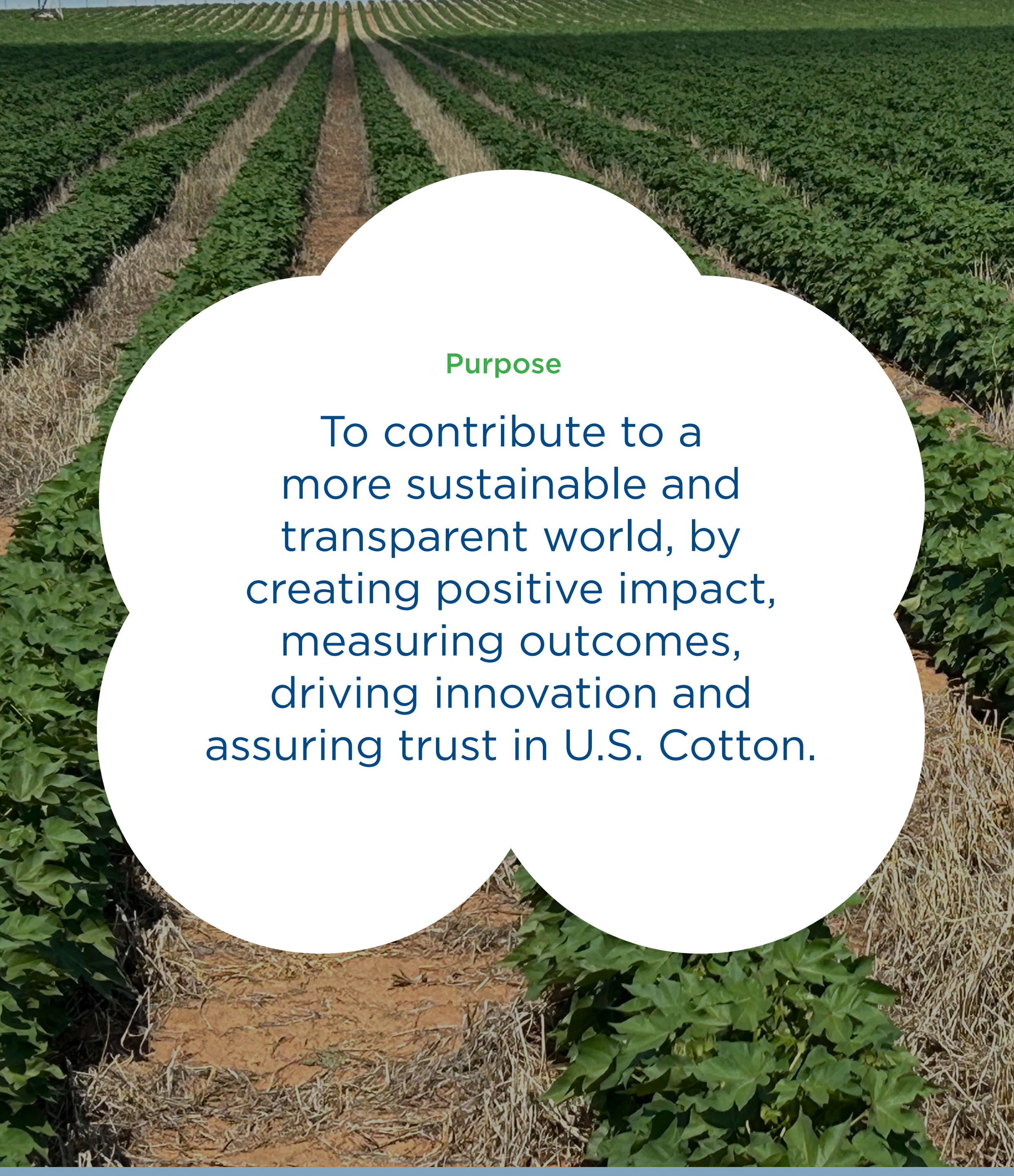# U.S. COTTON TRUST PROTOCOL STRATEGIC PLAN

SEPTEMBER 2024

Purpose

To contribute to a more sustainable and transparent world, by creating positive impact, measuring outcomes, driving innovation and assuring trust in U.S. Cotton.

OUR ROOTS

The U.S. Cotton Trust Protocol is the voluntary sustainability program for U.S. cotton growers and traceability platform for all U.S. Cotton. As the world's first cotton fiber program to offer article-level traceability, we are at the forefront of delivering full transparency and accountability throughout the cotton supply chain.

