



AID BY TRADE
FOUNDATION

ANNUAL REPORT
2023

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FOREWORD
PROF. DR MICHAEL OTTO

As we work together to make the world a better place and enable people to overcome the great challenges we face today, the question is: Can foundations like the Aid by Trade Foundation really make a meaningful contribution to these goals? I firmly believe so. In 2023, both the Aid by Trade Foundation's innovative work and its standards continued to play a key role in shaping the global textile industry to make it fairer, more resilient, and better equipped to thrive in the future.



“True resilience requires the will to venture down new paths together, to connect with each other, and to use collaboratively defined frameworks that allow us to flexibly and transparently adjust to new conditions.”

We live in a world that throws something new at us every day. These changes permanently force us to make fundamental adjustments. Whether as individuals, communities, companies, or nations, we all have to face new realities. This is the only way to approach the future with confidence, especially in light of all the upheavals in the world today, such as the conflicts in Ukraine and the Middle East or the crises resulting from climate change and its effects.

To thrive in this context, it is immensely important to build up the resilience of people and their communities at all levels, from the local to the international, and in all domains, including the economic, social, political, and environmental. Greater resilience makes it easier to manage challenges and to quickly find and effectively implement solutions.

This was also the Aid by Trade Foundation's experience in the past year. Together with its partners, the foundation was able to verify 30 percent of all cotton grown in Africa in 2023. Nine hundred thousand small-scale farmers produced 508,000 tonnes of cotton despite significant harvest failures due to extreme weather caused by climate change. A similar result was achieved in the sustainable production of cashmere fibres in Inner Mongolia, where goat herders produced more than two million kilograms

of cashmere fibres for The Good Cashmere Standard (GCS) despite a severe drought.

The Aid by Trade Foundation and its standards played a clear role in increasing the resilience of goat herders and cotton producers. For instance, by establishing long-term relationships between producers and purchasers, the Cotton made in Africa (CmiA) standard demonstrably played a key role in stabilising cotton prices and in developing a value chain based on sustainability. In addition, living and labour conditions in production locations were improved, while soil quality and biodiversity were also conserved, through numerous projects focussed on sustainable and innovative methods to enable people to help themselves.

Thanks to these efforts, cotton farming will remain an attractive option for future generations. That matters because the agricultural economy, much of which depends on small-scale farming, is under pressure throughout the world due to pest infestations, market fluctuations, and the climate crisis. Effective solutions to these challenges require people to be brought on board to support necessary changes, for example by respecting and integrating their traditional agricultural knowledge. This conscious bridging of innovation and tradition is an

explicit feature in the Regenerative Cotton Standard (RCS), created by the Aid by Trade Foundation in 2023. RCS aims to improve soil quality, increase biodiversity, and ensure animal welfare in addition to providing farmers with the resources they need to develop greater resilience to the effects of climate change.

The integration of traditional knowledge with modern agricultural technology and with effective tracing systems, like the Hard Identity Preserved (HIP) tracking system, provides the innovative impetus producers are calling for. It is also a reliable way of delivering the high level of transparency increasingly being demanded by lawmakers, retailers, brands, and consumers. A variety of legislative initiatives—like the German law for due diligence in the supply chain (Lieferkettensorgfaltspflichtengesetz; LkSG), its forthcoming European equivalent (the Corporate Sustainability Due Diligence Directive; CSDDD), and the European Green Deal—confirm that the Aid by Trade Foundation and its standards have been on the right path for years, working to make the textile industry sufficiently resilient for the future.

True resilience requires the will to venture down new paths together, to connect with each other, and to use collaboratively defined frameworks that allow

us to flexibly and transparently adjust to new conditions. Only this kind of resilience can imbue societies and communities with the systemic adaptability with which they will manage the challenges of today and the as yet unknown overlapping crises of tomorrow. Individuals, communities, and nations that stand alone risk succumbing to these challenges.

And yes, working together sometimes means making painful compromises. In 2023, this became apparent at the international level during discussions on the final communiqué for COP28 in Dubai and in advance of the passing of the CSDDD. Challenging these compromises and demanding radical or populist alternatives will not lead to the greater resilience that the international community so urgently needs; blocking streets or demanding deglobalisation or national isolation will not achieve this either.

Progress can only flourish in an atmosphere of mutual confidence. This is precisely the path that the Aid by Trade Foundation pursued in 2023, aiming to build the resilience of the textile industry, its companies, and the people they work with. It will continue to remain focussed on this goal, acting on the deep conviction that this will set a course for a better future.

CONSOLIDATED RESULTS FOR 2023

In 2023, the Aid by Trade Foundation (AbTF) emulated its previous year’s financial success by achieving an income of EUR 8.1 million despite the economic difficulties affecting the textile sector. Thanks to the strong market position of AbTF’s sustainability standards, the private-sector market activities of Cotton made in Africa (CmiA) and The Good Cashmere Standard (GCS) generated EUR 6.5 million. Expenditures on programmes implementing the two sustainability standards and on co-operation projects increased by 23 percent, to EUR 4.7 million.

During the financial year of 2023, the Aid by Trade Foundation was able to record a total revenue of EUR 8.102 million. Sales under the labels of Cotton made in Africa and of The Good Cashmere Standard earned licensing revenue of EUR 4.765 million.

While marketing the rights to the Cotton made in Africa brand through ATA KORA Fördergesellschaft GmbH generated a slightly higher licensing revenue of EUR 2.740 million, income from the sale of CmiA-verified cotton under the BCI label fell by 33 percent, to EUR 1.182 million, due to the end of the strategic partnership. Proceeds from licensing The Good Cashmere Standard to retailers and brands rose by 32 percent in 2023, to EUR 843 thousand, reflecting continued growth in demand for the sustainable cashmere standard.

Global networks within textile value chains continued to grow in 2023, as companies that were part of demand alliances had high demand for raw materials verified through CmiA, CmiA Organic, or GCS. For CmiA and GCS, partners contributed a total of EUR 1.800 million to support the use of sustainable raw materials in global supply chains. EUR 1.146 million worth of these contributions came from the continually rising number of CmiA partner companies of various kinds: cotton companies in Africa, international cotton trading companies and spinning mills, and the many textile-processing companies registered in the CmiA value chain. Corporate partners of The Good Cashmere Standard made contributions totalling EUR 654 thousand in the financial year of 2023, three percent more than in the previous year. This revenue was used primarily to fund further

development of the standard and of the comprehensive verification process that protects this valuable commodity in Inner Mongolia. In addition, training schemes and materials to address key issues for the cashmere farms were developed and implemented.

Revenue from donations and grants also grew in 2023. AbTF received donations totalling EUR 945 thousand, which it mainly used to cofinance co-operation projects with CmiA cotton companies (see page 29 for more information). The foundation used EUR 316 thousand from grants for co-funding climate-protection and soil-enrichment projects undertaken together with CmiA partners in Africa.

The ratio of revenue received from donations and grants in 2023 (16 percent of total revenue) to revenue generated from commercial activities (84 percent of total revenue) continued to reflect the foundation’s success in meeting its objective of providing help for self-help by harnessing market forces.

While expenditures on the implementation of CmiA programmes and of The Good Cashmere Standard increased by 17.5 percent in 2023, to EUR 3.874 million, expenditures for CmiA co-operation projects rose by 60 percent, to EUR 780 thousand.

In total, 80 percent of the consolidated total expenditure in 2023 was spent on activities directly fulfilling the foundation’s mission, meaning that the programme service expense ratio rose by four percent from the previous year’s level of 77 percent.

In the financial year of 2023, AbTF—through its marketing association, ATA KORA—invested around eight percent of its total expenditure in marketing, communications, and sales in order to promote CmiA

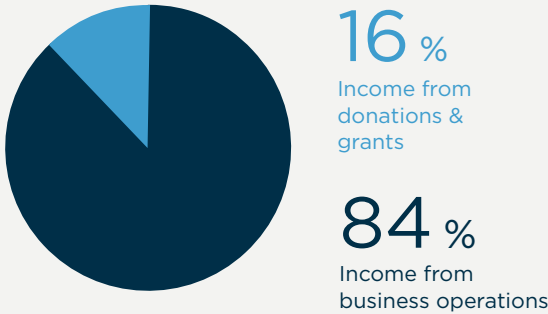
cotton and GCS cashmere to both new and existing licensees.

Despite total expenditure having increased by 18 percent to EUR 5.779 million, the annual consolidated pre-tax surplus amounted to a respectable EUR 2.323 million. This surplus further strengthens AbTF’s capital structure and frees up resources needed to fund innovative programmes in the future. In addition to addressing the multifaceted challenges of delivering programmes for CmiA in African partner countries and for The Good Cashmere Standard in Inner Mongolia, this will also allow new AbTF initiatives, such as the Regenerative Cotton Standard (RCS), to be implemented.

REVENUES IN 2023

	2023 kEUR	in %	2022 kEUR
Licensing fee income	4,765	59 %	5,128
Partnership contributions	1,800	22 %	1,769
Donations	945	12 %	898
Grants	316	4 %	242
Other income	276	3 %	102
Total income	8,102	100 %	8,139

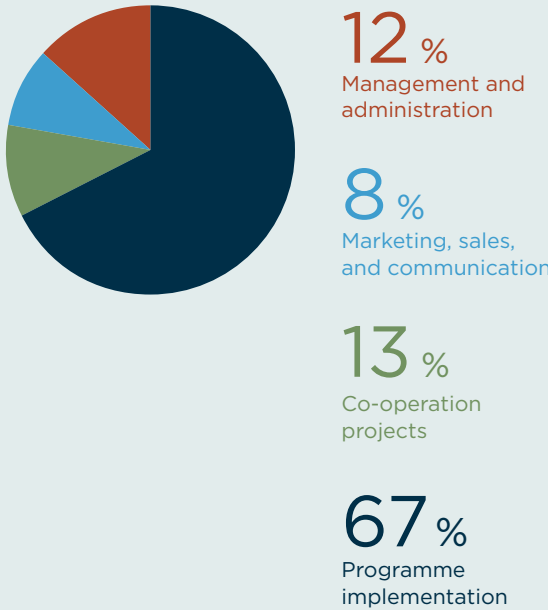
	kEUR	2023 in %	2022 in %
Income from business operations	6,841	84 %	86 %
Income from donations and grants	1,261	16 %	14 %



EXPENSES IN 2023

	2023 kEUR	in %	2022 kEUR
Management and administration	689	12 %	671
Programme implementation	3,874	67 %	3,298
Co-operation projects	780	13 %	489
Marketing, sales, and communication	436	8 %	431
Total expenses	5,779	100 %	4,889

	2023 in %	2022 in %
Programme service expense ratio = (Programme service expenses) / (Total expenses)	80 %	77 %



“Transparent and fair supply chains play a key role”

The international community is currently facing multiple overlapping crises. The number of authoritarian and fragile states is increasing. Many industrialised countries are facing major financial and domestic political challenges. In light of these challenges, what would constitute an effective approach to supporting countries in the Global South, in terms of sustainable social and economic development? We discussed this issue with Ingrid-Gabriela Hoven, a member of both the management board of GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit) and the board of trustees of the Aid by Trade Foundation.

Ms Hoven, the sheer number of crises in the world is posing an immense challenge, particularly for economically weaker countries in the Global South, creating new hotspots and threatening to spark a vicious cycle. In light of these difficult political circumstances, is there a future-proof approach to international co-operation that can offer disadvantaged countries, for example those south of the Sahara, new opportunities for development?

In these times, international co-operation is especially important because it offers stability and can prevent conflicts. We face multiple crises building on each other: climate change, wars, conflicts, and the effects of the coronavirus pandemic. These overlapping crises are weakening democracy and participation.

Their impact is setting back development of the Global South in many ways, for example in education and health. This situation also creates challenges for us at GIZ. We are supporting people in the Global South as they undertake necessary, far-reaching processes of transformation, which encompass a broad spectrum of areas including energy, agriculture, transportation, nutrition, and resource management. Our absolute priority is to ensure that the shift towards a resource-efficient economy and society is made in a fair way: a just transition. Achieving this requires involving the private sector and taking advantage of the opportunities offered by the digital revolution.

GIZ's work is also changing. In 2015, all member countries of the United Nations signed the 2030 Agenda for Sustainable Development. What do its 17 sustainability goals mean for GIZ's work?

The agenda guides our work. It is an important yardstick for international co-operation. The more Sustainable Development Goals (SDGs) we achieve, the more we can reduce the risks of crises and fragility throughout the world. Agenda 2030 is an agenda for achieving peace and security; however, we still have a long way to go. According to the United Nations, only around 15 percent of the 140 targets for which data is available are on track. To achieve the SDGs, all parts of society need to work together. Industrialised countries

have a clear responsibility to promote development worldwide and to build long-term resilience in all countries and societies. As we look into the future, it is already clear that, rather than isolating each goal from the others, we need to reinforce the connections between them.

What role do civil society stakeholders and foundations like the Aid by Trade Foundation play in implementing the Sustainable Development Goals and in GIZ's work?

Foundations are a mainstay of civil society. As key drivers of social change, they are pivotal to the success of the SDGs. I am thrilled to see foundations playing a growing role in making progress towards the SDGs. For us at GIZ, they are natural partners due to significant overlaps in the issues we address and the objectives we pursue. GIZ's partnerships with foundations allow us jointly to build on existing projects, expand our scope, and reach more people. GIZ's presence in project countries and regions also complements the foundations' strengths and expertise.

Is development policy's decades-old focus on development through trade losing ground due to the changes currently taking place?

No, global trade is and will remain relevant. It can make an important contribution to economic development and poverty reduction if structured sustain-

ably and fairly. This means that the population reaps benefits, the environment is not harmed, and people are able to work under fair conditions, which include receiving a living wage. Value creation within and between countries in the Global South should also be strengthened, with transparent and fair supply chains playing a key role. This is why we as GIZ engage in this area, and we are joined in our efforts by partners throughout the world, including

the Aid by Trade Foundation. In addition, digitalisation is opening up new possibilities for international trade, for example through digital services.



INGRID-GABRIELA HOVEN

Member of the management board of GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit)



COTTON MADE IN AFRICA 2023 IN FIGURES

IN THE FIELD

20

COTTON
COMPANIES



30 %

OF AFRICAN COTTON
PRODUCTION IS
CMIA VERIFIED

11

GROWING COUNTRIES



1,700,000

OVERALL ACREAGE
(IN HA)



900,000

CMIA COTTON FARMERS



1.94

AVERAGE HECTARES PER
FARMER



8

TEXTILE PRODUCTION
MARKETS IN AFRICA



2,700

SUPPLY CHAIN
PARTNERS



508,000

TOTAL CMIA COTTON HARVEST
(GINNED, IN T)



699

AVERAGE YIELD
(RAW COTTON)
OF SMALLHOLDERS
(KG/HA)

61

CMIA RETAIL
PARTNERS AND
BRANDS



27

COTTON
TRADERS



54

TEXTILE PRODUCTION
MARKETS WORLDWIDE



ALONG THE TEXTILE VALUE CHAIN



*Some figures are rounded

CMIA IN THE FIELD

Enabling people to help themselves by leveraging market forces—this is the principle at the heart of Cotton made in Africa (CmiA). The Aid by Trade Foundation (AbTF) supports sustainable cotton cultivation in Africa South of the Sahara in order to improve the living and working conditions of small-scale farmers and promote environmentally friendly cotton production. These goals are implemented by CmiA in collaboration with its wide-ranging network of partners, both in cotton-growing countries and throughout the textile value chain, as well as with governmental and non-governmental organisations. In the past year, CmiA continued to make an impact through its hard work, training, and innovations. Some 900,000 small-scale farming families cultivated an area of 1.7 million hectares of cotton in accordance with the CmiA and CmiA Organic standards' criteria. Altogether, they produced 508,000 tonnes of CmiA and CmiA Organic lint cotton, which were then used to make textiles.



» In recent years, small-scale farmers have been facing a growing array of challenges. The effects of climate change are becoming more intrusive: soil fertility is declining, biodiversity is endangered, and extreme weather events—such as longer droughts during the rainy season, rain during the dry season, and periods of torrential rainfall—are becoming more frequent. Cotton made in Africa is focussed on addressing these difficult circumstances in the field and is working on viable solutions to improve the resilience of cotton farming in Africa, thereby protecting the livelihoods of small-scale farmers. During the past year, CmiA successfully continued to develop its training measures and materials, tested innovative technologies, supported community projects, maintained its partnerships, reinforced knowledge transfer, and encouraged cotton companies to learn from each other and from other stakeholders.



TRANSPARENT AND RELIABLE:

Regular On-Site Verifications

Making improvements requires time and knowledge. This is also true for both the cotton companies and the small-scale cotton farmers associated with them south of the Sahara. The CmiA standard defines two types of indicators to address this: core indicators and improvement indicators.

