



# ***Cotton 2040* Impact Report**

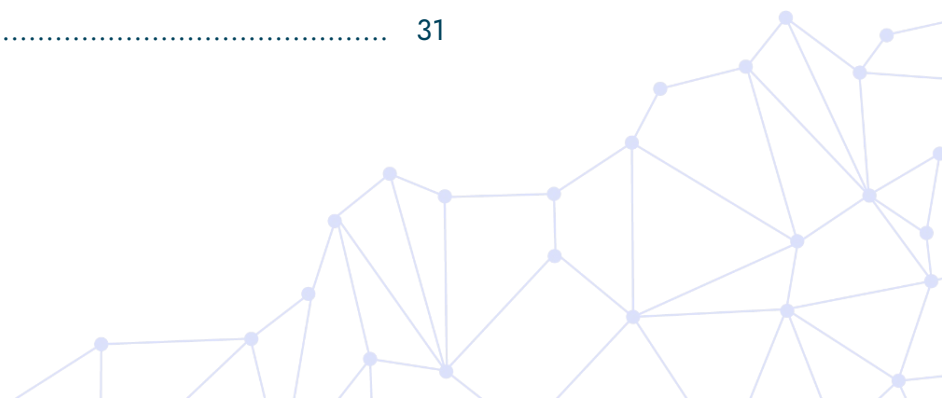
Accelerating systemic change towards a  
just and regenerative cotton sector

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**FORUM  
FOR THE  
FUTURE**

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# FOREWORD



**Cotton is an indispensable part of our daily lives – from the clothes we wear to the textiles within our homes and businesses. Yet, in the midst of its ubiquity, an intricate supply chain remains hidden across producing, processing, manufacturing, consuming, and end-of-life that brings this remarkable fibre to fruition.**

In spite of the pervasiveness of cotton in our lives, and the central importance of it to many worldwide, the cotton value chain is simultaneously at risk from the climate emergency and also afflicted with socio-economic inequalities. For a staggering 350 million people worldwide, cotton is more than a crop; it is their lifeline, a source of livelihood. Meanwhile, for the rest of us, the story behind the crop is often overlooked.

*Cotton 2040's* impact extends far beyond its conclusion in 2023, leaving a powerful legacy in the global cotton industry through the resources and tools created, and by asking the industry to imagine and adopt transformative behaviours that are more commensurate with the needs of both people and planet.

Of course, the past eight years have not been without their wins and hard lessons. There's no panacea here, although pathways to building a far more future-fit value chain and industry are clearer.

The reflections in this report are insights shared in service to the many stakeholders across *Cotton 2040*, across all cotton-growing regions, and in the knowledge of just how much harder it will become to rely on cotton if we don't collaboratively challenge the status quo with great depth and urgency.



**Hannah Cunneen**  
**Cotton 2040 Project Director**  
**Forum for the Future**

# EXECUTIVE SUMMARY



**The systemic social, environmental and economic challenges that exist within the cotton industry were the impetus for the *Cotton 2040* initiative, a multi-year collaboration convened by Forum for the Future, and involving partners and stakeholders from across the cotton value chain.**

This report provides the concluding updates from the *Cotton 2040* initiative, sharing **key findings from the three focus areas and four topline recommendations** to make cotton a climate resilient, agriculturally regenerative, and socially equitable crop.

The **impact of *Cotton 2040*** is evident in the success stories of the initiative's participating brands and retailers. One participating brand, for instance, initially lacked concrete goals but, inspired by *Cotton 2040*, now aims to achieve 100% sustainable cotton sourcing by the end of 2023.

M&S embarked on its sustainable sourcing journey in 2012 and, with the support of *Cotton 2040*, achieved 100% sourcing from Better Cotton, Fairtrade, or Organic and Recycled certifications by 2019. Similarly, Burberry, an active participant since 2015, has committed to sourcing 100% certified organic and traceable cotton by the 2029/30 financial year, currently sourcing 31% certified organic cotton and conducting a traceability pilot. Ramatex, another participant, has not only shaped its

sustainability strategy with the help of Forum but also expanded its efforts into various sustainability strands, including innovations in other fibers and labor rights initiatives, showcasing the enduring impact and wide-reaching influence of *Cotton 2040*.

Provided in this report is a set of tools and resources – freely available – to support accelerated action by those engaged in this important commodity, and particularly to enable private sector action.

