



## TFG Brands London Cotton Procurement Policy

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This Policy is intended to help all organisations that are involved in the manufacture or supply of goods - collectively known as suppliers - to TFG Brands (London) Limited (hereinafter “TFG Brands”), including Hobbs, Inside Story, Phase Eight and Whistles understand the steps they need to take to ensure that forced and child labour doesn’t find a way into our cotton supply chain.

TFG Brands does not support the use of cotton grown in Turkmenistan, Uzbekistan or China in our textile products. Furthermore, TFG Brands does not support cotton processed - including cotton lint as feedstock, fibre spinning into yarn and yarn knitting or weaving into fabric - in the Xinjiang Uyghur Autonomous Region (XUAR).

TFG Brands requires suppliers to identify and declare the country of origin of raw cotton, including in the use of cotton-based products such as feedstock, yarn and fabric, used in TFG Brands textile products and to provide adequate supporting documentation of the source.

To support the country of origin identification and declaration of the raw cotton, TFG Brands requires suppliers to submit an import invoice evidencing the country of purchase. In addition, if providing organic or recycled cotton, TFG Brands requires a valid Scope and Transaction certificate. Please reach out to your relevant Buyer and Garment Technologist for full requirements.

Where it is not possible for suppliers to identify the country of origin of the raw cotton fibre, TFG Brands requires suppliers to advise and provide an explanation to the sourcing team (Design, Buying, Technical and Merchandising teams) ahead of starting production.

TFG Brands reserves the right to audit records to monitor the source of raw cotton of any supplier at any time.

### Background

TFG Brands’ Ethical Trade Programme aims to ensure the rights of workers in our **supply** chain are respected and upheld, and a zero-tolerance approach for inaction on forced labour is an important element of our Code of Conduct and Policies Handbook.

Uzbekistan has a history of widespread use of forced labour to harvest the cotton fields and we joined other brands, retailers, trade organizations and non-governmental organisations, to voice our concern with a goal to eliminate this practice.

TFG Brands stands firm that the use of organised forced labour is completely unacceptable and whilst we celebrate the historic achievement of the elimination of state-imposed forced labour in the 2021 Uzbek cotton harvest, we will continue this sanction until the Uzbek government introduces broader reforms to make sure cotton workers enjoy decent work. It is our expectation that our suppliers will not knowingly source cotton from Uzbekistan, and they shall make all reasonable efforts to communicate our concern for this issue down the supply chain.

There are also ongoing reports of the widespread and systematic use of forced labour to harvest cotton in Turkmenistan. Reports suggest this cotton is exported either as raw cotton or in cotton-based products, for use in global textile products.

In addition, TFG Brands are concerned by reports of human rights abuses being perpetrated against Uyghurs and other Turkic and Muslim majority peoples in the Xinjiang Uyghur Autonomous Region

and other parts of China which are key cotton production regions. We note the Better Cotton Initiative's decision to cease all field-level activities in the Region, due to an increasingly untenable operating environment.

The US Customs and Border Protection has imposed a Withhold Release Order on all products produced in whole or in part with cotton from the Xinjiang Uyghur Autonomous Region, unless importers can affirmatively prove that no forced labour was used in the production of the goods.

In addition, as of June 2022, The Uyghur Forced Labor Prevention Act (UFLPA) came into effect, and establishes a so-called "rebuttable presumption" that the importation of any goods, wares, articles, and merchandise mined, produced, or manufactured wholly or in part in the Xinjiang Uyghur Autonomous Region of the People's Republic of China, or produced by certain entities, is prohibited by Section 307 of the Tariff Act of 1930 and that such goods, wares, articles, and merchandise are not entitled to entry to the United States. The presumption applies unless the Commissioner of U.S. Customs and Border Protection (CBP) determines that the importer of record has complied with specified conditions and, by clear and convincing evidence, that the goods, wares, articles, or merchandise were not produced using forced labour.

The UFLPA also requires the interagency Forced Labor Enforcement Task Force, chaired by the Secretary of Homeland Security, and in consultation with the Secretary of Commerce and Director of National Intelligence, to develop and submit to Congress a strategy for supporting CBP's enforcement of Section 307 of the Tariff Act of 1930 with respect to goods, wares, articles, and merchandise produced with forced labour in the People's Republic of China.

TFG Brands commits to not knowingly source Uzbek, Turkmen and Chinese cotton, or indeed cotton derived from forced and child labour sources, for the manufacturing of any of our products. As a result of this, TFG Brands has made the decision to prohibit the use of cotton coming from these regions. This pledge will stand until the International Labour Organisation (ILO) has verified that the respective governments have ended this unacceptable practice, as well as this being determined by the Cotton Campaign and the Coalition to End Forced Labour in the Uyghur Region.

We understand that cotton is an internationally traded commodity and that raw cotton sources are not always easily identifiable and that tracing the origin of cotton in finished products is very difficult. However, we are asking our suppliers and licensees to make their best efforts to trace their cotton sources and ensure that raw cotton fibre and yarn, or products containing such, from Uzbekistan, Turkmenistan and China are not used in any TFG Brands product. We are committed to supporting our direct suppliers in achieving this endeavour.

As such, TFG Brands:

- Has established a company policy that prohibits the use of Uzbek, Turkmen and Chinese cotton in any form and prohibits business with companies that are either invested in the cotton sector in Uzbekistan, Turkmenistan and China or using Uzbekistan, Turkmenistan, or China's cotton. Furthermore, this policy also prohibits the cotton fibre production – cotton lint as feedstock, fibre spinning into yarn and yarn knitting or weaving into fabric - in the Xinjiang Uyghur Autonomous Region.
- Has incorporated this ban in all our vendors' agreements and requires you as a supplier to TFG Brands to do the same by:
  - Establishing a company policy that prohibits the use of Uzbekistan, Turkmenistan and China's cotton and prohibits business with companies that are either invested in

the cotton sector in Uzbekistan, Turkmenistan and China or using Uzbekistan, Turkmenistan, and China's cotton.

- Incorporating this ban into your vendors' agreements.
- Request that your suppliers do the same.

We continue to learn more about these practices. To support with this TFG Brands continues to map our cotton procurement supply chain and will work with our suppliers and stakeholders to develop and implement practices that promote adherence to ethical standards across TFG Brands supply chains.

TFG Brands reserves the right to audit records to monitor the source of raw cotton of any supplier at any time. This includes performing random audits on fabric mills and factories to ensure the country of the origin of cotton is not from Uzbekistan, Turkmenistan, or China. Should cotton be found to be from any of these countries, TFG Brands reserves the right to refuse all merchandise connected to the contracts with no liability or obligation to the supplier.

For more information on Uzbekistan and Turkmenistan cotton industry please refer to <http://www.cottoncampaign.org/>

For more information on the Xinjiang Uyghur Autonomous Region, please refer to <https://enduyghurforcedlabour.org/>

#### Support

If you have particular questions on cotton sourcing, please contact Francesca Mangano, Head of CSR and Sustainability at francesca.mangano@tfg-brands.co.uk.

Thank you for your continued partnership.