

Cotton Traceability

Abi Rushton

Ethical & Sustainable Sourcing

Tesco Clothing



HISTORIC FUTURES
the future is history



- What we know about cotton
- Current sourcing position
- The way forward



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What we know about cotton

- Historically difficult to track as cotton is internationally traded commodity
- Visibility is lost through cotton merchants, ginneries and spinners
- Growing external pressures mean that to be credible we need to be able to trace where the cotton in our garments comes from
- Organic and fairtrade cotton can be tracked through certification schemes (less than 5% global production)



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Uzbek cotton

- Growing pressure since launch of White Gold report by EJF in 2005
- Harvested using govt organised forced child labour
- Irrigated by draining the Aral Sea

- Sold at international trading price
- Higher quality perception due to low amount of trash because crop is hand picked



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Current Sourcing Position

- **Uzbek cotton:**
 - 2007/08 Uzbek crop estimated 1.1M tonnes
 - 250,000 to 280,000tonnes for internal consumption
 - 850,000 to 900,000 tonnes exportable surplus
 - 650,000 tonnes already sold to traders with a further 100,000 tonnes contracted to date
 - 200,000 tonnes shipped before January 2008
 - 600,000 tonnes expected to ship January – August



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Current Sourcing Position

- All Uzbek cotton is sold through 3 state companies
 - Uzpromashimpex
 - Uzinterimpex
 - Uzmarkazimpex
- Uzbek cotton has clear marking on the bales and can be identified by date and location of production in Uzbekistan



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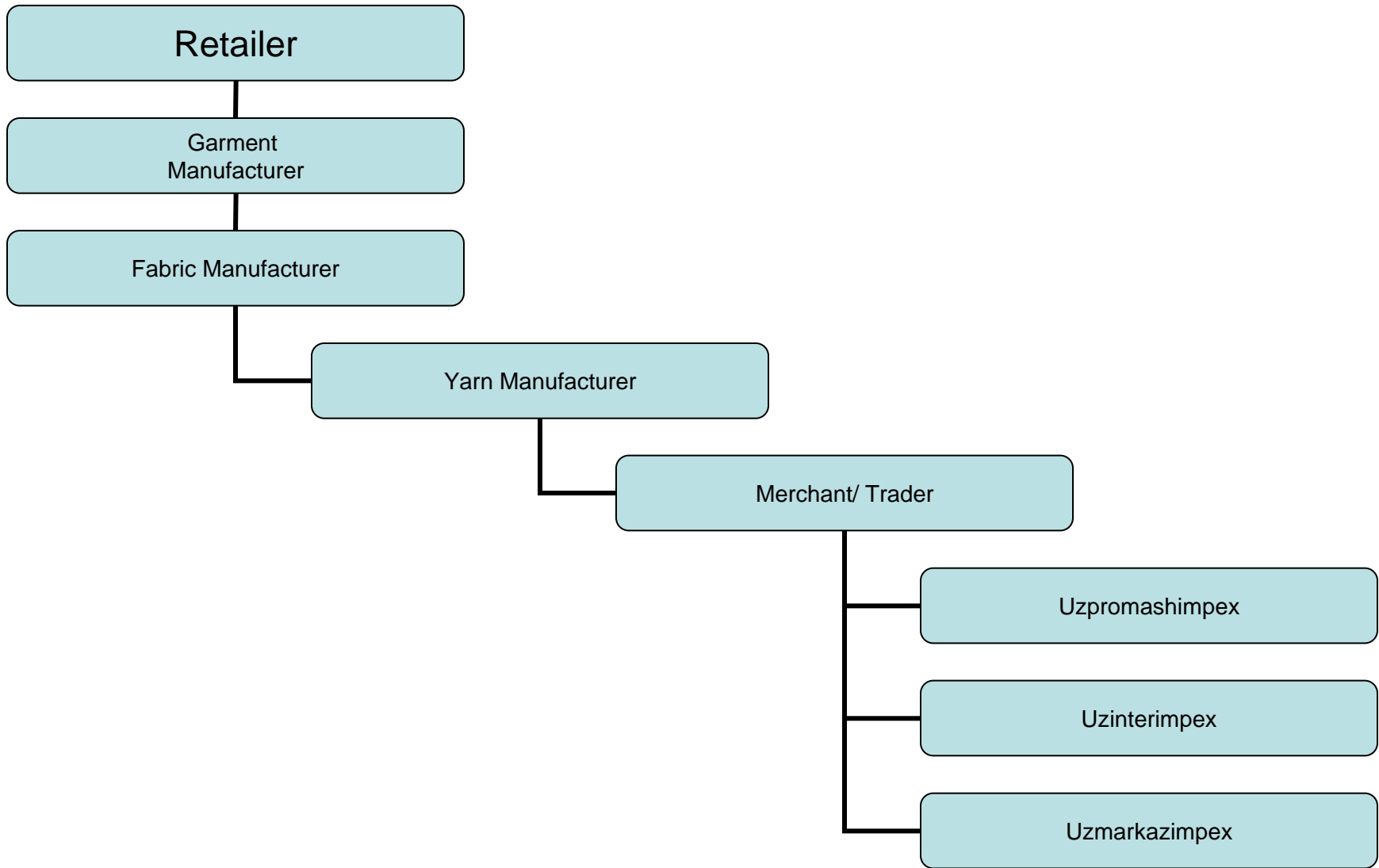
Current Sourcing Position

