

# SMART GÜNEŞ ENERJİSİ TEKNOLOJİLERİ ARGE ÜRETİM SAN. TİC. A.Ş.

("SMART")

## SUPPLIER CODE OF CONDUCT

At SMART, our vision is to be the climate technology company of the future by creating value with the innovative renewable energy and technology solutions we offer.

Our mission is to invest in renewable energy technologies by producing "value" based on advanced technology with the goal of a green future and a high-quality approach, and to lead, make an impact and make difference in sustainable development by considering the values of our stakeholders. In this context, we aim to create shared value for society by offering sustainable products and services within the scope of renewable energy activities with our innovation approach and entrepreneurial spirit.

We are committed to see operations on our supply chain is performed with respect to human rights, environment. Accordingly, we aim to follow-up and manage our supplier's situations based on SMART supplier code of conduct.

Preparing our supplier code of conduct, we set the basis considering:

- All workers in our supply chain to have a healthy and safe working environment.
- Children rights are protected.
- No worker is treated in a way that violates their human rights.
- Environment is protected.

Requirements in this code of conduct is based on Fundamental Principles of Rights at Work, ILO declaration June 1998, relevant ILO convention decisions and Ten Principles of UN global Compact 2000.

In all our activities, we maintain our relations with our suppliers or other stakeholders in compliance with the law, ethical and compliance rules, and sustainable business relations. We expect from our suppliers to implement all legal requirements defined on country legislation and implement more demanding requirement in cases where local legislation and SMART code of conduct requirement contradicts.

SMART code of conduct composed of two different level of requirements, major and basic. Major requirements are underlined.

- Both Major and basic requirements are applied to all 1<sup>st</sup> tier suppliers and selected production units within the SMART supply chain.
- Major requirements are applied to selected sub-suppliers in all tiers of the supply chain.

Expectations from our suppliers to be compliant are given below:

### 1. Child Labor

1.1. Child labor must not be used or requested for support in any stage of operations.

1.2. A procedure must be available and implemented by supplier for age verification of new workers.

1.3. Workers under the age of 18 (young workers) must not work on night shifts or overtime. In addition, young workers are not requested to perform work that is likely to jeopardize their health or safety.

### 2. Forced and Bonded Labor

2.1. Workers must not be subject to any form of forced and bonded labor.

2.2. All work must be voluntary, and workers are free to terminate their employment contract anytime without penalty, in compliance with legal notice period.

2.3. Workers must be free to leave work areas when their work shift ends.

- 2.4. Where supplier provides accommodation to workers, workers must be free to leave accommodation areas as per their wish.
- 2.5. Workers must not be charged any fee during recruitment.
- 2.6. Wage payments must not be delayed more than the legally specified timeframe.
- 2.7. Working hours must be registered for each worker within the supplier premises on a reliable system (card reader, fingerprint, workers' self-signature etc.)

### **3. Discrimination**

- 3.1. Any kind of discrimination such as age, race, color, sex, sexual orientation, language, religion, political or other opinion, national or social origin, property, birth, or other status is not accepted. All informed cases are investigated, and necessary actions taken for proven cases.
- 3.2. There is a written procedure including abovementioned topics approved by top management and clearly communicated to all workers.

### **4. Respect to human rights**

- 4.1. No worker must be subjected to torture or to cruel, inhuman or degrading treatment or punishment.
- 4.2. Disciplinary rules and corresponding actions must be listed to provide fair evaluation in case of violation of rules. Rules and actions must not be more demanding than legally allowed. Workers' justification must be received and recorded. A committee is expected to be established to decide, when needed, the suitable disciplinary action. Worker representative or workers' union representative must be member of this committee.
- 4.3. Disciplinary policies and procedures must be clearly defined, documented, and communicated to workers.

### **5. Freedom of Association and collective bargaining**

- 5.1. Workers must be free to establish, join or not to join any worker's union. Supplier must respect workers' choices and not interfere in any condition.
- 5.2. Workers must be free to join or not join any collective bargaining. Supplier must respect workers' choices and not interfere in any condition.

