



Australian Government

**Cotton Research and
Development Corporation**



**COTTON
AUSTRALIA**

**Australian Cotton Industry Sustainability Stakeholder Forum
REPORT**

DRAFT

Prepared by Step Communication, October 2016

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INTRODUCTION

As part of its ongoing commitment to sustainability, the Australian cotton industry has recognised the need to seek feedback from key stakeholders on its draft sustainability targets and ongoing sustainability reporting mechanisms.

The Cotton Sustainability Stakeholder Forum was hosted by Cotton Australia and CRDC and held in Coogee, Sydney on 8 June 2016. The Forum was coordinated by the cotton industry's Sustainability Working Group and included representatives from brands, universities, government agencies, community and non-government organisations. Sectors that were invited but unfortunately under-represented on the day included indigenous and community groups, brands and NGOs. (*Attachment 1: Participants List*)

The stated purpose of the Forum was to:

- Provide guidance and feedback to the Australian cotton industry on sustainability issues, draft targets, indicators and reporting
- Ensure relevance of the cotton sustainability report
- Support the Australian cotton industry to become a global leader in sustainable agriculture

The day was structured to provide maximum opportunity for interaction, frank discussion and feedback from participants (*Attachment 2: Forum Agenda*). Following the Forum, the Working Group decided to conduct a further five stakeholder interviews in order to get feedback from a broader range of stakeholders. These included:

- K-Mart Australia/Target Australia
- Baptist World Aid, Behind the Barcode project
- Save the Children
- Jason Wilson, Aboriginal Community Water Facilitator, Basin Plan (North) (not yet conducted)

This report summarises the feedback and discussion from the Forum and stakeholder interviews, and provides recommendations for finalising the Australian cotton industry's sustainability targets.



Industry groups discussing sustainability challenges for cotton



Guy Roth and Mike Bange discuss researchers views on sustainability challenges

EXECUTIVE SUMMARY

The Forum

- Participants provided frank and honest feedback and were highly engaged in the forum process, as well as the stakeholder interviews. There was a general feeling that stakeholders were appreciative of the opportunity to provide feedback on cotton's sustainability work, and were very willing to offer ongoing guidance and support.
- The Forum participants survey found a high level of satisfaction with the day:
 - 100% of participants strongly agreed or agreed that the Forum met their expectations.
 - 100% of participants felt the day was very valuable or valuable
 - 100% of participants wish to be further engaged by the Australian cotton industry

(Attachment 3: Forum Feedback Survey Results)

Perspectives About Australian Cotton

- The Australian cotton industry has invested millions of dollars over three decades in addressing sustainability issues. Its transformation is now recognised by government, the community, other agricultural industries and to a lesser extent, the cotton supply chain. Significant contributors to success have been grower and industry participation, leadership and collaboration which has also led to a focus on “the industry talking to itself”. Australian cotton now has an opportunity to become more outward-looking – to better understand a broader range of stakeholder expectations and to align targets, reporting and sustainability communication with global sustainability goals and targets.
- Perceived challenges for cotton fell into two broad categories: environmental and social. Brands, retailers and NGOs were more focused on the global social challenges for cotton such as child labour, the provision of living wages and safe working conditions. Other stakeholders identified issues such as water, climate change, biodiversity and innovation. Interestingly, growers were less focused on environmental issues and more interested in how to use the Australian cotton sustainability story to drive market access, profitability and consumer awareness.

Feedback on Draft Sustainability Targets

- Participants connected with and clearly understood the purpose and content of most of the targets and their indicators, with the exception of the Biodiversity and Social targets
- All targets would be enhanced by providing further context in order to maximise understanding, particularly in relation to how they align with global sustainability goals, Australian government targets and the global cotton industry
- Targets could be more outward looking, and take a broader, more altruistic view – they seemed to participants to be slightly farm and industry focused, with benefits accruing to industry rather than the community or natural environment
- Sustainability targets are best received when they clearly meet stakeholder expectations. Cotton's targets would be improved by re-framing them with a clear purpose and their target audience(s) in mind

Communication and Reporting

- Reporting requirements for various stakeholder groups vary widely, and therefore communication around sustainability targets and results must be tailored to individual needs, based on a thorough understanding of stakeholder requirements. A number of levels of detail must be presented, from top-line summaries, to in-depth evidence that substantiates claims.

SESSION 1: COTTON'S SUSTAINABILITY JOURNEY SO FAR

The Forum opened with an introductory session to set the historical context of Australian cotton's sustainability journey, including perspectives from peak industry bodies and cotton growers. It also provided an opportunity for participants to comment and ask questions of industry leaders.