- Historically the Eastern European bloc including Russia, Poland and Czechoslovakia purchased Uzbek cotton
- After the break up of the Soviet Union Uzbekistan searched for new markets and turned East
- Main consuming markets now are:
 - Bangladesh
 - China
- Uzbek yarn is also exported to Turkish and European Mills

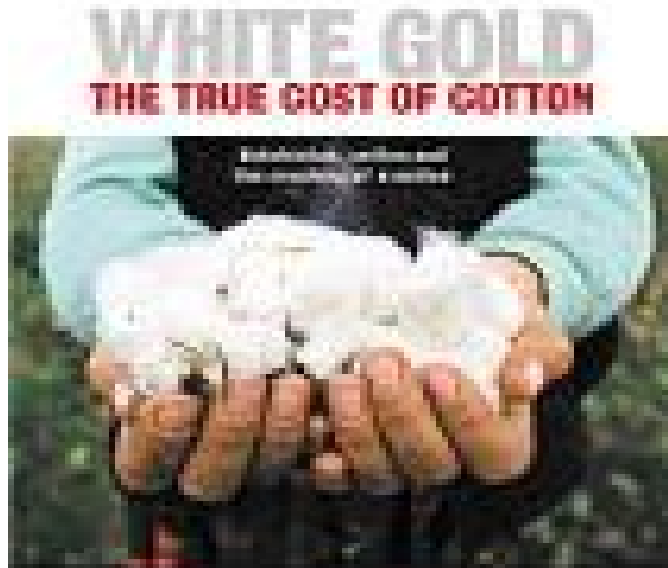


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The way forward



TESCO

Tesco Stores Limited
 Circus Building C
 Shire Park
 Welwyn Garden City
 Hertfordshire
 AL7 1ZF

29/01/2008

RAW COTTON SOURCING

Dear Supplier,

As you will be aware worker welfare is of paramount importance to Tesco Stores Limited, which is why we go to great lengths to conduct ethical inspections in all factories supplying Tesco, wherever they are in the world.


Following ongoing discussions with campaign groups on the subject of cotton production and the use of child labour in this part of the supply chain, we feel the need to re-iterate Tesco's revulsion at the use of child labour. We realise that child labour is a complex issue with many causes which we acknowledge are hard to effect individually. However the use of organised and forced child labour is completely unacceptable and leads us to conclude that whilst these practices persist in Uzbekistan we cannot support the use of cotton from Uzbekistan in our textiles.

We understand that cotton is an internationally traded commodity and that raw cotton sources are not always easily identifiable. However from AW08 onwards we will require you, wherever possible, to identify the source of raw cotton used in Tesco textile products and document this. We will reserve the right to randomly audit records to monitor the source of raw cotton.

