

**SUPPLIER HANDBOOK**

**PURPOSE :**

The purpose of this document is to communicate CIMSATAS’s quality management systems requirements to those companies that supply raw materials, parts and services to CIMSATAS.

The goal of handbook is to develop quality processes that provide for continuous improvement, emphasizing defect prevention, the reduction of variation and scrap in the supply chain.

It applies to all critical and outsources suppliers of raw materials,parts and services.

**RESPONSIBILITIES :**

All responsibilites about this handbook belongs to Purchasing Department.

**RELATED DOCUMENTS;**

* Customer Specified Requirements
* IATF 16949:2016 Quality System
* ISO 9001:2015 Quality System
* APQP, PPAP, MSA, FMEA
* ISO/IEC 17025 Laboratuary Standart
* ISO14001
* TS ISO 45001
* ISO 27001
* ISO 50001

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| **Prepared by** |  | **Approved by** |  |
| **Purcgasing Chief** |  | **Purchasing Manager** |  |



**PURCHASING PROCESS :**

* ***Supplier Selection***

CIMSATAS requires from suppliers to complete the SupplierSurvey Form (12.00.031). In addition to these forms, also requires a copy of the Supplier’s Quality Policy, copies of the Supplier’s quality management system certifications (IATF 16949, ISO 9001, TS ISO 45001, ISO 14001), Organization Chart, typical Control Plan, quality system procedure, process flow chart. According to these knowledge, Supplier Pre-assessment Form (12.00.023) is fill by purchasing engineer. If necessary, the audit team make a pre-assessment audit for candidate supplier. Team include purchasing, quality and related departman’s competent staffs.

Audit includes five main titles. Quality system, incoming raw materials, providing raw materials and services, monitoring and measuring, occupational and environmental safety.

According to the audit results, If the supplier scores between 90 to 100 points we put in on the “ Supplier List “ (12.00.100) and we start working with supplier.

If supplier scores between 75 to 89 points, we start working but supplier is monitored. A formal response and follow-up action for all significant elements identified as necessary improvement during the audit is required on a timely basis .If suppliers complete their unsuitability, we put in on the “Supplier List “.

Scores between 50 to 74 points means suppliers are insufficient. It is given a specific time to the supplier for re-inspection.

Scores between 0 to 49 points means the supplier is not suitable to work with CIMSATAS.

* ***Approved Supplier List:***

Suppliers are classified according to product type they provide. Also their quality certificate is stated and kept up-to-date. For automotive suppliers, quality certificates are also checked at IAF MLA (https://iaf.nu/). Vendor and Service supplier are listed seperately in the list.The responsibility of evaluation and monitoring of service suppliers belongs to the related departments. The Supplier List is updated every 6 months.

Suppliers who have vital priorities for the continuation of critical customer operations and who provide production and raw materials that can not be easily transferred to another company are identified as "**Strategic Suppliers**" and are listed seperately. **Alternatives** of these suppliers are also listed.

Suppliers are that costumer-referenced included directly to the Approved Suppliers List and noted as costumer-approved.



In the Status section;

**A** : Supplier currently worked

**P** : not worked at least for one year.

If we start working with a PASSIVE supplier, product approval process proceeds with the quality instruction, TAL 077.

Suppliers are added or removed the list by considering "Supplier Performance Assesment Form"

In case of supplier merging, sharing or ocquisition suppliers are reassesed. Details documents regarding this structural change is requested from teh supplier. According to these info, if necessary, a visit to the supplier’s site is organised as a part of subsidiary Supplier Development Program.

In case of any change, the list is republished and copy is given to the Quality Department.

The list is regarded as quality record with the form number ‘‘ 12.00.100‘‘ .

* ***Supplier Quality Representatieve***

Supplier shall appoint a customer representative and inform CIMSATAS.