Key Points Raised by Participants:

General

- The Australian cotton industry is now in a position to broaden the group of stakeholders it engages with on sustainability, including at a more global level via the textile supply chain and out into the Australian community. This requires profiling and a deeper understanding of stakeholder expectations (including consumers, brands and NGOs) in relation to sustainability. The cotton industry's language, definitions, targets and communication must be tailored accordingly to meet the needs of these stakeholders
- Supply chain visibility and transparency is becoming increasingly important to the cotton supply chain, particularly at brand and retail level. The market wants transparency across the whole supply chain and expects all tiers including raw materials and manufacturing to be operating sustainably and ethically

Grower Reaction

- Cotton farmers have generally become efficient environmental stewards who've made significant practice change, but have not been as successful in telling their story
- Cotton growers require clear signals and communication from stakeholders and the market in order to help them see the bigger sustainability picture, which in turn drives continuous improvement at farm level
- Cotton growers continue to be driven by profitability as linked to sustainability and need to see a business case for sustainability

Perspectives on Factors Driving the Success of Cotton's Sustainability

- Generational change – current generation of cotton growers grew up with myBMP
- A small, relatively young industry
- A culture of sharing and collaboration, driven by the fact that growers are not competing with each other to market and therefore are prepared to share successes and innovation
- The relative financial success of Australia's cotton growers has driven innovation and re-investment in sustainability
- Strong, consistent research and development investment over decades
- Consistent on-ground support and investment in grower adoption of best management practices, including during years of drought
- Strong industry leadership and vision, at local and industry levels
- Genuine desire to hand the farm to the next generation in better condition
- Industry crisis in the late 1990s focused industry attention and effort
- Patience: transformational behaviour change takes time
- myBMP was built from the ground up with strong participation from growers

Challenges for the Future

- Staying relevant to stakeholders and the community
- Continuing to re-invent the sustainability story
- Finding new ways to secure future markets, and staying ahead of the curve
- Monetising sustainability - convincing brands and consumers to pay more for sustainable cotton products
- Cotton's declining market share

(Attachment 4: Summary notes from Session 1)

(Attachment 5: Panel Questions from Session 1)

SESSION 2: SUSTAINABILITY: YOUR WORLD, OUR WORLD

This session sought to provide a level of understanding of the sustainability context for the groups and sectors represented at the Forum, drawn out by working in smaller sector groups. The summary below is limited to the perspectives of the groups and individuals represented on the day (and in the follow-up interviews), and is not intended to be a conclusive analysis.

The table below summarises the perceived priority challenges for cotton. A long list of challenges emerged with limited similarities between the groups, again pointing to the need to tailor sustainability communication to stakeholder needs. The challenges could broadly be broken into three main categories: environmental, social and economic.

Perceived Sustainability Challenges For Australian Cotton

Sector	Challenges for Cotton
Cotton growers	<p>The cotton growers present felt there was a need to:</p> <ul style="list-style-type: none"> • Increase the number of myBMP certified growers • Better collaborate with non-traditional stakeholders • Influence the influencers of the supply chain (eg NGOs that have mis-information, HIGG Index) • Encourage consumers to value sustainability and be prepared to pay for it • Address issues of rural-city disconnect, regional decline and isolation • Continue efforts to gain access to water
Government – Federal	<ul style="list-style-type: none"> • Climate change adaptation • Continued sustainability research investments • Water availability • Vegetation management (esp Queensland) • Skilled labour • Reputational management
Government – State	<ul style="list-style-type: none"> • Water quality • Nitrogen use efficiency – greenhouse gas emissions • Riparian area management and biodiversity • Weed resistance • Addressing global negative consumer perceptions towards cotton • Establishing and maintaining credibility of BMP programs • Competition for resources – land, water, people
Ag industry groups	<ul style="list-style-type: none"> • The need for greater focus on the social aspects of cotton’s sustainability (rather than environmental) • Provenance and traceability through the supply chain • Economic sustainability from displacement by other crops • Technical excellence and innovation and delivering functionality in products • Smart marketing: who wants to preferentially buy Australian cotton? Who, aside from Australians, cares that the cotton comes from Australia?

Community (CWA only represented)	<ul style="list-style-type: none"> • Water use, particularly competition with other users and society • Communication to the broader farming community and general public (less focus on communicating sustainability within the industry) • Social license • Social sustainability of towns and regional areas • Improvement in cotton varieties and farming practices that lead to continual productivity improvements
Research and Development	<ul style="list-style-type: none"> • Nitrogen use efficiency • Water use and quality • Soil health • Social impacts • Digital disruption • Regional community resilience and infrastructure • Competition from food and man made fibres • Disruptive government policy • Business resilience (management skills, rising costs, business models)
Brands and NGOs (taken from interviews only)	<ul style="list-style-type: none"> • Child labour, forced labour and the provision of living incomes in the global cotton industry • Health and safety issues on farm (eg given at global level included pesticide poisonings, farmer suicides) • Genetically modified crops V organic farming systems • Labour exploitation on farms (eg Four Corners story on backpackers) • Water use • Land clearing in Australia • Carbon footprint and climate change

Bouquets And Brickbats: Feedback to Industry



Participants were invited to provide frank feedback on their current perceptions of the Australian cotton industry, both positive and negative. The purpose was to provide top-line insight into stakeholder views of the industry, and to uncover any “blind spots” that may be occurring in industry self-awareness and understanding.

SESSION 3: FEEDBACK ON COTTON'S SUSTAINABILITY TARGETS

Participants broke into smaller groups to discuss each target, and provided detailed comments based on the questions below:

- Are targets appropriate?
- Are they ambitious enough/too ambitious?
- Do they make sense?
- Is the language right?
- Is there anything missing?

Comments on the targets were then collated, clustered and unpacked in the larger group, where a number of key themes emerged. These same questions were asked in the stakeholder interviews, with both sets of responses collated below.

