



## PURCHASING POLICY

### 1. PURPOSE

This document has been prepared in order to convey the expectations of business partners by explaining the main policies regarding the procurement activities in order to ensure that the sustainability practices adopted within the scope of procurement activities and the transactions to be carried out in NUH ÇİMENTO GROUP Companies can be carried out in accordance with the provisions of the legislation and company policies.

### 2. SCOPE

NUH ÇİMENTO GROUP Purchasing Policy is valid for NUH ÇİMENTO GROUP companies and employees. The Policies and Procedures in the annex are designed to determine the methods to be followed in the end-to-end procurement process of NUH ÇİMENTO GROUP Companies (from the formation of the demand to the termination of the contract by ensuring the fulfillment of the obligations under the contract, including the transmission of the purchase order to third parties) and only in the execution of internal works and transactions. is applied. This Policy does not bind NUH ÇİMENTO GROUP Companies against third parties in any way and does not create any right, interest or authority in favor of third parties. In relations with suppliers, the provisions of the contract, order document and specification are essential.

With this policy, NUH ÇİMENTO GROUP aims to determine the current performance, development areas, risks related to these issues and the necessary action issues of the companies in the supply portfolio in the fields of environment, social, ethics, governance and human rights.

### 3. RESPONSIBLE

NUH ÇİMENTO GROUP Purchasing Directorate is responsible for the preparation and revision of this procedure due to possible changes in current condition.

### 4. DEFINITIONS, ABBREVIATIONS, and ETHICAL PRINCIPLES

**Diversity:** It is defined as the acceptance of all differences, regardless of culture, race, gender, religion, language, that enriches a workplace.

**Inclusiveness:** It means that the existence of all people in an organization is accepted, respected and included without any discrimination.

**Equality:** All employees in the organization have equal rights and opportunities to achieve their goals and achieve success.

**Temporary Guarantee:** The guarantee to be provided temporarily from the companies from which bids were received during the purchasing process, when necessary.

**Performance Guarantee:** Guarantee received from the Supplier/Suppliers with whom the contract will be made after the purchasing process



**SAP:** ERP (Enterprise Resource Planning) System used by NUH ÇİMENTO GROUP Companies

**Purchasing Unit:** NUH ÇİMENTO GROUP Purchasing Directorate units

**Purchasing Request:** All kinds of services and products required by NUH ÇİMENTO GROUP business units to be provided by suppliers

**Order:** Written document or e-mail informing the Supplier of the service or product to be received from the Suppliers

**Contract:** Written agreement between the Company and the Supplier

**Demand Unit:** NUH ÇİMENTO GROUP business units requesting service and product purchases.

**Supplier:** Natural or legal persons providing products/services

**Offer:** Administrative, technical, and financial documents submitted to the Company by the Suppliers in the purchase and sale transactions Technical / Special Specification: Documents/documents containing the general, special, technical principles and procedures of the products or services to **be purchased**

**NUH ÇİMENTO GROUP:** NUH Çimento Group Companies

**NUH ÇİMENTO GROUP Procurement:** NUH ÇİMENTO GROUP Purchasing Directorate

**End-to-End Procurement Process:** It includes demand management, supplier/source identification, contract management, purchase-payment (P2P) management, and supplier management.

**United Nations Global Compact 10 Principles:** The UN Global Compact's 10 Principles address the fundamental responsibilities of business in the areas of human rights, labor standards, environment, and anti-corruption. By incorporating the 10 Principles into their strategies, policies, and procedures, companies not only uphold their core responsibility for people and the planet but also lay the groundwork for long-term success. The 10 Principles of the UN Global Compact are based on the universally accepted United Nations declarations on the subject.

**United Nations Universal Declaration of Human Rights:** The Declaration, which is a turning point in the history of Human Rights, was prepared by representatives from all regions of the world with different legal and cultural backgrounds. Declared by the UN General Assembly in Paris on 10 December 1948 as a common measure of success for all peoples and all nations, it is the first document to emphasize the universal protection of fundamental Human Rights.



