

COTTON MADE IN AFRICA

2015 Annual Report



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Tel. +49 40 6461-7971 Fax +49 40 6461-1009

info@abt-foundation.org

In charge

Editor

Text

Photography

kantver, Fotolia.com (page 24) Otto Österreich (page 29) as well as Lee Esposito, Paul Hahn,

Design

Stefanie Oehlke, Hamburg www.stefanieoehlke.de/EN

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DR. MICHAEL OTTO

Chairman of the Board of Trustees
Chairman of the Supervisory Board of the Otto Group

In 2005, acting on the commitment to securing the viability of future generations and being able to protect vital resources via sustainable development alone, Dr. Michael Otto founded the Aid by Trade Foundation (AbTF) – starting under the name "Foundation for Sustainable Agriculture and Forestry in Developing Countries" (FSAF). In 2007, the foundation was renamed "Aid by Trade Foundation for Sustainable Agriculture and Forestry".

Cotton made in Africa (CmiA) is an initiative of the Aid by Trade Foundation.

<u>CONTENTS</u> Foreword

FORFWORD

In 2005, I founded the Aid by Trade Foundation to improve the living conditions of smallholders in many African countries and protect the environment. To this day, it is the foundation's goal to create a situation in which people can live from the fruits of their labor on the cotton fields. They should no longer suffer from cotton prices being kept artificially low on the global markets via subsidies, therefore having no chance of achieving an income that grants them dignity in their lives. What makes our idea special is that we include numerous companies in this plan. This is why the foundation still bears the name of its guiding principle in the beginning: Aid by Trade.

Where is the foundation ten years later? It has been an eventful decade. Social injustice and a wealth gap from north to south mean that the concerns of Cotton made in Africa are more topical than ever. Hundreds of thousands of people are fleeing war, poverty and displacement in their homelands and trying their luck in Europe. The pressure on our ecosystems also continues to increase due to growing population figures, the erosion of available cultivated areas and climate change.

The implementation of ecological and social sustainability is therefore becoming an increasingly urgent necessity. Business and politics must face these problems together. We must manage to enable prosperity in second and third-world countries as well, simultaneously securing natural livelihoods in a lasting way. Initiatives such as Cotton in Africa show that we can succeed in benefiting economic growth and social progress and protect our natural resources. In this way, we can give people prospects which allow them to stay in their home countries.

It is obvious that business must take responsibility and confront the ethical challenges of its actions. This activity also comprises knowledge of the origin of products and raw materials and the conditions under which they are produced. The demand for more awareness and a level of responsibility which extends into the value-added chains is a daily challenge for us. That is good and right as it makes companies reflect on their procurement processes and use raw materials which are cultivated under sustainable conditions and processed with social standards in mind.

So a lot of our energy and your energy is still needed, as partners, supporters and not least multipliers of our initiative, to develop the full strength of the idea behind Cotton made in Africa and unlock the great potential in improving the lives of hundreds of thousands of smallholders.

There is still some distance to cover, but the Aid by Trade Foundation has already achieved a lot with its partners. Our partnership with GIZ, DEG and the Bill and Melinda Gates Foundation within the scope of the Competitive African Cotton Initiative (COMPACI) was a determining factor in enabling growth and impact. This partnership and positive cooperation with cotton companies have made Cotton made in Africa one of the most important initiatives for sustainable cotton in Africa and on an international level. Corporate partners have also covered great and sometimes

Social injustice and a wealth gap from north to south mean that the concerns of Cotton made in Africa are more topical than ever.

rocky distances with us. Millions of textiles with the CmiA label now go on sale each year. Our associates from WWF, Welthungerhilfe and NABU have worked with us to develop the standard further and made sure that Cotton made in Africa can develop its social and ecological impact, for example in the joint cooperation projects, for over 750,000 smallholders in eleven African countries. This success will encourage us for the next decade, the challenges of which we are content to face together with our partners.

CONSOLIDATED EARNINGS

CONSOLIDATED STATEMENT

As in the previous year, the Aid by Trade Foundation was able to take in EUR 1,010,000 in license fees in the 2015 fiscal year by marketing rights to the Cotton made in Africa brand via ATAKORA Fördergesell-schaft GmbH. Revenue totaling EUR 258,000 was also generated via the sale of CmiA-verified cotton to the value-added chains of the customers of the Better Cotton Initiative (BCI). This means that revenue from the sale of CmiA cotton in 2015 reached a proportion of almost 50 percent of the total revenue of EUR 2,563,000.

There was also a strong increase in revenue from partnership contributions in 2015 as a result of the constantly expanding global network of CmiA partners. These are payments of contribution from the cotton companies, dealers and spinning mills which work with the sustainable cotton and are involved, as stakeholders in the value-added textile chain, in the Cotton made in Africa initiative. Partner contributions are also made in addition to the license payments for the use of the label from some companies in the demand alliance. This positive development has also included revenue from service fees (revenue from the sourcing service for companies which use CmiA cotton).

Expenses for project implementation increased by 20 percent in 2015 in comparison with the previous year, to EUR 1,489,000, meaning that the program service expense ratio in 2015 improved again in comparison with the previous year by 2 percentage points, up to 71 percent. This figure describes the effectiveness of the funds used and is calculated using the relationship between overall expenses and the funds which directly support the foundation's targets.

There was also a strong increase in revenue from partnership contributions in 2015 as a result of the constantly expanding global network of CmiA partners.

AbTF yielded a contribution of EUR 980,000 to training measures for smallholders and accompanying cooperation projects within the scope of project implementation in 2015, which represents a 32 percent increase in comparison with the previous year.

Consolidated annual profits totaling EUR 203,000 were realized in 2015, providing a good foundation for further investments in 2016, both in program implementation and increased CmiA marketing.

Aid by Trade Foundation

The Aid by Trade Foundation for Sustainable Agriculture & Forestry (AbTF) aims to improve the social and environmental situation for smallholders in developing countries. This should mainly be achieved via training measures

financed by the increasing revenue from license fees for the standards Cotton made in Africa (CmiA), Cotton made in Africa-Organic (CmiA-Organic) and the Sub-Saharan Cotton Standard (SCS).



ATAKORA

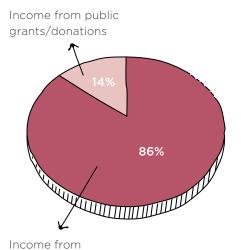
ATAKORA Fördergesellschaft GmbH (Atakora) markets all rights to the CmiA, CmiA-Organic and SCS standards for AbTF. Atakora's payment of license fees to AbTF is arranged via contract. These

fees are increasingly being used to implement the AbTF's statutory targets.



CONSOLIDATED EARNINGS

REVENUE 2015

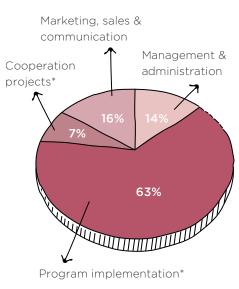


Income	TEUR	in %	2014 in %
License fee income	1,268	49%	53%
Partnership contributions	434	17%	18%
Public grants	110	4%	10%
Private grants	195	8%	4%
Donations	252	10%	1%
Service fees	103	4%	5%
Other income	201	8%	9%
Total income in 2015	2,563	100%	100%

	TEUR	in %
Income from business operations	2,201	86%
Income from public grants/donations	362	14%

EXPENSES 2015

business operations



Expenses	TEUR	in %	2014 in %
Management and administration	325	14%	15%
Program implementation*	1,489	63%	60%
Cooperation projects*	177	7%	9%
Marketing, sales and communication	369	16%	16%
Total expenses in 2015	2,360	100%	100%

	TEUR	2014
*Thereof AbTF contribution to training programs and cooperation projects in 2015	980	738

Program implementation*	in %	2014 in %
Program Service Expense Ratio = Program Service Expenses/Total Expenses	71%	69%



DANIELA BRÖKER

Adviser for Gender¹ and Farmer Business Schools at COMPACI (ESA)

CmiA Interview with GIZ Lusaka, Zambia

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¹The term "gender" denotes a person's socially and culturally influenced role with respect to masculinity and femininity as opposed to biological sex. The term has now entered the German language, thereby making it possible to distinguish more easily the social ("gender") and biological ("sex").

