROWING DEMAND

## Member and Industry Engagement

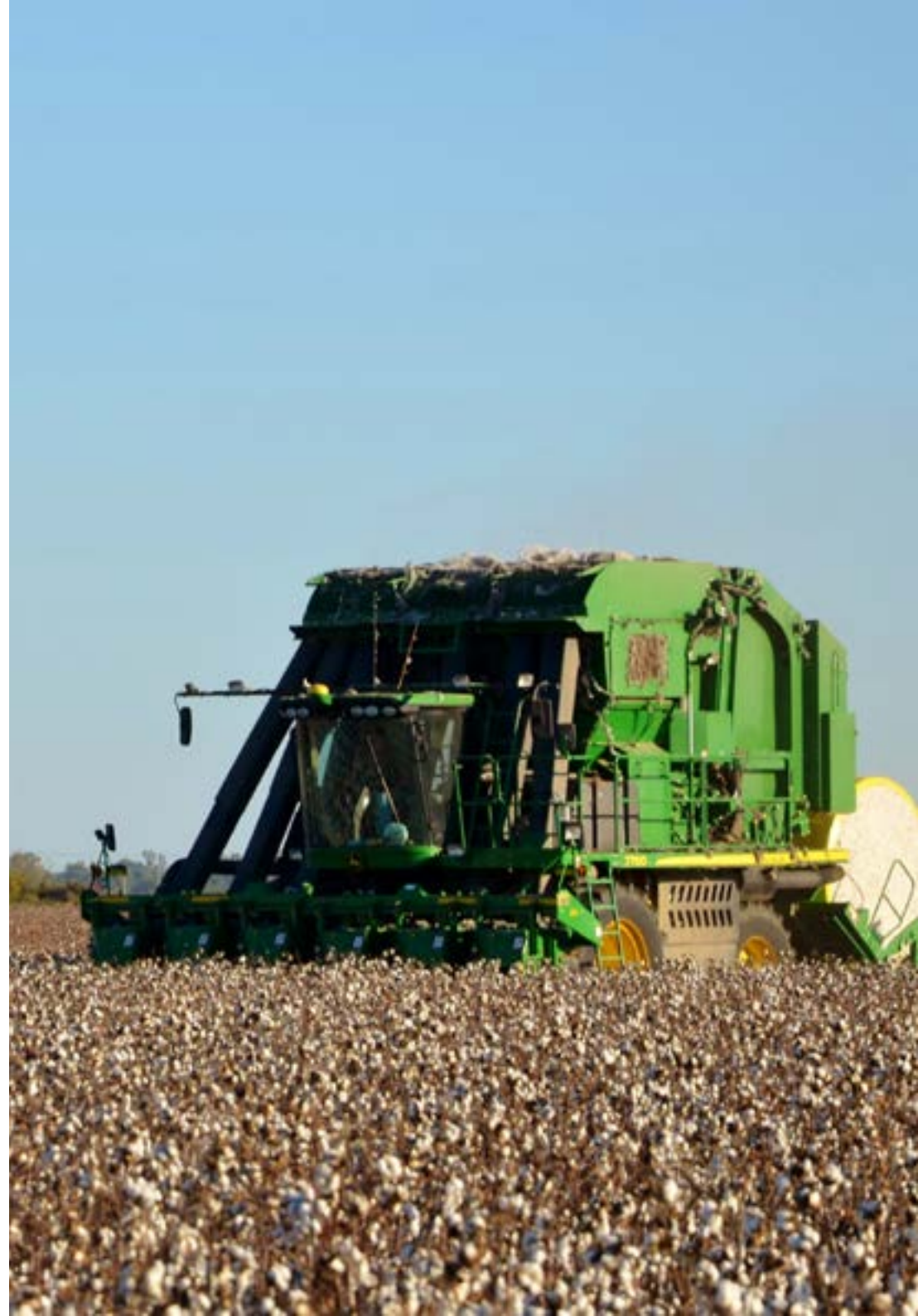
In 2016, BCI delivered 13 events that reached over 850 individuals around the world. The largest of these was the General Assembly held in Hong Kong attracting over 200 participants from 26 countries, once again showcasing the multi-stakeholder and inclusive nature of BCI. As well as introducing new businesses to BCI, these events gave BCI Members the opportunity to learn, share knowledge, network, and discuss the challenges they face in transforming the future of the cotton sector.

