

Dear Cotton Campaign

Thank you for your letter. As you know, Mr. Le Houerou has yet to start his job, but we offer the following for your consideration.

IFC, a member of the World Bank Group, is committed to ensuring responsible labor practices in the projects we finance. IFC's proposed support to the Indorama Kokand Textile Project is an integral part of the World Bank Group strategy in reforming the cotton sector in Uzbekistan. IFC's client – Indorama Kokand Textiles – is committed to enhancing the sustainability of its supply chain with the objective of meeting IFC's PS2 and contribute to the WBG efforts on labor issues. In close cooperation with the World Bank, IFC supports the reforms the Government of Uzbekistan is undertaking with the support of international donors and the ILO to reform its labor practices and eliminate forced labor and child labor in the cotton sector. We also support the modernization of the country's agriculture sector – which will facilitate elimination of forced labor and child labor

Regarding your request that IFC refrain from further consideration of the project, we acknowledge that the circumstances surrounding forced labor in Uzbekistan remain concerning. However, based on our comprehensive due diligence we are convinced that there has been progress and all the parties involved are willing to work in the same direction. Indorama Kokand Textile will ensure it sources only from areas covered by third-party monitoring against child and forced labor, as part of World Bank Group-sponsored projects.

To this end, we believe that it is better that IFC support the project (and thus contributing to reforming the cotton sector) rather than wait until the risks are completely eliminated. Together with Indorama and the World Bank we are confident we will be able to address these issues more effectively through our support at this time.

Thank you once again for your letter and concern, and we look forward to continue our communication.

Best regards,

Director - Global Head, Agribusiness, Manufacturing and Services