



GLOBAL RESPONSIBLE PURCHASING POLICY

INTRODUCTION

In line with its vision “Respecting the World, Respected Worldwide”, Arçelik A.Ş. (together or independently referred to as “**Beko**” or “**Company**”, refers to all companies directly or indirectly, individually or jointly controlled by **Arçelik A.Ş.** and its joint ventures) aims to ensure the satisfaction of its customers, to provide product and services at universal quality and standards by using limited natural resources efficiently, and to contribute to economic social development. By this means, it aims to be symbol of trust, continuity and respect for its customers, shareholders, employees, suppliers, dealers and authorized services - in short, all stakeholders - nationally and globally.

Company is part of the Koç Group, which has signed the United Nations Global Compact. This convention consists of 10 principles determined on human rights, labour, environment and anti- corruption matters. Company is also among the first companies signing the Code of Conduct published by the Home Appliance Europe (APPLiA).

With this Policy, Company commits that its suppliers act in accordance with International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, United Nations Universal Declaration of Human Rights, United Nations Global Compact and United Nations Guiding Principles on Business and Human Rights.

In line with its strong values, transparent policies and standards, Company always expects from its employees and business partners to act in accordance with high ethical values and compliant with all relevant laws and regulations in the countries they operate. This Policy sets out the ethical and legal standards which all Company suppliers¹¹ must comply with in all business practices.

It is a contractual obligation for the suppliers to accept and comply with this Policy within the scope of the “Environment and Business Ethics” sention under the Company Purchase Contract. In case of violation of this Policy, Company reserves the right to terminate the purchase contract.

2. PURPOSE, SCOPE AND BASES

This Policy is designed to ensure that suppliers’ business practices are aligned with Company values, applicable laws and regulations and must be complied with by all suppliers. Likewise, Company expects from its suppliers to have and implement "Responsible Purchasing Policy" covering its own suppliers (Company's Tier 2 suppliers).

Candidates who want to be the supplier of Company are subject to the “Supplier Commissioning/Evaluation” process. Under this process, suppliers are evaluated in a manner to cover many steps, including Company Responsible Purchasing Policy perspective. If Company deems it necessary, it has the right to audit its supplier on-site or have it audited by independent auditing companies within the scope of this Policy.

The program of this Policy has three operational pillars:

- **Prevention** – Supplier works to embed a culture of integrity at all levels, in all countries where it has operations.
- **Detection** – Supplier employees are encouraged to speak up and give voice to Company values
- **Response** – Company has the necessary infrastructure to duly investigate violations. if necessary, Company sanctions confirmed breaches with a standard and uniform approach and uses what is learnt to continually improve.

Company conducts all operations with honesty, and with respect for human rights and by protecting the interests of its employees and expects from its all suppliers to adopt these rules and act in accordance with these rules.

This Policy, in addition to establishing a standard of conduct, includes rules on fighting against corruption, ensures that suppliers' employees work in esteemed working environments, sets forth standards for the protection of information and data, and guides Company suppliers for the behaviour model it expects from them to be adopted in their external relations.

Company Responsible Purchasing Policy may not respond to every specific question and problem. If specific situations are not expressly covered, the purpose of this Policy must be upheld by exercising common sense and good judgement in light of the objective criteria.

3. SUPPLIERS- BUSINESS PRACTICE

3.1 Compliance with the Law

The Supplier, must comply with the relevant laws and regulations (processing and protection of personal data, fighting against corruption, competition, environment, occupational health and safety, intellectual property rights etc.) and with the scope of the contract arrangements established under the scope of current contractual relationship.

Suppliers must act in compliance with the applicable labor law of the countries they operate regarding working hours and rights of annual leave. Wages paid to supplier employees, overtime and wage-based rights must comply with the applicable labor laws of the countries in which they operate.

3.2 Employees

Suppliers respect and accept ethnic and cultural diversities and take measures to protect and promote diversities and commit to create working environments where there is equal opportunity, mutual trust, respect for human rights without discrimination.

Suppliers recruit their employees only based on their qualifications and abilities and put necessary effort for their development. Any form of forced, compulsory, trafficked or child labour in compliance with relevant legislation at suppliers are never tolerated. Suppliers take necessary measures for the health, safety and security of their employees. Zero tolerance is shown towards the violation of supplier employees' privacy in any form of physical, sexual, psychological and/or emotional harassment in the workplace or anywhere they present due to work.

Suppliers respect their employees' right to unionization and their decision to become a union member, their right to organize and collective bargaining in accordance with the law.

3.3 Human Rights

Suppliers protect and respect the human rights, human dignity and privacy of the communities they influence through their business activities.

Suppliers also ensure that they will carry out their all commercial activities without resorting to violence or abuse, that they will refrain from, and will not allow, being involved in any crime in relation to human rights violations.