**United Nations Guiding Principles on Business and Human Rights:** These are the guidelines that explain the current obligations of States and business enterprises to respect, protect and ensure the realization of human rights and fundamental freedoms.

**Sustainable Development Goals (SDGs):** A universal call to action to eradicate poverty, protect the planet, and ensure that all people live in peace and prosperity. These 17 Goals build on the achievements of the Millennium Development Goals; on the other hand, it includes new areas such as climate change, economic inequality, innovation, sustainable consumption, peace and justice, among other priorities. The goals are interrelated;

## **5 . NUH ÇİMENTO GROUP PURCHASING MISSION AND VISION**

### **Mission:**

- Determining and implementing purchasing strategies that will contribute to the group goals,
- As a reliable and expert business partner, helping demanding departments achieve their business goals,
- Carrying out supplier relations in a sustainable and effective manner by developing the group ecosystem,

### **Vision:**

- Being one of the top 3 purchasing and supplier management teams in the sector
- To be a procurement and supplier management unit with a proactive approach with its employees at the highest level of expertise, using the best practices at the sectoral level
- Contributing to Group strategies as one of the core business functions within the group organization

## **6. General Principles**

Purchasing activities of NUH ÇİMENTO GROUP companies are in accordance with the provisions of this NUH ÇİMENTO GROUP Purchasing Policy (hereinafter referred to as the "Policy"), which is in compliance with the legislation and group policies and procedures. is executed.

Considering the principle of separation of duties; Purchasing Units and other units perform their procurement duties within their responsibilities in accordance with company policies and this Policy.

- Considering that the legal entities of NUH ÇİMENTO GROUP Companies are separate and independent, the principles regarding this Policy are fulfilled within the scope of carrying out the purchasing function from a single source and providing operational convenience.



- It is essential for NUH ÇİMENTO GROUP Companies to centralize demands, improve demand management and implement a strategic purchasing approach, with the exceptions defined in the procedures.
- The end-to-end procurement process in NUH ÇİMENTO GROUP Companies is under the responsibility of the Purchasing Directorate.
- Exceptional cases and purchases that are not under the responsibility of the Purchasing Directorate are specified in the procedures and principles to be published under this Policy.
- Except for the exceptions stated in the previous article, the purchases to be made on behalf of the NUH ÇİMENTO GROUP Companies, all kinds of price negotiations and negotiations are under the responsibility of the Purchasing Directorate.
- Resource determination strategy and purchasing decision are determined by the Purchasing Unit in coordination with the Demand Units and the purchasing decision is approved in accordance with the authorization limits of NUH ÇİMENTO GROUP Companies.
- All kinds of communication with suppliers, including but not limited to RFI (information request), RFP (request for quotation), RFQ (request for quotation), negotiation, notification of the purchasing decision, sending orders, and contract processes are under the responsibility of the Purchasing Directorate.
- It is essential to act with medium and long-term planning and to establish a transparent procurement process in all its dimensions in order to carry out purchasing transactions in accordance with the Company's strategies.
- Relevant Demand Units and Purchasing Units will inform each other in a timely manner with a proactive approach and fulfill their responsibilities completely, so that purchases can be made in accordance with the needs, with the required quality, in a short time and with minimum cost.
- Contracts are signed with suppliers when necessary in order to minimize financial, commercial, and legal risks in transactions that will put NUH ÇİMENTO GROUP Companies under commitment.
- Purchasing sourcing processes are managed by the Purchasing Unit, in coordination with the relevant Demand Units and internal customers, in line with the business strategies of NUH ÇİMENTO GROUP.
- Purchasing Units aim to create added value in line with NUH ÇİMENTO GROUP business strategies. In this context, Purchasing Units apply principles such as service/product standardization, long-term demand management, and supplier management.
- Purchasing Units aim to supply the needs at the appropriate time with the awareness of sectoral competition, periodically measure the service level periods (SLA) determined with internal customers in order to improve the purchasing performance. It is the responsibility of the Purchasing Directorate to prepare and update this Policy, and to act in accordance with this Policy. It is the responsibility of the ÇİMENTO GROUP employees. This Policy is interpreted and applied together with other

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policies created by NUH ÇİMENTO GROUP Companies.

