

ADÖKSAN CODE OF CONDUCT FOR SUPPLIERS

**ADÖKSAN and
SUBSIDIARIES CODE
OF CONDUCT FOR
SUPPLIERS**



ADÖKSAN CODE OF CONDUCT FOR SUPPLIERS

1. Purpose and Scope

As ADÖKSAN, we create added value both with our employees and with our suppliers with whom we have business relationships. For a sustainable future, we aim to establish enduring business relationships with suppliers who embrace the same ethical principles and compliance standards as us.

"ADÖKSAN Code of Conduct for Suppliers" encompasses the minimum rules that we expect our suppliers to comply with in their commercial dealings with ADÖKSAN, which are non-negotiable and aligned with national/international environmental, social, and ethical standards. Acceptance of these Rules is a prerequisite for every ADÖKSAN supplier contract and order.

Our ADÖKSAN Code of Conduct for Suppliers is in line with our ADÖKSAN Code of Conduct, ADÖKSAN Policies, and Corporate Values, and it is implemented throughout our entire supply chain. All our suppliers are responsible for ensuring that their employees, suppliers, and subcontractors adhere to these rules.

2. Definitions

"United Nations (UN) Guiding Principles on Business and Human Rights"¹ provides a global standard for countries and companies to examine, prevent, and address human rights violations encountered during business activities, while ensuring alignment with ethical principles and compliance standards.

"The Universal Declaration of Human Rights (UDHR)"² is a milestone document in the history of human rights. Prepared by representatives from various regions with different legal and cultural backgrounds, the Declaration was proclaimed by the UN General Assembly on 10 December 1948 in Paris as a common standard of achievement for all people and all nations, emphasizing the universal protection of fundamental human rights.

"The UN Global Compact"³ consists of 10 principles covering a) human rights, b) labor standards, c) environment, and d) anti-corruption. These principles serve as guidance for companies to achieve their sustainability and risk management goals, contributing to increased efficiency, employee engagement, brand awareness, and access to new markets.

Conflict of Interest: It refers to any material or immaterial interest that could create or give rise to a perception of preventing employees from carrying out their assigned responsibilities impartially.

¹ https://www.ohchr.org/sites/default/files/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

² <https://www.un.org/en/about-us/universal-declaration-of-human-rights>

³ <https://www.unglobalcompact.org/what-is-gc/mission/principles>

"The Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises"⁴ aims to promote state-supported corporate responsibility behavior that maintains balance among competitors in the international market and enhances the contribution of multinational enterprises to sustainable development.

"Human Rights" refers to the rights inherent to all individuals, regardless of gender, race, color, religion, language, age, nationality, political or other opinion, and socioeconomic status. It encompasses the right to an equal, free, and dignified life.

"The Women's Empowerment Principles (WEPs)"⁵ are a set of seven principles that guide the business community on how to promote gender equality and empower women in the workplace, marketplace, and community. These principles, developed by UN Global Compact and UN Women, are based on international labor and human rights standards and acknowledge that businesses have a role and responsibility in achieving gender equality and empowering women.

Money Laundering: It refers to the integration of illegally obtained income into the financial system as if it were obtained legally, thereby concealing the illicit origin of such funds.

Bribery: It involves providing, directly or indirectly, material or immaterial benefits through verbal or written agreements, either personally or through intermediaries, to induce someone to perform or refrain from performing an action contrary to the requirements of their duties or outside the normal course of business.

"Suppliers" encompasses suppliers, their subcontractors, contractors, and their sub-subcontractors.

"The International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work"⁶ was adopted in 1998 and revised in 2022. It states that even if member countries have not ratified the relevant conventions, they are obligated, in good faith, to respect, promote, and realize the following five principles:

- Freedom of association and effective recognition of the right to collective bargaining,
- Elimination of all forms of forced or compulsory labor,
- Effective abolition of child labor,
- Elimination of discrimination in respect of employment and occupation,
- Ensuring a safe and healthy working environment.

Corruption: It involves deviating from the lawful performance of duties and authorities to directly or indirectly gain material or immaterial benefits.

⁴ <http://mneguidelines.oecd.org/annualreportsontheguidelines.htm>

⁵ <https://www.weps.org/about>

⁶ <https://www.ilo.org/declaration/lang--en/index.htm>

3. Principles and Guidelines

Our suppliers commit to complying with the following rules for themselves, their employees, suppliers, and subcontractors.

3.1. Compliance with Legal Regulations and ADÖKSAN Policies

Our suppliers are responsible for knowing and complying with the national and international laws, regulations, and other requirements (commercial, export, import, etc.) applicable to their activities in the countries where they operate. They are also responsible for acting in accordance with the contractual obligations signed with us.

Suppliers are expected to have effective and operational management systems to ensure compliance with legal regulations and the rules stated in this document.

Our suppliers are obliged to comply with all our corporate policies and procedures, including Sustainability, Quality and Environment, Occupational Health and Safety, Human Rights, Anti-Bribery and Corruption, and Information Security/TISAX/GDPR policies.