Since our inception, we have been committed to ensuring that U.S. Cotton is recognized as the most responsibly produced in the world. Our journey began with the recognition that while U.S. cotton growers were already implementing sustainable practices, there was a need for a system to measure and verify these efforts. This led to the creation of the U.S. Cotton Trust Protocol.

Today, we support our growers in their continuous improvement efforts and stand as the only cotton program that provides comprehensive field-to finished product visibility, allowing us to track cotton from the farms where it is grown to the fiber where it is turned into products.

This unique capability has positioned us as a trusted partner for brands and retailers seeking to source sustainably grown cotton.

Our commitment to continuous improvement is instrumental in shaping the future of U.S. Cotton. We regularly evaluate and refine all aspects of our operations, from farming practices to data capture and reporting methods. This commitment has allowed us to maintain our effectiveness, relevance, and alignment with the evolving needs and expectations of our stakeholders – from the fields to the shop floor to policy shapers.

In terms of our membership, we have seen significant growth. We now count a substantial portion of U.S. cotton growers among our members, along with many mills, manufacturers, and brands. These stakeholders recognize the value of our program not just in terms of sustainability, but also in providing them with a competitive edge in the marketplace.

Looking ahead, we will maintain a credible framework where all U.S. Cotton could be considered sustainable. We are exploring forward-looking models and markets, which provide economic and development opportunities for our growers, and are actively pursuing partnerships with industry players, NGOs, and government agencies to amplify our impact and reach.

We are committed to helping our brands and retailers navigate the changing sustainability landscape, including regulations and voluntary initiatives. We are confident our environmental data will support reporting and compliance emerging requirements.

As we continue on this journey, we remain steadfast in our purpose: to ensure that we contribute to a more sustainable and transparent world, by creating positive impact, measuring outcomes, driving innovation and assuring trust in U.S. Cotton.

The road ahead is complex and ever changing, but with the continued support of our members and partners, we are confident that we can transform the future of U.S. Cotton.

Purpose

Ensure that we contribute to a more sustainable and transparent world, by creating positive impact, measuring outcomes, driving innovation and assuring trust in U.S. Cotton.

Vision

To be the world's most trusted fiber program where full traceability is a reality and continuous, measurable improvement of our environmental footprint sets the standard for the global market.

Mission

To create a sustainable standard for U.S. Cotton that is data-powered, traceable by design, and generates positive impact through the global cotton value system–from farms to finished product.

Core Values

A commitment to U.S. Cotton's legacy of authenticity, innovation and excellence, environmental stewardship, caring of people, and personal and corporate integrity.

STRATEGIC PILLARS

01	ENVIRONMENTAL
02	TRACEABILITY
03	CONTINUOUS IMPROVEMENT

Underpinned by a commitment to integrity

Our Strategic Framework

Purpose

Vision

Mission

Core Values

01 STRATEGIC PILLAR

Environmental

GOAL

Maintain our position as an established credible framework where the field-level environmental impact of U.S. Cotton production is measured and verified, with a future where all U.S. Cotton could be sustainably certified.

STRATEGIES & KPIs

02 STRATEGIC PILLAR

Traceability

GOAL

Deliver a comprehensive, scaled, traceability system that is accessible and enables full transparency and accountability throughout the cotton supply chain.

STRATEGIES & KPIs

03 STRATEGIC PILLAR

Continuous Improvement

GOAL

Ensure that the U.S. Cotton Trust Protocol leads the way for cotton and sustainability, and therefore that we remain effective, relevant, and aligned with the evolving needs and expectations of its stakeholders – from the fields to the shop floor to policy shapers.

STRATEGIES & KPIs

These 3 pillars are underpinned by our unwavering commitment to **integrity**.

Environmental

CURRENT STATE

The Trust Protocol is the only program to offer quantifiable and measurable goals and measurement across six key sustainability metrics

GOAL

Maintain our position as an established credible framework where the field-level environmental impact of U.S. Cotton production is measured and verified, with a future where all U.S. Cotton could be sustainably certified.

STRATEGIES

Refine Measurement Methodologies

Continuously enhance quantifiable goals and metrics in line with globally (or market) relevant sustainability indicators and frameworks.

Enhance the current quantifiable and measurable goals across six key sustainability metrics.

Explore and implement new science and metrics in emerging areas such as biodiversity, regenerative, waste and the addition of social improvement indicators.

Ensure we are creating and using best in class tools that are scalable and accessible for U.S. cotton growers.

