

Business Ethics and Compliance with Corporate Policies and Laws

Business Ethics, Anti-Bribery and Anti-Corruption

We assess anti-bribery and anti-corruption using an approach focused on risk and consider it to be an important part of our risk management practices. The audits and assessments for risks and potential impacts ground on an understanding and approach covering all of our company's activities.

Our related policies and rules: We resolutely support through our Board of Directors the implementation of **Migros Code of Ethics** which were drawn up in line with our Company's ethical approach and codes of conduct, and our **Anti-Bribery and Anti-Corruption Policy**, and we continue our operations by observing full compliance with our policy. Both our Migros Codes of Conduct and our Anti-Bribery and Anti-Corruption Policy comply with the membership statement and ethical principles of the Ethics and Reputation Association (TEİD), which we are a member of in order to benefit from its knowledge on ethics, anti-bribery and anti-corruption, abuse by employees and third-party risks, to get opinions, and to benefit from its training on necessary issues.

As in previous years, we ranked among the "Most Ethical Companies of Türkiye" in 2021 as well for the 7th time in the ETIKA Türkiye Ethics Awards organized by the Ethical Values Center Association (Etik Değer-

ler Merkezi Derneği - EDMER), based on 80 items including ethical values, business ethics, reputation management, corporate governance, corporate social responsibility, compliance management, leadership and creativity.

In 2021, our Company did not face any disputed accusations for bribery or corruption.

We ETIKA Türkiye Ethics Awards for the **7th time** 'Most Ethical Companies of Türkiye' among them.



Compliance with Corporate Policies and Codes of Conduct

Our **Human Resources, Human Rights and Equal Opportunity, Anti-Bribery and Anti-Corruption** and **Responsible Sourcing** policies are reviewed by our departments and regularly updated every year. We share the current policies with our employees by email and circulars, with our suppliers and contractors through our B2B channel MECOM, and with the public through our corporate website. Our policies were last updated in 2021. Our guidebook "Orange Book" for our employees transparently describes in detail all our corporate policies and Migros Code of Ethics. This guidebook is shared with all our employees by email when they are newly hired, and is also available on the internet environment.

We provide our employees with online trainings that cover our policies to ensure that our above-mentioned corporate policies are understood and adopted by all our employees. Our existing employees are expected to have completed this training while our newly hired employees receive it in the first month of their employment. The employees who fail the exam at the end of the training should receive it again. As of 2021, the number of our employees who completed this online training that covers our corporate policies reached 31,009. The same training was also provided through our B2B channel MECOM to 1,595 suppliers who use the system actively.



Our Industry Relation Department assesses the breaches of our employees regarding ethics, bribery and corruption, and reports the results to our Senior Management. In case the employees who have a trade union membership breach these rules, our Disciplinary Committee convenes with participation of the trade union representatives in parallel with the rules of the Collective Labor Agreement. If Migros Code of Ethics or Anti-Bribery and Anti-Corruption Policy is breached, the employee's employment contract is terminated.

If our employees have any doubt about the breach of ethical issues, particularly about bribery and corruption, they may report this to the email address etikurul@migros.com.tr and the reports are sent directly to the Migros Ethics Committee. Our Internal Audit Department conducts the necessary investigations when necessary or in the case of reported incidents, within the framework of Migros Code of Ethics.



Thanks to our open-door policy, the contact details of all senior management and function managers of our company is available on our corporate website, and all our stakeholders may anonymously report any potential breach of codes of conduct to Migros managers. None of our employees can be held responsible for the damages to be incurred by the company due to having acted in compliance with Migros Code of Ethics or for having rejected a non-ethical act or be imposed any sanction arising from such circumstance. Moreover, we undertake that no reprisals will be made in our Company on the personnel who report misconduct.

In case of non-compliance with our corporate policies and Code of Conduct, we have an “Ethical Reporting Record Monitoring” system in order to collect at a single point and evaluate all reports received by our company through various communication channels, such as the call center, email and mobile application, and to monitor the actions systematically.

