



# 2025 Sustainable Cotton Challenge

Fourth Annual Report

# Foreword

Cotton is one of the most frequently used materials in the fashion and textiles industry, accounting for almost a quarter (24%) of global fiber production in 2020. Natural and renewable, it is a popular choice for brands and consumers looking to make more sustainable material choices—but sourcing cotton comes with its fair share of challenges.

The sustainability potential of cotton varies greatly depending on how it is grown. Since agricultural practices and their impacts can change so drastically between farms and regions, the more data we have, the better companies can understand how their sourcing decisions translate.

Today, in the context of our [2025 Sustainable Cotton Challenge](#), Textile Exchange recognizes programs and initiatives that result in improved environmental and social sustainability outcomes in comparison to conventional cotton—based on the data available.

As research into the complexities of this commodity deepens, and the clock ticks on companies' timelines to reach their climate goals, we've got to keep raising the bar. That's why we're working on re-evaluating our criteria for recognized programs and initiatives in line with ongoing research into how conventional cotton production systems affect our water supplies, natural ecosystems, local landscapes, and communities in line with our [Climate+](#) strategy.

Our vision is not only to reduce negative impacts but to harness the potential benefits that global cotton production can have on people and the environment. With our wider roadmap for this fiber, we plan to drive the shift to organic and regenerative practices and systems. We will:

## **1. Identify core concerns with conventional cotton production systems and key calls to action**

Cotton production can be chemically intensive, using synthetic pesticides and fertilizers that contaminate water, degrade the quality of the soil, and impact the health of the farmers. The first step in our strategy is to map out the concerns we have with the continued use of these inputs, as well as genetically modified seeds, identifying critical actions for the industry to address the use of synthetic chemicals in farming.

## **2. Amplify cotton production programs and initiatives that drive positive impacts for people and the planet**

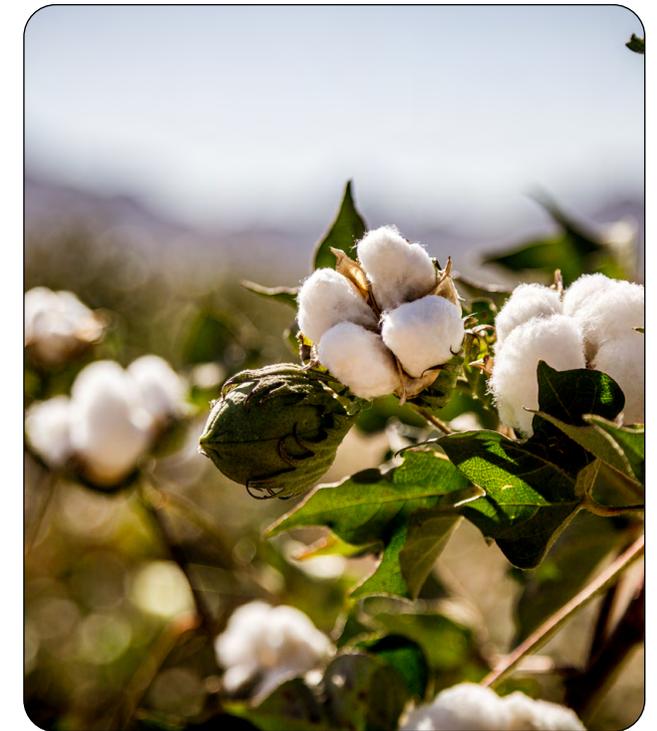
Next, we need to multiply the efforts being made by organizations and farmers around the world to move toward lower-impact systems. This includes expanding the production of cotton using agricultural practices with improved social or environmental outcomes (and thereby improving the data used to measure them), supporting agricultural systems that focus on building healthy soils, sharing risks and rewards with farmers, and scaling up solutions like recycled cotton.

## **3. Build traceability to country of origin and futureproof certification systems**

We want to increase the transparency to country of origin and ultimately back to the farm level for companies to have when sourcing cotton, giving them the leverage to understand associated impacts. We're also expanding our data and technology tracking capacity while refining our standards to ensure our chain of custody is continually improving, moving to a centralized approach to managing certification data.

