

## PURPOSE & SCOPE

Naturel Holding, its subsidiaries and its affiliations are fully committed to complying with national, international legal requirements, best practices in sustainability and ESG criteria and ask their suppliers to acknowledge, accept and meet these requirements and collaborate with them to improve targeted results.

The purpose of this policy is to determine:

- 1- *General Sustainability Practices*
- 2- *Supply Chain Occupational Health and Safety Criteria*
- 3- *Termination of partnership due to violation of environmental criteria and conditions*

Naturel Holding, its subsidiaries and its affiliations inform their suppliers of this policy at the time of signing a contract with them. They expect their suppliers to accept and adopt the principles set out in this policy and take continuous action their own operations to implement, improve and report on these principles.

Together with its *Supply Chain Sub-Committee* Naturel Holding and its Subsidiaries continuously work to improve supplier on-boarding process, organization of supplier trainings, organization of supplier surveys, supplier visits to support increasing the sustainability of its supply chain.

### 1- General Sustainability Practices

Naturel Holding, its subsidiaries and its affiliations,

- contribute to sustainability by taking solid action in all areas of business and operations, including *improvement of its supply chain*, for the welfare of our society and planet,
- integrate best practices in ESG criteria as fundamental aspects of all their procurement processes, including supplier selection and relationship development,
- *establish strong and enduring relationships with their suppliers, founded on mutual respect for environment and social issues,*

*Environment:*

- constantly strive to use environmental criteria when selecting their suppliers and to opt for suppliers who demonstrate commitment to sustainability, as per Environment Policy and in line with ISO 14001 Environment Management System.  
ask for ISO 14001, ISO 14040, ISO 50001, ISO 14064 and other ISO certifications and sustainability reports from suppliers during on-boarding process  
review suppliers' sustainability policies, product life cycle reports if any, R&D and innovation plans and investments, carbon footprint measurements and reduction targets.
- promote use of sustainable packaging standards and ask suppliers to provide details of their packaging standards and ask them to choose environmentally friendly, green packaging such as returnable containers, biodegradable packaging,
- request data from their suppliers about their sustainability practices via annual and other periodical surveys,
- visit suppliers before selection process and after on boarding and discuss their sustainability goals and progress

### *Social & Governance:*

- share UNGC and UNWEPs principles with their suppliers and ask their suppliers to acknowledge and practice these principles,
- work in strict compliance with all local laws, UN declaration of human rights, International Labor Organization (ILO) standards, and international agreements concerning child labor, forced labor and youth employment in Turkey and all other countries where they operate, are represented and manage business activities and expect their suppliers to adopt and document these policies,
- expect their suppliers to stand against forced labor, prevent discrimination and harassment, comply with legal working hours for employees, not employ illegal child labor, and treat their employees and partners with dignity and respect,
- *terminate* their partnership with suppliers that they identify to be in non-compliant with human, child and labour rights.

### **2- Supply Chain Occupational Health and Safety Criteria**

Naturel Holding, its subsidiaries and its affiliations work with OHS standards in relation to their supply chain management in line with their OHS Policy, by taking into consideration global OHS standards in accordance with ISO 45001:2018 management systems. In this scope they;

- select suppliers that comply with OHS standards and that provide their employees with the necessary training,
- support the elimination of unsafe behaviors in non-routine jobs and the strengthen occupational safety culture through supplier interactions,
- aim to measure the attention, perception, concentration and motor skills of construction equipment operators, maintenance personnel, quality control personnel and drivers through relevant training,
- assign full-time Occupational Safety Specialist responsible for occupational safety in working areas. While specialists do their job, they observe any potential non-conformities and unsafe behaviors in working areas.
- aim to measure the risk assessment capabilities of their employees in the field and bring them to the same level with OHS Certification.
- *terminate* partnership if suppliers fail to meet the OHS standards.

### **3- Termination of Partnership due to Violation of Environmental Criteria and Conditions**

Naturel Holding its subsidiaries and its affiliations promote international best sustainability practices in terms of environmental criteria and conditions and terminate their partnership with suppliers due to violation of these criteria and conditions. Accordingly, they ask their suppliers to;

- reduce, reuse, recycle, substitute, or phase out the use of sulfur-containing fuel to reduce SOx emissions and NOx emissions and consider Naturel Holding and its Subsidiaries' recommendations
- eliminate or take actions to reduce and phase their chemicals, toxic materials, hazardous, PBT (persistent bio-accumulative toxic) and PVC (polyvinyl chloride) from their operations,
- provide corporate carbon footprint data with the procurer to maintain supply chain integrity,
- commit to selecting chemicals with low or no VOC content in their products, take actions to reduce these emissions and eventually phase them out, and reporting these emissions with the ISO 14001:2015 Environmental Management System.
- provide details of their packaging materials, their environmental impacts and sustainability standards as well as their plans to improve these standards.

### Reviewing of Policy

This Policy is reviewed with the Corporate Governance Committee annually, for assessing its effectiveness and implementing necessary improvements.

### 4- REVISION HISTORY

Revision No	Rev. Date	Revised Titles	Explanations
01	02.2024	--	General application principles revised.