

SUSTAINABLE SUPPLY CHAIN POLICY

DCS



1 Purpose

The purpose of the Sustainable Supply Chain Policy is to share DCS's ethical principles and values with all business partners and to guide our suppliers in complying with internationally recognized environmental, social, and ethical standards.

This policy is based on acting in accordance with all applicable national and international regulations in supplier selection and monitoring processes, particularly the conventions of the International Labour Organization (ILO) and the United Nations Global Compact.

2 Scope

This Policy applies to all suppliers, sub-suppliers, subcontractors, service providers and consultants engaged in a business relationship with DCS, as well as their parent companies, affiliates and subsidiaries, and all personnel employed or engaged by them, including permanent and temporary employees, contract representatives and temporary workers. Suppliers are responsible for ensuring that their employees and sub-suppliers comply with the provisions of this Policy.

This Policy is also binding on all DCS employees and managers involved in procurement processes.

3 Implementation

This policy covers all suppliers, sub-suppliers, subcontractors, service providers, consultants, and their parent companies, affiliates, and subsidiaries that have a business relationship with DCS, as well as all employees, including permanent staff, temporary staff, contracted representatives, and temporary workers. Suppliers are responsible for ensuring that their own employees and sub-suppliers comply with the provisions of this policy.

In addition, this policy is binding for all DCS employees and managers involved in procurement and supply chain processes.

4 Continuous Improvement

DCS acknowledges that sustainable supply chain management requires continuous improvement and encourages its suppliers in this direction.

Upon request, DCS provides guidance to suppliers to enable them to more effectively manage ethical, compliance, and sustainability risks.

5 Definitions

Supplier: All third parties and subcontractors that provide products or services to DCS.

High-Risk Supplier: A supplier that requires additional control due to ethical, environmental, human rights, or security-related risks.

Non-Compliance: Any act or practice that violates the provisions of this policy, applicable laws, or contractual obligations.

6 General Principles

6.1. Human Rights

DCS supports all international conventions on human rights to which Türkiye is a party, as well as the relevant national legislation.

Suppliers are expected to respect all human rights, including workers' rights, at every stage of their operations.

Forced Labor

In accordance with all international conventions to which Türkiye is a party regarding forced labor, suppliers shall not engage in forced labor under any circumstances, nor shall they benefit from forced labor in any form.

Employment Practices

Suppliers shall employ only individuals who are legally authorized to work and shall comply with all applicable laws and regulations. All forms of employment relationships must be based on written contracts, and employees must be informed of the terms of employment prior to commencement.

In addition, DCS supports the employment and social reintegration of migrants, refugees, and former offenders. If a supplier employs migrant or formerly incarcerated workers within a formal legal framework, the supplier must inform DCS accordingly.

Suppliers shall not use special contracts, subcontracting arrangements, remote working regulations, or apprenticeship programs as a means to circumvent labor obligations or to limit employees' rights.

Minimum Age and Child Labor

Suppliers are required to comply with the minimum working age in accordance with international conventions to which Türkiye is a party and applicable local legislation. Child labor is strictly prohibited.

Pursuant to ILO Convention No. 138 and applicable national legislation, employment below the age of 15 is not permitted, except for the limited exceptions defined under ILO and national laws.

DCS supports the employment of young workers; however, where suppliers employ young workers, they must ensure that the working environment is free from risks that could harm their physical, mental, or emotional development.

Fair and Respectful Treatment

Suppliers shall provide all employees with a working environment that respects human dignity and is based on fairness, respect, and integrity.

Within this scope, suppliers shall not engage in discrimination on the basis of race, language, religion, color, gender, age, nationality, sexual orientation, political opinion, trade union membership, health status, marital status, or any other personal characteristic, in recruitment, remuneration, promotion, training, education, or termination of employment.

Psychological, physical, sexual, verbal harassment, threats, intimidation, and any form of abuse or ill-treatment shall not be tolerated.

Suppliers are obliged to protect personal data and respect the privacy of employees in all legally required situations, including the lawful collection and processing of personal information.

Working Hours, Holidays and Wages

Suppliers shall ensure compliance with applicable local legislation and mandatory industry standards regarding working hours, overtime, rest periods, weekly holidays, annual leave, and maternity leave.

Overtime shall be voluntary and shall not exceed the maximum limits prescribed by law. Overtime work must be compensated at legally mandated premium rates.

Suppliers shall provide wages, benefits, and compensation in compliance with applicable laws and industry standards, ensuring that employees' basic needs are met.

Suppliers shall not impose wage deductions as a disciplinary measure or for any unjustified reason and shall apply fair and equal remuneration practices without discrimination in wage and employment policies.

6.2. Health and Safety

DCS expects its suppliers to establish and maintain operational and management systems that protect employees from work-related accidents and occupational diseases. Suppliers are obliged to prioritize occupational health and safety (OHS) in all their activities and to take the necessary preventive measures.

