



Koç Group

Code of Ethics and Business Conduct and Implementation Principles

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Introduction

Koç Group strives to improve customer satisfaction, provide products and services at global quality and standards by using limited natural resources effectively, and to contribute to economic and social growth. As such, it complies with laws and aims to serve as a beacon of trustworthiness, continuity and respectability for its domestic and international customers, shareholders, employees, suppliers, dealers, authorized services; in short, for all its stakeholders.

Based on Koç Group's founder Vehbi Koç's principles:

- "The customer is the focus of everything we do."
- "To be 'the best' is our ultimate goal."
- "Our most important asset is our people."
- "Creation of wealth for continuous development is our key objective."
- "We strive to bolster the country's economy, from which we draw our strength."
- "Honesty, integrity and superior business ethics are the foundations of our behavior."

Koç Group applies the Code of Ethics and Business Conduct to show guidance to Koç Group employees and to those acting on behalf of Koç Holding in decision-making and manner of conduct while performing their duties.

All Koç Group employees are expected to display attitudes and behavior that are compatible with the cultural integrity of the Group. Furthermore, all employees are expected to protect and nurture the reputation of the Koç name and trustworthiness inspired by Koç Group. Koç Group also embraces global ethical and moral values.

All employees recruited by Koç Group, including temporary personnel, are required to comply with the Koç Group Code of Ethics and Business Conduct, or the Company Code of Ethics and Business Conduct, created in accordance with the Koç Group Code of Ethics and Business Conduct. All business partners are expected to comply with the business ethics principles, and the Codes of Practice that supports these ethics.

The primary duties and responsibilities of mid- and senior-level executives working at Koç Group include informing all employees about Code of Ethics and Business Conduct, ensuring that employees adhere to these rules, and demonstrating the necessary effort and leadership regarding compliance with the Code of Ethics and Business Conduct.

It is the responsibility of the Company's Human Resources Department to have employees read and understand the Code of Ethics and Business Conduct and Implementation Principles, and to document the employees' commitment to their implementation.

Koç Group declares that in implementing the Code of Ethics and Business Conduct, it shall act in accordance with its fundamental ethical values in circumstances that are not stated in this document. When in doubt, it shall consult with the Company's Ethics Committee.

1. Koç Group - Employee Relations

Koç Group aims to become the most preferred and admired organization, made up of the most competent and successful professionals. Our employees create the added value that brings sustainable growth, to which everyone should be proud to participate in.

Koç Group values its employees and respects employee rights. "Our most important asset is our people" policy has been one of the fundamental principles embraced by Koç Group since day one.

Accordingly, we;

- Provide equal opportunities without discrimination and by seeking only suitability to positions in recruitment and employment,
- Comply with the Equality Principles and Implementation Principles,
- Respect the rights to unionize and collective bargaining,
- Bring in the most qualified young people and experienced professionals who will further advance our Group,
- Obtain maximum benefit from the employees' skills, strength and creativity,
- Provide the conditions and equal opportunities for training, guidance and development of the employees,
- Reward success with fair and competitive compensation policies, and effective and objective performance assessment systems and practices,
- Increase employee loyalty to the Company by providing equal opportunities in appointments, promotions, rotations and rewards,
- Ensure continuity of a peaceful workplace,
- Provide the employees with clean, healthy and safe work conditions,
- Create and maintain a work environment that is transparent and encourages mutual respect, and in which collaboration and solidarity are the most vital elements,
- Have zero tolerance for workplace harassment,
- Take into consideration and respond to employee opinions and suggestions, and take measures to improve motivation,
- Do not disclose to third parties private employee information without their consent and knowledge, except when legally required to do so,
- Respect human rights.

2. Koç Group External Affairs

The following fundamental principles govern Koç Group's relationships with its stakeholders:

2.1. Communication with Stakeholders

- Represent the "Koç" brand and nurture its reputation in an unharmful way to its standing in society,
- Keep communication channels open with stakeholders and make good use of their complaints and suggestions, and to maintain a positive relationship,
- Disclose information to the public within the scope of the Corporate Disclosure Policy, or obtain information/opinion from the Corporate Communications Department and/or the Investor Relations Department, and avoid disclosing personal opinions.

2.2. Shareholders Relations

- Protect the shareholders' rights and interests as established by laws,
- Do its utmost to create value in return from the resources provided by the shareholders, pay dividends to shareholders or invest them in accordance with applicable laws and regulations,
- Make full, timely and accurate company disclosures to shareholders and the public,
- Run the companies in accordance with the principles of trust and integrity, which have been in place since the establishment of Koç Group, and manage the companies' resources, assets and human resources with a focus on sustainable growth and profitability.