## **4. Speed up the shift towards organic and regenerative best practices in cotton production that bring positive co-benefits**

This is all while ensuring the industry moves towards organic and regenerative cotton production. We're calling on companies to invest in pilot projects and expand current initiatives that are developed in full financial partnership with farmers, Indigenous communities, and researchers, generating data on the beneficial impacts of these agricultural systems.



# What's inside

<b>Executive Summary</b>	<b>4</b>
Key takeaways	4
Going forward	4
<b>Introduction</b>	<b>5</b>
History of the challenge	5
How to participate	5
Acknowledgments	5
Disclaimer	5
<b>Signatories and their Commitments</b>	<b>6</b>
Signatories	7
<b>Signatories' Performance</b>	<b>8</b>
Percentage of cotton sourced through recognized programs and initiatives	8
Percentage of cotton by initiative	8
Reporting	8
<b>Progress Towards the Industry's Goal</b>	<b>9</b>
<b>Methodology</b>	<b>10</b>
Key terms and definitions	10
Data sources	10
Modelling and assumptions	10
<b>About Textile Exchange</b>	<b>11</b>

# Executive Summary

Our [2025 Sustainable Cotton Challenge](#) is a catalyst to shift the market toward the use of cotton grown using agricultural practices that drive positive impacts for people and the planet.

In the context of this challenge, we recognize 15 cotton programs and initiatives around the world. These include: ABRAPA, BASF e3, Better Cotton Initiative (BCI), Cleaner Cotton [discontinued in 2020], Cotton made in Africa (CmiA,) Fairtrade, Fairtrade Organic, Field to Market, ISCC, myBMP, Organic Cotton, Recycled Cotton, REEL Cotton, Regenerative Cotton, In-Conversion Cotton (“Transitional” in the US), and the U.S. Cotton Trust Protocol.

In 2020, 30% of all cotton used in the industry came from these programs and initiatives.

Through this challenge, we aim to increase this to more than 50% by 2025, as signatories commit to sourcing 100% of their cotton from these programs and initiatives by the same year.

The progress made by our signatories so far reveals how entire commodity sectors can make rapid shifts toward more sustainable outcomes, so long as the business case is clear and senior-level leadership is behind the process.

Going forward, we recognize our responsibility in continuing to drive this progress forward by continually re-evaluating the programs and initiatives recognized by the challenge in line with emerging data. In doing so, we aim to ensure all options within this scope are fit for purpose to help achieve our [Climate+](#) goal of a 45% reduction in the greenhouse gas emissions that come from producing fibers and raw materials by 2030.

## Key takeaways

**162**  
companies

162 companies (including subsidiaries) signed up to the 2025 Sustainable Cotton Challenge by December 2021. By signing the pledge, the companies committed to sourcing 100% of their cotton from one or more of the recognized programs and initiatives by 2025.



**25%**  
signatories  
achieved  
target

25% (40) achieved their target by 2020. This means that they managed to source 100% of their cotton from one or more of the recognized programs and initiatives by then.



**72%**  
cotton from  
recognized  
sources

72% of the total amount of cotton sourced by all the signatories together came from recognized programs and initiatives in 2020. This significantly outperforms the 30% sourced from these programs by the industry overall in 2020.



**7%**  
market  
share

However, the market share of the reporting signatory brands and retailers was only roughly 7% of the total cotton market that year.

## Going forward

While the industry may celebrate the progress made, further acceleration is urgently needed.

- More companies need to join the 2025 Sustainable Cotton Challenge and commit to increasingly ambitious targets.
- Textile Exchange must continue to re-evaluate the programs and initiatives recognized by the challenge to ensure they are fit for purpose to reach its Climate+ goals.
- The language used within the challenge must evolve to reflect the increasing ambiguity around the word “sustainable” and provide a more direct message for signatories to use on the criteria for a program or initiative to be recognized by the challenge.
- Overall material consumption needs to be reduced, decoupling value creation from new resource extraction.

# Introduction

## History of the challenge

The 2025 Sustainable Cotton Challenge aims to increase the uptake of cotton production practices that boost the income of smallholder farmers and eliminate or reduce the hazardous pesticides and synthetic fertilizers used, improving water quality and soil health.

