

**Türkiye Petrol Rafinerileri A.Ş.
Supply Chain Compliance Policy**

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1. PURPOSE AND SCOPE

The purpose of this Supply Chain Compliance Policy (the “**Policy**”) is to communicate Tüpraş’s principles and values which are the reflection of its attention regarding human rights, safety, environment and ethics to our Business Partners and provide them with the necessary guidance as to the standards, methods and principles we expect them to follow.

This Policy also aims to provide direction to Tüpraş for their Business Partner selection and monitoring processes.

All employees and directors of Tüpraş shall comply with this Policy, which is an integral part of Koç Group Code of Ethics, and Tüpraş Code of Ethics and Business Conduct and its Implementation Principles, Tüpraş Supplier Management Policy and Tüpraş Supplier Code of Ethics. Tüpraş expects its Business Partners to comply with this Policy, to the extent applicable to the related party and/or transaction, and takes necessary steps to ensure that matter.

2. DEFINITIONS

“**The UN**” means the United Nations.

“**The UN Guiding Principles on Business and Human Rights**”¹ is a set of guidelines for states and companies to prevent, address and remedy human rights abuses committed in business operations.

“**The UN Global Compact**”² is a global pact initiated by the United Nations, to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. The UN Global Compact is a principle-based framework for businesses, stating ten principles in the areas of human rights, labor, the environment and anti-corruption.

“**ILO**” means The International Labor Organization

“**The ILO Declaration on Fundamental Principles and Rights at Work**”³ is an ILO declaration adopted in 1998 that commits all member states whether or not they have ratified the relevant Conventions, to respect, and promote the following four categories of principles and rights in good faith:

- Freedom of association and effective recognition of collective bargaining,
- Elimination of all forms of forced or compulsory labor
- Abolition of child labor
- Elimination of discrimination in employment and occupation..

¹ https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

² <https://www.unglobalcompact.org/what-is-gc/mission/principles>

³ <https://www.ilo.org/declaration/lang--en/index.htm>

“**Human Rights**” are rights inherent to all human beings, regardless of gender, race, color, religion, language, age, nationality, difference of thought, national or social origin, and wealth. This includes the right to an equal, free and dignified life, among other human rights.

“**The Universal Declaration of Human Rights (UDHR)**”⁴ is a milestone document in the history of human rights, proclaimed by the United Nations General Assembly in Paris on 10 December 1948 as a common standard of achievements for all peoples and all nations. It sets out, for the first time, fundamental human rights to be universally protected.

“**Business Partners**” includes suppliers, customers, contractor and all kinds of representatives, subcontractors and consultants acting on behalf and in name of Tüpraş.

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

“**Money Laundering**” means integration of revenues which are generated through illegal activities as if they are generated legally, in other words hiding the fact that such revenues are generated through illegal activities.

“**Tüpraş**”, refers to Turkish Petroleum Refineries Inc. and all companies that are directly or indirectly, individually or jointly controlled by this company, and business partnerships included in Tüpraş's consolidated financial report.

“**Sanction**” means economic sanctions and export controls administered by the Republic of Turkey, the UN, the United States of America (the "US") and the European Union (the "EU"), (respectively, “**Turkey Sanctions**”, “**UN Sanctions**”, “**US Sanctions**” and the “**EU Sanctions**”) as well as the economic sanctions and export controls administered by other jurisdictions

“**Sanctions Target**” means;

- Any individual, entity, vessel or government which is a designated target of Sanctions (collectively, “**Listed Persons**”) (e.g., 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, Cuba, Iran, North Korea and Syria that are subject to a comprehensive country or territory-wide Embargo (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 Venezuela.

⁴ <https://www.un.org/en/universal-declaration-human-rights/>

3. GENERAL PRINCIPLES

Tüpraş selects its Business Partners based on factors such as technical competencies, product and service quality, pricing, corporate reputation and financial soundness etc. Tüpraş also applies a risk-based approach to evaluate the compliance related risks associated with its Business Partners to ensure compliance with the principles outlined in this Policy. This approach requires a certain degree of support to be provided to the relevant Business Partners and certain checks and audits to be conducted on a regular basis as described below:

- Third Party Screening to ensure that the relevant Business Partner or its beneficial owners are not a Sanctions Target,⁵
- Audits the Business Partner (supplier, distributors and technical service providers) at the discretion of Tüpraş and where necessary to ensure that they:
 - Comply with applicable laws and relevant contractual obligations,
 - Comply with Koç Group Code of Ethics, and Tüpraş Code of Ethics and Business Conduct and its Implementation Principles, Tüpraş Supplier Management Policy and Tüpraş Supplier Code of Ethics and related policies,
 - have effective management systems in place according to Tüpraş.
- Providing trainings to ensure compliance with expected standards.