INTERVIEW

Ms. Bröker, how did the idea of the "Gender Picture Block" develop?

<u>Daniela Bröker:</u> COMPACI has a strong gender component which also includes sensitivity training for farmers and partners in this area. However, there was no appropriate material available locally for this for the agricultural sector in particular. The topic was often not tangible for the field advisers, who generally have more of an agricultural background, and they encountered problems during the communication of the topic. As it can also be a very sensitive subject, it was important for us to establish clarity and remove barriers in this area. We were inspired by the existing, illustrated training material on child labor developed by AbTF in 2014.

What were the aims of the project?

We wanted to develop training material on the subject of gender which was also suitable for those who are illiterate, functioning on a visual level and addressing everyday scenarios from the farmers' lives first and foremost. This is designed to ensure that they feel like

It was very interesting for me to see how we unconsciously look at things from our own cultural perspective and sometimes even interpret details in images in different ways.

they are being spoken to and are able to identify with the images, but the material can also be used to train field advisers. The topics covered range from the right to a voice in household and farm matters, workload, division of labor, HIV/AIDS and family planning to equal opportunities in training measures, cotton sales and microfinances.

What were the main development steps?

First we collected topics which play a role in the daily lives of the farmers. Then we held a workshop in Lusaka with the illustrator James Kazembe from Malawi (see box) to "translate" the topics into images and composed the text. When the layout was fixed, we first printed a small quantity of the training material and tried it out in various regions of Zambia. Approximately nine months later, we compiled the feedback and adjusted the material before printing the final version in greater quantities for all partners.

What were some of the special challenges in this process?

Depicting the situation of the farmers realistically and without cultural condescension and nevertheless portraying the images in a way authentic enough for them to recognize themselves in the characters. It was also important not to overload the images with details and make them too complicated. The message must be clear and simple, which is why we also work according to the best practice approach, meaning that we only depict situations whose realization we would find desirable. We do not use two-part images in which one situation is depicted as "wrong" and crossed out. If we do not wish to see something in practice, it does not appear in the images. If we depict a situation in an exaggerated way, it is more likely to encourage people to reflect on their own actions. There is always a lot of discussion, for example, about the image which shows the joint sale of cotton to a female buyer. The discussion is often whether or not women can handle money and if the sale of the harvest is not actually the man's domain. It was of particular importance to us to collaborate with a local illustrator as we often see things differently for cultural reasons.

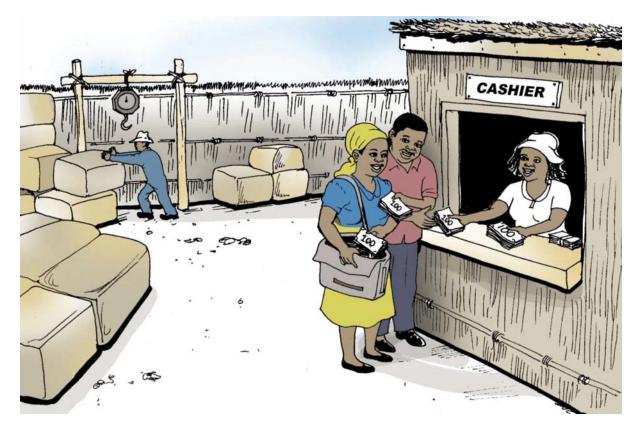
It was very interesting for me to see how we unconsciously look at things from our own cultural perspective and sometimes even interpret details in images in different ways. It is so important, for this reason in particular, to have local colleagues there to provide support and test the material in the field.



James Kazembe is a well-known illustrator and cartoonist in Malawi. He is a graduate of Soche Technical College. His comic strips "Amtchona" and "Kalimalima" in the newspaper "Weekend Nation" are very popular among young and old alike. He has provided illustrations for many literary works

including stories, poems and documentaries, but can also be found in teaching materials for schools.

INTERVIEW



Who is using the new material?

First I trained the field workers in Zambia to deal with the material together with our partner's advisers. Our colleagues in Malawi and Mozambique did this themselves. Ideally, parts of the gender material will be included from now on in each training session. Pure gender training sessions are also held, however, in which the entire picture block is discussed in one sitting.

What has your initial experience with the material been like?

The field workers' feedback has been consistently positive as the topic of gender has been addressed in a more understandable way. The material provoked active discussions among the farmers and field workers during a lot of the training sessions, but that is what we wanted to accomplish. Lots of farmers felt they were being spoken to and asked for additional topics such as "polygamous relationships" and "nutrition" to be included, which we have put into the final version. The long test phase for the first version definitely paid off.



Dispelling the classic, traditional understanding of roles using the Gender Picture Block

DEVELOPMENT POLICY

COTTON — KEY TO FIGHTING POVERTY IN AFRICA

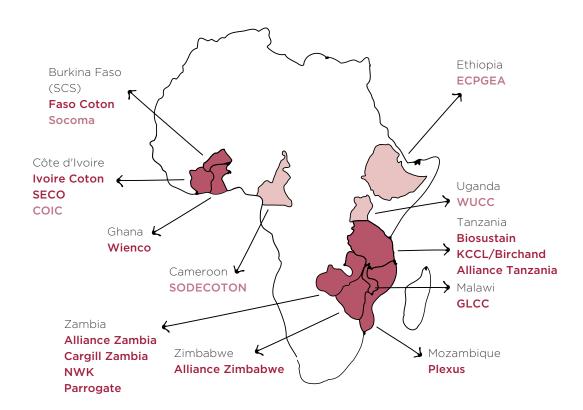
Approximately 8 percent of cotton traded worldwide is harvested in sub-Saharan Africa¹. The raw material is cultivated almost exclusively by smallholders, who face numerous challenges such as fluctuating global market prices, low productivity rates and poor infrastructure. Cotton made in Africa has set its sights on improving the living conditions of cotton farmers and their families in a lasting way.

CmiA supports the farmers in growing their cotton effectively via intelligent cultivation of the space, using pesticide only when completely necessary, so that they can generate greater income and afford to send their children to school.

The CmiA Verification System

Compliance with the CmiA Standard criteria and therefore the sustainable social, economic and ecological development of smallholders and associated ginners is verified by CmiA using a multi-level verification system. The system stipulates the fulfillment of a range of exclusion criteria. If they are not met, participation in the program is not possible. The criteria include the exclusion of child labor, compliance with core working standards in accordance with International Labour Organization (ILO) conventions and a ban on using genetically-modified seeds. It is also stipulated that no pesticides deemed especially critical in international agreements are used.

There are also sustainability criteria alongside the exclusion criteria. A traffic-light system (red, amber, green) evaluates the state of development leading up to sustainable production, thereby measuring the degree of improvement to living and working conditions for participating smallholders and their families.



AbTF partner companies in sub-Saharan Africa

¹The sub-Saharan African region includes 49 of the 54 African states, therefore all except the five Arab-influenced countries on the Mediterranean.

