



HUMAN RIGHTS AND WORKING CONDITIONS MANAGEMENT SYSTEM

1. INTRODUCTION

Human rights are interconnected set of freedoms and rights common to all people. The universal declaration of Human Rights, adopted by the United Nations in 1948, describes these fundamental rights, including:

- Life, liberty, and security of person
- Justice under the law
- Fair working conditions
- Adequate food, water, and shelter
- Access to quality healthcare and education
- Freedom of speech and thought
- Ability to own property
- Freedom of association including collective bargaining

Teklas corporate strategy is based on accountability, sustainability, and people. In this regard, Teklas acknowledges its responsibility regarding internationally recognized human rights and shapes its policies around these values.

The responsibility of Teklas in human rights is focused on prevention of human rights abuses in its own activities as well as its supply chain.

Human rights are inherent to all human beings regardless of race, nationality, sex, religion, etc. as it is defined in the International Bill of Human Rights.

Apart from the International Bill of Human Rights, Teklas acknowledges to follow ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights. In addition, as of 2021, Teklas has officially become a signatory status of ten principles of the UN Global Compact. This document elaborates how Teklas implements its activities regarding internationally recognized human rights in a way that covers all Teklas locations.

We support the UN Human Rights Charter and actively acknowledges our responsibility by continuously integrating the universality of human rights into our policies, systems, and processes. Therefore, this document reflects the respect of Teklas for human rights.

2. ENSURING HUMAN RIGHTS STANDARDS AND FAIR WORKING CONDITIONS

Adhering to international labor standards and fair working conditions is indispensable for Teklas as a global employer. As a signatory of the UN Global Compact, we support its ten principles. We expect stakeholders of Teklas including employees, suppliers, customers, etc. to comply with the standards that Teklas has. Employees who observe a possible violation of Code of Conduct may report these violations to Teklas Ethics Committee via ethics@teklas.com.tr. The following sections will outline the key points that are also covered in Teklas Code of Conduct in order to ensure respect to human rights and ensure fair conditions of work.

2.1. Universally Accepted Standards

Teklas acknowledges the place of a children is school and their fundamental right is to receive education. In this regard, Teklas is strictly against any forms of child labor in any of its locations or under any of their stakeholders.

One of the other fundamental human right is to be able to choose the work that one works for. Teklas is strictly against any forced or compulsory labor.

As an activity that trades humans for the purposes of forced labor or any other forceful act, human trafficking activities are also a red line for Teklas to stand against it.

2.2. Employee Rights

a) Main Rights

Teklas acts in a way to ensure consistency of labor peace in the workplace and establishes systems accordingly. Implementation of a fair wage system that is in accordance with the laws and that also increases the competition between the employees is the basis of this understanding.

As also specified mainly in ILO Declaration on Fundamental Principles and Rights at Work, Teklas acknowledges its responsibility to organize working hours in accordance with the laws as well as internationally accepted human rights standards and respecting to the right of freedom of association including collective bargaining.

b) Employee Development

Teklas is responsible to create opportunities for the employees to improve their creativity and skills and support their personal development in a way to transform it into the benefit of the organization.

Teklas measures the performances of all employees according to the objective criteria and rewards any achievements in an objective was. Teklas also provides horizontal or vertical promotions for all employees equally.

2.3. Occupational Health and Safety

Teklas acknowledges its responsibility to comply any legal and other liabilities related with occupational health and safety in order to be ensure the health and safety of its employees as well as its other stakeholders. Teklas is responsible to make studies on occupational health and safety, supply and ensure the usage of any type of work safety equipment that is required to protect the safety and health of its all stakeholders.

Teklas applies a proactive occupational safety approach in improvement of occupational health and safety issues by considering that such issues are under the responsibility of Teklas and its stakeholders in the manner of jointly cooperation. The stakeholders of Teklas are not allowed to keep any goods or materials in the workplace that are illegal, or which may pose hazard to the workplace and/or stakeholders.

2.4. Harassment

Harassment is any verbal or physical conduct designed to threaten, intimidate, or coerce an employee, co-worker, or any stakeholder of Teklas. Teklas strictly against harassment of any kind, including sexual harassment, and will take appropriate and immediate action in response to complaints or knowledge of such situation.

