

***ASTER TEXTILE
SUPPLIER
CODE OF CONDUCT***

MAIN PRINCIPLES

- **Transparency and Cooperation**
- **Compliance with Laws and Regulations**
- **Prevention of Child Labor**
- **Prevention of Forced Labor**
- **Prevention of Discrimination**
- **Humane Treatment**
- **Wages and Benefits**
- **Working Hours**
- **Freedom of Association**
- **Healthy and Safe Workplace Conditions**
- **Environmental Management**
- **Anti-Corruption and Anti-Bribery**

This Code of Conduct and its requirements are based on our company values and internationally accepted standards including the Universal Declaration of Human Rights, the International Labour Organization (ILO)'s core conventions and also United Nations Global Compact Principles.

During the implementation of this Code of Conduct, we believe that the most important thing is to maintain "TRANSPARENCY" with our suppliers.

The adoption of this idea will strengthen our commitment to partnership in fair and sustainable supply chain.

- **Transparency and Cooperation**

Aster Textile believes that Supplier Code of Conduct implementation is based on principle of TRANSPARENCY. Our company primary aspects of transparency related to management and business practices are information disclosure, clarity, and accuracy. Partnerships based on transparency, collaboration and mutual respect are integral to make this implementation happen.

- We work in cooperation with all our business partners, with a transparent and continuous improvement approach
- We are expecting our Suppliers to give permission and support to Aster Textile, our customers or the audit bodies authorized by our customers or by the NGOs of which they are members of to perform all the necessary processes during the social compliance audits to be conducted with or without notice.
- Accuracy of records must be ensured, and the documentation must reflect the real conditions in the factory or its subcontractors.
- Limitation of access to workers must be prevented.
- Unauthorized Subcontracting is one of Aster Textile's key criteria and Supplier must only use nominated facilities or subcontractors approved by Aster Textile Social Compliance Department or by customer.

- **Compliance with Laws and Regulations**

Suppliers that produce any products for Aster Textile must comply with the country local laws and with other applicable laws, rules, and regulations.

- Facility operations should be in full compliance with the following laws and their regulations and rules;
 - Country Labour Law
 - Country Environment, Health & Safety Laws (including electrical, mechanical, risk assessment and sanitation)
 - Country Building & Fire Safety Laws (if applicable)
 - Customer Requirements (if more stringent)
- It is important that our suppliers have the required policies and management systems to maintain compliance with Code of Conduct, country labour and environmental laws as indicated above.

- **Prevention of Child Labor**

Suppliers must employ workers who are at least 16 years old. Suppliers are obliged to employ young workers within the limits set by the law and in jobs that fall into type of hazardous or dangerous job determined by the law.

- Suppliers must also comply with all other applicable child & young labour laws*.
- Suppliers and any of its facilities, subcontractors must provide legal ID for every worker that affirms the worker's date of birth.
- Suppliers must encourage workers for continuing educational opportunities.

*: Working Hours, Overtime, Working Conditions, Type of Jobs, Wages and other related rules etc.

Young Worker: Workers under the age of 18 who have completed compulsory full-time education according to country law and who are above the legal minimum age.

- **Prevention of Forced Labor**

Suppliers must not use any type of involuntary labour such as bonded, slavery, indentured, forced or prison labour.

- No one is forced or involuntarily employed.
- Imprisoned labor provided by prisons, either by force or by force or against their free will, is not used. Identity cards or passports of the workers cannot be retained. Employees are not employed by being debited or their wages are confiscated for any reason such as security/deposit.
- Employees should not be forced to work based on threats such as dismissal from their current employment, removal of their rights, financial penalties, or various other means.
- Coercive prohibitions are not imposed on employees in any way, and unnecessary restrictions are not imposed on the movements of employees.
- No penalty can be applied to employees who do not want to work overtime.
- Foreign nationals/illegal workers who do not have legal permits will not be employed.
- Migrant workers shall have the same entitlements as local employees. The employer must not require the employee to submit his/her identification documents.
- As the responsibility of workers employed through a third-party agency or contractor belongs to the supplier, they are covered by these Code of Conduct.

