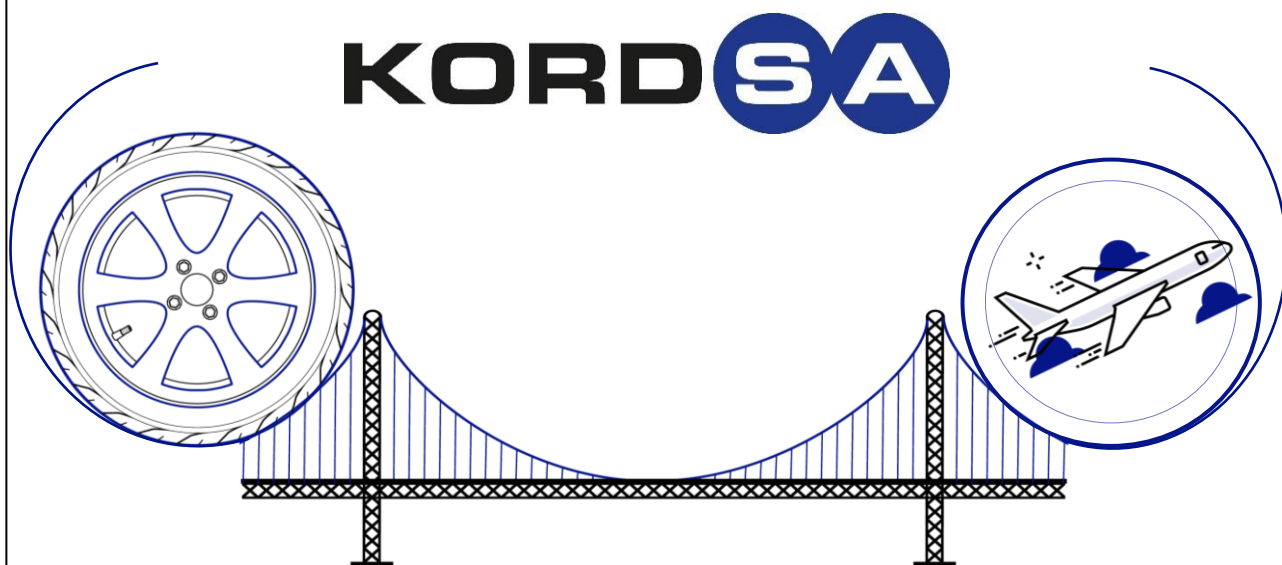




CODE OF BUSINESS ETHICS

(KORDSA CODE OF ETHICS)

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INTRODUCTION TO KORDSA CODE OF ETHICS

Kordsa is always committed to oversee business in an ethically suitable manner. Defined by integrity and honesty, we take pride in adding value to professional conduct with our strong ethical culture. While *reinforcing* life, we dare to *reinforce* a humane and rightful way of corporate structure, leading us to raise the standards in our industry.

Kordsa Code of Ethics ("Code") does not only serve as a guide to our associates and executives so that their business conduct is in consistency with the highest ethical standards, but also it is our fund for trust for our stakeholders, customers, suppliers or business partners.

This Code summarizes Kordsa's fundamental principles, policies, standards and guidelines. It applies to all Kordsa employees and managers among with its Group Companies. Following this Code in doing business is the common goal and responsibility of Kordsa community. We encourage you to contact your ethics compliance representative in case of a question about the Code. Feel free to speak up to report if you suspect unethical behavior and/or misconduct since the violation of code of ethics also means the violation of our core values.

Kordsa Code of Ethics can be accessed online on Kordsa webpage.

The original edition of this guide was developed by H.O. Sabancı Holding A.S. and has been updated for Kordsa Group Companies.

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Code of Business Ethics

I. KORDSA CODE OF ETHICS

Definitions

"Kordsa" or "Company" shall mean Kordsa Teknik Tekstil A.S. and/or Kordsa Group Companies,

"Kordsa Group Companies" shall mean all Kordsa affiliated companies which Kordsa directly or indirectly owns majority of shares or has a voting right,

"Local Ethics Compliance Officer" shall mean the Ethics Compliance Officer of the related affiliated company,

"Global Ethics Compliance Officer" shall mean the Global ethics officer appointed by the Company,

"Sabancı Holding" shall mean H.O. Sabancı Holding A.S.,

"Sabancı Group Companies" shall mean the companies which Sabancı Holding directly or indirectly owns the majority of its shares and/or the voting rights.

1. Integrity

Integrity and honesty are Kordsa's core values in all its business processes and interactions. Each Kordsa employee or counsel must act with integrity and honesty in all relations with each other, our stakeholders, suppliers, customers and community.

2. Confidentiality

Kordsa employees are required to protect confidential and private business information communicated to Kordsa. Private and confidential information includes information that might lead to a competitive disadvantage of Kordsa, trade secrets, financial and other information that has not been publicly disclosed, know-how, intellectual property, employee personal information, and third-party confidential information within the framework of "confidentiality agreements".

Kordsa employees shall give utmost importance to protect the privacy of Kordsa customers, employees and other associated individuals and companies and the confidentiality of their information. Kordsa employees must safeguard confidential information on Kordsa's business and financial activities, use this information only for Kordsa's business purposes, and share this information only with relevant authorized parties, if necessary.

Kordsa strictly prohibits insider trading, or gaining any personal financial or commercial interest, including trading stocks through disclosure of Kordsa confidential information. This prohibition also applies to material inside information related to any other company about which Kordsa employees may gain knowledge through the course of performing their business duties. Even

after leaving Kordsa, Kordsa employees shall not retain copies of confidential documents, projects, regulations, etc. that were confined to them due to their positions.

3. Conflicts of Interest

Kordsa employees shall act for the best interests of Kordsa and take responsibility to avoid situations and relationships that involve an actual or potential conflict of interest. Kordsa employees shall not use their position to obtain any benefits personally or through their families and relatives, from people and companies with whom Kordsa has business relations. Kordsa employees shall refrain from using the name and/or power of Kordsa and Kordsa/Sabancı Holding identity to gain personal benefit.

In cases of potential conflicts of interest, and when a Kordsa employee believes that interests of the relevant parties may be safely protected by legal and ethical methods, they adopt the convenient methods as part of their integrity. When in doubt, Kordsa employees should consult their manager, the Global Legal and Compliance Department, Human Resources Department, the Local Ethics Compliance Officer, the Global Ethics Compliance Officer or the Ethics Board.

4. Kordsa Responsibilities

In addition to legal responsibilities, Kordsa gives utmost importance to fulfil the following responsibilities in relation to the customers, employees, stakeholders, suppliers and business partners, competitors, the community, individuals, and to Kordsa and Sabancı names.