DEVELOPMENT POLICY

In 2015, approximately 750,000 smallholders were verified with a production volume of just under 400,000 tonnes of lint cotton in accordance with the CmiA, CmiA-Organic and SCS standards. The CmiA-Organic standard supplements the recognized criteria for organic farming Council Regulation (Council Regulation (EC) No. 834/2007 and GOTS) with CmiA's social and economic sustainability criteria. The Sub-Saharan Cotton Standard (SCS) differs from the CmiA standard through its neutrality with regard to the use of genetically-modified seeds. This is banned within the CmiA standard in accordance with exclusion criterion no. 14. SCS-verified cotton is sold exclusively via the partnership with BCI through the latter's channels.

A total of 22 verification missions were carried out to examine the standard criteria for cotton production and ginning factories. The number of companies verified according to CmiA and SCS therefore increased to 19 cotton companies in 11 countries in sub-Saharan Africa. Seven new companies were taken on during the 2014/2015 season.

AbTF contracted three independent verification companies (EcoCert, AfriCert, Control Union) with a total of 13 African auditors to carry out the verifications. Some new auditors were trained by AbTF and auditors who were already licensed received refresher

In 2015, approximately 750,000 smallholders were verified with a production volume of just under 400,000 tonnes of lint cotton in accordance with the CmiA, CmiA-Organic and SCS standards.

trainings. The AbTF also carried out two monitoring missions in Tanzania and the Côte d'Ivoire, during which eight auditors were trained and evaluated. These missions serve to maintain continuously high auditing quality and a consistent interpretation of the CmiA standard.

RESULTS OF VERIFICATIONS CARRIED OUT IN 2015

"A tightened exclusion criterion entered into force in 2015. It stipulates that active pesticide substances categorized by the WHO as "extremely dangerous" or "very dangerous" are banned by CmiA. Two cotton companies subsequently replaced the pesticides they had been using with less toxic products. As a result, 250,000 smallholders are now no longer exposed to these particularly dangerous pesticides.

// The verification of sustainability criteria showed that all cotton companies had improved from red to at least amber in the traffic-light evaluation system by the second follow-up verification at the latest. This shows that CmiA's "continuous improvement" approach works and has practical added value for all concerned.

"In 2015, AbTF focused on supporting the cotton companies in the development of their progress plans. Two workshops on this subject were held in English and French for all partners during the Stakeholder Conference in Addis Ababa in October. The progress plans are an obligatory component of every verification report. They provide the cotton companies with helpful guidelines for structured improvements. The plans are based on the on-site evaluations and recommendations of the verifiers. As they are stipulated by the cotton companies themselves, they express the priorities for improvement of these companies.



Organic Pesticide Project

The AbTF launched a project on plant-based organic pesticides in southern and eastern Africa in 2015. The C&A Foundation will be funding the project until the end of 2017. The aim is to identify locally available plants with insecticidal properties and promote knowledge of organic pesticides and their subsequent use among CmiA farmers. Suitable plants were identified in Tanzania and Zambia and seven partner companies were trained on the biointensive approach of integrated plant and pest management during two different workshops. Four partners have already carried out initial tests on the effectiveness of organic pesticides.

OUTLOOK

The AbTF began a process to revise the CmiA standard in 2015, which will be completed in 2016 with the adoption of "CmiA Volume 4". The process includes the introduction of a more easily understandable structure of criteria using the sustainability pillars "People", "Planet", "Profit" and "Management". Some new aspects will also be included, such as training in organic pesticides.

The AbTF also began developing a module called "rotational crops" in 2015. Missions to Zambia and the Côte d'Ivoire confirmed that the inclusion of rotational crops is a sensible addition to the CmiA system

and can make a contribution to securing a source of food for the smallholders. The AbTF cooperates with the Center for Development Research (ZEF) and Welthungerhilfe [Aid organization] in this respect. Promoting the sustainable cultivation of crops which are planted in rotation with the cotton and also verified can make an important contribution to securing a source of food for the smallholders. This expansion model means that training on the subject of efficient, high-yield cultivation beyond cotton is being extended to the crops which make up the diet of smallholders, such as corn and cassava.



STEFANO CACCIA Marketing Manager

CmiA Interview with Denim De L'Ile (DDI), Mauritius



Mr. Caccia, give a brief description of your company.

<u>Stefano Caccia:</u> Denim De L'Ile is a leading vertical provider in the textile industry, from cotton bales to denim garments such as jeans and tops.

DDI has been a partner of Cotton made in Africa since 2013. How did this come about?

The core of our work at DDI has always been to support growth in Africa and local and sustainable procurement. These principles have been certified via the collaboration between DDI and Cotton made in Africa. It was CmiA's work ethic which ultimately impressed us. There are a lot of people across the globe who talk about wanting to help Africa and be sustainable, but Cotton made in Africa is the real deal.

Your company was the first to join up to the "Mauritius Model". What was your motivation?

The "Mauritius Model" fits perfectly to the essence of Mauritian companies. Unlike many other global procurement markets for textiles, we were forced, as a result of our geographical position as an island, to design our production process in a completely vertical way. This is an advantage for the Cotton made in Africa initiative, which has taken up the cause of traceability as a key topic.

What feedback do you receive from customers with regards to providing sustainable textiles? Does the subject of sustainability bring more orders with it?

Sustainability is currently the most important subject in the denim industry. Everyone is rethinking their production process and supply chain in relation to this subject. CmiA is a great help to us in this respect. Demand from customers is increasing, we have an advantage over our competitors, and all at fair prices. We are delighted to see how sustainability is finally becoming "sexy".

How do you see the role of the textile industry in sub-Saharan African countries in general and the role of Mauritius in particular?

Sub-Saharan Africa is becoming increasingly interesting as a location for textiles. In the past, it was one of our most important tasks in Mauritius to convince

We are delighted to see how sustainability is finally becoming "sexy".

customers to open up a new procurement center here. This has become easier, in part thanks to Ethiopia, Kenya and Madagascar. We know how Africa "works" and operates in Mauritius, especially in the case of Madagascar as a bridgehead. For Mauritius, the mass market is a thing of the past. The future will be characterized by strong partnerships with customers who have very particular requirements regarding service, product and traceability. We are looking for long-term partners to invest and grow with.

Do you have any suggestions as to how Cotton made in Africa can be developed further from the perspective of a producer?

Joint activity would be a step in the right direction for Cotton made in Africa. We believe that joint marketing and PR strategy would be helpful, both for CmiA and partners such as DDI in order to address certain customers in a targeted manner.



CREATING PROSPECTS

Since 2009, Cotton made in Africa has implemented cooperation projects in areas including education and the promotion of women in order to provide support for sustainable development which goes beyond sustainable cotton cultivation. This takes place with the cooperation of corporate partners, cotton companies, NGOs and state sector partners, usually as a public-private partnership. The concept of these cooperation projects has continuously been developed and was converted into the CmiA Community Cooperation Program (CCCP) in 2015. Dr. Michael Otto invested EUR 1 million into the CCCP for the continued support of communities in rural Africa on the occasion of Cotton made in Africa's tenth anniversary.

The new program also includes share opportunities for corporate partners which can then go towards supporting projects in CmiA cotton cultivation regions covering education, health, the promotion of women and the environment. All CmiA Community Cooperation Program projects are developed by partners on site using demand analysis together with village communities. An advisory board of experts selects the projects which will receive funding. The first project applications had already been received in late 2015.

COOPERATION PROJECTS

2015 COOPERATION PROJECTS

Côte d'Ivoire - Funding Women's Projects

A total of 39 women's cooperatives, each with a minimum of 49 members, have been supported in Côte d'Ivoire by our project partner Ivoire Coton since the project was launched in 2012. Specifically, the cooperatives are supported with seeds, tools and other materials for cultivating vegetables and also trained in vegetable cultivation techniques. All measures aim to increase the income of women.

