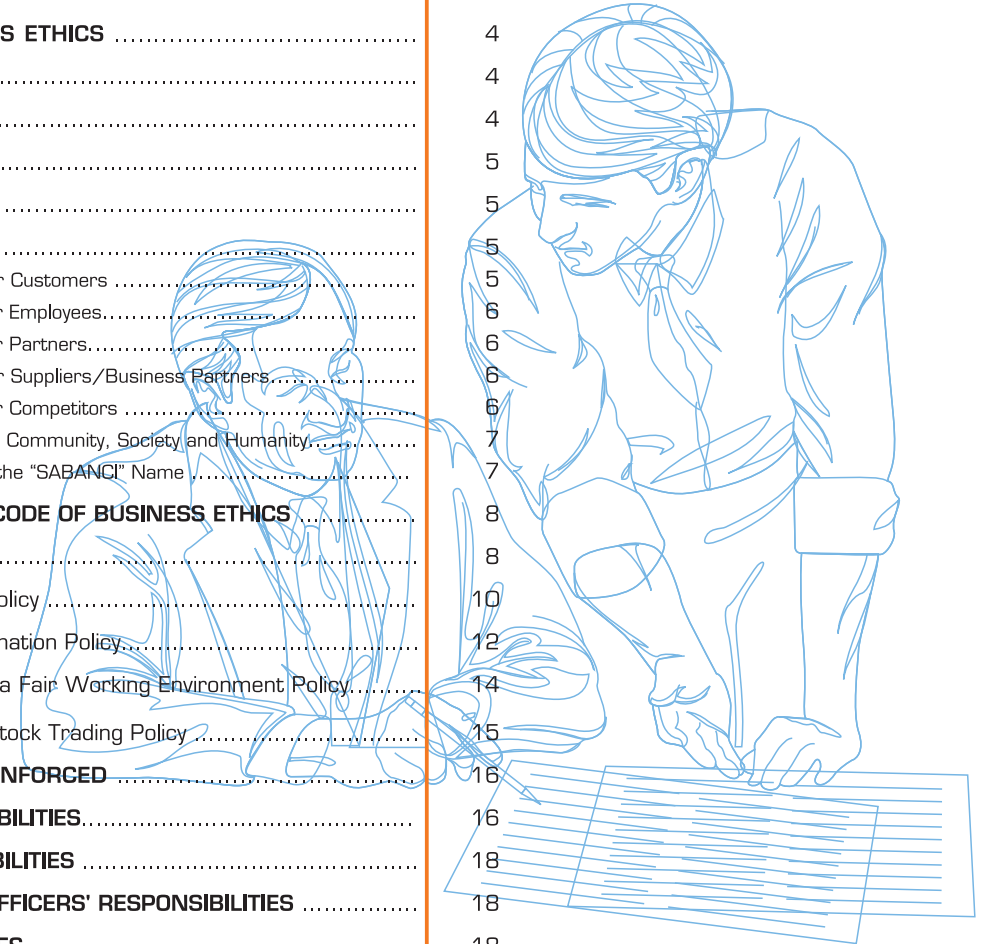




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*Dear Associates,*

*Sabancı Group, ever since it was established, has been an organization with values, high business standards, reputation, and reliability, and its employees and business partners have justifiably felt proud to work with.*

*Preserving these characteristics that render Sabancı Group exclusive, as well as the fast changing social and economic conditions that we live in, requires us as Sabancı to establish our ethical values in an even more solid manner. We therefore believe that perpetuation and effectiveness of the said ethical values shall be possible by transforming them into written codes and sharing them with the public.*

*Thus, the Sabancı Code of Business Ethics - "SA-ETHICS", has been prepared to be adopted by all Sabancı employees. This code is based on the Sabancı values and working principles that have been established over the extended years of successfully conducting our operations. Aside from protecting our companies and their employees, SA-ETHICS is for us a guide beyond all laws, regulations, and internal procedures that play a key role in guiding all our decisions and activities.*

*It is our responsibility as employees of Sabancı Group, including the Members of the Board and top management to know, understand, internalize, and act in compliance with the principles in SA-ETHICS and the values underlying them.*

Zafer Kurtul  
Chief Executive Officer

*Acting in consistence with the values expressed by these principles and personal integrity are the most critical components of the management approach embraced by all managers and employees of our companies; and all top management starting with H. Ö. Sabancı Holding Inc. Chairperson and CEO, undertake the responsibility of supporting our employees to comply not only with the letter but also the spirit of SA-ETHICS.*

*While codes are an important reference on the standards of working ethics, no compilation of codes offer one-to-one solutions to all the specific situations that individuals might face. Therefore, these codes should not be seen as a replacement to the right decisions taken with a sense of goodwill and responsibility. On the contrary, these codes shall be complementary to decisions taken with this awareness. If you have any questions or concerns about the proper conduct or decision to take at a given situation, we recommend that you seek additional information and support from your managers and more experienced associates. On the other hand, we should not forget that it is the responsibility of all of us to report those decisions and actions that we observe to be in conflict with Sabancı business ethics.*

*We are all privileged to work for one of the most prestigious and leading organizations of Turkey and it is our responsibility to preserve and perpetuate these ethical values, on which the Sabancı Group has been founded, for future generations. We trust that you will undertake this responsibility.*

Güler Sabancı  
Chairman

# I. OUR CODE OF BUSINESS ETHICS

## A. Integrity

Integrity and honesty are our core values in all our business processes and interactions. We act in integrity and honesty in all our relations with the employees and stakeholders.