Understanding the **current and future risks to cotton** that climate change presents was focus area one. In partnership with WTW, we developed the Global Cotton Climate Risk Tool to identify key climatic hazards across cotton growing regions. With a deep-dive analysis of the relationship between socio-economic inequalities and climate vulnerability in cotton growing and producing regions in India, we clearly demonstrated the need for comprehensive future-facing approaches to climate adaptation and resilience-building in the cotton value chain in all regions worldwide. The [Global Cotton Climate Risk Tool](#) provides the basis upon which to take informed action: in building socio-economic adaptive capacity, regenerative and resilient agriculture, and in identifying where socially just transitions will need to occur.

Focus area two focused on **sustainable cotton standards for industry** – making them more comprehensible, harmonising sustainability impact metrics embedded across them through the [Delta Framework](#), and by

building brand capacity to better navigate the standards. This helps brands to align their own level of ambition and commitment with the varying levels of ambition towards just and regenerative outcomes that the different standards represent.

The level of transformational change needed for the cotton value chain to be resilient in a changing climate and which supports and mainstreams sustainable production and livelihoods requires new ways of thinking, acting, and doing business. This was the focus of focus area three, in which we developed and trialled **new business models**. Within the context of a burgeoning ecosystem services market, we designed regenerative cotton protocols that were trialled with US cotton farmers across 2300 acres in four states. Farmers were incentivised to adopt these protocols through financing mechanisms and technical support, and participating brands committed to purchasing the cotton quantity produced through the pilot.

Systemic impact can be challenging to identify, quantify and attribute, so through the *Cotton 2040* initiative we developed a rubrics framework to assess impact in progressive businesses, to help them lead the charge and inspire others by better articulating progress and impact. In this report we share this impact framework as well as sharing impacts and outcomes across communications and outreach, and partnerships – all critical pillars for success in a multi-stakeholder collaboration. We share

some of the challenges we experienced during *Cotton 2040* – notably lack of alignment across the value chain, and a lack of shared clarity on what ambition for change that is commensurate with the level of the issues faced looks like in practice.

### Finally, we share our four key recommendations which are centred around:

1. Enabling the shift from standards as an end goal to being the start of a journey to traceability, and moving towards the mass-scaling of much more sustainable ways of producing cotton.
2. Raising the level of ambition around cotton standards – to better enable brands and retailers to lead change.
3. Calling for a shift in consumer mindsets and narratives, which in turn will enable SMEs to also lead and adopt in the face of much-needed change.
4. Calling for transition finance and de-risking options which enable producers to start and scale regenerative agriculture.

Cotton is at risk, and with it the livelihoods of many millions of people across the world who rely upon it. We hope that these findings, and the tools and resources that underpin them, will continue to create and accelerate change towards a resilient, regenerative and just cotton sector.

# INTRODUCTION TO *COTTON 2040*





# INTRODUCTION TO COTTON 2040

**Cotton, a key global commodity, spans 31% of textile fibre use and occupies 2.5% of arable land. Produced annually across 80 countries, worth \$50 billion USD, it supports 350 million people.**

Climate change and human rights challenges threaten its future. Sustainable practices offer a solution, but oftentimes, industry-wide coordination is lacking.

*Cotton 2040* was an eight-year initiative (2015-2023) by international sustainability non-profit [Forum for the Future](#) which aimed to accelerate progress and maximise the impact of existing sustainable cotton initiatives, bringing together over 50 leading international brands and retailers, sustainable cotton standards, traders, over 15 processors and farmers, and other stakeholders across the value chain.

*Cotton 2040* envisaged a sustainable global cotton industry

- which is resilient in a changing climate;
- which uses business models that support sustainable production and livelihoods; and
- where sustainably produced cotton is the norm.

This report provides four recommendations from the *Cotton 2040* initiative to create and accelerate change towards a resilient, regenerative and just cotton sector.

We extend our gratitude to all the partners, participants, and supporters who have been instrumental in making *Cotton 2040* a success. A special thanks to our funders, **Laudes Foundation**, for their generous support and commitment to driving positive change in the cotton sector.

Laudes ———  
——— Foundation

*Disclaimer: The Cotton 2040 initiative included industry stakeholders such as producers, manufacturers, brands, retailers, cotton standards, programmes, traders and textile processors. The content, impact, and insights within this report have been made possible by the generous funding provided by the Laudes Foundation. The observations and suggestions in this report solely represent the perspective of Forum for the Future, and not of its partners.*



***“Cotton 2040 was conceived because the story of cotton needed to change. [There are] too many fragmented initiatives not speaking to each other, no agreed metrics for reporting, and brands not understanding their last tier—producers. Climate change and poor returns for farmers pose risks to the future of cotton.”***

- Anita Chester, Head of Fashion Materials, Laudes Foundation

# KEY ACHIEVEMENTS



# COTTON 2040 IN NUMBERS

An overview of the initiative's key achievements.

