

SABANCI GROUP EQUALITY, DIVERSITY, AND INCLUSION REGULATION

ISSUED BY	: Human Capital and Sustainability Directorate
1ST APPROVAL	: Human Capital and Sustainability Group President
2ND APPROVAL	: CEO
ENFORCEMENT APPROVAL	: CEO

VERSION HISTORY

Version No	Version Date	Revision Description
	2023	

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1. PURPOSE and SCOPE

With this Regulation, Hacı Ömer Sabancı Holding A.Ş. (Holding) aims to;

- Contribute to creating a fair and more socially inclusive world for all, particularly as part of Goal 5 (Gender Equality) and Goal 10 (Reduced Inequalities) in the Sustainable Development Goals (“SDGs”),
- Create a fair, equitable, and inclusive working environment and a workforce that celebrates differences across the Holding and Group Companies,
- Strengthen the workforce with experts from all segments of society, and
- Retain existing talent.

This Regulation is put into effect by Group Companies as of the date of publication in order to support the HR policies in place, and it is deemed valid as long as it remains published.

If there is a “Collective Bargaining Agreement” in place at the workplaces of the Group Companies and there are differences between the articles of this Regulation and the provisions of the “Collective Bargaining Agreement,” the latter shall prevail.

2. AIM

The Regulation aims to determine the principles and improve the practices regarding the prevention of all forms of harassment as well as equality, diversity, and inclusion in the workforce and stakeholder relations of the Holding and the companies in the Holding’s investment portfolio in accordance with national and international standards.

3. DEFINITIONS AND ABBREVIATIONS

BADV (Business Against Domestic Violence): The Business Against Domestic Violence project carried out by Sabancı University Corporate Governance Forum of Turkey (CGFT).

CDIO (Chief Diversity and Inclusion Officer): CDIO is a representative who leads and coordinates the equality, diversity, and inclusion efforts of the relevant Group Company, and acts as the company’s in-house and public spokesperson on these issues. This role can be assumed by the CEO or a senior manager who directly reports to the CEO.

Diversity: Differences between the individuals in the workplace and all characteristics that make them unique.

EDGE: Launched at the World Economic Forum Annual Meeting 2011, the EDGE assessment methodology and certification standard was developed by the EDGE Certified Foundation. The Foundation continues to safeguard the EDGE methodology and certification standards, while EDGE Strategy, the Foundation’s commercial arm, works with companies to prepare them for EDGE Certification.

Its mission is to measure, accelerate, and document gender equality in the workplace.

Equal Pay for Equal Work: Employees receiving equal pay for equal or similar work, regardless of gender or sexual orientation.

EQUAL-SALARY Certification: It is a process that allows companies to verify and communicate that they pay their female and male employees equally for the same job or for job of the same value regardless of gender or sexual orientation. EQUAL-SALARY, the organization providing this certification, is a non-profit Foundation established under Swiss law in 2010.

Adapting to the Future of Work Project: All Group Companies started implementing the Adapting to the Future of Work Project also known as the Future of Work (FoW), in 2020 to design a future plan covering the ways of doing business and current business understandings, strategies, practices, and regulations of their respective industries. The project aims to go beyond remote working and adopt a holistic

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perspective in order to foresee the Future of Work in seven areas, while creating implementation plans by determining HR priorities.

Declaration on Equality at Work: The “Equality at Work Platform” was established under the auspices of the Ministry of Family and Social Policies to close the wide gender chasm in labor force participation in Turkey as part of the task group established under the World Economic Forum (WEF) to combat gender-based inequality. The platform continues its efforts with the goals of increasing women’s participation in the workforce, involving them more actively in decision-making mechanisms, and having them benefit from equal opportunities and resources. There are 11 articles¹ in the declaration of commitment issued by the Platform.

Women’s Empowerment Principles (WEPs): Established as a joint initiative of UN Women and the UN Global Compact around seven core principles, the WEPs aim to support the private sector in its existing efforts toward gender equality, developing corporate policies and programs and analyzing its existing efforts, key indicators and reporting practices.

Inclusion: Inclusion in the workplace refers to organizational efforts and practices aimed at including, accepting, valuing, and providing equal opportunities and resources to all individuals in the workplace, regardless of their differences and social identities.

Mean/Average Raw Gender Pay Gap: The Mean/Average Raw Gender Pay Gap measures the difference between total pay for men and women without considering factors such as job function, level, education, performance, location, and so on. It includes base salary, bonuses, and other cash benefits.

Gender Sensitive Communication Guide: The guide published by the United Nations Development Programme (UNDP) for the adoption of an egalitarian and inclusive language.

