



**KOCAER ÇELİK A.Ş.**  
**SUSTAINABLE SUPPLY CHAIN MANAGEMENT POLICY**



Kocaer Steel,

In order to define the principles for managing supply chain operations in order to maximize the profitability of the supply chain, while also minimizing its environmental impacts and maximizing its impact on social welfare;

- Takes into account environmental performance, occupational health and safety standards, human rights and working conditions in supplier selection.
- Primarily prefers local suppliers and manufacturers, as long as they are suitable for quality, economy and sustainability.
- Expects its suppliers to act in accordance with all applicable local and national laws and relevant legislation regarding the environment. Company expects suppliers to conduct their operations in a way that minimizes negative impacts on natural resources and protects the environment, customers and employees. In this context;
  - Company may request environmental data such as annual greenhouse gas emissions, waste amounts, and water footprint from its suppliers.
  - Prefers suppliers that have a strategy and road map on environmental issues to reduce greenhouse gas emissions, waste generation and water consumption, and supports its suppliers in this regard.
  - Prefers products with Life Cycle Analyzes and suppliers that produce these products.
- Expects its suppliers to comply with the Code of Ethics Policy. In this context, from suppliers;
  - Expects them to respect human rights and provide fair working conditions. Company uses effective control and monitoring mechanisms in the supply chain to protect the rights of employees, create safe and healthy working environments, and prevent child labor and forced labor.
  - Expects employees to respect the right to organize and collective bargaining stated in the law.
  - Expects them not to have anti-competitive practices and to comply with the legislation on this subject.
  - Company is extremely sensitive about not employing child labor and expects the same sensitivity from all suppliers. Expects its suppliers not to employ workers below the age limit defined in legal legislation.

- Expects all suppliers to be sensitive to this issue and not to resort to forced or compulsory labor, slavery, military service, or prison labor.
  - Expects its suppliers not to tolerate bribery and corruption in any way and to act sensitively in this regard.
- Works to increase the sustainability of the supply chain by constantly searching for new solutions and innovative approaches.
- Company is in constant communication with its suppliers. It encourages the sharing of knowledge and experience to increase the sustainability awareness of its suppliers.
- Evaluates its suppliers in terms of environmental, social and governance within the framework of the above principles. For this purpose, it adds the necessary criteria to the Supplier Evaluation System and updates it regularly.
- When selecting its suppliers, Company applies the ESG Supplier Evaluation process and determines a rating according to the Supplier Evaluation System. This degree is one of the basic conditions in supplier selection.
  - Existing suppliers are rated according to the Supplier Evaluation System at least once a year.
  - Company may request corrective action and monitor the process with suppliers who go beyond sustainable supply chain expectations, do not make efforts to compensate for nonconformities, or act incompatible with its priorities in this field. In cases where a solution cannot be found, it may suspend or terminate the business relationship.
  - The Supplier Evaluation System evaluates the performance of suppliers or the elimination of problems before re-establishing a business relationship with suppliers whose business relationship has been suspended or terminated based on their performance or detected non-conformities.
- Also expects its suppliers to comply with all relevant laws and regulations, including laws relating to business conduct, product quality, environmental standards, occupational health and safety, and labor and employment, in all countries in which they do business or from whom it purchases goods or services.
- Aims to ensure that its suppliers adhere to laws, rules and regulations. Suppliers expect the suppliers and subcontractors they work with to be knowledgeable about business practices. Reserves the right to terminate its relationships with suppliers who do not comply with these rules.

- Evaluates its suppliers according to objective criteria when choosing to work together. Aims to create mutual value in business relations with its suppliers.
- Aims to work with suppliers that respect Human Rights, do not discriminate in any way and provide equal opportunities to their employees. Suppliers must comply with applicable legislation, especially regarding working hours and overtime. Expects suppliers not to discriminate based on race, gender, nationality, age, physical disability, association membership or marital status.
- Expects its suppliers to provide a healthy and safe working environment for their employees. Suppliers must comply with all applicable health and safety legislation.
- Suppliers must respect Kocaer Steel's intellectual property rights and inform the Company when they become aware of a danger and/or violation of these rights. In this context, suppliers must cooperate with the Company to prevent and/or end a possible violation.
  - Suppliers must protect all Company information, including but not limited to all financial statements, reports, financial and legal information, brands, corporate information, inventions, work, methods, progress and patents, copyrights, brands, commercial-financial-technical secrets or any other information and documents that are or are not subject to legal protection, and all written and/or verbal commercial, financial, technical information and documents that they will learn during the relationship in question, with appropriate security measures.
  - Providing confidential information to workers, employees and consultants who need to know this information due to the nature of their work is only possible by warning their workers, subordinates and consultants about the confidentiality of the information and ensuring that these people comply with their confidentiality obligations.