4.1 Legal Responsibilities

Kordsa employees perform all domestic and international activities and procedures within the framework of the laws where they operate and international laws in effect; and submit all required information to regulatory authorities and institutions in a correct, complete, clear and timely manner.

In executing all activities and procedures, Kordsa employees shall not expect any benefit from and shall keep an equal distance to all public institutions and organizations, regulatory bodies, non-governmental organizations, and political parties; and fulfil all liabilities with responsibility.

4.2 Responsibility Towards Customers

Kordsa employees adopt a customer satisfaction focused approach and are proactive in responding to customers' needs and demands in an appropriate and timely manner. Kordsa employees deliver services on time and under the promised conditions; and approach customers with respect, fairness, equality, and courtesy.

In our interactions with customers, no transaction may be carried out without the customer's knowledge even it is in their benefit; a customer's vulnerabilities may not be exploited; and no profit may be sought by providing the customer with incomplete or inaccurate information.

4.3 Responsibility Towards Employees

Kordsa respects its employees' individual rights and makes efforts for them to exercise their rights fully and correctly. Kordsa approaches all employees with honesty and dignity; and aims to ensure a non-discriminatory, safe, harassment free and healthy working environment.

Kordsa encourages the necessary efforts to enable personal development of its employees; with a social awareness support them in volunteering for appropriate social, environmental and community activities; and respect and assure the balance between their private and professional lives.

4.4 Responsibility Towards Shareholders

Dedicating utmost importance to the continuity of Kordsa, and in line with the goal to create value for Kordsa partners, Kordsa avoids taking on unnecessary or unmanageable risks, conflicts of interest and strives for sustainable profitability. Kordsa acts with financial discipline and accountability, and manages the Company's resources, assets and the employees' professional work time with a sense of efficiency and economy. Kordsa works to enhance competitive power and to invest in areas with growth potential and which offer the highest return on allocated resources. Kordsa gives timely, correct, complete, honest and clear information on its financial statements, records, strategies, investments and risk profile to the public and to its shareholders.

4.5 Responsibility Towards Suppliers/Business Partners

Kordsa acts respectfully and fairly as expected from a good customer, and ensures to fulfil its liabilities on time. Kordsa carefully protects the confidential information pertaining to its business partners. Kordsa allows competitive independence of its suppliers/business partners.

Kordsa believes in responsibly cooperating with its suppliers/business partners. In that, Kordsa expects its suppliers/business partners to be in compliance with local laws, regulations and to commit spreading and applying our ethical values in their own companies as well as business environments.

4.6 Responsibility Towards Competitors

Kordsa promotes and protects free and fair competition. Kordsa makes every effort to educate its employees on Anti-trust/Competition laws and regulations.

Kordsa supports all efforts to construct a competitive market structure targeted within the society.

4.7 Responsibility Towards the Environment, Community, Society and Humanity

Kordsa affirms to all stakeholders, including employees, customers, shareholders and the public, that it conducts its business with respect and care for the environment. Kordsa implements those strategies that build successful businesses and achieve the greatest benefit for all stakeholders without compromising the ability of future generations to meet their needs.

Kordsa continuously improves its practices in light of advances in technology and new understandings in safety, health and environmental science. Kordsa makes consistent and measurable progress in implementing this commitment throughout its worldwide operations.

Kordsa is committed to gradually work for a better future to grow sustainably, increase use of renewable energy, prioritize clean technology, prevent environmental pollution through waste management, reduce energy consumption and emissions and use efficient water more efficiently.

Kordsa values and establishes standards with regard to the preservation of democracy, protection and respect of the protection of internationally proclaimed human rights, the elimination of discrimination in respect of employment, equal opportunity and diversity, and conservation of the environment; education and charity activities, eradication of crimes and corruption. Kordsa expects its suppliers/business partners to show responsibility towards these principles, too.

Kordsa employees pioneer in social affairs with an awareness of good corporate citizenship and responsiveness and shall try to play a role in non-governmental organizations, in services and activities for the benefit of the society and public. Kordsa employees shall act in a responsive and sensitive manner in wherever it operates.

Kordsa employees shall not offer and accept bribes. Kordsa employees shall act in accordance with all applicable anti-corruption laws and not offer and accept gifts in forms of products or services, etc. beyond commonly accepted reasonable limits.

4.8 Responsibility Regarding "KORDSA" and "SABANCI" Names

Kordsa's business partners, customers, and other stakeholders trust Kordsa due to its professional competence and integrity. Kordsa strives to keep its reputation at the highest level.

Kordsa offers its services and fulfils its obligations within the framework of Kordsa policies, professional standards, its commitments, and ethical codes.

Kordsa offers services in areas where it believes it is or will be professionally competent; and it seeks to work with customers, business partners, and employees who demonstrate integrity and legitimacy. Kordsa does not collaborate with those who impair social ethics or does not respect internationally recognized human rights or damage the environment or public health.

Kordsa employees shall not express their personal opinions, but instead communicate Kordsa's view in public and in areas where they are perceived as representing Kordsa.

Kordsa employees shall be mindful when expressing their personal opinion related to their job responsibilities in media or other social media platforms since their views might be perceived as Kordsa's view.

Kordsa employees when faced with complicated situations that may jeopardize Kordsa, Sabancı Holding and/or Sabancı Group Companies, shall consult first with the relevant personnel, following the appropriate procedures.

II. SUPPORTING POLICIES FOR KORDSA CODE OF ETHICS

1. Safety, Health and Environment

Kordsa has long regarded the safety and health of its employees as a core value. There are extensive local, national laws and international principles designed to promote and establish a safe workplace. Kordsa is committed to set the highest industry standards in safety & health as part of its sustainable growth and enforces and works hard to surpass such legal requirements. Besides, extensive and continuous trainings and regular safety audits are essential for understanding and complying with safety laws. Injuries/illnesses due to workplace hazards are thoroughly investigated by governmental agencies, rendering safety & health of elementary importance once again.

International agreements and national legislations provide many legally binding responsibilities for the protection of the environment. Moreover, environmental laws expect the relevant enforcement agencies to prosecute environmental law violations, consequences of which include administrative fines and criminal liabilities. Kordsa takes environmental compliance seriously due to its industrial operations. Environmental laws govern nearly every aspect of Kordsa operations, especially those causing emissions of materials to air, land or water. Kordsa is very well aware that emissions of materials to air, land or water; many incidents such as accidental releases and spills, or newly acquired information indicating that chemicals may pose a health threat, must be reported to government agencies and that governments established advance notification systems before Kordsa manufactures or imports new chemicals. Extensive and continuous employee training programs, and effective programs for auditing environmental performances for accountability are essential.

