U.S. COTTON
TRUST PROTOCOL®
Trust in a smarter cotton future

Impact of COVID-19 Research Burst

U.S. and UK Responses

Initiatives

- The **main areas of focus** for companies when it comes to **environmental and sustainable initiatives** for the **next 12 months** are:

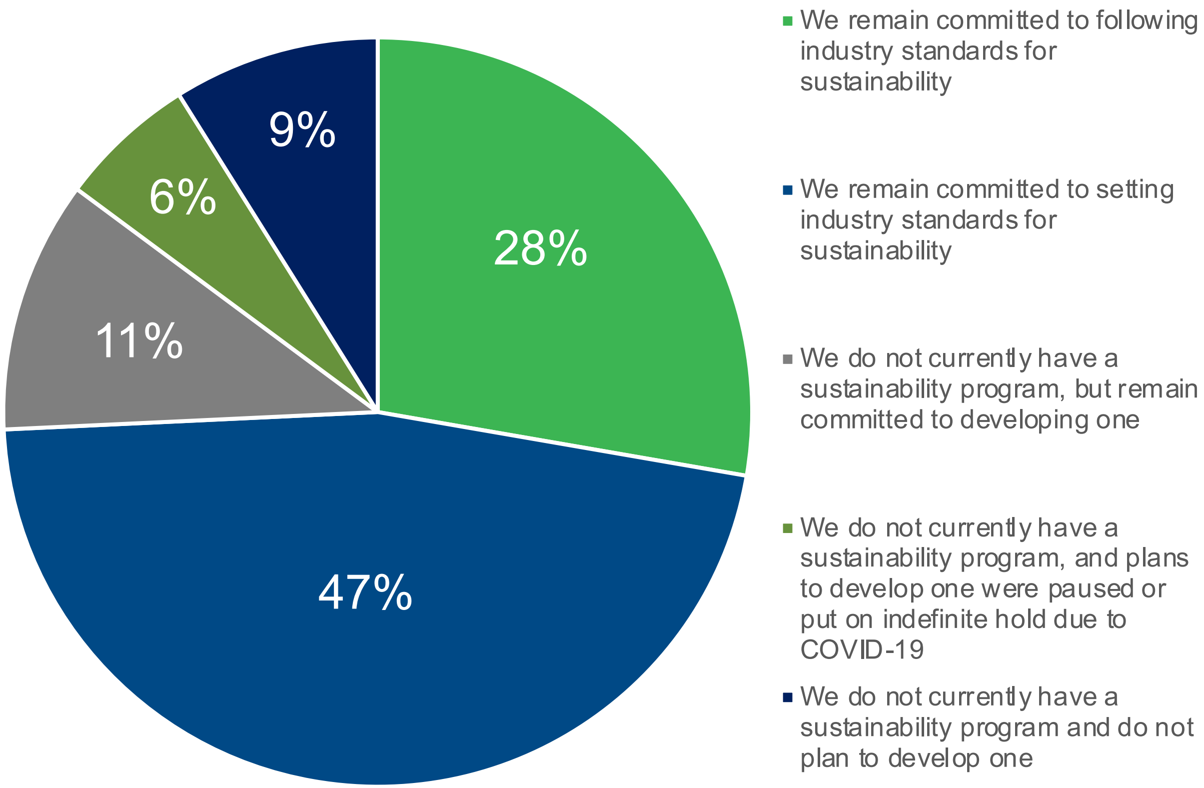
    1. Raw materials (42%)
    2. Manufacturing sustainability (42%)
    3. Worker safety (40%)
    4. Green/sustainable building practices (36%)
    5. Traceability (31%)

- Similarly, companies' **main areas of focus** in environmental and sustainable initiatives over the **last 12 months were:**

    1. Raw materials (41%)
    2. Manufacturing sustainability (40%)
    3. Worker safety (40%)
    4. Green/sustainable building practices (35%)
    5. Traceability (32%)

Question:

Which of the following best describes your company's sustainability initiatives for the next 12 months?



