



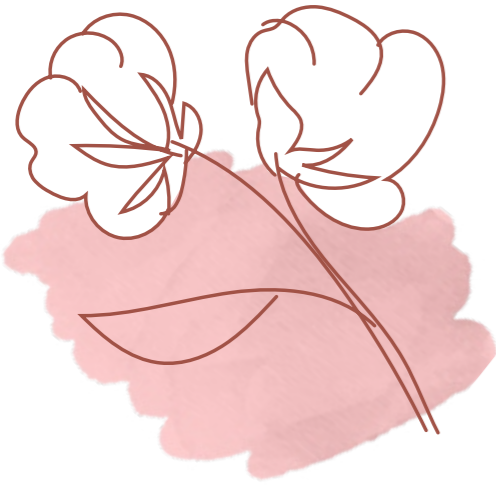
AID BY TRADE FOUNDATION
Annual Report



**COTTON
MADE IN
AFRICA**



**THE GOOD
CASHMERE
STANDARD**
by AbTF



COTTON MADE IN AFRICA

from page 8

THE GOOD CASHMERE STANDARD

from page 42



C24 COTTON MADE IN AFRICA



STAKEHOLDER CONFERENCE

SAVE THE DATE 11-13 MARCH 2024

MUMBAI, INDIA



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FOREWORD

**BY PROF. DR
MICHAEL OTTO**



“If we work together, I am convinced that we can achieve a transformation towards sustainability and build a liveable future.”

What was long made impossible by the coronavirus pandemic finally came back into our lives last year: in-person meetings, face-to-face conversations, and travel to other countries. This post-pandemic normalisation is crucial, not only for our interpersonal relationships but also for fostering the co-operation necessary to address current global challenges, such as making how we trade socially and environmentally responsible.

The political, social, and environmental crises following on the heels of the pandemic have been immense. The Russian war of aggression in Ukraine has been raging for over a year, and the various conflicts taking place in the Middle East continue unabated. Here in Germany, inflation and the energy crisis are making life more difficult for many, while the whole world is feeling the effects of climate change.

These crises make it clear that our world is under enormous pressure to change and that we need to address this - together. Co-operation, not confrontation, is what our planet needs to resolve many of our current conflicts as well as the climate crisis. We need to work together to transform society and the economy and to carve out a sustainable, climate-neutral future.

The work of the Aid by Trade Foundation, including that of its projects and initiatives, plays a role in this sweeping transformation. In collaboration with a diverse array of partners, the foundation is contributing to social, environmental, and economic change in countries where cotton and cashmere are cultivated or produced and in markets throughout the world. More broadly, it is also exerting an influence on the North-South relationship, on political and social consciousness, and on how corporations and consumers operate.

Throughout its history, our foundation has been putting into practice the principle of help for self-help in a globalised world. The steadily growing success of this approach is reflected in the record-breaking level of demand for CmiA cotton.

Around 890 million textiles were brought to market under the Cotton made in Africa label in 2022, and some 80,000 more tonnes of CmiA cotton were processed than in the previous year. The continued rise in demand for sustainable cotton confirms my belief that the process of transformation requires trade and that protectionism and barriers to trade are counterproductive. If we bring commerce into harmony with our values, trade can be an important lever for making globalisation fairer, making societies more resilient to crises, and creating new opportunities for sustainable development throughout the world. CmiA licensing revenue is not only used to benefit small-scale farmers in Sub-Saharan Africa but also plays a major role in restructuring the textile value chain to become more sustainable.

Making the value chain as transparent as possible was something Cotton made in Africa focussed on in 2022. By further expanding its Hard Identity Preserved (HIP) tracking system, which makes it possible to trace the entire journey of cotton from ginnery to final product, the initiative took a big step towards building sustainable and transparent supply chains. The rising demand for CmiA cotton produced under the HIP system shows how impor-

tant this kind of tracking is to increasing numbers of companies. Policy changes such as the law demanding due diligence in supply chains in Germany, or the planned Digital Product Passport in the EU, are also major drivers towards equitable and responsible value chains.

Consumers naturally have a significant influence on embedding sustainability in supply chains as well. They are also rightfully coming to expect that products be manufactured in ways that respect nature, animal welfare, and human rights. We can see this change in consumer behaviour reflected in the success of The Good Cashmere Standard® (GCS). Sales of GCS-certified cashmere rose by 50 percent in the past year. This is especially cheering because sales of certified fibres enable improvements to be made to goat husbandry in Inner Mongolia, which has a domino effect in the region, enhancing animal welfare as well as improving social and environmental conditions.

The Aid by Trade Foundation tackled a broad spectrum of issues in 2022 and has continued to make good progress towards a more sustainable tomorrow. If we work together, I am convinced that we can achieve a transformation towards sustainability and build a liveable future.



CONSOLIDATED RESULTS FOR 2022

The Aid by Trade Foundation's revenue and earnings grew significantly in 2022, with total revenue rising by 37 percent to reach EUR 8.1 million. This is largely due to the strong position AbTF's sustainability standards held in the market. For instance, Cotton made in Africa (CmiA) and The Good Cashmere Standard (GCS) generated EUR 7 million through their activities within the private sector. Expenditures on programmes implementing the two sustainability standards and on co-operation projects increased by 22 percent, to EUR 3.8 million.

During the financial year of 2022, the Aid by Trade Foundation was able to increase its total revenue from EUR 5,937 thousand to EUR 8,139 thousand. Sales under the labels of Cotton made in Africa and of The Good Cashmere Standard earned licensing revenue of EUR 5,128 thousand, representing an increase of 32 percent.

Marketing the rights to the Cotton made in Africa brand through ATAKORA Fördergesellschaft GmbH generated licensing revenue of EUR 2,725 thousand, and sales of CmiA-verified cotton under the BCI label brought in a further EUR 1,765 thousand in revenue. Proceeds from licensing The Good Cashmere Standard to retailers and brands came to a total of EUR 638 thousand in 2022, reflecting a continued rise in demand for the sustainable cashmere standard.

Global networks within textile value chains continued to grow, as companies that were part of demand alliances requested greater quantities of raw materials verified through CmiA, CmiA Organic, or GCS. By contributing EUR 1,140 thousand (27 percent more than in the previous year), partners played an even bigger role in integrating sustainable raw materials into global supply chains. These contributors comprised a steadily rising number of different CmiA partner companies, including African cotton companies, international cotton traders and spinning mills, and other registered textile-processing companies in the CmiA value chain. Corporate partners of The Good Cashmere Standard made contributions totalling EUR 629 thousand in the financial year of 2022, 48 percent more than in the previous year. This revenue was used primarily to fund further development both of the standard and of the comprehensive verification process for regulating this valuable commodity in Inner Mongolia. In addition, training schemes and

materials addressing key issues were put together and rolled out to cashmere farmers.

Revenues from grants and donations also grew in 2022. AbTF received donations totalling EUR 898 thousand, which it mainly used to cofinance co-operation projects with CmiA cotton companies (see page 22 for more information). The foundation used EUR 242 thousand from grants for co-funding of climate protection and soil enrichment projects undertaken together with CmiA partners in Africa.

The relationship between the amount received from grants and donations in 2022 (14 percent of total revenue) and sums generated from commercial activities (86 percent of total revenue) again reflects the foundation's success in meeting its objective of providing help for self-help by harnessing market forces.

In 2022, as in the previous year, AbTF—through its marketing association, ATAKORA—invested around nine percent of its total expenditure in marketing, communications, and sales, thereby helping to promote CmiA cotton and GCS cashmere to new and existing licensees.

There was a significant increase in expenditures on implementing CmiA programmes and The Good Cashmere Standard, reaching a total of EUR 3,298 thousand in 2022, a 22.7 percent rise over the previous year's figure.

At 77 percent, the programme service expense ratio, which measures the relationship between total expenses and expenses that directly further the foundation's objectives, once again confirmed that resources were used effectively in 2022.

Continued excellent revenue growth, combined with an effective and well-targeted use of funds,

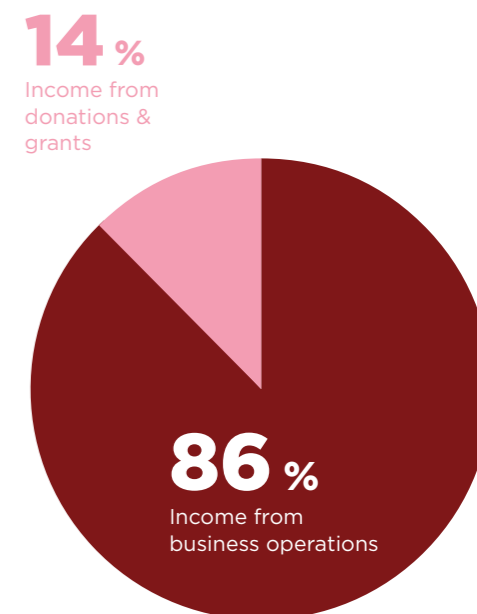
resulted in a consolidated annual surplus of EUR 3,250 thousand before taxes in 2022. This surplus strengthens the organisation's capital structure by, for example, allowing unrestricted reserves to be created. It also frees up resources that can

be used to fund innovations promoting sustainable development as well as to implement both CmiA's programmes in African partner countries and The Good Cashmere Standard's programmes in Inner Mongolia.

REVENUES IN 2022

	KEUR	in %	2021 KEUR
Licensing fee income	5,128	63 %	3,879
Partnership contributions	1,769	22 %	1,324
Donations	898	11 %	666
Grants	242	3 %	29
Other income	102	1 %	39
Total income	8,139	100 %	5,937

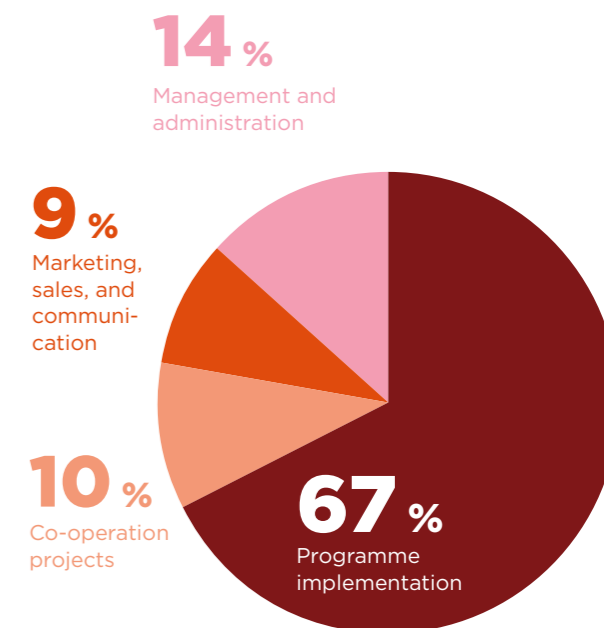
	KEUR	in %	2021 in %
Income from business operations	7,000	86 %	88 %
Income from donations and grants	1,139	14 %	12 %



EXPENSES IN 2022

	KEUR	in %	2021 KEUR
Management and administration	671	14 %	529
Programme implementation	3,298	67 %	2,688
Co-operation projects	489	10 %	408
Marketing, sales, and communication	431	9 %	365
Total expenses	4,889	100 %	3,990

	in %	2021 in %
Programme service expense ratio = (Programme service expenses) / (Total expenses)	77 %	78 %



2022 IN FIGURES

IN THE FIELD

19



COTTON COMPANIES

40%

OF AFRICAN COTTON PRODUCTION IS CMIA VERIFIED



1,824,743

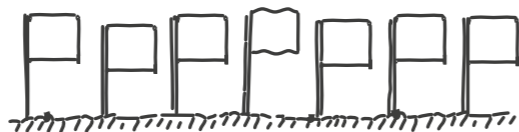
OVERALL ACREAGE (IN HA)



900,000

CMIA COTTON FARMERS

10



GROWING COUNTRIES

2.02

AVERAGE HECTARES PER FARMER



715,000

TOTAL CMIA COTTON HARVEST (GINNED, IN T)



943

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

ALONG THE TEXTILE VALUE CHAIN



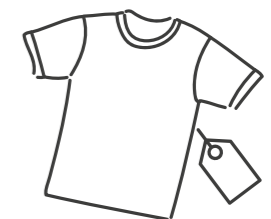
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TEXTILE PRODUCTION MARKETS IN AFRICA



260

REGISTERED SPINNING MILLS



240,000

TONNES OF PROCESSED COTTON

66



CMIA RETAIL PARTNERS AND BRANDS

29



COTTON TRADERS

54



TEXTILE PRODUCTION MARKETS WORLDWIDE



CMIA IN THE FIELD

Cotton made in Africa (CmiA), an initiative of the Aid by Trade Foundation (AbTF), has been promoting sustainable cotton cultivation in Sub-Saharan Africa since 2005. The initiative has been a success, and CmiA is now one of the world's leading standards for sustainably produced cotton. Its mission is to improve the living and working conditions of small-scale farmers and to protect nature. In pursuit of this mission, CmiA works with an extensive network of suppliers in cotton-growing countries, with numerous partners throughout the textile value chain, as well as with both governmental and non-governmental organisations. The diligent efforts of the initiative and its partners to promote sustainable cotton cultivation continued in 2022, resulting in approximately 900,000 small-scale farming families cultivating an area of 1.8 million hectares of cotton in accordance with the criteria of either the CmiA or the CmiA Organic standard. Their hard work yielded 715,000 tonnes of ginned CmiA and CmiA Organic cotton. Another significant and beneficial development in 2022 was the resumption of in-person contact between partners, after two years of being limited to digital communications due to the coronavirus pandemic.

