

## RESPONSIBLE PROCUREMENT POLICY

Limak Renewable Energy ("the Company") is a part of Limak Group of Companies as a responsible and transformative body that draws its ecosystem to a structure compatible with common purposes in all locations.

In 2014 Limak Group of Companies signed the United Nations Global Compact to align corporate responsibility commitments on an international level. Limak Group have adopted 10 principles on human rights, labor standards, environment and anti-corruption as main responsibilities in the business strategy.

Limak Renewable encourages all suppliers to act in accordance with International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, United Nations Universal Declaration of Human Rights, United Nations Global Compact and United Nations Guiding Principles on Business and Human Rights.

In line with its strong values, transparent policies, and standards, the Company always expects its employees and business partners to act in accordance with high ethical values and comply with relevant laws and regulations in the countries in which they operate.

This Policy sets out the ethical and legal standards which all the Company's suppliers must comply with in all business practices.

It is a contractual and business relationship obligation for the suppliers to accept and comply with this and publicly available other Limak Renewable's corporate policies.

In case of any violation of this Policy, the Company reserves the right to conclude the procurement contract and business activities with the Supplier.

All Suppliers commit to full alignment within the Policy during all business relationships with The Company.

### **1. Environment, Sustainability and Social Factors**

- Suppliers must comply with all relevant environmental regulations, performance criteria and principles, as well as the Company's Policies and procedures, Environmental Impact Assessment ("EIA") and Environmental and Social Impact Assessment commitments ("ESIA").
- Necessary environmental permits must be obtained and compliance with the law by Suppliers.
- The Company encourages all Suppliers to make an effort to reduce carbon emissions, waste amount and consumption of hazardous chemicals and natural resources.
- All activities executed by the Supplier must not cause significant harm to the environment.
- During work execution, disposal of wastes and discharge of wastewater shall be managed within the environmental obligations and limits.

### **2. Ethical Standards**

- All Suppliers are responsible for strictly following the Company's Policies, ethical rules, working principles and all relevant national and international legislation on transaction activities.
- All Suppliers shall follow the Limak Code of Business Ethics and strictly implement all business activities.

### **3. Transparency**

- All procurement operations are carried out by the Procurement Department and any other department is not authorized to purchase unless specified within the Company's policy and procedure.
- The Procurement Department is authorized to initiate the Supplier Selection and Evaluation Process as per the Company's procedures.
- Candidates who want to be a supplier of the Company are subject to the "Supplier Selection and Evaluation" Process. Under the Company's process, Suppliers are evaluated in many steps and scopes, as per the Company's this Policy perspective.
- The Company has the right to Supplier Audit Process on a documentation basis, onsite or desktop independent second-party audit activities within the scope of Company's Policies and procedures.

### 3.1 Supplier Selection and Evaluation Criteria

Supplier selection and evaluation criteria cover different perspectives;

- Complying with human rights, environmental health and safety requirements
- High efficiency and low cost
- The capability of providing the current and future requirements,
- Maintaining goods and services quality,
- Delivering on time,
- Data security,

In addition to the initial evaluation process, the Company periodically reviews the Supplier's compliance with the Supplier Selection and Evaluation Procedure.

Based on the results of the periodical evaluation results, the Supplier shall make an effort to integrate the corrective and preventative actions and improvements promptly. If the low performance continues, as per the risk level of non-conformity issues, the supplier's quota is reduced or the supplier is removed from the regularly updated List of Approved Suppliers.

### 3.2 Supplier Decommissioning Activities

At least one of the following conditions occur, the decommissioning of the suppliers is triggered in line with the Company's objectives and strategies.

- Supplier's financial condition disruption
- Quality performance continuously decrease as per the contractual performance criterias
- Health and Safety performance continuously below expectations
- Non-compliance with environmental regulations
- Code of Conduct non-compliance
- Insufficient response to the requests for development/improvement Supplier's violation of contract terms