

# PROSPERITY WEAVING MILLS LTD.

## Code of Conduct

### **Code of Ethics and Business Conduct**

Honesty, integrity and strong commitment to high standards of ethical, moral and lawful conducts are among the most important traditions of Prosperity Weaving Mills Limited. This dedication is critical to meet our commitment to our shareholders, customers, suppliers and employees.

Ethical behavior is an individual responsibility. Behavior reflecting high ethical standards is expected of all executives and employees regardless of their position or location.

Our businesses and customs vary, and each individual who works for the Company is unique, however, we have certain standards and responsibilities to share wherever we do business.

## Code of Ethics

### Management Commitment to Ethics

1. We, the management of the enterprise are committed to the following principles:

-  ethical management practices
-  recognition of merits
-  empowerment of employees
-  team work and trust
-  respect of employees, suppliers, clients, and shareholders
-  optimal internal and external communication
-  respect of basic human rights
-  avoidance of conflicts of interest

### Managerial Responsibilities

2. Managers are expected to set the highest standards of ethical business conduct and encourage to discuss the ethical and legal implications of business decisions. It is their responsibility to create and sustain work environment in which employees, consultants and contract workers know that ethical and legal behavior is expected of them.

3. Managers must be diligent in looking for indications that unethical or illegal conduct has occurred, and take appropriate and consistent action to address any situations that seem to be in conflict with the law or the Code.

### **Employee Commitment to Ethics**

4. All employees should have the opportunity to contribute, learn, grow and advance based on merit. Ethical principles which employees must follow include:

- 👤 honesty
- 👤 keeping their promises
- 👤 fairness
- 👤 respect of others
- 👤 cohesion
- 👤 integrity
- 👤 loyalty
- 👤 feeling of belongingness

### **Code, Policies and Applicable Laws**

5. It is management's responsibility to ensure compliance with the code, Company's policies and all prevailing applicable laws in conducting business within the country and around the globe.

### **Confidentiality**

6. We safeguard confidential information by keeping it secure, avoiding discussion in public areas and limiting access to those who have to know for execution of their duties.
7. Information that is not generally disclosed and is helpful to the company must be protected.

### **Conflict of Interest**

8. Actions must be based on sound business judgment, and not motivated by personal interest or gain. Any situation that creates or appears to create a conflict of interest between personal interests and the interests of the Company will be avoided.

### **Protecting Company Assets**

9. All employees are entrusted with numerous company assets, and have a special responsibility to protect them.
10. Company resources should be used only to conduct company business or for purposes authorized by management.

11. Unauthorized copying of software, tapes, books and other legally protected work is a misuse of assets and may expose the company to legal liability.
12. Any act by Company's employee that involves theft, fraud, embezzlement, or misappropriation of any property/asset is prohibited.

### **Favors and Benefits**

13. Employees should not exploit their position to influence vendors, subordinates or any other person to provide any undue favor or benefits, whether financial or otherwise, to themselves or others.
14. Employees shall not provide or offer to provide any favors or benefits to government departments or engage in any activities which could influence the business decisions and violate the law. Offering or providing bribes or kickbacks is prohibited in all circumstances.
15. Gifts and entertainment may be used in developing business relationships and not be lavish or in excess of the generally accepted business practices of industry.

### **Competitive Information**

16. The Company will always obtain information regarding customers, suppliers and competitors legally and ethically. Theft of proprietary information, inducing disclosures by a competitor's past or present employees is prohibited.

# **Business Conduct**

## **Customers**

1. The Company ensures that its products and services meet customer requirements and product specification.
2. Labeling of products will be complete, fair and honest. Only claims which can be substantiated and fulfilled are made by the company, its employees and its agent.

## **Shareholders**

3. We ensure shareholders' participation and respect their rights to information while protecting the interests of other stakeholders.
4. The Company respects the right of shareholders to submit proposals for vote and to ask questions at the annual meeting.
5. Shareholders are informed about significant and material violations of corporate policies (including codes of conduct) and any adverse decisions by tribunals or courts.

## **Employees**

6. The Company values its employees and their contributions towards its operations.
7. The Company pays adequate wages to enable employees, to meet the basic needs for themselves and their families.
8. The Company will not make any discrimination in its policies of employment and remuneration, whether by race, age, gender, disability or religion.
9. Each worker be employed on the basis of their ability to do the job, rather than on the basis of personal characteristics or beliefs.
10. Training, development, promotion and advancement opportunities within the company are available to all employees.
11. The Company recognizes the need for supporting and/or providing the essential social infrastructure and community services to its workers.
12. All those who work within and on the Company's premises, whether permanent, temporary or contractual, shall receive equal protection especially in provision of equipment and information concerning their health and safety at work.

## **Suppliers/Subcontractors**

13. The Company accepts its responsibility to use its purchasing power to encourage good corporate organizations among its suppliers.

14. The Company is careful in its negotiations and contractual arrangements with other companies. This includes fair dealing, prompt payment and the avoidance of corrupt practices, bribes and questionable payment.
15. The Company seeks out supplies who meet the same standards on environmental and social grounds as the company sets for its own products.
16. The Company will not enter into contracts with suppliers who use any form of forced or bonded labour.

### **Accuracy of Business Records**

17. Employees throughout the Company are responsible for properly, honestly and accurately recording any kinds of information.
18. All financial books, records and accounts accurately reflect transactions and events, and conform both to generally accepted accounting principles and to Company's system of internal controls.

### **Working Hours**

19. Working hours in accordance with local standards are followed at all sites and offices of the Company.

### **Wages and Benefits**

20. We ensure that wages and social benefits are in accordance with laws in force or prevailing wage practice in the country.

### **Health, Safety and Environment**

21. The Company is committed to provide a safe and healthy work environment to its employees. Each facility is required to have a safety program in place that includes appropriate training programs. The Company will meet applicable laws and government regulations as well as Company's own standards.
22. Each employee is responsible for observing the safety and health rules and practices that apply to his or her job. Employees are also responsible for taking precautions necessary to protect themselves and their co-workers, including immediately reporting accidents, injuries, and unsafe practices or conditions. Appropriate and timely action will be taken to correct known unsafe conditions.

### **Child Labor**

23. The Company discourages and prohibits the use of child labour. In this regard, we respect and follow all the prevailing labor laws relating to Child Labor in our country.

24. We encourage the development of workplace apprenticeship programmes for the educational benefit of young people.

## **Community**

25. We actively seek opportunities to contribute to the communities in which we do business, and to improve the environment that sustains us all.