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**KOÇZER**  
**SUPPLY CHAIN**  
**COMPLIANCE POLICY**

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**TABLE OF CONTENTS**

1. PURPOSE AND SCOPE .....	3
2. DEFINITIONS .....	3
3. AUTHORITY AND RESPONSIBILITIES .....	4
4. GENERAL PRINCIPLES .....	5
5. GUIDING PRINCIPLES FOR BUSINESS PARTNERS .....	5
5.1 Laws and Regulations .....	5
5.2 Human Rights .....	6
5.2.1 Employment .....	6
5.2.2 Compliance with Labour Laws .....	6
5.2.3. Preventions of Harassment and Violence .....	6
5.2.4. Discrimination .....	6
5.2.5. Freedom of Organization and Collective Agreement .....	6
5.3 Health and Safety .....	6
5.4 Environment .....	6
5.5 Ethics .....	7
5.5.1. Anti-Bribery and Corruption & Anti-Money Laundering .....	7
5.5.2. Conflict of Interest .....	7
5.5.3. Reporting .....	7
5.6 Training and Development .....	7
5.7 Management Systems .....	7

## 1. PURPOSE AND SCOPE

The purpose of this Supply Chain Compliance Policy (the "**Policy**") is to communicate Zer Merkezi Hizmetler ve Ticaret A.Ş.'s ("KoçZer") basic principles and values to our Business Partners and provide them with the necessary guidance as to the standards we expect them to follow.

This Policy also aims to provide direction to KoçZer's Business Partner selection and monitoring processes.

All employees and directors of KoçZer shall comply with this Policy, which is an integral part of Koç Group Code of Ethics and KoçZer Code of Conduct. KoçZer expects and takes necessary steps to ensure that all of its Business Partners is aware of and act in line with this Policy to the extent applicable.

## 2. DEFINITIONS

"**Business Partners**" include suppliers, distributors, authorized service providers, and any representatives, subcontractors and consultants on behalf of the company.

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

"**ILO**" means The International Labor Organization

"**Koç Group**" means Koç Holding A.Ş. and companies which are controlled directly or indirectly, jointly or individually by Koç Holding A.Ş. and the joint venture companies listed in its consolidated financial report.

"**Money Laundering**" means the integration of criminal proceeds in the finance system as if they were acquired legitimately, i.e. disguising their illegal source.

"**Sanctions Target**" means;

- Any individual, entity, vessel or government which is a designated target of Sanctions ("Listed Persons") (e.g., those listed in OFAC, Specifically Designated Nationals and Blocked Persons ("SDN") list);
- Companies owned at the rate of 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, Cuba, Iran, North Korea and Syria that are subject to a comprehensive country or territory-wide Sanctions (i.e., the "Embargoed Countries") as of the ratification date of this Policy, and
- Persons or companies owned or controlled by, or operating as agents of, the governments of Embargoed Countries or the Government of Venezuela.

"**The UN**" means the United Nations.

"**The UN Global Compact**" is the pact based on the universally accepted declarations of the UN on the fields of social responsibility and sustainability practices, addressing 10 fundamental responsibilities of business in the areas of human rights, labor, environment and anti-corruption.

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

"**The Universal Declaration of Human Rights (UDHR)**"<sup>2</sup> 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.

"**The ILO Declaration on Fundamental Principles and Rights at Work**"<sup>3</sup> is an ILO declaration 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.

### 3. AUTHORITY AND RESPONSIBILITIES

All employees and directors of KoçZer are responsible for complying with this Policy, implementing and supporting the relevant KoçZer's procedures and controls in accordance with the requirements in this Policy. KoçZer expects and takes necessary steps to ensure that all its Business Partners to the extent applicable complies with and/or acts in line with this Policy.

If there is a discrepancy between the local regulations applicable in the countries where KoçZer operates, and this Policy, subject to such practice not being a violation of the relevant local laws and regulations, the stricter of the two, shall prevail.

If you become aware of any action you believe to be inconsistent with this Policy, the applicable law, Koç Group Code of Ethics or KoçZer Code of Conduct, you may seek guidance or report this incident to your line managers. You may alternatively report the incident to KoçZer's Ethics Hotline via the following link: "<https://www.koczer.com/etik-hatti>"

KoçZer employees may consult the Legal and Compliance Department in KoçZer for their questions related to this Policy and its application. Violation of this Policy may result in significant disciplinary actions including dismissal. If this Policy is violated by third parties, their contracts may be terminated.

KoçZer Legal and Compliance Department is responsible for updating the Policy.

<sup>1</sup> [https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR\\_EN.pdf](https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf)

<sup>2</sup> <https://www.un.org/en/universal-declaration-human-rights/>

<sup>3</sup> <https://www.ilo.org/declaration/lang--en/index.htm>

#### 4. GENERAL PRINCIPLES

KoçZer selects its Business Partners based on the criteria such as technical competencies, product and service quality, pricing, corporate reputation and financial soundness, etc. KoçZer also applies a risk-based approach to evaluate the compliance related risks associated with its Business Partners to ensure compliance with the principles outlined in this Policy. This approach requires a certain degree of support to be provided to the relevant Business Partners and certain checks and audits to be conducted on a regular basis as described below:

- Third Party Screening to ensure that the relevant Business Partner or its beneficial owners are not a Sanction Target<sup>4</sup>,
- Audits (suppliers and technical service providers) to ensure that the Business Partner:
  - Complies with relevant agreements,
  - Complies with laws, regulations,
  - Complies with to the extent applicable KoçZer Code of Conduct and related policies,
  - Has effective management systems in place
- Providing trainings to ensure compliance with expected standards.

