

1. Purpose

The purpose of this policy is to define the purchasing standards of Aydem Yenilenebilir Enerji A.Ş. (“Company”) regarding the purchase of all kinds of goods and services in line with the principles based on known and generally accepted purchasing principles and in accordance with the published regulatory laws and regulations currently in force, determines the authorities and responsibilities of the Company and related employees for the execution of all transactions in accordance with this policy.

If there is a provision in this policy that is contrary to the regulation or that is not expressly stated, the relevant regulations and regulations and related laws and regulations are valid.

2. General Standards

- The standards specified in this policy are applied on the Company's purchasing systems.
- All purchasing operations are carried out by the purchasing units (“**Purchasing Units**”) created within the Company to be responsible for purchasing, and no other units are authorized to purchase, unless specified as exceptional or out of scope within this policy. In the event that any purchase transaction other than the authorizations granted by this policy is detected, this purchase made by the unit or the employee is evaluated within the scope of the transaction facility contrary to the policy and notified in writing to the senior management and other related units.
 - o Purchasing Units are authorized to initiate and execute the supplier selection process.
 - o Before and/or during the contract negotiations and bidding process with the suppliers, any verbal or written statement containing the contract promise will not be made by any employee, regardless of their title and duty. Legally prospective, any verbal or written communication that creates responsibility and results or affects the result will only be established by the Purchasing Unit and with the approval of the employees authorized in accordance with the assignment of authority.
- In exceptional and out-of-scope cases, the relevant units are obliged to carry out the processes in accordance with the basic standards in the purchasing policy and procedure.
- Economies of scale should be utilized in every transaction to the greatest extent possible.
- In matters where economies of scale can be created, it should be ensured that goods and services of equal quality are purchased at every location, according to the needs.
- Suppliers are evaluated according to impartial and objective criteria in ERP systems. Based on the evaluation result, a reliable and comprehensive supplier portfolio is created.
- Up-to-date information obtained from the market is shared within the company.
- Operations are managed transparently.
- Harmonious relations are established with all stakeholders inside and outside the company.

- Holding Purchasing Directorate/Directorate is responsible for the control and supervision of all Purchasing Units and processes of the Company in terms of compliance with the purchasing policy and procedure.
- The critical success factors of the Purchasing Units are determined and periodic management reports are made regarding these factors.
- Purchasing Units use common communication platforms. Shares knowledge, experience and opinions.

3. Process Standards

- It is essential that the purchasing processes are carried out on the ERP system. All hierarchical approval limits specified in the purchasing policy and procedure should be built on the ERP systems used in the Company and its subsidiaries.
- A transparent, measurable and reportable procurement process should be carried out.
- Purchase requests that have not been approved and transmitted on the ERP system will not be processed. Invoices are not accepted and paid.
- The manager of the relevant unit is responsible for taking the necessary measures in order not to divide the approval authorities determined in the processes on the ERP and in the signature circular.
- An effective “Categorical Contract Management” model is created. This is how categories of goods and services are managed.
- Lean, efficient and systematically controlled processes are built in ERP systems.
- Structures that objectively evaluate our suppliers and focus on their development are established in ERP systems.
- Technology is used effectively and new technologies are researched.
- Purchases are made as much as possible from the manufacturer and first hand (manufacturer, manufacturer, importer or general distributor).
- Within the scope of supporting the national economy, in case of equal conditions, priority is given to domestic producers in purchasing decisions.
- Purchasing employees are supported to develop and implement projects that will provide cost savings or productivity gains across the department, location, Company or Company and its subsidiaries.
- Purchasing Units prepare an annual procurement (tender) plan by evaluating the purchasing needs of the departments in line with the approved annual budget.
- In order to adopt the principle of separation of powers in purchasing operations, the responsibilities of requesting, approving requests, tenders and orders, accepting goods/services, checking invoices and making payments have been assigned to more than one person and unit.

4. Ethical Standards

- In all purchasing transactions, ethical rules, working principles and all kinds of relevant legislation should be followed.
- Employees cannot have personal interests in purchasing processes or be in positions where they may have personal interests. In the event of such a possibility, the said employee terminates all relations regarding the relevant purchasing transaction by informing his manager. The transactions of all purchasing employees who do not report or terminate such a situation will be examined in accordance with the principles of ethical rules and working principles.
- Personnel involved in any stage of the purchasing process should be aware of the behaviors described as “bribery” and “improper behavior”. In addition, possible conditions that may create a “conflict of interest” should be well understood. The acts and behaviors in question will be discussed within the ethical review processes.
- If a supplier is in a relationship with employees who handle the purchasing process (eg, former company, relatives (mother/father/sibling/spouse/children etc.):
 - o Tender/procurement cannot be managed and/or executed by this employee.
 - o If possible, the material/service should be obtained from another supplier.
- Before and/or during the contract negotiations and bidding process with the suppliers, any verbal and written disclosure containing the contract promise will not be made by any employee other than the Purchasing Unit employees, regardless of title and duty. Legally prospective, any verbal or written communication that creates responsibility and results or affects the result will only be established by the Purchasing Unit and with the approval of the employees authorized in accordance with the assignment of authority.

At least two witnesses or approval are required for all purchasing operations.

5. Environment, Sustainability and Social Factors

Suppliers must comply with all relevant environmental laws and regulations. Necessary environmental permits must be obtained and compliance with the law must be ensured. The supplier should work to minimize their consumption, carbon and air emissions, use of natural resources and waste, and the storage, transportation and use of chemicals should comply with the rules in a way that does not harm the environment. Disposal of wastes and discharge of waste water should be done within the framework of environmental obligations and limits. The environmental effects of all these activities should be taken into account in the decision-making processes and controlled by the Purchasing Unit.

As a company, we should try to leave a healthy and happy world to new generations by placing the sustainability approach at the center of our way of doing business. A production that respects the environment, employees and society is very important to us and our suppliers should be encouraged to develop a similar approach.

Our company and suppliers are responsible for monitoring and implementing Environmental and Social Management Plans – ESMPs. The ESMPs created on the basis of the power plant should be notified to the suppliers of the works to be performed at the power plant locations and should be placed in the annexes of the contracts to be made with the suppliers. Suppliers should be held responsible for the ESMPs reported in the contract annex.

Suppliers must comply with all legal regulations regarding social factors. It must fulfill all the requirements of the Occupational Health and Safety legislation. It must operate in accordance with the applicable working conditions legislation. It is obliged to follow any changes to be made in these legislations and take the necessary measures. The company controls the social criteria, especially in the evaluation surveys of its suppliers.

6. Responsibilities

This policy was prepared by the AYEAAŞ Purchasing Directorate under the chairmanship of the CEO, with the contributions of the CCO and the Holding Purchasing Directorate/Directorate, and approved by the AYEAAŞ General Directorate, and the responsibility for implementation rests with all Company employees, especially the purchasing unit.

7. References

- ISO 9001:2015
- İK.PRS.001 Code of Ethics and Working Principles

8. Enforcement

This policy is effective on the date of publication.