**8** years of delivery



**30+**

countries represented

**15+**

processors and manufacturers



**50+**

brands and retailers



**2**

groundbreaking climate impact reports



**1**

farmer-facing pilot

**16+** major events



**1** futures visioning report



**1** CottonUp guide



**1** industry-first climate impact explorer tool



## ACHIEVEMENTS IN FOCUS AREA 1: Climate adaptation and resilience

There is worryingly little climate-related information and coordination across the cotton sector on how to respond to current and forthcoming impacts to the industry. When the initiative first set out to discuss climate mitigation and adaptation needs in order to achieve resilience, it quickly became apparent that people and organisations knew climate change was impacting cotton producers and yields, but the data wasn't available to demonstrate *where, what and who it was most deeply impacting*.

*Cotton 2040* therefore set out to provide a global-first for the industry - a [Global Cotton Climate Risk Tool](#) which outlines key climatic hazards impacting cotton growing regions. The tool not only details data-backed concerns for the whole industry, but led us to important conversations with industry actors on a) the need for cross-sectoral collaboration, b) just transitions when making sourcing decisions, and c) the intersectionality and compounding impacts of cotton growing in the face of the climate emergency. We also published a [Global Cotton Risk Report](#) and one specific to [India](#) to accompany and give depth to our analysis.

→ **How to use these tools:** There is no longer a question of how badly the cotton sector will continue to fare as the climate emergency is further realised. Instead, we can now focus on what we do with that information to protect and promote ecological replenishment and equity. As an industry actor, you can use the [Global Cotton Climate Risk Tool](#) to see climate risk scores for twelve climate indicators. The [Global Cotton Risk Report](#), and the [India Analysis Report](#), provide research findings on the relationships between physical climate risks and socio-economic vulnerabilities.

## ACHIEVEMENTS IN FOCUS AREA 2: Increasing uptake of sustainable cotton

We saw considerable impact in demystifying the burgeoning industry of sustainable cotton standards to increase uptake of sustainable cotton, primarily through three main interventions.

- 1. The [CottonUp guide](#)** - A digital resource signposting key information from leading global standards and codes, case studies of pioneering brands, and detailed guidance on terminology and producing regions. The website was translated into German and Japanese, and receives 50,000 visitors annually from countries from across the world, including India, Japan, Australia and the US.  
→ **How to use this tool:** If you work in the apparel industry, you can use the guide to develop and implement sourcing strategies, in particular across multiple sustainable cotton standards such as organic, Fairtrade or the Better Cotton Initiative.
- 2. Harmonising sustainability impact metrics through the [Delta Framework](#)** - The first standardised way for commodity sectors to collect farm-level data, monitor and report progress on sustainability in the cotton industry, which was proposed to the ISEAL Innovations Fund by Better Cotton. The project was developed together with the Global Coffee Platform (GCP), the International Cotton Advisory Committee (ICAC) and the International Coffee Association (ICO).  
→ **How to use this framework:** Read the framework for best practices, methodologies and tools on how private or public entities can effectively measure and communicate sustainability information to their stakeholders.
- 3. Building the capacity of 11 brands at various stages of maturity in sustainable cotton procurement** - In partnership with Anthesis, this resulted in the participating brands making commitments to increasing the volumes of sustainable cotton as well as implementing procurement.

## ACHIEVEMENTS IN FOCUS AREA 3: Business models

Forum worked closely with industry actors to identify the characteristics that uphold cotton's current value chain and business model, and readily discussed whether these characteristics drive just and regenerative outcomes for all stakeholders. It was agreed that the cotton industry must operate in new ways in order to better protect people working within the industry, as well as the planet. The emergence of ecosystem services markets is one possible model that could offer both ecological replenishment and drive social equity, and was therefore chosen as a model to pilot out and learn from in *Cotton 2040*'s final year of implementation.

Forum partnered with key technical providers and networks to design the first "regenerative" cotton protocols for the burgeoning US ecosystem services market and launched a pilot aiming to enable US cotton farmers to adopt regenerative practices through offering financing and technical support.

