

KoçSistem

Supply Chain Compliance Policy

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1. PURPOSE AND SCOPE

The purpose of this Supply Chain Compliance Policy (the “Policy”) is to communicate the principles and values of KoçSistem to our Business Partners and provide them with the necessary guidance on the standards we expect them to meet. This Policy also aims to guide the selection and monitoring of KoçSistem's Business Partners.

All employees and directors and officers of KoçSistem shall comply with this Policy, which is an integral part of the Koç Group Code of Ethics, and KoçSistem Code of Ethics. KoçSistem expects its Business Partners are aware of and act in accordance with this Policy.

2. DEFINITIONS

"UN" refers to the international organization of the United Nations.

The "UN Guiding Principles on Business and Human Rights" ¹ is a set of guidelines for states and companies to prevent, address and remedy human rights abuses committed in business operations.

"UN Global Compact" ² refers to the convention based on universally accepted UN declarations on social responsibility and sustainability practices, which address 10 main areas of responsibility of the business world in the fields of human rights, labor standards, environment and anti-corruption.

"Export Control Regulations" ³ means the laws and regulations that regulate and restrict the import, export and re-export of technologies, information, goods and services for reasons of commerce, foreign policy and national security.

“Government/Public Official” broadly refers to a variety of individuals including but not limited to the following:

- Employees of government business enterprises (domestic or in a foreign country)
- Employees of political parties, political candidates, (domestic or in a foreign country)
- Any person who holds a legislative, administrative or judicial position, (domestic or in a foreign country)
- Judges, jury members, or other officials who work at domestic, foreign or international courts,
- Officials or representatives working at national or international parliaments;

¹ https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

² <https://www.unglobalcompact.org/what-is-gc/mission/principles>

- Arbitrators resorted to, who have been entrusted with a task within the arbitration procedure, in order to resolve a legal dispute.

"ILO" means the International Labour Organization.

"The ILO Declaration on Fundamental Principles and Rights at Work"⁴ is an ILO declaration adopted in 1998 that commits all member states whether or not they have ratified the relevant Conventions, to respect, and promote the following four categories of principles and rights in good faith: freedom of association and effective recognition of collective bargaining, elimination of all forms of forced or compulsory labor, abolition of child labor, elimination of discrimination in employment and occupation.

"Human Rights" are rights inherent to all human beings, regardless of gender, race, color, religion, language, age, nationality, difference of thought, national or social origin, and wealth. This includes the right to an equal, free and dignified life, among other human rights

"The Universal Declaration of Human Rights (UDHR)" is a milestone document in the history of human rights, proclaimed by the United Nations General Assembly in Paris on 10 December 1948 as a common standard of achievements for all peoples and all nations. It sets out, for the first time, fundamental human rights to be universally protected.

"Business Partners" includes suppliers, distributors, dealers, authorized services and other third parties with whom business relations are established, all kinds of representatives, subcontractors, consultants, etc. acting on behalf of the company, and their employees and representatives.

"Public/Politically Exposed Person (PEP)" ³Politically Exposed Person ("PEP") refers to individuals who are currently or in the past, either domestically or in a foreign country, elected or appointed to an important public function; board members, senior executives and deputy executives of international organisations and other persons holding equivalent positions; senior politicians; senior officials of political parties; senior judicial, administrative or military officials; senior executives of state-owned enterprises; and the spouses, first-degree relatives (mother, father and children) and relatives of all such persons.

"Koç Group" means all companies directly or indirectly, individually or jointly controlled by Koç Holding A.Ş. and Koç Holding A.Ş., as well as the joint ventures included in the financial report of Koç Holding A.Ş .

"KoçSistem" refers to KoçSistem Information and Communication Services Inc.

³ <https://www.fatf-gafi.org/documents/documents/peps-r12-r22.html>

"Bribery" refers to giving, offering, promising or proposing anything of value with the aim of obtaining Improper Advantage over, or Corruptly Influencing a business transaction or relationship. Forms of value covers any form of benefit including but not limited to money, gifts, entertainment that:

- affect or may affect impartiality, performance and ability to make decisions
- may be reputation wise detrimental if it became public,
- would be a breach of the applicable legislation,
- can be perceived as bribery, or
- may correspond to a privileged treatment for carrying out a certain task.

"Laundering the Proceeds of Crime" means the activities that involve taking criminal proceeds and disguising their illegal source in anticipation of ultimately using such criminal proceeds to perform legal and illegal activities.