Expectations from Quality Representative are follows;

**1-** Storage data transferred by Purchasing department and keeps them up to date.

**2-** Informing and training related people about this handbook

**3-** Gathers info about “ Usage and Environment Aspects “ of both CIMSATAS and end user.Accordingly cooperating with Production and Quality department, detecs parameters that has to be under control, provides adaptation to control mechanism carries out continiuty of continious information exchange.

**4**- Report of shipment of "Deviated Product " to Purchasing department and their follow-up

**5-** Develop, implement, document and maintain an Advanced Product Quality Planning process to assure that product and service requirements are met.

**6**- Ensuring the implementation of Customer Specific Requeirements.

**7-** The supplier must notify Çimsataş selected new representative.

* ***Customer Specified Requirements***

Customer specified requirements shall be known and follow up by our suppliers.These requirements can easily be found at our customer’s web page and shall be applied to production process.



In this context, it’s forbidden for supplier to do any changes in model, mould etc. which are stated as “ Customer Property” and to give their sub-supplier without written approval of our customer. In addition, supplier can’t take any action in production process, measurements methods, changing lathe or subcontractors without approval by Cimsatas. These issues are also guarenteed by supplier contracts.

Suppliers should also follow the revisions of “ Supplier Handbook” and “Customer Specified Requirements” in our web site [www.cimsatas.com](http://www.cimsatas.com)

**Our Customers** :

* ZF Meiller
* Liebherr Dana
* Daimler Mercedes Benz Turk
* Evobus Hydrosar
* Claas Ege Endüstri
* Knorr-Bremse Tirsan Kardan
* Hydac Totomak
* Volvo Aksan Kardan
* Atlas Copco Hgt
* Telma Turk Traktor
* Steelwrist Hidromek
* Bonfiglioli Epiroc
* Putzmeister
* **Activating Purchasing Process**

All requests comes from Planning Department to Purchasing Department and related purchasing engineer evaluate these request, decided on proper supplier, include outsourced supplier from the Approved Supplier List and send all datas with controlled documents to the suppliers.

Outsourced Process ;

* Coating
* Painting (Electrostatic, Cataphoresis)
* Forging
* Casting
* Heat Treatment
* Machining

After receiving order comfirmation from the customer, Sales Department sends “ Inquiry File Review Form” (Form nr:13.00.36) to related department. This department rewiews practicability of prosess according to their own “Outsource Process Instructions” and sends necessary documents to the Purchasing Department.



Technical Documents includes ;

**1-** Technical Drawing, Technical Specifications, customer specified requirements ans test methods. The responsibilities of all these documents belongs to related departments.

* In case of change made on these documents, related department shall anounce with their form to purchasing department and transferred to the supplier by related purchasing engineers.

**2-** General Purchasing Specification (Form Nr :12.03.015)

* All suppliers, who supply product or provide service to CIMSATAS are obliged to conform to general purchasing obligations of CIMSATAS and CIMSATAS’s customers. In this context; purchasing agreement will be signed by supplier and subject agreement will be kept into the project file.
* **Supplier Quotations *and ordering***

Suppliers shall be submitted all quotations for new business and proposed changes to Purchasing Department and include part cost, tooling cost and delivery lead-times. Purchasing engineer evaluates these quatations and send the purchase order via the ERP system to the supplier. The order is also an agreement if otherwise not specified.

***PPAP***

Initial sample is requested in order to approve production part approval process of the supplier and also shall be produced in serial production conditions.Delivery and control conditions determined according to the Quality Instructions (TAL-077).During mass production in case of one of the below conditions takes place, all requirements of TAL-077 shall be applied again.

**1-** Changing product or service.

**2-** Changing or transferring equipments

**3-** Changing supplier

**4-** Changing test method or frequency

5- Changing raw materials

* ***Capasity Allocation***

Every beginning of the year Planning or related departments announce forcast quantity of consumption and purchasing engineer sends these forecast as estimated annual order to the **Strategic Suppliers** listed in the Aproved Supplier List (Kp.Nr.12.00.100 ). So capacity allocation is being guaranteed on behalf of CIMSATAS.

Estimated orders are converted to a precise order through the ERP system during the periods specified by Planning or the related department.