Not only did our consortia design scope-three level protocols for regenerative cotton, this pilot initiative aims to (a) better understand the motivations, benefits and improvements required by these new market models and marketplaces, (b) engage with and track the financial flows of such models, (c) build stronger collaboration, dialogue and regenerative commitments across the somewhat disparate cotton value chain.

The pilot works with cotton producers across Alabama, Arkansas, Texas, and Tennessee to trial the protocols on 2,300 acres by implementing regenerative practices, per the new protocols, such as water reduction methods, nutrient management, reduced tillage, and cover crops.

Upon the conclusion of *Cotton 2040*, the initiative is now being further managed and monitored by private sector partners. The pilot's cotton is being grown in the 2023 season, with outcomes being assessed in the late 2023 harvest, verified in 2024. Corporate buyers can purchase these verified credits to help meet their supply chain sustainability targets, and - critically - must commit to purchasing the cotton quantity produced through the cotton pilot.

Ongoing lessons are being gleaned throughout 2023 and 2024, with further ambitions for scaling and replication in the 2024 growing season.

**To learn more about the pilots, read our [infographic](#) providing key insights, or get in touch with [Hannah Cunneen](#).**

# HOW WE APPROACHED MEASUREMENT AND OUTREACH





**Forum worked with the Laudes Foundation through an iterative design process to put in place a robust framework for Monitoring, Evaluation and Learning (MEL) for Cotton 2040. The co-designed rubrics framework supported progress towards outcomes, put impact front and centre throughout the programme, and focused on two areas in particular:**

- 1. Progressive businesses lead the change, which encourages others to follow and lays the foundation for systemic change:** *Cotton 2040* worked towards aligning key players in the cotton system on the change needed, catalysing collaborative action to adapt to the changing climate, and empowering brands to embrace sustainable cotton.
- 2. Redefined value to refocus the system on what really matters:** *Cotton 2040* aimed at a shift towards industry-wide consensus on the data and approaches needed to inform strategy, alongside new business models and practices that demonstrate a shift in how value is defined.

Such a strong impact and MEL framework is a useful way for the industry to think about impact: it moves the dial for market transformation beyond the widespread assumption that engaging internal stakeholders and communicating success alone bring sufficient value.

That being said, external communications and outreach, as well as partnerships and collaborations, played a critical role in the *Cotton 2040* initiative.

### Communications and outreach

Having a skilled communications team based in the UK, India and Singapore helped extend the reach of insights and tools to support changemakers even beyond *Cotton 2040*. Since 2016, we have showcased *Cotton 2040* at at least one major industry conference each year, excluding the gap due to COVID-19 restrictions. Webinars, roundtables and masterclasses have been attended by at least 780 people since 2020, mostly around climate adaptation. Media coverage and reach, most notably on the climate risks analysis report and toolkit, has been strong across mainstream, trade, business, insurance and sustainability titles in key cotton-producing regions, including China, India, Pakistan and the US. Partnerships and collaborations have extended our reach further.

### Partnerships and collaboration

We fostered strong partnerships with Anthesis, WTW, Ecosystem Services Markets Consortium, the US Cotton Trust Protocol and Textile Exchange. Our delivery partners had a high level of ambition, were collaborative on design, delivery and problem solving, and have been highly communicative. They brought different perspectives, provided complementary technical expertise, and unlocked conversations. We also had strong reciprocal relationships with steering group and working group members, who engaged on multiple levels (e.g. one-to-one discussions, conferences, communities of practice, initiatives). This supported cross-learning and reach.

Lastly, Forum's unique approach to change-making was a major success factor for *Cotton 2040*. Forum applies two core approaches: **system change** and **futures**. The use of both futures and system change in design and delivery directly contributed to *Cotton 2040*'s progress towards outcomes. At the project-inception stage, *Cotton 2040* was designed using insights from [Fashion Futures](#) and [Cotton 2040 scenarios](#) in addition to systems diagnosis and stakeholder engagement. This enabled a strong vision grounded in evidence and understanding of the current system and likely scenarios.

Meanwhile, system change is another important part of Forum's approach. Feedback from *Cotton 2040*'s working groups and participants in activities such as the climate adaptation roundtables highlighted that system-change tools and frameworks supported thinking on how change happens. The rubrics impact framework above was well-suited to system-change initiatives such as *Cotton 2040*.

# CHALLENGES



The main challenges experienced by the *Cotton 2040* initiative stem from working within a cotton sector that is uncondusive to change. Various systemic and external challenges also presented themselves during this time period.