Onboarding Process

The business units and operations, as the first line of defense, are responsible for conducting Denied Party Screening (“DPS”) via the third-party screening tool prior to any engagement with a new Business Partner to confirm that the related party is not subject to any Sanctions Obligations⁶.

The second phase is assessing the parties’ compliance with Guiding Principles for Business Partners (the “Principles”) in Article 4.

Compliance with the Principles is tracked by Self-Assessment Forms and Queries by the Legal Department which is the department in charge of compliance. The results are evaluated by the related process owners, considering the inherent risk factors and assessment results are shared with the Legal Department which is the department in charge of compliance. If the results of these Due Diligence activities indicate any red flags, the Legal Department may request to perform enhanced due diligence for the related parties. In the event that the outcome of such enhanced due diligence activities is negative (i.e. the relevant party is not acting in compliance with the Principles and/or have not taken necessary actions to cure such default), the decision to start or continue to a business relationship will be subject to the written approval of the Tüpraş CEO.

Tüpraş, while entering into any contract with a Business Partner, shall reserve the right to terminate the contract or take any available action in the case of any violation of this Policy and the Principles

⁵ Please refer to Tüpraş Sanctions and Export Controls Policy for details

⁶ Please refer to Tüpraş Sanctions and Export Controls Policy for details.

set forth herein. Clauses such as adhering to the principles of this Policy and Principles, Tüpraş's right to audit over a Business Partner shall be included in the relevant contracts.

4. GUIDING PRINCIPLES FOR BUSINESS PARTNERS

This Guiding Principles for Business Partners and this Policy are established as a part of Koç Group's Compliance Program and prepared in accordance with UN Global Compact. All Business Partners of Tüpraş are expected to comply with these Principles.

4.1. Laws and Regulations

Business Partners of Tüpraş are expected to comply with all laws, rules, regulations applicable to their business and industry. Business Partners shall act in accordance with all applicable legislation, including but not limited to competition laws, Anti-Money Laundering and countering financing of terrorism regulations, data privacy regulations and legislations regarding anti-bribery and corruption.

4.2. Human Rights

Business Partners are expected to perform their business activities in accordance with Tüpraş Human Rights Policy.

4.2.1. Employment

Business Partners of Tüpraş must ensure that their operations are not associated with child labour, forced labour, labour abuse.

Moreover, pursuant to Conventions and Recommendations of the ILO, the Universal Declaration of Human Rights, and the UN Global Compact, Tüpraş expects its Business Partners to have a zero tolerance policy towards slavery and human trafficking.

4.2.2. Compliance with Labor Laws

Business Partners are expected to comply with the labour laws of the countries in which they operate.

The wage determination process shall be established in a competitive manner according to the relevant sectors, the local labour market and if any, in accordance with the terms of collective bargaining agreements. All compensations, including social benefits are paid in accordance with the applicable laws and regulations.

4.2.3. No Harassment and Violence

Business Partners are expected to provide a workplace free of violence, harassment and other insecure or disturbing conditions resulting from internal or external threats. Any form of physical, verbal, sexual or psychological harassment, bullying, abuse or threat is not tolerated.

4.2.4. Discrimination

Business Partners are expected to provide a work environment where any form of discrimination is not tolerated; employees are treated fairly and zero tolerance is shown towards discrimination, (based on race, gender, colour, national or social origin, ethnicity, religion, age, disability, sexual orientation or political opinions).

4.2.5. Freedom of Organization and Collective Agreement

Business Partners are expected to respect their employees' right and freedom of choice to join a trade union and to collective bargaining without feeling any fear of retaliation.

4.3. Health and Safety

Business Partners are expected to provide a safe and healthy working environment and comply with all relevant laws and regulation and implement all required security measures for all working areas. Business Partners must take necessary actions immediately, when unsafe conditions or behaviours emerge and minimizes the risk of injuries and accidents.

