



ARKAS

SUPPLIER CODE OF CONDUCT

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1. INTRODUCTION

Definitions

Arkas Line: Arkas Container Transport S.A.

Supplier: Individuals or legal entities, and their sourcing supply chain, that provide any kind of service to Arkas Line.

The Code: This Supplier Code of Conduct

Arkas Codes and Policies: Below are the internal documents of Arkas and the Code is an integral part of them.

Arkas Ethics Code; outlines the Arkas ethical principles that act as a support to ensuring that employees can conduct their work in compliance with its values and policies.

Arkas Policy on Child Labour, Forced Labour and Employment of Youth; outlines the view of Arkas on the prevention of child labour, as well as forced labour and the encouragement of youth employment, while setting forth its principles, undertakings and requirements regarding the subject.

Arkas Policy on Prevention of Corruption and Bribery; outlines the view taken by Arkas against corruption and bribery in a clear and explicit manner by establishing the ethical principles and guidelines.

Arkas Anti-Retaliation Policy; outlines the mechanisms that prevent people who report non-compliances or infractions from being harmed either materially or immaterially due to reporting such circumstances.

Arkas Policy on Prevention of Conflicts of Interest; acts as a guideline for Arkas in all subjects where it is possible to experience conflicts of interest.

Arkas Policy on Prevention of Misconduct; outlines the stance taken by Arkas against misconduct.

Arkas Consultation, Notification and Reporting Policy; outlines the ways and methods that can be used in consulting a situation that is suspected of being against or non-compliant with the Arkas Ethics Code and the related policies.

Arkas Regulation on Shipment of Cigarette and Tobacco Products; acts as a policy regarding counterfeiting and illicit trade (cigarette and tobacco products).

Purpose of the Code

Arkas Line is glad to announce that we have joined the United Nations Global Compact initiative, in line with our main objective of developing a sustainable future and becoming a worldwide sustainable shipping company.

The [United Nations Global Compact](#), being the world's largest corporate sustainability initiative provides a framework for companies to fulfill their responsibilities for achieving the UN Sustainable Development Goals, while ensuring to lay the groundwork for long-term success in businesses.

As Arkas Line, we will continue to take part in creating sustainable projects and take strong steps towards a more sustainable future. One of those steps is publishing this Code in which we express our expectations from the Suppliers and their sourcing supply chain regarding corporate sustainability. However, the standards set out in this code are the basic principles and we expect that our Suppliers and their subcontractors exceed them.

It is also essential for Suppliers to implement appropriate business continuity plans for operations supporting Arkas Line's business considering all aspects (but not limited to) covered in this Code. Suppliers should demonstrate due diligence and commitment to continuous improvement by setting performance objectives, executing relevant plans and taking necessary actions to correct deficiencies in their organisation of business.

Even though we prioritise cost efficiency to provide high quality service to our customers, we do prefer to work with the Suppliers that follow the standards set out in this Code.

For the sake of clarity, it should be acknowledged that this code does not create any rights beyond those included in the contractual relationship between Arkas Line and its Suppliers.

2. HUMAN RIGHTS and LABOUR STANDARDS

Arkas Line has a Policy on Child Labour, Forced Labour and Employment of Youth and an Ethics Code; Suppliers are bound by these standards. It is expected that the Suppliers treat their employees with dignity and respect the labour and human rights standards in addition to our standards mentioned below.

Equal Treatment, Zero-Discrimination, Diversity

Suppliers are expected to respect cultural differences, treat each and every one of its employees with dignity. It is key to ensure equal and fair treatment and promote diversity to create a workplace free of harassment and abuse; bullying, torture and inhuman treatment should not be tolerated. No employee shall be treated differently (salary adjustment, career opportunity, opportunities for education, salary deduction etc.) in relation to race, religion, age, gender, nationality, ethnicity, disability, physical appearance, pregnancy or any other matter.

The recruitment process should be conducted based on job requirements and personal qualifications. During the process, all kinds of discrimination on; race, colour, age, sex, gender, gender identity, sexual expression, sexual orientation, marital status, ethnicity, national origin, social class, disability, genetic information, medical condition, pregnancy, religion, political opinion, union membership, veteran status or body tattoo are unacceptable.

Avoid Child Labour

Suppliers should respect the right of children to develop and receive education and for this reason should never tolerate child labour practices. Child labour should be prohibited and a minimum legal working age for employees should be adopted. Youth employment is permitted to some extent, however it is subject to the standards set out in the Arkas Policy on Child Labour, Forced Labour and Employment of Youth.

Prohibit Forced Labour

Suppliers should have no tolerance for forced labour or other means of imposing unwanted labour on employees. Employment strategies that would prevent employees from freely ending their employment, slavery and human trafficking should be prohibited. No Supplier can withhold personal property, passports, wages, training certificates, work or any other document for any reason. In addition, Suppliers are responsible for ensuring the employment terms and conditions are clearly understood by the employees.

Freedom of Association

Suppliers should respect the rights of employees to freely join trade unions or similar organisations, seek representation and engage in collective bargaining without the fear of retaliation, in line with Arkas Anti-Retaliation Policy. In addition, it is prohibited to unfairly treat employees that act as workers' representatives.

