



ETHICAL PRINCIPLES POLICY

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1. Purpose

This Ethical Principles Policy (hereinafter referred to as the “Policy”) aims to establish a common understanding of business ethics within Karadeniz Holding, in order to avoid all kinds of behaviors which may potentially damage the Holding’s reputation and to enable the Employees and anyone acting on behalf of the Holding to act in full compliance with this Policy while performing their duties.

The success of Karadeniz Holding depends on our compliance with the highest business ethics standards. Our understanding of business ethics is established on the principles of reliability and prestige. Therefore, Karadeniz Holding considers it crucial to have a corporate culture that is focused on ethical behaviors. The ethical behavior that shapes the business manners of our Employees is an essential element of our corporate culture.

The Policy summarizes how our Employees representing Karadeniz Holding, are expected to behave while performing their duties; defines the rules of conduct, the responsibilities, and the expectations, and further leads the Employees towards and supports them in taking the right actions and making the right decisions.

Our ethical principles shall be the basis of our success and the guide for making the right choices.

2. Scope

The Ethical Principles Policy encompasses ethical behavioral principles to be followed by Karadeniz Holding in its relations with its Employees, shareholders, Business Partners, public institutions, and organizations and with Third Parties while carrying out its business and activities.

The Senior Management and Employees shall avoid all kinds of unethical practices, in accordance with the purpose of this Policy; act decisively to prevent unethical practices and react appropriately when necessary.

In case of any contradiction between the provisions of this Policy and the local Legislation in a given country of operation, the local Legislation shall prevail.

Other policies regulated under this Policy are within the scope of this Policy, and in practice, all Compliance policies are evaluated together.

3. Definitions

In this Policy;

Karadeniz Holding / Holding: Shall mean Karadeniz Holding A.Ş. and the companies and joint ventures controlled by Karadeniz Holding A.Ş. either directly or indirectly or individually or jointly.

Employee(s): Shall mean real persons who are in any kind of employment relationship with Karadeniz Holding.

Business Partners: Shall mean all real persons and legal entities that Karadeniz Holding is involved in a commercial or social relationship with, including but not limited to suppliers, Customers, representatives, contractors and subcontractors, audit, consultancy, and legal service providers, and non-governmental organizations.

Third Party(ies): Shall mean real persons and legal entities including Business Partners with whom Karadeniz Holding has do not have commercial or social relationships.

Legislation: Shall mean laws, regulations, decrees, and similar rules which are in force in the countries where Karadeniz Holding carries out its activities.

Customer(s): Shall mean real persons and legal entities to which Karadeniz Holding provides goods and/or services.

Compliance: Shall mean acting in compliance with the Legislation, with this Policy, and with all other procedures and rules applied in the Holding.

4. Duties and Responsibilities

4.1. Employees

Employees are responsible for observing the principles of reliability, honesty, justice, equality, respect, and accountability, and complying with the ethical principles set forth in this Policy while acting on behalf of Karadeniz Holding and performing their duties and activities.

Violation of this Policy by the Employees shall constitute a disciplinary violation and shall also be assessed in accordance with the Disciplinary Procedure.

4.2. Board of Directors

The Board of Directors is responsible for determining the ethical principles that form Karadeniz Holding's Compliance program and for making the relevant assignments for the creation, approval, and implementation of a Policy based on such principles.

4.3. Ethics Committee

The Ethics Committee is responsible for monitoring the implementation of the Ethical Principles Policy, developing suggestions for the improvement and revisions of the Policy, conveying them to the Board of Directors, and assessing alleged violations of the Policy.

Details regarding the roles, responsibilities, and functions of the Ethics Committee are defined in the "Ethics Committee and Ethics Hotline Regulation".

4.4. Legal Department

The Legal Department is responsible for pre-assessment of any reported Policy violations, reporting them to the Ethics Committee; providing support for the assessment, investigation, and training relating to Compliance; providing legal opinions on the Policy, producing the secondary compliance policies mentioned in or related to the Policy and preparing update or modification requests to the Ethics Committee.

The senior executive of the Legal Department is the chairman of the Ethics Committee.

4.5. Human Resources Department

The Human Resources Department is responsible for ensuring that Employees are trained and informed on Compliance, assisting in the assessments, evaluations, and investigations of Policy violations, and taking the relevant actions in accordance with the Discipline Procedure.

The senior executive of the Human Resources Department is among the permanent members of the Ethics Committee.