The General Assembly elected new Council Members to fill the seats of representatives at the end of their mandates:

- Civil Society members welcomed two new representatives to the Council: Ambuja Cement Foundation (ACF) and Participatory Rural Development Initiatives Society (PRDIS)
- Supplier and Manufacturer members retained Olam International
- Retailers and Brands elected Marks & Spencer their new Council representative

There are two available seats for the Producer Organisations for which no candidates were nominated. The BCI Council (as per the Statutes), approached members to fill these seats and complete the Council. Producer Organisations are represented by Farmer Associates Pakistan, Supima and Cotton Australia.

BCI thanks Solidaridad, Pesticide Action Network UK (PAN UK), H&M, Olam International and Associação Brasileira dos Produtores de Algodão (ABRAPA) for their valuable representation in the previous four years.



# GROWING DEMAND

## Member Recruitment

BCI membership grew to 986 members representing 40% year-on-year growth including an attrition of 4.8%.

2016 - 986 members



2015 - 706 members



2014 - 468 members



2013 - 313 members



2012 - 197 members



2011 - 110 members



2010 - 48 members



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

**54**

Retailers and Brands sourced

**461,000 metric tonnes (MT)**

as Better Cotton against a target of 500,000 MT

Spinners sourced

**807,000 MT**

as Better Cotton

## Better Cotton Tracer Users

As demand for Better Cotton grows, especially in the apparel and home textile sectors, so does the drive for more supply chain actors to become Better Cotton Tracer users. In total, 2,430 businesses (including BCI Members and other supply chain actors) are tracking their sourcing of Better Cotton using the Better Cotton Tracer.

## Better Cotton Sourcing

2016 delivered strong results for Better Cotton sourcing. This is, in no small part, thanks to our members' dedication and determination to transform cotton production worldwide by developing Better Cotton as a more sustainable mainstream commodity.

2015 - 251,000 MT



2014 - 117,000 MT



2013 - 85,000 MT



## Looking Ahead

By 2020, our aim is that BCI Farmers will be producing 8 million metric tonnes of Better Cotton. We're working towards retailer and brand uptake of 2.4 million metric tonnes as Better Cotton. This will require a continued focus on member recruitment and engagement, whilst improving the quality of member services that BCI offers.

*"By 2020, our aim is that BCI Farmers will be producing 8 million metric tonnes of Better Cotton."*

# Q&A WITH STAKEHOLDERS

## COMMUNICATING THEIR COMMITMENTS

*WWF, BCI Civil Society Member | M&S, BCI Retailer and Brand Member, UK*

### **How does being a BCI Member fit into M&S's overall sustainability goals?**

**M&S:** Being a BCI Member is fundamental to delivering our overall 'Plan A' commitment within our Clothing and Home business. At M&S, cotton is our most widely used raw material. Our customers love the look and feel of cotton. Therefore, it was important for us to develop a responsible cotton sourcing strategy and to look at ways in which we could help build capacity to source Better Cotton in the supply chain and support smallholder farmers. Being a member of BCI, and being part of the BCI Growth and Innovation Fund Buyer and Investment Committee, helps us to collaborate with other retailers and brands in driving forward the global sustainable cotton agenda.

### **Why have you chosen to use the WWF blog to communicate about your commitment?**

**M&S:** In 2009 we began a partnership with WWF and BCI in Warangal, India. The project has been extremely successful, and we have now engaged

over 20,000 farmers. We wanted to share this story with the WWF supporters as well as with the wider public and tell the story of our wonderful progress to date.

### **What instigated the partnership between WWF and M&S?**

**WWF:** WWF works with businesses to achieve positive change for the planet because it's clear that 'business as usual' is not sustainable. That's why WWF has been working with M&S for over 10 years, advising on and helping deliver their sustainability commitments. WWF works with M&S on a variety of different challenges and commodities – one of which is cotton.