Ensure the Grower Questionnaire and Principles and Criteria are reviewed and updated on a regular basis, with a focus on capturing more significant or unique production practices.

Data Quality and Capture

Invest in technology to improve data capture and quality, ensuring accurate and reliable measurement and tracking of environmental impact at scale.

Develop a process to support growers not demonstrating improvement over time.

Develop an effective process for revisions to the Grower Questionnaire and Principles and Criteria.

Grower Recruitment and Retention

Implement strategies to recruit more growers into the program whilst retaining existing members. These should include the provision of insights to growers on the monetization of environmental and business benefit.

Demonstrate Positive Impact

Regularly publish reports demonstrating the environmental impact of the U.S. Cotton Trust Protocol, backed by verified data. Create a peer-to-peer mentoring and best practice sharing program to help drive more sustainability-aware growers.

Partnerships and Collaborations

Forge partnerships with industry players, NGOs, and government agencies as well as field partnership programs and gins to amplify impact and reach.

Brand and Value System Engagement

Continuous monitoring and alignment towards globally benchmarked measurements and frameworks as well as compliance and regulatory requirements.

KPIs & OUTCOMES

Refine Measurement Methodologies

- Time to complete enrollment

- Percentage improvement across each of the six sustainability metrics

- Number of additional practice measurements/metrics introduced

- Number of revisions made to the Grower Questionnaire and Principles and Criteria per 3-year cycle

- Engagement from stakeholders including growers on the revised Grower Questionnaire and Principles and Criteria

- Identification and implementation of Explore measuring social indicators 'beyond compliance'

Data Capture and Quality

- Percentage improvement in data accuracy

- Reduction in inputted data errors or discrepancies per year

- Percentage of growers followed up with after indicating 'I plan to'

- Conversion rate of growers implementing the changes they planned to make

- Identify more diverse questions to capture more significant or unique production practices

Grower Recruitment and Retention

- Number of new growers recruited into the program per year

- Volume of harvested acres and cotton production

- Retention rate of existing members on a yearly basis

- Quality of actionable insights provided to growers

- Measurable increase in growers' revenue or decrease in costs as a result of implemented insights

- Capture and review of 'unintended consequences' for growers

Demonstrate Positive Impact

- Percentage change in environmental impact metrics as reported in the annual report

- Develop a program to encourage continuous improvement to generate insights on a regular basis. Stimulate continuous improvement at field level

- Number of peer-to-peer mentoring relationships established as well as feedback score from participants in the mentoring program

Partnerships and Collaborations

- Reach or impact achieved through these partnerships (could be measured in terms of audience reached, policies influenced, new membership in the Trust Protocol etc.)

- Number of new partnerships with shared outcome goals forged and strong partnerships maintained with industry players, NGOs, and government agencies per year

Brand and Value System Engagement

- Number of brands engaged with on an annual basis

- Transparent reporting of PCCUs tracked

- Quantity of brands meeting their sustainability goals using U.S. Cotton Trust Protocol environmental metrics

- Quantity of brands and retailers using the updated guidelines for compliance, reporting, and marketing

Traceability

CURRENT STATE

The Trust Protocol is the first cotton fiber program to offer article level traceability.

GOAL

Deliver a comprehensive, scaled, traceability system that is accessible and enables full transparency and accountability throughout the cotton supply chain.

STRATEGIES

Scaling Up

Design and deliver a formalized playbook, tools and training which enable the adoption and scaling of the program across the supply chain.

Design and deliver accessible sourcing solution value proposition that allows members (brands and retailers and mills and manufacturers) to easily visualize and find members, active mills and manufacturers and eventually inventories of Trust Protocol eligible materials through the ecosystem.

Enhance our Infrastructure

Explore additional technology partners to enhance article-level traceability as well as interoperability as well as create the human resource infrastructure necessary to deliver effective support to participants involved in scaling the PCMS across the full supply chain.

Engage Stakeholders with Training and Education

Conduct workshops and training sessions for all stakeholders to ensure they understand how to use and benefit from the traceability system and help design its continued evolution.

Develop self-supporting tools for members once they have onboarded.

Assurance

Develop and deploy robust digital and physical verification schemes to assure the digital traceability data is accurate, complete and reflects physical transformations and commercial transactions that have occurred in the supply chain.

Create value for downstream users of cotton: provide traceability platform that reduces brand risks and creates opportunities to communicate aspects of sustainability.

