



KOÇZER CODE OF CONDUCT

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Policies

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Message From CEO

Dear Colleagues and

Esteemed Stakeholders,

As part of Koç Group, we attach great importance to fulfilling all of our business responsibilities in line with the Group's founding principles.

When conducting business, we strive to base our decisions on the 'big picture,' taking into consideration the needs of our human resources, business network (i.e., customers and suppliers), our society, and the world at large.

Our business model is based on generating long-term, sustainable value. From the outset, a commitment to integrity, honesty and trust has remained our guiding principle.

Vehbi Koç, the Group's late founder, laid down three principles that have always guided our actions – namely, to approach all our relationships in the spirit of fairness, to show understanding and good faith with a view to achieving mutual benefits, and to abide by the law and established rules of ethics.

With these in mind, I would like to thank you all for your strict adherence to KoçZer's Code of Conduct, which is aimed at ensuring and safeguarding our good relations with both stakeholders and employees. I am confident that you will continue to make these principles an indispensable part of all your business activities.

Kind regards,

Serhan Turfan

General Manager

1. OUR CORE VALUES

As KoçZer, we perform our activities and act in accordance with the objectives and principles defined by our founder Vehbi Koç.

Integrity, honesty, responsibility, trust and respect are our core values that guide us during our decisions and actions. As KoçZer employees and managers, we act within the framework of these values to create a cultural integrity.

**THE PRINCIPLES OF OUR
FOUNDER VEHBİ KOÇ**

Our customers are our benefactors.

Our indispensable goal is always to be the best.

Our objective is to create resources for continuous development.

Our most important capital is our human resources.

Outstanding business ethics and honest work principles are the basis of our actions.

Our main principle is to act equitably and for mutual interest in good faith during all of our dealings, and to comply with laws and moral rules.

2. Our Code of Ethics – Why and For Whom?

KoçZer Code of Conduct is a guide for KoçZer directors and employees, and Business Partners (suppliers, all kinds of representatives acting for and on behalf of KoçZer such as contractors and consultants). All KoçZer employees are bound by and shall comply with Koç Group Code of Ethics and KoçZer Code of Conduct, as well as the regulations of countries where KoçZer operates and has business dealings. KoçZer has set up its own ethical principles such that they do not contradict with Koç Group Code of Ethics and may adopt stricter rules and principles provided that such rules and principles are in conformity with Koç Group Code of Ethics and the relevant policies and comply with the applicable regulations. KoçZer also expects and takes necessary steps to ensure that all of its Business Partners comply with Koç Group Code of Ethics and KoçZer Code of Conduct and other related policies to the extent they are relevant.

Maintaining the compliance with Koç Group Code of Ethics and KoçZer Code of Conduct is the duty of all KoçZer employees. The senior management of KoçZer takes the lead in this respect.

Our Code of Conduct is based on the following three operational pillars of the Compliance Program:

- Prevention – We aim to embed and spread an honest business work culture at all levels and in all countries we operate.
- Detection – We encourage our employees to report the improprieties and give voice to our values.
- Response – We report the violations, duly investigate them with a fair approach, apply the relevant sanctions when necessary, and endeavor to continuously develop and improve our system.

In situations which are not explicitly addressed in the Koç Group Code of Ethics and KoçZer Code of Conduct or relevant policies, employees must act in the spirit of Code of Conduct and according to the fundamental ethical values. When in doubt, we consult the Legal and Compliance Department for guidance.

Please refer to KoçZer Compliance Policy and KoçZer Conflict of Interest Procedure for detailed information.

FALSE FACT

It is the duty of Senior Management and Compliance Officers to ensure that KoçZer complies with the regulations and contractual commitments.

Fact:

It is the duty of all KoçZer employees to comply with the regulations and contractual commitments. Senior Management and Compliance Officers are responsible for taking necessary measures to ensure that all Group employees and Business Partners act according to these obligations.

3. OUR PRINCIPLES AND POLICIES**3.1 Respect to Human Rights**

As KoçZer, we always aim to be a model corporation, employing the most successful and competent professionals who can generate the added value that will ensure sustainable growth, and always be an organization that we are all proud to be a part of.

We adopt the United Nations Declaration of Human Rights and aim to ensure that our Code of Conduct and relevant policies are in compliance with these principles.

We exert due care with utmost diligence to ensure that we act in an equitable and fair manner to our employees and expect our stakeholders to do the same.