Core indicators must be fulfilled by cotton companies from the very beginning. They include, for instance, that ILO core labour standards are met and that no pesticides prohibited under international agreements are used. By contrast, improvement indicators can be met gradually. CmiA supports the implementation of these requirements by delivering training and projects. This enables cotton companies to continually improve their knowledge and make cotton cultivation progressively more sustainable. When it comes to core indicators, a systemic failure to comply means that the offending cotton company can no longer participate in CmiA.



WWF: PRAISE FOR THE CmiA STANDARD

The comprehensive coverage provided by CmiA criteria is attested to in a recent study by the World Wide Fund for Nature (WWF), which compared and evaluated the sustainability criteria of six leading international cotton standards. CmiA received an excellent score. The study assessed the standards for their coverage of issues related to water, soil, agrochemicals, biodiversity, gender equality, forced and child labour, workers' rights, working conditions, and monitoring and evaluation. According to WWF, CmiA has the broadest overall coverage of the criteria that were considered, is the only one to address all the assessed social criteria to some degree, and also exceeds all other standards' criteria for water. CmiA's criteria for monitoring and evaluation and for biodiversity were reported to provide good coverage as well.



Verifications: Ensuring Credibility

Verification missions ensure that CmiA is a credible standard that retailers, brands, and consumers can trust. External verifiers regularly assess whether the standard's criteria are being fulfilled and whether the cotton companies and associated farmers and ginneries continue to make social, environmental, and economic progress. AbTF has commissioned two independent companies to conduct the verifications: EcoCert and AfriCert. In addition to giving AbTF greater oversight, this process also provides cotton companies with valuable feedback they can use to further advance sustainable development. Last but not least, AbTF can use the results of the verifications to analyse where challenges remain and work with partners to address these obstacles in a targeted manner.

In 2023, 22 African auditors working with EcoCert and AfriCert conducted a total of 23 verification missions at the cotton-farm level and ten missions at ginnery level in order to verify compliance with

the CmiA and CmiA Organic standards. A company from Uganda became a new CmiA Organic partner following its successful verification, raising the number of cotton companies verified under CmiA or CmiA Organic from 19 in 2022 to 20 in 2023. Other cotton companies in Benin, Tanzania, and Zambia also made big strides and are shortly expected to become verified CmiA partners, with some having already completed the first verification cycle at the field or ginnery level. One partnership with a cotton company from Nigeria, however, expired at the end of 2023.

CmiA verifications are themselves verified, at random, through a process called witness verifications, in which the CmiA verification manager supervises a verification process in order to get an impression of its quality. In the past year, the CmiA verification manager witnessed a CmiA verification of ginneries in northern Côte d'Ivoire; she visited four ginneries together with two verifiers from EcoCert.

INTERVIEW

“The long-term economic and environmental benefits of organic farming outweigh those of conventional farming”



JOHN TEMBO
Head of Operations at
Alliance Ginneries Ltd.
Zambia

Working closely with AbTF, Alliance Ginneries Limited Zambia has been successfully verified as an organic cotton producer for the 2022/2023 season. AbTF supported the transition to organic production through a project focussed on financial and human resource support, enabling Alliance Zambia to build the capacity of its field officers and effectively support its farmers in adopting organic cotton cultivation practices.

Why did you decide to make the transition to organic cotton production in Zambia in 2020?

Most cotton farmers in Zambia are already practising organic production because they rely on more natural farming practices. At Alliance Ginneries Limited, we decided to go one step further by investing in organic cotton farming to introduce agricultural practices that minimise the factors contributing to the acceleration of climate change. Furthermore, we are convinced that the long-term economic and environmental benefits of organic farming outweigh those of conventional farming.

What were the major highlights of this process, and what major challenges did you face?

The initial stages of the project presented a number of challenges. To start with, the project's

initial location was not conducive to cotton production, causing us to consider moving implementation to the province of Lusaka for the 2021/2022 season. However, due to our lack of familiarity with the production system and the demanding verification process, we failed to be verified during that season. We nevertheless continued pursuing organic cotton production in the 2022/2023 season. With support from AbTF, we managed to train our field staff, lead farmers, and all contracted farmers in the recommended best practices for organic cotton production.

This support went so far as to provide farmers with the necessary tools and materials to successfully produce organic seed cotton in compliance with organic certification standards. Included was also the provision of seeds for trap crops and empty drums for processing manure as well as printing training materials to enable local staff to provide effective training for farmers.

Funding provided by AbTF also made it possible to conduct farmer field days as a way of disseminating knowledge about organic cotton production. How did this contribute to the success of the project?

Farmer field days played a key role in disseminating vital information to the farmers in and

around the communities where the project is being implemented. To some extent, even farmers who were not part of the project recognised the benefits of the organic production system and were able to try out this approach on their farms. Farmer-to-farmer interactions were enhanced as well since organic cotton producers were given an opportunity to explain the various practices of organic cotton production to other farmers. By attracting a wider audience, including government extension workers as well as civil and local leaders, farmer field days also play a crucial role in promoting this initiative on a broader scale.

In your opinion, how do cotton farmers in Zambia benefit from growing organic cotton?

Most cotton farmers in Zambia are smallholder farmers with limited resources, meaning they cannot easily afford to purchase synthetic inputs in order to improve their yields. Organic cotton production, on the other hand, has the potential to improve farmers' yields at a lower cost while providing additional benefits such as maintaining and improving soil fertility and structure for sustainable land use, minimising the impact of climate change on crop productivity, and reducing the production of greenhouse gases.



Closely Connected: CmiA Fosters Dialogue in the Cotton Industry

Talking, networking, and learning together: The CmiA initiative's work thrives on its close connections and communication with verified cotton companies and other stakeholders in Africa. CmiA adapts to local conditions and brings different organisations, people, and perspectives together to make sustainable improvements to small-scale farmers' living conditions.

» In 2023, CmiA's collaboration with cotton companies hit new heights as farming was increasingly looked at holistically, in contrast to the previously narrow focus on cotton cultivation, which generally only constitutes one part of farming operations. This shift is reflected in new forms of communication and in the issues being addressed together. Activities focussed on promoting knowledge transfer, gathering external expertise, and expanding existing networks. These communication efforts, initiated by CmiA, proved their worth in a number of ways in 2023.

REGIONAL WORKSHOPS: SHAPING DEVELOPMENT TOGETHER

In its regional workshops for cotton companies, CmiA combines theory and practice so that participants hear explanations on the standards' requirements and the verification process in addition to learning about best-practice examples that expand their horizons and offer inspiration for their own work.

In March, CmiA invited its francophone partners to a three-day regional workshop in Lomé, Togo. Attendees included representatives from all the verified cotton companies in Benin, Burkina Faso, Côte d'Ivoire, Cameroon, Chad, and Togo as well as a representative from the Ivorian association APROCOT-CI and a representative of the Beninese association AIC. They discussed the updated standards' requirements and the verification process, and they became familiar with new training materials and best-practice examples for agricultural methods and community projects. In addition, the 30-strong group also went on an excursion to learn more about solar-powered water treatment facilities and drinking water distribution centres near Aneho and at the beach in Lomé.

AbTF staff members and a CmiA consultant met with representatives of all the cotton companies

from Mozambique, Tanzania, Uganda, and Zambia for a workshop in Lira, Uganda, in November. This three-and-a-half-day regional CmiA workshop also focussed on the standards' requirements, new training materials, and reports on partner organisations' project activities. As a group, the participants also visited both a ginnery and some farmers growing organic cotton for a Ugandan partner. In Kampala, participants familiarised themselves with various approaches to resource and biodiversity conservation; these included energy-efficient ways of cooking in private households and at community facilities as well as the use of biogas equipment to power stoves and ovens.



SECTOR SUMMIT:

Discussing Progress in the Cotton Industry

In March 2023, AbTF participated in a two-day workshop organised by the Cotton Board of Zambia (CBZ). The workshop's aim was to discuss, with key stakeholders, the Zambian government's plans to reform the cotton sector in light of falling productivity.

In September, a workshop organised by AIC (Association Interprofessionnelle du Coton) and AbTF took place in Benin, aiming to improve collaboration between CmiA and various stakeholders from the country's cotton industry. The event specifically targeted agricultural consultants and the member organisations of AIC, who represent cotton farmers and cotton companies in Benin. The two-day workshop offered all 60 participants detailed information on the CmiA standard and the verification process. Discussions were also held about strengths, opportunities, weaknesses, and challenges related to implementing the standard in Benin.

“Competition at the level of production is counterproductive”

Promoting joint learning and the exchange of knowledge among partners is an integral part of Cotton made in Africa’s work. For this reason, the initiative regularly organises cross-partner and -country workshops and meetings with the employees of cotton companies in Africa. The meetings’ central aim is to work together on the most effective, practical, and feasible solutions to current challenges in sustainable cotton cultivation. Dr Ben Sekamatte (abbreviated as BS below), an agricultural expert and advisor to Cotton made in Africa from Uganda, and Younoussa Imorou Ali (abbreviated as YIA below), a CmiA representative and advisor for West and Central Africa, have been involved in these events since the beginning. They know how joint learning works in practice and what makes it so successful.

Mr Imorou Ali, the regional workshops are now an integral part of Cotton made in Africa’s implementation work in Africa. Can you briefly tell us what they are about?

YIA: The regional workshops bring together CmiA-verified partner companies as well as other organisations and institutions co-operating with CmiA so that they can share their expertise with each other. The workshops address technical topics that are selected in consultation

with the partners. Their aim is to find solutions to the most pressing challenges, which currently include e.g. training to improve sustainable production, soil fertility in all its forms, integrated pest management, organic pest control, methods of adapting to climate change, the CmiA Community Cooperation Programme (CCCP), and updates on the CmiA standards system and verification process.

What do you and the partners find most special about these regular meetings?

YIA: In addition to providing an opportunity for partners from the wider CmiA family to get to know each other better, these regular meetings are a tool for joint learning, sharing knowledge and experiences to improve performance in implementing CmiA’s objectives, guaranteeing repeatability, and creating future opportunities. Regional workshops are now an integral part of our implementation strategy and process.

Dr Sekamatte, have you also noticed an increased interest in intercompany co-operation in southern and eastern Africa?

BS: Absolutely, especially since COVID. Cotton companies are showing more acceptance of intercompany training and co-operating actually got new drive and power. A big improve-

ment was achieved through a joint training-of-trainers session (ToTs) held in Zambia by two cotton companies. This attracted the interest of a lot of other companies, which are now splitting the cost of a combined training-of-trainers programme in Zambia. It was a long journey, but we made it. Companies that used to compete are now co-operating, and we see staff of different partners sharing knowledge via platforms like WhatsApp or even through exchange visits. This tremendously expands the quality of their collaboration.

And how did CmiA influence this shift in thinking?

BS: The approach and work of CmiA convinced the cotton companies that competition at the level of production is counterproductive. They are all searching for new solutions to similar challenges, so exchanges can help them to learn from each other. That’s why even direct competitors have begun to work together. Additionally, CmiA’s training packages created demand for completely different extension styles. It is this demand and genuine search for solutions that found CmiA engaging with African People and Wildlife in Tanzania (APW), for example. To the partners’ amusement, they now attend workshops where facilitators are neither cotton agronomists nor marketing agents for chemical companies.

YOUNOUSSA IMOROU ALI
CmiA Representative
and Advisor for West
and Central Africa



DR BEN SEKAMATTE
Agricultural Expert and
Advisor to Cotton made
in Africa

Does this mean the cotton companies’ perspectives on farming have changed recently?

BS: For many years, it was the aim of cotton companies to achieve the highest yields possible. However, now that they are facing challenges due to climate change and social change, the cotton companies have begun to see the need to take a broader view of the cotton industry. This has led to other topics—like soil fertility management, integrated pest and production management, and water management strategies—becoming essential. Additionally, there is rising interest in social issues related to farm life, such as engaging with farmers’ or women’s clubs. That’s exactly what CmiA workshops are about, because they are based on a holistic approach.

This change in perspective also opened up new avenues of communication, like the Innovations Club. What is special about it?

BS: The establishment of the Innovations Club in 2023 marked a watershed in the collaboration between cotton companies and international experts, scientists, and agricultural advisors. The Innovations Club brings partners from across Africa together to

share knowledge, learn from each other, and discuss various topics in depth. This approach serves to broaden the cotton companies’ view of the industry. Employees of partnering cotton companies started getting exposed to non-cotton management styles and visited non-cotton but related enterprises. For me, innovation in farmer engagement is critical and more relevant than ever.





LEARNING FROM OTHERS:

Collecting Data, Including Local Groups, and Making an Impact

New lessons, broader perspectives, and self-reflection: These are the areas CmiA focusses on when communicating with organisations and people outside of the cotton sector.

A group of CmiA consultants and staff from CmiA partner companies from Tanzania and Zambia trialled a training programme put together by the non-governmental organisation African People & Wildlife (APW). APW works to protect wildlife, support the communities that coexist with wild animals, and conserve the environment shared by people and animals.

As part of the ACTIVE™ programme, the CmiA group travelled through northern Tanzania for one week, experiencing in theory and practice how APW includes local communities in nature-protection activities and pursues solutions to human-wildlife conflicts. For instance, the group participated in

a committee meeting discussing human-elephant conflicts in Oldeani and toured a honey-processing centre operated by apiarist women's groups. They learnt how the committees help to shape monitoring activities and how community committees can use up-to-date data to make independent decisions on which actions to take. APW's approach to combining traditional knowledge with cloud-based IT solutions also offered participants key insights that they could apply to their own work.

The CmiA group also trialled an APW training programme in which participants learnt how the comprehensive inclusion of local groups can create opportunities for sustainable cotton cultivation and how important the restoration of grassland ecosystems is for conflict-free coexistence with wild animals in Tanzania.

INTERVIEW



ALAIS OLE-MORINDAT
Director of APW's ACTIVE™
Programme

“Our role is to unveil approaches and tools for creating and sustaining hope and action”

African People & Wildlife (APW) partners with local people to protect vulnerable wildlife and critical habitats while uplifting rural livelihoods. In September 2023, representatives and partners of the Aid by Trade Foundation participated in an ACTIVE™ community engagement training programme by APW in Tanzania. In this interview, Alais Ole-Morindat, the director of APW's ACTIVE programme, explains why projects can only succeed if local people are involved and how data collection can help.

Mr Ole-Morindat, based on your experience, why is it critical to work with communities active in agriculture in Africa, and how is African People and Wildlife (APW) successfully transforming ways of working with others?

For any agribusiness programme, it is essential to truly respect communities' knowledge and experiences as well as their culture, values, and traditions. The APW ACTIVE Community Engagement approach was developed as a cornerstone of nature conservation and development in APW's field programmes. The Active Community Engagement ap-

proach offers practical methods, tools, and strategies for organisations to create and sustain meaningful and mutually beneficial relationships with local people. It enhances field practitioners' potential for developing frameworks and a range of programmes and interventions supporting community livelihoods. This is pursued with the goals of improving the management of natural resources, conserving wildlands and biodiversity, sustaining ecosystems' dynamics and resilience, and enhancing people's quality of life.

Monitoring, evaluation, learning, and adaptation are an important part of APW's work. Could you please explain why? How do you combine traditional knowledge with modern technology?

APW uses the Esri data collection system (EDC) to empower communities through data. The EDC is designed specifically to capture data derived directly from community sources and to make it available for integration in downstream analytical processes. This approach is powerful as it helps APW and partners to determine whether a project has achieved its intended objectives

through analysis of evidence. It also plays a role in collecting lessons on human-wildlife conflicts, rangelands work, and climate adaptation investments and in assessing the project's efficacy, best practices, and resilience building as well as, crucially, its value for money.

When a group of CmiA partners came to Tanzania to learn about ACTIVE Community Engagement, what commonalities did you see in the work of CmiA and APW, and what was your main takeaway?

APW and CmiA both respect and embrace the whole-society model of development, which sees people as drivers of any meaningful development process that concerns their lives. Both organisations also recognise that our main role is to catalyse change by facilitating conservation and development. Our role is to unveil approaches and tools for creating and sustaining hope and action no matter what the obstacles may be. Finally, APW and CmiA believe that community engagement is means and end, as it meets one of the principal needs of human beings.

Strengthening Innovation and Co-operation for Sustainable Development

The more people work towards the same goal, the more effective their efforts are. CmiA therefore works in a variety of configurations to develop targeted solutions for a sustainable future in cotton-growing countries. With their commitment and expertise, our co-operation partners keep joint projects moving forward.



