



SUSTAINABLE FIBRE ALLIANCE  
REPORT  
October 2018

*The vision of Sustainable Fibre Alliance is that all cashmere is produced in an environmentally friendly way that safeguards the livelihoods of herding communities and protects the important, fragile environment in which they live.*

una jones

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## Message from the Chairman

Cashmere is recognised across the world as a luxury product, but poor management of the grasslands on which the cashmere goat grazes means that the long term sustainable future of this fibre is at risk. When that risk is considered in the context of the livelihood of the herding communities it supports, the rationale for a sustainable fibre supply and production is clear. By ensuring sustainable production and conserving biodiversity, we will help this industry to thrive for many years to come.

2018 has been an exciting year for SFA, yielding results on many fronts. With our rangeland management and animal husbandry codes of practice providing clear advice and guidance to support environmental resilience, which in the long term supports the livelihoods of herding communities. SFA is currently working in 11 provinces of Mongolia in a variety of important wildlife ecology areas, such as the desert and steppe environments. This has required investment in resources in both Mongolia and the UK, strengthening our capacity as an organisation.

Members will know that assuring animal welfare, land management and conservation practices takes time and the ongoing support provided by you is vital for our success in tackling the sustainability challenges in the cashmere sector.

So, as we share with you some of the highlights of the year so far, I would like to take this opportunity to thank all our members, donors and partners for their valuable support and contributions – our success is your success.

A handwritten signature in black ink that reads "Charles Hubbard". The signature is written in a cursive, flowing style.

**Charles Hubbard**

Chairman, Sustainable Fibre Alliance (SFA)

## Welcome New Members

We are delighted to welcome LVMH and Marks and Spencer to our alliance. We look forward to working with these reputable and successful brands and sharing knowledge and ideas to drive our vision forward.

**LVMH said- "We are committed to supporting sustainability in the cashmere sector and we are looking forward to working in collaboration with SFA and its dynamic community dedicated to driving our vision forward together"**



**M&S** has joined SFA as a pioneer member in 2018 to advocate for real change in cashmere sector. M&S is currently the largest high street seller of cashmere garments in the UK.

M&S's Plan A is "a high profile commitment to addressing a broad range of sustainability issues in the company's supply chains" In line with these commitments, M&S has joined SFA, and is committed to develop further collaborative actions together with SFA and its other member brands.

# M&S

EST. 1884

## Collaboration and Partnerships

SFA has introduced Learning membership in 2018 and we are welcoming wider brands and retailers to join SFA to tackle the sustainability of the cashmere sector and to improve its environmental, social and economic footprint.

The SFA also facilitate an independent, non-competitive and inclusive working approach to encourage optimum land use practices and animal welfare.

Joining SFA offers a way for progressive organisations to take decisive steps towards securing a more sustainable future for cashmere production and supporting your organisation on a journey.

## SFA Timeline - Progress and Achievement

Let us review the key dates of our development to date and describe our five year strategy in keeping with a long-term approach.

### 2015

**The Sustainable Fibre Alliance (SFA) established** as a pioneering body of the sustainability on cashmere production supported by Burberry PLC; Kering Group and Johnston's of Elgin as its founding Members

### 2016

The **SFA developed its principle Code of Practices in its Sustainability Standard System.**

- Developed and delivered high quality training materials and programmes for delivery partners
- Series of consultation on Rangeland Stewardship and Animal Welfare Code of Practice's been carried out
- 

### 2017

**The SFA launched its five-year Strategy 2017-2022.** SFA piloted its standard with 8 herder cooperatives, reaching out to 2,700 herders in 346 herder households in 7 regions of Mongolia.

### 2018

#### **Rangeland Stewardship**

- Monitoring and Evaluation (M&E) mechanism established
- Herding communities registered with SFA
- First herding community verification against COP

#### **Animal Husbandry**

- M&E mechanism consultation
- M&E mechanism piloted

Assurance mechanism established based on self & SFA assessment, with a third party audits piloted

Our aspiration is by 2022 we will have achieved 22million hectares of sustainably managed rangeland resources, working with 20,000 herders and implementing SFA Code of Practices in all participating regions.