*“The system right now is uncondusive. Individual grants are making small contributions. The system is moving in fashion but still uncondusive.”*

**- Litul Baruah, Senior Programme Manager, Laudes Foundation**

- **Piloting business models is challenging when there is no alignment between brands, retailers, standards or civil society organisation on how to define regenerative in relation to cotton production.** In addition, established standards are important to brands and retailers to report on how they are meeting their commitments, but these do not include regenerative definitions or requirements. The standards that do include regenerative criteria - Regenerative Organic Certified and RegenAgri - are expensive.
- **The Xinjiang human rights crisis was a major external factor in the progress towards sourcing sustainable cotton.** Our response was to design a capacity building programme to teach participants that sustainable sourcing is a continual improvement process, of which certification is a minimum entry point. However, the crisis meant that the time was not right to engage investors and we missed the opportunity for outreach to this key stakeholder group as a result.

- **Economic headwinds and disruption due to COVID-19, inflation and cost of living increases have made fundraising difficult.** One example of how this affected progress is that, while traceability and transparency became a priority over the lifetime of *Cotton 2040*, and there was interest in a traceability pilot from participating brands, Forum did not have the resources to capitalise on this, or to adapt content of the existing programme to cover traceability substantively.
- **The financial difficulties within the cotton industry itself.** Retailers through to cotton producers, alike, were and continue to be realised as *Cotton 2040* came to a close. Many businesses and cotton actors look to secure as much financial resilience as possible, rather than looking to rise to the much-needed challenge of experimenting and innovating, when really the climate emergency requires bolder and more intentional commitment and action.
- **Navigating the intricate landscape of context, language, and cultural differences poses a significant hurdle for international initiatives like *Cotton 2040*.** While we had strong participation across several countries, Forum is a predominantly English-speaking organisation and this created challenges in engaging some stakeholders, for example, in Turkey, Pakistan, India, and Brazil. There are also cultural differences, for example, in India and Pakistan you need to work through the public sector to achieve systemic transformation, rather than Forum’s usual audiences of the investment community or the private sector.

# STAKEHOLDER ENGAGEMENT AND OUTCOMES



## Stakeholders and their roles

The initiative aimed to convene cotton industry actors together to drive impact through collaboration, knowledge exchange and collective action on common challenges. As such, the design of the project involved a wide range of stakeholders that evolved as the programme did. The programme identified several stakeholder groups that would be critical to engendering transformation. These included:

1. **Pioneering fashion brands and retailers** – both multinationals operating globally and those in key regions such as North America and Asia (predominantly Japan and India) – that have a higher proportion of power and opportunity to change, acting as catalysts and influencers on the rest of the industry.
2. **Cotton standards, industry organisations (Textile Exchange, CEEW) and NGOs/non-profits** that often act as the conduit between the consumer-facing brands and the cotton-producing farmer communities.
3. **Representatives from farmer groups and producer organisations** providing the perspective of on-farm challenges and on the frontline of climate challenges.
4. **Supply chain actors** such as cotton processors and manufacturers, commodity traders and financial actors including investors and development institutions.

The initiative had multiple routes for engagement with stakeholders:

1. **Working groups** – the structure of the later stages of the project brought together diverse industry actors into working groups that provided oversight, advice and support to focus areas that included aligning on sustainability metrics, building awareness of the need for and convening around potential pathways in which to employ climate adaptation action, and conceptualising future-fit business models befitting of the industry's needs. These working groups also built capacity and dialogue in systems thinking (which underpins *Cotton 2040*), and critique approaches and assumptions.
2. **Participation in roundtables and sessions** – Forum's roundtables on climate adaptation in 2021-2022 saw stakeholders take part in discursive and collaborative meetings that were global and spanned each segment value chain. The roundtables were designed to be participatory in order to gain insight from the industry on the impacts of climate change within the industry, from farming communities to processing facilities and beyond.
3. **Attending masterclasses and capacity building opportunities** – Industry facing webinars and interactive sessions that brought together stakeholders to present and discuss challenges and opportunities relating to climate resilience and adaptation across a variety of broader topics.

