# ETHICAL PRINCIPLES AND CODE OF CONDUCT




Polisan HOME COSMETICS
Poliport
Polisan KİMYA
Polisan YAPIKİM
Polisan HELLAS
ROHM AND HAAS

Polisan HOLDİNG



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Polisan HOLDİNG

# INTRODUCTION



The term "ethics" originates from the ancient Greek word "ethos," which denotes character. It is a philosophical discipline that explores, from a moral standpoint, the values, norms, and rules underpinning the individual and societal relationships forged by people. While morality may vary across different cultures and societies, ethics represents a universal perspective applicable to all cultures and societies. It is a philosophical approach that scrutinizes the values, judgments and methodologies of morality.

Why do we care about ethics?

At Polisan Holding, our aim is to make the most significant positive impact on our employees, suppliers, customers, our country, our world, and our future. We achieve this by fostering moral reflection among individuals, embracing diverse cultures and societies, and elevating the "Polisan Community" with ethical principles.

Our ethical principles serve the following purposes:

- They establish dynamic, efficient, highly competitive, environmentally and culturally respectful rules that promote sustainable development and gain acceptance by all.
- They contribute to the creation, establishment, and promotion of relationships based on mutual trust among the employees of Polisan Holding and Group companies.
- These principles outline the fundamental rules to be adhered to and prevent inappropriate attitudes and behaviors.
- They serve to prevent conflicts of interest that may arise among employees, business partners, customers, suppliers, and our Company.

Polisan Holding's Ethical Principles are designed to guide employees of Polisan Holding and Group companies, as well as those representing the Polisan name, in making decisions and conducting themselves while fulfilling their roles. We expect all employees of Polisan Holding and Group companies to exhibit attitudes and behaviors that uphold the cultural integrity of the Group. Polisan Holding also embraces ethical and moral values on a global scale. All individuals employed within Polisan Holding, including temporary employees, are required to adhere to Polisan Holding's Ethical Principles and the corresponding Disciplinary Procedure. We expect all of our business partners to adhere to the principles of business ethics and the associated guidelines. Communicating the Ethical Principles to all employees, ensuring their commitment to these rules, and demonstrating the necessary dedication and leadership in compliance with these principles are among the primary responsibilities of middle and senior-level managers within Polisan Holding and Group companies. The responsibility for documenting that employees have read and understood the latest version of the Ethical Principles document and are committed to its implementation falls within the purview of the Company's Human Resources department.

# GENERAL PRINCIPLES



While Polisan Holding places a strong focus on its strategic goals to empower its workforce, it aspires to enhance the quality of life in the regions it operates by adhering to global standards in health and environmental protection. In this context, the values that shape Polisan Holding's code of ethics are as follows:

- **Frugality**
- **Responsibility and Honesty**
- **Positive, Constructive and Ethical Human Relations**
- **Health, Safety and Environmental Protection**
- **Equal Opportunities and Harmony**



## I. FRUGALITY

- To ensure the sustained alignment of Polisan Holding and its affiliated companies with their objectives, great emphasis is placed on the efficient utilization of human and other resources.
- Resources are not to be utilized for personal purposes, personal assistance, expenditures, gifts, political activities, donations, or contributions. It is imperative to practice resource conservation, utilize resources for their intended purposes, and select equipment and tools that are practical, economical, and efficient.
- The appropriate and responsible utilization of resources for the benefit of the Holding/Company also necessitates the effective management of time. During working hours, Holding/Company employees are expected to utilize their time efficiently and not engage in personal matters. Managers are prohibited from assigning employees to perform personal tasks.

## II. RESPONSIBILITY AND HONESTY

- Responsibility entails the completion of assigned tasks with the desired level of quality and quantity. It encompasses adherence to professional and ethical standards, as well as the establishment of such standards.
- Our employees work with a strong awareness of their professional and moral obligations to all parties they serve and collaborate with. They bear responsibility for the products and services they create and are committed to taking any necessary actions to rectify any issues that may arise during production or as a result of product and service usage.
- In fulfilling their responsibilities, they are expected to adhere to principles of honorable and honest conduct, showing respect for the rights of all parties with whom they interact (government, shareholders, managers, colleagues, customers, suppliers, etc.). They avoid any deceptive or insincere behaviors that could undermine the establishment of an environment of trust within the Company.
- Our Holding and affiliated companies establish relationships with all independent third parties they regard as business partners based on principles of honesty, fairness, mutual accountability, and non-discrimination. Independent third parties are likewise expected to operate with the same level of responsibility and honesty.