Understanding Targets

- Participants connected with and clearly understood the purpose and content of most of the targets, and their indicators
- However the Biodiversity and Social targets did not resonate well with participants, with almost universal agreement that these two sections needed further work (more detail is provided in *Attachment 6*). In general:
 - Social target needs to be broadened to include for example social and human capital, workforce development, community and diversity inclusion
 - Biodiversity target was not clear or precise enough in its substance or language, and the purpose was also unclear to participants

Further Context Required

- It was felt that overall the draft targets could be improved by providing additional context:
 - Global context (for example, how do they align with UN Sustainable Development Goals, UN Global Compact and Sustainable Agriculture Principles)
 - National context (for example how do these targets align with the Australian government's Climate Change targets?)
 - Benchmarking against other cotton producing countries
 - General context around the problem we're trying to solve, and what it means if targets are achieved

Targets Should be More Outward Looking

- While there was general agreement around target metrics there was a general feeling that they were farm and industry focused, and lacked a broader altruistic view about what's best for the natural environment, cotton communities and the industry's people

Meeting Stakeholder Needs

- There was general agreement that the cotton industry should carefully consider its various audiences, and reframe the targets according to stakeholder needs and expectations
- The language, structure and level of detail included in the targets should be carefully considered to allow clear and meaningful communication to stakeholders

(Attachment 6: detailed feedback from groups on targets)

SESSION 4: OUR NARRATIVE, PREFERRED COMMUNICATION

Participants were asked to comment about the ways they would prefer to receive information from the Australian cotton industry, in order to get a better understanding for how to engage with stakeholders in the future.

Questions asked during the session included:

- What types of sustainability information do you want/need from Australian Cotton (if any)?
- How would you like that information to be delivered? Method? Frequency?
- What have you seen from others that works in effectively communicating sustainability?

Key Outcomes:

- Information needs vary greatly between stakeholder groups and individuals – it will be important to produce multiple levels of information including top-line scorecard reporting through to in-depth technical information and data that substantiates environmental claims
- Communication must be tailored and targeted to key audiences
- It's important to not just report facts and figures, but also the human element of cotton's sustainability, the "journey", case studies that illustrate the work that has led to the results and the global context in which Australian cotton operates
- Reports need to be transparent and independently verified
- Stakeholders expect honest information about progress towards targets, including where targets have not been met



Cotton grower Cleave Rogan provides input into Cotton's Sustainability Targets



Facilitator Brooke Summers collating feedback on targets



Jon Dee gives key note address on innovative ways to engage stakeholders in sustainability



Panel of industry leaders provide context for Australia's cotton sustainability journey

THE WAY FORWARD – WHERE TO FROM HERE?

The Stakeholder Forum and interviews was the first step in a consultation process to engage, refine and eventually finalise the Australian cotton industry's sustainability targets. The Forum and interviews provided comprehensive feedback for industry to consider, and the following recommendation sets out a process for the way forward.

STEP 1: Define The Purpose of Cotton's Sustainability Reporting and Target Audiences

There was repeated feedback from the Forum that the industry would benefit by better considering, understanding and documenting the purpose of cotton's sustainability programs in relation to the stakeholders it hopes to influence.

Following the Forum, the industry's Sustainability Reference Group met to discuss and document the underlying reasons for why the Australian cotton industry is striving to become more sustainable. (*Attachment 7: defining the purpose of Australian Cotton's Sustainability*)

STEP 2: Develop a Process for Further Engagement on Sustainability Targets

The Sustainability Reference Group identified that some groups (especially community, indigenous community, brands and NGOs) were not represented or under-represented at the Forum. The group decided to conduct a further five in-depth interviews to round out the findings of this report.

STEP 3: Review and Re-Draft the Targets

Feedback from the Forum and other consultations should be incorporated into the draft Targets. At time of writing this process had begun, led by Guy Roth of Roth Rural Consulting. Where necessary it is advised that external assistance be sought to set targets and indicators, for example in the social area where there is limited expertise within the cotton industry.

Re-drafting of the targets should also include input from the communication teams of Cotton Australia and CRDC ("word smithing") to ensure they evolve into a clear, succinct piece of communication easily understood by stakeholders. The detailed feedback gathered during the Forum and stakeholder interviews should be taken into account during this process.

STEP 4: Develop an Overarching Sustainability Strategy for Australian Cotton

A number of industry organisations, programs, strategies and individuals currently contribute to the Australian cotton industry's sustainability work, but there is no overarching framework for how this is currently being delivered, and could best be delivered into the future.

