

**ARKAS LOGISTICS**  
**Code of Ethical Conduct (English)**



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**Dear Arkas Logistics Family,**

Arkas' values have always been based on honesty, openness and transparency. Since all of us share these values as a basis for the way we do business, we have decided to document them in a booklet called "Our Ethical Principles". We would like to share this booklet with you because I am confident that it will help those who are new to the company to understand our values.

The increase in competition that is caused by globalization means that the concept of "ethics" has become more important, especially for multinational companies. In general, business ethics refers to the moral values and rules that provide guidance in the business world. These principles have been identified based on case studies that help us to distinguish between right and wrong. Business ethics involves making the right decisions at the right time in order to achieve results that will benefit the employer itself as well as employees, customers, other stakeholders and society as a whole. In today's world, companies that are able to formulate their own ethical principles and communicate them to their customers have an advantage in the arena of global competition.

This booklet has been prepared in conjunction with the office of our Human Resources Coordinator in order to provide detailed information about company behavior and how to conduct business so that all employees will understand, adopt and internalize these values.

I am confident that as an Arkas Logistics employee, you will truly take to heart the principles in this book and act accordingly. I believe that we will be happier and more successful when we live out this shared philosophy, which shows us how to behave in our relationships with customers and with each other.

**Best Regards,**

**Diane Arcas AKTAŞ**

Vice President of Arkas Group

And President of Logistics Group

## **Validity**

The Ethical Code of Conduct of the Arkas Logistic Services Group (henceforth to be called Arkas) is in effect as of 1st January 2015.

## **Our Mission and Vision**

### **Mission**

To be a leading logistics company that provides rapid, reliable, high-quality and profit-making logistics services for its customers in one of the world's biggest cities using its own facilities and equipment.

### **Vision**

To be a leading logistics company that makes a contribution to its country and to society and that offers a wide variety of shipping services that exceed the expectations of companies involved in commerce.

## **Business Ethics, ArkasConformity Principles and Responsibilities**

- We observe laws, ethical and moral rules.
- We build transparent associations based on confidence.
- We behave towards one another with mutual respect.
- We aim for continual improvement.
- Teamwork is important for us. We help one another.
- We are focused on success and obtaining results.
- Client satisfaction is our target. We conduct client relations with courtesy and civility.
- We carry environmental responsibility and consciousness.
- We believe that the responsibility of admonishing those who violate these rules falls not only on company managers and owners, but on us all.
- We reflect Arkas' values and standards in our actions and attitudes.

## Purpose

This document has been prepared so that all employees know, understand and internalize the behaviors and ways of doing business that have been described in detail in Arkas' Principles of Ethical Compliance, and to provide information about procedures so that everyone acts according to these principles.

## Definitions

**Ethics:** All behaviors and moral values that people in certain professional fields must either do or avoid.

**Principles of Ethical Compliance:** Standards of behavior which specify how to behave and make decisions based on tasks and principles that have been identified based on fundamental values, when considered from a corporate perspective.

**Clear Ethical Violation:** Behavior and decisions that are contrary to the philosophy and policies of Arkas' Principles of Ethical Compliance.

**Arkas Logistics Group Ethics Hotline:** A hotline to the Arkas Logistics Group that can be used by anyone (subcontractor, supplier, employee or customer) in any situation where the law, morality, company ethical principles or the interest of the company have been compromised based on the examples given in Arkas' Principles of Ethical Compliance, or where there is suspicion that they may have been compromised. Issues reported to the ethics hotline will be confidentially evaluated by the Arkas Logistics Services Group President and action will be taken accordingly.

([etik@arkaslojistik.com.tr](mailto:etik@arkaslojistik.com.tr))

## Scope

The scope of these principles covers the values to be followed when Arkas Logistics A.Ş. employees who provide transportation, terminal and forwarding services take actions and make decisions.

## Confidentiality

All our employees are responsible from maintaining data and information security. Confidential and private information covers knowledge that is exclusive to LOHG and the disclosure of which can be detrimental to its competitiveness; commercial secrets; undisclosed financial and other information; information pertaining to rights of employees and all information contained in “confidentiality agreements” contracted with third parties.