# III. POSITIVE, CONSTRUCTIVE AND ETHICAL HUMAN RELATIONS

The cultivation of positive, constructive, and ethical interpersonal relations in management is a fundamental principle, vital for achieving the intended production and service outcomes and fostering employee motivation.

At Polisan Holding, we are committed to treating our employees equitably and fairly. We also request our employees **to provide accurate information when requested by the Company's Human Resources Department and update them when necessary.** This ensures the fair distribution of benefits, allows them and their colleagues to fully enjoy these benefits, and guarantees the accurate fulfillment of the Company's legal obligations. We also require our employees to promptly inform their managers and the Company's Human Resources Unit (or their Director) of any investigations launched by the Public Prosecutor's Office and/or any criminal cases brought against them, unrelated to their responsibilities at Polisan Holding and Group Companies.

## A. Financial Dealings and Commercial Bribery with Customers, Suppliers and Business Partners

- Company employees are prohibited from entering into direct or indirect private business relationships with the Company's customers, suppliers, and business partners that may result in requests for services, money, or any other form of compensation in exchange for work. They must not borrow or lend money to customers for personal gain.
- Providing direct inducements, payments, or other incentives to corporate employees as part of commercial bribery by customers, suppliers, and business partners is considered illegal and subject to legal penalties. In this context, corporate employees are strictly prohibited from accepting personal payments or bribes, either directly or indirectly.
- Donations or contributions from individuals or organizations affiliated with the Company may not be accepted.
- Company employees are not allowed to accept gifts, special privileges, or giveaways from customers, individuals, or institutions from whom we procure services. Moreover, they must not make requests that could potentially hold the Company or the receiving party liable. However, within the scope of tradition and/or ceremonial practices, gifts of up to the equivalent of US$100 are deemed acceptable.

## B. Engaging in Activities that May Create a Conflict of Interest

Company employees must steer clear of situations or interests that could lead to a conflict of interest with the Company or create a scenario of conflicting interests. The specific areas that could give rise to conflicts of interest are outlined below, along with points that warrant attention:

### 1 Establishing Business Ties with Spouses, Relatives, or Friends

- Employees of the Company are prohibited from entering into business relationships with their spouses or close relatives. In cases where the Company stands to benefit, the CEO is to be informed. The CEO then brings the matter to the attention of the Ethics Committee. The Ethics Committee conveys its recommendations to the Chairman of the Board of Directors. The approved decision is communicated in writing to the employee by the CEO.
- Employees are not permitted to leverage their official authority to secure undue advantages for themselves, their relatives, or third parties. In situations where their relatives hold a stake or interest in another company engaged in commercial dealings with the Company, employees must notify their superior.



## 2 Engaging in External Business Activities or Employment

- Company employees are prohibited from participating in activities that may be deemed as conducting business outside the Company, either directly or indirectly. They cannot work for other companies without obtaining the approval of the Chairman of the Board of Directors or establish personal business relationships with competing organizations.
- The Company's facilities or properties cannot be utilized for external activities or economic pursuits without obtaining written consent from the Polisan Holding Board of Directors.
- In the case of charitable or non-profit organizations, employees may engage with permission from their manager and the Human Resources Director, as long as such involvement does not interfere with their duties within the Company.
- Employees are allowed to deliver speeches and write professional articles on subjects unrelated to the Company and that do not contradict the Company's policies. The Company bears no obligation to support such activities. To use the Company's name in such activities, approval must be sought from the General Manager of the relevant company, the head of the pertinent department, and the Human Resources Director.
- Company employees may offer material or moral assistance to third parties outside the Company, make donations, or participate in charitable organizations on a personal basis.

