

SARKUYSAN 2022 SUSTAINABILITY REPORT

We work for a better future





We respect the future of our children, grandchildren, and all people. We do not endanger the natural resources and we protect our environment; hence, we contribute to sustainable development. We spare no effort in protecting our future from the risk of depletion of natural resources and ensuring sustainable development as part of our respect for the environment.



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**PART I -
INTRODUCTION**



ABOUT THE REPORT

This report herein reflects the economic, environmental, and social performance of SARKUYSAN in 2022 and is the first of our sustainability reports, through which we enable our stakeholders to evaluate our impacts due to our activities and the measurement, monitoring and rehabilitation steps we have been taking as part of management of these impacts.

SCOPE

The information provided in this report herein covers the activities of SARKUYSAN between January 1, 2022 - December 31, 2022. We explain the limitations of reporting regarding the material topics as well as the restrictions regarding reporting in the Strategy and Management section of this report in addition to identifying the contents of the report.

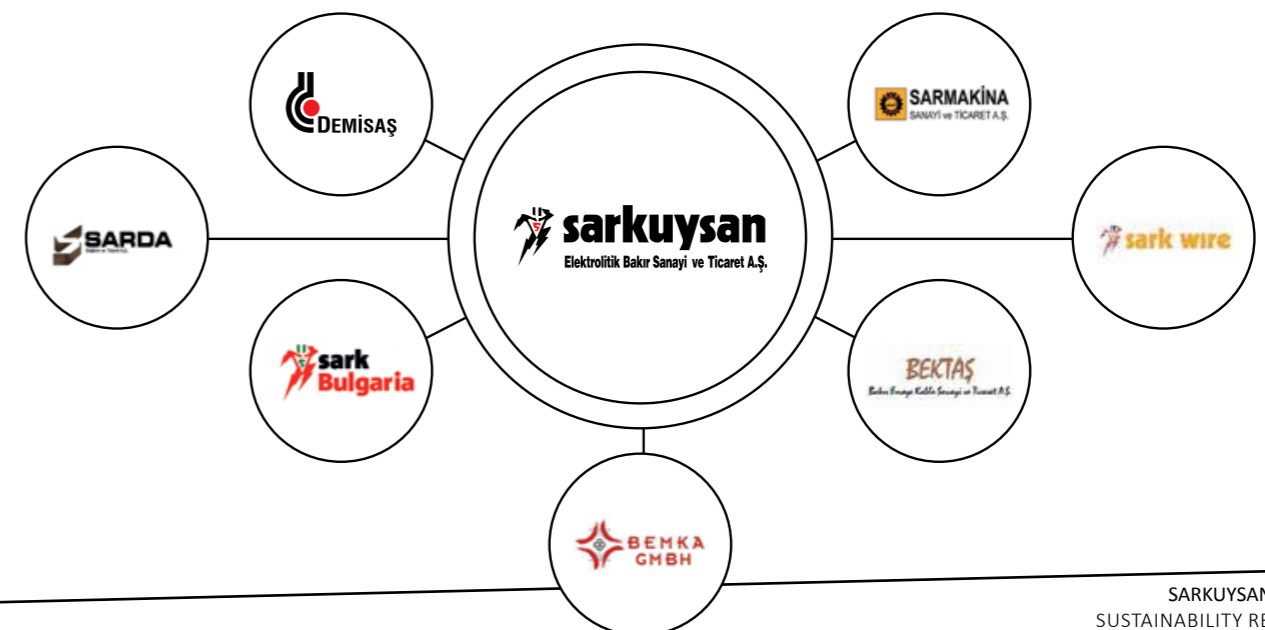
PRINCIPLES

We prepared our Report in compliance with the “Core” option of GRI Standards. While identifying our strategic sustainability topics, we considered the Environmental and Social Sustainability Performance Standards established to evaluate and manage the principles of the UN Global Compact in addition to GRI principles of materiality, stakeholder inclusiveness, sustainability context and integrity.

We collected the opinions of our internal and external stakeholders via a stakeholder analysis that we conducted in accordance with the AccountAbility AA1000SE Standard in order to define the focus areas of the report. These opinions contributed significantly to the identification of strategic material areas.

THE NEXT REPORT

We will publish the second of our sustainability reports, which we will publish annually as of 2023, in the second half of 2024.



MESSAGE FROM THE CHAIRMAN



HAYRETTİN ÇAYCI
Chairman

“We do not inherit the earth from our ancestors, we borrow it from our children.”

The concept of "Sustainability", which is a material issue of today and the future, was defined with a wonderful saying of a Native American that will never get old;

“We do not inherit the earth from our ancestors, we borrow it from our children.”

This philosophical view expresses meeting economic and social requirements of today without compromising the resources of future generations and damaging the environment. Thus;

Economic development should be a component of sustainable development, avoid consuming non-substitutable resources as part of responsible consumption and damaging the ecological system and prevent social injustice. It is essential that each individual making up the society should have equal rights in accessing natural resources, the generation of today as well as the future should be able to benefit from the same resources and no activities/operations should have an impact on the soil, air or water considering environmental integrity.

Being a public, aggregate, professionally managed organization, Sarkuysan has always been aware of its social and environmental responsibilities and has set an example with its activities on what we today call sustainability.

We encouraged unionization, which is a democratic right of our employees, even before we began manufacturing, and have been a pioneer in employee-employer-union relations with almost half a century of experience. We put utmost attention into the health, occupational and employment safety of our employees, while we keep contributing to their professional, personal, and social developments through continuous training and social events.

Sarkuysan attaches great significance to establishing good relations with its social environment and carries out social projects that improve the quality of life. Thus, our Company built an elementary school and a high school and donated them to the Ministry of National Education. Every year, we award non-refundable scholarships to the children of our employees as well as the students of Sarkuysan High school who graduate with high honors.

Moreover, scholarships are awarded to successful university students from the fund created by our employees with their own resources. We also built a

mosque, which was a significant requirement in the region, in the form of an Ottoman social complex and donated it to the Directorate of Religious Affairs. Our Turkish Music choir and folk-dance ensemble consisting of our personnel gives concerts to the locals. We have been allocating a promotional budget to the purchase of medical equipment immediately required by a healthcare institution for about 30 years.

All our operations are certified by national and international standards. In that sense, we are certified with TS EN ISO 9001 and IATF 16949 Quality, ISO 14001 Environment, ISO 45001 Occupational Health and Safety, ISO 50001 Energy Management System.

We use state-of-the-art technologies in our company's environmental investments and high amounts have been invested in this matter. This has always been a material issue in our organization. The results we achieved and the attention and care we attach are deemed worthy of various awards as a result of the assessments of professional organizations as well as NGOs.

Our R&D Center works on innovate and advanced technologies for new products, and efficiency is increased through process improvements.

To sum up, we put efforts with the awareness of our responsibility into leaving a habitable Earth to our children in line with our sustainability strategy that we have adopted as a business model. I would like to thank all our stakeholders, particularly our employees, who supported us in this journey.

In the upcoming period, we will include further details under subtopics.

Yours faithfully,

HAYRETTİN ÇAYCI
Chairman

SUSTAINABILITY MESSAGE FROM THE CEO



SEVGÜR ARSLANPAY
CEO

We adopt the principle of sustainability in all our operational processes and achieve production without consuming the future.

Sarkuysan, a distinguished organization in our industry that has completed its 50th anniversary and the first and an exemplary company with its public, aggregate, professionally managed structure, maintains this mission with its corporate sustainability goals and practices. In all our operational processes, we adopt the principle of sustainability considering main topics, i.e., environmental values, ethical values, social responsibility, fair, efficient, and effective management, and we achieve production without consuming the future. Therefore, we focus on environmentally friendly production methods and technologies. Thus, sustainability becomes an integral part of our corporate culture and operational processes.

In management, all subtopics such as diversity, gender mainstreaming, fair work environment, positive communication and dialogue, ethical rules, professional and social development of employees, employee health, motivation enhancing and encouraging systems, and reduction of carbon emissions and waste, efficient use of energy and water in production are in continuous and dynamic development in line with our sustainability principle.

All of our employees work with a holistic responsibility and enthusiasm in line with these principles and with the awareness of carrying our organization to the future in line with sustainability.

The products produced for renewable and clean energy, which the sector in which we operate contributes to the sustainability of our world, are also significant factors of responsibility and motivation for us.

Yours faithfully,

SEVGÜR ARSLANPAY
CEO



PART II
CORPORATE
GOVERNANCE

SARKUYSAN IN FIGURES

The Company has a significant place in the country's industrialization history as it is the first successful publicly traded and aggregate company. The Company, which produces electrolytic copper products, copper tubes and copper busbars over an area exceeding 200,000 m² in the Gebze, Tuzla and Darica regions, with an indoor area of approximately 90,000 m², increased its initial capacity of 10,000 tons/year to over 220,000 tons/year and became a global company.

The products are used as standard inputs in electro-technical, electronics, motor, communication, electricity generation and distribution, solar power, household appliances, measuring devices, defense, automotive, chemicals, construction, heating ventilation and sanitary installation sectors. All our operations are certified by national and international standards. In that sense, we are certified with TS EN ISO 9001 and IATF 16949 Quality, ISO 14001 Environment, ISO 45001 Occupational Health and Safety, ISO 50001 Energy Management System and Sarkuysan, which uses the "sks" brand on its products, meets a substantial part of the domestic demand while exporting approximately half of its production portfolio to more than 70 countries on 5 continents. Today, a significant number of the cars and commercial vehicles produced in Europe use Sarkuysan wires. The Company has been providing oxygen-free and nickel-plated copper wires to the suppliers of NASA in the USA for years as well as the aircraft manufacturers lately.

Having approximately 2,000 employees in total, about 90% of the personnel of our group of companies working in the production units have either vocational school or high school degrees, and they are included in the in-house and outsourced training programs every year.

Our country's economy endured a quite unsteady and inflationary year due to the developments beginning and ongoing with the global pandemic. Like all other countries, inflation increased in our country as well and negatively affected the economies. Despite the challenges, our country's economy completed 2022 with a positive growth with the measures taken, although it was under the targeted economic growth. In 2022, our total assets reached 8,699,750,000 TL with a year-on-year increase of 51.54%.



over an area exceeding **200,000 m²** with an indoor area of nearly **90,000 m²**



the production capacity, today, is **220,000** tons a year



export to more than **70** countries on **5** continents



near **2,000** personnel for a global-scale production



total assets reach **8,699,750,000 TL** with a year-on-year increase of **51.54%**



In 2022, our total assets reached 8,699,750,000 TL with a year-on-year increase of 51.54%.

MILESTONES



1972

Sarkuysan founded

1975

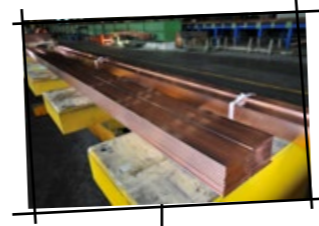
Manufacturing begins

1978

Tin plated wire production begins

1979

Sarda founded
Bektaş founded
Anode casting capacity increased



1980

Export begins

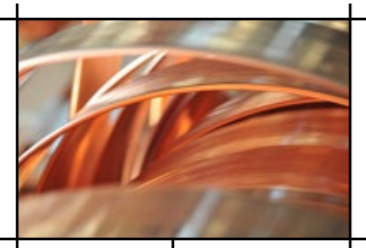
1986

Listed in the Stock Exchange
Sarkuysan High School opened
Sarkuysan Sports Club founded



1987

Southwire casting plant established



1990

R&D activities begin
Multi-wire production begins

1991

Sar Makina founded

1996

Production information system put into use

1997

Cogeneration plant established

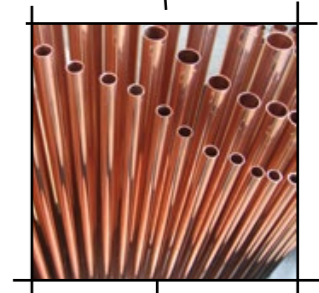


1998

Contiroad casting plant established
Tube manufacturing begins
Nickel plated wire production begins

2001

Sarkuysan Italia founded



2002

Sark-USA founded

2008

Sark-Wire's Albany factory established

2009

Sarkuysan Elementary School opened



2014

Production of PV ribbon wires for solar energy systems begins

2015

Sark-Wire's Georgia factory established
Nitrogen production plant established



2016

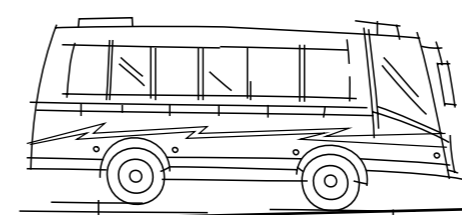
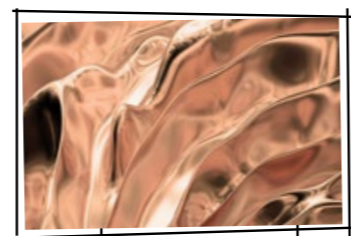
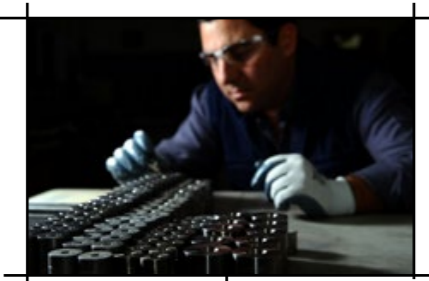
Sark Bulgaria founded
SAP/ERP system put into use

2018

R&D Center certificate received

2019

Sark Bulgaria begins production



VISION

To achieve customer satisfaction-oriented, environmentally friendly, high-quality, competitive and innovative production with principle of sustainability as a global company in the electrolytic copper industry.

MISSION

To maintain our prestigious position in Türkiye and worldwide, provide benefit to our country, partners, employees and customers and create social value through the social responsibility projects accomplished with the responsibility of serving as a model and being a public, aggregate, professionally managed and successful corporation in Türkiye.

VALUES

Respect, Trust, and Loyalty

We have an open and long-term relationship with our employees based on mutual trust, respect and success. Quality, health, safety and commitment to the environment are among our goals.

Creating Value and Team Spirit

We achieve together; we believe in the power of achieving together. We share know-how and experience, adopt a solution-oriented approach, trust ourselves and each other, appreciate and celebrate, accept our differences, and work and succeed together in line with our goal to create added value.

Openness, Honesty, and Transparency

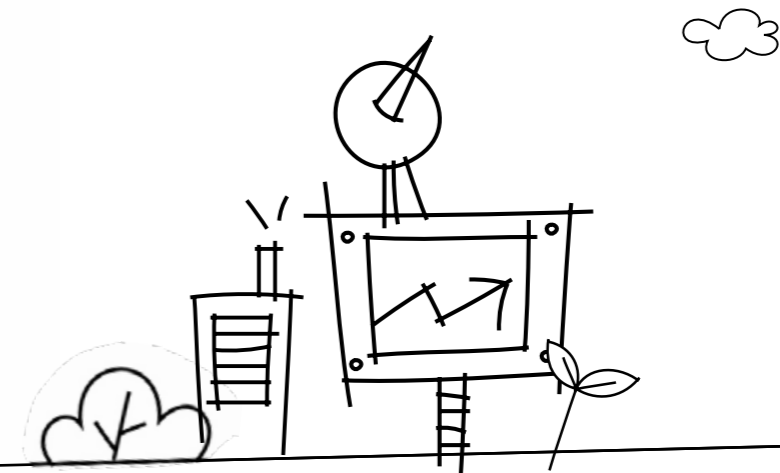
We fully comply with the relevant laws and regulations and globally recognized ethical values in all our operations. We attach significance to acting transparently regarding the decisions and operations that affect the environment, society, and economy, and to having honest and clear communication with stakeholders. Since the day we were founded, we have adopted a corporate governance approach with the principle of being transparent and accountable in all our operations.

Being Innovative and Open to Development

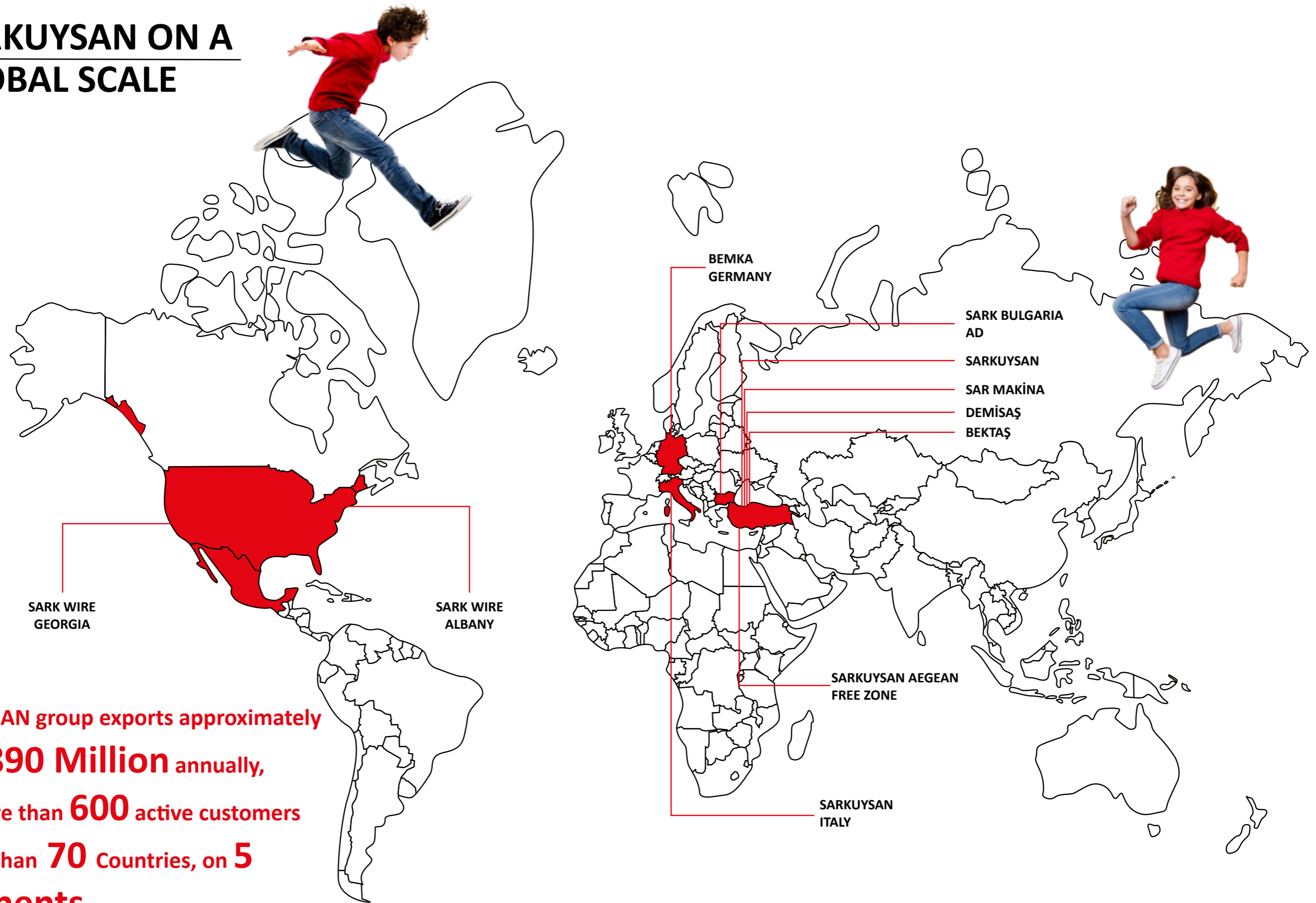
The principles of innovation and continuous development are among our main goals. We consider the training and personal development of our employees an integral part of our Company culture; thus, we try to create a participatory Company culture and environment where they can reveal their potential.

Responsibility and Sustainability

Being aware of our responsibilities in managing all stages of our operations, we act in compliance with corporate sustainability mentality, which is aware of economic, environmental, and social responsibilities towards internal and external stakeholders.



SARKUYSAN ON A GLOBAL SCALE



SARKUYSAN group exports approximately **US\$ 890 Million** annually, with more than **600** active customers in more than **70** countries, on **5** continents...

EXPORT - IMPORT



SARKUYSAN, imports nearly US\$ 1 billion of raw materials annually from various countries.

- Sarkuysan Exports
- Sarkuysan Imports

ACHIEVEMENTS & AWARDS

ECONOMIC PERFORMANCE

Pioneering the innovations in the industry while being a public aggregate with its professional management structure, Sarkuysan has reached a strong position as the leader of the industry in Türkiye as well as becoming a prestigious and recognized company worldwide.

Our company, which embraces the responsibility of being a public company at the highest level, works in full coordination with our Investor Relations Unit and our Financial Reporting Unit in order to fulfill our obligations in the capital markets without any disruption, and thanks to this coordinated works, we keep raising the bar for our Governance standards to higher levels every year.

Listed on Borsa Istanbul under the code SARKY, shares of our Company have displayed a performance above the index throughout the years.

Sarkuysan Credit Rating Score

JCR Eurasia AA- (tr) (Stable Outlook)



Our company is granted awards by governmental authorities and non-governmental organizations for its industrial, commercial, and social activities and investments. In 2022, Sarkuysan was granted an award in the category of Industrial Companies with the highest export figures at the COMPANIES ADDING VALUE TO KOCAELI awards, which was organized under the coordination of the Ministry of Industry and Technology.

Our Company was presented a plaque of appreciation by the Turkish Exporters Assembly for our outstanding contributions to the Turkish Economy and the industry in the period of 2018-2022.



The Electrical and Electronics Exporters Association granted our Company an honorary award for the "ELECTRICAL-ELECTRONICS SECTOR IN TURKIYE 2022."