The principles of confidentiality for all of our employees apply to the following:

## Insider Information

- As Arkas employees, we are conscious of the need to preserve the privacy and to protect the confidential information belonging to our clients, our staff and other persons and establishments with which we collaborate.
- We protect confidential information on Arkas companies; we are mindful to use such information solely in line with Arkas objectives and share them only with persons concerned and within defined limits of authorisation.
- All employees of Arkas acknowledge that all commercial, professional knowledge and technical know-how concerning Arkas companies which they learn and obtain directly or indirectly, as well as any knowledge acquired through information and techniques developed by the employer on the premises, and all training received locally or abroad are to be considered confidential information and commercial secrets.
- All Arkas employees acknowledge that all written and verbal information, all input obtained over coded or uncoded electronic media concerning freight, price offers and work place policies; any information on clients and all kinds of knowledge they may have obtained within this context are considered as confidential and commercial secrets.
- All Arkas employees are obliged to assiduously protect confidential information and commercial secrets, to refrain from disclosing them to third parties, to abstain from using such information for personal or third party commercial gain and to desist from behaving in ways that would result in such inappropriateness.

## Information Systems Regulations

- All Arkas employees observe the following Information Systems Regulations.
- All data/information stored on electronic and other media are the property of Arkas and all legal rights therein belong to Arkas.
- All information systems, data communication channels, data/information etc. can only be used for business purposes.
- Arkas employees are obliged to observe and show utmost diligence for the principles of physical protection, accessibility control, back-up, security and confidentiality during the usage of information systems, data communication systems and data/information.
- Secret/valuable Arkas information stored on electronic or printed media are absolutely not to be duplicated except during operations required by the work; not be printed on printer devices, not be recorded on smart phones, not be physically transported outside work premises, and should not be served by any the transference of files to third parties by way of telephone, e-mail or web. All employees are obliged to report other personnel observed infringing these rules, to the ArkasEthics Line.
- Our employees may use the company e-mail systems, addresses and electronic mail boxes only for business purposes. Company electronic mail addresses cannot be used to send our employees or third parties electronic mail containing any messages of a personally damaging, obscene, insulting, threatening, profane nature, nor any political messages, slogans and propaganda. Company electronic mail system and addresses cannot be used in illegal activity that would violate corporate policies, rules or the laws of the land.
- Employees may not introduce information systems not owned by Arkas into the premises, offices, company site etc. and may not use them on the premises. Under special circumstances deemed necessary, and only with the knowledge and permission of the Information Systems Directorate, they may be brought in under the supervision of authorised personnel.
- Employees should not permit any access to information systems and communication channels they use, without their own knowledge and approval. At the termination of their work on information systems, they must engage their password- controlled screen savers and terminate systems access or session by logging off or logging out.

- Employees should strictly refrain from opening electronic mail from unknown addresses with suspicious or unclear attachments, subject or content and should not forward them to any other address but should inform the Service Desk teams of ISD immediately. Likewise, any employee who receives a virus warning or a virus alert through any source (e-mail, media, internet or other) must strictly refrain from transfer it to a third person or another colleague but should refer it to the ISD Service Desk.
- All internet access and all electronic mail use by employees are logged and followed by Arkas information security control systems.
- All software used in Arkas information systems are licensed and lawful. The product standards of these systems are set by ISD. Employees cannot infringe the copyrights and industrial property rights of the software.
- No software or hardware or system can be copied onto the information systems via data transmission systems for whatever purpose and without the knowledge and approval of the Information Systems Directorate. Employees cannot make any alterations on the settings of any hardware, software or system on any personal computer as consigned to them by ISD. When alterations are required, employees should request that any and all setting changes be made by the User Support Teams of ISD, authorised for the systems in question.
- Every employee whose job has been terminated or is leaving of his or her own volition is required to turn in all confidential/valuable information, data/information and all information systems on which these are stored or recorded to Arkas within a maximum of one work day from the written date of job termination.

## **Safety and Health**

Our vision of safety and health at work for our esteemed employees who serve the Arkas companies, includes educating them against possible work accidents and occupational illnesses, seeking early diagnosis and treatment through periodic medical examinations and health scans, to prevent permanent disabilities and to ensure that they remain healthy and happy as individuals who work for their livelihood.

### **Our Objectives in Job Health and Safety:**

- To ensure that all Arkas companies conform fully to the national job health and safety legislation.

- Assuring sustainability by continuously improving the system that has been put in place
- To complete the designation of work health and security leaders at each location, to see that all leaders receive sufficient training to ensure the efficient working of the system.
- To instil in the entire Arkas, an awareness of job health and safety and to ensure that work accidents and occupational illnesses are reduced to a minimum.