*Question> A colleague, who has been working in our Group with great loyalty since many years, has retired recently, and established his own consultancy. He has asked me for a copy of a data gathering format, which he had personally contributed a great deal in creating. What should I do?*

*Answer> Our Code of Business Ethics includes Confidentiality. Any information or item that creates a competitive advantage for our Group, as well as any information and systems that might create a disadvantage to the Group in case of divulgence to third parties are classified as confidential. "We... use this (confidential) only for the purposes of the Sabancı Group, and share this information only with relevant authorised parties." This form that has been prepared with much effort might constitute a company know-how, and be classified as confidential. If the form is a Sabancı know-how, you should not share it with your ex-colleague. If you are not sure about what to do, discuss the matter with your manager.*

*Question> I invest part of my income in the stock exchange. As I work within a Holding Company, I have supplier-customer relationships with many companies quoted on the stock exchange. Our Group companies are also significant customers for some of these companies. I am fairly capable of forecasting our long-term growth plans. If I invest in the stock exchange with this knowledge, would this be considered insider trading?*

*Answer> Insider trading is defined as leaking confidential information concerning our company to obtain any commercial benefit including trading stocks at the stock exchange. If the information that you use while making these investments is confidential company information, then you are in violation of the code related to confidentiality which indicates that; "We strictly forbid insider trading, or gaining any financial or commercial interest, including trading stocks through disclosing confidential information..." However, if the information you use is in public domain, then your behaviour may not be defined as insider trading. As indicated in your question, would you still have the "capability of estimating" if you were not a Sabancı employee? Moreover, if you make a fortune from your stocks investments, how would the SPK (Turkish Securities Exchange Commission) construe it? Take these considerations into account and decide accordingly.*

*Question> I took on the responsibility to buy cookies for this meeting. I have also bought a dollar worth of chocolate bar my daughter is fond of. Because I made the purchase with my credit card, I was given a single receipt, and I had to submit it all as company expense. Would this create a problem?*

*Answer> Yes. Even if the chocolate bar is not expensive, this is against our principles. In such cases, make it a rule to request separate receipts. Or, while filling in the form for your expenses, deduct your personal expenditures from the total on the receipt before submitting it to the Accounting Department.*

## B. Confidentiality

Private and confidential information includes information that might lead to a competitive disadvantage of H. Ö. Sabancı Holding Inc. and Sabancı Group Companies, trade secrets, financial and other information that has not been publicly disclosed, employee personal information, and information within the framework of "confidentiality agreements" enacted with third parties.

As employees of the Sabancı Group Companies, we give utmost importance to protecting the privacy of our customers, employees and other associated individuals and companies and the confidentiality of their information. We protect confidential information regarding the activities of the Group Companies, use this information only for the purposes of the Sabancı Group, and share this information only with relevant authorised parties.

We strictly forbid insider trading, or gaining any financial or commercial interest, including trading stocks through disclosing confidential information belonging to H. Ö. Sabancı Holding Inc. and Sabancı Group Companies. When ending our employment with the company, we do not take with us confidential documents, projects, regulations, etc. that were confined to us due to our position.

## C. Conflict of Interest

As Sabancı Group employees, we take responsibility to avoid situations and relationships that involve conflict of interest. We do not use our present position to obtain any benefits personally or through our families and relatives, from people and companies with whom we have business relations. We do not engage ourselves in any business activity aimed to gain personal financial benefit outside Sabancı Holding and its Group Companies. We refrain from using the name and power of Sabancı and our Sabancı identity to gain personal benefit.

In cases of potential conflicts of interest, when we believe that interests of the relevant parties may be safely protected by legal and ethical methods, we adopt these methods. When in doubt, we consult with our manager, the Human Resources Department, or the Ethics Board.

*Question> My daughter has graduated with honors, and is now looking for a job. One of our suppliers has sent a message offering her a job. I am responsible for approving the contracts with this supplier. What should I do?*

*Answer> Ask your daughter to apply for another job. If this is really the job of her dreams, then we suggest you go and explain the situation to your manager, and ask to be relieved of the responsibility for the supplier's contracts. Inform your supplier of the change in your responsibilities before your daughter goes for the job interview.*

*Question> My wife, a high ranking civil servant, has been appointed to head the organization responsible for some of the most crucial decisions concerning our company and the Group. I am among the top managers at the company. Would this create a conflict of interest?*

*Answer> In our codes regarding Conflict of Interest, it is indicated that, "In cases of potential conflicts of interest, when we believe that interests of the relevant parties may be safely protected by legal and ethical methods, we adopt these methods. When in doubt, we consult our manager, the Human Resources Department, or the Ethics Board." Inform your manager and the Chairman of the Board. Together, you may prognosticate the measures that can be taken in future situations that might create conflict of interest.*

*Question> Sometimes we have to sell at a loss due to spot market behaviours. We often meet at an employers' association. Is it alright for us to discuss arranging prices to prevent such fluctuations in prices and establish trust and stability in the market?*

*Answer> Our Legal Responsibilities are among the foremost of our Code of Business Ethics. All activities prohibited by law, including price fixing, are against the Competition Law; and therefore such topics should not be discussed in meetings with the competitors. If a discussion on a topic prohibited by the law is initiated in such a meeting, even our presence as passive audience may be construed as violating the Competition Law; and might incur great fines for the company. Excuse yourself out of any meeting where such an issue is discussed.*

## D. Our Responsibilities

In addition to our legal responsibilities, we give utmost importance to fulfil the following responsibilities vis-a-vis our customers, employees, stakeholders, suppliers and business partners, competitors, the community, humanity, and to the name of Sabancı.

### 1. Our Legal Responsibilities

We execute all our domestic and international activities and procedures within the framework of the laws of the Republic of Turkey and international laws; and we submit all required information to regulatory authorities and institutions in a correct, complete, clear and timely manner.

In executing all activities and procedures, we do not expect any benefit from, and keep an equal distance to all public institutions and organizations, administrative bodies, non-governmental organizations, and political parties; and we fulfil our liabilities with a sense of responsibility.

### 2. Our Responsibilities Towards Our Customers

We adopt an approach which is focused on customer satisfaction and proactive in responding to customers' needs and demands in an appropriate and timely manner. We deliver our services on time and under the promised conditions; we approach our customers with respect, honour, fairness, equality, and courtesy.



### 3. Our Responsibilities Towards Our Employees

We enable our employees to use their personal rights fully and correctly. We approach employees with honesty and fairness; and ensure a non-discriminatory, safe, and healthy working environment. We undertake the necessary efforts to enable personal development of our employees; with a social awareness support them in volunteering for appropriate social and community activities; and respect and assure the balance between their private and professional lives.

### 4. Our Responsibilities Towards Our Partners

Dedicating prime importance to the continuity of the Sabancı Group, and in line with our goal to create value for our partners, we avoid taking on unnecessary or unmanageable risks, and strive for sustainable profitability. We act with financial discipline and accountability, and manage our company's resources, assets and our professional work time with a sense of efficiency and economy. We work to enhance our competitive power, and to invest in areas with growth potential and which offer the highest return on allocated resources. We give timely, correct, complete, and clear information on our financial statements, strategies, investments and risk profile to the public and to our shareholders.