Forced Labour: All work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily.

(ILO Forced Labour Convention 29, 1930 and ILO Abolition of Forced Labour Convention 105, 1957.)

- **Prevention of Discrimination**

Employees have EQUAL RIGHTS AND EQUAL TREATMENT, regardless of their personal belief, race, gender, age, nationality, ethnicity, social class, sexual orientation, illness or disability or pregnancy, political opinion or union membership, marital status or language spoken.

Employment, wage and earnings determination, promotion and dismissal are based on the employee's own abilities, experience, skills, and job performances.

While evaluating job applications, pregnancy test is not expected, marital status such as being married or single or having children cannot be considered. Dismissal due to pregnancy, assignment to illegal work cannot be done.

During the working period, no discrimination is made among the employees for these and similar reasons.

Cases of discrimination, harassment and mistreatment are forwarded to the General Manager, Human Resources or Employee Representatives, based on the grievance mechanism procedure, directly with an open-door policy, and through petition-complaint boxes and worker representatives. Cases with suspected discrimination, harassment and mistreatment are evaluated by the company management by taking the verbal and written statement of the relevant employees and eyewitnesses.

Discrimination: Prejudiced, different, unequal treatment of a person or group due to certain characteristics.

- **Humane Treatment**

Employees are treated with respect and human dignity. No employee is subject to verbal, sexual, physical, psychological or any other form of harassment or abuse.

- Physical abuse or any kind of physical contact to punish or compel the workers is prohibited.
- Verbal abuse including screaming, yelling, or threatening is prohibited.
- Retaliation against workers must be prohibited.
- Disciplinary practices should be consistent and equitable implementation among all workers should be ensured.
- Disciplinary practices must not include monetary fines or penalty.
- Employees are provided with a working environment where all activities are conducted based on respect and are free from any form of harassment.
- In case of harassment and mistreatment, management, worker representatives or Human Resources (Open Door Policy) can be freely informed.
- Information and trainings are provided to all personnel to prevent the employees from encountering harassment interventions such as fear, violence, and humiliation.
- To prevent harassment and mistreatment, a grievance mechanism has been established where complaint boxes are prepared, and employees can express themselves anonymously.

Harassment: Any inappropriate or unwelcome behaviour that creates or causes the perception of insult or humiliation; may be defined as, but not limited to, a word, gesture or action that is offensive, arousing, humiliating, intimidating, threatening, belittling, humiliating, or will cause personal embarrassment or humiliation, or cause an intimidating, hostile or offensive work environment. Also includes harassment based on race, religion, colour, creed, ethnicity, physical characteristics, sexual or sexual orientation. It covers one-off or regular occurrences. It may be planned, involuntary, or forced.

Behaviour in response to the establishment or rejection of personal and sexual relations, discrimination of gender, physical contact in an uncomfortable way, restriction of employees' basic needs during working hours and individual freedoms out of working hours can be expressed in addition.

Mistreatment / Abuse: Using the authority, power, and authority of one's duty inappropriately against other employees and employees. your strength; includes misuse that results in a hostile or offensive business environment. It also includes but is not limited to intimidation, extortion, or coercion.

- **Wages and Benefits**

Suppliers must pay at least the minimum wage specified by country law or prevailing industry standard, whichever is higher. Overtime premiums and other legally mandated benefits* must be provided and paid in compliance with all applicable laws.

** Health insurance, retirement benefits, severance, maternity benefits, annual leave, legal holidays, sick leave etc.*

- The employees shall be granted and correctly compensated for any types of paid leave to which they are legally entitled, such as annual leave, maternity/parental leave, and sick leave.
- All employees are entitled to a written employment contract, in the local language, stipulating the employment terms and conditions. The employer has a responsibility to ensure that all employees are aware of their legal rights and obligations.
- Legally permitted deductions (taxes etc.) from pay must be in accordance with local law.
- Wage statement** for each pay period should be provided to workers.