## Success stories from participating brands and retailers

Examples showcase efforts that will continue beyond *Cotton 2040* both relating to cotton and to adjacent issues such as regenerative agriculture and labour rights:

**“When we first started, we had no goals, now we have a target of 100% sustainable cotton by the end of 2023. *Cotton 2040* gave us confidence to set targets and work out how to achieve it, including which cottons to consider sustainable.”** - Participating brand

**“It was great to hear the common challenges, and where the industry was moving to, it enabled strategic decisions and really brought home the understanding of where the cotton was coming from”** - Participating brand

**“I always valued the meeting up and the conversations, the exchange of ideas, and that leading to alignment in language and approach - the *Cotton 2040* provided that space and opportunity for personal interactions, sharing challenges and opportunities”** - Steering group member

**M&S** started its sustainable sourcing journey in 2012. They provided £25,000 in match funding to *Cotton 2040* in 2017-18 as part of their ongoing partnership with Forum across a range of sustainability issues. They achieved 100% sourcing from Better Cotton, Fairtrade, or Organic and Recycled certifications in 2019. They are members of Textile Exchange. They recently completed a regenerative agriculture pilot with Forum and their UK potato farmers which they are now expanding more widely across their supply chains.

**Burberry** was an active participant during scoping and early phases of *Cotton 2040* (from 2015) as well as being a working group member for FA2 and FA3. They are members of Textile Exchange. The company has partnered with Forum since 2013, and Forum CEO, Sally Uren, was a member of Burberry's Responsibility Advisory Committee from 2016-2021.

In 2017, Burberry made a commitment to source all its cotton sustainably by 2025. They have since shifted and expanded that commitment to have 100% of cotton certified organic and traceable by the 2029/30 financial year. The company currently sources 31% certified organic cotton and has started a traceability pilot. More details, and reference to their involvement in *Cotton 2040*, can be found in their 2022/23 annual report.

**Ramatex** worked with Forum to shape its sustainability strategy in 2018 and continues to work on both strands (people and planet) through innovation in other fibres (Circular Leap Asia and Tackling Microfibres at Source), and labour rights (Through their Eyes). Ramatex also funded the scoping phase of Forum's Future of Responsible Recruitment in Malaysia initiative, which focuses on migrant workers, and they are now a member of the employers' cohort in the programme.

## Private sector actors

Including the Ecosystems Services Market Consortium, US Cotton Trust Protocol and luxury apparel brands remain engaged with one another in the ecosystem services market pilot. The ongoing relationship and discussion bodes well for continued learning, refinement and eventual replication and duplication of regenerative and equity-focused work in cotton in the US and abroad.

The pilot continues to generate a lot of interest with other apparel companies, actors working in the regenerative agriculture sector (across food and fibre), and the media.





# LEARNING AND RECOMMENDATIONS



**Learnings from *Cotton 2040* have informed four key recommendations for wider change efforts in the cotton industry.**

## **1 Value chain actors need to enable the shift from standards as an end goal to being the start of a journey to traceability, and move towards the mass-scaling of much more sustainable ways of producing cotton.**

Too often the focus is largely on behaviour change at farm level, with little to no understanding of what is required to enable that change in each context from the rest of the value chain. This means that there are limited levels of engagement and support for action across value chain actors.

This is an important point for the industry to consider. **We need to find ways to evolve adaptation conversations – and resulting actions – so they support just and regenerative outcomes**, and avoid siloed responses that are likely to create unintended consequences that are not just or regenerative. The [Cotton 2040 masterclasses](#) were a first response to this need, but additional support is required to continue progress. You can watch the masterclasses to learn more about practical insights - on supply chain risk, transition risk and decarbonisation, liability risk, governance and people, and insurance - on the cotton and wider apparel sector.

### **Landscape initiatives enabling restoration and adaptation**

- Over the course of *Cotton 2040*, several organisations involved in the initiative, such as Better Cotton and Laudes Foundation, developed a focus on landscape-based approaches. In place of narrowing the focus on improved on-farm practices or certification, for example, “landscape” or “jurisdictional” approaches de-silo sustainability issues to instead focus on a range of critical sustainability issues across a production landscape, combining ecological regeneration with livelihood projects and other developments. In addition, initiatives taking this approach will often aim to look beyond a single supply chain, work with existing interventions in the region and work closely with communities, civil society and local government active in the area.
- Private sector involvement has been historically very low at the landscape-level, however they merit investigation from progressive businesses looking to achieve sustainability and commercial goals. Potential benefits include improving reputation and building a license to operate, building far greater traceability of raw materials, reduce resource scarcity or community risk disruption, and meet regulatory requirements. I can also assist in achieving commensurate climate adaptation and social justice needs within your value chain.
- There is a need for companies to think holistically about adaptation and their sustainability goals, aligning that with business benefits and working with their supply chain partners to ensure effective delivery.