The challenge was started by His Royal Highness The Prince of Wales' International Sustainability Unit. It was born in May 2017 as the “sustainable cotton communiqué,” a pledge drafted by a small steering group including the International Sustainability Unit, Marks & Spencer, The Soil Association, Textile Exchange, Levi Strauss & Co., and Kering to encourage brands to source 100% of their cotton from more sustainable programs and initiatives by 2025.

In March 2018, with the closure of the International Sustainability Unit, Textile Exchange took over the management of this initiative and created the “2025 Sustainable Cotton Challenge.”

We will continue to build on the momentum created through this initiative, enrolling more brands and helping to secure a lower-impact cotton sector

## How to participate

Learn more about how to join the 2025 Sustainable Cotton Challenge and sign up: <https://textileexchange.org/2025-sustainable-cotton-challenge/>

## Acknowledgments

### Core Report Team

- Rui Fontoura
- Sophia Opperskalski
- Sophie Ridler
- Suet Yin Siew
- Megan Stoneburner

### Report Team

- Bonolo Madibe
- Prerna Pandey
- Andrea Patanè
- Ömür Suner
- Evonne Tan
- Liesl Truscott
- Hayley Warren

## Disclaimer

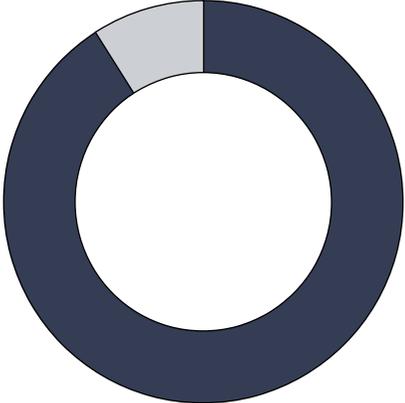
While Textile Exchange reviews all data entries, checks calculations, and carries out consistency checks, it does not verify the accuracy of the data or disclosures within a company's survey submission, or the process of preparing the disclosures. That responsibility remains with the participating company.



# Signatories and their Commitments

**162** companies (including subsidiaries) signed up to the 2025 Sustainable Cotton Challenge between its launch in May 2017 and December 2021. This includes 147 (91%) brands/retailers and 15 (9%) suppliers/manufacturers.

By signing the pledge, the companies committed to sourcing 100% of their cotton from one or more of the recognized programs and initiatives by 2025.



**2021 signatories by type  
(May 2017 to December 2021)**

- Brand/retailer (91%)
- Supplier/manufacturer (9%)

