

Human Rights Policy Of Silk Route Sourcing Ltd.



Introduction:

Silk Route Sourcing Limited is committed to upholding the dignity, rights, and well-being of every individual directly or indirectly connected to our operations. We believe that long-term business success depends on sustainable, ethical, and socially responsible practices.

This policy outlines our commitment to uphold internationally recognized human rights, align with all clauses of the **Ethical Trading Initiative (ETI) Base Code** (<https://www.ethicaltrade.org/eti-base-code>), and comply with applicable national and international labor laws (https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf), including the **Bangladesh Labor Act 2006, Labor Rules 2015, EPZ Labor Act 2019, and ILO Conventions** (<https://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang--en/index.htm>).

This Code of Conduct (CoC) applies across our workforce and value chain. It defines our expectations for ethical behavior, compliance, transparency, and mutual respect between our company, employees, suppliers, contractors, local communities, and other stakeholders.

Purpose:

The purpose of this policy is to:

- Establish a clear and enforceable framework for labor rights and workplace standards.
- Ensure a safe, inclusive, and ethical working environment.
- Promote responsible sourcing and social accountability across all supply chain tiers.
- The company aligns its practices with the ETI Base Code and other global human rights standards.

Scope of Application:

This policy applies to:

- All employees, workers, and management personnel of Silk Route Sourcing Limited.
- All suppliers, sub-suppliers (Tier 1, 2, and 3), contractors, subcontractors, service providers, and business partners.
- Local communities, stakeholders, and the broader public affected by our business operations.

This policy draws upon the core principles embedded within our existing policies and emphasizes our aspirations to address human rights breaches within, or impacted by, our business operations and initiatives. It has been developed with the support of our internal and external stakeholders including suppliers, NGOs, legal representatives and worker representatives.

Our Commitments:

Our concern remains on the salient human rights risks associated with our business operations, as we believe this is where we can achieve the greatest impact; these include rights relating to health and safety; protection from discrimination; preventing forced and child Labour; freedom of association; wages and working hours.

We acknowledge the relationship between human rights and the environment, linked to climate change, deforestation, pollution, and land use. To support our ongoing responsibilities, we have a clear set of sustainability commitments and policies in place. Our sustainability commitments also help to ensure environmental practices do not negatively impact the human rights of communities.

We recognize that vulnerable groups and individuals are at a greater risk of human rights abuses, based on characteristics such as gender, age (child Labour), and being members of marginalized groups or migrant workers. We place greater emphasis to identify, manage and mitigate these risks through our policies and our Responsible Sourcing Programme.

We fully align with all clauses of the ETI Base Code, without alteration or weakening, and are committed to the following:

1. Employment Is Freely Chosen

The facility strictly prohibits all forms of forced, bonded, involuntary prison labour, or trafficked labor in our entire supply chain. Workers must have the right to freely choose their employment, and workers should not be required to remain in employment against their will.

They must have the right to leave employment with reasonable notice in accordance with legal requirements, including the payment of wages, benefits, and any other entitlements.

Workers are not required any withholding of identity papers, personal belongings, or deposit fees as a condition of employment. In case of any violations, the company will take immediate corrective actions to protect workers' rights among the entire supply chain.

2. Freedom of Association and Collective Bargaining

The company shall grant freedom to any worker to form or join an association lawfully and peacefully. Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.

The employer adopts an open attitude towards the activities of trade unions and their organizational activities. Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.

Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

Respecting the rights of workers to join trade unions and engage in collective bargaining. Where this is restricted by law, we facilitate alternative forms of worker representation.

3. Safe and Hygienic Working Conditions

Silk Route Sourcing is committed to providing a safe and healthy work environment in accordance with national laws and international standards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

To ensure these standards are maintained:

- **Training:** Workers shall receive regular and recorded health and safety training; such training shall be repeated for new or reassigned workers.
- **Facilities:** Access to clean toilet facilities, potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
- **Housing:** If residential housing is provided, it shall be clean, safe, and meet the basic needs of the workers.
- **Responsibility:** Senior management shall be assigned responsibility for health and safety, utilizing regular monitoring and self-assessment tools to identify and mitigate risks.

4. Prohibition of Child Labor

Facilities will not hire any employee under the age of 14 or under the minimum age established by law for employment, whichever is greater, or any employee whose employment would interfere with compulsory schooling.

In respect of child labor, the company complies with all national labor laws to ensure no child labor is utilized. In the event that child labor is identified, legal remediation and protection procedures will be strictly followed.

Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child Labour to enable her or him to attend and remain in quality education until no longer a child; "child" and "child Labour" being defined in the appendices. Children and young persons under 18 shall not be employed at night or in hazardous conditions.

These policies and procedures shall conform to the provisions of the relevant ILO standards.

5. Living Wages

Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event, wages should always be enough to meet the basic needs of workers and their families and provide some discretionary income.

To ensure transparency and fairness in compensation:

- **Information:** All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment, and about the particulars of their wages for the pay period concerned each time they are paid.
- **Deductions:** Deductions from wages as a disciplinary measure shall not be permitted, nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned.
- **Record Keeping:** All disciplinary measures and wage structures shall be accurately recorded and well-maintained to ensure full accountability.

6. Working Hours

Working hours shall comply with national laws, collective agreements, and the provisions of 2 to 6 below, whichever affords the greater protection for workers. Sub-clauses 2 to 6 are based on international labor standards.

Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.