2.3. Legal Compliance and Legal Affairs

- Adopt the principle of acting in compliance with all relevant laws, rules and regulations in existing and prospective markets, international treaties to which the Republic of Turkey is a party,
- Manage, record and report all business operations and accounting system fully and appropriately in accordance with applicable laws and regulations,
- Ensure that the agreements signed with third parties and organizations are compliant with applicable laws, regulations and ethical rules, and are clear and understandable.

2.4. Customer Relations

- Be professional and fair in a courteous way while interacting with customers,
- Protect personal customer information and confidentiality in accordance with applicable laws,
- Do not give customers misleading or inadequate information.

2.5. Relations with Suppliers, Authorized Dealers and Authorized Services

- Be meticulous and careful when selecting the suppliers, authorized dealers and authorized services; determine that they do not engage in unethical or illegal activities; conduct all necessary inspections and evaluations according to relevant codes of practice; and encourage them to fulfill their legal obligations, respect human rights, and act in accordance with business ethics and principles in fighting corruption,
- Make decisions based on objective criteria when selecting suppliers, authorized dealers and authorized services,
- Follow the requested confidentiality and occupational safety rules within reason during supplier, authorized dealer and authorized service visits and inspections,

2.6. Competitor Relations and Competition Laws

- With the exception of those allowed by applicable rules and regulations, do not under any circumstances enter into an agreement or engage in any act with the competitors or other persons or organizations that aims to prevent, disrupt or limit the competition directly or indirectly, or leads to or may lead to this result, Comply with the provisions of the Law on the Protection of Competition,
- When dominating a certain market alone or with other enterprises, do not abuse this dominant position,
- Do not enter into discussions or exchange information with the competitors with the goal of determining market and/or competition conditions, Avoid all discussions and transactions that may result in the aforementioned circumstances or may be perceived as such at association, council, chamber, trade organization, and similar meetings while representing the Company, Also, if confidential competitor information reaches an employee, have him/her inform his/her superior.

2.7. United Nations Global Compact

Comply with the United Nations Global Compact, which Koç Holding is a signatory to, and with the 10 principles established with regard to human rights, labor, environment, and anti-corruption, and strive to enhance and promote them.

3. Code of Ethics and Business Conduct for Employees

The foremost responsibility of all Koç Group employees is to ensure that the "Koç" name is identified with professionalism, integrity and trustworthiness, and is advanced further. Accordingly, Koç Group employees are expected to:

- Always comply with laws,
- Perform duties in accordance with the fundamental moral and human values,
- In order to provide mutual benefit in all relationships, act fairly, with good intentions and considerately,
- Under no circumstances, derive improper gain from individuals or organizations, or accept or offer bribes. And, prevent such actions to the extent of being aware of them, and act in accordance with the rules of the fight against corruption,
- Act in compliance with relevant business ethics rules and all codes of practice that support them while performing current tasks, and in this scope, do not show behavior that will hinder other employees to fulfill their responsibilities or do not affect harmony at workplace,
- As a principle, do not make facilitation payments such as payments to public employees to speed up or simplify routine permissions or services such as visa transactions, customs clearance, or security or telephone services, that do not actually require a payment,
- Unless explicitly authorized, do not act in a way, make a statement or write anything that may place the Company under a commitment,
- Take good care of the Company's tangible and intangible assets, including its data and information systems, as if their own, and protect them against possible losses, damages, misuse, abuse, theft and/or sabotage,
- Do not use own shift hours or Company resources directly or indirectly for personal gain with or without monetary value and/or for political activities,

3.1. Asset and Information Management

All Company procedures, commitments and regulations on asset and information security and confidentiality shall be regarded supplementary to the following articles:

3.1.1. Intellectual Property Rights

- Initiate the timely start and completion of legal proceedings to protect the intellectual property rights of new products, processes and software, and prevent sharing of such inventions and information with third parties without prior written consent,
- Refrain from unauthorized and deliberate illegal use of patents, copyrights, trade secrets, brands, proprietary software or other intellectual property rights that belong to other companies,
- When it is necessary to disclose to third parties confidential information regarding any kind of intellectual property rights belonging to the Group, take the necessary precautions to protect our rights in accordance with the relevant procedures.

3.1.2. Information Management

- Keep proper records and archive all records within the legal periods,
- Do not reply to confidential information requests from third parties without approval from senior management,
- Show due diligence to ensure that the Company's statements and reports reflect the truth.

3.1.3. Security and Crisis Management

- Take the necessary measures and ensure communication to protect the Company's employees, data and information systems, as well as factory and administrative facilities against possible terror, natural disaster and malicious acts,
- Perform the necessary crisis planning through emergency crisis management in case of terror attacks, natural disasters, and so forth, to ensure business continuity with minimum losses in time of a crisis,
- Take all necessary measures to prevent the theft of and/or harm to Company assets.

