

# Responsible Cotton Policy

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## 1. INTRODUCTION

Approximately half of all global textiles are made from cotton, making it one of the principle raw materials of the textiles industry. Cotton production provides income for more than 250 million people worldwide, employing almost 7% of all labour in developing countries. Unfortunately, there are also problems and challenges associated

with the conventional cultivation of cotton. Most notably, its production requires a lot of natural resources (land, water, and energy), it is chemically dependent and has been linked with cases of forced labour, child labour and other social injustices.

## 2. VISION

Action understands the environmental and social impact of the production and usage of cotton. Most of the cotton sourced is used in our clothing, bedding and soft textiles products. As a retailer we recognize our responsibility to ensure that the cotton we source minimizes environmental impact and contributes to positive social impact throughout our supply chains.

By doing this, we can have a positive impact on the people and communities associated with the production of cotton. We focus on the engagement in strategic partnerships, notably with the Better Cotton Initiative (BCI).

## 3. SCOPE

The global cotton supply chain is a complex web, with many layers of processing crossing national borders before we purchase from our Suppliers. This makes tracing cotton back to its primary source a challenge.

It is important that the scope of this policy is realistic and achievable and we realize that sourcing responsible cotton is a step-by-step approach.

Therefore, this policy is focused on our direct Suppliers. The intention of this top-down approach is to work closely with our broad network of Suppliers with the goal that our collective influence will feed down the supply chain to the primary production level.

## 4. TARGET

Action originally launched its sustainable cotton policy in January 2018 with an ambition of converting 40% of its assortment to a sustainable source by the end of 2020. We significantly surpassed this original ambition and have set new, more challenging, targets going forward. Action will target at least 85% of the cotton it sources to come from more sustainable sources by the end

of 2022 and 100% by the end of 2023 (detailed by standards like the Better Cotton Initiative, Global Recycled Standard, Global Organic Textile Standard, Organic Content Standard and Fairtrade). The above commitment does not apply to A-brands, due to less buying influence. We will however monitor sustainable sourcing efforts by A-brands and engage where we feel necessary.

## 5. POLICY COMMITMENTS

### 5.1 Human rights

This cotton policy strives to set the expectation that all products containing cotton are sourced in compliance with the following principles:

In line with Action's Ethical Sourcing Policy, and in compliance with the UN Guiding Principles of Business and Human Rights<sup>1</sup>, Action will avoid sourcing from any Supplier who infringes on the human rights of others.

The following criteria will determine this:

- No child labour
- Young workers

- Forced labour
- Freedom of association and collective bargaining
- Health & safety
- Fair remuneration
- Working hours
- No discrimination
- Privacy
- Employment practices
- No harsh or inhumane treatment
- Ethical business behavior
- Protection of the environment

## 5.2 Uzbekistan, Turkmenistan and XUAR China

Due to ongoing concerns regarding the use of government backed forced child labour during the cotton-picking season in Turkmenistan and Uzbekistan, Action does not accept any cotton fiber or fabrics from these countries for use in the Goods. In addition, the region of Xinjiang China has been added, as there are concerns of forced labour and other human rights abuses related to the cotton sector. This will remain policy until Action decides otherwise, based on evidence that there has been adequate positive change in

these regions. To enforce this policy Action will look to partner with an independent body to verify our Suppliers' compliance and traceability to this commitment.

We are committed to making sure that we enforce human right commitments described in our Ethical Sourcing Policy across our cotton supply chains. Violation of this policy by Suppliers may result in disciplinary measures.

## 5.3 Transparency

Action aims to promote transparency throughout our entire supply chain. Wherever possible we strongly encourage our Suppliers to continue mapping down to the primary production level.

Information relating to the environmental and social impacts relevant to Action's cotton sourcing must be made available upon request.

## 5.4 Water management

Action recognizes the considerable use of water (for irrigation) and wastewater emissions associated with cotton production and cotton processing. We encourage our Suppliers to conduct a water resource requirement and consumption assessment to reduce the use and mismanagement of water and the negative impact on water quality linked with cotton production.

We encourage our direct Suppliers and importers to conduct a water resource requirement and consumption assessment to reduce the use and mismanagement of water and the negative impact on water quality linked with cotton production.

## 5.5 Pesticides and herbicides

Action encourages the elimination of hazardous pesticide and synthetic fertiliser use during field production. We therefore encourage our Suppliers to increase the proportion of cotton

sourced through the Better Cotton Initiative, which trains farmers to reduce use of the most harmful chemicals during production.

## 5.6 Energy consumption and Green House Gases emissions

Action is committed to reducing its energy consumption and GHG emissions throughout its stores, distribution centers and transport logistics. Continuing this commitment, Action's Suppliers are

encouraged to report and take steps to improve the energy consumption and greenhouse gas emissions associated with their primary production facilities.

## 5.7 Recycled cotton

Action recognizes the advantages of re-used and recycled cotton and aims to accelerate the uptake of recycled cotton by encouraging our Suppliers to

source more recycled cotton in line with the Global Recycled Standard (GRS).

## 6. LEGAL COMPLIANCE

Action aims to promote adherence to local, national, and international laws and regulation throughout its supply chain. Our Ethical Sourcing Policy is aligned with the International Labour Organisation (ILO) conventions, the UN Guiding

Principles on Business and Human Rights and the amfori BSCI Code of Conduct. Additionally, we encourage our Suppliers to ensure that they do not source from any supplier who appears on the ICA blacklist of unfilled contract awards<sup>4</sup>.

## 7. CERTIFICATION AND ACCREDITATION

Action is committed to partnering with certification bodies and sustainable cotton initiatives, particularly BCI. Building on this, Action is

committed to increasing its portfolio of global partners where we see relevant.

## 8. OVERVIEW OF ACTION APPROVED STANDARDS

### Standard

*Better Cotton Initiative*

*Recycled Content Standard*

*Organic*

*Fair Trade*



### Where to find more information

<http://bettercotton.org/>

<https://textileexchange.org/?s=GRS>

<http://www.global-standard.org/>

<https://textileexchange.org/recycled-claim-global-recycled-standard/>

<https://www.fairtrade.net/standards.html>

- 1 [http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR\\_EN.pdf](http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf)
- 2 <https://www.cottoncampaign.org/about>
- 3 [GRS-101 Global Recycled Standard \(GRS\) - Textile Exchange](https://www.textileexchange.org/recycled-claim-global-recycled-standard/)
- 4 <http://www.ica-ltd.org/safe-trading/loua-part-one/>