



Dunelm Group PLC

Responsible Cotton Policy

All Dunelm brand products have to meet relevant legal standards, as well as our stringent ethical, anti-slavery requirements and the minimum materials standards set out in this policy, designed to limit negative impact on people, animals and the planet. Our Responsible Sourcing program sets a higher standard for our materials and is subject to verification.

Why Dunelm cares about cotton and how it's sourced

Cotton is used to make bed linen, curtains and fabric, it is stable, flexible and a prolific raw material that is present in most of the textile-based products that Dunelm sells. Cotton is farmed in more than 100 countries. Its production and export are vital to the economies of much of the developing world; for instance, 37 of Africa's 53 countries produce cotton. It supports the livelihoods of over 300 million farmers. Cotton is a great natural raw material, but cotton farming and cotton processing businesses can have negative impacts on the environment and the quality of the lives of the people involved. We are committed to addressing these issues and using our influence to steadily reduce their impact in our supply chains. Our commitments, set out in this Policy, are part of a broader and comprehensive initiative covering raw materials used in the products we sell.

Scope

This Policy applies to all Dunelm Group companies and our own brand products which contain cotton. Dunelm may also require assurances regarding compliance with this Policy for the cotton used in third-party branded products.

Our commitment

All cotton used in Dunelm own brand products is assessed annually against this Policy which covers social and environmental matters. Our aim is for all cotton in Dunelm own-brand products to be more 'Responsibly Sourced' by 2025. Each year we will review this Policy and the requirements for our 'Responsibly Sourced' programme as part of our commitment to continuous improvement. Only cotton supply chains which meet our minimum requirements and our preferred conditions (as set out below) will be eligible for inclusion in Dunelm's 'Responsibly Sourced' programme.

Process- cotton supply chain mapping

The network of organisations in each product supply chain can be complex. We work with an independent team of experts to collect, review and verify all our suppliers of own-brand products containing cotton. We require each supply chain to be assessed at least once a year or more frequently if the structure of the supply chain changes. The risk of harm to people's health, safety and wellbeing and to the environment from the supply chain will be risk rated. Suppliers (and their supply chains) rated as High Risk will be required to take immediate action to reduce the level

of risk. If action is not taken within an acceptable period, Dunelm will stop buying products from that supplier and supply chain.

Sources of cotton supply chain risks

Farmers establish and manage cotton plantations in sub-tropical regions to produce cotton fibre. The fibre is manufactured into a wide range of products by a variety of businesses located around the world. There are a range of well documented poor practices carried out by some growers and cotton processors that Dunelm are seeking to avoid. Examples of poor practices are associated with forced and child labour; irresponsible irrigation in water scarce regions; water quality issues associated with the inappropriate and excessive use of pesticides and fertilisers and the degradation of soil fertility and organic carbon content.

Cotton supply chain risks fall into 2 principal categories:

Social: The major sources of social risk are associated with cotton farming in the high-risk regions detailed below.

Environmental: The major sources of environmental risk are associated with water use for irrigation, the use of synthetic chemical fertilisers and pesticides during cotton cultivation, and chemicals used during intermediate materials processing.

Social Compliance Requirements

Cotton farming

Cotton fibre for Dunelm products must not be sourced from plantations located in the following countries/regions under any circumstances due to the severity of potential risk and the

suspension of reliable third-party/independent assessment activity in these areas:

- China (Xinjiang Province only)

Cotton fibre for Dunelm products must not be sourced from plantations located in the following countries/regions unless there is clear social audit evidence from industry recognised bodies approved in accordance with our Ethical policy.