## **Human Rights**

Nuh Çimento Group oversees full compliance with national and international norms regulating human rights, especially the United Nations Declaration of Human Rights, and implements the necessary practices within the scope of its activity cycle. Nuh Çimento Group's Human Rights Policy, Equality, Diversity and Inclusion Policy contains all the details on the subject. In this context;

- **Forced and child labor:** It strictly prohibits forced labor and human trafficking. It prohibits child labor in line with the principle of not employing child labor as set forth in the Declaration of Fundamental Labor Principles and Rights of the International Labor Organization. We expect our suppliers not to employ children and young workers in accordance with the legislation of the country they are located in. Suppliers must not engage in forced labor in the form of human trafficking or modern slavery.
- **Prevention of Harassment and Violence:** It does not tolerate incidents such as ill-treatment, intimidation and harassment in the workplace. Suppliers do not allow any form of harassment and take necessary precautions. There is no tolerance for any violation of the immunity of its employees through corporal punishment or physical, sexual, psychological, emotional and verbal abuse.
- **Freedom of Association and Collective Bargaining:** Suppliers respect their employees' right to unionize and their decision to become a union member, their right to organize and collective bargaining in accordance with the law.
- **Compliance with Labor Laws (Wage and working hours):** Suppliers pay their employees equal to or above the minimum specified in applicable laws and regulations, including wages and overtime. It is also obliged to work in accordance with the Labor Law and relevant legislation.

## **Occupational Health and Safety**

Nuh Çimento's expectations from its suppliers regarding Occupational Health and Safety (OHS) are as follows;

- Comply with legal regulations and requirements set by Nuh Çimento,
- Determining the organization, roles, and responsibilities and sharing them with their employees,
- To make or have risk assessments, to prevent possible work accidents and occupational diseases by taking the necessary precautions,
- Ensuring that controls, measurements, examinations and research are carried out to identify risks,
- Providing resources, tools and equipment for the studies, periodic maintenance and control,
- Creating safe and healthy working environments for employees, trainees, visitors and special risk groups and ensuring that they are under health surveillance,
- Have the necessary measurements, tests and analyzes done in the working environment,

- Increasing OHS awareness by training and informing employees in accordance with the legislation,
- Receiving the opinions and suggestions of the employees and supporting their participation,
- Continually carry out emergency preparedness and response activities,
- It is to monitor and audit whether OHS measures are complied with and to ensure that non-compliances are corrected.

### **Environmental Regulations and Protection**

- Being aware of its social responsibility to protect the environment, Nuh Çimento expects its suppliers to establish environmental management systems, undertake continuous improvement, and protect the environment in order to increase their environmental performance in accordance with national and international legal regulations and regulations, in the light of sustainability development and circular economy principles. In this process, Nuh Çimento expects them to be a partner in the commitment in line with the principles of sustainability and combating the climate crisis, taking the Environmental Policy as a reference. As part of this commitment, all Nuh Çimento Suppliers must, without limitation:
- Ensure efficient use of natural resources in the process and use alternative resources when necessary,
- Manage the processes in line with the circular economy approach,
- It should ensure that the environmental dimensions and effects are prevented at the source in the processes,
- Identify environmental risks and opportunities by integrating the environmental management system into business processes and strategies, and take measures to minimize environmental risks,
- Consider the principles of transition to a low-carbon economy in their investments and machine-equipment selections,
- Taking into account the risks and opportunities related to the climate, it should carry out activities to combat the climate crisis and contribute to the transition to a low-carbon economy,
- Determine the environmental risks that may occur by taking into account the sector and geography in which they operate and carry out studies to manage these risks,
- The product should reduce and/or zero its waste and wastewater generation, greenhouse gas emissions, chemical use, and all other environmental effects in its production, transportation, storage, and all other operations by using reuse, recycling, or substitution processes,
- Periodically control air emissions in order to prevent air pollution that may occur due to the sector,
- Focus on protecting ecosystems, habitats, and all species, especially endangered and endemic species, preventing land degradation, maintaining the capacity of natural ecosystems, continuously improving and developing them, and aiming to manage impacts on biodiversity in a sustainable way,

