

RESPONSIBLE BUSINESS AT COTTON GINS CODE OF CONDUCT



Responsible Business at Cotton Gins: Code of Conduct

CODE OF CONDUCT

The Code was developed through a six-year partnership between CottonConnect and more than 100 gins across India, Pakistan, and Bangladesh. Together, they collaborated to evaluate and tackle potential issues, resulting in the establishment of an improvement framework.

By implementing the Code, gins actively embrace the highest standards and policies pertinent to the sector. This encompasses creating a clean and hygienic working environment while advocating for the statutory rights of gin workers. Additionally, compliance with the Code bridges the awareness gap regarding industry standards among gin owners, supervisors, and workers.

CORE PRINCIPLES

The Responsible Business for Cotton Gin code's implementation will be guided by four core principles, aimed at fostering sustainable practices and creating a positive impact for all stakeholders, including labor, gin owners, employees, and farmers. These principles are:

- Management Requirements
- Social Responsibility
- Environmental Stewardship
- Economic Viability

Adhering to these principles will promote responsible business practices throughout the cotton gin industry, benefiting both people and the environment.

STRUCTURE

The code comprises four principles and a set of corresponding codes. Each code will be evaluated for compliance based on its specific criteria, categorised as need, partial, or full compliance.

To ensure the integrity and effectiveness of the code, a robust Monitoring, Evaluation, and Learning (MEL) system is integrated. The code's verification process operates at three levels:

- i. **First level or self-assessment:** The implementation team conducts a thorough self-assessment of the program and evaluates their own progress.
- ii. **Second level:** The CottonConnect MEL team actively engages in on-ground monitoring to track the code's implementation status.
- iii. **Third level:** An external verification agency is appointed to independently verify the on-ground implementation status of the Code.

For additional information, please find comprehensive details on the CottonConnect website.

SCOPE

The Code is specifically designed for cotton gins and is currently applicable in India, Pakistan, Bangladesh, Turkey, and Egypt. Nevertheless, with minor adaptations to accommodate regional requirements, the code has the potential to be applied on a global scale.

IMPLEMENTATION

If you are looking to implement the Code successfully, CottonConnect provides expert consultation and support services. With their guidance, you can navigate the process effectively and ensure the seamless integration of the code's principles into cotton gin operations.