# Signatories and their Commitments

## Signatories

### Brands/retailers:

adidas AG ( <i>Adidas, Reebok</i> )	<i>International, Terra Thread</i>	<i>Veneta, Balenciaga, Alexander McQueen, Brioni, Boucheron, Pomellato, DoDo, Qeelin, Ulysse Nardin, Girard-Perregaux</i>	Otto Group ( <i>OTTO, Bonprix, Crate &amp; Barrel, Witt, Heine, Sheego, fgh, Venus</i> )	<i>VOICE (VIC, Match, Boys of Europe, Jean Paul, Va Vite, Henry Choice, Mario Conti, Marie Philippe, Blu, Redford, Donna, Mr.Capuchin, Vos Not Vos, Alvo)</i>
ALDI SOUTH Group / ALDI Nord Group of Companies ( <i>ALDI, HOFER S/E</i> )	<i>Gap Inc. (GAP, Banana Republic, Old Navy, Athleta)</i>	<i>KID ASA (Kid Interiør AS, Hemtex AB)</i>	Pact	
Amberoot	<i>greenfibres limited</i>	<i>Knickey</i>	Piping Hot Australia Pty Ltd	
ASOS Plc.	<i>G-Star RAW</i>	<i>Lands' End</i>	prAna	WOOLWORTHS PTY LTD
Benetton Group ( <i>United Colors of Benetton (UCB) and Sisley</i> )	<i>H&amp;M Group (H&amp;M, COS, Monki, Weekday, &amp; Other Stories, H&amp;M Home, ARKET, Afound)</i>	<i>Levi Strauss &amp; Co.</i>	Reformation	
Boll & Branch	<i>Hanky Panky Ltd.</i>	<i>Index</i>	Scotch & Soda**	
Burberry	<i>IKEA of Sweden AB</i>	<i>Madewell</i>	SKFK Ethical Fashion	<b>Suppliers/ manufacturers:</b>
Burton ( <i>Burton, Anon</i> )	<i>INDIGENOUS</i>	<i>MANGO</i>	Stanley/Stella S.A.	Interloop Limited
C&A	<i>Inditex (Zara, Zara Home, Pull&amp;Bear, Massimo Dutti, Bershka, Stradivarius, Oysho, Uterqüe)</i>	<i>Mantis World Limited</i>	Stella McCartney	ITOCHU Corporation
Coyuchi, Inc.	<i>J Sainsbury Plc</i>	<i>Mara Hoffman Inc</i>	Tact & Stone	Orimpex Textile
Deckers Brands ( <i>UGG, Koolaburra by UGG, Hoka, Teva and Sanuk</i> )	<i>J.Crew</i>	<i>Marks and Spencer</i>	Ted Baker	Alpine Group - Paradise Textiles
Dedicated Sweden AB	<i>J Wear by Jalin Design**</i>	<i>Mayamiko</i>	tentree International, Inc	Sahyadri Farms Sustainable Grassroots Initiatives Limited
ECOofashion Corp ( <i>MetaWear, Yes And, Seed to Style, Farm to Seed</i> )	<i>Joules</i>	<i>Mini Rodini*</i>	Tesco Stores Ltd	Sapphire Textile Mills Limited
EILEEN FISHER, INC.	<i>KALANI-home</i>	<i>Moose Knuckles</i>	The Very Group ( <i>Very, Littlewoods, Littlewoods Ireland</i> )	SULOCHANA MILLS, INDIA
Everywhere Apparel	<i>KappAhl Sverige AB</i>	<i>Mulberry</i>	Timberland, a division of VF Outdoor, LLC	TCE Corporation*
Gallant International Inc. ( <i>Gallant</i> )	<i>Kathmandu Limited</i>	<i>Naturepedic Organic Mattresses &amp; Bedding</i>	Totême	Usha Yarns Ltd**
	<i>Kering (Gucci, Saint Laurent, Bottega</i>	<i>New Look Retailers Ltd.</i>	Underworks*	UPW
	<i>Laurent, Bottega</i>	<i>Next</i>	VARNER ( <i>Dressmann, Cubus, Carlings, Bik Bok, Urban/Junkyard, Volt</i> )	WTS
		<i>NIKE, Inc. (Nike, Converse, Jordan)</i>		
		<i>Nudie Jeans</i>		

### Legend:

\* Companies that signed up between August and December 2021 after the Corporate Fiber and Materials Benchmark submission period had already started, and therefore were excluded from the reporting requirements in 2021.

\*\* Companies that signed up between August and December 2021 but still reported their 2020 total cotton volume, and the volume sourced through one or more of the recognized programs and initiatives, via the Corporate Fiber and Materials Benchmark.

### Note:

This list includes all signatories who reported their 2020 total cotton volume, and the volume sourced through one or more of the recognized programs and initiatives.

It also includes new signatories that signed up between August and December 2021 after the Corporate Fiber and Materials Benchmark submission period had already started, and therefore were excluded from the reporting requirements in 2021.

It does not include the 14 signatories (9 brands/retailers and 5 suppliers) that signed up before August 2021 but didn't report their 2020 total cotton volume, and the volume sourced through one or more of the recognized programs and initiatives, via the Corporate Fiber and Materials Benchmark.

# Signatories' Performance

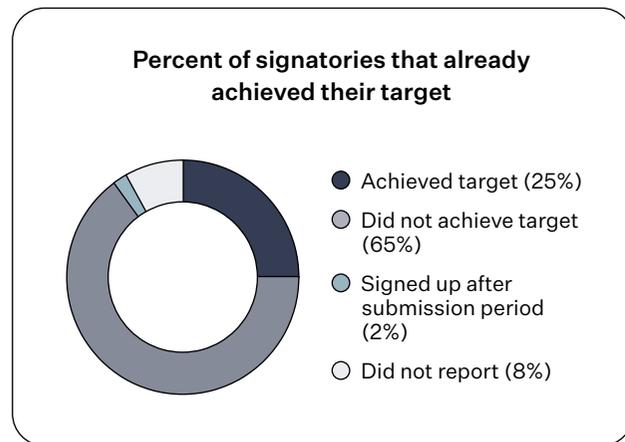
## Percentage of cotton sourced through recognized programs and initiatives

**25%** (40) of the 162 signatories achieved their target in 2020 or earlier and sourced 100% of their cotton from one or more of the recognized programs and initiatives by then.

