

MATALAN COTTON FIBRE SOURCING POLICY

At Matalan we recognise sourcing our raw material sustainably with ethical provenance is equally critical of sourcing the best raw material to enhance and deliver the best quality products to our customers. We take ethical sourcing extremely seriously and have a robust ethical sourcing policy in place to ensure our supply chain is transparent and closely monitored.

We recognise our responsibility to the environment, so we are taking every measure to minimise the environmental impact caused by these raw materials while still committed to deliver more sustainably sourced products with best value & quality to our customers. But we also recognise the challenges ahead of us and we won't get this 100% accurate but we believe if we change the way we look at things, the things you look at will change and make our contribution to create a better planet for the future generation.

We made significant changes over the years on how we source our products, where we source and how to be transparent.

Cotton

Cotton is one of the most versatile plants in the world. From its natural fibre to its seeds, cotton can be used in many ways. Apart from clothing and bedding, cotton can be used variety of commodities, but the most common use of cotton is in the textile industry because of its naturally enhanced soft hand feel, durability, highly absorbent and breathable are distinguishing characteristics makes it the most popular fibre in the textile industry.

However growing cotton leaves an environmental footprint, due to the large amount of water and pesticides used to grow cotton.

What are we doing?

Matalan partners with & is a member of Better Cotton Initiative (BCI™) whose mission is to improve cotton farming globally. BCI supports cotton farming communities in their efforts to implement practices that protect the environment and enhance income and resilience.

Matalan have been sourcing BCI Cotton via system of mass balance. Mass Balance is a volume- tracking system that allows BCI Cotton to be substituted or mixed with conventional ensuring that the amount of BCI Cotton sold never exceeds the amount of BCI Cotton purchased at all levels of textile supply chain.

Matalan is transitioning to sourcing BCI Cotton under the Physical Chain of Custody model. This system will allow to trace Physical BCI Cotton back to country of origin compared to current mass balance BCI cotton system.

What we achieved

- Through the fees we pay for sourcing BCI Cotton, we contribute to the funding of field-level projects and farmer capacity strengthening through the BCI Growth and Innovation Fund (GIF).
- Our sourcing of BCI Cotton in 2025 supported farmers participating in GIF-funded projects to save an estimated 120,844,085 litres of water over the last growing season.
- Our sourcing of BCI Cotton in 2025 supported farmers participating in GIF-funded projects to avoid an estimated 396 kg of pesticide active ingredient over the last growing season.
- Farmers participating in GIF-funded projects increased their net income per cotton hectare by an estimated 14.7% over the last 3 growing seasons.
- *Farmers experience net income increases for a variety of reasons, most commonly due to increased yields and/or optimised use of inputs (such as irrigation water, pesticides or synthetic fertiliser). However external variations like prices or weather have a large influence.