Workplace Environment

Suppliers shall provide a safe, healthy, and dignified working environment for their employees. At a minimum, the following conditions must be ensured:

- Safe and ergonomic workstations,
- Access to clean drinking water,
- Adequate lighting and appropriate temperature conditions,
- Effective ventilation and sanitary facilities,
- Appropriate personal protective equipment (PPE),
- Regular maintenance and compliance with applicable occupational safety legislation.

All facilities shall be designed, operated, and periodically maintained in accordance with occupational health and safety standards set forth under applicable laws and regulations.

Emergency Preparedness

Suppliers must be prepared for potential emergencies and establish emergency notification and evacuation procedures, conduct regular drills and training programs, install fire detection and suppression systems, and provide appropriate first aid equipment, including clearly marked emergency exits.

Suppliers shall provide employees with regular training on emergency preparedness, response procedures, and basic first aid.

6.3. Environment and Sustainability

DCS expects its suppliers to comply with all applicable environmental regulations, conduct their operations in a manner that minimizes environmental impacts, and continuously improve their environmental performance.

Suppliers are expected to take regular measures to reduce the use of natural resources, control pollution and waste, prevent emissions, and continuously monitor environmental risks.

Raising environmental awareness among employees through regular training and continuously improving environmental management processes are integral components of DCS's sustainable supply chain approach.

6.4. Integrity

DCS conducts its relationships with suppliers in full compliance with competition law and in a fair, transparent, impartial, and professional manner, and structures its procurement processes to create long-term value.

DCS expects suppliers to conduct all activities with honesty, transparency, and responsible corporate governance practices. Suppliers shall establish their own ethical principles and act in accordance with national and international best practices.

Anti-Bribery and Anti-Corruption

Suppliers shall not, by any means, directly or indirectly, offer, give, request, or accept any improper benefit in order to obtain or retain a business advantage. Bribery, facilitation payments, kickbacks, commissions, or similar practices are strictly prohibited.

Suppliers are required to comply with all international conventions to which Türkiye is a party and with all applicable anti-bribery and anti-corruption laws and regulations. Suppliers shall refrain from any conduct that may result in a violation of such legislation in the course of their activities.

Accuracy and Transparency of Records

Suppliers shall ensure that all records related to products and services are accurate, complete, and up to date in order to demonstrate compliance with applicable legislation and quality standards. The integrity of records shall be preserved, and all commercial books and documents shall be prepared in a truthful and verifiable manner.

Within this scope, transparency is a fundamental principle in all processes conducted in cooperation with DCS.

Protection of Intellectual Property and Confidential Information

Suppliers are expected to protect all confidential, proprietary, and commercially sensitive information belonging to DCS and its business partners. Such information shall be used solely for its intended and authorized purposes and shall not be disclosed to unauthorized persons.

Where disclosure of such information to subcontractors or other third parties is necessary, prior written approval from DCS shall be obtained.

Conflict of Interest

DCS does not accept personal interests that may lead to conflicts of interest (including gifts, hospitality, promotions, donations, sponsorships, etc.) in its procurement processes and requires all purchasing and supply activities to be conducted in accordance with ethical principles.

Suppliers shall avoid any practices that may create or appear to create a conflict of interest. If a supplier becomes aware of any financial or economic interest involving itself or its employees that may influence decisions related to DCS, such situation must be disclosed to DCS in a transparent and timely manner.

6.5. Responsible Use of Artificial Intelligence and Digital Technologies

Suppliers are expected to use artificial intelligence (AI) technologies in an ethical, secure, transparent, and responsible manner when performing activities on behalf of DCS, and to comply with applicable requirements relating to information security, personal data protection, intellectual property rights, and confidentiality.

Personal data, trade secrets, confidential information, or other sensitive data belonging to DCS, its employees, customers, or other stakeholders must not be uploaded to, disclosed to, or processed through AI systems without DCS's prior approval and unless the necessary security safeguards are in place.

When AI technologies are used in activities performed on behalf of DCS, such use shall be governed by DCS's Responsible Artificial Intelligence Policy, applicable contractual provisions, and other relevant corporate policies and procedures.

6.6. Responsible Procurement and Sustainable Service Quality

DCS gives priority to reliable suppliers that are committed to ethical values, demonstrate the potential for long-term cooperation, and, where possible, are local suppliers.

DCS aims to increase procurement efficiency, reduce total costs over the long term, and prevent waste. In this context, avoiding unnecessary purchases, reducing resource consumption, and appropriately assessing the price-performance balance are essential.

In supplier selection, not only the technical quality of products and services but also their environmental impacts, social responsibility performance, and the supplier's compliance with governance standards are assessed. In procurement activities, circular economy-oriented criteria such as durability, quality, material selection, repairability, the use of replaceable parts, and recyclability are taken into consideration.

7 | Supplier Acceptance

DCS determines its suppliers based on criteria including product and service quality, technical competence, pricing, payment terms, customer relations, financial performance, references, logistics and delivery options, relevant certifications and documentation, as well as sustainability-related risk indicators.

