

Hi there. My name is Alexis Morgan and I'm WWF's Global Lead for Water Stewardship and also our interim lead for apparel and textiles. I was asked to give a few remarks, and unfortunately, I'm not able to join due to the time zone differences (I'm based on the West coast of Canada). But I wanted to just take a moment or two to have a quick chat and flag a few things that I think might be of relevance and interest as you have your discussion around kind of blockchain and its potential for application within the cotton value chain.

WWF has been involved in not only the apparel sector, but in particular on cotton. We were involved in the establishment in the development of the Better Cotton Initiative and we've been quite active in the space over a number of years. In addition to that, we also have a longstanding history of working with major apparel brands or whether that's Tommy Hilfiger, H&M, PVH and other players like IKEA who are tied into the textiles space as well. As we engage with those players, a lot of what we do is to also really track what are the trends that are going on in this space.

With the rise of concerns on the climate front and the growing interest of investors through things like the Taskforce for Climate-related Financial Disclosures (TCFD), we are certainly seeing this growing wave of concern around environmental, social and governance performance of different companies and how that ties into the value chain. In particular, and we have seen this through the emergence of the Open Apparel Registry, there's really been a rise in recent years in transparency as an issue: people are just asking more and more questions and companies are getting into further levels within their value chains. So, it's becoming more and more common for people to publish their tier 2 suppliers but increasingly that's extending throughout the value chain as people ask questions. So, there's this issue of tracking *risk* and looking at that within the value chain. But in addition to risk, there are also opportunities – opportunities for collaboration, opportunities for improvement, opportunities for resilience. In understanding supply chains and the value chain, we can discover opportunities that really begin to open up a lot of doors.

In particular, I'm pretty excited about where things stand at this point when it comes to the technology that is in front of us: the various fourth industrial revolution technologies - be it blockchain, the internet of things, remote sensing – things are just radically changing and with that, the opportunities that are in front of us. At WWF, we have increasingly been using more and more of these technologies. Whether that is through things like Google Earth Engine to look at near real time monitoring of crops, so that you can actually begin to look at soil moisture and understand where irrigation should be improved (and that sort of stuff is really readily accessible at this point which really opens up huge number of doors), all the way through to the use of blockchain with citizen science, we've been engaged in various projects.

I think “data confidence” is really at the heart of where I believe the lot of emerging technologies like blockchain can really play a role in all of this. Blockchain is about fundamentally improving our ability to create trusted impact verification, and that's really critical because a big challenge within the certification spaces we looked at, which is critical to the cotton sphere, has been around this issue of certification and the costs associated with certification. At the heart of certification is the matter of tracking and measuring all of these different things and then reporting and having someone check to provide confidence. And that process can be a significant burden on farmers; it can be a challenge to companies as well, and I do believe that there are opportunities there for blockchain to really play a critical role.

So for me looking at this, I really see us on a journey in a pathway to really help improve that; it is going to be critical that we measure these things, but we need to think of ways that are more cost-competitive to do that and I do believe that these various advanced technologies have a huge potential in reducing the cost while also strengthening transparency, strengthening credibility and really shining

the light, in a good way, on the really amazing work that sometimes is happening on ground. So, for me, these trends in technology are a very exciting thing. It's also part of a broader trend that we're seeing within the apparel space around collaboration.

Recently we launched a bit of an Open Letter on the back of some of the challenges that the apparel sector has faced in COVID. This open letter was really a call to maintain this focus on sustainability in the face of COVID and the challenges we are all facing. The group that came together through that was an array of different players from large brands like Tchibo, PVH, H&M, Calvin Klein, and also key players in the cotton supply chain like the Organic Cotton Accelerator and the Global Organic Textile Standard, and other players that play key facilitation roles, e.g., Sustainable Apparel Coalition, ZDHC, CDP, WaterAid other players like that. So that group is really coming together and seeking to advance sustainability efforts in these spaces we go forward. Within the Open Letter there was one of the principles, in particular, that really spoke to the need for an ongoing focus on transparency and traceability within value chains and an ongoing focus to really ensure that consumers are empowered to make informed decisions.

Stay tuned for more on the Open Letter, but if you are interested to engage with us as part of the Open Letter consortium, feel free to visit <https://wwf.panda.org/?539631/Open-Letter-on-Sustainable-post-Covid-recovery-in-textile-sector> or get in touch with me via email: alexis.morgan@wwf.de. I wish you all the best for the discussions that are occurring today.