

2023 SUSTAINABILITY REPORT



We commit, from this day forward, to the education of our children, who will play a pivotal role in shaping the future.



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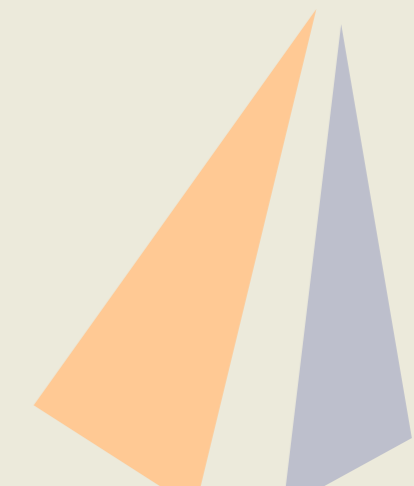
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Each step we take today will shape the future of tomorrow. We support education for our children to grow into environmentally aware, strong individuals, and we take responsibility for a better future.



PART: I
INTRODUCTION





We commit, from this day forward, to protect the planet we are safekeeping for future generations and to foster a sustainable life.

GRI 102-1

ABOUT THE REPORT

This report herein reflects the economic, environmental and social performance of Sarkuysan in 2023 and is the second sustainability report of our company, 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, 2023 - December 31, 2023. 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.

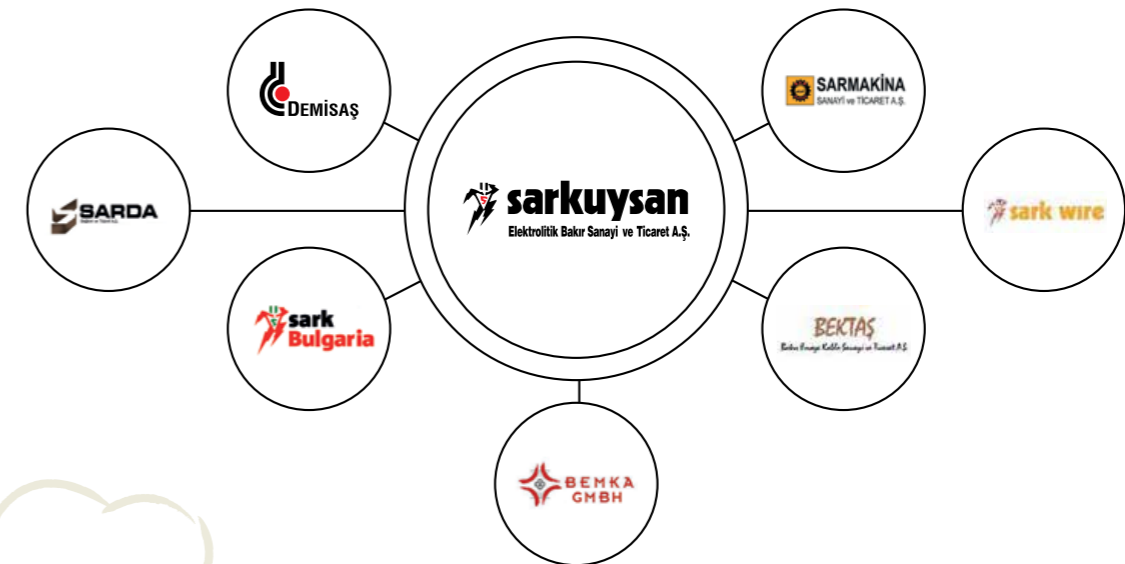
PRINCIPLES

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 hereby publish our second sustainability report, which we intend to publish annually starting from 2023.



GRI 102-1-5-7-45-46

MESSAGE FROM THE CHAIR



In celebration of the 100th anniversary of our Republic, we rejoiced greatly and took pride in our legacy of production spanning for half a century.

As we conclude the 50th year of our corporation, we have also achieved significant milestones that represent important firsts within our industry. We evolved into a leading fully public, aggregate company managed by professional executives by facilitating the investment of small savings from across the nation into the industry. In 2023, we tried to handle the reflections of global recessions alongside our own domestic problems among the ongoing wars in our region. We were shaken by a great earthquake followed by a national mourning period, and we experienced uncertainties due to an important election process. Economic stagnation was observed in the markets due to the implementation of strict money policies in order to alleviate high inflation pressures created by abundant liquidity released by the countries into the markets during the pandemic. Using our corporate experience, we tried to overcome the challenges of the exchange rate policy which was not in harmony with the inflation rate in addition to this global stagnation. We sustained our traditional donations in health and education in line with our social responsibility awareness. We supported foundations and associations that contribute to societal welfare through their initiatives. Furthermore, we extended a helping hand to an impoverished village in Africa and sponsored the purchase of solar panels to meet the minimum electricity needs of 100 houses. We have provided grants for the children of nearly 1,000 of our employees pursuing higher education, utilizing the scholarship funds that we allocate annually. Our Turkish Music choir gave a remarkably successful public concert.

Sarkuysan takes special care to substantiate the concept of sustainability by improving the competencies of our employees in terms of full compliance with legal regulations, and management of energy, water, carbon, raw material and waste; by strengthening innovation culture and measures for savings within the company; and by increasing efficiency in every area. We always remained committed to our environmental responsibility, included in our corporate principles. We utilize the latest technologies to eliminate environmental threats presented by the developing conditions in line with our commitment. The challenges posed by a growing population, climate change, and the trend of depletion of natural resources prompted extensive discussions in various international meetings convened at the governmental level. Additionally, as public awareness was raised, governments began to experience significant pressures to address these pressing issues. In this context, sustainability requires economies to transition from purely growth models to growth models within the framework of sustainability.

We are all responsible for implementing and developing a circular economy model instead of a linear economy in which all things are produced from zero; this circular economy model involves recycling and saving as priorities and requires minimal use of natural resources and reintegration of waste materials back into the economy.

Our Sustainability Strategy comprises:

- A sustainable value chain (with a focus on efficiency and customers in all processes in the value chain, including supply phase, sales and after sales services, and R&D processes),
- Environmental conservation and efficient utilization of natural resources,
- Continuous social development to meet the needs of all stakeholders,
- Ensuring occupational health and safety in all our processes,
- And innovation.

Sustainability Strategy involves environmental and social facts alongside financial structure and financial power and constitutes a basis for the sustainability structure.

Sarkuysan evolved into a global company with three production facilities of its companies in America and Bulgaria alongside the national markets. Furthermore, we represent our industry with success by exporting to nearly a hundred corporations in 5 continents. By recognizing our responsibilities, we safeguard our future, and we prioritize leaving a clean world to our children.

Yours faithfully,

HAYRETTİN ÇAYCI
Chair

SUSTAINABILITY MESSAGE FROM THE MANAGING DIRECTOR



GRI 102-14-15

In 2023, we commenced the second century of our Republic with a profound sense of self-assurance.

The year 2023 was a year in which the global economy faced significant challenges in general. On the one hand, geopolitical tensions, rise of inflation, fluctuations in energy markets and the mourning of the great earthquake we experienced, marked the year as the negative components of a challenging period. On the other hand, we experienced the immense enthusiasm and pride associated with the centennial celebration of our Republic. And we commenced the second century of our Republic with a deep sense of self-assurance thanks to our rooted Republican values.

We are waving the flag of Sarkuysan not only in our country, but also at our two factories located in two regions of the USA as well as our established facility in Bulgaria. We stepped into the second century of our Republic as a global organization with the ambition and excitement of having realized our new investments and projects.

Sarkuysan overcame the challenging economic conditions of 2023 as much as possible thanks to its corporate experience of 50 years in the sector. This outcome was certainly achievable due to the dedicated efforts of our team, who can adapt to all kinds of conditions, foresee, and eliminate the risks, utilize the opportunities with an internalized sense of sustainability.

The healthy development and respectable position of Sarkuysan recognized by the public for over half a century are all a result and proof of the diligence of the company in terms of key components of the concept of sustainability.

The focus of our organization consists of growth, diversity in products, increase in quality and improvement of customer relations as well as integration of our economic, social, and environmental responsibilities into all of our activities as the leading corporation in the electrolytic copper sector.

We regard the areas outlined below as the main subjects of sustainability performance:

Environmental Performance: Energy consumption, waste management, water consumption, carbon footprint, etc.

Social Performance: Employee rights, social contributions, human rights, diversity, and inclusion, etc.

Governance Performance: Ethics, governance structure, transparency, risk management, etc.

Sarkuysan's principles and works in these areas are indicated in the content of the relevant subjects. These performance subjects are integral to the key values of our company as fundamental values as well as being embedded in our company culture. The titles comprising the composition of social performance are among our key values, rooted in our organization.

Our governance performance is completely transparent as we operate as a fully public corporation with all of our capital publicly listed on the stock exchange.

We successfully navigated and will persist in our efforts to stand firm and expand within the fluctuating crisis environments, owing to the fundamental principles that have been ingrained in our culture over the past fifty years.

As we make plans for our future, we aim to grow in line with our responsibility to leave our children a clean world and to create areas of employment for them.

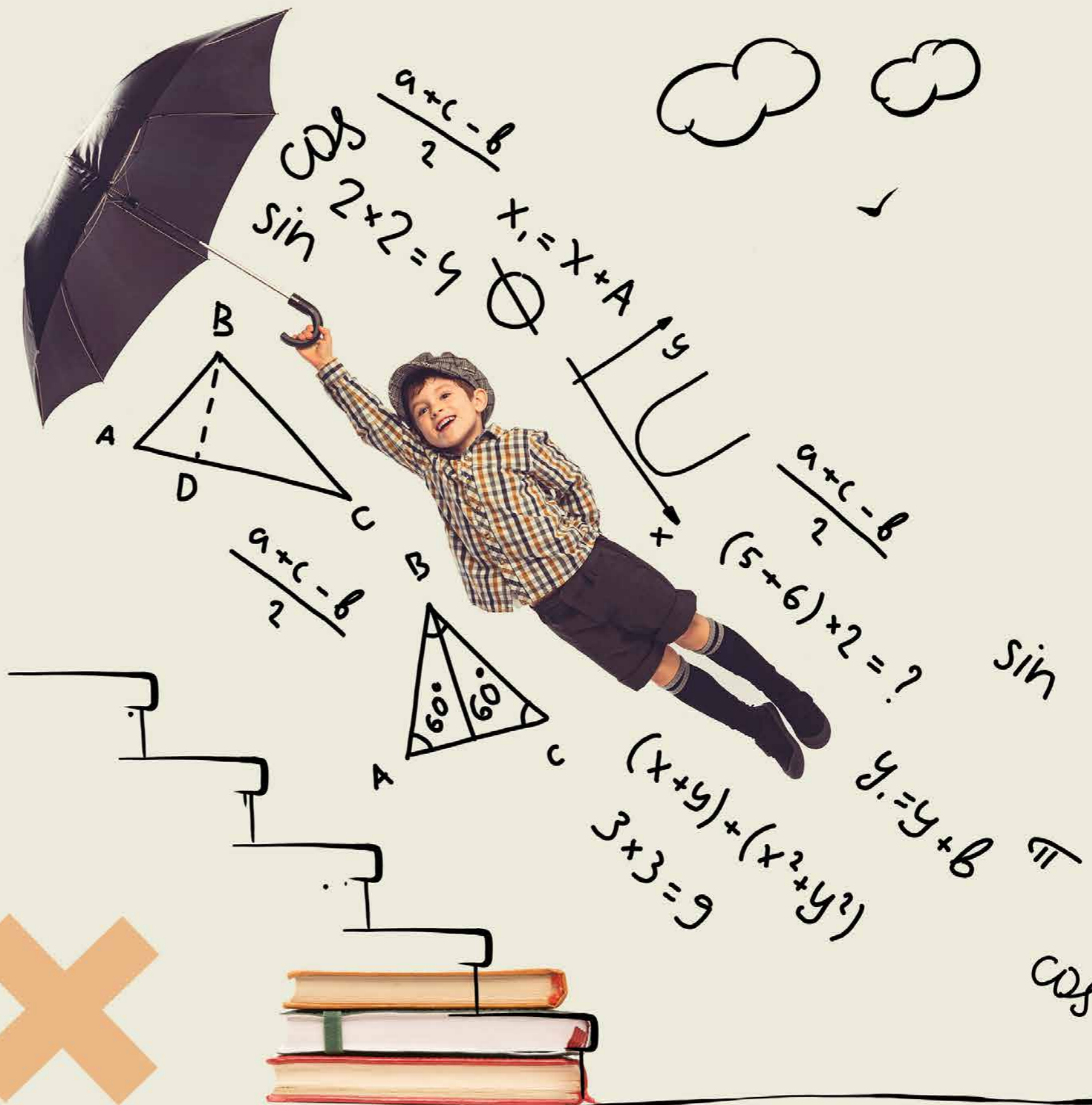
Yours faithfully,

SEVGÜR ARSLANPAY
CEO & Managing Director

GRI 102-14-15

PART: II

ABOUT SARKUYSAN



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 substantial 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 2023 with a positive growth with the measures taken, although it was under the targeted economic growth. In 2023, our year-on-year total net term profit reached 1,452,211,394.-TL by an increase of 57.35%.



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



The production capacity, today, is **220,000** tons/year



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



Near **2,000** employees for a global-scale production



Our year-on-year total net profit reached **1,452,211,394.-TL** by an increase of **57.35%**.