STAKEHOLDER CONSULTATION

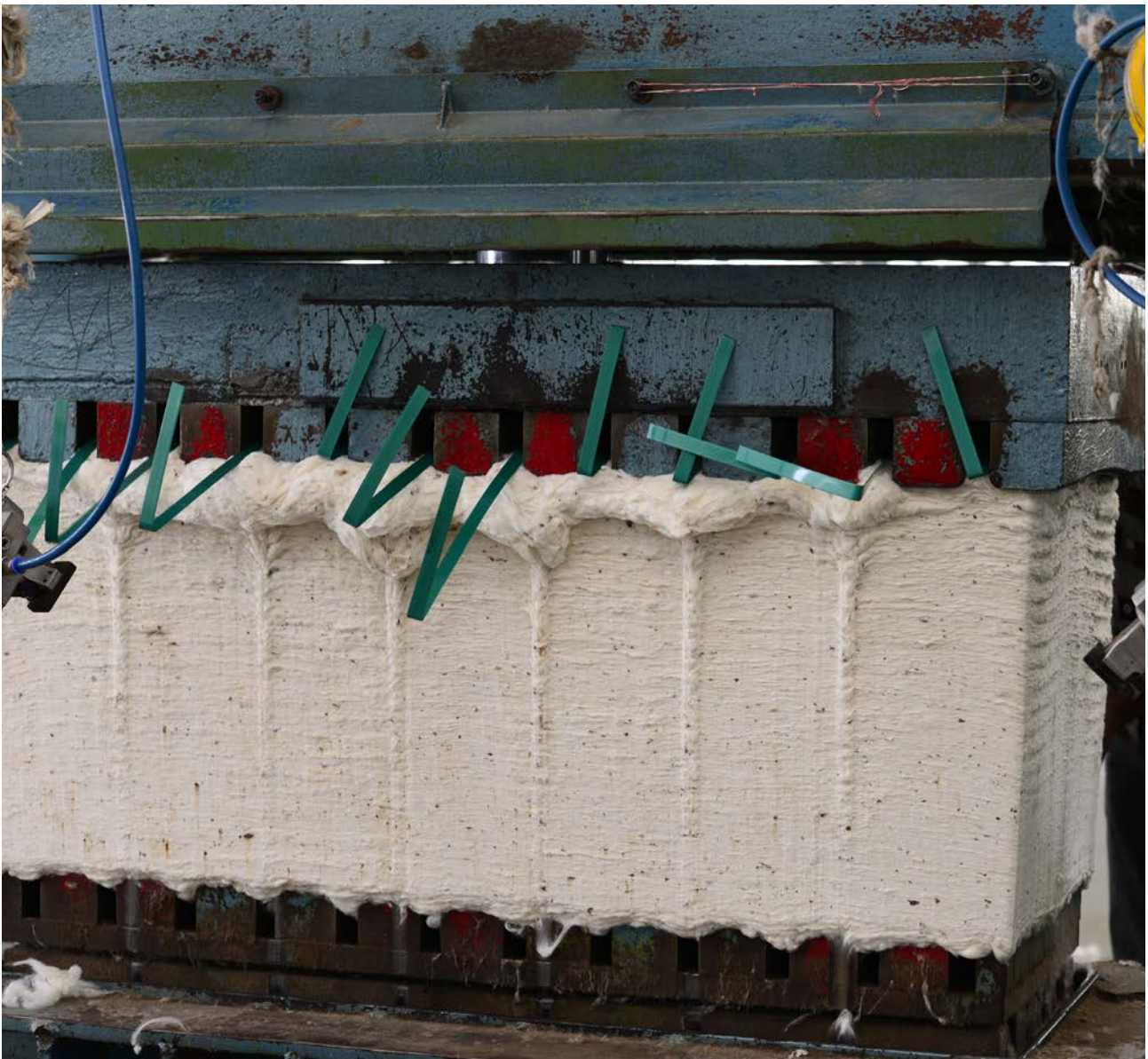
Around 24 stakeholders representing 13 diverse sectors have been invited to review and offer valuable feedback to enhance the Code's development. Their active engagement from various regions ensures a comprehensive and practical approach, making it more robust and suitable for successful implementation.

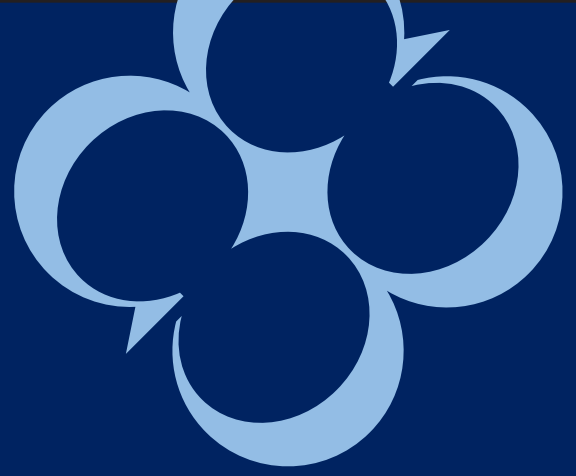
DISCLOSURE OBLIGATIONS

This code's requirements do not override or extend disclosure obligations under any central/federal, state, tribal, or local law regarding the reporting of hazardous substance releases or disposal of hazardous wastes. Each member in the supply chain is responsible for conducting inquiries to identify their specific disclosure obligations under applicable laws and ensuring compliance with those requirements.

LANGUAGE AND TRANSLATION

At present, the Code is accessible to the public in English. Official translations are possible for Chinese, Turkish, Bengali, Urdu, Gujarati, Marathi, Hindi, Telugu, and Tamil languages, which can be provided upon request. For translation into other languages, kindly contact CottonConnect at info@cottonconnect.org.





Code of Conduct Responsible Business at Cotton Gins 1.0



1. Management Requirements



1.1 FACTORY REGISTRATION

The company site and buildings are officially registered with local industry authorities for small and middle-size industries.

Guidance: Registration is required as per country-specific rules and requirements. Registration with government authorities in India and the ginners association in Pakistan and Bangladesh.

