

## Anti-Bribery and Corruption Policy

### 1. Purpose and Scope

The purpose of Anti-Bribery and Corruption Policy ("Policy") of ETKO (Ecological Farming Control Organization) is to ensure compliance of employees with the then-current legal regulations against bribery and corruption in all countries where ETKO operates as well as to the ethical principles and other international standards. As ETKO we take a zero-tolerance approach to bribery and corruption.

Anti-Bribery and Corruption Policy of ETKO applies to;

- All employees including the Board of Directors,
- All subsidiaries and affiliates of ETKO and their employees,
- ETKO's outsourcing companies and their business partners and employees.

The Policy is an integral part of the; Principles, Ethical Principles, Personnel Regulations, Collective Labor Agreement, Trading and Tendering Regulations and legislation and legal regulations.

### 2. Definitions

Corruption is demanding, offering, giving or accepting any kinds of bribe or illegal benefits that would cause deviations in the lawful performance of duties or necessary actions by a person who directly or indirectly acquires the illegal benefit or bribe.

Bribery is a person's gaining benefit within the framework of an agreement entered into with a third party so that such person acts in breach of the requirements of his/her duty by performing or not performing a work, speeding up or slowing down thereof, etc.

Bribery and corruption may occur in various different ways. To the person, family, relatives and/or other third parties, these may include:

- Cash Payment
- Gifts
- Political and Other Donations
- Hospitality
- Illegal and non-contract commissions,
- Illegal and non-contract social interests
- Facilitation Payments

### 3. Duties and Responsibilities

The Anti-Bribery and Corruption Policy has been approved by the Board of Directors. The implementation and updating of the Policy shall be ensured through assignments made by the Board of Directors.

Within the scope of the Anti-Bribery and Corruption Policy, the processes, systems and organizational structures required complying with the legal regulations and ethical principles have been established and related duties and responsibilities have been written down. Accordingly;

- Regulating and amending the ethical principles is under the authority of ETKO Board of Directors and disciplinary sanction is implemented in case of violation of these principles by an employee. Board of Directors is authorized to examine such cases.
- As a result of the internal audits performed, all kinds of information regarding the violations issues are reported to the Board of Directors. The Board of Directors evaluates the reports and makes a decision.
- As a result of the independent evaluation, it shall notify the relevant units for the development of the policy.

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- The managers of all departments of ETKO are responsible from taking measures within the scope of their duties for assessing the potential risks and to ensure the compliance of employees, outsourcing companies and business partners with the Policy principles.
- ETKO’s employees are responsible from adhering to the policies determined by the top management, to carry out their duties determined by the legislations and relevant regulations within their authorities and from working in compliance.

#### 4. Bribery and Corruption

ETKO is against all kinds of bribery and corruption and also is determined to comply with the relevant laws, regulations and principles. Receiving bribes or bribing can never be accepted regardless of its purpose.

It is essential that the business relationships shall not be continued with third parties (outsourcing companies and business partners) who wish to get service from ETKO via bribery.

#### 5. Major Risk Areas of Corruption

In ETKO, in order to ensure efficient fight against bribery and corruption, possible risks are identified beforehand by related units, services and operations are separated into categories and necessary analyses are carried out. According to the results of the analysis studies and within a risk-based approach, necessary measures are taken by considering the possible risks. The measures taken at this stage are determined taking into account the risk-exposure level of the positions of the existing employees and their level of access within their roles.

##### a) Gifts

A gift is a product generally given by customers or persons being in a business relationship with ETKO as a means of appreciation or commercial courtesy and which does not require a financial payment.

All kinds of gifts given to third parties by ETKO are offered publicly and with goodwill. The same principles are applied for accepting a gift and under no circumstances may a gift is accepted unless it is a low priced symbolic one given not to the person but his/her company in accordance with these principles.

Even if it complies with the Policy, no gift must be offered or accepted in situations which could cause any conflict of interest or perceived as such.

##### b) Political Donations

It is essential that ETKO does not make any corporate or individual payment, give any gift, and provide financial aid or donation to any government official or political party candidate in order to influence any decision at the service procurement or rendering stage likely to be related to the continuity of ETKO operations or for the benefit of ETKO.

##### c) Hospitality

Hospitality may be offered to third parties for developing commercial relationships and for establishing a normal commercial communication network. Among such third parties, customers, consultants, lawyers, auditors and other companies who have business relationship with ETKO can be mentioned. Hospitality offered by ETKO shall be publicly, unconditionally and with good will.

Even if it complies with the Policy, hospitality must not be offered or accepted in situations which could cause any conflict of interest or perceived as such.