Cotton made in Africa's cotton is cultivated by small-scale farming families in Sub-Saharan Africa. They practise rain-fed agriculture, apply pesticides and fertilisers responsibly, and harvest their crops by hand. However, the increasingly severe effects of climate change, such as prolonged droughts and reduced soil fertility, are making it increasingly difficult for families to earn a living growing cotton. CmiA has already been addressing these challenges over several years by putting a greater focus on strengthening the resilience of small-scale farmers and on maintaining or improving biodiversity in order to ensure the future viability of cotton cultivation in Africa. In 2022, the initiative prioritised soil health and raised the topic with cotton companies, both during workshops and as part of the CAR iSMa project. In trying to improve the living conditions of small-scale farming families, CmiA does not limit itself to promoting sustainable cotton cultivation; it is also committed to making advances in other spheres of life, from health and education to women's empowerment, through the CmiA Community Cooperation Programme (CCCP).



VERIFICATIONS AND CHANGES IN THE CMIA NETWORK

The CmiA verification system regularly assesses social, environmental, and economic progress made at farms and ginneries. The audits are conducted at the behest of CmiA by two independent verification companies: EcoCert and AfriCert. In 2022, there were 22 auditors working on CmiA's behalf who undertook a total of 14 missions to verify cotton production and ten assignments to verify ginneries.

Due to external factors, the network of cotton companies partnering with CmiA was in flux in 2022. By the end of the year, the number of cotton companies verified under CmiA and CmiA Organic fell to 19, after partnerships with five cotton companies ended when they closed their operations. The cotton sector in Uganda, in particular, faced many challenges over the last year, from poor rainfall to supply chain problems to higher prices for fuels and fertilisers due to the Russian war of aggression in Ukraine. All three CmiA partners in Uganda pulled out of the cotton sector as a result, as did one cotton company in Zambia and another in Mozambique. On the other hand, CmiA also gained two new partners: a cotton company in Togo and a non-governmental organisation in Benin. In addition, another company is being brought on board in Uganda, having already undergone field-level verification in 2022.





CMIA UNDER DISCUSSION: WORKING TOGETHER FOR A SUSTAINABLE FUTURE

CmiA places great value on maintaining close personal lines of communication with verified cotton companies in Africa. Cotton companies play a crucial role by training small-scale farmers in CmiA-approved sustainable cultivation methods, purchasing the cotton harvested by smallholders, and selling their cotton on through the textile chain after the ginning stage.

Digital communication had largely supplanted face-to-face contact in 2020 and 2021 due to the coronavirus pandemic. However, it finally became possible to resume in-person visits to cotton companies in Africa in 2022. CmiA also issued invitations to in-person events it organised to make it easier for partners to network.

In April 2022, CmiA representatives for Central and West Africa joined CmiA's verification manager to visit the cotton company Sodecoton in Cameroon together. The aim of this trip was primarily to gain a first-hand impression of three CCCP projects implemented by Sodecoton between 2018 and 2020, with funding from AbTF. They toured newly built classrooms and latrines in several villages, a new healthcare centre with its birthing room, and a ginnery in Garoua.

INTERVIEW

“Climate change is the greatest challenge facing cotton production in West and Central Africa”



YOUNOUSSA IMOROU ALI
CmiA Consultant and Coordinator for West and Central Africa

Younoussa Imorou Ali has been working as a consultant for Cotton made in Africa (CmiA) in West and Central Africa since February 2019. He is a trained economist with 17 years of experience in the cotton sector and is still as passionate about cotton as ever. He sees CmiA's criteria as providing an answer to many of the challenges facing the world today. In this interview, Younoussa Imorou Ali discusses how he works to implement CmiA criteria on location. He also talks about the challenges climate change poses for cotton farmers in West and Central Africa and describes current developments in organic cotton cultivation within the region.

Why did you decide to work for CmiA and to represent the Aid by Trade Foundation (AbTF) in West and Central Africa?

Working for CmiA was a natural choice for me. Back in 2006, I had the privilege of being one of the first stakeholders to be entrusted with the task of introducing and promoting the CmiA initiative in Benin. When I saw that AbTF were looking for a representative in West and Central Africa in 2018, I applied immediately. I am proud to now be part of the AbTF team developing the cotton sector in Africa South of the Sahara, and I relish my work upholding the ideals of this standard as a representative of AbTF.

What does your job on location entail?

The focus of my work is on maintaining contact with the cotton companies we are partnered with. I visit them, keep them up to date on CmiA's activities, and discuss any difficulties as well as ways to improve overall working conditions. I am always promoting CmiA, for example by offering information and training or by undertaking communications and awareness-raising activities. I provide advice on how to comply with and apply the criteria laid down in the CmiA standard, and I track the implementation of social projects as well as take an active part in both the verification process and organising audits. In addition, I am expected to participate in regional conferences and workshops in the cotton sector and, last but not least, I am responsible for maintaining clear communication between cotton companies and AbTF.

As a CmiA representative, you maintain close contact with cotton companies. Why is direct communication within producing countries so important?

The CmiA standard is based on the principle of continuous improvement, and its criteria are responsive to the challenges facing the world today. However, the best way to put the criteria into practice can vary depending on the context. Cotton companies prefer to deal with a local person whom they can get in contact with directly and immediately for answers to their questions about CmiA activities. Keeping in close contact and providing consistent support go a long way towards meeting these companies' needs.

What do you consider to be the greatest challenges facing cotton production in West and Central Africa, especially for cotton companies?

In my opinion, climate change is the greatest challenge facing cotton production in West and Central Africa. Its effects are already clearly noticeable to producers. To give just a few examples: interruptions to rainfall patterns, dramatic declines in soil fertility, losses of biodiversity, the drying up of water sources both for drinking and industrial use, the emergence of new types of pests that are immune to all forms of pest control, the risks of famine, and the increasing damage caused by strong winds, heavy rains, and floods. There is also a tension between the ever increasing costs for purchasing the means of production and the ever lower payments received by producers.

For over 25 years, the non-governmental organisation OBEPAB has been supporting small-scale farming families growing organic cotton in Benin. How open do you think West Africa is, in general, to organic cotton production?

Organic cotton has been cultivated in Benin for several years now, and the NGO OBEPAB is one of

the label's key promoters. Interest in this type of farming has been growing steadily over the last few years, and several countries in this sub-region are currently making strategic decisions at a national level to introduce and promote organic agriculture on a large scale. These plans include cotton. In addition, demand is high, meaning that everything being produced is currently finding a buyer, but there are still some challenges related to prices, production management, and supporting producers at the grassroots.

What has to be done to ensure cotton cultivation in West and Central Africa remains viable into the future?

Cotton has great potential in West and Central Africa; we only need to focus people's attention on it and on how it can be used to add value to other activities. Unfortunately, African cotton is dependent on the rains, and major fluctuations in rainfall levels have negative consequences for cotton cultivation. This means producers have to be trained and convinced to implement specially adapted soil and water management practices. We also have to ensure that cotton cultivation pays off for small and medium-sized producers, since they constitute the largest group in the industry and form the backbone of the sector. For their sakes, the feasibility of a price-adjustment policy should be explored. In addition, crops other than cotton should also be supported and promoted for purposes of crop rotation and to diversify potential sources of production and income. Soya, for example, is a good option as an alternative crop that can be grown in some countries in West and Central Africa.





GETTING TO KNOW THE STANDARDS

NSCT, a cotton company in Togo, has only been a CmiA partner since June 2022. In November 2022, NSCT's field activities were verified, and interviews were conducted with associated small-scale farmers in the regions of Plateau Sud, Plateau Nord, Maritime, and Kara.

In August 2022, a two-day onboarding workshop was conducted for around 20 employees, mostly agricultural consultants, working for a Ugandan cotton company that would like to become a CmiA partner. The aim was to familiarise the cotton company with the standard so that it could meet its criteria and pass the verification process.



REVISING DOCUMENTS

A variety of documents detailing Cotton made in Africa's system of standards, especially in relation to the verification process, were created or revised. Among these updates was a defined grievance procedure. The process for formally appealing verification results was also put in writing.

Learning Carousel: Innovative Approaches from and for Sustainable African Cotton Cultivation

C22 COTTON MADE IN AFRICA



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IN THE FIELD

LEARNING WITH AND FROM EACH OTHER

A three-day workshop in Nairobi, Kenya, was delivered by the Aid by Trade Foundation together with the African Cotton Foundation (ACF) in May 2022, focussing on soil health and integrated farming. Both of these topics are vital for sustainable cotton farming, especially given the accelerating speed of climate change in Africa. Various speakers shared a number of different approaches to improving soil health and addressed technical aspects of integrated farming. The 26 participants included representatives from cotton companies that are both ACF members and certified by CmiA, representatives of AbTF and ACF, and four external speakers. The workshop's theoretical discussions were followed by practical activities, which included an excursion to a Kenyan company that produces a range of products for organic pest control, such as microbes, pheromone traps, and glue traps.

The theme of Cotton made in Africa's two-day stakeholder conference held in Bremen in September 2022 was "innovations for sustainable development". Each certified cotton company was invited to send one representative. Through presentations, rounds of discussion, and learning activities, more than 30

experts led the attendees in exploring both how innovations and technologies can contribute towards more socially and environmentally sustainable development and how Africa could benefit from them.



The presentations of the theory were followed by a practical demonstration, where conference attendees visited a conventional farm near Lüneburg that is implementing measures to protect biodiversity

and improve soil fertility as part of a major academic research project. Through the conference and this excursion, African partners were able to see how agricultural challenges in the North are very similar to those in the South and how economically viable solutions are being pursued there. The results of these two days of intensive discussions will be incorporated into future project activities.