CORPORATE GOVERNANCE & SUSTAINABILITY

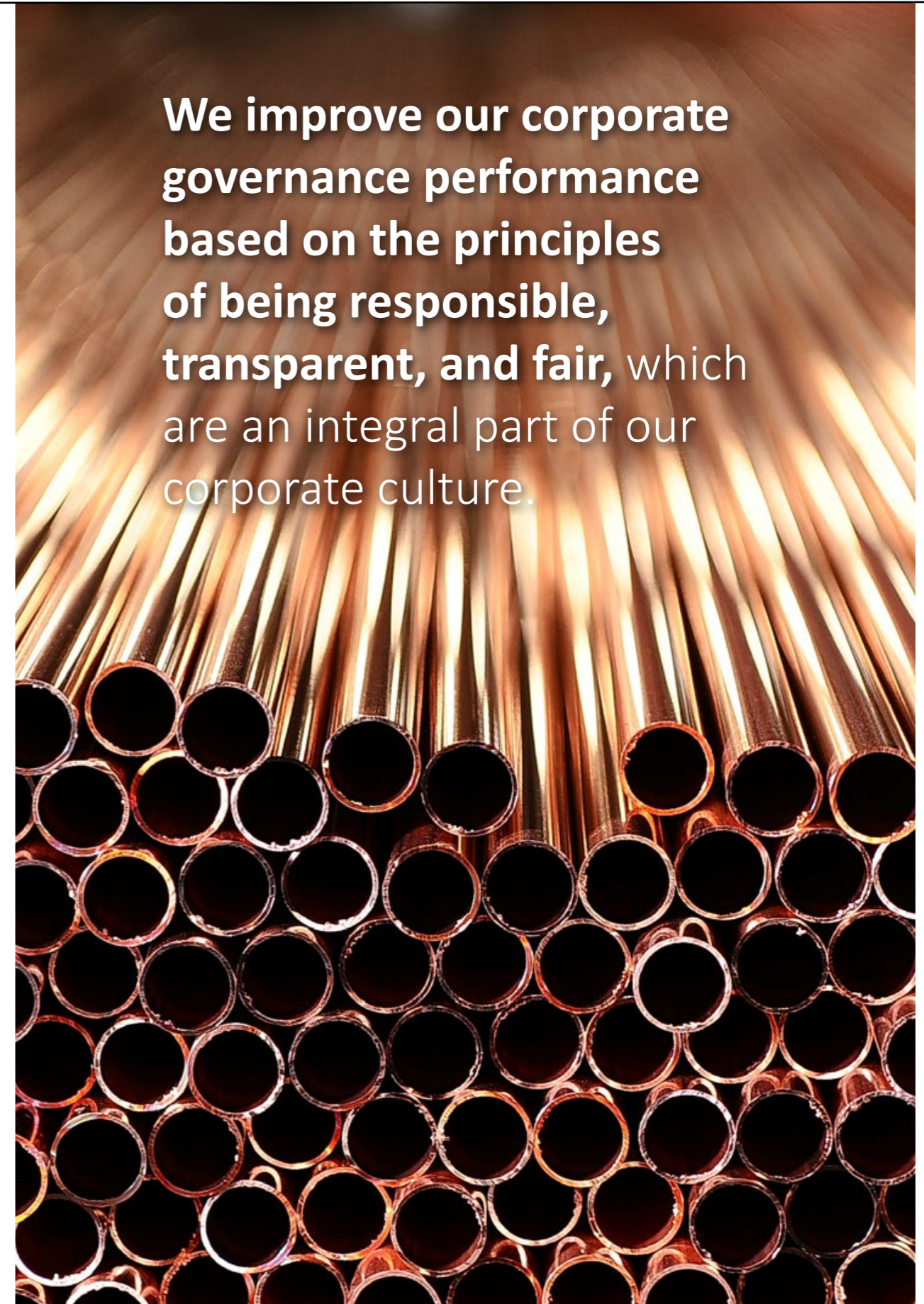
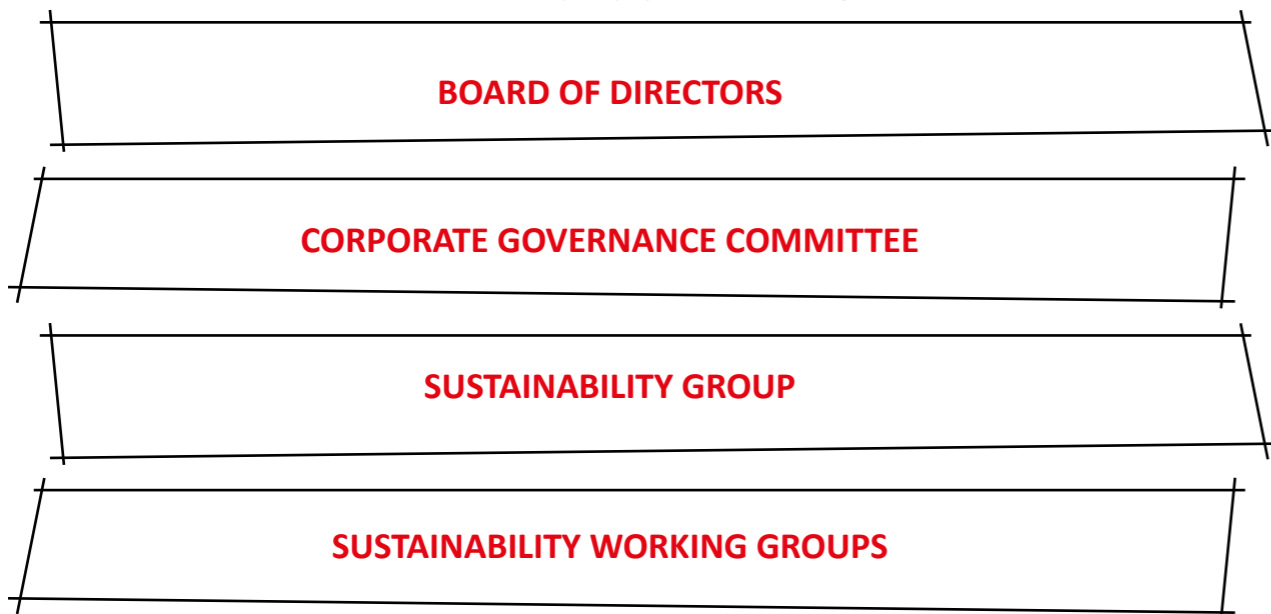
We strengthen our achievements with corporate governance practices and create added value for our stakeholders.

Sarkuysan adopts a corporate governance approach developed in line with the principles of transparency and accountability. As the sole 100% public company in Türkiye, the related practices of Sarkuysan are managed in compliance with the Corporate Governance Principles of the Capital Markets Board. Please check out the Corporate Governance Principles Compliance Report presented in the Sarkuysan Annual Report 2022 or on www.sarkuysan.com. The Board of Directors of Sarkuysan consists of 14 members and is appointed in compliance with the Corporate Governance Principles. The majority of the members of the Board consist of non-executive members. The Chair and CEO positions are served by separate people. Five independent members serve on the Board of Directors in compliance with the independence criteria stipulated in the Capital Markets Board Corporate Governance Principles. A Corporate Governance Committee, an Audit Committee and an Early Risk Detection Committee serve under the Board. Please check out further details about the structure and operating principles of the Board of Directors and the committees in Sarkuysan in our Annual Report 2022 and on our website.

SUSTAINABILITY MANAGEMENT

As part of our sustainability policy, we consider the sustainability approach as an essential part of the corporate culture and integrate this approach into decision-making, implementation, and ways of doing business of individuals, teams and stakeholders with products and services. The Board of Directors is responsible for making strategic decisions for Sustainability Management, as well as any other areas.

Sustainability Management in Sarkuysan is represented by the 'Sustainability Group,' which consists of working group executives gathered as part of sustainability priorities and led by the Deputy Managing Director in charge of Financial Affairs and presents the progress of its activities to the 'Corporate Governance Committee'. The purpose of the Sustainability Group is to evaluate economic, social, and environmental risks and opportunities that may have an impact on the assets and commercial activities of Sarkuysan, to follow and analyze relevant sustainability issues, to identify the sustainability strategy and to carry out projects to achieve the goals.



We improve our corporate governance performance based on the principles of being responsible, transparent, and fair, which are an integral part of our corporate culture.

POLICIES FOLLOWED AT SARKUYSAN


Sarkuysan carries out its operations as part of several policies and strategies that guide stakeholder relations as well as the manufacturing and trade cycle. Please check out the related links and/or relevant sections in the report to get further details on these policies.

POLICIES

Sustainability

 Policy on Environmental & Occupational Health & Safety

 Energy Policy

 Quality Policy


 Water Policy


 Waste Management Policy

 Corporate Sustainability Policy

 Supply Chain Policy

Corporate Governance

 Disclosure Policy

 Dividend Policy

 Remuneration Policy

 Donation & Grants Policy

Human Resources

 Policy on Information and Data Security

 Policy on Protection of Personal Data

 Anti-Bribery and Corruption Policy



RISK MANAGEMENT & INTERNAL CONTROL MECHANISM

All of the strategic, operational, financial particularities and other aspects that are thought to create risks preventing our Company from achieving its short- and long-term targets are evaluated at every level of the organization starting from the Board of Directors' level. The Early Risk Detection Committee established for this purpose carries out activities in order to make recommendations and give advice to the Board of Directors regarding detection, evaluation, and management, reporting and taking into account in decision-making mechanisms any and all kinds of strategic, financial, operational risks that may have an impact on the Company.

The internal audit system of the Company consists of job descriptions, authorization system, policies and documented procedures that were previously determined based on the workflows and processes. Our Company aims to achieve its targets on efficiency and effectiveness of operations, the reliability of its financial reporting system and assurance on the compliance to the legal regulations through implementation of an internal audit system.

As part of risk management, sustainability-based risks such as occupational health and safety, climate change, energy costs, emissions, water resources and the management related supply chains are also considered in addition to investment and operation-based risks.

Corporate Risk Management

Sarkuysan carries out its activities in an industry that is exposed to fluctuations in metal prices and exchange rates and involves high price risk. Its operations affect the surrounding environment and several processes are associated with occupational health and safety risks. Sarkuysan implements Risk Management Plans, the principles of which are determined by the Board of Directors and the Early Risk Detection Committee, analyzes scenarios regarding possible risks and takes necessary measures for the sustainability of its operations and profitability.



MARKET AND COMMERCIAL RISKS

The market and commercial risks of Sarkuysan are managed primarily in individual lines of business and at the group level.

Risk	Definition of Risk	Management and Comments for The Year
Metal Prices	Changes in metal prices have a large and significant impact on the operation capital, cash flow and net profit of Sarkuysan.	The purpose of the policy of Sarkuysan is to limit the impacts of possible price changes in metal prices on the profitability of the business, to ensure that the operating income and EBITDA generated come from the main operating revenue, and thus, is to ensure that the profitability of the Company is sustainable. In line with this purpose, risk management policies and scenarios regarding copper prices are analyzed. Risks and the value at risk are measured regularly. The risk is largely eliminated by the "back pricing" (physical hedging) model; and necessary hedging transactions are implemented using copper derivative products for units outside this model.
Raw Material Supply	The weight of raw materials in Sarkuysan products is over 90%. A reliable and timely supply of raw materials is of vital importance for the business to continue its activities without interruption.	For a safe and sustainable supply flow, Sarkuysan evaluates all regional and geographical risks and, accordingly, attaches significance to work with the minimum number of suppliers that will ensure supply security. The minimum number of suppliers is determined by the Sarkuysan risk committee and clearly indicated to the relevant parties. To ensure a sustainable supply flow, all geopolitical risks are evaluated, and geographical variety is maintained.
Customers	Sarkuysan is the largest company in its industry, manufacturing niche products as well as intermediate goods for various industries. Regional or global geopolitical developments and industry-related conditions may affect the sales of Sarkuysan.	Sarkuysan attaches great significance to industrial diversity, considering the possible crises and sudden shrinking of demand that its customers may experience in their industries. Hence, the Company serves many sectors, including automotive, construction, energy, communications, white goods, HVAC, transportation, infrastructure, etc. Thus, the Company ensures resilience and sustainability against any crisis in industries.
Energy Prices	Energy accounts for a significant portion of operating costs, and changes in energy prices have a significant impact on profitability.	Sarkuysan has to ensure energy supply security and price stability for sustainable production and profitability. Hence, the Company has made investments to generate its own electricity requirement and put these investments into service. In terms of price stability, the Company performs transactions in the Turkish Energy Exchange Istanbul (EXIST).
Industry Competition	Our Company, which is fully public and subject to CMB supervision, can be affected by undeclared activities and unfair competition.	Our Company gets ahead of its competition in this field by constantly strengthening its corporate structure and focusing on more value-added products.

FINANCIAL RISKS

Sarkuysan operates in a capital-intensive industry, in which so many variable parameters prevail, volatility can peak at various times and financial risks are very intense. High volatility and variability on copper prices and exchange rates have significant impacts on the company's working capital, liquidity, cash flow and profitability and are critical features for sustainable production.

OTHER RISKS

Risk	Definition of Risk	Management and Comments for The Year
Strategic Risks	These are structural risks that may prevent the company from achieving its goals in the short, medium or long term. Strategic business line management risk is evaluated as part of strategic risks including economic and political risks, industry risk, regulation risk, governance risk, reputation risk and intellectual property risk.	In Strategic Management, SWOT analyzes are carried out for all departments and a methodology that facilitates creating strategies in order to achieve operational and strategic goals, improve operations and keep activities relevant as part of opportunities from SWOT is applied. Relevant Strategic Risk Management process is supported by Management Review processes at Sarkuysan.
Regulatory Compliance Risks	This type of risk refers to legal sanctions as well as loss of reputation, finances, etc. in the event of non-compliance with identified rules and codes including applicable laws and legislation, ethical rules, company policies and regulations. Operations of Sarkuysan are subject to significant licensing besides various environmental and other regulations.	These operations depend largely on the retention and renewal of existing licenses and getting new ones. Sarkuysan follows the latest legal developments in the relevant fields, follows, monitors, and abides the applicable laws and regulations. Sarkuysan actively participates in the development of legislation through its memberships in industrial associations and training programs for decision-makers and other stakeholder groups. In order to support the effective management of compliance risks within the specified framework, these risks are monitored and reported by the Legal Consultancy Department of the Company.
Cyber Security Risks	Cyber security risks, including damage to information systems, exposure to cyberattacks, breaches in data security, data leaks and the resulting failure to ensure business continuity within the Group, are considered as significant factors in the operational risks category.	



Information Security, an extension of the Era of Digitalization and Technology, is a priority issue focused on by both internal and external stakeholders. In order to maximize our information security, to identify any and all kinds of possible threats and risks in advance and to take related measures, continuous improvement and prevention efforts are put through analysis.

Our Certification Servers and network are hosted in an environment certified with ISO 27001, ISO20000 in order to eliminate possible risks and to identify threats swiftly; they are monitored 24/7, logs collected from our IT resources are analyzed, monitored via instant notifications and measures are taken. Uninterrupted operation is ensured by keeping our internet, firewall, VPN and network ports backed up.

All our servers are regularly backed up in accordance with our policies defined to eliminate risks, and they are replicated in a separate location against natural disasters and catastrophe risks. Requirements to update the versions of our software are monitored regularly and they are updated periodically. In order to prevent unauthorized access and increase access security, 2FA, a 2-factor authentication system, is used.

We continue to measure the existing risks through periodical penetration tests and raise information security awareness of our employees through social engineering tests.

INTERNAL AUDITS

The existing internal control system, particularly including increasing effectiveness and efficiency of the operations of the Company, ensuring reliability in financial reporting, and compliance to laws and regulations, is audited by the Sarkuysan Internal Audit Department as part of the annual internal audit plan, and the audit results are reported to the Board of Directors. The effectiveness of internal audit activities was reviewed by the Board of Directors throughout the year. If required, the opinions of the internal auditor, external auditor or other managers of the Company were also requested by the Board of Directors.

Internal Control Mechanism

The internal audit system of the Company consists of job descriptions, authorization system, policies and documented procedures that were previously determined based on the workflows and processes. Our Company aims to achieve its targets on efficiency and effectiveness of operations, the reliability of its financial reporting system and assurance on the compliance to the legal regulations through implementation of an internal audit system. Internal Audits of the Management Systems are planned and implemented by the Quality Assurance unit to ensure effective functioning of management systems. The Audit Committee has notified the Board of Directors in writing about the comments of the Committee on the election of the independent auditors for 2022, interim and annual financial statements to be disclosed to the public, accuracy, and consistency of them with the accounting principles and actual figures and the decisions made during the meetings held throughout the year.

Sarkuysan business processes consist of effective internal controls to prevent potential corruption risks. Hence;

- Corporate policies, procedures, instructions, and standards are complied,
- Authorizations to carry out purchasing, sales, marketing, financial affairs, human resources, and corporate relations processes within the company are identified,
- User authorizations and limits in the SAP ERP system, with which accounting and purchasing processes are carried out, are managed as per the policy; and the segregation of duties is complied,

EXTERNAL FACTORS AND GLOBAL TRENDS

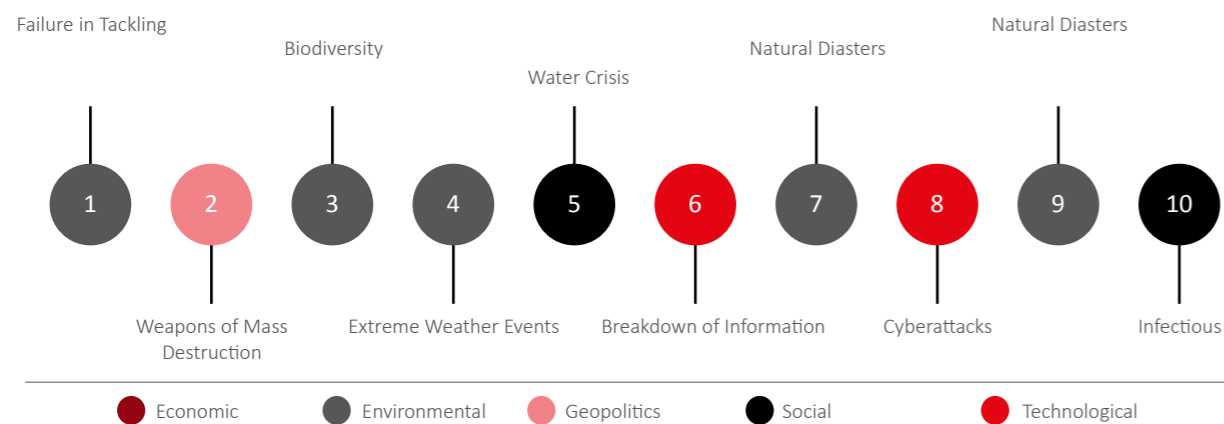
When assessing our risks at Sarkuysan, we follow not only internal risks but also changes worldwide, take into account global problems, sector trends and possible legislative amendments as well as external factors, so that we prepare our Company for the future.

World Economic Forum Risks Perception

Five out of 10 most severe risks identified as part of the World Economic Forum Risks Perception Survey 2022 include tackling climate change and environmental and social risks directly or indirectly due to climate change. The risks expected to threaten the world in the next decade are listed in the diagram below.

WEF LONG-TERM RISK OUTLOOK

The Most Effective 10 Risks of



Check out the **Risks and Risk Management Approach** section of the Disclosures Required as per the Legislation of this report herein to find out an overall explanation of the three main risk categories, i.e., financial, operational, and strategic risks, that may have an effect on Sarkuysan in achieving its goals and the related actions taken for these risks. Furthermore, our report herein also includes details of the actions we took against global risks as part of the strategic topics we identified as a result of the assessments made with our stakeholders during the preparation period of this report.

WEF Global Risks 2022	Risk Group Identified at Sarkuysan	Strategic Topics on which We Present Our Actions in the Report
1. Failure to Tackle Climate Change	Operational (Environmental Risks) Strategic Risks (Compliance etc.) Financial Risks	Energy Management and Climate Change
5. Water Crisis	Operational (Environmental Risks) Financial Risks	Water Management
6. Breakdown of Information Infrastructure 8. Cyberattacks	Operational (IT Risks) Financial Risks	Digital Transformation
10. Infectious Diseases	Operational (OHS Risks) Financial Risks	Not a priority strategic topic.

EU GREEN DEAL

Tackling the impacts of climate change, which hits the top of the World Economic Forum Risks Perception Survey, and transition to a low-carbon society are among the significant challenges endured by our generation.

The Green Deal road map, announced by the EU in 2019, consists of actions to be taken to reach zero emissions by 2050. The EU has officially announced that it will reduce GHG emissions by 50-55% by 2030, compared to 1990 levels. Other countries that have ratified the Paris Agreement have begun disclosing similar goals.

Arguing that production companies in EU countries are exposed to unfair competition, they announced that they will introduce a carbon tax in the designated industries as a priority in order to protect the producers in their own countries and that the tax will be implemented in 2023.

Therefore, carrying out studies on emission management in our factories will bring an advantage to our party. These steps are as follows;

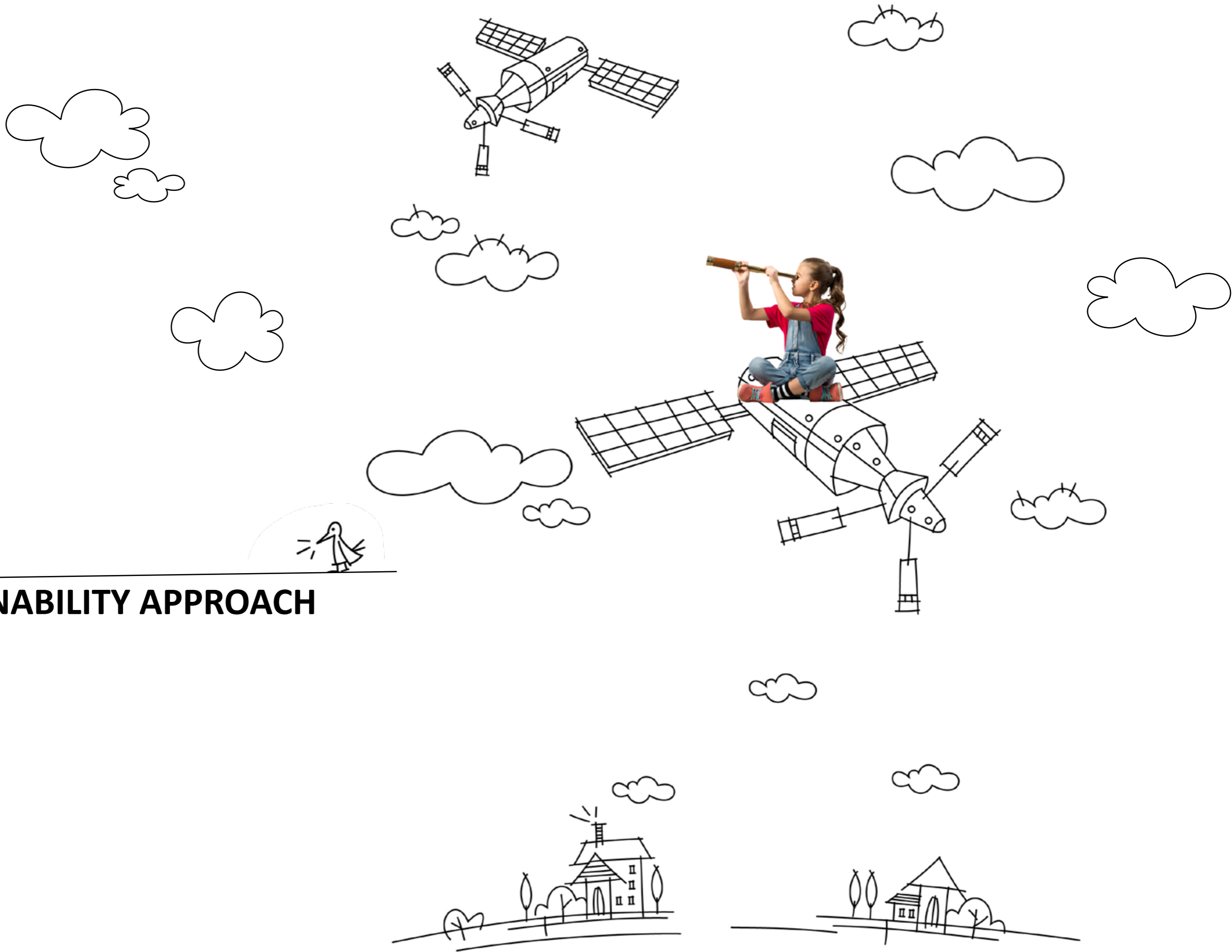
- Increase energy efficiency,
- Conduct projects regarding renewable energy resources
- Use fuel alternatives to be shaped by developing technologies
- Transition to modern and efficient business management via optimizations,

Please check out the **Energy Management and Climate Change** section to find out more about the positive impacts we have created at Sarkuysan related to this trend.

The EU announced that it will reduce GHG emissions by 50% by 2030, compared to 1990, as part of the Green Deal. The goal is to reach net zero emissions by 2050.