## Summary of Progress and Achievement in 2018

- This year SFA is working in **11 provinces of Mongolia** directly supporting over 1.6 million hectares of habitat. We influenced land management and conservation over a further 2 million hectares of important habitat.
- We are proud to announce that SFA charters have been signed by 28 herding communities with **3,843 herding families committed** to manage their land and animals more responsibly.
- Across our herding communities over **302,140 cashmere goats** are now maintained following SFA Animal Husbandry and Fibre Harvesting Code of Practice.
- *SFA recruited and trained 48 new Rangeland Managers* (TOT-Training of Trainers) in 28 communities to manage land biodiversity and to respond positively to severe weather events
- Sustainable Financing for Sustainable cashmere: A collaboration with Khan Bank to provide sustainable financing for herders.

**3,843**

herding families  
committed to SFA  
charters

**90%**

Increased number  
of families  
committed to SFA  
charters from 2017

**2 million**

hectares of Land  
and important  
habitat  
management and  
conservation

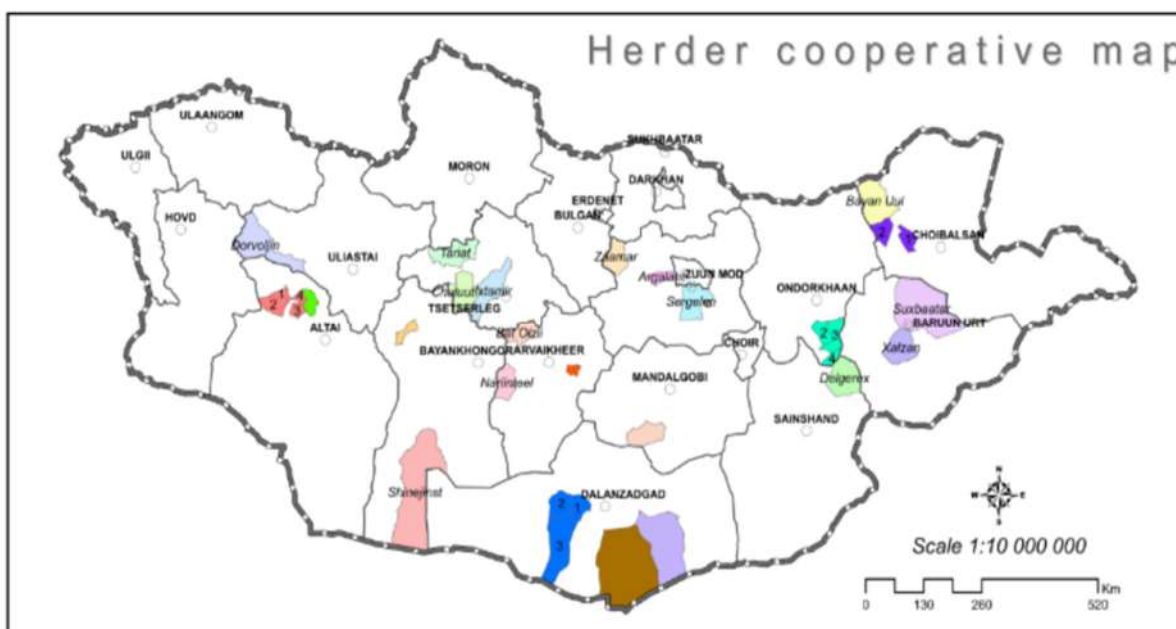
**302,140**

cashmere goats  
maintained ensuing  
SFA Animal  
Husbandry and  
Fibre Harvesting  
Code of Practice.

**75**

tons of cashmere  
fibre produced by  
SFA chartered  
herder  
communities

Here is a map showing the locations of the herder communities that we work with in 2018.





## Results & Impact Measurement

The SFA established process and mechanism for the measurement of results at grass roots level, which can be used to communicate improvements on an annual basis to various stakeholders. Results indicators are different to organisational targets.

The SFA has successfully established processes modalities for undertaking;

- Developing and maintaining Standards and Codes of Practice
- Assessing compliance with the requirements of Standards and Codes of Practice
- Identifying and registering SFA assessors and training delivery partners
- Monitoring and evaluating the implementation of SFA Codes of Practice

SFA established control groups and baseline data in order to enable comparison with non-SFA herders. New updated website to share timely information about the rangeland assessment indicators to support its Code of Practices uptake in wider regions in Mongolia.

The SFA is accredited member of UN Convention on Combatting Desertification (UNCCD) and sits with its Private Sector Business forum and supports Land Degradation Neutrality 2030 targets.

## Herder Organisation Certification

For a community to be SFA Certified is a clear signal that the herding community complies with the SFA standards and meets Rangeland Stewardship and Animal Husbandry Code of practice.