## 2 We need to raise the level of ambition around cotton standards – to better enable brands and retailers to lead change.

### Raising the level of ambition for standards

In earlier phases of *Cotton 2040* we didn't have the data or research we do now - data that shows the extent of a) the negative social impacts of cotton production; and b) the impacts of climate change. Standards are just the starting point in this journey. Availability, pricing and credibility of standards remains a question and fast fashion or larger multinational brands are most likely to commit to Better Cotton - which operated in Xinjiang until 2020 - as it is the cheapest and easiest standard to implement. Metrics are improving and Better Cotton has a key role to play as it is often the only standard in new markets e.g. Nigeria and Uzbekistan.

Only attaining the minimum requirements offered by standards such as BCI will not get us to a just and regenerative cotton industry. It would be good to **update the [Delta Framework](#) based on new data, both to increase dialogue and understanding on how standards differ, and to shift business thinking away from being standards agnostic**. This would include building regenerative definitions into their protocols, and to align on a standardised view not only between themselves but also with brands, retailers and civil society. Updating the framework could also support a deeper shift for brands and retailers to see standards as just the starting point for deeper work on traceability.

### Enabling the shift from standards as an end goal to being the start of a journey to traceability

Verification of removal of forced labour/human rights abuses and use of agronomic practices is reliant on traceability. Whilst the importance of supply chain transparency is increasingly recognised, little progress is happening. In part this is due to the complexities of supply chains, verification issues and costs. Many brands and retailers also have small sustainable teams (e.g. 1-2 people), driving a focus on regulation and standards rather than addressing more complex traceability needs.

Traceability and supply chain resilience is also likely to be a five to ten year journey. At a time when brands are facing more pressing short term challenges there is a need to:

- build the business case for traceability;
- offer businesses pragmatic advice on how to make that happen across the sector;
- join the dots to support transparency objectives. Brands and retailers are still siloed. They need to have the capacity to talk across their value chain (not just to one tier);
- provide better, affordable technology to support traceability;
- enable civil society to convene and support cross-sector collaboration;
- incentivise prioritisation of traceability (e.g. government and regulation such as the upcoming changes to EU directives);
- identify interventions that enable brands to address more than one issue e.g. ecosystem services approaches if they are done well.

### **3 We need to call for a shift in consumer mindsets and narratives, which in turn will enable SMEs to also lead and adopt in the face of much-needed change.**

While SMEs are ambitious and agile, they do not have the same economies of scale and cost can be a barrier to change. There needs to be consumer buy-in to pay for the better practices and contributions that they make to uphold sustainability.

This is not about expecting consumers to pay more in a cost of living crisis. Buying more and “bad” apparel is part of the problem that has got us to where we are in the first place – degenerating landscapes, fragile supply chains, sustaining power inequities and social deprivation for workers.

There is a need to shift to a narrative around buying local, and buying less but better good quality and longer-lasting with minimised eco footprints. One route to changing consumer values and thinking is through **new marketing that supports this new narrative and mindset to emerge.**

### **4 We need to call for transition finance and de-risking options which enable producers to start and scale regenerative agriculture.**

Farmers need new forms of finance to enable new types of investment because time horizons, risks and expected outputs and outcomes for regenerative agriculture are different when compared with conventional agriculture. This [report](#) outlines key insights and recommendations for further action for ecosystem services markets providers, purchasers and the organisations that support them.

Brands also either need a way to buy accredited regenerative cotton through the mass balance approach, or we need to develop or develop a marketplace/supply chain that supports regenerative cotton i.e. that can enable buying of regenerative cotton outside of the mass balance approach.

# WHAT NEXT?



The legacy of *Cotton 2040* serves as a testament to the power of collaborative action and strategic insight in reshaping industries for the better. While *Cotton 2040* has ended, the urgency to create a resilient, regenerative, and equitable cotton sector has never been more evident. The initiative's findings, tools, and resources are poised to accelerate industry-wide transformation. By embracing the recommendations and adopting a holistic approach, the cotton industry can transition toward a more sustainable future, safeguarding the livelihoods of millions while mitigating and reversing environmental impacts.