"Sanctions" are restrictions on financial or commercial transactions imposed by one or more countries or organizations and intended to target another country, region, sector, organization or individual.

"Corruption" means the abuse of entrusted power for private gain.

"Sanction Target" means;

- Any individual, entity, vessel or government which is a designated target of Sanctions (collectively, "Listed Persons") (e.g., SDNs)
- Companies owned 50% or more, directly or indirectly, by a Listed Person;
- Individuals or companies that are resident, incorporated, registered or located in countries or territories such as Crimea, Donetsk, Luhansk and Sevastopol Regions of Ukraine, Cuba, Iran, North Korea and Syria that are subject to a comprehensive country or territory-wide Embargo as of the approval/revision date of this Policy (i.e., the "Embargoed Countries"), and
- Persons or companies owned or controlled by, or operating as agents of, the governments of Embargoed Countries or the Government of Venezuela.

3. GENERAL PRINCIPLES

KoçSistem selects its Business Partners based on factors such as technical competence, product and

service quality, pricing, corporate reputation and financial soundness etc. KoçSistem also applies a risk-based approach to assess the compliance-related risks associated with its Business Partners in order to ensure compliance with the principles outlined in this Policy. Within the framework of this approach, the following points are considered:

- Taking necessary measures to effectively manage the risks associated with Sanctions and Export Control Regulations,⁴.
- Conduct Due Diligence⁵ on Business Partners using a screening tool by taking all necessary commitments in accordance with all the legislation on the protection of personal data in force in the countries where the relevant KoçSistem operates, before and during the course of the business relationship to ensure that they are not directly or indirectly Sanctions Targets, and to verify that there is no negative intelligence on Bribery, Corruption, Laundering the Proceeds of Crime and financing of terrorism and weapons of mass destruction, human rights violations, etc., and to identify any other potential compliance risks,
- Auditing the Business Partners, when necessary, to determine whether they comply with the Koç Group and KoçSistem Code of Ethics, in particular applicable legislations, contractual obligations and the Guiding Principles for Business Partners ("Principles") detailed below,
- Providing necessary training to Business Partners to ensure compliance with expected standards, if required.

⁴ For details, please refer to KoçSistem Sanctions and Export Controls Policy.

⁵ During this work, it is necessary to fulfil disclosure obligations in accordance with all relevant local personal data protection regulations in the countries where the relevant KoçSistem operates, obtain explicit consent and any other necessary commitments from persons acting on behalf of and for the account of the Business Partners

Business Partner Onboarding Process

As a first-line role⁶, the business units, before establishing a business relationship with a new Business Partner, are responsible for identifying potential risks associated with Sanctions and Export Control Regulations, ensuring that the relevant party is not a Sanctions Target, and perform intelligence ("Due Diligence")⁷ through a screening tool by taking all necessary commitments in accordance with all the legislation on the protection of personal data in force in the countries where the relevant KoçSistem operates, in order to identify compliance and other reputational risks such as Bribery, Corruption, Laundering the Proceeds of Crime, financing of terrorism and weapons of mass destruction, human rights violations, etc. and assessing whether the relevant parties comply with the Guiding Principles for Business Partners⁸. In addition, it should be confirmed whether the relevant Business Partner is a Public Official or a PEP by conducting internet, media and other database searches.

Due Diligence is carried out by the business units under the coordination of the officer or department in charge of compliance as a second line role⁹ and is monitored regularly. In the event that the Due Diligence contains a warning sign regarding any compliance risk or it is determined that the Business Partner is a Public Official or a PEP, the officer or department in charge of compliance must be informed immediately. The officer or department in charge of compliance may decide to stop the transaction or conduct Enhanced Due Diligence ("EDD"). In this case, the General Manager is informed about the compliance risks identified and the possible impact of these risks and the measures suggested to be taken in case of establishing, terminating, or continuing a business relationship. The General Manager shall make the decision to establish, continue or terminate the business relationship taking into account the assessments and recommendations of the relevant EDD report. Decisions taken with the approval of the General Manager shall be regularly reported to KoçSistem Legal and Compliance Department by the officer or department in charge of compliance, and the entire process shall be subject to internal audit¹⁰, if deemed necessary.

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⁶ First line roles refer to the business units responsible for the delivery of products and/or services to customers. Each first-line employee involved in these processes, which can also be referred to as operational issues, is responsible for their own self-assessments.