A cross-industry project to develop an Australian Cotton Industry Sustainability Strategy would help focus the industry on its sustainability journey over the next 3 – 5 years by:

- Uniting the industry behind a joint purpose, goals and objectives
- Giving meaning to sustainability targets by outlining the strategies to achieve them
- Clearly defining the roles, responsibilities and investments of key industry organisations
- Showing how current industry strategies intersect
- Helping to guide sustainability investments
- Addressing strategies for stakeholder communication and engagement

It is recommended that the Sustainability Reference Group now begin to consider:

- How such a Strategy may be developed
- Who might be involved/responsible
- Resources and Timeframe

Attachment 1: PARTICIPANTS LIST

First	Last	Title	Organisation
Customers and retailers			
Susan	Caldwell	Innovation Manager	Pacific Brands
Suppliers and service providers			
Phil	Armytage	General Manager - Development	CSD
Adam	Richardson	Chairman	Fertiliser Australia
Interest groups			
Ian	McConnel	Project Manager	Sustainable Beef, WWF
Agriculture RDCs			
Helen	Dornom	Sustainability Manager	Dairy Australia
Paul	Swan	General Manager, Research	AWI
Government			
Martin	Walsh	Assistant Secretary, Sustainable	Department of Agriculture and Wat
Michael	Dunn	Manager, Land Services	Riverina Local Land Services
Dale	Kirby	Team Leader, Land Services - Ag	North West Local Land Services
Bridget	Boreham	Executive Support Unit	Local Land Services
Bryce	Wilde	Executive Director	Natural Resources Commission
Employment			
Sarah	McKinnon	Workplace Relations Manager	National Farmers' Federation
Brendan	Maher	Community Partnerships Manag	Clontarf Foundation
Cotton Industry representatives			
Simon	Corish	Chairman	Cotton Australia
Liz	Alexander	Board	CRDC
Bruce	Finney	Executive Director	CRDC
Barb	Grey	Director; Chair of People Panel	Cotton Australia
Adam	Kay	CEO	Cotton Australia
Cotton Innovation Network			
Cleave	Rogan	Chair	Cotton Innovation Network
Mark	Peoples	Agricultural Flagship	CSIRO
Graham	Bonnett	Agricultural Flagship	CSIRO
Philip	Armytage	Alternating Chair	Cotton Breeding Australia
Researchers			
Michelle	Gane		QUT
Erin	Peterson	Principal Research Fellow	ARC Centre of Excellence for Mathematical & Statistical Frontiers (ACEMS) and Institute for Future Environments Science and Engineering Faculty Queensland University of Technology
Alice	Payne	Lecturer in Fashion Creative Industries Faculty, School of Design Office, Fashion	Queensland University of Technology
INDUSTRY SUSTAINABILITY WORKING GROUP/OTHER			
Nicola	Cottee		Cotton Australia
Jane	Trindall		CRDC
Brooke	Summers		Cotton Australia/Consultant
Allan	Williams		CRDC
Guy	Roth		CRDC/Consultant
Ruth	Redfern		CRDC
Rick	Kowitz		Cotton Australia
Angela	Bradburn		Cotton Australia
Chris	Larsen		Cotton Australia
Samuel	E		Cotton Australia

Attachment 2: FORUM AGENDA

AUSTRALIAN COTTON INDUSTRY SUSTAINABILITY STAKEHOLDER FORUM *A powerpoint and tie-free gathering of minds* 8 June 2016

AGENDA

TIME	ITEM	LEAD FACILITATOR
From 8.00am	Tea and Coffee on arrival	
8.30am	Welcome and Introduction to the Day	Brooke Summers Cotton to Market Project Lead, Cotton Australia
8.40am	Introductory group exercise	Brooke
9.00am	SESSION 1: COTTON'S SUSTAINABILITY JOURNEY SO FAR <ul style="list-style-type: none">• Adam Kay, CEO Cotton Australia• Bruce Finney, Executive Director CRDC• Simon Corish, Cotton grower and Cotton Australia Chairman• Rick Kowitz, myBMP Manager, Cotton Australia• Jane Trindall, R&D Program Manager, CRDC	Brooke
9.50am	SESSION 2: SUSTAINABILITY: YOUR WORLD, OUR WORLD	Angela Bradburn, Policy Officer, Cotton Australia
10.30am	Morning Tea Break	
11.00am	KEY NOTE SPEAKER: <ul style="list-style-type: none">• Jon Dee, Leading Social Entrepreneur	Jon Dee
11.45am	SESSION 3: FEEDBACK ON COTTON'S SUSTAINABILITY TARGETS	Guy Roth, Director, Roth Rural
12.45pm	Lunch	
1.30pm	SESSION 4: OUR NARRATIVE: NEW WAYS TO COMMUNICATE	Brooke
2.15pm	Wriggle Room	Nicola Cottee, Policy Officer, Cotton Australia
2.30pm	SESSION 5: THE WAY FORWARD AND WHERE WE NEED HELP	Jane Trindall, R&D Program Manager, CRDC
3.00pm	Thanks and Close	Liz Alexander, CRDC Director

Attachment 3: FORUM SURVEY FEEDBACK

Did the Forum meet expectations?

- 57% strongly agreed
- 43% agreed

How valuable has today been for you?