### **6. Wages and payment**

- 6.1. Workers must be paid at least legal minimum wage of the country.
- 6.2. Compensation paid to workers must comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits.
- 6.3. Details of payments must be provided to workers identifying as minimum: regular hours worked, overtime hours worked, net paid amount.

### **7. Working hours**

- 7.1. Workers must be maximum allowed to work 60 hours per week, except for emergency situations defined by law or unusual situations.
- 7.2. Workers must have a minimum of 24 hours off after six days of work.
- 7.3. Workers must be paid for overtime as defined in legislation. No worker must be made to work overtime under the threat of penalty, dismissal, or denunciation to authorities.

### **8. Employment practices**

- 8.1. Workers must be provided with a written employment agreement that contains as a minimum the name of worker, work area, salary and benefits, employment date, working hours, locations of the

work, worker's rights, and responsibilities. Employment agreement must be in a language understood by the worker and signed by both worker and employer.

8.2. There must be a written recruitment procedure explaining all steps of the recruitment process. All used recruitment agents must be listed with their license details. A written contract must be signed with supplier and labor agency. Supplier must have a due diligence system for screening of labor recruiters.

## **9. Environment and Climate**

- 9.1. Process wastewater or domestic wastewater must not be discharged to the environment without wastewater treatment according to legal required discharged standards.
- 9.2. All emissions to air must be controlled and all legal permits are obtained. If necessary, regular air quality measurements should be performed.
- 9.3. Soil must not be polluted by any operation. In case of soil contamination, necessary actions must be taken to remediate.
- 9.4. Solid waste generated from the facility must be recorded. Hazardous and non-hazardous waste must be segregated, and non-hazardous waste must be sent to recycling facilities as local infrastructure allows. Licensed companies must be used for transportation, storage, and disposal of hazardous waste. No hazardous waste is landfilled.
- 9.5. Workers handling waste must be trained in the environmental risks of their operation.
- 9.6. Environmental impacts from operations must be evaluated by supplier (including but not limited to greenhouse gas emission calculations, waste generation, energy consumption etc.). An environmental management plan must be available to reduce impacts on the environment.
- 9.7. Climate risks within the scope of global climate must be evaluated and necessary actions must be taken.
- 9.8. All legal permits related to environment must be obtained and valid.

## **10. Workplace health & safety**

- 10.1. Risks of the workplace must be evaluated by competent responsible people and workplace health and safety risk assessment must be documented and approved by top management. Risk assessment methodology should be compliant with performed work. Corrective and mitigating actions should be taken for risky activities and recorded.
- 10.2. Access to high-risk areas must be isolated to prevent unauthorized people access.
- 10.3. Machinery must always be kept safe for daily operations. All original protective equipment must be used, and additional protection must be assembled when health & safety related risk is identified. Regular maintenance activities of all machinery must be performed and recorded.
- 10.4. Safety hazards in all areas where workers might be present must regularly be inspected, non-compliances must be recorded, corrective and mitigation actions must be taken and regularly reported to the top management.
- 10.5. All work-related accidents and incidents must be recorded, investigated by relevant professionals, corrective and mitigative actions must be taken. All records must be kept.
- 10.6. Training must be provided to workers explaining how to use machinery safely in their working area.
- 10.7. Safety information must be provided in workplaces such as clearly visible signs in risky areas or materials explaining different risks. Information must be in a language understood by workers.
- 10.8. Workplace health & safety training must be provided to new workers prior to they start work. Regular refresher training must be performed for all workers. Content and frequency of training must be based on defined risks and legislation.

- 10.9. Workplaces must be kept clean and hygienic. Areas where workers eat, rest, pray, change their clothes together with toilets and showers must be kept in good condition and regularly cleaned.
- 10.10. Conditions of the work areas must be monitored as minimum on noise, ambient air quality, temperature, and illumination.

