










# COTTON MADE IN AFRICA

ANNUAL REPORT 2019



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# FOREWORD

BY PROF. DR.  
MICHAEL OTTO

Protecting the climate, securing the future for generations to come, rethinking our habits and behaviours—2019 saw the rise of a major global movement to save the climate and protect the environment, shaking up politics and societies throughout the world.



“This gives us confidence in the future and reinforces my belief that we are not here to serve the economy but that the economy is there to serve the people.”

900,000 smallholder farmers in eleven countries benefitted from cooperation with Cotton made in Africa and brought a total of 593,000 tonnes of verified sustainable cotton to the global market.

2019 also marked the birth of a new sustainability standard under the umbrella of the Aid by Trade Foundation. With The Good Cashmere Standard®, the first standard for sustainably produced cashmere wool, the foundation expanded its commitment to animal welfare and started working outside of the African continent for the first time. In Inner Mongolia, an autonomous region in northern China, cashmere production is now being certified based on criteria for animal welfare, for farmers' wellbeing, and for protecting the environment.

Looking back on the past 15 years, it is clear that we can never stop and rest on our laurels. Despite positive developments and growing interest from a variety of players, bringing sustainability to a mass market will always be a challenge: prevailing conditions can suddenly change, or unforeseen events can toss the whole world into upheaval. However, we can be equally certain that many people will continue to demonstrate a willingness to assume responsibility and recognise that everyone makes a difference: each and every individual, company, and consumer. This gives us confidence in the future and reinforces my belief that we are not here to serve the economy but that the economy is there to serve the people. Together with our partners in Africa, Asia, and here in Europe, we have achieved a lot. Our community is becoming stronger by the year. We will continue working together to make our world a better place—for us and for generations to come.

Through Fridays for Future, many young people advocated for a world in which they could live their lives without having to worry about whether or not they and their children will, in the future, still have access to the natural resources we currently take for granted.

Their passion brought the topics of sustainability and responsibility into the public eye, precipitating a major surge of interest in every sphere including politics, society, and business. Many initiatives and activities—such as those promoting sustainable production, protecting the climate and the environment, or implementing social standards—received an unprecedented boost despite recent events forcing a slow-down in the protest movement. In addition to almost entirely eclipsing all other topics of discussion, the crisis is also splitting our perception of time into two periods: before and after the corona virus.

Many people are currently facing existential fears for their health, employment, and future. As we experience profound changes to our everyday lives and see significant shifts in the way we work, it becomes clear

that we will need to confront a new normal after passing through this crisis. But what will the new normal be, and how will our society look? To many people, it is already obvious that business as usual will not be an option going forward, nor should it be; instead, we should use this upheaval to create an economy that is more socially just and environmentally sustainable.

I am certain that we will make a successful economic transition for three reasons: Firstly, we have been given a clear demonstration of the value of nature, of experiencing natural environments, and of protecting the delicate balance of our ecosystems. Secondly, global digitalisation—for everyone, everywhere—and the necessary digital capabilities have gained a great deal of acceptance and support, not only in high-tech global business centres but also in the fields of Africa.

This wave of digitalisation can do a lot to improve communication across borders and to provide information that was previously unavailable or difficult to access, raising the future prospects for sustainability spreading throughout the world. Thirdly, enforced isolation has given rise to a new kind of closeness and

solidarity, not only with our sick and elderly neighbours but also with disadvantaged societies in other parts of the world.

We should grasp the opportunities presented by these positive developments and build on them appropriately. Now is the time to ask ourselves what is truly important to us and which priorities we should pursue.

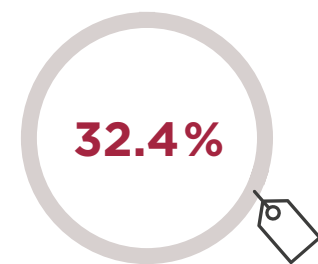
For 15 years, the Cotton made in Africa initiative has been all about responsibility and promoting the socially and environmentally sustainable production of raw materials. In 2019, it also got a boost from the currents described above, as growing consumer interest led companies to increasingly prioritise sustainable raw materials and transparent value chains. Sales of textiles bearing the Cotton made in Africa label rose by more than 20 percent in 2019 compared with the previous year, showing that consumer interest can absolutely be channelled into tangible results and business activity. These figures are important for Cotton made in Africa because they form the financial basis for the initiative's activities in Sub-Saharan Africa. In 2019,

# THE YEAR 2019 IN FIGURES

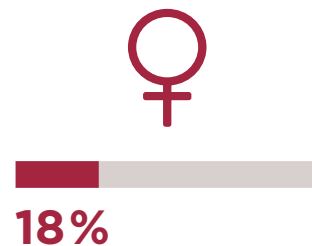
## IN THE FIELD



COTTON COMPANIES



OF AFRICAN COTTON PRODUCTION IS CMIA VERIFIED



FEMALE FARMERS



SMALLHOLDERS

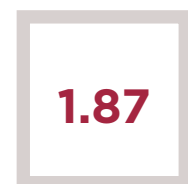


GROWING COUNTRIES



1,657,000

OVERALL ACREAGE (IN HA)



AVERAGE ACREAGE PER FARMER (IN HA)



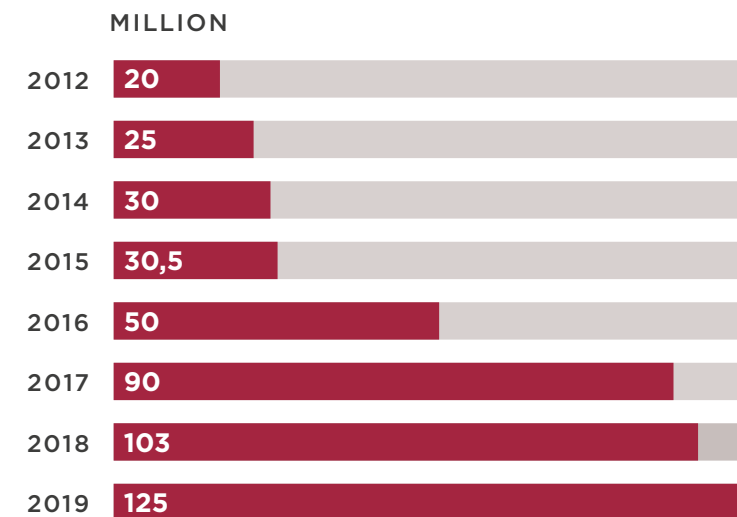
TOTAL CMIA COTTON HARVEST (GINNED, IN T)



848

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

## ALONG THE TEXTILE VALUE CHAIN



LABELLED TEXTILES ON THE MARKET  
All data incl. CmiA and CmiA Organic, rounded figures



LABELLED TEXTILES ON THE MARKET



TEXTILE PRODUCTION MARKETS IN AFRICA



SPINNING MILLS AND TEXTILE PRODUCERS



COTTON TRADERS



CMIA RETAIL PARTNERS AND BRANDS



TEXTILE PRODUCTION MARKETS WORLDWIDE

# CONSOLIDATED RESULTS FOR 2019

Cotton made in Africa’s (CmiA) revenues and results continued to improve in 2019, with more than EUR 3 million, or 89 percent of total revenues, generated through market activity in the private sector. This allowed spending on CmiA programme implementation and on cooperation projects with partners in Africa to be increased to EUR 2.1 million.

Cotton made in Africa’s revenues and results have continued to improve. In the 2019 financial year, the Aid by Trade Foundation (AbTF) significantly increased its revenues from sales of CmiA cotton to EUR 2,438 thousand, exceeding the previous year’s result by 11.4 percent, with 70 percent of total revenues coming from the proceeds of licensing.

Marketing the rights to the Cotton made in Africa brand through ATAORA Fördergesellschaft GmbH generated licensing revenues of EUR 1,858 thousand, while the sale of CmiA-verified cotton under the BCI label brought in a further EUR 580 thousand in revenue.

Steadily growing demand for CmiA-verified cotton from companies in the Demand Alliance helped expand the global network of cotton companies, retailers, and spinning mills that work with sustainable cotton and participate in the Cotton made in Africa initiative as part of its textile value chain. Partner contributions a total of EUR 551 thousand contributed 16 percent of the revenues 2019.

Income from donations, which was used primarily to cofinance cooperation projects, totalled EUR 306 thousand (see page 18). At 89 percent, the share of revenues from business operations increased by two percent of total revenues in 2019, compared with the previous year. Donations and grants remained a minor source of revenues for AbTF, at eleven percent overall. In other words, the Cotton made in Africa initiative derives the vast majority of its funds from the companies that process and use CmiA cotton, meaning that it is putting into practice the foundation’s guiding principle – help for self-help through trade.

