



## **SUSTAINABLE PURCHASING AND SUPPLY CHAIN POLICY**

We care about establishing trust-based relationships with all our stakeholders and aim to expand our responsible and sustainable supply chain approach. To create a sustainable value, we exhibit an approach that observes environmental, social and ethical values and attaches importance to the development of society, while at the same time we strive for all our suppliers and stakeholders to adopt similar behavior. Within the scope of continuous improvement, we evaluate compliance with the principles, share the points or deficiencies open to improvement with our suppliers, aim to increase sustainability awareness in cooperation and support environmentally sensitive approaches in our activities.

### **Our Basic Principles**

- a) To ensure that our stakeholders in the supplier chain act in accordance with the law, human rights, business ethics, occupational health and safety, women's rights, employee rights, environment and natural resources protection rules, laws and regulations.
- b) Timely, complete and accurate record keeping, reporting and presentation are crucial to the reliability of our company and our suppliers. Therefore, false, incomplete and/or misleading record keeping, accounting, statements, declarations, documents, returns and reports are strictly prohibited.
- c) To establish honest, respectful, fair and impartial business relations with all our suppliers and stakeholders without discrimination; ensure that all procurement activities (including supplier selection) are carried out fairly.

Conduct our business fairly, accurately and in a manner that does not intentionally adversely affect any competitor, customer or actor in our market or supply chain, and to this end

- c1. To comply with competition laws in all regions where we conduct our operations and to avoid behaviors and agreements that restrict, prevent or distort competition,
- c2. to protect free and unfettered competition among all players at all levels of the supply chain, complying with national and international antitrust laws,
- c3. Avoid agreements and coordinated practices that may limit or eliminate competition with our competitors, suppliers and customers,
- c4. To prevent the sharing of any non-public commercially sensitive information between our employees and employees of actual or potential competitors,
- c5. To create and maintain an ethical and transparent business culture in our company,
- c6. Ensure compliance with this policy by all employees and stakeholders, including full-time and part-time employees, contractors, interns,
- c7. Train our employees to refrain from any activity that may lead to a violation of this policy and to report any compliance concerns,
- c8. To ensure that confidential and reliable reports are made through complaint forms in case of any violation of this policy or concern, to evaluate incoming reports in accordance with legal requirements and our ethical practices, and to prevent retaliation against the person making the report for this reason,



c9. In the event that any company employee is found to have violated this policy, we undertake to take disciplinary action, up to and including termination of the employment contract of the relevant employee.

d) We undertake to comply with applicable economic sanctions and export controls. Economic sanctions and export controls may restrict or prohibit business dealings with certain persons, organizations or countries. They may also restrict or prohibit the export or import of certain goods or services. The penalties for noncompliance with sanctions and export controls, even if unintentional, can be severe for both NOVA and its suppliers.

e) We control and plan processes and take necessary measures to prevent the delivery of counterfeit parts to our customers. We quarantine counterfeit or suspected counterfeit parts and prevent the re-entry of the products into the supply chain by notifying the competent authorities and customers.

f) With Nova and our suppliers, we aim to avoid situations that may create conflicts of interest in all our activities. We do not accept gifts that provide any kind of benefit with or without economic value. All representatives of NOVA must conduct their private and other external activities and financial interests in a manner that does not conflict with the interests of NOVA. The personal interests of NOVA representatives should not influence their decisions or actions in the performance of their duties.

g) Our suppliers shall not accept or offer unlawful payments, donations, bribes, gifts or other improper benefits to secure any favoritism in their business transactions with NOVA. All suppliers must ensure that they are not involved in any action contrary to anti-bribery/anti-corruption laws and/or regulations in the regions where they operate and work to eliminate all forms of corruption and bribery.

h) Our Fundamental Principles and Code of Conduct outlines NOVA's principles and minimum standards for conducting business ethically and in compliance with the law. Encouraged to report violations or suspected violations of our Code of Conduct. We encourage you to contact your manager or your manager's manager to raise your concerns. If these options are not appropriate or acceptable, you may use the Complaint/Suggestion boxes to raise concerns about actual or potential violations of our Code of Conduct.

i) To develop relations based on long-term cooperation, mutual trust, healthy and constructive communication with our suppliers that are establishing, implementing and continuously improving Quality Management systems and prioritizing customer needs and expectations.

