

Business Ethics and Compliance with Corporate Policies and Laws

GRI 2-27, GRI 3-1, GRI 3-2, GRI 3-3, GRI 205-1, GRI 406-1

Business Ethics, Anti-Bribery and Anti-Corrupt

We view combating bribery and corruption as a critical part of our risk management approach, and we take a risk-based approach to the matter. We conduct comprehensive audits and assessments of risks and their potential impact with an understanding and approaches that encompass the entire company and all of its operations.

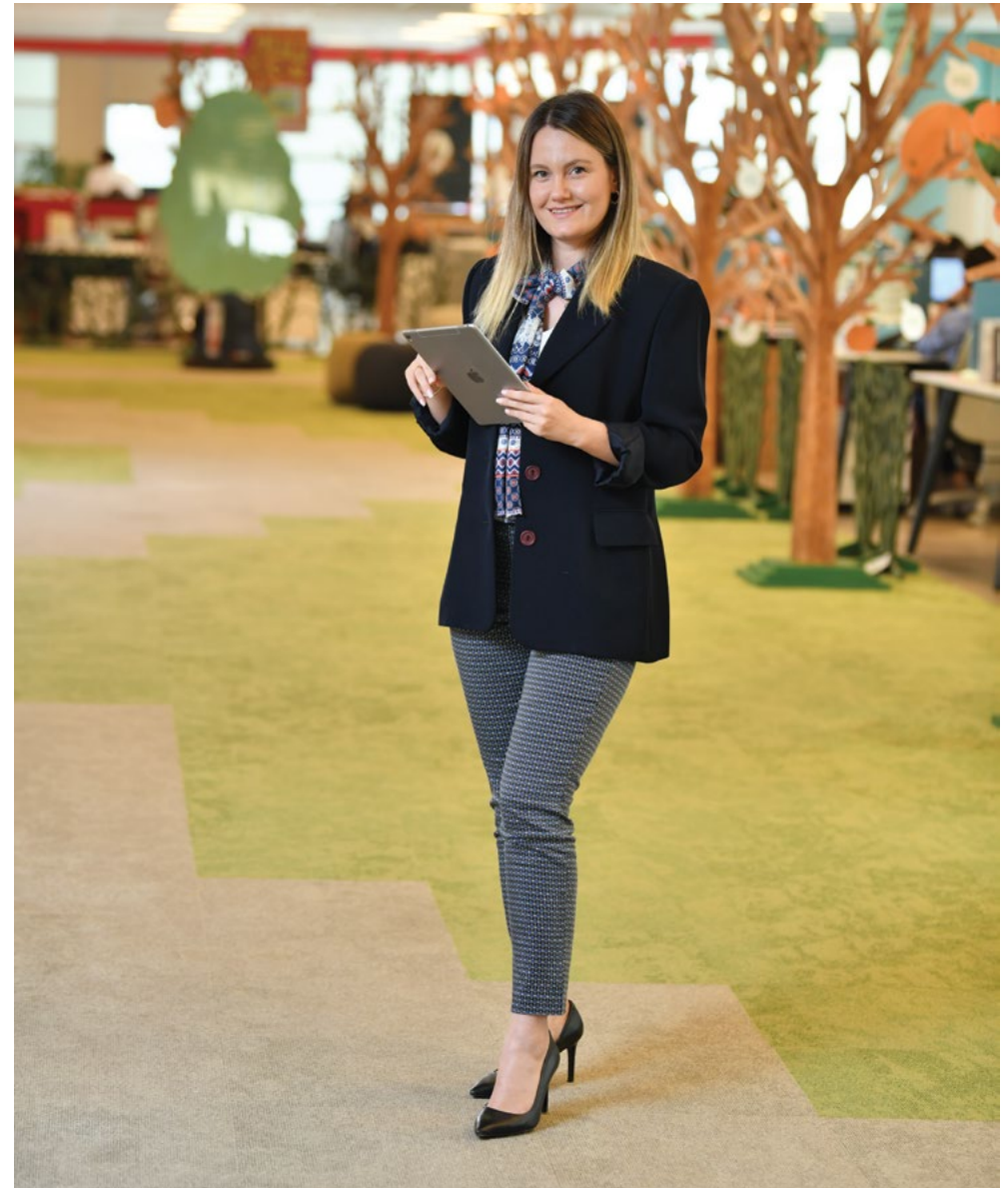
The Migros Board of Directors is fully committed to strictly implementing the **Migros Code of Ethics** and **Anti-bribery & Anti-corruption Policy**, which are aligned with our company's ethical approach and principles and outline all essential actions, responsibilities, and sanctions related to any charges or suspicions of bribery and corruption. The Migros Code of Ethics and Anti-corruption Policy are both consistent with the membership requirements and ethical guidelines of the Ethics & Reputation Society (TEİD), an NGO of which Migros is a member. As a member of TEİD, Migros benefits from the association's knowledge, consultancy, and training resources on matters pertaining to business ethics, anti-corruption, misconduct, and third-party risks. Our company was not the target of any legal action related to bribery or corruption in 2022.