⁷ Please refer to KoçSistem Sanctions and Export Controls Policy for details.

⁸ Please refer to the "4. Guiding Principles for Business Partners" section of this Policy for details.

⁹ The Compliance Function, which is called the second line and is closely linked to the processes in the first line, provides support to the first line in managing compliance risks and coordinates the business units. In addition to continuous monitoring activities, it also proposes action plans to prevent the occurrence/recurrence of risks and supports the first line by ensuring follow-up.

¹⁰ As a third line role, internal audit aims to provide independent and objective assurance and advice on the adequacy/effectiveness of governance and risk management based on retrospective findings.

At the stage of signing a contract with a Business Partner, Koç Group companies shall ensure that the relevant persons are informed about this Policy. Furthermore, Koç Group companies reserve the right to terminate the contract or apply other penalties in the event of a violation of the Policy. Clauses such as the obligation to comply with this Policy, the Principles and Koç Group's audit right over the relevant party are included in the relevant contracts. KoçSistem reserves the right to terminate the contract or impose other possible sanctions if it is determined that this Policy and the Principles set forth herein have been violated in any way while concluding any contract with a Business Partner. Clauses such as the obligation to comply with these Policies and Principles and KoçSistem's right to control the relevant party are included in the relevant contracts.

4. GUIDING PRINCIPLES FOR BUSINESS PARTNERS

KoçSistem's Guiding Principles for Business Partners ("Principles") are established as a part of this Policy and Koç Group's Compliance Program and are prepared in accordance with the UN Global Compact. All Business Partners of KoçSistem are expected to comply with these principles.

4.1. Legal Regulations

Business Partners of KoçSistem is expected to act in compliance with all laws, rules and regulations applicable to their business and industry, including competition, the prevention of Laundering the Proceeds of Crime and the financing of terrorism and weapons of mass destruction, data privacy, anti-bribery and anti-corruption laws

4.2. Anti-Bribery and Corruption & Prevention of Laundering of the Proceeds of Crime and Financing of Terrorism and Weapons of Mass Destruction

Business Partners are expected to comply with applicable laws regarding the anti-bribery and corruption, Prevention of Laundering of the Proceeds of Crime and Financing of Terrorism and Weapons of Mass Destruction, while conducting business on behalf of KoçSistem. Any form of bribery and the giving or receiving of anything of value, directly or indirectly, to gain an improper advantage and influence the objective decision-making processes is unacceptable. Any activity that may lead to prevention of laundering of the proceeds of crime and financing of terrorism and weapons of mass destruction, with or without malicious intent, is unacceptable and illegal. All transactions must be accurately and transparently recorded in the books and records with sufficient descriptions.

4.3. Human Rights

Business Partners are expected to carry out their commercial activities in accordance with the KoçSistem Human Rights Policy.

4.2.1. Employment

Business Partners of KoçSistem shall ensure that their operations are not associated with child labour, forced labour or labour abuse. In addition, in accordance with the conventions and recommendations of the ILO, the Universal Declaration of Human Rights, and the UN Global Compact

4.2.2. Compliance with Labor Laws

Business Partners are expected to comply with the labour laws of the countries in which they operate. Wages shall be set competitively in accordance with the relevant sectors, the local labour market and, where applicable, collective bargaining agreements. All compensation, including social benefits shall be paid in accordance with the applicable laws and regulations..

4.2.3. No Harassment or Violence

Business Partners are expected to provide a workplace free from violence, harassment and other unsafe or disturbing conditions resulting from internal or external threats. Any form of physical, verbal, sexual or psychological harassment, bullying, abuse or threat will not be tolerated

4.2.4. Discrimination

Business Partners are expected to provide a work environment where any form of discrimination is not tolerated; where employees are treated fairly and where there is zero tolerance of discrimination, (based on race, gender, colour, national or social origin, ethnicity, religion, age, disability, sexual orientation or political opinion).

4.2.5. Freedom of Association and Collective Bargaining

Business Partners are expected to respect the right and freedom of choice of their employees to join trade unions and to bargain collectively without fear of retaliation.

4.3. Health & Safety

Business Partners are expected to provide a safe and healthy working environment, to comply with all relevant laws and regulations and to implement all necessary safety measures for all work areas. Business Partners must take immediate action when unsafe conditions or behaviours occur and minimise the risk of injuries and accidents.

