Sainsbury's

Our policy on cotton



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Our scope

At Sainsbury's we seek to build resilient supply chains by sourcing products ethically and sustainably. This document details our position and sourcing requirements for **all suppliers** of own-brand and licenced products containing cotton.

The following components are <u>out of scope</u> of this document:

- Cotton threads and trims, including embroidery and appliqués
- Accessories, decorative items, footwear, components such as ropes, strings, cotton pads and sticks
- Tape edging, tufting ribbon, pom poms, cotton wicks, and decorative cotton lint (e.g. on artificial plants)
- Packaging
- Any cotton equalling or less than 2% of the total product weight

This sustainable sourcing policy should be read alongside our Supplier Handbook. Depending on where in the business the products are sold, the General Merchandise Sustainability Guidelines, Clothing Sustainability Guidelines, or Responsible Sourcing Manual should also be consulted.



SECTION ONE

Our position

Across our combined business cotton is an important fibre used across a wide range of products, and in Tu clothing it represents 50% of our total fibre usage.

Cotton is known globally as a 'thirsty crop' – requiring vast amounts of water to grow in typically water scarce regions. Cotton production is also associated with intensive use of agrochemicals and fertilisers, which can lead to water body pollution.

We acknowledge the issues of forced labour in cotton and do not condone these practices within Sainsbury's supply chains. We recognise the challenges in getting full end-to-end visibility of cotton supply chains and we endorse efforts to gain greater traceability of cotton sourcing.

SECTION TWO

Statements of intent

- 100% of our cotton will be sourced to an independent standard by 2025
- We are transitioning to cotton that is traceable back to country of origin through sourcing of Physical Better Cotton



Our approach

The main environmental risks associated with cotton production are water scarcity and pollution – both driven by poor agricultural practices and exacerbated by the climate crisis. The main human rights risk associated with cotton production is forced labour.

Traceability remains an issue in cotton supply chains. We endorse efforts to gain greater traceability of cotton sourcing and seek to engage with industry initiatives to drive standards and adopt more sustainable practices.

The below requirements must be met to mitigate these risks:

Independent sustainability standards

1.a. All cotton in scope of this policy must be sourced to one of the below independent sustainability standards, with a preference for the cotton programmes listed within 1.b.

1.b. **Our preferred cotton programmes:**

- Better Cotton Initiative (BCI) Physically Traceable (Mass Balance is acceptable but we encourage all suppliers to source traceable where possible)
- Fairtrade
- Organic <u>Global Organic Textile Standard (GOTS)</u> is preferred but we
 will accept the Organic Content Standard (OCS) and OEKO-TEX®
 Organic Cotton. Other organic certifications should be discussed and
 approved with the Technical Manager at Sainsbury's on an ad-hoc
 basis. Please see section 6 for information regarding GMO.
- Fairtrade Organic
- Recycled Cotton refer to section 'Alternative and recycled raw material' below for further detail

1.c. Other accepted cotton programmes:

- ABRAPA
- BASF e3
- Field to Market
- ISCC
- **myBMP**
- Cotton made in Africa
- REEL Cotton
- Regenerative Cotton (ROC™)

- In-Conversion Cotton (Transitional in the US)
- US Cotton Trust Protocol
- Other certifications should be discussed and approved with Technical and CR&S on an adhoc basis.



Our approach continued

2. Forced Labour

2.a. Forced labour is prohibited and is not tolerated anywhere in our supply chains. There are ongoing concerns in Turkmenistan and the Xinjiang region in China. Suppliers must not knowingly use cotton from Uzbekistan, Xinjiang, or Turkmenistan and must declare any cotton fibre believed to be sourced from these regions.

3. Traceability

- 3.a. Suppliers must submit country of origin data for cotton fibres in the relevant systems.
- 3.b. If you are a Better Cotton Supplier, you will first need to be onboarded to the Chain of Custody Standard v1.0. To begin preparing to source Traceable Better Cotton and start the onboarding process, log into the BCP and click on 'Complete the Chain of Custody Standard Registration Form'. More information about the onboarding process can be found here. There are also optional training sessions available on the BCI Events & Webinars page.

4. Sourcing Egyptian Cotton™

- 4.a. Suppliers of Egyptian Cotton™ are required to be accredited by the Cotton Egypt Association. A list of accredited manufacturers can be found on their website here.
- 4.b. Any Egyptian Cotton™ must also comply with traceable BCI requirements through full Chain of Custody (CoC). All relevant documents to be uploaded in relevant product technical file system.

5. Alternative and recycled raw material

- 5.a. If recycled or reused cotton is used, the supplier must provide the appropriate chain of custody documentation beyond Purchase Orders, and certification like GRS or RCS. There is a preference for post-consumer recycled waste
 - Where chain of custody documentation is unavailable, purchase orders or some other form of documentation may be accepted on a case-by-case basis
 - We support the use of new materials that might replace virgin cotton. If an alternative raw material is used, this shall be discussed and approved with the Technical Manager at Sainsbury's on an ad-hoc basis



SECTION FOUR

Roles and responsibilities

Suppliers:

To source cotton in line with policy requirements. All required information must be accurately recorded in the relevant systems.

Sainsbury's:

To source cotton in line with policy requirements. All required information recorded by suppliers is to be verified and validated by the relevant technologists.

SECTION FIVE

Governance

This policy has been agreed by the GM Steering Committee and will be reviewed annually by the Head of Environment, or as required. All changes will be communicated to suppliers.



Definitions

- **Forced labour:** all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself [or herself] voluntarily.
- **Mass balance:** a sourcing method that allows for certified and non-certified ingredients to become mixed during supply chain processes such as manufacturing.
- Segregation: a chain of custody model that requires the certified produce from a certified site to be kept separately from noncertified sources.
- **Chain of Custody (CoC):** an unbroken and documented chain of ownership all the way from the supplier to the end user.

External links

- Textiles Exchange 2025 Sustainable Cotton Challenge
- Cotton Egypt Association accredited manufacturer list
- Information on Better Cotton's Traceability Solution
- Policy for GMO Screening of Organic Cotton Textile Exchange



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The information in this document may be supported by other Sainsbury's Documents. The information outlined in this document is in addition to all applicable UK and EU legislation.

Sainsbury's suppliers must ensure they meet all legal and regulatory requirements both at the point of manufacture and where the products are sold to the consumer. Whilst this document is intended to help you supply products suitable for the Sainsbury's brand (i.e. all brands owned by Sainsbury's), they do not absolve you of your responsibility to understand and comply with all the quality, legal and safety requirements for your products or the products you supply.

For the purpose of this document Sainsbury's means Sainsbury's Supermarkets Limited and Argos Limited only. Sainsbury's Argos is the trading name of both:

- 1) Argos Limited, Registered office: 33 Charterhouse Street, London, EC1M 6HA. Registered number: 01081551
- 2) Sainsbury's Supermarket Limited, Registered office: 33 Charterhouse Street, London, EC1M 6HA. Registered number: 03261722

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P008-V1	Sustainability Manager	New document.	July 2016
P008-V2	Sustainability Manager	More detail added. Traceability requirement added.	October 2020
P008-V3	Sustainability Manager	Moved content into new policy format. More detail added.	July 2023
P008-V4	Sustainability Executive	Added detail relevant to General Merchandise.	March 2024
P008-V5	Sustainability Manager	Updated traceability statement & sourcing requirement.	April 2025
P008-V5	Sustainability Manager	Updated to reflect change in head office location	June 2025