## 3 Misconduct

- Engaging in conduct that surpasses the bounds of one's authority and responsibilities, participating in activities contrary to legislation and laws, failing to fulfill job requirements without a valid reason or delaying them, abiding by decisions and practices that serve personal interests, and being dishonest are all considered misconduct. It encompasses harming not only the Company but also fellow employees and customers, starting with the individual involved.
- In ethical business environments, company employees do not engage, either directly or indirectly, in disgraceful crimes such as theft and forgery, and they do not condone such actions by others.
- When individuals suspected of involvement in such incidents are identified, this information is immediately communicated to the relevant parties.
- Establishing one's own company or assuming a senior management or decision-making role in another company after departing from a position within Polisan Holding or its companies, in roles such as salesperson, contractor, consultant, broker, representative, or dealer, and subsequently engaging in business activities with Polisan Holding and its companies, may create a negative perception and should be carefully considered.

  If a former employee in such a position wishes to establish commercial relations with Polisan Holding and its companies, this situation must be assessed by the General Manager and Human Resources Director of the relevant company, and approval must be obtained to ensure that no inappropriate situation arises. In cases of an inappropriate situation, commercial relations should not be established with the concerned individual or company. Unless there are exceptional cases requiring the necessary approvals, commercial relationships of this nature should not be sanctioned until at least two years have elapsed since the employee's departure from the Company. This precaution aims to mitigate any potential negative perceptions.

- If a former employee seeks re-employment with the Company, they must meet the condition that their previous departure was not due to a breach of any of the principles outlined in the Ethical Principles Implementation Guidelines.



## C. Personal Behaviors and Relationships within the Company

- Within the framework of a professional and business-oriented approach, it is imperative for all employees to foster positive relationships and conduct themselves in accordance with general etiquette and mutual respect.
- When carrying out their ongoing responsibilities, it is crucial for employees to adhere to the relevant codes of business ethics and all associated application principles. In doing so, they must avoid any behavior that could hinder the effective performance of their colleagues or disrupt the harmony within the workplace.
- Friendships or unfavorable attitudes and behaviors formed outside the scope of professional job requirements may arise at the individual's discretion. However, it is important to note that these relationships are separate from the Company's business requirements and rules. Such relationships should not result in cliques, discrimination, or interfere with job-related obligations.
- With the exception of urgent situations such as natural disasters and health-related matters, it is not appropriate to offer personal assistance or donations that may create conflicts of interest among employees within the Company or harm the Company's reputation.
- It is vital to abstain from establishing borrowing and lending relationships among employees, except in cases of urgent need as previously specified.

## D. Other Internal/External Relations

### 1 Political Activities

Employees of Polisan Holding and Group Companies are allowed to actively participate in any political party individually and voluntarily, under the following guidelines. Managers are prohibited from compelling their subordinates to engage in political activities or join a political party. Employees may take part in any political party, subject to the following conditions and with written approval from management.

- The involvement of employees in political activities must not create a conflict of interest with their responsibilities within the Company or with the practices and policies of other Polisan Holding companies.
- Employees are not permitted to engage in political activities during working hours or disrupt their colleagues' work on account of such activities.
- Employees are restricted from using the Company's name, their position, title, or company resources in connection with their political activities.
- Approval for employees wishing to participate in political activities is granted by the relevant General Manager and Human Resources Director.

### 2 Stakeholder Relations

- Being a publicly-traded company on Borsa Istanbul, our approach to informing the media and the public is rooted in the regulations set by the Capital Markets Board and the Holding's "Information Policy."
- Making statements to broadcasting organizations, conducting interviews, participating as a speaker, and determining whether compensation will be received necessitate approval from the General Manager of the relevant company, the head of the pertinent department, and the Human Resources Director. It is imperative that no personal gain is derived from these activities in any manner.



- Consistency in messaging is paramount across all interactions with investors, financial analysts, members of the press, Holding and Group Companies' social media platforms, and similar channels. In this regard, content generated by Corporate Communications and/or Group Companies is reviewed in consultation with the CFO and Investor Relations. Press releases to print and visual media and data distribution channels may be authorized by the Chairman of the Board of Directors, the Holding's CEO, or other Company officials designated by them.
- Employees are prohibited from sharing content that is either confidential, could damage the Company's reputation, or might create uncertainty on their personal social media accounts.
- If any negative content concerning the Group and Group Companies surfaces on social media, it should be reported to **bilgihat@polisan.com.tr**, and the matter is addressed according to the assessed risk level.

