



COTTON SOURCING POLICY

Latest Version Date	July 2024	Doc Ref	Cotton Sourcing Policy
Version Number	4.0	Page	4
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SCOPE

The scope of the policy covers all cotton textiles used in **Clothing & Home** products.

RATONALE AND OBJECTIVES

Cotton is one of the most important raw materials used in textiles, and the main fibre used across Marks & Spencer's products. In line with M&S sustainability commitment to source all raw materials responsibly, it is important that all cotton used in M&S products is sourced in a way that addresses both environmental and social risks.

In 2019, M&S reached its target of sourcing 100% of the cotton for its clothing more responsibly. The M&S Responsible Cotton Sourcing Policy requires that this position is maintained going forward.

By 2025 all cotton used across M&S products (including homeware and accessories) must be from more sustainable sources (as defined in this policy).

M&S MANDATORY PRINCIPLES FOR SOURCING COTTON

A. MINIMUM REQUIREMENTS

M&S prohibits all sourcing of cotton from:

- Turkmenistan
- Uzbekistan
- The Xinjiang region of China.

If any product is found to be containing Turkmenistan, Uzbekistan or Xinjiang cotton, Marks & Spencer reserve the right to cancel that order or issue an RTM for the product. This will remain our position until such time that there is clear evidence of a change in the cotton industry in either of those countries and regions.

B. DEFINITION OF PREFERRED COTTON

We define more sustainable sources as meeting any of the following standards:

- **BETTER COTTON¹ mass balance**, through the reception of Better Cotton Credit Units (BCCUs) on the M&S Better Cotton platform account.
The mass balance supply chain means that the finished product may not contain any physically traceable Better Cotton. By associating premium through all BCCUs received, M&S can support the action and impact of Better Cotton at farm level.

^{1,2} Better Cotton was previously known as Better Cotton Initiative (BCI).

- **Traceable BETTER COTTON²** (also called physical Better Cotton), through the reception of Better Cotton Lint Equivalent (BCLE) on the M&S Better Cotton platform account.
- **Recycled cotton**, certified GRS or RCS (as per the M&S Recycled Content Sourcing Policy).
- **Organic cotton**, certified GOTS or OCS (including In Conversion Organic when certified). Organic cotton can only be used in new ranges with the prior approval of the Sustainable Raw Materials team.

C. SUPPLIERS RESPONSIBILITIES

- It is the vendor's responsibility to disclose the sustainable cotton type, cotton fibre country of origin on the Raw Material Contract (RMC) for all fabric used for Clothing & home products.
 - When supplying M&S with products containing cotton, it is the responsibility of the vendors to ensure they have the appropriate certification(s) in place with valid documentation(s) at the time of production, have worked with certified suppliers themselves and are able to upload all the certification documents into M&S system (PLM) and provide them on demand.
 - All vendors that are sourcing BC cotton (mass balance or traceable) must have a valid account on the Better Cotton platform and systematically transfer the relevant credit for all M&S orders.
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APPENDIX 1 – BETTER COTTON

BCI Principles and Criteria

The Better Cotton Principles and Criteria address how to use water more efficiently and consider water use in the context of local water resources, using land responsibly and conserving biodiversity, caring for soil health and lowering the impact of conventional crop protection practices (replacing them, where possible, with sustainable alternatives), preserving fibre quality and promoting Decent Work – work that offers fair pay, security and equal opportunities for learning and progression, in an environment where people feel safe, respected, and able to express their concerns or negotiate better conditions. Farmers who adhere to the Better Cotton Principles and Criteria receive a licence and can sell their cotton as Better Cotton.

By helping farmers to grow cotton in a way that reduces stress on the environment and improves the livelihoods and welfare of farming communities, Better Cotton aims to create long-term change. It is a global approach that provides a solution for the mainstream cotton industry, including both smallholders and large-scale farmers. All farmers can benefit from implementing the Better Cotton Standard and the development of a new and more sustainable mainstream commodity, Better Cotton.

BC Mass Balance Supply Chain Mechanism (Chain of Custody)

Mass-Balance is a term used to describe a supply chain methodology. Simply put, it means what comes out must balance with what went in. For example, if a retailer places an order for finished garments, like T-shirts, and requests one metric tonne of Better Cotton be associated with this order, a cotton farmer somewhere must produce one metric tonne of cotton to the Better Cotton Standard. This is then registered on BC's supply chain system, and credits for the order are passed through the supply chain for that same weight in cotton, from one factory to the next. What comes out is the equivalent amount of cotton that the farmer produced as Better Cotton, but it has been mixed in with conventional cotton in its journey from field to product.