Communication and Marketing

Develop and deliver comprehensive marketing assets to showcase how the Trust Protocol benefits members including navigating global customs and regulations, providing supply chain traceability of U.S. Cotton, driving value and demand for Protocol Cotton, and unlocking access to powerful environmental data for enhanced brand value and consumer trust.

KPIs & OUTCOMES

Scaling Up
- Increase in volume of U.S. Cotton and Protocol Cotton
- Measurements of user adoption, acceptance and satisfaction

Infrastructure
- Improvement in user experience and accelerated scaling by members
- Establish timelines related to interoperability functionality and measurement against those timelines

Engage Stakeholders with Training and Education
- Number of workshops and training sessions conducted
- Feedback from stakeholders on their understanding and perceived benefit of the traceability system

Assurance
- Establishment of chain of custody guidelines including physical segregations and review cycle of the process to assure best practice
- Verification results across digital, physical and 3rd-party verifications
- Complete pilot for forensic testing with Oritain

Communication and Marketing
- Awareness and understanding of the program and inclusion in members' corporate reporting and customer marketing

Continuous Improvement

CURRENT STATE

"Continuous Improvement" refers to an ongoing effort to improve the profitability, sustainability and traceability of U.S. Cotton production. This involves regularly evaluating and refining all aspects of the cotton supply chain, from farming practices to data capture and reporting methods.

GOAL

Ensure that the U.S. Cotton Trust Protocol leads the way for cotton and sustainability, and therefore that we remain effective, relevant, and aligned with the evolving needs and expectations of its stakeholders – from the fields to the shop floor to policy shapers.

STRATEGIES

Process Improvement

Regularly evaluate and refine our practices, data capture methods, and reporting protocols to ensure we deliver on our commitment to continuous improvement and thereby regularly updating the U.S. Cotton Trust Protocol based on stakeholder feedback, new research findings, and changes in the industry and regulatory landscape.

Capacity Building

Accelerate grower uptake of sustainable practices by creating a Field Innovation Fund which can be used to identify new practices, help save money, stimulate uptake and improve efficiencies.

Maximize the opportunities provided by the Climate Smart Cotton Program grant to support growers with financial and operational incentives to drive broader sustainable cotton production uptake across the U.S.

Conduct training programs for growers, manufacturers, retailers, and other stakeholders to ensure they have the skills and knowledge needed to support sustainable cotton production.

Conduct training for mills, manufacturers, brands and general public so that they better understand how the cotton in their items is grown.

Strengthen and Simplify the Program

Develop a roadmap to streamline processes, making them more efficient and user-friendly. Evolve the value proposition based on industry trends and customer feedback to ensure it remains compelling and relevant.

Pursue Partnerships with Shared Purpose and Vision

Identify and engage potential partners who share the U.S. Cotton Trust Protocol's commitment to sustainability and traceability. This could include other industry players, NGOs, government agencies, or research institutions. Develop joint initiatives that leverage each partner's strengths and resources to amplify impact.

Explore Forward-Looking Models and Markets

Conduct research to identify emerging trends and opportunities in the market, such as carbon trading or circular economy models. Develop pilot projects or partnerships to test these new approaches and assess their potential benefits for the U.S. Cotton Trust Protocol. Aim to be the organization who has the next move ready to assist growers in their sustainability efforts and their financial opportunity and is seen as the leading sustainability resource for all U.S. cotton growers.

Assurance of the Value System —from Fields to Fiber

Implement rigorous verification processes to help ensure that all participants in the U.S. Cotton Trust Protocol's supply chain are acting ethically and responsibly. This could include background checks, audits, or third-party certifications.

KPIs & OUTCOMES

Process Improvement
- Effective stakeholder consultation demonstrated
- Transparent reporting of our process changes in all materials including the annual report
- Look to leadership around the globe and from research institutions or federal regulations that may have suggestions for future recommendations in the cotton production industry

Capacity Building
- Amount of funds allocated to the Field Innovation Fund and number of growers benefiting from it
- Number of growers adopting sustainable practices as a result of the Climate Smart Cotton grant

Strengthen and Simplify the Program
- Clear and transparent communication of the revised value proposition
- Feedback from customers on the relevance and appeal of the refined value proposition

Pursue Partnerships with Shared Purpose and Vision
- Framework for assessing prospective partners established
- Number of relevant partnerships established/ maintained per year
- Impact achieved through these partnerships (could be measured in terms of audience reached, policies influenced, etc.)