PART III

SUSTAINABILITY APPROACH



SARKUYSAN SUSTAINABILITY APPROACH

CORPORATE SUSTAINABILITY POLICY

1. GENERAL INFORMATION

1.1. Purpose

The purpose of this policy is to continuously improve, carry to further goals and develop the outlines of the corporate sustainability understanding of Sarkuysan, besides defining the procedures and principles regarding carrying out the "Environmental, Social, Corporate Governance (ESG) Activities" as per the Corporate Governance Principles and Sustainability Principles Compliance Framework of the Capital Markets Board.

1.2. Scope

"Sustainability" activities of Sarkuysan are discussed in the context of the social, environmental, and economic aspects.

While carrying out sustainability activities, Sarkuysan attaches significance to supporting economic development in order to improve the quality of life of the society, following environmentally friendly policies in all its activities, supporting various projects prepared for social and cultural purposes, providing valuable services in education, healthcare, barrier-free living, environment, culture, etc. by internalizing transparency, fairness, accountability and responsibility, which are the basic principles of corporate governance, supporting social development in all business processes and to encourage efforts to raise employee awareness by taking part in social responsibility projects with its employees.

The Corporate Sustainability Policy of Sarkuysan is assessed to present the responsibilities of Sarkuysan towards its stakeholders in Türkiye and abroad. Therefore, the "sustainability" approach and "corporate social responsibility" practices are considered as a whole in line with creating a value chain with suppliers, customers, employees, and all stakeholders.

2. IMPLEMENTATION

2.1. Sustainability Procedures and Principles

As part of the Corporate Sustainability Policy, environmental, social and corporate governance, we, at Sarkuysan;

- carry out our activities in line with an ethical, transparent, and accountable corporate governance approach that respects human rights, eliminates any kind of discrimination, encourages equal opportunities, and a vision of sustainable growth,
- support sustainable growth with a risk management culture throughout the organization by detecting corporate risks early and taking precautions, managing risks effectively and continuously improving all processes,
- work with the principle of zero accident in terms of occupational health and safety; ensure continuity and improvement of the occupational health and safety management system that we have established by giving priority to occupational health and safety,
- increase company performance and production efficiency; offer high quality products and services in our value chain, based on continuous improvement and development; and thus, create competitive advantage and ensure sustainable profitability,

- encourage employees to participate actively and provide an open communication environment,
- use energy efficiently; improve our ways of doing business to protect environmental balance and natural resources and use them effectively; reduce water consumption; put efforts into reducing waste at the source; manage and create economic value through reuse and recycling,
- tackle global climate change and reduce GHG emissions, particularly carbon dioxide, from our activities,
- consume renewable and efficient energy, control and mitigate our environmental impacts via our environmental management system,
- protect the confidentiality, integrity, security, and accessibility of information in all activities; ensure business continuity; and raise awareness of our stakeholders on information security,
- communicate with our stakeholders in a transparent, participatory manner based on mutual trust in all our activities; take stakeholder expectations as basis in our way of doing business and management approach; shape and diversify our contribution to society in line with our social responsibility strategies; and make social investments in healthcare, education, environment, art and sports to support and disseminate the sustainability approach and to support the development of the new generation,
- ensure continuity of customer satisfaction,
- develop our suppliers in terms of sustainability practices and ensure that our suppliers comply with fundamental human rights, equal opportunity, and business ethics principles.

2.2. Enforcement

This Policy becomes effective on the date it is approved by the Board of Directors. In the event of any revisions in the policy, the amended items become effective as soon as they are approved by the Board of Directors and are disclosed to the public on the website.



SARKUYSAN SUSTAINABILITY GOALS

In order to contribute to a sustainable future in all our activities and maintain the balance of human, environment, society and business continuity, we, at Sarkuysan;

- establish relationships with our stakeholders based on sympathy, respect, tolerance, solidarity, contribution, communication, and common sense.
- attach significance to the happiness, loyalty, development, and professional-personal life balance of our employees.
- assess the impacts of our activities holistically, beginning from the first resolution, in a triangle of people, environment and the future.
- achieve environmental management with a minimum impact approach.
- adopt and respect the culture, habits and values of societies and contribute to social development.

We use our expertise for profitable growth and efficiency, supervise for continuous improvement, and develop and enable development via an innovative and visionary perspective.

The goal of Sarkuysan is to create a better future than today by combining past experiences with today's practices via the "Future Together" Sustainability Model. Accordingly, we consider universal values as guidance, follow the UN Sustainable Development Goals and maintain the balance of human, environment, society and business continuity under all circumstances.

Thus, we benefit from the operational excellence approach in all our operations; and we;

- ensure that our occupational health and safety approach is adopted by all individuals in line with our OHS policy and create healthy and safe work environments.
- adopt the minimum impact approach and ensure the sustainability of the ecosystem in our areas of activity in line with our environmental policy.
- support the growth and development of society as well as individuals via our policies and practices that we have developed to create a positive social impact.
- comply with national and international laws, attach significance to ethical rules and rights, and protect universal values such as equality and justice with policies, internal regulations, practices, and systems while ensuring business continuity.



STRATEGIC APPROACH & BUSINESS MODEL



Do Work Well and Right (Operational Excellence),

- Ensures a responsible and ethical approach is adopted at all levels, while doing the job honestly, on time and with the highest quality,
- Expands the scope of risk management by addressing economic, environmental, and social aspects with a holistic approach,
- Encourages, trains, supervises, and improves business partners, subcontractors and suppliers in line with a responsible and sustainable supply chain management,
- Puts efforts to raise sustainability awareness of customers as well and guide all stakeholders as part of sustainability,
- Contributes to establish sustainable development through Digital Transformation and R&D activities.

Value Employees,

- Protects the health and ensures the safety of its employees,
- Endeavors to increase employee loyalty and enables active participation of employees in internal decision-making mechanisms,
- Invests in the training and development of its employees in line with the principle of equality,
- Aims to raise awareness of its employees on sustainability and encourages them to behave respectfully towards the environment.

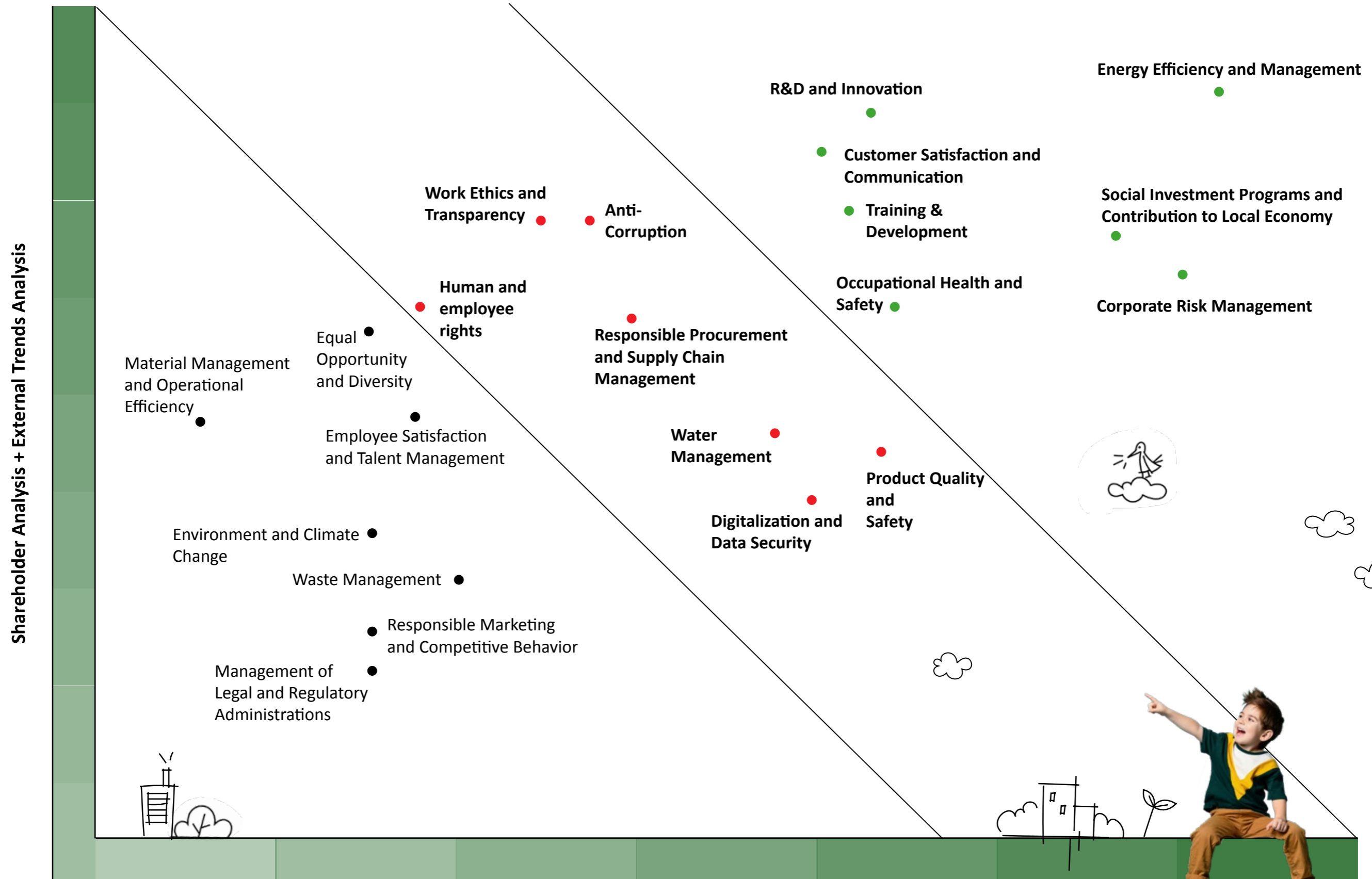
Mitigate Environmental Impacts,

- Measures, reports, sets targets and rehabilitates its environmental impacts,
- Makes improvements to reduce carbon and water footprint and achieve energy efficiency,
- Implements environmentally friendly manufacturing solutions (utilizing fewer natural resources and generating less waste),
- Implements green workplace practices,

Develop Society,

- Enables contribution to the welfare and development of local communities with the investments made,
- Contributes to the development of the copper industry in the geographies it operates worldwide,
- Raises sustainability awareness at schools and supports raising a responsible generation,
- Invests in education, culture, arts and sports.
- Contributes to education through employee volunteering projects

SUSTAINABILITY MATERIALITY MATRIX



MATERIAL SUSTAINABILITY ISSUES AT SARKUYSAN

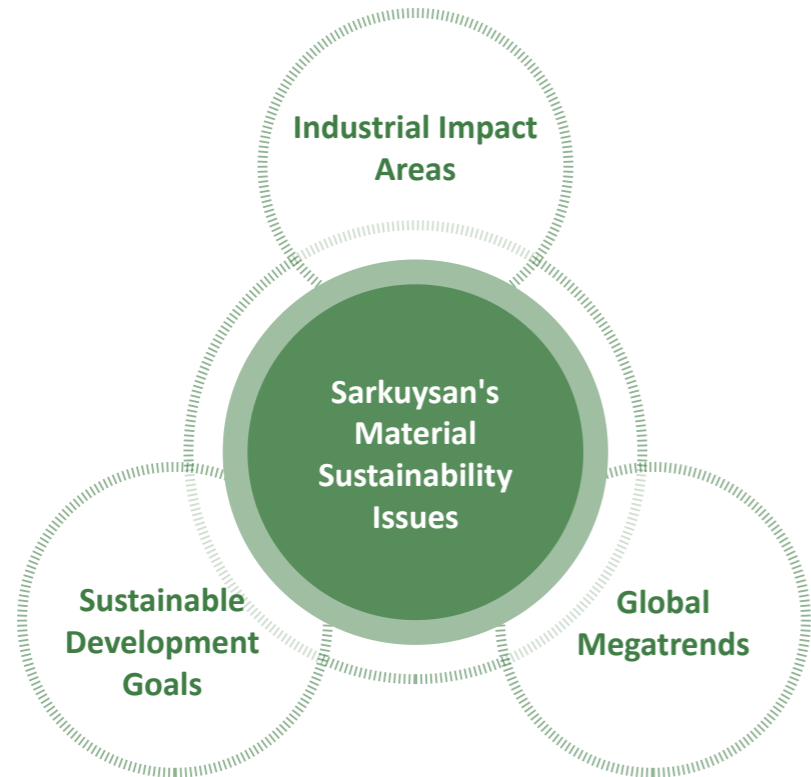
SUSTAINABILITY MANAGEMENT

In order to carry our sustainability approach into effect, last year, we built a work team consisting of representatives of business units that will implement the necessary decision-making and implementation processes in order to expand the sustainability perspective throughout the company. We supported our work team with training on sustainability and its application areas. Later, we initiated our efforts to identify our sustainability priorities with the participation of the work team.

Efforts to identify the sustainability priorities of Sarkuysan were carried out in accordance with the materiality criteria suggested by the globally recognized GRI Standards issued by the Global Reporting Initiative. The materiality process, during which the global mega risk trends, UN Sustainable Development Goals and industrial impact areas were assessed considering main parameters, i.e., social, environmental, and economic impacts from Sarkuysan operations and stakeholder expectations, was also contributed by the stakeholder opinions of company executives.

Sarkuysan follows the international sustainability agenda closely and shapes its operations accordingly. The Company also supports industrial work groups and public policy-making processes in Türkiye regarding sustainability. Accordingly, Sarkuysan considers the UN Sustainable Development Goals as one of the main components of its business strategy in terms of sustainability aspect. The European Green Deal, announced by the EU during the reporting period, has also emerged as an implementation field that will radically affect industry. In this regard, Sarkuysan supports the efforts of industrial organizations and public institutions in terms of the industrial effects of the European Green Deal and in order to develop related policies.

The sustainability reporting practice initiated during this period, as well as issuance of the related policies, activities carried out and results obtained in compliance with international standards will also improve the profile Sarkuysan towards the financial markets.



SARKUYSAN'S MATERIAL SUSTAINABILITY ISSUES	SUSTAINABLE DEVELOPMENT GOAL	
Occupational Health & Safety		
R&D, Product Quality and Innovation		
Customer Satisfaction and Communication		
Energy Efficiency and Management		
Social Investments and Contribution to Local Economy		
Training & Development		
Corporate Risk Management		

MATERIAL ISSUES	GOALS FOR 2025	PERFORMANCE INDICATORS
1. OHS	Maintain ensuring occupational health and safety in workplaces at international standards	<ul style="list-style-type: none"> Occupational health and safety training hours per person Accident frequency rate (AFR)
2. Training and Development	Ensure that all employees have access to high-quality technical and vocational education.	<ul style="list-style-type: none"> Number of employees received technical and vocational training
3. Customer Satisfaction and Communication	Be a reliable solution partner for customers and perform zero error to customers	<ul style="list-style-type: none"> Product and process certifications Customer satisfaction surveys Response time to customer requests Rate of on-time delivery to customers
4. R&D and Innovation	Increase R&D activities	<ul style="list-style-type: none"> Collaborations in R&D activities R&D budget Patent application and number of patents received Number of projects Contribution of R&D projects to savings

MATERIAL ISSUES	GOALS FOR 2025	PERFORMANCE INDICATORS
5. Energy Efficiency and Management	<ul style="list-style-type: none"> Ensure sustainable management and efficient use of natural resources Minimize/reduce the negative impacts of waste on the environment, reduce waste generation through recycling and reusing Increase the amount of water recycled and reused Reduce energy intensity per production Increase the coverage ratio of energy generation from renewable energy resources to consumption Increase resilience and adaptation to climate-related hazards and natural disasters Increase efforts to reduce the negative impacts of sustainable development and climate change and provide information or carry out awareness-raising activities Develop global collaborations for sustainable development 	<ul style="list-style-type: none"> Sustainability Management Compliance to Energy and Environmental Management Systems and relevant legislation Measurable targets for sustainability performance Amount of raw material recycled/recovered Amount of waste recycled Recycling/recovery rate of the waste generated Amount of water reused after recycling Ratio of water reused after recycling Energy intensity per production Amount of renewable energy generation Scope 1, Scope 2, and Scope 3 GHG emission weights Awareness-raising activities for or providing information to employees Corporate memberships
6. Social Investment Programs	<ul style="list-style-type: none"> Increase participation of employees to social responsibility activities Increase the number of children reached out as part of social responsibility projects Social contribution in the regions where activities are conducted 	<ul style="list-style-type: none"> Number of Volunteers Number of children reached out Corporate Social Responsibility Projects
7. Responsible Procurement and Supply Chain Management	<ul style="list-style-type: none"> Define standards for reducing the damaging impacts on the environment to be followed in all supplier audits Enable suppliers and stakeholders to comply with UNGC principles and goals 	<ul style="list-style-type: none"> Certification of compliance of suppliers to environmental legislation and standards Code of Ethics in Procurement Supplier Performance Assessment System



SARKUYSAN AND SUSTAINABLE DEVELOPMENT GOALS

MATERIAL SUSTAINABLE DEVELOPMENT GOALS FOR SARKUYSAN



RELATED SDG FOR SARKUYSAN



FUNDAMENTAL SDG FOR SARKUYSAN



The resolution titled "Transforming Our World: 2030 Agenda for Sustainable Development", which was adopted by 193 member states of the United Nations on September 25, 2015, lays out 17 Sustainable Development Goals and sub-titles. These 17 Sustainable Development Goals (SDGs) sets out a much broader sustainability agenda and goes further than the Millennium Development Goals.

The SDGs aim to find solutions to the root causes of poverty and ensure development for everyone as a universal requirement. The global consensus around the SDGs has marked a milestone to guide our planet towards a more inclusive and sustainable growth path.

Recently, Sarkuysan, which closely follows the latest global and national developments and is a signatory of the UN Global Compact and a member of its Türkiye Network, has updated its sustainability agenda to internalize the SDGs.

Sarkuysan believes that the SDGs will contribute to enhancing collaboration at various levels, accelerating the contribution to the goal of environmental protection and efficient consumption of natural resources, reinforcing the value created and ultimately enhancing the stakeholder relations in all aspects.

The leadership team of Sarkuysan examined the SDGs, subtopics, and indicators in detail in 2019, in line with the findings and strategic foundations obtained from the regular communication with stakeholder groups.

As a result of these efforts, Sarkuysan considers the SDGs that the Company directly contributes are: (5) Gender Equality, (8) Decent Work and Economic Growth, (9) Industry, Innovation, and Infrastructure, (11) Sustainable Cities and Communities, (12) Responsible Consumption and Production, and (13) Climate Action. These 6 prioritized SDGs are linked to the strategy of Sarkuysan, and these SDGs are the areas that the Company makes concrete contributions in line with its sustainability goals.

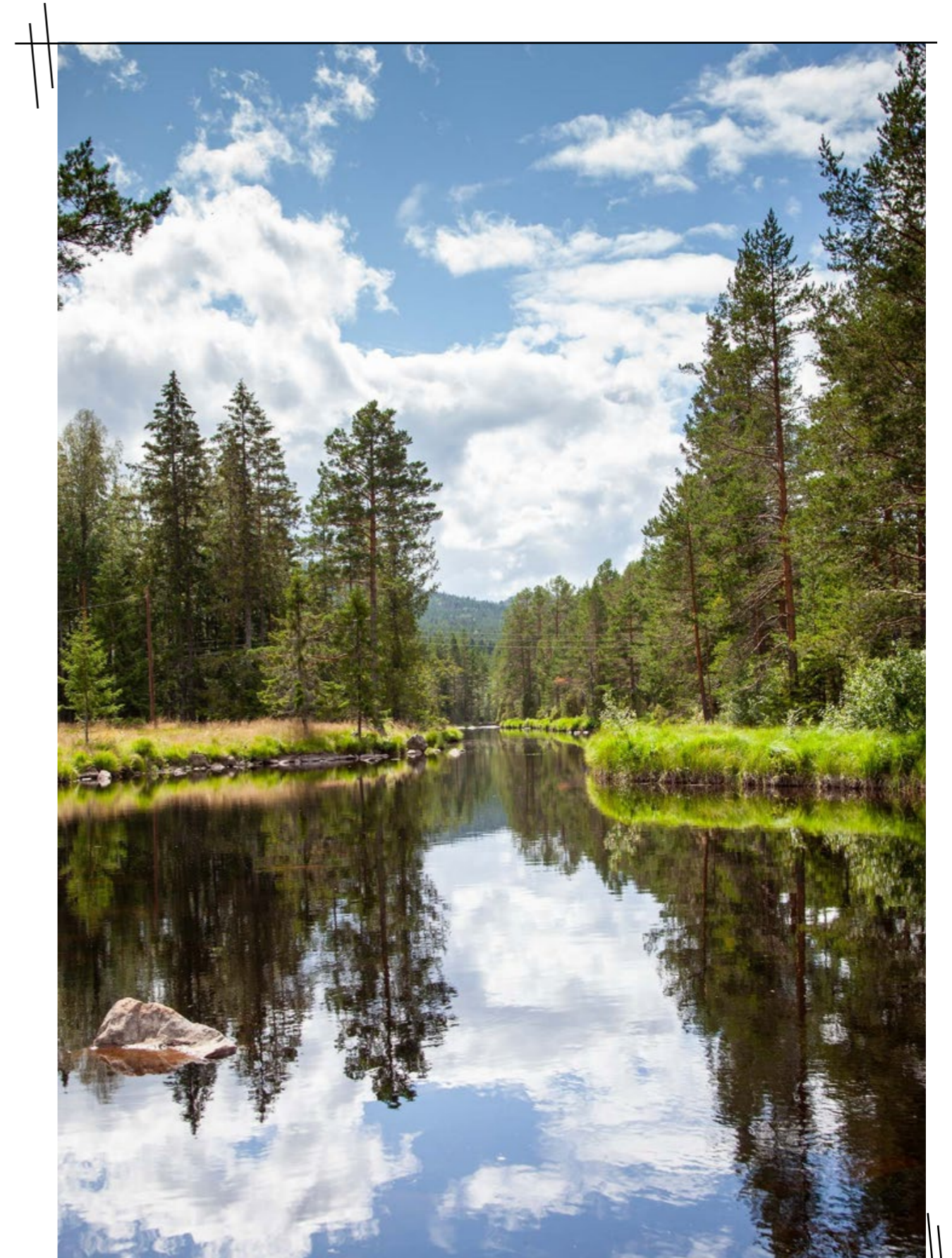
The SDG that is linked to and fundamental for Sarkuysan is presented in the infographic above. The Company contributes to these goals indirectly.