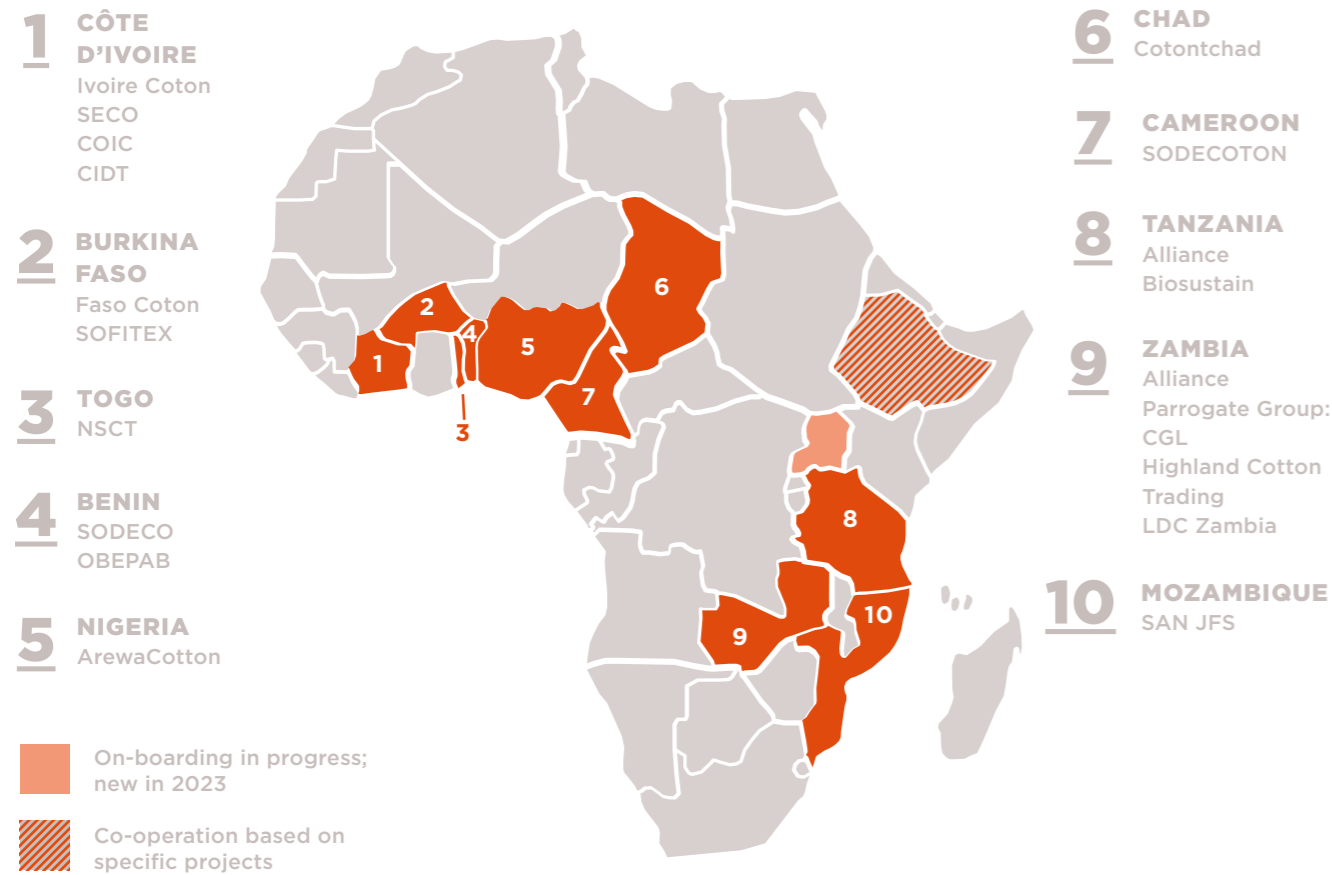
In November 2022, AbTF invited two representatives from each certified cotton company in Tanzania, Zambia, Mozambique, and Nigeria to a regional CmiA workshop in Moshi, Tanzania. The three-day workshop was also attended by two CmiA consultants and two representatives of the African Cotton Foundation. The participants discussed the requirements of the standards, shared their views about newly developed training materials, talked about their project activities, and undertook a joint excursion to SJS Organic Farms. At this training centre for organic cultivation, the visitors were introduced to the one-acre-farm concept, which is based on deploying local knowledge and low-cost technologies such as composting, effective micro-organisms, and organic pesticides.



IN THE FIELD



CMIA PARTNER COMPANIES IN SUB-SAHARAN AFRICA



IN THE FIELD

STRONG COLLABORATIONS

The Aid by Trade Foundation has been in a partnership with the African Cotton Foundation (ACF) since March 2021. Like CmiA, this non-profit organisation is primarily concerned with improving the living conditions of African cotton farmers and protecting the environment. This partnership was originally meant to last until the end of 2022; however, due to the success of their collaboration, the partner organisations decided to extend the end date of their co-operation agreement from 2023 until at least 2025. Its projects, which serve to support the fulfilment of the criteria laid down in the CmiA standard, focus on soil health, soil fertility, and integrated production and pest control. By the end of 2022, a total of four projects had been launched under the aegis of ACF.

THE END OF A PARTNERSHIP

The Aid by Trade Foundation and the Better Cotton Initiative (BCI) have worked together for ten years. However, as the paths being taken by the two standards organisations have diverged in recent years, they decided to wrap up their partnership at the end of 2022. The sale of CmiA-verified cotton under the Better Cotton label will therefore cease, after a transition period.

EFFECTIVENESS CONFIRMED THROUGH PROJECT EVALUATIONS

What is working well? What could still be improved? CmiA regularly seeks up-to-date answers to these questions in order to ensure that its activities have the desired outcomes. This involves evaluating projects and activities by undertaking regular studies and data collection.

One evaluation in 2022 was of WASH projects (water, sanitation, and hygiene) implemented by cotton companies in Côte d'Ivoire since 2015 as part of the CmiA Community Cooperation Programme. To conduct the study, AbTF commissioned a local consortium consisting of Centre Ivoirien de Recherches Économiques et Sociales (CIRES) and Africa Council Capacity Building and Monitoring (ACBM). The consortium conducted secondary research, quantitative surveys, and qualitative interviews as well as on-site focus group discussions.

The study showed that the WASH projects have been a success: They have significantly improved sanitation and thereby the health of project beneficiaries (the people in the villages where projects were implemented). For example, thanks to toilets being installed and existing latrines being modernised, only six percent of village residents are now relieving themselves in the open air, down from 39 percent. Another success is that nearly 100 percent of respondents were satisfied with the quality of new facilities. Furthermore, the evaluation team is convinced that the new infrastructure can be serviced and maintained by village committees and will therefore last for a long time.

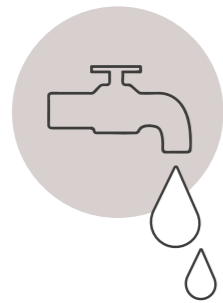
In addition to sanitation facilities, wells were built to make it easier for residents in beneficiary villages to draw water; distances to the nearest sources of safe water were approximately cut in half. This par-



IN THE FIELD

ticularly benefits women in these communities because they are generally the ones who fetch water for the entire family, often taking long journeys on unsafe roads or paths. This topic was also covered in hygiene training that reached 70 percent of respondents. In future, such hygiene training topics will be mandatory within projects in the health sector, in order to reach everyone in the villages.

For CmiA, the conclusion is clear: By supporting the infrastructure and development of individual communities, the Community Cooperation Programme leads to step-by-step improvements in the cultivation regions as a whole. The CCCP will, therefore, continue to play a key role in CmiA's work going forward.



SUCCESSFULLY COMPLETED PROJECTS

While some projects are just getting established, others have come to an end. For example, 2022 was the last year of the 36-month “Water Stewardship” project. The project’s training materials on water management for cotton cultivation were revised and translated into Amharic so that they could be used to train farmers in rural Ethiopia. In addition, a joint report was created with the Alliance for Water Stewardship (AWS) on how the two standards could best complement each other.

A project launched together with the Ana Kwa Ana Foundation in 2020 was also successfully completed. It provided partial funding for the employment of gender officers at three cotton companies. The officers used a variety of strategies to promote equal rights for people of all genders within these companies.

PROJECT WORK: ACHIEVING MORE WITH STRONG PARTNERS

Major challenges call for partnerships that can put together appropriate solutions reliably and efficiently. In 2022, AbTF continued to work with a variety of partners to implement projects aimed at making rapid progress towards resolving specific issues.

Since 2021, AbTF has been involved in two projects under the Sub-Saharan Cotton Initiative (SSCI), which is funded by Gesellschaft für Internationale Zusammenarbeit (GIZ); in 2022, AbTF participated in the first meeting of the consortium to discuss these projects with the other partners involved.

Also in 2021, an SSCI project called “Growing Benin’s Organic Cotton Sector” was launched in November, with partial funding from BMZ. The project is co-ordinated by PAN UK and implemented under the leadership of the non-governmental organisation OBEPAB (Organisation Béninoise pour la Promotion de l’Agriculture Biologique). AbTF and the cotton trading company Paul Reinhart AG are providing support, both financially and by supplying content. The project will run for three years, during which time it aims to certify 9,000 producers as fulfilling CmiA Organic criteria as well as to improve their living conditions. By expanding market access, the project also secures long-term investment in the organic cotton sector in Benin.

MAINTAINING SOIL HEALTH: THE CAR-ISMA PROJECT

In December 2021, the Aid by Trade Foundation launched a consortium project, CAR-iSMa, with the goal of using sustainable soil management methods to improve the livelihoods of around 100,000 small-scale farming families, reduce the impact of climate change on them, and strengthen their resilience.



The livelihoods and continued survival of small-scale farmers in Africa largely depend on how changing climate conditions affect the fertility of their soil, because long-term yields sufficient for small-scale farming families to survive can only be achieved if their soil remains healthy. In addition, conserving unique plant and animal species and maintaining a stable climate are both factors directly related to soil health. This makes it very concerning that, according to the United Nations’ Food and Agriculture Organization (FAO), around one third of the world’s soils have been degraded. To better address this issue, AbTF launched the CAR-iSMa project to complement its regular training activities.

CAR-iSMa is short for “Climate Adaption and Resilience: A Pan-African Learning and Knowledge Exchange Project on Improved Soil Management”. The project 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). It involves the Swiss cotton trading company LDC Suisse as well as three cotton companies that serve as local project partners: CIDT in Côte d’Ivoire, SAN-JFS in Mozambique, and LDC-Zambia in Zambia.

This joint project, which is scheduled to end in November 2024, will also develop a training programme on soil management and training materials for agricultural consultants. During project visits undertaken in 2022, customised approaches to maintaining soil health were created in consultation with soil experts. Ideally, other innovative approaches will also be tested during the project and rolled out through CmiA’s wider network. One example is the use of farm-cultured compost microbes; another is the integration of pyrolysis, a process that, by producing biochar, stably captures carbon in the soil and improves the soil’s structure and water retention. Knowledge transfer will be crucial for spreading the resulting insights to other regions once the project ends, and the ultimate goal is to implement successful approaches throughout CmiA’s network in Africa.



“For small-scale farmers, improving soil health is an investment in the future. Through the CAR-iSMa project, we are working together to develop the best strategies for supporting them with this.”

BRITTA DEUTSCH
Head of Project for the Aid by Trade Foundation



INTERVIEW

“We spend a lot of time listening and learning”

The sustainability consulting firm Soil & More Impacts (SMI), part of sustainable AG, is one of CmiA’s implementation partners in the CAR-iSMA project. Inka Sachse, an agricultural engineer, is leading this project at SMI. In close collaboration with CmiA, she and a colleague, Rainer Nerger, advise cotton companies and small-scale farmers in Africa on how to safeguard the long-term fertility of their soil and how to mitigate the effects of climate change. In this interview, Inka Sachse talks about her work and explains the most important factors to consider for maintaining soil health.



INKA SACHSE
Senior Agriculture
Consultant at Soil & More
Impacts

Ms Sachse, why does soil play such a key role in mitigating climate change?

Soil both stores and emits greenhouse gases. The soil type, climate, fertilisers, use of crop rotation, type of cultivation, and what is done with crop residues all strongly influence whether organic matter in the soil binds more carbon, in the form of humus, or releases more carbon due to decomposition and oxidation. Since this is an ongoing process, there is not yet a scientific consensus over whether humus formation, as a method of sequestering carbon in the soil, should be classified as a way of mitigating climate change. Nonetheless, it makes sense to use sustainable cultivation practices to develop as much organic material and biodiversity as possible, both within and above the soil. At the very least, this helps us adapt to the already clearly observable effects of climate change, such as extreme heat, longer periods of drought, severe storms, and flooding. Combining crops in rows or with mixed planting, as well as crop rotation, provides the additional benefit of reducing the pressure from pests, which has also been increasing. Putting all of this together ensures more reliable crop yields.

What, specifically, needs to happen for cotton cultivation to safeguard the health of the soil and to increase the resilience of cotton farmers in Africa to climate change?

First of all, producers need to become familiar with sustainable agricultural practices as offering a potential solution to their own problems and to understand how these practices affect plants and the soil. Once this has been achieved, they need



sufficient resources and opportunities to apply these methods, for example by using cover crops and nurse crops, diversifying their crop rotation as much as possible, fertilising with manure, composting, leaving crop residues on the field, and planting bushes or trees around the edges of their fields.

Have small-scale farmers already reported which approaches they have found to be the most helpful?

Small-scale farmers have told us that access to organic fertilisers has significantly improved harvest yields. It must also be said that many of them do not have the resources to sufficiently fertilise their crops, so it helps if they can recognise materials that are already available in their immediate environment and that can also be used as fertilisers, for example leguminous trees or bushes. In addition, there is enormous demand for ways to identify pests and for natural, ideally home-made, botanical pesticides. The CAR-iSMA project is making a big contribution towards achieving this.

You have already been to Côte d’Ivoire and Mozambique with CmiA to train small-scale farmers

in composting and soil health. Could you give some specific examples of what this work involves?

Before we start, we try to get as much information as we can from the cotton companies about local farming and living conditions. When we visit the cotton farmers for the first time, we spend a lot of time listening and learning about their current practices, problems, and solutions as well as what elders can remember about how things were done in the past. We then inspect individual fields and assess current cultivation and composting methods before evaluating the information we have collected and discussing potential solutions with the cotton companies. Finally, we work with the companies’ technical advisers, local consultants, and CmiA project leads to decide which training courses and materials would be most appropriate for such a project and to plan how they can be delivered.