1.2 INTERNAL CONTROL SYSTEM

- 1.2.1 The company establish and maintains an Internal Control System to demonstrate the Gin Code requirements and their level of compliance.

Self-assessments against the Code are conducted once a year and an improvement plan is developed to document continuous effort for compliance.

1.3 MONITORING OFFICER

Management appoints or assigns a monitoring officer in charge of Code implementation and internal verification or self-assessment to act as a liaison person and facilitator between 2nd and 3rd party verifiers.



1.4 VERIFICATION SYSTEMS

Three levels of the verification system shall be in place for the effective implementation of the program.

Guidance: 1st level of the verification system will be conducted by the ginning unit, 2nd level of the verification system will be conducted by CottonConnect and 3rd level of the verification system will be conducted by an externally appointed agency.

1.5 VERIFICATION FOLLOW-UP

- 1.5.1 A time-bound corrective action plan shall be in place to document mechanisms to achieve compliance.

Guidance: Time-bound corrective action plans can be divided into the short (1–2 Yrs), medium (2–3 Yrs) and long-term (3–5 Yrs).

- 1.5.2 The organisation/team are able to demonstrate the achievement against the agreed time-bound corrective action plan.
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1.6 ACTION ON THE TIME-BOUND CORRECTIVE ACTION PLAN

Continuous non-compliance with corrective actions addressed in second and/or third-party verification audits leads to cancellation of certificate or licence to operate in the program.

2. Social



2.1 CAPACITY BUILDING OF WORKERS

2.1.1 Worker awareness of labour rights

2.1.1.1 The company is able to demonstrate and ensure that all workers are trained on labour rights and duties. Training takes place during working hours and on an annual basis at the beginning of Ginning season.

Guidance: Training is led by CottonConnect team or partner organisations.

2.1.1.2 The company have maintained all the records related to workers' training. Records include information on topics, time, duration, and names of attendees and trainers.

2.1.1.3 The company makes sure that respective labour laws and related company policies are displayed on the notice boards of the premises.

Guidance: Relevant information should be displayed publically in the workplace.

2.1.2 Skills development

The company provides opportunities to workers and staff to develop appropriate personal skills and/or professional qualifications. Annual training on health, safety, security and environment shall be conducted.

Guidance: Training should focus on improving conditions of work as well as on workers' professional qualification and development. Personal skills and or professional qualifications must be limited to job training and learning from experience.

2.1.3 Women – focused training and capacity building

The company provides specific training, capacity building, guidance, encouragement and assistance to and for women employees in order to ensure their professional development.

Guidance: Women – focused training and capacity building like soft skill development, technical work, internal trainer for occupational health and safety etc.

2.2 FREEDOM FROM DISCRIMINATION

2.2.1 No discrimination

The company does not discriminate, support or tolerate discrimination on the basis of race, colour, gender, sexual orientation, disability, marital status, pregnancy, childbirth, disease, age, religion, political opinion, membership in a trade union or workers' representative bodies, national extraction or social origin, or any other condition in recruitment, promotion, access to training, remuneration, allocation of work, termination of employment, retirement, general treatment in the workplace, or other activities.

Guidance: This means for example, that testing for pregnancy, virginity, HIV/AIDS or genetic disorders are not allowed under any circumstances. Women cannot be forced to use contraception or ingest it in any form against their will, and employees cannot be prevented from marrying. However, with regard to occupational health and safety requirements the employment of blind, depth, physically and/or mentally disabled people are not recommended for protective reasons.

2.2.2 No abuse

The company does not directly or indirectly engage in, support or tolerate the use of corporal punishment, mental or physical coercion, bullying, abuse, or other harassment of any kind.



2.2.3 No tolerance for sexual harassment

The company does not directly or indirectly tolerate the behaviour, including gestures, language, and physical contact that is sexually intimidating, abusive or exploitative. This applies to management and workers alike.

2.2.4 Record of termination of contracts

The company keeps a record of all terminated contracts. These records include the company's reason for termination.