Suppliers are expected to act in accordance with the United Nations Universal Declaration of Human Rights, ILO Declaration on Fundamental Principles and Rights at Work and requirements of the international conventions of the country in which they operate.

3.4. Occupational Health and Safety

The expectations of Company regarding Occupational Health and Safety (OHS) from its suppliers are as follows;

- To comply with legal arrangements and requirements determined by Company,
- To determine the organization, roles and responsibilities and share them with their employees,
- To make, or to make sure risk assessments are made by OHS expert, and to prevent possible work-related accidents and occupational diseases by taking necessary precautions,
- To ensure making control, measurement, examination and research for identification of risks,
- To provide resources, tools and equipment for the works, and to have periodic maintenance and control,
- To establish safe and healthy workplace for employees, trainees, visitors and special risk groups, and to ensure that they are kept under health surveillance,
- To have the necessary measurements, tests and analyses done in the workplace,
- To increase OHS awareness of the employees by training and informing practices in accordance with the legislation,
- To take opinions and suggestions of the employees and support their participation,
- To continuously carry out studies for preparation of emergency situations and response actions,
- To monitor and audit whether OHS measures are followed or not, and to ensure that nonconformities are eliminated.

3.5 Conflict Minerals

Establishing mutually beneficial relationships with all business partners is the principle of Company. Company expects from all business partners to act in line with its own values in business dealings and accordingly also expects from its suppliers to adopt appropriate professional understanding with their business partners. In line with the “OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas”, suppliers providing Company with components that contain tin, tantalum, tungsten, and gold metals, which are considered as conflict minerals:


- Must ensure that they procure only from conflict-free sources.
- Must communicate this requirement to the supply chain to ensure proper supply,
- Must comply with the Company Conflict Minerals Policy.

3.6 Environmental Regulations and Protection

Company is aware of its social responsibility to protect the environment and expects from its suppliers to undertake to establish environmental management systems, to improve it continuously and to protect the environment in accordance with the relevant national and international legal legislations and regulations in order to enhance their environmental performance in line with the principles of sustainable development and circular economy. While Company operates in line with the principles of prioritizing the sustainability approach and fighting the climate crisis, it expects from its suppliers to take the Company Environmental Policy as a reference and become a partner in this commitment.

As part of this commitment, all Company suppliers, without limitation, must:

- Ensure in their all activities that compatibility requirements of environmental legal legislations are met,
- Keep all environmental permits, licenses and all documents up-to-date and follow their compliance with legal arrangements,
- Adhere to all applicable laws, regulations, customer requirements and Company procedures regarding the prohibition or restriction of hazardous chemicals that can be used in materials, parts, components of products,
- Ensure that its wastes are collected separately by separate classification according to their types at source, and recycled in accordance with the relevant legal arrangements,
- Address the environmental risks and opportunities by integrating environmental management into the business processes and strategies, and take actions to minimize the environmental risks,
- Set targets and objectives to improve environmental performance, plan the actions, follow the results, and focus on continuous improvement for their products, their production activities and their suppliers,
- Consider the principles of transition to a low-carbon economy in their investments and machine-equipment choices,
- Carry out activities to combat the climate crisis and contribute to transition to a low carbon economy, considering the climate related risks and opportunities of their activities,
- Ensure that environmental aspects and impacts are prevented at source in their all processes throughout the life cycle,
- Design and manufacture environmentally friendly products,
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- Design and manufacture environmentally friendly products,
- Focus on reducing energy consumption, water consumption, resource consumption, and chemical consumption by using the best available techniques and cleaner production technologies and using natural resources efficiently,
- Aim to increase energy efficiency studies as well as use of renewable energy resources,
- Determine the water risks considering the sector needs and the geographies in which is operated, and conduct studies to manage these risks,
- Manage their processes in line with the circular economy approach
- Control air emissions to prevent air pollution,
- Reduce and/or eliminate waste and wastewater generation, greenhouse gas emissions, chemical use and all other environmental impacts by reuse, recycling, mitigation or substitution processes in the product, production, transportation, storage and all other operations,
- Focus on protecting ecosystems, habitats, all species especially endangered species and endemic species, preventing land degradation, maintaining, continuously improving and developing the capacity of natural ecosystems and aim to manage impacts on biodiversity in a sustainable manner,

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- Be in compliance with environmental conditions in the “Company Chemical Compliance Specifications”, which is prepared by Company, published at: [“https://supplier.arcelik.com/en/enviroment”](https://supplier.arcelik.com/en/enviroment) and updated periodically,
 - Send environmental compliance information, document and reports to Company in accordance with this specification.

3.7 Competition Law

We, as Company, encourage fair competition and support the development of competition law while carrying our activities. In this context, all of our suppliers must act in accordance with the competition law. Otherwise, a violation of Competition Law may result in extremely severe sanctions being imposed against both companies and employees. While Company suppliers strongly protect their own legal interests, they act in full cooperation with the competition authorities.

