



# SUSTAINABLE SUPPLY POLICY



October 2024  
version 2



**EGG**  
**KiMYA**

# A - OBJECTIVE & SCOPE

Ege Kimya is the intermediate chemicals supplier to more than 15 industries such as the detergent, ceramic, construction chemicals, rubber, vehicle tires, agriculture, paint, textile, paper and battery chemicals with more than half a century of experience and a wide product-range. Ege Kimya has become a preferred company within the global supply chain thanks to our customer oriented and responsible management philosophy.

Ege Kimya believes in supporting sustainable development as an important aspect of its added value. To this end, Ege Kimya supports the Sustainable Development Goals of the United Nations, in particular SDG3- Good Health & Well-Being, SDG6- Clean Water and Sanitation, SDG8- Decent Work and Economic Growth, SDG9- Industry, Innovation and Infrastructure, SDG12- Responsible Consumption and Production, and SDG13- Climate Action.

As a responsible manufacturer, Ege Kimya aims at creating a sustainable value chain throughout the overall life cycle of its products. Procurement processes constitute one of the main phases of this value chain. Ege Kimya adopts Sustainable and Responsible Procurement principle for its procurement processes. Sustainable Procurement is about using procurement and working with our supply chain to address social, economic and environmental considerations as well as risks and opportunities over the entire life cycle in ways which offer real long-term benefits to the economy, to communities, and to the environment. Ege Kimya focuses on assuring the goods and services purchased are manufactured, transported, used and disposed of in an environmentally and socially responsible manner and in compliance with globally accepted principles of business ethics and human rights, and convey a long-term economic value for Ege Kimya and its customers.

Sustainable Procurement Policy defines the main principles which Ege Kimya expects to be implemented in all product and service purchases by its employees responsible for such processes. To achieve this, Ege Kimya requires all employees to comply with the principles defined in this Policy in addition to the applicable laws and legal regulations. Sustainable Procurement Policy is binding in entirety for all product and service procurement activities of Ege Kimya and for all managers involved in such activities.

# B - SUSTAINABLE PROCUREMENT PRINCIPLES

## B.1 Compliance, Business Ethics, Transparency and Accountability

1. As in all process, Ege Kimya complies with all laws and regulations applicable to product and service procurement processes within the countries where such procurement activities are performed.
2. Ege Kimya works with product and service suppliers which hold all required permits and registries regarding their products and services and comply with the internationally accepted main business norms and industrial principles in addition to the applicable laws and regulations.
3. Ege Kimya observes compliance with UN Global Compact Principle No.10, UN Universal Declaration of Human Rights principles and ILO Conventions regulating professional life.
4. Ege Kimya considers the transparency, accountability and commitment to business ethics of its suppliers as essential prerequisites to build a permanent business relationship.
5. Ege Kimya takes required precautions to avoid any conflict of interest in professional relations with its suppliers.
6. Ege Kimya acts in line with ethical principles in commercial transactions conducted with the suppliers; to this end, Ege Kimya employees shall not offer or accept any illegal payments, grants, bribes, gifts or any other improper benefits to make or obtain any favors. Employees shall not offer or accept any travel, accommodation, hospitality or similar benefits which cannot be proved to be made for business reasons only.
7. Ege Kimya observes compliance with the provisions of anti-bribery and anti-corruption laws and regulations applicable in the countries of operation regarding procurement activities, including USA Foreign Corrupt Activities Act and UK Anti-Bribery Act.
8. Ege Kimya pays utmost attention to intellectual property rights, trade secrets, personal data and other similar specific, restrictive and sensitive data and/or information and confidentiality thereof in procurement processes and supplier relations.
9. Ege Kimya takes necessary measures to ensure accurate and systematic recording of operational transactions of procurement activities.
10. Ege Kimya supports fair competition in procurement operations.
11. Ege Kimya cannot use any product, material or equipment supplier located in any country subject to the economic sanctions of United Nations, USA or EU or acting on behalf of the natural or legal persons residing in the aforementioned countries or included in the lists of restricted or prohibited persons issued by the United Nations, USA or EU or by the manufacturing country or the country of origin or the destination country of such cargo.
12. Ege Kimya acts in compliance with applicable laws and regulations and principles regarding anti-money laundering and laundering of proceeds of crime and does not get involved in such engagements under any circumstances or level during execution of its procurement activities.