INNOVATIONS CLUB: A NEW PLATFORM FOR INNOVATIONS BY ABTF AND ACF

The Aid by Trade Foundation has been partnering with the African Cotton Foundation (ACF) since March 2021. ACF is a non-profit organisation that shares CmiA's goals of improving the living conditions of African cotton farmers and of developing and expanding measures for environmental protection. In 2023, the two initiatives worked together to launch a new platform: the Innovations Club. Through this forum, AbTF and ACF aim to meet the



many challenges facing the African continent, from the effects of climate change to the loss of soil fertility to increasing water scarcity. For the small-scale farming families facing these issues, it is essential that soils be regenerated, and healthy ecosystems be restored. This is the only way they will be able to continue bringing in sufficient harvests and securing their livelihoods, whether by growing cotton or other agricultural raw materials. Ecosystem regeneration requires innovative and effective practices. To develop such practices, CmiA and ACF are bringing regional and international experts, researchers, agronomists, specialist consultants, and cotton companies together through the Innovations Club.

A three-day workshop in May kicked things off. More than 40 agricultural extensionists from CmiA-verified cotton companies and ACF members from Benin, Burkina Faso, Cameroon, Chad, Côte d'Ivoire, Mozambique, Nigeria, Tanzania, Togo, and Zambia came together for intensive discussions in Abidjan, Côte d'Ivoire. For three days, they worked together to address relevant issues including regenerative agriculture, composting methods, biochar production, organic plant protection, overseeing integrated agriculture, and much more. This forum also wrestled with the question of how to best include communities in sustainable development and which new technologies could pave the way to a more sustainable future. External experts offered the cotton companies valuable guidance on appropriate methods and measures. Now, the goal is for cotton companies to try the practices out and to adapt them to their local circumstances.

AbTF and ACF have successfully continued their collaboration in other areas as well, especially by cofinancing ecosystem-strengthening measures that aim to improve soil health, implement crop rotation, or practise integrated plant protection. By the end of 2023, seven new projects had started under ACF's umbrella, three of which are building on previous projects.



CMIA ORGANIC IN BENIN:

A Project Promoting the Conversion to Organic Cotton

Since November 2021, a project called "Growing Benin's organic cotton sector" has been supporting small-scale farmers in Benin to make the transition to organic cotton cultivation. Its aim is to improve the living conditions of small-scale farmers. Around 45,500 adults and children in agricultural households are expected to benefit indirectly from the project. By expanding market access through CmiA, the project plans to secure long-term investments in the organic cotton sector in Benin.

The project is being co-ordinated by PAN UK (Pesticide Action Network, United Kingdom) and implemented under the leadership of the non-governmental organisation OBEPAB (Organisation Béninoise pour la Promotion de l'Agriculture Biologique), with both financial and practical support from AbTF and the cotton trading company Paul Reinhart AG.

In January 2023, representatives of AbTF and PAN UK visited OBEPAB in Benin. The project group met with cotton farmers in the vicinity of Abomey who are now growing cotton in accordance with the CmiA Organic standard. The project "Growing Benin's organic cotton sector" is supported by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) as part of its Sub-Saharan Cotton Initiative, with funding from the German Federal Ministry for Economic Cooperation and Development (BMZ).



CAR-ISMA:

Promoting Soil Health and Climate Resilience

» Dry and infertile soil is presenting increasing challenges for many small-scale farming operations due to climate change. To support them in maintaining or restoring soil health and in making cotton cultivation more climate resilient, AbTF launched a three-year co-operation project: CAR-iSMa. Through sustainable production methods for soil management, it aims to improve the livelihoods of around 100,000 small-scale farming families, mitigate the impact of climate change on them, and build up their resilience.

CAR-iSMa is short for “Climate Adaption and Resilience: A Pan-African Learning and Knowledge Exchange Project on Improved Soil Management”. The local project partners are three cotton companies in Côte d'Ivoire, Mozambique, and Zambia as well as a Swiss cotton trading company.

The project partners are developing training programmes for soil management and training materials for agricultural consultants. During field visits, practices introduced to improve soil health are evaluated

and adapted as needed. In Zambia, for example, this approach resulted in the successful introduction of methods to produce and apply compost; in Mozambique, various plants were tested as cover crops; and in Côte d'Ivoire, partners tested the application of compost and biochar in various combinations in order to improve soil health and achieve the best possible harvest yields.

To support small-scale farmers, training materials on compost, biochar, and simple field tests to assess soil health were developed and used in training offered to farmers. An exchange visit also took place, enabling a delegation from Mozambique to gain familiarity with project activities and with cotton cultivation in Côte d'Ivoire.

CAR-iSMa is supported by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) as part of its Sub-Saharan Cotton Initiative, with funding from the German Federal Ministry for Economic Cooperation and Development (BMZ).

**A WATER STEWARDSHIP PROJECT:**

Working Together to Improve Water Management in the Textile Industry

Water plays a key role in the textile value chain. Large quantities of water are used and much waste water is produced at each individual stage, from raw material production to yarn making to dyeing. To reduce water usage and water contamination in the textile and garment industry, AbTF took part in a water stewardship project from 2020 to 2023, which was funded by the Swiss Agency for Development and Cooperation.

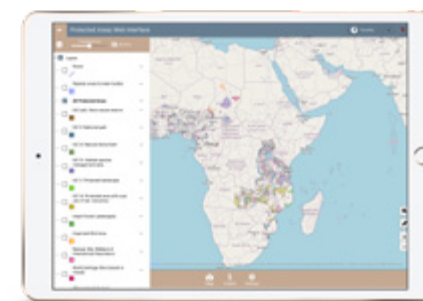
The consortium partners—Alliance for Water Stewardship (AWS), Water Witness International, Carbon Disclosure Project (CDP), the Ethiopian office of Solidaridad, and AbTF—worked together to implement sustainable water management in the textile value chain. In pursuit of this goal, the project partners integrated the relevant stakeholder groups within a responsible approach to using water resources. For instance, AbTF worked with Solidaridad Ethiopia and the Ministry of Agriculture of Ethiopia to create training materials for small-scale farmers on improving

water management in cotton cultivation. Solidaridad Ethiopia used these materials to train 300 Ethiopian cotton farmers in water management practices.

In addition, the partners made the training materials available to the agricultural ministry in order to support government consultants advising Ethiopian cotton producers. At the meeting of the AWS working group for textiles and apparel in June 2023, AbTF also shared its insights and experiences on how the responsible use of water in cotton production can look. In future, these training materials will also be used in other CmiA cultivation regions.



PROTECTED AREAS WEB INTERFACE (PAWI): IDENTIFYING AND CONSERVING PROTECTED AREAS



The CmiA standard prohibits cotton farming in protected areas. Thanks to the introduction of the web application PAWI, monitoring compliance with this prohibition is becoming easier, safer, and more straightforward. PAWI is an interactive map of CmiA partner countries that uses satellite data to show where official protected areas are and how each area is classified. This enables cotton companies and verifiers to use PAWI as a digital aid to ensure that no cotton is being cultivated in protected areas.



TECHNOLOGY LEADING THE WAY: SATELLITE-SUPPORTED REMOTE SENSING

CmiA takes a new path: In light of the growing challenges in cotton production, CmiA is turning to innovative and practical technologies that can help to make cotton cultivation more viable for the future. One such technology is satellite-supported remote sensing.

» Remote sensing has grown in importance for agriculture throughout the world in recent years. It presents a way to collect soil and plant data, which can be used to increase efficiency, productivity, and sustainability. In terms of cotton cultivation, this means that remote sensing can be used to monitor the phenological status of cotton fields. If anomalies occur, measures to secure harvest yields can be taken at an early stage. This means that remote sensing can potentially offer significant benefits for sustainable cotton cultivation. In 2023, CmiA started its first remote sensing project in Tanzania. This project uses satellite data to map and monitor cotton fields. The first step is to record the most precise GPS data possible. To achieve this, a team from Geocledian has trained employees of local cotton companies in collecting and evaluating GPS data.

The information gained from the data can be used to identify cotton fields, distinguish them from other crops, track the growth of the cotton plants, and take action to protect harvest yields if anomalies are detected. Distinguishing cotton from other crops through satellite data can also be very useful for verification purposes, for example by showing how well certain CmiA sustainability criteria, such as crop rotation, are being implemented. Its many possible applications mean that remote sensing could offer pointers for the future direction of CmiA's activities.

“Remote sensing enables farmers to make better-informed decisions”



DR FLORIAN SCHLENZ
Chief Operations Officer
at Geocledian GmbH

To counter the upheavals in cotton production in Africa, CmiA is breaking new ground with forward-looking solutions. Together with Geocledian GmbH, CmiA is testing the remote sensing method in Tanzania. In this interview, Dr Florian Schlenz, the COO of Geocledian GmbH, explains what this technology is all about, the opportunities it opens up for small-scale farmers, and the challenges associated with its implementation.

Which new opportunities does remote sensing open up for small-scale cotton cultivation?

Agricultural remote sensing has been utilised since the 1970s, so it's not new. Nonetheless, significant improvements have occurred in recent years regarding the availability, quality, and affordability of data and sensors, both for satellites and drones.

This enables the development of novel agricultural remote sensing applications that benefit not only industrial agriculture but also small-scale cotton cultivation. This wealth of information can be utilised to monitor cotton production, plan harvests, or simply enable farmers to make better-informed decisions. On a more regional level, this information can be used to assess and support the implementation of

cotton standards. This includes conducting risk assessments related to activities such as deforestation or agricultural practices near protected areas.

What are the current challenges and limitations of this approach?

Remote sensing applications can deliver the best results and generate the largest benefit when combined with high-quality field data based on the parameters that are expected to be delivered. For example, the high-accuracy production monitoring of every single cotton field is only possible if high-accuracy field boundaries are available. I would say that the limitations we currently have in predicting something like cotton development on individual fields are due to the challenges in gathering this high-quality information on the ground.

What were the most important findings of the remote sensing project you conducted with Cotton made in Africa?

We had the chance to visit Alliance Ginneries in Tanzania, where we learnt a lot about smallholder cotton cultivation, the process of cotton production in general, and how extension agents work together with farmers. We were happy to contribute our knowledge on field data mapping and

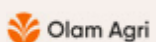
spatial data processing by offering training in geographic information systems (GIS). It was great to see how these skills were applied immediately by Alliance staff to map a lot of their cotton fields in order to support us develop a remote sensing model. I think understanding all of these processes and seeing how challenges can be overcome together, through collaboration, was our most important lesson so far. The project has been very rewarding.

Which initial successes has the project achieved?

We are very happy that we were able to demonstrate that the field-based production monitoring of small-scale cotton cultivation is possible. This can help ginneries make better-informed decisions as it increases the transparency of cotton production. We also succeeded in mapping all cotton fields in one region in Tanzania with the help of Alliance Ginneries based on example field data from them. On top of that, we were able to demonstrate how a risk assessment regarding deforestation or encroachment on protected areas can be done. I think we can demonstrate how this technology can help CmiA implement its sustainable cotton standard by simultaneously increasing transparency and consumer trust in the seal.

Competing While Collaborating

The unifying power of sport became evident to the teams playing in the second Ligue Sport Coton, a football tournament held in Côte d'Ivoire by APROCOT-CI (the association of Ivorian cotton companies) and sponsored by AbTF. Teams from the six Ivorian cotton companies competed in the tournament, scoring goals and having fun. Also in attendance was the CmiA consultant for West and Central Africa, who addressed the over 600 spectators and participants.



Engaging With Local Communities Beyond Sustainable Cotton Cultivation: The CmiA Community Cooperation Programme

The people living in cotton-growing countries in Africa are the focus of CmiA's work. To improve their living conditions and protect nature, CmiA goes beyond cotton cultivation to foster sustainable development through the CmiA Community Cooperation Programme (CCCP).

» Through the CCCP, CmiA works with partner companies and organisations to support projects proposed by verified cotton companies in the spheres of education, health, and women's empowerment and then implement them in regions growing CmiA cotton. As they are developed by the cotton companies in collaboration with cotton growing rural communities, the projects are precisely tailored to meet local needs.



HEALTH: PROVIDING ACCESS TO HYGIENE, SANITATION FACILITIES, AND CLEAN DRINKING WATER

What is the background?
Clean drinking water, sanitation facilities, and hygiene are fundamental prerequisites for life and health. However, all three are often scarce in many parts of Africa. In the region south of the Sahara, around 400 million people lack secure access to safe drinking water, with the nearest water source either being a long distance away or frequently being contaminated. In addition, underdeveloped healthcare systems in most countries mean that waterborne diseases are often fatal, especially for children.

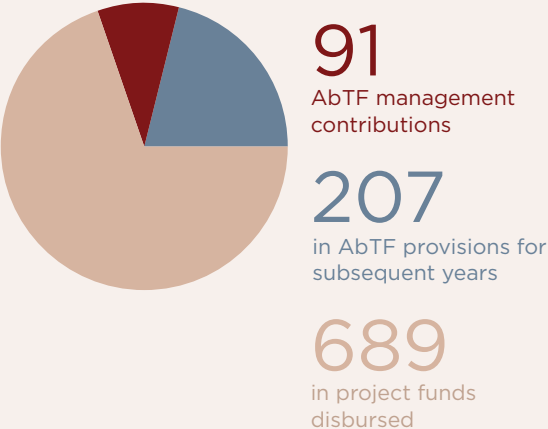
What is CmiA doing?
CmiA is addressing this issue by making it a priority for the CCCP to provide people with clean drinking water. For instance, both in Tanzania and Côte d'Ivoire, several new wells and latrines were built and health training was introduced for village residents in 2023.

IN NUMBERS

These figures represent the results of activities conducted by the CmiA Community Cooperation Programme from its start until the end of the calendar year 2023:

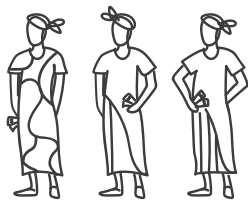
- Health:**
 - 142 wells
 - 478 latrines, including
 - 394 latrines at schools
 - 6 health centres
- Education:**
 - 128 classrooms
 - 54 school gardens
 - 67 school canteens
 - 8 teachers' houses
 - 13 other projects, including a girls' dormitory, a training centre, and school furniture
- Gender equality:**
 - 90 women's clubs
 - 6 other women's projects
- Environment & nature conservation:**
 - 33 buildings equipped with solar energy
 - 3 projects to recycle old pesticide containers

Co-operation projects in 2023, figures in kEUR



What is planned for the future?

AbTF remains committed to this approach. Five additional health projects, started in 2023, will be completed in 2024. In Burkina Faso, Chad, Tanzania, Togo, and Zambia, WASH (water, sanitation, and hygiene) training is being delivered and 26 wells are being drilled. A project in Uganda is distributing 1,000 biosand water filters to provide clean drinking water. In Zambia, a maternity ward is being added to a clinic.



WOMEN'S EMPOWERMENT: STRENGTHENING INDEPENDENCE

What is the background?

Women, forming the hub of hundreds of thousands of small-scale farming operations and households in African countries south of the Sahara, also play a key role in sustainable cotton cultivation. However, they are often held back by social pressures and differentials in resources.

What is CmiA doing?

AbTF has firmly enshrined gender equality within CmiA standards. In addition, it promotes women's empowerment projects through the CCCP, which emphasises financial independence for women. For instance, female small-scale farmers receive seed capital for income-generating activities that can be conducted in tandem with cotton cultivation, such as growing vegetables, raising livestock, or establishing village shops. One example from 2023 is the



programme's support for women's clubs in Zambia to keep poultry and goats. In Benin, 130 women who are small-scale farmers received support with the cultivation and sale of sustainable, organic shea butter. Having been trained in processing and marketing, they are now successfully selling their products in two shops, including one in Benin's largest city, Cotonou. Through these sales, the women generate additional income, which they can use to fund their children's schooling, for example.

What is planned for the future?

In Zambia and Côte d'Ivoire, several women's clubs are being supported in generating additional income by acquiring grain mills, raising livestock, or growing vegetables. Additional business training for women rounds off the programme in Côte d'Ivoire.

EDUCATION: EXPANDING INFRASTRUCTURE

What is the background?

Education is the key to better living conditions. However, many children and young people in African countries south of the Sahara cannot attend or complete school. Nearly a fifth of school-age African children do not go to school at all, and only two in three children who attend primary school complete it. As a result, the literacy rate in Africa

South of the Sahara is still the lowest in the world, at 65.9 percent, which also has a negative impact on socio-economic development. This low level of education can be traced back to a variety of factors. In terms of infrastructure, rural areas have particularly inadequate school facilities, staffing levels, and instructional materials, partly due to limited government budgets for education. Other factors include the difficulty for many families to afford school fees, the often lengthy and perilous nature of journeys to school, and expectations that girls contribute to household work.

What is CmiA doing?

