



# GROUP COTTON SOURCING POLICY

## Background

Cotton is an integral raw material used within textile manufacturing, and accordingly, is a frequently used fibre for JD Group Private Label products.

Of the cotton used within Private Label products, 98% is sourced via Better Cotton – the world's leading cotton sustainability initiative.

Cotton is grown in high volumes across the world, providing employment and income for millions of people. However, farming and agriculture is still associated with high social, environmental, and economic impacts.

## Policy Scope

This Policy applies to the raw material sourcing for all Private Label products that contain cotton. Private Label products are sold in Group stores across the globe, with our leading Group Private Labels include (but not limited to) McKenzie, Pink Soda, Technicals, Sonetti and Peter Storm.

We acknowledge that cotton production and traceability is a complex process involving hundreds and thousands of farms, with cotton blends often including fibres from multiple farms and regions. Accordingly, verification is a complicated process, but one in which the Group continues to invest through our membership of [Better Cotton](#).

## Policy objective – reducing the environmental impact of cotton

To reduce the environmental impact of cotton production, JD Group cotton is sourced using supply chains and standards that encourage and utilise more sustainable farming and production (versus standard cotton sourcing).

Sustainable cotton sourcing supports efficient water usage, and reduces the use of harmful chemicals.

The Group's use of Better Cotton ensures that marketing claims (for products using sustainably sourced cotton) can be verified and substantiated against the documented standards of Better Cotton.

## Policy objective – supporting workers within our supply chain

From a social perspective, our approach to cotton sourcing ensures supports the human rights of those working across the cotton supply chain. Our commitment to human rights is further detailed within our [Modern Slavery Statement](#) and [Ethical code of Practice](#).

Our policy objective is supported via due diligence checks undertaken to determine the country of origin for cotton supplied (including imports) in the manufacture of our Private Label products.

## Policy objective – Restrictions in place

- We do not accept cotton from locations with ongoing human rights concerns, and reserve the right to request verifiable evidence of cotton import invoices.
- The Group adheres to the Forced Labor Prevention Act (UFLPA) signed into United States law on December 23, 2021. The Act establishes a rebuttable presumption in the importation of any goods, wares, articles and merchandised mined, manufactured or produced in territories stipulated by the UFLPA, and prohibition (by Section 307 of the Tariff Act of 1930) that such goods, wares, articles, and merchandise are not entitled to entry to the United States
- Locations with ongoing human rights concerns presently includes the Xinjiang region (China), Uzbekistan, and Turkmenistan.
- The Group acknowledges that human rights conditions are subject to change and , consequentially, this may result in adjustments to our policy restrictions
- Cotton must be sourced via established, verifiable certifications that evidence adherence to both human rights and environmental standards

## About Better Cotton

Better Cotton is the world's leading sustainability initiative for cotton. It's mission is to help cotton communities survive and thrive, while protecting and restoring the environment by being:

		
<b>better for</b> SMALLHOLDERS	<b>better for</b> FARM WORKERS	<b>better for</b> FARMING COMMUNITIES
...using the knowledge, support and resources we provide to grow cotton - and other crops - more sustainably	...who benefit from improved working conditions and a higher standard of living	...where inequalities are confronted and women become more empowered.

**98% of JD Group cotton is sourced via the Better Cotton programme**