“Sabancı Holding” or “Holding”: H.Ö. Sabancı Holding A.Ş.

“Sabancı Group Companies” or “Group Companies”: Sabancı Holding and all subsidiaries, joint ventures, and affiliates specified in its consolidated financial statements.

STEM: STEM is an acronym that stands for science, technology, engineering, and mathematics.

Sustainable Development Goals (SDGs): A universal call to action by member states of the United Nations to end poverty, protect the planet, and ensure peace and prosperity for all. These 17 Goals build on the achievements of the Millennium Development Goals while covering new areas such as climate change, economic inequality, innovation, sustainable consumption, peace and, justice, among other priorities. The goals are interconnected, and their success depends on tackling issues with common causes together.

Sustainability Leadership Committee: The Committee chaired by the Human Capital and Sustainability Group President on the Executive Board. While its Regular Members consist of all Group Presidents, Corporate Brand Management and Communications President and Investor Relations Director, the Committee is also open to invited stakeholders. The Committee’s efforts are coordinated by the Sustainability Directorate.

Sustainability Coordinator: The person responsible for the coordination of sustainability activities across Sabancı Group Companies. Provides communication with the Holding on sustainability issues.

FoW Committee: The Future of Work Committee, chaired by the Human Capital and Sustainability Group President on the Executive Board. While its Regular Members consist of the Senior HR Managers of Group Companies, the Committee is also open to invited stakeholders. The Committee’s efforts are coordinated by the Group’s Human Resources Directorate.

¹ <https://www.sabanci.com/en/social-responsibility/our-commitments/equality-at-work-declaration>

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UNDP (United Nations Development Program): The program established by the United Nations in order to create a global development network. Primarily focused on developing countries, the program provides the knowledge, experience, and resources necessary for people to have better living standards. To serve this end, the UNDP carries out development efforts in collaboration with governments, nongovernmental organizations, academia, and the business world.

4. ROLES and RESPONSIBILITIES

4.1. Roles and Responsibilities¹

Implementation

The Regulation is implemented by the teams in the Holding's Human Capital and Sustainability Group Presidency and the Legal, Risk, and Compliance Department.

Audit

In order to ensure compliance with this Regulation, the Audit Department conducts audits periodically or upon request under the supervision of the Audit Committee in accordance with the International Internal Audit Standards and the Code of Business Ethics. Audits are conducted across all Group Companies, and the units to be audited within the relevant year are prioritized from a risk perspective.

The Sabancı Holding Audit Department or the audit unit of the relevant Company conducts the audits under the supervision of the Audit Department.

5. CODE OF PRACTICE

Sabancı Group employs a workforce that includes all social (and other) identities without discriminating based on language, race, sect, age, gender, culture, nationality, ethnicity, disability, political and religious beliefs, sexual identity and gender expression or other protected characteristics, which it believes to be essential for building a culture of innovation and continuous development.

Sabancı Group has *zero tolerance* for all kinds of discrimination, harassment, and violence that may arise from the aforementioned differences in all HR processes and practices, from recruitment processes to opportunities for promotion, development and social rights, and in the social environment.

This Regulation is an integral part of the Sabancı Group Code of Business Ethics (SA-ETHICS), which serves as a guide on the applicable laws, regulations, and internal procedures in all Group decisions and activities. The Regulation also contributes to the approach on Talent and Skill Management of the Future of Work Project launched across the Group in 2020.

Talent Management (Recruitment, Appointment/Promotion and Development) Process

In accordance with the local regulations, the Holding and Sabancı Group Companies do not request/use information related to language², race, sect, age³, gender, culture, nationality, ethnicity, disability, political and religious beliefs, sexual identity, pregnancy or potential pregnancy, dependents, marital status or marriage plans as criteria ⁴for the evaluation of candidates in job listings, appointment/promotion and development processes or in the interviews attended by HR personnel and/or the relevant unit manager and the candidate.

² Excludes the language skills required for the relevant position.

³ Excludes the inquiries made for compliance with regulatory requirements.

⁴ Group Companies may request the aforementioned information in an anonymous and confidential manner and report them to the public on a consolidated basis in order to measure and improve the company's diversity indicators.

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Job listings do not include expressions indicating a certain social identity or audience, especially the characteristics listed above.

Provided that the relevant talent and experience criteria are met, the Group Companies prioritize ensuring the equal representation of men and women in recruitment, appointment/promotion candidate pools for the relevant position and participant suggestions in the Community Development Program. Appointment and promotion processes for Senior Management roles are carried out in accordance with the Sabancı Group Senior Management Appointment and Promotion Regulation and Principles.