### 5. Our Responsibilities Towards Our Suppliers/Business Partners

We act respectfully and fairly as expected from a good customer, and ensure to fulfil our liabilities on time. We carefully protect the confidential information pertaining to the persons, organizations and our business partners.

### 6. Our Responsibilities Towards Our Competitors

We compete effectively, only in areas that are legal and ethical, and avoid unfair competition.

We support all efforts to construct a competitive structure targeted within the society.

*Question> Would I be penalized if I do not complete a task assigned to me due to concerns around hygiene and environmental safety conditions?*

*Answer> It is our commitment to "establish a safe and healthy working environment for our employees". If you refrain from doing an appointed task based on a valid reason, inform your supervisor. If he is the one appointing this task to you, and he/she insists on your doing it, then you can consult with the company's work safety officer, Human Resources, or the Ethics Board. You shall not be penalized if you have a valid concern around safety.*

*Question> I have recently joined the Sabancı Group. In my previous job, I had access to the strategic plans of one of our major competitors. Some of the reports are still in my portable memory. Would it be wrong for me to share these?*

*Answer> Information and the experience you have gained are certainly yours, but not the data you have received from the competitor. First and foremost, your responsibility towards your previous employer prohibits you to share this data with us. On the other hand, using the data belonging to our competitor without permission may create legal problems for us. In alignment with our codes which state that "Integrity and honesty are our core values in all our business processes and interactions," and that "We compete effectively, only in areas that are legal and ethical,... we support all efforts to construct a competitive structure targeted within the society." and with our responsibility towards the Sabancı name to "strive to keep our reputation at the highest level," we cannot let information belonging to our competitors be disclosed to us unfairly. We expect the same compliance to confidentiality and loyalty from those who have joined us from other companies as we do from our employees. On the other hand, collecting information on our competitors through legal means and methods, and conducting market intelligence activities are of course among our duties.*

*Question> A certain amount of chemicals were spilled onto the soil during a filling operation at the work site. It is not a significant amount. Should I report it?*

*Answer> You have to inform your manager or the site safety supervisor immediately in case any chemicals spill onto the soil, or dispersed in water or on air. You should follow our company's internal reporting procedure in this matter. Your manager shall prepare the necessary reports, and shall inform the municipality or government authorities if necessary. Within our responsibilities towards the community, society and humanity, it is stated that "... conservation of the environment; ...is of utmost importance to us.*

*Question> We have a small but very profitable joint venture abroad where we have minority share. As we are new in that market, we have established a partnership with a local entrepreneur. The company management is wholly in the hands of the local partner. I have heard through grapevine that this company makes questionable payments to local authorities in order to be awarded with certain tenders. The press in the said country seems to cover certain allegations concerning our partner. An experienced colleague whom I have consulted said that our company has no control on operations, that we are just minority investors, and therefore that I should not worry about it. What should I do?*

*Answer> We understand that you do not have proof of these allegations; you have heard only certain rumors. You should still take the matter to top management through appropriate channels. Although our Group is the minority shareholder, any news regarding bribes or corruption might light a shadow on our reputation of integrity we are jealously protecting since many years. As mentioned in the paragraph on Our Responsibilities Concerning the "Sabancı" Name, "...we seek to work with customers, business partners, and employees demonstrate integrity and legitimacy. We do not collaborate with those impairing social ethics, ...". As the complicated situation might constitute a risk for our Group, we suggest you follow the necessary procedures to consult relevant authorities or the Ethics Board.*

*Question> An acquaintance working for a contractor which is also servicing Sabancı Group, has revealed to me that the said company does not regularly pay the social security premiums of its employees, and thus, is able to offer such bargain prices. Should the illegal practices of this service provider be a concern for our company? Do I need to inform my company regarding the situation?*

*Answer> Yes, you should inform the relevant department. Illegal practices of contractors might stain our Group's name and reputation. We cannot continue collaborating with those companies that act in violation of the Sabancı Code of Business Ethics. Our Responsibilities Concerning the "Sabancı" Name states that "we seek to work with customers, business partners, and employees demonstrate integrity and legitimacy."*

### 7. Our Responsibilities Towards the Community, Society and Humanity

Preservation of democracy, human rights, and conservation of the environment; education and charity activities, eradication of crimes and corruption is of utmost importance to us. We pioneer in social affairs with an awareness of good citizenship and responsiveness; we try to play a role in non-governmental organizations, in services and activities for the benefit of the society and public. We act in a responsive and sensitive manner in Turkey and towards the customs and culture of those countries where we undertake international projects. We do not offer and accept bribes or gifts in forms of products or services, etc. beyond commonly accepted reasonable limits.

### 8. Our Responsibilities Concerning the "Sabancı" Name

Our business partners, customers, and other stakeholders trust us due to our professional competence and integrity. We strive to keep our reputation at the highest level.

We offer our services within the framework of company policies, professional standards, our commitments, and ethical codes; and we ensure to fulfil our liabilities.

We offer services in areas where we believe we are or will be professionally competent; and we seek to work with customers, business partners, and employees demonstrate integrity and legitimacy. We do not collaborate with those impairing social ethics, and damaging the environment or public health.

We do not express our personal opinions, and only communicate our company's view in public, and in areas where we are perceived as representing our company.

When faced with complicated situations that may jeopardize H. Ö. Sabancı Holding Inc. and/or its Group Companies, we consult first with the relevant personnel, following the appropriate technical and administrative consulting procedures.



# II. POLICIES SUPPORTING CODE OF BUSINESS ETHICS

## A. Conflict of Interest Policy

Employees of H. Ö. Sabancı Holding and the Group Companies are required to avoid situations and relationships that involve actual or possible conflict of interest. Employees are required to assume the primary responsibility for avoiding the use of Holding/Company resources, name, identity and power for personal benefit and keeping away from situations that might have a negative affect on the organization's reputation and image. The following rules of practice define situations and/or relationships involving conflict of interest that Holding/Company employees might experience while fulfilling their duties or in their private lives due to certain business relationships, and establish the principles to be followed by employees in such situations.

### Rules of Practice

#### 1. Activities That Might Create Conflict of Interest

All Holding/Company employees are required to fully comply with the situations which are defined below as activities that might create conflict of interest, and the below established principles. The Holding/Company undertakes the necessary efforts to encourage employees to abide by these principles.