If any increase or decrease takes place in quantities, supplier shall be informed immediately.

* ***Raw Material Changing Process***:

In case of change of the “Secondary raw materials” that will affect the quality of customer parts, Purchasing Department informs the related department with “Raw Materials Change Application and Review Form”. After technical approval from related department, new raw material takes place in the inventory.

* ***Laboratory***

All dimensional, metallurgical and chemical reports shall be sent to the purchasing department for each shipment of order.

If supplier is not able to perform the specified tests, may use the Cimsataş laboratory (if available) or an accredited laboratory

***Control of Nonconforming Product***

When nonconformance is detected with products delivered to CIMSATAS, Quality Department request corrective action shall be taken in Global 8D format. Supplier shall inform Quality Department about urgent preventions to be taken. Within 5 working days CIMSATAS shall be informed of the results of the 8D activities. If corrective actions are not completed within 15 working days, supplier shall inform of the reason of incompletion and request approval for additional time.

**Product verification :**

All purchased product, raw material and outsourced process parts shall be controlled according to related Quality Instructions.(TAL -056 -061 – 066)

Test reports shall state that all tests are performed and in conformance to technical drawing and relevant specification.These documents shall control during purchasing or if necessary before the delivery in the supplier's site by related staff.

If there is a need for approval of product at the supplier site, this condition announced to supplier by e-mail and requested to be dispatched after the material has been approved by the customer.

If confirmation is requested for the customer at ÇİMSATAŞ facilities give a permission to customer.

In this case test methods are detemined according to related Quality Specifications (TAL -056 -061 – 066) .

Suppliers shall comply with all applicable governmental regulations. These regulations relate to the health and safety of the workers, environment protection, toxic and hazardous materials, and free trade. Suppliers should recognize that the applicable government regulations might include those in the country of manufacture, as well the country of sale.

A Material Safety Data Sheet (MSDS) has to be enclosed with the first delivery of and in the event of modifications to hazardous substances and auxiliary materials. These forms give to Occupational health and safety expert. Controll and storage of these forms belong to his responsibilitiy.

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* ***Accaptance of variated product***

If the product different from the specified conditions, the supplier informs the Purchasing department in writing and requests approval for deviation.

Where evaluation is proper made by ÇİMSATAŞ about deviation product , lots are shipped with special note.The Supplier shall send detailed report about the reason of the deviation to the Purchasing Department, include corrective actions they will take.

**SUPPLIER PERFORMANCE EVALUATION (SUPPLIER MONITORING):**

Supplier performance evaluation which there state in Approved Supplier Lists is made below criteria.(Form Nr: 12.00.009/ 12.00.009-1/ 12.00.009-2)

|  |  |  |  |
| --- | --- | --- | --- |
| **CRITERIA** | **SCALE** | **NOTE** | **POINT** |
| ***QUALITY PERFORMANCE*** | % RETURN PRODUCTS  NUMBER OF 8D | 70  30 | 35 |
| *OHS PERFORMANCE* | DETERMINED CRİTERİA | 100 | 10 |
| ***DELIVERY PERFORMANCE*** | 1 WEEKS BEFORE / AFTER DELIVERY | 90 |  |
| 2 WEEKS BEFORE / AFTER DELİVERY | 80 | 35 |
| 3 WEEKS BEFORE / AFTER DELIVERY | 70 |  |
| 4 WEEKS BEFORE / AFTER DELIVERY | 0 |  |
| ***COST PERFORMANCE*** | DETERMİNED RATIO + %2 , < 0 | 100 |  |
| %2,01 - %4 | 90 |  |
| 4,01% - %6 | 80 | 10 |
| %6,01 - %8 | 70 |  |
| %8 AND OVER | 0 |  |
| ***COMPARED TO PREVIOUS YEAR’S SCORE*** | CURRENT POINT >PREVIOUS POINT  CURRENT POINT = PREVIOUS POINTCURRENT POINT < PREVIOUS POINT | 100  90  70 | 10 |
|  |



Quality Performance point:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **NUMBER OF 8D** | **POINT** |  | **PPM** | **POINT** |
| 0 | 100 |  | 0-999 | 100 |
| 1 | 90 |  | 1000-4999 | 90 |
| 2 | 80 |  | 5000-9999 | 80 |
| 3 | 0 |
|  |  |  | 10000-20000 | 70 |
|  |  |  | 20000< | 0 |

**Quality performance point =** (0,3 x 8D point) + (0,7 x PPM point)

If the error stops the customer line, zero points are given.