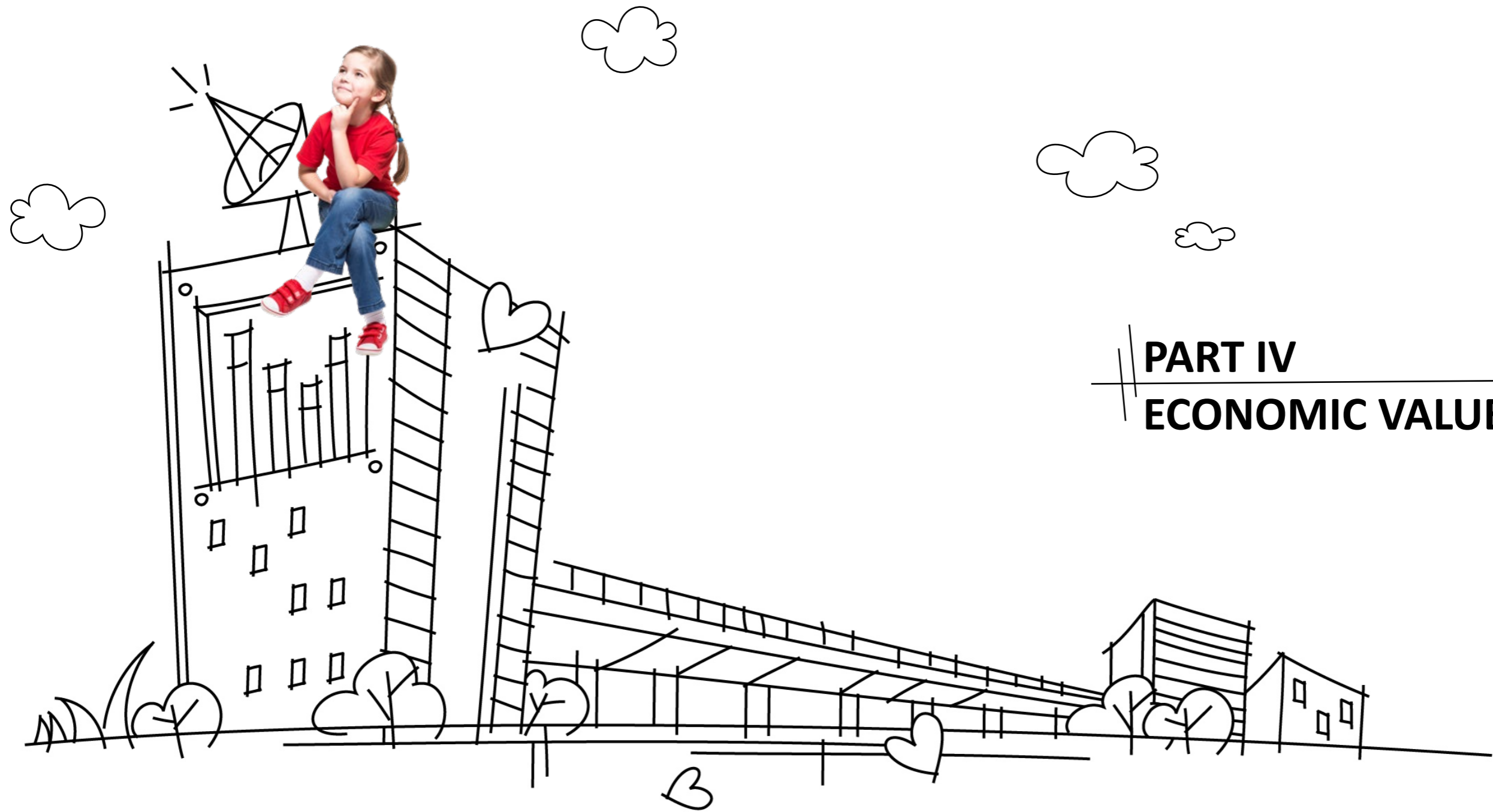
UN GLOBAL COMPACT RELATION & CONTRIBUTIONS MADE

MAIN TARGET	BASE YEAR	2021	2022	TARGET	TARGET YEAR	SDG	PAGE
Reducing the accident frequency rate (AFR) for Sarkuysan employees by 2025, taking 2022 as the base year	2022	45.93	43.90	41.50	2025	8 9 11	
Reducing the accident severity rate (ASR) for Sarkuysan employees by 2025, taking 2022 as the base year	2022	0.70	0.39	0.30	2025	8 9 11	
Focus activities in social responsibility projects	2022	50%	50%	100%	2025	10	
Taking 2022 as the base year, Co ₂ saving achieved (tCo ₂)	2022	324	946	120	2025	9 11 13	
Energy saving achieved (MWh) taking 2022 as the base year	2022	659	3948	250	2025	8 9 11 13	
Reducing water consumption (m ³) taking 2022 as the base year	2022	130,468	127,952	5%	2025	9 11 12	

One of the main elements of the sustainability approach of Sarkuysan is to set accountable, monitorable, and transparent integrated goals and report the progress achieved periodically.

Sarkuysan contributes to its material SDGs and the 2030 Sustainable Development Agenda to the extent it approaches its corporate goals.





PART IV
ECONOMIC VALUE

INDUSTRY & MARKET

Our products are used as standard inputs in electro-technical, electronics, motor, communication, electricity generation and distribution, solar power, household appliances, measuring devices, healthcare, defense, automotive, chemicals, construction, heating-ventilation, and sanitary installation sectors.

Copper wires are used in the automotive, defense, communication, construction, electronics, and railway sectors,

Tin- and nickel-plated wires are used in various fields, including the maritime and aviation industries, where high temperature, corrosion resistance is required,

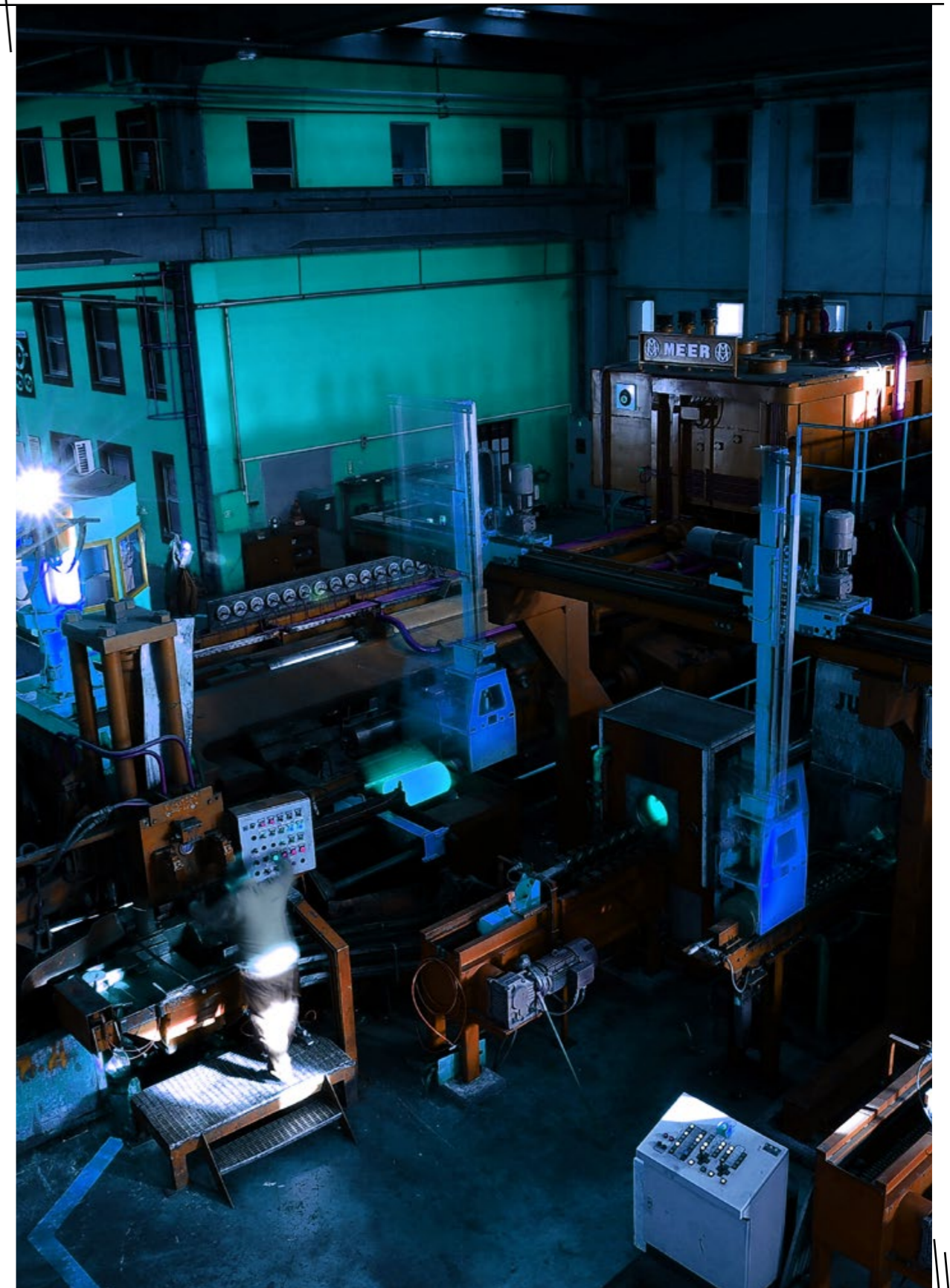
Tubes are used in HVAC and sanitary projects, and in the healthcare industry,

Busbars are used in electrical distribution panels and EVs,

Enameled wires, flat wires, CTC wires, winding wires are used in engines and transformers,

Ribbon wires are used in solar panels,

Railway catenary conductors are used in electrification systems of the rail transportation.



PRODUCTS AT SARKUYSAN

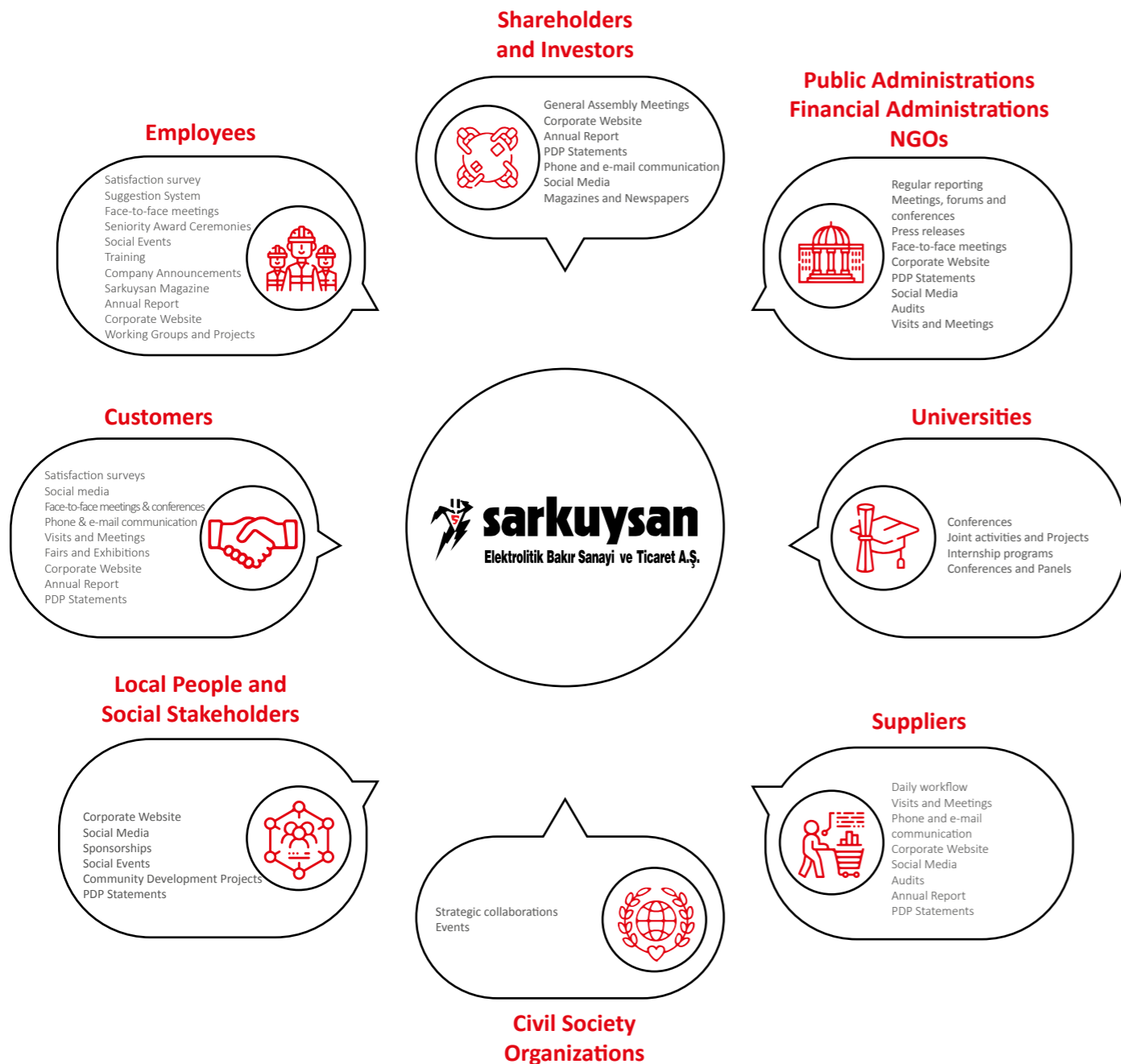
- **Copper Cathode**
- **Produced from electrolytic copper;**
 - Rods
 - Wire rod
 - Wires in various diameters
 - Flat wires (bare and insulated)
 - Overhead Catenary Wires (contact wires, dropper wires, porter wires, feeder wires, Y rope insulated/non-insulated earth wires)
 - Tin-Plated Wires
 - Nickel-Plated Wires
 - Bunched and Stranded Wires
 - Rope Stranded Wires
- **Profiles**
- **Copper Tubes (LWC, pancake, plain, grooved, insulated)**
- **Copper Busbars (bare or tin-plated)**
- **Copper Nuggets (Cu-OF and Cu-DXP)**
- **PV Ribbon Wires**
- **Round Enameled Winding Wire (copper and aluminum)**
- **Flat Enamel Winding Wire**
- **CTC (Continuously Transposed Conductor)**



STAKEHOLDERS

Key Stakeholder Groups and Communication Platforms

Creating value with its corporate collaborations is significantly important for Sarkuysan, which has built partnerships with various organizations in its industry, as well as a wide range of other industries with its support to development since the day the Company was founded. Sarkuysan shares its know-how and experience regularly with various stakeholders along with its corporate collaborations for sustainable development and puts all efforts to support Sustainable Development Goal 17 directly.



R&D ACTIVITIES

At Sarkuysan, we attach great significance to our R&D activities based on sustainability and innovation. We constantly improve our engineering and technology solutions in order to meet the energy requirements of the future with green energy and minimize our environmental impacts. In 2022, Sarkuysan R&D Center, approved by the Ministry of Industry and Technology, took significant steps to reduce the environmental footprint of our company, utilize resources efficiently and ensure that our products are sustainable throughout their life cycle. Our green transformation projects can be grouped under the following program titles.

Sustainable Production Technologies

Our innovative production techniques are focused on reducing water consumption and improving wastewater treatment. In particular, our progress in electrolytic treatment methods and closed-circuit water system projects have reduced our water consumption significantly.

Collaborations and Partnerships

We maintain our collaborations with universities, research institutes and other industrial partners in Türkiye and abroad on sustainable technologies, materials, and production techniques. These collaborations encourage the exchange of know-how and sharing of best practices, while also raising sustainability standards in our industry.

Energy Efficiency

Our projects, which have the goal to reduce the amount of energy consumed in our production processes, decreased costs while also significantly reducing our carbon emissions. For example, our production lines consume less energy thanks to our high-efficiency engine conversions with variable speed control and heat recovery systems.

Our Vision for the Future

Our vision for the future of our R&D activities is to integrate smart production and industry 4.0 solutions and make our production more sustainable. AI-supported process optimization, automation and real-time data analysis will further reduce our carbon footprint, and thus support our sustainable growth.

Waste Minimization

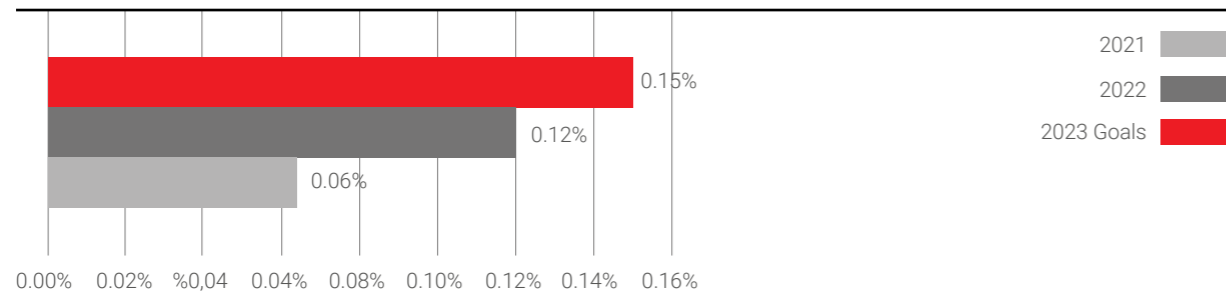
As part of minimizing waste generation, methods are being further developed to recover copper and other precious metals generated in our production processes for production. Thus, while we increase our utilization efficiency, we reduce the waste generated significantly.

Our sustainability-oriented R&D activities enable us to reinforce our position as the industry leader and to assume responsibility for the future of our planet. At Sarkuysan, we are determined to sustain innovation and excellence for a greener and cleaner world.

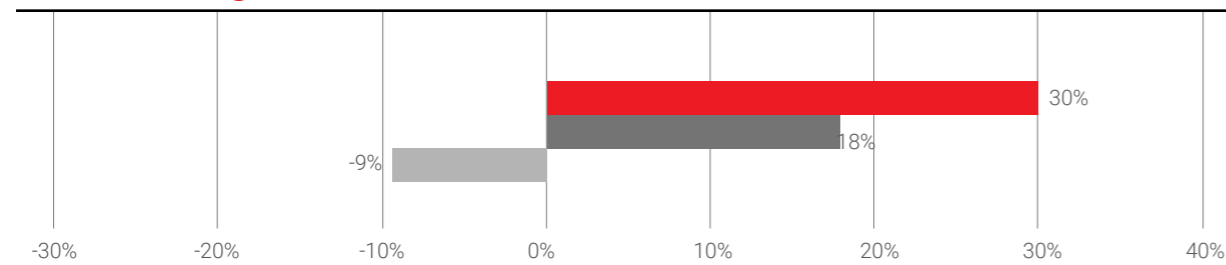
New Material Research

We have been carrying out an intensive R&D program regarding copper alloys with less environmental impacts and longer lifespans and that are recyclable. The new generation copper alloys that we developed using computational materials science not only offer higher performance in industrial and consumer applications, but also present outstanding features in recycling processes.

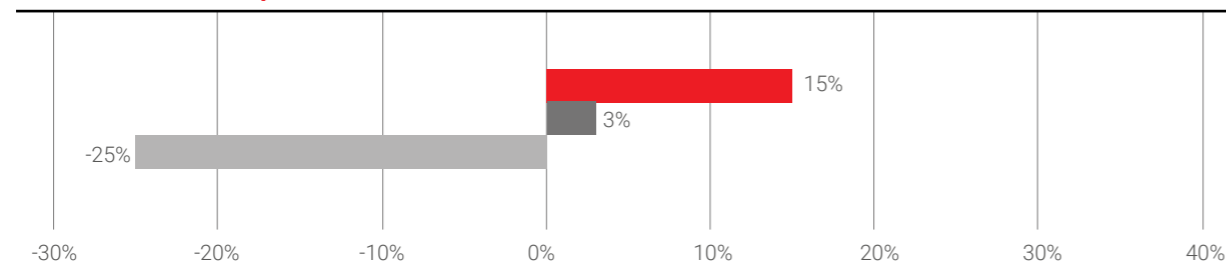
The ratio of the turnover obtained from new products resulting from R&D activities to the total turnover



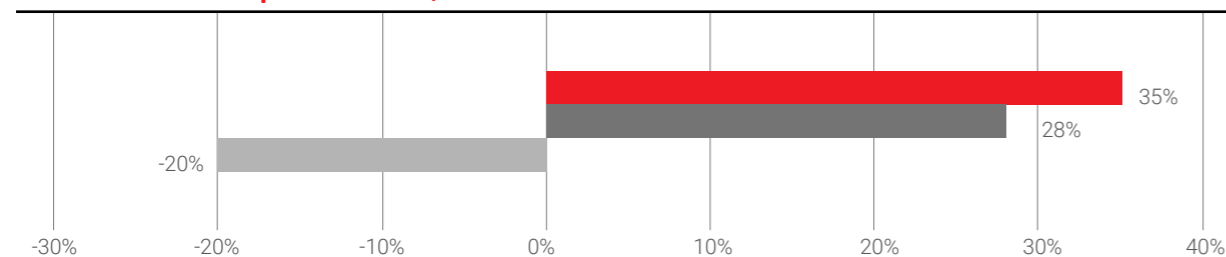
Increase in Saving due to R&D Activities



Increase in R&D Expenses in Total Turnover



Increase in R&D Expenses in US\$



DIGITAL TRANSFORMATION

One of the significant barriers for many companies that would like to achieve effective and continuous digital transformation is their incapacity to gain the necessary perspective and skills due to resistance to new ways of thinking and fear of complexities.

Continuity in transformation is a management model that increases the capacity to react swiftly to dynamic conditions and competitive changes; and this model enables corporate agility. Therefore, the transformation strategy of companies should be adopted as a long journey. The continuity of companies should be ensured with the approach of being open to radical changes and increasing the ability to manage these changes.

Sarkuysan reviewed all its processes in 2013 and defined its new digital road map.

At the beginning of 2016, the SAP ERP system, together with almost all its modules, was put into use at the same time in the main factory of Sarkuysan. SAP SCM PP/DS, the Production Planning, Detailed Scheduling, and optimization module of SAP, enabled highly dynamic customer orders to be scheduled, planned and optimized on a daily basis; and the SAP MII system enabled instant and real data to be received from operators and equipment in the production area, make planning more active and efficient. Optimum batch size calculation in production amount, optimum selection among alternative equipment, and minimization of preparation/transition periods blazed the trail.

Process data signals collected from 50% of the equipment are interpreted, which leads to automatic operator feedback. Thus, Overall Equipment Effectiveness (OEE) measurement can be prepared automatically and instantly. Integration with our Boys Maintenance System was completed to automatically transmit machine malfunctions to the maintenance team via MII, which enabled the maintenance results to be entered and the process to be closed via mobile.

SAP was put into use in our Enamel factories in 2016, at Sar Makina A.Ş., one of our group companies, at the beginning of 2019, at our Sark-Bulgaria factory in April 2019, and at Bemka Germany, another group company, in 2020 and were integrated into our systems.

Presenting the information required in company management and decision-making processes in a consolidated and instant manner with reports prepared

using Analytical solutions via BW/Business Warehouse & BO/Business Objects saves time and labor in monitoring the processes.

Mobile and web-based applications create interfaces for users to facilitate their operations in several areas of the business and enable them to access data faster. Mobile applications are used for production confirmation, quality control, delivery preparation, shipment, and inventory.

SAP Fiori application enables job requests to be approved by the related executives via their mobile phones even if they are out of the office, so the approval processes are not interrupted.

EBA-Electronic Information Flow is used to manage business processes outside the ERP system, while QDMS-Integrated Management System is used to carry out the activities required by the management system standards and is integrated into the ERP system at some points. Thus, related processes are automated, data sharing is made secure and corporate memory is created to offer better service to our customers.

E-invoice, E-ledger, E-export, E-reconciliation, E-archive, E-delivery note processes have been completed successfully. Work processes digitalized through e-transformation minimize times required for these processes, are labor- and time-saving and minimize any possibility of errors.

The e-Account statement project enables us to benefit from the integration services offered by banks, to get bank records imported automatically into our system and to keep accounting records automatically in the system, with the purpose of reducing the operational load.