#### I. Engaging in Activities That Might Create Conflict of Interest

Employees shall in no way enter a business relationship with their family members, friends, or third parties that offers them reciprocal or non-reciprocal benefit. For example, an employee with purchasing authority should avoid doing business with a supplier where a family member is employed. Exceptional circumstances require the knowledge and approval of the Holding/Company Chairperson. In the same respect, Holding/Company employees should also be careful against possible conflict of interest that may arise due to family members working for the competitor.

Employees shall not obtain benefit by insider trading, including trading for stocks at the Stock Exchange, and may not offer others the means to do so.

It is fundamental that Employees of Hacı Ömer Sabancı Holding and the Group Companies shall not conduct activities directly or indirectly, that may require them to be classified as "merchant" or "tradesman", and shall not under whatever name work for an individual and/or organization during or outside working hours for a fee or a similar benefit.

Question> I am responsible for procurement in our company. The company to which my brother-in-law has been recently appointed as the General Manager, is offering to provide its services to my company as a supplier. We had worked with this company in the past. What should I do?

Answer> In our Conflict of Interest Policy it is indicated that; "Employees shall in no way enter a business relationship with their family members, friends, or third parties that offers them reciprocal or non-reciprocal benefit. For example, an employee with purchasing authority should avoid doing business with a supplier where a family member is employed. Exceptional circumstances require the knowledge and approval of the Holding/Company Chairperson." Inform your General Manager regarding the situation, and do not sit on the board to decide on this matter.

Question> I plan to open a boutique together with my wife, offering quality products highly sought in the neighborhood. Would starting such a boutique where I will be able to make use my talents that are not put to use in my role at Sabancı Group be in conflict with Sabancı business ethics codes, if my wife supervises it during the working hours?

Answer> In our Conflict of interest Policy it is indicated that; "It is fundamental that Employees of Hacı Ömer Sabancı Holding and the Group Companies shall not conduct activities directly or indirectly, that may require them to be classified as "merchant" or "tradesman", and shall not under whatever name work for an individual and/or organization during or outside working hours for a fee or a similar benefit." You may open a boutique or contribute to its operation on the condition that you comply with all codes of practice pursuant to the Conflict of Interest Policy specified under Sabancı Code of Business Ethics.

However, employees may only work for third party (family member, friend, other third persons) and/or an organization in return for a payment or a similar benefit outside business hours with the condition that this activity;

- does not create any conflict of interest with their current role in their company and the practices of other Sabancı Group companies,
- complies with the other business ethic codes and with the policies supporting these codes,
- does not have a negative impact on their performance at the company,
- and written approval from management is obtained.

The approval shall be granted by Sabancı Holding CEO based on the direct manager's advice followed by Ethics Board's advice for Group President, General Manager and all positions reporting to the General Manager; and by the Company General Manager based on the Company Ethics Compliance Officers's and Company Human Resources Manager's advice for all other employees.

Employees of Sabancı Holding and Group companies may not act as a member of the board or auditor in organizations other than the Group Companies without the approval of the Holding/Company Board of Directors; and shall not accept positions with a competitor or companies with whom the Holding/Group has business relations. They may work at universities and non-governmental organization for social responsibility and charity purposes upon written approval of the management, as long as it does not hinder employee's responsibilities at the Holding/Company.

Managers making employment decisions shall not employ their spouses, close relatives, and relatives of these people.

Employees may give speeches and write professional articles in topics that are not related to the company or its operations, and that are not in conflict with the companies' policies. Approval of the CEO/General Manager is needed to use Holding/Company name in these activities.

H. Ö. Sabancı Holding and Group Company employees may actively be involved in a political party, individually and voluntarily. Managers shall not request any employee to get involved in any political activity or to become a member to any political party. Meeting the following conditions and obtaining written approval of the management are required for employees to serve in any political party;

- The employees' involvement in any political activity shall not cause any conflict of interest with their current role in the company nor the practice and perspectives of other Sabancı Group companies.

- Employees may not be involved in any political activity during business hours nor occupy their colleagues' time for these activities.

- Employees may not use the company name, their position and title in the company nor company resources for their political activities.

The approval shall be granted by Sabancı Holding CEO based on the direct manager's advice followed by Ethics Board's advice for Group President, General Manager and all positions reporting to the General Manager; and by the Company General Manager based on the Company Ethics Compliance Officers's and Company Human Resources Manager's advice for all other employees.

Employees may personally offer financial or non-financial charity to third persons outside the Holding/Company, and may be active in charity organizations.

Question> I work for the Projects Department. I need to do some renovations at home. I have learned that one of the companies recommended to me also undertakes certain renovation services for our Company. The company owner indicated that he shall renovate my house for an affordable price and with great care. What should I do?

Answer> The Conflict of Interest Policy indicates; "Private business relations can not be established with, and personal debts and/or goods/services may not be received from Holding/Company customers, contractors, or suppliers and other persons and/or organizations with whom the Holding/Company has commercial relations. Personal debts in the form of cash and/or goods/services can not be given to other people and/or organizations with whom the Holding/Company has commercial relations." If the price offered for renovations by the contractor is in par with market, and if you are not personally responsible for contracting business with this company at your workplace, then you may accept the offer. We recommend you to inform your supervisor in writing of this commercial relationship. If the price offered by the company is much below that of the market, we suggest you work with another company.

## II. Professional Misconduct

Any employee action that results in harm to the Holding/Companies through the use of ones authority with neglect and for ones own and/or relatives' interest shall not be tolerated.

Employees shall not obtain direct or indirect personal benefit from purchasing and sales activities and contracts that the Holding/Company is a party to.

Employees may not engage in actions or conduct that is immoral, illegal, or that is in conflict with the Holding/Company discipline.

## III. Utilization of Resources

In utilizing resources in the name of the Holding/Company, the interests of the Holding/Company shall be considered. Holding/Company assets, resources, and personnel shall not be used outside the Holding/Company under whatever name, or for the name or benefit of whoever unless Holding/Company's interests are ensured. All personnel shall abide by the principle of "economy on all resources".

Correct utilization of resources in the interests of the Holding/Company also requires proper utilization of time. During working hours, Holding/Company employees utilize their time effectively, and do not spend their time for personal-business. Managers shall not assign personal tasks to employees.

In principle, guests and personal appointments are not welcomed during working hours. Employees should conduct meetings and interviews with essential visitors in accordance with the subject of the visit, and within a reasonable time not disrupting the business flow.