GRI 102-6-7 201-1



MILESTONES



1972

Sarkuysan founded

1975

Production begins

1978

Tin plated wire production begins

1979

Sarda founded, Bektaş founded, Anode casting capacity increased

1980

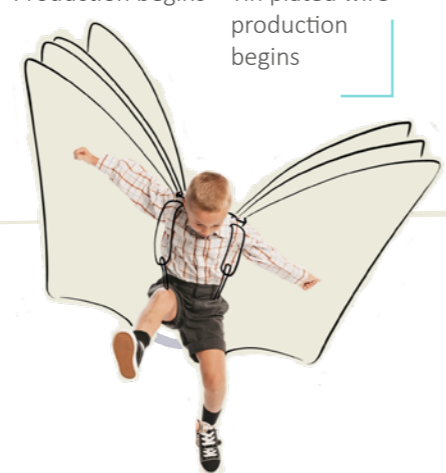
Export begins

1986

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

1987

Southwire casting plant established



2002

Sark-USA founded

2001

Sarkuysan Italia founded

1998

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

1997

Cogeneration plant established



1996

Production information system put into use

1991

Sar Makina founded

1990

R&D activities begin
Multi-wire production begins



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 certification received

2019

Sark Bulgaria begins production

2022

CRW Metal Sanayi A.Ş. founded



VISION

To achieve customer satisfaction-oriented, environmentally friendly, high-quality, competitive, and innovative production with principles 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 act transparently regarding the decisions and operations that affect the environment, society, and economy, and to have 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

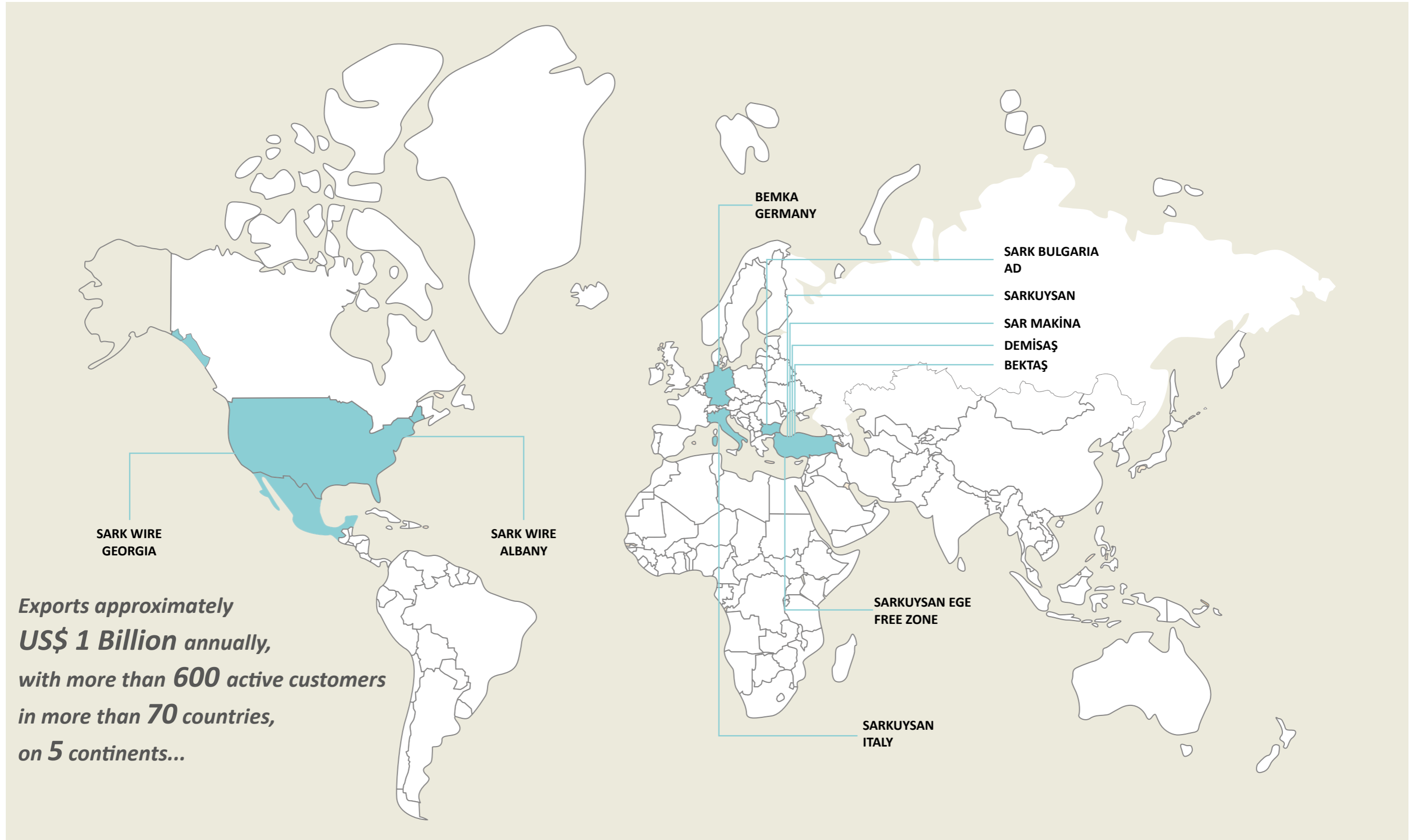
The principles of innovation and continuous development are among our main goals. We consider the training and personal development of our employees an integral part of our Company culture; thus, we try to create a participatory Company culture and environment where they can reveal their potential.

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



IMPORT EXPORT



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



INDUSTRY AND ACTIVITIES

Our 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.

- 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
- Busbars are used in electrical distribution panels
- Enameled wires, flat wires, CTC wires are used in coils and transformers
- Ribbon wires are used in solar panels
- Railway catenary conductors are used in electrification systems of the rail transportation.

SARKUYSAN PRODUCTS

- Copper Cathode
- Produced from electrolytic copper;
 - Rods
 - Wire Rods
 - 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)

GRI 102-2-6 201-1

ACHIEVEMENTS & AWARDS

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)
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Our company is granted awards by governmental authorities and non-governmental organizations for its industrial, commercial and social activities and investments. In 2023, Sarkuysan was honored with the Runner-up Prize in the Champions of Exportation category, the First Prize in the Copper Wire and Braided Ropes category, and the Third Prize in the Copper Bar and Profiles category by Istanbul Ferrous and Non-ferrous Metals Exporters' Association.

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.



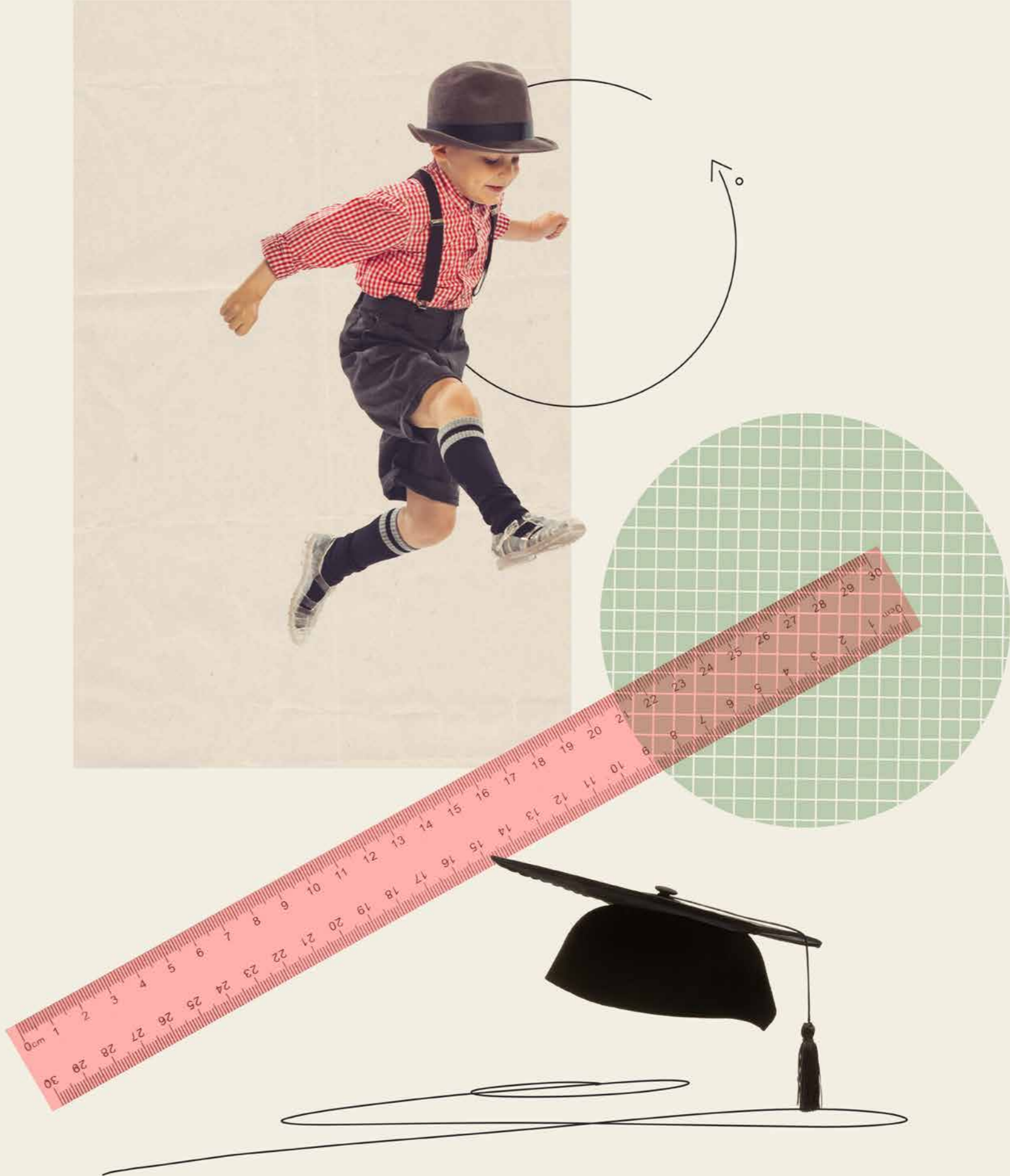
The Electrical and Electronics Exporters Association granted our Company an honorary award for the "ELECTRICAL-ELECTRONICS SECTOR IN TÜRKİYE 2023."



GRI 102-7 201-1

PART: III

CORPORATE GOVERNANCE



CORPORATE GOVERNANCE STRUCTURE

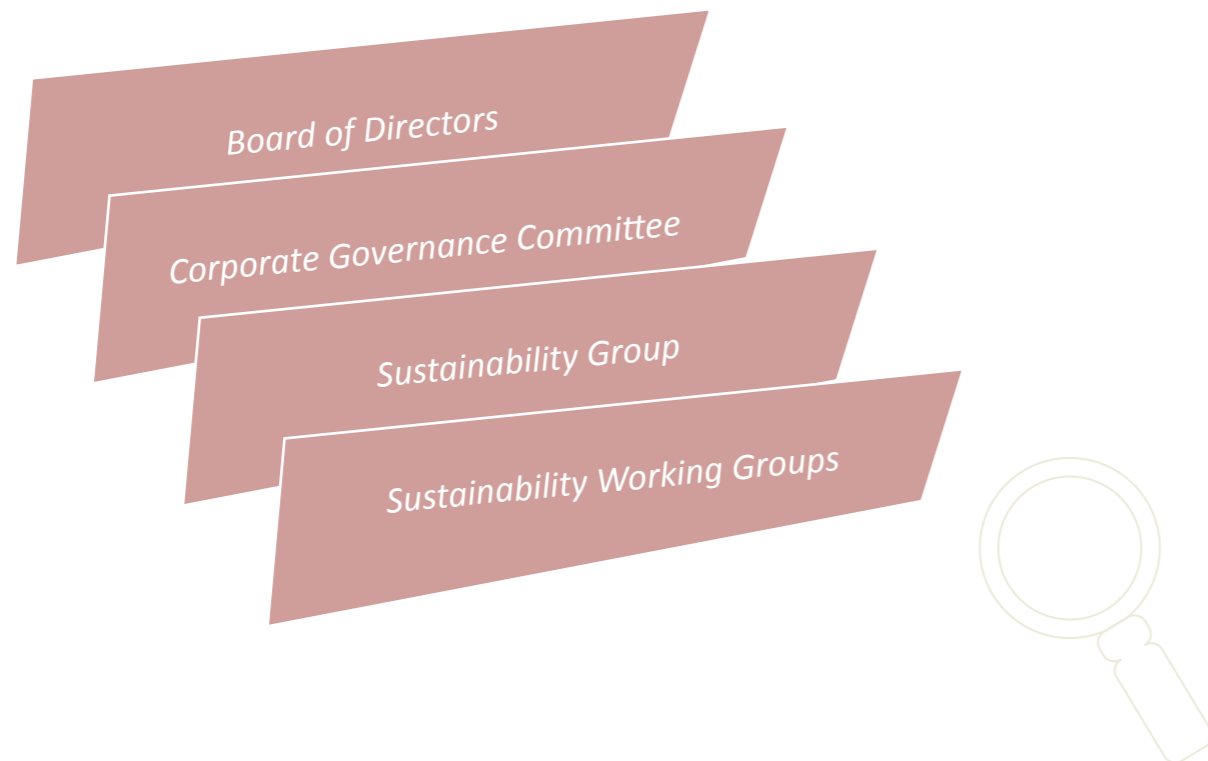
Sarkuysan adopts a corporate governance approach developed in line with the principles of transparency and accountability.

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 2023 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 2023 and on our website.

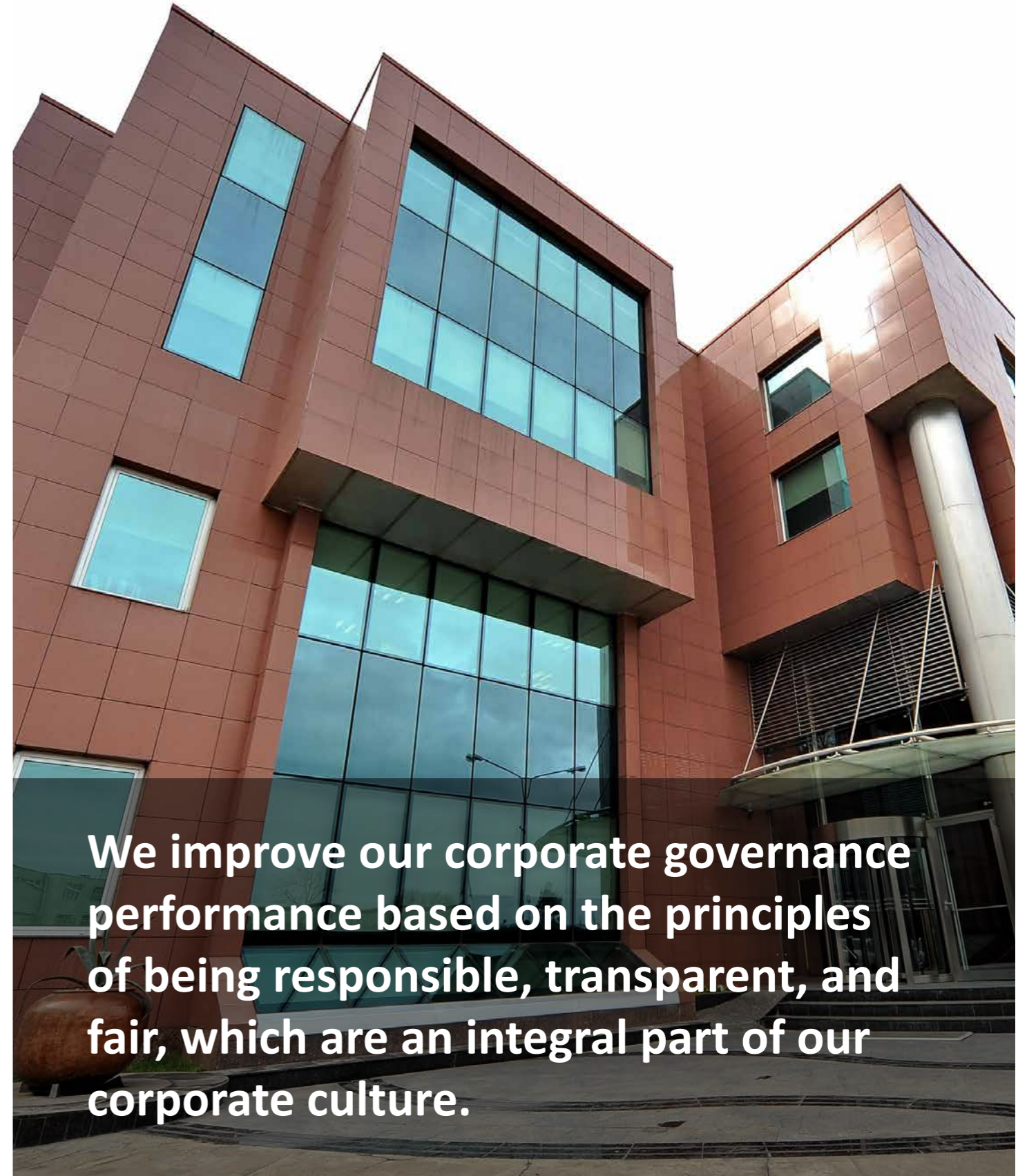
SUSTAINABILITY MANAGEMENT

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.