Rules of Practice

- (a) Kordsa shall adhere to the highest standards for the safe operation of its facilities and the protection of our planet, environment, our employees, customers, suppliers, business partners and the people of the communities where it does business. Kordsa shall strengthen its businesses by making safety, health and environmental issues an integral part of all business activities and by continuously striving to align its businesses with public expectations.
- (b) Kordsa believes that most injuries and occupational illnesses, as well as safety and environmental incidents, are preventable, and our goal for all of them is zero. Kordsa promotes off-the-job safety for its employees. Kordsa assesses the environmental impact of each facility it proposes to construct and design, build, operate and maintain all facilities and transportation equipment so that they are safe and acceptable to local communities and the environment. Kordsa shall be prepared for emergencies and will provide leadership to assist its local communities to improve their emergency preparedness.

- (c) Kordsa will drive toward zero waste generation at the source. Materials will be reused and recycled to minimize, reduce the need for treatment or disposal and to conserve natural resources. Where waste is generated, it will be handled and disposed of safely and responsibly. Kordsa will drive toward zero emissions, giving priority to those that may present the greatest potential risk to health or the environment. Where past practices have created conditions that require correction, Kordsa shall responsibly correct them.
- (d) Kordsa will excel in the efficient use of coal, oil, natural gas, water, minerals and other natural resources. Kordsa will manage its land to enhance habitats for wildlife.

To achieve the Safety, Health & Environment goals, Kordsa has set a SHE Policy. For more information on SHE in Kordsa, please refer to Kordsa SHE Policy. If you have questions or concerns relating to Kordsa's SHE requirements or activities, you can seek guidance from Kordsa SHE Manager or SHE Managers in your respective sites.

2. Kordsa People

2.1 Fair and Harassment-Free Work Environment

Fair work environment is one of the top priorities of Kordsa. Through establishing a fair, diverse and inclusive work environment, Kordsa increases employee commitment, development and performance and improves productivity and innovation. This also contributes to a positive workplace where Kordsa people cooperate harmoniously.

Kordsa is an equal opportunity employer and does not discriminate on the basis of age, race, ethnicity, creed, sect, color, sex, language, national origin, gender identity/expression, marital status, pregnancy, sexual orientation, political opinion, military status, real or perceived disability or handicap, religion or any other legally protected characteristic. This policy applies to all terms and conditions of employment including, but not limited to hiring, remuneration, placement, promotion, discipline, termination, layoff, recall, transfer, leaves of absence, social benefits, compensation and training.

In the conduct of Kordsa business, Kordsa employees shall respect the diversity and rights of their colleagues. Kordsa is committed to take all necessary measures to enable employees to work in an environment where their physical, sexual, and emotional privacies are protected.

Harassment can take the below forms which may involve verbal or non-verbal behavior:

- *Sexual Harassment*

Sexual harassment is one form of discrimination and is illegal. Broadly defined, sexual harassment constitutes unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature. This harassment can take two forms: quid pro quo (this for that) and hostile environment harassment.

- *Quid Pro Quo Harassment*
 - (i) Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment; or
 - (ii) Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual.
- *Hostile Environment Harassment*

Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive work environment.
- *Bullying, verbal or written harassment via e-mail, texts, calls etc.*

This might be related to an employee's age, race, ethnicity, creed, sect, color, sex, language, national origin, gender identity/expression, national origin, marital status, pregnancy, veteran status, political opinion, military status, real or perceived disability or handicap, religion or any other legally protected characteristic.
- *Mobbing (psychological harassment)*

This is defined as, systematically and persistently directing intimidating, self-confidence staggering, insulting, exclusionist, ignoring, unfair words and/or behaviour toward a targeted person, by employer or one or more employees, performed in a bad faith and may give harm to injured party. This is also considered as a harassment and is not acceptable.
- *Other forms of harassment*

Showing or displaying explicit or suggestive graphics, cartoons, pictures, photographs, or objects in the workplace related to the legally protected characteristics of employees.

Statements or threats which imply, link or could be reasonably construed to imply a link between an employee's religious or sexual conduct and their employment status, advancement potential, salary treatment, or other employment action.

The following rules of practice define the basic principles in establishing and preserving a fair working environment at Kordsa.

To achieve its compliance goals on fair work environment, Kordsa has set the Policy of Sustainable Employment. If you have questions or concerns relating to fair working environment at workplace, you can seek guidance from Human Resources Department, Local/Global Ethics Compliance Officer at your site.

2.2 Human Rights

Kordsa is committed to *reinforce* internationally protected human rights as a participant to United Nations Global Compact. Kordsa takes complying with all applicable international declarations, standards, conventions and principles and mainly the International Bill of Rights serious since it finds them fundamental for conducting business.

Bearing in mind the impact of an integrated human rights policy in all its business operations, Kordsa sets its human rights priorities as below:

- Kordsa eliminates all forms of forced, bonded, compulsory labor.
- Child labor is strictly banned.
- Human trafficking is never tolerated.
- Kordsa is committed to a non-discriminative and harassment-free work environment for all, making sure Kordsa employees enjoy their employee rights fully and properly.
- Kordsa employees have right to form or join a trade union and to bargain collectively as permitted by relevant laws.
- Kordsa cares about employee satisfaction and enhances personal and occupational development by providing them with a healthy and safe work environment.
- Kordsa treats all its employees fairly. It acts in compliance with international labor standards. All employees have a right to fair wage and to reasonable working hours and rest breaks.

Rules of Practice

- (a) Kordsa, aims to comply with International Bill of Rights and all regulations in the countries of operation, and look after rights of its employees.
- (b) Kordsa develops supportive working methods to create a working atmosphere which is in line with fundamental the human rights.
- (c) Kordsa monitors and maintains protection of human rights for its sub-contractors and suppliers in the value chain through the supplier contracts.
- (d) As part of sustainable growth policies, Kordsa will make assessments regarding the environmental impacts of the projects at the time of investments through engagement of business partners.

To achieve full compliance goals on Human Rights, Kordsa has set a Human Rights Policy. If you have questions or concerns relating to Human Rights Policy, you can seek guidance from Human Resources Department, Local/Global Ethics Compliance Officer at your site.

2.3 Privacy and Employee Confidentiality

Kordsa employees shall not use company tools, computers, e-mails, phones, voicemails any other purpose than business. The use of such shall be professional and shall not breach Kordsa Ethics Code and Kordsa policies. It shall be noted that in case of internal investigations or non-compliance with the Kordsa Ethics Code electronic communication, activities may be accessed, reviewed and monitored by meeting all data privacy requirements and Kordsa policies.

To achieve compliance with personal privacy goals, Kordsa has developed Personal Data Protection Policies, Information Security Policy, Internet and E-mail Use Policy, Mobile Equipment Use Policy, Access Control Policy. If you have questions or concerns relating to privacy requirements or activities, you can seek guidance from Kordsa Global Legal and Compliance Department or Legal and Compliance Departments in your respective sites.