The EDI (Electronic Data Interchange) enables us to exchange data with our customers in the automotive industry and facilitates both parties to save time as well as ensuring information reliability, healthy order and inventory tracking besides eliminating human errors.

In 2020, we began using our own software, developed according to the requirements of the production areas, and integrated with the SAP system, to monitor our auxiliary production tools and measure their efficiency based on production quantities.

Almost all of our processes related to Human Resources, administrative affairs and occupational safety have been transferred to the digital environment; and they can be used and inquired via the Sarkuysan portal.

Information Security

Increasing digitalization brings the necessity for high information security standards.

We continue to improve our hardware infrastructure to meet the requirements of the ISO27001 Standard and sustain our activities in various projects to ensure data and access security.

The SOC service we are provided enables continuous monitoring of cyber security risks, assessment, and improvement of vulnerability, get cyber threat intelligence and intervention.

Revisions in Information Systems software and hardware as well as user demands are monitored in a digital environment. The project of our software team on asset management is ongoing.

Quality and Product Safety

We, at Sarkuysan A.Ş., follow and implement national and international standards in the production of electrolytic copper and related products in order to ensure the quality and safety of our product range.

Accordingly, management systems established are implemented effectively on all our premises. Moreover, the certificates we got regarding our products document the compliance of our products to the quality and safety criteria of standards.

Regarding compliance of our products with the legislation; our products are manufactured in compliance with the country-specific legislation requested by our customers, as well as REACH and RoHS directives, and, if required, we send our products to independent laboratories to get tested. The UL certificate for our enameled copper wire products certifies the compliance of our products with quality and safety criteria. Furthermore, all our products have related "Safety Data Sheets" and these documents are presented to our customers.

CUSTOMER ORIENTATION

Sarkuysan develops customer-oriented business processes via several applications in order to fulfil the expectations of its customers and to develop advanced products and services for these expectations.

Accordingly, Sarkuysan provides information to and gets feedback from its customers actively through customer meetings, customer visits, customer satisfaction surveys and attended exhibitions.

Thus, the Company develops relevant measures and increases the added value of its products and services.

The satisfaction of our customers regarding our products and services is monitored through annual customer satisfaction surveys.

The latest survey revealed a 90% customer satisfaction score.

We create two-way communication with our customers to closely follow their opinions and demands. We use various communication channels, including telephone, fax, and e-mail, so that our customers can directly let the relevant directorates know about their comments. Feedback and requests received are recorded under suitable sections in our database and our customers are also notified about the process.

If required, online meetings are held with the relevant teams or physical customer visits are paid to get further details in order to resolve the issue.

We attach great significance to feedback received from our customers and consider the feedback as a valuable contribution to continuous improvement and increasing customer satisfaction. Hence, feedback received via customer complaints and surveys are evaluated, submitted to the attention of relevant units and managers through internal meetings and reporting, and corrective actions are taken to resolve the issues.

Sarkuysan focuses on offering high-quality products in its portfolio; hence, the Company increases customer satisfaction and provides a competitive advantage. Investments are made in operational excellence to increase efficiency in the entire value chain and provide quality-price advantages in products. Offering high-quality products that fulfil the requirements of customers is a major factor in the success of our Company, which achieves production within the framework of national and international standards.

Constantly increasing its product diversity to respond to the changing requirements of customers, our Company also carries out product and process improvement activities in reply to customer feedback.

SARKUYSAN A.Ş. QUALITY JOURNEY

	1993	1994	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
ISO 9001 QUALITY M.S.	ISO 9003	ISO 9002								ISO 9001: 2000																ISO 9001: 2015			
IATF 16949 AUTOMOTIVE QUALITY M.S.					QS 9000						ISO/TS 16949: 2002						ISO/TS 16949: 2009								IATF 16949: 2016				
ISO 14001 ENVIRONMENTAL M.S.																ISO 14001: 2004										ISO 14001: 2015			
ISO 45001 OCCUPATIONAL HEALTH & SAFETY																OHSAS 18001: 2007												ISO 45001: 2018	
ISO 50001 ENERGY M.S.																												ISO 50001: 2018	

SUPPLY CHAIN MANAGEMENT



Sarkuysan has an extensive supplier network thanks to its size and portfolio of companies operating in various sectors. The Company makes efforts to ensure that its supply chain adopts its corporate ethics and sustainability approach, therefore the Company prefers long-term business agreements with the world's largest suppliers.

At Sarkuysan, we adopt a supply chain management approach that considers social and environmental issues in order to ensure sustainability of our operations; and thus, we primarily focus on maintaining the most efficient scheduling and production conditions with our suppliers, improving working conditions, and enhancing occupational health and safety practices.

We offer high-quality products with mitigated environmental impacts and meet the expectations of our customers thanks to our comprehensive supply chain management that takes into account all stakeholders.

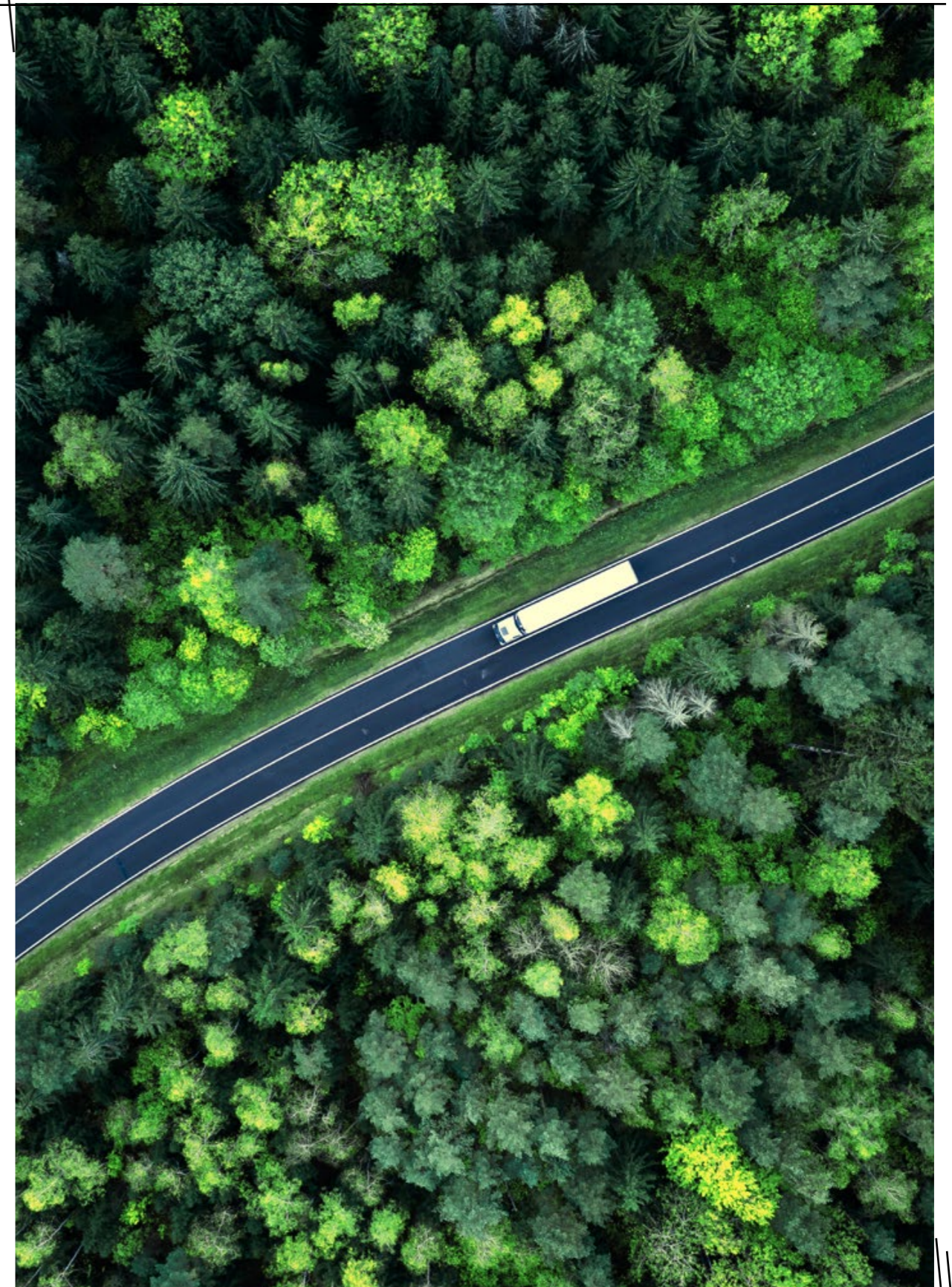
As part of this policy herein, we endeavor to work with suppliers who comply with the universal codes, take into account the 10 Principles of the UN Global Compact, care about the development, health and safety of their employees, offer them

fair working conditions, attaches significance to reducing their environmental impacts by protecting critical resources such as water and energy, and invest in technology.

Suppliers are selected based on the conditions specified in the purchasing procedure of the Company and from the approved supplier list. Supplier risk assessment works are carried out for all suppliers of Sarkuysan. All legal and environmental risks are also included in this process. Suppliers are expected to be able to prove that they fully comply with all legal regulations to protect the environment, human rights, and health and safety conditions. Therefore, certifications of suppliers are reviewed.

We will include a new evaluation (Evaluation Survey) in our processes as part of sustainability. We will also try to integrate the scores of our suppliers from the sustainability assessment survey directly into the SAP system.

The survey includes the performances of suppliers in terms of Reporting, Ethics Policy and Practices, Occupational Health and Safety, Human Rights, Supplier Supervision, Labor, and Environmental Management.



PART V
ENVIRONMENTAL
IMPACT



ACTIVITIES TO AVOID ENVIRONMENTAL IMPACTS

Sarkuysan, one of the leading companies in the manufacturing of copper and its products in Türkiye, has the goal to continuously improve its environmental performance by using production technologies that minimize adverse environmental impacts and protect resources, as emphasized by our Environmental Policy.

Environmental aspects and impacts of all processes, activities related to protection and efficient use of natural resources are carried out by the managers in charge of operations and the environmental management unit. These activities are supervised by our Environmental Consultants at each production facility. In order to achieve the environmental targets, set in line with the main principles defined in the Environmental Policy, the relevant parameters are monitored and checked, and then reviewed at the annual management meetings chaired by the Managing Director.

National and international legislation that must be abided due to our activities is followed and the related

requirements are fulfilled. Assessments regarding compliance with legislation are reported periodically. All our premises continue their operations in compliance with ISO 14001 Environmental Management System Certificate.

In addition to fulfilling legal requirements, we implement the requirements of ISO 14001 Environmental Management System, identify opportunities to improve our environmental performance and initiate corrective actions. Moreover, on-the-job, and regular training as well as practical drills are conducted to raise environmental awareness of our employees. Furthermore, subcontractors, visitors and interns working in our facilities are informed about the rules related to the environment.

In 2015, our activities related to the environment were deemed worthy of the Şahabettin Bilgisu Environmental Award in the category of Metal Industry by the Kocaeli Chamber of Industry.

ENVIRONMENTAL GOALS

Environmental Performance Indicators

Natural Resources Utilization	Goal (2023)	2021	2022
Total water consumption (m³)	Decrease 0.5% compared to base year	130,468	127,952
Waste Management	Goal (2023)	2021	2022
Hazardous Waste Percentage	Decrease to 15% compared to base year	16.4%	16.6%

Climate Change

Climate Change	Goal (2023)	2021	2022
Scope 1 CO ₂ emission (1,000 tCO ₂)	At all premises by the end of 2023 Calculation of Scope 2 and Scope 3 emissions	51.70	35.9
Energy Saving (MWh)	110	659	3,948
CO ₂ Saving (tCO ₂)	53	324	946



WE PRIMARILY FOCUS ON RECOVERY AND RECYCLING



WASTE MANAGEMENT AND RECYCLING

The copper deficit in terms of global copper production increased to 500,000 tons in the past decade, i.e., reached 2% of the supply amount. Copper is not an infinite source; hence, recycling activities should be more prominent in order to reach our goal for a greener world. Recycling activities shall be considered as a measure of development, not only in terms of copper, but for all the natural resources and policies shall be defined accordingly.

Copper is an almost 100% recyclable metal with no loss of quality. Thanks to the investments we made with our expertise and know-how in copper recovery, we carry out environmentally friendly recycling activities and re-refine some of the copper we use in our factories to high purity, making it suitable for industrial use. Our facilities that have Environmental Licenses contribute to the circular economy and protection of natural resources by using secondary copper. We recycle copper products that have completed their economic life and the wastage generated in the manufacturing processes of our customers and support the life cycle. At Sarkuysan A.Ş., our projects having the purpose of efficient utilization of natural resources, energy saving and reducing our carbon footprint are ongoing. The modernization project of our electrolysis facility, which

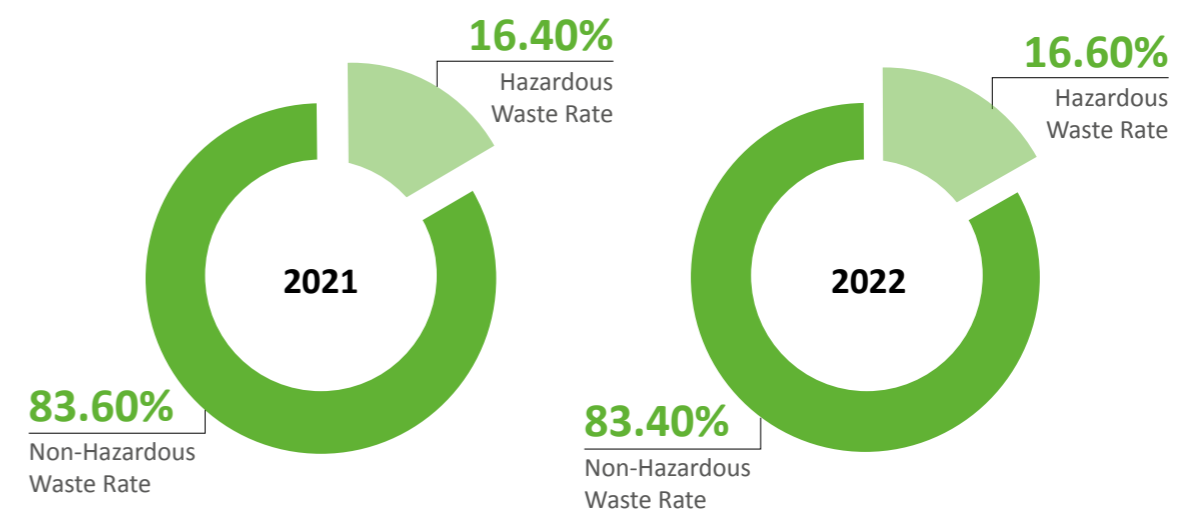
was initiated in 2023, will enable us to have a more efficient facility by 2026 and continue contributing to sustainable development and green economy.

Waste generated during the production process of copper recycling and cannot be evaluated by our party are sent to licensed recycling companies. There is a continuous emission measurement system in the stacks of our recycling facility, and the measurement results can be monitored instantly.

We put efforts to reduce other wastes that do not contain copper, to separate them at the source, and to send them to licensed recycling companies for recycling. Furthermore, employees are provided awareness-raising training to reduce the amount of waste generated as part of the "Zero Waste Project", effective collection systems are established and the approach to preventing waste generation is adopted. Waste is collected and managed separately, and all facilities are certified with the Zero Waste (Basic Level) Certificate.

Wastewater generated during our activities is treated in our Industrial Wastewater Treatment Plant.

Amount of Non-Hazardous/Hazardous Wastes



ENERGY MANAGEMENT AND CLIMATE CHANGE

Sarkuysan attaches significance to the efficient use of energy in ecological and economic terms and focuses on energy efficiency to prevent CO2 emissions. Moreover, the ISO 50001 Energy Management System, which is implemented in all our facilities, aims to use energy efficiently and increase the saving potential. Improvement plans and responsibilities for achieving the goals set in line with our energy policy have been defined and are being followed up.

Our primary goal is to use energy and natural resources efficiently in all our processes. Our energy performance is constantly being improved through energy efficiency surveys and improvement projects. The latest technological advancements are followed

and alternative energy resources that would minimize the adverse impacts are evaluated. Energy-efficient technologies and applications are preferred to improve our production facilities and in equipment and services to be purchased for new investments. Our employees are provided training to ensure effective implementation of our Energy Management System and to raise awareness.

Extraordinary fluctuations in the energy market have caused the cogeneration facility to be operated at a lower capacity, which has reduced our primary energy consumption based on natural gas, while our secondary energy consumption based on electricity consumption has increased.

Energy Consumption (Million MWh)

	2021	2022
Primary Energy Consumption	0.30	0.21
Secondary Energy Consumption	0.08	0.11
Total Energy Consumption	0.38	0.32

Primary: natural gas, poplar tree

Secondary: electricity, charcoal, acetylene, LPG, petroleum products

Our CO₂ emissions, which are generated by our production activities and are referred to as "Scope 1-Direct Carbon Footprint" in the terminology, are approved by the auditing company and reported annually. Efforts to calculate emissions from electrical energy consumed and is referred to as "Scope 2-Indirect Carbon Footprint" in the terminology, as well as "Scope 3-Other Indirect Carbon Footprint" from transportation, raw materials, product transfers and personnel transportation activities have been initiated

and the calculations are expected to be completed by the end of 2023.

Thanks to the reuse of waste heat generated in the enamel coating lines in our enamel facility, an annual saving of 650,000 kWh is predicted, and an approximately 5% saving in energy consumption is expected at the related facilities.

CO₂ Emissions (1,000 tCO₂)

	2021	2022
Scope 1	51.70	35.90





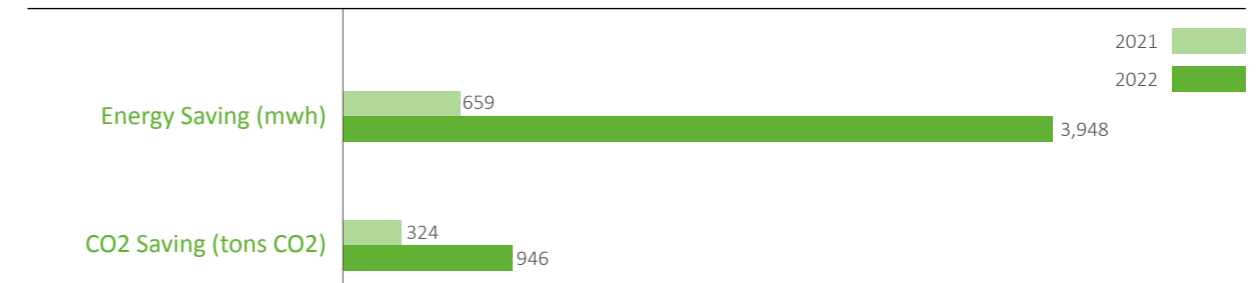
Furthermore, the products we manufacture are used in projects that contribute to reducing CO2 emissions and add value to human life in various areas. There is more copper in electric vehicles than in conventional internal combustion engines. Copper also plays a crucial role in green energy generating systems. With the rapid rise of industry 4.0 applications, internet of things (IoT), smart cities and smart mobile phones, as well as the automotive and energy industries, the need for real-time data transfer has increased, hyperscale data centers have become rapidly widespread and the need for copper has begun to increase day by day.

We implement practices for the effective management and efficient use of energy with the awareness that resources must be consumed responsibly to ensure environmental sustainability. Hence, we have the goal to reduce energy consumption from non-renewable resources every year. We are aware that the adverse impacts of energy use on the environment can be reduced by using renewable and clean energy. Thus,

We carry out efficiency-increasing projects to use energy efficiently and reduce consumption. In this regard, we carried out projects to improve the environmental lighting system and replace low-efficiency compressors with high-efficiency ones.

As part of energy efficiency projects, we achieved 55% energy efficiency in interior lighting, 24% energy efficiency in compressor specific electricity consumption, and 36% energy efficiency in the process revision of waste heat utilization in the cogeneration plant. As a result of both projects in question, we prevented approximately 946 tons of CO2 emissions by the end of 2022, which has an equivalent impact of planting approximately 2,300 red pines. (<https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>).

Energy and CO2 Saving Distribution

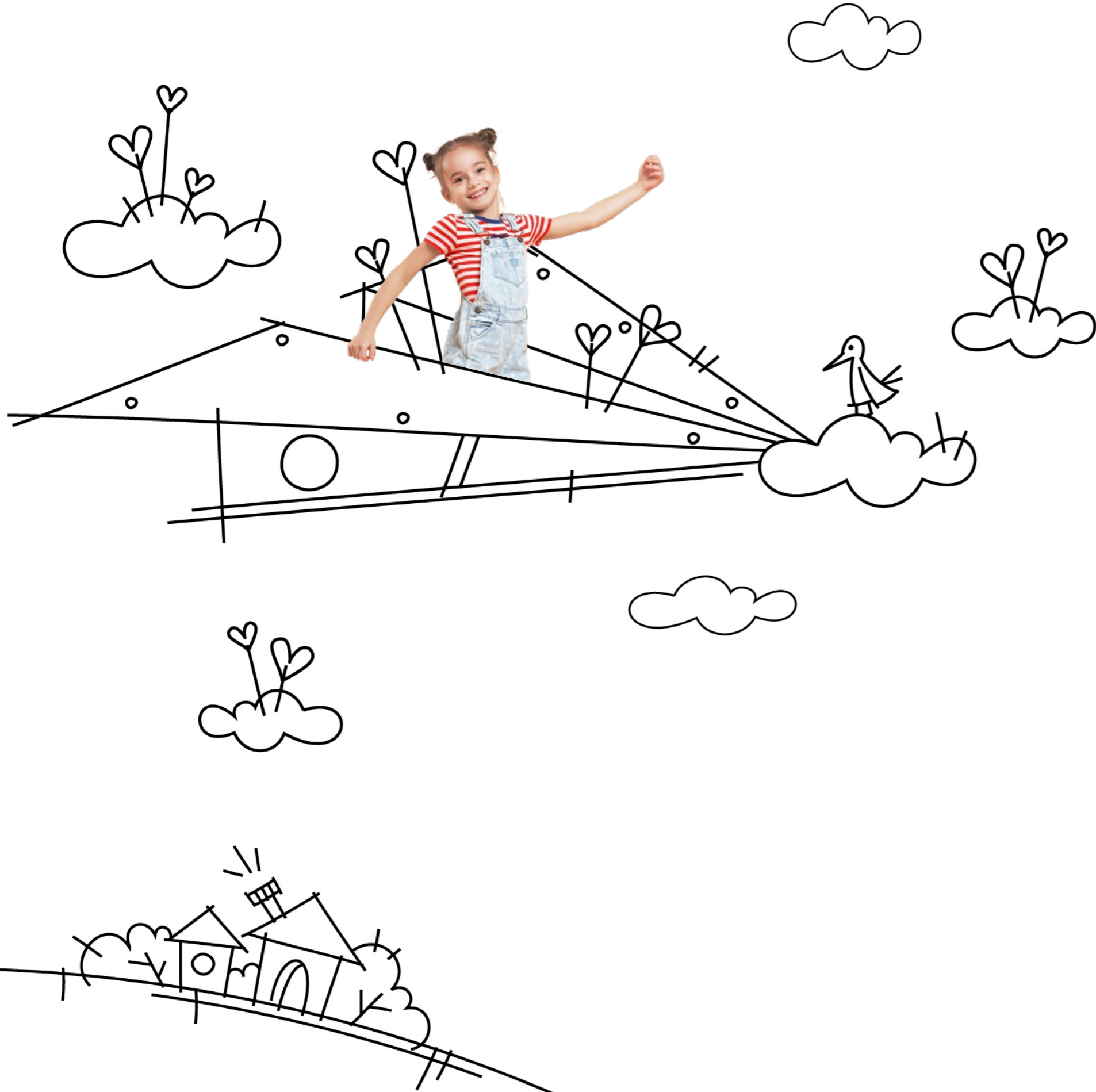


WATER MANAGEMENT

Being aware that water is an inevitable resource of life, we meticulously implement the approach of efficient use of water consumed in our activities as well as meeting the sanitary requirements of our employees, and we carry out our activities in accordance with all relevant legal requirements.