## 3 State Relations

Maintaining honesty and ethical conduct in dealings with state authorities is essential for the Company. Actions that may merely appear negative or be perceived as inappropriate conduct should be avoided, with all work being conducted within the framework of the law and corporate policies and procedures. Official requests for information from authorities are promptly and accurately fulfilled.

## 4 Harassment and Discrimination

- At Polisan Holding and its affiliated companies, it is a shared belief that all employees should work in an environment free from harassment or discrimination, and they should foster relationships in line with business ethics and the code of conduct. Achieving this objective necessitates the collaborative efforts of all our employees.
- Areas where sexual harassment and discrimination may occur encompass age, language, race, health status, gender, and marital status. Harassment and sexual harassment relating to these factors are in violation of the Company's principles and rules.
- Within the scope of mobbing, systematic and planned behaviors intended to isolate an individual from their work, diminish their performance, and compel them to resign are in violation of the Company's principles and rules.

## 5 Information Security and Confidentiality

Under the framework of the Personal Data Protection Law No. 6698, our employees bear responsibility for safeguarding personal data within the Company, including data related to personnel working in the Company, as well as all data concerning our suppliers, customers, and other business associates. When handling personal data and sensitive personal data, our company employees strictly adhere to the policies, procedures, and guidelines established by the Company for data protection. These categories of data include:





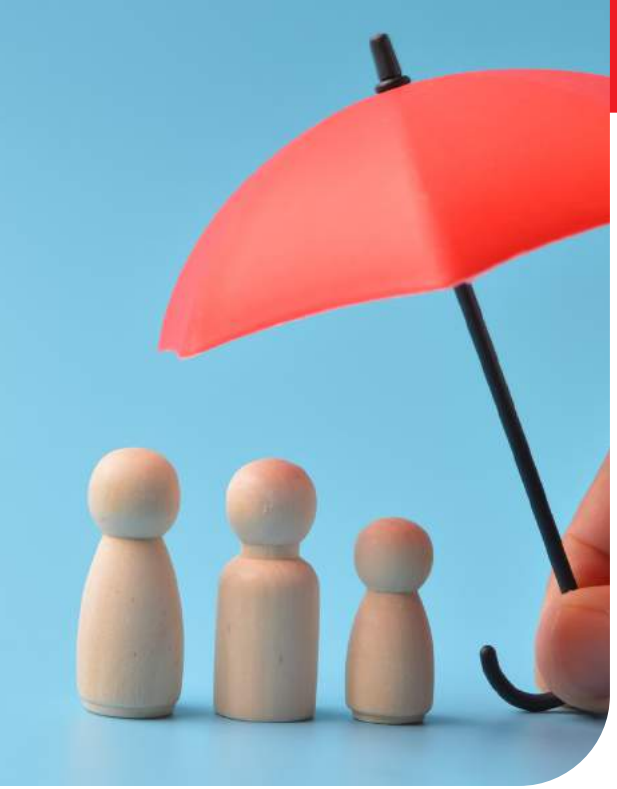

- Information not publicly disclosed, which includes details that have not been disseminated to the public and thus remain inaccessible to the general public. Individuals in possession of inside information or confidential data must ensure the confidentiality of such information until the requisite disclosures have been made to the public in accordance with legal requirements. Information that has not been publicly disclosed is considered as such until it is officially announced on the Public Disclosure Platform (KAP) in line with the Company's public information policy.
- Employees of Polisan Holding are prohibited from disclosing undisclosed material information, obtained internally, to any individual, including their family members. They are also prohibited from making comments or expressing opinions about undisclosed information pertaining to our shares traded on BIST and other capital market instruments issued/created based on these shares.
- This includes technical and proprietary information about current and future products and services,
- Information concerning business or marketing plans and projects,
- Financial data and revenue figures,
- Personnel-related information,
- Special personal data stored within the Company (such as health data, biometric data, and religious information),
- Special personal data of employees/officials of suppliers, customers, and other business partners processed, stored, and transferred by the Company,
- Lists and information regarding suppliers and customers,
- Any other non-public information held by the Company and its business partners that could have adverse consequences if it became known to others
- It is imperative to keep all communications and posts on external social media platforms not provided or controlled by the Company, public forums, personal blogs, personal social media accounts, and on any platform, including mobile applications respectful and appropriate,
- Not sharing unverified information about Polisan Holding and Group Companies other than official statements on social media and upholding confidentiality.

