



GLOBAL HUMAN RIGHTS POLICY

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1. PURPOSE AND SCOPE

This Human Rights Policy (“**the Policy**”) is a guide that reflects Arçelik and its Group Companies’ approach and standards in relation to Human Rights and shows the importance Arçelik and its Group Companies’ attribute to respect for Human Rights.

All employees, directors and officers of Arçelik and its Group Companies shall comply with this Policy. As a Koç Group company, Arçelik and its Group Companies also expect and take necessary steps to ensure that all its Business Partners - to the extent applicable - comply with and/or act in line with this Policy.

2. DEFINITIONS

“**Business Partners**” include suppliers, distributors, authorized service providers, representatives, independent contractors and consultants.

“**Group Companies**” means the entities of which Arçelik holds directly or indirectly more than 50% of share capital.

“**Human Rights**” are rights inherent to all human beings, regardless of gender, race, color, religion, language, age, nationality, difference of thought, national or social origin, and wealth. This includes the right to an equal, free and dignified life, among other Human Rights.

“**ILO**” means The International Labor Organization

“**ILO Declaration on Fundamental Principles and Rights at Work**”¹ is an ILO declaration adopted that commits all member states whether or not they have ratified the relevant Conventions, to respect, and promote the following four categories of principles and rights in good faith:

- Freedom of association and effective recognition of collective bargaining,
- Elimination of all forms of forced or compulsory labor,
- Abolition of child labor,
- Elimination of discrimination in employment and occupation.

“**Koç Group**” means Koç Holding A.Ş., companies which are controlled directly or indirectly, jointly or individually by Koç Holding A.Ş. and the joint venture companies listed in its latest consolidated financial report.

“**OECD**” means The Organization for Economic Co-operation and Development

“**OECD Guidelines for Multinational Enterprises**”² aims to develop a state-sponsored corporate responsibility behavior that will maintain the balance between competitors in the international market, and thus, increase the contribution of multinational companies to sustainable development.

¹ <https://www.ilo.org/declaration/lang-en/index.htm>

² <http://mneguidelines.oecd.org/annualreportsontheguidelines.htm>

“UN” means the United Nations.

“UN Global Compact”³ is a global pact initiated by the United Nations, to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. The UN Global Compact is a principle-based framework for businesses, stating ten principles in the areas of Human Rights, labor, the environment and anti-corruption.

“UN Guiding Principles on Business and Human Rights”⁴ is a set of guidelines for states and companies to prevent, address and remedy Human Rights abuses committed in business operations.

“Universal Declaration of Human Rights (UDHR)”⁵ is a milestone document in the history of Human Rights, drafted by representatives with different legal and cultural backgrounds from all regions of the world, proclaimed by the United Nations General Assembly in Paris on 10 December 1948 as a common standard of achievements for all peoples and all nations. It sets out, for the first time, fundamental Human Rights to be universally protected.

“Women’s Empowerment Principles”⁶ (WEPs) a set of principles offering guidance to business on how to promote gender equality and women’s empowerment in the workplace, marketplace and community. Established by UN Global Compact and UN Women, the WEPs are informed by international labor and Human Rights standards and grounded in the recognition that businesses have a stake in, and a responsibility for, gender equality and women’s empowerment.

“Worst Forms of Child Labour Convention (Convention No. 182)”⁷ means the Convention concerning the prohibition and immediate action for the elimination of the worst forms of child labour.

3. GENERAL PRINCIPLES

As a globally acting Koç Group company, Arçelik and its Group Companies, take the Universal Declaration of Human Rights (UDHR) as its guide, and maintain a respectful understanding of Human Rights for its stakeholders in countries where it operates. Creating and maintaining a positive and professional working environment for its employees is the main principle of Arçelik and its Group Companies. Arçelik and its Group Companies act in compliance with the global ethical principles in subjects such as recruitment, promotion, career development, wage, fringe benefits, and diversity and respects its employees’ rights to form and join organizations of their own choosing. Forced labor and child labor and all forms of discrimination and harassment are expressly prohibited.

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

⁴ https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

⁵ <https://www.un.org/en/universal-declaration-human-rights/>

⁶ <https://www.weps.org/about>

⁷ https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C182

Arçelik and its Group Companies primarily take into consideration the below mentioned international standards and principles regarding Human Rights:

- ILO Declaration on Fundamental Principles and Rights at Work (1998),
- OECD Guidelines for Multinational Enterprises (2011),
- UN Global Compact (2000),
- UN Guiding Principles on Business and Human Rights (2011),
- Women's Empowerment Principles (2011).
- Worst Forms of Child Labour Convention (Convention No. 182), (1999)

4. COMMITMENTS

Arçelik and its Group Companies respect the rights of its employees, directors, officers, shareholders, Business Partners, customers, and all other individuals affected by its operations, products or services by fulfilling the principles of the Universal Declaration of Human Rights (UDHR) and the ILO Declaration on Fundamental Principles and Rights at Work.

Arçelik and its Group Companies undertake to treat all employees in an honest and fair manner, and to provide a safe and healthy working environment that respects human dignity while avoiding discrimination. Arçelik and its Group Companies prevent complicity in human rights violations.

Arçelik and its Group Companies may also apply additional standards considering vulnerable and disadvantaged groups who are more open to the negative Human Rights impacts and require particular attention. Arçelik and its Group Companies consider the specific circumstances of groups whose rights are further elaborated by United Nations instruments: indigenous peoples; women; ethnic, religious and linguistic minorities; children; persons with disabilities; and migrant workers and their families, as indicated in the UN Guiding Principles on Business and Human Rights.

