

AKKÖK HOLDING SUSTAINABILITY POLICY

Scope and Purpose

This policy is intended to facilitate effective identification and handling of key sustainability risks and opportunities for Akkök Holding. The "Akkök Holding Sustainability Policy", which covers Akkök Holding's business activities, has been drawn up in accordance with corporate regulations.

General Approach to Sustainability

The corporate sustainability approach of Akkök Holding is grounded on two pillars: creating long-term value for all stakeholders and minimizing the negative impact of its activities. Corporate governance, environmentally-friendly sustainable growth, and social responsibility are the essential concepts that guide all operations of Akkök Holding as part of its corporate citizenship and help shape the route of its corporate roadmap.

The sustainability approach is deployed across all subsidiaries through the Group's corporate policies and objectives, and social, environmental and economic value-added projects are developed and carried out according to these policies and objectives. Corporate governance, characterized by openness, transparency, and accountability, has become an even more important element guiding the operations of Akkök Holding and the Group companies.

All business activities are meticulously managed throughout all regions of operation in order to achieve full compliance with applicable laws and regulations. Internal audits and controls are conducted to achieve full compliance with such laws and regulations, while threats that could put the existence and future of Akkök Holding in jeopardy are identified, and the required actions and business strategies are developed through the corporate risk management program.

Corporate Sustainability Management

The success of Akkök Holding, one of the leading industrial enterprises in Turkey, is based on its corporate governance approach, which is shaped by the principles of business ethics and maintained with transparency and accountability. The Holding's operations are aligned with this approach and designed to achieve sustainable growth and create added value for all stakeholders.

Akkök Holding's Board of Directors and Executive Board are part of the corporate governance structure. The Board of Directors consists of 8 members. The Executive Board, with the Chairman of the Board of Directors acting as a consultant, has 7 members, 3 of which represent their respective companies. The Chairman of the Executive Board is also the CEO of Akkök Holding. The CEO is responsible for all activities of Akkök Holding and submits reports regarding operations to the Board of Directors.

The United Nations (UN) Global Compact

In 2007, Akkök Holding took the first step to move its corporate responsibility approach to universal norms by signing the United Nations Global Compact, which led to widespread adoption of the universal principles that the private sector needs to follow for sustainable development. The Akkök Holding Sustainability Policy is based on the 10 principles contained in the Global Compact. The policies and practices carried out in accordance with these principles and the performance results are shared with stakeholders annually as a requirement of transparency and accountability.

The 10 Principles of the UN Global Compact

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2: Businesses should make sure that they are not complicit in human rights abuses.

Labor

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor.

Principle 5: Businesses should uphold the effective abolition of child labor.

Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges.

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.

Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

For details, visit: <https://www.unglobalcompact.org/>

<https://www.globalcompactturkiye.org/>

Akkök Holding Human Rights Policy

While conducting its operations, Akkök Holding upholds the principles of business ethics, embraces accountable, transparent, and fair management; strives to achieve full compliance with the laws and regulations; supports principles of universal human rights, and views social responsibility as a core value. The Holding endeavors to meet the requirements of the United Nations Global Compact, the Universal Declaration of Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work in order to ensure that the rights of all its stakeholders are respected. Akkök Holding's approach to human rights is grounded on establishing an effective dialogue with all of its stakeholders, especially its employees and partners, to protect their interests and rights and shape its corporate activities accordingly.

Akkök Holding and the Group companies provide their employees with appropriate working conditions that meet internationally accepted labor standards and conform to the applicable laws of its operating countries. It opposes all forms of discrimination in respect of employment and occupation as well as child labor, forced and compulsory labor and believes that fair wages and equal opportunities are essential.

Akkök Group of Companies Code of Conduct is a consolidated summary of the Group's practices, combining the principles of personal conduct and rules of business ethics in a single document. These principles set the standards for responsible conduct that all stakeholders must follow and provide guidance on how to address ethical issues. Ethics policies are regularly reviewed and updated to reflect current conditions.

Ethics policies are as follows:

1. Human Rights Policy
2. Conflict of Interest Policy

3. Anti-Bribery and Anti-Corruption Policy
4. Gift and Entertainment Policy
5. Supply Chain Policy

The Holding utilizes communication and audit mechanisms to ensure widespread adoption of respect for human rights in the value chain. For this purpose, Akkök Holding and the Group companies also evaluate the human rights performance of their suppliers, contractors, and subcontractors when auditing them. When negotiating and executing procurement contracts, Akkök Group Companies include an article in such contracts that specifically prohibits child labor and illicit employment. When any non-compliance is detected, the respective supplier is notified and all purchases from that supplier are suspended until such non-compliance is corrected.