To make it possible for more children and young people to attend school and thereby increase their chances of improving their living conditions, CmiA supports projects for expanding school infrastructure. In 2023, one secondary school in Tanzania was equipped with four new classrooms and another with two laboratories. In Zambia, the programme supported the construction of classrooms and sanitation facilities at a school in addition to renovating a school building.

In Tanzania, a girls' dormitory was funded for a student hall of residence. Because the journey to school is not only long but also dangerous, especially for young women, up to 80 girls between the ages of twelve and 18 will now have the opportunity to board safely on school grounds and to attend lessons without restriction.

What is planned for the future?

In Tanzania, Mozambique, Burkina Faso, and Benin, five education projects are being implemented, with activities including building and equipping nine classrooms, two school laboratories, latrines, wells, and a girls' dormitory along with a kitchen.

For supporting the projects mentioned here, we would like to thank:

Ana Kwa Ana Foundation, Alliance Gineries Ltd. Tanzania, Alliance Gineries Ltd. Zambia, ArewaCotton, Bestseller, Biosustain, Christl Otto, comma, Compagnie Ivoirienne de Coton, Cotontchad, Compagnie Ivoirienne pour le Développement des Textiles, Continental Ginnery Ltd., Faso Coton, GoodTextiles Stichting, Highlands Cotton Trading, HUGO BOSS, Ivoire Coton, Louis Dreyfus Company Zambia, MMP Agro Industries Limited, Nouvelle Société Cotonnière du Togo, Organisation Béninoise pour la Promotion de l'Agriculture Biologique, SAN-JFS, Société d'Exploitation Cotonnière Olam, Société pour le Développement du Coton, Société Burkinabè des Fibres Textiles, S.OLIVER GROUP, s.Oliver RED Label Women

CMiA IN GLOBAL TEXTILE VALUE CHAINS

The global economy faced another round of significant challenges in 2023, including geopolitical crises, rising energy prices, and high inflation. The resulting reduction in consumer spending caused global trade to falter, which also affected some of our CmiA partners. However, despite the difficult circumstances, demand for CmiA-verified cotton remained stable in comparison with the previous year. While some companies had lower demand for CmiA cotton, others increased their purchasing and sales volumes. The stability of overall demand for CmiA cotton is partly due to new licensing agreements with companies such as AVON and IKEA. Due to this influx of international clients, demand continues to trend upwards in 2024, with companies increasingly drawn to CmiA Organic and to the Hard Identity Preserved (HIP) system, which offers full product traceability.



CmiA Organic: More Than Just Organic

Demand from companies for CmiA Organic is growing. One such company is the Danish retailer Bestseller, purchasing increasing quantities of CmiA Organic cotton every year since 2021. In 2023, the company processed 500 tonnes of CmiA Organic cotton, selling their final textile products on the international market marked under that label. In the coming year, Bestseller plans to purchase even larger quantities, and other clients are also interested in using CmiA Organic cotton in their textile products.

The CmiA initiative introduced its CmiA Organic standard in 2014. This standard combines the CmiA standard with an independent organic certification—all organic certificates recognised in the IFOAM family of standards are accepted for CmiA Organic. As a result, it combines both general and cotton-specific ecological criteria as well as the social conditions under which cotton is cultivated and then processed in cotton companies' ginneries. In this regard, it goes beyond the requirements for ordinary organic certifications since these do not, as a rule, take social or labour-law considerations into account. It also supplements the regular CmiA criteria, by categorically prohibiting the use of agricultural chemicals like synthetic chemical pesticides and artificial fertilisers. The verification process consists of two steps: First, the Managing Entity must receive certification in at least one of the organic standards listed in the IFOAM family of standards; then, checks are undertaken for conformity with the CmiA and CmiA Organic standards, including a field-level verification and a verification of the relevant ginneries.

220,000
tonnes of CmiA cotton
in 2023.

54 countries throughout
the world are now listed as
production markets for CmiA
textiles.

74,000 orders
were processed through
SCOT, the CmiA online tracking
system.



2,700 companies
from the global textile value
chain made use of SCOT in the
course of one year.

Creating Transparency and Reducing Risks

With international regulatory requirements rising, more companies are becoming interested in the Aid by Trade Foundation's cotton standards since they meet the requirements of the German law on due diligence in the supply chain (Lieferkettensorgfaltspflichtengesetz; LkSG). This law, LkSG, holds companies responsible for identifying, reducing, and ideally eliminating risks related to human rights and specific environmental concerns or to prevent such risks from arising entirely. Because AbTF's cotton standards include social criteria in addition to environmental ones, the use of verified cotton can help to fulfil LkSG requirements, protecting the environment and preventing human-rights abuses in the global supply chain.



1,587
ready-made garment
suppliers in 54 countries

50
vertically integrated
producers in 11 countries

687
fabric producers in 30 countries

50
yarn traders in 14 countries

58
fabric traders in 10 countries

265
spinning mills in 18 countries

27
cotton traders in 13 countries

14
yarn/fabric dye houses in 4 countries

INTERVIEW

“Issues like human rights and climate protection are not negotiable”



LENA PELEIKIS
Corporate Responsibility Lead Human Rights & Responsible Supply Chain at Otto Group

The Otto Group is one of the world's largest online retailers, having grown from its origins as a Hamburg-based mail-order business into a globally active retail and services group. In the '90s, the Otto Group started developing a code of conduct with stringent criteria for social standards and dignified working conditions that its business partners are required to follow, and it has continued to refine and expand on this approach. Lena Peleikis, the lead for human rights and responsible supply chain at the Otto Group, believes that standards like CmiA and GCS are essential, especially as regulatory requirements increase, since they strengthen human rights and environmental protections in the global supply chain.

Ms Peleikis, the Council of the European Union and the European Parliament are about to adopt the Corporate Sustainability Due Diligence Directive (CSDDD).¹ It goes beyond the German law on due diligence in the supply chain, applying to more businesses and imposing civil liability on companies. The CSDDD is expected to be enacted into national law within two years. Is the Otto Group ready?

The CSDDD represents a key step towards harmonising and strengthening human rights and environmental standards in global supply chains. At the Otto Group, we welcome this because we are convinced that adopting sustain-

able business practices is not only an ethical imperative but also makes sound economic sense. Naturally, we are also aware that the CSDDD will impose additional obligations with implications we cannot yet fully comprehend, for example with regard to the crucial issue of liability.

We have already had due diligence measures in place throughout our supply chain for years. When the German due diligence law came into effect, we intensified these efforts by bringing a diverse range of expertise and perspectives together within a new group-wide team. It is a priority for us to include as many qualified colleagues as possible in the team and to incorporate their findings into our core processes.

We hear many companies complaining about calls for transparency coming from politicians, consumers, employees, and banks. How does the Otto Group see this? Is due diligence an opportunity or a risk?

Recent macroeconomic developments have indeed been very challenging for many companies, and the Otto Group's position is somewhat fraught as well. Nonetheless, we believe that this is the right time to implement due diligence because issues like human rights and climate protection are not negotiable and cannot be delayed. We always remind ourselves to see due diligence as a process, not a project; this

takes some of the pressure off in potential moments of excessive demands.

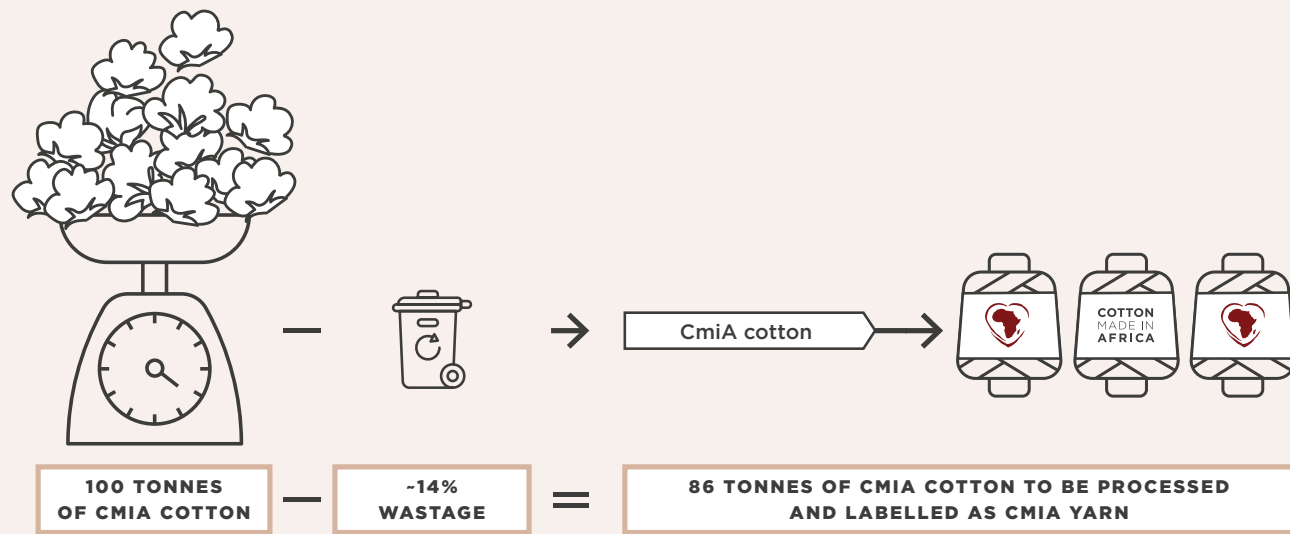
Can standards like CmiA and GCS help with meeting the new requirements, and do you think that other approaches are necessary as well?

For us, the first step and the basis for meeting our corporate duty for due diligence is definitely risk analysis. To address the major risks we face, we need to understand precisely what they are. Sectoral initiatives and standards are crucial for monitoring and strengthening human rights and environmental protections in global supply chains, playing a key role in risk reduction.

How do you communicate this wealth of information internally and externally?

It is indeed challenging not to overwhelm our customers and the interested public with a flood of information. We nonetheless focus on transparency in our communication, not only at the product level but also but also on our website, which features a broad spectrum of relevant information, including all reports published by companies in our group within the scope of the German due diligence supply chain law. For internal and external interested parties, we also publish training videos that address human rights due diligence issues in greater depth.

¹ The CSDDD was adopted in early 2024.



TRACEABILITY FROM RAW MATERIAL TO FINISHED PRODUCT THROUGH HIP

The significance of the Hard Identity Preserved (HIP) system for companies' sustainability strategies is growing profoundly, as textile retailers and brands are intensifying their focus on the seamless traceability of cotton in order to meet the due diligence requirements of supply chain laws. Launched in 2018, the HIP system offers precisely that: full transparency throughout the textile value chain. It makes it possible to trace CmiA cotton back to the growing region.

While the Mass Balance system allows CmiA cotton to be mixed with conventional cotton, the HIP system guarantees that the yarns, fabrics, or textiles produced contain exclusively CmiA-verified cotton. Conversely, CmiA cotton may not be mixed with other cotton at any stage of production. The separate path it takes can be tracked at every individual stage of the value chain, using the HIP version of the Sustainable Cotton Tracker (SCOT). Originally meant for CmiA Mass Balance products, this tracking system has since been adapted both to collect and store additional information on the origin and processing of CmiA cotton being used and to provide retailers with this information. In practice, this means that relevant documents must be uploaded to the SCOT system at every stage of production under the HIP system. This starts with the spinning mill, which must provide documents and photos to prove that only CmiA-verified cotton has been used for yarn production, and it ends with the retailer who placed an order for the production of textiles containing CmiA cotton. In this way, the process offers all CmiA licensing partners comprehensive digital oversight over the path and origin of their goods in the global textile trade—and a new level of transparency.



INTERVIEW

“The HIP system helps us to ensure Gul Ahmed’s compliance with industry standards for ethical and sustainable sourcing”



ZAHEER AHMED SIDDIQUI
Senior Manager Sustainability,
Systems & Compliance
at Gul Ahmed

Gul Ahmed has been working with Cotton made in Africa since 2016. As a vertically integrated textile producer, the company manufactures yarns and textiles using CmiA cotton.

Mr Siddiqui, Gul Ahmed has had some very successful years in terms of production and business results. At the same time sustainability has always been one of the most important guiding principles of your business operations. Are business success and sustainability mutually dependent?

A commitment to sustainability can contribute to long-term success in various ways. It can support brand reputation, risk management, cost savings, market access, and employee engagement. While success and sustainability can complement each other, the relationship may vary depending on industry dynamics, consumer expectations, and regional contexts.

How important is your co-operation with CmiA for achieving your sustainability goals?

Working with CmiA is impor-

tant to us in order to achieve our sustainability goals. By sourcing CmiA cotton, Gul Ahmed demonstrates its commitment to supporting environmentally friendly and socially responsible cotton production. Additionally, CmiA enhances transparency in the supply chain, enabling companies to trace the origin of the cotton they use in order to provide consumers with assurance about the ethical and sustainable sourcing of raw materials. On top of that, our co-operation with CmiA can support us in our aim of attracting environmentally conscious consumers and of positively influencing our reputation. Consumers worldwide, including in Pakistan, are becoming more aware of environmental and social issues.

Since 2022, you have been working in accordance with CmiA's Hard Identity Preserved system, which ensures the traceability of CmiA cotton from the field to the finished product. What advantages do you see for you and your customers?

The Hard Identity Preserved (HIP) system enhances transparency, allowing Gul Ahmed to pro-

vide detailed information about the origin and journey of CmiA cotton. This transparency builds trust with customers who seek responsibly sourced products. The HIP system helps us to ensure Gul Ahmed's compliance with industry standards for ethical and sustainable sourcing, contributing to our overall sustainability goals. Traceability can also contribute to quality assurance by allowing for better monitoring at each stage of production. This can help identify and address issues promptly, ensuring the quality of the final product. Communicating the use of traceability systems and adherence to sustainability standards can differentiate Gul Ahmed's products in the market, appealing to consumers who prioritize ethical and sustainable choices.

How important do you think standards like CmiA will be for textile companies in the future?

Embracing sustainable practices is not just a trend; it is increasingly seen as crucial for long-term business viability. The future significance of standards like CmiA for textile companies

is likely to be driven by a combination of consumer preferences, regulatory developments, supply chain considerations, and the overall shift towards more sustainable and responsible business practices. Textile companies that proactively embrace and integrate these standards into their operations are well positioned to navigate the evolving landscape of the textile industry. Adherence to standards like CmiA is likely to become a competitive advantage. Standards like CmiA thus contribute to a more resilient and future-proof business model.



EXPANDING CONTROLS AND TRAINING AT PRODUCTION MARKETS

In 2023, CmiA signed a co-operation agreement with a service provider for independent inspections in the cotton industry. This company will go to spinning mills to verify, as needed, that CmiA cotton is actually physically present and is being processed in accordance with the CmiA Chain of Custody Guidelines. These checks represent another level of assurance in the implementation of the CmiA HIP system.

The business development team also travelled to the textile production countries Pakistan and Bangladesh to provide the procurement offices of CmiA partner companies and their suppliers with comprehensive training in the HIP system. In both countries, several workshops were conducted and information about implementing CmiA-verified cotton in the textile supply chain was provided.



Growing International Demand

By signing a partnership with the British company Avon in 2023, CmiA was able to gain not only its first partner in the cosmetics industry but also an additional client for the HIP system. Its partnership with CmiA is a major step for Avon in terms of the sustainability of its cotton. IKEA, another heavyweight in the international textile industry, has joined the Aid by Trade Foundation's partner network as well. CmiA-verified cotton meets IKEA's requirements for ensuring that it's coming from responsibly managed cotton fields.



“CmiA remains an important source of cotton with a lower carbon footprint and a reliable value chain for us”

INTERVIEW



JUSTYNA WERYK
Sustainable Development
Manager at LPP

Over a period of more than 30 years, the Polish clothing company LPP has developed into what is reputedly the largest fashion company in Central and Eastern Europe with brands such as Reserved, Mohito, and Sinsay. In 2022, LPP became a partner of CmiA in order to reduce its environmental impact and to achieve more transparency in its cotton value chain. Demand for CmiA-verified cotton rose between 2022 and 2023, and Justyna Weryk, the sustainable development manager at LPP, is convinced that it will continue to grow in the coming years.

Ms Weryk, in 2019, LPP announced its sustainability strategy, “For People For Our Planet”. What are its goals, and what role does CmiA cotton play in this regard?