What steps are you planning next?

We are currently developing a guide to manual soil testing, along with corresponding training courses and materials, to enable consultants and farmers to see for themselves whether and how the soil changes in response to different practices.





THE CMIA COMMUNITY COOPERATION PROGRAMME

Safe Water, New Schools, and Abundant Gardens

Cotton made in Africa's involvement extends beyond sustainable cotton cultivation. The CmiA Community Cooperation Programme (CCCP) aims to improve all relevant aspects of people's lives in cultivation regions. Under this funding programme, verified cotton companies can apply for grants from AbTF to launch or boost projects that promote health, education, women's empowerment, or environmental protection.

In co-operation with civil society and commercial partner organisations, the Community Cooperation Programme offers a way for AbTF to support local cotton companies in the regions where CmiA cotton is grown. Each individual project is developed in conjunction with the village communities in question and on the basis of a needs analysis, frequently addressing several issues at once.



In the area of health, CmiA is active in rural regions that often have poor medical care and limited access to clean drinking water, which in turn lead to higher rates of fatal illnesses and child mortality. WASH projects (water, sanitation, and hygiene) were therefore established to improve hygiene and health in several villages. The projects aim to construct sanitation facilities, offer hygiene training to the public, and dig wells to provide safe water to residents.

In 2022, Ivoire Coton drilled wells in several communities in Côte d'Ivoire in order to ensure that the people living there would have access to clean drinking water.

An important step towards better health was also taken in Tanzania, when Alliances Gineries Ltd constructed a healthcare centre to benefit up to 7,000 people from surrounding communities. In addition, the company expanded the infrastructure of local schools by building classrooms and latrines.

By improving school infrastructure, CmiA also makes a difference in terms of education, which is another key area of focus for project activities, since literacy rates are very low in many countries in Sub-Saharan Africa. Problems facing pupils include

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 2022:

Health:

- 119 wells
- 452 latrines, including
- 384 latrines at schools
- 4 health centers

Education:

- 110 classrooms
- 54 school gardens
- 67 school canteens
- 8 teachers' houses
- 9 other projects including, a girls' dormitory, a training center and school furniture

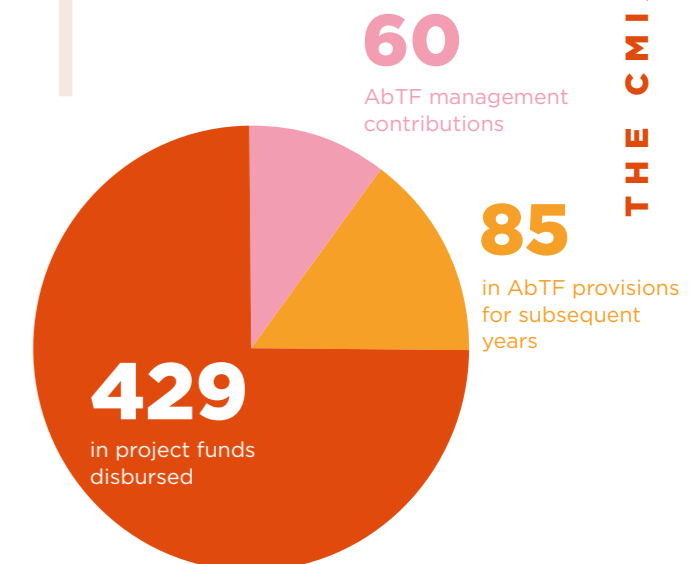
Gender equality:

- 85 women's clubs
- 5 other women's projects

Environment & nature conservation:

- 23 buildings equipped with solar energy
- 3 projects to recycle old pesticide containers

Co-operation projects in 2022, figures in kEUR





inaccessible schools, unusable buildings, teacher shortages, and limited supplies of learning materials. In short, there is often not enough money.

A variety of education projects are working to resolve these issues, not only for children but also for adults.

Access for adults also matters, because it enables small-scale farmers to take full advantage of training and support measures so that they can ultimately improve living conditions for the whole family.

In Benin, SODECO completed the construction of a school canteen to feed pupils. Progress has also been made in Côte d'Ivoire, where CIDT built a green school, where pupils learn how to manage resources sustainably from a young age.

Local school infrastructure has also been expanded in Burkina Faso, where Faso Coton completed the

construction of three classrooms, several latrines, and a well.

In Zambia, Highlands Cotton Trading successfully completed a project that included actions to promote education, health, and women's empowerment. For instance, CmiA worked with the cotton company to renovate and expand Mkhota Community School, which now has the capacity to teach over 500 pupils to read and write. In addition, three women's clubs were each provided with a maize mill as an additional source of income for its members, since women in Sub-Saharan Africa often shoulder the majority of the work in the fields, in their households, and within their families.

In light of this disparity, a key focus of CCCP projects is on women's empowerment. To foster their social and economic independence, finan-

cial support is provided to women's co-operatives, thereby enabling women to develop a means of income—whether by growing vegetables, raising livestock, running a village shop, or processing food—which ultimately benefits their families and village communities as well.

In Nigeria, Arewa Cotton supported a women's collective by organising the construction of a classroom for adult education along with a well and latrines to improve hygiene. In Côte d'Ivoire, COIC conducted another project for the advancement of women, providing women's groups with business training along with wells and equipment for cultivating vegetables. Literacy courses were also offered to members of cotton-growing communities.

In addition to the CCCP projects successfully completed in 2022, CmiA launched 13 new projects in co-operation with verified cotton companies addressing the areas of health, education, and women's empowerment.



EDUCATION IS KEY
Watch the whole video on the Mkhota Community School in Zambia:
www.youtube.com/watch?v=idab3hTH98w





INTERVIEW

“All projects are important to our farming families”



VIOLET ZULU
Operations Manager
at Highlands Cotton
Trading (Zambia)

As an operations manager at Highlands Cotton Trading, Violet Zulu is responsible for the implementation of projects conducted under the CmiA Community Cooperation Programme (CCCP) at Highlands Cotton Trading. She has overseen several CCCP projects since 2018. In this interview, Violet Zulu talks about implementing the projects, the impact they have, and what is particularly important when it comes to supporting women small-scale farmers.

Ms Zulu, we know that one of your roles at Highlands Cotton Trading is to implement projects under the CmiA Community Cooperation Programme. What are your responsibilities in this role?

My responsibilities in this role start with the identification and selection of the critical areas in which such projects are needed. This naturally requires the support of our field staff, who live in these farmer communities and see the challenges they face. After selecting the project areas, I ensure that the required resources are available to the local communities and that the community leaders are on board, since they have a crucial role to play during and after project implementation. Together with other Highlands Cot-

ton staff, we work to ensure that the necessary materials and support are provided at the right time for the projects to succeed.

Which projects did you implement in 2022?

In addition to drilling two boreholes, which are being handed over in 2023 after the rainy season, we improved one community school by adding classrooms, sanitation facilities, and a water borehole, being handed over in May 2023. We are supporting two women's clubs one with a poultry project and the other with a goat rearing projects and are providing one hospital with bedclothes.

And which of these projects did you find to be the most important for farming families?

In my opinion, all the projects are very important to our farming families as they benefit from them all.

For instance, regarding the education projects, the children of participating farmers benefit by learning in a good and safe environment rather than in simple and poorly equipped classrooms or in the shade of trees. This also gives comfort to their parents, when they see their children learning in such a conducive environment.

In another example, regarding the projects for clean and safe drinking water (borehole projects), all the farmers and their families as well as the rest of the community benefit from the reduction in water-borne diseases and from the shorter distances to the water, since the women no longer have to walk so far to fetch water from other sources.

The women's empowerment projects also benefit everyone in the community because a woman is the pillar of the home. Through the training they receive as they participate in the various projects, women gain skills and knowledge which they not only use but also share with their family members and the community at large. Their business projects advance development in their areas. In addition, poverty in these communities will be further alleviated as people learn about income-generating activities other than farming thanks to the example of entrepreneurship provided by the women's projects.



You oversaw the renovation and expansion of the Mkhota Community School in Zambia. What is the school's significance for local development?

The Mkhota School is incredibly significant for development in that region as it had a major impact, not only on the local community but on the district of Chipangali as a whole; because Chipangali is one of the new districts recently created in Zambia, many developmental projects are currently being undertaken there. Mkhota had no proper infrastructure. Pupils were learning in poorly equipped classrooms and in the shade of trees, which was a big challenge especially in the rainy season. Now, the school boasts good infrastructure, which has enabled it to become an examination centre. This makes a big difference because the pupils used to have to walk six kilometres to write examinations at the nearest school. The number of pupils at Mkhota has also increased significantly since the completion of this project.

grow cotton on their own. We offer them training in good agricultural practices (GAP) so that they can run their farms as a business; the skills they acquire also assist them in producing good yields of cotton and other crops as they practise crop rotation. The extra income they earn this way enables them to pay for their children's education, have enough food in the house, and overcome other challenges their families may encounter. In short, we can say that food security will be improved for their families and that poverty levels will be reduced.



Learn more about the CCCP in this video interview with Violet Zulu: www.youtube.com/watch?v=Ur33H5oXRxE

A big part of working with the CmiA standard is empowering female farmers. Could you tell us a little more about how you support women in particular?

We support women in many aspects, for example by including them and encouraging them to sign grower contracts with our company so that they can





CMIA IN THE TEXTILE CHAIN

IN THE TEXTILE CHAIN AND ON THE MARKET



New partners, a wider range of products, and greater transparency — this sums up CmiA’s year in the textile chain for 2022. Demand for CmiA cotton also continued to grow significantly during the year, and, for the first time, the initiative gained a client who manufactured a product other than clothes or textiles: a supplier of sustainable banknotes. In addition, the HIP tracking system was expanded to make CmiA cotton even easier to trace, and the help desk supporting the international supply chain was further consolidated.

Continued Growth

Louisenthal is a company that aims to make money greener by using cotton noils to produce paper for banknotes. Noils are actually a by-product of cotton production, left over in spinning mills after carding, a process where cotton fibres are aligned in a single direction to create a soft sliver of fibres. Noils are the short fibres removed through this process, and they were already being used as a raw material for hygiene products. Now they can also be found in security paper used for making banknotes. Louisenthal is CmiA’s first partner to support sustainable cotton cultivation by manufacturing banknotes. (To learn more, see the interview with [Astrid Drexler on page 35.](#))

In addition to this new product, CmiA also expanded its portfolio of countries in 2022 by securing its first Japanese client, an international chain in the lifestyle industry. This was also a first in another sense, as the company became the first client to make its CmiA products exclusively according to the Hard Identity Preserved (HIP) implementation system, meaning that only CmiA cotton is used and which is completely traceable from traceable from the ginnery through the spinning mill to the finished product. Alongside this client, two veteran CmiA licensing partners, the REWE Group and bonprix, are also creating products using CmiA cotton implemented under the Hard Identity Preserved system.

Nearly 240,000 tonnes of CmiA cotton were brought to market in 2022

Sales records set in 2021 were broken in 2022, as many licensing partners purchased greater quantities of CmiA cotton and manufactured even more products containing CmiA cotton than planned. Around 890 million textile items with the CmiA label were brought to market in 2022, using nearly 240,000 tonnes of CmiA cotton; this represents an increase of more than 80,000 tonnes from the previous year. However, this positive outcome should not be used to gloss over the fact that several CmiA partners faced economic difficulties due to multiple global crises, especially in the second half of the year, and that growth projections for 2023 are more modest as a consequence.

IN NUMBERS

CmiA retail partners purchased **240,000 tonnes** of CmiA cotton in 2022, 56 percent more than in the previous year.

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

71,000 orders were processed through SCOT, the CmiA online tracking system.



IN THE TEXTILE CHAIN AND ON THE MARKET



An International Support Team

What is the SCOT tracking system? How do you register your company with CmiA and get access to the system? And how does the system record transactions within the CmiA supply chain? To offer supply chain partners the best possible support when registering with CmiA and using its tracking systems, a permanent help desk was established in India, with a further team member based in Bangladesh. The team in Germany was also expanded, with a new position being created for a supply chain integrity manager. Their role is to regularly verify the accuracy and credibility of the data within the two tracking systems, thereby offering CmiA partner companies even greater assurance that CmiA's processes have been correctly implemented. Further developments of the SCOT tracking system will also be included in CmiA's ongoing scaling up of its digital activities.