In order to prevent third-party-related risks, DCS adopts a systematic and sustainability-based approach. Suppliers and subcontractors are evaluated in terms of legal compliance, information security, contractual obligations, and environmental and social sustainability criteria.

Within this scope:

- The Third-Party Relations and Rules are published on the DCS website and made accessible to all stakeholders.
- Specific procedures are implemented to identify, mitigate, and manage third-party risks.
- Supplier evaluation processes are conducted in accordance with the New Supplier Evaluation Procedure and the Existing Supplier Evaluation Procedure.
- The Supplier and Subcontractor Management Policy is implemented.
- In supplier evaluations, criteria such as suppliers' administrative and technical capabilities, financial performance, social responsibility approach, occupational health and safety, ethical conduct, and management standards are taken into consideration.
- No business relationship is established with third parties that do not comply with the Third-Party Relations and Rules.

All suppliers are required to sign the following documents:

- Supplier Statement of Compliance
- Supplier Clarification / Disclosure Statement
- Supplier Code of Ethics Commitment
- Third-Party Relations Policy and Rules
- Confidentiality and Data Protection Agreement
- Ethics and Compliance Control Checklist (where required)

Through this structure, sustainability risks within the supply chain are managed proactively, unethical practices are prevented, and long-term, sustainable partnerships based on trust are established with stakeholders.

8 Responsibilities

8.1. Employees

- DCS employees involved in procurement processes are obliged to comply with all provisions of this policy and to act in an ethical, transparent, and responsible manner.
- Employees shall avoid conflicts of interest in relations with suppliers and must report any identified non-compliance to the relevant departments.

8.2. Management

- DCS managers are responsible for ensuring the implementation of this policy, providing proper guidance to employees, and establishing ethical and compliance standards in processes conducted with suppliers.
- Managers are obliged to report any identified risks and non-compliance to the relevant departments without delay.

8.3. Ethics and Compliance Function

- The DCS Ethics and Compliance Function is responsible for monitoring the implementation of this policy, assessing ethical and compliance risks related to suppliers, and providing the necessary guidance.
- The function evaluates reported violations in confidentiality and coordinates the implementation of corrective actions where necessary.

8.4. Suppliers and Business Partners

- Suppliers and business partners are required to comply with all provisions of this policy and to conduct their activities in accordance with DCS's ethical, compliance, and sustainability standards. They are obliged to notify DCS of any non-compliance or situations that may create such risks and to implement corrective actions in a timely manner.
- Establishing a sustainable supply chain, preventing environmental and social risks, and developing a collaborative approach in this regard are the shared responsibilities of suppliers and business partners.
- Suppliers and business partners are expected, when required, to provide information, documentation, and reports related to sustainability and to participate in cooperation processes in this area.

9 Training and Awareness

DCS ensures that employees involved in procurement, administrative affairs, and supply chain processes receive regular training and are informed about the provisions of this policy in order to ensure its effective implementation.

Suppliers and business partners are responsible for raising awareness within their organizations, supporting compliance with the policy provisions, and promoting adherence to sustainability principles.

10 Monitoring and Implementation

The implementation of this policy is regularly monitored by the Sustainability and Compliance Directorate together with the Administrative Affairs and Procurement Directorate, and the results are reported to the Board of Directors.

In the event of any conflict between this policy and applicable local or international legislation, the more restrictive provision shall prevail.

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Non-Compliance

DCS acknowledges that actions contrary to the Sustainable Supply Chain Policy may lead to adverse environmental, social, or governance impacts and adopts a zero-tolerance approach toward such cases. Violations may be committed by employees, managers, suppliers, or business partners. All violations are assessed in accordance with relevant procedures, and corrective or preventive actions are implemented where necessary. Eliminating non-compliance and preventing its recurrence are the responsibility of the relevant individuals or departments.

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Reporting and Protection of Whistleblowers

DCS provides the necessary mechanisms to enable its employees, suppliers, and other stakeholders to report concerns related to this Policy confidentially and without fear of retaliation.

Every employee and supplier is responsible for reporting any suspected violation of the DCS Sustainable Supply Chain Policy. Reports may be submitted via etik@dcscustoms.com.tr.

DCS also allows anonymous reporting and handles all reports in accordance with the Reporting, Consultation and Non-Retaliation Policy, based on the principles of confidentiality and protection against retaliation.

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Review and Revision

To maintain its effectiveness, this Policy is reviewed at least annually by the Sustainability and Compliance Directorate and the Administrative Affairs and Procurement Directorate. Necessary updates are made in line with changes in legislation, revisions to relevant standards, or developments in DCS's business practices.

Other revision requests are evaluated by the Sustainability Committee and submitted to the Board of Directors together with a proposed amendment prepared by the Sustainability and Compliance Directorate. Approved amendments enter into force and are published through the corporate document management system.

DCS



Adapting to the Future

