



Arkem Kimya

Supplier Code of Conduct



Contents



Our
Vision
| 03



Environment
| 10



Human
Rights
| 04



Health
and Safety
| 11



Corporate
Governance,
Business Conduct
and Ethics
| 07



Quality
| 12



Supply
Chain
| 09



Conclusion
| 13



Our Vision

As Arkem Kimya, creating a sustainable future is our greatest responsibility and commitment. We operate and develop our business models within this mind. To reach our goals, we need collaboration, especially with our value chain. We should work together to find solution with multiple stakeholders across a complex value chain .



We are very strict in complying with legal requirements and business ethics. We have an **Ethics Code of Conduct** that defines all the rules for Arkem Kimya employees to comply with the legal requirements and company policies.

As a member of the United Nations Global Compact (UNGC), we modify our operations and strategies to meet the 10 universally accepted principles in the areas of human rights, labor, the environment, and anti-corruption.

We encourage our suppliers to proactively join us on the path towards accomplishing our ambition. This document will define the guidelines we require our suppliers to follow, but also suggest more progressive practices that align with our approach to sustainability.

Thank you for being a part of Arkem Kimya's sustainability journey!



Human Rights

As Arkem Kimya, we support and respect the protection of internationally proclaimed human rights. We are not complicit in human rights abuses. We enable special attention to be paid to the rights of vulnerable groups, including women, children, persons with disabilities, indigenous people, migrant workers, older persons, etc. We are committed to complying with all applicable laws and respecting internationally recognized human rights wherever they operate.

We are committed to create and support a culture and work environment in which people have opportunities to do their best work. This commitment includes all of our suppliers with whom we do business, and in this sense, we expect our suppliers to comply with the issues stated below.



FORCED LABOUR

Have a clear **policy** not to use, be complicit in, or benefit from forced labour.

All work must be **voluntary**, and workers should be free to leave work or terminate their employment with reasonable notice.

Take account of international standards where adherence to forced labour provisions of national laws and regulations is insufficient.

Prohibit business partners from charging recruitment fees to workers.

Be aware of countries, regions, industries, sectors, or economic activities where forced labour is more likely to be a practice.

Ensure that large-scale development operations do not rely on forced labour in any phase.

Carefully **monitoring** of the supply chains and subcontracting arrangements.

CHILD LABOUR

Do not have **child labor** of any kind in any operations.

Ensure that take account of international standards to adhere to minimum age provisions of national labour laws and regulations, where national law is insufficient.

Be aware of countries, regions, sectors, economic activities where there is a greater likelihood of child labour and respond accordingly with policies and procedures.

Ensure that exercise influence on subcontractors, suppliers, and other business affiliates to combat child labour.

DISCRIMINATION

Comply with all relevant national and international laws and regulations with regard to employment practices, benefits, health and safety and anti-discrimination.

Provide to strive a workplace that is **free** of direct or indirect discrimination.

Eliminate discrimination in respect of employment and occupation and promote an **inclusive** workplace where employee differences in areas like gender, sexual preference, age, culture, disability and lifestyle choice are valued.

Establish non-discriminatory policies and procedures with respect to trade union organization, union membership and activity in such areas as applications for employment and decisions on advancement dismissal or transfer.

Development of grievance procedures to address complaints, handle appeals and provide recourse for employees where discrimination is identified

HARRASSMENT AND ABUSE OF LABOUR

Ensure that your employees are not subjected to psychological, verbal, sexual or physical harassment, bullying, or any other form of abuse.

Comply with all applicable laws on harassment and abuse of employees.

Treat the reports of harassment, bullying, and/or abuse **seriously and respectfully**.

Employees reporting non-compliance **should not suffer** retaliation and be provided with transparent, fair and confidential procedures that result in swift, unbiased and fair resolution of difficulties which may arise as part of the process.





DIVERSITY AND INCLUSION

Foster and practice a culture of inclusion and be working to improve the overall diversity of your workforce.

Encourage supplier diversity within your own supply chain.

Meet or exceed the requirements of all relevant equalities legislation.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Respect employees' lawful right of free association, as well as their lawful right to join, form, or not to join a labor

union or otherwise engage in collective bargaining.

Put in place **non-discriminatory policies and procedures** with respect to trade union organization, union membership and activity in such areas as applications for employment and decisions on advancement, dismissal or transfer.