IN NUMBERS

- 1,400** ready-made garment suppliers in **54** countries
- 53** vertically integrated producers in **11** countries
- 600** fabric producers in **30** countries
- 42** yarn traders in **10** countries
- 52** fabric traders in **7** countries
- 260** spinning mills in **18** countries
- 29** cotton traders in **13** countries

FOCUS: FULLY TRACEABLE COTTON

Not only is consumer demand for sustainable products growing, legal regulations on businesses to practise sustainability are also steadily increasing. In Germany, for example, a law demanding due diligence in supply chains has been in effect since 1 January 2023; called Lieferkettensorgfaltspflichtengesetz, its purpose is to regulate companies' responsibilities to ensure that human rights are observed throughout their global supply chains. Against this background, the transparency of value chains is becoming an even more central issue for many companies — especially when it comes to the cotton industry, whose value chain branches out in many directions.

CmiA's response to this need was to establish the Hard Identity Preserved implementation system. The creation of this system in 2018 put in place a method for ensuring complete transparency throughout the textile value chain. The system makes it possible to 'physically' trace the path that cotton fibres take all the way from the ginnery to the spinning mill and ultimately to the final product.

This level of transparency is made possible through CmiA's online tracking system. All members of the textile chain provide data to the HIP tracking system to demonstrate compliance with all the HIP implementation requirements set out in the CmiA Chain of Custody Guidelines. Paramount importance is given to ensuring that only CmiA-certified cotton is used throughout the textile production process, from the cotton to the yarn to the fabric, and that they are always stored and processed separately from other types of cotton. At no stage of production may CmiA cotton be mixed with other cotton fibres.



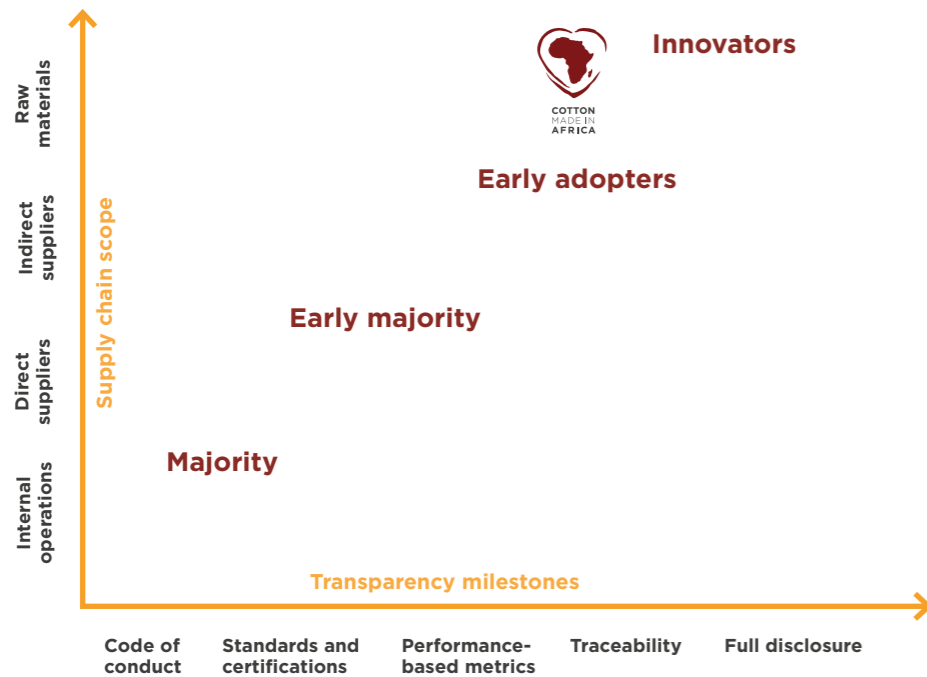
“Our CmiA licensing partners consider transparency and 100 percent traceability of raw materials back to their sources to be essential for their sustainability strategies and helpful for complying with recent changes to the law. We are therefore offering our partners and their supply chains even more support with implementing the HIP system, in addition to investing in the further development of our tracking systems.”

GERLIND BÄZ
Project Manager - Supply Chain Management





Steps Towards Transparency



Source: Alexis Bateman and Leonardo Bonanni, Harvard Business Review, August 20, 2019

Achieving traceability requires continual development. With its two tracking systems (for Mass Balance and HIP implementation), Cotton made in Africa sees itself as an early adopter and innovator in this field and thus a partner that brands and retailers can trust.

Expanding the HIP System

CmiA relaunched the HIP tracking system in 2022 to ensure, to the greatest extent possible, that all members of the supply chain follow the strict requirements laid down for separate storage and processing. Firstly, the Sustainable Cotton Tracker (SCOT), which is used in the Mass Balance system, was given an extra module for dealing with HIP implementation. This requires the submission of additional verification documents, such as purchase or shipping invoices, as well as photographic proof of storage and production. These steps make it possible to guarantee the traceability of the CmiA cotton used in each finished product. Secondly, AbTF has an application process for spinning mills that want to become partners under the HIP implementation system. Part of this involves hiring an auditing company to conduct physical inspections to verify whether CmiA cotton is, in fact, present at the spinning mills and being processed in accordance with chain-of-custody requirements.

Finished products may only bear the “Cotton made in Africa Inside” logo if the HIP system has been successfully implemented and properly docu-

mented. For retailers, the HIP system offers a degree of transparency that far surpasses current norms within the textile sector because the data and documents it provides make it possible to specify and verify the precise origin of the raw material, down to the exact cultivation area—information that is available for use in marketing. This transparency also gives companies the chance to identify risks in their cotton supply chains at an early stage in order to resolve or reduce them more swiftly. As a result, the HIP system provides a basis for continual improvements in supply chains.

INTERVIEW

GREATER INTERNAL AND EXTERNAL REQUIREMENTS FOR TRANSPARENCY

The REWE Group and bonprix are creating products that use CmiA cotton implemented under the Hard Identity Preserved system. Below, Stefanie Sumfleth from bonprix and Torsten Stau from the REWE Group offer insights into their experiences so far and into their motivations and plans for pursuing fully traceable cotton.

The Hard Identity Preserved system offers full transparency throughout the textile value chain. What advantages do you see this conferring to bonprix or to the Otto Group as a whole?

Transparency is always the first step towards making improvements. We can only change what we know about. That is why we at bonprix are aiming to make all our textile products traceable all the way back to the fibre-production stage by 2030. By 2025, the goal is for 25 percent of our cotton to come from traceable and more sustainable sources.

At the same time, external requirements for product transparency are also increasing, for example through the introduction of the EU's Digital Product Passport. When you put these requirements alongside our own targets, you can see why this issue is a priority for us.

There were first productions with CmiA Organic cotton. How has this experience been for bonprix?

As a practical step towards our goal of making 25 percent of our cotton traceable and more sustainable by 2025, we used CmiA Organic cotton from Tanzania as part of a pilot project in 2022.

Our partners in the supply chain were constructively and proactively involved in the project, right from the start, which was a key factor in the success of its implementation, as we can only achieve our common goals if everyone involved works together. We paid special attention to the quality of the cotton because we know that the quality of the materials used in our products is a high priority for our customers. We have not yet completed the final evaluation of this pilot project, but one thing is already clear: The quality of the cotton from Tanzania has impressed us — and will hopefully impress our customers as well.



STEFANIE SUMFLETH
Vice President of Corporate Responsibility and Technical Product at bonprix

Are you planning to further expand the range of your products made from fully traceable cotton? What can CmiA do to help?

Nearly 100 percent of our cotton already comes from sustainable sources. CmiA's Mass Balance system plays a big role in this. We are impressed by the positive changes that the Aid by Trade Foundation is making for African small-scale farmers and their families, and we will continue to enthusiastically support its work for that reason. Since we plan to significantly expand the certified and traceable share of our cotton to 25 percent by 2025, we are glad to see CmiA move towards traceable and sustainable cotton cultivation.

Traceability in a scalable field is primarily a matter of data collection. A digital system that can be integrated into our processes is therefore a key factor in ensuring a successful outcome. From a product perspective, of course, it is crucial to ensure the level of quality is reliable, regardless of the season and growing region of origin. These issues affect all the materials and products that we offer, but they apply especially to cotton, our most important and most widely used fibre.



“Transparency is a prerequisite for improving how things are measured throughout our supply chains. It enables us to better identify and directly address risks related to both the sustainability and the availability of goods and raw materials.”

TORSTEN STAU



TORSTEN STAU
Executive Board
Member in Charge
of Indirect Spend /
Non Food at
REWE Group

Are you planning to further expand the range of your products made from fully traceable cotton? What can CmiA do to help?

Our HIP pilot project in Pakistan has been a complete success. All our suppliers were able to produce HIP-compliant CmiA cotton. We now aim to expand the project to other countries, and the REWE Group plans to shift 100 percent of its cotton to the HIP system by 2025.

Product image from the REWE Group collection



The Hard Identity Preserved system offers full transparency throughout the textile value chain. What advantages does this offer to the REWE Group as a company?

Transparency is a prerequisite for improving how things are measured throughout our supply chains. It enables us to better identify and directly address risks related to both the sustainability and the availability of goods and raw materials. Multiple crises in recent years have shown how crucial this is. HIP also plays a key role in our approach to complying with the German law for due diligence in the supply chain.

Why did you choose Pakistan as the first implementation country for HIP products?

After CmiA introduced us to the HIP system in late 2020, we conducted an internal evaluation of various parameters. This analysis revealed that we were already procuring a large proportion of our CmiA cotton from Pakistan. In addition, Pakistan was able to offer CmiA cotton products throughout the year and to separate CmiA cotton from conventional cotton in its production lines. These factors combined to make Pakistan the ideal partner country for our HIP pilot project.

INTERVIEW

“We would like to see organically cultivated cotton noils become more widely available in the near future”



ASTRID DREXLER
Product Manager
at Louisenthal

A subsidiary of Giesecke+Devrient, Louisenthal is a key supplier of speciality paper to the European Central Bank. It also supplies many countries with security paper for identity documents. Chemist Astrid Drexler is the product manager for Louisenthal's line of banknote substrates and security paper, and she also played a key role in developing the first “green” banknote. Louisenthal's partnership with CmiA, says Astrid Drexler, represents an important step towards making the value chain for banknotes more sustainable.

Ms Drexler, Louisenthal is one of the world's leading manufacturers of cotton paper for banknotes and is working to make its value chain for banknote paper more sustainable. Why?

If you look back through Louisenthal's history, you will notice sustainability was part of its agenda from the very beginning, as its goal was to develop long-lasting banknote paper. However, we now want to go beyond the durability of the product itself to improve sustainability in the wider value chain. This goal harmonises with our clients' ambitions to be more sustainable too. As long ago as 2017, for example, Louisenthal conducted a study to identify the key levers for sustainability embedded in our products and processes. Since then, we have set up a number of projects with the goal of continually reducing our environmental footprint.

What specific changes have you made in the value chain?

Last year, we launched the Green Banknote, a product providing an environmentally friendly solution for banknotes. It incorporates a mix of certified natural fibres and contains minimal amounts of plastic, much of it recycled. As the first banknote manufacturer to partner with CmiA, we support sustainable cotton cultivation, both for its contribution to environmental sustainability and as a way to establish fair working conditions.

Your banknote substrate is based on cotton noils. What do you look for when procuring this raw material?

In addition to quality requirements, we have both an obligation and a desire to ensure it is produced

under equitable social conditions. Naturally, we would also like to see organically cultivated cotton, including noils, become more widely available in the near future. Our sector is quite sensitive to trends in the textile industry; rising demand for sustainable cotton in that industry means that more sustainable cotton also becomes available for the production of banknote paper.

You are the first manufacturer of banknote paper to use Cotton made in Africa-verified cotton in its supply chain. Why did you decide to partner with CmiA?

The partnership with CmiA offers African central banks an excellent opportunity to support their local cotton industry while also promoting organic cotton cultivation. Thanks to the Aid by Trade Foundation's timely and straightforward support and collaboration, we were able to build up the supply chain very quickly. The fact that the European Central Bank listed CmiA as an authorised source of raw materials was also an incentive.

How highly do your international clients value sustainability?

Sustainability has become significantly more important for central banks over recent years, although, as I say, we believe the top priority is still to ensure banknotes are durable and fit for purpose. Sustainable cotton is attracting a great deal of interest in our sector as the most suitable raw material for banknotes, and demand is rising steadily.



CMIA IN THE MEDIA

In 2022, Cotton made in Africa once again demonstrated how much can be achieved by working in concert with others. The initiative shared penetrating insights into projects under the CmiA Community Cooperation Programme (CCCP), strengthened its online presence, and was featured in a museum exhibition about cotton. CmiA also took part in debates about greenwashing, which was a hot topic in the media, and prepared for upcoming changes to EU regulations.



