

GALSAN



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Compliance and Concern Reporting Policy

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Compliance and Concern Reporting

Purpose

Galsan's Corporate Social Responsibility Principles emphasize supporting the company's sustainability in areas such as workplace standards, environment, social responsibility, business ethics, and human rights. In order to identify potential risks, take preventive measures, detect problems, and ensure effective resolution, the "COMPLIANCE AND CONCERN REPORTING MANAGEMENT PROCESS" has been established.

This procedure is activated in cases where there is a suspicion or report of a violation of Galsan's Ethical Policies and Principles.

Scope: Covers all stakeholders of Galsan.

Responsibilities: All Galsan managers and the Corporate Social Responsibility Committee.





This procedure has been prepared to enable our employees and stakeholders to report, in a safe, confidential, and non-retaliatory manner, any behaviors or practices that may violate ethical principles, legal requirements, or company policies.

Systematically addressing compliance and concern reports is an integral part of our company's principles of transparency, accountability, and sustainability.



Definitions

Stakeholder

All individuals, groups, organizations, and institutions that are affected by or have the potential to affect a business.

Internal Stakeholders: Groups or individuals working directly within a business, such as employees and contractors.

External Stakeholders: Groups or individuals outside the business who are not directly employed or contracted by the business but may be affected by its decisions, such as customers, suppliers, the public, Non-Governmental Organizations (NGOs), and government entities.

Whistleblowing and Whistleblower

Report (Whistleblowing): Refers to a person notifying authorized bodies or responsible individuals about a situation that is illegal, unethical, or poses a safety risk. Whistleblowing includes reporting crimes, legal violations, fraud, hazards, or unfair practices to the relevant authorities when such situations are detected.

Whistleblower: A person—typically an employee in a workplace or a public institution—who witnesses such improper or dangerous practices and reports them. Whistleblowing may concern issues such as occupational health and safety, environmental violations, corruption, theft, or fraud.

Retaliation

It refers to a counteraction taken in response to a person's behavior, usually with the intention of causing harm or punishment. In the business and legal context, retaliation is commonly used to describe negative actions taken by an employer or senior officials against an employee due to a report or complaint made by that employee.

Anti-retaliation policies ensure that whistleblowers are protected from adverse actions (such as dismissal, denial of promotion, mobbing, or discrimination) that they may face from employers or other employees after making such reports.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee is responsible for ensuring that processes are carried out in compliance with national and international laws and agreements, and for leading the continuous improvement of Galsan's Corporate Social Responsibility processes. The Committee is appointed and designated by the Galsan Board of Directors.

Committee Members:

1. **Committee Chair:** Chairperson of the Galsan Board of Directors
2. **Compliance and Business Ethics Officer:** General Manager
3. **Social Sustainability Officer:** HR Manager
4. **Environmental Sustainability Officer:** Quality Manager
5. **Technological Sustainability Officer:** Engineering Manager
6. **Sustainability Risk Monitoring Officer:** Systems Consultant



In line with our ethical working principles and to oversee our Corporate Social Responsibility commitments, the Corporate Social Responsibility Committee will lead the efforts to communicate our ethical principles, manage the compliance process, enhance awareness, and evaluate all feedback received.

1. Considerations in the Evaluation of Compliance and Concern Reports

When evaluating whistleblowing and retaliation processes, there are several critical criteria that must be considered to ensure accurate decision-making and fair management of the process. These criteria enable the organization to assess both the validity of the report and any retaliation claims in an impartial manner.

Individuals responsible for managing Galsan's Compliance and Concern Reporting process will inevitably encounter various situations that require careful attention. In such cases, this document will serve as a guide for all relevant parties.

Below are the fundamental criteria that must be taken into account when evaluating whistleblowing and retaliation processes. Galsan will rigorously observe and apply these criteria.