Our sustainable development strategy is based on four pillars: sustainable products and production, chemical safety in production, plastic under control, and sustainable development in the headquarter buildings and retail

network. CmiA plays an important role in achieving our strategic goals related to offering our customers products with a lower environmental impact because one of the key contributors to the carbon footprint is the acquisition of raw materials for the production of fabrics in the clothing industry. Cotton is often used in our assortment and constitutes approximately 45 percent of our collections. By joining the group of CmiA partners in 2022, we wanted to find an appropriate, reliable, and transparent source of cotton. At the same time, it gave us a strong partner for the regular acquisition of the good-quality raw materials we needed at a reasonable price. In addition to that, the Mass Balance system offers us a reliable way to source a defined amount of CmiA cotton and balance it with other cotton, where needed, in the supply chain. With CmiA, we also get detailed data on the environmental footprint of CmiA cotton, including its greenhouse gas emissions.

In 2023, LPP sold 48 million items produced in accordance with the CmiA Mass Balance system, significantly more than the previous year. What are the reasons for this increase?

As I mentioned, CmiA remains an important source of cotton with a lower carbon footprint and a reliable value chain for us. By benefiting not only the environment but also cotton producers and local communities, it further helps us to meet the goals of our sustainable development strategy. As part of our efforts to provide our customers with clothing that has a lower environmental impact, we set ourselves increasingly ambitious goals related to the use of preferred materials. The increase in our demand for

CmiA cotton is related to these goals, and we plan to continue this trend in the coming years.

How are you, as a company, responding to growing consumer and regulatory demand for transparency and sustainability in the supply chain, and how can Cotton made in Africa support you in this?

We care about being transparent and credible. Therefore, in 2023, we updated our list of preferred materials and included only two categories of fabrics: recycled fabrics and fabrics for which we have access to verifiable data on their carbon footprint. This reduces our dependence on primary materials and, at the same time, directs our focus to the recycling process for used materials (used clothes or PET bottles). CmiA has a lower

greenhouse gas emission rate than the global average, and it guarantees that the income generated is reinvested at the source of origin.

Will you continue to expand your sustainability strategy in the future, and what goals will you pursue through Cotton made in Africa in the coming years?

Our decarbonisation strategy aims to reduce the greenhouse gas emissions resulting from the purchase of goods and services by 51.6 percent by 2030. One of the ways we intend to achieve this is by substituting even more preferred materials for their conventional counterparts. CmiA will be one of the partners helping us to reduce our emissions and achieve our goals for 2030. Our demand for CmiA cotton will certainly grow.



THE REGENERATIVE COTTON STANDARD® IS LAUNCHED IN LATE 2023

How can small-scale farmers become more resilient to the effects of climate change? Answering this question is crucial, especially when it comes to the future of cotton cultivation as a key source of income for many people living in cotton-growing regions. By launching the Regenerative Cotton Standard® (RCS), the Aid by Trade Foundation is setting a new benchmark for sustainable cotton standards. Through RCS's innovative and holistic approach, AbTF offers people and companies a way to focus on regenerative agriculture while respecting small-scale farmers' own wealth of traditional knowledge.



**REGENERATIVE
COTTON
STANDARD**

In light of the growing challenges facing both small-scale farmers and textile companies, the Aid by Trade Foundation has developed a new sustainable cotton standard: the Regenerative Cotton Standard (RCS). RCS is taking a pioneering step so that small-scale farmers can become more resilient to the effects of climate change and to ensure companies can have confidence in the future availability of the raw materials used for their textiles.

RCS'S HOLISTIC APPROACH COVERS THE WHOLE PRODUCTION SYSTEM

In late 2022, the Aid by Trade Foundation commissioned an assessment of to which extent, compared to other standards, CmiA's criteria address regenerative agriculture.. Only a few gaps were found, and even those will now be closed through the new standard. RCS's approach to cotton production supports natural regenerative processes and incorporates small-scale farmers' existing wealth of agricultural knowledge. The standard combines the tried-and-tested methods in AbTF's earlier cotton standards with measures for adapting to climate change; it also incorporates small-scale farming communities and includes animal welfare issues. Its holistic approach therefore applies not only to the cotton itself but also to the entire production system at the farm level.

In practice, it looks like this: Small-scale farmers are given support with adopting cultivation practices like expanded crop rotation, optimised biomass usage, intercropping, and agroforestry systems. This enables them to increase the climate resilience and fertility of their fields and to restore depleted soil, making it fit for farming again. In addition, their traditional knowledge is combined with scientific insights and modern digital technology.



PREPARATIONS MADE IN 2023

Although the Aid by Trade Foundation's focus has thus far been on Africa South of the Sahara, the introduction of RCS now expands its geographical scope to small-scale cotton farming in India. In May, AbTF staff visited two cotton projects that are already implementing sustainability standards in Maharashtra, India. At the same time, the team developed the main pillars of the new standard in co-ordination with potential implementing and purchasing partners. In November 2023, the Regenerative Cotton Standard was published.



Practical Implementation and Verification

RCS applies to all the fields in which cotton can be grown as part of a crop rotation system and to all the livestock belonging to participating farms. Regional implementing partners, called Managing Entities, are responsible for the induction, organisation, and training of farmers as well as for creating the conditions necessary for a conversion to regenerative agriculture. Managing Entities are required to provide the information needed to establish a meaningful reference line and to develop and use a strategic planning document called a Regenerative Action Plan. Representatives of small-scale farmers must be included in the planning process. To ensure that farmers working in accordance with RCS fulfil all the required criteria, regular verifications are conducted by independent verifiers. If it passes verification, a Managing Entity receives its RCS certificate.

In 2024, AbTF will work with existing CmiA partners in Tanzania and a new candidate in India to put RCS into practice. It will also look for cotton trading and textile companies that are ready to take another step towards a better future and purchase RCS cotton.

INTERVIEW

With 32 years of experience as a cotton scientist, Dr Keshav Kranthi is a leader in his field. With his in-depth knowledge, he provides insights into regenerative agriculture and offers an outlook on the new Regenerative Cotton Standard and its implementation in India.

What is the main difference between regenerative agriculture and other sustainable approaches?

Regenerative agriculture sets itself apart from other sustainable methods like organic farming and permaculture by actively improving soil health and ecosystem functions rather than merely sustaining them. It's a recent concept, gaining traction for its potential to fight climate change by enhancing soil organic matter and life, leading to carbon sequestration. Regenerative agriculture aims to improve soil health, regenerate land holistically, enhance biodiversity, and increase ecosystem resilience. This is done through practices that support carbon sequestration, such as no-till farming, cover cropping, crop rotation and di-

“The principles of RCS are in harmony with the intrinsic values of Indian farmers”

INTERVIEW

high-quality compost or maintaining cover crops throughout the year, especially in areas dependent on rainfall. Furthermore, they have to go back to traditional practices, for instance by shifting away from synthetic pesticides to traditional, natural pest and disease management strategies.

Indian farmers generally hold a deep regard for natural farming methods, which are deeply rooted in the country's ancient agricultural traditions. Regenerative agriculture's core principles are aligned with these time-honoured practices, scientifically enhancing them to rejuvenate soil health and promote the regrowth of soil biota. Regenerative agricultural practices aim to revitalise soil health by fostering a thriving soil ecosystem, thereby creating a self-perpetuating agricultural system that enhances continuous regeneration without sacrificing productivity.

The newly introduced Regenerative Cotton Standard (RCS) interweaves this ancestral knowledge with scientific advancements, responsible stewardship, and community involvement. The principles of RCS are in harmony with the intrinsic values of Indian farmers. But it's crucial that these regenerative practices are meticulously tailored and standardised to align with the specific local farming practices and the unique agro-ecological conditions present in India.

versity, composting and organic amendments, organic mulching, managed grazing, and agroforestry integration.

For its part, organic farming focusses on replacing synthetic inputs with natural ones and promoting biodiversity within the farm's confines without necessarily improving the wider ecosystem. In contrast, regenerative agriculture includes organic principles but goes further to rejuvenate entire ecosystems, emphasising soil health as the foundation for a resilient agricultural system.

How does the concept of regenerative agriculture resonate with smallholder cotton growers?

Smallholder farmers, especially in India and Africa, may be more inclined to adopt regenerative agriculture due to their longstanding engagement with traditional farming practices like crop rotations, manual weeding, or natural pest and disease control. However, there are several challenges, including the limited availability of non-genetically modified seeds as well as difficulty in producing or acquiring

Can it be generally stated that regenerative agriculture would be more beneficial to the climate than other cultivation approaches?

Regenerative agriculture is often highlighted for its potential climate benefits, primarily due to its emphasis on practices that enhance soil carbon sequestration. By improving soil health and increasing the amount of organic matter within the soil, regenerative agriculture can capture more carbon dioxide from the atmosphere, which is a key factor in mitigating climate change. Organic farming doesn't necessarily focus on maximising carbon sequestration, and the primary goal of syntropic farming isn't climate mitigation but rather creating a self-sustaining system. So, in comparison to other methods, it can be stated that regenerative agriculture, with its specific focus on rebuilding organic soil matter and restoring biodiversity, has a strong potential for climate change mitigation.

How do you expect Indian cotton farmers to respond to the new Regenerative Cotton Standard?



DR KESHAV KRANTHI
Chief Scientist at the
International Cotton
Advisory Committee

THE GOOD CASHMERE STANDARD®

**THE INDEPENDENT LABEL FOR SUSTAINABLE
AND TRACEABLE CASHMERE FIBRES FROM
INNER MONGOLIA**



Since 2019, The Good Cashmere Standard® (GCS) has been making a positive impact on the management and welfare of cashmere goats. It also serves to improve the living and working conditions of families on cashmere farms and in surrounding communities in Inner Mongolia, China. Through these economic, social, and environmental improvements, GCS fills a gap left by other animal-fibre standards and plays a significant role in making cashmere production more sustainable. In 2023, 9,100 farms in Inner Mongolia with 4.3 million goats produced a total of 2,200 tonnes of GCS-verified cashmere, which represents yet another year-on-year increase.



**THE GOOD
CASHMERE
STANDARD**
by AbTF

With the introduction of The Good Cashmere Standard in 2019, the Aid by Trade Foundation expanded its scope in terms of both fibres and project regions. Developed in collaboration with animal welfare and cashmere experts, the standard establishes clear criteria for sustainable cashmere, paving the way for a system of cashmere production that is more sustainable for animals, people, and nature. Compliance with these comprehensive cashmere-production criteria is independently verified every year.

As it stands, GCS offers consumers and companies a verified, sustainable alternative to conventional cashmere, allowing distributors and fashion brands to future-proof their collections.

Companies and brands throughout the world purchase GCS-verified cashmere fibres. To do so, they pay licensing fees to ATA KORA Fördergesellschaft, which is the company that sells AbTF's licences, including GCS. In order to continue sustainably improving animal welfare and cashmere production, licensing income is invested in providing training that supports the implementation of the standards as well as in delivering projects and conducting verifications.



REVISING THE STANDARD: FOCUSSING ON GOAT WELFARE

Criteria to ensure the welfare of cashmere goats form the core of The Good Cashmere Standard. GCS also sets requirements that regulate the conduct of independent animal herders and employees at cashmere farms. Specific requirements for the cultivation of feed and for preserving the biodiversity of natural areas around farms will also help to protect Inner Mongolia's grasslands and ecology. The standard explicitly includes buying and dehairing stations, which undertake the next steps for processing cashmere in the textile value chain.

AbTF overhauled GCS's criteria in 2023. Perhaps most crucially, its animal welfare criteria are now based on the Five Domains model, which emphasises the importance of promoting positive subjective experiences for animals. The model defines required features of the animals' physical environment (e.g. shelter, feed, space, and design) so that management practices can establish and maintain good health and living conditions for the animals as well as support healthy interactions with people, other animals, and the environment.

2023 IN FIGURES

4.3 million
GOATS



9,100
FARMS



225
SUPPLY CHAIN
PARTNERS



2,200
GCS-VERIFIED
CASHMERE
(DEHAIRIED, IN T)



18
BUYING STATIONS /
DEHAIRING STATIONS

54
GCS RETAILERS &
BRANDS



16
TEXTILE
PRODUCTION
MARKETS
WORLDWIDE



THE GOOD CASHMERE STANDARD

Ongoing Verification Activities Underpin the Credibility of the Standard

A lot of energy was invested in the comprehensive verification process in 2023. The process starts with a buying or dehairing station—the purchaser of raw cashmere from herders—nominating specific farms. Each nominated cashmere farm then completes a web-based self-assessment questionnaire. Only once this process has been completed are verifications conducted at cashmere farms and buying/dehairing stations. All buying/dehairing stations are required to undergo annual verifications, while individual farms are selected for assessing by the verification company according to its risk analysis.

For a successful verification, the requirements of the GCS criteria catalogue must be fulfilled. The first requirement is that core criteria must always be met; non-compliance results in an immediate loss of verified status. Beyond the core criteria, there are three additional categories: major, basic, and

improvement criteria. Each of these allow a grace period for farms and buying/dehairing stations to turn around a negative result. As long as they make the specified improvements, they can continue selling cashmere under the GCS label.

Compliance with the standard's criteria is crucial for maintaining the credibility of The Good Cashmere Standard. This means it is very important that corrective action plans—put in place to make improvements in areas of non-compliance—are tracked and monitored at farms and buying/dehairing stations. In 2023, corrective measures were put under the microscope by AbTF and the verification company Elevate. With the support of a team, an Elevate expert in agriculture and livestock management followed up on improvement activities. They monitored and, where necessary, adapted how such corrective actions were being implemented and how evidence was being collected.



Figuo Li, a project manager for animal welfare at LRQA (formerly Elevate), is a well-respected specialist on cashmere goats and animal welfare in China who has travelled to many cashmere farms in Inner Mongolia for verification purposes over the past two years. In this interview, he discusses the topic of animal welfare in China and what role GCS plays in improving the welfare of China's cashmere goats.

Mr Li, can you tell us a little about the living conditions of cashmere goats in Inner Mongolia?

“The Good Cashmere Standard plays a crucial role in improving the welfare of China's cashmere goats”



The majority of cashmere goats in Inner Mongolia are raised on family farms, each with their own pastures. According to Chinese government regulations, the number of cashmere goats allowed per mu (roughly equivalent to 0.07 hectares) varies depending on the ecological grade of the pasture and ranges from one goat per 15 mu to one goat per 30 mu. Apart from the grazing ban period, which typically lasts one to three months between April and June, the goats have regular access to the pasture for approximately six to eight hours per day. The Inner Mongolian goats are well looked

after in terms of diet and hydration. In addition to grazing on the pasture, herders supplement the goats' diet with storable fodder such as corn, alfalfa, sunflower seeds, and mineral supplements. During the winter when grass is scarce, herders stock up on hay feed to ensure the goats remain well fed.

How does the Inner Mongolian climate influence the keeping of cashmere goats?

Inner Mongolia has low rainfall and a diverse landscape characterised by grassland and steppes.

(PPR) and foot and mouth disease (FMD) are mandated by the state and are available free of charge. Herders may also choose to have other vaccines administered to their goats, such as for goat pox. In case of illness, local veterinarians provide guidance and treatment, either through telephone consultations or on-site visits. Herders keep common medicines in stock and follow the veterinarians' instructions for goat treatment. In summary, cashmere goats in Inner Mongolia are considered valuable assets and often regarded as part of the herders' families. As such, herders take great care to ensure the well-being and quality of life of their goats.

How strongly is animal welfare enshrined in Chinese law?

Currently, China does not have a specific animal welfare law in place. However, there are numerous local animal welfare regulations. Although a national animal welfare law is yet to be implemented, there are currently about 70 animal welfare standards regarding pigs, cattle, dairy cows, sheep, goats, hens, broiler chickens, deer, and waterfowl. Since 2018, the development of these standards has entered a rapid-growth phase, with an average of 30 relevant standards being issued each year. This indicates that the system of farm animal welfare standards in China is progressing at a fast pace. In 2023, the country introduced its first national standard dedicated to animal welfare. Titled “Welfare Criteria for Animals to be Slaughtered”, it is a nationally recommended standard that sets requirements for the welfare of slaughter animals, including goats. Another national standard, “Welfare on Killing Animals for Disease Control Purposes”, has also been implemented. Considering the significant mar-

ket share and international status of China's cashmere industry, cashmere goat welfare legislation may receive particular attention in the near future. Market demand should drive the establishment of relevant laws and regulations in a timely manner in order to meet the requirements of the international market.

How important is an animal's right to species-appropriate treatment and husbandry to the Chinese public?

In my opinion, animal protection holds great significance in Chinese culture and education. Traditional teachings emphasise the virtue of “仁Ren” (benevolence), which encompasses the values of humanity, goodness, and a compassionate heart. “A benevolent person loves others and cherishes all things.” Here, things include all plants and animals. From the necessity of human survival to the teachings of Confucius and Mencius, there is a deep-rooted belief in caring for animals with benevolence and love.

Throughout China's history, every major dynasty has implemented systems or decrees for animal protection.

Has the attitude of cashmere suppliers and cashmere goat herders changed in recent years?