4.4. Environment

KoçSistem expects its Business Partners to make every effort to protect and preserve the environment. In this regard, KoçSistem encourages its Business Partners to:

- Comply with all applicable environmental laws and regulations including Koç Group's Health Safety and Environment Management System Procedure.
- Continuously improve their environmental performance and resource efficiency
- Reduce their environmental impact to address greenhouse gas emissions and energy consumption, water management, waste management, pollution prevention and protection of biodiversity
- Have effective monitoring systems and procedures for industrial accidents and other emergency situations.
- Encourage their Business Partners and third parties to improve their environmental performance.

4.5. Compliance with the Code of Ethics and International Conventions

KoçSistem expects its Business Partners to conduct their business with fairness, integrity and in accordance with the law and the Koç Group and KoçSistem Code of Ethics. KoçSistem expects its Business Partners to conduct their business in accordance with the laws, international conventions to which the Republic of Türkiye is a party, the United Nations Declaration of Human Rights, the United Nations Global Compact and to act within the framework of fairness, accuracy, honesty, responsibility, trust, accountability, openness and respect.

4.6. Conflict of Interest

Business Partners shall not enter into personal transactions with KoçSistem employees that could lead to an actual or perceived conflict of interest and damage KoçSistem's reputation. Persons, organizations and KoçSistem employees who have or are likely to have a close relationship (such as kinship, friendship or similar) between Business Partners or other persons and organizations that may have a business relationship with KoçSistem, and KoçSistem employees who give business to these persons and organizations, approve their business or take decisions regarding them, are obliged to inform the officer or department in charge of compliance about the situation. Before establishing any direct or indirect business relationship between a former KoçSistem employee and a KoçSistem company, the department that will establish a business relationship shall inform the officer or department in charge of compliance and the necessary approval process is carried out within the scope of the related KoçSistem company's internal procedures

4.7. Reporting

Business Partners are expected to establish effective communication channels to report violations and take the necessary measures in a timely manner. Business Partners and employees should be

able to report their concerns through these communication channels for fear of retribution or retaliation. In addition, it is possible for the employees of the Business Partners to report their concerns directly to KoçSistem Legal and Compliance Consultancy, Internal Audit and Human Resources departments directly or in writing via their "koc.com.tr/ihbarbildirim" address.

4.8. Training & Development

KoçSistem encourages its Business Partners to provide training programs and tools to their employees to gain more skills and competencies.

4.9. Management Systems

Business Partners are expected to establish and maintain appropriate management systems in order to ensure that they operate in accordance with laws, regulations and the principles set forth in this document.

5. AUTHORITY AND RESPONSIBILITIES

All employees and managers of KoçSistem are responsible for complying with this Policy and implementing and supporting KoçSistem's relevant procedures and controls in line with the requirements of this Policy. KoçSistem expects all Business Partners to act in accordance with this Policy and takes the necessary steps to do so, to the extent applicable to the relevant party and the transaction.

In the event of a discrepancy between this Policy and the local legislation applicable in the countries where KoçSistem operates, the more restrictive of the Policy or legislation shall prevail, to the extent that the relevant application does not contradict the local legislation.

If you are aware of any action that you believe is contrary to this Policy, applicable legislation, Koç Group and KoçSistem Ethical Principles, you may consult or report this matter to your senior manager. Alternatively, you can notify KoçSistem Legal and Compliance Consultancy, Internal Audit or Human Resources departments directly or in writing via the address "koc.com.tr/ihbarbildirim".

Employees of KoçSistem can consult KoçSistem Legal and Compliance Consultancy directly or via uyummusavirligi@kocsistem.com.tr address regarding their questions about this Policy and its implementation. Violation of this Policy by an employee may result in significant disciplinary action, including dismissal. In the event that any third party that is expected to act in accordance with this Policy acts contrary to this Policy, the relevant contracts may be terminated.

6. REVISION HISTORY

This Policy has entered into force with the decision of the Board of Directors dated 30.09.2021 and KoçSistem Legal and Compliance Consultancy is responsible for updating the Policy.

Revision	History	Explanation
No:1	01.09.2023	Missing expressions are added to the Definitions, the expressions that cause ambiguities are improved, referrals the Prevention of Laundering of the Proceeds of Crime and Financing of Terrorism and Weapons of Mass Destruction are added.