Diversity and Equal Recruitment Opportunities

Arçelik and its Group Companies strive to employ individuals from different cultures, career experiences and backgrounds. Decision making processes in recruitment depend on job requirements and personal qualifications regardless of race, religion, nationality, gender, age, civil status and disability.

Non-Discrimination

Zero-tolerance towards discrimination is a key principle in the entire employment process, including promotion, assignment and training. Arçelik and its Group Companies expect all its employees to demonstrate the same sensibility in their behavior towards each other.

Arçelik and its Group Companies care to treat its employees equally by offering equal remuneration, equal rights and opportunities. All kinds of discrimination and disrespect founded on race, sex (including pregnancy), color, national or social origin, ethnicity, religion, age, disability, sexual orientation, gender definition, family situation, sensitive medical conditions, trade union membership or activities and political opinion are unacceptable.

Zero Tolerance to Child / Forced Labor

Arçelik and its Group Companies strongly oppose child labor, which causes children's physical and psychological harm, and interferes with their right to education. In addition, Arçelik and its Group Companies oppose all forms of forced labor, which is defined as work that is performed involuntarily and under the menace of any penalty.

Pursuant to Conventions and Recommendations of the ILO, the Universal Declaration of Human Rights, and the UN Global Compact, Arçelik and its Group Companies have a zero-tolerance policy towards slavery and human trafficking and expects all its Business Partners to act accordingly.

Freedom of Organization and Collective Agreement

Arçelik and its Group Companies respect employees' right and freedom of choice to join a trade union, and to collectively bargain without feeling any fear of retaliation. Arçelik and its Group Companies are committed to a constructive dialogue with the freely chosen representatives of its employees, represented by a legally recognized labor union.

Health and Safety

The protection of health and safety of the employees, and other persons which are, for any reason, present in a work area is one of the top concerns of Arçelik and its Group Companies. Arçelik and its Group Companies provide a safe and healthy working environment. Arçelik and its Group Companies take necessary security measures in work places in a manner that respects the dignity, privacy, and reputation of each person. Arçelik and its Group Companies comply with all relevant regulations and implements all required security measures for all its working areas.

In the case of finding out any unsafe conditions or unsafe behaviors in the working areas, Arçelik and its Group Companies take necessary actions immediately to ensure the health, safety, and security of its customers and employees.

No Harassment and Violence

A key aspect to safeguarding the personal dignity of employees is to ensure that harassment or violence does not occur, or if it occurs sanctioned adequately. Arçelik and its Group Companies are committed to providing a workplace free of violence, harassment, and other insecure or disturbing conditions. As such, Arçelik and its Group Companies do not tolerate any form of physical, verbal, sexual or psychological harassment, bullying, abuse, or threats.

Working Hours and Compensation

Arçelik and its Group Companies comply with the legal working hours in line with the local regulations of the countries where it operates. It is crucial that employees have regular breaks, vacations, and establish an efficient work-life balance.

The wage determination process is established in a competitive manner according to the relevant sectors and the local labor market, and in accordance with the terms of collective bargaining agreements if applicable. All compensations, including social benefits are paid in accordance with the applicable laws and regulations.

Employees may request further information from the officer or department in charge of compliance regarding the laws and regulations that regulate working conditions in their own countries, if they wish so.

Personal Development

Arçelik and its Group Companies provide its employees with opportunities to develop their talent and potential, and to build their skills. Regarding human capital as the valuable resource, Arçelik and its Group Companies put effort into the employees' comprehensive personal development by supporting them with internal and external trainings.

Data Privacy

In order to protect the personal information of its employees, Arçelik and its Group Companies maintain high level data privacy standards. Data privacy standards are implemented in accordance with related legislations.

Arçelik and its Group Companies expect the employees to comply with data privacy laws in each of the countries it operates.

Political Activities

Arçelik and its Group Companies respect its employees' legal and voluntary political participations. Employees may make personal donations to a political party or a political candidate or engage in political activities outside working hours. It is, however, strictly forbidden to use company funds or other resources for such donations or any other political activity.

5. AUTHORITY AND RESPONSIBILITIES

All employees and directors of Arçelik and its Group Companies are responsible for complying with this Policy, implementing and supporting the relevant Arçelik and its Group Companies' procedures and controls in accordance with the requirements in this Policy. Arçelik and its Group Companies also expect and take necessary steps to ensure that all its Business Partners to the extent applicable complies with and/or acts in line with this Policy.

This Policy has been prepared in accordance with the Koç Group Human Rights Policy. If there is a discrepancy between the local regulations applicable in the countries where Arçelik and its Group Companies operate, and this Policy, subject to such practice not being a violation of the relevant local laws and regulations, the stricter of the two, supersede.

If you become aware of any action you believe to be inconsistent with this Policy, the applicable law or Arçelik Global Code of Conduct, you should report this incident via the below mentioned reporting channels:

Web: www.ethicsline.net

E-mail: arcelikas@ethicsline.net

Hotline Phone Numbers as listed in the web site:

<https://www.arcelikglobal.com/en/company/about-us/global-code-of-conduct/>

The Legal and Compliance Department is responsible for arranging, periodically reviewing and revising the Global Human Rights Policy when necessary, while the Human Resources Department is responsible for the implementation of this Policy.

Arçelik and its Group Companies' employees may consult the Arçelik Human Resources Department for their questions related to the implementation of this Policy. Violation of this Policy may result in significant disciplinary actions including dismissal. If this Policy is violated by third parties, their contracts may be terminated.

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