	Nishat Mills Limited/Nishat Linen Pvt. Limited				PAGE 1 of 3
	COTTON SOURCING POLICY (CSP)		DOCUMENT NO.: NML-YESS-AR-Y1		YESS Standard
	ISSUE DATE: 08-Aug-2023	REVIEW DATE: 20-Oct-2023	NEXT REVIEW DATE: 20-Oct-2024	REVISION # 01	REVISION DATE: 20-Oct-2023

Annual Public Due Diligence Report- YESS Year 1 Assessment

Nishat Mills Limited/ Nishat Linen Pvt. Ltd. is official Supplier of Yarn & Fabric, produced in compliance with the Year-1 Assessment of YESS (Yarn Ethically & Sustainably Sourced). During the assessment of Nishat Mills Limited/ Nishat Linen Pvt. Ltd., we have not found any evidence about Cotton Sourcing from China, Uzbekistan etc.

(1) Company Information

Company Name	Nishat Mills Limited/ Nishat Linen Pvt. Limited.
Company Address	20km Sheikhpura-Faisalabad road, Ferozewattwan, Sheikhpura.
Processes	Cotton Stacking, Blow Room, Carding, Combing, Drawing & Finishing, Simplex, Ring, Auto Winding, Auto Coro, Packing, Hard & Soft Waste recycling.
Time Period covered by this report	01/01/2022 to 31/12/2022.

(2) Company Supply Chain Policy

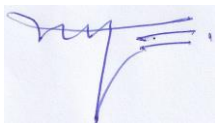
<https://nishatmillsLtd.com/media/>

(3) Company Management System:

a) Management Structure:


- CEO, Executive Director (Sales) and Dy. General Manager Cotton Sourcing are overseeing the Due Diligence of Nishat Mills Limited/ Nishat Linen Pvt. Ltd.
- Dy. General Manager Cotton Purchase, Management Representative and Technical Director have the necessary competence, knowledge & experience and they are responsible for the implementation of the due diligence system.
- Relevant staff are trained covering on the due diligence system and Management Representative maintains the training records within company records.
- Dy. General Manager Cotton Purchase is maintaining the Due Diligence system. He obtains necessary resources needed and then address any gaps in the due diligence management system in a timely manner. If any criteria are not up-to the mark, then he reports the insufficiency and a plan to address it to Executive Director.

b) Internal System Control:



PREPARED BY

CONTROLLED COPY




REVIEWED BY

DO NOT DUPLICATE



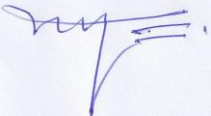
APPROVED BY

FOR INTERNAL USE ONLY

	Nishat Mills Limited/Nishat Linen Pvt. Limited				PAGE 2 of 3
	COTTON SOURCING POLICY (CSP)		DOCUMENT NO.: NML-YESS-AR-Y1		YESS Standard
	ISSUE DATE: 08-Aug-2023	REVIEW DATE: 20-Oct-2023	NEXT REVIEW DATE: 20-Oct-2024	REVISION # 01	REVISION DATE: 20-Oct-2023


