

Improve the quality of life of small cotton farmers

Anticipated transaction impact

Improve the traceability system of the enterprise and increase the crop extension to support and onboard more farming families into the cotton value chain.

Impact score Pass (3.55/4)

Credit score Pass (3.61/4)

Loan Overview

Commitment limit	\$300,000
Tenor and structure	60 monthly payments of principal and interest of \$6,118.88
Interest rate	8.25% p.a.

Financial Overview

Revenue 2024	\$11.6M
Financial liabilities 2024	N/A
Net assets 2024	\$486k

Company Information

Legal name	Servicios Inversiones San Cristobal S.A.C.
Incorporation date	2010
Corporate address	Miraflores, Lima
Nature of business	Cotton processing and selling
Website	https://www.cottonnation.pe/

Shareholders

Name	Share (%)
Alfredo Miguel Grimaldi Magni	50%
Alfredo Miguel Grimaldi Roman	50%

Company management

Name	Nationality	Position
Miguel Grimaldi	Peru	CEO
Eddie Ajalcraña	Peru	Executive Advisor
Lorenzo Ortiz	Peru	COO

Recommendation

1USD : 3.57PEN

Recommend extending a \$300,000 term loan to improve the traceability system and expand the crop.



Cotton Nation



Executive summary

Cotton Nation (CN) is a Peruvian social enterprise dedicated to supplying organic and regenerative cotton cultivated in the Amazon rainforest under a fair trade model. With a clear commitment to organic and regenerative agriculture, the enterprise supports over 2,500 smallholder farming families in the San Martín region in Peru. It works to shift the textile industry toward ethical and ecologically sound practices. Its guiding motto, *“Transforming the best cotton in the planet into the best cotton for the planet”*, reflects this dual goal of product and impact excellence.

CN operates at the intersection of sustainability and fashion. The enterprise supplies traceable, certified cotton fiber grown through regenerative and organic agriculture. The business model revolves around training, certifying, and aggregating raw cotton from farms, ginning it to produce fiber, and distributing it to fashion brands that prioritize sustainability.

CN is requesting a \$300,000 term loan to strengthen and expand its regenerative production model and improve its cotton traceability system. This system will respond to increasing market demands, especially from European and North American brands, for verifiable, end-to-end visibility of inputs. With the enterprise's expanding role not just in fiber supply but also in yarn production and marketing, traceability is becoming a requirement for market access, not just a value-added feature.

Beneficial Returns' financial support is crucial for meeting the growing demand from global sustainable fashion brands while increasing the reach and economic empowerment of farming communities. By strengthening its supply chain capabilities, the enterprise aims to amplify its positive environmental and social impacts.