4.6. Internal Audit Department

The Internal Audit Department is responsible for supporting the evaluations to be performed by the Ethics Committee regarding the Policy violations and conducting the investigations it is entrusted with.

The senior executive of the Internal Audit Department is among the permanent members of the Ethics Committee.

4.7. Business Partners

Karadeniz Holding expects its Business Partners to comply with the business ethics principles mentioned in this Policy.

Allegations of unethical conduct of Business Partners shall be assessed by the Ethics Committee. When necessary, the relevant Business Partner shall be contacted, and based on the results of the assessment, the necessary actions may be taken including termination of the business relationship with such Business Partner.

5. Ethical Conduct Criteria

Ethical Principles Policy provides a summary of the principles and rules regarding Holding's vision of business ethics. Ethical conduct principles are not limited to those contained in this Policy. Employees shall comply with this Policy, as well as with other policies and procedures of the Holding.

When faced with a suspicious transaction, the transaction shall be pre-assessed based on the following criteria in order to determine whether it is ethical or not.

The transaction:

- Shall be in compliance with the Legislation;
- Shall be consistent with Karadeniz Holding's Ethical Principles Policy, other policies, procedures, and Karadeniz Holding's values;
- Shall not pose a risk damaging Karadeniz Holding's reputation in any manner whatsoever.

No transaction which may be in violation of any of the above criteria shall be carried out and the Legal Department shall be consulted through the Ethics Hotline when faced with ambiguous situations.

6. Compliance Policies

Karadeniz Holding complies with the following Compliance policies while carrying out its business and procedures.

6.1. Anti-Bribery and Anti-Corruption Policy

Bribery means offering, promising, or procuring money, valuable commodity, or benefit to a public officer or to any Third Party, for that person to commit an illegal or unethical action with a view to obtain an undue interest.

Corruption is the abuse of entrusted power for private gain.

Karadeniz Holding has adopted a “zero tolerance” principle in the fight against bribery and corruption. Employees are obliged to avoid partaking in bribery or corruption when carrying out their jobs and duties and making any payment or providing any benefit which could be perceived as an unethical action even if it is made to accelerate or facilitate any transaction.

6.2. Conflict of Interest Policy

“Conflict of Interest” occurs when an Employee obtains or procures economic and/or personal benefits which may adversely affect Karadeniz Holding, by taking advantage of his/her current role.

Employees shall not be in any position that may prevent them from being impartial in the decisions they would make as part of their roles and responsibilities, or where their personal interests and their responsibilities towards Karadeniz Holding may be conflicted.

If the Employees find themselves in a situation that can be considered as a Conflict of Interest, they shall consult via Ethics Hotline.

6.3. Policy on the Use of Company Resources

All assets and resources of Karadeniz Holding shall be used in compliance with the intended purpose of use and only for the business and activities of Karadeniz Holding. Such assets and resources shall not be used for personal and/or Third Parties’ interests.

Assets and resources include but are not limited to the cash and cash equivalents, intellectual and industrial property rights, tools/equipments/materials and devices, technological infrastructure and Confidential Information that are available for the use and access of Employees. Employees shall use and protect assets and resources in the most efficient manner.

6.4. Confidentiality, Protection of the Personal Data, and Intellectual Property Policy

“Confidential Information” shall mean intellectual and industrial rights and properties, trademark rights, trade secrets relating to Karadeniz Holding, and all kinds of innovative ideas, applications, and projects developed by the Employees, business strategies, business models, business methods, commercial relationships and investments, financial statements, financial projections, financing models and structures, technical information, marketing studies, and business plans, personal data, commercial offers, signed or draft contracts containing a confidentiality clause, confidential information concerning the Customers and Business Partners, passwords and user names used for accessing workplace computers and the other information technology infrastructures, the Holding’s

confidential records and documents in the electronic environment or in printed format and including but not limited to information that is not publicly disclosed by the Holding.

Employees are obliged to protect all kinds of Confidential Information to which they have access by virtue of their duties. Confidential Information may only be used for the purpose of conducting Karadeniz Holding's business and activities and disclosed to the relevant persons in accordance with the applicable authority limitations. Prior to disclosing Confidential Information, a non-disclosure agreement - shall be signed with the receiving party.

When leaving their position in Karadeniz Holding, Employees shall not take Confidential Information they have obtained by virtue of their titles and duties at Karadeniz Holding out of the premises or systems of Karadeniz Holding and shall not use them for their own benefit or for the benefits of the Third Parties.