## B.2 Workplace Practices, Employee and Human Rights

1. Ege Kimya never becomes a party to violation of universally accepted human rights during performance of its procurement activities and expects its suppliers to adopt the same behavioral norms.
2. Ege Kimya prevents use of child labor in its supply chain. Ege Kimya expects its suppliers to refrain from employing individuals younger than 18 years of age, even though a younger age is allowed in the laws applicable thereto, and to adopt this principle in their supply chains as well.
3. Ege Kimya does not tolerate any employment practices in its supply chain defined as modern slavery, forced labor or involuntary labor by the United Nations. As an extension of this principle, the company does not employ prisoners or convicts, illegal or unregistered immigrants in its supply chain and does not carry out or get involved in any practice ignoring and/or encouraging human trafficking activities.
4. Unregistered workers (i.e. individuals not registered to the social security system in applicable countries) cannot be employed in Ege Kimya's supply chain under any circumstances.
5. Compliance with the regulatory requirements regarding minimum wage, overtime payments, working hours and break periods during work hours are complied with in Ege Kimya's supply chain. Industrial practices are expected to be followed in cases where such practices stipulate more strict restrictions than the applicable legal regulations.
6. Ege Kimya does not tolerate any discrimination in its supply chain based on race, gender, age, nationality, religion, sexual orientation, marital status, disability and similar aspects.
7. Psychological, sexual or physical harassment, pressure, violence and/or mobbing are also not tolerated.
8. Ege Kimya expects the right to organize and to form or join unions in line with the applicable laws to be respected in its supply chain.
9. Ege Kimya ensures that occupational health and safety risks are minimized and necessary precautions are taken accordingly in its supply chain.
10. Ege Kimya ensures compliance with relevant company policies and regulations for procurement of rare earths and cobalt in particular which carry the risk to be unearthed within conflict regions.
11. Ege Kimya prioritizes employee and public health and safety during performance of its procurement activities, complies with the rules for safe supply, logistics and use of chemicals and ensures compliance with directives stipulating appropriate classification and labeling and (where applicable) registration of chemicals, such as REACH. The company requests Material Safety Data Sheets of purchased materials from respective manufacturers and keeps records thereof.

### **B.3 Climate and Environment Protection**

1. Ege Kimya determines the intrinsic opportunities and risks through systematic methods and manages the actual and potential impacts on climate change and environmental protection as well as financial and operational impacts of its procurement activities.
2. Ege Kimya expects its suppliers to take the necessary managerial and operational measures regarding climate and environmental protection; to comply with the relevant applicable laws and regulations and with the standards of internationally accepted systems, particularly with ISO 14001 Environment Management System; and to act in accordance with the principle of continuous improvement regarding their activities.
3. In its procurement decisions, Ege Kimya prioritizes climate-and environment-friendly products, technologies and systems with reduced greenhouse gas emissions, wastes, water consumption levels and other similar negative impacts as compared with their comparables; supporting circular economy, the use of renewable energy, recycling and similar practices; which have Environmental Product Declarations and for which a Life Cycle Analysis has been performed.
4. Ege Kimya annually calculates the greenhouse gas emissions arising from its procurement activities and also expects its suppliers to provide reliable data in this regard.
5. Ege Kimya also considers the climate and environmental impact factors during the logistic processes of its procurement activities.