Adopt Appropriate Employment Conditions

Appropriate working hours in line with International Labour Organisation's regulations (including breaks and overtimes) should be set and relevant law and standards that relate to wages, legally mandated benefits and paid (sick, annual, parental) leaves should be adhered to diligently by Suppliers. No Supplier can undermine the rights of employees to work under appropriate employment conditions.

Suppliers are expected to give importance to the physical and mental well-being of the employees (including migrant employees). It is important to ensure that employees are encouraged to report injuries or illnesses; Suppliers should have the means to provide necessary treatment, investigate the cause and assist employees to return to work at the earliest opportunity.

3. ETHICS

Arkas does not tolerate unethical behaviour within the organisation. In addition to other considerations, bribery, money laundering, seizure of property and extortion fall within the scope of misconduct. Arkas has a Policy on Prevention of Corruption and Bribery and a Policy on Prevention of Misconduct, thus, Suppliers are bound by these standards. Further details of the ethical behaviours expected from the Suppliers are explained below.

Business Integrity and Public Fraud

Suppliers should avoid participating in or benefitting from any misconduct stated above. It is not tolerable to offer or accept a bribe and in situations where corrupt behaviour occurs, employees should declare the situation to the relevant authorities within Arkas Line.

Suppliers should refrain from soliciting, requesting, offering, promising, paying, authorising or accepting any payment of money or anything of value, directly or indirectly, under the name of facilitation payments or any other name. It is set out in Arkas Policy on Prevention of Corruption and Bribery that gifts and corporate hospitality can be tolerated to some extent however Suppliers should ensure that exchange of gifts and corporate hospitality are limited.

In addition to the behaviours mentioned above, Suppliers must fully comply with applicable law on anti-money laundering and terrorist financing and should refrain from conducting such activities.

Suppliers are also required to maintain accurate records of all transactions made with Arkas Line.

Donations

Suppliers are encouraged to support local organisations by means of memberships, donations and sponsorships, provided that they are related to the interests of their company, in support of company values and in keeping with their sustainability policy. It is important to acknowledge that Suppliers must ensure the person who receives the donation or sponsorship does not experience any conflicts of interest in situations where reciprocity is expected and that the person receiving the donation or sponsorship is not an existing or potential business partner. It is also the Supplier's responsibility to ensure that all donations made are in compliance with Arkas Ethics Code and care should be taken in regard to where the proceeds of such donations are channelled to.

Conflict of Interest

Arkas has a Policy on Prevention of Conflicts of Interest, and Suppliers are bound by its standards. Suppliers should avoid and where present, provide information as to the actual and potential conflicts of interest at all times.

Anti-Competition

Suppliers should comply with all relevant anti-competition law, regulations and Arkas Line's standards. It is expected that Suppliers prohibit any and all types of written or oral agreements made with competitors in violation of the laws of competition in an attempt to exploit the dominant market position or prevent free competitive practices.

Illegal monopolies, improper trade restrictions (cartels, bid rigging) and unfair business practices should be avoided. Arkas Line avoids capacity/market share, monster pricing and does not adopt a "follow the lead" approach. If necessary, Arkas Line adds reservations on meeting records in order to avoid anti-competitive practices. Therefore, Suppliers are expected to follow the same standards. In addition to these, every and each of the employees of Suppliers must not exchange sensitive business information with the competitor or its representative.

Prevention of Smuggling and Illicit Trade

Arkas Line adopts a zero-tolerance policy regarding counterfeiting and illicit trade and refrains from criminal actors who aim to exploit maritime transport infrastructures to carry out a wide range of illicit and illegal trade. Hence, Arkas Line is a member of CIWG (Cross-Industry Working Group), which is formed to raise awareness of the impact of global illegal trade on businesses of sea carriers.

Following the commitment shown by Arkas Line, Suppliers are expected to only engage in legitimate business and should not condone, facilitate, or support counterfeiting, trade of illicit whites, smuggling, or other related crimes, such as money laundering.

In addition to these, in line with Arkas Regulation on Shipment of Cigarette and Tobacco Products, no cigarette and tobacco product shall be subject to any trade without prior confirmation of relevant authorities of Arkas Line.

International Trade Controls and Sanctions

Suppliers should adhere to foreign trade control laws, regulations and relevant sanctions. Arkas Line is very sensitive about complying with sanctions imposed by governments, authorities or any other competent entities including but not limited to the UN, the UK, the US and the EU. It must be ensured that no sanction is undermined and the risks of getting penalties should be minimised.

Conflict Minerals

Suppliers should ensure that the products they supply do not contain minerals or their derivatives originated from conflict regions which directly or indirectly finance armed groups and foster human rights abuses.

Land Rights

Suppliers should not engage in disputable acquisition of large-scale land rights, or in any land acquisition that results in involuntary displacements of people and act within the scope of Arkas Line's ethics.

4. HEALTH and SAFETY

Arkas adopts the idea that health and safety always come first. Arkas Line therefore expects Suppliers to act with due diligence. Further details of our approach to this matter are explained below.

