

1.0 PURPOSE

The purpose of this document is to establish the commitments and targets of Naturel Holding and its Subsidiaries, and to identify the controlled process (“Process”) for assessing, approving, implementing, monitoring, and reporting for all existing and new investments (“Investments”) financed under the Company’s Green Financing Framework.

2.0 SCOPE

The Process ensures that the investment assessment and implementation principles are aligned (*with relevant local laws, regulations, ILO, UNGC and UN WEPs, company policies, values and ESG principles, CSRD, OECD Guidelines, ICMA and LMA Green Bond Principles, as well as EU Taxonomy regulation and delegated acts*) and assessed in a structured, consistent, and controlled way. The Process governs all Naturel Holding subsidiaries, their stakeholders, including but not limited to employees, customers suppliers and business partners, intermediaries, contractors and all third-party companies with the company engages in business conduct.

3.0 GOVERNANCE and OVERSIGHT

Green Financing Working Group (the “Group”) assesses and implements green projects (“Eligible Green Projects”) to be financed under the Green Financing Framework to ensure the investments meet the eligibility criteria and where EU Taxonomy alignment is claimed, that Taxonomy eligibility and alignment are assessed, documented, and approved based on Substantial Contribution, DNSH, Minimum Safeguards, and applicable Technical Screening Criteria, and investments are implemented according to the laws, regulations, principles stated in Section 2.0 Scope.

The Group includes Sustainability Committee, Early Detection of Risk Committee, Finance Division, Legal & Compliance Division, Business Development, and Technical Operations Team.

4.0 PRINCIPLES and PRACTICES

This step-by-step process is followed by the Group to assess and implement Eligible Green Projects. The process includes defined decision gates, minimum documentation requirements, and record retention to support internal audit and external review, and the processes is designed to align with as well as other laws, standards and regulations stated in the 2.0 Scope.

Step 1 – Identification of Potential Projects

The Group identifies potential projects that align with one or more of the Eligible Green Project categories defined in the Green Financing Framework. Each project proposed by the Group includes:

- Technical description of the project
- Expected environmental benefits, impact indicators and impacts on SDGs (e.g., CO₂ emissions avoided, renewable energy generated, energy efficiency improvements)

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- Estimated capital and/or operating expenditures
- Timeline and implementation plan
- Proposed EU Taxonomy mapping (intended environmental objective and preliminary identification of the relevant EU Taxonomy economic activity, where applicable).

Step 2 – Eligibility Assessment

The Group conducts an initial assessment to see if the project meets the defined **Eligible Green Project** categories criterion:

- Is aligned with sustainability strategy and material targets
- Contributes to climate change mitigation, climate change adaptation, or other relevant environmental objectives as per laws, regulations, principles and directives stated in 2.0 Scope
- Confirm activity mapping and intended EU Taxonomy status (eligible vs aligned), define required evidence (TSC/DNSH/Minimum Safeguards/CRVA), and prohibit Taxonomy labelling where activity mapping is not possible.

Projects that cannot be mapped to an EU Taxonomy economic activity may remain eligible under the Green Financing Framework, but shall not be labelled EU Taxonomy-eligible or EU Taxonomy-aligned.

Step 3 – Technical, Environmental & Legal Assessment

Once the proposed investment passes the initial eligibility assessment, the Group conducts a technical, environmental and legal assessment. This is a more detailed assessment and at this stage, an external technical, legal consultant can be hired for the project as and when necessary. The Group conducts the assessments to: Confirm economic activity eligibility through documented activity mapping (EU Taxonomy activity description and, where applicable, NACE code mapping) and identification of the relevant environmental objective(s); Verify Technical Screening Criteria; Conduct full DNSH assessment; Perform Climate Risk & Vulnerability Assessment and Conduct HRDD screening. As a result, the following reports are attained: EU Taxonomy Compliance Memo, DNSH Checklist, CRVA Report, HRDD Assessment Report and Risk Register.

Step 4 – The Group Approval

Following technical, environmental and legal validation, the Group formally reviews the project and assesses alignment with the eligibility criteria; credibility of environmental impact metrics; climate-related risks and mitigation considerations, reputational and regulatory implications. For Investments intended to be EU Taxonomy-aligned, the Group formally approves the EU Taxonomy Compliance Memo, including the final Taxonomy-eligible/Taxonomy-aligned determination and any conditions or remediation actions required prior to allocation.

Step 5 – Board Approval

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The Group submits one-off or periodic reports to the Board to obtain a final approval for the investment projects to be added to the Eligible Green Projects list. The Board may approve, request additional information, or reject the investment project based on the evidence provided. Board submissions shall include, at minimum, a project summary, proposed category under the Green Financing Framework, the Taxonomy-eligible/aligned conclusion (where applicable), key DNSH and climate risk findings, and any conditions for continued eligibility. Approved investment projects are added to the portfolio of Eligible Green Projects. The Board also approves the allocation of proceeds to the approved projects in the portfolio.

Step 6 – Monitoring & Ongoing Compliance

Once the funding is raised, the Group is responsible for monitoring the continued eligibility of projects, ensuring allocation of fund, tracking the use of proceeds, issuing periodic impact reports for the projects, managing any significant developments that may change project eligibility.