In 2019, AbTF – through its marketing company, ATAORA – invested twelve percent of its total expenditure in marketing, communications, and sales, thereby helping pitch CmiA to new and existing licensees. Throughout the year 2019, AbTF developed a new sustainable cashmere standard and began to support first partners in their implementation at the end of 2019.

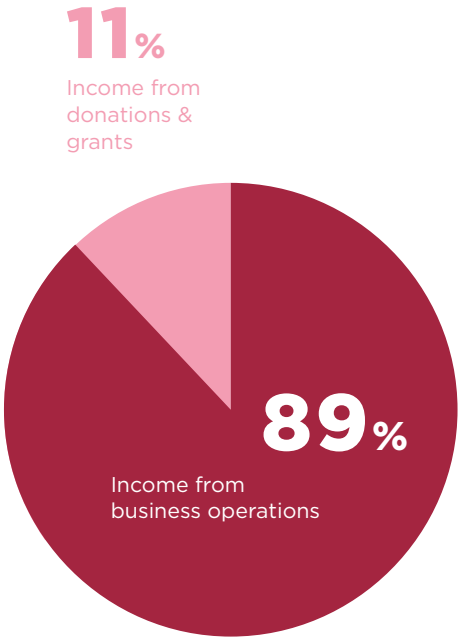
Expenditure by AbTF on implementing the CmiA programmes and The Good Cashmere Standard (GCS) amounted to EUR 1,910 thousand in 2019, an increase of about 20 percent above the previous year’s figure. AbTF also spent a total of EUR 1,056 thousand through cooperation partners such as Cotton Expert House Africa gGmbH as well as in direct collaborations with partner cotton companies in Africa, with the latter activity focussing on training for small-holder farmers and on related cooperation projects.

The programme service expense ratio, measuring the proportion of total expenses that directly further the foundation’s objectives, continued to rise in 2019, from 68 to 73 percent. This is a cause for celebration because this figure captures how effectively our funds are being used.

In 2019, excellent revenue growth combined with effective management of expenditure resulted in a consolidated annual surplus of EUR 580 thousand before taxes. This surplus ensures a solid equity structure, for example through free reserves, and builds a foundation to support both programme implementation and marketing for CmiA and GCS in the coming years.

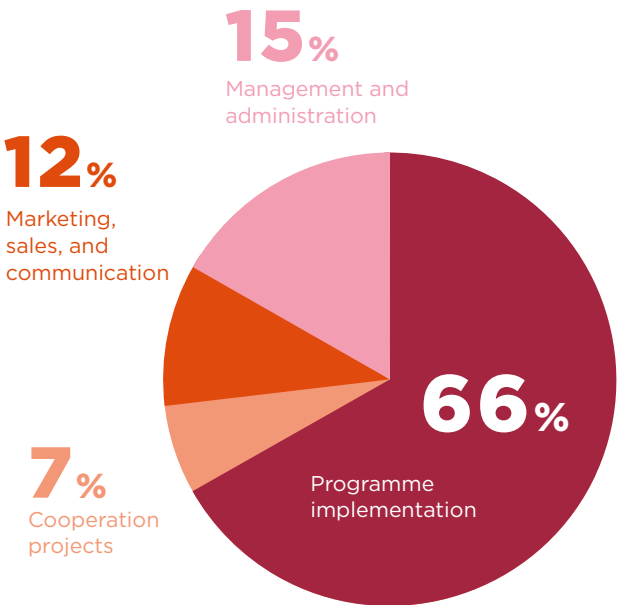
## REVENUES 2019

	kEUR	in %	2018 in %
License fee income	2,438	70 %	71 %
Partnership contributions	551	16 %	14.5 %
Donations	306	8.8 %	13 %
Grants	72	2.1 %	0 %
Private subsidies	54	1.6 %	0.5 %
Other income	35	1 %	0.5 %
Service fees	20	0.5 %	0.5 %
<b>Total income in 2019</b>	<b>3,476</b>	<b>100 %</b>	<b>100 %</b>
Income from business operations	3,098	89 %	87 %
Income from donations & grants	378	11 %	13 %



## EXPENSES 2019

	kEUR	in %	2018 in %
Management and administration	434	15 %	14 %
Programme implementation	1,910	66 %	56 %
Cooperation projects	213	7 %	11 %
Marketing, sales, and communication	339	12 %	19 %
<b>Total expenses in 2019</b>	<b>2,896</b>	<b>100 %</b>	<b>100 %</b>
AbTF contribution to training programmes and cooperation projects in 2018	1,056		1,096
Programme Service Expense Ratio = Programme Service Expenses / Total Expenses		73 %	68 %





# SUSTAINABLE BONDS

## Sustainability and the banks

INTER-  
VIEW

In connection with Otto Group's comprehensive commitment to sustainability, the Sustainable Finance Framework was developed in 2019 to quantify and account for the social and environmental benefits created through the initial links of Otto Group's value chain, which deal with the procurement and processing of the raw material.

**What role does Otto Group's long-standing support for Cotton made in Africa play in this context, for example regarding the 100-percent goal set in its textile strategy?**

Sustainability is not a new trend for the Otto Group. In fact, it has been part of our company's DNA for decades. Prof. Dr. Michael Otto, now chair of our supervisory board, enshrined environmental protection in our corporate goals in 1986, when he was CEO. Sustainability initiatives – regardless of whether or not they have any connection to the Otto Group – remain close to his heart.

Following along this line, one of our goals for 2020 was to use 100 percent sustainably processed cotton for all our own brands and licensing partners in the fashion sector, having already exceeded 95 percent in the financial year of 2019. A key role is played by Cotton made in Africa, a programme that introduces smallholder farmers in Africa to sustainable farming methods and works within their communities to improve education in schools and promote gender equality.

Through the Sustainable Finance Framework, the Otto Group became the first German company to successfully issue sustainability bonds on the capital market in April 2019, raising around EUR 250 million from investors. Some of the funds have been used to procure textiles bearing the label of Cotton made in Africa: nearly 87 million such textile items were acquired in 2019.

**How would you rate Otto Group's chances of acquiring additional funds on the capital market, for the purpose of supporting Cotton made in Africa, by issuing sustainability bonds that comply with the guidelines of the International Capital Markets Association (ICMA)?**

We believe sustainability bonds have great potential. The market for such certified sustainable bonds has grown exponentially in recent years. Institutional investors are increasingly launching funds that are instructed to invest exclusively in green asset classes. The unrealised issue volume is currently estimated



**PETRA SCHARNER-WOLFF** serves on Otto Group's executive board as Chief Financial Officer (CFO) Controlling, Human Resources Otto Group. We talked with her about Otto Group's successful issuance of sustainability bonds on the capital market – the first time a German company was able to benefit from its use of CmiA cotton in this way.

at EUR 60 billion. This is a significant sum despite comprising only a fraction of the overall market for corporate bonds, which is worth nearly EUR 2 trillion.

Our view is that there is still room for growth. We are happy to do our part to further develop the market. For example, we have continued issuing bonds under the Sustainable Finance Framework, going up to a cumulative volume of around EUR 470 million. We intend to keep implementing the framework and attracting additional investors.

The Aid by Trade Foundation has made it its mission to help improve the living conditions of smallholder farmers in Africa by harnessing market forces, i.e. by raising corporate demand for Cotton made in Africa textiles.

**Given that part of the motivation for issuing sustainability bonds is to satisfy your company's demand for Cotton made in Africa textiles, does the ability to harness additional market forces through the capital market increase the incentive for corporate partners to support Cotton made in Africa?**

The sustainability bonds have allowed us to broaden the conversation about sustainability beyond NGOs, the trade press, and the political sphere to also include banks, insurance underwriters, and pension funds. We see it as part of our corporate social responsibility to promote dialogue and raise awareness. We have a saying in Germany: Do good and talk about it. That is what we are doing in the capital market. This could help pave the way for Cotton made in Africa's other corporate partners to also choose to express their commitment to sustainability through sustainability bonds.





# CMIA IN THE FIELD

Cotton made in Africa's key responsibilities include protecting the environment and improving the living and working conditions of smallholder farmers. To achieve these goals, the initiative works with an extensive network of people in African cotton-growing countries as well as with other stakeholders and cotton experts. In 2019, around 900,000 smallholder farmers in eleven African countries cultivated cotton in accordance with the sustainability criteria laid down in Cotton made in Africa's standards. They received training in sustainable cotton farming and benefited from projects geared towards environmental protection or health and hygiene. The initiative's internal focal points in 2019 were to review the CmiA standard and to establish a digital verification-management tool.