Based on my experience with GCS verification, I have observed several positive developments over the years. Firstly, Chinese suppliers participating in the verification process have progressively become more familiar with the standard's requirements. At the

beginning, they may not have focussed on the living conditions of the goats, but now, they have gained profound insights into the goats' welfare and are actively assisting herders in improving animal welfare practices.

Cashmere producers have shifted their mindset, adopting a more holistic perspective that takes harmony between animals, the environment, and human beings into consideration. Although all of the herders already took good care of their goats, being introduced to a scientific approach to animal welfare made them aware of certain aspects of animal welfare that could be improved but had gone unnoticed. Through the establishment of the first GCS model farm, herders have already gained a better understanding of and acceptance for GCS. This has also sparked an enthusiasm for learning among neighbouring herders.

As GCS verification continues to develop, it is expected to

impact more suppliers and herders in the future. Thus, GCS will continue to play a crucial role in improving the welfare of China's cashmere goats.



FIGUO LI
Project Manager
for Animal Welfare
at LRQA
(formerly Elevate)





GCS IMPLEMENTATION:

Local and Digital

In early 2023, China reopened its borders after a long, pandemic-related closure. The GCS team used this opportunity to make three trips to Inner Mongolia in order to conduct training, communicate with producers, and gain an up-to-date and clear understanding of local circumstances.

The team was able to visit eight different businesses and several goat herders. Two in-person training events and two practical workshops were held. The GCS team also visited farms that are slated to serve as model farms for knowledge exchange and for disseminating best practices.

By officially opening the first model farm in October 2023, GCS took an important step towards getting recommended innovations and best practices, which are

showcased by the farm, practically implemented. In connection with this event, GCS also developed new training materials on relevant animal-welfare topics and provided three days of in-person training.

Overall, AbTF and its partners are accompanying five farms on their way to becoming sustainable model farms. As pioneers in animal welfare for goats in China, these farms will open their doors to interested goat herders three times per year, helping networks to grow, providing inspiration, and boosting team spirit among GCS farms. From first impressions, it seems the new model farm reflects a trend of growing awareness and understanding of The Good Cashmere Standard, with more interest in GCS being shown by goat herders in the vicinity of the model farm.

INTERVIEW

“The greater the visibility, the greater the chance to identify risks and act on them”

REBECCA DAMM
Ethics and Sustainability
Manager at
The White Company



The White Company’s product lines are characterised by timeless designs, the colour white, and a “no” to fast fashion. A partner of The Good Cashmere Standard (GCS) since April 2020, The White Company is ambitiously working on improving its sustainability performance. In this interview, Rebecca Damm, the ethics and sustainability manager at The White Company, explains what its most important values are, what the company has already achieved in terms of environmental protection, and how it intends to make its entire textile product range sustainable by 2030.

Ms Damm, The White Company has committed itself to organising its activities according to four ethical pillars. What do these pillars encompass?

We set these pillars to include

all areas that need to be influenced for us to achieve our ethical and sustainability goals. The aim of our first pillar, “Preserving our Planet”, is to make the materials of our products more sustainable. Therefore, we are constantly working to lower the carbon emissions of our fabrics, timber, and fragrances. The second pillar, “Protecting our Makers”, represents the people involved in the production process. To implement our fourth pillar, “Longer Life”, we are switching all poly transit bags and bedding bags to recycled material; in addition, all our paper and cards are already FCS-certified. Furthermore, our designs are timeless and long lasting, so we expect our products to be passed on and be reused, reflecting our third pillar, “Better Products”. “Changing behaviours” is an overarching pillar because we are aware that achieving our targets require changes in the behaviour of both our staff and our customers.

You want to ensure that the entire textile product range is produced sustainably by 2030. How do you intend to achieve this ambitious goal?

We have been focussing on our main materials: cotton and cashmere. Therefore, we have committed ourselves to partnerships with GCS and CottonConnect. We are in the process of changing our remaining textiles over to fabrics that have a lower impact on the

environment; for instance, 80 percent of our clothing selection is already being made from more sustainable fabrics.

What role does The Good Cashmere Standard play in achieving your sustainability goals?

Cashmere clothing and accessories are one of the business areas we invest in the most. We prioritise this section because our customers primarily come to us to buy cashmere products. That’s why we became a partner of GCS in early 2020 and have been using GCS-verified cashmere for our cashmere clothing and accessories since then.

In the global market, transparency in the supply chain is a key requirement. What measures does The White Company take to achieve its high product quality while maintaining high standards of social and environmental responsibility?

Having been a member of the Ethical Trading Initiative (ETI) for over a decade, we ensure that our supply chain conforms to ETI’s base code. Furthermore, we perform a strict due diligence process when we commence a relationship with a new factory, and we conduct annual audit monitoring. As of this year, we are also a partner of a supply chain mapping portal. This allows for greater transparency. The greater the visibility, the greater the chance to identify risks and act on them.



INTERVIEW

With 600 goats, Chaoluomenqigige is the first model farm of The Good Cashmere Standard (GCS) in China. It is also supported by the textile producer Niushi Wool Textile and the retailer J.Crew. As a model farm, it plays a key role in sharing its knowledge and expertise in GCS-compliant goat husbandry with other farms and herders. We were joined by Summer Wang, sales manager and GCS officer at Suzhou Niushi Wool Textile Co.



SUMMER WANG
Sales Manager and GCS
Officer at Suzhou Niushi
Wool Textile Co.

Ms Wang, as a model farm, Chaoluomenqigige will become the first stop for all cashmere herders who want to meet GCS criteria. It has already delivered its first intensive course of training. How did it go for your team at Niushi and for the participating herders?

ushu employees. We visited the local feed store and veterinary practice together. An AbTF employee gave a detailed presentation on the correct combination of roughage and concentrate for feeding goat bucks, does, and kids at each stage of their lives. The veterinarians explained how sick goats are isolated from the rest of the herd and how they receive treatment under daily monitoring. This knowledge helps us to further improve the well-being

As a cashmere producer, what is your aim in supporting the model farm? How often is the farm open to other herders during the year?

The model farm will encourage herders in the area to learn more about animal welfare and will share best practices with them. To improve the well-being of goats throughout the region, which is also our goal, the herders can share their knowledge with each other when the model farm opens its doors to them three times each year. There is one session held each spring, summer, and autumn season; unfortunately, winter visits are not possible due to weather conditions. At the farm, herders can learn from us and from each other and can share any experiences they have made since the previous season's meeting.

Mr Forster, what made J.Crew decide to help set up a model farm?

At J.Crew, one of our goals is to source 100 percent of the key fibres in our materials, including cashmere, more sustainably by 2025. Because cashmere is so important to J.Crew, we're making every effort to build a transparent, responsible, and sustainable cashmere supply chain, from farm to factory. Since 2021, 100 percent of J.Crew's cashmere sweaters and non-apparel products have contained The Good Cashmere-verified cashmere. J.Crew is continuing to make significant efforts to ensure its cashmere is sourced with respect for animals, people, and the planet, which is why we decided to invest in the develop-

“The model farm encourages herders to learn more about animal welfare”



The training was rewarding for all of us. For our part, we were able to expand our knowledge about keeping cashmere goats, while the herders further developed their professional skills. The three-day, in-person training event was attended by herders living near the Chaoluomenqigige farm and by Ni-

of cashmere goats on our model farm. There were a lot of practical lessons about goat husbandry; for instance, we now know which equipment and pain relievers to use during castration, how to equip the goat sheds to best suit the goats, and how to ensure that the animals have a proper supply of feed and water.



Health checks during training sessions

ment of two model farms in Inner Mongolia as a commitment to scaling up best-in-class practices in support of animal welfare, human rights, and sustainability.

Why is this model farm so important for getting GCS-verified cashmere fibre to the market?

Since J.Crew launched the Model Farm Program in 2022, its goal has been for these farms to serve as stewards in their communities and help share their best practices with neighbouring farms. Scaling up GCS-verified cashmere through model farms is essential for meeting the growing demand for responsibly sourced cashmere. J.Crew was the first U.S. member of The Good Cashmere Standard and stands behind the organisation's aim of improving the welfare of cashmere goats, the lives of herders and farming communities, and the environments in which they live. This approach not only aligns with J.Crew's brand ethos to do better—in aspects ranging from the people who create J.Crew products to the impact J.Crew has on the planet—but also helps set a standard to drive innovation and to positively influence responsible sourcing in the industry.



DOUG FORSTER
Chief Sourcing Officer
at J.Crew



Training: Expanding Online Opportunities

Training activities are also continuing to develop. For instance, AbTF expanded the suite of virtual resources on GCS available to Chinese partner companies. Early in the year, AbTF worked with the Humane Slaughter Association to offer online training in stunning and slaughtering. Since February 2023, AbTF has also made a digital learning platform available to verifiers, who use the training material offered there to prepare for each verification season. In the third quarter, AbTF gave producers access to the GCS learning platform, where they could find extensive information on GCS and animal welfare. The platform also shares recordings of online training sessions on issues like castration, shearing and combing, animal handling, and stunning and slaughtering, thereby further expanding producers' knowledge on animal-welfare topics.



DEMAND ALLIANCE: CONTINUED GROWTH

Demand for GCS continued to rise in 2023. AbTF was able to gain ten new clients who have signed a contract to use GCS cashmere. As this upward trend continues, GCS now has a total of 54 official partner companies from ten different countries.

The growth in demand from retailers and brands has not just occurred by chance. For one, the standard is unique and trustworthy. For another, partner companies receive support in a variety of areas, including communications, supply chain management, and cashmere tracing. Trials and pilot projects using DNA marking to trace cashmere were launched in 2023 and, in some cases, this system has already been successfully integrated in the manufacturing process. Its aim is to ensure that GCS cashmere is not mixed with conventional cashmere. The system works by applying small quantities of a solution containing DNA markers to the raw material using simple spraying equipment. This makes it possible to later test the finished product to ensure that only GCS-verified cashmere was used in its production. It also makes it possible to prove where the raw material originated, which is an important selling point, especially in light of rising regulatory requirements, for instance under the forthcoming European supply chain law (Corporate Sustainability Due Diligence Directive; CSDDD).



INTERVIEW

“With DNA markers, the entire supply chain can be forensically traced”



GEDIMINAS MIKUTIS
Chief Technology
Officer and Co-Founder
at Haelixa

The Good Cashmere Standard (GCS) has teamed up with Haelixa to find new options for marking GCS-verified cashmere from the earliest possible stage of the production process. The aim is to trace the verified cashmere throughout the textile value chain and to ensure that GCS is not blended with conventional cashmere. The producers Artwell and Erdos have started to test the DNA markers together with Haelixa. We spoke with the CTO and co-founder of Haelixa, Gediminas Mikutis, about the method and the first pilot projects.

Mr Mikutis, together with the producers Artwell and Erdos as well as The Good Cashmere Standard, Haelixa has tested a unique marking system to trace back cashmere fibres in the supply chain. How does this tracing system work?

The Haelixa traceability solution is based on the use of DNA markers, which give textile fibres a unique, traceable identity. And this is how it works: a unique DNA marker is designed for every raw material and applied to the fibre as early as possible in the sup-

ply chain (e.g. at dehairing stations or farms). The unique DNA then sticks to the fibres through all the production steps and remains detectable in the finished garment. The product identity can be tested at any point, verifying or disproving its origin and authenticity. This system provides a robust forensic tool to manage supply chain risks and to ensure the products' authenticity in accordance with due diligence requirements.

How did the field test go?

The first implementation occurred in the supply chain of Artwell, a vertically integrated cashmere manufacturer, starting with their dehairing station in Inner Mongolia. At this stage, the fibre is delivered from farms in the surrounding area. Individual batches of material are marked with a unique DNA code through an automatic spraying system installed by our team. Afterwards, the raw material is transported to various Artwell facilities in China and other countries for dyeing, spinning, and knitting and for the manufacturing of the finished product. During the initial trial, we

tested yarns and knitted products and detected specific DNA codes to trace the finished products back to a specific fibre lot.

From a business perspective, what is the advantage to a system like Haelixa's?

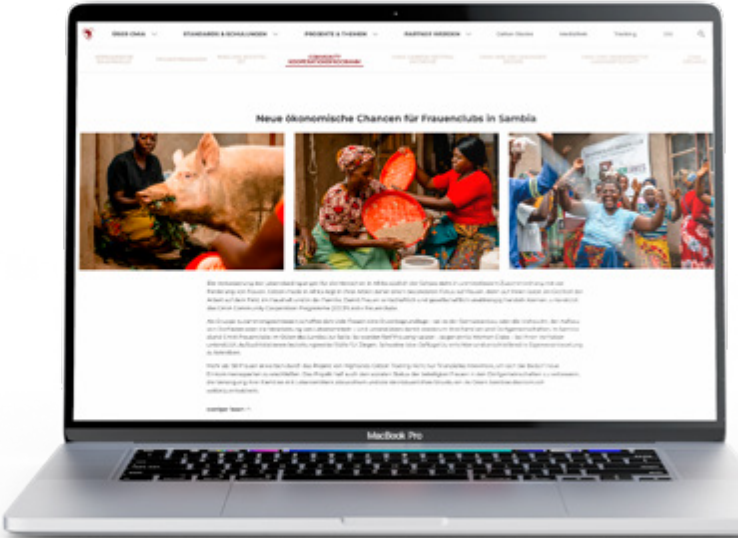
The conventional method of ensuring traceability involves gathering information about the product at each processing stage. However, this approach is only effective if the data itself is reliable. Unfortunately, if the material is blended or altered or if the documentation is tampered with, the system fails. This way brands and retailers end up buying a lower quality product than claimed.

Haelixa uses forensic testing to ensure that the final product originates from a specific location and to verify the garment's origin, sustainability, and quality claims. Haelixa's traceability enables brands and retailers to manage supply chain risks better and to comply with increasingly strict supply-chain due-diligence legislation. Additionally, the provided data allows our customers to communicate their supply chain story and build brand equity.

ABTF IN PUBLIC

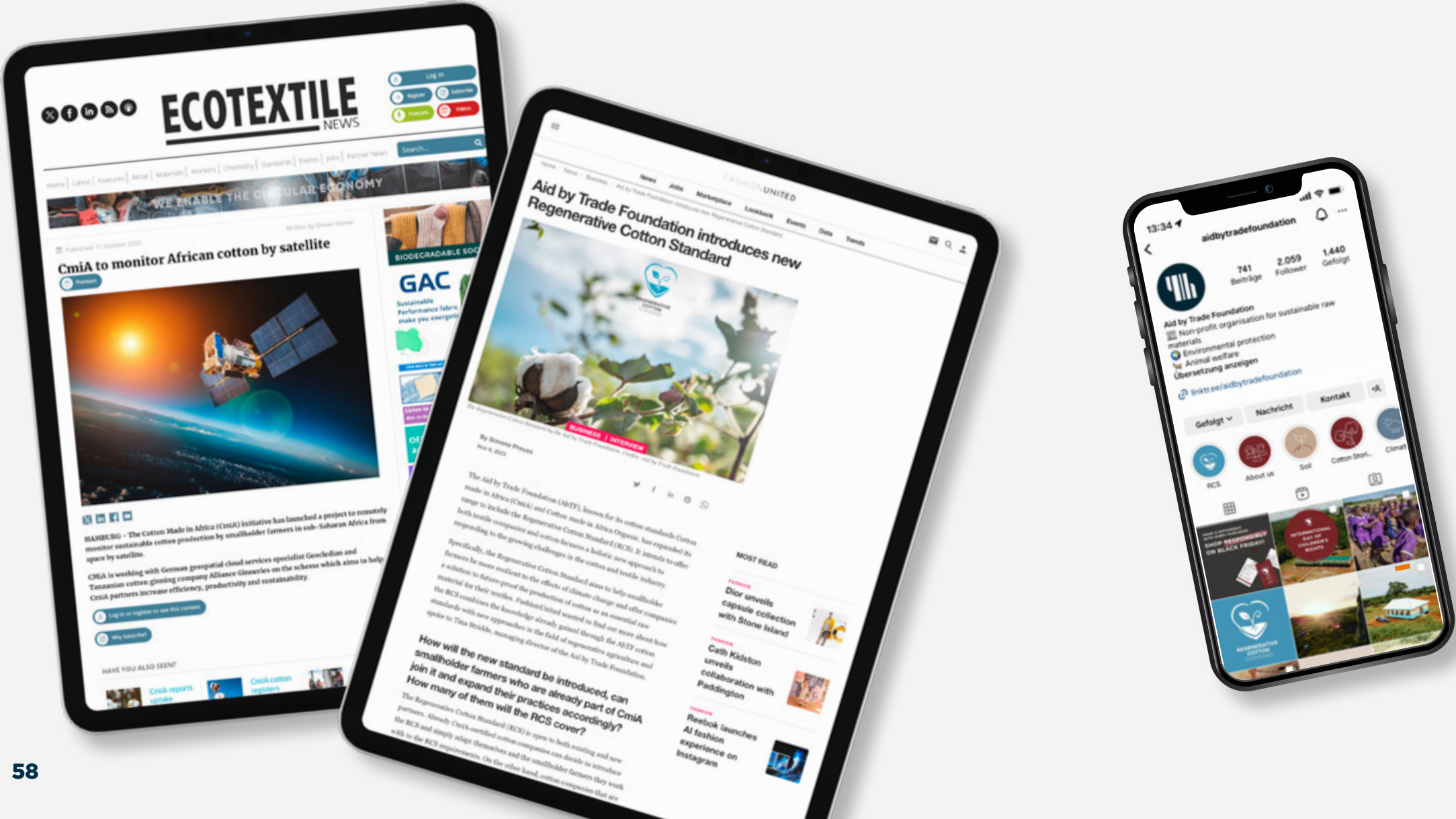
Through events, media reports, and campaigns, the Aid by Trade Foundation presents the work of its sustainability standards—Cotton made in Africa, Cotton made in Africa Organic, The Good Cashmere Standard, and now the Regenerative Cotton Standard as well—to the wider public. These efforts focus primarily on the work it does with the people and animals that supply the respective raw materials. It is a priority for AbTF’s public relations activities to boost their visibility and bring the realities of their lives to the attention of retailers, consumers, and the general public.