- Cotton Purchase Committee is mainly responsible for the decision of quantity and cotton buying plans. Dy. General Manager Cotton Purchase contacts the Cotton Suppliers (Ginners) and takes the counter offers on the daily basis & the counter offers are reviewed keeping in view the fresh market rates, government rates and cotton production situation in the country and abroad. He finalizes the offer with the Cotton Suppliers (Ginners) with all its specifications. At the arrival of Cotton if chain of custody / transportation / other documents is missing or do not align with the shipment / purchase order, is not entered into the Inventory Management System and is Physically separated from approved cotton receipts until those issues or discrepancies are resolved. In case the cotton is rejected on the basis of approved standards or cotton quality parameters, the Cotton Purchase Department prepares the claim. Cotton Purchase Department reviews the Cotton Non-Conformity report with the remarks as given by Quality Control Department and contacts the concerned Supplier to discuss the nature of Non-Conformity of cotton.
- Nishat Mills Limited/ Nishat Linen Pvt. Ltd. is committed to strive to only purchase cotton materials from sources that have been well aware as not involving or contributing to forced labor in cotton production.
- Cotton Sourcing Department team visits the suppliers and train them on Due Diligence in Cotton Production. Almost 60% of suppliers have received Due Diligence training which all are significant or long lasting suppliers of Nishat Mills Limited/ Nishat Linen Pvt. Ltd. Nishat Mills asks its suppliers to provide their Business Incorporation certificates, updated Agriculture form, low or high risk origin and Acknowledgement of Nishat Mills Cotton Sourcing Policy on Know Your Suppliers form, so they uphold the Cotton Due Diligence system in Cotton Production (Ref.: YESS-HRLRO-01).
- Nishat Mills Limited/ Nishat Linen Pvt. Ltd. have in place, or refers to, a mechanism allowing any interested party or affected person/s to voice concerns or complaints regarding the circumstances of Working Environment, Cotton Production or Our Sourcing Policy without retaliation or fear of relation. This mechanism is also available publically on website: <https://nishatmillsltd.com/media/>
 - Responding to a Grievance:

Supplier's Grievance Mechanism	Worker's Grievance Mechanism
<u>Step 1:</u> Review Grievance and develop a response action plan: Upon notification of a grievance Dy. General Manager Cotton Purchase & Assistant Manager Compliance (Manager Representative) discusses the details of the	<u>Step 1:</u> Oral presentation to supervisor & Manager HR & Admin and their response: An oral presentation to supervisor and Manager HR & Admin must be given within 30 calendar days of when the grievant



PREPARED BY

CONTROLLED COPY




REVIEWED BY

DO NOT DUPLICATE



APPROVED BY

FOR INTERNAL USE ONLY

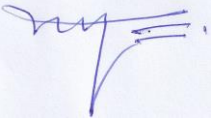
	Nishat Mills Limited/Nishat Linen Pvt. Limited				PAGE 3 of 3
	COTTON SOURCING POLICY (CSP)		DOCUMENT NO.: NML-YESS-AR-Y1		YESS Standard
	ISSUE DATE: 08-Aug-2023	REVIEW DATE: 20-Oct-2023	NEXT REVIEW DATE: 20-Oct-2024	REVISION # 01	REVISION DATE: 20-Oct-2023

grievance with the appropriate team member. Based on information gathered, Dy. General Manager Cotton Purchase & Assistant Manager Compliance (Manager Representative) develops a response action plan to conduct additional investigation and address the grievance in an appropriate manner and timeline.	knew or should have known about the action or event.
<u>Step 2:</u> Implement action plan and resolve Grievance: Dy. General Manager Cotton Purchase & Assistant Manager Compliance (Manager Representative) implements the action plan within the stated timeline.	<u>Step 2:</u> Submission of written grievance to supervisor and supervisor's response: Grievant submits form within five days of oral response from supervisor and supervisor responds within five days.
<u>Step 3:</u> Document efforts and progress: Dy. General Manager Cotton Purchase & Assistant Manager Compliance (Manager Representative) will document the grievance and all actions taken to investigate and address the grievance in the Grievance Log.	<u>Step 3:</u> Submission of written grievance to HR Manager: The "grievance review form" is submitted to the HR manager within five days of receiving response from immediate supervisor.

- Frequency: This procedure is completed for each grievance received.

c) Record Keeping System:

- Nishat Mills Limited/ Nishat Linen Pvt. Ltd. maintains the documents related to our due diligence management system for five (5) years.
- All controlled documents related to the Management System are recognized by the Nishat Logo (with Blue Color) printed on the top left corner of the Paper.
- In order to change / replace the existing document or to develop a new document, a "CORRECTIVE/PREVENTIVE ACTION REQUEST" is generated by the respective head of department and forwarded to Management Representative.
- Chief Executive Officer is the major approving authority in Nishat Mills Limited/ Nishat Linen Pvt. Ltd.


PREPARED BY

CONTROLLED COPY


REVIEWED BY

DO NOT DUPLICATE


APPROVED BY

FOR INTERNAL USE ONLY