GRI 102-18-23-32










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 Environment and Occupational Health and Safety
-  Energy Policy
-  Quality Policy
-  Water Policy
-  Waste Management Policy
-  Corporate Sustainability Policy
-  Supply Chain Policy

Corporate Governance

-  Disclosure Policy
-  Dividend Policy
-  Remuneration Policy
-  Donations and Grants Policy

Human Resources

-  Information Security Policy
-  Policy on Protection of Personal Data
-  Anti-Bribery and Corruption Policy



GRI 102-16-17-35 205-2 303-1



HUMAN RIGHTS

We published our Human Rights Policy on July 22, 2024, in order to emphasize the importance we attach to human rights at Sarkuysan A.Ş., which was also integrated into Sarkuysan A.Ş. human rights principles and standards.

Respecting human rights is one of the fundamental values of Sarkuysan A.Ş. In our relationships with our employees, our suppliers, our business partners, and the community, we work to act in accordance with the “United Nations Universal Declaration of Human Rights” as well as to encourage them to be sensitive in this issue.

ANTI-BRIBERY AND CORRUPTION

At Sarkuysan, we put into effect our Anti-Bribery and Corruption Policy, supporting sustainability and ethical business manner, on May 17, 2022. This policy aims to create compliance with transparency, integrity and ethical standards among all our employees and business partners. With the Anti-bribery and Corruption Policy, Sarkuysan declares its commitment to preventing bribery and corruption, and its compliance to the relevant anti-bribery regulation, and seeks to create a guide to define and prevent potential bribery and corruption activities in order to protect its reputation and integrity.

EQUAL OPPORTUNITIES, DIVERSITY AND GENDER EQUALITY

At Sarkuysan A.Ş., we establish our relationships with our employees based on the principle of equality, viewing diversity and differences as valuable assets that positively influence our business outcomes. Our company is strengthened by the principles of equality and diversity, which also have a significant place in our long-standing background. We do not tolerate any discrimination in our recruitment and business processes, including all kinds of discrimination in terms of age, gender, race, religion, ethnic origin, sexual orientation, belief, civil, social or economic status, disability status, political opinion, participation and membership to union activities, pregnancy or military service status. We are guided by the principles of Equal Opportunity and Diversity in order to prevent all kinds of discrimination.

We believe in gender equality and support each employee’s equal participation in the business life.

At Sarkuysan A.Ş., we adopt the principle of management through shared wisdom, which includes different generations. The workforce at Sarkuysan A.Ş. consists of four distinct generations. Specifically, 21% of the employees are under the age of 30, 66% fall within the age range of 30 to 50, and 13% are over the age of 50. Each year many new graduates are included in the staff.

We increased female employee rate to 25.80% despite operating in heavy industry. Furthermore, currently **the rate of women in our Board is 18%**. In addition to employment, we share our performance in remuneration with the public as well, acting in line with gender equality perspective. In this context, we do not tolerate any discriminative factor in our operations, and act in line with the principles of equal pay for equal work and equal rights. All our co-workers benefit from rises in wages in the framework of evaluations conducted based on objective criteria.

BUSINESS ETHICS, COMPLIANCE AND LEGISLATION STUDIES

At Sarkuysan, we adopt the principle of acting in line with legal regulations, internal legislations and highest ethical standards. The organization bases all its activities on the principles of integrity and honesty and considers high business ethics above all.

Employees are responsible to fully comply with Sarkuysan values and principles, which are based on internationally recognized universal declarations. Sarkuysan Ethical Values, which include the principles in question, are published on the corporate website.

Our Sustainability Commitment: At Sarkuysan, we put sustainability to the center of our business manner. In alignment with our ethical principles, we will continue to strive for sustainable solutions in both our business operations and our obligations to the community and the environment. We will sustain our determination to provide environmental and social benefits with the aim of leaving the next generations a more habitable planet. In this journey, we aim to build a better future together with our business partners, our customers and all of our stakeholders.



RISK MANAGEMENT

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

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 working 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 in 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.

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 analyses are conducted 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.
Liquidity Risk	At Sarkuysan, which made an annual turnover of approximately \$2 billion in 2023, continuous supply of raw materials needed by the business and the related cash demands is vital to a sustainable production and operation. Economic policies and their associated regulations are subject to frequent changes in our country. Access to financial resources may, at times, become limited or diminished to insufficient levels due to these changes.	The financial requirements of a business must be consistently met to ensure sustainable operations. Our primary policy is to pursue a variety of independent resources for securing the necessary funding. In this regard, we utilize numerous resources and financing instruments, encompassing both domestic and foreign sources, thereby ensuring a consistent flow of funds through the diversification of resources.
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 .	

GRI 102-11-29-30

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.

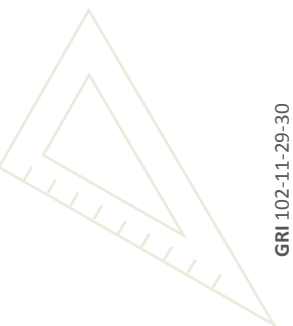
INTERNAL CONTROL & INTERNAL AUDITING

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.

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 the 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 with,
- 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,



GRI 102-11-29-30

EXTERNAL FACTORS AND GLOBAL TRENDS

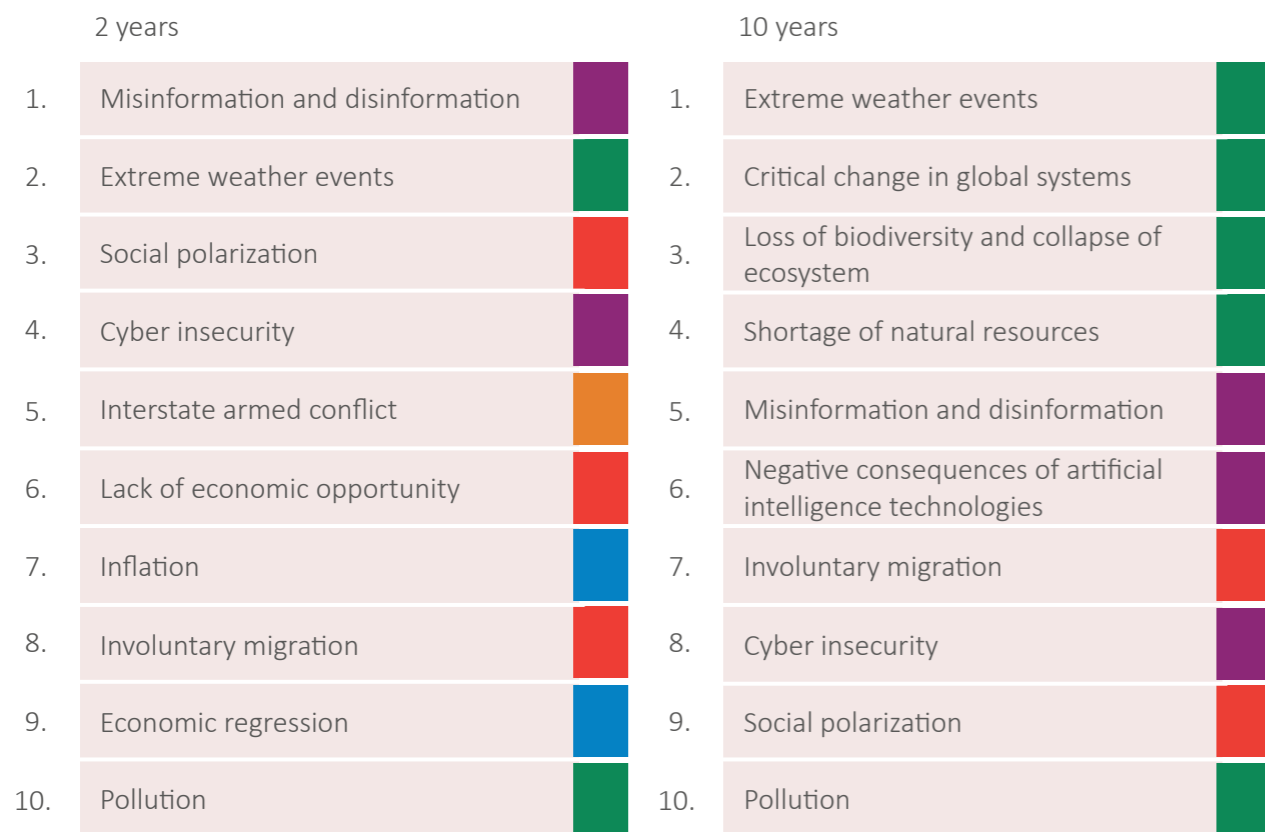
When assessing our risks at Sarkuysan, we follow not only internal risks but also changes worldwide, take into account global problems, sector trends and possible legislative amendments as well as external factors, so that we prepare our Company for the future.

World Economic Forum Risks Perception

Five out of 10 most severe risks identified as part of the World Economic Forum Risks Perception Survey 2024 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 two years and the decade are listed in the diagram below.

WEF LONG-TERM RISK OUTLOOK

The Most Effective 10 Risks of the Next Two Years and The Decade



Risk categories: Financial (blue), Environmental (green), Geopolitical (orange), Social (red), Technological (purple)

Source: World Economic Forum Global Risks Perception Survey 2023-2024



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 2023	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 advantages to our party. These steps are as follows;

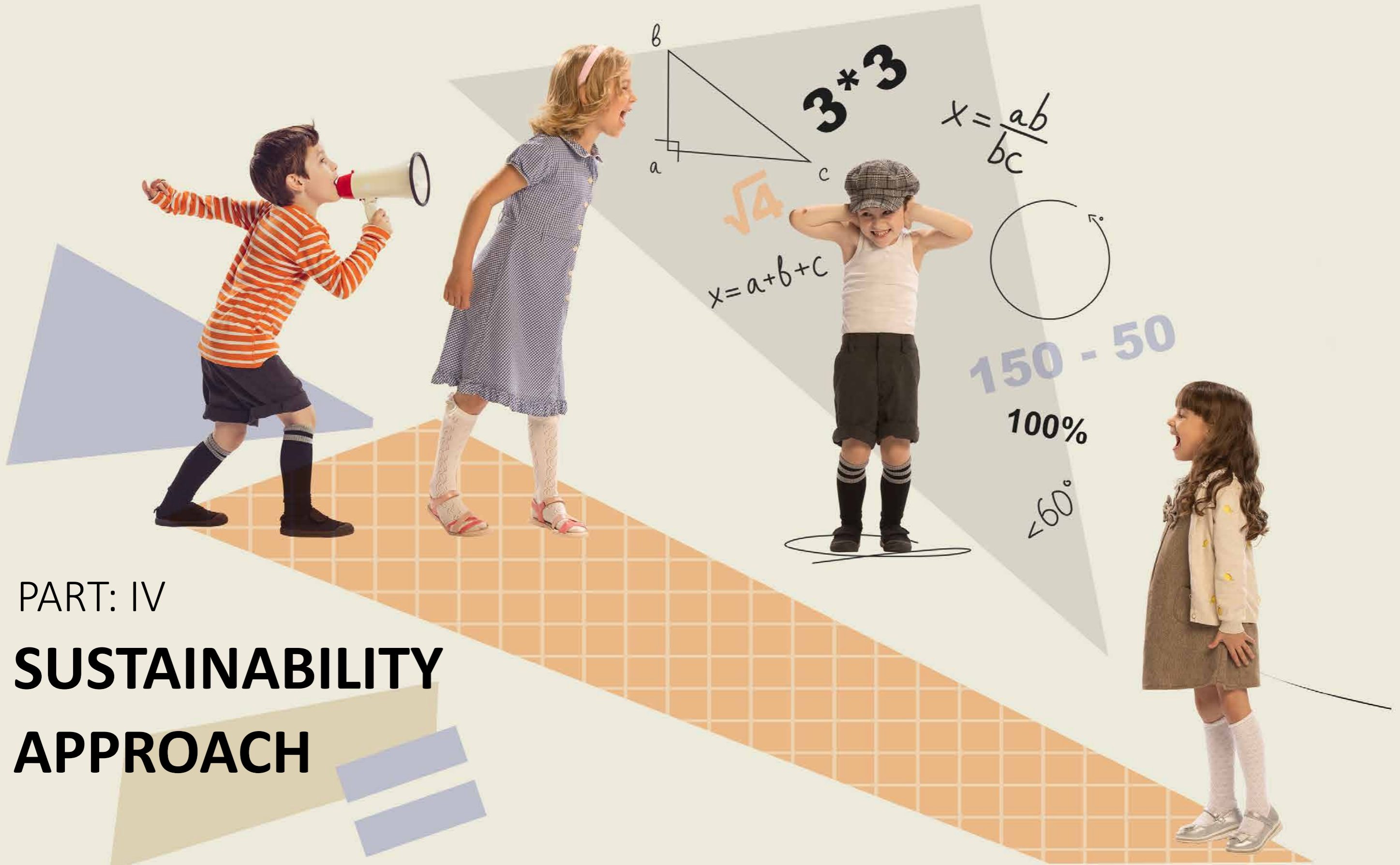
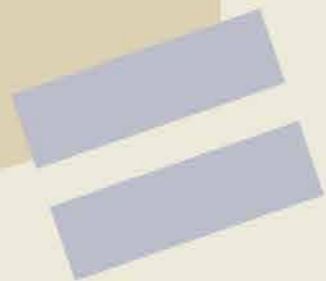
- Increase energy efficiency,
- Conduct projects regarding renewable energy resources
- Use fuel alternatives to be shaped by developing technologies
- Transition to modern and efficient business management via optimizations,