In 2022, we were honored for the **eighth time** as one of “**Türkiye's Most Ethical Companies**” at the ETİKA Türkiye Ethics Awards. The Ethics Values Center (EDMER), an association that focuses on creating ethical awareness and fostering ethics vision in Türkiye, presents these awards annually. The association conducts surveys that rate organizations on a checklist of 80 key ethical behavior, business conduct, reputation management, corporate governance, CSR, compliance management, leadership, and creativity issues.

Compliance with Corporate Policies and Codes of Conduct

We review our **Human Resources**, **Human Rights & Equality of Opportunity**, **Migros Code of Ethics**, **Anti-bribery & Anti-corruption**, and **Responsible Sourcing policies** annually and update them as needed. We share our policies, which were most recently updated in 2022, with our employees via email, with our suppliers and contractors through our MeCom B2B platform, and with the public on our corporate website. We provide transparency and detailed explanations of all of our corporate policies and Migros Code of Ethics through our comprehensive guidebook called the “**Migros Orange Book**”, which is specifically intended for our employees and which is accessible to all employees through the Migros corporate intranet.

To ensure that everyone understands and embraces these policies, we provide online training resources that explain the specifics of these policies and their implications. All existing employees are required to complete this training; newly-hired personnel receive it during their first month of employment. All employees who complete this training must take a test to assess their knowledge of the material. Those who do not pass the test must repeat the course. As of 2022, **33,861**



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GRI 202-1, GRI 2-5, GRI 3-1, GRI 3-2, GRI 3-3, GRI 406-1, GRI 408-1, GRI 409-1, GRI 410-1

employees had completed Migros Corporate Policy training. We also provide the same training to 1,521 Migros suppliers who actively use our **MeCom B2B platform**.

The Industrial Relations Department reviews and assesses potential violations of Migros' ethical guidelines and anti-corruption policy by employees. The department then reports its conclusions and recommendations to senior management. If a union member is accused of violating Migros' rules, the Migros Disciplinary Committee convenes, invites union representatives to the hearing, and takes disciplinary action as specified in the union's collective bargaining agreement.

Employees can report suspected violations of ethical guidelines, particularly bribery and corruption, to a dedicated email address (etikkurul@migros.com.tr) or through the **Migros Shareline**, which is an internal reporting system accessible to all employees. In addition, all senior management' and function managers' contact information is available on our corporate website, in line with Migros' open-door policy. This policy allows all stakeholders to report potential violations of the company's ethical guidelines to Migros executives anonymously. Our customers, suppliers, and other stakeholders can communicate their complaints on all ethical issues through the Customer Communication Center, line 0850 200 40 00 or the e-mail, address etik@migros.com.tr. We have an **"Ethics Reporting and Tracking"** system in place to collect and evaluate reports of non-compliance with our corporate policies and ethical guidelines. Reports can be submitted through various channels such as the Migros call center, email addresses, or mobile app. This system allows us to centralize the information and systematically track all action that is taken.

Ethical infractions are typically addressed within six business days of being reported. The Internal Audit Department investigates all formal complaints and any matters deemed necessary, in accordance with the Migros Code of Ethics.

Employees cannot be held responsible for any losses suffered by the company due to their compliance with Migros' ethical guidelines or by their refusal to violate them. Employees cannot be subjected to any material, financial, or other penalties on account of such behavior. Migros also pledges not to retaliate against any employee who reports instances of misconduct, malfeasance, or embezzlement committed by another employee.

In 2022, we received 571 reports on ethical issues through all official communication channels. Of these, 146 were from employees and 44 were submitted by anonymous whistleblowers. The Migros Disciplinary Committee reviewed all reports. Based on the committee's findings, the work contracts of 382 employees were terminated. The Migros Ethics Committee investigated one reported allegation of a violation of the company's anti-bribery and anti-corruption policy. The investigation found that the allegation was untrue. No employee has been terminated for not following Covid-19 pandemic guidelines.