Where it has not been possible for you identify the country of origin of raw cotton or you have previous commitments of Uzbek cotton we will require you to advise the relevant Technical Manager of this and the reasons that this could not be done ahead of starting production. Stocks of Uzbek cotton should be reduced immediately and no further purchased for use in Tesco textile products.

For further information regarding conditions in the Uzbekistan cotton industry please refer to, http://www.ablworldvision.org/ufw/white_gold_the_true_cost_of_cotton.pdf and for advice on tracking the sources of raw cotton please contact Abi Flushton (abi.flushton@uk.tesco.com).

Please return a signed copy of this letter as an indication of your commitment to this initiative to Jacqui Gray (jacqui.gray@TESCOBD.COM) by January 30th 2008.

Yours sincerely

 Terry Green
 CEO Tesco Clothing and Hardlines

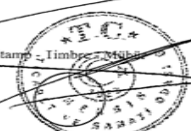
Name.....
 Position.....
 Date.....

Tesco Stores Limited a company registered in England and Wales whose registered office is at Tesco House, Cheshunt, Hertfordshire, EN8 9SL.



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<p>1 Exporter (name, address, country) Exportateur (nom, adresse, pays) İhracatçı (ismi, adresi, memleketi)</p> <p>PAUL REINHART AG TECHNIKUMSTRASSE 82 CH-8401 WINTERTHUR SWITZERLAND C/O İMISK A.Ş. WAREHOUSE MERSİN FREE ZONE</p>	<p>2. No E 0683441</p> <p>CERTIFICATE OF ORIGIN CERTIFICAT D'ORIGINE MENŞE ŞAHADETNAMESİ B</p>	
<p>3 Consignee (name, address, country) Destinataire (nom, adresse, pays) Alıcı (ismi, adresi, memleketi)</p> <p>M/S Pahartali Textile & Hosiery Mills Ispahani Building, SK, Mujib Road Agrabad C/A, Ctg. Bangladesh. Factory:North Pahartali, Ctg. email: import@Ispahani Bd.com or fax no:880-31-710471 attn.Import Deptt.</p>		
<p>4 Particulars of transport (where required) Renseignements relatifs au transport (le cas échéant) Nakliye ile ilgili malumat (üzurnu halinde)</p>		
<p>5 Marks & Numbers, Number and kind of packages; Description of the goods Marques et numéros; Nombre et nature des colis; Désignation des marchandises Marka ve numara, Koli sayısı ve cinsi, Malların tanımı</p> <p>99 BALES TURKISH ORGANIC COTTON Import Permit No:IP No:3566 date 19.11.2007 UNDER CFER L/C NUMBER 027807010079 AND H.S. CODE NUMBER 5201.00.</p>	<p>6 Gross weight Poids brut Brüt ağırlık</p> <p>23.311,00</p> <p>23.063,00</p>	<p>7</p> <p>BRUT KG</p> <p>NET KG</p>
<p>8 Other information - Autres renseignements Diğer Malumat</p> <p>Stamp - Timbre - Mühür</p> <p>11 DEC 2007</p> 	<p>It is hereby certified that the above mentioned goods originate in; Il est certifié par la présente que les marchandises mentionnées ci-dessus sont originaires de:</p> <p>Yukarıda tarif edilen malların menşeli olduğu tasdik edilmiştir.</p> <p>TURKISH ORIGIN PAUL REINHART AG</p> <p>CERTIFYING BODY</p> <p>ORGANISME AYANT DELIVRE LE CERTIFICAT</p> <p>İŞBU VEŞİKAYI İANZİM EDEN TEŞEKKÜL</p> <p>MERSİN CHAMBER OF COMMERCE AND INDUSTRY INC</p> <p>Place and date of issue - Lieu et date de délivrance Tanzim yeri ve tarihi - Teslim yeri ve tarihi</p> <p>MERSİN 11.12.2007</p> <p>Authorized signature - signature autorisée Yetkili İmza</p>	

KULÇASLAN 394 34 84 - 06-19323



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patagonia



MARKS &
SPENCER



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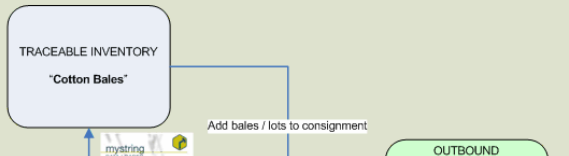
TESCO

Below the word "TESCO" are five horizontal, blue, wavy lines that resemble stylized waves or a barcode.