- When recruiting, we use a single criterion for recruitment, which is the suitability of qualifications to the job, disregarding any gender, language, religion, color, age, nationality, thought and wealth difference;
- We reward success through fair and competitive remuneration policies, as well as effective and objective performance assessment systems and practices;
- We aim to strengthen the loyalty of employees to the company by creating equal opportunity in appointment, promotion, rotation and rewarding,
- We provide equal opportunity and possibilities for training, guidance and development of employees;
- We create a work environment in which transparency and mutual respect are encouraged and where cooperation and solidarity are the most important elements.
- We do not tolerate any form of discrimination at the workplace.
- We provide clean, healthy and safe working conditions to our employees.
- We respect our employees' right to organize as a union and collective bargaining.
- We do not tolerate any form of violence and harassment.
- We do not tolerate child labor, slavery, human trafficking and forced labor.
- We use company resources responsibly.

Please refer to KoçZer Human Rights Policy for detailed information.

QUESTION

My manager is frequently asking questions about my ethnic origin and family. I do not want to take any action since I do not want to lose my job, but I am afraid he/she may block my promotion.

Answer:

If you believe your manager's behaviors have a negative effect on you and lead to discrimination in the workplace, you can notify this situation to his/her superior anonymously.

**3.2 Compliance with Laws under any and all
Circumstances**

We comply with the regulations in every country we operate, act according to our Code of Conduct when the regulations are unclear and consult competent authorities when necessary.

As KoçZer, we see intellectual and industrial property rights as an important instrument in creating sustainable competitive advantage and obtaining the best business results. In this regard, our fundamental principles are to protect the innovations that make a difference and our strong brands in the markets we operate, to create value from our portfolio, to be open to collaboration in this area, and to respect the intellectual and industrial property rights of third parties.

We act in compliance with the regulations pertaining to the processing of personal data and we take necessary precautions, accordingly. Within this context, as KoçZer, we act according to the principles and the related legislation under any condition.

We record all our commercial transactions and keep our records completely and clearly according to the legislation in effect, and make sure that the agreements with third parties are clear, understandable, comply with the regulations and Code of Conduct.

We provide necessary trainings to our employees. However, we also expect them to know under which circumstances they are required to ask for support of their superiors or the officer or department in charge of compliance.

We know that compliance not only affects the related employee, department or company, but also the entire Koç Group. We are also aware that we must act according to the local regulations and international arrangements within the scope of our companies' contractual obligations, that any incompliance can lead to administrative penalties for the company, and that individuals may also be held liable.

**QUESTIONS WE MUST ASK
TO OURSELVES WHILE
ACTING ON BEHALF OF
KOÇZER**

Am I acting in compliance to the laws?

Am I acting in accordance with the Code of Ethics of Koç Group, and our Code of Conduct and the related policies of KoçZer?

Am I reflecting Koç Group's and KoçZer's culture correctly?

Have I considered the relevant risks?

Will my action affect my company's reputation or Koç Group negatively?

3.3 Anti-Bribery and Corruption

As KoçZer, we perform each task and make every decision according to the highest ethical standards. In accordance with the United Nations Global Compact signed by Koç Holding, we resolutely take necessary actions against bribery and corruption.

In line with our Code of Conduct and related policies, it is strictly forbidden to provide advantages to local or foreign officials and other third parties to obtain illegal benefit, regardless whether they are public servants. This prohibition includes providing, offering, promising to give anything of value to third parties, who are directly or indirectly related to the KoçZer's commercial activities, to affect their decision, and to accept such values from these parties.

All our employees must comply with the local and relevant international regulations and KoçZer's policies pertaining to bribery and corruption, and we expect all our Business Partners to act accordingly.

Gifts and Hospitality

Our gift and hospitality practices must conform to the below criteria:

- Compliant with the regulations.
- Occasional, within the limits and in reasonable amounts specified in the policies and procedures.
- Not in cash or equivalent.
- Recorded in our books in a clear and transparent manner.
- Carried out according to the accepted commercial practices.
- Not of a nature that would affect any decision-making process in our business relations.
- Not damaging the Group's or KoçZer's reputation if they become public.

Please refer to KoçZer Group Anti-Bribery and Corruption Policy and KoçZer Gifts and Entertainment Policy for detailed information.

QUESTION

Ahmet, who works at the sales department of "A", one of our suppliers, sends gifts to our purchasing department regularly. These gifts can be local desserts, chocolates, shirts or ties. Can we accept such gifts from companies we work with in order not to disrupt our continuing business relationship?