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: IV

SUSTAINABILITY APPROACH



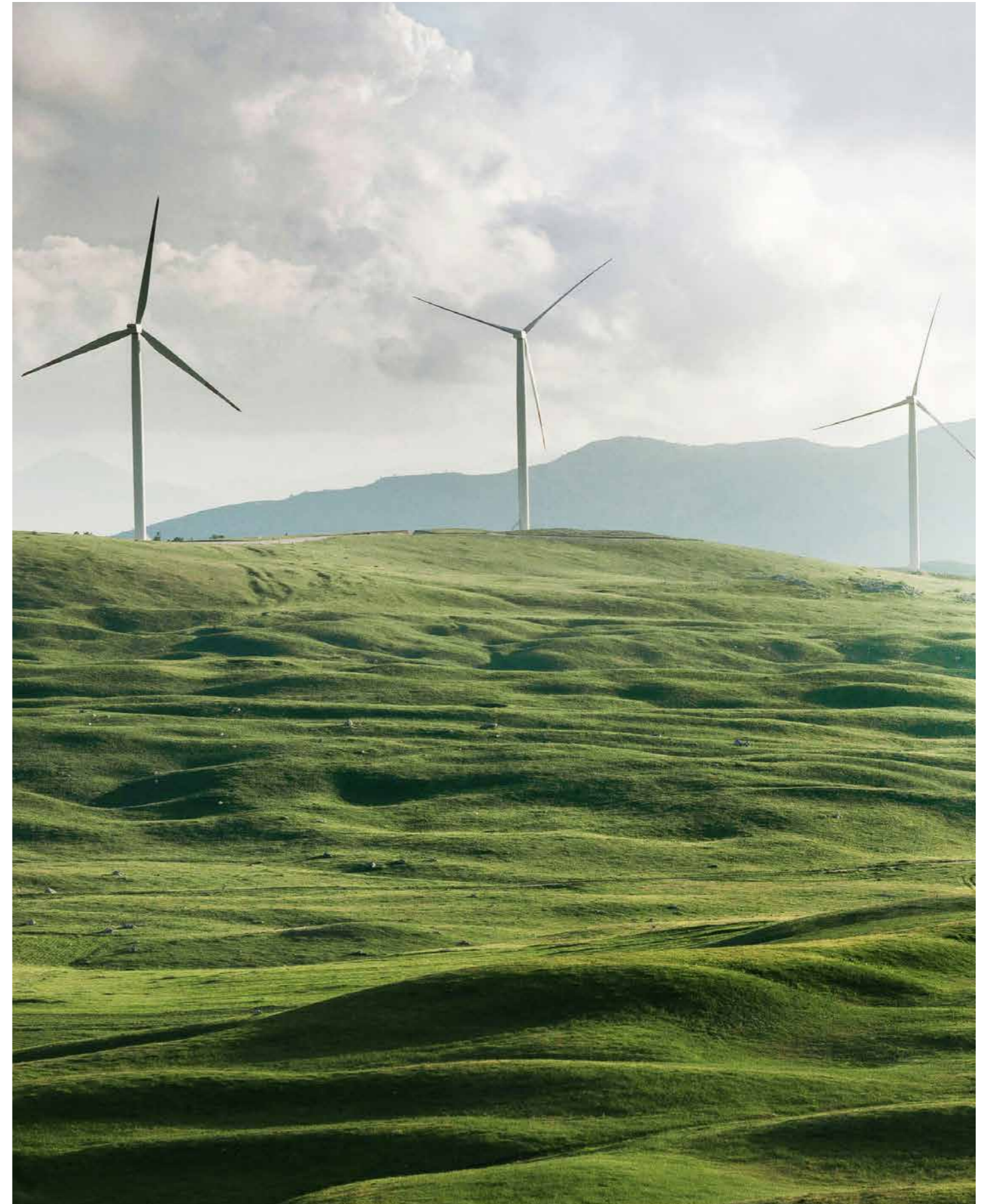
SUSTAINABILITY GOALS OF SARKUYSAN

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.



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STRATEGIC APPROACH & BUSINESS MODEL

Strategic Priorities	Focus Areas	Contributed SDGs
<p>Doing the Job Well and Right- Operational Excellence</p> <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Product Quality and Safety Corporate Risk Management R&D and Innovation Customer Satisfaction and Communication Digitalization and Data Security Responsible Procurement and Supply Chain Management Material Management and Operational Efficiency Responsible Marketing and Competitive Behavior 	
<p>Value Employees</p> <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Training & Development Worker Health and Safety Work Ethics and Transparency Human and Employee Rights Equal Opportunity and Diversity Employee Satisfaction and Talent Management 	
<p>Mitigate Environmental Impacts</p> <ul style="list-style-type: none"> 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, 	<ul style="list-style-type: none"> Energy Efficiency and Management Environment and Climate Change Water Management Waste Management 	
<p>Develop Society</p> <ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Social Investment Programs and Contribution to Local Economy Anti-Corruption Management of Legal and Regulatory Administrations 	

MATERIAL SUSTAINABILITY ISSUES AT SARKUYSAN

SUSTAINABILITY MANAGEMENT

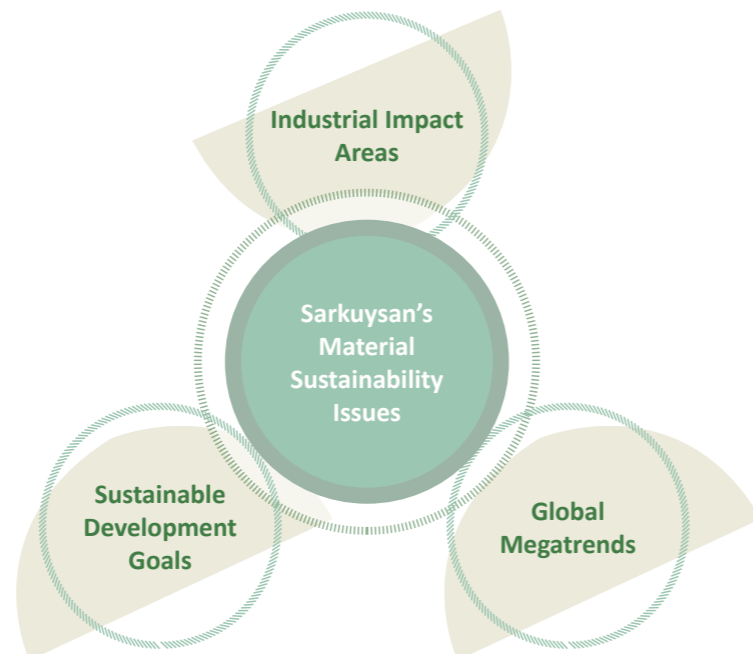
Sarkuysan A.Ş. has taken important steps to realize its sustainability approach; in this regard, a work team was established to conduct the processes of taking and implementing necessary decisions to spread sustainability awareness across the company. This team was strengthened with training that would support implementations and strategies in the area of sustainability. After the training, the work team contributed to initiating works to determine sustainability priorities. These initiatives represent a major step taken in the name of consolidating Sarkuysan’s sustainability commitments and identifying future sustainability goals.

The process of identification of Sarkuysan’s sustainability priorities was conducted in line with the international standards published by the Global Reporting Initiative (GRI). Global megarisk trends, the United Nations Sustainable Development Goals, sectoral impact areas and the impacts of Sarkuysan’s social, environmental, and economic activities on the stakeholders were considered in this process. Company executives contributed to this prioritizing process with their stakeholder opinions and expectations and helped shaping sustainability strategies. Sarkuysan’s comprehensive approach enables the company to take proactive and strategic steps in the area of sustainability.

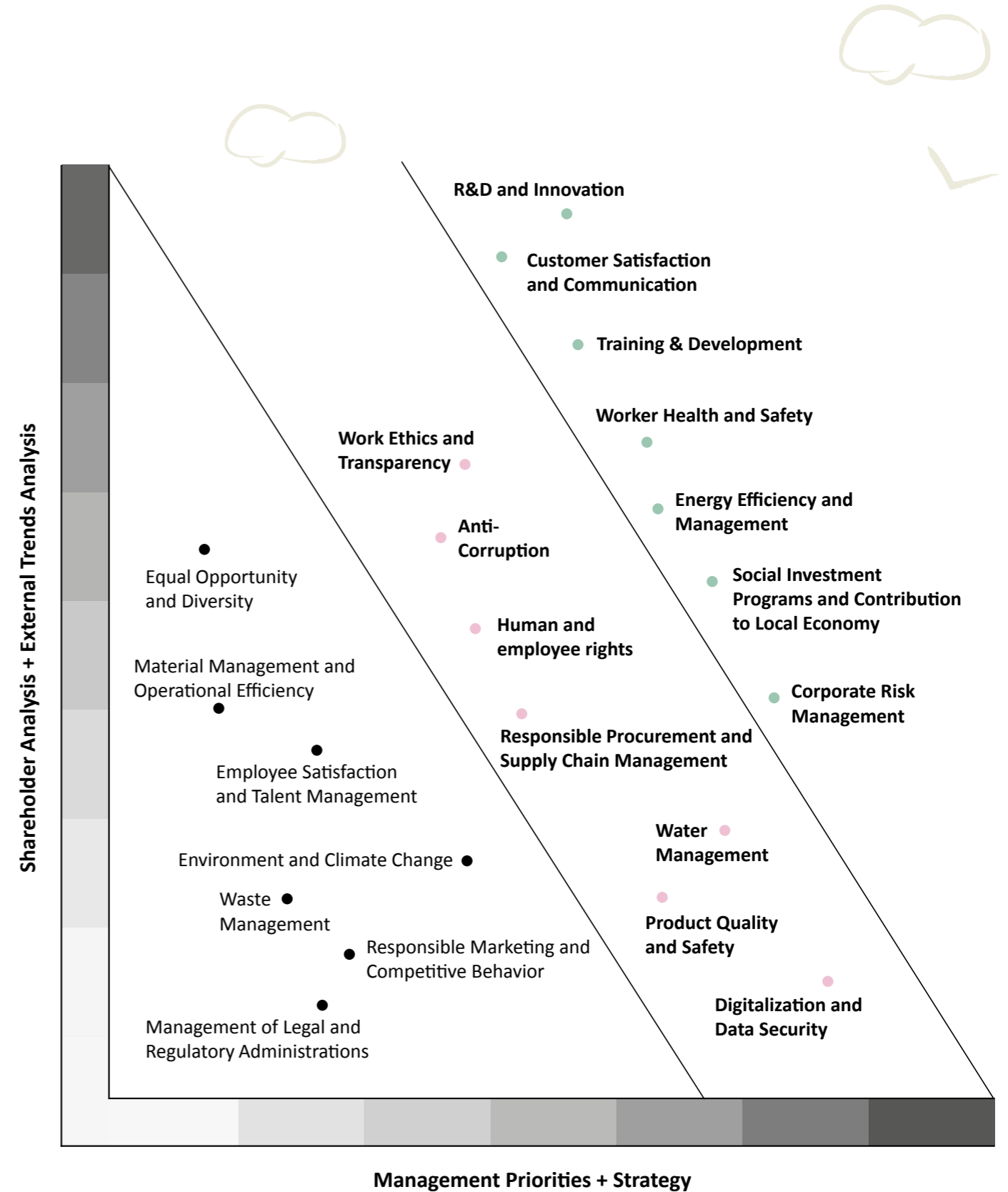
Sarkuysan follows the international sustainability agenda closely and shapes its operations accordingly. The company actively participates in sectoral work groups and public policy development processes carried out and supports developments in the area of sustainability in Türkiye. Sarkuysan considers the Sustainable Development Goals developed under the supervision of the United Nations as one of the main elements of the sustainability dimension of its business strategy and sustains its efforts in this line. Furthermore, the European Green Deal, announced by the European Union, has emerged as a significant initiative that is poised to profoundly influence the sector. Sarkuysan actively supports the works conducted by the sectoral organizations and public institutions in order to develop policies in line with the sectoral impacts of the European Green Deal.

The sustainability reporting practice initiated in this period ensures Sarkuysan to publish its sustainability policies, conducted activities and obtained results in accordance with the international standards. This reporting practice will not only highlight the achievements in the area of sustainability but will also strengthen Sarkuysan’s standing in the financial markets. These reporting activities conducted in line with the principles of transparency and accountability play a key role in Sarkuysan’s achieving its long-term sustainability goals.

Sarkuysan’s sustainability strategy does not only seek to minimize environmental impacts, but it also encompasses economic and social sustainability. Accordingly, the leadership role of the company in sustainability sets an example in national and international arenas while highlighting the company’s determination to take all the necessary steps for a sustainable future.



SUSTAINABILITY MATERIALITY MATRIX



SARKUYSAN'S MATERIAL SUSTAINABILITY ISSUES	SUSTAINABLE DEVELOPMENT GOALS
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
2. Training & 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.	
4. R&D and Innovation	Increase R&D activities.	<ul style="list-style-type: none"> Increase in R&D expenses in US\$, Increase in R&D expenses in total turnover, Increase in savings due to R&D activities, The impact of the turnover obtained from new products resulting from R&D activities to the total turnover.



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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/mitigate the negative impacts of waste on the environment, decrease 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 with Energy and Environmental Management Systems and relevant legislation, Measurable targets for sustainability performance, Amount of waste recycled Amount of water reused after recycling,
6. Social Investment Programs	<ul style="list-style-type: none"> Increase participation of employees in social responsibility activities. Increase the number of children reached out as part of social responsibility projects Social contribution to 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. Corporate Risk Management	Early detection of the risks that can threaten the existence, development and continuation of the Company, implementation of the necessary measures related to the detected risks, and ensuring continuous improvement for the current systems for sustaining efficient management, generalization, and reporting of risk practices.	<ul style="list-style-type: none"> Follow Early Detection of Risks Committee's Reports and decisions prepared periodically Coordination between functions to implement all stages of risk strategy in harmony and as a whole Establishment of project-based risk work groups

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SARKUYSAN & SUSTAINABLE DEVELOPMENT GOALS

MATERIAL SUSTAINABLE DEVELOPMENT GOALS FOR SARKUYSAN



RELATED SDG FOR SARKUYSAN



FUNDAMENTAL SDG FOR SARKUYSAN



"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 (SDGs) and sub-titles of these goals. The SDGs go further than the Millennium Development Goals and set out a much broader sustainability agenda. These 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 been adopted as a milestone in order to guide our planet towards a more inclusive and sustainable growth route.

In recent years, Sarkuysan has been closely following the latest global and national developments on sustainability, has become a signatory of the UN Global Compact and a member of its Türkiye Network and has updated its sustainability agenda in compliance with the SDGs. Sarkuysan internalizes these goals, empowers its sustainability strategy and shapes its operations accordingly. SDGs enable Sarkuysan to maximize its contributions to the protection of the environment, efficient utilization of natural resources and deepening of stakeholder relations by carrying its sustainability vision even further.

Since Sustainable Development Goals improve cooperation in different planes, encourage environmental sustainability and strengthen relations with stakeholders, they further consolidate Sarkuysan's commitment to this process. Sarkuysan believes that these aspects of SDGs strengthen the company's determination to increase its produced value, and to contribute to the global sustainability goals.

