



Anonymised example of sustainable cotton sourcing policy outline

In creating the CottonUP guide we feel it is important to help you learn from companies that have already navigated the complex challenges of sourcing more sustainable cotton, so you don't need to reinvent the wheel. Therefore, when we think about what makes a good cotton sourcing policy and what that policy might entail, we thought it would be helpful to take a few examples of sourcing policies from the industry and amalgamate them to demonstrate what you might want to include in your sourcing policy.

Critical success factors

Before you embark on creating a sustainable sourcing policy it is important to consider a number of critical success factors:

- Awareness level & support from sourcing, buying, or product team/s
- Awareness level and support from management
- Support from board
- Practical sustainable procurement goals and targets
- Location of suppliers
- Cost of product
- Scale

Below is an example of a sustainable sourcing policy, in outline form. When developing your own sourcing policy you may want to consider this structure and adapt it to fit your organisation including how it might fit with existing policies.

Example: Sustainable Sourcing Policy Outline for Sustainable Cotton

Policy content:

1. Introduction

- Scope
- Objective- to ensure compliance with fundamental requirements
- Definitions/ Abbreviations
- Policy Statement- standard disclosures
- Implementation plan

2. Overview of the Sustainable Cotton Strategy

- Organisational profile, company vision
- Approach to sustainability
- Ethical business practises, CSR:
 - o Environment
 - o Social aspects:
 - human rights
 - labour
 - o KPIs, key facts and figures
 - o Alignment with SDGs, UNGPs and Modern Slavery Act (UK businesses)
- Cotton standards or programmes used
- Governance
 - o Committee
 - o Board
 - o Stakeholder engagement
 - o Independent verification

- Published codes, policies, reports

- Risk assessments

3. Available cotton regulations

- Your roles and responsibilities
 - o Mandatory legislations
 - o Suppliers compliance
 - o Mitigation processes
 - o Health & Safety
- Identified implications in the supply chain
- Impact of the regulations in the supply chain

4. Sustainable cotton concerns

- Product, sourcing and operational challenges and risks
 - o Farm level
 - o Ginner level
 - o Spinner level
 - o Factory level

5. Sustainable cotton proposition and new solutions

- Available standards of environmentally friendly cotton
- Supply chain
 - o Sourcing
 - Supplier compliance- choosing responsible partners
 - Process for becoming the compliant business partner
 - o Environment
 - Response to climate change
 - Resource use in agriculture, dyeing and garment production
 - Hazardous chemicals management
 - Use of pesticides and fertilisers
 - Measuring carbon and water footprint
 - o Communities

- Wages
- Working conditions
- Discrimination
- Empowering women
- Children rights
- Mitigation and undertaken initiatives
- Recycling/ Circular economy
- Engaging customers and internal teams
- Directives, regulations applying to all cotton products
- Transparency
- Innovations and new goals

6. Measurement & Evaluation

- Overview of the data systems and methodologies
- Farm level
- Ginner level
- Spinner level
- Factory level

7. Reporting

- Reporting process and frequency
- Reporting matrix: key issues, challenges, activities, goals, performance
- Whistleblowing systems to report any violations of company policies

8. Audit

- Announced and unannounced audit process
- Auditors' responsibilities
- Self-auditing tools
- Performance evaluation and correcting violations
- Incident handling
- Follow-up methods

- Sanctions

9. Glossary

10. Definitions

11. Abbreviations

12. Contact for person who updates policy

13. Appendices