

version: 2.0 | 2025

# Code of Conduct for Suppliers

**FOR ETHICAL AND SUSTAINABLE PARTNERSHIP**  
**SUSTAINABILITY AND RESPONSIBLE SUPPLY CHAIN MANAGEMENT**

## 1.0 Introduction

Balkancar ZARYA AD recognizes its role and responsibility in sustainable economic development, social equity, and environmental protection. We believe that the commitment to responsible behavior must also be shared by our partners.

This **Supplier Code of Conduct** defines the requirements our company places on all participants in the supply chain.

The Code is based on the **Ten Principles of the United Nations Global Compact** and is adapted to the specifics of our industrial operations, including additional topics such as material compliance management and the use of conflict minerals. All suppliers working with Balkancar ZARYA are required to comply with the requirements outlined herein or apply an equivalent internal company code of ethics.

## 2.0 Human Rights and Labor Rights

Balkancar ZARYA considers respect for human rights to be fundamental to sustainable and responsible business conduct. Suppliers must ensure that the rights of all their employees are respected and protected. This includes job security, fair working conditions, non-discrimination, and respect for personal dignity.

Forced labor, child labor, or involvement in human trafficking are strictly prohibited. All suppliers are expected to provide equal opportunities regardless of gender, age, ethnicity, religion, or beliefs, and to offer fair compensation.

The use of **child labor** is strictly forbidden, and compliance with **ILO Conventions No. 138** and **No. 182**, as well as national legislation regarding minimum employment age, is required.

The use of **forced** or **slavery** labor is also unacceptable, in accordance with **ILO Conventions No. 29** and **No. 105**. All employees must work voluntarily and have the right to freely leave their workplace.

Suppliers must guarantee the right to **freedom of association and collective bargaining** in accordance with **ILO Conventions No. 87** and **No. 98**.

## 3.0 Health and Safety at the Workplace

The working environment must be safe and healthy. Balkancar ZARYA considers health and safety to be a fundamental responsibility of every employer. Suppliers are expected to provide a work environment that prevents occupational incidents, minimizes health risks, and promotes both physical and mental well-being of employees.

Compliance with **ISO 45001 – Occupational Health and Safety Management Systems** is strongly recommended. Suppliers are required to implement systems for risk analysis, emergency preparedness,

safety instructions, regular training, and incident reporting. Active employee participation in safety improvements through feedback channels and reporting mechanisms is also expected.

Safety is not negotiable – it is an integral part of every production process.

## 4.0 Environment

Balkancar ZARYA is committed to environmental protection and expects the same from its suppliers. Environmental responsibility includes the rational use of resources, waste reduction, emissions control, and the implementation of environmentally friendly technologies. Suppliers must be familiar with and comply with environmental legislation in the countries where they operate and promote sustainable practices throughout their supply chain.

The implementation of **ISO 14001 – Environmental Management Systems** is recommended as part of the continuous improvement of environmental performance. Suppliers should document, measure, and manage the environmental impact of their activities and encourage sustainable practices within their own supply chains.

## 5.0 Business Integrity

Integrity is a core principle in business relationships.

Ethical and lawful business conduct is a mandatory requirement. Balkancar ZARYA expects its suppliers to refrain from all forms of **corruption, bribery, fraud, undue influence, or tax evasion**.

Suppliers must implement policies to protect **confidential information**, prevent **conflicts of interest**, and counter **money laundering**. Transparent accountability, honesty in communication, and ethical negotiations are essential for long-term partnerships.

The establishment of internal whistleblower mechanisms is encouraged, and whistleblowers should be protected from retaliation.

## 6.0 Material Compliance Management

Material compliance is critically important to ensure safety, quality, and regulatory compliance. Suppliers must ensure that all materials and components used meet regulatory requirements such as **Regulation (EC) No 1907/2006 (REACH)**, **Directive 2011/65/EU (RoHS)**, and others. They must be able to provide traceable documentation on the origin and composition of the materials used.

Balkancar ZARYA's suppliers are responsible for ensuring that all products and components comply with applicable regulatory standards related to chemical composition and safety.

## 7.0 Use of Conflict Minerals

Balkancar ZARYA opposes the use of so-called conflict minerals that may finance violence and human rights violations. The company requires its suppliers to implement mechanisms for tracing the origin of minerals in accordance with **Regulation (EU) 2017/821** and the **OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas**, and to ensure that they do not finance conflicts.

Where necessary, documentation proving compliance with this policy must be provided.

## 8.0 Monitoring and Consequences of Violations

Balkancar ZARYA reserves the right to conduct regular or **ad-hoc audits, inspections, and surveys** via questionnaires and self-assessment forms to verify compliance with this Code. Suppliers are expected to fully cooperate and provide all necessary documentation upon request.

In the event of identified violations, Balkancar ZARYA may request specific **corrective measures**, implementation of additional policies, or in serious cases – **termination of contractual relations**.

The implementation of internal whistleblower mechanisms and protection for employees who report violations is encouraged.

## 9.0 Conclusion

The Supplier Code of Conduct of Balkancar ZARYA reflects our commitment **to sustainable development, social responsibility, and corporate integrity**. We expect these same standards and values to be shared and actively upheld by all our partners.

Only through shared values and joint efforts can we achieve long-term development that benefits everyone – **business, society, and the environment**.

## 10.0 Compliance with International Standards and Policies

To ensure alignment with internationally recognized principles, Balkancar ZARYA bases this Supplier Code of Conduct on the following documents and standards:

- The Ten Principles of the United Nations Global Compact – the foundation of the Code's ten categories
- The Universal Declaration of Human Rights (1948)
- International Labour Organization (ILO) Conventions:
  - Convention No. 138 on Minimum Age for Employment
  - Convention No. 182 on the Worst Forms of Child Labor
  - Conventions No. 29 and No. 105 on Forced Labor
  - Conventions No. 100 and No. 111 on Equal Remuneration and Non-Discrimination
  - Conventions No. 87 and No. 98 on Freedom of Association and Collective Bargaining
- ISO 45001 – Occupational Health and Safety Management Systems
- ISO 14001 – Environmental Management Systems
- Regulation (EC) No 1907/2006 (REACH)
- Directive 2011/65/EU (RoHS)
- Regulation (EU) 2017/821 on Conflict Minerals

## 11.0 Confirmation of Compliance

If a supplier applies its own equivalent code of ethics, a copy of this code must be submitted for review and approval by Balkancar ZARYA.

By signing this document, the supplier confirms that they are familiar with the principles set out in the Balkancar ZARYA Supplier Code of Conduct and that they will apply them in good faith in all activities related to their partnership with Balkancar ZARYA.

**Legal Entity Name:** \_\_\_\_\_

**Full Name of Signatory:** \_\_\_\_\_

**Position:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Signature:** \_\_\_\_\_