OHS Performance Point:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **COMPLIANCE TO LEGAL LEGISLATIONS (80 PUAN)** | | **ISO 45001 OHS MANAGEMENT SYSTEM (20/100)** | | | | | **TOTAL** |
| **SUPPLIER’S PLACE (30)** | **ÇİMSATAŞ PLACE (50)** | **EVIDANCE OF ISO 45001 (4)** | **VALIDITY OF ISO 45001 DOCUMENT (4)** | **EXISTANCE OF OHS POLICY (4)** | **EVIDANCE OF INTERNAL EXAMINATION (4)** | **EMERGENCY PLAN (4)** | **OHS POINT (100)** |

According to the evaluation score, suppliers are categorized according to table given below,

|  |  |  |
| --- | --- | --- |
| **POINT** | **CATEGORY** | **EXPLANATION** |
| 100-86 | **A** | Safety of product quality and procurement are provided at a high level. |
| 85-70 | **B** | Safety of product quality and procurement are provided meet requirements |
| 69-55 | **C** | Safety of product quality and procurement shall be developed |
| 54-0 | **D** | Not suitable to work with. |

**Category A** : Primary suppliers

**Category B:** Suppliers meets requirements but since processes are expected to be continually updated and improved, Quality department make a control plan according to their related specifications (TAL -056 -061 – 066).

In addition, Purchasing Department should send e-mail to the supplier to encourage a them to promote on a higher category.



**Category** **C :** Corrective action shall be taken in 8D format. CIMSATAS gives a certain period of time to supplier to carry out the corrective actions. Technical support is also provided if needed.

If the supplier does not reach level B despite the technical support, the supplier is degraded to category D,

**Category D**: Never work with these suppliers. If suppliers are degraded from an upper group they are followed for 3 months. If there is no improvement, They are removed from the Supplier list.

The performance monitoring is carried out on a monthly basis and the general evaluation is done at the end of the year.

Ppm target for our automotive-industry suppliers is 1.000 ppm. Their performances are reported via e-mail once a year.

If any of the performance criteria of the supplier has fallen below 90 points as a result of the monthly evaluation, these suppliers are evaluated as “**Critical Supplier**” and CIMSATAS will request corrective action from Vendor, 8D format Corrective Preventive Activity from producer.If necessary,Supplier is audited. A formal response and follow-up action for all significant elements identified as necessary improvement during the audit is required on a timely basis . It is given 6 months to supplier to complete their unsuitability. If there is no improvement they are removed from the Supplier List.

Our Strategic Suppliers are also checked once a year on their detailed financial statements.

* ***Services Suppliers Evaluation***

The evaluations of the services suppliers are made by related departments according to their instructions and the responsibility belongs to the relevant departments

Annual evaluation results are sent to the Purchasing Department every end of the year and are recorded to the Purchasing Department Supplier Evaluation table.

Service suppliers are listed below acording to the related departments.

***Calibration, Control Services, Outsourced Laboratory*  :** Quality

***Maintanence Service*:** Maintanence.

***Transport*:** Sales

***Education*:** Human Resources

**SUPPLIER DEVELOPMENT PROCESS**

**Purpose :**

It is aimed to continuously improve and monitor the quality levels of the suppliers in the supplier list in a certain systematic manner.



**Application :**

Except special cases, the choice of firm (s) to be developed is done every beginning of the year with joint decision of Purchasing, Quality and related departments.