(w.r.t – any kind of discrimination as per 2.2.1, 2.2.2, and 2.2.3)

2.2.5 Grievance policy

The worker representative and company play an active role in the design of the procedure and putting it in place, which:

- allows workers and third parties to file complaints directly and anonymously;
- protects workers who file complaints from retaliation;
- ensures issues are resolved, remediation is implemented in a timely manner, and complainants are updated about the ongoing resolution;
- entitles workers to representation by their trade union or other councils of their choosing;
- allows for an appeals process by the complainant;
- includes documentation of all disputes and redressal;
- includes a procedure for cases of sexual harassment.

The company must ensure that workers are fully aware and understand the procedure and are aware that they have the right to be heard and the right to appeal. The procedure is implemented, communicated and introduced to workers adequately, in a way that they have easy access, full confidence and no psychological hurdles to use this instrument.

The company does not discipline, dismiss or discriminate in any way against workers for using any grievance procedure.

Guidance: A grievance procedure is a procedure for conflict resolution. Worker representatives should be trained on this procedure and play an active role in putting the procedure in place. A grievance committee shall be put in place with the active participation of worker representatives.



2.3 FREEDOM FROM FORCED AND COMPULSORY LABOUR

2.3.1 No Forced Labour Ref: According to the ILO Forced Labour Convention, 1930 (No. 29), forced or compulsory labour.

The company does not directly or indirectly engage in, support or tolerate forced labour, including bonded or involuntary labour.

Guidance: Forced or compulsory labour shall mean all work or service which is expected from any person under the menace of any penalty and for which the said person has not offered himself voluntarily. Slavery, misuse of prison labour, forced recruitment, debt bondage, human trafficking for labour and/or sexual exploitation are some examples of forced labour. It is also considered forced labour if the company retains any part of the workers' salary, benefits, property or documents in order to force them to remain in their employment.



2.4 CHILD LABOUR AND CHILD PROTECTION

Ref: According to ILO on child labour – Minimum Age Convention, 1973 (No. 138) and Worst Forms of Child Labour Convention, 1999 (No. 182)

2.4.1 Child Labour Policy

The company establishes and implements a Child Labour Policy, which includes a clear statement against child labour and a commitment to adopting a child rights approach to protecting impacted children and remediating their situation. The Child Labour Policy is visibly posted for all workers and communicated to all suppliers and subcontractors as a mandatory component of the contract.

2.4.2 No children under 14 employed

The company does not directly or indirectly (through sub-contracting) employ children under the age of 14 years or under the age defined by local law, whichever is higher.

Guidance: If the age of a child is unknown, all efforts shall be made to identify it. If not possible employment should not take place.

2.4.3 No harmful or exploitative work for children under 18

The company does not allow workers directly or indirectly (through subcontracting) less than 18 years of age to any type of work which puts their health, safety or morals, or their school attendance at risk.

2.5 FREEDOM OF ASSOCIATION & COLLECTIVE BARGAINING



2.5.1 Guaranteeing workers' labour rights

All workers have the right to join or form trade unions and to bargain collectively.

Your company

- respects the right of all workers to form or join trade unions;
- respects the right of workers to bargain collectively in practice;
- accepts that it has a duty to bargain in good faith with unions

Guidance: Workers can take the initiative to organise themselves and are allowed to do so independently of management. Management does not interfere in the process.

2.5.2 No interference in workers self organisation

The company does not punish, threaten, intimidate, harass or bribe union members or representatives, nor discriminate against workers for their past or present union membership or activities, and does not base their hiring on not joining or giving up their union membership.

The company does not make any statements or take any actions which interfere with (or seek to influence) any worker's choice to form or join a trade union.

Guidance: Examples of punishment include terminating, transferring, relocating, downgrading or demoting workers, denying them the opportunity to work overtime, reducing their wages, benefits, or opportunities for vocational training, or changing their conditions of work. Further, employers shall not offer workers incentives to refrain from joining a union or engaging in union activities.



2.6 CONDITIONS OF EMPLOYMENT

2.6.1 Wages

The company must set wages for workers and other conditions of employment according to legal or sectoral regulations where they apply, or at regional average wages or at official minimum wages for similar occupations;

The company must specify wages for all employee functions and employment terms, such as piece-work.

Guidance: National laws need to be complied with at minimum.