In 2019, the leadership team of Sarkuysan analyzed Sustainable Development Goals, their sub-headings and indicators in detail in line with the findings obtained from the continued communication with stakeholder groups and the company's strategic priorities. As a result of this analysis, Sarkuysan identified six SDGs, directly connected with its strategy for which the company provides concrete contributions. These primary SDGs are as follows:

1. Gender Equality (SDG 5)
2. Decent Work and Economic Growth (SDG 8)
3. Industry, Innovation and Infrastructure (SDG 9)
4. Sustainable Cities and Communities (SDG 11)
5. Responsible Consumption and Production (SDG 12)
6. Climate Action (SDG 13)

These six SDGs comprise the key components of Sarkuysan's sustainability strategy. The company takes tangible steps in these areas and conducts active activities to reach sustainability goals. Sarkuysan directly contributes to these goals while also supporting other sustainability goals indirectly.

In the sustainability strategy of Sarkuysan, associated and key SDGs were shaped considering the company's environmental, social, and economic impacts. The company sustains its efforts to consolidate its leadership in the sector by further developing its sustainability practices in line with these goals and to contribute to the global sustainability efforts.



UN GLOBAL COMPACT RELATION & CONTRIBUTIONS

MAIN TARGET	2022	2023	TARGET 2025	TARGET YEAR	SDG
Reduction of accident frequency ratio (AFR) by 2025	43.9	44.01	41.5	2025	8, 9, 11
Reduction of accident severity ratio (ASR) by 2025	0.39	0.38	0.30	2025	8, 9, 11
Increase focus activities of Sarkuysan in social responsibility projects					
Cumulative CO ₂ saving (tCo ₂)	946	1249	1.754**	2025	9, 11, 13
Cumulative Energy saving (MWh)	3.948	4.581	5.640**	2025	8, 9, 11, 13
Total Water Consumption (m ³)	127.952	137.843	100.000	2025	9, 11, 12

*Reference year is taken as 2022.

**Targets for 2025 are given in cumulatively.

STAKEHOLDERS

Key Stakeholder Groups and Communication Platforms

Sarkuysan A.Ş. established strong partnerships in its own sector and with different organizations in a wide range thanks to the support it provided for development in the industry since its foundation. These partnerships are positioned as an important part of Sarkuysan’s sustainability strategy and play a critical role in the company’s achievement of its long-term goals. Corporate memberships are not only cooperation means for Sarkuysan, but they are also considered as key elements in value creation processes. The Company shares its knowledge and know-how through these memberships with its stakeholders in order to achieve development goals.

Sarkuysan’s relations with the key stakeholder groups are continuously developed in order to support sustainable development and foster a more inclusive growth. The company cooperates with a wide stakeholder network such as industry partners, public institutions, academic institutions, non-governmental organizations, and international organizations, via various platforms and communication channels. These cooperations focus on creating value and long-term cooperations as a part of the company’s sustainability strategy.

Sarkuysan periodically shares its knowledge and know-how with these stakeholders with the purpose of contributing to sustainable development. Particularly in the framework of “Partnerships for Goals”, Sustainable Development Goal 17, cooperating with different stakeholders is of great importance to achieve sustainable development goals. Sarkuysan conducts continuous activities to directly contribute to this goal, increasingly expanding its cooperation networks established in the areas of industry and development.

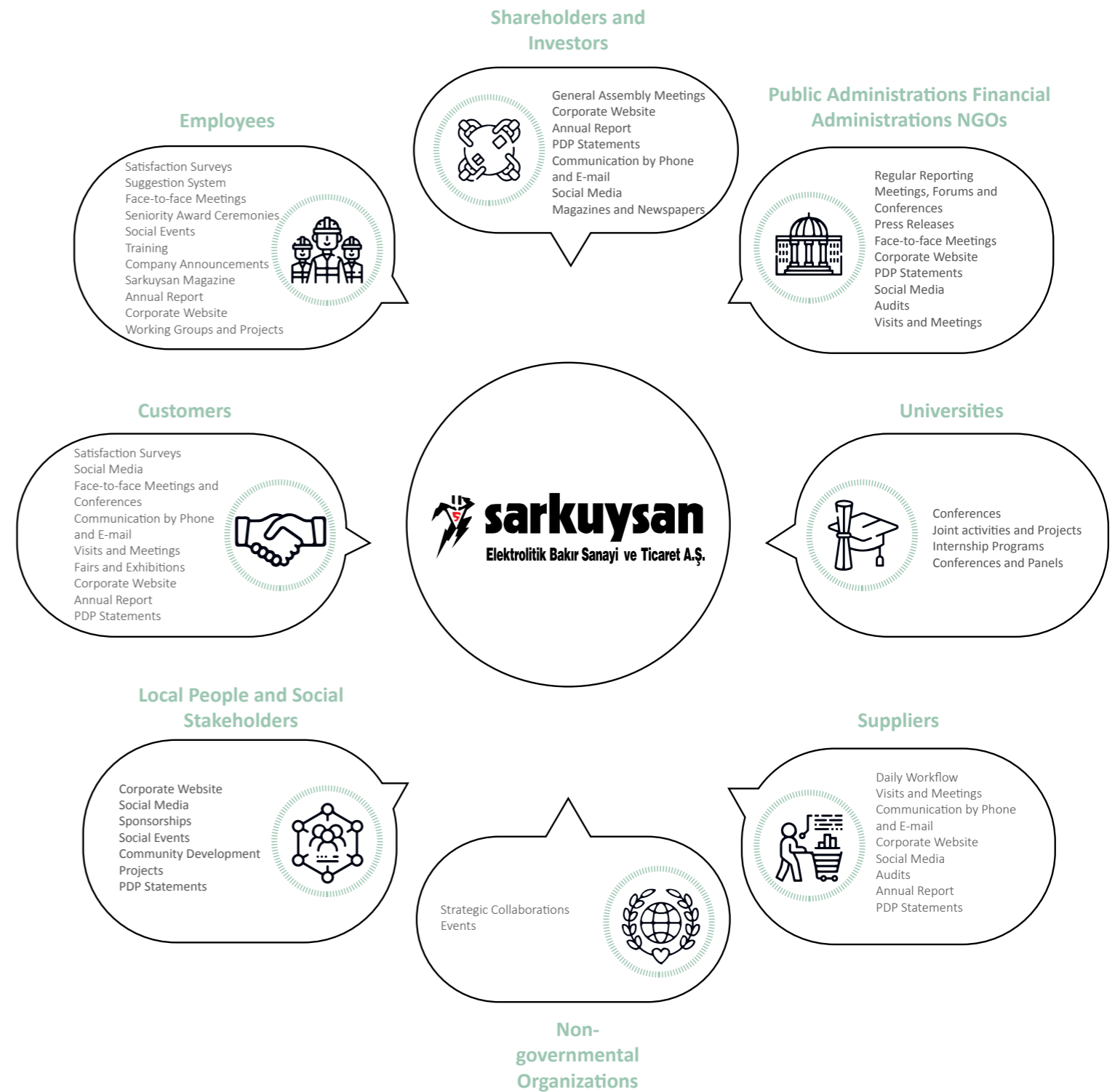
This powerful cooperation with stakeholders not only ensure Sarkuysan to reach its own goals; they also create a wide scale sustainability impact by encouraging information sharing with other organizations in the sector. These cooperations are one of the important strategic steps supporting Sarkuysan’s long-term sustainability commitments and contributing to the development in the global scale.

As a result, Sarkuysan constantly consolidates its relations with the stakeholders, expands its cooperation networks to contribute to the sustainable development goals, and continues to create value in line with this. Corporate memberships and its extensive stakeholder network play a strategic role in Sarkuysan’s achievement of its sustainability goals, and support long-term success of the company.

CORPORATE MEMBERSHIPS

 Arus	 Kalder
 ACC American Copper Council	 KKB - Credit Reference Agency (Findeks)
 Beysad	 Kosano
 British Chamber of Commerce	 Koteder
 CRU Copper Monitor	 Enterprise Risk Managers Association
 Deik	 LEI Monitor
 Emsad	 Rayder
 Gensed	 Saha Istanbul
 Immib	 Sosiad
 IWCC International Wrought Copper Council	 Tim
 IWMA International Wire Machinery Association	 TKYD
 İsb	 Türktrade
 Kabloder	 WAI Wire Association International

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PART: V

ECONOMIC VALUE

(SUSTAINABLE GROWTH -
EXCELLENCE IN WORK)



R&D AND INNOVATION

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 2032, 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. In 2022, our company made significant progress on the basis of sustainability and innovation in R&D activities. In 2023, our company mostly went beyond the identified goals, and R&D capacity and innovation skill of our company were strengthened. In 2022, R&D expenses increase by 28% in USD while this rate increased to 66% in 2023. This rate represents a much higher realization than the goal of 35% which was determined for 2023. The rate increase aimed for 2025 is 40% and a steady growth is projected with this level.

An increase of 15% was aimed for 2023 in terms of the share of R&D expenses within the total turnover while the realized rate was 88%. This shows that resources allocated for R&D increased significantly and innovative projects were prioritized. In 2025, this increase is planned to be realized around 30%. The saving increase obtained as a result of R&D works was 18% in 2022 while it reached 49% in 2023. Exceeding the 30% goal for 2023 emphasizes our company's success in cost effectiveness and resource utilization. The goal for 2025 was improved 40%.

The ratio of the turnover obtained from new products developed as a result of R&D activities to the total turnover was realized as 0.121% in 2023. The goal determined for 2025 is 0.20% and works were accelerated to develop new products in line with this. Extensive improvements were made in 2023 to make our innovation and R&D processes more effective. With the integration of Program-Project Management Methodology, our innovation processes gained a more systematic structure, thus the speed and success rates of development of new projects increased. Furthermore, the increase in the ratio of R&D and innovation expenses to the turnover enabled us to allocate more resources to our projects, increased the efficiency in our innovation processes and enabled us to make investments in new technologies. Increased budgets in 2023 contributed to the recruitment of more R&D

personnel, expanding current projects, and integrating new technologies into our company. Moreover, the strategic role of copper, its importance as part of critical raw materials and innovative projects developed in line with this are also significantly important.

Sustainable Green Innovation and Copper's Strategic Role

Copper's strategic importance continued to grow throughout 2023. In 2024 the Critical Raw Materials Law of the European Union, copper was defined as both a critical and strategic raw material. This emphasizes the key role copper plays in the fight against climate change and green energy transformation processes. This also highlights how indispensable copper is as a raw material for sustainable energy solutions. Therefore, at Sarkuysan, we contribute to a sustainable future with our strategic products utilized in many sectors, including electric-electronic, automotive, energy and rail transportation. Particularly the innovative products we developed, such as Photovoltaic Ribbon Wire, Solar Cable Wire, Erosion Wire and Rail Transportation Catenary Wire, offer significant solutions for green energy transformation across the world. Photovoltaic ribbon wire and solar cable wire are among the most critical components of solar energy panels, having a prominent place in renewable energy technologies.

At Sarkuysan, we sustain our efforts to make our products and processes more sustainable through various innovation programs. The major innovation programs conducted throughout 2023 are as below:

As part of the Material Development Program; We conduct an intense research and development program on copper alloys that would have less environmental impact in order to further develop our current products by utilizing computational material engineering. The new generation copper alloys that we developed not only offer higher performance in industrial and consumer applications, but also present outstanding features in recycling processes.

In the framework of Sustainability Program; we work to create an eco-friendly production model with zero waste and low water footprint with our water and valuable metals recovery projects from waste. Thus, while we increase our utilization efficiency, we will reduce the waste generated significantly.



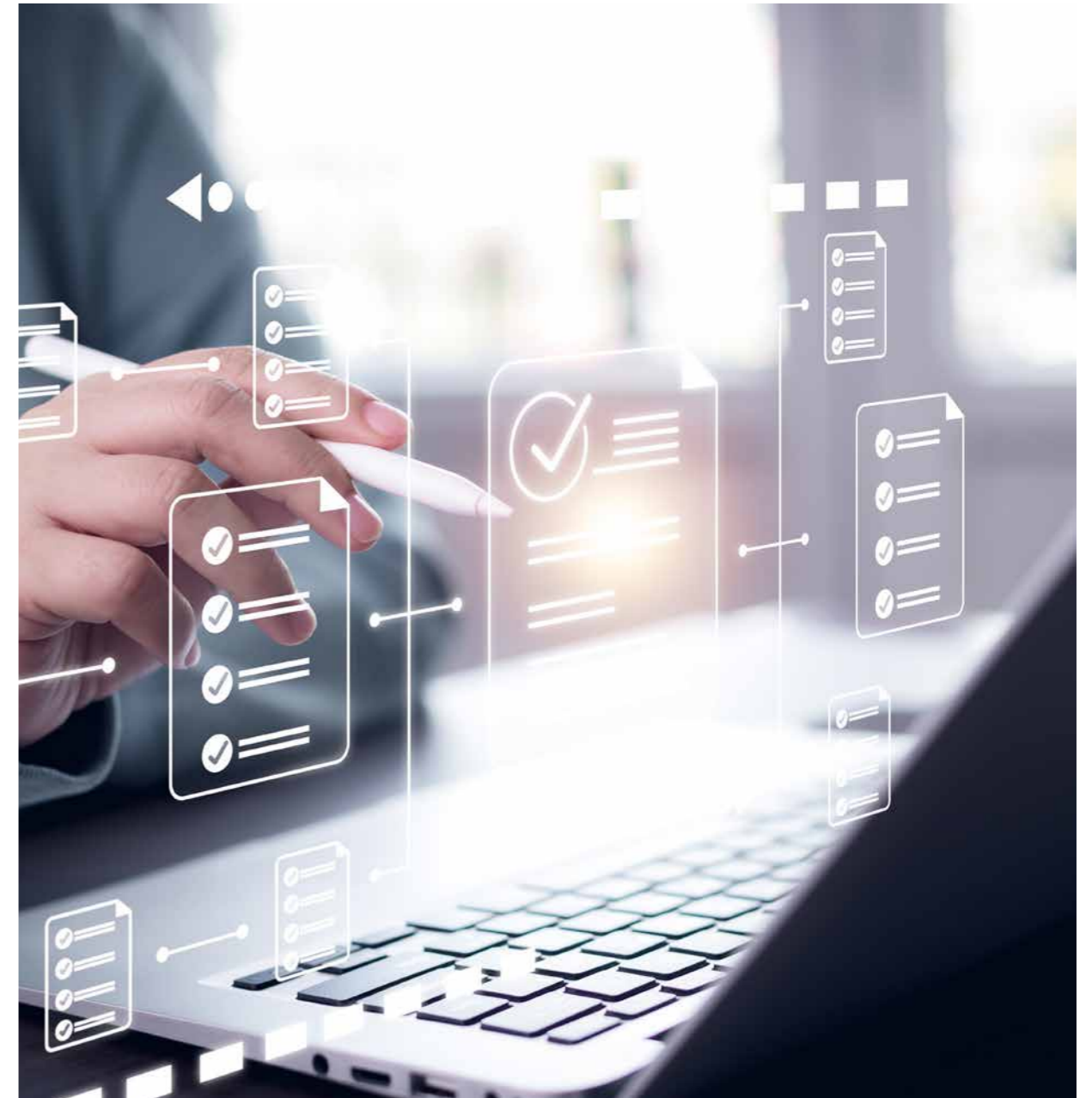
Production Efficiency Program: We conduct activities to reduce resource utilization by optimizing our production processes. Projects related to innovative production techniques, reducing water consumption, and improving wastewater treatment are conducted.