3. Company Assets and Financial Integrity

3.1 Internal Controls and Reporting Integrity

Kordsa has established internal control standards and procedures to ensure that assets are protected and properly used and that financial records and reports are accurate and reliable. All Kordsa financial reports, accounting records, research reports, sales reports, expense accounts, time sheets and other documents must accurately and clearly represent the relevant facts or the true nature of a transaction. Employees share the responsibility for maintaining and complying with required internal audits. Improper accounting and documentation and fraudulent financial reporting are not only contrary to Kordsa policy but also may be in violation of the accounting provisions of the laws and regulations where we operate. Such violations potentially involve personal liability, both civil and criminal, as well as sanctions against Kordsa.

Rules of Practice

- (a) Intentional misclassification of amounts between cost or capital, intentionally accelerating or deferring costs or revenue more properly reflected in a current period, intentional misclassification of unsalable inventory as acceptable finished product and intentional falsification of travel and expense reports are examples of breach of accounting principles.
- (b) All accounts and records shall be documented in a manner that clearly describes and identifies the true nature of business transactions, assets, liability or equity, and properly and timely classifies and records entries on the books of account in conformity with international financial reporting standards ("IFRS").
- (c) No record, entry or document shall be false, distorted, misleading, misdirected, deliberately incomplete or suppressed.

For more information on Financial Integrity you may refer to Internal Control Standards and Accounting Manual.

3.2 Utilization of Kordsa Resources

In utilizing resources in the name of Kordsa, the interests of Kordsa shall be considered. Kordsa assets and resources shall not be used outside under whatever name, or for the name or benefit of any other party unless Kordsa's interests are protected and guaranteed.

Additionally, Kordsa employees shall not be engaged in any other activity than Kordsa's interest. All Kordsa employees shall abide by the principle of "efficient utilization of all resources".

Effective use of resources in the interests of Kordsa requires proper utilization of time. During working hours, Kordsa employees shall use their time effectively, and do not spend their time for personal business. Managers shall not assign employees to perform their personal tasks.

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

For more information on Utilization of Kordsa resources you may refer to Intellectual Property Policy and Information Security Policy.

3.3 Protection of Kordsa Assets and Information

Information is among the most important assets which Kordsa will use in realizing its "Inspired to Reinforce Life" vision. Although national legislations have different approach for trade secrets, international agreements such as NAFTA (North American Free Trade Agreement), GATT (General Agreements on Tariffs and Trade) and TRIPS (Agreement on Trade-Related Aspects of Intellectual Property Rights). include provisions and set the standards for the protection of the same.

Kordsa employees shall always be careful with trade secrets since its misappropriation might cause individual/corporate civil and criminal liabilities depending on the circumstances. Accordingly, it is the joint responsibility of Kordsa and its employees to thoughtfully consider the disclosure, use, preservation of the confidential information.

The following rules of practice define confidential information for Kordsa, 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 Kordsa, databases coded, discovered, developed, or deployed by Kordsa employees, including all kinds of innovations, processes, unannounced products, exploration or research results, advertisements, plans (marketing, product, technical), business strategies, strategic partnerships, pending contracts 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 and information within the framework of "confidentiality agreements" enacted with third parties.

Principles concerning confidential information are stated below:

- (a) Confidential information may not be disclosed, without proper authority, to anyone not employed by Kordsa, or to an employee who has no need for such information.

- (b) Confidential 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.
- (c) Confidential files may not be taken out from Kordsa premises. 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.
- (d) Passwords, user codes, and similar identifying data used for access to Kordsa information are kept confidential and not disclosed to anyone other than authorized users.
- (e) Confidential information belonging to Kordsa should not be discussed in food halls, cafeterias, lifts, transport service vehicles or similar public places and not shared in the social media platforms and mobile phone applications. Only authorized employees can share information in the social media and mobile phone applications within the allowed scope.
- (f) Confidential information is classified in accordance with the degree of confidentiality, and this is clearly mentioned in the content of the information. Kordsa employees should know the degree of confidentiality of the information received in line with their duties, and act accordingly. In case where there is uncertainty concerning the degree of confidentiality, a higher level of confidentiality should be adopted and the relevant manager should be consulted as necessary.
- (g) If for the interests of Kordsa, sharing of Kordsa information with third party individuals and/or organizations is in question, a confidentiality agreement concerning information sharing should be signed or a written undertaking of confidentiality should be 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.
- (h) Wages/salaries, side benefits, and similar employee information reflecting Kordsa policy and that is private to individuals is confidential and may not be disclosed to anyone other than authorized people. Information concerning Kordsa employees should be 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.
- (i) Related data privacy regulations are followed for the protection of personal data.
- (j) Above ethical responsibilities for confidentiality will continue even after the termination of the employment.

Proper protection and use of Kordsa assets, including proprietary information, is a fundamental responsibility of each employee. Employees must comply with site security programs to safeguard

physical property and other assets against unauthorized use or removal, as well as against loss by criminal act or breach of trust.

4. Relationship with Business Partners and Governmental Bodies

4.1 Giving and Receiving Gifts

Kordsa is committed to conduct fair and honest business. Kordsa strictly bans commercial bribery and any payment to government officials. Accordingly, Employees of Kordsa shall refrain from seeking or accepting gifts, benefits, favors or entertainment, for themselves or others, that might influence their impartiality, business decisions and conduct; and from offering such gifts, benefits, favors or entertainment to third parties and organizations that might be perceived to influence third parties' impartiality, business decisions and conduct. Similarly, Kordsa employees shall not seek or accept loans (other than conventional loans at market rates from lending institutions) from any person or business organization that does or seeks to do business with, or is a competitor of Kordsa.

Strict adherence to this rule will protect Kordsa and its employees from criticism, litigation or embarrassment that might result from alleged or real conflicts of interest or unethical practices.

The rules of practice given below define the framework around exchanging of gifts between Kordsa employees and third party individuals and organizations with whom a business relationship exists, and establish relevant principles to be followed by employees in such situations.