Explore Forward-Looking Models and Markets
- Defined set of problems to solve through funding and innovation
- Funnel created to assess new opportunities
- Number of pilot projects or partnerships developed to test new approaches
- Build out a resource portfolio, updated annually, by region, with all possible resources producers would need to adopt more conservation, climate smart or regenerative practices. Could include grant opportunities, loan or subsidy options, new equipment dealerships that have equipment necessary to adopt more efficient farming, list of merchants and marketers, links to research topics, etc.

Assurance of the Value System— from Fields to Fiber
- Process established including reviewing our field level grower verification program

01	ENVIRONMENTAL
02	TRACEABILITY
03	CONTINUOUS IMPROVEMENT

These 3 pillars are underpinned by our unwavering commitment to **integrity**.

Governance
Ensure a robust governance structure that ensures accountability, transparency, and effective decision-making within the U.S. Cotton Trust Protocol. This could include setting up committees or working groups, defining roles and responsibilities, and implementing policies and procedures for key processes.

Funding
Develop a sustainable funding model to support the ongoing operations and growth of the U.S. Cotton Trust Protocol. This could involve seeking grants, sponsorships, or partnerships, as well as directly exploring revenue-generating activities of membership and consumption fees.

Regular Review of Member and Stakeholder Frameworks
Conduct regular reviews of core program documents including Claims Framework, Principles and Criteria, and Theory of Change to ensure they remain accurate, relevant, and compliant with industry standards and regulations. Update the framework as needed based on these reviews.

Stakeholder Alignment
Foster strong relationships with stakeholders through regular engagement, feedback sessions and collaborative initiatives. Use insights gained from these interactions to continuously improve the U.S. Cotton Trust Protocol and align it with stakeholders' evolving needs and expectations.

Communication and Marketing
Develop and implement a comprehensive communication and marketing strategy to promote the U.S. Cotton Trust Protocol and its benefits to key stakeholders. This could include public relations campaigns, social media engagement, content marketing, events, and other tactics to raise awareness and build the U.S. Cotton Trust Protocol's reputation as a leader in sustainable and traceable cotton production.

Risk Mitigation and Management
Implement a comprehensive risk management strategy to identify, assess, and mitigate potential risks to the U.S. Cotton Trust Protocol. This could include regular risk assessments, development of contingency plans, and ongoing monitoring of risk factors.

Progress Policy Agenda and Industry Landscape
Engage with policymakers and industry leaders to advocate for policies and practices that support sustainable and traceable cotton production. Keep abreast of changes in the industry landscape and align the U.S. Cotton Trust Protocol's strategies accordingly.

Explore Social Sustainability Program
Investigate opportunities to create a social impact program that enhances the U.S. Cotton Trust Protocol's positive impact on communities. This could involve initiatives focused on education, health, economic development, equalities, affected communities, or other areas of social sustainability.

KPIs & OUTCOMES

Governance
- Clear governance structures (committees or working groups) established
- Compliance rate with established policies and procedures
- Effective grievance mechanisms in place

Funding
- Amount of funds raised through grants, sponsorships, partnerships, or revenue-generating activities
- Sustainability of the funding model, measured by the ratio of funds raised to operational costs

Regular Review of Member and Stakeholder Frameworks
- Number of reviews conducted over 5-year period
- Number of updates made to the framework based on review findings
- Achieve and maintain ISEAL code compliance
- Framework alignment & collaboration with organizations like Textile Exchange, Cascale and others

Stakeholder Alignment
- Stakeholder engagement activities conducted per year
- Feedback from stakeholders on their alignment with the U.S. Cotton Trust Protocol

Communication and Marketing
- Reach and engagement of these campaigns, measured by metrics like audience reach, social media engagement, event attendance, etc.

Risk Mitigation and Management
- Creation, review and compliance with risk management plans
- Reduction in exposure to risk through mitigation action i.e. Reduced risk score

Progress Policy Agenda and Industry Landscape
- Monitoring of policy agenda and effective input of the Trust Protocol position
- Collaborate with members and partners for effective progress of the agenda

Explore Social Sustainability Program
- Creation of framework for social good program
- Impact of these initiatives, measured by metrics like number of people benefited, improvement in community indicators, etc.
- Economic and social materiality assessment of U.S. Cotton on communities

To learn more about membership in the Trust Protocol visit
www.TrustUSCotton.org

For additional resources, including information documents on membership journeys, guidelines and claims frameworks, please visit **here**.

If you have additional questions, please reach out to
info@TrustUSCotton.org