In the Digital Transformation and AI Program, 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.

As part of the Energy Management and Efficiency Program, 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. We work to develop projects that reduce carbon footprint while increasing energy efficiency in copper production through the use of green hydrogen.

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.

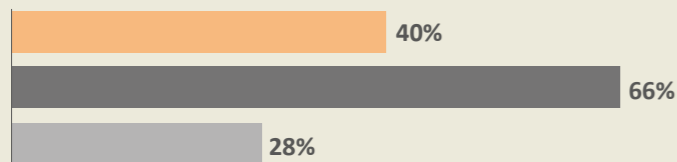


Our Vision for the Future

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. Sustainable innovation and R&D comprise the most important building block, shaping not only our present day, but also our future. At Sarkuysan, we aim to continue to grow with projects that combine sustainability with innovation in future too, and to assume a leadership role in the green energy transformation.

2025 Goals ■ 2023 ■ 2022 ■

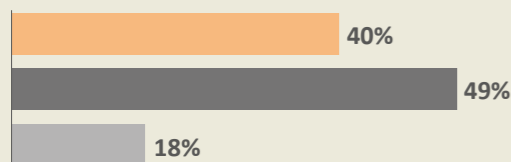
Increase in R&D Expenses in US\$



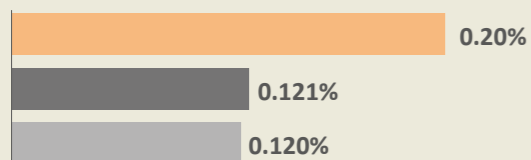
Increase in R&D Expenses in Total Turnover



Increase in Saving due to R&D Activities



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



GRI 201-1 203-1-2 307-1

DIGITAL TRANSFORMATION



One of the significant barriers for many companies that would like to achieve effective and continuous digital transformation is their inability 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, were 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 by 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 the times required for these processes, are labor- and timesaving 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.

GRI 201-1 203-1-2

QUALITY AND PRODUCT SAFETY

	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	2023
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														IATF 16949: 2016					
ISO 14001 ENVIRONMENTAL M.S.																ISO 14001: 2004										ISO 14001: 2015				
ISO 45001 OCCUPATIONAL HEALTH AND SAFETY																OHSAS 18001: 2007													ISO 45001: 2018	
ISO 50001 ENERGY M.S.																													ISO 50001: 2018	

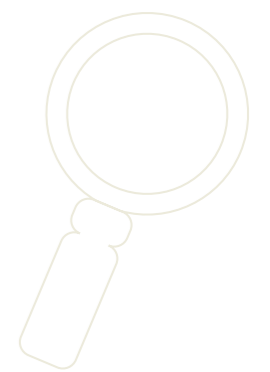
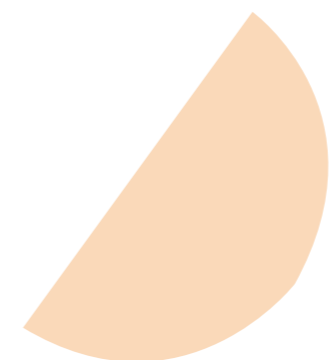
Sarkuysan A.Ş. follows and implements all related national and international standards and legislation in the production of electrolytic copper and related products in order to ensure the quality and product safety.

Thus, management systems established are implemented effectively and improved constantly in all our premises. Moreover, the certificates we got regarding our products document the compliance of our products with the quality and safety criteria of standards. Product safety is not only limited to technical specifications; it is also considered as a crucial factor that consolidates customer satisfaction and our leadership position in the sector, and it is constantly tracked in line with this.

To ensure compliance with all the legal requirements demanded by our customers, we rigorously comply with the important regulations regarding the environment and human health, including particularly REACH and RoHS directives. Thus, tests are conducted in independent laboratories, as required, in order to verify the compliance of our products with the legal regulations. These tests prove the safety of our products in terms of health and environment. The UL certificate of our Enameled Copper Wire products, in particular, is a significant certification that documents full compliance of our products with quality and safety criteria.

Another key step in terms of product safety is Safety Data Sheets prepared for all of our products. These sheets comprehensively inform our customers about our products and provide transparency in terms of product safety. Thanks to this, our customers are always assured of the compliance of our products to the safety standards as well as having convenient access to the technical specifications they need.

Sarkuysan continues to optimize its production processes based on continuous development and legislation, in line with the importance the company attaches to quality and product safety. Production in compliance with high quality standards does not only consolidate our strong position in the current markets; it also contributes to our goals of opening up to new markets. In line with this, innovative production techniques and customer-oriented approaches emerge as indispensable parts of our quality management strategy.





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.

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

The latest survey revealed a 91% 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 feedback 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 competitive advantage. Investments are made in operational excellence to increase efficiency in the entire value chain and provide a quality-price advantage 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.

GRI 201-1 203-1 -2

SUPPLY CHAIN MANAGEMENT

Sarkuysan has an extensive supplier network thanks to its size and portfolio of companies operating in various sectors. The Company puts 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.



GRI 102-9 201-1 308-2

PART: VI

ENVIRONMENTAL IMPACT



ACTIVITIES TO AVOID ENVIRONMENTAL IMPACTS

As a pioneering company in Türkiye in copper and copper products, Sarkuysan A.Ş. adopts eco-friendly production and sustainable development goals. As emphasized in the Environment Policy, modern production technologies are utilized that minimize negative environmental impacts, utilize natural resources efficiently and continuously improve environmental performance. This approach both increases the competitive power of the company and ensures environmental responsibilities to be carried out.

Environmental dimensions and impacts of all production processes are comprehensively evaluated and environmental risks are kept under control. These processes are managed by the environmental management unit and managers responsible for operations, and periodical audits and assessments are conducted by Environment Consultants at each production facility. The relevant parameters are monitored at every stage of operational processes in order to reach the goals determined to improve environmental performance, and the necessary measures are taken based on these data. These works are reviewed in annual management meetings presided by the Managing Director, and improvement steps are planned for the future, following strategic environment goals are considered to be realized.

Sarkuysan commits to fully comply with national and international environment regulations and aims to go beyond the requirements of these regulations and to continuously improve its environmental performance. In addition to the obligations prescribed by regulations, a continuous development approach is adopted as part of ISO 14001 Environment Management System certification. In line with this, opportunities to improve environmental performance are determined and the necessary corrective activities are swiftly conducted. ISO 14001 certificate provides guidance in encouraging eco-friendly projects and sustaining the leadership in this area.

The most important support in reaching environmental sustainability goals comes from environmentally conscious and educated employees. Sarkuysan provides its employees a comprehensive training program in order to raise environmental awareness. Newly recruited employees are introduced to environmental awareness through on-the-job training; this awareness is constantly updated through periodical environmental training and applied exercises. Moreover, sub-contractors operating at the facilities, visitors and interns are also informed about environmental rules, and enforcement of these rules is ensured. Thus,

environmental consciousness becomes widespread among all stakeholders, and environmental responsibility is met in a wider ecosystem.

Sarkuysan’s contributions to the environment are also recognized by external institutions. The Şahabettin Bilgisu Environment Award given in the Metal Sector category by Kocaeli Chamber of Industry in 2015 was an indication of environmental sensitivity and realized environmental investments. In 2024, Sarkuysan aims to apply for the Şahabettin Bilgisu Environment Awards with its Tuzla branch by continuing investments in line with eco-friendly production approach.

Sarkuysan’s environmental sustainability goals are not only limited to protecting the current status; they also aim to realize continuous improvement in environmental performance. In line with this, innovative technologies are utilized, minimizing waste, and providing efficient utilization of natural resources in production processes; and energy efficiency is provided in this manner. Investments in energy efficiency and renewable energy resources play a key role in reducing carbon footprint. With the 1 MWp roof solar power plant planned in the first phase in 2024 and the following 2 MWp roof solar power plant, Sarkuysan aims to produce 3,600,000 kWh renewable energy annually. Thus, it will be possible to prevent emissions equal to 1,500 tons of CO₂ per year. Moreover, investments made in areas such as water management and waste management contribute to the efforts in reducing the environmental footprint.

In line with the environment policy, effective steps are being continuously taken to protect resources and to improve environmental performance. Sarkuysan aims to set an example both at national and international levels in its journey towards attaining its sustainable development goals. The responsibility of meeting the needs of the future and leaving a more habitable planet for the future generations is integrated in all business processes. The company aims to further its leadership role in the sector with its environmental sustainability strategy.

With all these initiatives, Sarkuysan aims not only to ensure its operational sustainability, but also seeks to be a pioneer in the sector with an eco-friendly production model and to offer a more habitable future to its stakeholders. Developing environmental sustainability goals, building strong cooperations with stakeholders in line with these goals and continuing to create projects that will add value to the future are among strategic priorities of Sarkuysan.

GRI 301-2 305-1 307-1 306-1-2-3-4-5

ENVIRONMENTAL GOALS

Environmental Performance Indicators

Natural Resources Utilization	Goal (2025)	2022	2023
Total water consumption (m ³)	100,000	127,952	137,843
Waste Management	Goal (2025)	2022	2023
Hazardous Waste Ratio	14.5%	16.6%	15.8%

**Reference year is taken as 2022.

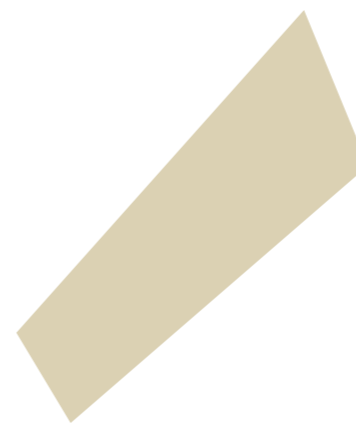
**Targets for 2025 are given in cumulatively.

Climate Change

Climate Change	Goal (2025)	2022	2023
Scope 1 emissions (tCO ₂ e)	36.0	35.9	41.6
Cumulative Energy Saving (MWh)	5,700	3,948	4,581
Cumulative CO ₂ Saving (tCO ₂)	1,755	946	1,249

**Reference year is taken as 2022.

**Targets for 2025 are given in cumulatively.



GRI 301-2 305-1 307-1 306-1-2-3-4-5

WASTE MANAGEMENT AND RECYCLING

Copper is a strategically important metal with an increasing demand across the world. In the last decade, copper deficit rapidly grew across the world and reached the levels of 500 tons, and this corresponds to 2% of the global supply. The importance of recycling activities is increasingly growing in line with the goals of conservation of resources and sustainable development. Consideration of recovery processes of all natural resources as an indication of development should be deemed as a key factor in creating sustainable policies.

Copper is a 100% recyclable metal with no loss in quality. At Sarkuysan, we conduct eco-friendly and efficient recycling processes, using our expertise in recycling and our strategic investments. Copper is refined once again at a high purity level and becomes reusable in industrial and technological areas. This process is conducted at our company's facilities with an Environment License, and secondary copper is included in the circular economy, thus important contributions are made to conservation of natural resources. Active works are conducted also to recover the losses occurring in the production processes of our customers and copper products with expired economic life, thus copper's life cycle is supported.

We aim to further integrate secondary copper into the circular economy at our facility with Environment License. The rates of secondary copper used in the production of our products are given below.

Recycle	Target (2025)	2022	2023
Secondary Copper Utilization Rate	16%	15%	15%

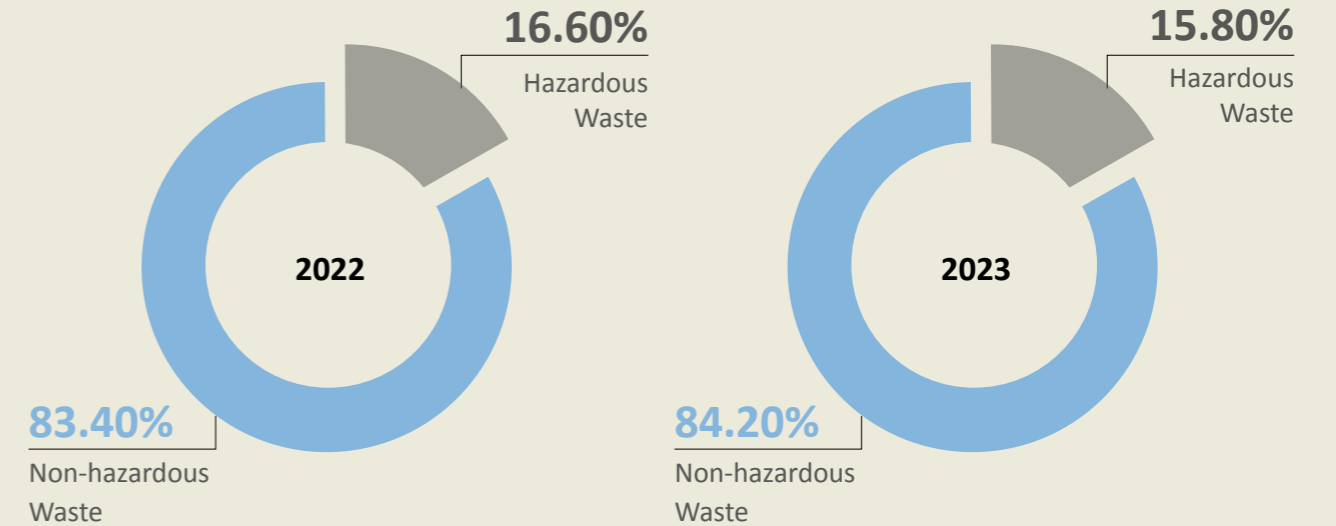
The waste not used in the recycling activities of Sarkuysan, on the other hand, are regained into the economy by transferring them to licensed recycling companies. Continuous emission measurement systems are used in the chimneys at our recycling facilities, these measurements are tracked in real-time, and all necessary measures are taken to minimize environmental impacts. These processes are conducted and monitored rigorously as part of our environmental responsibility.