Rules of Practice

- (a) Kordsa employees are prohibited from receiving any kind of benefit or gift, with or without an economic value, that would influence or might influence their impartiality, performance, and decision-making while carrying out their duties.
- (b) Kordsa employees might receive and/or give gifts as outlined in Section (c) below, 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 Kordsa in case of public disclosure of the gift.
- (c) Provided that the conditions set forth in Section (b) above are met;
 - Kordsa 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 Kordsa 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 Kordsa.
- (d) 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 Section (b) and if the total value of the gifts received in each calendar year from each individual/company does not exceed USD 100 or equivalent.
- (e) It is not allowed to receive gifts or benefits that expressly or implicitly require reciprocation.
- (f) Receiving, giving, or suggesting bribes and/or commissions is not acceptable under any circumstance.
- (g) It is not allowed for Kordsa employees to accept cash or cash equivalents (e.g. stocks or other forms of marketable securities) of any amount or to borrow money from contractors, 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.
- (h) Gifts and promotional material supplied by Kordsa for customers, dealers, or other third parties in business relationships should be approved by Kordsa management. Distribution of these approved gifts and promotional materials do not require a further approval.
- (i) With the condition that the terms stated in Section (b) are met, Kordsa 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 management.
- (j) In exceptional cases where local culture requires exchange of gifts that are above the values established by Kordsa policy, these gifts may only be accepted in the name of Kordsa and upon the approval of management. In all cases, exchange of gifts should be done in accordance with local culture.
- (k) Accounting records and supporting documentation reflecting gifts, favors and entertainment to others must be accurately stated, including appropriate, clear, descriptive text. Procedures for authorization of, and recordkeeping for, any such payments, regardless of form or manner, should be established by the Chief Finance Officer of Kordsa.
- (l) Payments or anything of value shall not be offered directly or indirectly through third parties acting on behalf of Kordsa to obtain any kind of commercial advantage (i) any decision by government officials whether, or on what terms, to award new business to or to continue business with any particular party, or

- (ii) any action taken by government officials involved in the decision-making process to encourage a decision to award new business to or to continue business with a particular party.
- (m) In addition to the abovementioned, no Kordsa employee will suffer demotion, penalty or other adverse consequences for refusing to pay bribes even if such refusal may result in Kordsa losing business.

For more information on giving and receiving gifts, please refer to Kordsa Anti-Corruption and Anti-Bribery Policy. If you have questions or concerns relating to giving and receiving gifts, you can seek guidance from Local Ethics Compliance Officer at your site or Global Ethics Compliance Officer.

4.2 Commissions, Rebates, Discounts

Sales-related commissions, rebates, discounts, credits, and allowances are customary business inducements, but careful attention is needed to avoid illegal or unethical payments and to ensure compliance with various currency exchange controls and tax regulations. Such business-inducement payments must be reasonable in value, competitively justified, properly documented and made to the business entity to whom the original sales agreement or invoice was made/issued.

Rules of Practice

- (a) In connection with sales by Kordsa, commissions, rebates, discounts, credits and allowances should be paid or granted only by the relevant Kordsa Group, and such payment should:
 - bear a reasonable relationship to the value of goods delivered or services rendered,
 - be by check or bank transfer to the specific business entity with whom the agreement is made or to whom the original related sales invoice was issued – not to individual officers, employees or agents of such entity or to a related business entity,
 - be made only in the country of the entity's place of business, and
 - be supported by documentation that is complete and that clearly defines the nature and purpose of the transaction.
- (b) When Kordsa is required to pay a commission, credit, rebate or other obligation to a third party, or to the payee or its bank in a country other than such person's place of business, or in an unusual currency, the payment may be made only if, in addition to satisfying requirements stated above, the following criteria are met:
 - Nothing in our dealings with the payee indicates that there are tax or exchange control law violations or other illegal purposes involved,

- The payee must submit a written request from a properly authorized officer of the business entity specifying the manner and place of payment, and
 - It is not illegal for Kordsa as supplier or payor to make such payments. Where information on the legality of such payments is not available from other sources such as banks, Global Legal and Compliance Department will, upon request, contact local counsel to obtain appropriate guidance.
- (c) In all cases, however, there must be no falsification, misrepresentation or deliberate overbilling reflected in any document (including invoices, consular documents, letters of credit, etc.) involved in the transaction. This includes suppression or omission of documents or of information in documents or deliberate misdirection of documents.
- (d) Agreements for Kordsa to pay commissions, rebates, credits, discounts or allowances should be in writing. When this is not feasible, the payment arrangement should be supported by an explanatory memorandum for file prepared by the approving business and/or function.
- (e) Commissions, rebates, credits, discounts or allowances that are paid or granted by Kordsa in conformity with standard trade terms for the industry, catalog prices, or other normal, standard procedures are deemed to have been established in writing and need not be documented in a written agreement or memorandum for file.
- (f) Payments for goods and services purchased by Kordsa are subject to the same considerations noted above with respect to payment of commissions, etc., except that payments made in the country in which the product was delivered or service rendered by the vendor are not, per se, considered subject to special review or a requirement for a written request for payment from an officer of the payee unless circumstances suggest the manner of payment might be illegal or unethical.

4.3 Competition and Antitrust

In a free market, economic relations are mainly based on free and fair competition, in other words, companies engage in an economic race based on their free and independent decisions. Kordsa is therefore globally committed to free and fair competition in compliance with all laws and regulations in force in relevant countries where it operates.

In general, most competition and antitrust laws in effect where Kordsa does business prohibit agreements or actions that may restrain trade or reduce competition. Violations include agreements among competitors to fix or control prices; to boycott specified suppliers or customers; to allocate products, territories or markets; to limit the production or sale of products; abuse of a dominant position; to exchange strategic confidential information.

Such violations may potentially result in sanctions and fines to Kordsa, loss of reputation as well as personal liability of the employee. In addition to the abovementioned, Kordsa is aware that in cases where the conditions set by the relevant applicable competition laws are met, mergers & acquisitions might be subject to the control by the relevant Competition Authorities.

Kordsa gives utmost importance to obeying all applicable antitrust and competition laws at all the countries where it does business, including but not limited to, trade practice laws and regulations dealing with monopolies, unfair competition, restraints of trade and competition, and relationships with competitors and customers.

Rules of Practice

- (a) Special care must be exercised to ensure that any activities undertaken with representatives of other companies are not viewed and would not be construed as violations of any antitrust law.
- (b) Kordsa employees should refrain from exchanging information with competitors relating to prices, pricing methods or policies, margins, production or supply capacity or terms or conditions of sale and attending to any meeting with competitors during which such information will be exchanged. Kordsa employees shall be mindful about the language they use while communicating internally and externally.
- (c) It is strictly forbidden to reach any kind of agreement with the competitors on determination of price or any element of price (discounts, rebates etc.) or on fixing or reducing production or capacity;
- (d) Kordsa employees shall use legal, ethical, publicly available resources, trends and statistics to prevent the tainting of the Kordsa operations with the improper introduction of others' strategic information or disruption of competition,
- (e) Negotiating or engaging in an agreement with other companies operating in the same market which stipulates non-compete provisions concerning certain markets, products, certain customers comprises violation to competition laws and regulations and will not be tolerated by Kordsa;
- (f) Any kind of agreements that contain exclusivity or similar clauses should firstly be consulted with Global Legal and Compliance Department before discussing with the customers or suppliers.
- (g) Kordsa assesses its market position regularly and conducts business diligently in order not to exploit customers, suppliers or competitors or exclude them from the market.
- (h) Extensive and continuous training programs are organized for the employees in the sales, marketing and related activities and for other employees whose jobs bring them into contact with competitors. It is expected from the employees to inform their managers and Global Legal and Compliance Department if they

unintentionally involve in a prohibited communication that may potentially lead to a violation.

