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	COTTON SOURCING POLICY (GSP)		DOCUMENT NO.: NML-YESS-CPD-01	YESS Standard
	ISSUE DATE: 01-Jul-20	REVIEW DATE: 29-Mar-2024	NEXT REVIEW DATE: 29-Mar-2025	REVISION # 02

COTTON PURCHASE POLICY

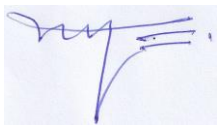
Yarn Ethically & Sustainable Source (YESS)

1. Cotton Sourcing Policy

Nishat Mills Limited (Nishat Linen/Spinning) 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.

In support of the above policy, all of our Cotton relevant staff members are directed to be trained on and follow the below mentioned procedures.

- 1.1 Exercises due diligence with relevant suppliers consistent with the OECD Guidance and the YESS Initiative, and encourages our suppliers to do the same.
- 1.2 Provides, and expects our suppliers to cooperate in providing, due diligence information to confirm cotton in our supply chain does not contribute to forced labor in cotton production.
- 1.3 Aims to establish long-term relationships with our immediate suppliers.
- 1.4 Considers ways to support and build capacities of cotton-supplying counterparties to improve performance and conform to this responsible cotton sourcing policy.
- 1.5 Includes an annual YESS assessment to verify our conformance status as well as identify opportunities to continually improve our responsible cotton due diligence management system.
- 1.6 Commits to transparency in the implementation of this policy by making reports on our progress available to our customers and relevant stakeholders.
- 1.7 Where risks of forced labor in cotton production are identified, commits us to developing a risk management plan that is proportional to identified risks and also commits us to:
 - 1.7.1 Prioritizing addressing the most severe and significant risks first, followed by the less significant risks over time.
 - 1.7.2 Engaging with the actors in the supply chain that can most effectively and most directly prevent and mitigate the risks of adverse impacts.



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	COTTON SOURCING POLICY (CSP)		DOCUMENT NO.: NML-YESS-CPD-01		YESS Standard
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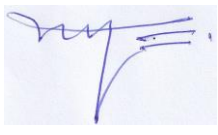
- 1.7.3 Consulting with suppliers and affected stakeholders to agree on the strategy for measurable prevention and mitigation in the risk management plan.
- 1.7.4 Considering ways to support and build capacities of suppliers, both direct and indirect, to improve due diligence of our cotton inputs and suppliers, and conform to the spinner’s responsible sourcing policy.
- 1.7.5 Encouraging supplying spinners to undergo a YESS assessment.
- 1.7.6 Collaborating with or support capacity building directly, through farm-level schemes, reclaimed cotton schemes, multi-stakeholder initiatives, public-private partnerships, or industry efforts, where they exist. Where such efforts do not exist, spinner shall share knowledge and work toward a common approach to engage suppliers as well as other industry members and civil society stakeholders in an effort to scale up effective measures.
- 1.7.7 Establishing timelines for action and follow up.
- 1.7.8 Maintaining ongoing monitoring and evaluating the effectiveness of risk prevention and mitigation efforts.
- 1.7.9 Should suppliers not meet our due diligence requirement or source from high risk supply chains, we will suspend or discontinue engagement with upstream suppliers after failed attempts at mitigation

This policy is applicable to purchase all types of Cotton and Recycle fiber (raw material) from the country and abroad.

Should suppliers not meet our due diligence requirement or source from high risk supply chains, we will suspend or discontinue engagement with upstream suppliers after failed attempts at mitigation.

2. Purpose

Nishat Mills Limited (Nishat Linen/Spinning) is aware and actively support the international efforts to investigate, monitor and mitigate forced labor in cotton production, such as YESS Initiative.



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