*** Wage statement should be itemized by including wage or piece rate earned, days worked, hours of overtime at each mentioned rate, bonuses, allowances, legal deductions, and withholdings.*

- Employment relationship must be based on obligations under labour or social security laws in order to ensure full wages and benefits.
- Wages must be paid regularly, on time, and must reflect the experience, qualifications, and performance of the employee.

By providing regular employment, all legal and social benefits are paid on time and in full. While paying the minimum legal minimum wage to the employees, it is essential to pay equal wages for equal work. Work over 45 hours per week and work performed on official and religious holidays are charged as overtime work and are paid in accordance with the law.

- **Working Hours**

Suppliers must comply with all applicable laws and regulations on regular working hours and overtime hours. Suppliers must provide workers at least one day off in seven days period or the country legal standard if more stringent.

- Working hours must not exceed what is permitted by country local law and 60 hours per week (maximum of 48* hours of ordinary work plus 12** hours of overtime).
- Overtime should always be voluntary.
- Signing a document agreeing to work overtime on demand as a condition of employment is prohibited.

Weekly regular working time is 45 hours excluding breaks. Work over 45 hours a week and work on official and religious holidays are considered overtime work and are done on a voluntary basis, with the consent/approval of the employee. Overtime work is planned within legal limits and not to exceed 15 hours per week. Employees are provided with 1 day of rest/week vacation in every 7-day working period.

*: *ILO Hours of Work (Industry) Convention C1, 1919.*

** : *Overtime hours cannot be more than the limit specified by local law. If this limit does not exist in the country local law, overtime work must not go beyond 12 hours per week.*

One day off in seven days of period: ILO Weekly Rest (Industry) Convention C14, 1921.

- **Freedom of Association**

Suppliers must respect for the right of all employees and all workers to establish and join organizations or associations of their own choosing freely and voluntarily.

- Employers should not interfere in an employee's decision to associate or discriminate against the employee or their representative.

Union: Organizations with legal personality formed by at least seven workers or employers to work in a business line, in order to protect and develop the common economic and social rights and interests of workers or employers in their labor relations,

Collective bargaining agreement: It refers to the agreement made between the labor union and the employer's union or the employer who is not a member of the union, in order to regulate the matters regarding the conclusion, content and termination of the employment contract.

The right of the employees to organize, to join an organization of their own choosing, to make a collective agreement or not to be a member is respected, and no negative sanctions are applied. Methods such as open door, petition-complaint box, worker representative, where employees can directly convey their wishes-complaints are applied.

- **Healthy and Safe Workplace Conditions**

Suppliers must comply with all applicable laws and regulations concerning workplace conditions. Hygienic, healthy, and safe working environment should be provided for the employees.

- Supplier and its facilities, factories should comply with country's all applicable laws on health & safety, building integrity & structural safety, fire safety, electrical safety, mechanical safety, risk assessment and sanitation.
- Emergency exits on all floors must be clearly marked, well-lit and unblocked all the way out of the building. Supplier and its factories should always have exits unlocked during working hours. Supplier and its factories should have at least two clearly marked exits per floor allowing safe evacuation of workers in case of fire or any emergency.
- Supplier and its factories should provide potable and sanitary drinking water for all workers.
- Health and Safety Committee should be available in accordance with local law to correct issues and to increase safety awareness.
- Lighting in workplaces should be sufficient for production activities to prevent possible hazards. Different activities require various levels of light. In general, the more detailed the task, the greater the light requirement.
- Adequate ventilation system should be provided. Spot cleaning and Chemical mixing should be located in a well-ventilated area where vacuum system is available to remove contaminants from the working environment.
- Exit routes, marked or painted aisles, exits and stairwells should be free of obstruction.
- Supplier and its factories should always maintain clear access to exits, electrical panels and firefighting equipment.
- Firefighting equipment should be available for the types of potential fires, be regularly maintained and charged, be visible and accessible to workers in all areas.
- Fire alarms should be installed on each floor.
- Everyone in the facility, including managers and security, should be regularly trained in how to act in case of fire or another emergency. Evacuation drills including all employees should be done regularly.
- Supplier and its facilities machinery should be equipped with operational safety devices and is inspected periodically.
- Personal protective equipment (gloves, goggles, masks, ear plugs etc.) should be provided to all workers where required.
- The employer must work proactively to avoid accidents causing harm to any employee in the workplace. Relevant first aid equipment must be available and where legally required a doctor or nurse should be appointed during working hours.