2.6.2 A wage increase to reach living wage

If remuneration (wages and benefits) is below living wage benchmarks the company must agree with workers' representatives to a time-bound plan of a maximum of three six years from initial verification to increase real wages to close the gap to local living wages.

Guidance: Real wages refers to wages that have been adjusted for inflation. The real wage increase is intended to raise wage levels to an eventual living wage. The approved living wage by CottonConnect provides guidelines for negotiations between workers' representatives and management.

2.6.3 Equal pay for equal work

The company offers equal pay for equal work to all workers – permanent, temporary and migrant, without discrimination based on gender or otherwise. This includes equivalent benefits and employment conditions for equal work.

2.6.4 Social security

The company provides legal social security, including contributions to a provident fund or pension scheme for all permanent workers.

Guidance: In cases where equivalent benefits, such as social security, cannot be made available to a set of workers, e.g., migrant or temporary workers, these workers shall receive the equivalent or an alternative through other means.

2.6.5 Wages specified for all functions

In order to ensure transparency and fairness in wage rates, the company must specify wages for all employee functions.

Guidance: Job descriptions and function relating to the minimum wage rate is included in employee contracts

2.6.6 Wages paid regularly

The company makes payments to workers at regularly scheduled intervals in a convenient way for workers and must document the payments with a clear and understandable pay slip containing all necessary information. Workers must sign for payments received in cash. Payments are made in national currency.

Guidance: The frequency of regular payments can be daily, weekly, fortnightly or monthly.

2.6.7 Working hours

The company must comply with applicable national and local legislation and industry standards regarding working hours and overtime regulations. The company must not require workers to work in excess of 8 hours per day and 48 hours per week on a regular basis.

2.6.8 Overtime regulations

The company does not require its workers to work overtime. Overtime is allowable in exceptional circumstances if it is voluntary and not used on a regular basis and does not extend over a period of more than 3 consecutive months. It does not exceed 12 hours per week, or 3 months per year. Overtime for regular production periods shall be avoided by putting in place adequate measures to anticipate production peaks and other extraordinary situations.

Guidance: Exceptional circumstances are for example peak production periods and must be agreed by worker representatives. The 12 hours are added to the national legal working hours.

2.6.9 Overtime compensation

The company must compensate overtime in all cases at a premium rate and inform workers of these rates. The premium rate must be paid at a factor (ratio) of 1.5 for work performed on regular workdays, and for work performed on the day of rest, public holidays and night work a premium at a factor of 2 must be paid unless otherwise defined by national legislation, by CBA or by agreements with unions.

Guidance: Night work is defined as work between 8 pm and 8 am.

2.6.10 Work breaks

The company must grant and respect meal and work breaks according to national legislation.

2.6.11 Paid leave

The company must follow national legislation regarding regular paid leave.

2.6.12 Paid sick leave

The company must follow national legislation regarding regular temporary (paid) sick leave.

2.6.13 Paid leave for Injury

The company has a regulation granting at least 5 days of paid leave caused by employment injury. The regulation must ensure that workers are protected from being dismissed during temporary leave. It must not deduct this leave from annual leave.

Guidance: Leave for injury at the workplace is different from sick leave.

2.6.14 Maternity leave

The company must grant its female workers at least eight weeks of maternity leave with compensation consistent with national laws or not less than 2/3 regular pay, whichever is higher, not including annual leave and not incurring any loss or privilege on account of such leave.

Guidance: 'Week' means a calendar week. Not incurring any loss or privilege on account of such leave means that workers may return to their same or equivalent position with at least the same remuneration.

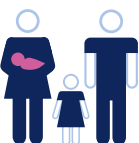
2.6.15 No termination for pregnancy

Your company must not terminate the employment of a woman during her pregnancy or maternity leave, except on grounds unrelated to the pregnancy or birth of the child.

2.6.16 Safe work for pregnant and nursing women

Your company must ensure that pregnant and nursing women do not perform work that may compromise the health of the mother or the child. This includes working during night hours.

Guidance: Safe work for pregnant women can be no work involving heavy lifting. No overtime, enough rest breaks and no work with dangerous chemicals etc. Night is defined as a period of at least 12 consecutive hours comprising the interval between 8 pm and 8 am.





