

The JD Group (JD) joined the Better Cotton Initiative (BCI) as a member in October 2020. Upon joining the world’s largest cotton sustainability programme, JD immediately commenced sourcing of Better Cotton for our own-label manufactured products.

The initiative trains farmers to produce cotton in ways that respect the environment, boost their incomes and strengthen the industry. To earn a Better Cotton licence, farmers must demonstrate that they adhere to six principles:

- Minimising their use of harmful pesticides
- Using water efficiently
- Caring for the health of the soil
- Conserving natural habitats and biodiversity
- Preserving and caring for the health of the fibre
- Promoting decent work

These principles help reduce the impact of growing cotton significantly. The standard can be applied to farms of all sizes and complements other standards for sustainable cotton.

BCI works using a mass balance system, which encourages suppliers to buy and use more Better Cotton in a cost-efficient manner because it does not require complexities that result in costly physical segregation along the supply chain. Mass balance means what comes out must balance with what went in. For example, if a retailer places an order for finished garments like T-shirts and

requests one metric ton of Better Cotton be associated with this order, a cotton farmer somewhere must produce one metric ton of cotton to the Better Cotton Standard.

This is then registered on BCI’s supply chain system and credits for the order are passed through the supply chain for that same weight in cotton, from one factory to the next. The result is the equivalent amount of cotton that the farmer produced as Better Cotton, but has been mixed in with conventional cotton in its journey from field to product.

During the first period of JD’s BCI membership, the Group sourced 492 metric tonnes of Better Cotton - cotton grown via methods that protect and restore the environment, while also improving farmers’ livelihoods. Our sourcing of Better Cotton in 2020 saved an estimated 279 million litres of water, whilst generating over €80,000 of additional profit for BCI-licensed farmers.

This level of investment supports women within the cotton supply chain, enabling them to strengthen their standing within both their family, and community. In the 2018-2019 cotton season, BCI training reached 98,789 women farmers across the world.

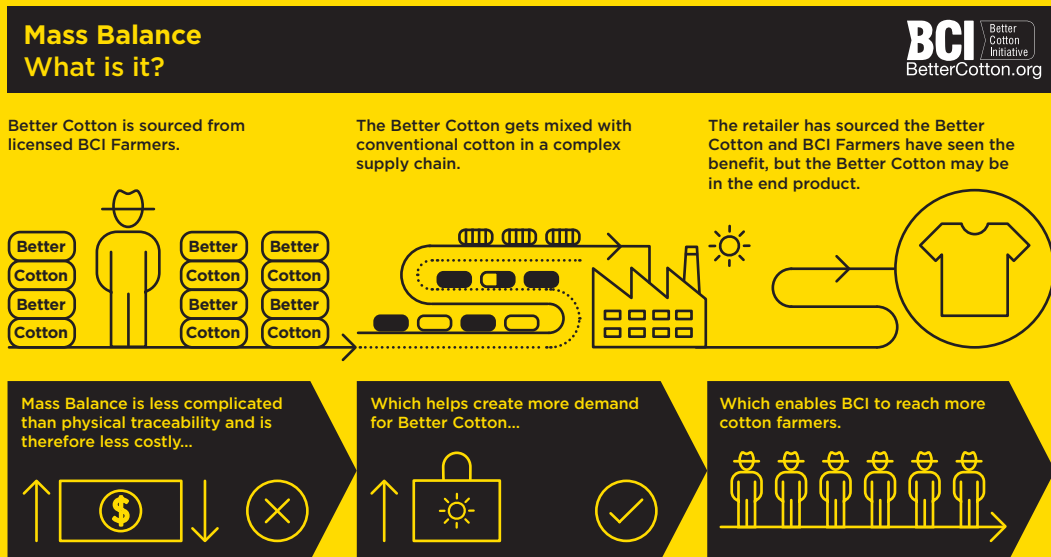
Women farmers supported by the BCI learn every aspect of cotton growing - from seed to harvest, with the programme including:

- Safe use of chemicals
- Advantages of replacing conventional pesticides with natural substances
- Improving soil fertility
- Optimising irrigation and water harvesting techniques

One beneficiary of the programme is Sharma, a farmer in Pakistan. Sharma runs her own, profitable farm, enabling her to provide for eight dependants. Sharma saved money by using less pesticides, reducing her post-harvest losses, allowing her to maximise the volume and value of crop that she takes to market.

Inspired by her experiences through the Better Cotton initiative (and having developed an understanding of the BCI’s ‘decent work’ principles), Sharma has chosen to invest in education for her daughter, and in doing so, has further secured her family’s future.

The JD Group is proud to be a member of the Better Cotton Initiative, and (via the BCI) to contribute towards development and empowerment initiatives, exemplified by Sharma’s fantastic success story.



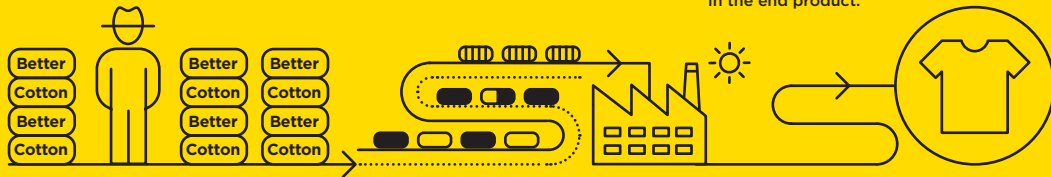
Mass Balance
What is it?



Better Cotton is sourced from licensed BCI Farmers.

The Better Cotton gets mixed with conventional cotton in a complex supply chain.

The retailer has sourced the Better Cotton and BCI Farmers have seen the benefit, but the Better Cotton may be in the end product.



Mass Balance is less complicated than physical traceability and is therefore less costly...

Which helps create more demand for Better Cotton...

Which enables BCI to reach more cotton farmers.