The following examples of harassment are intended to be guidelines and are not exclusive when determining whether there has been a violation of this principle:

- a) Verbal harassment includes comments that are offensive or unwelcome regarding an individual's national origin, race, color, religion, gender, sexual orientation, age, body, disability, or appearance.
- b) Nonverbal harassment includes distribution, display or discussion of any written or graphic material that ridicules, denigrates, insults, belittles or shows hostility, aversion, or disrespect toward an individual or group because of national origin, race, color, religion, age, gender, sexual orientation, pregnancy, appearance, disability, sexual identity, marital status or other protected status.
- c) Sexual harassment includes jokes with sexual nature, sexual propositions, requests for any type of sexual favor (includes repeated, unwelcome requests for dates); and verbal abuse or "kidding" that is oriented toward a prohibitive form of harassment, including that which is sexual in nature and unwelcome; any discussion that shows hostility toward an individual or group because of sex; unwelcome, unwanted physical contact, including touching, tickling, pinching, hugging, cornering, kissing, fondling, and forced sexual intercourse or assault.

2.5. Diversity and Non-Discrimination

Discriminative act may be defined as taking race, color, national origin, age, religion, disability status, gender, sexual orientation, gender identity, genetic information, or marital status into account. Teklas is strictly against to any discriminative act in the provision of employment opportunities, benefits or privileges, establishment of discriminatory work conditions, in general use of any discriminatory evaluative standards in the recruitment process to be ensure the diversity of race, religion, color, sexual orientation, etc. Teklas is also against to any discriminative act in any business operations by or to any of its stakeholders.

2.6. Privacy And Confidentiality of Information

Teklas acknowledges its responsibility to protect the privacy rights of all individuals that are in a cooperation with Teklas.

All stakeholders, especially the employees shall perform its activities within the knowledge that any types of data that may occur during the implementation of the duties shall be respected and act sensitively towards violation of such rights. Teklas shall record and maintain all the records according to both international and local laws. In case any information, which is considered as confidential is required by another institution or person, such information and documents may not be provided without obtaining the approval of the owner of the data.

The stakeholders shall be liable to keep confidential and protect any trade, financial and technological secrets of all Teklas stakeholders. The employees shall not be entitled to share any data and/or documents, which they may obtain in the workplace, with any unconcerned and unauthorized institutions or persons in or out of the company in any way whatsoever, and shall not be entitled to use the same, not even indirectly, for any speculative purpose.

2.7. Protection of Identity and Non-Retaliation

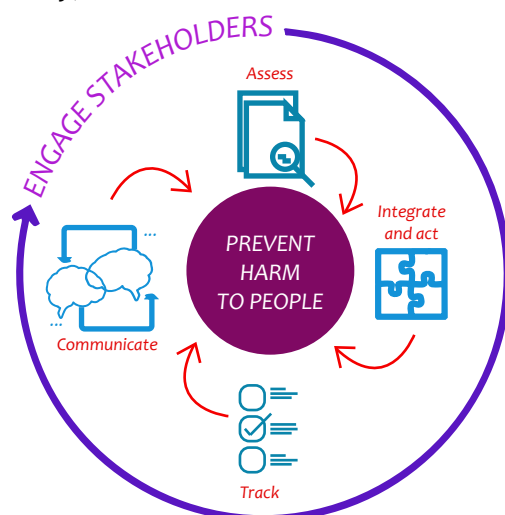
Employees of Teklas have the right to communicate problems, suggestions, or issues to any executive or to Teklas Ethics Committee. Non-retaliation policy applies to all official or unofficial reports. All complaints will be kept confidential, and investigation will be as little disruptive as possible for all parties to ensure the privacy.