Net proceeds (or an amount equal to net proceeds) shall be tracked in a dedicated sub-account or sub-portfolio. Unallocated proceeds shall be temporarily placed in cash/cash equivalents or other short-term instruments in line with the Company's treasury policy. The internal tracking method and allocations shall be verified periodically by an external auditor or other independent party.

Unless otherwise is necessary, the Group reviews the project annually via:

- KPI tracking (GHG, water, waste, energy, air, noise, etc)
- Updated climate risk screening
- HRDD monitoring update
- Confirmation of continued DNSH compliance

Annual disclosure includes:

- Allocation report
- EU Taxonomy alignment % (Turnover / CapEx / OpEx)
- Impact metrics
- Climate resilience summary
- HRDD statement
- External assurance (where applicable)

Where monitoring indicates a change in EU Taxonomy eligibility/alignment status (e.g., failure of DNSH, expiry of permits, unmet TSC thresholds, unresolved Minimum Safeguards concerns, or increased unmitigated physical climate risk), the Group documents the change, initiates remediation actions, and determines whether allocation must be suspended and proceeds reallocated to other Eligible Green Projects and seek for Board approval when necessary.

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If a project fails DNSH post-approval, or breaches human rights standards or faces material climate vulnerability, the Group can suspend allocation, require remediation, remove project from Green Portfolio and Reallocate proceeds.

Appendix: Investment Eligibility Framework

Pillar 1 – Substantial Contribution

The project must:

- qualify under a defined EU Taxonomy economic activity.
- Support relevant environmental objective
- meet all Technical Screening Criteria.
- show measurable, evidence based, environmental performance (e.g., GHG reduction thresholds, energy intensity benchmarks) through EIAs, LCA, monitoring proof.

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Evidence required include Engineering specifications, Performance modelling, and, Third-party certifications (where applicable)

Pillar 2 – Do No Significant Harm (DNSH)

Each project must demonstrate it does not significantly harm the remaining five environmental objectives. DNSH Assessment shall Include:

1. Climate Change Adaptation (if mitigation project)

- Physical climate risk screening
- Resilience measures incorporated

2. Water & Marine Protection

- Water stress assessment
- Pollution control systems

3. Circular Economy

- Waste hierarchy compliance
- Resource efficiency measures
- End-of-life recyclability considerations

4. Pollution Prevention

- Air, soil, and water emissions within regulatory limits
- Hazardous materials management

5. Biodiversity & Ecosystems

- Screening for protected areas
- Environmental Impact Assessment (if required)
- No significant habitat degradation

DNSH Documentation:

- Environmental Impact Assessment (EIA) where applicable
- Permits & regulatory approvals
- Risk register
- Mitigation plan

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Projects failing DNSH criteria shall not qualify.

Pillar 3 – Climate Risk & Vulnerability Assessment (CRVA)

All projects must undergo a structured Climate Risk & Vulnerability Assessment in line with EU Taxonomy adaptation requirements.

CRVA Scope:

- 1. Physical Risk Identification**
 - Acute risks (floods, heatwaves, storms, wildfires)
 - Chronic risks (sea-level rise, temperature increase, drought)
- 2. Time Horizons**
 - Short-term (0–5 years)
 - Medium-term (5–15 years)
 - Long-term (15+ years)
- 3. Scenario Analysis**
 - At minimum, one high-emission scenario (e.g., RCP/SSP5 8.5 or equivalent)
 - One transition scenario (e.g., 1.5°C pathway)
- 4. Vulnerability Analysis**
 - Asset-level exposure
 - Operational sensitivity
 - Adaptive capacity
- 5. Adaptation Measures**
 - Engineering controls
 - Redundancy systems
 - Design modifications
 - Insurance and risk transfer

Outcome:

- Climate Resilience Statement
- Adaptation Plan (Where material physical risks are identified, the Investment shall include defined adaptation measures, responsibilities, and implementation timelines.)

Projects with unmitigated high physical risk shall not be eligible.

Pillar 4 – Minimum Safeguards & Human Rights Due Diligence (HRDD)

All investments must comply with EU Taxonomy Article 18 Minimum Safeguards.

HRDD Requirements:

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1. Human rights policy aligned with:
 - UNGPs
 - OECD Guidelines
2. Risk Identification:
 - Labour rights risks
 - Forced labour / child labour screening
 - Supply chain risk mapping
 - Land use & indigenous rights considerations
3. Due Diligence Process:
 - Risk-based supplier screening
 - ESG clauses in contracts
 - Grievance mechanisms
 - Whistleblowing channel
4. Remediation:
 - Corrective action plans
 - Supplier disengagement protocol
5. Monitoring:
 - Periodic supplier audits
 - Country risk screening

Minimum Safeguards compliance shall be evidenced through documented HRDD procedures, including risk screening results, grievance mechanism availability, remediation tracking, and escalation to the Green Financing Working Group for approval. Projects located in high-risk jurisdictions require enhanced due diligence.

Failure to meet HRDD standards results in disqualification.

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