2.6.17 Nursing breaks

The company must grant nursing mothers two or more daily breaks during paid working time, or a daily reduction of hours of work, to breastfeed her child for at least 6 months after the birth.

2.6.18 Employment contracts

The company has a legally binding written contract of employment for all permanent workers that includes at least the following:

- job description;
- working hours;
- pay rate;
- overtime regulation.

Guidance: As guidance to draft the contracts see industry-specific contract templates for small and medium-size businesses.

2.6.19 Records of all workers

The company has records of all workers, including contract workers, that indicate the names of workers, their start date, their payment and their working hours.

Note: Contracted labour via labour agents is allowed if the requirements of this Code are equally applied.

2.6.20 Worker housing

If the company provides accommodation (dormitories, housing) for workers, it must be such to ensure structural safety and reasonable levels of decency, privacy, security and hygiene, and include regular upkeep and improvement to respond to the workers' and their families' basic needs. Accommodation must be optional for workers and if rent is charged it must not exceed the local average.



2.7 OCCUPATIONAL HEALTH AND SAFETY

2.7.1 Health and safety policy

The company implements an appropriate health and safety policy. Management responsible is appointed to oversee training and implementation of the same.

2.7.2 OHS Training for all workers

The company ensures that all workers and their representatives are trained in the basic requirements of occupational health and safety, relevant health protection and first aid immediately before starting any new job.

Guidance: Records are kept of these training activities indicating information on topics, time, duration, names of attendees and trainers.

2.7.3 OHS Instructions in factory

All information, safety instructions and hygiene recommendations regarding hazardous work must be displayed clearly in a visible place in the workplace in the language(s) understood by workers and with pictograms.

Instructions must be in line with technical guidelines provided by machinery and production suppliers, and local authorities inspections, (e.g., firefighting brigade, labour inspector).

2.7.4 Health and safety risk assessment

The company ensures that regular H&S risk assessments are carried out in line with the requirements of this code. Respective safety measures are adapted accordingly.

Guidance: Risk assessments are undertaken by relevant technical experts such as fire-fighting brigades, engineers, technical representatives of machinery suppliers, internal teams, local labour inspectors and in some cases a medical expert.



2.7.5 Fire safety

2.7.5.1 Properly marked fire exits, escape routes, firefighting equipment and appropriate fire alarms for each working area are in place.

Fire exits and escape routes are kept clear of obstacles, unlocked, and easily openable at all times when workers are present, allowing for swift and safe exit in case of an emergency.

2.7.5.2 All the staff including permanent, migrant, and temporary labour are able to demonstrate the use, operation, and handle the fire fighting equipment including machines, water cannes, fire extinguisher bottles etc

2.7.5.3 All commercial vehicles including tractors, loaders and trucks entering the premises should have fire/spark arrester equipment installed in the silencer.

2.7.6 Assembly area

The company assign assembly areas for workers to safely gather in emergency cases.

2.7.7 Emergency plan

The company shall display emergency schematic plans indicating:

- Locations and routes to emergency exits
- Location and routes to designated assembling areas
- Emergency numbers

2.7.8 Training on evacuation procedures and accidents

2.7.8.1 All staff is trained on evacuation procedures during the emergency including fire incidence, machine damage, building/infrastructure damage and earthquake.

2.7.8.2 Regular mock drills on fire safety, electric shock and machine injury are to be conducted to ensure all the staff and workers are aware of the evacuation process.



2.7.9 Hazardous work

The following persons must not be engaged in any potentially hazardous work:

- People younger than 18 years
- Pregnant or nursing women
- People with incapacitated mental conditions;
- People with chronic, hepatic or renal diseases
- People with respiratory diseases



2.7.10 Safe, clean & hygienic working areas

All working areas must be free of obvious defects and maintained in a safe, clean and hygienic condition at all times.

2.7.11 Safe electric equipment

All electrical equipment, wiring and outlets must be properly placed, grounded and inspected for overloading and leakage by a professional on a regular basis. Inspection and electrical accident protocols must be available on-site and renewed annually.

2.7.12 Adequate lighting, heating and ventilation

All workplaces must have adequate lighting, heating, ventilation and control systems in place for noise, dust and vibration according to legal requirements.