Joint implementation with partners

C&A, Ivoire Coton, DEG, AbTF Total budget EUR

100,000

Mozambique - Drinking water, sanitary facilities and hygiene

The project in Mozambique to improve hygiene and the provision of sanitary facilities and drinking water for 16 communities in Cabo Delgado, introduced in the last annual report, began successfully in 2015. The NGO CARE Mozambique was responsible for the project implementation. Hygiene training was provided, sanitary facilities were built and boreholes repaired or redrilled.

Joint implementation with partners **OTTO. Plexus.**

CARE Mozambique, DEG, AbTF Total budget approx. EUR

300,000

Zambia - Improvement of School Infrastructure

Our project partner Cargill has built or renovated a total of eight school buildings in Zambia, each with three classrooms. The schools were given furniture and teaching materials. In addition, new sanitary facilities were built, solar panels were installed on the buildings, each school was provided with a well and a school garden. Project implementation was completed in 2015.

Joint implementation with partners

Tchibo, Cargill Zambia, DEG, AbTF

Total budget approx. EUR

450,000

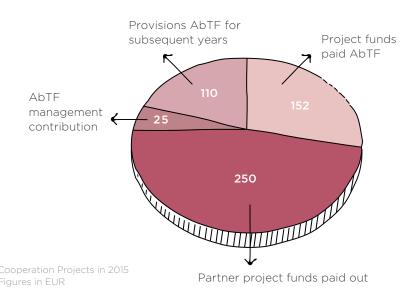
Zimbabwe - Drinking Water, Sanitary Facilities and Hygiene

A project to improve hygiene and the provision of sanitary facilities and drinking water was also launched in Zimbabwe in 2015. Our cooperation partner is the country's Welthungerhilfe office. In close consultation with the cotton company Alliance Zimbabwe, 20 villages in the Gokwe South region were selected in which hygiene ambassadors are trained, particularly in schools. The schools are now equipped with separate toilets for girls and boys and new wells were drilled or existing ones repaired.

Joint implementation with the partners

Unito, Welthungerhilfe, Alliance Zimbabwe, DEG, AbTF Total budget approx. EUR

320,000





HENDRIK FINK Auditor

CmiA Interview with PwC AG Wirtschaftsprüfungsgesellschaft



Give a brief description of your tasks at PwC.

I manage Sustainability Services at PwC. We deal with questions surrounding the subject of sustainability, both working in an advisory capacity and verifying companies and non-profit organizations. Our consultancy begins with the development of the sustainability strategy and social and ecological direction of the business model which is to be implemented throughout the entire company. Non-financial performance indicators play a special role and are important within the framework of the integrated report.

What kind of role does sustainability play in your customers' core processes?

Sustainability is becoming increasingly important for our customers, and not only because the capital market requires more transparency in the companies' non-financial risks. The consumer or B2B customer is also demanding more and more information and clearly defined strategies and programs in this area.

Sustainability is becoming increasingly important for our customers.

You created a new Chain of Custody Guideline with Cotton made in Africa in 2015, which describes and explains the cotton-to-textile process. Why are instructions such as these important for textile companies?

There are several reasons. Firstly, the consumer is demanding greater transparency across the supply chain. Negative reporting in relation to inhumane and unsafe working conditions in many textile factories have contributed to this, for example, but customers in the textile production sector also expect much greater transparency from their suppliers and therefore the possibility of traceability. This does, of course, have something to do with reputation, but more and more companies have also set themselves the target of systematically minimizing risks in their supply chain.

The collaboration with CmiA aimed to increase transparency in the value-added chain. What measures were particularly important in achieving this?

Firstly, it was important for us to understand how the value-added chain is structured in the use of CmiA cotton and which stakeholders are involved. Then we had to acquire some understanding of the underlying processes and controls within the chain in order to make further recommendations to the Aid by Trade Foundation as to how transparency could be increased further.

PwC audits the sustainability reports of several large companies, including some from the textile industry. With that said, how do you assess the fact that greater transparency can be enabled in the value-added chain as a result of sustainable raw materials such as CmiA?

The Aid by Trade Foundation has established a traceability process which makes it possible for textile companies to secure greater traceability in their supply chains. I consider this to be a step which will be indispensable in the future if textile companies wish to create transparency in their chains. CmiA is right at the forefront here.

In your view, what other steps could be taken to provide trade partners with yet more support or transparency?

I think the Aid by Trade Foundation has already taken a lot of steps, although we are currently referring to mass balance and not hard identity preserved (see page 24). This could be a future requirement which CmiA must secure.

What other new verification instruments does PwC offer its customers in the area of sustainability and reporting?

As an international auditing and consulting company, PwC has a global network offering consulting or auditing services to companies with a view to the corporate sustainability. Here at Sustainability Services, we have specialized in linking digitalization with traceability in the trading and consumer goods sector. This provides our customers with excellent and innovative specialist and cultural know-how.



THE INTEGRATION OF SUSTAINABLE COTTON INTO THE TEXTILE CHAIN



As partners of the demand alliance we have built, numerous international textile companies purchase the raw material Cotton made in Africa at global market prices. The initiative supports the companies as they integrate the sustainable cotton into their global value-added chains. It is processed on all of

the world's large textile production markets and even in some African countries. At the end of the textile chain, the companies pay a small license fee to Cotton made in Africa.

The initiative invests the revenue from license fees in its work, for example co-financing agricultural training, investing it in the verification of standards and in cooperation projects in African cotton-growing areas. In the year under review, approximately 750,000 small-holders in sub-Saharan Africa took part in programs and cultivated 399,808 tonnes of lint cotton in accordance with the CmiA, CmiA-Organic or SCS standards.

In 2015, CmiA spinning mill partners made payments of EUR 57,000 for their registration. Cotton made in Africa is now working with 67 spinning mills. In the year under review, a total of approximately 87,000 tonnes of CmiA and SCS cotton was marketed worldwide, directly and through dealers within the framework of the partnership with BCI.

SALES & SUPPLY CHAIN MANAGEMENT

EXISTING AND NEW CUSTOMERS

In 2015, a total of approximately 30.5 million textiles bearing the CmiA seal were placed on the market. Revenue from CmiA licenses once again exceeded EUR 1 million. Particular emphasis should be placed on the extraordinarily positive development of the Otto Group, which grew by 84.7 percent in comparison with the previous year with approximately 18.8 million CmiA items.

Marketing of the CmiA licenses to textile companies worldwide is the task of ATAKORA GmbH, which received from the Aid by Trade Foundation sole marketing rights to the brand Cotton made in Africa. ATAKORA returned approx. EUR 530,000 in revenue to AbTF from the licensing business in the year under review, which corresponds to double the value of the previous year.

The partnership with the Better Cotton Initiative yielded revenue totaling EUR 258,000 in the year under review for use of CmiA cotton in the supply chains of BCI customers.

The international expansion of the sales markets was also an important task in 2015 to which the initiative has devoted itself within the scope of its marketing activities, with particular focus on France, Scandinavia and Great Britain. Despite challenging conditions in the European markets, characterized by high price sensitivity among companies and even lower awareness of sustainable textiles among consumers, CmiA held its ground well on the international stage. The

initiative was able to acquire two new international customers in the British online provider ASOS and Danish Bestseller group. Not only do both companies use the African cotton; they also have it processed on the African continent, resulting in even greater added value on site.

ATAKORA returned approx. EUR 530,000 in revenue to AbTF from the licensing business in the year under review, which corresponds to double the value of the previous year.

Two new demand partners were also added from the US market in 2015. The home textile manufacturer 1888 Mills markets its own collection via Amazon and is principally active in the commercial sector (hospitality supplies). Crate + Barrel, the well-known provider of furniture and home textiles, also started using CmiA for its products in 2015.

