

# İÇDAŞ ETHICAL SUPPLY CHAIN POLICY

İÇDAŞ, is Turkey's leading steel company and exports to more than one hundred countries. The Company operates steel production, as well as energy, sea transportation, shipyard, mining and port operations.

Our Company has always endeavored to conduct business responsibly and ethically. We respect international human rights principles, including the United Nations Declaration of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. Our acknowledgment of these international principles is consistent with our dedication to enriching the workplace, respecting all human rights, preserving the environment and strengthening the community where we operate.

## THE SUPPLIER GUIDING PRINCIPLES

The Supplier Guiding Principles are an important pillar of İÇDAŞ's human rights and workplace accountability programs. Recognizing that there are differences in laws, customs, and economic conditions that affect business practices around the world, we believe that shared values must serve as the foundation for relationships between İÇDAŞ and its suppliers, starting with the commitment to respect all human rights. The Supplier Guiding Principles communicate our values and expectations and emphasize the importance of responsible workplace policies and practices that comply, at a minimum, with applicable environmental laws and with local labor laws and regulations. The principles outlined below reflect the values we uphold in our own policies, and we expect our direct suppliers to follow the spirit and intent of these guiding principles to ensure respect for all human rights.

### **Laws and Regulations**

Comply with all applicable local and national laws, rules, regulations and requirements in the manufacturing and collection of supply materials and supplies and in the provision of services.

### **Freedom of Association and Collective Bargaining**

Respect employees' right to join, form, or not to join a labor union without fear of reprisal, intimidation or harassment. Comply with all applicable local and national laws on freedom of association and collective bargaining.

### **Prohibit Child Labor**

Comply with all applicable local and national child labor laws.

### **Prohibit Forced Labor and Abuse of Labor**

Prohibit physical abuse of employees and prohibit the use of all forms of forced labor, including indentured labor, bonded labor, military labor, slave labor or any form of human trafficking. Comply with all applicable local and national laws on forced labor and abuse of employees.

### **Eliminate Discrimination**

Maintain workplaces that are free from discrimination or physical or verbal harassment. The basis for recruitment, hiring, placement, training, compensation, and advancement should be qualifications, performance, skills and experience. Comply with all applicable local and national discrimination laws.

### **Work Hours and Wages**

Compensate employees relative to the industry and local labor market. Operate in full compliance with applicable wage, work hours, overtime and benefits laws, and offer employees opportunities to develop their skills and capabilities, and provide advancement opportunities where possible.

### **Provide a Safe and Healthy Workplace**

Provide a secure, safe and healthy workplace. Maintain a productive workplace by minimizing the risk of accidents, injury, and exposure to health risks. Comply with all applicable local and national health and safety laws.

### **Protect the Environment**

Conduct business in ways which protect and preserve the environment. Meet applicable environmental laws, rules, and regulations.

### **Business Integrity**

Conduct business with integrity, respecting relevant laws and avoiding bribes and fraudulent practices.

### **Grievance Procedure and Remedy**

Provide workers with a mechanism to express grievances without fear of reprisal and ensure concerns are appropriately addressed in a timely manner.

### **Management Systems**

Establish management systems such as Quality (ISO9001), Environment (ISO14001), Occupational Health and Safety (ISO 45001) and Energy (ISO 50001), for ensure sustainable development, respect the environment and natural resources and safe, secure and healthy workplace. Have appropriate and effective systems in place to control actions ensuring lawful compliance and respect for all human rights.

### **Demonstration of Compliance**

Supplier must be able to demonstrate compliance with the Supplier Guiding Principles at the request and satisfaction of İÇDAŞ.

If the eight Core Conventions of the International Labor Organization establish higher standards than local law, the ILO standards need to be met by the supplier. We expect our suppliers to develop and implement appropriate internal business processes to ensure compliance with the Supplier Guiding Principles.

## **CODE OF BUSINESS CONDUCT FOR SUPPLIERS TO İÇDAŞ**

İÇDAŞ expects all of its employees to comply with the law and act ethically in all matters. We have the same expectations of our suppliers. Our Code of Business Conduct sets the basic standards for employee conduct. This Code of Business Conduct for Suppliers establishes related requirements for our suppliers. Working together, we can achieve great success by doing the right thing. This Code contains general requirements applicable to all suppliers to İÇDAŞ. Particular supplier contracts may contain more specific provisions addressing some of these same issues.

### **Conflicts of Interest**

Employees of İÇDAŞ should act in the best interest of the Company. Accordingly, employees should have no relationship, financial or otherwise, with any supplier that might conflict, or appear to conflict, with the employee's obligation to act in the best interest of İÇDAŞ. Friendships outside of the course of business are inevitable and acceptable, but

suppliers should take care that any personal relationship is not used to influence the İÇDAŞ employee's business judgment. If a supplier employee is a family relation to an employee of İÇDAŞ, or if a supplier has any other relationship with an employee of İÇDAŞ that might represent a conflict of interest, the supplier should disclose this fact to İÇDAŞ or ensure that the İÇDAŞ employee does so.

### **Gifts, Meals and Entertainment**

Employees of İÇDAŞ are prohibited from accepting anything more than modest gifts, meals and entertainment from suppliers. Ordinary business meals and small tokens of appreciation at feast and New Year time generally are fine, but suppliers should avoid offering İÇDAŞ employees travel, frequent meals or expensive gifts. Gifts of cash or cash equivalents, such as gift cards, are never allowed.

### **Bribery**

Suppliers acting on behalf of İÇDAŞ must comply with the laws of the Republic of Turkey, as well as all local laws dealing with bribery of government officials. In connection with any transaction as a supplier to İÇDAŞ, or that otherwise involves İÇDAŞ, the supplier must not transfer anything of value, directly or indirectly, to any government official, employee of a government-controlled company, or political party, in order to obtain any improper benefit or advantage. Suppliers must keep a written accounting of all payments (including any gifts, meals, entertainment or anything else of value) made on behalf of İÇDAŞ. Suppliers must furnish a copy of this accounting to İÇDAŞ upon request.

### **Protecting Information**

Suppliers should protect the confidential information of İÇDAŞ. Suppliers who have been given access to confidential information as part of the business relationship should not share this information with anyone unless authorized to do so by İÇDAŞ. If a supplier believes it has been given access to İÇDAŞ's confidential information in error, the supplier should immediately notify its contact at the Company and refrain from further distribution of the information.

### **GENERAL MANAGER**