A similar approach is adopted for other wastes that do not contain copper; wastes are sorted at the source and sent to recycling companies. Accordingly, awareness-raising training is provided to all employees as part of the Zero Waste Project on waste minimization, effective separation, and recycling. The aim is to establish effective collection systems and prevent waste production from the very beginning. We work with determination to regain waste produced as a consequence of our activities into the economy and minimize negative impacts on the environment in line with our sustainability goals. Sapling donations are made in the name of our organization, with the contributions of the companies we work with, in order to harmonize our recycling processes with the goal of a sustainable future, and our responsibility for the nature and environment

Wastewater generated during our activities are treated at our Industrial Wastewater Treatment Facility with the purpose of minimizing environmental impacts, thus important steps are taken to protect water resources. Wastewater management plays a critical role in ensuring environmental sustainability, and sustaining these processes with the highest efficiency is among the priorities of our company.

In conclusion, waste management and recycling processes are among the critical factors laying the foundations of Sarkuysan's sustainability policies, therefore, great importance is attached to the conservation of natural resources, contribution to circular economy, and creation of an environmentally sensitive production model. This approach does not only increase the company's environmental performance, but it also carries the company's leadership in the sector in sustainability a step further.

Amount of Non-Hazardous / Hazardous Wastes



We primarily focus on recovery and recycling.

ENERGY MANAGEMENT AND CLIMATE CHANGE

Sarkuysan A.Ş. considers energy management and the fight against climate change as a priority both in ecological and economic terms. CO₂ emissions reduction is at the center of the company's energy efficiency strategy, and all operations focus on energy efficiency towards this purpose. ISO 50001 Energy Management System, implemented at all facilities, aims to use energy efficiently and to continuously increase energy saving potential. In line with this system, improvement plans were prepared, responsibilities were described, and they are constantly monitored in order to reach the determined goals.

Efficient utilization of energy and natural resources in all production processes is among the primary goals of Sarkuysan. Energy performance is continuously improved thanks to surveys and improvement projects conducted for energy efficiency. In this framework, technological advancements are closely followed, and alternative energy sources that would minimize environmental impacts are utilized. Equipment and technologies with high energy efficiency are preferred in new investments and production facility improvements. With the purpose of efficient implementation of the Energy Management System and awareness-raising on energy, all employees are provided regular training, and awareness-raising activities are held.

Energy Consumption (Million MWh)

	2022	2023
Primary Energy Consumption	0.21	0.24
Secondary Energy Consumption	0.11	0.09
Total Energy Consumption	0.32	0.33

Primary: natural gas, poplar tree

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

Products produced by Sarkuysan create value in terms of environmental sustainability as well. Particularly the amount of copper used in electric vehicles is quite higher compared to the conventional internal combustion engines. Moreover, copper plays a crucial role in renewable energy systems. In addition to automotive and energy sectors, the demand to copper is increasingly growing with the Industry 4.0 applications, the Internet of Things (IoT), smart cities and the expansion of hyper-scale data centers. This highlights the importance of copper as a material in the fight against climate change.

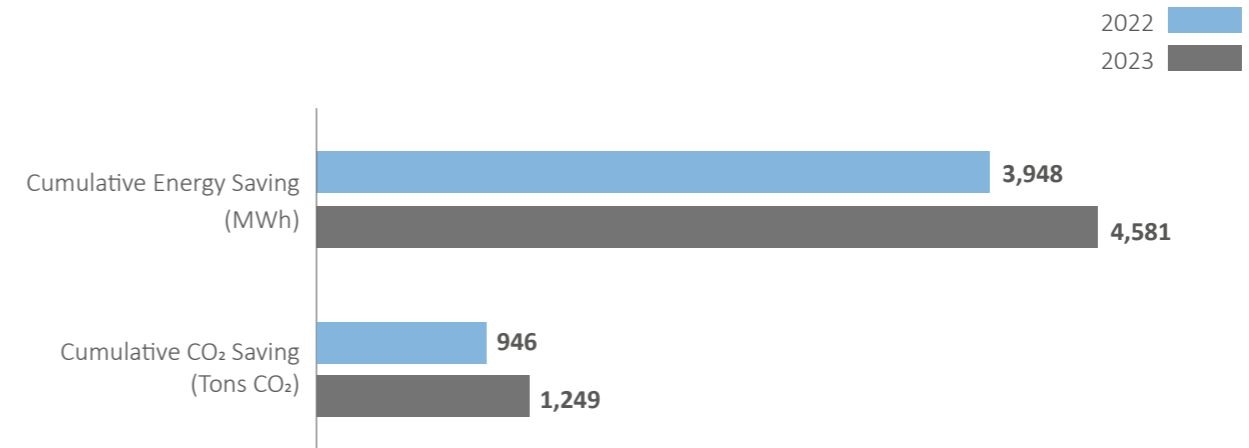
With the awareness of responsible consumption of resources to ensure environmental sustainability, Sarkuysan develops practices for energy management and efficient energy utilization. In this framework, the purpose is to ensure further reduction in consumption of energy supplied from nonrenewable energy resources. Projects in this area are prioritized in line with the belief that utilization of renewable and clean energy resources will reduce environmental impacts.

Sarkuysan carries out various projects in order to increase energy efficiency and decrease energy consumption. In this regard, projects such as improvement of internal lighting system and replacement of low-efficiency compressors with high-efficiency ones were successfully completed as of 2023. Energy efficiency was increased by 55% as a result of the lighting project, and by 22% in specific electricity consumption as a result of the compressor project. With the completion of projects, 303 tons of CO₂ emissions were prevented in 2023, resulting in an environmental impact equal to planting 760 Calabrian pine trees.

<https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>.

These comprehensive projects involving energy management and fight against climate change constitute the foundation of Sarkuysan's sustainability strategies. The company sustains its continuous improvement works with the purpose of increasing energy efficiency, more effective utilization of renewable energy resources, and reducing carbon footprint. These achievements in energy management not only ensure environmental sustainability, but they also support the mission of contributing to a greener and more habitable future.

Energy and CO₂ Saving Distribution



WATER RISKS MANAGEMENT

As the main source of life, water is one of the most critical natural resources for a sustainable future. In light of this awareness, our water management strategy at Sarkuysan A.Ş. is to ensure efficient and responsible utilization of water, which is used both in our activities and to meet the hygiene needs of our employees. Conservation of water resources is at the heart of our current and future activities, and sustainable utilization of water is meticulously monitored. In this line, all our operations are conducted in compliance with the relevant legal regulations and requirements.

The fact that water resources are limited, and they are increasingly depleted at a global scale made our approaches to water management even more critical. In light of this, comprehensive efforts were given a start in terms of water footprint that represents the amount of water used and polluted throughout the life cycles. This works, led by ISU (Kocaeli Metropolitan Municipality Izmit Water and Sewage Administration), aim to reduce water footprint and corporate carbon footprint. Monitoring water footprints goes beyond ensuring efficient utilization of water and aims to guarantee conservation of water resources and future generations' access to water. Works conducted in this scope are of immense importance as part of the environmental sustainability commitment of the company.

Total Water Drawn (m³)

	2022	2023
Amount	127,952	137,843



Consumption amounts, particularly in 2023, showed a trend of increase due to the dry seasonal weather conditions in our region; considering this situation, Sarkuysan plans to take actions related to recovery water utilization by 2024 at the very latest. Significant savings are envisaged in water consumption with the projects to be conducted in this area. Works are ongoing on the innovative and eco-friendly solutions to reach our 2025 goal. Energy efficiency and integrated water management projects are carried out to reach these goals while great importance is given to the efficient use of water at every phase at our facilities.

Sarkuysan’s another important focus in water management is the conservation of water resources and more efficient use of existing resources. In this line, works related to recycling and reusing water are supported with eco-friendly projects. Investments in water saving do not only contribute to environmental sustainability goals, but they also increase the efficiency of the business in terms of resource management.

Continuous improvement of water footprint and water management processes meet the requirements for legal compliance as well as having a strategic priority in terms of conservation of natural resources. Sarkuysan commits to minimizing environmental impacts and to fulfilling its responsibility in this matter by ensuring efficient management of water. The company will sustain its proactive approach in the future as well in terms of conservation of water resources and ensure sustainable management of water resources by investing in new technologies that minimize water consumption.

Water management and efficient utilization of water are indispensable parts of Sarkuysan’s sustainability policies while the company aims to contribute to the conservation of natural resources and building a sustainable future with all its works in this area. Each step taken accordingly contributes to the creation of an eco-friendly production model and in fulfilling the company’s environmental responsibilities.

EMISSION MANAGEMENT AND POLICY

Scope 1-Direct Carbon Footprint CO₂ emissions originating from the production processes are reported every year after being verified by independent inspection bodies. Moreover, the calculations for Scope 2-Direct Carbon Footprint originating from consumed electric energy as well as Scope 3-Other Indirect Carbon Footprint originating from activities such as transportation, raw material and product transfers,

personnel transportation were completed in 2023, and these will be included in 2024 Sustainability Report following comparison and improvement plan to be prepared when calculations for the following year are completed. These works are meticulously conducted to contribute to the improvement of environmental performance, and to tackling climate change.

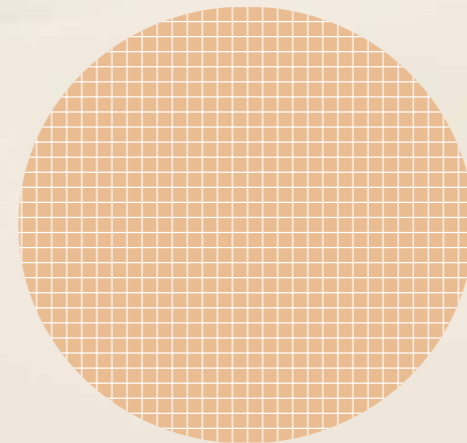
CO₂ emission (1,000 tCO₂) (data obtained from carbon footprint report.)

	2022	2023
SCOPE 1	35.9	41.6





PART: VII
SOCIAL IMPACT



EMPLOYEES AND HUMAN RESOURCES PRACTICES



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 a significant aspect of democracy, industrial 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.

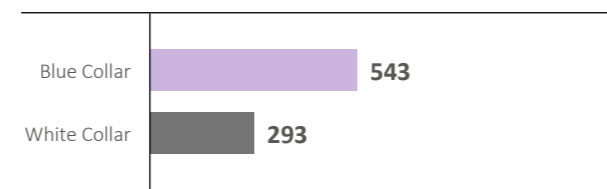
In order to maintain peace in the workplace, relations based on trust and dialogue are established with unions. Employee-employer relations are effectively conducted without any conflict in terms of union related issues. Investments made in human resources are preserved within the Company and carried 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.

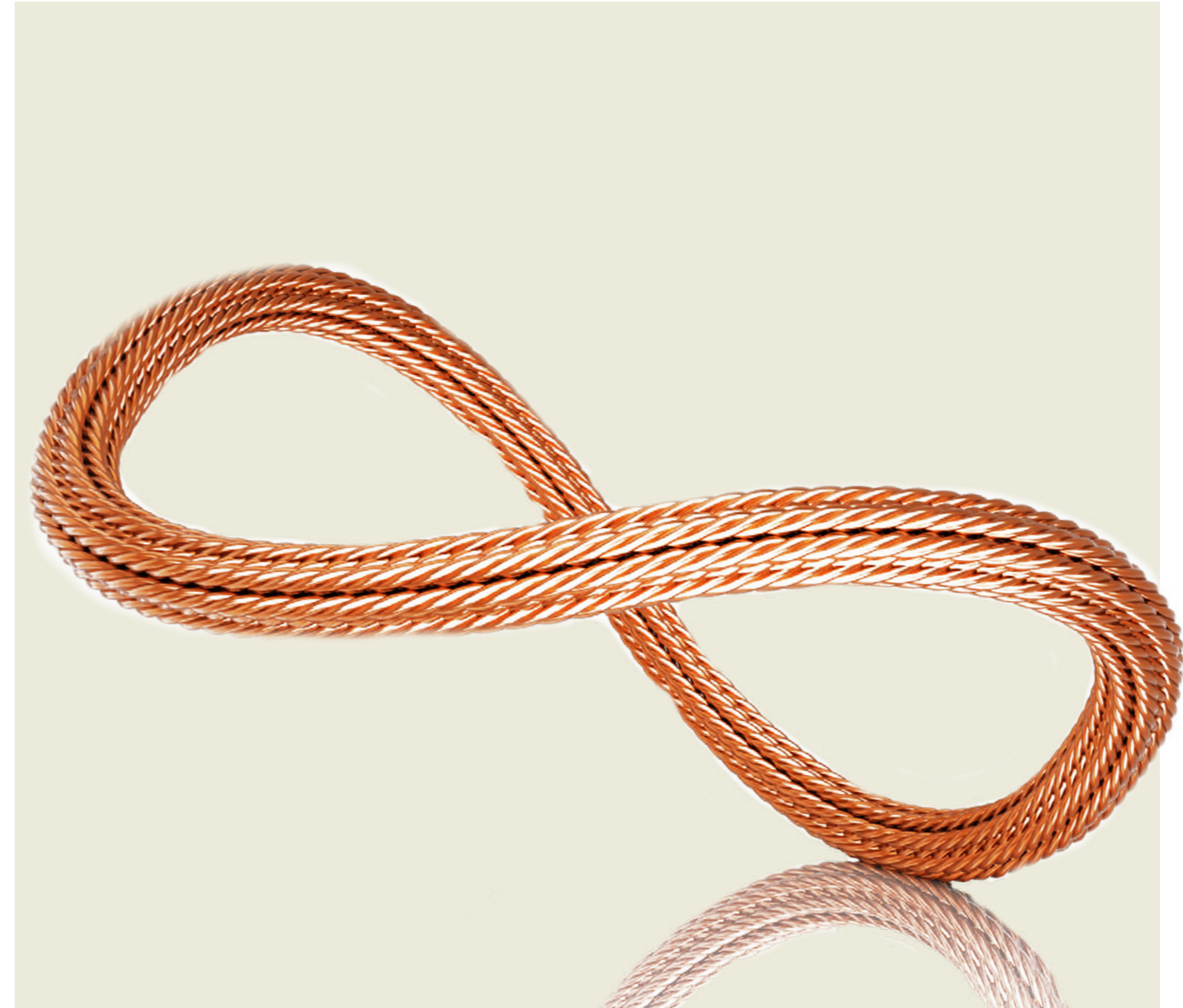
We adopt the principle of providing equal opportunities to people under equal conditions. Employees are treated fairly with the benefits they are offered.

EMPLOYEE PROFILE

Within the framework of the importance our company attaches to employee loyalty, our average workforce seniority is 10 years. These rates are above the seniority average in the industry and below the labor turnover rate. As of the end of 2023, 543 blue-collar Sarkuysan employees are covered by the collective bargaining agreement, and the unionization rate among all employees is 64%.