## VERIFICATION THROUGH EXTERNAL AUDITORS

### Ongoing monitoring and development

Are the fields sustainably cultivated in accordance with Cotton made in Africa's standards? Are social and environmental standards being observed in the field and at the ginneries? To answer these and other such questions, regular site inspections are necessary both on the fields and at the ginneries. These ensure compliance with Cotton made in Africa's standards, thereby safeguarding children's rights, gender equality, and dignified employment conditions as well as protecting the environment, for example in terms of impacts on soil fertility or biodiversity. Two independent certification companies — EcoCert and AfriCert — conducted audits in 2019 at the behest of the Aid by Trade Foundation, using a total of 15 auditors throughout the year.

In 2019, AbTF commissioned an IT company, Vera Solutions, to create an online platform to collect the extensive data necessary for implementing CmiA stan-

dards. Going forward, this should help more systematically and clearly record, firstly, the results of field and factory inspections and, secondly, the training given to smallholder farmers to help them meet the standards' requirements. The system includes the cotton companies' self-assessments and maps the entire verification process used by the external auditors from EcoCert and AfriCert. All data is stored centrally and is accessible at any time. Everyone involved in the verification process also receives access to an online community through the system. This simplifies the exchange and transfer of information and knowledge, both between individual cotton companies and between the auditors and the Aid by Trade Foundation's verification managers. Chat capabilities further facilitate communication. The online tool therefore offers both the cotton companies and the foundation an extensive catalogue of options for data analysis and evaluation and for planning future activities. The Aid by Trade Foundation further improves data reliability through additional automated system checks. Before implementation, the system was extensively tested in local workshops with African partners and optimised on the basis of these evaluations.

## OUTCOME 2019

### Giving a green light to 24 cotton companies in eleven countries in Sub-Saharan Africa

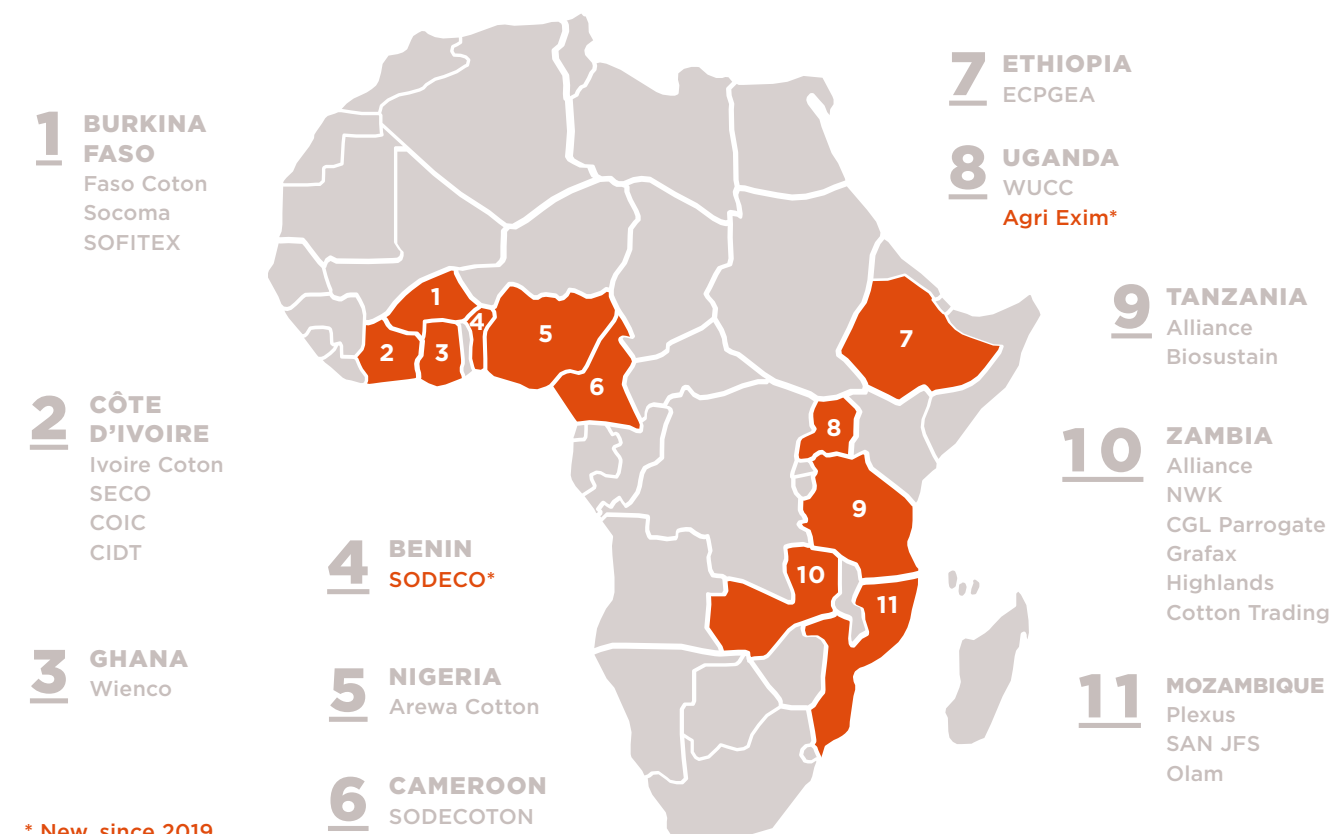
In 2019, 24 cotton companies working with around 900,000 smallholder farmers received verifications. Altogether, they produced around 593,000 tonnes of ginned cotton on approximately 1.6 million hectares of land in compliance with CmiA and CmiA Organic standards. 28 regular verification inspections were conducted: ten with cotton producers and 18 at ginneries. Two new cotton companies joined in 2019: one in Benin and one in Uganda. With the addition of Benin, CmiA partners are now active in eleven countries.



### CMIA ORGANIC

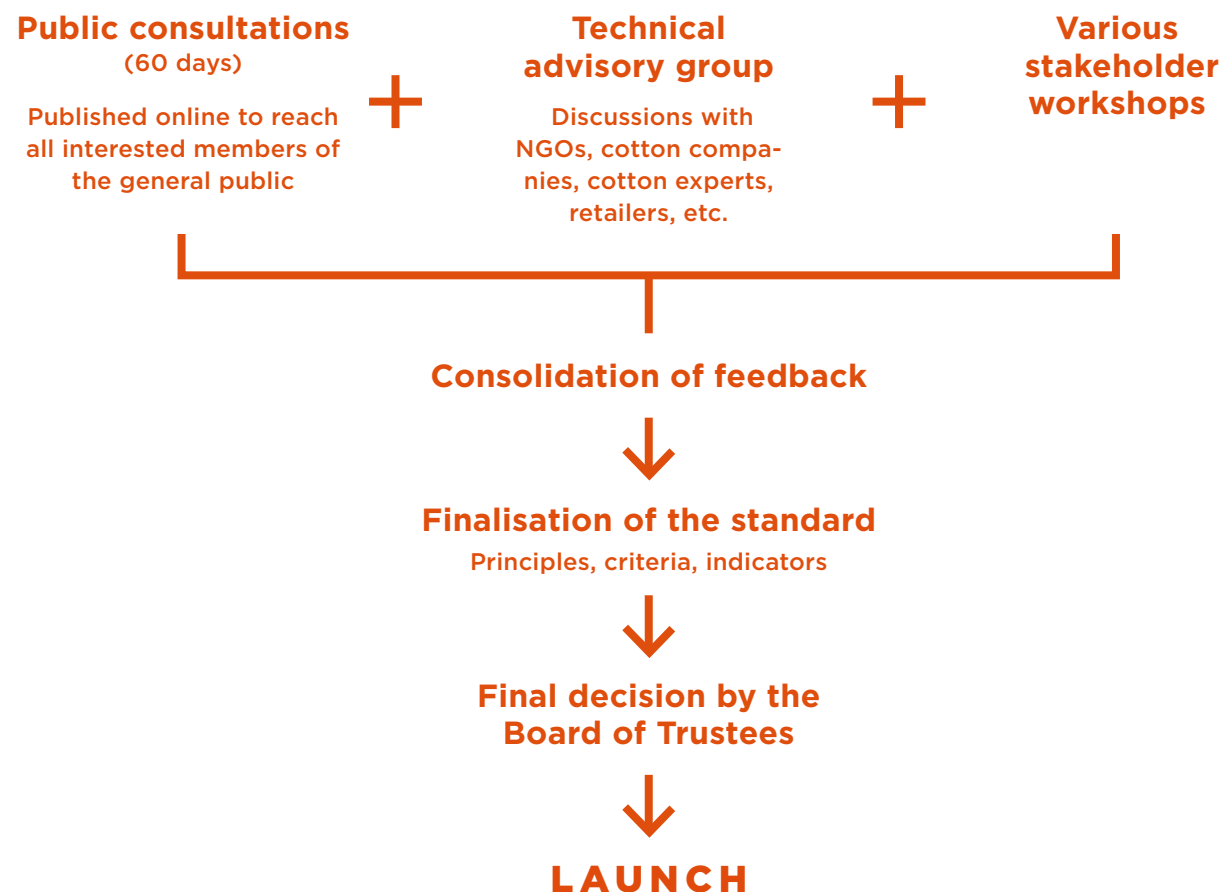
The Aid by Trade Foundation expanded its portfolio to include organic cotton in 2014. The CmiA Organic standard supplements the existing environmental regulation EC 834/2007 and the NOP guidelines with CmiA's own social and economic requirements. By adding the social and economic requirements of the CmiA standard to existing organic-cotton standards, the foundation is broadening their benefits beyond the purely environmental through Cotton made in Africa Organic. Its social and economic components help fight poverty and support organic-cotton farmers in Africa.