SALES & SUPPLY CHAIN MANAGEMENT

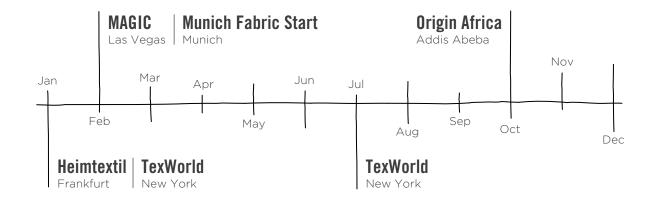
TRADE FAIRS AND EVENTS

Cotton made in Africa made appearances at numerous trade fairs in 2015 to find new partners for the demand alliance, partly with our own booths and partly in cooperation with partners. The initiative was represented at "Heimtextil" in Frankfurt in January, "TexWorld" in New York in January and July, "Munich Fabric Start" in Munich in February and "MAGIC" in Las Vegas, as well as "Origin Africa" in Ethiopia's capital Addis Ababa in October.

The latter was taking place for the second time and is establishing itself as one of the largest and most important trade fairs in sub-Saharan Africa. This year's trade fair location was also an advantage. Ethiopia is the most developed country in Africa with regard to the textile industry. CmiA has been working there with two textile companies for some years, both of which produce CmiA thread or textile products. A factfinding mission to Uganda, Kenya and Ethiopia in April 2015 also made it clear, however, that the textile chain in sub-Saharan Africa must develop further to produce competitively for the European and North American markets. Although the necessary infrastructure is often lacking, for example textile suppliers and suppliers of ingredients and accessories, textile-related services and qualified textile workers, Africa's procurement market will become more and more important in the future. Its relative proximity to Europe and

the cotton raw material cultivation areas, the growing number of well-equipped vertical companies and unbridled interest of many European companies in new procurement markets are all arguments in favor of the African continent becoming a force to be reckoned with in textile production.

In order to become better acquainted with the commercial and hygiene textile and professional clothing sectors and advertise the relevant stakeholders with CmiA, the initiative made use of the relevant events of the associations WIRTEX e.V. (Textile Service Trade Association) and BESPO e.V. (Specialist Association of Professional, Sport and Leisure Apparel Industry) to introduce itself to the respective members.



CmiA at National and International Trade Fairs in 2015



TEXTILE ALLIANCE

Companies, associations, NGOs, unions, standard organizations and the German government have joined together to form an alliance for sustainable textiles. They combine their expertise and commitment to achieving social, ecological and economic improvements along the textile supply chain. The initiative's stakeholders are developing shared approaches. The Aid by Trade Foundation is a member of the alliance for sustainable textiles as a standard organization and played a part in various working groups during the year under review.

SOURCING SERVICES

A total of three Sourcing Services projects were implemented in 2015. These set the target of reducing added costs for CmiA products within textile production. The projects were concluded during the period under review with the result that all three clients were able to fully eliminate their added costs, leading to a clear increase in CmiA sales figures.

"MAURITIUS MODEL"

CmiA offers its partners various models to integrate the sustainable cotton into the value-added chain in accordance with individual requirements. The previous annual report introduced the newly-developed "Mauritius Model". It facilitates a direct agreement between the textile companies and the (African) suppliers. This agreement stipulates that the suppliers label their products with the CmiA hang tag and/or web label, therefore making it possible to offer their customers all the benefits of sustainable products. In 2015, the circle of suppliers implementing the model grew to include five stakeholders and Uganda and Kenya alongside Mauritius.

The "Mauritius Model" plays a role in assuring that greater added value remains on the African continent as a result of "Textiles made in Africa", but it also offers European and North American textile companies the security of purchasing from suppliers who are acquainted with their requirements and can reliably implement sustainable products.

SALES & SUPPLY CHAIN MANAGEMENT

NEW TRACKING SYSTEM

CmiA facilitates for partner companies uninterrupted cotton-processing traceability, from raw material cultivation right up to the ginning factory and spinning mill. The first tracking system for this was initiated in 2007. The aim was for each detail of a CmiA product delivery to be recorded, from quantity to order number and item code. This physical traceability, familiar from the organic cotton sector, was not necessarily required for the processing of Cotton made in Africa, as there is no promise of physical product features. It has more to do with increasing sales quantities of African cotton. With the introduction of the principle of mass balance (MB), CmiA has significantly simplified implementation in the global procurement markets and accelerated processes. The MB system provides for inspections at the spinning mill level on the quantity of CmiA cotton bought from the spinning mill and compares it with the quantity of sold CmiA thread. This balance must be even, but the spinning mill may also mix cotton provenance within these specifications and therefore operate flexibly in the procurement of cotton.

If the product is to have uninterrupted traceability along the entire textile value-added chain, Cotton made in Africa can also be implemented in the Hard Identity Preserved (HIP) system. A Chain of Custody Guideline regulates the implementation requirements. These stipulate, for example, that the cotton be stored separately in all production steps and that all stations of the textile value-added chain which the cotton passes through on its way from the field to final processing are documented.

CmiA developed the tracking system further in 2015. Partner companies, but also spinning mills and representatives of the textile companies in the procurement markets, can now enter their order data and other relevant information directly into the system. This simplifies the workload for all concerned and simultaneously increases transparency in the various markets. The CmiA customers can also get information directly from the system on the movements of the CmiA products. The new tracking system means that the initiative has been able to continue improving the scope and quality of its services. The new system will go through a test phase in 2016. In order to document the requirements made of different sections of the value-added chain, a new Chain of Custody Guideline was published in 2015.

FASHION FOR TEAMS

ATAKORA set up Fashion for Teams in 2015 to give companies, associations, bands and other organizations the opportunity to order sustainable products in an uncomplicated way. The company takes care of the procurement of the desired clothing, from raw material to finished product, and delivers it to the desired address. Fashion for Teams only works with companies which use CmiA cotton for their products. The revenue from Fashion for Teams is invested in the Cotton made in Africa initiative.



SALES & SUPPLY CHAIN MANAGEMENT

THE FOLLOWING COMPANIES WORKED WITH Cmia in 2015:































































SABRINA MÜLLER
Manager for Sustainable Assortments & **Products Non Food**

CmiA Interview with Tchibo GmbH



Tchibo has been working with CmiA since 2008. What were Tchibo's motivations for entering into this cooperation?

Sabrina Müller: Sustainability has been an integral part of Tchibo's business strategy since 2006. We are convinced that our business activities should not be at the expense of people and the environment. Specifically, this means that the livelihoods of future generations should be preserved when the raw materials and substances processed for our products are cultivated and extracted. Environmental protection and the improvement of social conditions are equally in focus in our work. The partnership with CmiA is very important to us as we start with exactly these points and support African cotton farmers and their families in their attempts to improve their living conditions for the long term.

The demand for information and open-minded, sometimes critical dialog is growing.

Sustainability communication is very important for Tchibo – why is that?

Our approach of 100% sustainability in our business activities also means informing the consumer and facilitating sustainable consumption. To this end, we are consistently expanding our sustainable range and simultaneously backing honest and understandable sustainability communication.

We would like our customers to experience the fact that responsible consumption is simple and fun, and this is why we have been extending our sustainability communication since 2014. It is our goal for customers to be able to recognize sustainable products easily and perceive the benefits at a glance. This is why we have harmonized the labeling of our products. We also offer our customers background information and reporting, including controversial subjects. Open dialog with customers is very important to us here.

Give a brief description of some current communication projects and why you choose these subject areas.

We use all available communication channels for our sustainability communication. Our customers can find basic product-related information such as the sustainability seal on the packaging. We communicate the more detailed information where the customers buy our products, so in our branches, depots and the online shop, but we also explain the benefits of sustainable products in the Tchibo magazine. Along with communication at point of sale, we have increasingly focused on our emotional and entertaining online communication in the past two years, first and foremost on our various social media channels. Our experts regularly blog about current sustainability topics.

