

1 Integration of commodity policies into corporate management systems or CSR activities

The material flow perspective of organic cotton brings a lot of opportunities for companies to substantiate their credibility. Thus a clear target setting for the organic cotton material flow could bring in quantifiable indicators into either the Corporate Social Responsibility (CSR) activities or in the environmental (ISO14000ff) or social management system (SA 8000, AA 1000).

Both sectors - CSR and management systems - are not unquestioned by NGOs with regard to the practical achievements. Bringing increasing amounts of organic commodities can not only be simply and clearly communicated under the umbrella of these sectors, but as well easily quantified. Since the certification allows a chain of custody of raw materials even quantity wise, such a monitoring can be installed rapidly and integrated into the management systems' reporting.

And here is one of the big advantages of such instrument for companies, that are listed on the stock market: Most sustainable investment funds look for credible raw material policies of the companies they would like to invest in.

Colourful CSR brochures are certainly a help, but a quantified target setting for sustainable commodities will be one of the most substantial elements for giving a rationale for the investment. Based on the ongoing hot discussion about the sourcing of commodities on one hand and an emerging food crisis on the other, no stock market listed company can argue their sustainability without having a consistent raw material policy based on increasing volumes of their major commodity.

In a number of cases such instruments also supported the identification of useful cost-cutting measures, because the integrated view on the raw material impulsed a more systematic purchase.

2 Joint platform to communicate and monitor the achievements in increasing the organic cotton flow

The simple target setting in form of an organic percentage of the entire material flow cannot only be communicated on the corporate level. This indicator could also serve as useful communication and monitoring tool that visualises the joint efforts of several companies and institutions on one platform. Figure 1 gives an example (all data are completely fictitious just to make the example practical and less abstract).

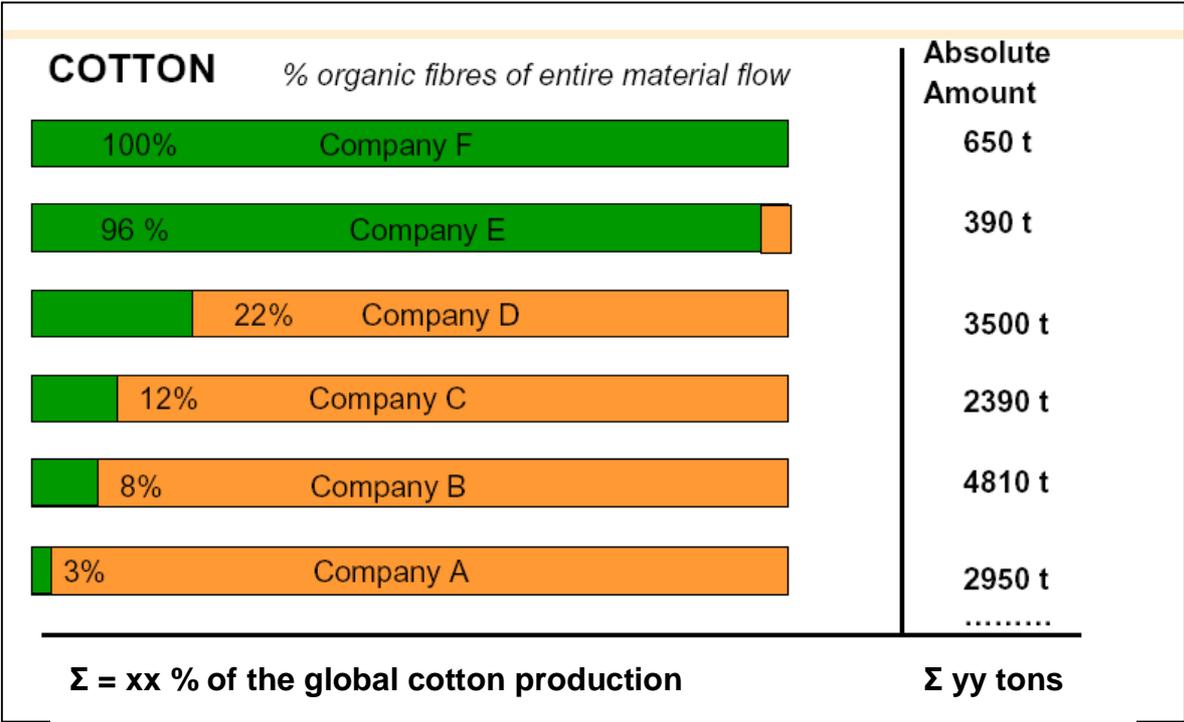


Figure 1: Fictitious example of a monitoring and communication system to visualise joint efforts of the organic cotton community