## THE CMIA PARTNER COMPANIES IN SUB-SAHARAN AFRICA



\* New, since 2019

## REVISION PROCESS



## REVIEWING THE STANDARD: REGULAR REVISIONS SUPPORT THE INITIATIVE'S CLAIM TO SUSTAINABILITY

Cotton made in Africa's system of standards lays down basic requirements for social, economic, and environmental sustainability — as defined by the Aid by Trade Foundation — in cotton fields and in related ginning operations. It has a series of exclusion criteria, which must be met in order to participate in the programme, as well as numerous development criteria, which must show improvements from one inspection to the next. This system is subject to regular revision so that it can adapt to changing needs in the production and processing of sustainable cotton. The final draft of the revised standard, CmiA Vol. 4, was first opened to public review and then, in 2019, put out for several rounds of consultation to international stakeholders and experts on cotton farming and ginning in Africa as well as to representatives from African cotton companies, the global textile industry, and non-governmental organisations. The final document is scheduled for publication in 2020.

## LOCAL NETWORKS

### Close collaboration with African cotton companies

The organisation seeks continual close collaboration with verified cotton companies, for example through regular business meetings and joint workshops or conferences. These events help the Aid by Trade Foundation get an insight into how local implementation of CmiA standards is going and what the current challenges are. They also provide an overview of ongoing cooperation projects.

### THE FIRST HALF OF 2019: STAKEHOLDER MEETINGS IN ZAMBIA AND BENIN

#### MARCH

A regular CmiA field inspection in Zambia was adapted to help pilot the Food Security Standard developed in conjunction with Welthungerhilfe, WWF, and the University of Bonn's Centre for Development Research (ZEF). The Food Security Standard (FSS) is a newly developed component of sustainability standards and certification systems. It includes a wide selection of food security criteria for agricultural products. In a pilot project, the verifiability of the criteria was field tested on Cotton made in Africa.

#### APRIL

A visit was made to SODECO's head office in Cotonou, Benin, to induct the cotton association as a new partner and cement the partnership that was established in 2019. This direct, in-person dialogue facilitated in-depth discussions on future collaborations.

#### JUNE

The AbTF Board of Trustees met in Zambia for one of their regular meetings. The board members also gained an insight into local activities by visiting a CmiA-verified cotton ginning facility.



### THE SECOND HALF OF 2019: STAKEHOLDER MEETINGS IN CÔTE D'IVOIRE AND ZAMBIA

#### AUGUST

During the consultation phase for the new standard (CmiA Standard Vol. 4), two-day workshops were held with francophone cotton companies members in Abidjan (Côte d'Ivoire) and with anglophone partners in Lusaka (Zambia). This direct communication, with a total of 18 representatives from verified partners in addition to five other stakeholders, generated important feedback on how to formulate the criteria and indicators to be easily understandable. It also revealed areas where partners will require support to meet the standard's rising demands.

#### NOVEMBER

A workshop was held to test and get feedback on the new online system created to handle self-assessments and the verification process. The seven participants, one from each cotton company, were able to review the new system to identify potential deficiencies and areas for improvement. The results of the workshop helped the foundation adapt the system to meet current needs.

#### DECEMBER

The regional AbTF representative visited all four partners in Côte d'Ivoire to verify the implementation of training measures and CmiA community projects. By talking to cotton farmers and other stakeholders, he was able to get a nuanced understanding of the benefits and the efficacy of the various measures being undertaken.





## **BETTER COTTON INITIATIVE**

### **Continuing collaboration**

In 2019, the Better Cotton Initiative (BCI) continued to sell CmiA-verified sustainable cotton through its distribution channels, alongside its own products. BCI and CmiA have been partners since 2013 and, since it met the relevant benchmark, BCI has been able to distribute CmiA cotton through its own channels. It sold 141,000 tonnes of CmiA cotton in 2019.

## **COTTON EXPERT HOUSE AFRICA**

### **Business operations have ceased**

At a shareholders' meeting of the non-profit company Cotton Expert House Africa (CHA) in December 2019, a decision was taken to cease business operations as of 29 February 2020. With its head office in Hamburg and regional offices in Burkina Faso and Kenya, CHA was founded in late 2016 as the successor organisation to the Competitive African Cotton Initiative (COMPACI). Its objective was to deliver training and workshops relevant to sustainable cotton production. A follow-up strategy to ensure compliance with CmiA standards and support for local partners is currently being developed, with implementation expected to begin in 2020.

# **WATER, EDUCATION, AND MORE**

There is a great need for school infrastructure, clean drinking water, environmental protection projects, and support for women's cooperatives in cotton-producing regions. To this end, Cotton made in Africa – through the CmiA Community Cooperation Programme (CCCP) – is working closely with local partners on additional projects that directly benefit village communities.

## **ZAMBIA**

### **Creating additional income opportunities for women**

Women often do most of the work on cotton farms while also taking care of the household and the wellbeing of the entire family. However, they rarely have the same rights and opportunities for advancement as the men do. This is why CmiA, with the support of its partners, is advocating for women's rights in cotton-growing regions. Alliance, Continental Ginneries Ltd, Highlands Cotton Trading, and Grafax are four cotton companies working together to support female cotton farmers in Zambia. 13 women's clubs have received training and supplies for activities such as keeping vegetable gardens or breeding livestock. Some 365 club members are benefiting from these ventures, gaining greater economic independence and social recognition. Focus groups were conducted in the local language were undertaken with three of the supported women's groups in Zambia in March 2019. These yielded significant insights into how new

projects could be better adapted to local conditions and challenges. CmiA is also working with the Ana Kwa Ana Foundation (which translates as "hand in hand") to advocate for local women. In 2018 and 2019, this foundation helped fund posts for gender officers at three verified cotton companies. The gender officers support women's rights both within the cotton companies and in their external dealings with contract farmers. In training sessions, they come together with farmers of both sexes to discuss gender roles, the distribution of responsibilities, and how decisions are made within families. The Ana Kwa Ana Foundation also helped the cotton companies acquire the resources required to implement the female empowerment projects that form part of CmiA's community cooperation programme.

## **CAMEROON**

### **Education and improved hygiene**

Primary schools are scarce in northern Cameroon's cotton-growing regions. As a result, this area suffers the nation's lowest schooling rate. Girls, in particular, are often not sent to school, which significantly limits their future opportunities. To counter this problem, cotton companies Sodecoton initiated the construction to two classrooms in Bouba Djara. The nearby health centre is scheduled to receive two new treatment rooms as the treatment options available for pregnant women are currently inadequate, and four latrines will also be built: two at the school and two at the health centre. The project began in 2019 and continues into 2020.







## TANZANIA

### Education for children and young people; preventing conflict between people and nature

Cotton made in Africa places great value on supporting girls and protecting the environment. CmiA worked with a cotton companies called Alliance to build four classrooms and two latrines for a school project in Tanzania. A new girls' dormitory, equipped with furniture, sanitation facilities, and a kitchen, also offers female students the opportunity to get an education without having to make the long and often unsafe journey between the school and their home villages. The project benefits around 800 pupils.

Many young people in Bariadi can now continue their education at a newly built training centre after graduation. This is the first vocational training centre in the entire district of Bariadi. Apprenticeships are tailored to meet local needs, and it has started by offering woodworking, masonry, tailoring, and food science and processing. There are 20 training places, which last for several months, available in each of the four classes. As part of the programme, all apprentices will also receive basic agricultural training supplemented by lessons

in business administration.

CmiA is working with Tanzanian organisation African People & Wildlife (APW) to resolve or, better still, prevent conflicts between people and wild animals in cotton-growing regions. One approach includes making the protection of wild animals' natural habitats more financially attractive for cotton farmers, for example through the CmiA-funded beekeeping project for women's groups, which already successfully combines the key issues of supporting women and protecting the environment: The beehives hang on trees, which then cannot be felled because the bees are protected, and the honey provides the participating women with a with an additional source of income.

