



ISTOR
**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 ISTOR's principles and values to our Business Partners and provide them with the necessary guidance as to the standards we expect them to follow.

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

All employees, directors, officers of ISTOR shall comply with this Policy, which is an integral part of ISTOR Code of Ethics. Each ISTOR company is expected to take necessary steps to ensure that all of its Business Partners is aware of and acts in line with this Policy.

2 | Definitions

"Business Partners" include suppliers, distributors, authorized service providers, representatives, independent contractors and consultants.

"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.

"ILO" means The International Labor Organization

"ISTOR" means İSTOR KUYUMCULUK SAN. VE TİC. A.Ş

"Money Laundering" 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.

"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.

"The UN" means the United Nations.

“The UN Global Compact” 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.

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

“The Universal Declaration of Human Rights (UDHR)”² 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.

“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.

3 | General Principles

ISTOR selects its Business Partners based on factors such as technical competencies, product and service quality, pricing, corporate reputation and financial soundness etc. ISTOR 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 owner/s are not a Sanctions Target,⁴
- ▶ Audits (supplier, distributors and technical service providers) to ensure that the Business Partner:
 - ▶ Complies with relevant agreements,
 - ▶ Complies with laws, regulations,
 - ▶ Complies with to the extent applicable ISTOR Code of Ethics and related policies, ▶Has effective management systems in place
- ▶ Providing trainings to ensure compliance with expected standards.

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

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

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

4. Please refer to ISTOR Sanctions and Export Controls Policy for details.

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 Obligations⁵.

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

Compliance with the Principles is tracked by Self-Assessment Forms and Queries prepared by the officer or department in charge of compliance. The results are evaluated by the related process owners, considering the inherent risk factors. The officer or department in charge of compliance shall be informed about the results of these Due Diligence activities. Upon such notification, if the results indicate any red flags, the officer or department in charge of compliance may request to perform Enhanced Due Diligence. 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 CEO.

ISTOR companies, 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 set forth herein. Clauses such as adhering to the principles of this Policy, right to audit shall be included in the relevant contracts.

4 | Guiding Principles For Business Partners

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

4 | 1. Laws and Regulations

Business Partners of ISTOR 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.

5. Please refer to ISTOR Sanctions and Export Controls Policy for details.

4 | 2.Human Rights

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

4 | 2.1. Employment

Business Partners of ISTOR 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, ISTOR 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

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

- ▶ Comply with all applicable environmental laws and regulations including ISTOR'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

ISTOR expects its Business Partners to perform their business with fairness, integrity and in accordance with legislations and in line with ISTOR Code of Ethics.

4 | 5.1. Anti-Bribery and Corruption & Anti-Money Laundering

Business Partners are expected to comply with applicable anti-bribery and corruption and anti-Money Laundering related laws, while conducting business on behalf of the ISTOR 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 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 ISTOR employees that may lead to an actual or perceived conflict of interest and harm the ISTOR 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. Employees of Business Partners may report their concerns directly to ISTOR Ethics Hotline.

4 | 6. Training and Development

ISTOR 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 ISTOR are responsible for complying with this Policy, implementing and supporting the relevant ISTOR company's procedures and controls in accordance with the requirements in this Policy. Each ISTOR company also expects and takes necessary steps to ensure that all its Business Partners to the extent applicable complies with and/or acts in line with this Policy.

If there is a discrepancy between the local regulations, applicable in the countries where ISTOR 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 ISTOR Code of Ethics, you may seek guidance or report this incident to your line managers. You may alternatively report the incident to ISTOR's Ethics Hotline via the following link:
"istor.com.tr/hotline"

ISTOR employees may consult the Legal and Compliance Department in ISTOR for their questions related to 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.

6 | Revision History

This Policy takes effect on 09.09.2023 as of the date approved by the Board of Directors and is maintained by the Legal and Compliance Department in iSTOR.

Revision	Date	Comment



**We Do The
Right Thing**



**Compliance
Program**