Preparing for Emergencies

Suppliers should develop or implement a safety management system that can sufficiently identify, minimise and mitigate health and safety risks that can emerge during its operations as well as measure and monitor performance. Emergency procedures should be prepared and be accessible to be followed during an emergency.

Occupational Health and Safety

Suppliers should provide training about health and safety in the workplace, and information regarding the matter should be accessible in the entire working facility. Where necessary, appropriate personal protective equipment should be provided.

In addition to these, employees should be encouraged to report unsafe workplaces, without fear, in line with Arkas Anti-Retaliation Policy.

Appropriate Working Conditions

Suppliers should identify, assess, and control the impact of physical labour including but not limited to manual transportation of materials, repeated lifting of heavy objects, standing for extended periods of time or highly intensive assembly tasks.

Where necessary, Suppliers are expected to ensure that clean toilets and drinking water, safe and clean dormitories, proper emergency exits, hot water for bathing and washing, sufficient ventilation/illumination/heating equipment and private space as well as hygienic food preparation, dining and storage facilities are provided to the employees. In addition to these, Suppliers should identify the impact of exposure to biological, chemical and physical factors to employees, depending on the workplace, and any risk that is present should be minimised.

5. ENVIRONMENT

Arkas complies with all relevant international, local and national laws as well as international standards like ISO 14001 and obtains relevant environmental permits. Suppliers are also expected to act with due diligence and in line with the requirements mentioned below.

Reducing Risks

Suppliers should develop or implement an environmental management system, policy or statement that focuses on sufficiently identifying, minimising and mitigating environmental risks that can emerge during its operations as well as measuring and monitoring performance.

Climate Protection

Suppliers should protect the ecosystems and promote the use of natural resources in a responsible way; and where applicable, reduce resource consumption. They should ensure that the relevant recycling procedures are put in place throughout their facilities. Constant involvement in developing environmentally friendly technologies is encouraged as well. In addition, providing products and services that include options that offer reduced environmental impact would be useful.

Pollution and Oil Spills

Suppliers should take reasonable steps to minimise emissions of greenhouse gasses, toxic and hazardous pollutants. Storage of hazardous and combustible materials should be provided in secure areas and those materials should be appropriately measured, managed and controlled. Accidental spills of especially oil, and other hazardous materials should be prevented or mitigated.

In compliance with the laws and regulations of each country and region, Suppliers should record and report the information on the emissions and discharge amounts of specified prohibited chemical substances to relevant government and administrative offices.

6. COMPLIANCE

Legal and Other Requirements

Suppliers should identify and comply with all applicable international, national and local laws and regulations, contractual agreements and internationally recognised standards; obtain and maintain all applicable permits, certificates, licenses and registrations.

Social Media

Suppliers should refrain from disrespectful and unprofessional activity on social media platforms. For any reason, Suppliers cannot act or speak on behalf of Arkas Line or express any views attributable to Arkas Line unless authorised to do so by them.

Insider Dealing/Trading

Suppliers should comply with relevant data privacy laws and regulations. It is expected from them to prevent any potential leak of confidential information. Suppliers should never inappropriately sell or share insider information, regardless of whether or not this information was obtained while working for or with Arkas Line.

Protection of Personal Information and Privacy

Arkas Line, when required during the business relationship with its Suppliers, may transfer personal data related to certain natural persons, including but not limited to employees, consultants, customers, suppliers, and consumers. Therefore, the personal data shared by Arkas Line within the course of the business relationship must be securely processed and maintained in compliance with applicable law, relevant principles and procedures set forth by data protection legislation including but not limited to the EU General Data Protection Regulation and the Law on Protection of Personal Data numbered 6698. To ensure the protection of personal data, Suppliers must acknowledge and undertake certain contractual obligations in relation to the agreements that will be concluded. In addition to protecting Arkas Line's data (including all other data shared by Arkas Line), Suppliers should ensure the relevant data privacy regulations are in force when using personal data of their employees.

Protection of Intellectual Property

Suppliers should protect the intellectual property rights owned by or belonging to Arkas Line and avoid/report any potential conflict that can arise related to this matter.

7. REPORTING NON-COMPLIANCE

Arkas Line expects Suppliers to have an appropriate reporting system to ensure that their employees and other stakeholders or any other individual/legal entity can raise concerns of misconduct confidentially, without fear of retaliation and being subject to termination of employment, threats, harassment or other adverse action. Arkas Line has a separate Anti-Retaliation Policy and expects Suppliers to comply with its standards.

8. BREACH of THE CODE

Suppliers should grant Arkas Line the right to evaluate their sustainability performance upon reasonable prior notice; and acknowledge that this evaluation can be conducted either by Arkas Line itself or another party. In an event that a breach of a term of the Code is detected, Arkas Line reserves the right to take actions, including but not limited to requesting immediate corrective actions and/or termination of any contractual or business relationship with Supplier.

On behalf of my organisation I confirm that the expectations from the suppliers as set out in the Code are understood and approved.

Name :

Position :

Organization :

Date :

Signature :