Answer:

If the gifts and entertainment are offered regularly and if their price exceeds reasonable amounts, this situation constitutes a contradiction with the Gift and Entertainment criteria. If the gifts are sent regularly and their prices exceed a reasonable value so that they may affect the decision-making process or create an impression as such, then such gifts should not be accepted.

3.4 Preventing Conflicts of Interest

While making decisions based on our roles and responsibilities in the KoçZer, we avoid such situations where our personal interests and responsibilities conflict with those of Koç Group and KoçZer, such as gaining personal benefit or providing improper advantage to our family or friends, or any situation that may give such impression and may impair our impartiality in the decision-making process.

If we find ourselves in a situation that can be considered as a potential conflict of interest, we shall inform our managers or the Legal and Compliance Department, the Internal Control and Audit Department and the Human Resources and Corporate Communication Department to avoid possible damages that might result from such a situation. In order to prevent potential conflicts of interest, we act in accordance with KoçZer Conflict of Interest Procedure in the first place, and:

- We avoid gaining personal interest for ourselves or our relatives and friends by abusing our position or authority.
- We pay attention to that our personal investments outside of work do not prevent us from allocating time and attention to our work, and we avoid any situation that may avert us from focusing on our own duties.
- We inform our managers and Legal and Compliance Department, the Internal Control and Audit Department and the Human Resources and Corporate Communication Department in the event that a person in a primary decision-making position at a customer or a supplier company of KoçZer is our relative or close associate.

QUESTION

I am one of the decision-makers in the purchasing process of my company. My cousin is a major shareholder in one of our prospective suppliers. However, this company is in compliance with our standard purchasing procedures, proficient in its area, and offers the highest quality products. It stands out as a company having a potential to sign contract with. What should I do?

Answer:

This company may be selected as a supplier if fair and impartial assessment has been performed during the evaluation process. However, to prevent the impression that you selected them to gain personal interest, you should not be involved in the decision-making process. Therefore, you must inform your immediate superior about this matter, and ensure that another manager makes this decision. Thus, you can ensure that the decision is made in an ethical and transparent manner

3.5 Compliance with Economic Sanctions and Export Controls

Integration of income derived from illegal activities into the financial system by creating the impression that it has been gained through legal methods is called money laundering. As KoçZer, in compliance with local and international regulations, we take necessary measures against and avoid all kinds of commercial transactions that can be seen as the laundering of proceeds of crime and perform third party due diligence activities before entering to a business relationship. KoçZer does not interact with third parties about whom we do not have sufficient information, on which there is negative intelligence, which pose a risk and raise doubts for these and similar reasons.

As a global company, we take effective and necessary measures to ensure compliance with regulations on economic sanctions and export controls.

In this regard, we do not establish direct or indirect commercial relationships with persons in sanctions or embargo lists unless necessary, in which case we first obtain the approval of the Legal and Compliance Department.

Please refer to KoçZer Sanctions and Export Controls Policy for detailed information.

QUESTION

If the company I trade with is not in the sanction list, but is located in a country to whom comprehensive sanctions are applied, can I still trade with it?

Answer:

In countries which are subject to comprehensive sanctions, the origin of the raw materials of the product sold, the currency by which the payment is made, the nationality of the persons who sign the transaction must also be controlled in addition to the party you trade with. If we trade with these countries, the advice of the Legal and Compliance Department must be obtained.

3.6 Confidentiality

We know that it is restricted to use or disclose personal, commercial, financial, technical, legal and/or similar confidential information of our company, our employees or business partners for our own benefit or on behalf of the third parties' interest and take necessary actions to protect the confidential information that comes into possession due to our roles and responsibilities.

We use the obtained information only for the purposes of work that we are obliged to perform in relation to our job descriptions. We act according to the regulations and our contractual obligations while sharing commercial secrets and other confidential information.

We protect the confidential information that we have obtained and do not share them with third parties even after we leave the Group or KoçZer.

3.7 Donation, Sponsorship and Community Investments

In order to support social development in the countries we operate, we make donations and perform sponsorship activities which conform to our principles. We carry out donation and sponsorship procedures in a transparent manner and ensure that these activities do not contradict with Koç Group's and KoçZer's values or commercial interests.

We do not donate or sponsor any activity which violates human and animal rights, promotes tobacco, alcohol and drug consumption, or harms the nature. We do not donate to organizations that discriminate people based on gender, language, religion, race, color, age, nationality and thought differences, or sponsor such activities.