#### IV. Relation With Other Individuals and/or Organizations With Whom The Holding/Company Has Commercial Relations

Private business relations can not be established with, and personal debts and/or goods/services may not be received from Holding/Company customers, contractors, or suppliers and other persons and/or organizations with whom the Holding/Company has commercial relations. Personal debts in the form of cash and/or goods/services can not be given to other people and/or organizations with whom the Holding/Company has commercial relations.

The following factors should be considered in relationships with customers; even when the customer's benefit is concerned, no transaction may be conducted without the customer's knowledge and approval; and even when company's benefit is concerned, customer's vulnerabilities shall not be exploited and profit shall not be assumed through providing incomplete or incorrect information to the customer.

Holding/Company personnel shall not request or imply for gifts from any person and/or organization with which there is a business relationship, shall not accept any gifts, money, checks, properties, free holidays, special discounts, etc. that may put the Holding/Company under any obligation. Personal aid or donations can not be accepted from any person or organization having business relations with the Holding/Company. Under these circumstances, the Policy on Giving and Accepting Gifts shall be followed.

#### V. Relations With The Media

In relationships with the media, all actions should be in accordance with the Holding/Company Communication Protocol.

Giving statements or interviews to any media organization, participating in seminars, conferences, etc. as a speaker requires approval from company's top management. No personal gains shall be received from such activities.

#### VI. Representing The Company

Any fees that are due because of work done in representation of the Holding/Company in any association, in employers' unions and similar NGOs shall be donated to a relevant institution or other channels as directed by the institution.

Payments made by third parties to a Holding/Company employee for making a speech at seminars or similar services are also donated to the organization, or to channels as directed by the organization. These persons may receive awards, plaques, etc. with symbolic value given as commemoration of the day.

*Question> When we bid for certain contracts within the domain of the local administrations; donations to regional sports clubs, care homes, libraries, or various social associations are requested verbally as a sine quo non condition for the business. May we make donations to such establishments, and may we account such donations as company expenses?*

*Answer> Making any type of contribution, be it in the form of donation, in return of getting a contract is absolutely prohibited both by the law, and by the Sabancı Code of Business Ethics.*

#### B. Giving and Accepting Gifts Policy

Employees of H. Ö. Sabancı Holding and Group Companies shall refrain from accepting gifts or benefits that might influence their impartiality, decisions, and conduct; and from offering such gifts and benefits to third party persons and organizations. The rules of practice defined below, define the framework around exchanging of gifts between Holding/Company employees and third party individuals and organizations with whom a business relationship exist, and establish relevant principles to be followed by employees in such situations.

*Question> I work as a manager in the Maintenance Department. I prepare the specifications for the new machinery and spare parts to be purchased. A new supplier has sent me an audio deck worth 750 dollars along with our initial order of a machinery set. What should I do?*

*Answer> Call the supplier and thank them. State that the Sabancı Code of Business Ethics and Policy on Giving and Accepting Gifts precludes you from accepting such a gift even in the company's name. Return the gift, or donate it to a charity and inform the supplier.*

*Question> An out-of-town supplier visits our headquarters at least twice every month; and insists on taking me out to lunch after our meeting. As he is a very jovial person, I generally do not refuse him. My colleagues and managers know that during these lunches, I obtain significant information regarding the market and our competitors. In accordance with the Policy on Giving and Accepting Gifts, "employees might receive and/or give gifts ... (which) are in compliance with the business targets of the organization.... may offer and accept 'reasonable' entertainment, gifts, and meals in accordance with standards acceptable in the business environment." Is there anything wrong with me going out to these lunches?*

*Answer> The frequency of these lunches might be deemed to be over the "in accordance with standards acceptable in the business environment" Share our Policy on Accepting Gifts with the supplier, and offer to pay for the lunches in turns.*

#### Rules of Practice

1. Holding/Company employees are prohibited to receive any kind of benefits or gifts, with or without an economic value, that influence or might influence their impartiality, performance, and decision-making while carrying out their duties.
2. Holding/Company employees might receive and/or give gifts as outlined in Article 3, or might accept to undergo a special practice on the condition that these:
  - are in compliance with the business targets of the organization,
  - are in compliance with current legislation, and
  - shall not cause an embarrassment for the Holding/Company in case of public disclosure of the gift.
3. With the condition that the terms of Article 2 are met;
  - Holding/Company employees may offer and accept 'reasonable' entertainment, gifts, and meals in accordance with standards acceptable in the business environment, and on the condition of abiding by the principles in the Company Authorisation Table.
  - Awards, plaques, etc. with symbolic, non-monetary value may be accepted as commemoration of having participated in seminars and similar organizations to represent the Holding/Company.
4. Cases mentioned above and other gifts, benefits, holidays, discounts, etc. aside from any currency, do not require approval if these are in accordance with the terms of Article 2, and if the total value of the gifts received in each calendar year from each individual/company does not exceed TL 250/or equivalent.
5. It is forbidden to receive gifts or benefits that are openly or implicitly requiring reciprocation.
6. Receiving, giving, or suggesting bribes and/or commissions is not acceptable under any circumstance.
7. It is forbidden for the Holding/Company employees to accept unrequited money or to borrow money from sub-employers, suppliers, consultants, competitors or customers; or to request or accept these people and/or organizations to pay their travel expenses, activity expenses, or similar expenditures.
8. Gifts and promotional material supplied by the Holding/Company for customers, dealers, or other third parties in business relationships should be approved by Holding/Company top management. Distribution of this approved gifts and promotional material does not require an additional approval.



9. With the condition that the terms stated in Article 2 are met, Holding/Company may accept appropriate products and services as gifts; and products and services viewed appropriate for the culture of the recipient and ethical values may be given as gifts with the knowledge and approval of the Holding/Company top management.

10. In exceptional cases where local culture requires exchange of gifts that are above the values established by company policy, these gifts may only be accepted in the name of the Holding/Company, and upon the approval of the Holding/Company top management. In all cases, exchange of gifts should be done in accordance with local culture.

Question> When I went to get copies of my report late in the evening, I found a set of photocopies on the printer containing personal and salary information of employees in our department. There was nobody else at the office. I do not want to cause trouble to anyone, but it is not correct to leave documents containing such information lying around. What should I do?

Answer> Our Code of Ethics state that; "Necessary measures are taken to preserve, store, and protect [confidential information]." Place the report you have found in an envelope, and forward it to relevant authorities first thing in the morning.