Kordsa policy with respect to antitrust compliance is set forth in the Competition Policy together with the Competition Compliance Guidelines. This policy should be reviewed by all employees in marketing and related activities and by other employees whose jobs bring them into contact with competitors.

4.4 Conflicts of Interest

Kordsa employees are required to avoid situations and relationships that involve actual or possible conflicts of interest between their personal interests and Kordsa interests. Employees are required to assume the primary responsibility for avoiding the use of Kordsa resources, name, identity and power for personal benefit and avoiding from situations that might have a negative affect on the Kordsa's reputation and public image. The following rules of practice define situations and/or relationships involving conflict of interest that Kordsa employees might experience while fulfilling their corporate 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

Activities That Might Cause Conflicts of Interest

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

i. Engagement in Activities That Might Cause Conflicts of Interest

Employees shall in no way enter a business relationship with their family members, friends, or third parties that offer 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 Company's Chairperson. In the same respect, Kordsa employees should also be careful against possible conflict of interest that may arise due to family members working for a competitor.

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

Employees shall not under whatever name work for an individual and/or organization during or outside working hours for a fee or a similar benefit nor conduct activities directly or indirectly, that may require them to be classified as "merchant" or "trades person".

However, Kordsa employees can work for a third party and/or an organization in return for a payment or a similar benefit outside business hours with the condition that such activity;

- does not create any conflict of interest with their current duties at Kordsa,
- complies with the other Kordsa ethics rules and with the policies supporting such rules,
- does not have a negative impact on the employee's performance at Kordsa,
- is carried out with the prior written approval of Management as specified below.

The approval for the CEO/General Manager position and all positions reporting directly to the CEO/General Manager shall be granted by the Sabancı Holding CEO, following the opinion of the supervisor of such manager and the Ethics Committee; for all other employees, approval shall be granted by the Company CEO/General Manager based on the Ethics Committee's opinion.

The employees of Sabancı Holding and Sabancı Group Companies may not act as a member of the board or auditor in organizations other than Kordsa or Sabancı Holding Companies without the approval of Kordsa Board of Directors; and shall not accept positions with a competitor or companies with whom Kordsa has business relations.

They may work for non-profit charity organizations and universities and non-governmental organizations for social responsibility and charity purposes, as long as these do not hinder their work at Kordsa.

Managers making employment decisions shall not be involved in the selection process of a friend or a family member for open positions at Kordsa or employ their spouses, close relatives, and relatives of these people.

Employees may give speeches and write professional articles in topics that do not interfere with Kordsa or its operations, and that are not in conflict with the Company's policies. Approval of the CEO/General Manager is needed to use Company name in these activities. Any Kordsa employee who will give speech and write professional articles by referring to Kordsa, the activities and projects that they have participated within the scope of their employment shall inform the Head of Corporate Communications and obtain the approval of the CEO/General Manager, Chief Officer of the respective department and Head of Corporate Communications prior to such activities

Managers shall not request any employee to get involved in any political activity or to become a member to any political party. Kordsa employees shall not promote any political views on or around Kordsa properties. When the employees take a

responsibility in any political party, they should consider the following ;

- Kordsa employees may not be involved in any political activity during business hours nor occupy their colleagues' time for such activities.
- Kordsa employees may not use Kordsa name, their position and job title nor Kordsa resources for their political activities.

Employees may personally offer financial or non-financial charity to third persons outside Kordsa and may be active in charity organizations. Kordsa employees shall not use Kordsa name to take part in charity organizations and cooperatives and they shall act on behalf of themselves.

ii. Professional Misconduct

Any employee action that results in harm to Kordsa through the use of their authority in negligence or omission or for their own and/or relatives' interest shall not be tolerated.

Kordsa employees shall not obtain direct or indirect personal benefit from purchasing and sales activities and contracts in which Kordsa is a party to.

Employees may not engage in actions or conduct that is illegal or that is in conflict with the Kordsa Code of Ethics and policies.

iii. Relations with Customers, Suppliers, Business Partners and others

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

The following factors should be considered in relationship 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 the Kordsa'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.

Kordsa employees shall not make any express or implied request for gifts from any person and/or organization with which there is a business relationship, and shall not accept any gifts, money, checks, properties, free holidays, special discounts, etc. that may put the Kordsa under any obligation. Personal aid or donations cannot be accepted from any person or organization having business relations with Kordsa. Under these circumstances, *Giving and Receiving Gifts* under 4.1 above shall be followed.

iv. Media Relations

Open, transparent and honest external communication plays a vital role in building mutual trust and confidence with public. That is why, it is fundamental for Kordsa to make accurate and professional disclosures through appointed spokespersons in the name of Kordsa.

Accordingly, Kordsa employees shall refrain from speaking, making speeches or publishing news in the name of Kordsa without authorization. Giving statements or interviews to any media organization, participating in seminars, conferences, etc. as a speaker requires approval from Head of Corporate Communications. Additionally, no personal gains shall be received from such activities.

Kordsa employees shall responsibly use social media and shall not use social media to speak on behalf of Kordsa.

v. Representing Kordsa

Any fees that are due because of work done in representation of Kordsa in any association, in employers' unions and similar non governmental organisations shall be donated to relevant institution or other channels as directed by the institution.

Payments made by third parties to a employee representing Kordsa for making a speech at seminars or similar services shall also be 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.

4.5 Trade Restrictions, Export and Import Controls, Boycott Laws

Kordsa is committed to complying with all applicable export and import laws, including without limitation, sanctions, embargoes, and other laws, regulations, government orders or policies. A number of countries where Kordsa operate periodically impose restrictions on exports and other dealings with certain countries, entities and individuals or impose laws that control the import and export of goods, services and information and require the companies to obtain permits for certain types of goods, services or information. Special attention must be paid to anti boycott, export control, foreign corrupt and customs laws. Serious penalties – fines, revocation of permits to export, and imprisonment – can apply when these laws are broken.

Kordsa acts in compliance with all the import and customs duties regulations where it conducts business activities as well. Kordsa pays all the required duties, taxes, fees and prepares the relevant documentation as required to ensure international fair trade.

The following rules of practice define the basic principles of Kordsa's compliance with trade regulations and export controls.