4.4. Environment

Tüpraş expects its Business Partners to make every effort to protect and preserve the environment. In this respect, Tüpraş encourages its Business Partners to;

- Comply with all applicable environmental laws and regulations including Koç Group's Health Safety and Environment Management System Procedure.
- Continuously improve their environmental performance and reduce their environmental impact to address climate change, water management, waste management and protection of biodiversity.
- Have effective monitoring systems and procedures in place against industrial accidents and other emergency situations.
- Encourage their Business Partners and third parties to improve their environmental performance.

4.5. Ethics

Tüpraş expects its Business Partners to perform their business with fairness, integrity and in accordance with legislations and in line with Koç Group Code of Ethics, and Tüpraş Code of Ethics and Business Conduct and its Implementation Principles, Tüpraş Supplier Management Policy and Tüpraş Supplier Code of Ethics.

4.5.1. Anti-Bribery and Corruption & Anti-Money Laundering⁷

Business Partners are expected to comply with applicable anti-bribery and corruption and anti-Money Laundering related laws and Tüpraş Anti-Bribery and Corruption Policy, while conducting business on behalf of the Tüpraş or otherwise. Any form of bribery and giving or accepting anything of value directly or indirectly to obtain an undue advantage and influence the objective decision making processes is unacceptable. Any and all

⁷ Please refer to Tüpraş Anti-Bribery and Corruption Policy separately for other policies.

activity that may result in Money Laundering with or without malicious intention are unacceptable and illegal.

All transactions must be accurately and transparently recorded to the books and records with sufficient descriptions.

4.5.2. Conflict of Interest

Business Partners must not enter into personal transactions with Tüpraş employees that may lead to an actual or perceived conflict of interest and harm the Tüpraş's reputation.

4.5.3. Reporting

Business Partners are expected to enable effective lines of communication for reporting violations and taking the necessary measures in a timely manner. Business Partners and their employees should be able report their concerns without any fear of retaliation or retribution. Additionally, employees of Business Partners may report their concerns directly via Stakeholder Communication Management System at <https://piy.tupras.com.tr/BildirimKayit.aspx>, to Tüpraş Call Center <http://tupras.com.tr/iletisim> or to supplier@tupras.com.tr or to Koç Holding Ethics Hotline at "koc.com.tr/hotline".

4.6. Training and Development

Tüpraş encourages its Business Partners to provide training programs and tools to their employees for obtaining further skills and capabilities.

4.7. Management Systems

Business Partners are expected to establish and maintain appropriate management systems in order to ensure that it operates in accordance with laws, regulations and the principles given in this document.

5. AUTHORITY AND RESPONSIBILITIES

All employees and directors of Tüpraş are responsible for complying with this Policy, implementing and supporting the relevant Tüpraş's related procedures and controls in accordance with the requirements in this Policy. Tüpraş also expects its Business Partners to comply with this Policy, to the extent applicable to the related party and transaction, and takes necessary steps.

If there is a discrepancy between the local regulations, applicable in the countries where Tüpraş operates, and this Policy, subject to such practice not being a violation of the relevant local laws and regulations, the stricter of the two, supersede.

If you become aware of any action you believe to be inconsistent with this Policy, the applicable law or Koç Group Code of Ethics or Tüpraş Code of Ethics and Business Conduct and its Implementation Principles you may seek guidance this incident to your line managers or report to Risk Management and Audit Department, Legal Department or Human Resources Department.

You may alternatively report the incident via Stakeholder Communication Management System at <https://piy.tupras.com.tr/BildirimKayit.aspx> or to Koç Holding’s Ethics Hotline via the following link: “koc.com.tr/hotline”

Tüpraş employees may consult the Legal Department in Tüpraş for their questions related to this Policy and its application. Violation of this Policy may result in significant disciplinary actions including dismissal within the scope of the Labor Law and other related laws and Tüpraş internal policies and regulations. If this Policy is violated by third parties who is expected to comply with this Policy, the related contacts may be terminated.

6. EFFECTIVE DATE

This Policy has been approved by the Board of Directors dated 11 August 2021 and Legal Department is responsible for its updates.

Revision	Effective Date	Notes