In this context, in 2021, we received a total of 547 notice on ethical issues from all our official communication channels, 389 of them from our employees. 134 of our employee notices were conveyed anonymously in the form of whistleblower. As a result of the evaluations made by our Disciplinary Committee for the persons subject to the report, warning, aggravated warning and termination of employment contracts were carried out according to necessity. In this context, a warning was given to 36 of our employees, a final warning was given to 150 of our employees with an aggravated warning, and the employment contracts of 224 of our employees were terminated. It was reported that 83 employees left their jobs voluntarily. It was determined that 54 reports did not reflect



the truth. 9 of the reports included allegations of harassment, to which our company attaches utmost importance, and as a result of detailed investigations, the employment contracts of 6 of our employees were terminated and 3 employees were given aggravated warnings. In line with 1 report we received for alleged bribery and corruption, the Ethics Committee convened about the employee who was the subject of the allegation; investigations were made on the subject and it was not determined that the employee took a bribe, but since it was determined that he neglected his duty and caused damage to the company, the employment contract was terminated. Apart from these, 36% of 11 employees whose employment contracts were terminated by insisting on not complying with the

Covid-19 pandemic measures are women. In 2021, there were no cases of ethical violations brought to court by our Company.

Our customers, suppliers and other stakeholders can communicate their complaints and notifications on bribery, corruption and other ethics issues through the Customer Communication Center line **0850 200 40 00** or the e-mail address **etik@migros.com.tr**



Compliance with Human Rights Policies

Human rights risk assessment is an integral part of our company's risk assessment processes as we audit and evaluate our risks and potential impacts of all our activities for social compliance assessments focused on human rights.

We conduct all our activities in parallel with our Human Rights and Equal Opportunity Policy, taking into account the United Nations Guiding Principles on Business Life and Human Resources and ILO Declaration on Fundamental Principles and Rights at Work. We undertake that we will abide by these standards, even in the presence of risky situations or adverse developments.

We aim to have all our operations constituting our area of activity and value chain 100% comply with our Human Rights and Equal Opportunity Policy. The male and female employees who have children have all leaves and rights specified by laws, regulations and provisions of collective agreements.

The departments reporting to the Chief Human Resources Officer follows up the management of our human resources processes and relations with our employees, in parallel with our **Human Resources Policy**. The compliance with our **Human Resources Policy and Human Rights and Equal Opportunity Policy** is regularly monitored by our Internal Audit Department and reported to our Senior Management. Additional audits in this

respect are conducted if having noticed of the circumstances which might constitute an inconvenience or having received a complaint. Furthermore, we consider and assess the suggestions and feedback from our internal customers within the scope of the Working Life Assessment Research, for our works to ensure full compliance with our Human Rights and Equal Opportunity Policy. During internal audits carried out in 2021, no breach of human rights was detected within our operations. No child labor or forced labor is employed in our operations.





Anti-Discrimination: All our human resources processes in our Türkiye operations, from recruitment and placement to remuneration, are managed according to the job profiles that we have defined in detail. We employ the applicants based on their competencies without discrimination of culture, age, gender, ethnicity and disability,

and we provide equal opportunities throughout their working period. Accordingly, the starting level remuneration in our stores is based on the minimum wage and fringe benefits, regardless of gender. We implement our human resources assessment system within the framework of the principle of “equality for all”, and we monitor the competency, ability and performance of our employees by measuring them according to general and objective criteria. Our Company received no notification with the allegation of discrimination in 2021.

Human rights training: We provide online training to our employees since 2019 on basic human rights defined in the Universal Declaration of Human Rights. When 2,990 further employees completed this training in 2021, we

have reached a total of 27,762 employees receiving 7,300 hours of training.

According to the results of the preliminary test and final test, we identified that the trainings provided 27% increase in the efficiency of learning. The training journey consisting of 4 stages include our practices as Migros on Human Rights, by teaching the items of Human Rights through enjoyable cards. In 2021, 377 employees of the security companies from which we outsourced services received online training on the human rights policies and procedures. Thus, 82.7% of our security staff have completed this training.

Our declarations in the report related to discrimination in our operations, child labor and forced labor, women-to-men salary ratio, birth leave, the trainings received by employees with regard to human rights policies and procedures, and the security personnel trained on human rights, have been verified by an independent audit firm in compliance with ISAE 3000 (Revised) standards.

You can find the Statement of Independent Assurance in Human Rights and Supply Chain (Selected Criterias) in the “Annexes” section of our report.