Health and Safety expectations in a workplace is not limited to the list above.

- **Environmental Management**

Suppliers must comply with all applicable environmental laws and regulations.

- The company must have the relevant environmental permits and licenses for its operations.
- Factory should minimize the environmental impact by implementing all regulatory requirements such as reducing all solid and liquid wastes including especially hazardous wastes, managing water discharge, using resources responsibly etc.
- Wastewater case: Water is a scarce resource in many parts of the world and should be used as efficiently as possible. All outgoing wastewater from wet processes must be treated before it is discharged. Discharge must be in accordance with local laws or company rules, whichever is more stringent. If required by law, wastewater permit must be available and renewed according to the requirements.
- Supplier should have a preventive and preparedness system available in case of any environmental emergency.
- Chemical handling procedures should be available and well understood.
- Chemical containers must be properly labelled and safely stored. A material safety data sheet (MSDS) must be available in the local language and instructions in the MSDS must be followed.
- Supplier should be capable to develop and implement procedures* to monitor environmental impacts.
- While supplying the chemical substances, compliance with the customer RSL and ZDHC MRSL is taken into consideration. The chemicals used are safely stored with safety data sheets (SDS). Waste from production is stored and disposed of properly.

*: Environmental Management System (EMS), Waste Management Procedure

- **Anti-Corruption and Anti-Bribery**

Suppliers must comply with all applicable anti-corruption and bribery laws. Payments made to speed things up, offering or accepting a bribe is prohibited and should not be tolerated.

It is unacceptable to promise gifts, material gains and benefits with the expectation of obtaining unfair benefits, to obtain financial gain by demanding unfair material benefits, positions, and benefits, to share interests, and apart from these, even if only for the purpose of favouring, corruption and irregular behaviours are unacceptable.

Bribery: It means providing material or moral benefit directly or indirectly to oneself or another person to be shown, within the framework of an oral or written agreement with a third party, causing a person to act contrary to the requirements of his duty by means of doing, not doing, speeding up or slowing down a job.

Corruption: It is the demand, offer, giving or acceptance of an illegal benefit to provide material and moral gain, directly or indirectly, by a person's authority due to his position.

This document was created to provide our suppliers with basic information on the minimum requirements for ethical and safe working conditions.

The requirements of the workplace are not limited to the content of this document; requirements may vary according to international standards, local laws, or internal regulations (if more stringent).

*As a condition of working with Aster Tekstil, suppliers must comply with the “Supplier Code of Conduct” and ensure that also their sub-contractors comply with these principles.

Supplier Evaluation

Aster Textile Social Compliance Team or the customer can visit the factory at any time with or without notice. Aster Textile or the customer is free to collaborate with an independent third-party firm to audit compliance with the Supplier Code of Conduct. All documents that will be needed during the audit should be provided. In case the suppliers do not fulfil the requirements, Aster Textile may submit a corrective action plan, re-evaluate the business relationship or terminate the agreement. Failure to comply with the actions in the Corrective Action Plans may result in violations of the principles.

All suppliers are obliged to inform Aster Tekstil about where the products are produced.

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Aster Textile is a participant signatory to the United Nations Global Compact.