### C. Protecting Confidential Information Policy

Information is among the most important assets that H. Ö. Sabancı Holding and Group Companies will use in realizing its vision. Therefore, effective use of information, sharing it appropriately, and preserving its confidentiality, integrity, and accessibility are the joint responsibility of all our companies and employees. The compatibility of the management systems established and processes implemented to manage information and its confidentiality is very important in maximizing the benefit that the Group shall receive.

Details of practices regarding this issue are defined in the Sabancı Information Security Policy and associated documents. The following rules of practice define confidential information for Holding/Companies, and establish the principles that the employees must embrace concerning confidential information.

#### Rules of Practice

Confidential information includes, but is not limited to; brands, and other intellectual rights belonging to the Holding/Companies, databases coded, discovered, developed, or deployed by the personnel, including all kinds of innovations, processes, advertisements, product packaging and labels, plans (marketing, product, technical), business strategies, strategic partnerships and information on partnerships, financial information, personnel information, customer lists, product designs, know-how, specifications, identity of potential or actual customers, information on suppliers, and all such information either written, graphical, or readable on a machine.

Question> I work in the Business Development Department. There are many documents such as a training programs, graphical presentation documents, or survey questionnaires that I have created during my working hours and personal time, in order to remove certain deficiencies I have seen in our department. Would it be wrong for me to share these with my friends in other companies, and to take these with me when I leave the company to use in my new job?

Answer> Yes, this would be wrong. When you work in a company, all the documents, forms, and the work you do regarding your job during work hours or your free time (outside work hours) are the intellectual property of that company. When the company employs someone, it pays them for their time, their knowledge, capabilities and creativity. Thus, you may not share these documents with others unless you obtain written permission from top management, and you may not take them with you when you leave the company. Whatever you create in the company belongs to the company.

Question> My colleagues who sometimes forget the passwords to access the common domain files ask me to share my password with them. Is there a problem for me to share my password with my colleagues?

Answer> Yes. Such passwords are personal. In case of an error committed using your password, you would be personally responsible. "Passwords, user codes, and similar identifying data used for access to company information are kept confidential, and can not be disclosed to anyone other than authorized users."

Question> It is well known that colleagues working in the same department wish to know each other's salary increases. I see that this has become a custom in my department. This is my first year. My colleagues continously ask me to share my salary and the increase I have received. May I share my salary with them?

Answer> Certainly not. The Policy on Protecting Confidential Information states that; "Wages/salaries, side benefits, and similar personnel information reflecting the company policy and that is private to individuals is confidential, and may not be disclosed to anyone other than the authorised people. Information concerning personnel are delivered in a way as to be private to the individual. It is strictly forbidden for the personnel to disclose these to others, or to apply pressure on other employees to have this information disclosed." If you still feel pressurized, inform your manager or the HR Department.

Principles concerning confidential information are stated below:

1. These information may not be disclosed to third parties unless so required by the Official Authorities or Regulations.
2. These information may not be altered, copied, or destroyed. Necessary measures are taken to preserve, store, and protect them. Modifications on the information are recorded with dates.
3. Confidential files may not be taken out from the Organization. For those confidential documents that have to be taken away from office, approval of the person responsible or of the top management should be obtained.
4. Passwords, user codes, and similar identifying data used for access to company information are kept confidential and not disclosed to anyone other than authorized users.
5. Confidential information belonging to the company is not discussed in food halls, cafeterias, lifts, transport service vehicles or similar public places.
6. Confidential information are classified in accordance with the degree of confidentiality, and this is clearly mentioned in the content of the information. Holding/Company personnel know the degree of confidentiality of the information received in line with their duties, and act accordingly. In case where there is hesitation concerning the degree of confidentiality, higher level of confidentiality is adopted and the relevant manager is consulted as seen necessary.
7. If for the interests of the Holding/Company, sharing of company information with third party individuals and/or organizations is in question, a confidentiality agreement concerning information sharing is signed or a written pledge of confidentiality is received from the other party before the confidential information is disclosed, in order to ensure that these parties are aware of their responsibility in terms of the security and protection of those assets.
8. There shall be no unfounded statements and/or gossip made concerning individuals or organizations.
9. Wages/salaries, side benefits, and similar personnel information reflecting the company policy and that is private to individuals is confidential and may not be disclosed to anyone other than authorised people. Information concerning personnel are delivered in a way as to be private to the individual. It is strictly forbidden for the personnel to disclose these to others, or to apply pressure on other employees to have this information disclosed.

## D. Establishing and Preserving a Fair Working Environment Policy

H. Ö. Sabancı Holding and the Group Companies consider the establishment and preservation of a fair working environment for the employees as an important priority. Through establishing a fair, healthy, and safe work environment in which employees are respected and all relevant laws and regulations are complied with, the intent is to improve and increase employee performance, development, and commitment. The following rules of practice define the basic principles in establishing and preserving a fair working environment at the Holding/Companies.

### Rules of Practice

1. Holding/Company practices are in accordance with all current laws and regulations concerning employment and working conditions. Holding/Company employees fulfill all legal requirements within the context of their activities, and act in accordance with legislation.
2. The Sabancı Group human resources policies and practices ensure that all employment practices including recruitment, promotion-transfer-rotation, compensation, remuneration, social benefits, etc. are fair.
3. Any discrimination among employees within the organization based on language, race, color, gender, political opinion, creed, religion, sect, age, physical challenge and similar causes are not tolerated.
4. A positive and harmonious work environment is established within the Holding/Company to promote cooperation, and people with different creeds, beliefs, and opinions are enabled to work in harmony.
5. Private lives and personal spaces of employees are respected.

- Communications between individuals may not be violated by third persons.
- Even if recorded legally, it is forbidden to give/distribute/obtain personal data illegally.
- Personal information concerning personnel which are basis to and continuity of the employment relation may not be used outside their purpose and context or shared with third persons without the individual's consent.
- Private and family lives of all employees are respected.