## ETHIOPIA

### Promoting social and environmental standards in the local value chain

CmiA worked with Solidaridad, the Danish Ethical Trading Initiative, and MVO Nederland to launch Bottom UP!, an EU-funded project. Its objective was to develop and support a sustainable, transparent, and integrated value chain stretching from the cotton fields in Ethiopia to the consumer market in Europe. Although the Ethiopian government ranks the cotton and textile industry as its second-largest growth market, a series of challenges is currently stunting the sector's growth and casting doubt on its sustainability. For example, there is no minimum wage to ensure dignified living conditions for employees.

By 2021, the value chain that Bottom UP! is helping develop is projected to create economic growth, improve living conditions, and promote labour and environmental standards in Ethiopia's cotton and textile industry. As a result, 2,000 cotton farmers, 2,200 farm labourers, and 17,000 textile workers are expected to benefit.

**174**

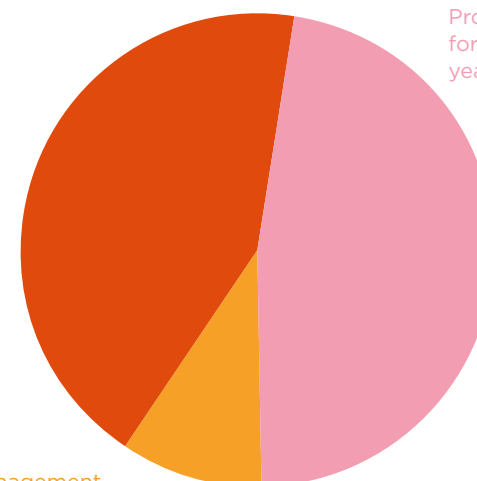
Project funds disbursed

**192**

Provisions AbTF for subsequent years

**39**

AbTF management contribution



Cooperation projects in 2019, Figures in kEUR

## BURKINA FASO

### Borehole construction secures safe water

Clean drinking water is essential for survival. Two new boreholes are now supplying some 4,380 people living in the villages of Doubghin and Thiougou in rural Burkina Faso. This relieves the burden on the villages' women and girls in particular, as they are traditionally responsible for fetching water. In this extremely dry country, that meant making long journeys to the nearest water source every day.

## MOZAMBIQUE

### Reducing plastic pollution by upcycling pesticide containers

Pesticide containers are often improperly disposed of, especially in Mozambique's rural areas. In order to limit environmental pollution, cotton companies SAN JFS established 220 collection points, known as eco points, where village residents can drop off empty containers. Women from surrounding villages received special training enabling them to operate these stations properly and earn an independent income. The cotton companies also pay a small sum for each returned container. The containers are then recycled to produce a higher-value product, a process known as upcycling, and the resulting revenue is reinvested in the project. These measures benefit up to 20,000 farmers from the surrounding villages while protecting the environment.

## NIGERIA

### From schooling to water supply to women's courses in tailoring

In Nigeria, CmiA helped cotton companies ArewaCotton renovate schools, connect them to a water supply, and build latrines in two villages, benefiting around 1,800 students. In addition, the cotton companies helped a women's centre procure sewing machines and deliver courses in tailoring, enabling around 20 women to earn an independent income.

## CÔTE D'IVOIRE

### Schooling and safe water

Despite compulsory schooling, around half the population of Côte d'Ivoire (also known as Ivory Coast) cannot read or write. Access to clean drinking water is also a luxury, especially for people in rural areas. CmiA is working with local partners to address this problem. Cotton companies SECO, part of the OLAM Group, was able to begin building schools with CmiA's support in 2019; the project is continuing in 2020. Another cotton companies, Ivoire Coton, also installed water pumps to provide clean drinking water in several extremely dry regions around the country. These provide substantial relief, especially to women who used to be responsible for fetching water from faraway rivers.





# CMIA IN THE TEXTILE CHAIN

For Cotton made in Africa, 2019 can be characterised, from a sales perspective, as a year of increasing industry demand, of greater transparency and traceability created by reliable systems throughout the supply chain, and with a growing international network producing a wide variety of end products.

## THE 2019 FINANCIAL YEAR

### Successfully increasing market demand

For 15 years, the Aid by Trade Foundation — through Cotton made in Africa — has specialised in sustainable cotton production and processing for the global textile industry, using its revenue to improve the living conditions of smallholder farmers and their families while protecting the environment. Raw cotton verified by Cotton made in Africa is in high demand among international textile companies and is used to manufacture yarn, fabric, clothing, and home textiles in all the major production markets in the world. Cotton made in Africa's Demand Alliance includes cotton traders, spinning mills, fabric and textile producers, and international retailers in addition to well-known fashion brands. In 2019, this alliance comprised 63 retailers and brands, including Aldi Nord and Süd, Otto Group, Vlisco, Best-seller, Ernsting's family, Rewe Group, and Tchibo. CmiA was also able to expand its presence within the textile value chain in 2019, with its global network of registered partners rising by 61 percent to reach a total of 137 spinning mills and textile producers in 22 countries, including eight in Africa. The market in Pakistan also showed remarkable growth, while Italy, Belgium, and Mozambique saw their first spinning mills join up. In addition, four new cotton traders joined the CmiA initiative in 2019, meaning that there were 20 traders integrating CmiA-verified cotton in the global textile-production supply chain by the year end.



## STRONG PARTNERS FOR SMALLHOLDER FARMERS

### Committed clients, both old and new

The Aid by Trade Foundation was able to further expand the CmiA network of corporate and brand partners in 2019, significantly diversifying its product portfolio with the inclusion of high-end fashion company Hugo Boss, male-fashion brand Fynch Hatton, mattress producer Breckle, and workwear manufacturer Weitblick. Cotton makes up about half of all the material used by Hugo Boss, a company from southern Germany that sells high-quality fashion and accessories for men and women under the BOSS and HUGO brands. This means that cotton plays a key role for the company's premium fashion products.

"Cotton made in Africa's standards meet our exacting requirements for high-quality, sustainable cotton."

Andreas Streubig, director of global sustainability at Hugo Boss

The high levels of trust, customer service, and support to partners are reflected in terms of contract extensions with existing licensing partners: Several partners have exceeded projections, thereby contributing to a significant increase in demand for CmiA cotton. In 2018, the turnover of CmiA products amounted to 103 million items; in 2019, this figure rose to 125 million, an increase of 21 percent.



## GROWING REQUIREMENTS

### Cotton made in Africa offers solutions and support

Cotton made in Africa helps its cooperation partners integrate sustainable cotton into all stages of production, for example by conducting workshops for the partner companies' employees, whether based at the head office or a local purchasing organisation. This allows the companies to achieve their sustainability goals while still enjoying a practical value chain that is both efficient and cost-effective.

### Two types of traceability

The Cotton made in Africa system allows partners to select the appropriate level of transparency for their value chain. CmiA offers two separate systems; both guarantee uninterrupted traceability from the field to the ginnery to the spinning mill, at which point they diverge in terms of transparency.



## TRANSPARENCY IN THE TEXTILE CHAIN

### Hard Identity Preserved (HIP)

The Hard Identity Preserved (HIP) system documents where CmiA cotton was processed, thereby creating transparency throughout the textile value chain and allowing the cotton to be traced the entire way from the country of origin to the finished product. It requires members of the textile chain to submit the necessary information to the online tracking system, which serves as a central database. This makes it possible to give precise statements about how the raw material was processed.

A 2019 pilot project in Asia marked the first time the HIP system was used by a licensing partner. On site in Bangladesh, with home-textile producer Noman Group (read the interview on page 23), a CmiA employee personally verified that exclusively CmiA cotton was being processed at all stages of production, from raw material to finished product. After the successful completion of the pilot project, the licensing partner decided to place regular orders through the HIP system (read the interview on page 24).

## GLOBAL CONNECTIONS AND PRESENCE

### ROUND-TABLE DISCUSSIONS:

Regular meetings with cooperation partners in the countries within the CmiA supply chain can bolster efforts to integrate sustainable cotton more deeply into the textile supply chain. Three such meetings took place in 2019, with one round-table discussion in Coimbatore (India), one in Hanoi (Vietnam), and one in Dhaka (Bangladesh). Participants included representatives from all the licensing partners' CmiA textile value chains — from cotton traders to spinning mills to producers of finished goods. Through joint discussions, they were able to learn from one another and identify ways to facilitate the integration of CmiA cotton in the supply chain.

## TRACEABLE UP TO THE SPINNING MILL

### Mass Balance (MB)

The Mass Balance System (MB) works by measuring quantities at the spinning mill level. An online tracking system developed for Cotton made in Africa records the mass of purchased cotton and compares it with the mass of sold yarn labelled as Cotton made in Africa. This involves the spinning mill reporting its stock turnover.