Countries and regions exhibiting systemic poor practices and therefore classed as High-Risk for cotton fibre production:

- Benin
- Burkina Faso
- Kazakhstan
- Tajikistan
- Turkmenistan
- Uzbekistan

Cotton product manufacture

Finished products containing cotton must not be manufactured for Dunelm in facilities located in the following countries/regions under any circumstances due to the severity of potential risk and the suspension of reliable third-party/independent assessment activity in these areas:

- China (Xinjiang Province only)

Finished products containing cotton which have been manufactured for Dunelm in facilities which have been independently assessed to satisfy one or more of the following requirements will qualify as preferred*:

- SEDEX- SMETA 2 pillar/ 4 pillar
- Business Social Compliance initiative
- Social Accountability International SA8000
- ICTI (toys only)
- Fast Forward UK
- Worldwide Responsible Accredited Production (WRAP)

You can find out more about our Ethical Code of Conduct Link to Ethical Code of Conduct

<https://corporate.dunelm.com/media/2729/dunelmethical-code-of-conduct-update-march-2020.pdf> and human rights approach in our modern slavery statement on our website <https://corporate.dunelm.com/sustainability/community/modern-slavery/>.

Our commitment to More Responsibly Sourced Cotton

In 2019 we set our first cotton commitment to reach 100% of own brand cotton products to meet our 'More Responsibly Sourced Cotton' standard by 2025. For products to achieve this standard, the product must comply with *Social Compliance Requirements* and achieve one of the following:

- Certified Recycled Cotton
- Certified Organic Cotton

- Sourced as Better Cotton (including all 'benchmarked' schemes e.g CMiA (including 'CMiA organic'). We are committed to improving cotton farming practices globally with Better Cotton. Better Cotton is sourced via a chain of custody model called mass balance. This means that Better Cotton is not physically traceable to end products, however, Better Cotton Farmers benefit from the demand for Better Cotton in equivalent volumes to those we 'source.'

For more information on mass balance system:

<https://bettercotton.org/what-we-do/connecting-supply-demand-chain-of-custody/>

Intermediate materials processing and finished product manufacture.

Intermediate product processing for Dunelm cotton containing products which is performed in facilities independently assessed to meet one of more of the following requirements qualify as preferred:

- ISO14001
- EMAS
- EU Eco-label scheme
- Global Organic Textiles Standard
- Organic Content Standard
- Global Recycled Standard
- Scientific Certification Systems- Recycled content
- Recycled Content Standard
- MADE IN GREEN by OEKO-TEX®
- STANDARD 100 by OEKO-TEX®

* Where certification/accreditation to alternative standards/programmes are provided, Dunelm's independent assessors and sustainability team will investigate to determine the eligibility of this standard with reference to the area of the Dunelm Cotton Sourcing Policy which is intended to be addressed by the supplier. To be considered eligible as an alternative evidence type, this standard/programme must:

- grant certification/accreditation to a business or site only on the condition that it meets a set of clearly defined environmental and/or social criteria,
- include an independent/third party on-site audit as part of the assessment process,
- be awarded by a body which is entirely independent of the business or site under assessment and some requirements will cover product certification.

**3rd party assessment against environmental norms by an internationally respected and suitably qualified independent organization that is approved by Dunelm.

Links:

Better Cotton Initiative <https://bettercotton.org/>

Cotton Made in Africa <https://www.cottonmadeinafrica.org/en/>

APEDA <https://agriexchange.apeda.gov.in/Home.aspx>

ISO26000 <https://www.iso.org/iso-26000-social-responsibility.html>

SA8000 <http://www.sa-intl.org/index.cfm?fuseaction=Page.ViewPage&pageId=1689>

SEDEX <https://www.sedexglobal.com/>

GB/T19630
<https://www.chinesestandard.net/PDF/English.aspx/GBT19630-2019>

ISO14000 <https://www.iso.org/iso-14001-environmental-management.html>

EMAS <https://ec.europa.eu/environment/emas/>

EU Eco-label scheme <https://ec.europa.eu/environment/ecolabel/>

GOTS <https://www.global-standard.org/>

GRS & RCS <https://textileexchange.org/standards/recycled-claim-standard-global-recycled-standard/>

MADE IN GREEN by OEKO-TEX® <https://www.oeko-tex.com/en/our-standards/made-in-green-by-oeko-tex>

STANDARD 100 by OEKO-TEX® <https://www.oeko-tex.com/en/our-standards/standard-100-by-oeko-tex>

Scientific Certification Systems- Recycled content
<https://www.scsglobalservices.com/services/recycled-content-certification>