

Sustainable Procurement Policy and Procedure

Soysal International İç ve Dış Ticaret Limited Şirketi

Version	1.0 (October 2026)
Approved by	Emrullah Soysal, CEO
Effective date	5 October 2026
Executive sponsor	CEO — named executive sponsor for sustainable procurement
Process owners	Foreign Trade Manager (supplier onboarding and documentation), Sales Manager (supplier selection for quotations)
Review	Annually
Reference	Aligned with ISO 20400:2017 Sustainable procurement — Guidance

1. Policy statement

Sourcing is our core business, so how we choose suppliers is how we create, or reduce, social and environmental impact. We choose suppliers on **quality, price, delivery and their social, ethical and environmental performance**. We address the seven ISO 26000 core subjects referenced in ISO 20400: organisational governance, human rights, labour practices, the environment, fair operating practices, consumer issues, and community involvement and development.

2. Minimum selection standard (all suppliers and subcontractors)

A supplier may receive a purchase order only if it:

1. is a legally registered company (trade registry or tax registration verified);
2. has signed the **Supplier Code of Conduct (05)**;
3. has completed the **supplier onboarding questionnaire (§3)**;
4. passes **sanctions and adverse-media screening** of the company and its owners;
5. can provide the product documents the order requires (for example test reports, certificates of conformity, certificates of origin, SDS, REACH declaration).

3. Supplier onboarding questionnaire (screening criteria)

Area	Questions (summary)
Governance	Ownership; trade registry no.; years in business; code of conduct / anti-bribery policy; any convictions or sanctions in the last 5 years
Labour and human rights	Minimum age; written contracts; SGK registration; working hours and overtime practice; foreign and migrant workers and use of recruitment agencies; grievance channel
Health and safety	OHS risk assessment (Law No. 6331); OSGB or safety expert; accident statistics for the last 12 months

Area	Questions (summary)
Environment	Environmental permits; ISO 14001 or similar; waste and chemical management; energy and carbon data available?
Quality	ISO 9001 or similar; product certifications (CE, TSE, etc.)
Social investment	Community or local employment programmes; women-owned, minority-owned or SME status
Supply chain	How they check their own suppliers

4. Risk-based due diligence

Each new supplier is given a **risk rating** (low / medium / high), based on:

- **Product category risk**, which is higher for: textiles and workwear, PPE, gloves, agricultural and food products, natural stone and minerals, timber, chemicals, batteries and electronics (3TG).
- **Country of production risk**: whether manufacture or raw materials come from outside Türkiye, and the human rights and corruption indices of that country.
- **Order value and strategic importance**.
- **Questionnaire answers and screening results**.

Risk	Required due diligence
Low	Questionnaire + signed Code + sanctions screening
Medium	The above + supporting documents (permits, certificates, risk assessment) + reference check
High	The above + on-site or video assessment of the factory (labour, safety, environment) before the first order, using our assessment checklist, + corrective action plan if needed

5. Contracts

Purchase orders and supply contracts include:

- the obligation to comply with the Supplier Code of Conduct;
- anti-bribery, sanctions and audit-rights clauses;
- the right to terminate for serious breaches;
- for major contracts, **sustainability requirements with a weighting in supplier evaluation (§7)**.

6. Monitoring, assessment and improvement

1. **Annual reassessment** of all active suppliers: update the questionnaire and rescreen.
2. **Sustainability assessment** of medium- and high-risk suppliers: document review every year; site or video assessment at least every two years for high-risk suppliers. A customer-requested audit counts.
3. Gaps lead to a **corrective action plan** with owner and deadline; we follow up and record closure.
4. We help suppliers improve:
 - share our Supplier Code and explain the requirements at onboarding;
 - give feedback after assessments;
 - point them to free resources (for example KBR's sustainable supply chain training, UN Global Compact Academy, ILO materials).

5. Operational performance — on-time delivery, quality non-conformities, document accuracy — is tracked per order and reviewed with key suppliers.

7. Evaluation weighting in supplier selection

For orders above **USD 25,000** and all framework agreements, supplier comparison uses:

Criterion	Weight
Price (total landed cost)	50 %
Quality and documentation	20 %
Delivery time and reliability	15 %
Sustainability (questionnaire score, certifications, risk rating)	15 %

A supplier rated high-risk with an open critical non-conformity cannot be selected, whatever its price.

8. Targets (sustainable supply chain)

Target	Deadline
100 % of new suppliers sign the Supplier Code of Conduct before the first order	From effective date
100 % of active suppliers screened and risk-rated	30 June 2027
80 % of spend with suppliers that have completed the onboarding questionnaire	31 December 2027
All high-risk suppliers assessed (site or video)	Before first order

Progress is reported in the annual sustainability statement (Policy 04, §10).

9. Training

The Foreign Trade Manager and Sales Manager receive training on this procedure, the Supplier Code and modern-slavery red flags **when they join and every year**. Training records are kept. We provide suppliers with guidance on how to complete the questionnaire and apply the Code.

10. Records

We keep for each supplier: the signed Code, the questionnaire, screening results, risk rating, documents, assessment reports and corrective actions. They are kept for at least 10 years, in line with Turkish commercial record-keeping rules.

Approved by Emrullah Soysal, Chief Executive Officer, on 5 October 2026. A signed copy is held by the Company.