Company employees are required to act in accordance with the designated levels of data confidentiality.

Company Employees;

- Confidential information should not be disclosed to unauthorized individuals, including family members and friends, or discussed in front of individuals without the proper authorization.
- May use confidential information only for legitimate business purposes and must not utilize it for personal gain.
- May not directly disclose confidential information to third parties, and any actions in this regard should align with the approval and guidance of the relevant department manager.
- Are not permitted to seek to acquire confidential information outside the scope of their responsibilities.
- May neither destroy nor retain personal data received outside the scope of their duties.
- Must implement the necessary security measures when processing, preserving, and transferring sensitive personal data.
- Are responsible for taking necessary precautions to handle and store information securely, guarding against inadvertent disclosure.
- Recognize that any attempt to derive commercial benefit, including direct or indirect trading of shares on stock exchanges, by exploiting any commercial, financial, technical, legal, or similar confidential information belonging to the employing company or Polisan Holding, whether by personal use or disclosure to third parties, constitutes a legal offense.
- May maintain confidentiality and fulfill the obligation to do even after leaving the Company.







## IV. HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION

- Polisan Holding and its affiliated companies operate with an environmentally conscious approach, placing a premium on quality and the safety and health of their employees. Through investments in people, knowledge, and technology, the goal is to achieve error-free production/services and zero occupational and environmental accidents.
- The strict adherence to all applicable legislation, administrative bylaws, legal obligations and standards, international standards, and requirements pertaining to health, safety, security, and the environment is of utmost importance.
- Consideration is given to the health, safety, and environmental impacts of operations and activities. Necessary precautions are taken to minimize the effects on health, safety, and the environment of the technology, raw materials, and auxiliary materials used, with a commitment to maintaining the highest level of process safety.
- Embracing principles of environmentally, socially, and economically sustainable production and the Corporate Carbon Footprint is an integral part of this approach. Efforts are made to foster a shared perspective in line with our quality, health, safety, and environmental requirements across all levels of the Company. Training and open communication avenues are provided to all employees and stakeholders.
- The aim is to provide quality products and services that meet the current and evolving needs and expectations of consumers, without harming the environment, nature, or human health, ultimately making lives better.
- They aim to prevent pollution through minimized energy and natural resource consumption, reduce waste, and maximize recycling through source separation.
- Our quality, health, safety, and environmental policy is subject to regular review, with a commitment to continuous improvement and the pursuit of the highest level of performance, assessed through practical measurements.

## V. EQUAL OPPORTUNITIES AND HARMONY

Polisan Holding and its affiliated companies are steadfast in their commitment to the principle of equal opportunity, regardless of factors such as race, gender, marital status, age, color, religion, ancestry, nationality, disability, and other protected characteristics. The Company adheres to a moral and legal obligation to offer equal opportunities for employment and promotion to everyone, based on their individual qualifications, performance, and the demands of their respective roles.

This policy extends to all facets of employment, including, but not limited to, recruitment and placement:

- Appointment and Promotion
- Termination of Labor Contract
- Temporary Dismissal and Recall
- Leaves
- Salaries and Benefits
- Training and Development

## VI. CULTIVATING AN ETHICAL CULTURE, ADHERING TO ETHICAL CONDUCT PRINCIPLES AND IMPLEMENTATION PRINCIPLES

### A. Complying with the Principles of Ethical Conduct

- Those found in violation of the Ethical Principles or Holding/Company policies and procedures will be subject to various disciplinary measures outlined in the Disciplinary Procedure. Disciplinary actions will also be applied to those who authorize or direct inappropriate behaviors and actions that result in rule violations, as well as those who possess knowledge of such matters but fail to report them in an appropriate manner.
- Ethical principles stand as a crucial component for both the success of the Company and individual success. In light of this, all employees within the Company are expected to act in accordance with the ethical principles of the Company while carrying out their duties, and this represents a personal obligation.
- Managers exert all necessary individual and managerial efforts to promote awareness on acting in accordance with ethical principles, taking responsibility where implementation falls short, and ensuring their implementation.
- An environment should be cultivated wherein employees feel unreserved in sharing matters relating to themselves and their concerns and can engage in open communication.
- All employees, alongside their managers, bear responsibility and exercise due diligence in establishing a work environment that aligns with ethical principles. When they observe conduct that contradicts ethical principles, they are to notify their manager. If their manager remains unresponsive or does not modify their stance despite the notification, the concern is to be escalated in written form to the most senior manager of the relevant department or the Human Resources Director.