**20%** (32) sourced more than 80% of their cotton from one or more of the recognized programs and initiatives, **14%** (22) sourced more than 60%, and **11%** (18) sourced more than 45%.

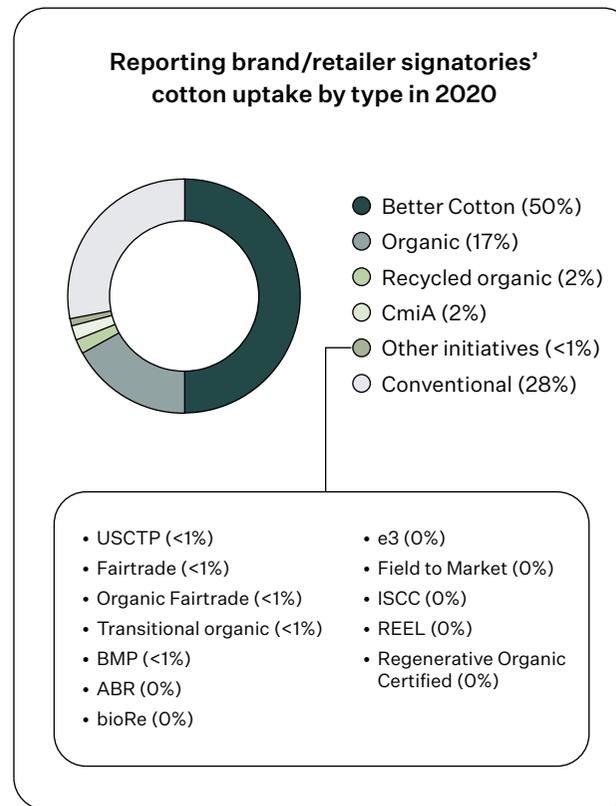
**20%** (33) sourced less than 45% of their cotton from one or more of the recognized programs and initiatives.

With **72%** of their cotton sourced from recognized programs and initiatives in 2020, the reporting signatories significantly outperformed the overall market share of cotton from these programs in 2020, which sat at **30%**. However, there is still plenty of potential for improvement.



## Percentage of cotton by initiative

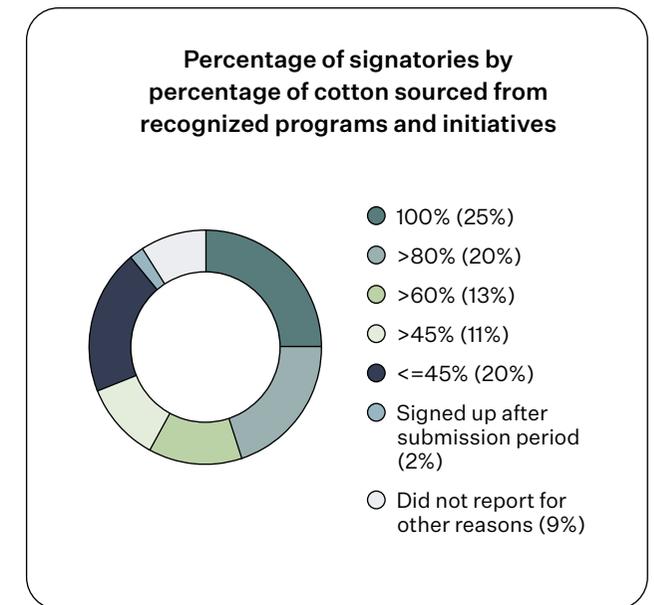
**50%** of the cotton used by the reporting signatories (brands/retailers) was BCI cotton, **28%** was conventional cotton, **17%** was organic cotton, **2.3%** was recycled cotton, **2.2%** was Cotton made in Africa, **0.17%** was U.S. Cotton Trust Protocol, **0.09%** was Fairtrade, and **0.09%** was Organic Fairtrade.