All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.

The total hours worked in any 7-day period shall not exceed 60 hours, except **were** covered by the clause below.

Working hours may exceed 60 hours in any 7-day period only in exceptional circumstances where all of the following are met:

- this is allowed by national law;
- this is allowed by a collective agreement freely negotiated with a workers' organization representing a significant portion of the workforce;
- appropriate safeguards are taken to protect the workers' health and safety; and
- the employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.

Workers shall be provided with at least one day off in every 7-day period or, where allowed by national law, 2 days off in every 14-day period.

7. No Discrimination

There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

8 Regular Employment

To every extent possible, work performed must be on the basis of a recognized employment relationship established through national law and practice. Employment relationships are formalized in writing, and Silk Route Sourcing does not engage in precarious or exploitative employment practices.

Obligations to employees under labor or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labor-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

9. No Harsh or Inhumane Treatment

Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited and treated as a zero-tolerance issue.

10. Additional Commitments

10.1 Suppliers and Contractors

All suppliers and contractors must adhere to this Code of Conduct and demonstrate ongoing compliance through regular assessments and documentation. Suppliers must cascade these expectations to their own supply chains.

10.2 Local Communities

We respect the cultural, environmental, and economic values of the communities where we operate. We promote inclusive growth through employment, training, and ethical engagement with community stakeholders.

10.3 Environment and Sustainability

We strive to minimize our environmental footprint through responsible resource use, waste management, and energy efficiency. Our suppliers are expected to follow environmental best practices aligned with sustainability goals.

Implementation and Communication:

- This policy is published publicly on our website with a clearly accessible link.
- It is communicated internally through training, onboarding, and awareness programs.
- All Tier 1, Tier 2, and Tier 3 suppliers receive, acknowledge, and are expected to implement the policy
- **Financial Support** in resolving issues where applicable. We will engage with suppliers to address and remediate issues in a collaborative manner.
- **Clear and Open Communication** with transparent processes for reporting, addressing concerns, and solving challenges.

- **Responsible Purchasing Practices** ensuring fair and timely payments that support the long-term sustainability of suppliers.
- **Training and Capacity-Building** opportunities to ensure suppliers understand and can implement the standards required by this policy, including health, safety, labor rights, and environmental practices.
- To support our suppliers, we will provide:
 - Training: Regular sessions to ensure suppliers understand and comply with the policy.
 - Guidance: Dedicated support for any questions or challenges.
 - Audits and Feedback: Periodic assessments and corrective action plans for non-compliance.
 - Capacity Building: Programs to help suppliers improve labor, safety, and environmental standards.
 - Collaboration: Open communication to improve practices and share feedback.
- Feedback and control mechanisms are built into internal audits, supplier assessments, and grievance reporting procedures.

Monitoring, Auditing, and Grievance:

Audits: Operations are subject to regular internal and external audits. Non-compliance results in documented corrective action plans.

- All operations are subject to regular internal and external audits.
- Non-compliance results in documented corrective action plans with clearly assigned responsibilities and timelines.
- Progress is monitored until full remediation is achieved.

Grievance and Reporting Mechanism: The company is committed to an effective, transparent, and fair grievance mechanism in line with ETI principles. We recognize that accessible and trusted reporting systems are essential to safeguarding workers' rights and maintaining ethical business practices.

Review and Continuous Improvement:

- This policy will be reviewed annually or upon any significant legal, operational, or stakeholder change.
- The review process is led by the ESG committee, with approval from senior management. This policy will be reviewed annually or upon any significant legal, operational, or stakeholder change and approval from senior management.
- The relevant departments will also be engaged during the review process to ensure operational alignment with the policy and to identify any areas of improvement.
- Lessons learned and stakeholder feedback will shape future updates to enhance our social responsibility practices.

Transparency and Stakeholder Engagement:

Company commits to full transparency in our social accountability journey.

- **Regular Reports:** Sharing progress and outcomes via annual or quarterly reports available on our website.
- **Stakeholder Meetings:** Engaging with key stakeholders, including suppliers, workers, communities, and worker representatives, trade unions (TUs), and federations (where applicable), through meetings and consultations to discuss findings and improvements.
- **Feedback Loops:** Providing clear, accessible channels for stakeholders to give feedback on our efforts and results.
- **Public Disclosure:** Highlighting key achievements, challenges, and corrective actions in a transparent manner to ensure accountability.

Actively engage with workers, communities, regulators, and civil society to promote ethical business conduct, fair labor, and responsible sourcing.

Approval and Enforcement:

This policy has been formally reviewed and approved by the Board of Directors/Top Management.

Full compliance is required from all employees, business partners, and suppliers. Violations of this policy may result in disciplinary action, contract termination, or legal proceedings, depending on the severity of the breach.

Beyond approving the policy, the Board of Directors will actively engage in:

- **Ongoing Monitoring:** Regular updates on the effectiveness and compliance of the policy will be provided to the board to ensure alignment with company goals.
- **Policy Review:** The board will participate in the annual review process (Point 9) to assess the policy's impact and make necessary adjustments.
- **Strategic Oversight:** The board will oversee the implementation of corrective actions in cases of policy violations, ensuring appropriate responses to non-compliance.
- **Stakeholder Communication:** The board will play a role in ensuring transparency, particularly in communicating key findings and decisions to external stakeholders, including employees, suppliers, and the public.

Authorized Signature

Hasan Mahmud
Executive Director