The Holding continuously strives to build a work environment that respects human rights and is democratic, fair, and protects the dignity of its employees. It puts forth great effort to offer equal opportunities for everyone and takes a proactive attitude to prevent discrimination in terms of religion, language, race and gender. For this purpose, Akkök Holding and the Group companies also evaluate the human rights performance of their suppliers and subcontractors during audits.

Any disrespectful behavior and other forms of behavior, such as psychological abuse, harassment, intimidation, threats, bullying, humiliation, and exclusion that could harm the reputation of employees in the society are not tolerated at work. Managers and employees are not engaged in any behavior that could cause a person to feel under threat or insecure as a result of intimidation or humiliation. This includes verbal abuse and threats as well as any form of hostility, intimidation, and aggression.

Akkök Holding views the protection of personal data as a matter of human rights. Akkök Holding's Personal Data Protection Policy manifests the position of the Holding and its subsidiaries in this respect. The primary purpose of this policy is to set out the principles regarding the processing of personal data, which is executed in accordance with the laws and protection of personal data. Individuals whose personal data is processed by the Holding, including the Holding's existing and potential customers, suppliers, business partners, shareholders, company managers and officers, current and future employees, visitors as well as the employees and authorized personnel of external organizations, are given information about such processing to ensure transparency. The Holding and its subsidiaries continuously improve administrative and technical information security practices to ensure data security.

Akkök Holding Work Standards Policy

Akkök Holding's most important asset is its employees. Therefore, one of the key objectives of the Holding is to develop and maintain a democratic, participative, human-oriented work culture that respects human rights.

Akkök Holding and the Group companies oppose all kinds of discrimination. All employees are treated in a fair manner. Labor diversity is important and equal opportunities are provided to existing employees and candidates. Any type of discrimination in terms of race, language, religion, creed, gender, color, sexual orientation, age, social status, mental or physical disability is not tolerated. The zero-tolerance policy for discrimination also applies to all human resources processes such as recruitment and job placement, promotion, performance management, training, career planning, succession, remuneration, and social benefits.

The Holding follows the principle of equal pay for equal work and does not have a base salary practice that involves differences according to gender. Remuneration and promotion practices are based on performance and competencies, and the ratio of female employees in decision-making positions steadily increases.

Freedom of association and collective bargaining rights of employees are respected to maintain work welfare. Akkök Holding and the Group companies also follow a similar approach with respect to its value chain. While we take the necessary measures to avoid child labor or forced/compulsory labor in any part of our operations, we also perform regular controls on the supply chain to eliminate any such risky activities.

At Akkök Holding and the Group companies, employees are actively involved in decision-making mechanisms through various communication channels. One of the most important mechanisms involves a suggestion process through which employee feedback and ideas are collected and evaluated. Actively evaluating employee feedback and implementing their suggestions are very important for Akkök Holding companies.

At Akkök Holding and the Group companies, there is a widely used internal job listing practice which we call "At Akkök, You Come First." This practice is intended to achieve effective talent management and ensure that different subsidiaries benefit from the collective talent pool and that employees are given the opportunity to steer their career growth. With this practice, the right people to fill vacant positions within the company organizations can be found among the pool of employees of Group companies by taking into account their performance, competency, knowledge, skills, and experience.

Additionally, the Akkök Philharmonic Mentorship Program allows senior managers to pass down the corporate culture and values to mid-level managers to help develop and maintain appropriate manager talents within the Group.

All measures required for protecting the health and safety of our employees are taken in workplaces. We strive to identify and take all necessary actions to prevent accidents and injuries at work as well as other situations that may negatively affect the health of our employees. We comply with all applicable health and safety laws and regulations and provide our employees with necessary information regarding work areas outside our workplaces.

Akkök Holding Environment Policy

Climate change and depletion of natural resources pose significant environmental risks for the entire world. Proactive management of these risks, which affect the operations of companies, is required for both environmental and operational sustainability. With the awareness of this responsibility, Akkök Holding and the Group companies aim to maintain their operations by minimizing their environmental impact. We carry out our operations according to nationally and internationally accepted quality systems, make eco-friendly investments, and aim to improve performance by monitoring our environmental performance.