## Reporting

**2%** (3) did not report their 2020 total cotton volume, and the volume sourced through one or more of the recognized programs and initiatives, because they signed up after the Corporate Fiber and Materials Benchmark submission period had already started.

**9%** (14) did not report their 2020 total cotton volume, and the volume sourced through one or more of the recognized programs and initiatives, for other reasons.



# Progress Towards the Industry's Goal

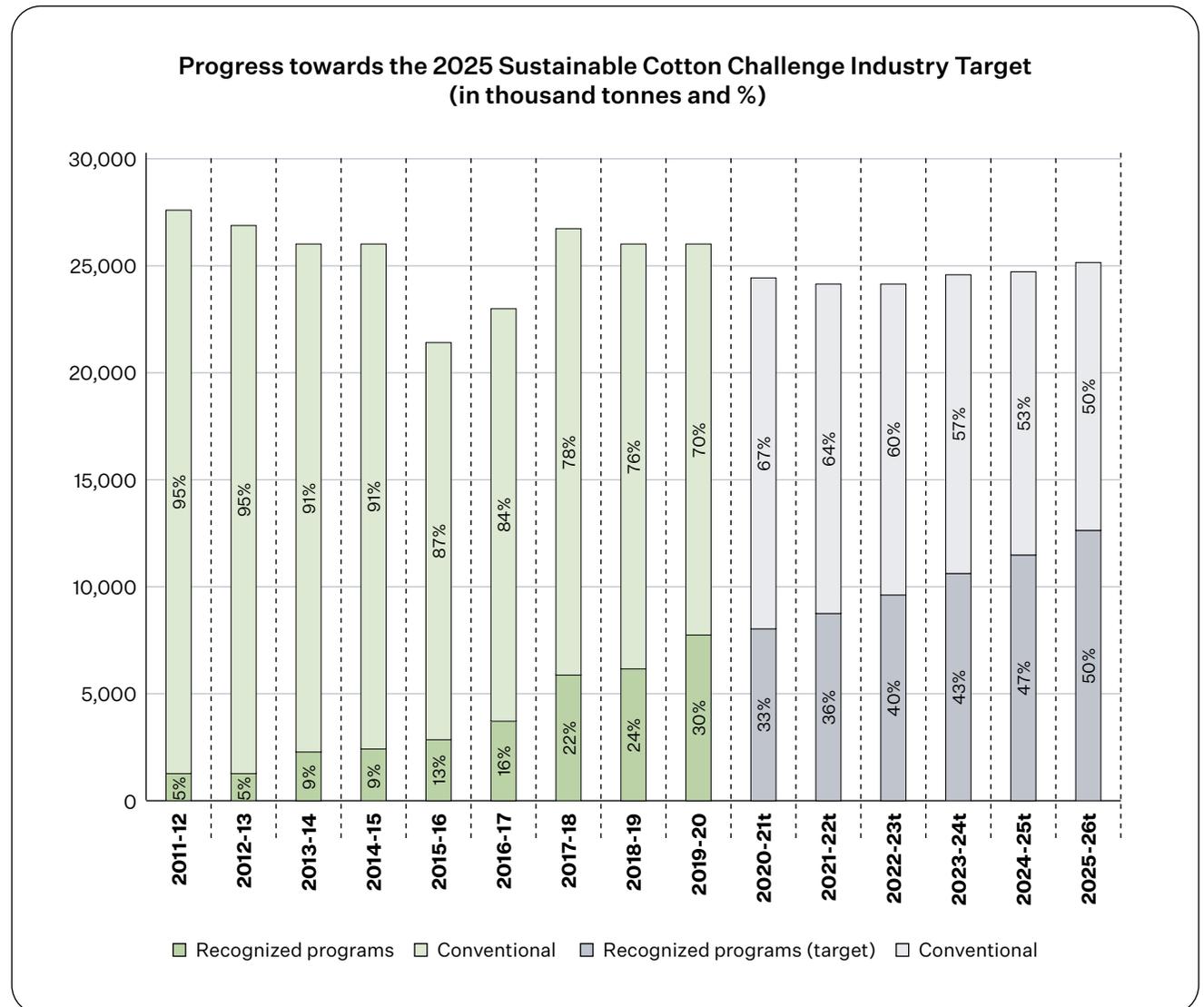
The industry made significant progress by increasing the market share of cotton from the recognized programs and initiatives from **16%** in 2017 to **30%** in 2020.