In 2019, the Mass Balance System was used by all CmiA-licensed retailers. To meet the growing requirements for transparency, traceability, and digitalisation, the development of a new tracking system with expanded functionality was initiated in 2019. A comprehensive list of requirements has already been completed, so that the new CmiA MB tracking system can be completed in 2020.

### "BEST PERFORMANCE AWARD":

At a round-table meeting, the Best Performance award was given out for the second time. In 2019, the production units of the Noman Group in Bangladesh received the prize in recognition of the high volumes of CmiA cotton they purchased and of the outstanding reliability of their reporting on their CmiA activities.

### THE COTTON MADE IN AFRICA APP:

The Cotton made in Africa app has been available free of charge on Google Play and the Apple App Store since February 2019. Members of the supply chain, from cotton companies to manufacturers, can use the app to access important information and news about cultivating and processing CmiA cotton.

# CORPORATE RESPONSIBILITY AND TRANSPARENCY

Mohammad Yeasin Mahmud, Senior General Manager of the Noman Group in Bangladesh, discusses the demand for Cotton made in Africa products, transparency in the supply chain, and sustainable materials in the future.



**MOHAMMAD YEASIN MAHMUD**, Senior General Manager of the Noman Group, one of the largest producers in the textile and clothing sector in Bangladesh. The company is the first partner in Asia to implement CmiA through the Hard Identity Preserved system.

**Mr. Yeasin, you produce textiles for well-known retailers and brands worldwide. You have been a registered partner of Cotton made in Africa since 2013. How has your company developed since then?**

Responding to public and retail-sector demand for corporate social responsibility and transparency in the textile industry has become increasingly important. Sustainable cotton is part of the solution, and so we are proud to be continually increasing the proportion of sustainable CmiA cotton used in our range of textile products. In recent years, our production and sales figures have risen steadily.

**What has your experience of processing CmiA cotton into textiles been like?**

Sustainable cotton is now competitive with conventional cotton. By working with this initiative, we are helping establish and strengthen the market share for sustainable cotton. The demand for both fashion and home textiles, such as towels, shows that our clients clearly want more products made of sustainable fibres like Cotton made in Africa.

**Are there any developments that you are particularly proud of?**

Yes. We are very pleased with the introduction of the Hard Identity Preserved (HIP) system, which we implemented as Cotton made in Africa's first partner in Asia. It is very important to us that this contributes to improving transparency and traceability in the supply chain. This system not only allows retailers — our clients — to enhance their supply chains' physical traceability, it also gives consumers peace of mind that the products they purchase can be proved to contain CmiA cotton.

**What does HIP mean for your company in practice?**

We call it physical traceability. Like all other actors in the textile chain, we furnish the initiative's centralised online tracking system with information about which products we use the cotton in. For our HIP products, we use exclusively CmiA cotton with no other cotton mixed in. This ensures transparency

and traceability for CmiA cotton throughout the supply chain for products that bear the logo of "Cotton made in Africa Inside".

**What makes this new system special for your company and its relations with its clients?**

Although we have been members of the initiative for many years, introducing the HIP system gives us our first chance to show our clients the high quality of textiles this cotton can produce.

**Do you have any clients who have already ordered products manufactured through the HIP system?**

Yes, the first customer was the international fashion retailer bonprix. It is worth noting that bonprix stands for excellent value in fashion and home textiles, which goes to show that sustainability and affordability are by no means mutually exclusive.

**What kinds of movement towards sustainability do you see on the horizon in the textile sector?**

Alongside sustainable cotton farming, recycled materials will play an ever-greater role in the production processes of the future. At the end of their lifespans, products will once again become raw materials. This is not just limited to cotton: Plastic waste can yield synthetic fibres, just as old clothes become recycled cotton fibres. Traceability will be essential for this supply chain too, as only unmixed materials can be reused.



# TRANSPARENCY AND CIRCULARITY

in the value chain

bonprix is the largest purchaser of cotton produced in accordance with the criteria set out by Cotton made in Africa. This does not come as a surprise, given that the fashion company already demands sustainable cotton for 97 percent of its cotton products in 2019 and plans to raise this figure to 100 percent in 2020. Cotton made in Africa has a very big part in it.

**Mr. Jansen, as the Managing Director of fashion company bonprix, you rely on intensive cooperation with Cotton made in Africa to achieve your corporate goal of sustainability. What percentage of your overall product range is currently manufactured using material from Cotton made in Africa?**

In 2019, Cotton made in Africa comprised 94 percent of our total cotton consumption.

**How have your customers reacted to the clear commitment to sustainability made by bonprix?**

Especially during the last two years, we have seen a strong tendency towards greater awareness on the topics of durability and responsibility. I am also convinced that the current coronavirus crisis will further increase awareness as it becomes obvious that we have to change our behaviour regarding these crucial issues.

**And what has this strategy changed for your employees?**

We have been pursuing sustainability and responsibility for a long time. Our employees are highly involved in the general process and really appreciate the way we are handling this. We keep them informed and involved at all times.

**Do you see any special developments in 2019 that you achieved in cooperation with Cotton made in Africa?**

What I think is special is that we have reached this level of 94 percent. When we started with CmiA, this seemed very far away, and today it is reality! We are very proud of that. Furthermore, we collaborated with the CmiA organisation and select suppliers to test out the Hard Identity Preserved (HIP) system, which ensures the traceability of CmiA cotton from the bale to the final product. One of our suppliers within the HIP system is the company Fine Spinners Ltd. in Uganda, where we are in full control of the supply



**RIEN JANSEN** is the Managing Director of bonprix, where he is responsible for purchasing, marketing, and retail as well as for the company's corporate responsibility strategy.

chain, which affords us full transparency. This is a fantastic project with winners on all sides.

**What challenges will textile companies have to face in the future to make their processes and product ranges sustainable?**

The challenges in the future will not be very different from the challenges we have had so far. We are defining new goals all the time. For example, now that all our suppliers have been socially audited (BSCI/SA 8000) and CmiA is at almost 100 percent, we will strongly focus on circularity and on transparency in the value chain. The challenge is to keep on winning the full support of our own organisation and that of our business partners. We will certainly face difficult situations, but I am convinced we have to further develop our ability to create and contribute to a cleaner and better world. We are all very motivated, so we will succeed.





# CMIA IN THE MEDIA

The level of public interest in Cotton made in Africa in 2019 makes it clear that awareness of sustainable products is rising: A camera crew from the German television network Pro7 visited Patrick, a cotton farmer in Tanzania; cooperation partner s.Oliver placed CmiA cotton bags in its stores in addition to paper bags and Cotton made in Africa itself shot a new promotional film.



## Product testing with Stiftung Warentest: CmiA in a sustainable clothing guide

The German consumer safety group Stiftung Warentest issued a guide to sustainable clothing in July 2019. Its thorough investigation of selected sustainability labels revealed that CmiA keeps good documentation on the origin of its T-shirts and helps smallholder farmers operate sustainably.

→ [www.test.de/Textilsiegel-im-Test-Wegweiser-fuer-nachhaltige-Kleidung-5485649-0/](http://www.test.de/Textilsiegel-im-Test-Wegweiser-fuer-nachhaltige-Kleidung-5485649-0/)



← Reporter Christoph Karrasch visiting CmiA cotton farmer Patrick

## HARD WORK IN GOOD COMPANY

### Pro7 camera crew visits CmiA cotton farmer Patrick

In May 2019, Pro7 commissioned a reporter, Christoph Karrasch, to travel to Tanzania for a feature of the TV show "Galileo" entitled "X Days International: Baumwolle" (in English: "X-Days International: Cotton"). His goal was to discover where the textiles came from. In rural Bariadi, he visited Patrick, a farmer who cultivates CmiA cotton to support his family. Joining Patrick and his neighbours, who were helping with the harvest, Karrasch picked cotton in the fields—hard work at 33 degrees Celsius. He moved water canisters and sacks of cotton that he would never have believed he could carry, before finally joining factory workers processing the cotton at the local cotton companies.

The report, broadcast in early September, reached a wide audience through Pro7. It can still be viewed online at [prosieben.de](http://prosieben.de) (in German). The video has been viewed over 60,000 times on YouTube, receiving excellent feedback with 1,100 likes.

→ [www.prosieben.de/tv/galileo/videos/238-harter-job-herzliche-menschen-reporter-christoph-bei-der-baumwollernte-clip](http://www.prosieben.de/tv/galileo/videos/238-harter-job-herzliche-menschen-reporter-christoph-bei-der-baumwollernte-clip)







## AN INTERVIEW WITH MARTIN JOHANNES KIELMANN

Martin Johannes Kielmann is a Photographer and Art Director. His fashion assignments take him all over the world, and, in 2019, his photography work took him to Tanzania's cotton fields. The pictures he took there illustrate the initiative's activities in this report.

