

**Kibar Holding
Group Procurement
Sustainable Procurement
Policy**

**Kibar Holding Group Procurement
Vice President**

Putting its well-established corporate governance structure, innovative perspective and sustainability-based approach at the centre of its business, Kibar Group has adopted the principle of acting by considering the needs of future generations while carrying out its activities. In doing so, compliance with its values, the magnitude of the impact in the work carried out with stakeholders and the follow-up of all applicable national and international regulations are prioritised.

In the light of Kibar Group Sustainability Principles, purchasing processes that minimise environmental impacts while maximising profitability and social welfare are carried out. In this context, with a global supplier network, suppliers offering advanced technology, energy efficient products and services are preferred. All our employees who make purchasing decisions act in accordance with the Kibar Group sustainability strategy aiming sustainable development. Suppliers included in the Kibar Group purchasing ecosystem are required to sign the "Kibar Group Framework Agreement" and the Purchasing Code of Ethics, thus ensuring that our critical sustainability priorities are also taken into account by suppliers.

All suppliers we work with;

1. **Shall comply** with national and international legal requirements on human rights, labour conditions, environment and anti-corruption,
2. **Shall guarantee human rights** in accordance with the Universal Declaration of Human Rights and the principles of the International Labour Organisation and the provisions promulgated by national legislation,
3. **Shall not allow abuse of authority** for the purpose of direct or indirect personal benefit or advantage,
4. Shall comply with universal ethical principles and **not tolerate bribery and corruption**, as well as legal regulations within the scope of combating bribery and corruption,
5. Shall not allow **child labour under any circumstances**,
6. Shall ensure equality in **opportunities, rights, and resources** should be ensured within the framework of the principle of diversity and inclusion, regardless of gender, race, language, religion, ethnic identity, disability, pregnancy, religious and political views, or marital status.,
7. Shall prevent **physical, psychological and verbal harassment** of employees and violations of their immunity and **should not show any tolerance in this regard**,
8. Shall only use voluntary labour, **not forced labour**,
9. **Shall create a safe working environment by taking the necessary measures** within the framework of international standards in addition to local legislation on **occupational health and safety**,
10. **Shall not pay their employees wages below the minimum wage level** determined by the legislation in force,
11. Shall not interfere with the **collective bargaining and trade union rights** of its employees,
12. Shall **measure the environmental impact of its activities and take measures to continuously improve its performance**,
13. Shall ensure effective management and efficient use of **raw materials, energy, water and waste management and natural resources**; **reduce waste, increase recycling** and **reuse of waste and prefer environmentally** friendly disposal methods for waste,
14. **Shall carry out informative activities** to combat climate change and raise environmental awareness of its employees,

15. Shall **promote transparency and accountability** and ensure the traceability of the supply chain and monitor the compliance of suppliers' business methods with the above-mentioned basic principles,
16. Shall comply with **legal regulations focusing on national and international information security** and confidentiality, and **take care to protect the confidentiality and private information** of its suppliers, business partners and other persons and organisations it works with.

Kibar Group Supplier Sustainability Programme: K-Star

Kibar Group Supplier Sustainability Programme (K-STAR) is carried out in order to increase and accelerate the contribution of Kibar Group's active suppliers of different sectors and sizes to the United Nations Sustainable Development Goals and the Group's sustainability goals. With the programme, it is aimed to disseminate Kibar Group sustainability principles, goals and targets and to transform responsible purchasing principles into a way of doing business. The competencies of suppliers in the focus of sustainability are determined by various methods, and a supplier development approach is used to achieve higher performance.

K-STAR Supplier Sustainability Programme

K-STAR Supplier Sustainability Programme is managed by the Executive Committee. Within the scope of this programme, Executive Committee members ensure effective communication with all relevant stakeholders regarding the purpose and content of the programme and act to increase the participation of suppliers and internal stakeholders in the programme. Determines the criteria (purchasing volume, duration of cooperation, etc.) and limit values for the selection of suppliers to be included in the K-STAR programme. It is also responsible for the follow-up of the actions assigned to the suppliers according to the results of the Sustainability Maturity Assessment Survey. In order to increase the participation of suppliers in the K-STAR programme and ensure their development, it creates reward and incentive mechanisms and integrates these mechanisms into its operations.

All processes mentioned above are approved by the Vice President in charge of Purchases, the CEO and the Chairman of the Board of Directors. They are regularly reviewed and approved at the required periods and then re-disclosed to the public.