- 57% very valuable
- 43% valuable

Best parts of the day	Improvements
<p>Engagement/Diversity</p> <ul style="list-style-type: none"> • Networking with the cotton industry/exposure to the cotton industry/learning more about what cotton's doing and how you're thinking in the sustainability space • Hearing from a wide variety of people, inside and outside cotton • Talking with non-cotton people/bringing in external stakeholders/cross industry participation • Fresh ideas from outside stakeholders – making us accountable • Willingness of the cotton industry to listen/willingness to engage broadly • Openness and constructive comments from participants • Dinner the night before – informal discussions with cotton industry to prepare/conversations over dinner <p>Content</p> <ul style="list-style-type: none"> • Discussion about what's behind the achievements in practice change • Understanding that we're all grappling with similar issues and contexts • Alternative thinking around targets/critique of targets <p>Process</p> <ul style="list-style-type: none"> • A safe environment to have robust conversations • Good pace 	<p>If only there was more time...</p> <ul style="list-style-type: none"> • More time for informal discussion and networking • More discussion on broader sustainability challenges – not just cotton issues • More discussion time at small group sessions with better facilitation • More time to discuss targets (people were very engaged)/more time for targets • Time permitting, have some key stakeholders speak on their business as it relates to the industry (eg Pacific Brands) <p>Attendee Gaps</p> <ul style="list-style-type: none"> • Absence of NGO/conservation sector was disappointing • Participation from other industry sectors (other brands, spinning, fabric manufacturers/suppliers) <p>Preparation/Follow up</p> <ul style="list-style-type: none"> • List of attendees and their sectors prior to attending • Consider having a smaller targeted group to co-design your approach to reporting then work on it, THEN bounce past a group like today • Follow up with meeting outcomes • Continue engagement

How important do you think sustainability is to the Australian cotton industry?

- 80% very high
- 20% high

How do you rate the Australian cotton industry’s performance in addressing sustainability challenges?

- 29% outstanding
- 71% good
- One respondent was “unsure”

Areas for improvement/more focus	Overwhelming feeling walking away with
<p>Purpose</p> <ul style="list-style-type: none"> • Re-frame it. Reconsider your primary and secondary purposes and audiences. If it’s about social licence and market share, benchmark cotton against competing sectors. If it’s about continuous improvement and selling that, make it useful to drive better decisions by growers to retailers to consumers in real time. If it’s about justification to global players or government, continue on a similar path • Set goals – what does cotton want to happen by all of this? <p>Target Audiences</p> <ul style="list-style-type: none"> • Identifying target audiences + ensuring what each segment of your audience wants to know • Understanding what the end consumers and all the customers through the supply chain want and expect– all tiers • Need to identify audiences for each sustainability message • Tackle the competition head on <p>Communication/story telling</p> <ul style="list-style-type: none"> • Communication – How, when, where and why • Communication of how far the industry has come and how it compares/fits within the global cotton industry • Communicating success in sustainability • Need the cotton story in the context of other fibres, and ag sectors • Once targets are nailed down, need to get the story right • Telling others about the great job you’re doing • How we communicate what we do to non-cotton people/general public – getting the language right • Find ways to communicate the harder areas – like carbon footprint, biodiversity 	<ul style="list-style-type: none"> • Positive appreciation of the cotton industry has been re-enforced • Pleased we started 30 years ago • That change is in the air/hopeful • That the industry is serious about sustainability and is keen to improve its approach • Moving forward, in a constructive way, with a plan • The industry is on a journey, and is committed to that journey • Large network that is we work together can be very powerful – great momentum • Positivity, sense of satisfaction that progress continues and our view on sustainability is mature and responsible • Positivity and inspiration • Great confidence in the industry • We’re good at what we do, but need to make sure we take others along with us • Happy • The need to partner/engage with the cotton industry • Good initiative • Great to be included • Great opportunity to learn from cotton and apply in own work/industry • Things are looking bright for the cotton industry, despite ongoing challenges • The need to partner with CA and CRDC to help strategic outcomes

Content

- Biodiversity requires more thought around what aspect to report and why
- Biodiversity needs a re-think
- Social side of sustainability needs a re-think – more holistic inclusion
- Social capital could be better represented in targets
- Make sure emerging social issues are covered
- Post-farm gate sustainability
- Make sure targets are relevant to audiences
- Need more external-focussed targets to give markets confidence you are doing the right thing and committed to change – targets appear a bit too grower-centric

Process

- A follow-up Forum to test messages are right
- Involve a few more people who are not the organizational reps (the workers views)

Ah Ha Moments

- Hit your risk hard – artificial fibres
- Cows going around the range
- Water is not in the top 3 issues for cotton globally – made me sit up and highlighted the disconnect between Australian cotton's approaches and practices compared with other producers – and that in itself helped me realise how much more Australian cotton needs to highlight it's best practices to Australians – for social licence
- Everyone wants the best for the industry and it was great to be part of the discussion
- Appreciate that at these kinds of meetings CRDC/CA gives participants something back – today that was the high profile speaker (Jon Dee)
- That we don't compare our credentials with other ag industries or our direct competitors
- Cotton industry – how do we bring all parties together? We're all struggling with the same challenges – how powerful we could be working together
- A sudden reassurance that we're in safe hands
- Many cotton farmers have limited internet access
- Microplastics in clothing industry
- Why GM cotton is NOT perceived poorly by consumers
- Jon Dee – that there are people external to our industry that “get” what we do, and care/Jon Dee
- Paul from AWI – indicator around supply chain efficiency - #1treeperbale
- Our efforts can have global implication
- Practice change discussion