Community Investments

We develop long-lasting collaborations aimed at the needs of the countries we operate and invest in environmental and social topics. We attach importance for the community investments to be in parallel with our business priorities and performed in cooperation with the coordination of expert organizations or individuals.

QUESTION

As an employee of the KoçZer and the Koç Group, can I buy and sell the shares or other capital market instruments of Koç Group companies any time?

Answer:

If you do not have information that could affect the undisclosed price, you can trade at any time. However, as long as you have undisclosed information that may affect the stock price because of your duties within the Group, you should not trade in company shares and debt instruments in the capital markets. In particular, those who have information about financial statements, important projects, investments, and decisions about activities and financial status before they are made public must certainly not void trading. The confidentiality of the information must be safeguarded until it is disclosed by the company, and it should not be shared with anyone. Remember that we are responsible not only for our trades but also trades of our relatives and those with whom we share such information.

Political Activities

We do not donate to political parties, politicians or political candidates. However, we are respectful for our employees' participation to the legal political activities voluntarily, and do not restrict them.

KoçZer's resources (vehicles, computers, e-mail, etc.) cannot be used for political activities and personal donations to be made to this end. Political demonstrations, propagandas and similar activities are not permitted in KoçZer's premises.

Please refer to KoçZer Sponsorship and Donation Policy and Community Investments Policy for detailed information.

3.8 Compliance with Competition Laws

As KoçZer, in order to maintain our reputation, we act in accordance with laws and relevant company policies in all the countries that we operate. We do not take part in practices which might contradict with the relevant competition laws.

Our fundamental principles with respect to the competition law are as follows:

- To comply with the relevant legislation regarding competition law,
- Not to make agreements or commit acts together with competitors or other persons or organizations that can directly or indirectly hinder, disrupt or restrict competition, or that can have this effect outside the limits permitted by the laws,
- To obtain information about competitors only through methods compliant with the laws and precedents, and to refer to or use such information by providing our legitimate sources in all relevant documents,
- To avoid behaviors which could be regarded as abuse of dominant position by our companies that hold such position in the relevant markets,
- To avoid negotiations and communications at private or professional meetings and gatherings such as associations, councils, chambers, professional association meetings, conferences, fairs, etc., attended by our employees as KoçZer representatives which could lead to violation of the above listed rules and principles,
- To handle matters within KoçZer which could lead to violation of competition laws with the same care and diligence.

Please refer to KoçZer Competition Law Compliance Policy for detailed information.

SORU

Can we contact a person who worked in a rival company in the past and ask him/her to obtain information about prices, costs, stocks, price increases and decreases, and campaigns of his/her previous employer?

Answer:

Sharing information about prices, costs, stocks, price increases and discounts, and campaigns, which are considered as "competition-sensitive", is strictly forbidden in terms of the competition law, and may lead to heavy penalties both for KoçZer and the individuals involved. Therefore, you should avoid obtaining information about the competitors directly from them via employees or other means.

3.9. Creating a Healthy and Safe Work Environment

One of KoçZer's objectives is to create a healthy and safe work environment for our employees and ensure that our Business Partners such as our business agents and distributors also create such work environments. We take all kinds of measures to this end and provide trainings about occupational health and safety to increase the awareness in this field.

We perform our operations in a healthy and safe manner without risking the lives of our employees, contractors, distributors, and the society. Within this context, we use safely designed facilities, work with professionals who are experts in their fields, and prioritize safety in our processes.

In KoçZer, we prioritize human life. No work is so important than it can be performed without occupational health and safety measures. Our employees act according to all Occupational Health and Safety regulations, and KoçZer Policies, and notify any unsafe working conditions through our communication channels. We promptly notify any accident, injury, or unsafe condition. We identify our emergency scenarios and make necessary preparations; we know what needs to be done in case of an emergency. We do not come to work under the influence of drugs or alcohol.

Please refer to KoçZer Occupational Health and Safety (OHS) Policy for detailed information.

QUESTION

My manager smokes in the production area, although it is forbidden to keep flammable materials in the working area for our safety. What should I do in this situation?

Answer:

If possible, you should warn your manager first. If he continues the same behavior, you can bring the issue to the attention of your superior or Human Resources Department. If you want to keep yourself anonymous, you can contact Koç Group Hotline.