Total Water Consumption (m³)

	2021	2022
Amount	130,468	127,952



PART VI
SOCIAL IMPACT

SOCIAL IMPACT (SOCIAL DEVELOPMENT)

EMPLOYEES AND HUMAN RESOURCES PRACTICES

As an extension of corporate culture, we attach significance to ensure and maintain a fair and equitable work environment in all processes of Sarkuysan Human Resources Policies. The main philosophy of our company regarding our workforce since its establishment has been to ensure that employees work in a peaceful family-like environment based on mutual goodwill, solidarity, cooperation, sympathy, and respect. Sarkuysan constantly improves its human resources structure with high professional competence with its human resources management approach that focuses on equal opportunities. High levels of employee satisfaction and loyalty are achieved through investments that support personal development. As industrial democracy, a significant aspect of democracy, is a very sensitive issue for Sarkuysan, the Company invited the most powerful labor union in the region in 1975, even before the production began, and paved the way for unionization of the workers. In this regard, Sarkuysan is an exemplary organization. Since then, the Company has ensured that its employees can freely exercise their rights for collective bargaining and association. Sarkuysan is a member of the Turkish Metal Industrialists (MESS), an employers' union, and the Company's blue collar workers are members of the United Metal Labor Union.

In order to maintain peace in the workplace, relations based on trust and dialogue are established with unions. Employee-employer relations are carried out effectively regarding union issues within the framework of legal regulations. Investments made in human resources are preserved within the Company and carried into the future. The continuity achieved also enables highly competent human resources to make maximum contribution to generating value-added outputs. Sarkuysan believes that any individual can achieve anything if they really want it and are given the opportunity. We do not take into consideration gender, ethnicity, language, race, color, political opinion, physical disability and religious affinity in the career journey, recruitment, offering training opportunities, promotions, remuneration and wage increases of our employees. We attach significance to diversity. We adopt the principle of providing equal opportunities to people under equal conditions. Employees are treated fairly in the benefits they are offered.

EMPLOYEE PROFILE

Within the framework of the importance our company attaches to employee loyalty, our average workforce seniority is 12 years and this period extended 3 months compared to the previous year. The workforce turnover rate is around 5.3%, excluding the retired employees. These rates are above the seniority average in the industry and below the labor turnover rate. As of the end of 2022, 547 blue-collar Sarkuysan employees are covered by the collective bargaining agreement, and the unionization rate among all employees is 63.98%.

RECRUITMENT

Human resources and department managers work together in the competency-based employee selection and assignment processes carried out within the framework of our recruitment procedure in order to ensure assigning the right candidate for the right job. The Human Resources Department manages the preliminary evaluation process and invites the candidate for an interview. Professional methods are used in the preliminary evaluation process. Once the candidate is found suitable for the corporate culture and the qualifications of the candidate match the requirements of the vacancy, the candidate is interviewed by the department manager to evaluate the professional knowledge of the candidate. Upon completion of the selection process, the candidate is notified regarding the result.

EMPLOYEE SATISFACTION AND LOYALTY

EMPLOYEE SATISFACTION SURVEY

An Employee Satisfaction survey, available to all our employees, is conducted for all Sarkuysan employees at least once a year to ensure a working climate that maintains cooperation on a global scale, is open to change, uses its potential, shares an agile and entrepreneurial culture, and shapes our people management and leadership actions in line with the opinions of our colleagues, and the results of the survey are monitored in detail through reports at the annual

"Management Review" meeting attended by executives.

According to the results of the latest employee satisfaction survey, the 3 questions that were replied as highly satisfied the most by our employees are as follows:

- Overall, how satisfied are you working at our Company?
- Based on your experiences so far, would you recommend working in our Company to your friends?
- Do you agree with the idea that I embrace what I do and do it as if it were my own?

EMPLOYEE LOYALTY

Deriving its strength from its satisfied, wholeheartedly committed human resources, each of whom we consider family and who work with team spirit and dedication, Sarkuysan has the goal to maintain strong employee loyalty in all of its human resources practices, starting from the recruitment processes. Our average employee seniority, which is 12.5 years for blue-collar workers, 11.9 years for white-collar workers and 12 years and 3 months on the overall average, also supports employee loyalty. Our employees are provided mentoring by global professional training companies on employee loyalty.



EMPLOYEE DEVELOPMENT

Sarkuysan provides all the development resources required by its employees, including technical and professional development, personal development, corporate development, and leadership. While preparing the annual training schedule, besides the theoretical and skill training required by the positions of the employees, the demands of the employees and their supervisors are also taken into consideration.

Sarkuysan supports employee development under all circumstances in order to make training and development activities easily accessible to all employees, to offer training opportunities to all employees at the same level, to keep employee motivation at the highest level, to meet requirements and needs and to support employees in achieving their career goals while performing their jobs safely and effectively.

During the training requirements analysis, training requirements on an organizational basis are analyzed in line with the corporate strategies and goals of Sarkuysan. The issues taken into consideration in the analysis of requirements of positions and personal needs are performance evaluation and development indicators, employee requests and training results of the previous period. All analysis results are compiled and an annual training schedule, including in-house and outsourced training, is prepared with the approval of the training board and the Managing Director. At the end of the training provided, participants are requested to fill out a Training Evaluation Form in order to monitor the effectiveness of the training, evaluate the performance of the trainer, assess the selection and presentation of training topics, and the interest of the participants in the training. Evaluation results are considered as a basis for improving training. Compliance with the Training Plan is monitored on an annual basis, in line with the report prepared at the end of the year. Moreover, on-the-job training, occupational health and safety training, and environmental management system training are provided to our newly recruited employees in our factory by the related departments/organizations before they begin working. On-the-job training provided to our blue-collar employees is refreshed every six months.

Resources, including performance and competency evaluation results, employee development and career plans, are used in identifying the training requirements of employees and developing training plans. The overall mentality is to develop a training plan to take quick action according to the developments and changes experienced during the year and employees are encouraged to participate in training. Besides the individual requests of employees, the needs and legal requirements of the company are always considered.

Tools and platforms to receive feedback in order to improve the training and development process include employee satisfaction surveys, training effectiveness evaluation form results, post-training development follow-up results, trainer feedback, performance evaluation results and our suggestion system. While the training effectiveness evaluation form is filled out by employees and managers immediately after the training, it is re-evaluated after 45 - 90 days.

In 2022, our employees were provided 17,476 hours of training, 60% of which was regarding occupational health and safety and the environment, and 40% of which was regarding professional and personal development. The average training hours per employee in 2022 was 20.40 hours. As per the employee development and talent planning, the expected training hours per employee for 2023 were increased to 25 hours. Sarkuysan ACADEMY, which will be established in the following periods, has the purpose of ensuring all employees of our group companies to benefit from the training and development programs on common ground.



TALENT MANAGEMENT

The best example that proves the value Sarkuysan attaches to talent management is our CEO and Managing Director, Mr. Sevgür ARSLANPAY, who joined our family 40 years ago as an intern engineer.

In the competency evaluation meetings held at Sarkuysan in the fourth quarter of the year, various talent management and corporate loyalty improvement programs are presented in order to increase the competencies of employees offered to be included in the talent pool by their superiors. In addition to in-house development programs, training and mentoring activities, our employees are encouraged and supported to attend post-graduate programs, as well as certification and foreign language development programs.

PERFORMANCE MANAGEMENT

Performance evaluation is carried out in the last quarter of each year in order to measure the productivity and development potential of employees, to increase their performance through motivation and to ensure development of their personal skills, and to support decisions regarding the talent pool, promotion, career planning, determination of salary increases, rewarding and training requirements as well as organizational changes. Performance evaluations are held in open meetings attended by employees and managers.

Performance evaluation encourages our employees to take responsibility in line with the awareness of company on merit, career, getting noticed, recognition and evaluation, and enables them to receive feedback and establish two-way communication with their superiors. Performance evaluation facilitates employees to understand what is expected of them better and guides them in channeling their strengths and skills in the right direction and developing their career. These evaluations also reveal the training requirements of employees and enable the right employee is provided with the right development opportunity.

Performance evaluations made through face-to-face interviews not only constitute a source for the management information system, but also a channel for announcing goals and objectives of company and departments to employees. The degree to which the company achieves its goals can be monitored separately for each unit. While these evaluations facilitate establishing strong and healthy relationships and communication in the workplace, they also provide input to talent management by identifying employees included in the talent pool; and hence they increase the organizational efficiency of the Company.

INCLUSION

Sarkuysan prioritizes preserving and improving the existing diversity, equity, and inclusion (DEI), "setting goals and monitoring DEI improvement through measurements" and attaches significance to pay attention and allocate resources for the issue. At Sarkuysan, all employees are supported to fully participate in decision-making processes and development opportunities within the organization. Sarkuysan offers a work environment that embraces inclusion and where everyone feels respected, accepted, supported, and valued. Sarkuysan is aware that inclusion reveals the potential in a diverse workforce. In this regard, inclusion is identified by seven key dimensions: Fair treatment, integrating differences, decision-making, psychological safety, trust, belonging and diversity.

Fair treatment: Our employees who help the organization achieve its strategic objectives are rewarded and recognized fairly.

Integrating differences: Our employees respect and value each other's opinions.

Decision-making: Suggestion, training, management review, early risk detection, audit and corporate governance committees gather at separate times throughout the year and fairly evaluate the ideas and suggestions offered by employees.

Psychological safety: At Sarkuysan, employees at all levels feel welcome to express their true feelings.

Trust: The Company's communication with its employees is always honest and open.

Belonging: Each of our employees is a member of the Sarkuysan family, and with our high seniority average and the social activities we offer, we have a strong bond of belonging supported not only by our employees, but also by the families of our employees and our social stakeholders.

Diversity: Diversity in labor is one of the core values that make us who we are.



REWARD AND SUGGESTION SYSTEM

In memory of our late president Cihan BEKTAŞ, who was one of the first founders of our company and had served as the Chair of the Board for 30 years, we grant our employees "Cihan BEKTAŞ Achievement Awards" every year in four main categories, i.e., "Corporate and Administrative," "Technical," "Work Discipline, Business Ethics, Occupational Health, and Safety" and "Suggestion." Moreover, the successful departments and companies of the year are selected, and they are then entitled to get the flag of success to be hung in their departments throughout the year.

Our company attaches great significance to the creative ideas and work-improvement practices of our employees and encourages them to make suggestions. Our suggestion system can be accessed easily by all employees via our human resources portal and those who make accurate suggestions are rewarded based on the evaluations of our suggestion commission.

Furthermore, our employees who complete their 5, 15 and 25 years of seniority are invited to the stage at our Sarkuysan festivals held in December and presented plaques of appreciation and gifts.

OUR SOCIAL ACTIVITIES FOR OUR EMPLOYEES

The comprehensive social activities we provide for our employees have the purpose of supporting the social development of our employees, strengthening mutual relationships, and creating a pleasant working environment.

COMPANY CELEBRATIONS

SARKUYSAN FESTIVAL (CELEBRATIONS FOR THE ANNIVERSARY OF BEGINNING PRODUCTION)



Celebrations are organized at our company headquarters every December as part of the celebrations for the anniversary of the beginning of our production. The celebrations begin in the morning with our Board Members visiting an institution or organization that has been provided support throughout the year, and continue with a tour in the factory, attended by the families of our employees, and then the beginning of production ceremony starts. While employees who joined the Company within the year are announced at the ceremony, the winners in 4 categories of the achievement awards, granted in memory of Cihan BEKTAŞ, who had acted as the Chair of the Board for 30 years from the foundation of the company to his death, are announced and their awards are granted. The reward is granted in the categories of administrative, technical, suggestion and blue-collar. Cihan BEKTAŞ achievement awards and our employees who are entitled to be rewarded in three categories with the suggestions they gave within the year are announced and granted their awards, and flags of success are delivered to the successful departments and businesses of the year. Once the employees who have completed their 5, 15 and 25 years are announced, the ceremony ends and the public concert of our Turkish Music Choir, composed of our employees, supported by guest artists and hosts, begins.

CELEBRATIONS FOR THE ANNIVERSARY OF FOUNDATION OF THE COMPANY



The anniversary of the foundation of Sarkuysan is celebrated in May with the arrival of spring. Celebrations are held in our Hasbahçe (private garden of the Company) located within our Company Headquarters, which has a rose garden, gazebos, tea service, as well as volleyball and basketball courts where our employees can relax and enjoy their breaks. Sarkuysan Folk Dance Ensemble stages a show and sports tournaments are held as part of the celebrations. Moreover, the personnel who are promoted to higher positions and the employees who will retire as of July 1 are announced during the anniversary celebrations.

MUSIC



SARKUYSAN TURKISH MUSIC CHOIR

The Company has a Turkish Music Choir consisting of employees who would like to participate. The choir, which has a history of 26 years, gives concerts open to employees and the public every year.

SARKUYSAN FOLK DANCE ENSEMBLE

A Folk Dance ensemble is established for the employees who would like to participate. Our folk-dance team stages a performance at company's celebration

ceremonies, the circumcision feasts we organize for the children of our employees, and festivals organized by local and national administrations.



THEATER CLUB

The theater club, consisting of willing employees of Sarkuysan and Demisaş, the sister company of Sarkuysan, stages plays they have prepared for the employees and the public.



SPORTS



PILATES FOR FEMALE EMPLOYEES

The female employees, who would like to attend, are provided Pilates lessons twice a week during their lunch breaks.

SOCIAL ACTIVITIES

CIRCUMCISION FEAST FOR THE CHILDREN OF OUR EMPLOYEES



Every 3 years, a Circumcision Feast is organized including meals, shows and gifts is held for the children of our employees

MARCH 8, INTERNATIONAL WOMEN'S DAY CELEBRATIONS



On "March 8, International Women's Day", gifts with a note from the Chair are given to all women working in our group companies.

APRIL 23, NATIONAL SOVEREIGNTY AND CHILDREN'S DAY CELEBRATIONS



As part of "April 23 National Sovereignty and Children's Day" celebrations, the paintings, essays and poetries sent to our company by the children of the employees of our group companies and the students at our elementary school are exhibited in our Company,

published in our Sarkuysan Newspaper and daily Günaydın bulletin, and thank you gifts are given to the participating children.

SUMMER PICNIC FOR OUR EMPLOYEES AND THEIR FAMILIES



Company employees can attend the picnic organized every year with their families. During the picnic, food is offered and various entertainments are held throughout the day. The picnic activity is organized as a countryside picnic one year, and a boat tour on the Bosphorus the other year.

CEREMONIES FOR NOVEMBER 10th, COMMEMORATION DAY OF ATATÜRK



On November 10th, commemoration ceremonies are held in our factory with the participation of our employees. Our executives also participate in the ceremonies held at Sarkuysan High School. As part of the Atatürk Week activities, the winners of the essay competition held every year at Sarkuysan Anatolian High School are rewarded, and the essays of the winners are published in the Sarkuysan Newspaper and read aloud during the ceremonies held at the factory.

FACTORY VISITS OF EMPLOYEES' SPOUSES

On the anniversary of beginning production at the factory, spouses who would like to visit the factory are welcomed at the factory and provided information.

HASBAHÇE GARDEN EVENTS

Employees can enjoy their lunch breaks in the custom designed Hasbahçe, located in the backyard of the Headquarters and various tournaments including backgammon and chess are held.



LUNCH BREAK EVENTS

During the winter season, employees can watch music concerts, live performance shows, and short conference speeches on DVD in the conference hall during their lunch breaks.

COMMUNICATION



SARKUYSAN NEWSPAPER

The annual newspaper, which consists of news about the Company and various beneficial articles, is published and distributed to employees, customers and related people and institutions/organizations as a means of communication.

DAILY "GÜNAYDIN" NEWSLETTER

The digital "Günaydın" (Good Morning) Newsletter says "Good Morning" to its subscribers every morning. The digital newsletter contains useful information, articles, cautionary tales, apothegms, quotes, etc. with the purpose of giving energy and motivation to employees in the mornings.

COMMUNICATION NETWORK

Various channels are used for efficiency of the communication function. E-mails via Outlook, text messages sent to all our employees on social events and general newsworthy issues, Sarkuysan portal, the announcement system and billboards within the premises can be listed among these channels.

REMUNERATION

The Company pays a salary advance in the mid-month and then pays the remaining part of the salary at the end of the month. Raises are reflected every year in March and September, taking into account several criteria.

GOALS FOR 2023

In 2023, our primary goal in human resources is to increase our training hours per employee, which was 20.4 hours per employee in 2022, to an average of 25 hours per employee and a total of 21,216 hours. Our goal to hold our ceremonies, which we held online during the Covid pandemic, face to face in 2022 as we did before the pandemic, was also achieved. We celebrated the 50th Anniversary of our Company at our Hasbahçe Garden on May 28, 2022, and the 47th Anniversary of Beginning Production on December 24, 2022. Our Turkish Music Choir, which is one of the social activities we provide for our employees, gave concerts successfully to the public and our employees at these ceremonies.

OCCUPATIONAL HEALTH & SAFETY

A safe work environment and conditions are provided for our employees. Job descriptions prepared by Human Resources department and our booklet titled "The Fundamental Resources of Our Corporate Culture", which includes Regulation on Personnel, Collective Labor Contract and Principles of Corporate Behavior, are provided to all employees in written. The "Occupational Health & Safety Handbook" is distributed to our employees, blue-collar employees in the first place, as part of the activities we carry out to prevent work accidents. Healthcare related benefits such as vaccination, medical examinations and follow-up services are attached priority and implemented meticulously to protect the health of our employees. Necessary activities are carried out in integration with our legal obligations within the framework of the "ISO 45001 Occupational Health and Safety" management system standards that we are certified. All our employees, their spouses and children are insured against any kind of accidents 24/7 and for 365 days with a group personal accident policy.

OCCUPATIONAL SAFETY

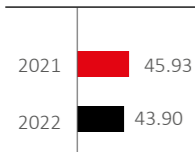
- In order to provide an environmentally friendly, safe work environment with the goal of zero-accident, our employees are provided Environmental and OHS Training regularly; and possible accident risks within and outside the facilities are identified effectively, quickly eliminated, or minimized through the routine Risk Analysis and Site Supervision activities.
- We support the active participation of employees and employee representatives in Occupational Health and Safety processes, and we share information transparently.
- The Management, the Employee representative and Employees continue to cooperate in order to eliminate risks in the working environment and provide a safer working environment.
- Keeping consumption of natural resources and emissions under control have reduced the need for treatment or disposal. Using environmentally friendly technologies in production, we sustain reducing waste at the source and using natural resources efficiently.

- Ensuring efficient implementation of our Environment, Occupational Health and Safety Management Systems and carrying out regular reviews are expected to result in continuous improvement.

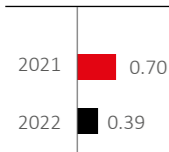
WORK ACCIDENTS

Work accidents are assessed considering and comparing with the previous years, and action plans are created to prevent the recurrence of accidents within the framework of versatile efforts to eliminate the root causes at the end-of-year meetings held with the attendance of our executives. In line with the activities we carry out with the purpose of zero work accidents, the Accident Frequency Rate (AFR - Number of work accidents per 1,000,000 hours worked) was 45.93 and 43.90 in 2021 and 2022, respectively. Risk assessment activities shall be carried out in our facilities once every two years as per OHS Law No. 6331. The OHS Department identifies deficiencies in safety, if any, that pose a risk in the facilities via their monthly updated site supervision reports and shares them with the relevant departments. The OHS Department provides training together with the workplace physician to the personnel who return to work after a work accident. Security vulnerabilities brought to the attention of the members of the OHS Committee at their monthly meetings are analyzed from a technical perspective, resolved quickly and necessary actions are taken as soon as possible. Furthermore, issues such as adequate use of PPEs and keeping the protective equipment activated in the machinery park are also detected and maintained through regular site inspections.

Accident Frequency Rate



Accident Severity Rate



OHS Training (Hours)



OCCUPATIONAL HEALTH AND SAFETY TRAINING

The Occupational Health and Safety Training aims to prevent. We adopted a management approach that does not hesitate to establish the necessary training infrastructure and technology to achieve our goal of zero accidents.

Training activities were continued efficiently within the framework of Covid measures in order to raise awareness of our employees on occupational health and safety and to continuously improve the in-house OHS culture. The OHS, AFAD (Disaster and Emergency Management Presidency) and first aid training were provided for 8,480 hours and 10,556 hours in 2021 and 2022, respectively.

As part of annual awareness-raising trainings that we provide to our white-collar managers, activities of the OHS Committee, risks identified at the site, accurate use of work equipment, statistical analysis of accidents, solution suggestions, and measures taken and to be taken are mentioned. The training does not only cover

Accident Frequency and Severity Rates

Year	Employee	Worked Hours Total	Accident	Lost Workforce		Accident Rate	
				days	hours	Frequency	Severity
2021	836	1,959,334	90	1,370	10,275	45,934	0.699
2022	855	1,913,277	84	741	5,557.5	43,904	0.387

(Annual figures, including all workplaces.)

Based on hours worked = Normal Working hours + Overtime hours.

$$\text{ACCIDENT FREQUENCY RATE} = \frac{\text{TOTAL NUMBER OF ACCIDENTS}}{\text{TOTAL WORKING HOURS}} \times 1,000,000$$

(Number of work accidents per each 1 million working hours)



occupational safety, but also has the purpose of raising a common awareness on natural disasters such as earthquakes, fires, etc.

Moreover, our Company takes any and all necessary measures against environmental and occupational health risks that may occur while carrying out the existing processes and necessary trainings are provided periodically. All facilities of our Company that are actively in operation are certified with the "ISO 45001 Occupational Health and Safety Management System" certificate. Emergency action drills including fire, search and rescue and evacuation drills, which are required to be conducted as per this standard, are performed regularly every year, with the great interest and voluntary participation of our employees.

ACTIVITIES

Adopting occupational health and safety, a primary core value of the company culture, our Company allocates a significant share to OHS investments every year in

line with this strategy. Accordingly, an industrial type of road sweeping vehicle was purchased for our company to have a cleaner factory and the cleaning fleet was expanded considering the impact of the hygiene of the working environment on employee health.

Furthermore, maintenance platforms with a total length of up to 1,000 meters were put into operation for safe access and maintenance of overhead cranes, which are widely used throughout our factories. Our roof anchors have reached a total of 4,200 meters in 14 locations and 45 points.

As part of its environmentally friendly activities, our Company stopped using 40% of the diesel forklifts in its fleet over time and switched to environmentally and employee-friendly electric forklifts, thus saving approximately 235 tons in annual carbon footprint. On the other hand, speed regulation has been applied to all vehicles in the diesel forklift park, with the purpose of life safety as well as equipment safety. As a result, our carbon footprint was reduced by approximately 30 tons per annum.