**What were your motivations and expectations when you arrived in this east African country?**

"I loved the fact that I was in Tanzania to photograph smallholder farmers — who had never been photographed before — rather than professional models. For me, that is the best kind of photography, and my work in Tanzania was a real journey of discovery. It allowed me to reveal the characters and personalities of the people behind Cotton made in Africa through my photos."



↑ Photographer Martin Johannes Kielmann shows the people behind CmiA



Martin Johannes Kielmann,  
Photographer and Art Director

**What were your most memorable moments or experiences?**

In the studio, the focus is on process, procedure, and organisation. In Tanzania, the most important thing was to capture the moment. The opportunity for a good picture comes about by chance and can be over in seconds. I was also inspired to see people in a new light: natural and authentic, exuding extraordinary calmness, competence, and friendliness as well as deep humility towards the resources and the work by which they make their daily living.

Read the whole interview here:

→ [www.cottonmadeinafrica.org/en/cotton-stories/interview-martin-kielmann](http://www.cottonmadeinafrica.org/en/cotton-stories/interview-martin-kielmann)

## EMOTIONAL AND INFORMATIVE: OUR IMAGE FILM

Knowledge transfer, environmental protection, health, children's rights, gender equality, and better living conditions — these were the messages of the Cotton made in Africa promotional film that was released to present the initiative in October 2019. The emotional, informative, and appealing two-minute video shows how CmiA works and operates. CmiA partners such as s.Oliver and Rewe Group also use the film for their internal and external communications.

→ [www.youtube.com/watch?v=-Alz5Yprkto](https://www.youtube.com/watch?v=-Alz5Yprkto)

"It is crucial to empower smallholder farmers so that they can deploy their own creative energies to contribute to their own success, as this promotes individual initiative and creativity. We can also do a lot to support them by simultaneously developing an international alliance of companies."

## STAKEHOLDER DIALOGUE: CMIA FOUNDER PROF. DR. MICHAEL OTTO AT THE GLOBAL PERSPECTIVES SALON IN BERLIN

At the Global Perspective Salon organised by the Global Perspectives Initiative (GPI) in February 2019, Cotton made in Africa's founder, Michael Otto, held the keynote speech for an exclusive audience of interested parties from the worlds of politics, media, and economy. He emphasised that Africa needs support as it continues to develop its role as a supplier of raw materials, saying that the continent should be able to undertake all the phases in the production chain, from field to fashion, because the manufacturing and refining processes themselves create thousands of jobs. For Prof. Dr. Otto and CmiA, cotton production and export alone are not enough. "We are supporting the development of a textile and clothing industry in Sub-Saharan Africa so that sustainable cotton can be processed on the continent itself", said Prof. Dr. Otto.



Prof. Dr. Michael Otto,  
Founder of the  
Aid by Trade Foundation





# AN OUTFIT WITH A MESSAGE: MOTSI MABUSE ON “LET’S DANCE”



Motsi Mabuse,  
Cotton made in Africa ambassador

Dancer and Cotton made in Africa ambassador Motsi Mabuse caused a stir in June 2019 when she appeared as a jury member on the RTL show Let's Dance, wearing an extravagant one-shoulder dress by Vlisco, a CmiA retail partner. The brand is especially well known in Western Africa for its extraordinary wax prints. On Instagram, she explained: "I am dressed in Vlisco - I love my heritage, the colours and the message behind it. Vlisco uses @CottonmadeinAfrica cotton for their clothes. Cotton made in Africa is sustainable cotton, supports cotton farmers in Africa and protects nature." The semi-final of the dance show was viewed by four million people, with Motsi Mabuse receiving some 15,000 "likes" for the Instagram post.

→ [www.instagram.com/p/ByaxlGMi79I/](https://www.instagram.com/p/ByaxlGMi79I/)

"Today's outfit means a lot to me personally! As ambassador for Cotton made in Africa since last year, I am feeling honoured to showing my support to all the powerful female farmers out there with this beautiful dress."

## Discussion at Neonyt: Sustainable Fashion made in Africa

At the Berlin Fashion Week's Neonyt trade show, Cotton made in Africa was able to join representatives from other sustainable projects to offer an inside look at the initiative's activities during a panel discussion entitled "Supporting the Creative Economy of Tomorrow: Sustainable Fashion Made in Africa". Topics discussed included the importance of promoting additional sustainability goals, such as organic cotton cultivation, and how to take into account the processing stages (such as spinning and weaving) that are necessary to transform the raw material into the final fashion product.

→ [www.youtube.com/watch?v=BTC6BOy4Wkg](https://www.youtube.com/watch?v=BTC6BOy4Wkg)



## INTERVIEW WITH CHRISTINA GATH, MANAGING EDITOR OF COUCH MAGAZINE

**What is the relevance of sustainable fashion for your magazine's readers? What feedback do you receive from them?**

Sustainable lifestyles have been highly relevant for COUCH since the very beginning. Environmentally friendly, fair-trade products are of great interest to a good two thirds of our readers; in fact, this led us to dedicate an entire special edition to sustainability, the COUCH Green Issue, just two years ago.

"We wanted to finally bring the topic into the mainstream and into everyday life without any moralising undertones. We see environmental consciousness and behaviour as entirely compatible with ordinary consumption. It is not really about what someone is doing wrong or should not be doing — the point is to share information and have fun!"

**How do you see this issue developing in your industry — is sustainability a temporary diversion or a long-term trend?**

It is definitely not a short-term trend! It is great to see how everyone is trying to rethink even minor routines and working habits. Each successful move in this direction represents a little bit of progress; every microgram of plastic saved is significant; and every additional cent for a family in Africa deserves applause.

**Which aspects of Cotton made in Africa's work in 2019 have stuck in your mind?**

Well before the "Grüner Knopf" certification was introduced, CmiA had already set me thinking about fair fashion seals. I learnt a lot about cotton



Christina Gath,  
Managing Editor  
of COUCH Magazine

production, smallholder farmers ecosystems, the help for self-help approach, and how simple it is to integrate and improve environmental and social standards.

When I look at the list of companies now pursuing the same objectives, I am impressed by the scope of the shift, with everyone from Hugo Boss to s.Oliver to Tchibo now valuing sustainably produced cotton and transparency in the production chain. Fair-trade clothing is no longer a niche product but is now available in a range of different styles and levels of affordability.





## LIGHTHOUSE PROJECTS

### CREATIVE WAYS THAT COMPANIES ARE MARKETING CMIA

In 2019, CmiA's corporate partners continued to promote Cotton made in Africa as a selling point both for their products and for the companies themselves. In a survey of cooperation partners taken at the start of the year, the foundation observed a growing interest in not only using the raw material for their collections but also in marketing CmiA's sustainability directly to consumers. This was borne out when the fashion company s.Oliver made a splash with a publicity drive for Cotton made in Africa.



"In 2019, more than 1.5 million s.Oliver garments bore the seal of Cotton made in Africa. We are proud to support small-holder farmers and sustainable cotton farming in Africa in this way. We also want to let our customers know because we can achieve even more by making this a common cause."



Kristina Szasz, Chief Product and Marketing Officer for s.Oliver



### CmiA cotton bags

Bags made of CmiA cotton offer customers in s.Oliver stores a long-lasting alternative to conventional paper bags. Some of the proceeds from their sales are donated to the Aid by Trade Foundation. At the start of 2020, after more than 29,000 cotton bags had been sold, Cotton made in Africa received a donation of EUR 8,774.90. s.Oliver also helped provide village communities in Burkina Faso with access to clean drinking water, financing the construction of two boreholes in 2019.



### 2ND CLIMATE WEEK DIALOGUE ON THE FUTURE: "CLOTHES MAKE THE CLIMATE"

During climate week in June 2019, at the second dialogue on the future, Cotton made in Africa participated in a panel discussion on alternative approaches. Guests and audience members exchanged views on what individuals making everyday purchasing decisions can look out for. Cotton made in Africa's contribution to sustainable consumption was attested to by the following facts: Its cotton is watered exclusively by natural rainfall rather than through irrigation, which uses up valuable resources, and it also protects the climate because CmiA cotton has lower greenhouse gas emissions than conventionally produced cotton.

### Digital and analogue: In dialogue with the consumer

Cotton made in Africa has continued to focus on social media for its consumer communications. On all platforms — Facebook, Twitter, LinkedIn, and Instagram — the initiative recorded steady growth compared with the previous year. Facebook remained CmiA's strongest performer, reaching more than 77,000 people.