3.2. Universal Human Rights and Working Conditions

We treat our employees, all our suppliers, and the communities affected by our activities with respect for universal human rights. We consider human rights among our most important ethical principles, and we expect all our suppliers to act in accordance with these ethical principles and ADÖKSAN Human Rights Policy. The priority international standards that we expect our suppliers to adhere to regarding human rights are as follows:

- Universal Declaration of Human Rights (UDHR) (1948) by the United Nations
- UN Global Compact (UNGC) (2000)
- UN Guiding Principles on Business and Human Rights (2011)
- ILO Declaration on Fundamental Principles and Rights at Work (1998)
- OECD Guidelines for Multinational Enterprises (2011)
- Women's Empowerment Principles (WEPs) (2011)

3.2.1. Diversity, Inclusion, Equal Opportunities, and Work Environment: Our suppliers should demonstrate an inclusive, diversity-oriented, fair, ethical, and equal approach among their employees in terms of recruitment, placement, separation, training, career, promotion, assignment, discipline, salary management, and fringe benefits processes, without making any discrimination based on religion, language, race, nationality, ethnic origin, belief, sect, color, age, sexual orientation, gender, marital status, political opinion, disadvantaged status, or any legally protected characteristics. They should not tolerate any form of discrimination throughout their operations and value chain. They should create a healthy, safe, fair, positive, and professional working environment for their employees and respect all their rights. They should develop practices to support women employees in their professional lives and encourage their subcontractors

and subcontractors to adopt these practices, while paying attention to gender equality in their activities.

- 3.2.2. **Prevention of Child Labor and Forced/Compulsory Labor:** Our suppliers should strongly oppose child labor that harms children physically and psychologically and deprives them of their right to education, as well as all forms of forced and compulsory labor, including modern slavery, debt bondage, and human trafficking, at all stages of their operations.
- 3.2.3. **Zero Tolerance for Harassment and Violence:** Our suppliers should provide a safe and secure working environment for their employees and anyone present in the workplace, free from any form of exploitation, abuse, intimidation, ill-treatment, physical, verbal, sexual/psychological harassment, bullying, threats, and violence. They should take the necessary measures to prevent such incidents.
- 3.2.4. **Working Hours and Remuneration:** We expect our suppliers to comply with the legal working hours, working conditions, and overtime provisions determined by the applicable laws and regulations in the countries where they operate. They should establish remuneration in a competitive manner based on industry and local labor market standards, and they are required to pay all wages, including benefits, in accordance with the applicable laws and regulations.
- 3.2.5. **Occupational Health and Safety:** In compliance with the Occupational Health and Safety Legislation, our suppliers should provide a healthy and safe working environment for their employees and individuals present in the workplace for any reason, aligning with the objective of "zero accidents." They should take necessary safety measures and implement regular training and information activities.
- 3.2.6. **Personal/Professional Development:** Our suppliers should invest in the continuous development of their employees' skills and personal/professional growth through internal and external training. They should maintain long-term relationships with their employees.
- 3.2.7. **Work-Life and Data Privacy:** Our suppliers should respect the privacy of personal life and comply with national/international regulations and data privacy standards to protect the personal data of their employees and Business Partners.
- 3.2.8. **Respect for the Environment and Society:** We expect our suppliers to consider the economic, environmental, and social impacts, risks, and opportunities of climate change. They should demonstrate the necessary sensitivity to energy/water/resource efficiency, renewable energy, recycling, and recovery. They should aim to reduce/prevent waste, emissions, and discharges resulting from their operations and avoid causing harm to the environment and health. Additionally, they should develop corporate social responsibility projects to create value for the community.

3.3. Trade Controls

Our suppliers who handle products subject to export/import controls or sanctions are obliged to accurately understand and comply with relevant trade laws, regulations, and company rules. We expect our suppliers to stay updated and comply with ever-changing sanctions, export restrictions, economic sanctions, boycott, and embargo laws.

3.4. Visual/Written Media and Social Media

We expect our suppliers not to engage in any positive or negative comments, information, or document sharing related to ADÖKSAN or that could be attributed to ADÖKSAN (including our trade secrets) on visual/written media channels and social media. Before making any statement regarding their work with ADÖKSAN, our suppliers should consult with us and obtain written approval.