The advantage of such a system is that it can unify companies that are specialised on organic cotton and thereby have a high percentage and companies that are huge and therefore may have difficulties in increasing their percentage but have a high absolute amount of organic cotton purchases.

The aggregated figures allow also a summarised statement of the joint achievements or benefits the global organic cotton production has achieved with regard to environmental or social advantages. Information and figures, which than can be used in the individual communication of a company thereby showing that they are participating in a strong and pro-active movement.

Such a system plugs into recent international discussions about other raw materials as well. Thus it allows even a visualisation of the achievements of companies in different sectors, as depicted in Figure 2. Various international institutions or NGOs would qualify to become the nodal point of such a system.

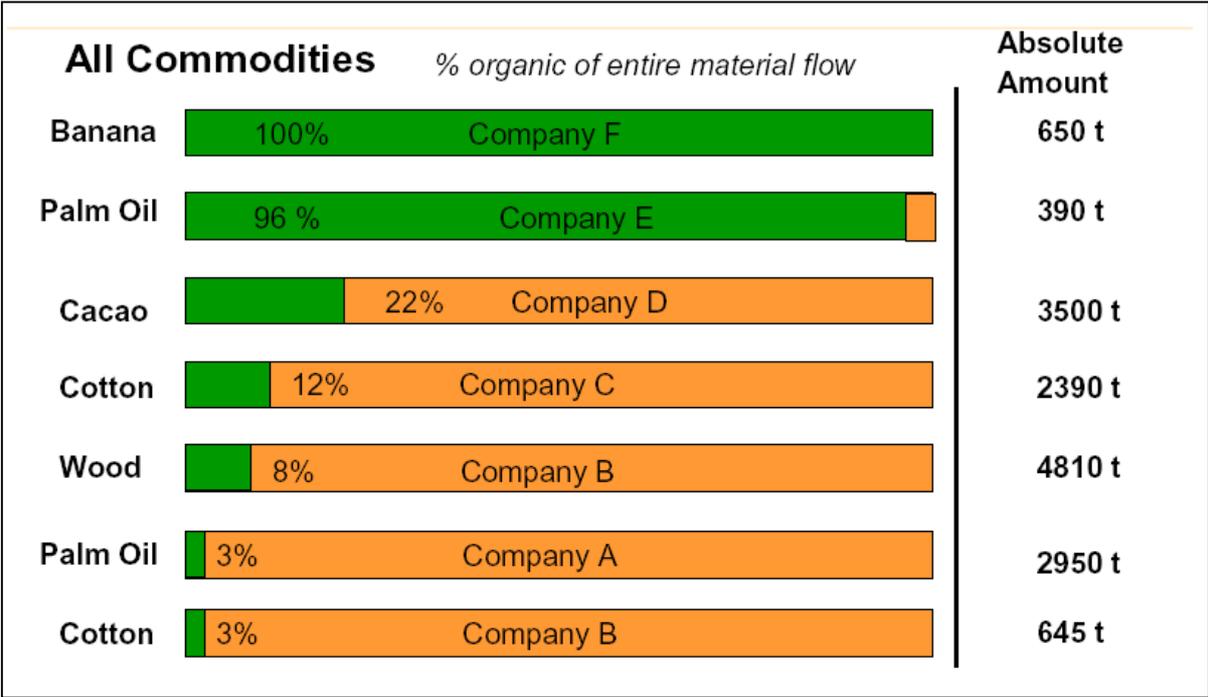


Figure 2: Fictitious example of an organic commodities communication and monitoring tool