Attachment 4: Summary of Notes from Session 1

Adam Kay

Cotton Australia CEO

- Outlined Cotton Australia's role in sustainability
- Explained historical development of myBMP (struggled for social licence, community concerns about pesticides, first whole-of-industry audit, industry crisis etc)
- Important to recognise there are different definitions of 'sustainability' and therefore important to line up consumer expectations on sustainability with our own
- Message from brands and retailers is that industry efforts over last 30 years are of value – it provides the confidence to use cotton.
- myBMP has given industry the ability to strongly advocate, which wasn't possible 20 years ago
- Explained the importance of CA's policy and advocacy role in sustainability, and how myBMP underpins the evidence taken to policy makers
- Practice change requires:
 - Time
 - Strong industry leadership and participation
 - Farmers who are prepared to change and be local leaders

Bruce Finney

CRDC Executive Director

- Explained CRDC's role in sustainability
- Experience with other industries has shown sustainable products have a market and can attract a premium.
- Provided perspectives on RD&E game changers: understanding how pesticides move, CRC expanded from biophysical to human elements with social research projects critical to industry evolution
- Believes cotton's next opportunity to drive value in high quality market segments. To do this Australian cotton needs to be nimble and looking for disruptive opportunities (eg new uses for cotton cellulose)

Simon Corish

Cotton Australia Chairman

- Explained drivers for sustainability from grower's perspective
- Provided examples of practical on-farm changes (including introduction of GM cotton, farming practices to drive yields, WUE, dealing with human resources and getting work-life balance into the farm)
- We've started looking towards the global textile industry in an attempt to align our efforts with their needs
- Explained how BCI works, and its history and relationship to myBMP
- We must continue to strive for genuine environmental outcomes and to exceed expectations. This requires strong industry leadership, growers to take responsibility and a united industry
- Growers respond to both community pressure to change and positive recognition from the community for improvements made

Rick Kowitz

Cotton Australia myBMP Program Manager

- Outlined myBMP program, its components and processes
- Gave perspectives on why it works (eg well integrated, growers have strong ownership, best practice system, free, all growers are encouraged to participate, source of information and resources)
- Acknowledged barriers to myBMP including:
 - Time commitment required
 - Can be challenging to expose the farm business by comparing to industry benchmarks
 - Can be challenging and sometimes costly to get the farm to industry standard (although most growers incur only small costs)

Jane Trindall

CRDC Research Manager

- Shared key sustainability outcomes (eg 95% pesticide reduction, 42% WUE gains, 42% of native vegetation on farms, 60% of employees in industry organisations are female)
- Drivers for sustainability have changed over time – historically the drivers were regulatory, and now we're exploring opportunities for delivering sustainable products to the market, potentially at a premium
- Explained make up and role of Sustainability Reference Group

Attachment 5: Panel Questions from Session 1

Adam Kay, CEO Cotton Australia

- Can you give us a bit of brief history – why did the Australian cotton industry embark on this sustainability journey almost 30 years ago?
- You've been involved with the Australian cotton industry for nearly 30 years.....can you describe the transformation in the industry that you've seen during that time?
- What are some of the ways that Cotton Australia engages with government around sustainability and why is that lobbying role to represent growers so important?
- Just looking for some global perspective.....what's going on in the textile supply chain at the moment and how is Cotton Australia responding through its Cotton to Market Strategy (including Cotton LEADS)?

Bruce Finney, Executive Director CRDC

- How much money is invested in cotton research each year and what are CRDC's current priorities for sustainability-related work?
- If you had to choose a couple of crucial pieces of research that have really moved the industry forward in sustainability, what would they be?
- How do you think the Australian cotton industry is perceived by government and other agricultural industries?
- Innovation is a bit of a buzz word at the moment.....what are some research innovations that we can look forward to from CRDC in the next few years?

Simon Corish, Cotton grower and Cotton Australia Director

- What does all this mean to you as a grower?
- Give us a couple of examples of how things have changed on your farm, compared to say 20 years ago.....(if you can remember back that far!)
- We know there have been difficulties in getting growers engaged in the myBMP program over the years – what do you think the major barriers have been...or what drives growers to participate?
- Tell us a bit about your role on the Better Cotton Initiative Board.....how do you think BCI is changing cotton's reputation in the world.

Rick Kowitz, myBMP Manager, Cotton Australia

- Give us a brief run down on the myBMP program – what's in it and how are growers using it?
- How has the myBMP program changed over time.....and how are growers and the industry engaged in any changes that are made to the program?

- The Better Cotton Initiative has been getting lots of airplay recently.....tell us about Cotton Australia's involvement in the program.
- You're a relative newcomer to Australian cotton.....coming from outside the industry, what are some perspectives on what you've seen, how do you think we're tracking?

Jane Trindall, R&D Program Manager, CRDC

- What has our research shown in terms of some topline outcomes and trends for Australian cotton's sustainability? (eg 95% less pesticides)
- Australian cotton is one of the only agricultural industries in the world to independently audit itself....work led by CRDC.....how important do you think those audits have been, and what did we learn from them?
- Collaboration is crucial to effecting change across whole industries – how do you think we're tracking here and where could we be doing better?
- How does the industry's Sustainability Reference Group work – why was it formed and what are you working on?

OPEN QS TO ANYONE ON THE PANEL

- What do you think the greatest sustainability challenge facing Australian cotton in the next 5-10 years?
- From a policy perspective, what are some of the things that influence the way the industry makes decisions about its sustainability (*eg Government policy, grower voices, changing landscapes, pressure groups, supply chain....*)
- How will we know that it's time to hang up our boots – that the sustainability job in the Australian cotton industry is done?