3.5. Anti-Bribery and Anti-Corruption

The fight against bribery and corruption is among the most important principles of our ethics. We do not tolerate any behavior that contradicts fair competition or involves money laundering, bribery, and corruption throughout our operations and value chain. We expect our suppliers to comply with ADÖKSAN's Anti-Bribery and Anti-Corruption Policy. The key principles regarding potential areas of risk for bribery and corruption actions are as follows:

- **Honesty:** Integrity and honesty are our top values in all our business processes and relationships. We expect our suppliers to conduct their activities fairly, honestly, ethically, transparently, in compliance with legal regulations, and in alignment with ADÖKSAN Code of Conduct for Suppliers, ADÖKSAN Code of Conduct, ADÖKSAN Policies, and Corporate Values.
- **Truthfulness and Accuracy of Accounts and Records:** It is essential that all assets, liabilities, expenses, accounts, invoices, and other transactions conducted by ADÖKSAN are recorded accurately, transparently, and fairly in accordance with applicable accounting principles, rules, and laws. Documents related to commercial or financial transactions should accurately reflect those transactions. No payment should be made or approved for purposes other than its intended use. No unauthorized or external entry can be made to ADÖKSAN's books and records. We also expect our suppliers to adhere to the same principles regarding record-keeping and reporting.
- **Prevention of Money Laundering and Terrorism Financing:** Our suppliers should not directly or indirectly engage in money laundering or terrorism financing activities and must take necessary measures to prevent them.
- **Fair Competition:** Our suppliers are obliged to comply with competition rules and laws in each country where they operate. Written or unwritten agreements, plans,

regulations, or programs among competitors that involve prices, regions, market shares, or customers are prohibited. As a result, our suppliers are prohibited from making such agreements with their competitors and engaging in any behavior or concerted actions that negatively affect competition among the parties in the business ecosystem.

- **Information Security:** If our suppliers have access to any confidential ADÖKSAN information, they are responsible for protecting and taking necessary measures to safeguard such confidential (business) information to the best of their abilities. It is strictly prohibited for our suppliers to use ADÖKSAN's confidential information for their own or others' interests.
- **Avoidance of Conflict of Interest:** Our suppliers cannot engage in any environment, relationship, or behavior that may lead to conflicts of interest, either directly or indirectly. They avoid personal activities and financial interests that may conflict with their responsibilities towards ADÖKSAN. They cannot use ADÖKSAN's name, reputation, and corporate identity for the benefit of themselves, their families, or close associates, nor can they gain personal benefits from individuals and organizations with whom they have business dealings.
- **Bribery, Abuse, and Misuse of Title/Position:** None of our suppliers can offer or provide, directly or indirectly, any person involved in a business relationship with them, with money or any other valuable thing, in order to obtain an unfair advantage or engage in unethical behavior such as bribery, corruption, or misuse of title/position. Our suppliers must carefully avoid unethical conduct. They must not misuse the responsibilities and authorities associated with their positions for personal or private gain, either for themselves, their families, or third parties, nor make any promises to that effect.
- **Acceptance and Giving of Gifts:** ADÖKSAN prohibits the acceptance of gifts from suppliers in any form (including but not limited to money, goods, services, meals, tickets, travel arrangements) except in cases where the gift is purely symbolic. Gifts that have already been accepted should be returned to the giver. If it would be impolite to reject or return the gift, our employee should inform our Ethics Board, which will decide how to handle the gift in accordance with these rules. Suppliers should be advised to refrain from giving such gifts in the future. It is strictly prohibited to offer cash or any other form of bribe or commission, directly or indirectly, to a customer or supplier representative in order to obtain any commercial or financial benefit. In all cases, gifts other than symbolic tokens given to potential or existing customers or suppliers are strictly prohibited.
- **Facilitation Payments:** No cash or non-cash payments should be made by our suppliers with the hope of expediting or ensuring the outcome of legitimate government transactions or activities. Offering gifts, services, or benefits to government officials, administrative employees, or officers can be interpreted as an attempt to influence government or administrative decisions that affect ADÖKSAN, and therefore is prohibited.

4. Application and Effectiveness

Our Supplier Code of Conduct was published on December 2022 with the approval of our General Manager. This policy is regularly reviewed by our Ethics Board, focusing on current requirements and changes in our operational conditions, at least once a year. Any necessary updates/revisions are approved by our General Manager upon the recommendation of the Ethics Board and implemented accordingly. The General Manager bears the highest level of responsibility for ensuring compliance with these Rules and for the regular monitoring of potential violations and suspicious situations as part of the compliance and improvement efforts.

Feedback regarding our Supplier Code of Conduct, as well as any potential violations or non-compliance with legal regulations or the Rules, can be reported to our Ethics Board via email (etik@adoksan.com).

In order to verify compliance with the content of these Rules, on-site or remote inspections of suppliers, with or without prior notice, may be conducted by ADÖKSAN or authorized independent organizations. Periodic requests for information/documents may also be made. Our suppliers acknowledge that ADÖKSAN has the right to request information/documents and conduct inspections.

In the event of a violation/non-compliance identified during a supplier inspection, we reserve the right to unilaterally terminate our business relationship with the supplier. We may request an action plan from the supplier to remedy the violation/non-compliance and conduct complementary inspections to ensure the implementation of the plan.

Our ADÖKSAN Code of Conduct for Suppliers is made available to all our suppliers and employees through our corporate website.

E-mail etik@adoksan.com
Address Adoksan Casting Industry

04 / 2023