

## Written evidence submitted by Tesco

At Tesco, ethics and environmental issues are as important to us as they are for our customers. On food we are recognised by Oxfam as the leading supermarket on human rights, and we extend the same approach to clothing.<sup>1</sup>

Each year we sell more than 200 million items of clothing in the UK, Ireland and Central Europe. Through our Little Helps Plan, we have committed to taking large-scale action that creates meaningful change, setting ourselves targets and partnering with national and international programmes. We have made significant progress towards our sustainability targets since the Committee's original inquiry, and we welcome the opportunity to provide further written evidence.

### **What progress has been made in reducing the environmental and social impact of the fashion industry since the Fixing Fashion report came out?**

Our previous submission detailed the approach we take to ensuring decent work and minimising environmental impacts in our supply chain. We have built on this in the following areas:

- As a member of the Sustainable Clothing Action Plan (SCAP), a collaborative initiative led by WRAP which aims to use collective action to minimise the environmental impact of our clothes, we have achieved the SCAP Water and CO2 reduction targets ahead of the 2020 plan.<sup>2</sup>
- Cotton remains the biggest raw material we use, and we are a signatory to the Better Cotton Initiative. All of our 100% cotton products are now made of 100% sustainable cotton. We have also developed an organic cotton range in collaboration with our partner WWF, which launched in March 2020.
- We require the production of our denim ranges be assessed using the Environmental Impact Measurement. This enables us to monitor and ensure our denim ranges are made using the latest sustainable techniques.<sup>3</sup>
- We have joined the Sustainable Apparel Coalition, an industry collaboration committed to measuring and improving social and environmental sustainability impacts.
- As a member of 'ACT', the ground-breaking initiative between leading global garment brands and trade unions to achieve living wages for workers through collective bargaining at industry level, we have assessed our purchasing practices to ensure they enable living wages, and collaborated with unions and leading brands on common freedom of association requirements in key production countries.
- Internally, we have reset ways of working to ensure that ethical considerations are as important as commercial considerations in supplier selection, introduced 'ethical supplier ratings' and 'ethical factory ratings' across the entire supply base, and changed ways of working including, for example, that our ethical and technical experts are always first to visit potential new factories, with commercial colleagues only joining if the factory shares our values and can meet our standards.
- We have introduced new lines such as men's swimwear to increase the mix of recycled polyester within our range as we work towards using 100% recycled polyester by 2030.
- We offer textile banks in many of our car parks and will roll out our clothing takeback scheme to almost 500 stores later this month. Each year we now collect 11,000 tonnes of clothing, footwear and home textiles through our carpark bins – and our in-store takeback scheme will significantly increase this figure.

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<sup>1</sup> <https://oxfamapps.org/behindthebarcodes/#scorecard>

<sup>2</sup> <https://wrap.org.uk/content/scap-reports>

<sup>3</sup> Further information on Environmental Impact Measurement can be viewed at: <https://www.jeanologia.com/portfolio/eim-environmental-impact-software/>

- We recognise the importance of working with our suppliers and driving improvements throughout the supply chain. As part of this, we hold annual supplier awards to recognise environmental and social impact achievements.

#### **What impact has the pandemic had on fashion waste?**

The pandemic has had no impact on fashion waste at Tesco. As a supermarket, we have been fortunate to be able to continue to sell clothing throughout the year, in line with government guidelines, and we worked very closely with our supplier partners to ensure that we were able to honour all of our orders placed before the pandemic began.

#### **What impact has the pandemic had on the relationship between fashion retailers and suppliers?**

At Tesco, we're focused on forming long-term, mutually-beneficial supplier relationships. We believe our relationship with our suppliers has strengthened since the start of the pandemic, and we've worked hard to support suppliers through this period, including by not cancelling any orders for garments or fabrics that we had already committed to.

#### **How could employment law and payment of the minimum wage be more effectively enforced within the UK fashion industry?**

We support the British Retail Consortium's recommendation to government for statutory licensing to be in place for UK factories. A key reason we do not source more within the UK is a lack of confidence in the regulation and enforcement of standards (which is why we pulled out factories in the Leicester area several years ago). This fit-to-trade scheme would be a licensing scheme that every factory would require to trade. Manufacturers that repeatedly demonstrate good practice could transition to longer cycles between inspections to reduce the burden and cost.

#### **What are the pros and cons of proposals to license factories or more strongly regulate purchasing practices?**

Although the details will matter, in principle we welcome licensing and greater transparency. We believe they will bring more protection for workers, and indeed responsible retailers, and a more even playing field across factories.

There needs to be an onus and emphasis on brands agreeing to stop sourcing from sites who do not have a licence and a consideration of fines for brands found to be working with such factories.

#### **What would be the most effective measures industry or Government could put in place to ensure that materials or products made with forced or prison camp labour are removed from the supply chain?**

It is important that retailers demonstrate compliance with the Modern Slavery Act and that the Act is robustly enforced. We would welcome greater monitoring by Government of compliance by businesses with the Act, and a strengthening of its requirements around transparency in supply chains.

We are also in the process of working with WRAP on the Textiles 2030 Commitments which include a supply chain transparency workstream and will lead to targets in this area. We believe that this will have a positive impact in industry addressing this issue.

#### **How can any stimulus after the Coronavirus crisis be used to promote a more sustainable fashion industry?**

In general we believe there is an opportunity for strengthened education for children around sustainability issues and the impacts of production and consumption choices on the environment. Teaching life skills such as sewing could also help reduce clothing and textile waste.

We also strongly support measures to accelerate progress towards a 'closed loop' for the industry, such as the recently announced waste research centres. The UK currently lacks a consistent national infrastructure for recycling in general, and greater support for recycling innovation and investment is required to facilitate this.

**Is the Sustainable Clothing Action Plan adequate to address the environmental impact of the UK fashion industry? How ambitious should its targets be in its next phase?**

We believe that SCAP is an important element of an industry response to the environmental challenges of the fashion industry. SCAP membership is voluntary and the greatest challenge lies with brands and retailers who are not signed up to SCAP, and therefore may not share the commitments and drive to improve their environmental impact in line with the targets.

The challenges in addressing the environmental impact of the industry are global and not simply national. We believe SCAP needs to align with the Sustainable Apparel Coalition and the UN Sustainable Development Goal roadmap on global targets to enable more brands and retailers to sign up. We also believe SCAP would be a strong model that other countries could follow.

**What actions could Government take to improve the collection of fashion waste?**

One of the main challenges in facilitating the collection of fashion waste is the differing standards and infrastructure that exist between different local authorities. To encourage greater uptake in the sustainable disposal of clothing, the process needs to be made easy and simple. For this reason, we believe a consistent nationwide approach to the household collection of textile waste is crucial.

**What actions could the Government take to incentivise the use of recycled or reused fibres and materials in the UK fashion industry?**

We would support the Government exploring making membership of SCAP mandatory for all retailers above a set turnover, to ensure that large retailers are committed to the measures set out in the plan. We also believe that retailers should be encouraged to sign up to a recycled and re-used fibre roadmap and goals.

**How could an Extended Producer Responsibility scheme for textiles be designed to incentivise improvements in the sustainability of garments on sale in the UK?**

We would welcome the exploration of an incentive scheme, through Extended Producer Responsibility, to encourage retailers to take positive action to improve the sustainability of any garments on sale in the UK. We believe it would be important to ensure that this is measured against consistent and verifiable measurements. The Textiles 2030 commitment, which is currently being developed in collaboration with WRAP could be a good starting point for these metrics and targets.

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