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Insight

- 47% will remain **committed to following industry standards** for sustainability over the **next 12 months**
- A further 28% will remain **committed to setting industry standards** for sustainability
- **While 26% do not currently have a sustainability program**

COVID-19

- 69% **agree** that the **pandemic has shown the importance of sustainable products** to customers
    - 20% **strongly agree**
- While just 6% **disagree** that this has been the case

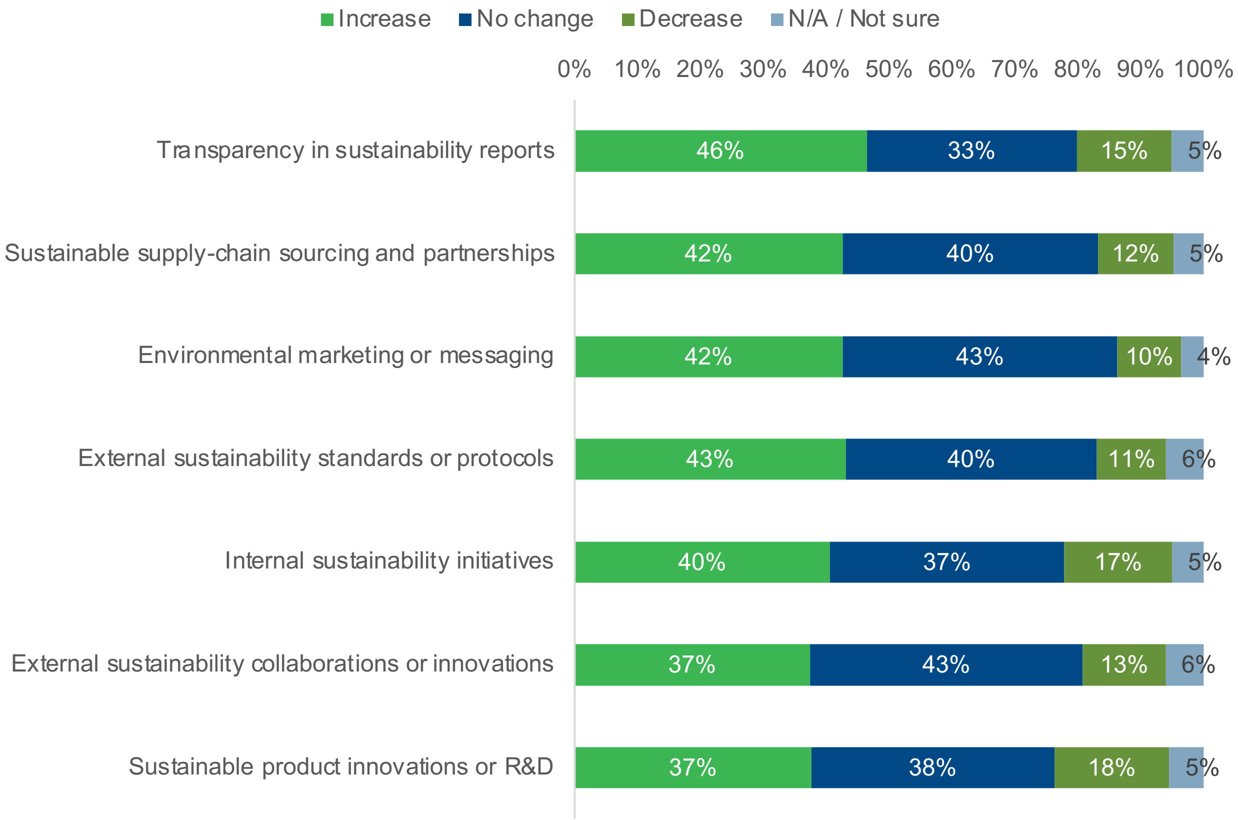
- 61% have experienced **increased customer demand** for **environmentally sustainable business practices** and **goods/services** since the **start of the pandemic**
    - 18% say there is **significantly more demand**
- Just 12% say there has been **less demand** for sustainability since the start of the pandemic

Of those who have a sustainability program or plans to develop one (n=484):

- 63% believe **COVID-19** has had a **positive impact** on their company's **proactive investments** in or future commitments to **sustainability initiatives, partnerships or standards**
    - 18% say there has been an **extremely positive** impact
- While 23% think COVID-19 has had a **negative impact** on investments in and commitments to sustainability

Question:

To what degree is your organisation planning to decrease or increase proactive or future investments (i.e. time, money, other resources) in the following?