As for the personal data of the Employees and Third Parties, Legislation on the Protection of Personal Data shall be complied with.

Karadeniz Holding shall avoid illegal use of Third Parties' patents, copyrights, trademarks, computer programs, and other intellectual and industrial property rights.

6.5. Gifts and Entertainment Policy

Failure to use gifts/giving and entertainment activities in business and social relations in a proper manner may cause significant damage to the reputation of Karadeniz Holding. Therefore, Karadeniz Holding does not encourage its Employees to receive/provide gifts or entertainment.

Employees shall avoid accepting and offering valuable gifts and entertainment which may affect the impartiality of their and Third Parties' decisions.

In case it is unavoidable for an Employee to accept a valuable gift or entertainment where the business is conducted or due to a risk of harming Karadeniz Holding's reputation, the Employee shall consult such matter via Ethics Hotline.

6.6. Fair Competition Policy

Karadeniz Holding acts fairly and respectfully in its relationships with its Business Partners.

In its relations with the Third Parties, the Holding shall comply with competition-related Legislation in force in the countries of operation and shall act in accordance with the principle of fair competition.

6.7. Donations, Sponsorship, and Membership Policy

Karadeniz Holding;

- Shall not donate, assist, or sponsor political parties, political candidates, and/or politicians;
- Shall not take part in the donations, aids, or sponsorship relationships which may harm its impartiality and independence;
- May become a member of non-governmental organizations relating to its own business areas or working for the benefit of the community, and may donate, aid, or sponsor such organizations and/or activities;
- Shall not force its Employees to become members of a particular non-governmental

organization.

Employees may become members of non-governmental organizations, unions and professional organizations on their own behalf. They may participate in the activities and events within such organizations outside of the working hours but without using the working areas or resources of Karadeniz Holding.

Membership in any non-governmental organization or taking part in its activities as a Karadeniz Holding representative is subject to the prior written approval of the Holding.

6.8. Public Relations Policy

Karadeniz Holding, adopts an impartial and neutral approach towards public institutions, public officers, non-governmental organizations, political parties, and politicians; and does not enter into a relationship that may harm this approach.

All works related to opinions, news, interview requests from the media corporations, and similar works, as well as all statements to be made on behalf of Holding shall be under the supervision of the Corporate Communication Department and made by persons authorized by the Holding.

Disclosures with respect to Karadeniz Holding shall not include any statements of discrimination, hate, and/or insult which may damage the reputation of the Holding, and which are not compatible with the corporate culture.

6.9. Personal Political Activities Policy

Employees shall not engage in political activities and/or make any statements on behalf of Karadeniz Holding nor support political candidates or politicians or their lobbying activities in any way that would harm the impartiality of the Holding.

Karadeniz Holding shall not force its Employees to express their political opinions or become a member of a certain political party or support them in any manner.

Employees may be involved in or contribute to political activities in their own name. Such activities should be carried out on a personal level only, without using the working areas or resources of Karadeniz Holding, outside of the regular working hours, and without compromising the political neutrality principle of the Holding.

6.10. Occupational Health and Safety Policy

Karadeniz Holding shall ensure that the necessary departments are established and assigned to take measures, provide trainings and to monitor the processes to protect workplace safety and Employees' health.

Employees shall be aware of the risks related to occupational health, safety, and environment in their work environment and to abide by the rules established to avoid such risks.

6.11. Social Media Policy

Social media should be used in full compliance with the Digital and Social Media Use Procedure of Karadeniz Holding.

Employees shall avoid posting any content on behalf of the Holding on the social media platforms they use. Even though not made on behalf of the Holding, considering that personal posts on social media directly or indirectly related to the Holding may pose a risk for the Holding, any such posting shall be made accordingly.

6.12. Regulatory Compliance Policy

Karadeniz Holding ensures taking the necessary measures for carrying out its activities in full compliance with the Legislation and expects the Employees to act in accordance with the Legislation.

6.13. Anti-Money Laundering and Combatting the Financing of Terrorism Policy

Karadeniz Holding ensures that the necessary measures are taken to avoid any deliberate establishment of any commercial or social relationship with Third Parties identified by authorized institutions or judicial decisions as having been involved in any money laundering or terrorism financing activity or as having illegally generated income.

In case such a situation is discovered after establishing any commercial or social relationship, the Holding shall take the necessary measures to terminate such relationship as soon as possible.