3.1.4. Confidentiality

- Act with awareness that financial and trade secrets that belong to Koç Group, information that may weaken Koç Group's competitiveness, employees rights and information, and contracts with business partners are conducted in "confidentiality." As such, protect and keep them confidential,
- Under no circumstances, disclose to unauthorized persons and authorities within and outside the Company information and related documents acquired through work, or use them directly or indirectly for speculative purposes,
- Under no circumstances, misuse non-public information about the companies they work with, about these companies' customers, and the persons and companies these companies are engaged in, or disclose them to third parties without obtaining the necessary authorization.

3.1.5. Use of Social Media

Act in compliance with the [Koç Social Media Management Guideline](#) in communications and posts on all kinds of platforms, including the social media channels not provided or controlled by the Company, public forums, personal blogs, social media accounts, web pages, and mobile applications.

3.2. Avoiding Conflicts of Interest

Conflict of interest means any interests that prevent or may prevent employees from performing duties impartially and that are provided to them, or their kin, friends, or persons or organizations they are in a relationship with; and having any material or personal interest with regard to them.

3.2.1. Conducting transactions for the benefit of oneself or a family member

- Do not gain unfair advantage for oneself, or for a kin or third parties by abusing one's title or authority,
- When making a personal investment, show due diligence to avoid conflict of interest with the current organizations that the Company is working with,
- Show due diligence so that any personal investments or occupations outside of work do not become an obstacle in allocating the time and attention to perform current tasks at Koç Group; and avoid such circumstances that prevent focusing on one's own duties,
- Inform the superior, in the event that an employee and the persons in a primary decision-making position for the same work at the customer or supplier are first-degree relatives.
- Employees are required to inform the Company immediately about current information and/or changes in the shares are owned in another company or if participating in investments (except the securities in stock exchanges). Candidates shall be questioned about this matter particularly during the recruitment process. Notification shall be made to Human Resources, the immediate supervisor, and to the supervisor at least two reporting levels up.
- Inform the immediate supervisor in the event of learning that relatives own shares or material benefits in another company with which our Company has business relations.

3.2.2. Representation and invitations

Approval shall be required from the General Managers for Group companies and from the President/Director/Counsel for the Holding departments when participating in sports activities, domestic/international trips, and so forth, which affect or may perceive to affect decision making, with the exception of conferences, receptions, promotional events, seminars, and so on, that are held publicly by the persons or organizations with which the Company has or may have the potential to have a business relationship.

3.2.3. Doing business with the Group after termination

- It is highly important to be cautious about any negative perceptions that may arise as a result of doing business with the Group companies in the capacity of a distributor, contractor, consultant, middleman, dealer, and so on, by establishing a business personally or by becoming a partner in another company after leaving the position at the Company. Another point to consider arises when a former employee of the Company becomes an executive or takes up a decision-making position at another company.
- Before and after such circumstances, protect Company's interests, comply with moral and ethical rules, and prevent conflicts of interest before and after the process.
- For a supplier in such a position, the relevant manager shall contact the Group company, where the supplier was previously employed, to ensure that there is no compromising situation, and then report it to the immediate supervisor.
- If there is a compromising situation, do not enter into a business relationship with the person or the company.
- In order to prevent negative perceptions, these types of business relationship shall only be approved two (2) years after the employee leaves the Company. Circumstances that require approval from the relevant Koç Holding department president are the exception to this rule.
- When re-employing a former employee, it is necessary to ensure that his/her employment was not terminated due to failure to comply with any of the principles stipulated by the Code of Ethics and Business Conduct and Implementation Principles.

3.2.4. Insider Trading

- It is illegal to try to benefit by using or disclosing, including by trading shares directly or indirectly in stock exchanges, to third parties any commercial, financial, technical, legal, and /or similar confidential information that belong to their company or to Koç Holding. This is insider trading. Be aware of it and under no circumstances attempt it.
- Take the necessary measures to protect confidentiality and comply with the confidentiality requirement after leaving the Company.

3.3. Countering Bribery and Corruption

Koç Group is opposed to bribery and all other types of corruption. Corruption harms business life, organizations and employees, and irreparably damages business standing and reputation. Koç Group is sensitive and rigorous about fighting bribery and corruption. All employees and all third parties acting on behalf of Koç Group shall be required to comply with the rules on the fight against corruption and with the applicable laws and regulations.

3.3.1. Receiving and Giving Gifts

As a principle, Koç Group prohibits all employees from entering into relations with any third party, including customers, suppliers and authorized dealers, that may be perceived as gaining material benefits, including receiving gifts, and/or invitation and entertainment offers.

The following criteria shall be followed when conducting relations with private or public persons and organizations that wish to enter into and maintain a business relationship with Koç Group:

- With the exception of materials that are given legally or in accordance with a tradition or general customs, or those that are souvenirs/promotional items, do not accept or offer any gifts that may create a perception of wrongdoing, or create or may appear to create a dependent relationship (e.g. gain a concession or reference, win a tender, and so forth).
- Gifts shall never be given in cash or in a form (e.g. gift vouchers) that can be converted to cash.
- Do not request any discount or benefit, which may be perceived inappropriate, from suppliers, dealers, authorized services, customers, Group companies or third parties; do not offer them to third parties and/or accept them when offered.

