



## SUPPLY CHAIN COMPLIANCE POLICY

### 1. GENERAL PRINCIPLES

Biotrend and its Affiliates expect all Suppliers and Business Partners to comply with this Policy to the extent applicable to the relevant party and/or transaction and take the necessary steps to ensure this.

Biotrend and its Affiliates select its Suppliers and Business Partners based on the criteria such as technical competencies, product and service quality, pricing, corporate reputation, and financial soundness. Biotrend and its Affiliates also assess compliance risks associated with its Suppliers and Business Partners on a risk-based approach to ensure compliance with the principles set out in this Policy. This approach requires a certain amount of support to relevant Suppliers and Business Partners and regular consistent monitoring as described below:

- Third-Party Surveys to ensure that relevant Suppliers and Business Partners or beneficiaries are not the Target of Sanctions,
- Inspection/evaluation of Suppliers and Business Partners for review of the following issues:
  - Compliance with applicable legislation and related contractual obligations,
  - Complying with Biotrend Code of Business Ethics and related policies,
  - Having efficient management systems.
- Providing necessary training to ensure compliance with expected standards.

#### 1.1. Admission Process

As a first line of defense, the Purchasing Department, prior to entering any business relationship with or beginning to work with a new Supplier and/or Business Partner, conducts 3<sup>rd</sup> party screening/ Denied Part Screening ("DPS") to confirm whether the relevant party is subject to any Sanction Obligation.

In the second stage, in order to ensure that the Supplier and/or Business Partner Candidate complies with the Guiding Principles for Suppliers and/or Business Partners of Biotrend and its Affiliates ("**Principles**"), they are asked to sign the Business Ethics Rules Declaration Form prepared by the Compliance Department and to commit to act in accordance with it. This declaration is evaluated by the relevant process owners who will collaborate with the Supplier and Business Partner, also considering the inherent risk factors, and the evaluation results are conveyed to the Compliance Department.

If the declaration results contain warning signs of any non-compliance, the Compliance Department may recommend further investigation and assessment to be fulfilled for the relevant parties, if necessary. If the outcome is also unfavorable (i.e., the relevant party fails to comply with the principles and/or fails to take the necessary measures to remedy the breach), the decision to commence or continue employment is subject to the written approval of Biotrend's CEO.

Biotrend and its Affiliates reserve the right to terminate the contract or to impose any other possible sanctions, if any breach of this Policy and the principles set forth herein is determined when concluding any contract with a Supplier and/or Business Partner. Clauses such as the obligation to comply with these Policy Principles and the right of audit of Biotrend and its Affiliates over the relevant party are included in the relevant contracts.

#### 1.2. Guiding Principles for Suppliers



The Guiding Principles for Suppliers were formed as a part of this Policy, Biotrend and its Affiliates Compliance Program and prepared in accordance with United Nations Global Compact. All suppliers of Biotrend and its Affiliates are expected to comply with these Principles.

#### **1.2.1. Official Regulations**

Suppliers and/or Business Partners of Biotrend and its Affiliates are expected to comply with all legislation and regulations within the scope of operations and sectors. In this context, Suppliers and/or Business Partners are expected to act in compliance with competition laws, legislation on the prevention of money laundering and financing of terrorism, data privacy regulations, anti-bribery and anti-corruption laws and all other applicable legislation.

#### **1.2.2. Human Rights**

Suppliers and/or Business Partners are expected to carry out their commercial activities in accordance with "Biotrend Human Resources Policy".

##### **1.2.2.1. Employment**

Suppliers and/or Business Partners of Biotrend and its Affiliates must ensure that their operations are not associated with child labour, forced labour and employment abuse.

In addition, Biotrend and its Affiliates expect their Suppliers and/or Business Partners to have "zero tolerance" approaches against slavery and human trafficking in accordance with ILO Conventions and Recommendations, the Universal Declaration of Human Rights and UN Global Compact.

##### **1.2.2.2. Compliance with Labor Laws**

Supplier and/or Business Partners are expected to comply with the labor laws of the countries in which they operate.

The wage determination process should be determined competitively according to the relevant sectors, the local labor market and in accordance with the terms of collective bargaining agreements, if any. All fees including social welfare shall be paid according to applicable laws and regulations.