j) To work with suppliers who have made occupational health and safety a part of the company culture, comply with all legal regulations and standards and meet the regulatory requirements. As **NOVA**, we require our suppliers to fully comply with all laws regarding air emissions, waste, wastewater and chemicals. We prioritize the prevention of environmental pollution at the source, support recycling, use energy and natural resources efficiently to reduce our carbon footprint, and use renewable energy where possible. We request our suppliers to contact us or authorised institutions in cases that may pose an environmental risk. All our Suppliers are expected to comply with NOVA Occupational Health and Safety Policy and NOVA Environmental Policy.

k) With our suppliers, we are committed to minimizing the impact of our operations on natural habitats and protecting ecosystems. We develop projects and collaborations to support local plant and animal species in our operational areas, observe sustainability principles in land use and use environmentally sensitive methods.

l) Work with self-developing suppliers that provide the right product and services at the right time with the right quantity by providing cost in a sustainable manner, closely following developments in areas such as quality, efficiency, cost and shipment.



- m) Suppliers must ensure that recruitment processes do not discriminate based on race, color, sex, age, nationality, religion, sexual orientation, marital status, disability and similar circumstances.
  - n) Suppliers are expected to comply with applicable regulations and industry standards regarding minimum wage, overtime pay, working hours and breaks.
  - o) Suppliers shall conduct all its activities respecting human rights as set out in the United Nations Universal Declaration of Human Rights and in accordance with the following basic practices of the International Labour Organization (ILO).
  - p) Suppliers must prohibit the use of child labor at any stage of their operations. We expect our suppliers not to hire anyone under the age of 18 (even if the limit is 15 in Turkish law). This requirement also applies to all international suppliers, regardless of the lower limit stipulated by local laws. Suppliers must not engage in forced labor in the form of human trafficking or modern slavery.
  - q) By paying attention to gender equality in all its activities, it develops practices to support women employees in business life and encourages its sub-suppliers and contractors to adopt these practices.
  - r) Does not tolerate any form of discrimination and harassment,
  - s) It provides its employees with a safe, secure and healthy working environment in accordance with universal values,
  - t) Comply with all applicable laws and regulations regarding working hours,
  - u) Provides wages and fringe benefits that meet or exceed national legal standards.
  - v) Employees are expected to comply with all applicable laws and regulations concerning freedom of association and collective bargaining.
  - w) Our suppliers shall not accept or offer unlawful payments, donations, bribes, gifts or other improper benefits to secure any favors in their business transactions with **NOVA**. All suppliers must ensure that they are not involved in any action contrary to anti-bribery/anti-corruption laws and/or regulations in the regions in which they operate and must work to eliminate all forms of corruption and bribery.
- Suppliers must consistently protect and safeguard **NOVA**'s intellectual property - trade secrets and other proprietary, restrictive and sensitive data or information. The data provided by **NOVA** shall be used only for purposes determined and agreed upon by **NOVA** and the supplier.
- x) We expect our suppliers to comply with all applicable laws in the countries in which they operate. Other relevant universal laws and regulations must also be complied with. In addition, all rules regarding authorizations and registrations required to support legal compliance must be complied with.
  - y) Our expectations from our suppliers as main headings to serve a sustainable world and to further strengthen our sustainable supply relationship:

- Reducing Greenhouse Gas (GHG) Emissions

Suppliers must monitor, measure and report greenhouse gas emissions (Scope 1, 2 and 3) from their operations. Suppliers must set emission reduction targets and ensure that these targets are in line with the Paris Agreement.

- Binding Obligations:

- Suppliers must report annual GHG emission data in accordance with international standards (e.g. GHG Protocol).
- Commit to reduce emission intensity by at least 30% by 2030.



- Emission data should be verified annually by an independent auditing organization when requested by NOVA.

- Decarbonization Commitment

Suppliers are obliged to take concrete steps to achieve carbon neutrality or net zero emissions targets.

- Binding Obligations:

- Suppliers must provide a roadmap for achieving net zero emissions by 2050.
- Commit to source at least 50% of their energy consumption from renewable sources by 2030 to increase the use of renewable energy sources.
- Decarbonization strategies should be shared with NOVA and annual progress reports should be submitted.

- Animal Welfare

Suppliers must comply with animal welfare standards and ensure the ethical treatment of animals.