The core of our communication of CmiA in the past few years has been three social media films including the corresponding information. "Mary or Hanna: Who can tell us about her life at school," "Sustainable Cotton: Herr Bohne Follows the Thread" and "Sustainability at Tchibo: The Story Behind Our Products."

We wanted to communicate various aspects.

// Our "Herr Bohne" series is designed to explain the meaning of the different sustainability seals, CmiA along with OCS and GOTS, in a way which is easy to understand and enjoyable.

// With our film "Mary or Hanna", we want to take our customers on a journey to our projects and provide insight into the school life of Mary, who lives in the east of Zambia.

// Our latest film was produced to tell our customers the whole story behind our products, from raw material to finished product, so we produced some additional, shorter films alongside the main film to show and explain each processing step.

INTERVIEW

What is the positive impact?

Our sustainability communication is being perceived in a more and more positive way by the public and we are also getting the feedback from customer surveys that our commitment is coming across in a positive way. The demand for information and openminded, sometimes critical dialog is growing. This form of exchange is very important and exciting for us as we can learn a lot from it and usually get rapid feedback on our communication activities.

What are the challenges you face in sustainability communication?

For us, the balancing act of doing justice to the subject's complexity on the one hand and on the other hand being understandable, transparent and relevant our work easier and, in our view, improves the final outcome.

What impressions did you take home with you from your trip to a CmiA project region in Zambia?

It was my first trip to the project region in Zambia. The country and the people made an enormous impression on me. I particularly remember how sincere, open and full of joy the people there are and how even small changes can help to improve their living conditions. This motivated me even more and confirmed for me that we are on the right path.





Sustainability at Tchibo: A clip from the film "The Story Behind Our Products"

to the customer in our communication is challenging. We want to represent the information comprehensively and transparently and simultaneously involve the customer, awakening interest in the topic. That's not always easy to arrange. Personally, I believe that it's important here to be brave and open about communicating the challenging aspects of the supply chain.

What would make sustainability communication easier?

From our perspective, collaboration with partners is not only vital in the project work, but also when it comes to communication. Working with CmiA has always been very fruitful for us in the area of communication as we are promoting sustainable consumption via this communication as well as working together to improve sustainable cotton cultivation and the living conditions of smallholders. This makes

MARKETING

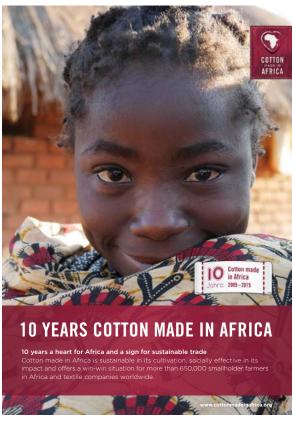
MORE AWARENESS OF SUSTAINABILITY

Sustainability targets are an important component of many corporate strategies today. The Cotton made in Africa initiative supports its partners in achieving these targets. Partner companies can position themselves as sustainable companies by actively communicating to customers and other stakeholders their commitment to African smallholders, either with the product, at point of sale or in their public relations and corporate communication.

ANNIVERSARY AND EVENTS

The Aid by Trade Foundation celebrated its tenth anniversary in 2015. It was founded by Dr. Michael Otto as the Foundation for Sustainable Agriculture and Forestry in 2005 and renamed the Aid by Trade Foundation in 2007. The foundation marked its anniversary in Hamburg, the organization's "home port", together with approximately 100 close friends, partners and associates. The celebration was also an occasion to look back on the comprehensive work, the challenges overcome and successes of the last decade. But there is just as much room for looking forward, since Cotton made in Africa will also devote itself to the task of improving the living conditions of smallholders in many areas in future. The CmiA Community Cooperation Program (CCCP) was initiated on the initiative's anniversary to outline this commitment. This new program will fund social and environmental projects in the CmiA cotton cultivation regions in keeping with the foundation's mission. Cotton made in Africa founder Dr. Michael Otto provided the program with EUR 1 million starting capital, but corporate partners will also be able to participate in the new cooperation program.

The Stakeholder Conferences held annually by Cotton made in Africa along with COMPACI focus on the



Ad for Cotton made in Africa's tenth anniversary

exchange of know-how and information, lively discussions on agricultural and marketing topics and, of course, getting to know new partners and reconnecting with existing contacts. The conference took place for the ninth time in 2015, from October 19-21. Over 120 representatives of cotton companies and traders, textile producers, retailers, development organizations and environmental associations came together in Addis Ababa, Ethiopia. They discussed experiences in sustainable cotton cultivation, smallholder qualification measures, impact-measurement measures and

MARKETING



the value-added textile chain, above all in Africa, and marketing of CmiA. The conference was followed by a tour of large textile producers near to the capital. The visit provided an exciting insight into the rapidly developing Ethiopian textile industry, both for cotton producers and for retailers.

Visit to Akya Addis during the

COMMUNICATION PROJECTS BY AND WITH OUR PARTNERS

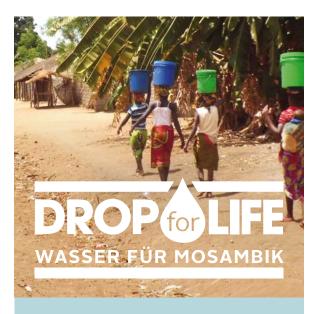
Several Cotton made in Africa customers used their commitment to sustainable cotton in their corporate communication in 2015. Tchibo produced a film about the textile chain in Ethiopia, retracing the path of textiles from CmiA field to textile production in Ethiopia. Tchibo also provided information to its customers in the form of the cartoon "Herr Bohne", showing the background and objectives of the Cotton made in Africa initiative. The films were flanked by communication measures in customer magazines and at point of sale.



Clip from the film "Herr Bohne Follows the Thread"

MARKETING

The company OTTO focused on the WASH project in the Cabo Delgado region of Mozambique when communicating its CmiA activities in 2015 (see page 17). OTTO customers are kept up to date with the project's progress via films, blogs and online campaigns.



The "Drop for Life" well project improves the living conditions of cotton farmers in Africa. The goal is to provide drinking water and sanitary facilities all across Mozambique. The positive effects, such as the shortened journey to water sources which can stretch for miles, and improvements to health are now reaching almost 30,000 inhabitants.

As an important recipient and partner of the clothing donation drive, Cotton made in Africa received a check for EUR 5,030.11 from OTTO from the proceeds collected from a clothing donation drive for its "Platz schaffen mit Herz" ["Clearing Space for a Good Cause"] campaign.

The Austrian retailer Unito used its commitment to a cooperation project in Zimbabwe in its sustainability communication. The company reports on CmiA products and the progress of cooperation projects supported by Unito on its new, interactive web site.



Check Handover During "Platz schaffen mit Herz" (left to right) Tina Stridde, Michael Sinn, Claudia Feltkamp



OUTLOOK

In order to ensure that brand recognition for Cotton made in Africa continues to grow regardless of our partners' individual marketing activities, a group of experts began with the launch of a movement for CmiA in 2015. The rollout of the movement, to be activated for CmiA by several partners, friends and associates, will begin in 2016.



STEFANIE SUMFLETH

Head of Corporate Responsibility & Quality Services

CmiA Interview with bonprix



In your opinion, are there any basic requirements which need to be met to make a company really sustainable?

The reorganization of processes into sustainable alternatives is an important concern of ours. A clear mission backed by all parties involved is essential for achieving the targets. It is crucial to take into account the contribution made by CR to company value and "take along" employees via targeted inclusion. But the changes cannot be made overnight and often involve conflicting goals. It is important to confront these challenges with an open mind and actively bring about solutions for competing targets.