Group Companies have committed themselves to aiming to employ more employees with disabilities than the rate stipulated by law in the relevant country.

Maternity and Parental Leave

Sabancı Group Companies offer paid and unpaid maternity and parental leave in all countries where they operate. Regardless of the relevant legislation in the country of operation, paid maternity leave cannot be shorter than five (5) weeks⁵, and paid paternity or parental leave cannot be shorter than two (2) weeks.

The manager of an employee taking maternity, paternity or parental leave cannot make any written or verbal statements insinuating that the leave should be kept short or should not be taken at all, impose any restrictions or engage in intimidating behavior such as coercion, retaliation, and demotion against the employee for taking leave. The time spent on maternity leave is included in the calculation of bonuses and the waiting periods for promotion. These periods do not affect the relevant salary adjustment rates.

Each Group Company tracks the numbers and rates of employees returning to work after maternity, paternity or parental leave based on the breakdown below, discloses them to the public and plans the necessary actions to increase the rates of employees returning to work.

- Number of employees taking maternity/parental leave
- Number of employees returning to work after maternity/parental leave
- Number of employees returning to work after maternity/parental leave and continuing to work for at least 12 months

Support for Postnatal Period and Education

Regardless of the relevant legislation in the country of operation, every workplace with female employees has lactation rooms that are clean, safe, comfortable, private and appropriately designed for safe milk storage.

Each Group Company provides return-to-work orientation/mentoring to ensure the adaptation of employees returning to work after birth. The company also provides support with Employee Assistance Programs.

Regardless of the relevant legislation, maternity and paternity leave cannot be shorter than five (5) weeks for adoptive parents.

Provided that the relevant managers are informed and grant approval and that the continuity of work is not disrupted, all employees with children going to pre-school and primary school are granted a half-day administrative leave on the first day of school and on the report card day at the end of the school year.

⁵ In accordance with the legislation in Turkey, female employees are granted maternity leave for a total of 16 weeks: eight (8) weeks before birth, and eight (8) weeks after birth.

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Regardless of the relevant legislation, compassionate leave for parents of children with special needs⁶ cannot be shorter than 10 days.

Care of Parents and the Elderly

For all employees, compassionate leave covers situations related to the care of parents and the elderly, provided that the person is a first-degree relative of the employee or his/her spouse. Regardless of the cause, the duration of leave is limited to the number of compassionate leave days set by internal regulations. Remote employees may have their remote working conditions rearranged to extend this duration upon the approval of their managers.

Support Programs for Underrepresented Employees

Sabancı Group Companies implement initiatives such as mentoring, sponsorship or sharing groups for women, disabled individuals, people of different ethnic origins or employees who are underrepresented in management levels. Each Group Company determines these initiatives based on the analyses carried out to identify employees who are underrepresented in management levels and their needs.

Remuneration

The Holding and all Sabancı Group Companies monitor the progress on mean/average raw gender pay gap and equal pay for equal work on an annual basis with their HR compensation teams based on the following breakdown as a bare minimum.

- CEO and senior managers directly reporting to the CEO
- Middle and senior managers reporting to the CEO at first-, second- and third-degree levels
- Employees of all levels (regardless of contracts and working models⁷ regulating the employment relationship).

If these rates are not equal, each company determines a roadmap of two (2) years at maximum to ensure equality. The roadmap may also include the measures to be taken for salary adjustments.

Awareness, Avoiding Discriminatory Language, and Unconscious Bias

The guide attached to this Regulation in order to raise awareness about discriminatory language across the Holding and Group Companies is made available to all employees through internal and external channels.

The Holding and Group Companies provide gender equality and unconscious bias training to all their employees, and especially to their HR professionals and senior management representatives. The same training is provided to new employees during orientation, and all employees receive refresher training at least once a year.

In order to measure the effectiveness of the training, each company runs a test that measures unconscious bias at least once every three (3) years and uses the test results to determine which initiatives to implement.

There is zero tolerance for any intimidating behavior, such as coercion, retaliation, and reverse discrimination.

⁶ Children with special needs are children that are different from their peers in terms of individual and developmental characteristics and educational qualifications for various reasons, such as illness, accidents or syndromes. These children are further described in the Regulation on Special Education Services, which came into force after it was published by the Ministry of National Education in the Official Gazette dated July 7, 2018. This regulation accepts the description in the relevant legislation.

⁷ These models include full-time, part-time, working on contract, etc.

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Accessible Services and Offices

The Holding and each Group Company implement physical and non-physical initiatives in order to facilitate the access of individuals with disabilities to services and offices. These initiatives are designed to suit individuals with minimum disability.