Selected criteria are listed below.

* **Critical Suppliers.**
* Suppliers have potential unfavorable situations for the future..
* Potential suppliers predicted to be prior in the future.
* Suppliers witrh performance category “ C “
* Suppliers included in Contingency Plan
* Suppliers that are candidates for ISO 9001 certification or have solid evidance to show that they match the requirements.

Every year visit date is determined by the team for targeted supplier(s) after the general performance evaluation of the Supplier. The Supplier Development Program Form (FN:12.00.026) is filled out and approved.

Audit program will be announced in writing to the supplier by the Purchasing Department at least one month in advance and the supplier audit will be carried out on the mutually agreed date.

Audit team include Purchasing, quality and related department's competetent staff.

The Supplier Process Audit Report (FN: 12.00.023), which is prepared by considering compliance with the requirements of "IATF 16949: 2016 and ISO 9001: 2015" Quality System, is used in the supplier evaluation.

The Supplier Process Audit Report is filled out in supplier site by joint decision of auditor and supllier's authorized person or the quality assurance person.

At the end of the evaluation, the given points are calculated and the Supplier Overall Score is generated.

A copy of the report results is sent to the Supplier, the other copy is sent to the Quality Department.

The Supplier Development Plan (FN: 12.00.027) is sent to the supplier with the report by auditor and its requested to make an action plan of when and how to realise.The supplier should send the action plan within one month.

This plan includes the issues to be improved, priority order and responsibilities that are need to be improved.

Depending on the type of the deficiencies, if necessary the follow-up audit time is planned.

Suppliers are evaluated in Supplier Process Audit Form (FN:12.00.023) with below points. These scores are not related to supplier performance scores.



|  |  |  |  |
| --- | --- | --- | --- |
| **SUCCESSFUL** | **PARTIALLY SUCCESSFUL** | **INSUFFİCİENT** | **NOT SUCCESSFUL** |
| 90-100 % | 75-89 % | 50-74 % | 0-49% |
|  | Follow up audit | Request 8D format Corrective Preventive Activity | Remove from supplier list |

The Supplier Development Program Form is regarded as a quality record with the form number 12.00.026

**SUPPLIER SUSTAINABILITY POLICY**

**1-PURPOSE:**

Çimsataş believes that the way we operate as institutions and individuals is based on the principle of doing the right thing.

This Supplier Sustainability Policy defines the global standards to be followed in your business activities on behalf of Çimsataş. Suppliers are expected to share Çimsataş's commitment to these standards.

**2-SCOPE:**

It covers all raw material, external labor, subcontract and service suppliers of Çimsataş and is an annex of the contracts made with the suppliers in this scope.

**3-RESPONSIBILITY:**

It belongs to all departments that do business with suppliers in scope.

**4-APPLICATION**

**4-1 Code of Conduct and Ethics**

Çimsataş conducts its business honestly and in accordance with all applicable laws and regulations. A commitment to integrity is critical to the way we do business and maintain our outstanding reputation in the communities in which we do business. Our suppliers are expected to understand and comply with Çimsataş's Code of Conduct and Ethics and to demonstrate the highest standard of honesty and ethical behavior in all their business activities.

**Human rights**

Çimsataş is committed to recognizing human rights and labor principles throughout its organization and supply chain. Çimsataş sees its employees as one of the most important resources and has adopted the principle of treating all employees with dignity and respect. All suppliers are required to comply with local laws governing the employment relationship.



**Women's rights**

Çimsataş's suppliers will respect the principle that women have the right to political, economic and social equality and to be against all kinds of discrimination and violence against women.

**Child labor**

Çimsataş's suppliers will not use child labor. The term child refers to children below the legal age for employment anywhere.

**Forced Labor, Human Trafficking**

Çimsataş believes that its suppliers should have the right to voluntarily choose whether or not to employ their employees. Supplier will not employ any form of forced or involuntary labor or tolerate physically abusive disciplinary practices.