Who are the people growing cotton under AbTF’s standards, and what are their working conditions like? Where are the goats providing the soft cashmere fibres kept, and what are their living conditions like? In addition, what opportunities do AbTF’s activities open up, whether for small-scale farmers and herders or for retailers and brands? The Aid by Trade Foundation answers these questions through its public relations work. It addresses companies, consumers, and the general public through a variety of channels to offer transparent insights into its activities and to introduce projects and innovations. It also raises awareness of sustainability in the textile chain at trade fairs, at events, and through the standards’ own websites.



AbTF Channels Offer Insights Into Its Activities

AbTF made the CmiA website even more user friendly over the past year. Landing pages for recent press releases, important dates, the CmiA Community Cooperation Programme (CCCP), and other topics direct users to information of particular interest to them. It also made it easy to navigate and click through to explore the wide spectrum of CmiA’s work, all presented in a vivid yet authentic way. On social media, followers can peek behind the curtains of AbTF’s work and keep up with AbTF’s visits to projects to see how its team fosters innovation, enters into dialogue with local people, and works with partners and stakeholders to continue developing projects. AbTF’s fastest growing social media channel was once again LinkedIn, where the number of followers rose by over 20 percent during the reporting period. The CmiA channel on X (formerly Twitter), was closed at the end of the year due to the prevalence of political discussions and debates that were not compatible with CmiA’s values.





Partner Companies Demonstrate Their Commitment Through Campaigns

Through their campaigns and making trips to CmiA project regions, retailers and brands showed their commitment to Cotton made in Africa.



BRANDS AND PEOPLE: S.OLIVER GROUP SUPPORTS CMIA

In addition to purchasing CmiA cotton, the S.OLIVER GROUP contributes to projects in Africa together with CmiA. In Zambia, s.Oliver Red Label supports women's clubs on the way to greater financial and social independence. In Benin, comma, a brand of the S.OLIVER GROUP, supports women who want to improve their income by processing and selling shea butter. In Tanzania, a girls' dormitory was built near a school with comma's assistance.

To draw attention to the realities of daily life for women and girls in Africa South of the Sahara, comma designed a t-shirt collection for International Women's Day in 2023. It also showcased the projects and work of Cotton made in Africa, using the Tanzania project as an example, in a 360° campaign that was conducted on its own website, on social media platforms like LinkedIn and Facebook, in its customer magazine, and in other public relations activities. Under the motto "Step up for each other", the campaign included comma's Empowering Collection as well as project publicity materials. In the campaign, comma showed women doing exactly that: supporting others and offering help. Also represented was the managing director of AbTF, Tina Stridde. comma introduced her and AbTF's work on its campaign website and in an interview in the customer magazine CMAG, which was available in comma stores.

INTERVIEW

"Equal rights are essential for achieving a sustainable future"



SABRINA MÜLLER
Head of Sustainability
at S.OLIVER GROUP

The S.OLIVER GROUP has been purchasing CmiA-verified cotton since 2009. In addition, it has been supporting projects under the CmiA Community Co-operation Programme (CCCP) for many years. In this interview, we talked with Sabrina Müller, the head of sustainability at the S.OLIVER GROUP, about why its efforts focus on empowering girls and women and the role its collaboration with CmiA plays in achieving the group's sustainable development goals.

Ms Müller, S.OLIVER GROUP counts sustainability and innovation among its core values. What role does Cotton made in Africa play in fulfilling these values?

We see ourselves not only as a business but as a part of society. It is therefore in the DNA of our company to take responsibility for our impact on people and nature. This responsibility encompasses our own employees as well as people working elsewhere in our supply chain. In addition to strengthening human rights protections for producers and ensuring high labour standards, we build a solid foundation for our activities by supporting social projects and working with stakeholders like CmiA. This offers us many opportunities to make an impact beyond the confines of our normal business activities.

What role does CmiA play in meeting growing demands for

due diligence and transparency and in the S.OLIVER GROUP's social compliance programme?

We see the growing demands imposed by national and European laws as a good thing because they lay down clear guidelines on a level playing field. Our partnership with CmiA is very valuable to us in this context, as CmiA truly prioritises the needs of small-scale farmers and their families through its focus on close collaboration with cotton companies. This is a central factor in managing the risks that cotton production poses to people and the environment. In addition, increasing emphasis is being placed on the traceability of cotton throughout the supply chain, making CmiA's Hard Identity Preserved system important both for us and for the sector as a whole.

The S.OLIVER GROUP has been supporting Cotton made in Africa's projects for many years, benefiting people in cotton-growing regions in ways not directly related to cotton cultivation. Currently, S.OLIVER GROUP, through its brands comma and s.Oliver Red Label, is involved in a school project in Tanzania and in a women's project in Zambia. What do these CCCP projects mean for your company?

We are convinced that equal rights are essential for achieving a sustainable future. A key aspect of this is ensuring that girls and women have equal access

to education and to social and economic participation. CmiA's projects are therefore central to our efforts to empower girls and women. In Tanzania, we are continuing to support a girls' dormitory. Our s.Oliver brand is also strengthening the economic participation of women in Zambia by supporting two women's clubs in developing small maize processing operations. By supplementing their incomes, this enables the participating women to gain more independence.

One of your brands, comma, frequently draws attention to women's empowerment. How does Cotton made in Africa bring you closer to this goal, and what is the feedback from your customers?

comma empowers women by offering daily inspiration through up-to-date designs that fit into their everyday lives and by demonstrating real diversity through showcasing authentic role models. It is a priority for us to use the brand's reach and community to provide women with wide-ranging support. In Cotton made in Africa, we have found a strong partner that shares these values and helps us to make a difference for the communities at the very start of the value chain. If girls have safe and secure access to education, they can decide and shape their own futures. Our customers see us working to achieve this, and they value that.

INTERVIEW



KATINA BOUTIS
Director of Sustainability
at Everlane

“Customers have the right to know what their clothes cost to produce”

In its determined pursuit of “Cleaner Fashion”, Everlane has chosen to partner with The Good Cashmere Standard. For its efforts to manufacture every product responsibly and with the lowest impact possible, the label was honoured as the Sustainable Brand of the Year 2023 at the Glossy Fashion Awards in the USA. We spoke with Katina Boutis, the director of sustainability at Everlane, about Everlane’s mission, radical transparency and pricing models.

and with the lowest impact possible. We source lower-impact materials, pay particular attention to construction and craft, ensure that our supply chain is built with social and environmental responsibility in mind, and bring our customers along on the journey. The work we have done to harmonise our brand strategy with sustainability is having a positive impact on our social and environmental goals, customer sentiment, and our bottom line.

In addition to durability and timelessness, your brand philosophy also includes the concept of radical transparency. How does that look in practice?

Everlane was founded on the belief that customers have the right to know what their clothes cost to produce. From the launch of our very first product in 2011, we revealed the true costs behind production, starting with materials and labour and moving on to include transportation and even markup. By pioneering this approach within our industry, we also fulfilled a core value of our brand: making well-founded decisions at every level of our business. Over the years, we have further developed this idea. In 2013, we began sharing the names, facts,

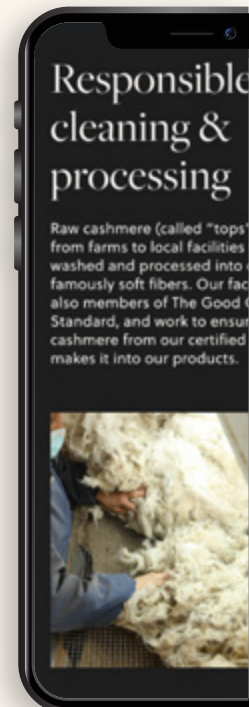
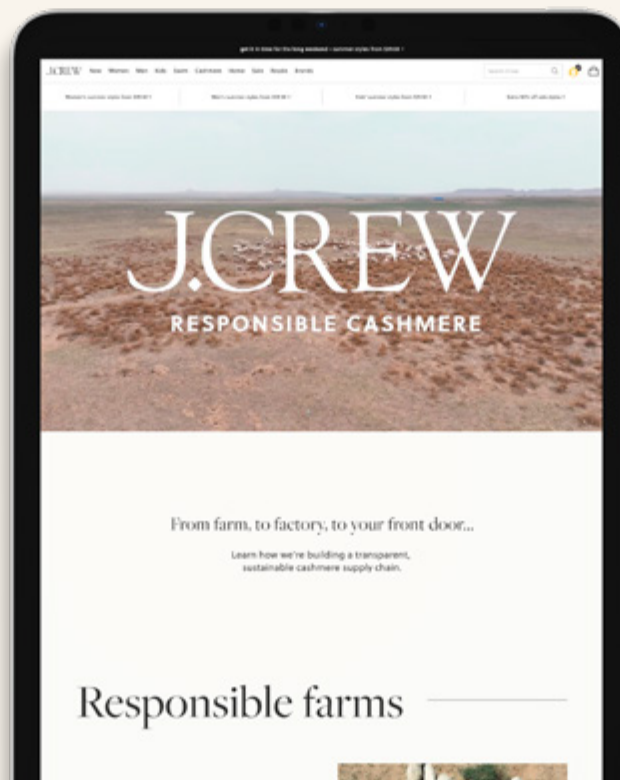
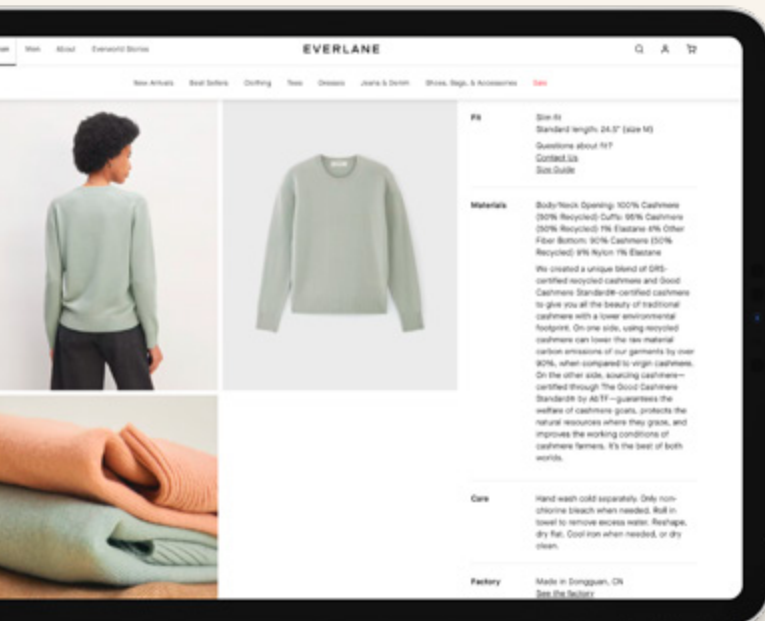
and photos behind every factory we work with, and today, we transparently disclose our goals, progress, challenges, and impact across a wide range of social and environmental factors. It’s our way of staying true to our original customer promise while evolving to meet the challenges facing our industry and trying to lead by example in the process.

How important is the use of verified materials, such as verified cashmere fibres from The Good Cashmere Standard, in this context?

We leverage third-party certifications to verify everything from the materials we use, the suppliers we work with, and the production processes employed to create our products. This allows us to substantiate the data, details, and practices involved in making our products. It also enables us to be transparent with our community and hold ourselves accountable to the highest standards. We were excited to add The Good Cashmere Standard to our brand’s product certifications in 2023 to support our work in sourcing animal-derived materials from supply chains that align with our animal welfare standards and policies.



More and more partner companies point out the benefits of GCS in their product and brand communications and are publicising their active involvement in the supply chain. They are using GCS as a way of responding to growing consumer interest in production conditions and processes.



AbTF Shares Its Expertise at Events



Representatives of AbTF presented its standards at a variety of events in 2023, both in person and digitally. At the Regenerative Agriculture and Textiles Summit in Washington, USA, AbTF premiered its newest standard: Regenerative Cotton Standard. AbTF also shared its expertise with professionals from the cotton and textile industry at other events, including the conferences of the International Cotton Advisory Committee (ICAC) and the Association française cotonnière (AFCOT).

For World Cotton Day, AbTF representatives made personal contact with various stakeholders. This day—officially recognised by the United Nations in 2021—has been celebrated worldwide on 7 October every year since 2019, at the initiative of Benin, Burkina Faso, Chad, Côte d'Ivoire, and Mali. Its aim is to raise awareness of the key role cotton plays in various aspects of our lives. World Cotton Day has become an institution in the

cotton sector, sparking discussions about the current state of the industry and its future. It also draws attention to the significance of this valuable resource for millions of people. In 2023, around 400 people gathered to discuss the day's theme: "Making cotton fair and sustainable for all, from farm to fashion". CmiA was represented at a high-level panel and had its own information booth at the home of the United Nations Industrial Development Organization (UNIDO) in Vienna, Austria, where World Cotton Day was celebrated. Calling on its wealth of experience, CmiA was able to contribute to the discussion on sustainability and to share its expertise in sustainable cotton production with politicians, scientists, representatives from the international cotton industry, and stakeholders in development co-operation. After holding some productive discussions, the guests celebrated cotton with a fashion show.



2nd Retail Summit of The Good Cashmere Standard in Milan



Bringing together a variety of experts of the international cashmere and textile industry

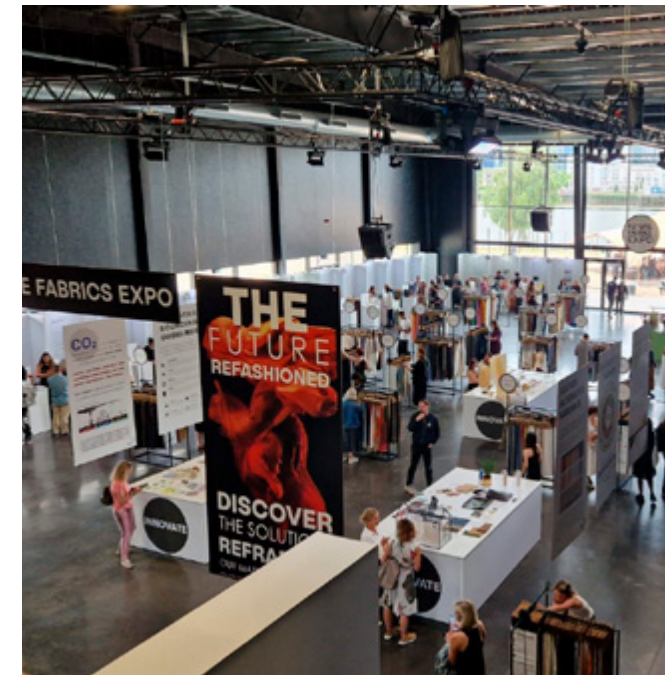
THE GCS RETAIL SUMMIT:

Bringing Stakeholders Together

The GCS Retail Summit is an important building block in the Aid by Trade Foundation's efforts, together with international brands, retailers, and experts, to make the cashmere industry more sustainable. In 2023, the second summit was held, drawing around twice as many participants as in the previous year. The event, held in Milan, brought professionals from the international cashmere and textile industry together with experts in animal welfare and environmental protection. They discussed animal welfare, environmental sustainability, transparency, and the resilience of herders in sustainable cashmere production, and they collaborated on designing solutions. Attending via video, cashmere herders from Inner Mongolia offered valuable insights into cashmere production, providing a perspective that is vitally important to

the Aid by Trade Foundation. A key takeaway for all participants was that the relationship between people and animals must be characterised by respect and proper care, both as an ethical imperative and as a foundation for the animals' physical and psychological welfare.

