



HUMAN RIGHTS POLICY

1. PURPOSE AND SCOPE

The main purpose of this Human Rights Policy (**“Policy”**) is to develop a guide which will reflect our integrated approach and standards towards fundamental human rights as PENTHOL Group of Companies (**“PENTHOL”**) in line with the UN’s Sustainable Development Goals, to emphasize our respect for human rights and the Values that we place on every member of staff, building a human rights-based approach with all stakeholders.

This policy is also aligned with our Code of Conduct, policies and our Corporate Values. Our business practices refer to the PETHOL Human Rights Policy and PENTHOL Code of Conduct.

Our employees and managers within the countries in which we operate are obliged to act in accordance with this Policy. We also expect our Business Partners to uphold these principles and urges them to adopt similar policies within their own businesses.

2. DEFINITIONS

“Business Partners” covers our suppliers, customers, contractors, all sorts of representatives, subcontractors and consultants, institutions/organizations with which we do business with including any other third parties.

“Human Rights” refers to rights that are unique for every person irrespective of gender, race, ethnicity, religion, language, age, nationality and other differences in opinions and wealth; it also mentions the right to equality, freedom and dignity.

“The International Labor Organization (ILO) Declaration of Fundamental Principles and Rights at Work”¹, adopted in 1998 and amended in 2022, points out that all member states are obliged to promote and comply with the following five principles in good faith even if they have not ratified the relevant declaration. These five principles are:

- Freedom of association and effective recognition of the right to collective bargaining,
- Elimination of all forms of child labor and forced/compulsory labor,
- Elimination of discrimination in recruitment and work,
- A safe, secure and healthy workplace.

“The Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises”² aims to develop a state-supported corporate responsibility behavior that will maintain the balance between competitors on the international market, thereby raising 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>

“The Universal Declaration of Human Rights (UN UDHR)”³, is a landmark document in the history of human rights. Prepared by representatives of different legal and cultural backgrounds from all parts of the world, it was declared by the UN General Assembly in Paris on 10.12.1948 as a common measure of success for all people and all nations, and is the first document emphasizing the universal protection of fundamental human rights.

“The Women's Empowerment Principles (WEPs)”⁴ is a set of seven principles that guide the global business community on how to promote gender equality and women's empowerment in the workplace, market and society. In line with international labor and human rights standards, the regarding principles set out by the UN Global Compact and the UN Women are based on the recognition that businesses have a role to play in promoting gender equality and women's empowerment.

“UN Global Compact”⁵, consists of ten principles which have been defined in the fields of a) human rights, b) labor, c) environment and d) anti-corruption. In order to achieve their sustainability and risk management goals, these principles guide companies so as to increase their productivity, employee confidence, brand awareness and access to new markets.

“UN Guiding Principles on Business and Human Rights”⁶, provides a global standard in investigating, preventing and correcting human rights violations that may occur during business activities of any country or company.

3. GENERAL PRINCIPLES

As PENTHOL, we adopt an understanding that respects universal human rights towards our employees, all our Business Partners and other communities affected by our products or services, guided by the **"The Universal Declaration of Human Rights (UN UDHR) (1948)"** and **"UN Global Compact (UNGC) (2000)"**.

We consider human rights among the most important of our ethical principles, and we expect all our Business Partners to act in line with these principles and the PENTHOL Human Rights Policy. We guarantee the human rights issue in our contracts with all our Business Partners.

This Policy is guided by international human rights principles encompassed by

- The Universal Declaration of Human Rights (UN UDHR) (1948)
- UN Global Compact (UNGC) (2000)
- UN Guiding Principles on Business and Human Rights (2011)
- ILO Declaration of Fundamental Principles and Rights at Work (1998)
- The OECD Guidelines for Multinational Enterprises (2011)
- The Women's Empowerment Principles (WEPs) (2011)

4. OUR COMMITMENTS

³ <https://www.un.org/en/about-us/universal-declaration-of-human-rights>

⁴ <https://www.weeps.org/about>

⁵ <https://www.unglobalcompact.org/what-is-gc/mission/principles>

⁶ https://www.ohchr.org/sites/default/files/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

Respect for human rights is a fundamental value of PENTHOL. Our approach is based on creating a workplace in which we are able to promote health, safety, positive and professional competence and ensuring its continuity as well as protecting all the rights of our employees.

Due diligence is used for the purpose of identifying and preventing human rights risks to people involved in our business and value chain. We are committed to provide for or cooperate with equitable and fair remedy where we have identified adverse human rights impacts resulting from or caused by our business activities. We seek to promote access to remediation where we are linked to or involved in those adverse impacts through our relationships with third parties.

We may also have additional standards that take into account the disadvantaged groups at a higher risk for human rights violations. As PENTHOL, we also consider the special conditions of groups (indigenous people; women; ethnic, religious and linguistic minorities; children; people with disabilities; migrant workers and their families) whose rights are explained in more detail in UN documents, as stated in the "UN Guiding Principles on Business and Human Rights".