### **11. Chemicals Management**

- 11.1. Risk assessment for all chemicals located within the supplier area must be performed considering minimum purchasing, storage, handling, use, exposure, and disposal.
- 11.2. Chemicals with a risk of spillage to water and soil must always be kept in a secondary containment. Chemicals with risk of release to air must be taken necessary measures on storage and usage.
- 11.3. Chemicals must be purchased with the relevant Material Safety Data Sheet (MSDS) in local language. All MSDS must always be accessible to relevant responsible people. For easy understanding or workers, summary of MSDS must be published in workplaces as minimum includes name of the chemical, potential hazards and first aid measures.
- 11.4. Chemical training must be provided to any person in a relation with chemicals.

### **12. Personal Protective Equipment**

- 12.1. Personal Protective Equipment (PPE) must be defined for each working area by an authorized person and provided to workers free of charge and renewed when there is a need.
- 12.2. Required PPE must be documented in written for all operations, required PPE must be visibly shown in working areas and need of PPE must be regularly reviewed.

### **13. Emergency Management**

- 13.1. All workers must be insured for any health treatment caused by a work-related accident.
- 13.2. An emergency plan considering all possible emergency risks must be prepared for the facility. Emergency response teams must be defined and adequately trained.
- 13.3. All workers must be trained in how to act during emergency situations. Training must be received by all workers and before they start working for newly employed workers.
- 13.4. Appropriate firefighting equipment must be available and easily accessible in all areas.
- 13.5. Emergency routes and exits must be labeled and kept free from obstruction all the time.
- 13.6. There must be a functioning evacuation alarm with continuous sound available. Alarm must be audible by all workers. In high noise areas, and for workers that have difficulty hearing, the alarm must be required to be improved with a clearly visible light signal.
- 13.7. Evacuation drills must be performed at least once every year covering all shifts. Drill must expect to be performed without natural sunlight if facility has operation at night shift.
- 13.8. First aid equipment must be available on facility and first aid trained workers must be available on site at a minimum during each working shift.

### **14. Accommodation**

This section is applied to suppliers that provides accommodation to their workers.

- 14.1. Separate accommodation area must be provided to men or women. The size of each room must be minimum 3,6 square meters per person. Lockers must be available for each worker's personal belongings.
- 14.2. Accommodation areas must be safe, hygienic, and regularly cleaned. Potable water must be accessible.

- 14.3. Where extend it is possible, natural light and fresh air should be provided to each room. Sufficient artificial light must be provided.
- 14.4. Worker's privacy must be protected.
- 14.5. Cooking and eating facilities must be available, safe, and hygienic.
- 14.6. Hygienic and regularly cleaned sanitary facilities must be available as a minimum of one toilet, one wash basin and one tub or shower for every six persons.
- 14.7. Measures must be taken to prevent the spread of diseases.

#### **15. Workers' involvement and grievances**

- 15.1. There must be a system in place to obtain workers' and external requests and complaints on health, safety, environmental and social aspects. The system should be established as a regular meeting where worker representatives and employer are present or should be established as obtaining written records from workers. Such requests must be followed up and results must be shared with relevant workers.
- 15.2. A system must be in place, informed to workers, to obtain grievances from workers addressing gender-based violence, harassment, and abuse as minimum. Anonymity of worker must be protected. All received grievances must be investigated and mitigation actions must be taken.

#### **16. Business Ethics**

- 16.1. There must be no cases of corruption or the use of bribery. An anti-corruption policy must be made available and implemented. All forms of bribery, corruption, extortion, and embezzlement must be prohibited. Bribes or other means of obtaining undue or improper advantage must not be promised, offered, authorized, given, or accepted.