#### Onboarding Process

The business and operation units, as the first line of defense, are responsible for assessing the parties' compliance with KoçZer Guiding Principles for Business Partners (the "**Principles**") If the assessed suppliers are found to be adequate, onsite audits shall also be fulfilled by the relevant units.

The KoçZer Legal and Compliance Department is responsible for conducting Denied Party Screening ("**DPS**") via the third-party screening tool to confirm that the related party is not subject to any Sanctions Obligations<sup>5</sup>.

If the results of Due Diligence indicate any red flags about compliance with the Principles, KoçZer Legal and Compliance Department may perform Enhanced Due Diligence for the relevant parties if necessary. In the event that the outcome of such Enhanced Due Diligence activities is negative (i.e. the relevant party is not acting in compliance with the Principles and/or have not taken necessary actions to cure such default), the decision to start or continue to a business relationship will be subject to the written approval of KoçZer's CEO.

While entering into any contract with a Business Partner, KoçZer shall reserve its right to terminate the contract or take any available action in the case of any violation of this Policy and the Principles set forth herein. Clauses such as adhering to the principles of this Policy and right to audit shall be included in the relevant contracts.

#### 5. GUIDING PRINCIPLES FOR BUSINESS PARTNERS

KoçZer Guiding Principles for Business Partners are established as a part of this Policy and KoçZer's Compliance Program and prepared in accordance with UN Global Compact. All Business Partners of KoçZer are expected to comply with these Principles.

##### 5.1 Laws and Regulations

Business Partners of KoçZer are expected to comply with all laws, rules, regulations applicable to their business and industry. Business Partners shall act in accordance with all applicable legislation, including but not limited to competition laws, Anti-Money Laundering and

<sup>4</sup> Please refer to KoçZer Sanctions and Export Controls Policy for details.

<sup>5</sup> Please refer to KoçZer Sanctions and Export Controls Policy for details.

countering financing of terrorism regulations, data privacy regulations and legislations regarding anti-bribery and corruption.

## **5.2 Human Rights**

Business Partners are expected to perform their business activities in accordance with KoçZer Human Rights Policy.

### **5.2.1 Employment**

Business Partners of KoçZer must ensure that their operations are not associated with child labor, forced labor, labor abuse.

Moreover, pursuant to Conventions and Recommendations of the ILO, the Universal Declaration of Human Rights, and the UN Global Compact, KoçZer expects its Business Partners to have a zero-tolerance approach towards slavery and human trafficking.

### **5.2.2 Compliance with Labor Laws**

Business Partners are expected to comply with the labor laws of the countries in which they operate.

The wage determination process shall be established in a competitive manner according to the relevant sectors, the local labor market and if any, in accordance with the terms of collective bargaining agreements. All wages, including social benefits, are paid in accordance with the applicable laws and regulations.

### **5.2.3. Preventions of Harassment and Violence**

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

### **5.2.4. Discrimination**

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

### **5.2.5. Freedom of Organization and Collective Agreement**

Business Partners are expected to respect their employees' right and freedom of choice to join a trade union and to collective bargaining without feeling any fear of retaliation.

## **5.3 Health and Safety**

Business Partners are expected to provide a safe and healthy working environment and comply with all relevant laws and regulation and implement all required security measures for all working areas. Business Partners must take necessary actions immediately when unsafe conditions or behaviours emerge to minimize the risk of injuries and accidents.

## **5.4 Environment**

KoçZer expects its Business Partners to make every effort to protect and preserve the environment. In this respect, KoçZer 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 reduce their environmental impact to address climate change, water management, waste management and protection of biodiversity.
- — Have effective monitoring systems and procedures in place against industrial accidents and other emergency situations.
- — Encourage their Business Partners and third parties to improve their environmental performance.

**5.5 Ethics**

KoçZer expects its Business Partners to perform their business with fairness, integrity and in accordance with legislations and in line with KoçZer Code of Conduct.

**5.5.1. Anti-Bribery and Corruption & Anti-Money Laundering**

Business Partners are expected to comply with applicable laws related to anti-bribery and corruption and anti-Money Laundering while conducting business on behalf of KoçZer. Any form of bribery and giving or accepting anything of value directly or indirectly to obtain an undue advantage and influence the objective decision making processes is unacceptable. Any and all activities that may result in Money Laundering with or without malicious intention are unacceptable and illegal.

All transactions must be accurately and transparently recorded to the books and records with sufficient descriptions

**5.5.2. Conflict of Interest**

Business Partners must not enter into personal transactions with KoçZer employees that may lead to an actual or perceived conflict of interest and harm KoçZer's reputation. KoçZer Internal Control and Audit Department is responsible for monitoring and reporting all breaches about conflict of interests and KoçZer Legal and Compliance Department provides legal assistance during its activities.

**5.5.3. Reporting**

Business Partners are expected to enable effective lines of communication for reporting violations and taking the necessary measures in a timely manner. Business Partners and their employees should be able report their concerns without any fear of retaliation or retribution. In addition, employees of Business Partners may report their concerns directly to KoçZer Ethics Hotline.

**5.6 Training and Development**

KoçZer encourages its Business Partners to provide training programs and tools to their employees for obtaining further skills and capabilities.

**5.7 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 given in this Policy.