New Online Resources

CmiA's online presence grew in 2022. Following updates to make it even more user friendly, the CmiA website now features new landing pages, in-depth interviews with experts, and accompanying graphics. It also has new sections providing information on specific topics, including sustainable soil management and regenerative agriculture.

ON THE PODIUM



A major highlight in 2022 was CmiA's success at news aktuell's renowned PR-Bild Award ceremony, which each year honours the best photographic works produced in a range of categories including Lifestyle, NGO, Social Media, Travel, Portrait, and Stories & Campaigns. CmiA took third place in the Lifestyle category with "Change of Perspectives", a picture taken by Martin J. Kielmann. The jury selected this photo out of 450 submissions from different companies, agencies, and organisations. The people behind the awards see photography as an essential component of press and public relations work because it can get people who are caught up in their daily grind to pause for a moment of reflection. "Change of Perspectives" does exactly that, as attested to by the accolade it received.



Making an Impression

Advancing education, promoting health, and empowering women: CmiA showcased projects delivered through its Community Cooperation Programme in its communications in 2022. By harnessing evocative images and films, the initiative both offered a deeper insight into the activities, successes, and experiences of local partners and made the projects and their impacts clear to retailers, brands, and other stakeholders. The photographs and videos were taken in Tanzania and Zambia by a Tanzanian photographer, and the successfully completed projects were then publicised through a variety of channels. CmiA's aim was to show people how important the projects were for local communities and to invite additional companies to consider funding projects.

A Broad Media Presence

Media reporting about CmiA touched on a wide variety of subjects, reflecting the diversity of the initiative's activities. CmiA's own public relations efforts in 2022 focussed primarily on climate protection and sustainable soil management issues. In total, Cotton made in Africa made 178.5 million contacts through 1,300 media reports. The types of media once again spanned a spectrum ranging from specialist publications like *Textilwirtschaft* to dailies and weeklies like *Focus Online* and *Frankfurter Rundschau*, as well as to consumer magazines like *Brigitte*, *Frau von Heute*, and *Bild der Frau*. CmiA also made a television appearance in an episode of *Shopping Queen*, a fashion programme on VOX, when the celebrity fashion designer Guido Maria Kretschmer discussed Cotton made in Africa as a sustainable initiative.



COUNTERING GREENWASHING THROUGH HONESTY AND TRANSPARENCY

With companies increasingly using sustainability as a marketing buzzword, it is becoming more and more difficult for consumers to recognise which of them are truly sustainable and which of them are merely slapping on a label. Greenwashing became a hot media topic in 2022. This was partly due to consumer rights organisations accusing several brands of engaging in misleading marketing practices—although none of these brands were CmiA partners. Another impetus was the new Consumer Empowerment Directive, which was released as a draft by the EU in early 2022. The directive's goal is to put a stop to greenwashing, in part by tightening requirements for (permissible) advertising; for example, it will deem making an environmental-impact statement about a whole product to be an unfair business practice if the claim only applies to a part of the product. Brands and retailers will need to be careful to observe this when they communicate about the Mass Balance system. CmiA is also working to prepare for these upcoming changes to regulations and will keep its partners up to date on developments.

From the Cotton Field to the Museum

Since October 2022, Cotton made in Africa has been featured in the 100% Cotton exhibition at the Übersee-Museum Bremen. The museum invites visitors to explore the history of cotton and cotton production. CmiA's contributions to the exhibition include videos and displays that illustrate its activities.



“Greenwashing offers companies no long-term benefits. To be successful in the market, honest and transparent communication is indispensable, and so we are supporting our partners in presenting their sustainability practices in a way that meets these standards.”

ISABELLE GROSSKOPF
Project Manager Digital & Brand Marketing



INTERVIEW

“Cotton is integral to our lives, but we also have our own parts to play”

People have been using cotton for almost 5,000 years. Cotton's eventful history, its current role in our lives, and its likely future — these are all topics explored in the Übersee-Museum Bremen's 100% Cotton exhibition. We spoke with Dr Jan Christoph Greim, a curator at the museum and its head of trade history and provenance research, about the ideas and intentions that lie behind the exhibition and about why he thinks that CmiA belongs in a museum.

Dr Greim, what prompted you to host an exhibition about cotton?

Traditionally, our special exhibitions on trade history have focussed on classic goods traded in Bremen, such as tobacco, coffee, and cocoa. Despite it once being the most important commodity traded in this Hanseatic city, cotton has not previously been represented. During my research, I developed an intense interest in the topic, and when I became aware that the 150th anniversary of the Bremen cotton exchange would be in 2022, it struck me as the perfect occasion to stage this exhibition.

What is the main message you want visitors to take away with them after touring the exhibition?

We want them to see how diverse cotton is and to understand how tightly it is interwoven in the fabric of our daily lives. The exhibition pays equal attention to cotton's cultural importance and to its connections to issues like slavery and colonialism. The exhibition's examination of the present day and the future makes it evident that cotton is integral to our lives, but we also have our own parts to play.

How did you arrive at the idea of incorporating Cotton made in Africa within the exhibition?

One of the goals of the exhibition was to look at cotton from a variety of different and potentially new perspectives in order to convey the exhibition's message, “Cotton is integral to our lives”, effectively. It is in this context that my colleague, Dr Schenker, and I came across CmiA. We were impressed by what CmiA had achieved in terms of organic cotton cultivation, support for small-scale farmers, and the certification of cotton clothing. For the exhibition, one of CmiA's contributions was to conduct and



record interviews with African small-scale farmers. These videos form part of the exhibition to ensure that these farmers' perspectives on the global cotton industry are also included.

How does the exhibition address the history of colonial cotton cultivation and its exploitative conditions, and how important is this discussion today?

Few people today are aware that the German Empire forced people to cultivate cotton in its colonies in Togo, German East Africa, and Cameroon. As a museum, we have both a desire and an obligation to raise awareness of this aspect of the past. An entire section of this exhibition is dedicated to addressing this complex topic. The issue has also found its place in the wider public discourse, which is examining the colonial era's social and historical impacts as well as its implications for us today.

How has the exhibition been received?

It has been well received across the board. It is particularly gratifying that positive feedback has come both from professionals in the cotton sector and from visitors who had previously had little contact with cotton - apart from on their skin, of course.



DR JAN CHRISTOPH GREIM
Head of Trade History and Provenance Research at Übersee-Museum Bremen



INTERVIEW

“Honest, authentic, and transparent communication”

As a communication consultant at Studio GOOD, Alf-Tobias Zahn develops communication plans for national and international non-governmental organisations whose primary focus is on global development co-operation. He is also passionate about sustainable fashion and published a German-language guide on the topic in 2018, called “Einfach anziehend”. We asked Alf-Tobias Zahn what matters most when communicating about sustainable initiatives and products, what role social media play in this area, and how to avoid the hazards of greenwashing.



ALF-TOBIAS ZAHN
Communication Consultant at Studio GOOD, Berlin

Mr Zahn, how can good communication help to ensure that sustainable initiatives and products continue to gain ground and reach more people?

Good communication helps both when presenting good products and meaningful initiatives and when trying to explain complex networks of connections. In the sustainability sector, communication often involves more than simply describing a project or a product; the work that went into them matters, too, as do the values the organisation represents. As more people learn about such good examples and about the wider benefits that spring from a donation, product, or activity, they gain awareness as well as acceptance, for example, of higher prices for sustainable products. The challenge is to keep the message clear and simple when there are so many positive aspects that could be promoted.

Many of your clients are active in the sustainability sector. Is communications work different for this specific type of client than for others?

Good communication means the sender not only delivers a message but also receives one back. I have found that many sustainable organisations and brands are getting better at developing their own communities and engaging in real dialogue with them. By highlighting and promoting the benefits of sustainability in this way, they can motivate people to continue buying sustainable products, which are often more expensive than non-sustainable alternatives.

What matters most when communicating about sustainable products or initiatives?

Honest, authentic, and transparent communication. For many initiatives that do good, or brands that offer sustainable products, the consequences of poor communication can be much worse than for brands that do not value sustainability. This makes it especially important to ensure that credit is given for the good that they do, but it also means addressing mistakes candidly and transparently in order to regain trust within their own communities.

Is there anything to watch out for in order to avoid being accused of greenwashing?

There is no single definition of greenwashing, but the term is often used when a company or brand tries to enhance its image with claims, especially regarding sustainability, that do not correspond with

reality. From a communications perspective, precise wording is key. Flowery language, which could give the impression that a product is better than it actually is, should be avoided, as social media users are usually quick to spot any possibility of deception.

Since you run CmiA's social media accounts, why is working with social media so important for communication these days?

Messages, tweets, videos - the majority of people in Germany and throughout the world use these kinds of social media to communicate every day. They consume and produce content to entertain, educate, and inform one another, including the same target groups that CmiA wants to reach through its communications. These social media touch points are therefore relevant and important for CmiA as well.

IN THE MEDIA



IN THE MEDIA



2022 IN FIGURES



THE GOOD CASHMERE STANDARD

SUSTAINABLE FOR ANIMALS, PEOPLE, AND NATURE: THE GOOD CASHMERE STANDARD®



The Good Cashmere Standard® (GCS) was created in 2019 by the Aid by Trade Foundation (AbTF) with input from experts in the fields of cashmere and animal protection. As the world's first independently verified standard for sustainable cashmere, it aims to protect nature, promote the welfare of cashmere goats, and improve farmers' working conditions. For retailers and brands, the standard offers an opportunity to use sustainable cashmere to meet consumer demand for animal-friendly and ethically produced clothing. In Inner Mongolia, 9,400 farms with 4.2 million goats produced a total of 1,900 tonnes of GCS-certified cashmere in 2022, roughly one third more than in the previous year. AbTF worked with its partners during the year under review to extend the implementation of the fledgling standard at farms and to monitor compliance with its criteria.

4.2 million
GOATS



9,400
FARMS

1,900 tonnes
GCS-CERTIFIED OF
CASHMERE



184

SPINNING MILLS
AND TEXTILE
PRODUCERS



979

TONNES OF
PROCESSED
CASHMERE



48

GCS BRAND
PARTNERS



16

TEXTILE PRODUCTION
MARKETS WORLDWIDE

THE GOOD CASHMERE STANDARD



Through GCS, AbTF hopes to play a vital role in making cashmere production in Inner Mongolia sustainable for animals, people, and nature. To keep everything on track, a new audit round was conducted in 2022, the third since the standard's inception. Audits require a selection of the farms that supply buying or dehairing stations with raw cashmere to submit self-assessments. For the first time, all self-assessments were collected online via GCS's custom-designed Cashmere Self-Assessment & Audit Platform, or CASAP for short. This was followed by a risk assessment undertaken by an audit company to select around ten percent of the farms for on-site auditing. All participating buying and dehairing stations are audited every year. In 2022, due to the COVID-19 situation in China and related travel restrictions, these audits were predominantly conducted online.



“We offer a variety of training and implementation options for GCS, giving farmers the opportunity to combine traditional and modern approaches in the way best suited to their individual farms.”

VANESSA LOEWENICH
Project Manager - Training & Implementation

Criteria and Categories

Farmers or buying/dehairing stations wishing to be certified by The Good Cashmere Standard® must meet the standard's core, major, and basic criteria. Any observed violations of the core criteria result in the offending farms and buying stations being expelled from The Good Cashmere Standard®. Infringements of major and basic criteria must be addressed through corrective actions; the difference between the two is that breaches of major criteria need to be remedied immediately, whereas breaches of basic criteria require an approved plan for resolving the issue. Only once all the problems have been remedied do the buying stations and their associated farms receive a one-year certificate under The Good Cashmere Standard®.

Verification and Support

In the 2022 audit round, AbTF's focus was primarily on verifying corrective actions. Such verification is essential for providing quality assurance, since it ensures compliance with the requirements of The Good Cashmere Standard®. AbTF conducted this process together with the verification company Elevate, which hired a specialist in agriculture and animal husbandry to manage the remedial action plans on site with the highest possible level of expertise.

To support farms in improving their practices further, AbTF has been working with animal-welfare experts and professionals from non-governmental organisations that specialise in animal protection to develop and implement a variety of relevant measures. In 2022, these included online training in castration, combing, and shearing as well as in goat-specific animal care. To make training materials more accessible, the partners also collaborated in the creation of a learning platform providing web-

based content including webinars, training modules, and online onboarding processes.

Learning from examples of best practice is something AbTF also wants to promote in China. With this in mind, AbTF has begun developing four model farms to create places where people can build their skills, exchange knowledge, and gain a professional education. All four farms have already been audited and are now being further improved so that they can be certified as model farms in 2023, following a second audit.