**Diversity, equity and inclusion**

Çimsataş's suppliers will develop and promote inclusive cultures where diversity is valued and supported and where everyone can fully contribute and be showcased to their full potential. Suppliers must promote diversity at all levels of their workforce and leadership, including their senior management.

**Legal Compliance**

Çimsataş undertakes to comply with all applicable legal requirements. Suppliers are expected to comply with all applicable legal requirements and prevent events or circumstances that could result in a violation of the law. All purchased materials used in the manufacture of goods shall meet existing governmental and safety restrictions on restricted, toxic and hazardous substances, as well as environmental, electrical and electromagnetic considerations applicable to the country of manufacture and sale. All suppliers must comply with IATF 16949 or their relevant standards as amended from time to time.

**Rights of minorities and indigenous peoples**

Çimsataş's suppliers must respect the rights of local people such as adequate living conditions, education, employment and social activities.

**Privacy and Data Protection**

Çimsataş expects its suppliers to respect the privacy of all employees and other participants in the business process. Çimsataş stores the information of all its stakeholders sensitively and securely in accordance with KVKK. All information and documents pertaining to previous, current or future projects should be considered the property of the customer and protected against unauthorized access accordingly. Unauthorized disclosure of any protected information is prohibited.



**Oppression, Harassment and Discipline**

Çimsataş expects its suppliers to treat their employees with dignity and respect. Harassment, inappropriate use of discipline, discrimination, physical or mental punishment, or other forms of intimidation or abuse by Suppliers are unacceptable.

**Discrimination**

Çimsataş is committed to providing all its employees with a professional working environment, free from illegal discrimination and harassment. Suppliers must make all employment decisions based on facts and individual values. Suppliers must not discriminate in their hiring and employment practices (e.g. pay/promotion) and must comply with all employment laws.

**Prevention of Bribery and Corruption**

Çimsataş is committed to doing business ethically around the world. Çimsataş prohibits suppliers from giving or promising to give anything of value to any corporate organization or person in order to obtain or retain business. Suppliers must conduct their business with integrity and in full compliance with all applicable laws.

**Grievance Process and Retaliation Protection**

Çimsataş expects its suppliers to implement a complaints procedure ("whistleblowing policy") that includes all relevant business processes and guarantees the complainant any protection against retaliation.

**Fair Competition and Antitrust Law**

Çimsataş expects everyone involved in the business process to comply with antitrust law regulations and international agreements on fair competition.

**Conflict of Interest**

Çimsataş requires its suppliers' employees to avoid any conflict between their own interests and the interests of their companies in their relations with suppliers, customers and other third parties.

Additionally, it is also a conflict of interest for an employee to give or make available to anyone or use for his own benefit confidential information obtained during or after his employment.

**Financial responsibility (accurate records)**

Suppliers assume responsibility for accurately recording, maintaining and reporting business documents, including but not limited to financial statements, quality reports and submissions to customers or regulatory authorities, as appropriate. Books and records are expected to be kept in accordance with applicable laws and generally accepted accounting principles.



**Disclosure of information**

Çimsataş's suppliers assume a company's responsibility to disclose financial and non-financial information in accordance with applicable regulations and applicable industry practices and, where appropriate, publish information regarding workforce, health and safety practices, environmental practices, business activities, performance, financial condition.

**Fake parts**

Suppliers will fulfill the requirement that companies develop, implement and maintain methods and processes appropriate to their products and services in order to minimize the risk of counterfeit parts and materials entering deliverable products. Partners are also expected to establish effective processes to detect counterfeit parts and materials and, if detected, to quarantine the materials and notify the Original Equipment Manufacturer (OEM) customer and/or law enforcement as appropriate. Finally, companies are expected to certify that all sales to non-OEM customers comply with local laws and that the products sold will be used legally.

**Export controls and economic sanctions**

Suppliers will comply with applicable restrictions on trade involving particular countries, regions, companies or organizations and individuals, as well as restrictions on the export or re-export of goods, software, services and technology.

