

Pacific Textiles

Sustainable Cotton Procurement Policy for suppliers

1. Introduction

Key social and environmental risks: Cotton is a high sustainability risk material from environmental and social perspectives. Key risks in cotton cultivation are intensive water and agrochemical use, loss of biodiversity, significant GHG emissions, soil depletion and degradation as well as labor exploitation such as forced or child labor. Traceability and certification are tools Pacific Textiles is using to manage and significantly reduce these risks in our supply chains.

Scope: All cotton containing materials supplied to Pacific Textiles must meet the sustainability requirements set out below. These requirements will be applied in Pacific Textiles supplier and material approval processes and are applicable to all cotton used in goods for resale or indirectly, whether manufactured internally or by third parties. Should we find that any purchased goods or materials do not meet these requirements, we will engage the supplier to change their practices and/or re-evaluate our relationship with them.

Traceability and certification requirements in brief:

- * All Pacific Textiles suppliers must provide accurate information on the origin of cotton cultivation for all relevant materials.
- * All cotton containing materials are not from elevated risk origins, as per appendix 1.
- * For the remaining origins, all cotton containing materials supplied to Pacific Textiles Limited must be certified to an acceptable certification standard as per appendix 2.

2. Detailed Requirements

Traceability

All Pacific Textiles suppliers must provide accurate information on the origin of cotton cultivation for the materials supplied to Pacific Textiles Limited. Failure to provide accurate and timely traceability information on request may result in rejection. Some suppliers may also be invited to participate in additional supply chain traceability initiatives in line with Pacific Textiles sustainability goals or risk management procedures. Pacific Textiles would like to understand the measures that suppliers are taking in order to ensure traceability of their cotton supply chains and encourage suppliers to work with us on this area.

Elevated Risk origins

Countries where cotton is grown are typically China, India, United States, Brazil, Pakistan, Uzbekistan, Turkey, and Australia. Some countries have been identified as elevated risk origins for cotton cultivation (appendix 1) and sourcing from these regions could support environmental or human rights abuse which Pacific Textiles have committed to reducing. This list may be subject to change.

Cotton containing materials supplied to Pacific Textiles must achieve relevant third-party certification as per appendix 2.

Certification requirements for cotton containing materials

All Pacific Textiles suppliers must provide valid evidence for the applicable third-party certification standard for the cotton containing materials supplied, and (where applicable) supplier chain of custodian certification, in the format required by appendix 2.

Appendix 1: Elevated risk origins for cotton

Country
China
Turkmenistan
Uzbekistan

Appendix 2: Acceptable certification standards

Certification name	Certification description
U.S. Cotton Trust Protocol (USCTP)	An internationally recognized standard for sustainable cotton production, covering six key sustainability metrics – land use, soil carbon, water management, soil loss, greenhouse gas emissions, and energy efficiency.
SUPIMA AQRe™	Supima has partnered with Textile Genesis to bring digital data connectivity to our Supima licensees through a blockchain approach and new licensing process. This will provide live transaction level transparency for products moving through your Supima supply chain
The Better Cotton Initiative (BCI)	The Better Cotton Standard System is a holistic approach to sustainable cotton production which covers all three pillars of sustainability: environmental, social and economic.
Cotton Made in Africa Hard Identity Preserved (CMiA HIP)	An internationally recognized standard for sustainable cotton from Africa. Hard Identity Preserved system requires separation of certified cotton from regular cotton.
Cotton Made in Africa Mass Balance (CMiA MB)	An internationally recognized standard for sustainable cotton from Africa. Mass Balance system allows cotton to be mixed with regular cotton.
Global Recycled Standard (GRS)	International, voluntary standard that set requirements for third-party certification of recycled input and chain of custody. GRS requires environmental and social responsibility audits.
Recycled Claim Standard (RCS)	International, voluntary standard that set requirements for third-party certification of recycled input and chain of custody.
Global Organic Textile Standard (GOTS)	Worldwide textile processing standard for organic fibres, including ecological and social criteria, backed up by independent certification of the entire textile supply chain.
Organic Content Standard (OCS)	An international standard that sets requirements for third-party certification of certified organic input and chain of custody.
Fairtrade (FLO)	An international standard designed to support the sustainable development of small producer

- * Additional third-party standards may be added to this list if they provide acceptable levels of traceability, social and environmental sustainability assurance in cotton supply chains.