

RESPONSIBLE SUPPLY CHAIN POLICY

INTRODUCTION

Responsible supply partnerships strengthen our supply chain and the businesses involved. They also help us reduce risks and build trust between consumers and shareholders.

Erkurt Holding A.Ş. Responsible Supply Chain Policy has been established to strengthen our commitment to work with our suppliers towards a long-term, sustainable and successful future for all parties.

Within the scope of the Responsible Supply Chain Policy, while achieving our commercial goals, we aim to create a positive social impact on the lives of millions of people working in our supply chains around the world and reduce our impact on our environment. This commitment underpins our Sustainable Erkurt Management and Manufacturing System (SEYIS) approach.

Our Responsible Supply Chain Policy includes certain requirements that all our suppliers must meet in order to do business with Erkurt Holding. In addition, we encourage our suppliers to go beyond these requirements and adopt Good Practices and transition to Best Practices.

We greatly value the benefits that this approach will bring to Erkurt Holding and its subsidiaries as well as our supplier partners. At the same time, we create the conditions for sustainable business growth by contributing to the development of communities and the environment.

As Erkurt Holding, we are among the companies that establish and effectively use the Ethics hotline for all employees in the fight against human rights, working conditions, environment and corruption.

BASIC PRINCIPLES

Each element of this policy is focused on achieving and upholding the Core Principles, the foundation and vision necessary to realize our responsible business ambition. Working with suppliers who share and commit to these Principles, in their own businesses and in their wider supply chains, we will be able to influence change.

MEASUREMENT AND EVALUATION

Erkurt Holding will verify compliance with the Mandatory Requirements of the Responsible Supply Chain Policy and the rate of implementation of these principles through independent verification, including supplier self-declaration, online assessments and (for identified high-risk suppliers) third party audits. The implementation process is suitable for large enterprises with well-established compliance programs, as well as for small enterprises.

In the audits conducted to the suppliers, the compliance of the suppliers with the rules in this Policy is questioned, corrective preventive action is opened for nonconformities and expected to be improved, and the improvements made are checked with follow-up audits. Erkurt Holding may request the suspension of any employee of any supplier who acts in violation of the applicable legal legislation or in contradiction with these rules, or may terminate the contract with the relevant supplier.

Erkurt Holding is committed to handling all notifications in confidentiality and protecting the owners of the notifications.

SUPPLIERS

Compliance with Law

- Business must be conducted in accordance with the law and honestly.
- It must comply with the legislation in force within the scope of the contractual relationship (processing and protection of personal data, anti-corruption, competition, environment, occupational health and safety, intellectual and property rights, etc.) and the scope of the contractual arrangements created.
- Suppliers must act in accordance with the labor legislation in force in the country where they are located regarding working hours and leave rights, and the wages, overtime and wage-related rights paid to supplier employees must comply with the applicable labor legislation of the country in which they do business.

Employees

- They should not employ child labor and young workers in a way that is not in accordance with the binding legal regulation, they should prevent forced labor, and they should not employ anyone without social security and/or in violation of the law.
- They must prevent all kinds of discrimination such as race, color, gender, sexual orientation, religion, marital status, pregnancy, age, etc., and comply with the principles of equal pay and fair recruitment.
- The right of all employees to freedom of association and collective bargaining is respected and must have the freedom to exercise these rights.
- Employees' freedom of expression is respected and legal regulations are complied with.
- Must comply with working hours in accordance with national and international laws. The Labor Code must be complied with during overtime working hours. Employees' work-life balance should be respected.
- No physical, psychological, sexual or racial harassment, bullying, threats and physical punishment should be tolerated and should be punished in this regard.

Human Rights

- War crimes, other serious violations of international humanitarian law, crimes against humanity and genocide should not occur during the procurement process.
- Human rights are respected and violations are prevented.
- Our suppliers' code of conduct, ethics and governance should include a commitment to ensure that there is no modern slavery or human trafficking in any part of the company's operations.
- Suppliers ensure that all their business activities are carried out without resort to violence or abuse and that they will refrain from or allow any complicity in any crime related to human rights violations.

