

Düzey

**Düzey Tüketim Malları Sanayi
Pazarlama ve Ticaret A.Ş.**

SANCTIONS AND EXPORT CONTROLS POLICY

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1. PURPOSE AND SCOPE

The purpose of this Sanctions and Export Controls Policy (the “**Policy**”), is to set out the rules to be followed by the Düzey in order to assist them in complying with the economic sanctions and export control obligations.

Where applicable to their operations, it is one of the key principles of Düzey to fully comply with the economic sanctions imposed by: the Republic of Türkiye, the United Nations (the “**UN**”), the United States Government (the “**US**”) and the European Union (the “**EU**”), (“**Türkiye Sanctions**”, “**UN Sanctions**”, “**US Sanctions**” and the “**EU Sanctions**” respectively) as well as the economic sanctions and export controls imposed by other jurisdictions, (collectively, the “**Sanctions**”).

Düzey implements a Sanctions Compliance Framework to ensure that it complies with all applicable Sanctions and to identify and mitigate the Sanctions risks facing its business.

All employees, directors and officers of Düzey shall comply with this Policy. Düzey also expects and takes the necessary steps to ensure that all of its major shareholders and Business Partners, to the extent applicable, comply with and/or act in accordance with this Policy.

2. DEFINITIONS

“**Business Partner**” includes suppliers, customers, distributors, dealers and other third parties with whom the company has a business relationship and all kinds of representatives, subcontractors, consultants, etc. acting on behalf of the company, as well as their employees and representatives.

“**Embargo**” means a general term that is used as a government prohibition against the export or import of all or certain products to a particular country for economic or political reasons.

“**EU Sanctions**” means the Sanctions adopted by the EU Council and implemented by the member countries.

“**Export Control Regulations**” means the laws and regulations that regulate and restrict the import, export and re-export of technologies, information, goods and services for reasons of commerce, foreign policy and national security.

“**International Organization**” means an organization with an international membership, scope, or presence.

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

“**Laundering of the Proceeds of Crime**” means the activities that involve taking criminal

proceeds and disguising their illegal source in anticipation of ultimately using such criminal proceeds to perform legal and illegal activities.

“**OFAC**” means the Office of Foreign Assets Control of the United States Department of the Treasury.

“**Sanctions Target**” means;

- Any individual, entity vessel or government which is a designated target of Sanctions (“**Listed Persons**”) (e.g., OFAC and SDNs);
- Companies owned 50% or more, directly or indirectly, by a Listed Person;
- Individuals or companies that are resident, incorporated, registered or located in countries or territories such as Crimea, Donetsk, Luhansk and Sevastopol Regions of Ukraine , Cuba, Iran, North Korea and Syria that are subject to a comprehensive country or territory-wide Embargo as of the approval/revision date of this Policy (i.e., the “**Embargoed Countries**”), and
- Persons or companies owned or controlled by, or operating as agents of, the governments of Embargoed Countries or the Government of Venezuela¹.

“**Türkiye Sanctions**” refer to the sanctions and embargoes that are imposed by the Republic of Türkiye and administered by the Ministry of Foreign Affairs.

“**UN Sanctions**” refers to economic sanctions imposed by the United Nations Security Council and implemented by U.N. member countries. All U.N. members are obliged to obey U.N. sanctions.²

“**US Sanctions**” means the Sanctions implemented by the U.S. State Department or the States.

3. GENERAL PRINCIPLES

Governments and International Organizations may restrict the transfer or procurement of certain goods and services, technical data, information, materials and technology in accordance with the Sanctions and Export Control Regulations. For political, military or social reasons, certain countries, organizations or individuals may be subject to total or partial economic embargoes.

As a global company, Düzey aims to take effective and necessary precautions to manage the risks related to the Sanctions and Export Control Regulations.

Products and services of Düzey may not be traded, directly or indirectly, with Sanctions Targets or the Embargoed Countries. In case of doubt or in exceptional situations (e.g., transaction with a party

¹ Applicable as of the approval date of this Policy.

² <https://www.un.org/securitycouncil/sanctions/information>

included in the *Sectorial Sanctions Identifications List* (“SSI”) under certain conditions; transaction with an Embargoed Country, in a sector which is not subject to Sanctions, etc.), the relevant company shall obtain the approval of Düzey Legal and Compliance Department before proceeding with the relevant transaction to ensure where necessary that the proposed transaction does not violate applicable Sanctions or otherwise expose the Düzey to any Sanctions risk.

It is of the utmost importance to Düzey to comply with all laws and regulations applicable to it, including Export Control Regulations and Sanctions, in the countries in which it operates and to fulfil its contractual obligations. Therefore:

- Unless the necessary arrangements are made and the required licenses are obtained³ any activity that is subject to Sanctions or any activity that constitutes a violation of applicable Export Control Regulations must be discontinued;
- If, during the course of Due Diligence, an activity that is prohibited, in violation of Sanctions or applicable Export Control Regulations is detected, the relevant process must be stopped immediately.