- Binding Obligations:

- Suppliers must comply with World Organization for Animal Health (OIE) standards and local animal welfare regulations in their operations.
- Guarantee that animals have appropriate housing, nutrition and sanitary conditions.
- Animal welfare policies should be verified by independent audits and audit results should be shared with NOVA.

- Prevention of Soil and Noise Pollution

Suppliers must take necessary measures to prevent their activities from causing soil and noise pollution.

- Binding Obligations:

- To prevent soil pollution, use of hazardous materials and waste management must be carried out in accordance with local and international environmental regulations.
- Noise levels should be kept within the legal limits in the area of operation and noise reduction technologies should be used.
- Regular monitoring reports on soil and noise pollution should be prepared and shared with NOVA upon request.

- Obligations for Tier 1 Suppliers

Tier 1 suppliers, as the main suppliers doing business directly with NOVA, are obliged to fully comply with this code of conduct.

- Binding Obligations:

- Tier 1 suppliers must establish audit and monitoring mechanisms to ensure that their sub-suppliers (Tier 2 and beyond) comply with this code of conduct.
- Share the list of all sub-suppliers and their compliance status with NOVA to increase transparency in the supply chain.

Compliance and Audit

- Suppliers are obliged to document compliance with the above items and allow audits when requested.



- NOVA reserves the right to conduct regular audits to assess suppliers' compliance with these rules.
- In case of non-compliance, suppliers must submit a corrective action plan and make the necessary improvements within the specified period.

- Water Management and Protection

Suppliers are obliged to ensure the sustainable use of water resources and prevent water pollution.

- Suppliers operating in water scarce regions should implement water saving technologies and commit to reduce water consumption by at least 20% by 2030.
- Wastewater treatment should be carried out in accordance with local and international environmental regulations and treatment processes should be verified by independent audits.

- Waste Management and Circular Economy

Suppliers must minimize waste generation and act in accordance with circular economy principles.

- Binding Obligations:

- Suppliers must separate hazardous and non-hazardous waste and increase recycling and reuse rates.
- Commit to recycle or reuse at least 50% of waste from their operations by 2028.
- Waste management policies and progress reports should be shared with NOVA and available for audit upon request.

- Biodiversity Conservation

Suppliers should assess the impact of their activities on biodiversity and take measures to protect natural ecosystems.

- Binding Obligations:

- Suppliers should conduct biodiversity risk analyses in the regions where they operate and share these analyses with NOVA.
- Avoid activities that lead to deforestation and implement policies to protect species on the IUCN Red List.
- Biodiversity conservation plans should be developed and implemented by the end of 2026.

- Fair Working Conditions and Human Rights

Suppliers must protect the rights of their employees and provide a fair and safe working environment.

- Binding Obligations:

- Suppliers must comply with International Labor Organization (ILO) core conventions and prohibit forced labor and child labor.
- Employees must be paid above the minimum wage and provided with safe and healthy working conditions.
- Adopt a zero-tolerance policy towards human rights violations and apply this policy to sub-suppliers.

- Sustainable Material Use



Suppliers are obliged to use environmentally friendly and sustainably sourced materials.

- Binding Obligations:
  - Suppliers must assess the environmental impact of the raw materials they use and prefer certified sustainable sources (e.g. FSC certified wood, organic cotton).
  - Ensure that at least 50% of the materials used in their products are recycled or sustainably sourced by 2030.
  - Material supply chain should be traceable and shared with NOVA.

- Social Contribution and Collaboration with Local Communities

Suppliers should make a positive contribution to the local communities in which they operate.

- Binding Obligations:
  - Suppliers should communicate transparently with local communities and assess the social impact of their activities.
  - Utilize local labor whenever possible to support local employment.
  - Contribute to community development projects (education, health, infrastructure) and document these contributions in annual reports.

Compliance and Audit

- Suppliers must document compliance with these clauses and allow audits when requested.
- NOVA reserves the right to conduct regular audits to assess compliance.
- In case of non-compliance, suppliers must submit a corrective action plan and complete remediation within the specified timeframe.

We know that we need to implement our business ethics and related sustainable procurement and supply chain management policies for the protection of our company's success and reputation and for sustainability, and we expect all our employees, suppliers and stakeholders to pay attention in this direction.

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