Emergency power backup is available.

2.7.13 Machine and electric safeguarding

2.7.13.1 The company shall conduct regular maintenance on all machinery.

2.7.13.2 All moving and rotating parts e.g. conveyer belts and motor pulleys shall be covered or fenced.

2.7.13.3 Permanent danger/protection signages are placed where machines operate, electric panels, electric wires, electric connections and where open parts represent risks.

Temporary/moving signages of safety are placed at the damaged or under maintenance machines.

2.7.13.4 Proper insulation and covering of all-electric connections and switches.

2.7.14 Video monitoring

The company shall install active CCTV cameras in the factory, covering all blind zones, risk areas and labour moving areas. This should also guarantee non-interference with the privacy rights of any worker, staff, and team members.

2.7.15 Demarcation of driveways and walkways

2.7.15.1 The company shall place proper demarcation/signages for driveways in all vehicle moving areas as well as loading and unloading areas where trucks, loaders and tractors move.

2.7.15.2 The company shall place proper demarcation for walkways and restricted areas for labour and team near the machine, electric works and premises.

2.7.16 Personal protective equipment

2.7.16.1 The company provides adequate quality personal protective equipment (PPE) to all workers free of charge and ensures that workers are trained and use the equipment properly.

Guidance: This applies to all workers, including temporary workers. Adequate quality protective equipment means items such as gloves, safety glasses and shoes, earplugs or muffs, hard hats, respiratory protection, etc. Equipment that is worn out or damaged must be replaced free of charge.

2.7.16.2 Visible signs are posted in the work place displaying appropriate PPE required for each work place or working area. Workers always use such equipment and are monitored accordingly.





2.7.17 First aid facilities

2.7.17.1 The company provides adequate emergency first aid facilities, equipment and appropriately trained first aid staff to meet all reasonably foreseeable emergency first aid situations including handling of electric shocks and electrocuted incidences.

Guidance: Adequate emergency first aid equipment includes suitably stocked first aid boxes which are quickly accessible at all times.

2.7.17.2 First aid boxes must be checked and refilled at least every six months to ensure that all boxes are complete.

2.7.17.3 Reports on all accidents and subsequent first aid measures that occur in the workplace must be compiled.

2.7.18 Rest areas and canteen

The company provides suitable rest areas and canteens, with clean and maintained cooking and food storage facilities where necessary and if requested by workers.

Guidance: Rest areas that are separate for men and women should be provided where requested by workers.



2.7.19 Access to clean drinking water

All the staff including permanent and temporary workers, truck drivers, and operators are able to access clean and hygienic drinking water close to working areas.

2.7.20 Clean toilets

The company provides clean latrines and urinals in sufficient numbers for men and women within the factory premises. Hand washing facilities are available next to the toilets.

3. Environment



3.1 EMISSIONS TO AIR

3.1.1 Emission control techniques

The company applies appropriate emissions control techniques for any processing operation that generate air pollutants. Control techniques include ventilation, absorption, physical and chemical scrubbing, closed-loop systems for recovery of solvents, noise/odour and vibration reduction equipment.

Significant sources of air pollutants are: Fiber processing generating dust, combustion sources for power generation and process heating.

3.1.2 Emission reduction techniques

The use of environment-friendly processes, technology and materials to reduce CO₂ emissions is explored.

Awareness training on the effect of gin processes on the environment is conducted.

3.1.3 Measuring the reduction of emissions

The company measures the reduction of hazardous and non-hazardous emissions that have been achieved through control techniques in requirement 3.1.1



3.2 ENERGY

3.2.1 Energy consumption

The company measures energy consumption and develops a plan for reduction and recovery.

Preference is to be given to the consumption of energy from renewable sources like solar and wind.

Least preference for operating ginning unit on the diesel generator.

3.2.2 Efficient machinery

The company installs energy-efficient machines.

Regular maintenance of the machines supports energy efficiency.

3.2.3 Pollution control

Energy use and pollution control certificate from local authorities is obtained for loaders, trucks, tractors and generators.



3.3 WASTE

3.3.1 Waste management plan

The company has a waste management plan that includes strategies for waste reduction, recycling, reuse and disposal alternatives, mainly for plastic waste and engine oil.