Ms. Sumfleth, give a brief description of your tasks at bonprix.

<u>Stefanie Sumfleth:</u> Here at Corporate Responsibility (CR), we are tasked with developing the bonprix CR strategy and are responsible for its organization and communication. The respective objectives are implemented by a team made up of members of all departments.

bonprix has set itself the goal of producing textiles using only sustainable raw materials by 2020 – a large proportion from CmiA. We have already gone a long way in achieving this goal. What were the most important success factors for this?

We expanded our use of Cotton made in Africa significantly in 2015 and produced over 14 million items using CmiA in accordance with the mass balance system. In order to make this development possible, we compiled a specific five-year quantity plan. At the same time, the corresponding investment in added costs and additional management efforts were adopted internally. For our suppliers, the decision to use CmiA means that we have greater influence on procurement channels. First we concentrated on our most important partners and found ways, together with them and our procurement offices, to reorganize certain product groups and materials successfully.

How did you overcome any challenges which arose?

Based on our high level of internal commitment, we also convinced our partners of the significance of using sustainable cotton for any future cooperation with bonprix. For a start, this required many discussions with all parties involved, during which we dealt closely with the accompanying consequences. The decision in favor of the mass balance system also facilitated implementation for us. Next, we would also like to obtain more complex product groups and items from blended CmiA fabric. It will be important, here, for the suppliers to overcome the challenge of reorganizing their supply chains.

With CmiA's help, we are significantly reducing our harmful ecological impact, in particular with regard to emissions and water consumption in cotton cultivation.

How can bonprix profit from Cotton made in Africa?

With CmiA's help, we are significantly reducing our harmful ecological impact, in particular with regard to emissions and water consumption in cotton cultivation. We also play a part in improving the social conditions of African smallholders. Using CmiA is an important part of our CR activities for these reasons. In future, we would like to communicate these positive aspects to our customers even more actively, therefore increasing the value of the product for bonprix buyers. By using CmiA, we are not least also contributing to the brand experience of "bonprix - it's me".

THE YEAR IN FIGURES



956,116*

Raw cotton in tonnes

399,808*Lint in tonnes



17% of all CmiA farmers are female

752,688*Verified smallholders



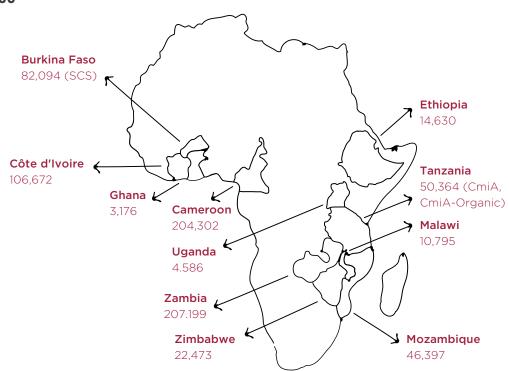
1,108,777*Cultivation area in

My My hectares



19*
Verified cotton companies

PARTICIPATING SMALLHOLDERS AND COUNTRIES FOR CmiA, CmiA-ORGANIC AND SCS



*All data including CmiA, CmiA-Organic and SCS

Cotton made in Africa — FROM THE FIRST IDEA TO THE PRESENT DAY

*2*003

WTO conference in Cancun collapses due to protests by African states resisting trade distortions caused by agricultural subsidies.

2005

The businessman Dr. Michael Otto launches the Cotton made in Africa initiative and founds the supporting organization Aid by Trade Foundation. Along with state sector partners such as DEG and GIZ, NGOs such as the WWF and Welthungerhilfe and two textile companies join as partners. The initiative starts work in Benin, Burkina Faso and Zambia and starts training 150,000 smallholders.

2006

The first product, a men's jacket, is produced using CmiA cotton. Five more companies join the demand alliance.

2008

The number of textiles sold which originate from sustainably created African cotton reaches over two million. Two more prominent supporters, namely the Bill and Melinda Gates Foundation and the German Federal Ministry for Economic Cooperation and Development, join the initiative and support it within the scope of the newly-established Competitive African Cotton Initiative (COMPACI).

2009

Demand for CmiA increases to exceed 6 million garments. The first American company becomes a partner. Malawi and Côte d'Ivoire are added as cultivation regions. The first cooperation project in Burkina Faso launches a literacy project for 5,000 adults.

2010

Representatives from business and politics travel to Benin to lay the foundation stone for the first of the foundation's school projects. The foundation establishes itself as an important social stakeholder, whether in exchange with Nobel Peace Prize winner Mohammed Yunus or within the framework of the AbTF Forum with current federal minister Dirk Niebel and other political decision-makers.

2012

The first study on the environmental footprint of CmiA cotton proves the added value of Cotton made in Africa for the environment. Legendary photographer Albert Watson travels to Benin in the name of the initiative to portray CmiA cotton farmers. The photographs are shown at a major exhibition in Hamburg's Deichtorhallen and seen by more than 30,000 visitors.

2014

Organic cotton is successfully verified in Tanzania in accordance with the newly-created CmiA-Organic Standard for the first time.

2015

Since inception, 700,000 tonnes of ginned CmiA cotton have been processed into textiles worldwide; approximately 140 million textiles have been put on sale by textile companies with the CmiA quality seal. More than 100 partners in the global value-added chain have participated in integrating Cotton made in Africa into the international flow. The AbTF has generated approximately EUR 6 million from licensed CmiA products and reinvested it into the project countries. Dr. Michael Otto initiates the CmiA-Community Cooperation Program on the occasion of the anniversary, providing starting capital of EUR one million.

GERLIND BÄZ

Administration & Finances, Event Management With CmiA since: 2013

Provide a brief description of your work.

I'm a "woman for all seasons" at CmiA. I make sure that everything runs smoothly in our Hamburg office and also organize the CmiA/COMPACI Stakeholder Conference. With an average of 130 participants from about 16 countries, that's always an exciting challenge!

What experience has moved you in a lasting way in your years at CmiA?

My first trip to Africa to organize and hold the 2015 Stakeholder Conference in Ethiopia, including a tour of two textile factories. It is exciting and impressive to see how a mountain of cotton ends up as a purple t-shirt.

What are your hopes for CmiA for the next ten years?

I hope that awareness for sustainable textiles reaches the "average consumer", thereby significantly increasing the demand for CmiA textiles.



CHRISTIAN BARTHEL

Director – Supply Chain Management With CmiA since: 2007

Provide a brief description of your work.

I make sure the implementation of CmiA goes smoothly for our trade partners. In order to do so, I constantly expand our network of spinning mills and train suppliers and the offices of our demand partners on site in the procurement markets.

What are your hopes for CmiA for the next ten years?

Above all, I would like for our growth in demand for CmiA to continue. This means CmiA farmers would have a secure sales market for their product and be able to continue improving their living conditions via the sustainable cultivation of cotton. I also hope that the expansion of textile processing, from ginning to CMT, continues to progress in sub-Saharan Africa and that we'll not only have Cotton made in Africa but also much more "Textiles made in Africa".

CmiA in three words?

Price-neutral, sustainable, pioneering.





CHRISTINA BREDEHORST

Marketing, Communication and Sales Project Manager With CmiA since: 2010

Provide a brief description of your work.

When travelling with press and corporate representatives I am trying to give them an understanding of the world of smallholders; at my desk, I translate my commitment to CmiA cotton and African smallholders for companies and the media using words and images.

What experience has moved you in a lasting way in your years at CmiA?