3.8 Fighting Against Bribery and Corruption

Suppliers do not engage in any inappropriate conduct, such as receiving or giving bribes or other improper advantages for business and financial gain. No supplier employee may offer, give or receive a gift or payment that may possibly be perceived as a bribe. Corruption, embezzlement, any kind of facilitation payments or bribery, regardless of their type or manner of occurrence, have no place in business practices of Company suppliers. All accounting records and supporting documents of the suppliers must accurately and clearly describe and reflect the nature of underlying transactions. There should be no undisclosed, or unrecorded accounts, fund or assets established or maintained in the financial systems of the suppliers.

3.9 Management of Conflicts of Interest

Supplier employees must avoid situations where their personal interest conflict with the interests of the suppliers for which they work. Suppliers and their employees take necessary measures to ensure that their relationships with Company do not conflict with their personal interests and the responsibilities of the supplier to Company within the rules specifies by Company.

3.10 Gifts and Entertainment

Under certain circumstances exchanging gifts and hospitality are acceptable to increase the strength or maintain business relationships among business associates (please refer to Company Global Gifts and Hospitality Policy, for acceptable circumstances on exchanging gifts and hospitality). Suppliers must not receive or give any gifts that would constitute incompatibility with the law other than commercial tradition and promotional materials and must avoid hospitality activities that go beyond its purpose.

3.11 Trade Restrictions

Some countries where our suppliers operate may have restrictions on some other countries, companies or people. Suppliers follow laws on trade restrictions, export controls, embargo, boycott, anti-corruption and customs laws regarding their activities when necessary, and commits to act in compliance with such laws and regulations. Suppliers are aware that if these restrictions are violated, extremely serious consequences may arise such as monetary fines, cancellation of export licenses and possibility of imprisonment.

3.12 Protection of Information

All kinds of information, which are not publicly available or are not made publicly available by Company are considered confidential including, but not limited to technical, operational, financial information. Confidential information is protected by Company policies and applicable laws in countries we operate. Our suppliers strictly adhere to company policies and procedures to protect confidential information and do not share confidential information with third parties. Suppliers must create, record and retain all business-related information accurately and in full compliance with requirements of applicable laws.

They also process the personal information of its employees, business partners and customers in order to improve company processes and activities to the extent permitted by legislation. They do not share this personal data with third parties without the consent of the data owners.

3.13 Intellectual Property Rights

Company does not give license, patent, industrial design or copyrights to its suppliers. The related suppliers are obliged to pay all costs, losses and additional costs including penalties of the parties (Company, other suppliers and consumers) if the damage is supplier rooted due to intellectual and industrial rights violations.

4. IMPLEMENTATION PRINCIPLES

In the audits conducted to Company suppliers, their compliance with the rules in this Policy is questioned, non-conformities are expected to be improved by initiating corrective and preventive actions, and improvements are checked by follow-up audits.

Company may request removal of an employee of any of its suppliers, who acts against the relevant laws and regulations or who violates these rules or may terminate the contract with the relevant supplier.

Company encourages and expects supplier employees to report any incompliant actions to this Policy. The following reporting channels can be used to report suspicious behaviour contrary to this Policy or violation of the rules in this Policy.

Web: Whistleblowers can report incompliant actions to this Policy by using the tab "Raise a Concern Online" on www.ethicsline.net.

Telephone: Whistleblowers can also raise their concerns by dialing Ethics Hotline phone numbers dedicated specifically to countries. Ethics Hotline phone numbers can be found from www.ethicsline.net through "Raise a Concern by Phone" tab.

Company ensures that all investigations will be handled with absolute confidentiality and whistle-blowers will be protected. Company will protect the confidentiality of the individual who has reported suspicious behaviour of the supplier incompliant to this Policy or possible violation of business ethics and will not tolerate any retaliation against that individual. If this Policy is revised by Company, suppliers undertake to accept the revised Policy and commits to adapt Global Code of Conduct and related Code Policies and comply with the principles specified herein. The Purchasing Department is responsible for the review and the implementation of this policy.

References

Company Chemical Compliance Specifications

(<https://supplier.arcelik.com/en/enviroment>)

Company Global Code of Conduct

(https://www.arcelikglobal.com/media/5510/1_global-code-of-conduct_.pdf)

Company Policies (<https://www.arcelikglobal.com/en/company/policies/>)

International Labor Organization (ILO) Conventions

Declaration on Fundamental Principles and Rights at Work

ISO14001

ISO45001

OECD Guidelines for Multinational Enterprises

OECD Due Diligence Guidance (Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas)

SA8000

United Nations Global Compact

United Nations Guiding Principles on Business and Human Rights

United Nations Universal Declaration of Human Rights

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