



Executive Summary of CottonConnect’s Human Rights Due Diligence

Introduction

As a responsible company, CottonConnect takes human rights due diligence (HRDD) very seriously and is committed to protecting and respecting the human rights of people working in cotton production, as an important part of its mission to improve the livelihoods of cotton farmers, workers, and communities.

CottonConnect’s HRDD strategy and implementation enables it to identify and respond to issues such as labour rights and respond to changing legislation in support of people and the planet. CottonConnect supports brands to meet their corporate sustainability due diligence reporting requirements by providing visibility of the supply chain, and ensuring programmes are aligned with relevant legislation.

CottonConnect has a detailed HRDD Strategy and Roadmap, supported by grievance mechanisms and internal governance procedures, and implementation embedded in the countries that it operates in.

CottonConnect’s HRDD approach can be described as:

1. Protect and respect human rights as a fundamental part of delivering responsible cotton production programmes and supply chain services
2. Embed HRDD in responsible cotton production through requirements in REEL Standards, meeting current legislative requirements
3. Embed HRDD in operations through the Global HRDD Policy and framework, training and implementation of the policy
4. Identify HRDD risks in advance through relevant risk assessment
5. Respond quickly and effectively to HRDD issues if they occur
6. Maintain strong governance and accountability for HRDD within CottonConnect

1. Protect and respect human rights as a fundamental part of delivering responsible cotton production programmes and supply chain services

CottonConnect’s HRDD vision guiding its strategic direction is: “To embed respect for human rights at the core of our operations, ensuring sustainable and transparent raw materials supply chains that uplift communities and protect the dignity of all stakeholders.”

CottonConnect’s goal is to protect and enhance the lives and livelihoods of people in cotton production, namely farmers, workers, children, women, youth, and disadvantaged groups.

Implementation of the HRDD strategy is intended to deliver outcomes leading to positive impact:

- Livelihood programs, fair wages, and safe working conditions will lead to better economic stability and well-being for cotton communities.

- Wage verification and compliance mechanisms ensure that farm and gin workers receive fair pay and operate in a dignified, safe environment.
- Advanced traceability systems guarantee that every bale of cotton meets ethical and HRDD standards, reinforcing accountability throughout the supply chain.
- Strong partnerships with brands, retailers, and policymakers promote responsible cotton production at a global scale.

2. Embed HRDD in responsible cotton production through requirements in REEL Standards

Respect for human rights is embedded in operations at the farm community level, and at the supply chain level.

REEL Cotton Standard and REEL Regenerative Standard both have a Social Conditions section covering requirements in:

- Freedom of association and collective bargaining
- Prohibition of Forced Labour (ILO 29 and 103)
- Prohibition of Child Labour (ILO 138 and 182)
- Occupational Safety
- Employment conditions
- No discrimination in the workplace
- Programs related to disadvantaged and minority groups, and women

After successful implementation of its HSSE programme in gins across India, Pakistan, Bangladesh, China, Turkey and Egypt , CottonConnect developed the Responsible Gins Code of Conduct to layout a framework to assess the operations, practices and social indicators of the cotton gins.

The Code includes chapters focusing on:

- Social criteria including adherence to practices like no child labour, no forced labour, improved health and well-being.
- Economic criteria which put in place improvements in management
- Environmental criteria including reduction in GHG emissions, safe working environment, and safe use of machinery.

The HRDD requirements are regularly reviewed to ensure they meet the required HRDD risk assessment and criteria of supply chain legislation.

3. Embed HRDD in operations through the Global HRDD Policy and framework, its implementation and training

Working with experts , CottonConnect conducted a full review of its human rights programme and published a Global Human Rights Policy and supporting framework. The Global Human Rights Policy sets out CottonConnect’s commitment to Human Rights and its position on relevant topics such as labour conditions, and health and safety.

CottonConnect’s Human Rights Due Diligence framework is based on the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

The framework consists of:

- CottonConnect Global Human Rights Policy
- CottonConnect Code of Conduct
- Prevention of Sexual Harassment at workplace (POSH) Policy
- Anti-Bribery and Corruption Policy
- CottonConnect Grievance, Complaint and Dispute resolution mechanism
- CottonConnect Safeguarding Policy
- REEL Standards, Social Conditions requirements
- Child Labour Remediation Framework

Training on the Global Human Rights Policy and its implementation occurs every year and is mandatory for all CottonConnect employees and consultants.

CottonConnect has strengthened its HRDD programmatic delivery to translate global frameworks and best practices at a farm and gin level with experts through:

- Rapid Baseline Assessments at the farms and gins;
- Creating a robust response framework in case actions are required, including the appointment of a Child Protection Officer;
- Rolling out a Speak Up Campaign internally and with implementing partners, and
- Setting up a Grievance helpline.
- Developing a customised training methodology keeping in mind geography-specific external challenges

Gender initiatives

CottonConnect's HRDD strategy is embedded in its approach to promoting gender equality and supporting women through gender-specific initiatives.