Revenue-Generating Roles

In Sabancı Group, revenue-generating roles are positions above the manager level that will cause a direct loss of income for the company if they remain vacant.

The Holding and each Group Company determine these roles based on their own industry and activities and publicly share the ratio of women working in these roles on an annual basis. The goal is to increase this ratio to 50 percent by 2030 at the latest in order to ensure equal representation of female employees in these roles. A roadmap is published to ensure equality in case the representation of female employees is less than 50 percent. The roadmap should have specific deadlines and percentages (%).

STEM Roles

STEM workers use their knowledge of science, technology, engineering or mathematics in their daily responsibilities. To be classified as a STEM worker, the employee must have a STEM-related qualification and utilize this skill in their operational work.

STEM roles in Sabancı Group are listed below.

- **Department:** R&D, Software, Business Intelligence, Information Systems/Information Technologies, Data Analytics, Technology
- **Position:** Employees whose job descriptions include engineering

The Holding and each Group Company determine these roles based on their own industry and activities and publicly share the ratio of women working in these roles on an annual basis. The goal is to increase this ratio to 50 percent by 2030 at the latest in order to ensure equal representation of female employees in these roles. A roadmap is published to ensure equality in case the representation of female employees is less than 50 percent. The roadmap should have specific deadlines and percentages (%).

Flexible and Remote Working⁸

Sabancı Group improves employee diversity and inclusion with flexible and remote working models and offers equal opportunities and employment to talents with different expectations and limitations and more vulnerable groups.

One of the seven key components of the Future of Work Project is Flexible Workforce and High Performance. This heading covers practices for the use of flexible employment models and the design of performance management systems according to the new normal.

- **Remote Working:**

Remote working models and their code of practice have been determined as part of the Sabancı Group Remote Working Policy.

Hybrid Remote Working: A hybrid working model in which employees work at the workplace on certain days of the week/month and at the remote working locations determined as part of the Sabancı Group Remote Working Policy on other days in accordance with the set principles.

⁸ Does not cover outsourcess and subcontractors. The code of practice for the “Flexible and Remote Working Models” to be implemented across Sabancı Group was determined in accordance with Sabancı Group’s HR policies.

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Remote Working: The working model in which employees work entirely outside the workplace at remote working locations determined as part of the Sabancı Group Remote Working Policy according to the relevant work organization.

“Remote Working and Hybrid Remote Working” models only apply to jobs that can be done remotely.

- **Flexible Working and Workforce Models:**

Flexible working models such as self-scheduling, part-time working, and fixed-term working are offered to all employees whose jobs are suitable for flexible working to the extent that their time intervals are compatible with all working models regulated by the legislation.

In accordance with the relevant legislation in the countries of operation, certain new practices, such as flexible working models and working compressed hours, were implemented on the publication date of this Regulation.

Implementation of flexible working locations where employees of different Sabancı Group Companies can use the offices of all Sabancı Group Companies is also in the pipeline and is expected to be completed within two (2) years at the latest from the publication date of this Regulation.

Sabancı Group provides its employees with the work tools required for flexible working models.

When necessary, Sabancı Group also offers support programs that meet the orientation and/or psychological support needs of employees in relation to remote and flexible working models.

Preventing Domestic Violence

Sabancı Group supports the BADV project.

The project foresees providing Gender Equality Training to all employees across the Group at least once a year.

Managers in the Group Companies inform their employees about the psychological and legal support programs provided by the relevant Group Company upon reports of domestic violence, while observing confidentiality in the process.

Software Used in HR Processes and Practices

The Group Companies request measures developed to prevent algorithms and machine learning from perpetuating gender-based bias before purchasing from service providers that provide the software and similar technological solutions used in HR recruitment and evaluation processes. As of the publication date of this Regulation, the Group Companies will not be purchasing technological solutions and software for HR processes and applications from companies that do not provide these measures.

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Preventing Harassment and the Principle of Zero Tolerance for Harassment

Sabancı Group is committed to providing a safe environment for all its employees with zero tolerance for discrimination arising from any form of harassment, including sexual harassment.

Sexual harassment refers to unwelcome conduct of a sexual nature that makes a person feel humiliated and/or intimidated and/or uneasy/uncomfortable. The conduct may be exhibited as a precondition for that person's employment or may involve creating an environment of hostility, intimidation or humiliation for the victim.

Sexual or other types of harassment may involve one or more incidents, and the actions that constitute harassment may be physical, written, verbal or nonverbal.