Occupational Health and Safety

- The health and safety of all employees is protected in the workplace.
- Suppliers are expected to conduct risk analysis and emergency plans, provide legal training to their employees and implement the necessary practices in line with the instructions of the Ministry of Labor.
- Determine the organization, roles and responsibilities and share them with their employees,
- To provide resources, tools and equipment for the works, to have periodic maintenance and control,
- To create safe and healthy working environments for employees, interns, visitors and special risk groups and to ensure that they are kept under health surveillance,
- Receiving the opinions and suggestions of the employees and supporting their participation,

Conflict Minerals

In line with the "OECD Compliance Guidelines for Responsible Supply Chains for Mines in Conflict-Affected and High-Risk Regions", suppliers must:

- Make sure that they only source metals from sources that are not related to the conflict,
- Communicate this requirement all the way to the supply chain to ensure proper supply,
- All applicable laws, regulations and customer requirements regarding the prohibition or limitation of harmful chemicals that can be used in the materials, parts, components that make up the products must be complied with.
- Tin (Sn), Tantalum (Ta), Tungsten (W) and Gold (Au) are not procured directly from legal entities that directly or indirectly finance the conflict in the Democratic Republic of the Congo or neighboring countries for use in their products, and that the materials supplied do not contain "conflict minerals" mixed in them.

Environment and Climate Change

- It is necessary to carry out responsible production and/or consumption by protecting natural resources, to calculate environmental impacts, and to carry out studies to reduce carbon emissions and waste amounts.
- Considering the risks and opportunities related to climate, it should carry out activities to combat the climate crisis and contribute to the transition to a low-carbon economy.
- It should be aimed to increase the use of renewable energy sources and energy efficiency studies.
- By using clean production technologies, the focus should be on reducing energy consumption, water consumption, resource consumption and chemical consumption, and using natural resources efficiently.
- Studies should be carried out to reduce greenhouse gas emissions and noise emissions.
- While carrying out its activities, it should keep its environmental permits, licenses and all documents up-to-date and follow its compliance with legal regulations,
- Ensure that environmental dimensions and their effects are prevented at the source in all processes throughout the life cycle,
- Focus on the conservation of ecosystems, habitats, all species, especially endangered species and endemic species, the prevention of land degradation, the maintenance, continuous improvement and development of the capacities of natural ecosystems, and aim to manage impacts on biodiversity in a sustainable way,
- Suppliers must have systems in place to comply with applicable environmental laws and ensure the safe management of waste, air emissions and wastewater discharges, and must continuously strive to minimize environmental impact by using recycled materials, making continuous improvements in resource efficiency.

Competition Law

- All our suppliers must act in accordance with competition legislation.

Fighting Bribery and Corruption

- Regardless of the type or manner of corruption, embezzlement, facilitating payment or bribery, it has no place in the way suppliers do business. All accounting records and supporting documents of suppliers must fully and clearly reflect the relevant expenditures. There should be no confidential, unregistered accounts and assets in the financial systems of the suppliers.

Managing Conflicts of Interest

- Supplier employees should avoid situations that may cause their personal interests to conflict with the interests of the supplier they work for.

Economic Sanctions

- Suppliers follow trade restrictions, export controls, embargo, corruption and customs laws related to their activities, if necessary, and undertake to act in accordance with such laws and regulations.

Protection of Information

If requested within the scope of supplier audits or evaluations, the necessary information and documents should be shared transparently.

Suppliers comply with all policies aimed at protecting confidentiality without compromise and do not share confidential information with third parties.

Suppliers must establish, record and store all business-related information accurately, in full compliance with applicable regulatory requirements.

PRINCIPLES

All employees and directors of Erkurt Holding A.Ş. are responsible for complying with this policy and for implementing and supporting the relevant procedures and controls of Formfleks A.Ş. in line with the requirements in this policy. Erkurt Holding A.Ş. expects all Business Partners to act in compliance with this policy to the extent applicable to the relevant party and transaction and takes the necessary steps for this.

If you are aware of any action that is considered to be in violation of this Policy, applicable legislation or Erkurt Holding A.Ş. Code of Conduct and Ethics, you should contact the Human Resources Leader, Erkurt Holding A.Ş. Ethics Representatives, Legal Representative and Internal Audit Leader.

You can submit your questions or any notifications regarding ethical violations by calling “444 38 45”, sending an e-mail to “erkurtholding@etikhat.com.tr” or via Formfleks A.Ş. Ethical Notification Channels via www.etikhat.com.tr.

REFERENCES

- Constitution of the Republic of Turkey
- United Nations Universal Declaration of Human Rights
- United Nations Guiding Principles on Business and Human Rights
- United Nations Convention on the Rights of the Child
- United Nations Global Compact
- ISO 14001
- ISO 45001
- OECD Guide to Multinational Enterprises OECD Compliance Guide (OECD Compliance Guidelines for Responsible Supply Chain for Mines in Conflict-Affected and High-Risk Regions)
- SA8000
- International Labour Organization (ILO)
- Conventions Declaration of Fundamental Principles and Rights at Work