Attachment 6: Detailed Feedback on Targets

Target	Feedback	Recommendations
<p>Increase Water Productivity by 20%</p>	<ul style="list-style-type: none"> • There was no strong feedback around the 20% number, although with this target strongly linked to yield increases, we need to think about our position once yields start to plateau • There was general feeling that the target lacked context: <ul style="list-style-type: none"> ○ ie is a result like 1.3 bales/mg good? Is it high by international standards? Could use a report card style for comparison ○ is this target measuring a point in time or an X year average? ○ How does it compare to further down the supply chain? • Is this target for irrigated and dryland? With much of the world’s cotton crop grown as dryland, it may be worth pulling out both numbers for comparison (water is where cotton falls down in the Life Cycle Assessments) • Water is not a topic on the minds of other cotton industries around the world, partly because those industries are rain-fed • Some conflicting comments around language: <ul style="list-style-type: none"> ○ Water use efficiency is a more outward looking term than ‘productivity’ – productivity sounds like it’s all about the grower’s profits rather than for environmental good ○ On the other hand, one other comment was that the word “productivity” tells an excellent story about the use of the resource (this was from an industry person) ○ Difference between water productivity and water efficiency ○ Water efficiency is a metric that community stakeholders can understand ○ Water productivity has the advantage in not suggesting water should be pumped back into the system 	<ul style="list-style-type: none"> • Number in the target about right • Think about how this target will be communicated to, and why – adjust language and context accordingly • Consider splitting irrigated and dryland results in the reporting

Target	Feedback	Recommendations
Boost crop yields by 15%	<ul style="list-style-type: none"> • There was no strong feedback around the 15% number • Strong feeling that it was important to have a target based on profitability for growers to aspire to • There was discussion around whether a target about grower profitability would also be appropriate (following comments that if we're not in business, we can't be sustainable): <ul style="list-style-type: none"> ○ Increase profit/returns may be more ambitious, and inspire positive collaboration from growers ○ Consider a target around cost of production, \$ per bale or \$ per hectare • Need to explain the time frame for this target – a point in time? X year average? 	<ul style="list-style-type: none"> • Number in the target about right • Think about how this target will be communicated to, and why – adjust language and context accordingly • Consider adding a time frame for context • Consider adding an additional measure or target around farm profitability

Target	Feedback	Recommendations
Reduce carbon footprint by 15%	<ul style="list-style-type: none"> • Most of the comments on this target were about context: <ul style="list-style-type: none"> ○ Does this target line up with global targets? ○ How does it compare with Australian government commitments? (<i>which are subject to change, it was noted</i>) ○ How does it fit in the context of the most recent Cotton LCA? ○ How does this compare with man made fibres? ○ How does it compare to other ag industries (wool/dairy?) • Need to explain the time frame for this target – a point in time? X year average? • The danger in choosing the easiest path is you might get called out on it: people may accuse you of taking it easy • Digest Cotton Incorporated's lifecycle analysis paper, incorporate this into the discussion 	<ul style="list-style-type: none"> • Communicate the target as compared to other, wider targets already set • Adjust the language to ensure context is captured

Target	Feedback	Recommendations
<p>Increase participation in supply chain initiatives</p>	<ul style="list-style-type: none"> • There were concerns with language in this target: <ul style="list-style-type: none"> ○ “increase” is a difficult word – what’s the baseline? What are we working towards? Qualitative/quantitative? ○ Needs language that portrays broader connections ○ Change language to “stronger supply chain partnerships for mutual gains” • There were many comments here around the difficulties in <u>measuring value</u> in this target: <ul style="list-style-type: none"> ○ How do we measure success, rather than just participation? ○ Can we identify more measurable indicators? ○ Some of the specific measurements are yes/no – not easy to measure ○ just because you’re involved in something, doesn’t make it good – how do we measure the value of our participation ○ where is the created/perceived value here? ○ Could the value be in getting supply chain to pay more for our products, now that we’ve done the ‘hard yards’ on our sustainability ○ How many more million people clothed? • Potential to include the sharing of best practices with other cotton producing countries to improve cotton’s global reputation (an eg of a more outward looking measure) • Phase 1: improve your record. Phase 2: communicate your achievements and translate it into higher sales 	<ul style="list-style-type: none"> • Revisit the target • More conversations about how we measure value in this target, and to whom? • Revisit the language

Target	Feedback	Recommendations
<p>Reduce injuries by 20%</p> <p>Zero fatalities</p>	<ul style="list-style-type: none"> • No fatalities good but could be done by robots – need people • Any way of making this per hectare? What if industry doubles in size in future? • Very difficult to achieve zero fatalities – is there a target around improving safety outcomes on farms? • Can there be something more positive about people here? The language is very negative – is this the right place for a target like this? In our sustainability indicators? • Think more broadly to include other social indicators: PhD students in cotton, cotton grower participation in community groups, landcare groups, volunteering • Needs a more encompassing view of social target – reducing injuries is internally focused • Social indicators – mental health, social engagement, resilience, voluntary participation, connection to community • Community perceptions • Could expand to include capacity building and upskilling 	<ul style="list-style-type: none"> • Revisit the target • Take a broader, more encompassing view of “people” for this target area – this is the only one focused on social capital