### **How does WWF use the blog and social media to engage with their target audiences around sustainability issues?**

**M&S:** WWF uses social media, like blogs and twitter, as a way to reach different audiences on issues that matter to us and to them. Through these channels, we are able to reach the public to inform them of the impacts of the products they buy and how they can

make small changes in their everyday decisions to live more sustainably. The recent blog post with M&S was just a part of our communications jigsaw. We also take the opportunity to speak at relevant conferences and are in the process of finalising a short film on the Warangal cotton project which will be shared on social media and other channels, so stay tuned! Film content enables us to take audiences one step

closer to the field where you can truly understand and feel the impacts and connect with the people who are at the start of the journey of our clothes.

Read the blog post 'Cotton-ing on to sustainable clothing: M&S report from the field' at <http://blogs.wwf.org.uk/blog/green-sustainable-living/cotton-ing-on-to-sustainable-clothing-ms-report-from-the-field/>.



## *Cotton On, BCI Retailer and Brand Member, Australia*

### **Why is it important for the Cotton On Group to communicate with your customers about your commitment to Better Cotton?**

We're incredibly proud that we're members of the Better Cotton Initiative and it's important to us that our customers are aware of our commitment to have 30% more sustainable cotton through our supply chain by 2019. Across our brand portfolio, we want our customers to be aware of the role they are playing in this journey. We engage with our customers and tell them about the importance of supporting more sustainable cotton production.

### **What are the ways you engage with your customers about more sustainable cotton?**

Cotton On Kids communicate this message on swing tags which read 'Kids Loves Supporting BCI Farmers'. We also focus on team education to ensure our staff have a solid understanding about the Better Cotton Initiative so they are able to confidently communicate our excitement in-store with customers. We will continue to keep our team updated as our Better Cotton sourcing increases, and we will explore other ways to amplify the BCI story to our customer across our digital and social channels.

### **How does being a BCI Member fit into the Cotton On Group's overall sustainability goals?**

As a global retailer, we have a responsibility to ensure that the environment in which our products are sourced and manufactured is safe, fair, and, sustainable. We're incredibly proud of what we have achieved to date, but know we are always striving to continuously improve. Being a BCI Member, together with our very own sustainable cotton programme which supports smallholder farmers in Kenya, will enable us to achieve our goal of having 30% more sustainable cotton by 2019.



## *Nigel and Beth Burnett, BCI Farmers, Colorada Cotton, Queensland, Australia*

### **How does being a BCI Farmer fit into your overall sustainability goals?**

I am a second-generation cotton farmer and now operate our cotton farm with my own family. Our business is built around the production of more sustainable cotton, grains, and pulses, and we hope it will provide a rewarding future for our own children. This objective drives our sustainability goals in our cotton business and we can clearly see how our goals align with the Better Cotton Initiative. We believe in profitable cotton production while ensuring a safe and secure workplace for our employees and visitors. Producing the crop centres around the responsible use of water and soil, while being conscious of the impact our operations may have on the environment. It is particularly important for our business to contribute and add value to our community.

### **Why have you chosen to communicate publically about your affiliation with the Better Cotton Initiative?**

We believe that consumers value more sustainable and responsible cotton production and consider it

when making buying decisions. As an industry, we need to demonstrate our strong sustainability credentials to the consumer so they can make an informed, balanced decision. Therefore, we as farmers need to provide the rigour to our more sustainably produced cotton story by aligning with a reputable, recognisable programme such as BCI.

### **Why is it important for you to communicate about your commitment to producing more sustainable cotton?**

Twelve months ago, our cotton farm became accredited in the Australian cotton industry's assurance programme, myBMP. In many of the modules, we were already achieving sustainability at a high level. However, through this process we were able to improve some of our on-farm practices to a higher level. Continuous improvement has become a linchpin for our farming strategy. As Australian cotton farmers, we are proud of our sustainability efforts and believe it is important to promote this. Most importantly, we want to be part of an industry that is building a reputation of responsible cotton production for the global market.