Payments and collection of revenues shall be made and recorded in accordance with the laws and regulations of the countries in Düzey conducts its business activities. Düzey shall not be involved in Laundering of the Proceeds of Crime, terrorist financing and the financing of weapons of mass destruction activities. To this end, Düzey shall:

- Know who its customers and other Business Partners are;
- Comply with applicable laws, regulations, the Koç Group and/or Düzey Code of Ethics and the related policies;
- Always ensure the accuracy of financial and business records;
- Keep records of all its activities in a secure and proper manner;
- Conduct Due Diligence in accordance with applicable regulations.

Failure to comply with this Policy may result in, but is not limited to, the following:

- Imprisonment of employees (as a result of violation of certain Sanctions);
- Significant financial penalties for both Düzey and employees;
- Adverse public reputation;
- Loss of business
- Termination of contracts;
- Impaired access to international financing;
- Recall of loans;
- Seizure of Düzey’s assets

³ The licenses must be obtained for at least 10 years unless otherwise stated in the relevant regulations.

4. APPLICATION OF THE POLICY

Prior to any engagement with a new Business Partner or customer, business units should conduct Due Diligence⁴ using a screening tool by taking all necessary commitments in accordance with all the legislation on the protection of personal data in force in the countries where Düzey operates. The purpose of this is to determine potential risks related to Sanctions and Export Control Regulations, to ensure that counterparty of Düzey is not a Sanctions Target, and to identify risks such as corruption, bribery, laundering of the proceeds of crime and financing of weapons of mass destruction, human rights violations, etc.

Due Diligence should be conducted not only before entering into a business relationship but also on a regular basis during the course of the business relationship. If at any time, a violation of Sanctions and Export Control Regulations or a warning sign of other compliance risks, (such as Laundering of the Proceeds of Crime, terrorist financing and weapons of mass destruction, is detected by the relevant departments, the officer or department in charge of compliance must be informed immediately. The Legal and Compliance Department may decide to stop the transaction or conduct Enhanced Due Diligence ("EDD"). In this case, the General Manager is informed about the compliance risks identified and the possible impact of these risks on Düzey and the measures suggested to be taken in case of establishing, terminating or continuing a business relationship. The General Manager shall make the decision to establish, continue or terminate the business relationship taking into account the assessments and recommendations of the relevant EDD report. Decisions taken with the approval of the General Manager shall be regularly reported to Koç Holding Legal and Compliance Department by the Legal and Compliance Department and the entire process shall be subject to internal audit, if deemed necessary. In case of doubt, the business units shall consult the Legal and Compliance Department of Düzey.

At the stage of signing a contract with a Business Partner, Düzey shall ensure that the relevant persons are informed about this Policy. Furthermore, Düzey reserve the right to terminate the contract or apply other penalties in the event of a violation of the Policy.

5. INSULATION OF CERTAIN PERSONS FROM PROCEEDINGS

Even in business activities with Embargoed Countries that are approved by Düzey Legal and Compliance Department, in some cases, employees who are U.S. Persons, citizens of European Union member states or the United Kingdom should not be involved.

The term "US Person" includes anyone who is in the United States; any U.S. citizen or green card holder (including dual citizens of the U.S. and another country), wherever located; companies incorporated in the U.S.; or companies controlled by U.S. companies, even if incorporated outside the U.S.

For more information regarding the insulation of certain persons from proceedings the Legal and Compliance Department shall be contacted.

⁴ During this work, it is necessary to fulfil disclosure obligations in accordance with all relevant local personal data protection regulations in the countries where the relevant Düzey operates, obtain explicit consent and any other necessary commitments from persons acting on behalf of and for the account of the Business Partners.

6. REQUESTS FOR INFORMATION

Düzey may receive information requests from the banks or correspondent banks they work with via e-mail, fax or other means regarding certain transactions, counterparties, etc. within the scope of Sanctions and Export Controls. Any employee who receives such a Request for Information (“RFI”), should immediately forward it to Legal and Compliance Department in Düzey for review. Responses to RFIs must be prepared Legal and Compliance Department, in consultation with Koç Holding Legal and Compliance Department, if necessary, and must be accurate, complete, and free of misleading information.

All relevant internal correspondence must be saved and archived in electronic format, including the necessary evidences and other supporting documents by the Legal and Compliance Department.

7. AUTHORITY AND RESPONSIBILITIES

All employees and directors of Düzey are responsible for complying with this Policy, implementing and supporting Düzey’s procedures and controls in accordance with the requirements of this Policy. Düzey also expects and takes necessary steps to ensure that all its Business Partners to the extent applicable, comply with and/or act in accordance with this Policy.

If there is a discrepancy between the local regulations, applicable in the countries where Düzey operates, and this Policy, the stricter of the two shall prevail, unless such practice is in violation of the relevant local laws and regulations.

If you become aware of any action that you believe is inconsistent with this Policy, the applicable law or the Koç Group and/or Düzey Code of Ethics, you may seek guidance or report the incident to your line manager. Alternatively, you may report the incident to Ethics Hotline via the following link: “koc.com.tr/hotline”

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

8. REVISION HISTORY

This Policy takes effect on 03.03.2022 as of the date approved by the Board of Directors and will be maintained by the Legal and Compliance Department.

Revision	Date	Comment
No:1	01.09.2023	Application of the Policy has been revised by clarifying the Due Diligence process, the expressions that cause ambiguities are improved.