##### d) Outsourcing Companies and Business Partners

Outsourcing companies and business partners including those from which support services are obtained must comply with the principles of the Policy and other relevant regulations. For this reason,

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in all agreements and contracts with the outsourcing companies and business partners, the requirement of compliance with ETKO's policies and understanding and implementing of these issues by the company's and its business partners' employees is included. With these principles, potential risks are eliminated. ETKO terminates its relations with the persons or institutions failing to comply with the Anti-Bribery and Corruption Policy.

Under no circumstances ETKO works with any company or its business partners having a negative intelligence and which is included in a monitoring list in this field. Due diligence is conducted beforehand. In the selection of outsourcing companies and their business partners, besides usual technical criteria, having a positive background and policies equivalent to ETKO's policies and ethical principles are paid regard to. In addition, it is verified if the payments are appropriate and legitimate for the purchased service.

All related units involved in the purchase of an outsourced service are subjected to ETKO's internal audit and compliance with the abovementioned principles is evaluated during audits.

**e) Facilitation Payments**

ETKO does not allow the persons and institutions within the context of this Policy to offer facilitation payments in order to guarantee or accelerate a routine transaction or process with government agencies.

**6. Correct Recordkeeping**

The principles about the accounting and recordkeeping system which must be complied with by ETKO are laid down within the legal regulations and ethical principles. In this context, all kinds of accounts, invoices or other documents related to dealings with third parties (customers, suppliers, etc.) should be recorded and kept completely, accurately and reliably. Any falsification of commercial or similar records and any false representation should be avoided.

Certificates may only be issued by authorized persons from ETKO. Documents issued by persons who are not authorized to issue certificates are fake/misleading documents.

Fake documents are documents prepared in a way that is contrary to the form and content determined by the standards, and prepared as if there were a real transaction or situation, even though it did not exist. A fake document is a document that shows the existence of a transaction that does not actually exist. All kinds of documents and receipts with fake signatures and amounts, and documents intended to be used for current year transactions even though they are related to previous years are examples of fake documents.

A misleading document is a document that, although based on a real transaction or situation, reflects this transaction or situation untruthfully in terms of nature or amount, reflects the transaction in a different way than the original, and is prepared in a way that does not reflect the real legal situation. Documents that show less or more value of the goods or services than the real value, or whose buyer, seller, date, and serial number are falsified, are considered misleading documents. Actions required by the standard regarding fake/misleading documents are taken.

**7. Training**

The Anti-Bribery and Corruption Policy has been communicated with all employees and is always and easily accessible within the intranet environment.

For the purpose of ensuring that employees adopt the principles of the Policy and works in compliance with these principles, continuous trainings are delivered considering legal obligations and regulations.

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## 8. Reporting the Cases and Conducts Contrary to the Policy

ETKO employees and the persons acting on behalf of ETKO are obliged to promptly and directly report to the Board of Directors any person or institute acting contrary to the rules of this Policy or any case in violation of the rules. The notifications are kept strictly confidential. During inspections and investigations after the notification, the rules of confidentiality are observed with great care and avoidance of harm to the notifying employee is taken as a priority.

Any ETKO employee can use in case of his/her observation that co-worker breached this policy, Board of Directors could be informed anonymously by a letter of information.

## 9. Supporting and Protecting the Employees Who Comply with the Policy

ETKO promises to the employees who comply with the rules related to the prevention of bribery and corruption that there will be no retaliation against them because of acting in accordance with that rules, that it will protect the employees who acts in accordance with the policies in any circumstances and that relevant notifications to Board of Directors shall be kept confidential.

## 10. Sanction

Any violation of Anti-Bribery and Corruption Policy may lead to disciplinary action, which could result in termination of contract. The cases violating this Policy are inspected by Board of Directors and if any conduct not complying with the legislation is determined, necessary sanctions are applied in accordance with the legislation. Furthermore, those who do not comply with the legislation are liable to possible criminal sanctions.

## 11. Additional Terms specific for Textile Exchange program

When performing certification activities for Textile Exchange standard(s), the additional terms as specified in the "**GP 31 Anti-Bribery and Corruption Policy -Annex Additional Terms specific for Textile Exchange program** " shall be signed and complied.

<b>Note for ETKO Employee:</b>	I read& understood the procedure, accept to comply it and take one copy of it. One copy of this document is kept with my personnel File.
Name of Personnel & Signature	Date signed
<b>Note for ETKO Client:</b> One copy of this document will be signed by each firm at the beginning of the audit process and put in the audit file as a part of audit documents.	Please communicate ETKO Top Management Representative Dr. Mustafa Akyüz ( <a href="mailto:ma@etko.com.tr">ma@etko.com.tr</a> - +905426405944) in case of any breach of this policy by one of its employee/auditor. (This is an external complaint mechanism)
Name of Client Representative & Signature	Date signed

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