### **B.4 Quality and Responsible Care**

1. Ege Kimya pays attention to acting in accordance with the applicable internationally accepted system standards, including ISO standards, and expected product/process quality norms.
2. Ege Kimya is a signatory of Responsible Care Global Charter and has been implemented for long years the sustainable development principles set forth therein. The company supports implementation of Responsible Care initiatives in its value chain (as long as its areas of activity are compatible) and/or other similar initiatives compatible with its areas of activity.

## C - SUPPLIER AND PRODUCT SELECTION, MONITORING, DEVELOPMENT AND REPORTING

1. Ege Kimya considers social, economic and environmental sustainability criteria in its supplier and selection criteria, as well as criteria such as quality, work and product norms, price and delivery time.
2. In procurement activities, Ege Kimya considers, in line with "overall cost" principle and in addition to the product unit costs, the climate and environmental impact costs potentially arising from individual procurements and from consumption of the purchased product and/or service.
3. Ege Kimya expects its suppliers to act in accordance with the Supplier Code of Conduct.
4. In supplier selection processes, Ege Kimya performs a comprehensive risk assessment covering sustainability priorities, including country, product, supplier type and commercial criteria.
5. Suppliers' sustainability practices are monitored via Supplier Self Assessment reporting.
6. Sustainability practices and performances of suppliers with high risk classes according to the predetermined risk categories are audited either directly by Ege Kimya or by independent auditors. Suppliers are offered with improvement plans in line with the audit findings and implementation of such plans within agreed timeframes are monitored.
7. Suppliers which have failed to comply with the Supplier Code of Conduct, with Supplier Improvement Plans and other norms expected therefrom are initially warned; procurement activities are suspended in case the failure conditions prevail until the end of the agreed remedy period. Procurement engagements with suppliers insisting on such behavior are cancelled.
8. Business relations with suppliers which are determined to have acted fundamentally in contradiction with Ege Kimya's corporate policies and principles, including those related with bribery, corruption, human trafficking, money laundering, human rights, are immediately ceased. Such entities, including their subsidiaries or shell companies established by the shareholders thereof with the purpose of escaping from such restrictions are included in the relevant black lists to ensure prevention of any further procurement therefrom in the future.
9. Ege Kimya implements programs and initiatives supporting adoption and implementation by its suppliers of sustainability policies and practices and of Improvement Plans, compliance with Suppliers Code of Conduct, also encouraging and recognizing the successful suppliers.
10. All Ege Kimya employees, particularly those responsible for Procurement processes are expected to monitor and report the performed activities in terms of compliance hereto. Ege Kimya employees should focus on improving their performance regarding compliance with this Policy.
11. Necessary information and training enabling Ege Kimya employees to properly and entirely fulfill the requirements hereof must be provided.

## D - REPORTING

1. All Ege Kimya employees and stakeholders must promptly report, subject to confidentiality principles, the actual or suspected or potential violations of this Policy by sending an e-mail to [sustainability@egekimya.com](mailto:sustainability@egekimya.com), available under "Contact" tag in corporate website.
2. Reports made by employees and external stakeholders in line with principles of integrity and goodwill shall not negatively effect their existing business relations with Ege Kimya and no acts of retaliation shall be undertaken against such reporters.

## E - IMPLEMENTATION RESPONSIBILITY

1. This Policy is created by Ege Kimya Sustainability Committee and entered into effect upon approval of CEO and company Board of Directors.
2. Ege Kimya Sustainability Committee is responsible for ensuring implementation of all items listed herein by company employees and of monitoring of such implementation.
3. This Policy shall be reviewed by Ege Kimya Sustainability Committee at least biennially and ad-hoc reviews can also be made in cases where required by the Board of Directors. In case of significant changes in company structure and/or business strategies which may affect this Policy, content hereof shall be revised accordingly to reflect the recent changes.

## F - COMMUNICATION

Questions, suggestions and/or complaints can be sent to [sustainability@egekimya.com.tr](mailto:sustainability@egekimya.com.tr)





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