Insight

Of those who have a sustainability program or plans to develop one (n=484):

- Just under half (46%) say their organisation is **increasing investments** in **transparency in sustainability reports**
- **Other areas of increased investment include:**
  - Sustainable supply-chain sourcing and partnerships (42%)
  - Environmental marketing or messaging (42%)

Searching

- On average, employees estimate that **39.1% of their customers** are **interested in** and searching for **items marked as sustainably produced**
    - 33% believe **0-30%** of their customers are doing this
    - Two-fifths (42%) think **31-50%** are interested in sustainably produced items
    - And 25% estimate that **51% or more** of their customers are seeking out sustainable items

Of those who think at least 1% of their customers are interested in and searching for items marked as sustainably produced (n=495):

- 43% believe their **customers** are **searching for sustainable items** using **search engines**
- **This was followed by:**
    - Following influencers who specifically promote sustainable apparel (38%)
    - Searching for it on social media (39%)
    - Applying filters on the particular apparel's website (38%)
    - Receiving sustainable apparel newsletters (31%)

Spending

- Over the **next 12 months**, 50% expect an **increase in customer spending** in **sustainable apparel**
    - While 20% expect customer spending to **decrease**

Of those who expect customer spending to increase (n=294):

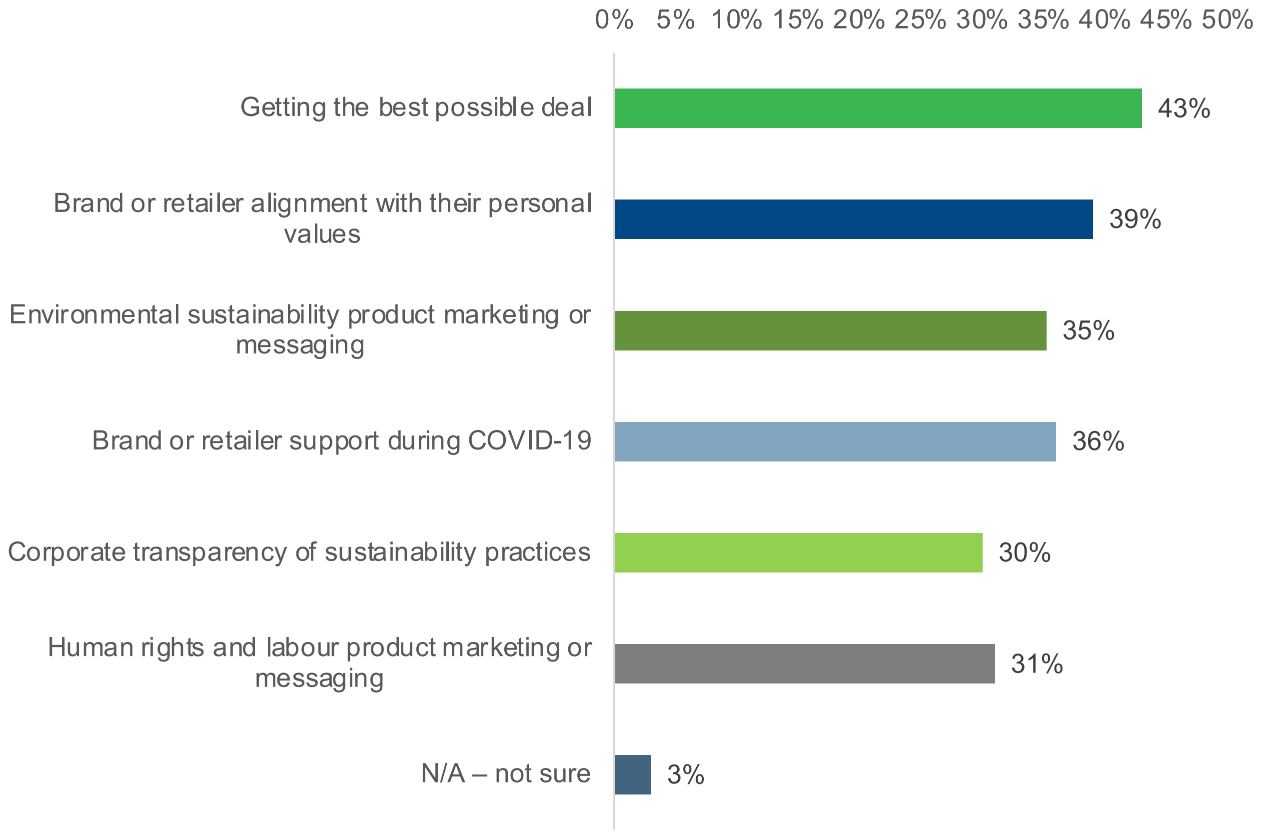
- Over two thirds (67%) think this will be due to **customers saving money during the pandemic**
    - 62% believe there is a **need to get back to 'normal'** amongst customers
    - And 26% think **customers may have 'gone without' during the pandemic** so would like to spend more on what they didn't have

Of those who expect customer spending to decrease (n=94):

- 64% think this is because customers will have **got used to 'living without'** and will be less likely to spend on things they don't need
    - 61% believe customers have **lost income**
    - And 28% think customers will be **saving money in case of further waves of the pandemic**

Question:

Which of the following do you believe customers will prioritise when making purchasing decisions over the next 12 months?