There are three levels of recognition for herder communities. Herding communities are trained in relevant training SFA Code of Practice's are signed onto the SFA Charters. Third-party assessment is being carried out in 15 herding communities that applied for certification and established baseline for Rangeland Stewardship CoP and Animal Husbandry CoP compliance.

### Going for Gold – Community Commitment to Sustainability



Herding community leaders receiving SFA Charters *(names and regions)*

## Case study from Herding Community

The SFA is working in Uvurkhangai Aimag's Bat-Ulzii soum with 800 households and Nariintel soum with 8 households. Herder organisations are joining forces in tackling natural disasters, sustainable and proper management of pastureland and income-generating.

Altantsetseg, head of Herder Communities cooperative in Bat-Ulzii soum said:

*"I'm proud of our collective work and achievement, we are determined to continue our commitment to SFA Charters. Our herders have been collaborating as cooperative and set up our joint fund, providing loans to herding families and have given up to 230 loans to date. We are working hard to support our wildlife and livestock. We have built a watering boat for wildlife, fodder, ice reach etc. Our region is rich in wildlife- we have wild sheep, wild camel, gazelle, fox, antelope, snow-leopard, lynx, and wild birds such as swan, pelican etc. Also we work together to diversify our income and have been involved in the joint trade of our animal raw materials. It's a good thing to do"*





## SFA Standard System Development

Over the last two years the SFA has developed Rangeland Stewardship and Animal Welfare Codes of Practice (CoP) through wide consultation within Mongolia and internationally.

SFA is empowering herders by increasing their knowledge and skills in animal husbandry and by encouraging biodiversity friendly behaviours, which is at the heart of our work.

In 2018, this included supporting sustainable livelihoods and enabling communities to participate in decisions made about their natural resources. This year SFA we have been working with selected partners from the cashmere industry to scope, develop and implement a robust support initiative for herding communities with measurable and achievable targets. In addition, we have been working with biodiversity and conservation experts in raising awareness of wildlife conservation and embedding biodiversity into private sector decision making and supporting government to embed sustainability in its strategy for cashmere sector.

SFA established its Codes of Practice (COP) to address the core elements of sustainability in cashmere production. The SFA has three clear goals:

- **Environmental resilience in cashmere producing regions**
- **Assurance on animal welfare within cashmere production**
- **Improved long-term prospects for herding communities that rely on cashmere markets**

The SFA Standard system and its core codes of practices -**Rangeland Stewardship** and **Animal Husbandry** has been developed through wide consultation. The Standard system is made up of **six components** all working together to support the foundation, credibility, and uptake of cashmere produced in a more responsible manner.



We are currently working to ensure that the SFAs codes of practice transition to being an accredited standard in line with guidance laid out by ISEAL. ISEAL is the global membership association for credible sustainability standards.

SFA have developed series of training manuals on Animal health welfare; SFA goat husbandry guidelines; herder competency, breeding manual and log sheet, carrying capacity assessment and compliance guidelines etc



*Consultation on Rangeland Stewardship; Animal Husbandry Codes of Practice in March 2018, Ulaanbaatar, Mongolia*

### **Rangeland Stewardship Code of Practice**

Following our member feedback, SFA developed minimum criteria for **Rangeland Stewardship Code of Practice**. These improvements provide herders with a clear continuum along which to proceed. Minimum criteria is now in practice and is receiving positive feedback from herders and our third-party assessors for its ease of use and practicality.

### **Animal Husbandry and Cashmere Fibre Harvesting Code of Practice**

There is a global movement underway to improve animal welfare standards. There are many standards on farmed animal welfare, however, there is very little focus on rangeland based animal welfare and regulations. The experiences of different organisations and the knowledge of various experts have contributed to the SFA Animal Welfare Code of Practice. The CoP sets out a framework to support continuous improvement by herding families and communities in the management and welfare of goats, while also strengthening community members' resilience to climate risks. Revisions on **Animal Husbandry and Cashmere fibre harvesting Code of Practice** were made and competency performance levels (green, orange and red) were developed against each of the indicators and SFA Herder competency requirements are refined based on comments received from participants of the consultation, involving 48 participants from 11 provinces of Mongolia.



*SFA Training of Trainer Programme in April 2018, Ulaanbaatar, Mongolia*

## Building Resilience – supporting sustainability

Here are three examples of SFA’s holistic work and development to support sustainability.