*Question> I am considering to employ one of our managers son to my department. Is this against our codes?*

*Answer> If the person you would like to employ is the most suitable candidate for the position you are considering him for, as evaluated through the corporate recruitment and selection processes, and if he shall not be working in the same department with his father, employing him would not be in violation of our codes.*

*Question> I am not comfortable with my manager's behavior towards me. He suggests going out to dinner, and makes remarks around extramarital affairs when we are unaccompanied. What should I do?*

*Answer> Our Code state "Violating an individual's physical integrity by sexual advancements and/or sexually harassing an individual without physical contact is defined as sexual harassment. Accordingly; it is forbidden to display any behavior that can be defined within this context. Furthermore, persons who display a negative attitude or behavior towards those that file a harassment complaint/notifications or towards those who cooperate in such an investigation shall similarly not be tolerated." If you think that your manager or a colleague makes unrequited sexual advances, consult with the HR Department, or call the Ethics Board.*

6. In addition to all privacies of employees, physical, sexual, and emotional privacies are also protected.

- Violation of employees' privacies through physical, sexual, and/or emotional harassment in the workplace or in any other environment gathered for work purposes is against the laws and ethical codes; and Holding/Company will in no way tolerate this offense. The goal here is to enable employees to work in an environment where their physical, sexual, and emotional privacies are protected.

- Violating an individual's physical integrity by sexual advancements and/or sexually harassing an individual without physical contact is defined as sexual harassment. Accordingly; it is forbidden to display any behavior that can be defined within this context.

- Furthermore, persons who display a negative attitude or behavior towards those that file a harassment complaint/notifications or towards those who cooperate in such an investigation shall similarly not be tolerated.

7. No employee may demand any privilege based on a different gender, religion, language, or race; no one shall be privileged and be subject to special treatment. Giving or obtaining concessions because of differences in gender, religion, language, race, etc. is not accepted.

8. A healthy and safe physical working environment and conditions shall be established for all employees.

*Question> We have observed that female employees in general, after a certain period, quit their jobs due to family related reasons. When these employees leave the company unexpectedly after considerable training and development spending, it obviously creates problems. Therefore, I have decided not to consider appointing female employees to positions with long-term development plans. Would this decision, taken entirely on rational grounds and serving productivity purposes, be considered as discrimination?*

*Answer> This is a typical example of rationalised discrimination. As stated in our codes; "The Sabancı Group human resources policies and practices ensure that all employment practices including recruitment, promotion-transfer-rotation, compensation, remuneration, social benefits, etc. are fair. Any discrimination among employees within the organization based on ..... gender, ..... and similar causes are not tolerated."*

## E. Sabancı Group Companies' Stock Trading Policy

Employees of H. Ö. Sabancı Holding and Group Companies are required to comply with the legal regulations pertaining to the trading of stocks of Sabancı Group Companies and avoid getting involved in situations which may give rise to conflict of interest. The following rules of practice define the principles that Holding/Company employees must embrace regarding the trading of the stocks of Sabancı Group Companies.

### Rules of Practice

1. Those who may have access to information that are not disclosed to the public are strictly forbidden to use this information in order to obtain benefit for themselves and/or third parties (insider trading).
2. Persons who may be engaged in insider trading are the chairman and members of the board of a public company, its executives (manager and above level positions), auditors, others who may access information during the execution of their role and responsibilities as well as those who may be directly or indirectly informed due to their contact with these individuals.
3. These individuals may trade stocks of Sabancı Group Companies only with the use of publicly disclosed information and for investment purposes (holding them for a period longer than 3 months shall be regarded as investment).
4. Sabancı Group employees other than those mentioned above may freely trade stocks of Sabancı Companies with the use of publicly disclosed information without any time restriction.
5. The above mentioned rules of practice also apply to spouses and children of these individuals. Transactions conducted by the spouse and children shall be regarded as if they have been conducted by the employee.



# III. REGULATIONS TO BE ENFORCED

Sabancı Group Companies conduct business in international markets and therefore, company operations might be subject to laws and regulations of different countries. When faced with uncertainty and hesitation concerning ethics of doing business in different countries, initially the established regulations in the country of operation should be complied with. If complying with the regulations in the country and/or countries of operation shall have adverse consequences concerning the ethical values adopted by the Sabancı Group Companies, then we should seek solutions within our existing code of ethics and procedures.

# IV. EMPLOYEES' RESPONSIBILITIES

SA-ETHICS and its relevant policies and procedures establish the ethical codes on how we should act and how we should do our jobs in detail. It is the primary responsibility of all employees to abide by these codes. Hence, all employees of the Sabancı Group have the responsibility to;

- Act in accordance with laws and regulations under all circumstances;
- Read the Sabancı Code of Business Ethics, learn, understand, internalize, and act in accordance with the codes, principles, and values therein;
- Learn the general and business-specific policies and procedures valid for Holding/Company;
- Consult their manager or Human Resources about potential violations concerning self or others;
- Urgently report potential violations by self or others; notify manager, Human Resources and/or the Ethics Board verbally or in writing either by disclosing ones identity or keeping it confidential;
- Follow the "Procedures and Methods to be Followed While Making an Ethical Decision" which is defined to guide behaviors and actions as to the codes and problem solving;
- Cooperate with the Ethics Board during ethical investigations, keep information specific to the investigation confidential.

## A. Procedures and Methods to be Followed While Making an Ethical Decision

You should follow the steps defined below and ask yourselves the following questions as a guideline for deciding on an action plan:

- 1. Determining the Issue, Decision or Problem**
  - Have you been asked to do something that you think may be wrong?
  - Are you aware of a situation in the Holding/Companies or concerning your business associates that may potentially be illegal or not in compliance with business ethics?
  - Are you trying to make a decision but have doubts as to how you should behave in compliance with the business ethics?
- 2. Think Before You Decide**
  - Try to define and summarize the problem or your question clearly
  - Ask yourself why there is a dilemma
  - Think about the options and outcomes
  - Think who may be affected
  - Consult others

- 3. Decide Upon an Action Plan**
  - Define your responsibilities
  - Review all relevant facts and information
  - Consult relevant company policies, procedures, and professional standards
  - Assess the risks, and think about how you can reduce them
  - Try to define the best action plan
  - Consult others
- 4. Test Your Decision**
  - Review questions that should be asked ethically
  - Review your decisions within the context of company core values
  - Make sure you have considered company policies, laws, and professional standards
  - Consult others and consider their opinions within the formulated action plan
- 5. Proceed with Resolution**
  - Share your decision and its reasons with relevant people
  - Share what you have learned
  - Share your success story with others

- B. 4 Basic Questions to be Considered**
  - 1. Is this activity/behavior in line with laws, rules and tradition? (Standards)**
    - Is it in conflict with professional standards?
    - Is it legal?
  - 2. Is this activity/behaviour balanced and fair? Would we be upset/displeased if a competitor (or someone else) acted as such? (Sense of justice)**
    - Do you think it is right?
  - 3. Would it be embarrassing for our company and/or stakeholders if this activity/behavior is disclosed in detail in public? (Feelings and ethical values)**
    - Would you be in a difficult position or embarrassed if others knew of your action?
    - Could it lead to negative outcomes for you or your Holding/Company?
    - Who may be affected by it (other employees in the Holding/Company, you, shareholders, etc.)?
  - 4. How much does the "perceived fact" and "objective fact" overlap?**
    - How would it reflect in the newspapers?
    - What would any reasonable person think under similar circumstances?