- Waste should be collected separately at the source and recycled in accordance with legal regulations,
- Compliance with environmental legislation in all activities throughout production,
- While performing its activities, it should keep the environmental permits, licenses, and all documents up-to-date and follow compliance with the legal regulations,
- Identify chemicals that pose a threat to the environment and manage them appropriately to ensure their safe handling, labeling, transport, storage, use, reuse, recovery, or disposal,
- Identifying hazardous chemicals for the environment and ensuring that these chemicals are disposed of as a result of the necessary procedures and managed accordingly,
- All documents regarding environmental compliance should be sent to Nuh Çimento in accordance with this specification.

## **7. RESPONSIBILITIES**

### **7.1. Responsibilities Of Purchasing Nuh Çimento Group**

#### **Purchasing Units;**

- NUH ÇİMENTO GROUP Purchasing Directorate determines its functional strategies in line with the objectives of NUH ÇİMENTO GROUP.
- Adopts the category management approach; brings together similar purchasing groups and topics and classifies them according to their importance and complexity. In this context, it is responsible for planning high-level category strategies in line with NUH ÇİMENTO GROUP Purchasing functional strategies.
- Creates category strategies in coordination with Demand Units by positioning according to the situation in the supply market on the basis of categories and sub-categories.
- Supports the budget planning processes in coordination with the relevant Demand Units. The budget plans are created to play an important role in determining the category strategies. For this reason, Demand Units share their approved budget plans with the relevant Purchasing Units.
- In accordance with the category strategies approved by the Purchasing Director, NUH ÇİMENTO GROUP applies a purchasing approach compatible with the Strategic Purchasing methodology.
- Working in coordination with the Demand Units during the creation of the demand, it supports the Demand Units in demand management and standardization and optimization of specifications.
- Responsible for executing the end-to-end procurement process from the origin of the request.
- It performs contract management and supplier management on behalf of all group companies by combining the commercial and technically integrated needs of NUH ÇİMENTO GROUP Companies.
- Due to the fact that it is within the scope of the company's trade secrets; is responsible for the confidentiality of the correspondence with the companies regarding the requested document, the contract and its annexes, bid prices, and costs. It performs supplier management in order to use resources and time in the most appropriate way.



- - Applies the supplier segmentation approach, which classifies suppliers according to their impact on business, within the scope of supplier management, implements supplier performance management with periodic evaluation studies in order to monitor the ongoing performance of suppliers and to catch improvement opportunities.