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- **Insight**
- Over the next 12 months, employees believe **customers** are most **likely to prioritise** the following when **making purchasing decisions**:
  - **Getting the best possible deal (43%)**
  - **Brand or retailer alignment with their personal values (39%)**
  - **Environmental sustainability product marketing or messaging (35%)**

Listing

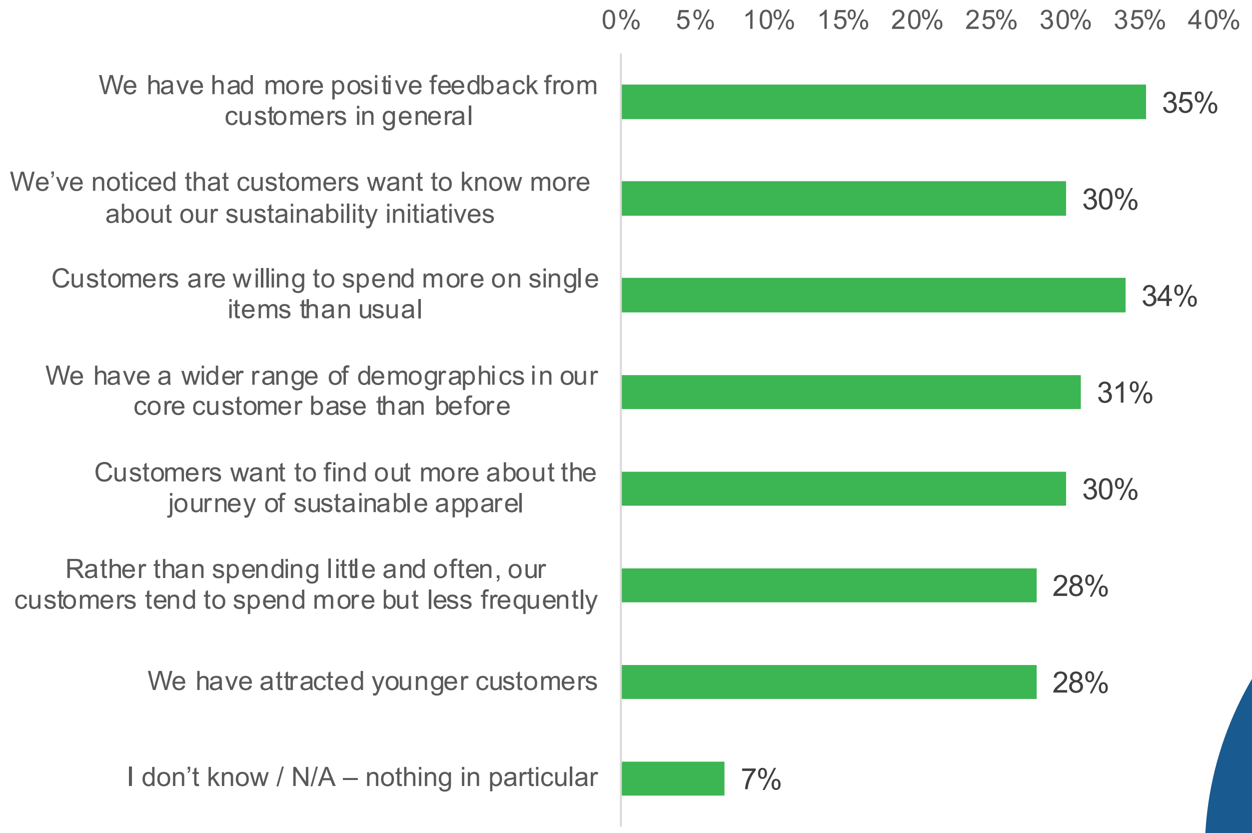
- 41% of fashion/retail employees think their **customers have been more vocal about their environmental and sustainability concerns** since the **start of the pandemic**
    - Whilst over a third (36%) say their customers were **more vocal before the pandemic**
    - And one-fifth (23%) say there is **no difference**

- 65% say that **data** is an **important part** of their organisation’s **sustainability initiative**
    - One-fifth (22%) say data is **very important**
- Just 9% say data is an **unimportant** part of their initiative
- While 3% **don’t use data for sustainability** at all

- **Sustainability certificates** are **important** to 66% of organisations as a way of **becoming more sustainable**
    - 21% think sustainability certificates are **very important**
- Just 7% say these certificates are **unimportant**
- And a further 6% **don’t use sustainability certificates** in their organisation

Question:

Since implementing your environmental and sustainability initiatives over the past 12 months, what effects have you seen in your customer base?