4. Occupational Health and Safety

- Our Group strives to provide occupational health and safety fully at the work place and on the job. Employees shall act in accordance with the rules and regulations put in place for this purpose, and take all necessary measures. Employees adopt the principle that occupational health and safety actions are the shared responsibility of each and every employee.
- Employees shall not keep at the work place any articles or materials that pose danger to the workplace and/or employees or that are illegal.
- Employees shall not keep any drugs or addictive substances, or substances that limit or diminish mental faculties or physical abilities, at the work place, with the exception of those that are given with a valid medical report. they shall not perform any work at the work place and with regard to the work under the influence of such substances.

5. NGOs and Political Activity

Koç Group does not make donations to political parties, politicians or political candidates. It does not allow demonstrations, propaganda meetings and similar activities for such purposes within the boundaries of the

work place. It does not allow company resources (vehicles, computers, email, etc.) to be used for political activities.

Membership to a nongovernmental organization or participation in their activities while representing the company may be allowed with the Company's knowledge.

6. Code of Ethics and Business Conduct and Implementation Principles

6.1. Obligation to Report Violations

In learning or developing suspicion about a violation of the Code of Ethics and Business Conduct and Implementation Principles, or the laws and regulations to which the Company is subject, employees shall be obligated to report it to the immediate supervisor. In the event that the matter is related to the immediate supervisor, or if the immediate supervisor does not take appropriate action, then the violation shall be reported to the Company CEO or Koç Holding Business Unit President, and finally, to the Koç Holding Audit Group President. If available, the report can be made via the email or telephone line that is set up specifically for this purpose.

Any such report shall be kept strictly confidential and not be shared with any third party.

The Company shall not allow any threats at or outside the workplace to an employee for refusing to act against the ethics rules and for making a report in good faith, nor shall it allow any retaliation or harm to be done to said person. Such acts shall be perceived as violation of ethics rules and shall be punished with disciplinary action.

It is crucial that the employee making the report (informant or whistleblower) is not talking about the reported person in an unprofessional manner or trying to blemish his/her reputation with malicious intent. Thus, it is critical to preserve impartiality and compliance with ethics rules during the initial complaint and subsequent investigative processes. The informant (whistle blower) and the persons managing the process must show utmost due diligence and care regarding the matter.

Determination of malicious reports based on lies and/or slander shall be treated as a violation of ethics rules.

First and foremost, the management shall assure an environment that allows for the whistleblowing process to work effectively. Employee awareness shall also be raised to give the management support for effectiveness of the whistleblowing mechanism.

6.2. Disciplinary Actions

6.2.1. General

The following disciplinary actions shall be taken upon violation of the Code of Ethics and Business Conduct:

- In the event of deliberate misconduct, dismissal (in accordance with the relevant articles of the law). If deemed necessary, legal action will be initiated. Previous good deeds by the person who has gained an unfair advantage shall not be used as a reason to avoid punishment.
- In the case that there is no misconduct, and there is a case of negligence arising out of carelessness or lack of knowledge, an appropriate verbal or written warning that is suitable to the offense shall be issued.

6.2.2. Ethics Committee Operation Principles

The Ethics Committee created within the Company applies and governs the ethics rules for all operations as defined in the Code of Ethics and Business Conduct and Implementation Principles guide. The Ethics Committee is made up of the CEO, an additional executive, the human resources manager, and legal affairs supervisor.

The Ethics Committee shall;

- establish and manage the required equipment, training and management structure needed to put in place the ethics rules compliance system, and appoint the person and/or persons for these operations as required,
- perform the tasks to have ethics rules be adopted and applied throughout the Company,
- introduce systemic general rules and procedures so that all employees, shareholders and customers can report violations of ethics rules and all other similar regulations,
- make statements on the ethics rules when necessary,
- draw up the necessary reporting procedure so that employees can evaluate whether ethical rules are being violated or someone is being forced into violating the rules, and can inform the appropriate person ("blow the whistle").

6.2.3. Employee Obligations

All employees shall;

- read the Code of Ethics and Business Conduct and Implementation Principles guide and commit to fulfilling the obligations set forth by it,
- understand, agree to and fulfill the duties set forth by the ethical rules and similar regulations, and to make a habit of the ethical rules while performing their work,
- report to the Ethics Committee without delay in accordance with the stated procedures, in case they or someone else violate or are forced to violate the ethical rules,
- be aware that not having knowledge of the ethical rules or similar regulations will not exempt them from responsibility, consult with the Ethics Committee for matters and questions regarding violations.