## **7.2. Responsibilities of Request Units**

### **Demand Units;**

- In order for the Purchasing Units to make long-term purchasing planning, it shares the approved budget plans with the relevant Purchasing Units in the periods and procedures defined in the procedures.
- Taking into account the purchasing and in-house business processes, it is responsible for determining the needs at the appropriate time and works in coordination with the Purchasing Units in the demand processes.
- After determining the needs, it determines the specifications by preparing the requested document, and technical specification documents in order to trigger the procurement processes.
- Before the request is submitted, it receives the approval of the Technical Specification and the application of the NUH ÇİMENTO GROUP Companies, especially the IT security procedures, and submits it to the Purchasing Unit.
- Responsible for completing the relevant budget and investment committee approvals and opening requests via SAP systems in order to complete the purchasing processes of the requests.
- Prepares the Technical Specifications and demand documents in a way that does not include the features that will cause a particular supplier to gain superiority over other companies or the issues that will restrict receiving offers from some suppliers.
- All kinds of correspondence, commitment, confirmation, etc. to be made with the suppliers during the demand management, purchasing process, and contract process. is responsible for the execution of transactions through the Purchasing Units. In this context, since it is within the scope of a trade secret; NUH ÇİMENTO GROUP is obliged to comply with the Information Security rules in order to ensure/protect the confidentiality of the correspondence made with the companies regarding the request document, the contract and its annexes and costs.
- Does not share the budget amounts related to their needs and demands with the Suppliers.
- If requested by the Purchasing Units, it evaluates the proposals and solution offers from the suppliers in technical and analytical terms, and transmits the evaluation reports/results to the Purchasing Units within the determined service level periods (SLA).
- Responsible for filling out periodic supplier performance evaluation surveys in order to measure the technical and capacity performances of the suppliers.
- Considering that the order approvals required for the continuation of the purchasing process will be given by the Purchasing Units within the framework of the authorization limits determined in the signature circular, it gives approval for the awarding decision from the Purchasing Units for the completion of the purchasing processes.

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- It does not negotiate prices, order goods or services, or make any verbal agreements or e-mail commitments with companies. On the contrary, behavior is considered a violation of this Policy.

## **8 . PURCHASING POLICY**

### **8.1. Demand Management**

Purchasing Units cooperate with the Demand Units from the formation of the budget plans and support the Demand Units when necessary in the preparation of the budget.

Purchasing Units take part in the planning and budgeting processes of Demand Units, consolidate these studies and work on standardizing the product specifications regarding the demands, as a result of these studies, the following year's Purchasing planning is formed;

- It initiates the resource/supplier determination processes by determining the new expenditure categories to be purchased.
- It determines the purchase agreements that will remain in effect by renewal/extension or renegotiation.
- It sets savings targets on the basis of expenditure categories.

Purchasing Units analyze the needs of the requested service / product, exclude non-obligatory features and specifications and reveal real needs, prioritize the needs lists in coordination with the Demand Units.

These studies enable the selection of the most effective strategies in the supplier selection process and the determination of critical performance indicators related to demand.

### **8.2.Strategic Procurement**

NUH ÇİMENTO GROUP Purchasing adopts the 6-stage strategic purchasing approach shown below, which aims to optimize the products and services received from the suppliers, to save money and to provide the desired service quality level.

NUH ÇİMENTO GROUP Strategic Procurement Methodology

1. Conducting internal analyzes
2. Supply market and cost analysis
3. Category positioning and top-level category strategy
4. Creating detailed purchasing strategies
5. Implementation of category and purchasing strategies
6. Supplier performance and supplier relationship management

## **9. PURCHASING MANAGEMENT**

Purchasing Units initiate resource determination and supplier selection processes in coordination with Demand Units, perform stock/status control regarding the resulting demand, and analyze needs.



The total cost of ownership approach is used in relation to the demand in the resource determination process. Purchasing Units receive Quotation and Price Quotations from the suppliers in the list of potential suppliers by choosing one/some of the following methods.

- RFI (Information Request): It is made with the aim of collecting information about the solution proposals and business competencies of the suppliers. It is mostly used in the budget and project planning stages.
- RFP (Request for Quotation): It is the process of collecting detailed specifications from suppliers regarding their Proposals and solutions.
- RFQ (Request for Quotation): It is the process of collecting quotations in which quotations are requested from suppliers with all their detailed breakdowns. All details that affect the price, such as payment terms, delivery, and quality conditions, must be included in the RFQ.
- Closed Envelope: It is the submission of offers from suppliers together with the supplier files at the specified date and time. Bidding conditions and envelope scopes are submitted to the companies when necessary. Bids submitted in Closed Envelopes are opened by the purchasing committee. Complying with the principle of equal treatment to all suppliers in RFX, or Envelope Bid collection processes, RFX documents, and Bid invitations are sent via e-mail or in writing in accordance with confidentiality principles. In order to create a procurement process based on competition and equality, all relevant standards and provisions are communicated to the suppliers in the RFX processes and must be accepted by the participating suppliers, within the framework of the rules that will not cause uncertainty. Every change made in the rules is shared with all suppliers in a timely manner.