Record Demand

Since GCS was launched, the number of licensing partners has continually risen. 2022 was no exception, with 17 new brands and retailers joining up, representing an increase of more than 50 percent from the previous year. There are now 48 textile companies from ten countries in the GCS Demand Alliance. These figures show that AbTF is successfully plugging a major gap in the market through GCS. GCS is still the only cashmere standard whose credibility is underpinned by a verification process undertaken by an independent audit company. In addition to revealing the growing importance of sustainable materials for retailers and brands, record levels of demand reflect increasingly conscious buying decisions being made by consumers.





Powerful Images, Clear Words

Since the coronavirus pandemic continued to make travel to China difficult in 2022, AbTF decided to hire a photographer from Inner Mongolia to take pictures of local cashmere farms and their goats. The resulting photos offer consumers and Demand Alliance partners a better understanding of cashmere production and a deeper insight into the lives of people and animals in Inner Mongolia. As one would expect, GCS makes good use of these evocative images in its various communication channels.

Overall, 2022 saw a growing number of companies highlighting the advantages of GCS in their communications at both the product and corporate levels. The Australian brand Country Road stood out in this regard, promoting The Good Cashmere Standard® in its 360-degree campaign “Our World”. The campaign presents the stories, partners, and materials that lie behind the brand, as well as showcasing GCS to consumers at the point of sale, on their website, in the press, and on social media.

An Improved Tracking System

The Cashmere Tracking System, CATS for short, is a digital tracking system that records the total quantity of certified cashmere wool available and monitors all orders placed for products bearing the label of The Good Cashmere Standard®. Through CATS, GCS offers a unique online portal that ensures a high degree of transparency and traceability in the cashmere industry. The Cashmere Tracking System was further improved in 2022 by integrating additional links in the production chain, namely fabric mills and cashmere producers. In addition to offering a greater degree of transparency, the changes have enhanced the system’s user friendliness. In essence, its role is to help GCS to better support retailers in managing their supply chains and tracking their cashmere.



The First GCS Retail Summit

AbTF is counting on networking, communication, knowledge transfer, and innovation to drive sustainable transformation in the cashmere industry. To combine these approaches, the foundation invited textile companies, fashion brands, and experts to participate in the inaugural GCS Retail Summit in Istanbul in October 2022. The two-day programme covered all the topics relevant to sustainable cashmere production: animal welfare, the living conditions of cashmere farmers, environmental and climate protection issues, and transparency in the cashmere supply chain. Participants also analysed the global demand for sustainable materials and discussed communications and marketing issues, including topical concerns such as greenwashing. After their two days together, all the participants agreed that joining forces would help the cashmere industry to make greater progress and that these discussions should absolutely continue. The next session has already been scheduled for November 2023 in Milan.





GCS IN PRACTICE

With The Good Cashmere Standard® completing its third year of operation, GCS checked in with its partners in the textile chain by asking:

How does the collaboration with GCS improve the welfare of goats and the lives of people on the farms or in the region?

THE GOOD CASHMERE STANDARD



SUMMER WANG
Sales Manager at
Niushi Group

The collaboration between GCS and our company and farms will deliver a range of benefits. For example, it will improve the way livestock is managed on small-scale farms so that we can ensure that goats are properly cared for. As a result, they should be able to exhibit their natural behaviours, be protected from injury, have their illnesses diagnosed and treated in a timely manner by veterinary professionals, receive healthy feed and sufficient water, and be housed in barns that are big enough for the number of goats that live in them. Through the training offered, herders supplement their traditional knowledge of goat husbandry with modern practices and make any changes that are warranted for example, goats are now routinely castrated much earlier. In addition, the training will enable goat farmers to improve the quality and quantity of their cashmere production and thereby raise their incomes.



YIMIN ZHU
Sales Manager at Beijing
Joywin Fashion Textile
Co., Ltd. Registered GCS
Spinner



The Good Cashmere Standard is a truly positive force for our environment, our planet, and our daily lives.

Overall, The Good Cashmere Standard is a shining example of how a single organisation can make a meaningful difference in our world.



EUGENE TONG
Vice President at Inner
Mongolia King Deer
Cashmere Co., Ltd.

Having collaborated with GCS in recent years, herders pay more attention to the protection of animal welfare, and thanks to that and scientific breeding, the survival rate of goats has improved. The resulting increase in the production of cashmere and meat has led to a corresponding increase in the herders' income.



LU CULING
Director at Inner Mongolia
Lianhong Jiaxing
Cashmere Co., Ltd
Fine-cashmere Goat
Professional Cooperatives
Mount DUXI, Otog Banner

Farmers have learnt a lot. They have found the material very helpful, especially for breeding and land management, even if some individual requirements strike them as irrelevant to their particular situation. Although learning and acceptance have been slow due to the advanced age of many farmers, they have nonetheless acquired a good degree of understanding of the material and of GCS.



THE GOOD CASHMERE STANDARD



INTERVIEW

“We are moving beyond concerns about animal welfare to the wider sustainability of animal fibres”



ANNA HEATON
Fiber and Materials
Strategy Lead for
Animal Materials at
Textile Exchange (TE)

Anna Heaton has been working in the field of animal welfare and sustainability at an international level for over 15 years. She played a key part in creating The Good Cashmere Standard (GCS) and has been a member of the GCS advisory board since its inception. As an expert in animal welfare, she has been managing the strategy for animal materials and fibres at Textile Exchange (TE) since 2021. While emphasising that animal welfare is only one of a number of elements to consider in sustainable animal-fibre production, Anna Heaton also explains the role GCS plays in this endeavour and how the fashion industry is changing to become more sustainable.

You have a close relationship with The Good Cashmere Standard, and you wrote the standard. You’ve been to China yourself. How was this journey with GCS?

Once I was connected to the GCS team, we started by mapping out the intent of the standard. It was always clear that we needed to align the best practices for cashmere production with what was possible for the farmers and herders to achieve. This is always a balance with any standard: There is a need to drive change, but it can’t be so difficult that it seems unachievable to the farmers. The visits to China allowed us to see what was possible—and what was going to be challenging.

You’ve met the farmers and gained insights into cashmere production. What surprised you the most?

It was not a complete surprise, but visiting China, having visited Mongolia the previous year, brought home how very different the cashmere production systems are in these two countries. In Mongolia, the focus is on herding systems where the herders and goats move seasonally, whereas in China, it’s a farm system with a set land area.

Change is needed in how animals are treated in the textile industry, especially in comparison to the food production industry. How can a standard on the retailer side, like GCS and its partners, support farmers in sustainable change and animal welfare?

While animal welfare certifications for textiles have not been around for as long as certifications for food production, there is now good recognition of the value of standards in the textile sector by brands, NGOs, and consumers. The demand for certified fibres helps encourage farmers to make changes, whether this is for better market access, a premium, or both. Information on the increasing market demand alongside technical support for farmers to help them meet certification requirements will all help shift the dial.

What lies ahead for the further development for animal-based fibres?

We are moving beyond concerns about animal welfare to the wider sustainability of animal fibres. This includes land management and soil health as well as wider impacts on wildlife and biodiversity. Concerns about social wellbeing and livelihoods for

the people producing fibres are also increasingly coming to the fore. We need to show that fibre production systems and certifications are taking account of all these topics.

Fashion is moving towards more sustainable and regenerative systems, including by recycling, by prioritising second-hand, long-lasting, and high-quality products, and by addressing CO2 footprints at the commodities level. What is the future of luxury products such as cashmere?

Cashmere is a high-quality fibre that can be used to make long-lasting, high-quality garments. Cashmere can also be recycled. This fits into the industry goals as described in the question. There is room for more sustainable and regenerative land management to reduce the impact of cashmere production and to have credible data that demonstrates this; moving to these systems will help to ensure cashmere is valued by the market.

The standards landscape is changing rapidly. What will animal welfare standards need in the future, and what is Textile Exchange’s role in that?

Animal welfare will always be important for any

materials that are derived from animals, but we need to do more than just protect welfare. Textile Exchange’s [Climate+ strategy](#), [Climate+ Vision](#) - Textile Exchange, aims to ensure that all fibres are produced in a way that supports our planet, its ecosystems, its landscapes, and its communities. This should be the direction of travel for all standards for materials used by the textile industry.

Animal welfare is understood very differently, depending on whom you ask. What message do you want to communicate to the public for a better understanding of animal welfare?

If we use animals for food or fibre, we need to ensure that their welfare is protected. A brief look online will sadly throw up examples of very poor practices, but this doesn’t mean that the only way forward is to give up all animal-based materials. With standards like GCS and the Textile Exchange Responsible Animal Fiber standards, we can clearly show what is and is not acceptable. Animal-based materials can therefore come from certified farms where animals have had a good life and positive welfare experiences.



INTERVIEW

“It was essential for us to ensure that the sourcing of our cashmere corresponded to our values and standards”

The Parisian effortless luxury brand Zadig&Voltaire features cashmere knitwear as key products in its collections. To fulfil its ambition of making them from sustainable cashmere, the brand became a partner of The Good Cashmere Standard in 2021. This partnership is embedded in VoltAIRE, its global transformation programme for greater sustainability, which falls under Helena Jessua's purview as the company's sustainability director. In this interview, she discusses what the brand aims to achieve through the programme and what issues, apart from animal welfare, matter most in the cashmere industry.



HELENE JESSUA
Sustainability Director at
Zadig&Voltaire

Product image from the Zadig&Voltaire collection



Through its VoltAIRE programme, Zadig&Voltaire has set comprehensive sustainability goals for itself. What motivated you to take this step?

Sustainability has been included in the strategic priorities of the group's transformation plan for 2025. As such, it was important to formalise our sustainability approach, which we did by launching the VoltAIRE programme. This also involved setting concrete targets to reach by 2025 for each of the pillars, in addition to our global climate target for 2030. Our objectives—to be using only certified key raw materials or to ensure that 100 percent of our products are traceable by 2025—clearly demonstrate our ambition.

What do you aim to achieve through the VoltAIRE programme?

The programme seeks to help fight climate change and air pollution through all our activities. To achieve our aim of reducing our carbon footprint in alignment with the Paris Agreement's objective of 1.5 degrees Celsius, we are mobilising all departments of Zadig&Voltaire—from product sourcing and development to production, logistics, and retail—in support of the project.

VoltAIRE also represents the concrete application of Zadig&Voltaire's vision of luxury products. It formalises the brand's commitment to developing sustainable products that last a long time and are

manufactured in line with its values and standards regarding respect for humans, animals, and ecosystems.

The VoltAIRE programme is based on four pillars: sustainable products and packaging, climate and clean air in operations, made in respect, and collective commitment. Each pillar addresses strategic topics and includes concrete and measurable objectives, and the pillars are designed to work together to achieve our ambitions.

What do you mean by the slogan, “Made in VoltAIRE Respect”, which we can see on some of your products?

“Made In VoltAIRE Respect” (MIVR) is a logo that we launched in 2022 to help our teams as well as our customers to better identify the products that embody our sustainability approach and the transformation in progress. The MIVR logo has already been added to the care labels and online product sheets for the relevant products, and it will be deployed on hangtags for the Fall/Winter 2023 collection.

To be marked MIVR, a product must meet certain specifications, such as being a certified finished product or being made from at least 90 percent certified or low-impact fibres. Zadig&Voltaire is deploying a certification strategy with the objective of having 100 percent of its key raw materials certified by 2025. To go even further, we also wanted to scale up the development of certified finished products. With this aim, Made In VoltAIRE Respect includes products made from GCS-certified cashmere. In addition, Zadig&Voltaire has been certified under the GOTS, OCS, GRS, and RWS standards since 2021 and is encouraging its suppliers to also take this path. As a result, 70 percent of the jersey textiles in the Spring/Summer 2023 collection are certified organic.

Why did you opt for GCS? How does the partnership with GCS meet your needs?

Besides being a key raw material for our collections, cashmere is part of Zadig&Voltaire's DNA. Thus, it was essential for us to ensure that the sourcing of our cashmere corresponded to our values and standards and to participate in an initiative aimed at developing a sustainable cashmere industry. We felt that The Good Cashmere Standard was the right



Product image from the Zadig&Voltaire collection

initiative due to its robustness, its expertise in animal welfare, and its ecosystem, which is strong enough to enable improvements. Zadig&Voltaire is really proud to be a member and a partner of The Good Cashmere Standard. To clarify the importance of our commitment, 100 percent of the cashmere currently being used in our virgin cashmere knitwear collections is sourced from GCS farms, which was an important step for us. This approach has also been an opportunity for us to bring our suppliers on board and to strengthen our traceability approach.

What, in your opinion, is the next challenge for the cashmere industry?