Forum will take many key elements of *Cotton 2040*'s learning forward into its Reconfiguring Value Chains work across its three strategic areas of focus: the [Purpose of Business](#), [Food](#) and [Energy](#). Current trends outline the critical need for reimagining and restructuring how we do business and relate to suppliers and consumers across value chains - including food, fibre, critical minerals, pharmaceuticals, transport, technology industries, and beyond. Forum has developed a series of visionary and practical pathways for businesses to adopt a [just and regenerative mindset](#), whatever its starting point.

For further details on Forum, including more information on our Value Chains work, please reach out to [Hannah Cunneen](#)



# RESOURCES AND TOOLS



Reports, tools and guides	A snapshot of our thought leadership	Videos	A snapshot of extensive coverage secured across mainstream sustainability and trade press
<p>Report: <a href="#">The first-ever Global Analysis of Climate Risks to cotton growing regions</a>: A high-level analysis of physical climate risks across global cotton-growing regions for the 2040s.</p>	<p>Blog: <a href="#">From system shock to systems change: Why we need to transform commodity value chains (and what this means for cotton)</a></p>	<p>Video: <a href="#">Cotton 2040 - Collaborative action for a sustainable industry</a></p>	<p>Ecotextile News: <a href="#">Cotton 2040 aims to take mission to next level</a></p>
<p>Tool: <a href="#">Planning for Climate Adaptation</a>: Resources and interactive risk explorer tool to understand the physical climate risk to cotton growing regions</p>	<p>Podcast: <a href="#">With a narrow window for innovation, will our food systems transform or unravel?</a></p>	<p>Webinar: <a href="#">Introduction to Cotton 2040</a></p>	<p>Sustainable Brands: <a href="#">How a practical guide to sourcing sustainable cotton could help transform the industry</a></p>
<p>Guide: <a href="#">CottonUP Guide</a> to sourcing sustainable cotton</p>	<p>Blog: <a href="#">Reflections on World Cotton Day: Lessons learned from building uptake of sustainable cotton</a></p>	<p>Webinar: <a href="#">CottonUP: how a new guide can help fast-track your sustainable cotton sourcing</a></p>	<p>South China Morning Post: <a href="#">Threat of 'heatflation' looms large as climate change shrinks farm and seafood output, experts say</a></p>
<p>Report: <a href="#">Creating sustainable value chains</a>: A case for action for piloting and scaling alternative business models</p>	<p>Blog: <a href="#">Climate adaptation and mitigation needs in the cotton sector: Five trends shaping the future of cotton</a></p>	<p>Masterclasses: <a href="#">"Insights to Action" masterclasses on climate risk co-hosted with WTW</a></p>	<p>New York Times: <a href="#">How climate change is making tampons (and lots of other stuff) more expensive</a></p>
<p>Paper: <a href="#">Innovative business models that can transform cotton supply chains</a>: An outline of what a more resilient, regenerative, and just cotton supply chain can look like</p>	<p>Blog: <a href="#">The cotton industry is changing. But will it be viable in 2040?</a></p>	<p>Working group meeting: <a href="#">Cotton 2040's final working group meeting</a></p>	<p>Mongabay: <a href="#">Blue jeans: An iconic fashion item that's costing the planet dearly</a></p>



## About Forum for the Future

Forum for the Future is a leading international sustainability non-profit. For more than 25 years we've been working in partnership with business, governments and civil society to accelerate the shift towards a just and regenerative future in which both people and the planet thrive.

As our environmental, social and economic crises intensify, the world is rapidly changing, with multiple transitions already reshaping how we all live and work. But will we go far enough, and fast enough? Forum is focused on enabling deep transformation in three game-changing areas: how we think about, produce, consume and value both food and energy, and the purpose of business in society and the economy. We're working with ambitious and diverse change-makers to shift how they feel, think, act and collaborate to drive systemic change for sustainability.

## About Cotton 2040

*Cotton 2040* was a multi-stakeholder initiative with a mission to facilitate the shift to a sustainable global cotton industry which is resilient in a changing climate; which uses business models that support sustainable production and livelihoods; and where sustainably produced cotton is the norm. It ran from 2015 to 2023.






The initiative was convened by Forum for the Future, with expert partners WTW, Anthesis and the World Resources Institute (WRI). *Cotton 2040* aimed to accelerate progress and maximise the impact of existing sustainability initiatives across the global cotton industry, by bringing together leading international brands and retailers, sustainable cotton standards, existing industry initiatives and other stakeholders across the value chain. Learn more here.

## Credits

This report was written by Hannah Cunneen, Neil Walker, Hannah Pathak, Martin Koehring, and designed by Tanya Grueneberger at Forum for the Future.

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