Target	Feedback	Recommendations
<p>Enhance biodiversity by 15%</p>	<ul style="list-style-type: none"> • Not clear or precise – what does ‘enhance’ mean? • “Enhance” is wishy washy – increase is a better word • What does “enhance mean”? Wishy wash language • Needs major revision/work • Needs more work – “42% of farm area is native vegetation including grazing” seems at odds with “42% of cotton farm land dedicated to native vegetation” • Who is this for? What’s the audience? Make the target match the perception • Biodiversity measure needs sharpening up – looks underdone compared to other targets • Don’t try to do too much – pick a few things and do them well (eg native veg area and condition, water quality, riparian management) • Could focus on best practice around: riparian zones, weeds and feral animals, native vegetation and condition • <u>Quality</u> of biodiversity needs to be considered – not just area • Do we have a baseline? • Is there a measure that could be made from remote imaging? • Will this become a millstone? • How will it be measured? Regional V industry? • Should it be more about building ecosystems that foster biodiversity rather than biodiversity, as the environmental conditions will be impacted by factors outside our control (eg drought) • No loss of endangered or threatened species • No loss of species • Important message: farmers are biodiversity stewards • Globally, biodiversity is a bigger issue than water use 	<ul style="list-style-type: none"> • Revisit the target • Problem with “enhance” – review language

OTHERS/GAPS

Recommendations

- How is our best practice and knowledge being shared with the rest of the world?
 - Consider tapping into Jon Dee's insight regarding impact of micro-particles on marine environment from synthetic fibre competitors
 - Social: child labour, gender diversity, aboriginal, women, workers
- Review and consider

Water

- Don't just look at WUE – what about nitrogen loads, water quality
- Eco-toxicity
- Water quality is an issue

Supply Chain

- Supply chain efficiencies: eg in 1950s 1kg Australian cotton made 'x' fabric, now 1kg makes 'x' fabric – language that may appeal to end customers?
- Square metres of fabric per hectare?
- Better connection with global sustainability initiatives

People

- Child labour, pregnant women
- Every resident in a cotton community has access to basic infrastructure, health, schools, power, telecommunication
- Workforce development and capacity (attract and retain)
- Community development and connectivity
- Social diversity metrics: important for us to be able to demonstrate good credentials when promoting Australian cotton overseas
- Human capital index:
 - Ethical employment
 - Attraction and retention
 - Well-being survey
 - Regional indicators
 - Community contribution

Other

- Targets are focused on growing, not the broad industry church
- Targets are more self interest, rather than altruistic
- Timeframes are missing – 2014 – 2019?
- Pesticides and child labour are two biggest global issues – missing from our targets
- No target for myBMP participation, accreditations, refresher courses
- One tree per shirt (biodiversity)/ One tree per bale
- Promote the quality of the product: longer fibres, lower micronaire, potential for finer yarns

Attachment 7: Defining the Purpose of Australian Cotton's Sustainability

The overall purpose for investing in sustainability in the Australian cotton industry is to:

- Ensure cotton farms are handed to the next generation in better condition
- Provide sustainability evidence to ensure a social license to operate
- Position the Australian cotton industry to access markets increasingly demanding sustainable raw materials

STAKEHOLDER	WHY REPORT SUSTAINABILITY?
Cotton growers/ cotton industry	<ul style="list-style-type: none"> • Social licence/right to farm/protect the business • Stewardship of natural resources • Benchmarking performance • Community reputation • Access data and support to be better farmers • Industry pride
Other ag industries	<ul style="list-style-type: none"> • To show leadership • Contribute to social license for all of agriculture • Ability to demonstrate limited impact on farming neighbours • Industry pride
Government	<ul style="list-style-type: none"> • To show leadership • Influence development of informed policy • Avoid excessive regulation (self regulation preferred) • Business certainty • Access to funding and support • Partnership opportunities
Rural Community	<ul style="list-style-type: none"> • Social license to operate • Community reputation and acceptance
Sustainability Initiatives (eg BCI, Cotton LEADS)	<ul style="list-style-type: none"> • To show global leadership • Ability to meet membership requirement • Promote and position Australian cotton as a global supplier of sustainable cotton (market access) • Influence influencers of the supply chain
Brands and Retailers	<ul style="list-style-type: none"> • Promote and position Australian cotton as a global supplier of sustainable cotton (market access) • Specify Australian cotton in the supply chains, and don't exclude Australian cotton • Provide a story-telling platform to consumers • Social license
Supply Chain	<ul style="list-style-type: none"> • Promote and position Australian cotton as a global supplier of sustainable cotton (market access) • Understanding of how to supply sustainable Australian cotton to customers • Build trusted relationships
NGOs	<ul style="list-style-type: none"> • Influence over brands, communities and government • Social license to operate • Build trusted relationships and allies • Collaborate on areas of common interest

Consumers	<ul style="list-style-type: none"> • Influence over brands, communities and government • Social license to operate • Confidence to choose cotton • Provide access to sustainable products
Other (developing) cotton producing countries	<ul style="list-style-type: none"> • Share best practice information • Improve global reputation of cotton

DRAFT