**Sustainable Financing for Sustainable cashmere** - Cashmere is important for rural incomes and export earnings in Mongolia. “**Sustainable Financing for Sustainable cashmere**” is a project established by SFA and funded by the British Foreign and Commonwealth Office in order to aid cash flow and investment which are major constraints for herding cooperatives. The project identified the financing needs of the herding communities and has developed financial products that can meet those needs.



As a result of this project by SFA and Khaan Bank (which is Mongolia’s largest regional bank with branches in all provinces of Mongolia) have made innovative community based financial products available to herding communities where previously access to such community loans did not exist. This pioneering five year fund (2019-2023) is aimed towards boosting herding communities’ resilience.

*Khan bank and SFA team in Mongolia*

**Young Herder Training Programme (YHTP)** - As part of championing grassland management, SFA is aiming to continue YHTP and incorporate it in national secondary education curriculum. We see young herders as essential in championing effective grassland management and animal health and welfare.

Overall our work supports young people to access skills and knowledge and help reverse the declining number of young herders in the industry.



*Young herders learning traditional and best practices in land management in Gobi Altai Province*

**Scientific and Technical Committee (STC)** –was established in 2017, in partnership with number of

organisations with well-respected scientists and experts in the field of conservation and pasture management.



STC serves as a platform for exchange of information, research methods, research results and experiences related to implementation of the Grassland CoP; to enable coordination of research and innovation activities among members and other stakeholders, including identifying knowledge gaps and areas where coordinated action can help fill those gaps; to facilitate dissemination of information on good practices in the implementation of the Grassland CoP.

*Scientific and Technical Committee (STC) meeting on 6<sup>th</sup> July in Ulaanbaatar, Mongolia.*



## Rewarding Excellence

A **Sustainability award** by Johnstons of Elgin was organised in Khentii province on the 14<sup>th</sup> May.

Local Government and Agriculture Office of Khentii aimag collaborated with SFA for the selection of suitable awardees. Within the award framework, herders from Bayankhutag, Bayan-Ovoo, Bayan-Munkh and Norovlin soums received the awards.



*Trustee Simon Cotton presenting the Sustainability awards*

**About awards here**

**Statement from JOE – Simon Cotton – needs rewording ask simon**

**The nomadic way of life for over a million people in Mongolia is only possible because of the extraordinary cashmere fibre which is combed in tiny amounts from goats living through extreme winters. I have been in Mongolia, meeting herders and talking with herder community leaders, NGOs and local government people in Mongolia about the work we are doing through the Sustainable Fibre Alliance to strengthen the traditional sustainable herding practices. It's important work, but also a real honour to be invited in to share this unique lifestyle and culture.**

## Raising profile of SFA and Working with Stakeholders

As part of raising the profile of SFA and promoting cashmere sector sustainability, SFA carried out number of outreach events and exhibitions involving a variety of audiences including supply chain stakeholders, influencers, policy makers, NGO's and members of the public .

**Multi-stakeholder meeting, Mongolia-** SFA joined forces with Ministry of Food, Agriculture and Light Industry of Mongolia and Embassy of the United Kingdom of Great Britain and Northern Ireland to a multi-stakeholder meeting in Mongolia on April 13<sup>th</sup>.



The purpose of the meeting was to enable key stakeholders engaged in the cashmere sector to exchange opinions - on value addition, future trends and to build relationships in order to progress the issue of sustainability to the benefit of all.

*HM Ambassador Philip Malone opening the Multi-stakeholder meeting in Ulaanbaatar, Mongolia*

In addition, the Mongolian Government has announced four-year project with \$250m finance to support the cashmere sector and increase its capacity and capability.

## SFA Parliamentary Reception, Westminster Hall, London



On September 11<sup>th</sup> SFA and Mongolian British Chamber of Commerce in association with the All Party Parliamentary Mongolia Group organised a Mongolian Cashmere reception in Westminster Hall to promote the Mongolian sustainable cashmere industry

*guests*

*SFA CEO Una Jones addresses the*

## Exhibition- Emotional State, London Design Biennale (LDB), Somerset House, 4th -23rd Sep



The Mongolia installation at the LDB reflected the vision of the SFA and raised the profile of cashmere and showcased alluring nature of the fibre, its importance for nomadic life, the fragile environment and vitally, the importance of sustainability.

The Installation, curated by Oyuna, traced the circle of cashmere production across all the processes and the lives it touches, drawing a sensory connection from designed cashmere products through to the mountain goats and the nomads that rear them.

Our installation was one of the most visited pavilions at the LDB. The installation raised the profile of the work of SFA and cashmere and was visited by many Mongolian dignitaries and it is anticipated that this will lead to greater support and investment by Mongolian Government.