Provide workers' representatives with appropriate facilities to assist in the development of effective collective agreement.

WORKING CONDITIONS

Follow all applicable laws, regulations and/or collective agreements with respect to working conditions, hours, days of rest, wages and salaries.



Corporate governance, business conduct and ethics

We regard good corporate governance as being of critical importance to all of stakeholders and a fundamental component to commitments to security holders. We strive to ensure that company meets high ethical standards of governance across its operations. In this sense, we expect our suppliers to comply with the issues stated below.



ANTI-CORRUPTION AND BRIBERY

Avoid any form of commercial bribery, corruption, extortion, fraud, or otherwise offer any incentive to any Arkem Kimya employee or Arkem Kimya employee's family or friends in order to obtain or retain Arkem Kimya business.

Comply with all the local or otherwise applicable laws dealing with the bribery of government officials and maintain adequate procedures to **prevent** unlawful behavior in all commercial dealings

undertaken by you.

Keep any business entertaining or hospitality reasonable in nature, entirely for the purpose of maintaining good business relations and **do not intend to influence** in any way Arkem Kimya's business decisions.

CONFLICT MINERALS

Do not supply products that contain tin, tantalum, tungsten or gold (the "Conflict Minerals") that directly or indirectly finance, or benefit armed groups and cause human rights abuses.

Commit to abide by all applicable laws and regulations related to Conflict Minerals and agree to provide all necessary information requested by us concerning products supplied by your supplier to enable us to complete its reasonable country of origin inquiries and due diligence with respect to Conflict Minerals.

ANIMAL TESTING

Avoid animal testing and use of animals in clinical experiments, and consider alternatives deemed scientifically legitimate and appropriate by the relevant regulators, provided that they are limited to obligatory cases.

CONFLICT OF INTEREST

Prevent or immediately disclose a conflict of interest related to your relationship with us as soon as possible.

Avoid any interaction with a Arkem Kimya employee that may conflict, or appear to conflict, with that employee acting in the best interests of Arkem Kimya.

LEGAL COMPLIANCE

Comply with all laws and regulations on bribery, corruption, and prohibited trade and business practices.

Source goods and/or services from others that meet country of origin standards for health and safety, working hours, pay, employment conditions and environmental protection.

ETHICAL STANDARDS

Conduct your business in accordance with **high ethical standards**.

Ensure that **effective and transparent** allocation of responsibilities between Board and management, where an applicable management structure exists.

Work to **safeguard** the well being of people involved in our supply chain, to protect the places where you source and process materials, and to ensure that the sale of minerals or other raw materials does not finance armed conflict or human rights abuses.

INTERNATIONAL TRADE

Ensure that adhere to international trade and export control regulations, as well as embargoes and sanctions imposed by national or supranational bodies or governments.

GIFTS AND ENTERTAINMENT

Respect that Arkem Kimya's employees **do not give or accept** any gift or favor that could compromise or raise doubts about the neutrality of the decisions.

Ensure that payments, gifts or other commitments to customers, government officials, subcontractors or other parties transacting on your behalf are in compliance with applicable anti-bribery laws.





Supply chain

We are committed to work in partnership with our suppliers to realise the full value of our relationships and to positively contribute to our stakeholder communities and the environment. In this sense, we expect our suppliers to comply with the issues stated below.



PRINCIPLES AND PRACTICES

Adopt similar principles to those outlined in this SCOC in dealing with your own Significant Suppliers.

Adhere to acceptable business practices with their own suppliers, including providing timely payment.

Create a climate of **trust** in your supply chain with your stakeholders.

TRACEABILITY

Keep adequate records on your direct suppliers and be able to trace volumes back to your supplying sites.



Environment

We are committed to minimize our environmental impact caused by our operations. We encourage you to support a precautionary approach to environmental challenges. We recommend undertake initiatives to promote greater environmental responsibility. In this sense, we expect our suppliers to comply with the issues stated below.



RESPONSIBILITIES

Minimize your environmental impact in the course of doing business, and support and **encourage** your other business partners.

Be responsible to ensure that your products or operations meet applicable local or international standards, laws and regulations whichever are more stringent. You should have systems in place to ensure safe management of waste, air emissions and wastewater discharges.

Try to implement **environmentally friendly** technologies so that you can reduce the use of raw materials leading to increased efficiency.