1. *Seriousness and Accuracy of the Report*

- **Evidence-Based Assessment:** Concrete evidence and documentation should be sought to determine whether the reported incident is real. A report should not rely solely on suspicion; it must include verifiable information.
- **Scope and Nature of the Report:** Does the reported issue involve illegal, unethical, or safety-related risks? It must be carefully evaluated whether the report indicates a violation within the legal framework.
- **Location and Timing of the Incident:** The place and time of the incident are important for understanding the seriousness and validity of the report. If the report concerns an event that occurred in the past, the availability of information or documentation related to that event should be assessed.
- **Accuracy of the Report:** If a report is found to be intentionally made for personal motives and lacks factual basis or consistency, Galsan reserves all legal rights against the reporting individual. If a report is made to target another employee, damage human dignity, or incite hostility in the workplace, and the report is proven to be false, the whistleblower must be aware that disciplinary actions may apply. Galsan is entitled to terminate the employment contract in accordance with Article 25 of the Turkish Labor Law No. 4857.

2. *Whistleblower Protections*

- **Anonymity and Confidentiality:** If requested, the whistleblower's identity must be kept confidential. Protecting confidentiality is essential to prevent retaliation. In this context, Galsan has engaged an independent consultant whose contact details are shared via the company website to ensure anonymity. In any case, the whistleblower's identity is recorded with maximum protection. Choosing to report either to the Independent Consultant or the HR Manager is entirely at the whistleblower's discretion.
- **Absence of Malicious Intent:** It must be evaluated whether the report was made with malicious intent. Reports submitted to gain personal advantage, seek revenge, or harm another individual undermine the validity of the whistleblowing.

1. Considerations in the Evaluation of Compliance and Concern Reports

- **Whistleblower's Treatment:** After submitting a report, it should be monitored whether the whistleblower is subjected to any pressure, mobbing, or threats. No negative actions may be taken against the whistleblower by the workplace or employees. Ensuring the protection of personal data belonging to both the whistleblower and individuals involved in the report—such as personal files, correspondence, documents, or camera recordings—is a priority for Galsan and the Corporate Social Responsibility Committee to prevent unauthorized disclosure.

3. Review of Retaliation Claims

- **Timing:** It is important to determine whether the individual who filed the retaliation claim experienced an adverse situation shortly after making the report. If events such as dismissal, salary reduction, or reassignment occurred following the report, the timing should be carefully considered.
- **Connection to Adverse Action:** It must be investigated whether the adverse action (dismissal, denial of promotion, mobbing, etc.) was actually due to the report or based on another valid reason. The relationship between the adverse action and the report must be clearly established.
- **Cause-and-Effect Relationship:** The cause-and-effect relationship in a retaliation claim must be clearly identified. Specific indicators showing that the process initiated by the report resulted in retaliation should be sought.
- **Status of Employees Engaging in Retaliation:** Employees found to have committed retaliation will be subject to a disciplinary process in accordance with Article 25 of Turkish Labor Law No. 4857. If retaliation is confirmed, the employment contract will be terminated.

4. Fair and Transparent Investigation Process

- **Independent Review:** Whistleblowing and retaliation claims must be handled impartially. Investigations should be conducted by individuals who are unbiased and independent, without prejudice toward the whistleblower or the suspected parties.
- **Process Transparency:** The whistleblower and other relevant individuals should be informed about how the investigation will be conducted. Information such as the current stage of the report and the expected timeline for results should be shared transparently.
- **Right to Fair Hearing:** Both the whistleblower and the individuals or entities involved in the report have the right to present their defenses and explanations fairly. Decisions should not be made without giving all parties an opportunity to be heard.

5. Legal Compliance and Policy Enforcement

- **Compliance with Legal Regulations:** Whistleblowing and retaliation processes must be managed in accordance with applicable labor laws, employee rights, and whistleblower protection regulations.
- **Alignment with Internal Company Policies:** Galsan's internal policies on occupational health and safety, ethics, whistleblowing, and anti-retaliation must be taken into account. Company policies should be designed to comply with legal regulations and to protect whistleblowers.