## *Bossa, BCI Supplier and Manufacturer Member, Turkey*

### **How long has Bossa been a BCI Member and what is your public target for procuring Better Cotton?**

Bossa has been a BCI Member since 2011. In 2017, Bossa's target is to make Better Cotton 60% of our total cotton consumption. By 2018, we have set a bold target and aim to make Better Cotton 90% of our total cotton consumption.

### **Why did Bossa decide to become a BCI Member?**

We must take responsibility for how our company affects the world around us. We source organic cotton and Better Cotton, and use natural chemicals and dyes. While sustainability is already an integrated part of our business, our goal is to make greener, and even more stylish and innovative products. 85% of our customers are in Europe, and increasingly, they have a focus on sustainability.



## *C&A China, BCI Retailer and Brand Member, China*

### **Why have you chosen to use the on-product mark to communicate about your commitment?**

A central part of our sustainability approach is to listen carefully to our customers. We conducted a driver analysis as part of global consumer research to understand which sustainability issues were most important to our customers. Today, sourcing responsibly with an emphasis on more sustainable materials, is part of our commitment to helping our customer look and feel good. Sourcing sustainable materials not only help us reduce negative impacts, but also meet increasing customer demand for more sustainable clothing, at affordable prices.

### **How does being a BCI Member fit into C&A China's overall sustainability goals?**

Growing, manufacturing, and transporting the raw materials used to make clothes all have significant environmental impacts. From sourcing fibres to dyeing and finishing clothing, we're working to reduce water, energy, chemical use, and waste impacts. More than a decade ago, we were one of the first major companies to take a lead in more sustainable raw materials. We found we could make a positive difference with our purchasing decisions. Through BCI, C&A will be able to source a greater amount of more sustainable cotton fibre, helping us to meet our goal.

### **How long has C&A been a BCI Member and what is your public target for procuring Better Cotton (or more sustainable cotton)?**

C&A became a member of the Better Cotton Initiative in 2015. Our 2020 goal is for 100% of our cotton to come from more sustainable sources.



## Q&A, Woolworths, Retailer and Brand Member, South Africa

### How long has Woolworths been a member and what is your public target for procuring Better Cotton or more sustainable cotton?

Woolworths joined the Better Cotton Initiative in 2014. Our 2017 target is to source 18% of our cotton as Better Cotton. We are working towards our ambitious 2020 target of sourcing 100% of our cotton from more sustainable sources, including organic cotton and Better Cotton.

### How knowledgeable are your customers about sustainability, in general, and about more sustainable cotton, specifically?

We are on a continuous journey to engage with our customers about sustainability issues. BCI is relatively new in our sustainable cotton journey, therefore in-store messaging is going to be heightened to build awareness amongst our customers as we move towards 2018.

### How does being a Better Cotton Initiative member fit into Woolworths' overall sustainability goals?

We are on a continuous journey to engage with our customers about sustainability issues. BCI is relatively new in our sustainable cotton journey, therefore in-store messaging is going to be heightened to build awareness amongst our customers as we move towards 2018.