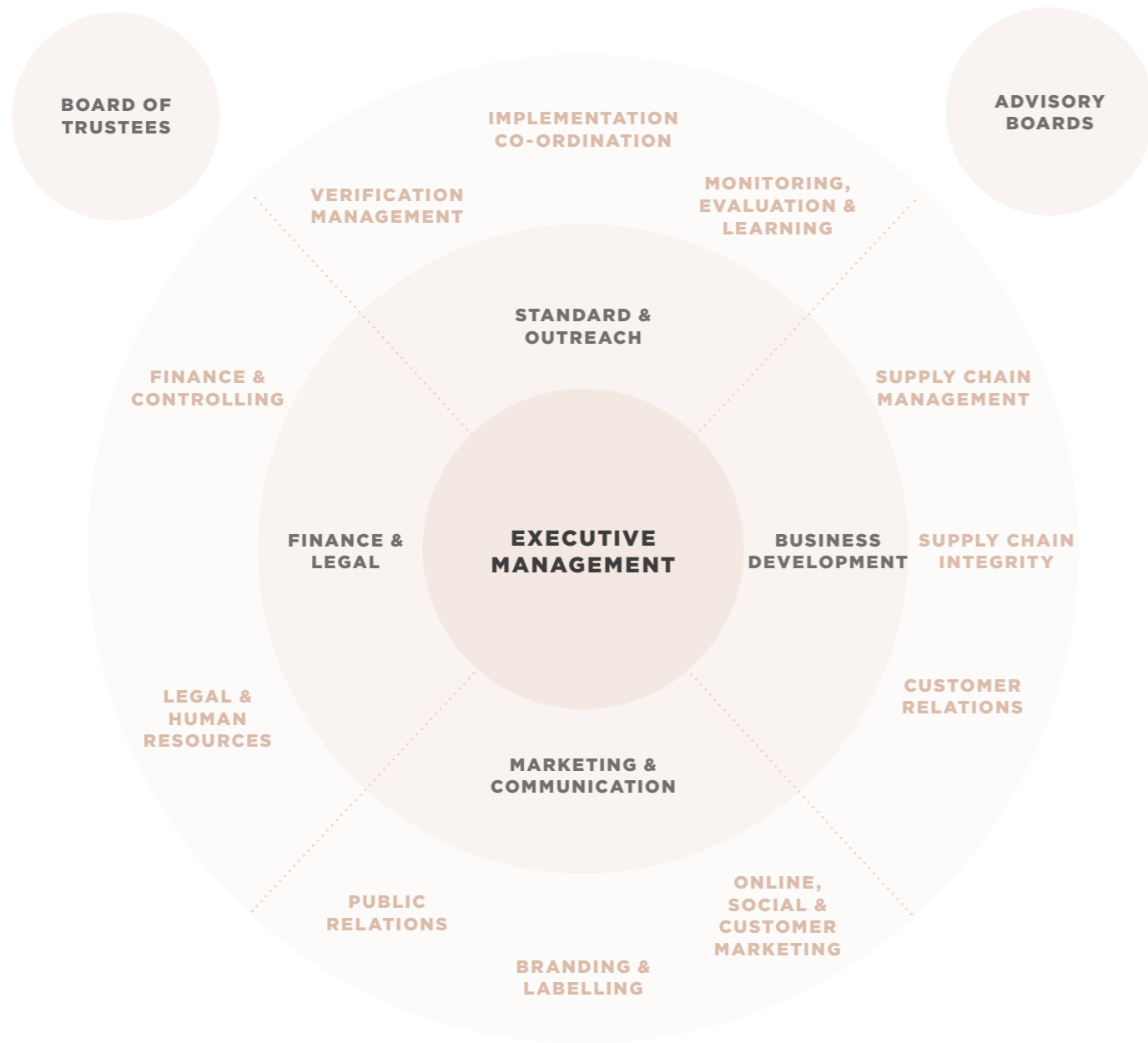
Beyond the basic challenge of animal welfare, our collective challenge is now to work on reducing the environmental footprint of cashmere production as well. In addition to ensuring that the GCS standard is aligned with this ambition, we need to take the opportunity to partner with some of the many brands, farms, and other stakeholders gathered within GCS, to measure the impact of GCS cashmere production and to launch joint pilot projects in fields like regenerative agriculture.

At Zadig&Voltaire, we are convinced that being able to reduce the environmental impact of cashmere production is key to ensuring the sustainability of this industry in the medium and long terms.



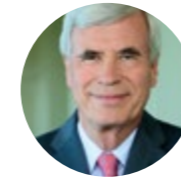
THE AID BY TRADE FOUNDATION TEAM

ORGANISATIONAL STRUCTURE



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 2022, the board of trustees 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 International Civil Society Centre



OLAF GIESELER
 Managing Director CURATAX Treuhand GmbH Steuerberatungsgesellschaft



PROF. DR JOHANNES MERCK
 CEO Umweltstiftung Michael Otto



MATHIAS MOGGE
 Secretary General and Chairman of the Board Welthungerhilfe



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



JEAN-CLAUDE TALON
 Commercial and Logistics Director SODECO SA Groupe SFP, Benin



MUNIR ZAVERI
 CEO Alliance Ginneries Ltd.

ORGANISATIONAL STRUCTURE

Eberhard Brandes (WWF Germany) left the board of trustees in 2022.



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 different areas of expertise make the advisory board a key discussion partner and advisor to the management. As of 31 December 2022, the CmiA advisory board included the following people:



MARCO BÄNNIGER
Head Trader Hand Picked Cotton
Paul Reinhart AG



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



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



DR FLORIAN REIL
Team Leader Project Development
& Support, Initiative for Sustainable
Agricultural Supply Chains (INA),
Deutsche Gesellschaft für
Internationale Zusammenarbeit
(GIZ) GmbH



MAJA-CATRIN RIECHER
Project Manager Sustainable
Agricultural Commodities
WWF Germany



DR RAFAEL SCHNEIDER
Deputy Director Policy and External
Relations, Coordination Food
Security Standard (FSS)
Welthungerhilfe



FABIAN SCHOLZ
Senior Vice President
Miles GmbH



TORSTEN STAU
Executive Board
Member in Charge
of Indirect Spend /
Non Food at REWE Group



JOHANNA VON STECHOW
Johanna von Stechow
Head of Environmental Protection
Tchibo GmbH



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



JÖRN OTTO
Vice President
Sourcing and Supply Chain
bonprix Handelsgesellschaft mbH

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 different areas of expertise make the advisory board a key discussion partner and advisor to the management. As of 31 December 2022, the GCS advisory board included the following people:



ALVA CHEUNG
General Manager Marketing
Erdos Sheng Lin Ltd



MADELENE ERICSSON RYMAN
Environmental Sustainability
Business Expert at H&M Group



ANNA HEATON
Fiber and Materials Strategy Lead
Animal Materials
Textile Exchange



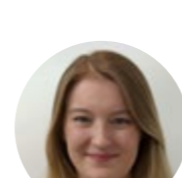
HEIKE HILLEBRECHT
Head of Buying
Peter Hahn GmbH



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



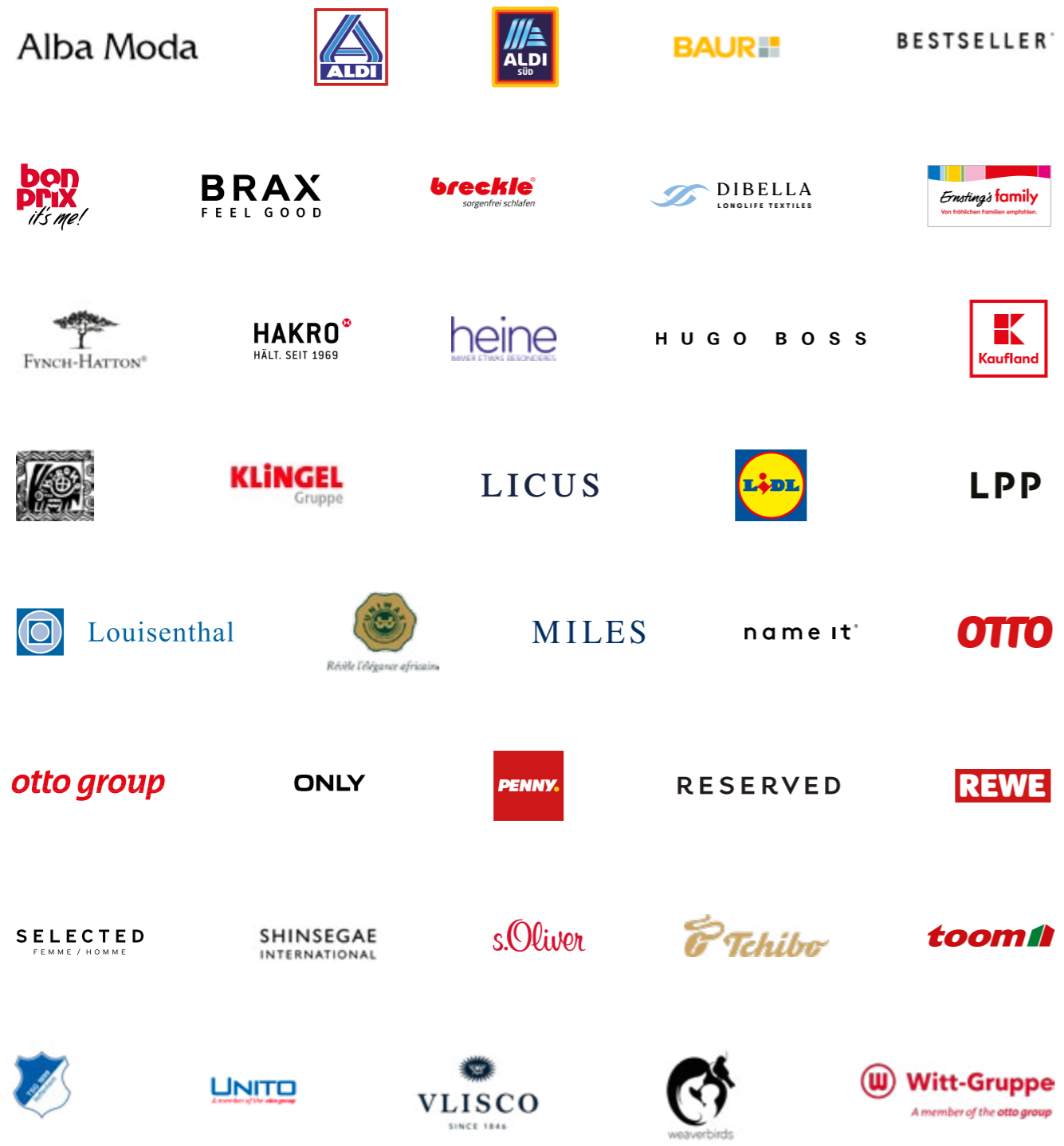
SOPHIE PRATER
Scientific Officer Ruminants
Royal Society for the Prevention of
Cruelty to Animals (RSPCA)



BRIAN YU
General Manager
Artwell Holdings Limited



A SELECTION OF CMIA CORPORATE PARTNERS IN 2022



A SELECTION OF GCS CORPORATE PARTNERS IN 2022



ORGANISATIONAL STRUCTURE

ORGANISATIONAL STRUCTURE

IMPRINT

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Note on trademarks: For reasons of better readability, the labelling of Cotton made in Africa and The Good Cashmere 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

The Aid by Trade Foundation (AbTF) was founded in 2005 by Prof. Dr Michael Otto, an entrepreneur from Hamburg, Germany. The aim of the foundation, which operates independently of the Otto Group, is to help people to help themselves through trade, thereby preserving vital natural resources and securing the livelihoods of future generations.

Cotton made in Africa® is an internationally recognised standard for sustainably produced cotton from Africa, connecting African small-scale farmers with trading companies and fashion brands throughout the global textile value chain. The initiative's objective is to employ trade rather than donations to offer help for self-help in order to improve the living conditions of around one million cotton farmers and their families in Sub-Saharan Africa while protecting the environment. The small-scale farmers benefit from training and better working conditions, and additional social projects enable their children to attend school. Female small-scale farmers are supported in pursuing professional and social independence.

The Good Cashmere Standard® by AbTF is an independent standard for sustainably produced cashmere wool. Developed in 2019 in close collaboration with animal-welfare specialists and independent cashmere-production experts, its goal is to improve the wellbeing of the cashmere goats and the working conditions of the farmers as well as the environment in which they live. The standard will begin by focussing on the framework conditions for cashmere production in Inner Mongolia.

Aid by Trade Foundation

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