In 2023, a Gender Advisory Panel was established to guide CottonConnect's gender strategy, to work with farmers, local partners, and other stakeholders. Members of the panel are committed to foster collaboration and create consensus on gender issues and potential interventions for addressing the gender issues.

4. Identify HRDD risks in advance through relevant risk assessment

CottonConnect follows a five-step approach to addressing HRDD risks:

1. Identify and assess country risks
2. Prioritisation of the identified risks
3. Respond with action
4. Track and monitor
5. Report internally and externally

Salient risk associated to human rights

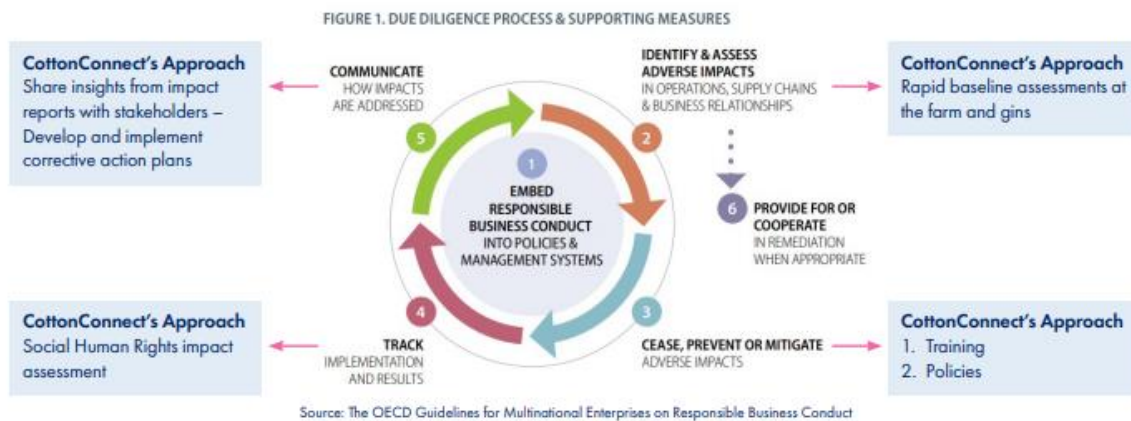
The salient risks have been identified after more than 12 years' experience of working with various stakeholders and engaging with partners from local to global level. CottonConnect works to mitigate the following salient risks with support from its supply chain and local partners.

- Child Labour
- Gender Discrimination
- Decent wages/Living Wages
- Health and Safety
- Climate Change
- Water and Sanitation
- Forced Labour

5. Respond quickly and effectively to HRDD issues if they occur

HUMAN RIGHTS DUE DILIGENCE (HRDD) PROCESS

Following the recommendations in the UN Guiding Principles on Business and Human Rights and in the ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy, CottonConnect has created its HRDD process.



Remediation and Grievance Mechanisms

An important part of human rights due diligence is ensuring that each person associated with CottonConnect can raise grievances and have them resolved. Working in line with the UN Guiding Principles on Business and Human Rights, people in all CottonConnect's businesses, supply chains and local partners to field level can access grievance mechanisms or report grievances through active collaborations with others in the industry.

Individuals can raise concerns through CottonConnect's "Speak Up" open line or WhatsApp number, which is available 24 hours a day, or via dedicated grievance email addresses. Farm workers can also share their grievance with CottonConnect's local partner during Focus Group Discussions.

CottonConnect has a specific child labour mediation framework to deal with the prevention of child labour, including case management of instances of child labour, and supporting wider industry interventions to tackle the root cause of child labour.

6. Maintain strong governance and accountability for HRDD within CottonConnect

The HRDD Steering Committee (comprising CEO, COO and CFO, and CPO) are strategically and operationally accountable for human rights due diligence. The Steering Committee assesses the

effectiveness of the process to identify, prioritise, respond, track and communicate human rights risks and impacts, and meets quarterly to discuss progress updates, challenges, and any grievances.

Other responsibilities:

- Supply chain executives: Responsible for on-ground implementation, training, and first-level issue identification.
- HRDD Team: Owns policy, compliance oversight, and capacity-building and conducts at least one social compliance audit per gin per year
- ME&L Team: Owns tracking, validation, and reporting.
- HSSE Team: Supports compliance from an environmental and safety perspective.

CottonConnect is committed to continuous improvement and operational excellence in upholding its HRDD commitments, working closely with clients and partners to maintain best practice standards.