### B. Obligation to Report Violations

- Through the existing non-compliance reporting channels, the individual reporting non-compliance acknowledges that their report is founded on legitimate grounds, is not made for personal motives, and is not defamatory.
- The individual reporting non-compliance is encouraged to provide, in their report, all relevant information and supporting documents that substantiate their claims and facilitate the investigative team's review.
- If employees become aware of or suspect a breach of Ethical principles or the laws and regulations governing the Company, they are expected to report such incidents to the Ethics hotline.
- The information provided by the reporting individual is maintained in confidence, and every precaution is taken to ensure that it remains undisclosed to any third party.
- It is of paramount importance that the individual making the report does so without any ulterior motives, such as engaging in gossip about the person being reported or attempting to damage their career. In this regard, maintaining confidentiality, upholding objectivity, and adhering to ethical principles are crucial aspects of the reporting and investigation process. Those involved in both making the report and managing the process are mandated to exercise the utmost care and attention in this regard. Under the purview of the "Personal Data Protection Law," those making reports and overseeing the process are obligated to safeguard data confidentiality.
- Deliberate false and/or slanderous statements are treated as ethical breaches, and the provisions of the Disciplinary Procedure are enforced upon their discovery.





## C. Investigation of Violations

Reports of conduct in violation of ethical rules are subject to review by the Audit Department, with reports from these reviews forwarded to the Ethics Committee. In the course of these reviews/investigations, it is incumbent upon all employees to act with complete transparency regarding the matter, providing all information and documents they deem relevant for a fair and thorough inquiry, even if not explicitly requested, and to respond accurately to any questions posed.

## D. Ethics Committee

The Ethics Committee is the governing body responsible for establishing and cultivating an ethical culture within Polisan Holding and its Group Companies. It offers advice and guidance on ethical behavior to personnel encountering challenges and evaluates reports and ethical practices submitted to the Ethics Reporting hotline.

The Ethics Committee comprises the Chair of the Ethics Committee and Ethics Committee members. The Chair of the Ethics Committee is also the Chair of the Audit Committee, and members are appointed by the Chair.

The Ethics Committee carries out its work based on the reports prepared by the Audit Department.

- The Ethics Committee maintains the confidentiality of reports and complaints, as well as the identities of those who submit them.
- In the discharge of their duties, both the Chair and committee members act independently, unaffected by department managers to whom they report and the organizational hierarchy. They are not to be pressured or advised on any subject matter.

## E. Disciplinary Procedure

After breaches of the General Code of Ethical Conduct, penalties outlined in the disciplinary procedure are enforced.

- In cases where misconduct is found to be intentional, it may result in dismissal (in accordance with relevant labor laws) and, if necessary, legal action are taken.
- If the breach is unintentional and occurs due to carelessness, negligence, or ignorance, a written warning appropriate to the severity of the incident is issued.
- Prior acts of merit by an individual who knowingly gained an unfair advantage cannot be grounds for partial or full clemency in the decision to impose a partial disciplinary penalty.

## F. Informing and Training Employees

- Ethical principles and their corresponding responsibilities are communicated to all managers and employees as an integral part of recruitment standards, orientation, and corporate culture.
- Corporate management undertakes and oversees all necessary measures to establish and foster an ethical culture and corporate ethical principles as an integral component of corporate culture. They lead and actively participate in all initiatives related to this matter, diligently following their outcomes.

# ETHICAL PRINCIPLES AND CODE OF CONDUCT




**ETHICS HOTLINE**

**E-mail:** etikhat@polisan.com.tr
**Phone:** +90 216 578 56 78

**Address:** Hilltown Ofis, Aydınevler Mah.
Siteler Yolu Cad. 28 No:1/A Küçükyalı 34854
Maltepe / İstanbul / Türkiye

*Reports lodged with the ethics hotline e-mail and ethics hotline phone number may be made anonymously, in compliance with the provisions of the Personal Data Protection Law. Communication channels are available 24/7. The reports submitted are relayed to the Ethics Committee by the designated Audit Department Official(s).*

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