Cotton made in Africa made itself visible in Hamburg, as Otto Group Media GmbH once again agreed to sponsor a poster campaign on eye-catching billboards at high-traffic areas of the city. Otto Group Media's sponsorship was valued at around EUR 25,000.





# FIRST STANDARD FOR SUSTAINABLE CASHMERE



*Transforming  
the cashmere  
industry*

## High demand among producers and textile companies

The Good Cashmere Standard® is starting off with 2,000 farmers in Inner Mongolia, a region in Northern China, where cashmere goats are kept by sedentary farmers rather than roaming over extensive pastures with nomadic herders.

The farms vary greatly in size, ranging from small family operations to large farms with tens of thousands of animals. As one of the largest cashmere producers based in Inner Mongolia, the ERDOS Cashmere Group has been a key partner for the new standard from the very beginning. Other producers have also joined in their wake.

The Good Cashmere Standard® represents the industry's first opportunity to make products using certified sustainable cashmere from Inner Mongolia. Peter Hahn GmbH, one of Germany's leading retailers of exclusive cashmere products, helped develop the standard, bringing years of expertise to the table and leading the way in its adoption. Other major textile companies have now also joined the new standard, including Bestseller, H&M Group, Hugo Boss, J.Crew, Madewell, Miles, and Lacoste.

## Who benefits

Just like Cotton made in Africa, The Good Cashmere Standard® is based on the principle of harnessing market forces. This means that textile companies and fashion brands pay a licensing fee for the right to use the foundation's label. The revenue from this is to be reinvested in the project region. This model was devised in order to offer participating farmers education and training on topics such as animal welfare and environmental protection. For retailers and fashion brands, The Good Cashmere Standard® provides an opportunity to base their collections on a sustainable raw material that can be transparently traced throughout the production process. Consumers also benefit by being able to wear certified cashmere products with a clear conscience.

→ [thegoodcashmerestandard.org](https://thegoodcashmerestandard.org)

**With The Good Cashmere Standard® (GCS), the Aid by Trade Foundation has expanded its portfolio of sustainability standards for the textile industry by creating the first independent certification for sustainably produced cashmere from Inner Mongolia.**

## An exclusive raw material for the textile industry

Cashmere is a very fine natural fibre that represents one of the most exclusive raw materials available to the textile industry. It comes from cashmere goats, whose hair is shorn or combed out once a year. It requires approximately three tonnes of unrefined cashmere wool to produce one tonne of cashmere fibres for processing. In 2020, the first year of its implementation, around 300 tonnes of cashmere fibres are expected to be certified through the new standard.

Although cashmere goats are named after their original home, Kashmir in the Himalayas, they are now bred in a number of countries and regions throughout the world. Initially, this new AbTF standard will be implemented exclusively in Inner Mongolia, an autonomous region in Northern China.

## The Good Cashmere Standard®: Animal welfare, the environment, and society

The implementation of animal welfare criteria in cashmere production is a priority for The Good Cashmere Standard®, which regulates how cashmere goats are kept, shorn, and bred. The standard's animal-welfare criteria are based on the five freedoms\*, which have become internationally established as one of the guiding principles for animal welfare. In addition to its special focus on animal welfare, The Good Cashmere

Standard® also calls for the implementation of environmental and social standards as well as the application of basic management principles on the farms.

## Monitoring and transparency

The Good Cashmere Standard® was developed in close collaboration with animal-protection specialists and cashmere-production experts, tested on the ground, and put through several rounds of public and private consultation before being finalised.

The first two links of the value chain in Inner Mongolia are the cashmere farmers and the buying and dehairing stations. Both of these must comply with a set of binding criteria for certification to be issued. The cashmere farmers begin by completing a comprehensive self-evaluation questionnaire. Based on their responses, a selection of farms are then physically audited by independent evaluators. The farms are inspected at varying times to ensure that the different stages of the goats' lives are accurately recorded, for example during shearing, the birthing season, or extreme weather events.

At the buying and dehairing stations, the cashmere wool has to be stored and processed separately from other, non-certified cashmere wool. This ensures that all products bearing the label of The Good Cashmere Standard® can later be proven to contain only certified wool.

\*These encompass the following freedoms: (1) from hunger, thirst, and malnutrition; (2) from discomfort; (3) from pain, injury, and disease; (4) from fear and suffering; and (5) to engage in normal behaviours and activities.

“We are thrilled to be a founding partner for this new standard. It meets our exacting requirements for animal welfare and environmental protection while providing additional reassurance to our customers and further increasing their confidence in our company.”

Patrizia Strupp, Head of Sustainability at Peter Hahn







THE AID BY TRADE FOUNDATION TEAM



**TINA STRIDDE**  
Managing Director



**SABINE KLEINWIESE**  
Director Finance & Controlling,  
Managing Director (ATAKORA)



**SONJA TAVIANI**  
Finance & Controlling



**ALEXANDRA PERSCHAU**  
Director Standard &  
Outreach Africa



**NINA SCHÖTTLE**  
Junior Project Manager  
Standard & Outreach Africa



**CHRISTIAN BARTHEL**  
Director Business Development,  
Managing Director (ATAKORA)



**ISABELLE RIEDELBAUCH**  
Project Manager  
Business Development



**GERLIND BÄZ**  
Junior Project Manager  
Business Development



**ANJA NEUMANN**  
Junior Project Manager  
Business Development



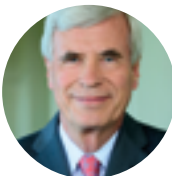
**CHRISTINA BEN BELLA**  
Senior Project Manager  
Marketing & Communication



**ISABELLE THOELE**  
Junior Project Manager  
Marketing & Communication

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. Its purpose is to ensure that the foundation's main objectives are implemented. The Board of Trustees consists of a minimum of six and a maximum of twelve members; as of 31 December 2019, it included the following people:



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



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



**EBERHARD BRANDES**  
Executive Board, World Wide Fund  
for Nature Germany



**DR. MARIA FLACHSBARTH**  
Parliamentary State Secretary,  
Federal Ministry for Economic  
Cooperation and Development



**OLAF GIESELER**  
CEO, Curatax Treuhand GmbH  
Tax Consultancy



**PROF. DR. JOHANNES MERCK**  
Director Corporate Responsibility,  
Otto Group



**MATHIAS MOGGE**  
Secretary General and  
Chairman of the Board,  
Welthungerhilfe



**JAMES SHIKWATI**  
Director, Inter Region  
Economic Network Kenya



**MUNIR ZAVERI**  
CEO Alliance Ginneries Ltd.



**UWE SCHRÖDER**  
Honorary member of the Board  
of Trustees / Co-founder of  
Tom Tailor Group



**VAMISSA DIOMANDÉ**  
CEO, Ivoire Coton, Faso Coton,  
Cajou des Savanes



**ANDREAS PROKSCH**  
Director General Sector and  
Global Programmes, Deutsche  
Gesellschaft für Internationale  
Zusammenarbeit GmbH

In the course of the year 2019 Nicholas Earlam (Chairman and Owner Plexus Cotton Ltd.) resigned from the Board of Trustees.

# THE CMIA ADVISORY BOARD

The Advisory Board of Cotton made in Africa is staffed with internationally renowned representatives of various interest groups, each bringing different perspectives and experiences to the table. Their different areas of expertise makes the Advisory Board a key discussion partner and advisor to the management. As of 31 December 2019, the Advisory Board included the following people:



**MARCO BÄNNIGER**  
Head Trader Hand Picked Cotton  
Paul Reinhart AG



**FRITZ GROBIEN**  
Director African Operations  
Plexus Cotton Ltd.



**FRANZISKA HORN**  
Division Manager Strategic  
Project Management  
Non Food & Indirect Spend  
Retail Germany  
REWE Group Buying GmbH



**DR. AXEL KLAPHAKE**  
Director Economic and Social  
Development, Digitalisation,  
Deutsche Gesellschaft für  
Internationale  
Zusammenarbeit GmbH



**ANDREAS KÖHNCKE**  
Division Manager Private Label  
Management Fashion & Sports  
Otto (GmbH & Co KG)



**MARC LEYNAERT**  
Production Director  
Faso Coton



**SABRINA MÜLLER**  
Lead Manager Sustainability  
(Non-Food Product & Market)  
Tchibo GmbH



**DR. IRIS SCHÖNINGER**  
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# A SELECTION OF CMIA CORPORATE PARTNERS IN 2019



# IMPRINT

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## **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.

With the Cotton made in Africa (CmiA) initiative, AbTF is putting its principles into practice. The trade partners of the CmiA Demand Alliance source African cotton produced according to the CmiA standard and pay the foundation a volume-based license fee that is reinvested in the cultivation areas. Consumers recognise products by the CmiA label and make a valuable contribution to protecting the environment and supporting smallholder farmers and their families in Africa.

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