This growth equals an increase in the global production volume of cotton from recognized programs and initiatives from around 3.8 million tonnes in 2017 to around 7.8 million tonnes in 2020. The majority of this was Better Cotton, including its equivalents ABRAPA, Cotton made in Africa, and myBMP, which accounted for around **24%** of all cotton used that year.

All other cotton programs and initiatives together, including BASF e3, Cleaner Cotton, Fairtrade, Field to Market, ISCC, organic, REEL cotton, and the U.S. Cotton Trust Protocol, had a combined market share of around **5%** of all cotton used in 2020.

A significant further acceleration is needed to achieve the 2025 Sustainable Cotton Challenge's vision of more than 50% of the world's cotton coming from recognized programs and initiatives by then.

The market share of the reporting signatory brands and retailers was around 1.8 million tonnes in 2020 (roughly **7%** of total cotton market that year). This shows that more signatories are needed to create system change.



# Methodology

## Key terms and definitions

### **Cotton year:**

The cotton year runs from August 1 to July 31, reflecting the planting and harvesting patterns for the crop. The dates referenced in this report correspond to the end of the year; for example, 2020 refers to the 2019-2020 cotton year, and 2021 refers to the 2020-2021 cotton year.

### **Signatory:**

A brand/retailer or supplier/manufacturer that signed on to the 2025 Sustainable Cotton Challenge.

## Data sources

### **Signatory data:**

Signatories' data was collected via Textile Exchange's [Corporate Fiber and Materials Benchmark Program](#) between July and December 2021 for the 2020 reporting cycle, and historical data when available.

### **Industry data:**

Global cotton fiber data is based on data from ICAC. The volumes of cotton 2020 sourced through one or more of the recognized programs and initiatives were collected from the [Preferred Fiber and Materials Market Report 2021](#).

## Modelling and assumptions

### **Signatories counting:**

If holding companies report for their subsidiaries, each subsidiary is counted and listed separately.

### **Data gaps:**

Where data gaps exist, Textile Exchange attempts to replace these values with best estimates from historical or comparable proxies.

### **Growth rate:**

The global cotton market scenario was modeled based on ICAC's cotton market forecasts.

### **Market share:**

Signatories' market share was roughly estimated by comparing the aggregated volumes of the reporting signatories for a certain year (2020) with the production volume of the same given year (2020 based on 2019/20 cotton harvest year).

# About Textile Exchange

At Textile Exchange, our goal is to help the industry achieve a 45% reduction in the greenhouse gas (GHG) emissions that come from producing fibers and raw materials by 2030. This is known as Tier 4 of the supply chain, and it accounts for 24% of the industry's GHG impacts related to the supply chain.

This goal underpins our Climate+ strategy. We're calling it Climate+ because it goes beyond accounting for greenhouse gas emissions. Instead, it is an interconnected approach that swaps siloed solutions for interdependent impact areas like soil health, water, and biodiversity.

Our strategy is underpinned by three major areas of impact—and opportunity:

First, we're accelerating the adoption of organic, regenerative, recycled, or other more responsible alternatives to conventional fibers. We want to make these materials the accessible default by providing global certifications and standards as well as industry-wide benchmarking for brands to measure and manage their sourcing strategies.

Next, we need innovation and out-of-the-box thinking. New business models, circular systems, and even innovative materials. This means collecting better data and facilitating information sharing around how we can scale existing solutions, like regenerative agriculture and textile-to-textile recycling. We do this through our industry reports and data-driven tools, while bringing leaders together via our round tables, conference, and other platforms.

Most importantly, we've got to rethink growth. Slowing down, making less, and producing with purpose. Our vision is a new system that works in sync with nature, respecting planetary boundaries while protecting the people that sustain it. To get there, we're keeping our focus holistic and interconnected as we guide our global community in this collective climate strategy.

The 2025 Sustainable Cotton Challenge is partnership in action. Learn more: <https://textileexchange.org/2025-sustainable-cotton-challenge/>