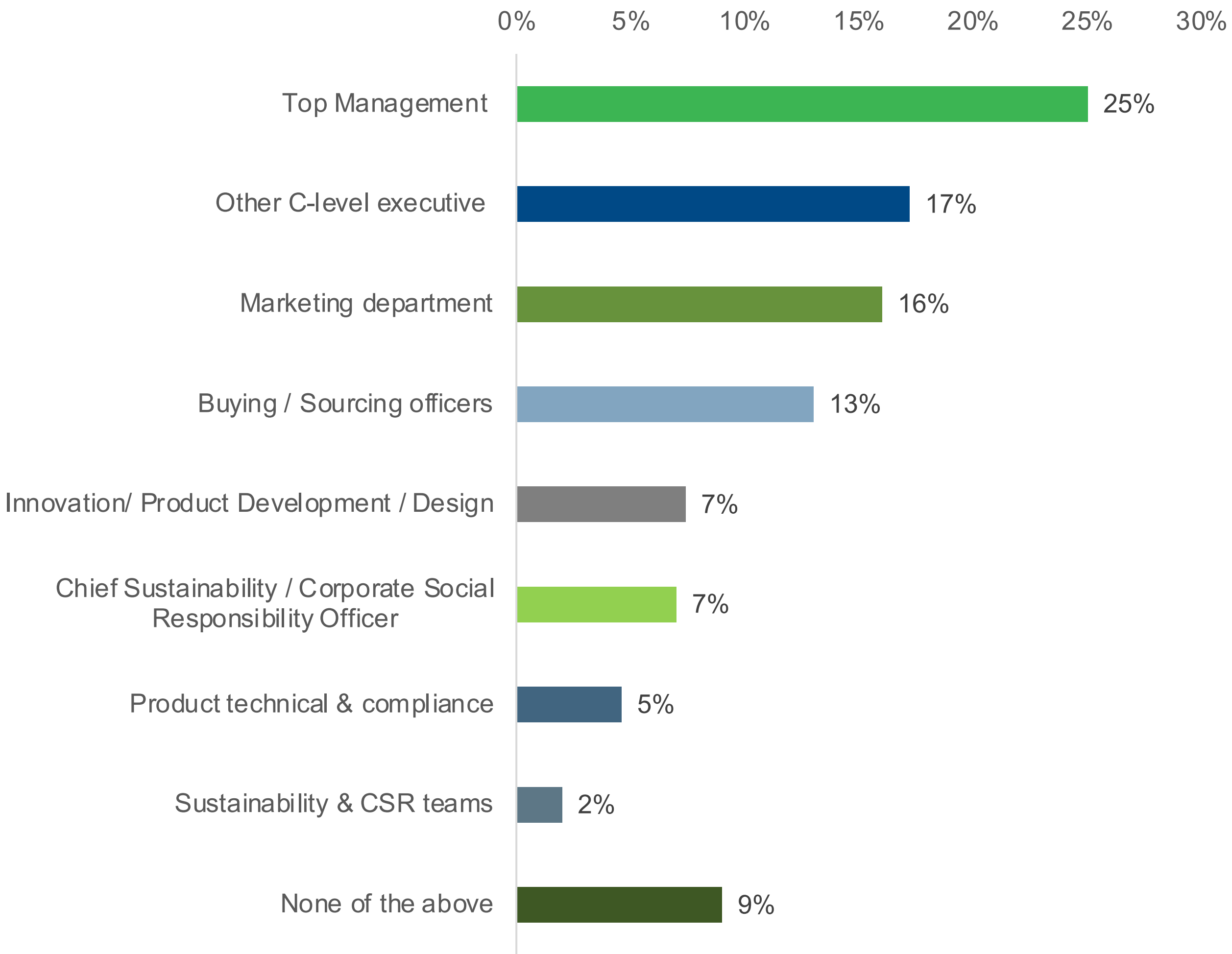
Insight

Of those carried out environmental and sustainability initiatives at their organisation over the past 12 months (n=489):

- Since **implementing their environmental and sustainability initiatives**, organisations have seen the following **effects** in their **customer base**:
  1. More positive feedback in general (35%)
  2. Customers want to know more about sustainability initiatives (30%)
  3. Customers are willing to spend more on single items than usual (34%)

Question:

Which of the following comes closest to your current job title?



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Insight

- The most common **job title** was **top management** (25%)
- **This was followed by:**
  - **Other C-level executive (16%)**
  - **Marketing department (16%)**
  - **Buying/sourcing officers (13%)**