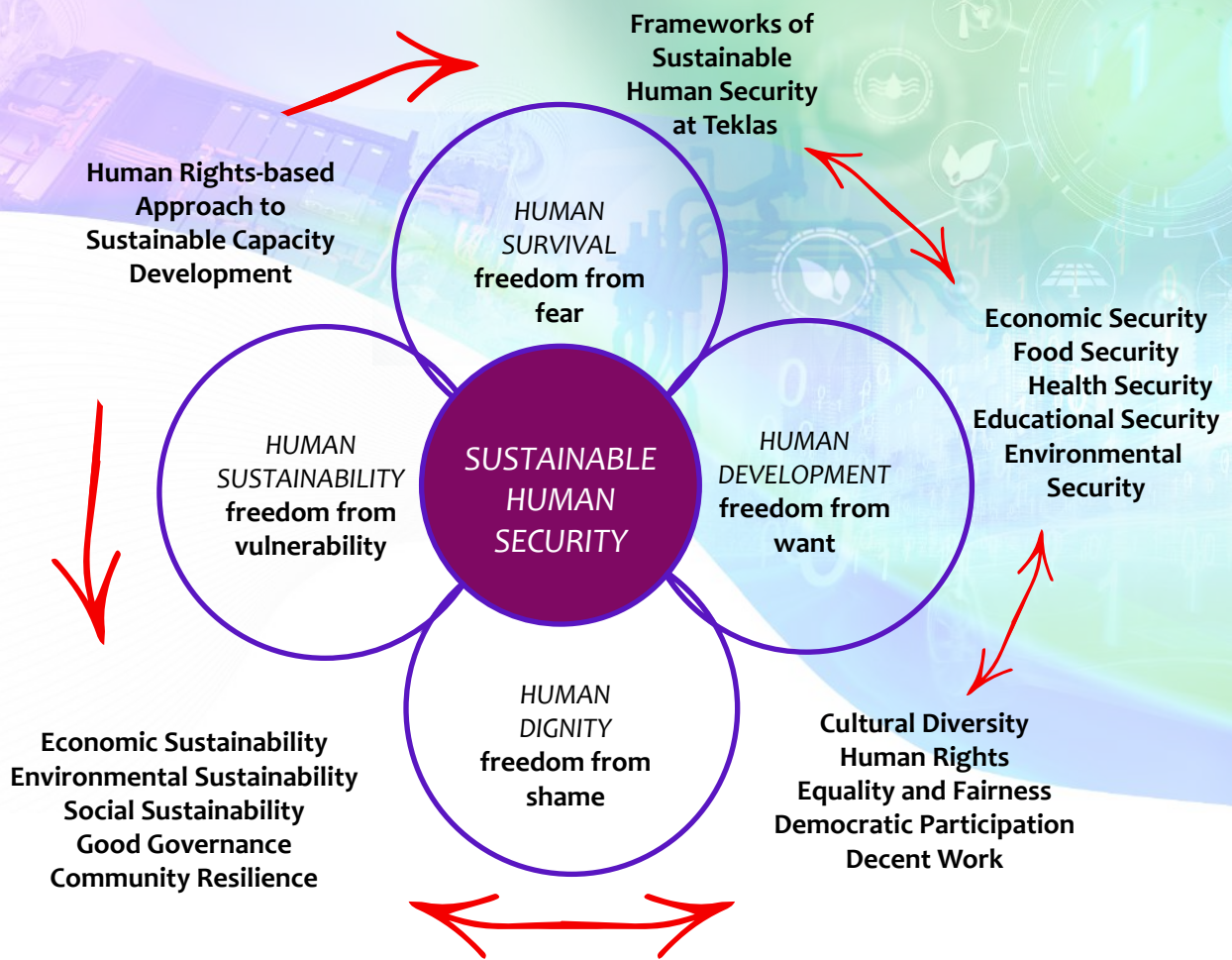
3. STAKEHOLDER RELATIONS

All stakeholders of Teklas including its employees, customers, suppliers, employees of any subcontractors are expected to comply this management system. Teklas is responsible to respect the values of such countries and societies that it conducts a business operation. The activities are conducted within the framework of the awareness of social responsibility and support to the stakeholders in this manner.

Teklas approaches to its all stakeholders in a way to respect them regarding the internationally recognized human rights standards and expects the same from the other party. Suppliers are party of Teklas Code of Conduct, Supplier Sustainability Code of Conduct as well as this management system and expected to comply with all the standards that are defined within these documents. Teklas Purchasing, Supplier Quality and Sustainability teams are the key-points regarding the communication and audit of these processes.

Other stakeholders including customers, NGOs, local communities, etc. are also expected to comply also with Teklas Code of Conduct and Teklas Sustainability Policy as well as this management system. The communication of these processes is also made by the related teams including Sales, Sustainability, etc.