Focus on "design for sustainability" principle and direct your research and development efforts with this perspective.

Work with industry partners to ensure that **"best available technology"** is available to other organizations.

CLIMATE CHANGE

Eliminate or minimize the negative impacts on environment and climate caused by you or your supply chain at the source

Continuously seek to reduce greenhouses gas emissions from your operations, products, and services.

Promote local sustainable development initiatives.

BIODIVERSITY

Make a positive contribution on biodiversity, wherever possible, in relation to the products and services you provide.

PRESERVATION OF RESOURCES

Use natural resources (e.g. water, energy sources, raw materials) and preserve them.

Ensure that resources efficiently, apply energy-efficient and environmentally friendly technologies and **reduce** waste, as well as emissions to air, water and soil.

Ensure that utilise resources optimally for maximum **lifecycle**, and to only use what is needed.

Provide sustainable use and management of water resources in all areas that it has control over, and to support and encourage others where it can meaningfully do so.

Apply the "reduce, reuse, recycle, valorize" principles.

Continuously seek to minimize waste production.





Health and Safety

We are committed to a zero harm approach in terms of the health and safety of employees, contractors and visitors. In this sense, we expect our suppliers to comply with the issues stated below.



WORKING CONDITIONS

Provide access to clean, safe, and reasonable working conditions for all employees. Your facilities (including operations and dormitories) must be clean, healthy and safe, with adequate access to potable drinking water, sanitary facilities, fresh air and lighting.

PRECAUTIONS

Put in place an appropriate health, safety, and security management system.

Provide a safe and healthy workplace for their employees, including appropriate controls, work procedures, protection from exposure to hazardous materials and appropriate personal protective equipment.

Perform risk analysis and implement appropriate action plans to prevent detected current and potential risks.

Implement a documented system and incident response plans to record and **reduce** work-related injury and illness.

Provide training on work process safety as well as emergency response procedures.

Carry out a periodic review of the relevant policies and measures and institute suitable control measures.

COMPLIANCE

Comply with all relevant local and international laws and regulations with regard to occupational health and safety and the provision of health related benefits to employees.



Quality

We are committed to providing superior product quality and service to our customers. To ensure this, our suppliers should provide high-quality, safe and effective goods and services that are in full compliance with applicable laws and regulations. In this sense, we expect our suppliers to comply with the issues stated below.



REQUIREMENTS

Meet generally recognized quality standards or contractually agreed quality requirements and standards in order to provide goods and services that consistently meet ours and our customers' needs, perform as warranted and are safe for their intended use.

Act promptly on any critical issues that have the potential to have a negative impact on the quality of goods and services.

Inform us about changes of the manufacturing or supply process that have the potential to impact the specification of goods and services provided.

SECURITY AND ANTI-COUNTERFEITING MEASURES

Ensure that a good security practices across your supply chains. You should assure the integrity of

each shipment to us from its origin through to its destination.

Implement the necessary and appropriate measures in your area of responsibility to ensure that our products, their workable components or raw materials as well as the corresponding know-how do not end up in the hands of counterfeiters, smugglers, thieves or other unauthorized third parties and do not leave the legitimate supply chain.

Promptly analyze the relationship with a third party if they obtain or are provided with evidence that they are inadvertently involved in the manufacturing or selling of counterfeit products via the actions of the third party, including products destined for export that are considered counterfeit products in their country of destination.

Support the investigation and prosecution of any activities connected with counterfeit products.



Conclusion

OUR VALUED SUPPLIER,

You accept the statements in this SCOC or show your commitment to your own code of conduct or your policies.

We need to emphasize that Arkem Kimya may organize audits to ensure that the commitments are fulfilled. If violations of the UN Global Compact Principles, Supplier Code of Conduct or legal regulations are detected, relations with the supplier may be terminated.



Suppliers are required to comply with and to ensure their own suppliers and subcontractors comply with applicable laws, as well as principles equivalent to those set forth in the Universal Declaration of Human Rights, the fundamental Conventions of the International Labour Organization, the United Nations Guiding Principles on Business and Human Rights, United Nations Global Compact, the Voluntary Principles on Security and Human Rights, and the OECD Guidelines for Multinational Enterprises. Effective policies and procedures must be implemented, in particular with respect to the principles set out below. We also expect our suppliers to continuously improve their performance on these subjects.

**Thank you for your commitment
and the value you add.**



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