For questions or to raise any concerns regarding possible violations, you may directly contact the Ethics Board through the following e-mail, mail addresses and/or telephone:

e-mail: etik@sabanci.com  
  
Address: H.Ö.Sabancı Holding Inc.  
Attn: Ethics Board  
Sabancı Center  
34330 4. Levent  
Istanbul Turkey  
  
Phone: +90-212-385 85 85

(Work hours: weekdays 08:30 - 12:00 am and 01:00 - 05:30 pm)

## V. MANAGERS' RESPONSIBILITIES

Sabancı Group managers have additional responsibilities, further to those defined for employees within the framework of SA-ETHICS. Accordingly, it is the managers' responsibility to;

- Create and preserve a company culture and working environment that promotes the ethics codes,
- Be a role model in practicing the ethics codes; educate their personnel on the ethics codes,
- Support their employees in expressing their questions and in filing their complaints/notifications concerning the ethics codes,
- Offer guidance regarding what should be done when consulted, diligently consider all ethical concerns raised, and forward them to the Ethics Board at the shortest possible time when deemed necessary,
- Structure all work processes under his/her responsibility in a way as to minimize ethical risks and implement necessary methods and approaches to ensure compliance with the ethics codes.

## VII. OTHER RESPONSIBILITIES

- The Holding/Company top management is responsible for effective enforcement of the SA-ETHICS or the company-specific Code of Business Ethics created within this context, and a culture to promote these codes.
- The Ethics Codes and all policies concerning the Code of Business Ethics are reviewed, revised and documented by the Human Resources Group Management upon the recommendations of the Ethics Board, and the revisions are announced to the Holding/Companies upon the approval of the Chairperson of Sabancı Holding.
- Holding/Company Human Resources has the responsibility to;
  - > Inform employees about the Code of Ethics, offer periodical ethics training to enable clarity regarding policies and codes, and establish continuous communication on this subject with the employees,

## VI. ETHICS COMPLIANCE OFFICERS' RESPONSIBILITIES

- Providing guidance and consulting to employees regarding questions and issues related to ethics within the company,
- Directing those ethical violations which cannot be resolved within the company and need further investigation to the Ethics Board,
- Participating and contributing to the resolution of ethical violations within the company that are directed to him/her through the Ethics Board,
- Reporting the questions and notifications regarding ethical issues, including their resolutions to the Ethics Board regularly or when requested,
- Acting as the point of contact within the company for the investigations conducted by the Ethics Board and supporting the investigations where necessary,
- Monitoring the effectiveness of the SA-ETHICS program within the company and providing support in its practice.

- > Ensure the newly employed personnel read the Code of Ethics, inform them in this subject, and ensure that they sign the Employee Declaration,
- > At the beginning of each year, ensure employees sign the Business Ethics Compliance Form and update their declarations.
- Holding/Company managements, in cooperation with the Ethics Board, have the responsibility to;
  - > Ensure confidentiality of complaints/notifications made within the framework of the Code of Ethics, and protect individuals after filing such complaints,
  - > Provide job security for the employee who filed complaints/notifications,
  - > Ensure that complaints and notifications are investigated timely and in a fair, consistent and sensitive manner; and resolutely take necessary actions against violations.

## VIII. NON-COMPLIANCE WITH CODE OF ETHICS

Those who violate the Code of Business Ethics and/or company policies and procedures shall be subject to disciplinary action up to and including termination of employment. Disciplinary action shall also be applied to those approving or directing inappropriate conduct and actions violating the ethics code, as well as to those who fail to raise a concern or report a possible violation that they are aware of.

### A. Ethics Board

The Ethics Board has the responsibility to investigate and resolve all complaints and notifications concerning violation of the Code of Ethics of Sabancı Group Companies (SA-ETHICS) and related policies. The Ethics Board reports directly to the Chairperson of the Holding Company and is composed of the following position holders:

Chairman : Head of Internal Audit  
Member : Division Head, Responsible for Legal Affairs  
Member : Division Head, Responsible for Labor and Industrial Relations

*Question> My manager has requested for me to do a task which I believe is against the company rules; it may even be against the law. I am hesitant to confront him on the issue; and if I inform the Ethics Board, she will easily understand that I am the informer, and I am afraid of the repercussions. What should I do?*

*Answer> There might be people who are confused, opting for the easy path in lieu of the right one or who act simply incorrectly, in every company. If you believe that what is requested from you is against our Code of Business Ethics, our Policies, or against the laws, share these suspicions with your superiors using the appropriate channels. Our rules and policies state that; "Disciplinary action shall also be applied to those approving or directing inappropriate conduct and actions ...as well as to those who fail to raise a concern or report a possible violation that they are aware of" Holding/Company management, in cooperation with the Ethics Board, have the responsibility to guarantee confidentiality of notifications made in accordance with SA-ETHICS, and to protect the individuals after their notification.*

### B. Working Principles of the Ethics Board

The Ethics Board conducts its activities within the framework of the principles stated below:

- Keeps the complaints/notifications and the identity of the complainant confidential.
- Conducts the investigation with confidentiality as much as possible.
- Has the authority to request information, documents, and evidence concerning the investigation directly from the related department. May analyze all information and documents only within the subject limits of the investigation.
- The investigation process is recorded in writing. Information, evidence, and documents are added to the record.
- The record is signed by the chairman and members of the Ethics Board.
- The investigation is handled in urgency, and resolved as rapidly as possible.
- Resolutions of the Ethics Board are executed immediately.
- Relevant departments and authorities are informed of the outcome.
- While discharging their duties, the chairman and members of the Ethics Board act independently of, and without being influenced by their department superiors and the organizational hierarchy. They may not be subjected to any pressure or suggestions on the subject.
- If deemed necessary by the Ethics Board, "expert opinion" may be sought, and experts may be consulted ensuring that the necessary measures taken so as not to violate the confidentiality principles during investigation.