As PENTHOL, we are committed to;

Diversity, Inclusion and Equity

- Demonstrating an inclusive, diversity, equitable, fair, ethical attitude without any discrimination among our employees in the business environment or in recruitment, placement, leaving a job, education, career, promotion, assignment, discipline, wage management and fringe benefits processes, regardless of religion, language, race, nationality, ethnicity, belief, creed, color, age, sexual orientation, gender, marital status, political opinion, being disadvantaged, and any legally protected characteristics.
- Being the most preferred employer for all candidates who dedicate themselves to their work and can add value, as well as protecting employees' rights,
- Respecting and promoting the rights and welfare of our employees and contractors.
- Not tolerating any kind of discrimination,
- Caring about the ideas of our employees and to create working environments where they can freely express themselves with a participatory approach,

Modern Slavery

- Opposing to all forms of modern slavery and setting clear expectations to contractors and suppliers not to use forced/compulsory labor and no payment of recruitment fees by employees,
- Providing a safe, secure, and healthy workplace, and the provision of wages and benefits that meet or exceed the national legal standards,

Zero Tolerance for Harassment and Violence

- Providing a healthy, secure and safe working environment for our employees free from all kinds of abuse, intimidation, ill-treatment or physical, verbal, sexual/psychological harassment, bullying, threats and violence, and taking all necessary precautions and supporting them with procedures,

Elimination of Child Labor and Forced/Compulsory Labor

- Opposing all forms of forced and compulsory labor, including modern slavery, bonded labor and human trafficking, and child labor that causes physical and psychological harm to children and deprives them of their right to education, at any stage of our activities,
- Developing procedures for our Business Partners to avoid child labor and forced/compulsory labor practices,

Working Hours, Pricing and Benefits

- Observing the compliance of the legal working hours, working conditions and overtime provisions identified by the laws and regulations valid within the countries in which we operate,

Personal/Professional Development

- Maintaining a long-term business relationship with our employees by continuing to invest in their talent and develop personally through internal and external training programs,

Occupational Health and Safety

- Providing a healthy, secure and safe working environment for our employees and our Business Partners who are in our work areas for any reason, taking the necessary safety measures and implementing regular training and information activities in accordance with the Occupational Health and Safety Legislation and in line with our "zero accident" goal,
- Assessing security threats and risks to our operations and working with governments and partners to mitigate negative consequences,

Work Life Privacy

- Complying with national/international regulations and data privacy standards for the protection of personal data of our employees and Business Partners,

Respect for the Environment and Society

- Analyzing the environmental impacts of our investment projects in accordance with the national/international legislation, with the awareness of our responsibility towards the environment and society, in line with our sustainable growth and green transition goals,
- Being aware of the potential impacts of our use of natural resources on human rights throughout our value chain, dealing with the specific policies and practices, reducing the damage to the environment and health by the efficient use of energy, water and raw materials and the preference of renewable resources,
- Taking care of the community's access to water resources and safe drinking water, and protecting the ecosystems and communities with appropriate sanitation,

- Accepting our work as an important part of the society and respecting the rights of the communities affected by our activities, enhancing the benefits to local communities and mitigating the negative social impacts of our business activities, and communicating with civil society representatives on human rights, if necessary,

Grievance Mechanism

- Making arrangements through contracts to monitor and protect the fulfillment of international legal requirements regarding human rights by all our employees and Business Partners in supply chain practices, and using ethics@penthol.com hotline effectively,
- Empowering the voice of our employees in order to express their concerns,
- Promoting our contractors and suppliers in order to provide their staff with complaint mechanisms where their grievances can be logged confidentially.

5. TRAINING

We provide Human Rights awareness training (through face-to-face or e-learning practices), which is available to all staff and mandated for selected staff working in high-risk priority departments such as Finance, Sales & Marketing, and Human Resources.

6. IMPLEMENTATION, REVIEW AND ENFORCEMENT

Our Human Rights Policy was published on 30.11.2022 with the approval of our President. Our Ethics Committee shall examine this policy on a regular basis, taking into account the current requirements and changes to our operating conditions. After approval of our President on the basis of a recommendation by our Ethics Committee, amendments considered to be necessary shall take effect. In order to ensure that this Policy is observed and regularly followed-up on possible violations and suspicious situations identified as part of improvements, our President shall be in charge at the highest level.

Any employee who believes that there is a conflict between the language of the policy and our activities, has questions about this policy, or wishes to report a potential violation of this policy confidentially, can raise these concerns to the Human Resources Manager.

We shall also make effective use of our ethics@penthol.com hotline for the purpose of ensuring compliance with this Policy, in order to monitor possible violations and suspicious situations on a regular basis as part of improvements. We also strive to ensure that our Business Partners evaluate their operations within the scope of their commitments to international organizations in terms of human rights. Policy-related feedback and possible Policy violations and non-compliances can be reported via ethics@penthol.com.

Criminal sanctions may be applied according to the provisions of regarding legislation if any violations or suspicious situation are detected that is contrary to the principles laid down in this Policy.

PENTHOL Human Rights Policy shall be made available to all our stakeholders, including employees, through our company website and intranet.