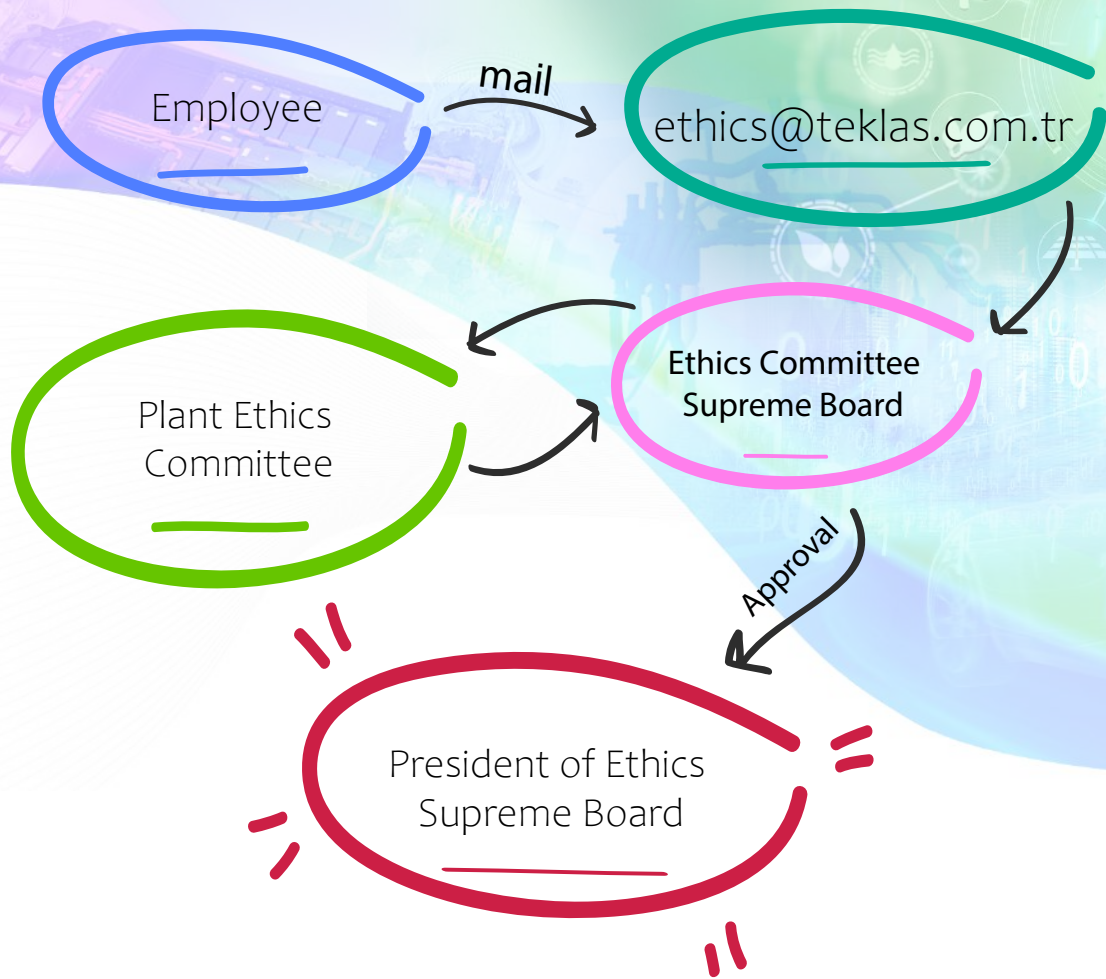


4. IMPLEMENTATION

The possible human right violations that are defined but not limited with this management system are evaluated by Teklas Ethics Committee. All stakeholders of Teklas are expected to act in conformity with these principles, and to notify Teklas Ethics Committee via ethics@teklas.com.tr or by means of their key-contact, for any behavior that they deem not in conformity with or in violation of this management system.

The Committee convenes in case of need and in case of emergency meeting the participation of at least three members should be ensured. Ethics Committees are headed by the employee, who manages the full responsibility of HR in all locations and Plant Managers take part in the board as a member. To ensure diversity, two field employees, men, and women; and two office employees, men and women are defined on each board.

The decision made preferably with full participation should be submitted to the supreme board for the final decision. The Supreme Board takes the final decision with the approval of the President of the Supreme Board. The decision will be decided upon 6 working days at most after the complaint is reached to the Ethics Committee.



When there is a situation concerning two or more different locations, a new board will be created by equalizing the number of members of the related locations. Departments and parties that are related to the discussed subject at the Committee, become part of the investigation as witnesses.

In case of an investigation which the members of the Ethics Committee are parties, that member(s) shall be excluded from the Committee. In an investigation regarding the President of the Ethics Supreme Board, the process is carried out with the Board of Management. All stakeholders of Teklas might be a subjected of an investigation at Teklas Ethics Committee or make official complaints to Ethics Committee via ethics@teklas.com.tr by including their names to be able to be heard by the Committee. All the privacy rights of the complaint owner will be respected by the Committee.

Also, the executives of Teklas acknowledge that conveying this management system to the employees and supporting them to act in conformity with this system are among their main duties. They also acknowledge performing required studies and supporting the relevant activities.