##### **1.2.2.3. Prevention of Harassment and Violence**

Suppliers and/or Business Partners are expected to provide a working environment free from violence, harassment, and other unsafe and disturbing conditions resulting from internal and external threats. Any form of physical, verbal, sexual or psychological harassment, mobbing, abuse, or threats will not be tolerated.

##### **1.2.2.4. Discrimination**

Suppliers and/or Business Partners are expected to provide a working environment where no discrimination is accepted, employees are treated fairly and discrimination is not tolerated (such as race, gender, color, national or social origin, ethnic origin, religion, age, disability, sexual orientation, gender identities or political opinions).

##### **1.2.2.5. Freedom of Association and Collective Bargaining**

Supplier and/or Business Partners must respect the rights and freedoms of their employees to belong to a union and to bargain collectively without fear of retaliation.



### **1.2.3. Health and Safety**

Suppliers and/or Business Partners are expected to provide a safe and healthy working environment, comply with all relevant legal regulations, and take and implement all necessary safety measures for all work areas. When unsafe conditions or behaviors arise, the Supplier and/or Business Partner must immediately take the necessary measures to minimize the risk of injury and accidents.

### **1.2.4. Environment**

Biotrend and its Affiliates expect Suppliers and/or Business Partners to make maximum efforts for protecting and preserving the environment. In this context, Biotrend and its Affiliates support them in the following subjects.

- Comply with all applicable environmental regulations, including the Environmental Management System Procedures of Biotrend and its Affiliates.
- Continuous improvement of environmental performances and reduce environmental impacts to protect climate change, water management, waste management, and biodiversity.
- Have effective monitoring systems and procedures against environmental accidents and other emergency situations.
- Encourage Suppliers and/or Business Partners to develop environmental performances of their own suppliers and third parties.

### **1.2.5. Ethics**

Biotrend and its Affiliates expect Suppliers and/or Business Partners to conduct their business fairly, honestly in compliance with the legislation and Biotrend Code of Business Ethics.

#### **1.2.5.1. Anti-Bribery and Anti-Corruption and Prevention of Money Laundering and Financing of Terrorism**

Suppliers and/or Business Partners are expected to comply with applicable anti-bribery and anti-corruption and anti-money laundering and prevention of financing of terrorism legislation when conducting activities on behalf of Biotrend and its Affiliates. Any form of bribery and the giving or receiving of anything of value, directly or indirectly, to gain an unfair advantage or to influence impartial decision-making is unacceptable. Any activity that could lead to money laundering, whether maliciously or not, is illegal and unacceptable.

All transactions must be recorded in legal books and records in an accurate, transparent, and adequately disclosed manner.

#### **1.2.5.2. Conflict of Interest**

Suppliers and/or Business Partners must not be in personal contact with employees of Biotrend and its Affiliates that may cause or be perceived as causing a conflict of interest between them and Biotrend and its Affiliates, and that may damage Biotrend and its Affiliates' reputation.

#### **1.2.5.3. Violation Notification**

Suppliers and/or Business Partners are expected to establish effective communication channels to report violation and take necessary precautions in a timely manner.



Employees of the Suppliers and/or Business Partners are required to notify their concerns through these communication channels without any fear of revenge or retaliation.

Additionally, Suppliers and/or Business Partners' employees may also report their concerns to Biotrend Ethics Line directly ([etik@biotrendenerji.com.tr](mailto:etik@biotrendenerji.com.tr)).

#### **1.2.6. Training and Improvement**

Biotrend and its Affiliates encourage their Suppliers and/or Business Partners to provide training programs and tools for their employees to gain more skills and competencies.

#### **1.2.7. Management Systems**

Suppliers and/or Business Partners are expected to have effective and operative management systems to ensure that they operate in compliance with laws, regulations, and principles in this Policy.

## **2. SANCTIONS AND POLICY VIOLATIONS**

Feedback on the Policy and possible policy violations and non-compliances shall be reported via the e-mail address [etik@biotrendenerji.com.tr](mailto:etik@biotrendenerji.com.tr)

In case of violation of this document, action will be taken by considering the **Disciplinary Procedure**.