RFX processes are carried out via e-mail or in writing, notified by NUH ÇİMENTO GROUP Purchasing. It is the responsibility of the Purchasing Units to obtain the necessary documents from the Suppliers according to the scope and technical specifications of the work in the RFX processes.

After the RFX or Closed Envelope Bid collection process, Bids are analyzed in terms of technical criteria, meeting requirements, supplier's competence, and price. If necessary, it is decided to work with the supplier who offers the best price, technical performance, and quality by bringing the bids to the same base. All bid negotiations and price negotiations are carried out by the Purchasing Units.

The proposal of the supplier to whom the work is decided is submitted for approval in accordance with the approved authorization limits of NUH ÇİMENTO GROUP in accordance with the Procurement Procedures to be published. Suppliers, Demand Units, and relevant stakeholders are notified after the awarding decision is approved.

After the purchase decision is approved, a contract must be made on behalf of NUH ÇİMENTO GROUP Companies in cases involving financial, commercial and legal risks. Purchasing Units are responsible for maintaining contract negotiations with suppliers. It negotiates the provisions of the contracts by taking the opinions of the necessary stakeholders, and obtains the approval of the provisions regarding the legal articles from the Legal units. Purchasing Units are responsible for tracking supplier signatures, obtaining internal approvals and completing signatures according to authorization limits.



Purchasing Units are responsible for obtaining Performance Guarantee or Temporary Guarantee in order to minimize commercial, financial and legal risks within the scope of contracts and bid processes.

Following the mutual signing of the contract, placing orders or sending work orders to suppliers within the framework of the delivery program are made by the relevant Purchasing Units.

After the delivery of the product/service, the Demand Units perform the goods/service acceptance processes according to the results of the quality and quantity control.

Purchasing Units are not responsible for order and contract transactions regarding purchases whose purchasing processes have not been performed by the Purchasing Units.

Although it is essential to make the payment for the works subject to the purchase in accordance with the Company Payment Principles, if a different application is to be made, this situation is stated in the specifications and/or contracts.

### **Commitment, Principles and Principles**

NUH ÇİMENTO GROUP is an international cement and building materials company that is constantly growing and developing by making a difference in its sector with its 57 years of experience, wide product range, innovative employees, and approach that respects people and the environment. Considering the principle of separation of duties; Purchasing Units and other units perform their procurement duties within their responsibilities in accordance with company policies and this Policy.

Sustainability in our main strategy is our guiding principle in the selection of raw materials, products and services. As NUH ÇİMENTO GROUP, in all purchasing activities, the issue of observing the environment, society and human rights along with ethical principles is observed with great sensitivity.

### **10. Contract Management**

While it is essential to sign NUH ÇİMENTO GROUP template contracts with the suppliers, determined by the Purchasing and Legal Unit, the approval of the Legal Unit is required if contracts other than the specified template contracts are used. The signed contracts are in the nature of trade secrets and it is the responsibility of the Purchasing Units to record and follow up the contracts in the purchasing systems. Contracts form the legal basis of relations with suppliers during the procurement process, and it is ensured that the contracts are complied with. Contract management is carried out in accordance with the procurement procedure to be published by NUH ÇİMENTO GROUP Purchasing.

In accordance with company policies and confidentiality provisions, contracts should be kept for minimum legal periods, their confidentiality should be respected and they should not be disclosed to unrelated/unauthorized third parties.



## 11. Supplier Relationship Management

Managing the studies for determining and implementing the supplier relations strategy in the purchasing process, creating and managing the supplier portfolio of NUH ÇİMENTO GROUP, receiving, evaluating and accepting/rejecting new supplier applications, evaluating supplier performances, determining and implementing the actions to be taken according to the evaluation results, examining and implementing the supplier facilities. NUH ÇİMENTO

GROUP Purchasing is authorized to develop corrective/improvement suggestions by making evaluations, to create and follow-up the list of suppliers that are not suitable to work with; Purchasing Units make the necessary arrangements and put them into practice.