### **Conflict of Interest**

- Employees may not in any manner, use their position and authority in the company to obtain personal and private gain for themselves, their family members or third persons.
- Employees may not use company resources and facilities to support political parties' activities. Political activities may not be carried out on company premises, donations to political parties or candidates may not be made and political campaigns may not be supported.
- In the case of a conflict of interest, if and when in doubt, we seek the opinions of our manager and the Board of Ethics.
- Employees are not permitted to accept gifts, derive benefits directly or indirectly in relation to company business, cannot accept loans or credit from persons or firms engaged in business dealings with the company.
- Employees cannot offer gifts or provide benefits to third persons or establishments that would compromise their decisions and stance.
- Employees are obligated to pay rigorous attention to the issues of money laundering and preventing corruption.
- It is essential that all Arkas employees refrain from situations that may lead to conflicts of interest.
- A major responsibility that befalls on all employees is to refrain from using Arkasresources, name, identity and influence for personal gain and to avoid circumstances that may adversely affect the name and reputation of the establishment.

All Arkas employees are obliged to comply fully with the activities listed below as circumstances which may lead to conflicts of interest and with the principles also outlined.

- Employees may in no way engage in mutual business relations whether they incur benefits or not, with family members, friends and other third parties with whom they have connections. Employees may not use their positions and job titles to obtain personal gains or gains for others at their work premises or at clients' facilities. Any such propositions received by employees must be immediately rejected and reported to the relevant authorities. Similarly, Arkas employees must be wary of any conflicts of interest that may arise from their close family members being employed by establishments in competition with Arkas.
- It is essential that no Arkas employee directly or indirectly becomes engaged in activities which may define them as a "merchant" or "tradesman/artisan"; does not carry out any type of work under any title, for another person/establishment, in return for wages or similar benefits whether in or out of office hours.
- Employees may not obtain any commercial benefits for themselves and may not be involved in providing such benefits for others by leaking any information belonging to Arkas.
- Arkas employees may not serve as managing board members or auditors in firms other than Group companies without express approval of Arkas; they may not undertake jobs with companies in competition or in business dealings with Arkas.

Employees may assume duties in non-profit organisations and universities and carry out social responsibility and charity duties under circumstances which will not hamper their jobs with Arkas, provided written approval of the management has been obtained.

Managers authorised to employ and recruit, may not hire spouses, close relatives and close relatives of these.

Employees may give lectures and write articles of a professional nature on topics unrelated to company activities and not deemed against Arkas policies. The use of Arkas name in such activities requires prior permission from the Media and Communications Committee.

Employees may undertake duties in a political party under the conditions listed below and with the written permission of the management:

- Political activity of employees, should not create a conflict of interest with his/her job within the company and with the practices and positions of other Arkas firms.

- Employees may not use the company name, their position and title in the company and the company's resource while engaging in political activity. Employees may not engage in political activity during office hours.
- Employees may personally provide material or moral assistance and/or donations to third persons outside of Arkas and may assume duties in charity organisations.

### **Responsibilities of Employees and Business Partners**

- Principles of honesty, trust, consistency, professionalism and respect are observed in all relations with clients, suppliers and other persons and establishments with which the company engages in business.
- Employees carry out their duties in a transparent, accountable and responsible manner.
- Mutual respect, confidence and cooperation is essential in relations between employees.
- In line with the principle of transparency, employees will advise clients clearly and precisely of their rights and obligations and of the benefits and risks in relation to the services offered them.
- Excellence in services and absolute fulfilment of client requirements and expectations are our objectives.
- Competitive products will not be maligned and misleading advertisement will not be employed.
- Arkas owns the intellectual property rights to all products, designs, programs and similar innovations that employees develop in the course of their duties.
- Employees are required to comply with laws and regulations concerning software licenses, patents and copyrights, and all software and copyrights needed by employees to do their jobs shall be procured by legal means.
- Human resources management will not discriminate on grounds of race, ethnic origin, nationality, religion and gender. Equal opportunity will be given to individuals with equal circumstances; performance and productiveness will be the criteria for pay and promotion. Open door policy will be pursued.
- Awareness for protection of the environment and natural life, of consumer rights and public health is practiced and all relevant regulations are observed. All

employees will fulfil their responsibilities in order to protect and enhance the good reputation and the brand value of Arkas. In this context, all employees must take care that their personal bearing and conduct remain within the boundaries of the law and general rules of morality.