On my first trip, I had the opportunity to immerse myself for several days in the lives of a smallholder family in the village of Chingaipe, Zambia. I cooked with the women, worked in the fields with the men in the blistering heat and was more of a burden than a help, failed miserably at collecting water from the well, slept in an original hut and felt nevertheless firmly integrated into the family as a Mzungu. Moments you never forget.

Describe CmiA in three words A must-have





CHRISTOPH KAUT Managing Director Aid by Trade Foundaton With CmiA since: 2007

Provide a brief description of your work.

My core tasks include building up our "product", the CmiA standard and the many project activities as part of a team and developing them further. They also include combining and activating various interest groups and designing sustainability initiatives and their content.

In your view, what makes CmiA stand out?

The once-in-a-lifetime chance to bring about a shared "win" for a better life on our planet for a tremendous number of smallholders in Africa and a tremendous number of aware consumers in Europe and North America at the interface between private sector and social responsibility.

What experience has moved you in a lasting way in your years at CmiA?

I always find the school openings very moving, in particular the unbelievably happy parents when they enter the new building for the first time.

What are your hopes for CmiA for the next ten years?

I hope that CmiA can become a major movement in Africa AND Europe/North America and that we will be even better positioned to enable the many smallholders in Africa to achieve a sustainable economy and income.

SABINE KLEINEWIESE

Finance & Controlling With CmiA since: 2007

Provide a brief description of your work.

My work as CmiA's finance manager is extremely varied as all of our initiative's activities are reflected in the field of finances and contracts. Contract management is included in my range of tasks along with budget planning, financial controlling and cooperating with tax advisers and auditors.

What experience has moved you in a lasting way in your years at CmiA?

One special experience was meeting different CmiA partners including retailers, cotton company employees from west and east Africa as well as CmiA farmers in a cotton cultivation area in northern Ethiopia. The global connection of all partners and the meaning of the mutual exchange which is made possible by CmiA and plays a part in the long-term success of the initiative became clear.

What are your hopes for CmiA for the next ten years?

I hope that CmiA gains great significance and recognition as a sustainable cotton standard over the entire textile sector in future. This would mean that funds could be mobilized to develop sustainable cotton cultivation further and promote the expansion of the value-added textile chains in Africa.





ALEXANDRA PERSCHAU

Development Policy Project Manager With CmiA since: 2014

Provide a brief description of your work.

I am responsible for environmental topics in the area of development policy, advise partners in their implementation of community projects and support our partners in Ethiopia in their efforts to implement the CmiA standard.

In your view, what makes CmiA stand out?

CmiA has managed to build up a solid network in Africa in which our partners can interact with and learn from each other openly. Another plus is the pooling of the skills a) "sustainable cotton cultivation", b) support via the supply chain service and c) placing the product on the market with creative marketing ideas.

What experience has moved you in a lasting way in your years at CmiA?

Meeting with African partners on site is particularly motivating for me, as I can see to which degree our support actually has an impact. For example, I met a demo farmer at a training session on integrated crop farming in Tanzania. Eight weeks later, he was the one training other farmers with great enthusiasm. I will always remember that.



ANNA RÜCHARDT Student Trainee With CmiA since: 2016

Provide a brief description of your work.

I mainly support the Development Policy team in verification processes and therefore work very closely with the CmiA standard.

In your view, what makes CmiA stand out?

The partnership with cotton companies and integrative training approach. There are hardly any other sustainability standards which place such emphasis on training farmers. We want to make a contribution to smallholders having the opportunity to farm their fields more efficiently and in a more environmentally-friendly way. The promotion of women plays a major role in this.

What are your hopes for CmiA for the next ten years?

Greater awareness among trade partners and customers and therefore a larger sphere of influence. As with most sustainability standards, CmiA is constantly developing and always acquiring new partners and supporters. However, it is ultimately the demand from customers which enables and increases CmiA's positive impact.

CAROLE ROMERO VARGAS

Development Policy Project Manager With CmiA since: 2012

Provide a brief description of your work.

I am responsible for CmiA's verification management, in direct contact with our partners in cotton cultivation. I am currently heavily involved in the further development of the CmiA standard.

What experience has moved you in a lasting way in your years at CmiA?

The most moving thing for me is always traveling to the cotton cultivation regions, for example when I accompany auditors for the CmiA verifications. I'm thinking in particular of a trip to Côte d'Ivoire last year, in the middle of the rainy season. After an adventurous twohour car journey, we were sitting in the pouring rain under a canopy in a small village with approximately 20 farmers and the two auditors, and the auditors patiently took the necessary time to address even the critical points in an intimate atmosphere. That was far more than a verification for me. It was the creation of a mutual understanding that we wanted to go forward and that every day plays a part in that.





TINA STRIDDE

Managing Director Aid by Trade Foundation With CmiA since: The beginning

Provide a brief description of your work.

My responsibilities as Managing Director of the AbTF include reporting to the Board of Trustees, personnel management and fulfilling the foundation's targets. The marketing of CmiA cotton to international companies and communication also fall under my remit. I always work closely together with the team.

What experience has moved you in a lasting way in your years at CmiA?

Being allowed to observe the first encounter between the two ends of the textile chain. Cotton smallholders from a remote village in Benin met buyers from a large German textile company for the first time during a retail trip to a project region. Both sides were initially unsure, but curious about each other. After the cotton, t-shirts and CmiA brochures had been handed around and everyone had laughed at a joke understood by all nationalities, the ice was broken. I will never forget how distinguished buyers got involved in a wild dance in the village center with "their raw material producers" and how much fun everyone had during this encounter.

BOARD OF TRUSTEES

The Aid by Trade Foundation Board of Trustees consists of a minimum of six and a maximum of twelve members. As of December 31, 2015, the Board of Trustees included the following people:



Dr. Michael OttoFounder and Chairman of the Board of Trustees,
Chairman of the Supervisory
Board of the Otto Group



Bruno Wenn
Deputy Chairman of the Board
of Trustees, Chairman of the
Management Board of DEG Deutsche Investitions- und
Entwicklungsgesellschaft mbH



Eberhard Brandes
Executive Board of the World
Wide Fund for Nature (WWF)
Germany



Nicholas EarlamChairman and owner of Plexus
Cotton Ltd.



Olaf Gieseler CEO of CURATAX Treuhand GmbH tax consultancy



Baroness Lola Young of Hornsey Member of the House of Lords



Dr. Wolfgang JamannCEO and Secretary General of
CARE International



Prof. Dr. Johannes Merck Vice-President Corporate Responsibility Otto Group



Mahmoud Rajan
Chairman of the Executive
Board of First Microfinance
West Africa



Uwe Schröder
Honorary member of the
Board of Trustees
Chairman of the Supervisory
Board of Tom Tailor Holding AG



James Shikwati Shikuku Director of the Inter Region Economic Network (IREN Kenya)



Dr. Till WahnbaeckSecretary General of Deutsche
Welthungerhilfe

Trustees who resigned in 2015: Dr. Michael Bornmann (DEG), Ibrahim Malloum (NSTT), Janina Otto (Ana Kwa Ana Foundation), Andreas Proksch (GIZ)

CONTENTSBoard of Trustees



AID BY TRADE FOUNDATION

The Aid by Trade Foundation was established in 2005 by Hamburg entrepreneur Dr. Michael Otto and has been acting independently of the Otto Group ever since. Its goal is to help people to help themselves through trade, thereby preserving vital natural resources and securing the livelihoods of future generations. The Aid by Trade Foundation is the umbrella organization of Cotton made in Africa and achieves its goals through this initiative.

Aid by Trade Foundation

Bramfelder Chaussee 105 \cdot 22177 Hamburg, Germany Tel.: +49 40 6461-7971 \cdot E-mail: info@abt-foundation.org

www.cottonmadeinafrica.org/en