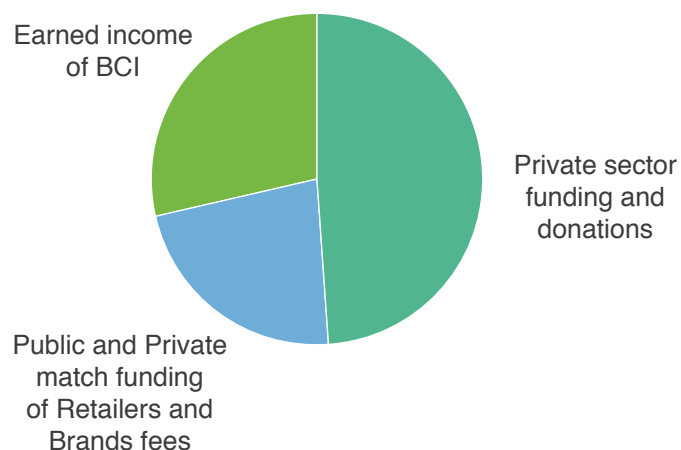


# BCI'S FINANCIAL FOOTPRINT

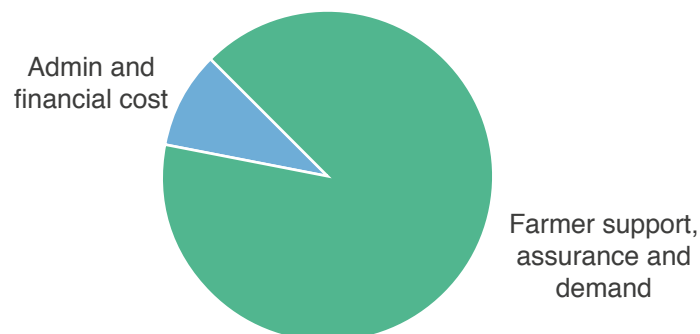
## Sources and uses of funds

For a full picture of sources and uses of funds mobilised by BCI, the graphs below bring together the BCI membership organisation itself with the Growth & Innovation Fund, a Foundation which channels funds into projects for farmer capacity building. Added to these are the investments in farmer support projects, which some of BCI's partners (retailers, brands, NGOs and others) operate directly.

**Funds Mobilised**



**Uses of Funds**



|                |                                                                                              |
|----------------|----------------------------------------------------------------------------------------------|
| <b>€17,036</b> | <b>Funds Mobilised (100%)</b>                                                                |
| <b>8337</b>    | <b>Private sector funding and donations (48.9%)</b>                                          |
| 1770           | Donation carried over from 2015                                                              |
| 1856           | Retailer and brands investment (Volume-Based Fee)                                            |
| 4711           | Direct project contributions from partners                                                   |
| <b>3837</b>    | <b>Public and private match funding of retailers and brand fees (22.5%)</b>                  |
| 3000           | Dutch, Swiss, Danish and other government grants via IDH (the Sustainable Trade Initiative). |
| 673            | Other grants – C&A Foundation, Helvetas, SIDA and, USAID                                     |
| 164            | Retailer/brand foundations                                                                   |
| <b>4862</b>    | <b>BCI earned income (28.5%)</b>                                                             |
| 3879           | Membership and user fees                                                                     |
| 983            | Credibility and other fees                                                                   |
| <b>€14,711</b> | <b>Uses of Funds (100%)</b>                                                                  |
| <b>13,328</b>  | <b>Farmer support, assurance and demand (90.6%)</b>                                          |
| 4618           | BCI GIF and direct BCI projects                                                              |
| 3999           | In-Country offices, farmer support, assurance and demand generation                          |
| 4711           | Direct project investments by partners                                                       |
| <b>1383</b>    | <b>Admin and financial costs (9.4 %)</b>                                                     |
| 1241           | BCI administration: finance, human resources, fundraising, communications and CEO office     |
| 48             | BCI GIF administration                                                                       |
| 94             | Financial expenses                                                                           |
| <b>2325</b>    | <b>Balance</b>                                                                               |
|                | The surplus will be carried over into the next year.                                         |

The BCI financial year runs January -December, and the BCI GIF financial year runs April - March.

# THANK YOU

We would like to thank the following dedicated and committed stakeholders who, by supporting and participating in BCI, are driving change. Together, we are working towards a more sustainable future for the cotton sector, as a whole.

Our Implementing Partners, who bring the Better Cotton Standard System to life at farm level every day and help us reach millions of farmers around the globe.

Our funding partners, for their generous support:

- C&A Foundation
- Helvetas Swiss Intercooperation (funding from the Swiss Agency for Development and Cooperation)
- The Federal Ministry for Economic Cooperation and Development
- The Sustainable Trade Initiative (funding from the Danish International Development Agency, Dutch Development Cooperation and Swiss State Secretariat for Economic Affairs)
- US Agency for International Development - Development Innovation Ventures
- World Wildlife Foundation Sweden (funding from the Swedish International Development Cooperation Agency)

All BCI Members, who across the supply chain are working with us in creating transformational change, at scale, within the cotton sector.

[www.bettercotton.org](http://www.bettercotton.org)