Raw Cotton
Friday 25th January 2008

Cotton merchant

Cotton Merchant	Req
Organisation name	<input checked="" type="checkbox"/>
Operating address	<input checked="" type="checkbox"/>
GPSx : GPSy co-ords	<input checked="" type="checkbox"/>
Web-site link	<input checked="" type="checkbox"/>
Environmental certification	<input checked="" type="checkbox"/>
Social certification	<input checked="" type="checkbox"/>



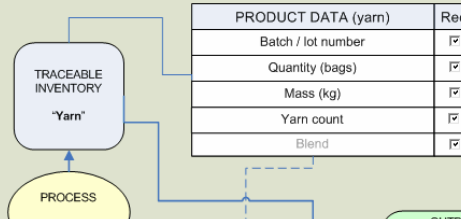
Spinning

Friday, February 08, 2008

Yarn spinning organisation

Yarn Spinning organisation	Req
Organisation name	<input checked="" type="checkbox"/>
Operating address	<input checked="" type="checkbox"/>
GPS x,y co-ordinates	<input checked="" type="checkbox"/>
Web-site link	<input type="checkbox"/>
Environmental certification	<input type="checkbox"/>
Social certification	<input type="checkbox"/>

Other certification(s)	<input type="checkbox"/>
Financial statement	<input type="checkbox"/>
Contact points (personnel)	<input checked="" type="checkbox"/>
Pictures	<input type="checkbox"/>
Marketing / brochure materials	<input type="checkbox"/>



Export data from existing systems into MS Excel



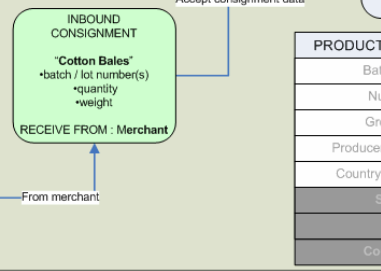
Fabric & Garment Manufacture (Clothing)

Thursday, January 31, 2008

Fabric and CMT Organisation

Fabric and CMT organisation	Req
Organisation name	<input checked="" type="checkbox"/>
Operating address	<input checked="" type="checkbox"/>
GPS x,y co-ordinates	<input checked="" type="checkbox"/>
Web-site link	<input type="checkbox"/>
Environmental certification	<input type="checkbox"/>
Social certification	<input type="checkbox"/>
Other certification(s)	<input type="checkbox"/>
Financial statement	<input type="checkbox"/>
Contact points (personnel)	<input checked="" type="checkbox"/>
Pictures	<input type="checkbox"/>
Marketing / brochure materials	<input type="checkbox"/>

PRODUCT DATA (fabric)	Req
Batch / lot number	<input checked="" type="checkbox"/>
Quantity (Metres)	<input checked="" type="checkbox"/>
Gross weight (kg)	<input checked="" type="checkbox"/>
Fabric weight (gsm)	<input checked="" type="checkbox"/>



PRODUCT DATA (finished products)	Req
Batch / lot number	<input checked="" type="checkbox"/>
Quantity (pieces)	<input checked="" type="checkbox"/>
Style Number	<input checked="" type="checkbox"/>
Fabric weight (gsm)	<input checked="" type="checkbox"/>
Product name	<input checked="" type="checkbox"/>



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- Know your supply chain
- Build relationships down supply chain
- Track your supply chain



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The Tesco logo features the word 'TESCO' in a bold, red, sans-serif font. Below the text are five blue diagonal bars, each slanted downwards from left to right.