Rules of Practice

- (a) Extensive and continuous training programs are organized regarding the export control laws and regulations in various jurisdictions to raise the awareness of Kordsa employees whose work involves transfer, sale, purchase or shipment of products, technologies or services across international borders.
- (b) Before engaging with new business partners or engaging in transactions with the customers or suppliers in the sanctioned countries, Kordsa employees must ensure that the related parties, their shareholders, representatives and directors are not present at any national or international sanctioned party lists.
- (c) No transaction will be permitted with the customers or suppliers in the sanctioned countries unless related licenses are granted or other exceptions apply to the sanctioned countries.
- (d) All possible transactions with the customers or suppliers in the sanctioned destinations are required to be reported in advance to the Global Legal and Compliance Department of Kordsa.
- (e) The list of prohibited countries and restrictions is subject to change. For this reason, any Kordsa employee whose work involves transfer, sale, purchase or shipment of products, technologies or services across international borders, should make sure that they keep up to date with the rules that apply.
- (f) Once it is required to obtain specific licenses to export, re-export, import or transfer of the controlled products, technologies or services from/to specific countries, no such transaction shall be carried out unless necessary licences are granted from the related government authorities. If the application of an export or import regulation appears unclear to a Kordsa employee, he/she should contact with Global Legal and Compliance Department to clarify the matter.
- (g) If a Kordsa employee suspects that a red flag situation signifying a heightened compliance risk to the Kordsa is evident in connection with the proposed engagement or transaction with the counterparty, the employee should refrain from further communication with the counterparty and report the abnormal circumstances at the transaction to the Global Legal and Compliance Department.
- (h) *Kordsa Export Control Policy* prepared in this regard shall be reviewed carefully by Kordsa employees and in case of any hesitation all employees shall get in contact with Local Ethics Compliance Officer of the related site or Global Ethics Compliance Officer.

5. Global Sales and Marketing

Kordsa runs operations in four continents to produce reinforcement technologies and it develops innovative, value adding and sustainable products with research and development. Kordsa shoulders a big responsibility to be fully compliant with international trade and antitrust laws as explained

under 4.3. and 4.5. Kordsa believes that it is a line management responsibility to ensure that all marketing and sales personnel involved in Kordsa operations are appropriately trained on this.

Kordsa is committed to be the trusted and valuable partner of its customers and cares about their positive experience. For this reason, Kordsa aims for excellency in its product quality.

All external trade information for advertising, promotion and publicity purposes, including external presentations, are fully reviewed for accuracy by the appropriate persons, including review by legal counsels and approval of top managers of Global Sales & Market Development Department.

For more information on global sales and marketing policy, please review *Kordsa Global Marketing Policy* prepared in this regard.

6. Kordsa Stock Trading

Kordsa employees are required to comply with the legal measures pertaining to the trading of Kordsa stocks and avoid getting involved in situations which may give rise to conflicts of interest. The following rules of practice define the principles that Kordsa employees must embrace regarding the trading of Kordsa stocks.

Rules of Practice

- (a) 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).
- (b) Persons who may be engaged in insider trading shall mean the Chair and members of the Board of Directors 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.
- (c) These individuals may trade Kordsa stocks only with the use of publicly disclosed information and for investment purposes (in some jurisdictions holding them for a period longer than 6 months shall be regarded as investment).
- (d) Kordsa employees other than those mentioned above may trade Kordsa stocks freely with the use of publicly disclosed information without any time restriction.
- (e) The abovementioned 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.

For more information on Kordsa stock trading, please refer to Kordsa Disclosure Policy. If you have questions or concerns relating to Kordsa stock trading, you can seek guidance from the Global Investor Relations Department.

III. STATEMENT ON THE APPLICABLE LAWS AND REGULATIONS

Kordsa conducts business in international markets and its operations are subject to various international and national laws or regulations. Although Kordsa Code of Ethics is prepared to be in compliance with all applicable laws and regulations, in case of hesitation regarding business ethics in a country, please make sure that initially all local laws and regulations are followed. We shall bear in mind that Kordsa Code of Ethics and policies shall prevail if a local custom or practice is in conflict with the same.

IV. SHARED RESPONSIBILITIES

Kordsa Code of Ethics and its relevant policies and procedures establish the ethical rules on how we should act and how we should do our jobs daily in detail. It is the primary responsibility of all employees to abide by these rules. Hence, as a condition of employment with Kordsa, all Kordsa employees have the responsibility to;

- (i) Act in accordance with laws and regulations under all circumstances;
- (ii) Read Kordsa Code of Business Ethics, learn, understand, internalize, and act accordingly;
- (iii) Learn the general and business-specific policies and procedures set out for Kordsa;
- (iv) Consult their manager or the Global Ethics Compliance Officer or the Local Ethics Compliance Officer about potential violations concerning self or others;
- (v) Urgently report potential violations by self or others; notify their manager, the Global Ethics Compliance Officer or Local Ethics Compliance Officer and/or the Ethics Board verbally or in writing either by disclosing the identity or keeping it confidential;
- (vi) Follow the "Making an Ethical Decision: Procedures and Methods " which is defined to guide behaviors and actions as to the rules and problem solving; and
- (vii) Cooperate with the Local Ethics Compliance Officer or Global Ethics Compliance Officer and/or the Ethics Board during ethical investigations, keep information specific to the investigation confidential.

Making an Ethical Decision: Procedures and Methods

Kordsa employees should follow the steps defined below and ask themselves the following questions to guide them in deciding for an action plan:

1. Determine 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 Kordsa 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 you have a dilemma.
- Think about your options and their outcomes.
- Think who might be affected.
- Consult others in case of doubt.

3. Decide Upon an Action Plan

- Define your responsibilities.
- Review all relevant facts and information.
- Consult relevant Kordsa 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 in case of doubt.

4. Test Your Decision

- Review questions that should be asked ethically.
- Review your decisions within the context of Kordsa core values.
- Make sure you have considered Kordsa 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 the relevant people.
- Share what you have learned.
- Share your success story with others.

Four Basic Questions to be Considered

1. Is the activity/behavior in line with laws, rules and tradition? (***Standards***)
 - Is it in conflict with professional standards?
 - Is it legal?
2. Is the activity/behaviour balanced and fair? Would you 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 Kordsa and/or stakeholders if the 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 Kordsa?
 - Who may be affected by it (other employees in Kordsa, you, shareholders, etc.)?
4. How much does the “perceived fact” and “objective fact” overlap?
 - How would it reflect in the media?
 - What would any reasonable person think under similar circumstances?

V. ADDITIONAL RESPONSIBILITIES FOR MANAGERS

Kordsa managers have additional responsibilities, further to those defined for employees within the framework of Kordsa Ethics. Accordingly, it is the managers' responsibility to;

- (i) Create and preserve a company culture and working environment that promotes the ethics rules,
- (ii) Be a role model in practicing the ethics rules; educate their personnel on the ethics rules,
- (iii) Support their employees in expressing their questions and in filing their complaints/notifications concerning the ethics rules,
- (iv) Offer guidance regarding what should be done when consulted, diligently consider all ethical concerns raised, and forward them to the Global Ethics Compliance Officer/Local Ethics Compliance Officer and/or Ethics Board at the shortest possible time when deemed necessary, and
- (v) 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 rules.

