

APPROVED

Director of LLC "ASAKATEKSTIL"

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## LLC "ASAKATEKSTIL" ENVIRONMENTAL AND SOCIAL POLICY

### 1. GENERAL PROVISIONS

1.1 Limited Liability Company (LLC) "ASAKA TEKSTIL" (hereinafter referred to as the Company) recognizes environmental and social management as an important part of overall management. With the aim of sustainable development and organizing environmental and social management in accordance with the legislation of the Republic of Uzbekistan and the best industry practices of the textile industry, the Company has developed and approved this Environmental and Social Policy (hereinafter referred to as the Policy).

1.2 The Company strives to apply approaches to environmental and social responsibility in its activities, to avoid adverse environmental and social impacts and consequences of its activities, and, if it is impossible to avoid these impacts, to minimize them. The Company strives to continuously improve environmental and social management of impacts and impact risks.

1.3 The Company is committed to complying with the requirements of the legislation of the Republic of Uzbekistan in the field of ecology, environmental protection and climate change, labor relations, occupational health and safety, and social aspects, as well as applying advanced practices in this field.

1.4 This Environmental and Social Policy of LLC "ASAKA TEKSTIL" (hereinafter referred to as the Policy) is aimed at ensuring the sustainable development of the Company in the long term through production activities that, along with financial performance, do not harm the surrounding ecological and social environment and serve, as far as possible, the social development of the region of presence.

1.5 This Policy applies to the entire Company, is an internal regulatory document, and is subject to periodic updating and approval by the Company's management.

1.6 The Policy should be accessible to stakeholders for review.

### 2. GUIDING PRINCIPLES

2.1 The Company does not engage in activities that directly or indirectly violate the legislation of the Republic of Uzbekistan and generally recognized ethical and moral standards.

2.2 The Company supports the conservation and protection of biological diversity, strictly observes the moratorium on cutting valuable tree species in effect in the Republic of Uzbekistan, and participates in greening works in the area where the Company is located.

2.3 The Company strives to preserve the environment by preventing and minimizing negative impacts.

2.4 The Company rationally uses natural resources and practices careful attitude towards them.

2.5 The Company strives to develop resource conservation, including energy saving, by implementing practices of saving electricity, fuel and other material resources, efficient use of equipment, raw materials, human and other resources.

2.6 The Company strives to avoid negative impacts on the living conditions, livelihoods and land ownership of the local population while making efforts to improve the quality of life of the Company's employees and the population of the nearby area.

2.7 The Company takes into account the principle of gender equality in its activities.

2.8 The Company ensures respect for the dignity of employees and does not allow violence, harassment or abuse in the workplace.

2.9 The Company strives to ensure and improve the health and safety of its employees. For this purpose, the Company provides training and compliance with safety techniques and occupational health and safety rules.

2.10 The Company excludes forced labor and prohibited forms of child labor, discrimination in the field of labor and employment from its activities, and develops social partnership in the field of labor.

2.11 The Company ensures the labor rights of employees in accordance with the legislation on labor and trade unions of the Republic of Uzbekistan.

2.12 The Company strives to control its supply chain to prevent violations of environmental and social legislation by suppliers and contractors. For this purpose, the Company develops, approves and implements a Supply Chain Management Policy.

2.13 To implement the guiding principles, the Company introduces and develops necessary procedures for identifying and managing environmental and social risks and impacts.

2.14 The Company creates the necessary organizational structure, procedures and ensures the competence of responsible personnel for the implementation of this Policy.

### **3. IMPLEMENTATION OF ENVIRONMENTAL AND SOCIAL POLICY**

3.1 The Company, by management order, appoints responsible employees to perform environmental management functions, including compliance with legislative requirements in the field of environmental impact assessment and state environmental expertise, environmental impact standardization, rational use of natural resources, protection of biological diversity, protection of atmospheric air, water resources, water use, wastewater management, waste generation and disposal, implementation of environmental protection measures, compensation payments for environmental pollution, environmental certification, etc.

3.2 Staff responsible for environmental management must have the relevant knowledge, competencies and periodically undergo special training organized by the Company.

3.3 The appointed responsible employees for environmental management ensure the performance of the functions of the environmental service of the company in accordance with the requirements of the legislation of the Republic of Uzbekistan and paragraph 3.1 of this Policy. The responsible employees for environmental management report quarterly to the management of the Company on the performance of duties on environmental management.

3.4 The Company, by management order, appoints responsible employees to perform social management functions, including human resource management functions, ensuring labor rights,

ensuring occupational health and safety and industrial security, emergency management, organization and management of the supply chain, consideration of appeals, interaction with stakeholders.

3.5 The appointed responsible employees for social management ensure the performance of functions in accordance with the requirements of the legislation of the Republic of Uzbekistan and paragraph 3.4 of this Policy. The responsible employees for social management report quarterly to the management of the Company on the performance of their duties on social management.

3.6 The Company provides all necessary material, technical, organizational, training resources for the implementation of functions on environmental and social management.

#### **4. INTERACTION WITH STAKEHOLDERS**

4.1 The Company continuously identifies stakeholders, their interests and needs, and is open to interaction through established communication channels in accordance with the legislation of the Republic of Uzbekistan and internal regulatory acts of the enterprise. Internal stakeholders of the Company include employees. The Company's stakeholders include: the population living in the area of the enterprise's location, candidates for employment in the Company, suppliers and contractors, the hokimiyat of Asaka town, state bodies, including the Ministry of Poverty Reduction and Employment, the Ministry of Health, the Ministry of Ecology, Environmental Protection and Climate Change.

4.2 The Company receives appeals in accordance with the legislation of the Republic of Uzbekistan and internal regulatory acts of the enterprise. The Company's official website and information stands in the Company building should indicate contact phones, email and other means for sending appeals, complaints and suggestions by stakeholders. Authorized employees should receive necessary instructions on how to receive, register and process appeals in accordance with the legislation of the Republic of Uzbekistan and internal regulatory acts of the enterprise. The Company's management should receive timely information about incoming appeals and make decisions, including appropriate corrective actions if required.

4.3 The Company's management and relevant authorized employees of the Company, including the environmentalist, safety and occupational health engineer and/or other employees, determine cases when the Company appeals to stakeholders before beginning activities on modernization and/or expansion of production in accordance with the requirements of environmental and social legislation of the Republic of Uzbekistan.

#### **5. MONITORING AND VERIFICATION**

5.1 The Company conducts monitoring and verification of compliance with its environmental and social obligations within the framework of the legislation of the Republic of Uzbekistan, this Policy and the environmental and social management system. Monitoring and verification are carried out both on a continuous basis and periodically. Periodic verification may take the form of internal or external audit. Based on the results of such monitoring, a report on the implementation of this Policy and the effectiveness of the Environmental and Social Management System is presented to the Company's senior management.

5.2 This Environmental and Social Policy is subject to periodic revision and amendments, in accordance with the legislation of the Republic of Uzbekistan, the strategic goals of the Company, and the requirements and expectations of stakeholders.