



**SHELL
FOUNDATION**

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INDIAN COTTON FARMERS TO BENEFIT FROM NEW INTERNATIONAL PARTNERSHIP

A unique three-way partnership bringing together the strengths of one of Europe's leading retailers and two charities based in the UK and the US could improve the lives and livelihoods of as many as 30,000 Indian farmers, their families and communities by creating a significant growth in demand for organic cotton.

Forged from a common commitment to use the power of business to create valuable goods and services, expand economic opportunity, reduce poverty and protect the environment, the new five-year partnership sees leading European retailer C&A joining forces with California based experts Organic Exchange and London's Shell Foundation to help farmers make the difficult transition from conventional to organic farming by facilitating market access, linkages to capital and providing vital business and technical expertise.

Over the course of the next five years the three partners aim to help bring up to 20 organic cotton value chains based in the sub-continent through a systematic sustainable business development process. Suppliers taking part in the project will have access to a broad array of organic farming experts, financial institutions, community development specialists and other organizations that can help them enhance their knowledge of organic farming and manufacturing practices and successful business practices. In 2008 the partnership will work with four C&A value chains and their farming partners whilst simultaneously mapping and evaluating the remaining C&A suppliers and cotton projects so 16 more value chains can be added in 2009 and beyond.

Developing methods and approaches that can be disseminated and replicated by other interested companies is a key outcome of the partnership. To that end, the three organisations will also oversee the creation of a new umbrella support and capacity building organisation in India called the India Organic and Sustainable Development Network which will help others replicate and scale up sustainable business activities by sharing best practice learnt during the initiative.

By its completion in 2012, the partnership will not only have aimed to positively affect the lives of thousands of farmers by expanding economic opportunity and improving social conditions through the generation of new jobs and subsequent increases in income but also added business and social investment in the farming communities that supply organic cotton to the C&A supply chains. An additional benefit will be improved environmental conditions of up to 60,000 hectares of land.

Having recently launched a new environmental strategy under the banner 'We C&Are', C&A already has one of the largest organic cotton programmes in the world, reflecting high demand from its customers for products made from organically grown cotton. Indeed, a recent poll conducted by the retailer showed almost three-quarters (73.1%) of

its customers considered organic products to be fashionable. The company now expects to use around 7,500 tons of organic cotton in 2008, corresponding to around 12.5 million items of clothing including jeans, t-shirts, underwear and baby clothes which are available in all 1,222 of the retailer's stores across 16 countries.

"C&A appreciates its responsibility to implement effective measures for the sustainable protection of the climate and environment. Through this new partnership we will be able to extend our organic cotton range in a way that is totally consistent with the new We C&Are strategy," explained European C&A Executive Board member Andreas G Seitz.

Organic Exchange will serve as the project manager for the effort, bringing many years expertise of supporting farm development, developing tools and approaches to support supply chain planning and implementation activities.

Said Rebecca Calahan Klein, Director of Program Development: "Agriculture is responsible for nearly 60% of employment in India yet most farmers and their families live at or below the poverty line. Having access to adequate food and energy supplies, safe drinking water, education and health care is a daily challenge. The transition to organic cultivation offers farmers an opportunity to become more self reliant, expand their farming and skills and improve the environment. That is why we are delighted by C&A's decision to use more organically grown cotton. Such a tremendous investment in those supplying organic cotton shows the company's commitment to helping protect the environment and reduce poverty."

As Programme Manager Alison Warters explained, Shell Foundation believes developing world entrepreneurs and farmers need to be placed at the heart of the poverty equation and not just be recipients of more aid and debt relief. The charity's role in the new initiative will therefore be supporting leveraging of knowledge at farm level as well as helping build value added business development capacities in India.

"We are interested in looking for ways to expand the market for products made with organic cotton and crops grown in rotation with cotton, particularly by smallholder farmers in India, Africa and other regions of the world. We have gained a lot of information about what works in scenarios like this through our Trading UP programme which has already helped other brands sustainably source products from these regions, including organic and fair-trade cotton from India. A key learning from our earlier work is the need for innovative intermediaries to provide a crucial link between producer and retailer. Our aim now is to work closely with Organic Exchange and C&A to create business models, tools and information that enable leading retailers like C&A, their business partners and organic farming partners to build successful, sustainable supply chains that have large scale impact," she said.

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NOTES TO EDITORS

Shell Foundation was established by Shell Group in 2000 as an independent, UK registered charity operating with a global mandate. Its mission is to develop, scale-up and promote enterprise-based solutions to the challenges arising from the impact of energy and globalisation on poverty and the environment. The charity actively promotes to business across the globe that supporting small scale producers can be a win-win solution for all concerned. Its Trading Up programme unlocks markets for developing world producers through the provision of seed capital, business mentoring and strategic partnerships with major retailers worldwide to create sustainable supply chains. Its vision is to transform retail supply chains, taking goods from fields and workshops to the retailers' shelves so they positively contribute to poverty alleviation.

The Foundation acts like an investor, identifying financially sustainable solutions to these challenges that can be taken to scale and easily replicated to achieve global impact. By 2010 the organisation will have used \$75million to leverage \$350million from other organizations. Where appropriate, it applies Shell Group's 'value-adding resources' - knowledge, brand and infrastructure - in ways that help to deliver its charitable objectives. (<http://www.shellfoundation.org>)

Organic Exchange is a US-based charity committed to expanding organic agriculture, with a specific focus on increasing the production and use of organically grown fibres such as cotton.

Its long term goal is to grow the amount of certified organic land farmed for fibre production by 50% per year. It works by bringing together brands and retailers with their business partners, farmers and key stakeholders to learn about the social and environmental benefits of organic agriculture, and to develop new business models and tools that support greater use of organic inputs. Organic Exchange also raises consumer awareness about the value of organic farming and the availability of products containing organic cotton. (<http://www.organicexchange.org>)

C&A, a privately owned company, is one of the leading fashion retail companies in Europe. More than 165 years ago – 1841 – Clemens and August Brenninkmeyer (hence C&A) opened up a textile warehouse in Sneek, Netherlands. Today, C&A has 1,205 stores in 16 European countries and more than 35,000 employees in Europe. C&A offers their customers good quality fashion products in the widest possible selection for the entire family at favourable prices. C&A is a company characterised by ethical and responsible values and cultivates and maintains lasting relations at all levels, be this with its customers, employees, suppliers or all other parties with whom C&A works together. (<http://www.c-and-a.com>)

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