### Our suppliers:

It has to comply with the legislation in force (processing and protection of personal data, fight against corruption, competition, environment, occupational health and safety, intellectual and property rights, etc.) within the scope of the current contractual relationship with Nuh Çimento Group.

It respects ethnic and cultural differences and takes measures for the protection and development of differences, and commits to creating working environments where equal opportunities exist, in mutual trust, without discrimination, and respectful of human rights.

Receives the necessary congratulations for the health and safety and security of employees. Violation of the immunity of supplier employees in any way through physical, sexual, psychological and/or emotional harassment is not tolerated in the workplace or any place where they are due to work.

It respects its employees' right to unionize and their decision to become a union member, their right to organize and collective bargaining in accordance with the law.

It respects and protects the human rights, human dignity and privacy of the communities it affects through its business activities.

### 11.1. Supplier Selection

Firms that want to work with NUH ÇİMENTO GROUP Companies register by specifying their business fields and competencies in NUH ÇİMENTO GROUP. By using supplier registration surveys, the strengths and weaknesses of potential suppliers that meet the determined criteria are determined by analyzing them by Purchasing category units according to their business areas. Among the suppliers who apply, those who are suitable in terms of technical capacity, commercial and financial competence are included in the potential supplier pool.

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## 11.2. Supplier Segmentation

Supplier Segmentation is an approach to classify suppliers according to their impact on the business in order to use resources and time in the most effective way and to optimize the added value of purchasing.

Purchasing Units classify suppliers in terms of business volume, replacement costs, product/service, etc., and perform supplier performance management.

## 11.3. Supplier Performance Management

The purpose of Supplier Performance Management is to monitor the performance of suppliers in line with determined criteria and objective information and to identify commercially beneficial improvement opportunities.

Suppliers technical capacity, commercial and financial adequacy, etc. are included in the performance evaluation processes.

The ongoing performance of the suppliers is periodically measured by NUH ÇİMENTO GROUP Purchasing, improvement opportunities are determined and implemented within the framework of cooperation. It is essential that the criteria and rules regarding supplier performance management are shared with the Suppliers in a transparent manner.

The results of the Supplier Performance management are taken into account in the stages of whether to continue the existing works, to determine the suppliers to be offered for new purchases, and to evaluate the offers.

All technical, commercial, ethical and reputational risk situations originating from the supplier are constantly examined, and suppliers violating the rules are included in the list of companies that will not work with the approval of NUH ÇİMENTO GROUP Purchasing management.

## 11.4. Supplier Development Programs

In line with the needs of the NUH ÇİMENTO GROUP Companies of the suppliers;

- Using continuous improvement methods to develop and improve the products and services they offer,
- Innovation, value analysis, cost reduction studies
- Planning and implementation of corrective and preventive actions to eliminate identified nonconformities,

It is carried out in a planned and systematic way by the Purchasing Units within the scope of Supplier Management.



## 11.5. Supplier Creation

Purchasing Units work with the relevant units in order to guarantee the investments to be made in critical areas, to develop alternative suppliers in monopoly categories, to identify suppliers in order to develop new products and establish new business partnerships, to prepare development and cooperation programs for these suppliers and to implement these programs.

## 12. Principles of Ethical Purchasing

Transparency, honesty and honesty constitute the core values in purchasing processes. The relations of NUH ÇİMENTO GROUP Employees with stakeholders and suppliers are based on the basic values, the details of which are given below.