#### **17. Internal management**

- 17.1. All applicable legislation must be complied with. In case there are points covered both in legislation and the SMART supplier code of conduct, more demanding one is must be complied with. There must be a system available to follow up applicable legislative changes.
- 17.2. Internal verification activities covering the above points must be performed at least once a year.
- 17.3. Responsibility on SMART supplier code of conduct requirements implementation on each supplier facility must be defined.
- 17.4. Workers must be informed about SMART supplier code of conduct requirements or similar in a language understood by them.
- 17.5. There must be an up-to-date list of suppliers available related to SMART business. SMART supplier code of conduct or a similar document covering all requirements must be communicated with all first-tier suppliers in SMART supply chain.

#### **Supervision And Remedial Actions**

SMART expects all its Suppliers to adopt this Supplier Code of Conduct and to adhere to the Supplier Code of Conduct.

SMART has the right to periodically request information and documents from its Suppliers and to conduct on-site audits or audits by third parties at any time to confirm whether its Suppliers act in accordance with the SMART Supplier Code of Conduct. By working with SMART, Suppliers acknowledge that SMART has such rights of demand and control.

If any non-compliance is detected during the audits, SMART,

- Reserves the right to unilaterally terminate its business relationship with any Supplier,
  - who materially violates the principles set forth in the Supplier Code of Conduct and does not correct violation within 6 months.
  - who do not accept to comply with non-compliant major and basic requirements.
- Require suppliers to implement an action plan to address non-compliance within 90 days and to conduct follow-up audits to ensure that the actions set out in that action plan are carried out.

### **Notification Obligation**

The provisions and statements contained in the Supplier Code of Conduct are not intended to create any contractual rights for the Suppliers that may be claimed against SMART, and no claim can be made by the Suppliers based on the Supplier Code of Conduct.

It is the sole responsibility of suppliers to comply with the Supplier Code of Conduct. By entering a business relationship with SMART, Suppliers acknowledge that they are aware that SMART reserves the right to unilaterally amend the Supplier Code of Conduct from time to time and that they can access the Supplier Code of Conduct at [www.smartsolar.com.tr](http://www.smartsolar.com.tr). SMART expects its Suppliers to have effective investigation and resolution mechanisms in place, to the extent permitted by law, for violations of the Supplier Code of Conduct or legislation.

You can send all your questions regarding the SMART Supplier Code of Conduct to [sustainablesupplychain@smartsolar.com.tr](mailto:sustainablesupplychain@smartsolar.com.tr)

**Definitions:**

**Chemicals** means chemical substances and products including but not limited to: gases, fuels, maintenance chemicals, solvents, glue, paints, acids, salts, additives, etc.

**Child Labor:** Child labor is work performed by a child which interferes with a child's right to healthy growth and development and denies him/her the right to quality education. Child labor is work performed by a child below the minimum working age. The minimum working age is defined by the national legislation.

**Climate Risks:** Refers to any situation of danger or uncertainty associated with climate change that may cause adverse effects on people, the environment and economic activities.

**Collective bargaining:** all negotiations which take place between an employer, a group of employers or one or more employers' organizations, on the one hand, and one or more workers' organizations, on the other, for:

- determining working conditions and terms of employment; and/or
- regulating relations between employers and workers; and/or
- regulating relations between employers or their organizations and a workers' organization or workers' organizations.

**Forced and compulsory labor:** all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily.

**Gender based violence:** Gender-based violence (GBV) is violence committed against a person because of his or her sex or gender. It is forcing another person to do something against his or her will through violence, coercion, threats, deception, cultural expectations, or economic means. Although the majority of survivors of GBV are girls and women, LGBTIQ+, boys and men can also be targeted through GBV.

**Indentured labor:** a form of contract labor in which laborers enter into an official agreement with their employer certifying that they will work for the employer either for a fixed length of time or until a debt has been paid.

**Risk assessment:** A risk assessment is a systematic method of looking at work activities, considering what could go wrong, and deciding on suitable control measures. These control measures are designed to eliminate, reduce, or minimize the risks of loss, damage or injury in the workplace.

**Worker:** Any person performs a job within the facility borders. Worker can be specified as contracted workers, sub-contracted workers, temporary workers.

For any non-clarity and required definitions, please refer to ILO reference documents.