**Blocking the Flow of Funds to Armed Groups and Conflicts**

Çimsataş strives, wherever possible, to use components that, in principle, contain only raw materials from verified sources to extract, transport, trade, process and export. We ask our suppliers to source responsibly and seek to understand that the sourcing of their materials does not directly or indirectly fund conflict and human rights violations. (Conflict Minerals)

**4-2 Environmental sustainability**

Çimsataş adopts the definition of Sustainability as "meeting today's needs without compromising the ability of future generations to meet their own needs". This means being aware of our influences and understanding how they affect the world around us. Our mission is to reduce these impacts while increasing the profitability and longevity of our company.

Çimsataş expects its suppliers to support Çimsataş's sustainability mission by complying with all applicable environmental laws, rules and regulations while using resources wisely. Suppliers are expected to share Çimsataş's commitments by developing and implementing a sustainability program that focuses on using natural resources responsibly, reducing water use, reducing waste generation, preventing air pollution, increasing energy efficiency and reducing the carbon footprint of their operations. Çimsataş expects its suppliers to practice responsible management in terms of purchasing, use and transportation.



**Environmental health and occupational safety**

Çimsataş is committed to complying with all applicable environmental, health and occupational safety legal requirements and protecting the environment. Suppliers are expected to comply with all applicable environmental, health and occupational safety legal requirements and to prevent events or conditions that could result in a violation of the law or otherwise endanger the environment.

Suppliers must provide a safe and healthy working environment for every employee. Each supplier has the responsibility to provide a safe and healthy workplace for all employees by complying with health and safety rules and practices as set out in the Environmental, Health and Occupational Safety Policy and by reporting accidents, injuries and unsafe equipment, practices or conditions.

**Decarbonization**

Çimsataş's suppliers are committed to contributing to the reduction of greenhouse gas emissions arising from the company's value chain.

**Reuse and recycling**

To reduce waste, suppliers will create processes to use existing materials or products as-is or turn a product into a raw material that can be reused, such as recycling.

**Biodiversity, land use and deforestation**

Çimsataş's suppliers will be active in the maintenance of ecosystems so that flora and fauna are not lost and natural habitats are not damaged irreparably.

**Land, forest and water rights and forced evictions**

Suppliers undertake to refrain from forced evictions and deprivations of lands, forests and waters in the course of acquisition, development or other use of lands, forests and waters.

**Soil quality**

Suppliers will determine the condition of the soil in their area of ​​responsibility and establish measures to maintain and improve soil quality.

**4-3 Social Sustainability**

**Noise emissions**

Çimsataş's suppliers will determine the release of noise into the environment from various sources, which can be grouped as follows: transportation activities, industrial activities and normal daily activities. They will create measures to improve noise emissions.



**Freedom of Association and Collective Bargaining**

Suppliers must respect their employees' rights to join or not to join a union or to accept employee representation in accordance with local laws. Suppliers are expected to maintain constructive dialogue and negotiate in good faith with such representatives.

**Wages and Hours, Working Conditions**

Suppliers must comply with all applicable wage and hour laws, including minimum wage, overtime, maximum shift rules, meal periods.

**5-Application of Sustainability Standards in the Supply Chain**

Çimsataş expects its suppliers and all subcontractors to comply with the requirements of this Supplier Sustainability Policy, including identifying risks in their supply chains and taking appropriate measures to address them. Çimsataş's suppliers will implement sustainability requirements for their own supply base in accordance with the content of this policy.

**Right to Audit and Ensure Compliance**

Çimsataş reserves the right to conduct audits to ensure compliance with these requirements and also reserves the right to take appropriate measures, including discontinuation of any relationship with the supplier, if the supplier violates, fails to correct or has a habit of violating this Policy.

**APPROVAL AND RESPONSIBILITY**

Supplier Process Audit Report enters into force after approval by Purchasing Manager and Quality Manager.

Document preparation, application and keeping it up to date are reponsibility of ÇİMSATAS, eliminating to deficiencies and to keeping them under control belongs to our suppliers.