6.14. Respect for Environment, Social Benefit and Sustainability Policy

Karadeniz Holding,

- Takes the necessary measures in order to minimize the negative impacts of its activities on the environment both on a global scale and locally in the countries where it operates, act in compliance with the relevant Legislation and internationally accepted standards, and implement the policies and procedures enacted accordingly;
- Aims to take part in activities for the health and welfare of the society in the countries it operates and to contribute to a better society and environment;
- Supports projects that improve economic, social, and environmental sustainability.

6.15. Sanctions and Embargoes Policy

Karadeniz Holding ensures that the relevant departments are established and assigned to take the necessary measures to assure that the activities of the Holding are carried out in accordance with the applicable international embargoes and economic sanctions .

6.16. Respect for Human Rights and Diversity Policy

Karadeniz Holding;

- Demonstrates a reliable and fair approach towards Employees;
- Provides impartial employment opportunities for everyone regardless of race, gender, color, age, ethnic origin, religion, nationality, sexual orientation, disability, and marital status;

- Does not tolerate acts and words containing violence, discrimination, harassment, pressure, humiliation, or insult among the Employees;
- Creates a safe working environment where Employees can express their opinions freely and without any pressure and reprisal;
- Does not use any sort of labor force through child labor, human trafficking, or any other form of forced labor.

6.17. Accurate and Transparent Record Keeping Policy

Karadeniz Holding shall ensure establishing and appointing of the necessary departments for the implementation of an accounting system which assures that all books and records reflect its commercial transactions and financial statements in a reasonably transparent and accurate manner.

7. Ethics Hotline

As one of the most important instruments for protecting the reputation of Karadeniz Holding, the Ethics Hotline is a reporting system established to prevent behaviors that are not compliant with this Policy.

7.1. Reporting to the Ethics Hotline

Employees and Business Partners shall report any action or matter, which they believe is a violation of this Policy to the Ethics Hotline immediately.

Reporting to Ethics Hotline may be made **anonymously** or **by stating the reporter's name**.

Reporting shall not be shared with any Employee other than those limited number of personnel in charge of the assessment, evaluation, and investigation, and the name of the reporter shall be kept confidential, and it shall be ensured that the reporter is not harmed.

Reportings made to Ethics Hotline shall be pre-assessed by the Legal Department and reported to the Ethics Committee. The Ethics Committee shall evaluate the assessment reports of the Legal Department and decide whether an investigation is necessary.

7.2. Asking Questions to Ethics Hotline

Employees may ask questions concerning the implementation of this Policy through the Ethics Hotline. Only the Employees of Karadeniz Holding shall be entitled to ask questions to the Ethics Hotline. Questions directed to Ethics Hotline shall be answered by the Legal Department.

In order for the questions to be answered by the Legal Department, the Employee asking the question shall state his/her name clearly. No questions can be asked anonymously on the Ethics Hotline.

7.3. Ethics Hotline Channels

Ethics Hotline is available and accessible twenty-four (24) hours a day and seven (7) days a week through the addresses below;

Website link: <https://ethics.karadenizholding.com/>

8. Third Party Acceptance Process

Before entering into any binding commercial or social relationship with any Third Party, Karadeniz Holding shall run a risk-based assessment in order to confirm such Third Party's compliance with the principles stated in this Policy.

9. Information And Training Activities

Karadeniz Holding shall ensure that this Policy is always accessible through the Holding's portal and website for Employees and Business Partners to be informed on the business ethics rules applied in Karadeniz Holding.

Employees are informed about the Policy during and after their recruitment process.

To ensure that the principles of business ethics are well understood by the Employees; mandatory in-class and/or online training programs shall be organized in line with the schedule and content set out by the Human Resources Department in collaboration with the Legal Department in order to keep the Employees up to date on the principles and application of the Policy and to increase their awareness.

Employees, as part of their employment contract, shall sign a letter of undertaking whereby they confirm that they are informed about this Policy and that they understand their responsibilities.

10. Entry Into Force

This Policy has been accepted with the resolution of the Board of Directors dated 13.11.2023 and referenced 14 / 2023 and has entered into force.

11. Related Documents and References

Anti-Bribery and Anti-Corruption Policy

Gifts and Entertainment Policy

Disciplinary Procedure

Ethics Committee and Ethics Hotline Regulation

Procedure on Digital and Social Media Use