GCS was also able to bolster its international profile through two other important events. First, GCS joined its long-time partner Haelixa at the Future Fabrics Expo in London, ensuring its presence was felt before and during the occasion. Next, GCS sponsored the Natural Fibre Connect (NFC) conference in Italy, where it made itself known both through its representatives and through the NFC conference app.



Future Fabrics Expo in London

“We believe that the future of fashion lies in consuming less but better”



LAWRENCE LAW-THU
Head of Knitwear at
From Future

The label “From Future” focusses on traditional materials such as silk and cashmere in its collections. For Lawrence Law-thu, this does not contradict the brand name. According to the head of the knitwear department at From Future, silk and cashmere are the quintessential forward-looking materials: environmentally friendly and ethically fair, provided they are responsibly sourced. That’s why From Future became a partner of The Good Cashmere Standard in 2023.

Ms Law-thu, From Future is an unusual name for a fashion label. To what extent is the future part of your brand philosophy?

Our name is a reflection of our brand philosophy and vision. The future isn’t just a distant concept for us; it’s ingrained in every aspect of our identity and ethos. Firstly, our name signifies our commitment to innovation and forward-thinking mindset within the fashion industry. Moreover, “future” represents our dedication to sustainability and ethical practices. We firmly believe that the future of fashion lies in consuming less but better, with noble and durable fabrics that withstand the test of time.

You are a comparatively young label—by the way, congratulations on your fifth anniversary. Is this also reflected in the design of the collection?

Yes, it is. We’re not bound by traditional norms or conventions, allowing us to experiment with bold colours, unconventional silhouettes, and innovative fabrics. This adventurous spirit infuses our collections with a sense of energy and excitement, appealing to a younger, more adventurous audience. With each collection, we’ve learnt from our experiences, honed our craft, and refined our aesthetic. Intelligently integrated into our approach is the recognition of the diverse needs of our clientele.

From Future—with this name, one would expect more technical fibres. But you work a lot with traditional fibres such as silk and cashmere. What are the reasons for this?

There are several reasons. Traditional fibres such as silk and cashmere exude a timeless elegance and luxury that transcend fleeting trends. They possess a rich history and cultural significance, adding depth and sophis-

tication to our collections. Also, silk and cashmere are renowned for their exceptional quality and superior tactile properties. Last, but not least: While we embrace innovation, we also prioritise sustainability and ethical practices. We are committed to working with suppliers who prioritise animal welfare, sustainable farming practices, and fair labour conditions.

Sustainability is important to you when sourcing these fibres. Why did From Future choose The Good Cashmere Standard for verified cashmere fibres?

The Good Cashmere Standard (GCS) stood out to us due to its rigorous standards for ethical and environmentally responsible cashmere production. By choosing GCS-verified cashmere, we ensure that our fabrics are sourced from farms that prioritise animal welfare, environmental conservation, and fair labour practices. This aligns with our commitment to ethical sourcing and enables us to offer high-quality products that are not only stylish but also produced with integrity and care for both people and the planet.

AbTF Directs Media Attention to Key Issues

From print and online publications to the classic television format and social media posts, Cotton made in Africa was a topic of discussion in all sorts of channels in 2023. In its own communications, CmiA focussed on new developments like the remote sensing project and the Regenerative Cotton Standard (RCS); it also announced new partnerships with companies. Thanks to purposeful public relations work, Cotton made in Africa found its way into many industry publications resulting in wide media coverage.

GCS: RECOMMENDED BY FOUR PAWS

Through 380 media reports, GCS garnered an impressive 151.6 million impressions. The standard found an audience across a broad media landscape, from international dailies to professional journals to fashion magazines. In addition to being a relevant topic for industry media, GCS made it into Vogue Spain and the French daily, Le Figaro.

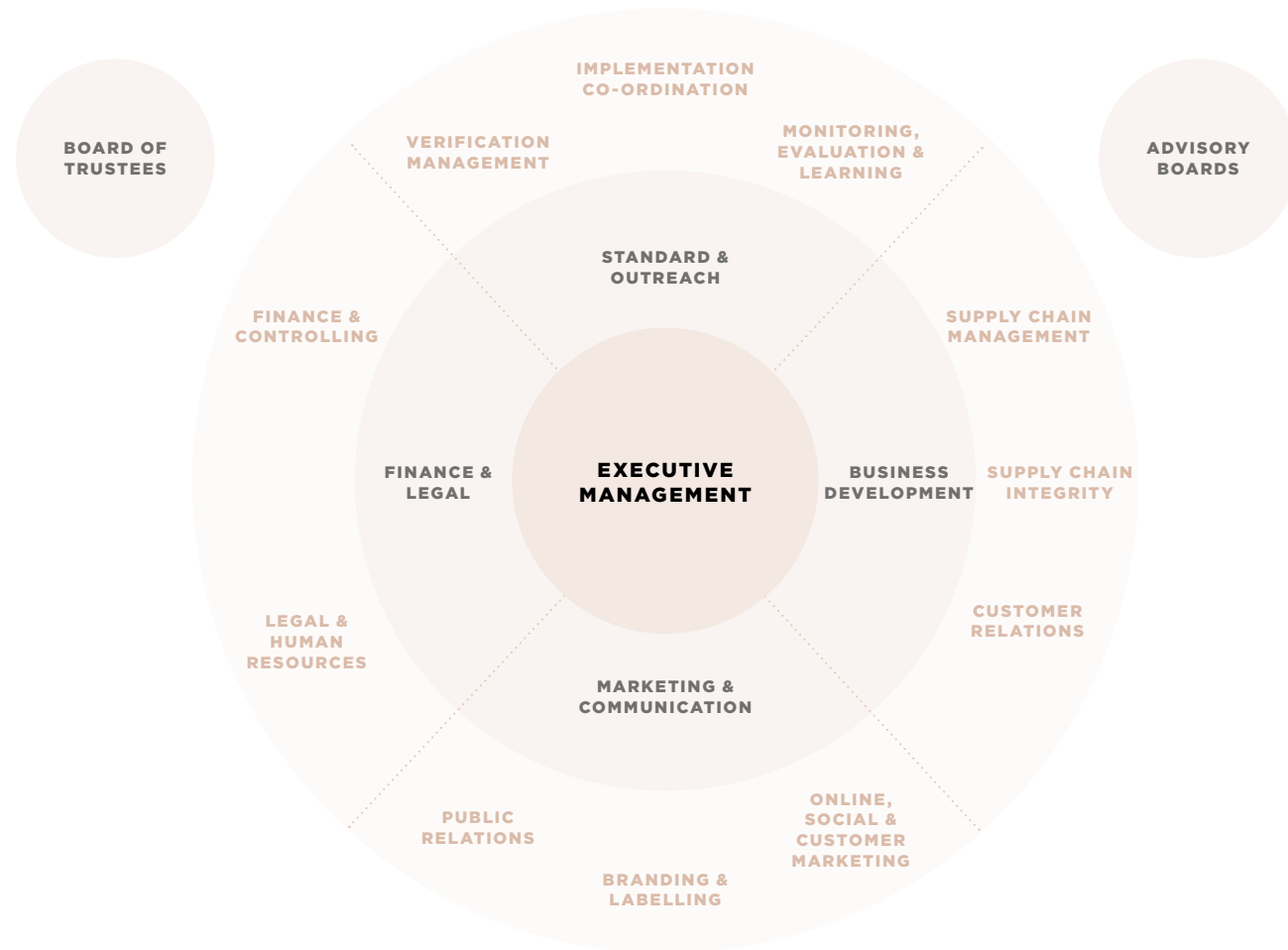
In October 2023, FOUR PAWS published another shopping guide, including valuable tips for buying fashionable, warm winter clothing that both protects from the cold and ensures animal welfare. In terms of cashmere wool, the animal welfare organisation explicitly recommends that consumers look for The Good Cashmere Standard on their labels. This shopping guide was well received and brought GCS a lot of good publicity.



CMIA: GOOD NEWS FROM THE PLANET

Especially encouraging was CmiA’s television appearance on ARTE. Its series “Gute Nachrichten vom Planeten” (*Good News From the Planet*) introduces people, organisations, and companies fighting to improve conditions for people and wildlife throughout the world—and doing so successfully. For two years, the authors searched for stories in Africa, Asia, Europe, and North and South America. In the course of these investigations, they found CmiA to be a positive example, ultimately introducing CmiA alongside Veja and Ortovox in the episode “Wie wir Mode fair und grün machen” (*How We Make Fashion Fair and Green*). The show starts with about ten minutes of reporting on CmiA’s work, using the example of cotton cultivation in Kasoli, Tanzania. Viewers get to know CmiA as a point of contact and as a mediator between cotton farms and the fashion industry. They learn how aid through trade works and what matters most when farming under the CmiA standard. The show concludes that CmiA really does benefit small-scale farmers as well as retailers, consumers, and the environment.

AID BY TRADE FOUNDATION



THE ABTF BOARD OF TRUSTEES

The Board of Trustees of the Aid by Trade Foundation is staffed with internationally leading personalities from NGOs, the public sector, and trade. With a minimum of six and a maximum of twelve members, its purpose is to ensure that the foundation's main objectives are implemented. As of 31 December 2023, the board included the following people:

PROF. DR MICHAEL OTTO
Founder and Chairman of the Board of Trustees / Chairman of Supervisory Board Otto Group

DR WOLFGANG JAMANN
Deputy Chairman of the Board of Trustees / Executive Director of International Civil Society Centre

JOHANNA ADOTEVI
Commercial Director Ivoire Coton SA and Faso Coton SA

OLAF GIESELER
Managing Director CURATAX Treuhand GmbH Steuerberatungsgesellschaft

INGRID-GABRIELA HOVEN
Member of the Management Board Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

MATHIAS MOGGE
Secretary General and Chairman of the Board Welthungerhilfe

JAMES SHIKWATI
Director of Inter Region Economic Network (IREN) Kenya

STEPHANIE SILBER
Managing Director Otto Stadtlander GmbH and Vice President Bremen Cotton Exchange

TORSTEN STAU
Executive Buying Director Indirect Spend / Non Food at REWE Group Buying

MUNIR ZAVERI
CEO Alliance Ginneries Ltd

THE CMIA ADVISORY BOARD

The Advisory Board of Cotton made in Africa is staffed with internationally renowned representatives of various interest groups that bring different perspectives and experiences to the table. Their diverse areas of expertise make the board members key discussion partners and advisors to the management. As of 31 December 2023, the board included the following people:

MARCO BÄNNIGER
Head Trader Hand Picked Cotton Paul Reinhart AG

FRANZISKA BENNINGSHAUS
Head of Strategic Project Management Non Food REWE Group

DR ALEXANDER DAVID
Director Purchasing International / CSR Lidl Stiftung & Co. KG

ALESSANDRA FIEDLER
Komponentenleiterin Burkina Faso Globalvorhaben „Nachhaltigkeit & Wertschöpfung in Agrarlieferketten“ Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

CRISTINA GRAACK
Senior Sustainability Manager Tchibo GmbH

FRITZ GROBIEN
Managing Partner Albrecht Müller-Pearse & Co and Vice-President Bremen Cotton Exchange

THERESA HEERING
Senior Advisor FSS Partnerships & PR Deutsche Welthungerhilfe

JÖRN OTTO
Vice President Sourcing und Supply Chain bonprix Handelsgesellschaft mbH

MAJA-CATRIN RIECHER
Project Manager Sustainable Agricultural Commodities WWF Germany

FABIAN SCHOLZ
Senior Vice President Miles GmbH

OLAF TSCHIMPKKE
CEO International Foundation for Nature NABU Naturschutzbund Deutschland e.V.

THE GCS ADVISORY BOARD

The Advisory Board of The Good Cashmere Standard is staffed with internationally renowned representatives of various interest groups that offer different perspectives and experiences. Their diverse areas of expertise make the board members key discussion partners and advisors to the management. As of 31 December 2023, the board included the following people:

ALVA CHEUNG
General Manager Marketing Erdos Sheng Lin Ltd.

ANNA HEATON
Fiber & Materials Lead: Animal Materials Textile Exchange

HEIKE HILLEBRECHT
Head of Buying PETER HAHN GmbH

HELENE JESSUA
Sustainability Director Zadig&Voltaire

KATJA KAUPISCH
Officer for International Wildlife Conservation Eurasia NABU Naturschutzbund Deutschland e.V.

DR MARLENE K. KIRCHNER
Lead Expert Farm Animals & Nutrition FOUR PAWS International

BRIAN YU
General Manager Artwell Holdings Limited

Regarding membership changes for all boards in the course of 2023, please note that two members left the Board of Trustees of AbTF—Prof. Dr. Johannes Merck from Umweltstiftung Michael Otto and Jean-Claude Talon from SODECO SA Groupe SFP—and three members left the Advisory Board of GCS: Heike Hillebrecht from PETER HAHN, Madelene Ericsson from H&M, and Sophie Prater from the Royal Society for the Prevention of Cruelty to Animals. Since November 2023, PETER HAHN has been represented on the Advisory Board of GCS by its head of sustainability, Patrizia Strupp.

A SELECTION OF CMIA CORPORATE PARTNERS IN 2023

Alba Moda	Aldi Nord	Aldi Süd	Alvi	Avon	Baur Versand	Bestseller A/S	bonprix
BRAX Store	Buffalo	comma	Dibella	Ernsting's family	Future People	Fynch-Hatton	Green Workwear
HAKRO	Hanson	Hersfelder Kleiderwerke	Heinrich Heine	Hofer	Hugo Boss	IKEA	Isa Traesko
Jolo Fashion Group	Kaufland	Klingel Gruppe	Label Crew	LICUS	Lidl	Limango	Papierfabrik Louisenthal
LPP SA	MILES	Name IT	ONLY	Otto	otto group	Otto Austria Group	Penny
Reserved	Rewe Group	Selected	s.Oliver	Schmidt Gruppe	Sheego	Shinsegae International Inc.	Tchibo
toom Baumarkt	TSG Hoffenheim	UNIWAX Cdl	Venus	Vlisco	Weaverbirds	WEITBLICK	Witt Gruppe

A SELECTION OF GCS CORPORATE PARTNERS IN 2023

Aldi Nord	Aldi Süd	Aritzia	Banana Republic	Bestseller	JP Boden	bonprix	E. Breuninger
Cashmere Victim	Cocoa Cashmere London	COS	Country Road	Eric Bompard	Everlane	From Future	Fynch Hatton
GALERIA Karstadt Kaufhof	Galleries Lafayette	GAP	Gülden-pfennig	Goldner Fashion	H&M	Henderson Cashmere AS	Himalaya Clothing
Hugo Boss	J.CREW	Klingel Gruppe	LPP SA	Madeleine Mode	Madewell	Marc O'Polo	Miles Group
Mint Velvet	Modissa	Mos Mosh A/S	& Other Stories	People's Republic of Cashmere	P&C Hamburg	P&C	PETER HAHN
Samsøe Samsøe	s.Oliver	Takko	Tchibo	The Mercer NY	The White Company	TriStyle	VAN GRAAF

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Note on trademarks: For reasons of better readability, the labelling of Cotton made in Africa, The Good Cashmere Standard and Regenerative Cotton Standard as officially registered trademarks with the ® notation in the continuous text is omitted.

Note on key figures: Some of the figures in this report have been rounded to simplify presentation.

This report is also available in German and can be downloaded at <https://cottonmadeinafrica.org/en/media-library/#annualreport>

AID BY TRADE FOUNDATION

Founded in 2005, the Aid by Trade Foundation (AbTF) is now an internationally renowned non-profit organisation that works throughout the world to promote sustainable raw materials. Its activities make a decisive and measurable contribution to improving the living conditions of people and animals while protecting the environment. AbTF takes a practical approach by creating and maintaining a variety of standards to verify raw materials: Cotton made in Africa (CmiA), Cotton made in Africa Organic (CmiA Organic), Regenerative Cotton Standard (RCS), and The Good Cashmere Standard (GCS). A global alliance of textile companies and brands purchases the verified raw materials, paying a licensing fee to AbTF's marketing company, ATA-KORA Fördergesellschaft GmbH. The payment of this fee entitles the partners to sell their goods under the standards' labels. As the challenges facing textile companies and small-scale farmers grow, the standards have a major role to play in ensuring their resilience and future viability. AbTF collaborates closely with industry experts and with specialists in animal and nature protection.

Aid by Trade Foundation

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www.cottonmadeinafrica.org

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