When possible, anyone who is a victim of harassment must notify the alleged harasser that harassment has taken place and explain how this conduct is not tolerated by the relevant Group Company and constitutes a breach of this Regulation. Each Group Company recognizes that harassment can also take place in unequal relationships (i.e. those between a manager and a subordinate), and such cases can make it difficult for the victim to inform the alleged harasser.

If employees or other stakeholders learn of an ethical violation that may violate this Regulation, they use the complaint mechanism stipulated by this Regulation.

The person or authority receiving the harassment complaint,

- promptly records the date and time of the event(s),
- ensures the victim understands the company's complaint-handling procedures,
- keeps records of all discussions confidential,
- respects the victim's choice to resolve the incident through company procedures and/or legal means.

In addition to the internal investigation carried out within the company, the victim is expressly notified that he/she is free to exercise his/her legal rights.

Each Group Company is obliged to establish and operate a complaint mechanism with the aforementioned qualifications as the bare minimum and to make this mechanism open and accessible to its stakeholders. The board that will receive and evaluate complaints as part of this Regulation should be diverse in terms of seniority and gender representation.

Policies for preventing harassment are also included in the Gender Equality Programs provided to all employees across the Group.

Suppliers

Sabancı Group Companies determine and implement the principles regarding prioritizing businesses established by vulnerable groups in the supply chain based on the relevant industry and the product/service to be purchased.

Customers

In its financial services and banking activities, Sabancı Group makes the maximum effort to develop products and services that will support vulnerable groups, such as women, youth, and individuals with disabilities.

Advertising, Marketing, and Communication

Group Companies consider the Gender-Responsive Communication Guide published by the UNDP in their advertising, marketing and communication activities. This Regulation is an integral part of the Sabancı Group Communication Principles.

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Active Participation in Programs on Equity, Diversity, and Inclusion for the General Public

All Group Companies participate at the highest level in social programs, certification programs, and initiatives related to equality, diversity, and inclusion in the areas they prioritize based on their industries and activities.

These initiatives include:

- UN Equality at Work Declaration
- Women's Empowerment Principles
- EQUAL-SALARY Certification
- EDGE Certification
- Sabancı University SU Gender Collaboration
- Sabancı University 30% Club Turkey

CDIO (*Chief Diversity and Inclusion Officer*)

Each Group Company appoints and publicly announces the CEO or a senior manager directly reporting to the CEO as CDIO in order to effectively implement this Regulation and create a corporate culture of equality, diversity and inclusion.

Transparency

Each Group Company calculates and publicly shares the prioritized diversity indicators from this Regulation along with the other indicators requested by the Holding on an annual basis through publicly available company media such as the sustainability report, annual report or investor relations website.

Complaint Mechanism

Employees and other stakeholders who are aggrieved or who detect a violation of this Regulation must report directly to their manager. In case the situation is directly related to the manager, they must report to the Company Code of Business Ethics Advisor, the Company Business Ethics Hotline and/or the Company CEO/General Manager. If no steps are taken and no results are achieved regarding the incident, they must report to the Holding Ethics Committee. If the violation was committed by a senior manager of the Company, the issue must be reported directly to the Holding Ethics Committee. Even if the notifier is not an employee, he/she can report violations of this Regulation to the Ethics Committee by email to etik@sabanci.com, by calling +90 212 385 85 85, or by mail to the Sabancı Holding Headquarters.

Notifications are evaluated meticulously and confidentially. The person notifying the Ethics Committee is under the protection of the Ethics Committee and is assured that he/she will not be subjected to any coercion or criminal sanctions due to his/her notification.

6. ENFORCEMENT APPROVAL AND REVIEW

The Holding's Sustainability Directorate is responsible for the annual review of the Regulation according to current developments, suggestions and complaints made by employees throughout the year in addition to the reports of the UN and nongovernmental organizations and initiatives operating in this field.

In Group Companies, the Sustainability Coordinator and/or the senior HR manager directly reporting to the CEO is responsible for conducting annual reviews of the Regulation, ensuring all coordination efforts for revision suggestions and reporting any needs for revision (if any) to the Holding on an annual basis.

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The Sustainability Directorate revises the relevant articles under the coordination of the Human Resources and Sustainability units. The Holding's Human Resources and Sustainability teams are responsible for announcing the Regulation to all Group Companies.

The Holding's Sustainability Leadership Committee and/or FoW Committee is responsible for reviewing these changes and finalizing their suggestions.

When necessary, the Chairman of the Holding's Sustainability Leadership Committee, who also serves as the Human Capital and Sustainability Group President, submits the changes made in the Regulation to the Holding CEO.

The Holding CEO is responsible for the enforcement of this Regulation and the approval of any significant changes.

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