Guidance: All potential sources of waste should be identified. The plan should include collection and disposal alternatives for hazardous and non-hazardous waste and for any materials that can be effectively recycled e.g. cotton stalks, seeds, leaves, burrs, and husks. It can be used among others as potting soil ingredient, livestock feed or bedding and fuel for power generation. Natural waste from cotton ginning, e.g. seeds and other organic waste is transformed into seed oil or natural livestock feed.

3.3.2 Recycling of waste (Non-mandatory clause)

Cotton seeds (a by-product of ginning) are supplied to an oil extraction unit (within the unit or the third party) for oil and cotton seed oil cake is extracted from cotton seeds gives.

Guidance: Cotton ginning trash consists of stalks, seeds, leaves, burrs, and husks. Gin waste could be used as potting soil ingredients, landscape material, livestock feed, livestock bedding, fuel for heat or power generation, raw mix for building material, etc.

3.4 ENVIRONMENTAL MANAGEMENT SYSTEM

3.4.1 Measurement and environmental control

The company develops a system for the measurement, control and evaluation of environmental hazards and pollution load. Responsibilities and operating procedures must be defined and agreed to by management.

3.4.2 Compliance with legal pollution regulations

The company achieved approval from governmental regulations regarding pollution control.

3.4.3 Awareness raising on environmental responsibility

The company defines and implements a procedure to raise awareness among workers in relation to the requirements in the Environmental Chapter.

4. Economic



4.1 TRACEABILITY

- 4.1.1 Ginning factories processing sustainable cotton shall maintain separate heaps for seed cotton and separate storage places.

Guidance: Sustainable cotton includes REEL Cotton or REEL Regenerative Cotton or Organic cotton

- 4.1.2 Demonstrate complete traceability of seed cotton from farm to gin to bale. Traceability can be demonstrated with the help of traceability tools and physical documentation.



4.2 CONTRACTS

4.2.1 Trade with CottonConnect affiliated partners

To maintain a fully verified supply chain for a product the company buys/sells only from/to entities that are either verified against REEL Cotton or have a contract with CottonConnect.

4.2.2 Partnership contracts

There is an agreement between ginners, cotton producers or cotton producer groups, implementation partners and CottonConnect that defines among others the purchasing requirements

4.2.3 Purchase contracts between seller and buyer

The company signs contracts with its suppliers and buyers when applicable, or their agents on their behalf, to ensure responsible purchasing practices. Contracts follow industry regulations, and at a minimum clearly indicate:

- agreed volumes;
- quality;
- prices that allow for paying living wages within the parameters of this COC;
- payment terms that are transparent and traceable;
- feasible lead times;
- procedures in case of quality problems;
- terms of delivery using international commercial terms (Incoterms);
- definition or mentioning of Force Majeure;
- agreement on applicable jurisdiction; and
- a dispute resolution mechanism to resolve conflicts



4.3 PURCHASING SEED COTTON

4.3.1 Product sourcing

Except where specifically provided in this Code of Conduct, all Cotton products under this program must be sourced originally from verified REEL Cotton farmers. Any exceptional substitution with non-REEL verified Cotton is subject to prior authorisation and must be clearly reported in the quarterly flow of goods report.



4.4 CONTAMINATION CONTROL

4.4.1 Elimination of undesirable contaminants

The company makes sure that whole seeds, seed coat fragments, oil, grease, machine parts, pieces of bale ties or other objects undesirable contaminants are eliminated to safeguard the quality of the product.

- cotton is transported on a clean cart/tractor
- heads of the workers covered with cotton cloth
- ginning machines have automatic contamination clearer and or contaminants are hand-picked.
- ginning machine gets pre-cleaned before ginning starts;
- ginning machine is equipped with a gravity trap for heavy contaminants;
- ginning machine is periodically maintained with regard to oil spillage, faulty parts and leather/rubber strips.
- workers are trained in contamination control on a regular basis.

Guidance: undesirable contaminants can damage mill equipment and unnecessarily inflate production costs.



CottonConnect's purpose is to reimagine cotton supply chains in order to help textile producers and farmers enjoy better livelihoods.

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