VI. OTHER RESPONSIBILITIES

Kordsa top management is responsible for effective enforcement of the Kordsa Ethics Code, and a culture to promote these rules.

Kordsa managements, in cooperation with the Global Ethics Compliance Officer and/or the Ethics Board, have the responsibility to;

- (i) Ensure confidentiality of complaints/notifications made within the framework of the Code of Ethics, and prevent retaliation against individuals after filing of such complaints,
- (ii) Provide job security for the employee who filed complaints/notifications,
- (iii) Ensure that complaints and notifications are investigated timely and in a fair, consistent and sensitive manner; and resolutely take necessary actions against violations.

Kordsa Ethics and all policies concerning Kordsa Code of Ethics are reviewed, revised and documented by the Global Ethics Compliance Officer upon the recommendations of the Ethics Board, and the revisions are announced to the Companies upon the approval of the CEO of Kordsa.

Global Ethics Compliance Officer/Local Ethics Compliance Officer has the responsibility to;

- (i) Inform employees about the Code of Business Ethics, offer periodical ethics trainings to enable clarity regarding policies and codes, and establish continuous communication on this matter with Kordsa employees,
- (ii) Ensure the new hires read Kordsa Code of Ethics, inform them regarding the same, and ensure that they sign the Employee Declaration,
- (iii) At the beginning of each year, ensure employees sign the Ethics Compliance Form and update their declarations.
- (iv) Provide guidance and consulting to employees regarding questions and issues related to ethics within Kordsa.
- (v) Contribute to the resolution of ethical violations reported to them or direct those can not be solved in Kordsa to the Ethics Board.
- (vi) Report the questions and notifications regarding ethical issues, including their resolutions to the Ethics Board regularly or when requested.
- (vii) Act as the point of contact within Kordsa for the investigations where necessary.
- (viii) Monitor the effectiveness of the Kordsa Ethics program and provide support in its practice.

VII. NON-COMPLIANCE WITH KORDSA CODE OF ETHICS

1. Raising Concerns

Kordsa always encourages speak-up culture within the company to better protect its core values, to create safe, secure and ethical working environment and to meet its duties towards all stakeholders. Kordsa employees are expected and have a responsibility to report the ethical and legal violations through Kordsa Ethics Line accessible by phone and web and/or openly discuss any unethical and inappropriate behaviour with their managers, or the Global/Local Ethics Compliance Officer and/or the Head of Legal and Compliance. Kordsa employees can report different issues such as corruption, money laundering, theft, fraud, anticompetitive practices, child labor, forced labor, human trafficking, diversity, discrimination, harassment, mobbing, privacy, inappropriate use of Kordsa assets, conflicts of interest, external stakeholder human rights issues.

Kordsa will treat all reports of concerns as confidential and all complaints can be made anonymously. They will be followed and handled as per the Ethics Committee procedures promptly, confidentially and discreetly by the Ethics Board and under the guidance of Global Legal and Compliance Department. Upon review of concerns, the reporter will be updated on the status until the case is closed.

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

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

Kordsa does not tolerate retaliation against an employee who cooperates with an investigation, raises a concern, or reports suspected misconduct in good faith. Falsity and slander related notifications are deemed as ethical violation and shall result in appropriate corrective disciplinary action, including termination of employment, as well as possible civil or criminal penalties.

2. Ethics Board

The Global/Local Ethics Compliance Officer and/or the Ethics Board have the responsibility to investigate and resolve all complaints and notifications concerning violation of the Code of Ethics of Kordsa Group Companies (KORDSA-ETHICS) and related policies. Ethics Board reports to Sabancı Holding Ethics Board and the relevant authorities when it is deemed appropriate.

Kordsa Ethics Board	
Chair	: Global Head of Human Resources
Member	: Head of Legal and Compliance
Member	: Global Head of Internal Audit

3. Ethics Board Operating Principles

The Global Ethics Compliance Officer/Local Ethics Compliance Officer and the Ethics Board conduct their activities in accordance with the Ethics Board Operation Policy and within the framework of the principles stated below:

- (i) Global Ethics Compliance Officer/Local Ethics Compliance Officer and the Ethics Board keep the complaints/notifications and the identity of the complaining party confidential. Complainants are under the protection of Ethics Board, any kind of influence to them such as mobbing, discrimination, pressure is not allowed. During the investigation, job and job description of the complainants cannot be changed without informing the Ethics Board.
- (ii) Global Ethics Compliance Officer/Local Ethics Compliance Officer and the Ethics Board conduct the investigation with confidentiality as much as possible.
- (iii) Global Ethics Compliance Officer/Local Ethics Compliance Officer and the Ethics Board have 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.
- (iv) The investigation process is conducted in writing. Information, evidence, and documents are added to the record.
- (v) The record is signed by the Chair and members of the Ethics Board.
- (vi) The investigation is handled with urgency, and resolved as rapidly as possible.
- (vii) Resolutions of the Ethics Board are executed immediately.
- (viii) Relevant departments and authorities are informed of the outcome.
- (ix) While discharging their duties, the chair and members of the Ethics Board and the Global Ethics Compliance Officer 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 or the Global/Local Ethics Compliance Officer, "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 the investigation.

For questions or to raise any concerns regarding possible violations, you may directly contact the Global Ethics Compliance Officer and/or Local Ethics Compliance Officer at your site and/or Ethics Board through Navex Ethics Line online or via phone or the following e-mails, mail addresses and/or telephone numbers:

Ethics Hotline		
Online (Applicable for all countries)	:	kordsa.ethicspoint.com (desktop version) kordsa-mobile.ethicspoint.com (mobile version)
Toll-Free Phone Numbers by Country	:	Indonesia 021 30762307 Thailand 1800 018 261 Turkey 0800-621-2461 USA 833-718-4882 Brazil 0212 038 0334 Italy 800 931 476
Ethics Board		
E-mail	:	etik@kordsa.com
Address	:	Kordsa Teknik Tekstil A.S. Kordsa Ethics Board Sanayi Mah. Teknopark Bulvarı No:1/1B PK 34906 Kurtköy Pendik / İstanbul, Turkey
Microtex Composites S.r.L.		
Address :		Via Pozzo di San Sebastiano 15/C Frazione Bottegone
E-mail :		https://whistleblowing.microtexcomposites.com
Sabancı Holding Ethics Board		
E-mail	:	https://sabanci.ethicspoint.com
Address	:	H.Ö. Sabancı Holding AS Attn: Ethics Board Sabanci Center 34330, 4.Levent Istanbul Turkey

Phone	:	+90 212 385 85 85
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The original edition of this guide was developed by H.O. Sabancı Holding A.S. and has been thoroughly updated for Kordsa.