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GRI 2-5, GRI 207, GRI 3-1, GRI 3-2, GRI 3-3, GRI 406-1, GRI 408-1, GRI 409-1, GRI 410-1

Compliance with Human Rights Policies

As part of our company's risk assessment process, we conduct audits and evaluations of all activities to identify and mitigate human rights risks that could impact the company. We conduct all our operations in accordance with **United Nations Business and Human Rights Principles** and the **ILO Declaration on Fundamental Principles and Rights at Work**, as well as with **Migros' own Human Rights and Equality of Opportunity Policies**. Migros is committed to upholding these principles and standards, even if doing so poses risks or could have negative consequences for the company. We are committed to achieving 100% compliance with Migros' human rights and equality of opportunity policies in all aspects of our operations and across our entire value chain. We evaluate all suggestions and feedback we receive from our employees through our annual **Employee Loyalty and Satisfaction Survey** and take action to improve policy effectiveness and compliance.

The Chief Human Resources Officer of Migros is responsible for the overall management of the company's human resources and industrial relations functions in accordance with **Migros' Human Resources Policy**. Human resources, human rights, and equality of opportunity policy compliance within the company is monitored by the Migros Internal Audit Department, which reports its findings to senior management. All reported instances of non-compliance are investigated on a case-by-case basis. The Anadolu Group Department of Auditing and/or external auditors may also investigate policy violations as circumstances warrant.

No violations of human rights or the use of underage or involuntary workers were identified or reported in any of our operations in 2022.

We manage all of our human resources processes, from recruitment and placement to compensation, in accordance with job profiles that we have defined in detail in our anti-discrimination policy. We recruit and hire people solely on the basis of their competencies, without regard for culture, age, gender, ethnicity, or any disability that does not hinder job performance. Every employee is entitled to the same benefits and opportunities, regardless of their gender. All newly-hired entry-level personnel receive the same pay and benefits. We apply our human resources evaluation system within the framework of the principle of equal opportunity for everyone. We track and measure every employee's competencies, abilities, and performance according to exactly the same criteria. No instances of workplace discrimination were identified or reported in any of our operations in 2022. Detailed information about Migros' social gender equality policies and practices is provided in the **"Gender & Opportunity Equality"** section of this report.

Since 2019, we have been providing online training to our employees on the basic human rights defined in the **Universal Declaration of Human Rights (UDHR)**. A total of **29,823 employees have attended 7,850 hours** of UDHR training since the program's inception. In 2022, 3,392 employees completed UDHR training.

A **28%** increase in UDHR knowledge was determined based on a survey of pre-test and post-test training effectiveness results. The four-part training course uses interactive, gamified resources to teach UDHR principles and Migros human rights practices. To date, **70.2%** of the security personnel of our company's security services provider have completed online training on Migros' human rights policies and practices. In 2022, a total of **522** service-provider employees completed the training.

UDHR and Migros Human Rights Policy training covers a wide range of topics, including discrimination, underaged labor, forced and compulsory labor, workplace and workforce diversity, product & service information and labeling requirements, equal pay for equal work principle, and parental leave. An independent audit firm verified these statements in our report regarding the training received by employees and security personnel trained on human rights and about workplace injuries and OHS systems, services, and practices were in compliance with the **ISAE 3000 (Revised)** standard.

Statement of Independent Assurance in Human Rights and Supply Chain (Selected Criteria) may be found in the **"Annexes"** section of this report.

Tax Approach & Management

Migros aims to fulfill all tax and other legal obligations fully and on time and to set an example for others in this regard. Migros and its subsidiaries adhere to the principles of full compliance with tax laws and regulations and of complete transparency in all dealings with tax authorities. Our stakeholders' interests are taken into account when determining our tax management approach and when fulfilling external disclosure obligations. Tax-related incentives and other benefits are claimed only if doing so is legal and only for tax planning and management purposes.

The Migros CFO is also responsible for the company's tax governance. The company's heads of tax and general accounting, who both report directly to that executive, are responsible for compliance with tax laws and regulations. All of the company's tax declarations and filings are controlled by Anadolu Holding's tax coordinator and are verified by an independent chartered accountant.

Detailed information about Migros' tax approach and management processes is provided in the **"Tax Assets & Liabilities"** section of the Independent Auditor's Report.