CORPORATE SOCIAL RESPONSIBILITY PRACTICES

SOCIAL INVESTMENTS OF SARKUYSAN A.Ş.



Sarkuysan adds value to our society not only with its production but also with the corporate investments made in line with social responsibility awareness.

In the early 1970s, a very small group of tradesmen, initially engaged in gold trading in the Grand Bazaar, wanted to build a factory that would meet the requirement for warplanes, the shortage of which severely felt during the Cyprus events at that time, with the dream created and nurtured by the love of the homeland. Even though they could understand that the country's technical competence and financial strength at that time would not be enough for the aircraft factory they dreamt of, as they had set out, they would put all their efforts to build an essential industrial facility for our country. Finally, they brought their dreams to reality with the company they founded under the name Sarkuysan (short for SARraf (goldsmith) KUYumcu (jeweller) and SANatkar (craftsman)) on May 9, 1972, and in December 1975,



they laid the foundation of the factory that would produce electrolytic copper products, a strategic intermediate industrial product, in the Gebze Region. While laying the foundation, the principles and values that would always enlighten the path of the Company were also set. These values include honesty in activities, environmentally friendly production, professional management in integration with its employees, an innovative, creative, competitive, and dynamic structure, social and community investments besides production.

Sarkuysan attaches great importance to social and community investments as well as its industrial activities. The company creates social values by carrying out projects in all areas such as education, healthcare, religion, environment, and sports, with the awareness of voluntary social responsibility. Some of these projects that were completed or are still ongoing are summarized categorically below.



DONATIONS AND GRANTS

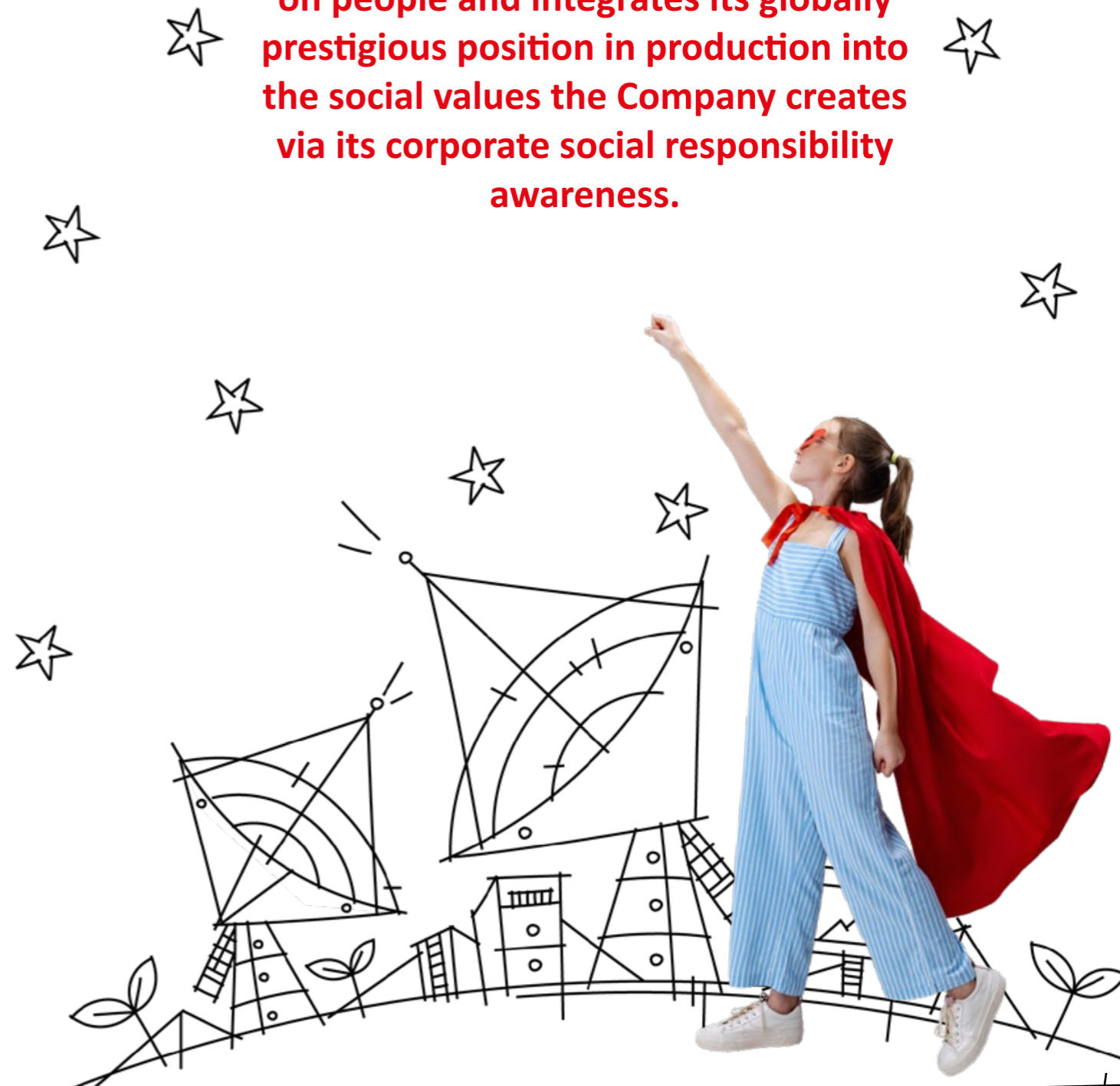
The social projects of the company extend to African countries. In Senegal and Gambia, two of the poor countries of the continent, drilling a water well was sponsored in one village, while building a mill in two other villages was sponsored, through the "SEN DE GEL" Association.

SUPPORT TO NGOS

Sarkuysan makes donations to various NGOs directly to contribute to their activities.

SARKUYSAN, CELEBRATES ITS 50TH ANNIVERSARY AND

is proud of being a modern and exemplary global company that focuses on people and integrates its globally prestigious position in production into the social values the Company creates via its corporate social responsibility awareness.



DONATIONS IN HEALTHCARE

Although Sarkuysan was planning to open a healthcare center on the Company land where the factory is located, to provide free healthcare services to the locals, there have been some administrative and bureaucratic obstacles. Thereupon, the Company develops an original and exemplary project and donates medical devices/equipment to hospitals. Every year, the Company has been channeling the budget allocated for promotional giveaways distributed at New



Year's Eve for donating medical devices/equipment immediately required by one or more healthcare institutions for 29 years. To date, very valuable medical devices/equipment have been donated to dozens of state and foundation hospitals in Istanbul and Kocaeli.



A room in a nursing home of Kadıköy Health Education Foundation (KASEV) was also re-furnished together with medical devices by the Company.



ACTIVITIES IN EDUCATION

Investments made in education are one of the core elements of the corporate identity of Sarkuysan. The Company is a true friend of education with the schools that the Company built, the non-refundable scholarships granted, and the contributions made to relevant activities.



SARKUYSAN HIGH SCHOOL

The construction works of a much-needed modern high school in Gebze, where the factory is located, were undertaken and the school opened for education on 01.11.1986. In 1991, the capacity of this school was expanded, and the number of classrooms was increased from 22 to 33. The Company also provides repair and maintenance of this high school every year. During the pandemic, our Company provided the hygiene materials needed by teachers and students.



SARKUYSAN ELEMENTARY SCHOOL

Another school investment, an elementary school, was made in Darıca, where the Company Headquarters is located. "Sarkuysan Elementary School" opened for education on October 6, 2009, with a capacity of 1,060 students, in an indoor area of 4,000 m², with 2 kindergarten classrooms, a game room, elevators for people with disabilities, 32 classrooms and modern laboratories.



SARKUYSAN – UNIVERSITY COLLABORATIONS:



Sarkuysan establishes collaborations with universities in various fields to develop projects, to support authentic projects, and grant prizes/gifts to those who graduate from their faculties with high honor in their fields. Our Executives and Employees are always ready to share their professional experiences at congresses and events held at universities.

OTHER GRANTS IN EDUCATION



The Company also supports various education projects besides the schools that the Company built. For example;

- The Company covered the cost of a classroom in the reconstruction of the damaged Dumlupınar Elementary School in Gölçük district.
- The Company constructed 2 classrooms for special education for the Education Center for Children with Autism in Gebze.

- In 2015, the Company built 3 laboratories at Darıca Öğretmen Füsün Erdemir Healthcare Vocational High School to meet a great requirement of the school and to contribute to the professional practices of students.
- The Company furnished the kindergarten opened for the children of women serving in the closed prison in Gebze.
- The Company, once again, supported equipping the training hall of the Association of Children with Autism in Gebze.
- Furthermore, expenses of 2 students at the school of Darüşşafaka Society are covered as part of the "Parent Donator" program.

SCHOLARSHIPS



NON-REFUNDABLE SCHOLARSHIPS FOR 940 STUDENTS

707 students completed their higher education with our scholarships. Currently, 233 students continue their education.

Another significant support of the company in education is the non-refundable scholarships granted.

Initiated by Hayrettin Çaycı, the Chair at Sarkuysan, 372 people have begun their professional life and 127 students are still continuing their education with the scholarships granted to the children of employees in higher education. The graduates of Sarkuysan High School, who passed the exams and began their higher education, also benefit from this scholarship.

The second line of the scholarship application is granting scholarships to successful but underprivileged university students from the fund created by the voluntary contributions of employees. So far, 335 students have benefited from this fund and began their careers, and 106 students are still continuing their education.

The Company offers students studying in vocational high schools and university students studying in engineering departments the opportunity of internship over the legal limits.

Moreover, internship opportunities are provided to foreign students through student exchange programs of international organizations such as AIESEC and IAESTE. 100 tablets were distributed to elementary and high school students who could not access tablets required by the remote education in our schools due to the pandemic in 2020 - 2021.

CULTURAL HERITAGE



The company bought the Frej Han, a century-old inn which was registered as second-degree historical monument and in very bad condition, in Şişhane, Istanbul by bringing together dozens of heirs scattered all around the world and had used the building as its Headquarters for so many years. Working with University Professors who are recognized experts in their fields and contractors, the Company completed the restoration works of the building; and thus, this magnificent building took its place once again in our cultural heritage.



PROMOTION

INTERNATIONAL ORGANIZATIONS

Sarkuysan contributes to the promotion of our country by partaking actively in various international organizations and hosting these organizations in Türkiye.



RELIGIOUS AFFAIRS DIRECTORATE

In 1993, a large-area, exemplary, modern mosque with all kinds of contemporary comforts was built on Sarkuysan land in the form of a social complex, considering the needs of the surrounding areas of the factory, and handed over the mosque to the Religious Affairs Directorate.



SPORTS ACTIVITIES

SARKUYSAN MEN'S TABLE TENNIS TEAM

The Men's Table Tennis Team of the Company competes in the "Turkish Table Tennis Super League" and has frequently represented our country in the European Cup Winners' Tournament since 1991.

SUPPORT TO OUR EMPLOYEES COMPETING IN SWIMMING RACES



Our employees participate in swimming races held nationwide throughout the year and get medals in their own categories. Our Company sponsors our athletes and provides all kinds of support.

ART ACTIVITIES

SARKUYSAN TURKISH MUSIC CHOIR CONCERTS



Our Turkish Music Choir, consisting entirely of our employees, was established with the support of Hayrettin ÇAYCI, the Chair, who is an admirer of Turkish Music, and has been active for 25 years.

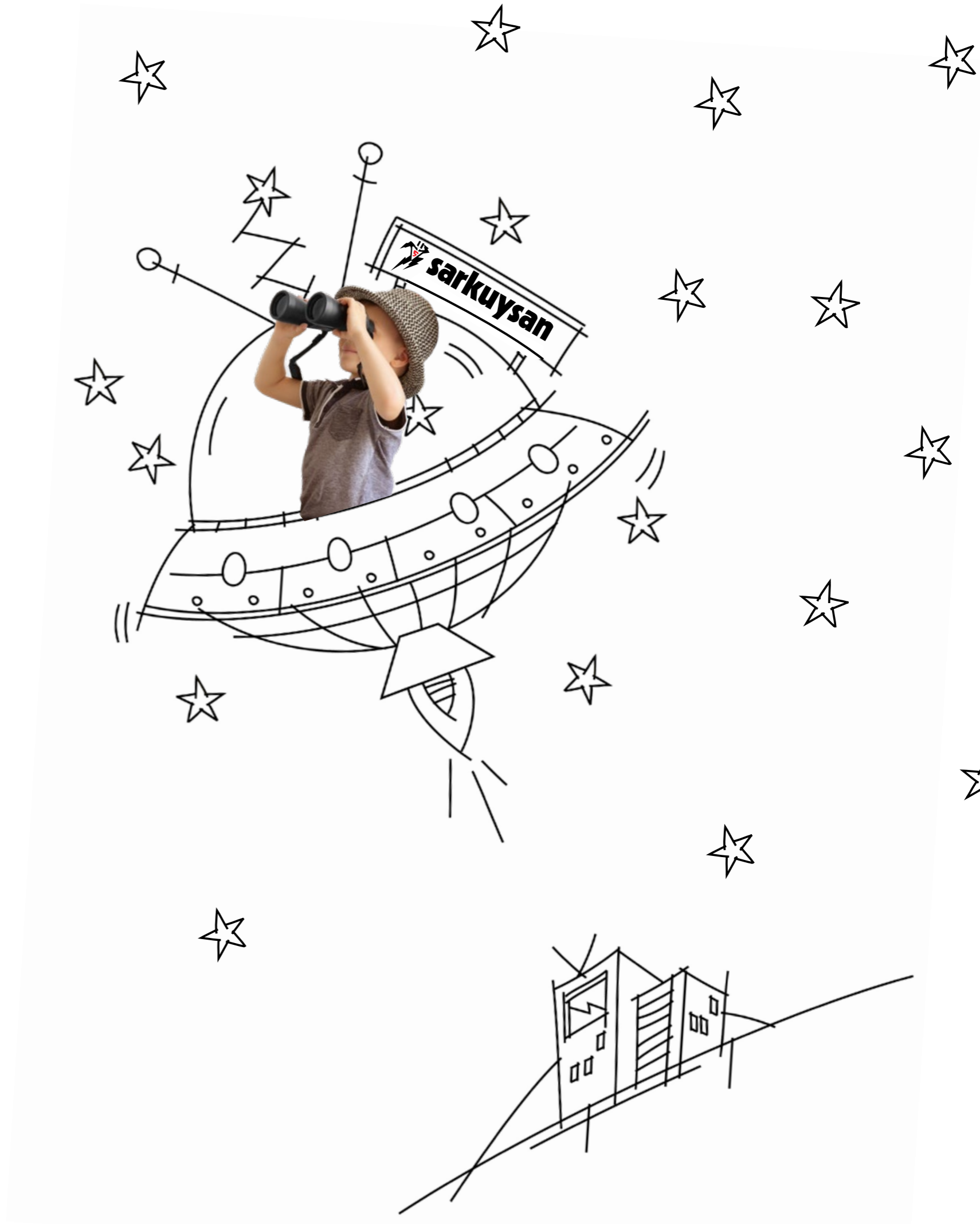
The Choir gives concerts to the public at least twice a year, during which TRT (Turkish Radio Television) Vocal Artists are welcomed as guests and takes the stage at various events held in Istanbul and the surrounding areas.

"Starting a choir and keeping it active in an organization in heavy industry is a first in our country."

PERFORMANCES OF OUR THEATER CLUB AND FOLK DANCE ENSEMBLE

Our theater club and folk-dance ensemble, consisting of the employees of our Company, take stage at events held throughout the year and perform for the public.

PART VII
ANNEXES



SOCIAL PERFORMANCE INDICATORS

Number of Employees	2021		2022	
	Female	Male	Female	Male
Total Number of Employees	60	776	61	794
Number of White Collar Employees	60	242	61	247
Number of Employees Included in the Collective Labor Agreement	0	534	0	547

Employees of Subcontractors	2021		2022	
	Female	Male	Female	Male
Employees of Subcontractors per Gender	28	91	17	133

Employee Turnover	2021	2022
Employee Turnover Rate	3.59%	6.43%

Employees Recruited and Quitted	Unit	2021	2022
Newly-Recruited	Female	4	12
Quitted	Female	6	5
Newly-Recruited	Male	36	62
Quitted	Male	24	50
Total - Newly-Recruited	Persons	40	74
Total - Quitted	Persons	30	55

Employee Education Level	Primary Sch.	Secondary Sch.	High Sch.	Com./Voc. High	2-year	4-year	Post Graduate	TOTAL
Blue Collar	31	33	107	296	69	11		547
White Collar	6	6	34	68	34	132	28	308
TOTAL	37	39	141	364	103	143	28	855

Management Structure (Board of Directors, Senior Management & Managers)	Unit	2021	2022
Female	Rate	16.67%	23.68%
Ages 30 and Under	Rate	0.00%	0.00%
Ages Between 30 and 50	Rate	38.89%	26.32%
Ages 50 and Over	Rate	61.11%	73.68%
Foreign	Rate	0.00%	0.00%
Employees w/ Disabilities	Rate	0.00%	0.00%

Training Hours	Unit	2021	2022
Occupational and Technical Training	Hours	2,802	4,523
Personal Development	Hours	900	1,621
Occupational Health and Safety and Environment	Hours	8,480	10,556
Others	Hours	1,161	776
Total	Hours	13,343	17,476

2023 TARGETS: HOURS 21,216

Average Training Hours per Employee	Unit	2021	2022
	Hours	15.6	20.4

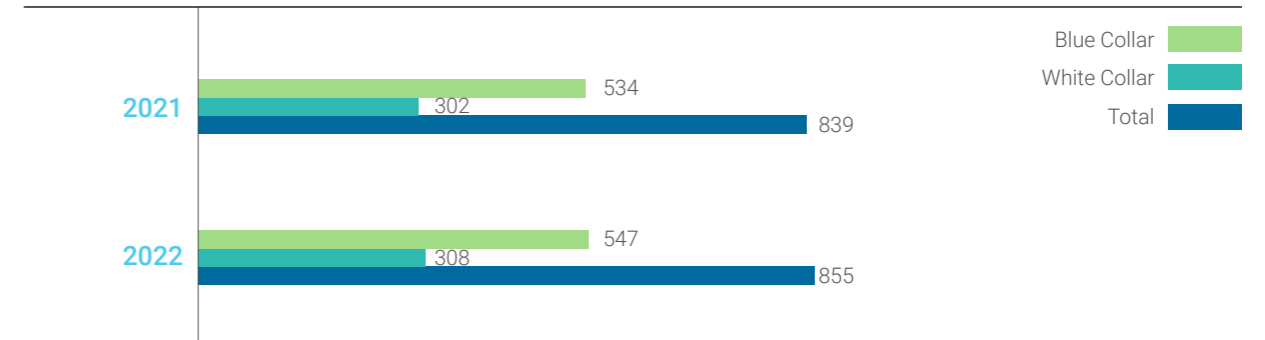
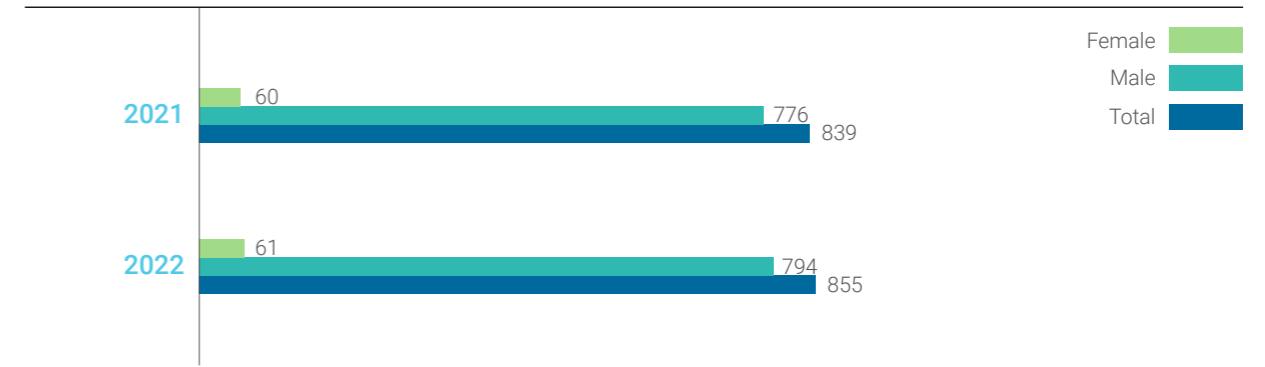
2023 - TARGETTED 25.0

Employees per Management Category	Unit	2021	2022
Managing Director	Female	0	0
	Male	1	1
Deputy Managing Director	Female	0	0
	Male	3	3
Manager	Female	4	4
	Male	16	15
Chief	Female	11	14
	Male	28	28
Engineer	Female	7	7
	Male	28	30
Staff	Female	38	36
	Male	77	80
Technician	Female	0	0
	Male	68	69
Foreman	Female	0	0
	Male	21	21
Worker	Female	0	0
	Male	534	547

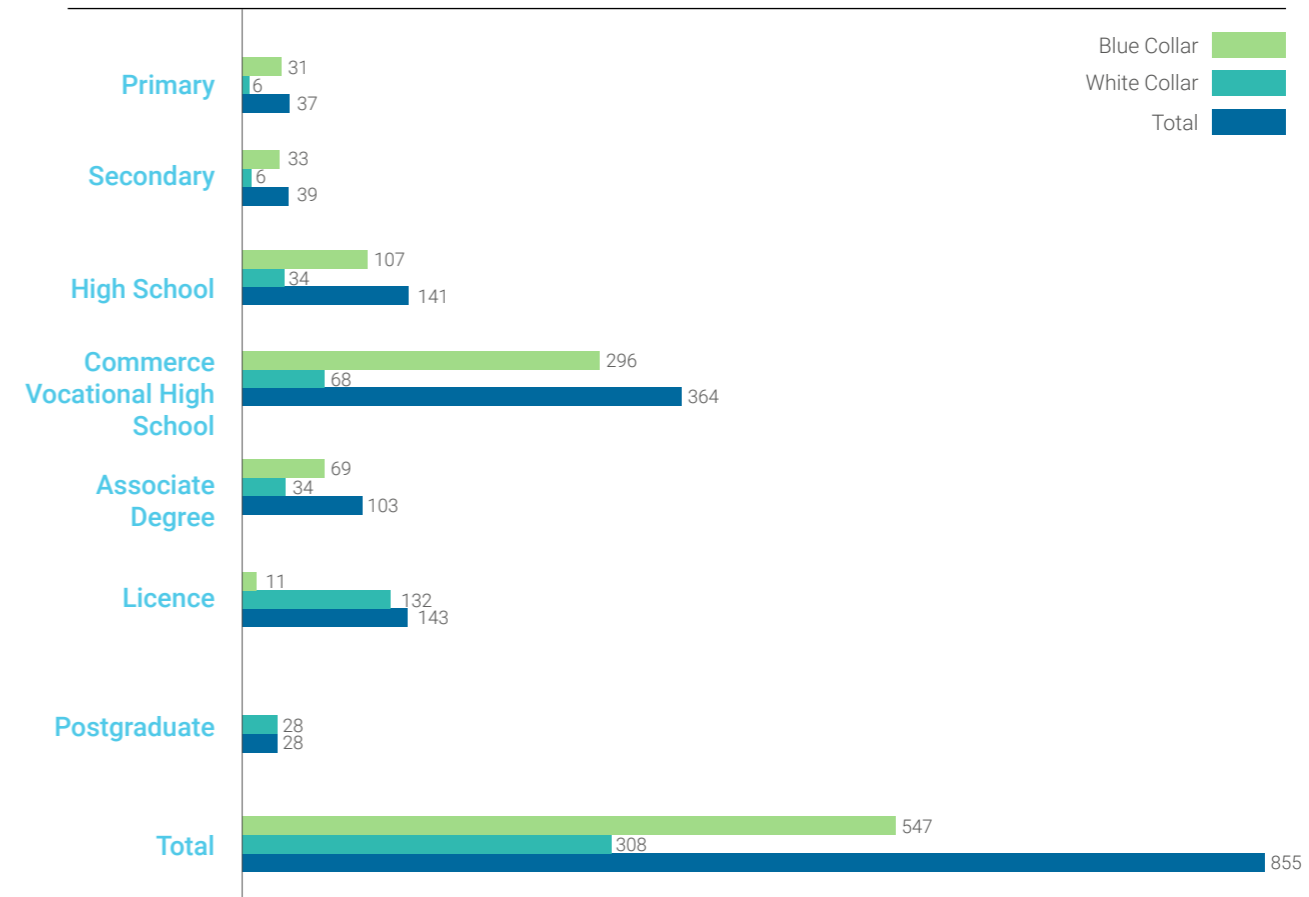
Occupational Health and Safety Performance Indicators	2021	2022
Accident Frequency Rate*	45.9	43.9
Accident Severity Rate**	0.70	0.39
Occupational Disease Rate***	0	0