### **Use of Resources**

- The interests of Arkas are to be considered when resources are used on its behalf. Employees cannot use company assets and resources inefficiently and outside of their purposes.
- Arkas assets, facilities and staff may not be utilised outside of Arkas activities under any name and for the benefit of any person.
- Arkas employees use office time judiciously, do not devote office time to their personal pursuits. Managers may not ask employees to perform personal errands.

### **Media Relations and Representing the Company**

- We administer an open and transparent media communication model.
- We take special care that corporate messages, information and statements do not mislead the public.
- We stand equidistant to all media bodies and maintain equal contact with all.

### **Relations with Persons and/or Establishments involving Business Relations**

- Employees may not enter into commercial dealings with Arkasclients, contractors or suppliers and other persons and/or establishments with which the company does business. They may not borrow money and/or goods/services for personal purposes. No employee may loan Money and /or provide goods and services to other persons and establishments involved commercially with Group Companies.
- The following points are to be taken under consideration in dealings with clients: No action may be carried out without the client's knowledge even though it may be to the clients advantage; clients cannot be taken advantage of although it may result in the company's benefit; the client may not be misinformed or given incomplete information with the expectation of profits to be incurred.

- Arkas employees may not ask for gifts or insinuate such a request from persons or establishments involved commercially with Group Companies. They may not accept gifts, monies, cheques, property, free holidays, special discounts that will compromise the company. No personal aid or grant may be accepted from persons or establishments involved in business relations with Arkas.

## **Social Responsibility**

- Arkas Holding S.A. believes that contributing to the progress of social life in fields such as art, education and health is part of its institutional social responsibility.
- Concerning its activities of social responsibility, Arkas Holding S.A. values the projects and suggestions of its employees. Arkas is currently implementing corporate social responsibility projects, namely Turmepa II, ArkasTrio, Arkas Sports and Arkas Maritime History Centre. Also, the Sea Stars Social Responsibility Project Group, composed of Arkas employees is pursuing projects on environment and health.

## **Sustainability**

- Arkas, emphasizes turnover growth but regards the sustainability of this growth and concurrent achievement of the maximum enhancement of social privileges and social improvement just as importantly.
- Arkas has a function in the betterment of the life quality of its employees through the social standards it offers them and by its contribution to the business environment.
- Arkas encourages its employees to participate in sports and health and environmental activities.
- Arkas devotes maximum care to protect the health of its own workers and those working for its suppliers as well as making efforts to protect public health.
- Arkas, by opting for rail and sea transportation in combined shipping, exercises care to restrict its carbon footprinting to minimum levels.
- Arkas emphasizes necessary improvements at work premises in order to prevent energy wastage.

## The Guide

- All persons who have accepted to work with Arkas are considered as having agreed to abide by these working principles. The responsibility of advising employees of these principles and answering their questions if any, lies with unit managers.
- Arkas Code of Ethical Compliance are made available to all new recruits through an Orientation Programme. The Code is also available on the websites of all Arkas companies.
- Any infringements of the Arkas Ethical Code as listed below which are observed or perceived as situations violating the company's ethical principles or interest, will be reported to managers, departments and the Arkas Logistics Group Ethics Line (etik@arkaslojistik.com.tr) by all parties (contractors, suppliers, employees, clients) .
- All reports to the Ethics Line will be confidentially reviewed and pursued by the Arkas Logistics Group President.

## Conspicuous Violations of the Ethics Code:

- Violation of written rules
- Reporting late for work and/or leaving early.
- Declaring less annual vacation time than was actually taken
- Failing to give correct and complete information to superiors or subordinates .
- Maligning individuals by making remarks or behaving in a manner damaging to their character and honour.
- Spreading gossip, engaging in quarrelsome behaviour and verbal abuse of others.
- Physically assaulting or abusing other workers, causing quarrels.
- Accusing colleagues without documentation; making unjust complaints.
- Giving/receiving bribes or gifts
- Stealing information or property.
- Deceiving upper management by distorting management reports (even if it favors the company)
- Obtaining personal income through company resources by assigning or employing the business potential of the company in return for personal gain or privilege.
- Using company resources for personal purposes.