We believe that increasing the awareness and knowledge of our employees on environmental matters is very important in ensuring environmental sustainability. Thus, the Group companies offer environmental training to their employees on a regular basis.

In all of our operations:

- We take measures to avoid environmental pollution and protect the environment.
- We utilize resources in the most efficient way possible in all of our processes.
- We are working to reduce our carbon footprint.
- We organize training programs to increase environmental sustainability awareness among our employees.
- We develop efficient energy and emission management practices as part of the fight against climate change.
- We undertake projects to reduce water consumption, recycle materials and reduce waste at the source in order to protect natural resources and ensure their efficient use.
- We comply with all applicable environmental laws and regulations.

Akkök Holding Anti-Bribery and Anti-Corruption Policy

Akkök Holding and its subsidiaries follow honest and ethical business principles in all of their business processes. The "Akkök Group of Companies Anti-Bribery and Anti-Corruption Policy" sets out the rules that the Group companies must follow in their relations with stakeholders. The USA Foreign Corrupt Practices Act (FCPA), the United Kingdom Bribery Act (UKBA), the United Nations Global Compact, and the anti-bribery and anti-corruption laws and regulations of operating countries provide guidance on our corporate practices.

Akkök Holding and the Group companies embrace the principles of responsibility, integrity, trust, equality, privacy, and legal compliance as the framework for their relations with employees, partners, suppliers, customers, dealers, other beneficiaries, and the general public. The Holding has designed the necessary organizational structure to effectively implement the Code of Conduct and the Anti-Bribery and Anti-Corruption Policy.

The Ethics Committee, which consists of elected members from all companies, carries out its function according to the Akkök Group of Companies Ethics Committee Operating Regulation. An "Ethics Hotline", operated by a specialized and independent organization, has been established to allow all stakeholders, particularly employees, to report any violation of the company principles they may witness. The hotline is active around the clock and pays special attention to maintaining the privacy of reporters. The identities of reporters are kept confidential and may be shared with the Ethics Committee only upon consent of the respective reporters. The Holding warrants that no retaliatory action will be taken against people who report a violation.

Believing that the business world has a great responsibility in the fight against corruption, Akkök Holding aims to become a role model for the industry and its stakeholders through its exemplary practices in this field. Akkök Holding understands that it must fight against bribery and corruption as a basic responsibility towards the society. Therefore, effective communication, training and audit practices are carried out at both the Holding level and the Group companies level.

Akkök Holding pays special attention to communication and training activities in order to ensure that all Group companies act with the same approach and diligence. The Holding aims to ensure that the principles are adopted across all of the Group companies and viewed as a core cultural value. Through internal audit teams and independent auditors, the Akkök Holding Internal Audit Group performs various

controls in order to improve the efficiency of operations and ensure financial reliability and compliance with the laws and regulations.

Akkök Holding Corporate Social Responsibility and Civic Engagement Policy

For Akkök Holding and the Group companies, supporting social welfare and development and responding to social issues and needs is one of their key responsibilities. Therefore, the corporate citizenship approach is not restricted to social responsibility only, but it is seen as a part of all operations within the Holding. Thus, the direct and indirect economic value created for stakeholders are supported with social responsibility projects that seek to solve social issues and focus on the environment, society, human rights, labor union rights, living creatures, and future generations. In all social projects, the participation of stakeholders is voluntary, and the employees are also encouraged to take part in such activities.

Akkök Holding and the Group companies maintain operations with respect to all living creatures, believe that all living creatures have natural rights, that humans have a moral responsibility towards all living creatures, and that the main principles regarding animal rights must be enforced. The Holding strives to achieve widespread adoption of this approach both inside and outside the Group. It follows and strives to implement the Universal Declaration of Human Rights in all of its operations.

In all of our social projects:

- In line with our strategy to invest in the future, we support education and help young generations to be raised as well-informed, conscious, and sensitive individuals.
- We organize training programs and events to increase the environmental awareness of our communities.
- We work to ensure that disabled people can receive a better education.
- We are working to increase health awareness among the women in our operating regions.
- In line with our strategy to invest in the future and support the arts, we sponsor young artists.
- We encourage the voluntary participation of employees in all of our social responsibility activities and involve them in the process.
- We design and implement training programs to develop the social skills of our subcontractors' employees.