*Accident Frequency Rate = (Number of Accidents/Total Actual Hours Worked) * 1,000,000
 **Accident Severity Rate = (Number of Lost Workdays due to Accidents/Total Actual Hours Worked) * 1,000
 ***Occupational Disease Rate = (Number of Occupational Diseases/Total Actual Hours Worked) * 1,000,000

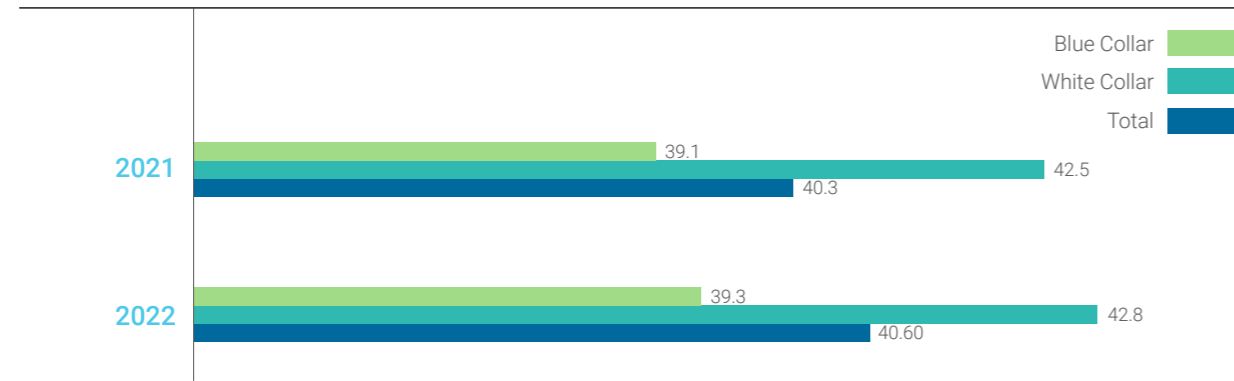
Employees per Seniority	Unit	2021	2022
Number of Employees Working for 0-5 Years	Female	14	20
	Male	173	198
Number of Employees Working for 5-10 Years	Female	28	19
	Male	169	189
Number of Employees Working for 10 Years and More	Female	18	22
	Male	434	407



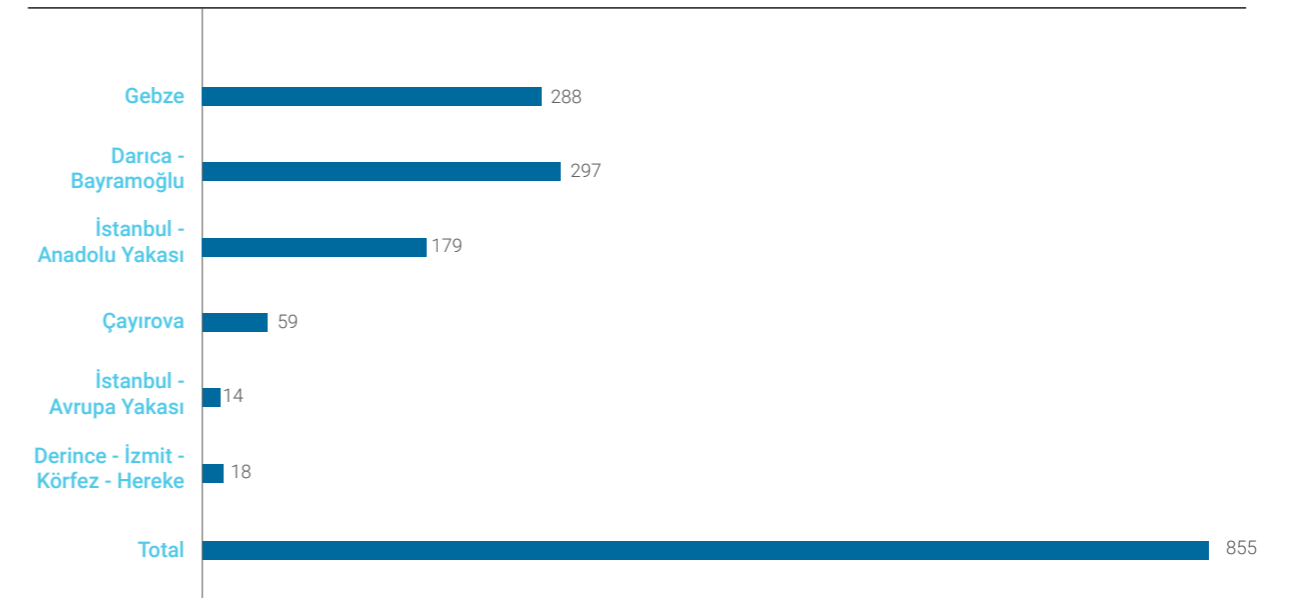
EMPLOYEES BY EDUCATION LEVEL - 2022



THE AVERAGE AGE

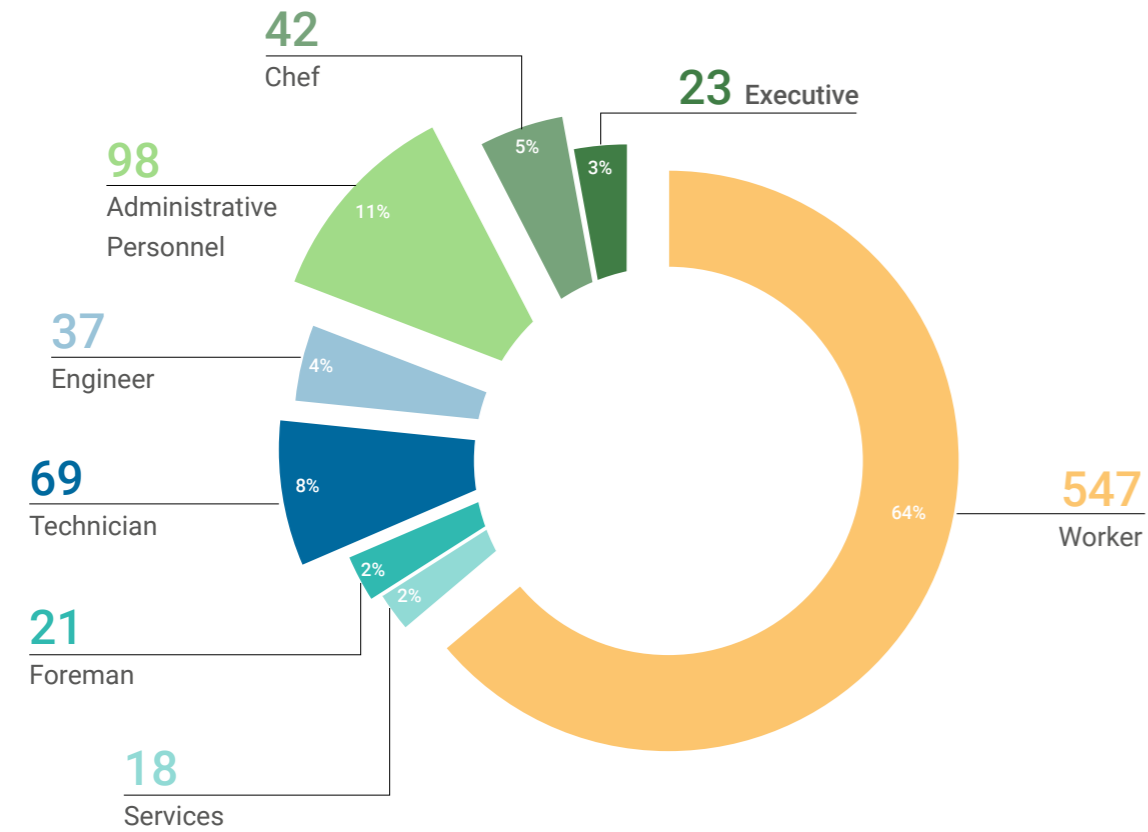


LOCATION

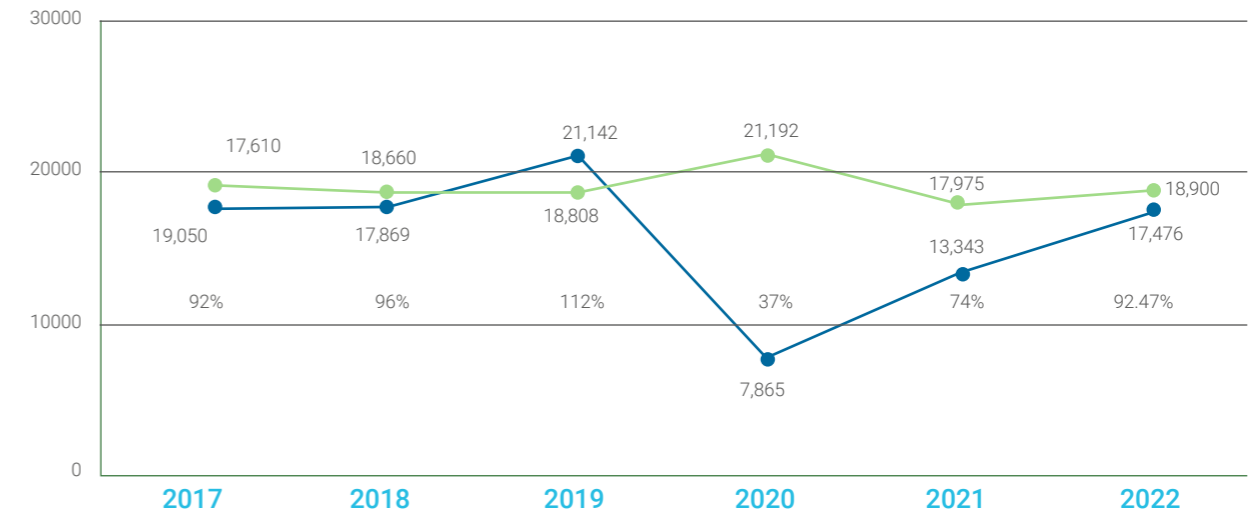


% OF TOTAL PERSONNEL - 2022

855



● Training Hours Realized ● Planned Annual Training Hours ● Realization Rate %



In 2022, average training hours per employee was 20,40.
Total training hours planned for 2023 was 21,216 hours. (25 Hours per employee on average)

SUMMARY OF ANNUAL TRAINING ACTIVITIES

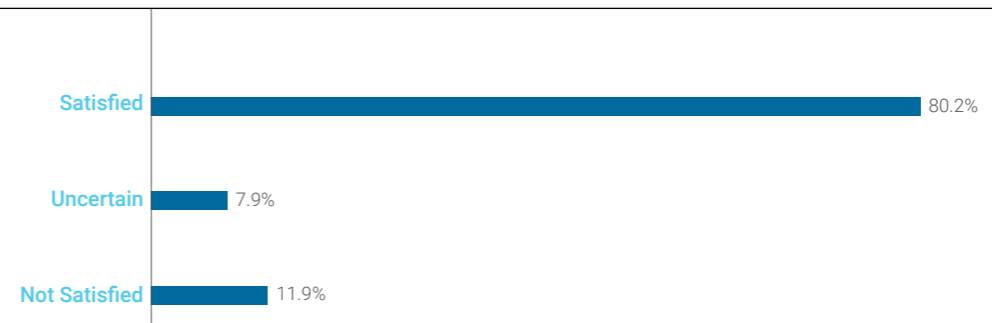
Training Hours	Unit	2022
Occupational and Technical Training	Hours	4,523
Personal Development	Hours	1,621
Occupational Health and Safety and Environment	Hours	10,556
Others	Hours	776
Total	Hours	17,476
Target for 2023	Hours	21,216

* 10,556 hours of training consists of Occupational Health and Safety and environmental training.

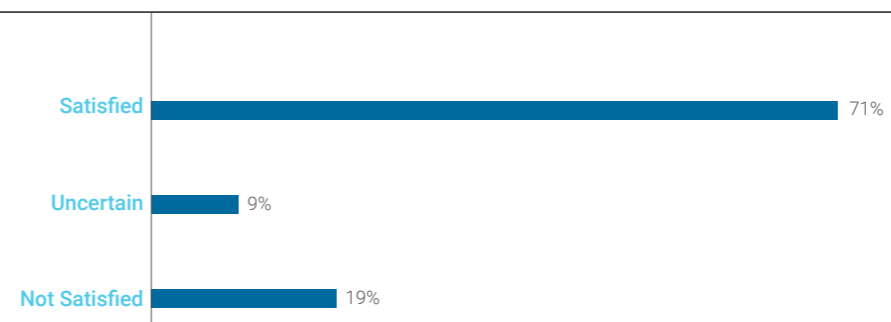
Unit	HQ	Factory	Enameled	Total
Worker				
# of People	-	485	88	573
Total Hours	-	11,755	2,208	13,963
Foreman				
# of People	-	17	-	17
Total Hours	-	374	-	374
Technician				
# of People	-	57	3	60
Total Hours	-	1,254	54	1,308
Administrative Personnel				
# of People	68	46	0	114
Total Hours	894	383	0	1,277
Engineer				
# of People	-	28	2	30
Total Hours	-	252	36	288
Chief				
# of People	7	21	2	30
Total Hours	46	126	16	188
Manager				
# of People	2	8	1	11
Total Hours	8	64	6	78
Total				
# of People	77	662	96	835
Total Hours	948	14,208	2,320	17,476

Time EDUCATION	January	February	March	April	May	June	July	August	September	October	November	December
Orientation	117	45	60	96	18	36	108	19	98	16	45	96
OHS	666	1042	901	566	928	898	946	826	1082	794	880	954
Environment	10	5	4	2	6	4	8	4	6	4	12	8
Quality Control	8	5	2	2	4	4	8	2	4	2	6	8
RMS	4	2	98	0	0	6	2	8	2	4	0	8
Technical Training	234	305	306	20	332	275	272	479	536	418	279	313
Personal Development	132	106	145	112	149	113	120	133	145	134	193	139
Supervisory	44	52	52	6	58	44	52	63	68	52	44	52
Internal Training	1,159	1,535	1,504	781	1,440	1,364	1,484	1,336	1,777	1,226	1,263	1,436
External Training	56	27	64	23	55	16	32	198	164	198	196	142

IN-SCOPE EMPLOYEE SURVEY ASSESSMENT



OUT-OF-SCOPE EMPLOYEE SURVEY ASSESSMENT



Our Goal for 2023 is to Increase Employee Satisfaction to Above 82% for In-Scope Employees (Blue-Collar) and Above 73% for Out-of-Scope Employees (White-Collar).

GRI Standard	Page No
GRI 101: Foundation 2016	
GRI 102: General Disclosures 2016	
Corporate Profile	
102-1 About the Report Inside the Front Cover	4-5
102-2 Activities, brands, products, and services	14-15, 54-57
102-3 Location of headquarters	Kocaeli-Türkiye
102-4 Location of operations	18-21
102-5 Shareholder Structure	5
102-6 Markets served	12,54-57
102-7 About Shareholder Structure Production Portfolio Economic Value Created Employees	5,12-15,18-22,78-81
102-8 Employees Social Performance	78-83,96-103
102-9 Supply chain	64
102-11 Whether the organization has a precautionary approach or how the organization handles the precautionary principle	28-33
102-12 Sustainability Approach Memberships, Initiatives Supported	36-50
102-13 Memberships, Initiatives Supported	58, 88-93
Strategy	
102-14 Message from the Chair and the CEO	6-9
102-15 Message from the Chair and the CEO Economic Value Created 2021 Developments Sustainability Approach Risk Management	6-9, 44-50
Ethics and Integrity	
102-16 Vision and Mission Ethical Principles and Transparency and Anti-Corruption	16-17, 26, 36-37
102-17 Ethical Principles and Transparency and Anti-Corruption	26, 36-37
Governance	
102-18 Sustainability Management Corporate Governance Structure	24-25
102-21 Sustainability Management Sustainability Priorities Stakeholder Relations and Communication Channels	58
102-23 Corporate Governance Structure Board of Directors/ Whether the chair of the highest governance body is also the executive director (and if so, this person's function in the management of the organization and the justification for this setting)	The Chair of the Board of Directors has no executive duties. 24
102-29 Identifying economic, environmental, and social impacts, risks and opportunities	28-31
102-30 Risk Management	28-33
102-32 Highest committee in sustainability reporting	24
102-35 Remuneration Policy	26

GRI Standard	Page No
GRI 101: Foundation 2016	
GRI 102: General Disclosures 2016	
Stakeholder Analysis	
102-40 Stakeholder Relations and Communication Channels Memberships and Initiatives Supported	58
102-41 Rate of employees subjected to collective bargaining	78
102-42 Sustainability Approach Sustainability Priorities Stakeholder Relations and Communication Channels	36-50, 58
102-43 Sustainability Approach Sustainability Priorities Stakeholder Relations and Communication Channels	36-50, 58
102-44 Sustainability Approach Sustainability Priorities Stakeholder Relations and Communication Channels	36-50, 58
Reporting Practice	
102-45 A list of all entities included in the organization's consolidated financial statements and whether any entity is covered by the report	5
102-46 Report content and boundaries	5
102-47 List of material topics	42-47
102-48 There is no restatement of information given in previous reports	-
102-49 There is no change in the content of reporting	-
102-50 Reporting Period	01.01.2022-31.12.2022
102-51 Date of most recent report	-
102-52 Reporting cycle	The report is issued annually.
102-55 GRI content index	104-108
GRI 200: ECONOMIC STANDARD SERIES	
Economic Performance	
GRI 103: Management Approach 2016	
103-1 Explanation of the material topic and its boundary	42-47
103-2 The management approach and its components	36-47
103-3 Evaluation of the management approach	36-47
GRI 201: Economic Performance 2016	
201-1 Direct economic value generated and distributed	12-15, 18-22, 54-65
201-2 Financial implications on the activities of the organization and other risks and opportunities due to climate change	32-33

GRI Standard	Page No
GRI 203: Indirect Economic Impacts	
203-1 Development and impact of infrastructure investments and services supported	59-63
203-2 Significant indirect economic impacts, including the extent of impacts	59-63
GRI 205: Anti-bribery and Anti-corruption	
205-2 Communication and training about anti-corruption policies and procedures	26
GRI 300: ENVIRONMENTAL STANDARDS SERIES	
GRI 301: Materials 2016	
GRI 103: Management Approach 2016	
103-1 Explanation of the material topic and its boundary	42-47
103-2 The management approach and its components	36-47
103-3 Evaluation of the management approach	36-47
GRI 301: Materials 2016	
301-2 Percentage of recycled input materials used	68-71
GRI 302: Energy 2016	
302-1 Energy consumption within the organization	72-75
302-4 Reduction of energy consumption-Climate Change and Energy	72-75
302-5 Reductions in energy requirements of products and services	72-75
GRI 303: Water and Effluents 2018	
303-1 Water Policy and Management Approach of the Organization-Water and Wastewater Management	26
GRI 305: Emissions 2016	
305-1 Direct (Scope 1) GHG emissions - Climate Change and Environment	68
305-2 Energy indirect (Scope 2) GHG emissions	68
305-3 Other indirect (Scope 3) GHG emissions	68
305-4 GHG emissions intensity	68
305-5 Reduction of GHG emissions	68

GRI Standard	Page No
GRI 306: Waste 2020	
306-1 Waste generation and significant waste-related impacts-Waste Management	68-71
306-2 Management of significant waste-related impacts	68-71
306-3 Waste generated	68-71
306-4 Waste diverted from disposal	68-71
306-5 Waste directed to disposal	-
GRI 307: Environmental Compliance 2016	
307-1 Non-compliance with environmental laws and regulations-Environmental Sustainability	41,59,68
GRI 308: Supplier Environmental Assessment 2016	
308-2 Significant actual and potential negative environmental impacts in the supply chain and actions taken	64
GRI 400: SOCIAL STANDARDS SERIES	
GRI 401: Employment 2016	
GRI 103: Management Approach 2016	
103-1 Explanation of the material topic and its boundary	42-47
103-2 The management approach and its components	78-79
103-3 Evaluation of the management approach	78-79
GRI 401: Employment 2016	
401-1 Total number of new employee hires, by age group, gender and region, and total number of employee turnover-Social Performance	96-103
401-2 Benefits provided to full-time employees-Improving Employee Efficiency	78-87
GRI 403: Occupational Health and Safety 2018	
403-1 Occupational Health and Safety Management System-Safe Working Spaces	85-87
403-5 Worker training on OHS	85-87
403-6 Practices for promotion of worker health	85-87
403-9 Work-related injuries	86

GRI Standard	Page No
GRI 404: Training and Education 2016	
404-1 Employee Efficiency and Development	101-103
404-2 Skills management and lifelong learning programs to support employee development	80, 101-103
404-3 Number of employees receiving regular performance evaluation feedback	103
GRI 405: Diversity and Equal Opportunity 2016	
405-1 Diversity of governance bodies and employees	78-80
405-2 Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation	78
GRI 406: Non-discrimination 2016	
406-1 Incidents of discrimination-Equal Opportunity and Diversity	78
GRI 407: Freedom of Association and Collective Bargaining	
407-1 Operations and suppliers in which workers' rights to exercise freedom of association or collective bargaining may be violated or at significant risk and measures taken intended to support these rights	During the reporting period, no case was encountered in which freedom of association and collective bargaining was at risk. The same principle was considered in the supplier audit process and no risk factor was encountered.
GRI 408: Child Labor 2016	
408-1 Operations and suppliers at significant risk for incidents of child labor	No child labor risk was encountered; the same principle was considered in the supplier audit process and no risk factor was encountered.
GRI 409: Forced or Compulsory Labor 2016	
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Not observed.
GRI 413: Local Communities 2016	
413-2 Sustainability Priorities Employees	42-47
GRI 419: Socioeconomic Compliance 2016	
419-1 Total amount of significant fines and non-monetary sanctions for non-compliance with laws and/or regulations during the reporting period	Not observed.



General Center

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