- Accuracy and honesty are our primary values in all our purchasing processes.
- As NUH ÇİMENTO GROUP Purchasing team, we attach importance to the confidentiality of all information regarding our activities. We use this information only for the purposes of NUH ÇİMENTO GROUP and share it with the relevant people within the determined authorities.
- NUH ÇİMENTO GROUP As the purchasing team, we aim to stay away from conflicts of interest. By making use of our current duties and authorities; We do not derive personal benefits from people and organizations with whom we have business relations, personally, through our family or relatives.
- Suppliers cannot be burdened except by legal regulations and commercial practices.
- Suppliers are approached fairly and equally in line with competition and market conditions.
- Evaluation is made according to fair and objective criteria in supplier selection.
- Tender processes are concluded in a transparent manner on the basis of objective criteria, away from any external influence.
- Relationships are carried out on a transparent and fairground, avoiding any conflict of interest and without entering into a personal interest relationship with the suppliers.
- Contractual obligations to suppliers are fulfilled on time.
- Utmost care is taken to ensure that procurement processes are carried out in accordance with laws and company policies.
- Care is taken to ensure that suppliers comply with legal regulations and ethical rules, and necessary notifications and warnings are made in case of violations.
- Care is taken to ensure that the company and its suppliers act in accordance with human health and environmental policies.
- Within the scope of purchasing activities, competitors are competed legally and within the framework of “NUH ÇİMENTO GROUP Companies Business Ethics Rules”.
- Attitudes and behaviors that will harm the brand value of NUH ÇİMENTO GROUP are not taken.



**Business Ethics Rules**, which are a guiding guide that includes the values and working principles on which it is based in all business processes, relations with employees and all stakeholders. In this context;

- Conflict of interest: Suppliers must report any conflict of interest that arises in their professional relations with Nuh Çimento Group and allow us to determine the appropriate action in this regard. Nuh Çimento Group representatives or employees will be obliged to disclose any significant proprietary relationships or interests they have in relation to the business of any supplier.
- Bribery, corruption: To ensure compliance with the anti-bribery and anti-corruption laws and regulations, ethical principles, and universal rules applicable in all countries where our company operates, to ensure compliance with the obligations regarding the prevention of financial crimes, to evaluate our customers, transactions, products, and services with a risk-based approach, and to avoid potential risks. To raise awareness of all our employees on these issues by determining our strategies, related controls and measures, operating rules, and responsibilities for reducing the risk.
- Gift: Nuh Çimento Group and its subsidiaries are important customers for suppliers and service providers. All employees, especially those carrying out purchasing activities, may have the potential to encounter unethical and inappropriate offers from suppliers or other business partners. The steps to be followed by the employees are defined in the Anti-Bribery and Anti-Corruption Policy.
- Confidentiality: Suppliers must consistently protect and monitor Nuh Çimento Group's intellectual property, trade secrets, and other private, restrictive, and sensitive data or information. The data provided by Nuh Çimento Group will only be used for the purposes determined and accepted by Nuh Çimento Group and the supplier
- Anti-competitive and restrictive business practices: Suppliers are obliged to comply with local and international legislation aimed at promoting fair competition. This harmony is also important in terms of offering competitive prices and innovative products. In addition, individuals and institutions named in the blacklists published by national and international authorities on money laundering and terrorist financing in the country of operation, and companies located in countries subject to wide sanctions by the EU, the USA, or the United Nations, should not be in a firm relationship.

### **13. Enforcement**

NUH ÇİMENTO GROUP Purchasing Policy is submitted to the Board of Directors with the recommendation of the Purchasing Directorate, the evaluations of the Legal and Human Resources units, and the approval of the NUH ÇİMENTO GROUP CEO and Chairman of the Board, and enters into force with the approval of the Board of Directors.

Procedures, handbooks, process and system documents, and methodologies prepared in line with the Procurement Policy of NUH ÇİMENTO GROUP are submitted to the approval of the NUH ÇİMENTO GROUP CEO, with the recommendation of the "Purchasing Directorate", the opinion of the Human Resources and Legal units, and enter into force with the approval of the CEO and the Chairman of the Board of Directors.



## Sub procedures

- Purchasing Procedure
- Logistics and Inventory Management Procedures
- Process documents
- Documentation on System Methodology

  
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