## New Staff and Board Members

SFA has strengthened its organization and recruited the following member of staff and board members.

### New Board Members Statements

**Simon Cotton-Trustee/ director at SFA**



*Short bio required*

**Louisa Holbrook-Trustee/ director at SFA**

*Image and short bio testimonial*

### New staff at SFA



**Lesley Colvin**  
**Standards and Compliance  
Manager**  
[Lesley.colvin@sustainablefibre.org](mailto:Lesley.colvin@sustainablefibre.org)



**Philippa Farnese**  
**Membership and Communications  
Manager**  
[Philippa.farnese@sustainablefibre.org](mailto:Philippa.farnese@sustainablefibre.org)



**Tserenbat**  
**Marketing and Fundraising  
Manager**  
[Marketing@sustainablefibre.org](mailto:Marketing@sustainablefibre.org)

## Plans for next year....

### Events and Conference

#### Diary booking - # 22<sup>nd</sup>- 26<sup>th</sup> May 2019

#### Cashmere Sector Sustainability Conference May 2019, Ulaanbaatar, Mongolia

The Conference will bring together end to end cashmere supply chain from herders to brand retailer community, NGO's, biodiversity conservation experts, animal welfare experts, policy makers, key influencers and business leaders, financial sector and members of the Parliament, to take stock and discuss the opportunities, challenges and next steps to building an sector fit for the 21st century.

We welcome all our members and brand retailer community to attend this conference and early booking is advised.

### Investing in Individual Company Work Programme

The SFA brand members have indicated interest in supporting an individual company work programmes as part of their CSR ensuring that the social benefits of SFA's work can be clearly demonstrated (in addition to the impact of work on as per its five-year strategy). The Work Programme aims to support sustainability in the cashmere value chain and provide the supporting company with credible communications.

SFA members will be supported if they wish to implement their own bespoke programme attributable to their brand. Possible opportunities would be;

<b>Quality Improvement Programme</b> (breeding training and development)	Breeding Programme – Adding value through improving fibre quality, breed and herd improvement and promoting higher fibre qualities in favour of lower livestock quantities.
<b>Young Herder Training Programme</b>	Vocational- young herders training support for young herders with full year mentorship with 160 hours in class training programmes (every season 5 full days of formal fulltime learning).
<b>Social Welfare – Disaster Risk Fund</b>	Individual Social Welfare programme and supporting projects for severe weather conditions such as dzud (severe winter natural disaster).
<b>Individual Regional Programmes</b>	The SFA works throughout Mongolia and therefore it is possible to set up projects in most regions.

### Traceability -Chain of Custody – with brands collaboration and commitment

The aim of the SFA's work in this area is to enable maximum procurement of accredited cashmere in a transparent and credible manner.

The following work and development are required to make this possible;

- Information sharing with supply chain actors
- A business model that delivers benefits for herders
- Clear Chain of Custody Guidelines based on a choice of a relevant Traceability model

At a minimum, the SFA will take the following actions to enable information sharing with supply chain actors –

- Create SFA herder's register – accredited herders
- Establish a process for collating annual certified volume of cashmere
- Share information with supply chain actors in a timely manner to enable procurement

Further work is required for a business model and Chain of Custody development, which the SFA is looking to work with brands that are willing to pilot this Chain of custody and Traceability system.

Our next step is to work with brands and retailers and other partners-

- **to identify ways to scale-up implementation of SFA Standard** - Animal Husbandry and Fibre Harvesting and Rangeland Stewardship in cashmere producing regions such as Mongolia, China and Afghanistan. Initially, this may require dedicated studies on SFA's work and monitoring.

In addition to looking at inputs related to husbandry practices in fibre harvesting, focusing on herder competency assessment is being successfully implemented this year. This is based on the growing realization that the same welfare benefits for animals can be achieved using a range of practical approaches that are best suited to country or region-specific conditions. In this respect SFA is looking for staged development in implementing its Animal Welfare Code starting with AW Charter.

- **to Identify other organisations willing to be part of a collaborative partnership**

**A Terms of Reference to deliver this work –please email [Philippa.Farnese@sustainablefibre.org](mailto:Philippa.Farnese@sustainablefibre.org)**

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Thank you for your support!



oyuna



MONGOLIAN CASHMERE

M&S  
EST. 1884



Joshua Ellis<sup>1767</sup>  
THE ART OF CASHMERE