3.10 Using Social Media Accounts

As KoçZer, we continue using social media, which has been growing exponentially around the world in recent years, according to the principles and brand values of KoçZer and Koç Group. We are aware that personal social media accounts are part of individuals' private lives and respect their sharing preferences.

We are also aware of the benefits to be gained from the correct usage of social media, and the reputation risks that might be brought on the Group and KoçZer. Therefore, we avoid sharing on social media such information and images which could lead to disputes and ambiguities regarding company matters and violate the companies' confidentiality rules. We make sure that we act according to the regulations, Koç Group Code of Ethics and KoçZer Code of Conduct as well as relevant policies in our social media posts.

QUESTION

: What should I do if I see a content on social media about "KoçZer" which I believe is important?

Answer:

Please send the content to zeraskurumsaliletisim@koczzer.com

In this way, we can take necessary action as soon as possible.

3.11 Being Honest and Fair in our Relationships with the Stakeholders

Stakeholders are all parties for whom KoçZer's activities have an effect or whose activities have an effect on KoçZer. Below are our fundamental principles in our relationships with our stakeholders:

- We use objective criteria while selecting our suppliers, authorized resellers and business partners, and attach great importance to build business relationships with parties who respect human rights, apply anti-bribery and anti-corruption principles, and perform their legal obligations.
- We keep our communication channels with our stakeholders open, and always take their complaints and suggestions into consideration.
- We always adhere to confidentiality rules in our visits and audits to our stakeholders.
- We expect all our stakeholders to comply with relevant laws and regulations at all times.
- We avoid making personal statements to the public, and when it becomes necessary to inform the public according to the Information Policy, we do so on behalf of KoçZer only through authorized employees.
- We always give honest and reliable information to the public and media. We do not use expressions in our press statements which contradict the ethical values of the Group and KoçZer.
- We protect the rights and interests of the shareholders determined by the laws.
- We exert maximum effort to create values in return for the resources they provide and distribute the profit according to the laws and regulation or use it for investment.
- We ensure that the companies are administered according to the principles of trust and honesty which we have followed since the establishment of Koç Group. We also aim to achieve sustainable growth and profitability, and manage the resources, assets and work time of our companies efficiently.

QUESTION

A dealer we have been working with for many years belongs to a well-known and respected family in the industry. It has been showing a high performance lately, and we have a very profitable business relationship for KoçZer. However, I have learned that some of its employees were uninsured, and that underage children were employed during busy periods. Our dealer states that this was caused by necessity, and that none of its employees complained of the situation, and that all salaries were paid in cash by hand. What should I do?

Answer:

As KoçZer, we expect our Business Partners to comply with the regulations and we take necessary precautions accordingly. Since it is inappropriate to maintain the business relationship with such a dealer, it is required to take immediate action within the scope of open communication channels. Otherwise, you should act in accordance with your immediate manager or the Legal and Compliance Department and inform the dealer that contract termination can also be taken into consideration.

Please refer to KoçZer, Supply Chain Compliance Policy for detailed information.

1. Raising the Concerns

As KoçZer, we are aware that the violation of laws and regulations and KoçZer Code of Conduct threatens the general interests of individuals, our companies and the society, and that it leads to injustice, may cause material and moral damage, and that it is also our moral duty to inform the authorities in such situations.

KoçZer attributes great importance to honesty and accountability in all of its activities. It is our duty to maintain a culture of honesty and respect, and to oppose behaviors which might contradict KoçZer's and Koç Group's ethical standards. Therefore, all of our employees act accordance with the Koç Group Code of Ethics and our company policies. In case of any doubt, we consult Legal and Compliance Department of KoçZer

In order to manage KoçZer's reporting mechanism in the best possible way, those who witness or suspect a misconduct or an unethical behavior are expected to raise their concerns. The managers must forward any wrongful actions notified to them to the Ethics Hotline.

The matters that can be notified include but are not limited to the following:

- Criminal activities such as theft and fraud,
- All kinds of discrimination (race, religion, language, color, gender, age, etc.)
- Violation of ethical rules, laws, moral values and regulations,
- Threats against social security or health,
- Inappropriate use of KoçZer's equipment
- Fraudulent activities in the accounting records,
- Giving or receiving bribes,
- Disclosing the Group's secrets,
- Laundering of crime proceeds,
- Environmental damage,
- Harassment,
- Mobbing.

You can send notifies and report such incidents via the following link:
["https://www.koczer.com/etik-hatti"](https://www.koczer.com/etik-hatti)