- Allowing third persons the use of company assets.
- Injuring third persons or companies by using the influence of the Arkas brand name.
- Undertaking personal activity in areas which come under one's own job. i.e. owning trucks, carrying out truck/container maintenance and repair work.
- Entering into complicated commercial relationships with third party companies
- Condoning fraud, deceit and irregular practices; failing to report suspicions to those in authority and to the Ethics Line.
- Giving out confidential or private information of the company, sharing its store of know-how and its commercial secrets with third persons for purposes of personal gain.
- While driving company vehicles for company purposes altering a specified itinerary, using vehicle for private purposes and /or condoning such conduct.
- Neglecting job or wasting resources
- Violating plans, policies and rules on work health, and work safety
- Failing to represent the company in an appropriate manner while on client's premises; behaving in an overly-familiar manner or immorally.
- Behaving rudely to clients, misinforming the clients, causing client complaint.
- Discriminating between clients or employees for reasons of political belief, close personal relations, dislike, grudge or similar reasons during the performance of duty.
- Failing to feed the necessary data into the information system used on the job; feeding data carelessly or incompletely.
- Concealing a mistake; incriminating someone else.
- Failing to reach the expected efficiency in duties as described in the employment contract, underperforming on the job, reacting to feedback as a personal issue.
- Failing to attend without excuse, courses registered in.
- Giving false or incomplete information to employer and managers,( e.g. application forms etc.)
- Making or receiving personal telephone calls of unreasonable duration during work hours.
- Hiring relatives and family members without necessary notifications and without informing and receiving approval.

- Failing to inform the Human Resources Department of any changes in personal details registered with the work place within one month. (e.g. change of marital status, domicile address etc.)
- Habitually incurring debts above income, leading to confiscation of salary; habitually asking colleagues for loans, failing to repay debts. Incurring debts by bank loans taken or vouched for by colleagues.
- Inappropriate behaviour, negligence of job and frequent absences caused by unseemly lifestyle or alcohol or substance addiction.
- Failing to report erroneous and improper behaviour to Ethics Board or superiors.
- Failing to comply with work regulations, work procedures, Human Resources regulations and rules cited in the work contract and other written rules.
- Concealing mistakes at work, thereby causing greater damage.
- Theft of idea by suggesting to superiors that an idea or an achievement in reality belonging to another person, is his/hers.
- Causing the company to lose money by exceeding the bounds of approved authority
- Moving machinery, workers, cars, registered fixtures or equipment between persons or locations without the approval of Logistics Management.
- Deliberately ignoring purchasing tenders or impeding them by creating difficulties.
- Violating purchasing procedures, failing to collect detailed market bids for the purpose of lowering costs in purchases made for the company.
- Violating legal procedures and company practices by falsified company stamps, documents and reports or forcing someone else to do so.
- Using company cash for non-work related expenditures.
- Effecting payments on behalf of Arkas with personal credit card; and/or receiving cash payments due to Arkas from clients but effecting payment with personal credit card, therefore tampering with the company's cash balance.
- Removing company cash, cheques, vouchers or registered items from the work place without permission, selling them or assisting in their removal or sale.

As the representatives of the employer, managers are obligated to act according to the company's ethical principles and they are the ones who are primarily responsible for creating and maintaining a work environment that conforms to Arkas' values. For this reason, the examples of ethical violations given below are particularly relevant for managers.

- Failing to guide and advise subordinates in line with company benefit.

- Use the position and authority accorded by the company in order to enforce obedience to self.
- Practicing discrimination and disregarding principles of merit in recruitment and in performance appraisals.
- Practicing mobbing against employees (superiors or subordinates) to result in loss of company work efficiency, lessening productivity and disturbing work place tranquility.
- Treating employees with disdain, not requesting upper management to meet reasonable physical needs, unfairness and misguiding them by giving wrong or incomplete information.
- Condoning slack and undisciplined work behaviour in subordinates; ignoring undisciplined behaviour and disregard of rules, failing to admonish; failing to take preventive measures and to correct the situation.
- Charging workers with duties which will oblige them to behave in violation of ethical and moral values and principles and Group/company rules.
- Asking employees to perform personal chores and errands.
- Misinforming superiors in matters pertaining to subordinates, thereby causing the subordinates to be wronged or undeservedly rewarded.
- Ignoring and not warning subordinates when they act inappropriately toward their colleagues
- Deceiving upper management by distorting management reports (even if it favors the company)
- Deliberately confusing issues in order to create difficulties for the company management and gaining benefits from the resulting situation.