1. Considerations in the Evaluation of Compliance and Concern Reports

6. Effectiveness of Anti-Retaliation Measures

- **Protective Mechanisms:** Measures taken to protect whistleblowers from retaliation must be effective. Confidentiality, legal protection, and anonymous reporting options are part of this process. Additionally, preventive measures may include departmental or role reassignment, and administrative or legal actions tailored to the whistleblower's sensitivities.
- **Training and Awareness:** Regular training for employees on whistleblowing and anti-retaliation policies ensures more accurate reporting and prevents retaliation. Organizing in-person or online training sessions, gathering feedback from employees, and continuously improving the system are important initiatives to raise awareness about whistleblowing and retaliation.
- **Reporting and Monitoring:** Following whistleblowing and retaliation processes, outcomes must be accurately reported and monitored. If retaliation claims arise, the measures taken should be reviewed and improvements implemented for future cases.

7. Cultural Sensitivity and Ethical Values

- **Corporate Culture:** The whistleblowing and retaliation process should be handled in accordance with Galsan's values and ethical principles. The company's culture of trust and integrity should encourage whistleblowing while deterring retaliation.
- **Ethical Awareness:** Reports must align with the company's ethical and social responsibility values. The outcomes of the reporting process should ensure internal safety while complying with ethical norms.

8. Employees' Psychological and Physical Well-Being

- **Support Mechanisms:** Psychological support should be provided to whistleblowers and individuals subjected to retaliation, ensuring their protection throughout the process.
- **Mobbing and Psychological Pressure:** It must be assessed whether whistleblowers or individuals exposed to retaliation experience mobbing or psychological pressure. Such situations constitute both retaliation and violations of occupational health and safety standards.

2. Internal and External Compliance and Concern Reporting Process Management (Whistleblowing Management)

Receiving Concern Reports: Stakeholders are required to submit their reports in writing through communication channels established by Galsan.

a) Email: etik@galsan.com

Written reports are received by an independent consultant who is not part of the Galsan staff.

b) Phone: +90 (545) 488 39 00

Verbal reports are received by an independent consultant who is not part of the Galsan staff.

Reports can also be submitted via the Corporate Social Responsibility contact form on Galsan's website (www.galsan.com). These reports are monitored by an independent consultant outside of Galsan's staff and then reported to the Committee.



2. Internal and External Compliance and Concern Reporting Process Management (Whistleblowing Management)

- **Recording Reports / Notifications:** Compliance and concern reports received through communication channels are noted by the relevant Consultant and listed for evaluation by the Committee. The confidentiality requests of individuals must always be considered when presenting the records.
- **Evaluation of Reports by the Committee:** Incoming reports are assessed based on their content. The Committee may invite experts (internal or external to the organization) to provide opinions or guidance during the evaluation process.
- **Conducting an Investigation**
 - a. It is essential to investigate, verify, and analyze incoming reports. During the investigation:
 - b. Evidence and witnesses supporting the investigation, such as the location of the incident, statements from involved parties, documents and records, and security camera footage, are collected to confirm the reported situation.
 - c. If the matter involves a legal case, law enforcement authorities may be consulted.
 - d. A dedicated task force may be established for the specific case, working within its authorized scope.
 - e. If the Committee has issued a confidentiality decision, the investigation is conducted in a confidential manner.
 - f. No confidential investigation may violate the security of personal data, compliance with Turkish Labor Law No. 4857, or the constitutional rights and freedoms of individuals. The results of the investigation must be legally substantiated.
 - g. Investigation findings should be evaluated within 6 business days, and the assessment report must be submitted to the Committee by the investigators. Once the investigation file is complete, it is delivered to the Committee Chair, who will convene the Committee to discuss the findings and make a decision.
- **Evaluation of Results:** Following the investigation, the findings are reviewed by the Committee to determine the type of action or measures required.
- **Providing a Response to the Stakeholder:** The Committee's assessment and decisions are communicated to the reporting individual or organization to inform them about the process. Announcements may also be made to inform and update the broader organization. (During this process, the Personal Data Protection Law and confidentiality principles must be strictly observed, and decisions should be made based on the nature of the incident and the confidentiality of the whistleblower.)
- **Implementing Improvements:** Actions decided by the Committee are initiated and implemented to ensure the necessary measures are put into practice.
- **Monitoring and Follow-Up:** The Committee monitors the effectiveness of implemented actions through notifications and reports from the working groups. The outcomes of improvements are discussed, and their adequacy is reviewed.



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Thank you for your interest and cooperation.

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