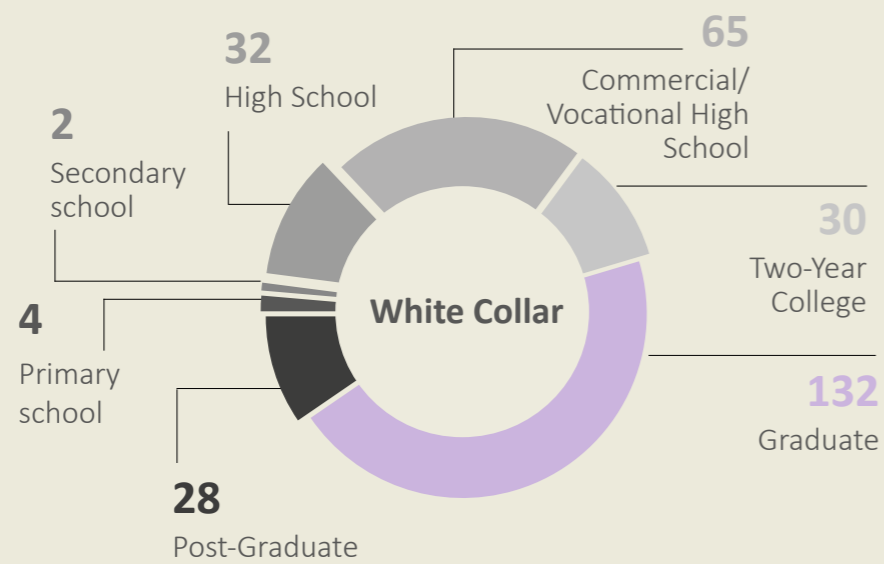
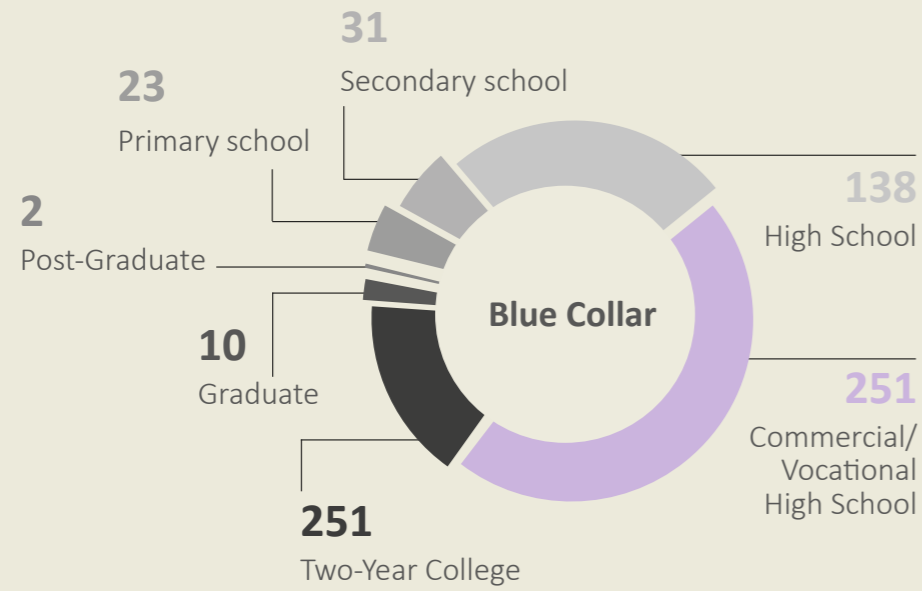
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We support the education of our children and youth, thus contributing to raising them as environmentally sensitive, innovative and responsible individuals.

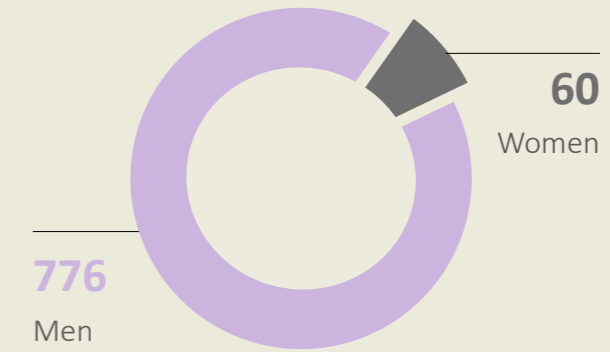
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Employees' Educational Background - 2023

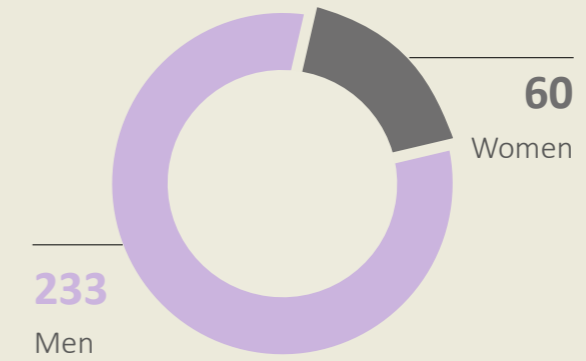


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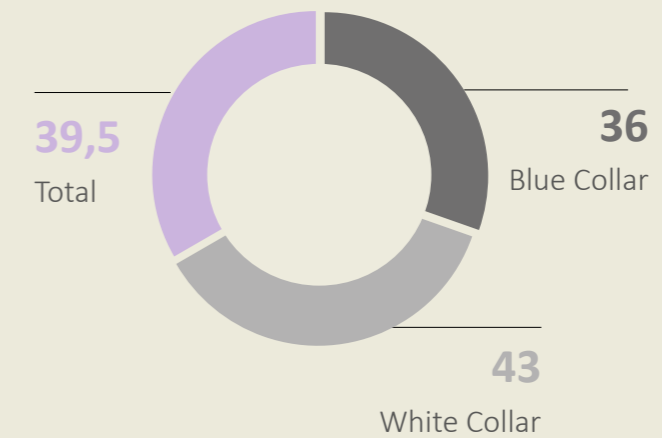
Total Number of Employees



Number of White-Collar Employees

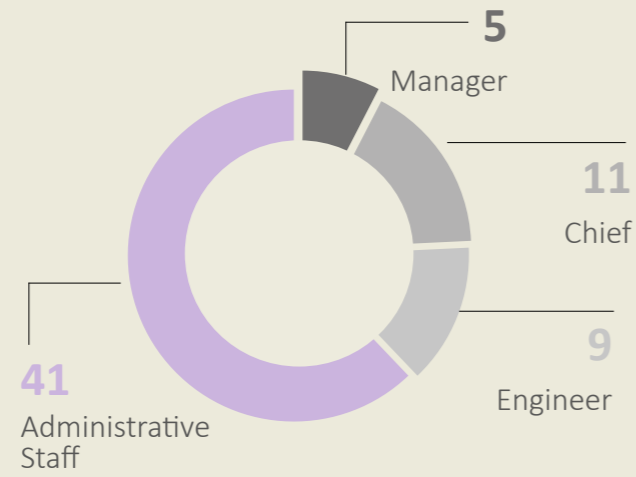


Average Age

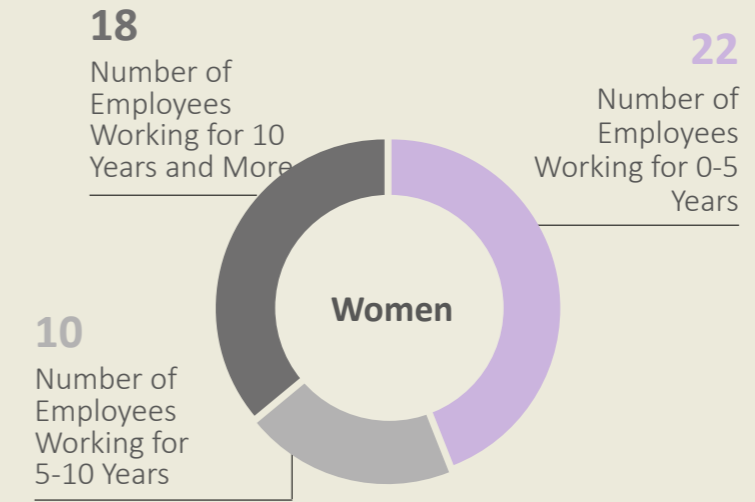


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Woman Employees per Management Category - 2023

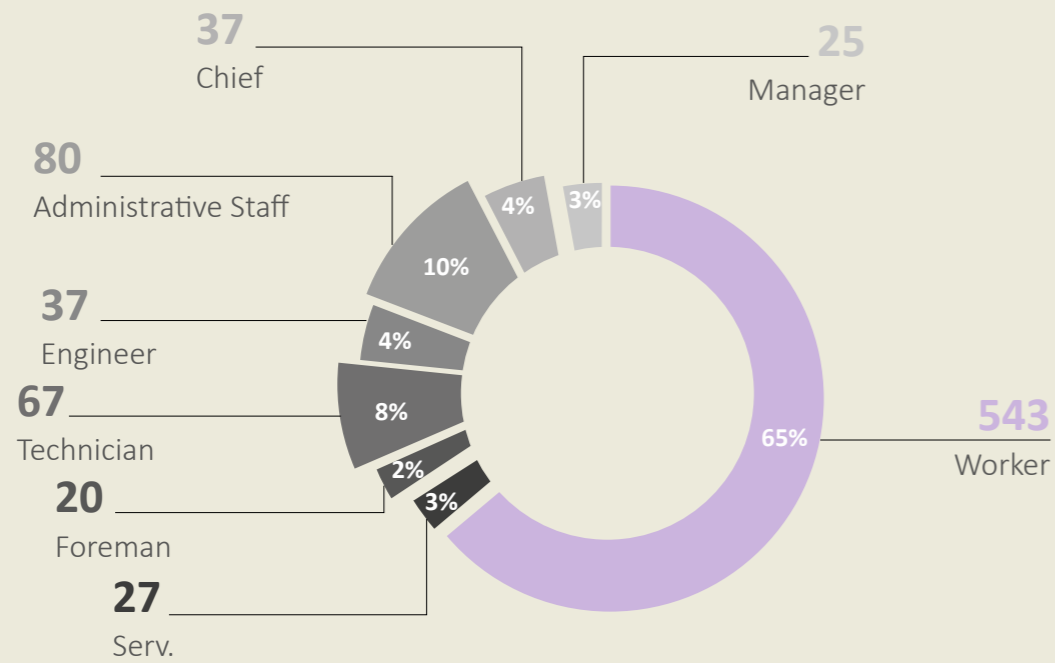


Number of Employees by Term of Employment - 2023



% IN EMPLOYEES - 2023

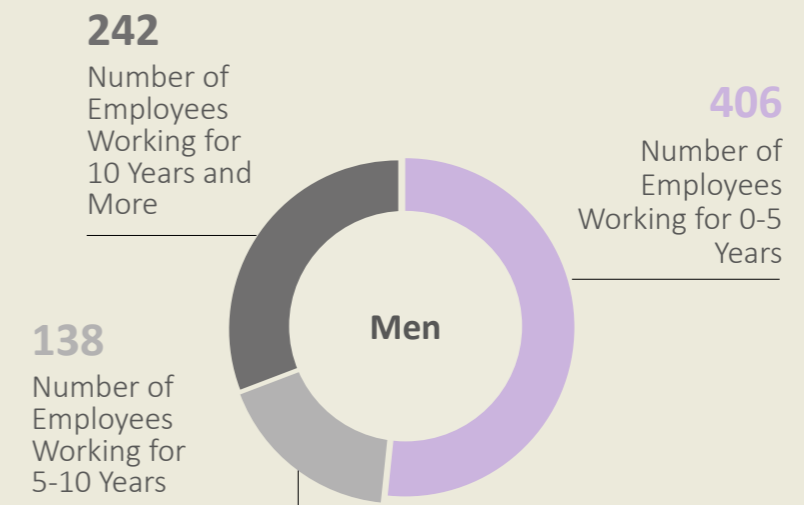
836



242

Number of Employees Working for 10 Years and More

138
Number of Employees Working for 5-10 Years





RECRUITMENT SYSTEM

- **Creating Qualified and Competent Staff:** At Sarkuysan, we believe that our success is based on our skilled and qualified employees. In line with this, we aim to add to our staff the best talents during our recruitment processes. We consider both technical competencies and personal competencies when identifying the candidates who comply with the needs of our company. At Sarkuysan, we pay attention to not only professional knowledge for the position, but also to selecting individuals who can adapt to our corporate culture.
- We are committed to the principles of transparency and fair evaluation in all stages of our Recruitment process through Transparent and Fair Evaluation Process. We utilize objective measurement tools and modern evaluation methods in order to evaluate the talents of the candidates in the best way possible. We offer equal opportunities to all our candidates, without any discrimination during the recruitment process, and we encourage diversity. Thus, we provide an environment in which each candidate can show their potential in the best way possible.
- **Requirements-driven Positions and Competency Assessment** are shaped according to the requirements of the position and the company's strategic goals during the recruitment process. Qualities expected from the candidates are clearly defined in line with the competencies determined for each position. Our recruitment process is based on determination of the candidates who will meet the requirements in the best way and placement of the right person in the right job.
- **Online Application and Career Portals** have largely carried recruitment processes onto digital platforms by utilizing the advantages offered by digital transformation. The candidates can apply for the vacancies via our company's website and leading career portals. All applications are meticulously analyzed and included in the evaluation processes.
- **Interview Process:** We conduct structured interview processes in order to better assess the competencies and adaptation skills of the candidates. Interviews are focused on rating both technical and social competencies with competency-based questions. At Sarkuysan, we provide an

interview environment in which our candidates can feel at ease to enable them to express their potential in the best way possible. In the interview processes, we use online interviewing tools when required to include the candidates in the process in a rapid and flexible manner.

- **Assessment and Feedback:** Sarkuysan pays attention to providing regular feedback to the candidates at every stage of the recruitment process. Various tests and evaluations are utilized in order to correctly analyze the skills of the candidates. We provide professional feedback to the candidates at the end of the process and inform them in terms of their improvement areas and strengths.
- In Long-term Career Opportunities, Sarkuysan aims to attract not only today's talents, but also the future talents. In line with this, we create talent pools during our recruitment process and evaluate candidates for future positions. We offer talent development programs and internal promotion opportunities in order to support our employees in their career journeys. Thus, we encourage our employees to make long-term career plans as part of the Sarkuysan family.
- We cooperate with universities to discover and develop Young talents via University Cooperations and Internship Programs. Sarkuysan internship programs offer an opportunity to young people in which they can combine their theoretical knowledge with practical experience. We offer our interns a training program in which they can experience business environment prior to stepping into professional working life and we offer our successful interns full-time job opportunities.
- With Diversity and Inclusion policy, we attach significant importance to diversity and inclusion. In our recruitment process, we aim to recruit individuals with different talents and perspectives. Diverse cultures, experiences and mindsets enrich our business processes and encourage innovation. Therefore, we follow a recruitment strategy that supports diversity.



GRI 102-7-8 401-2 405-1 406-1

There is a powerful team behind our success.

EMPLOYEE SATISFACTION AND LOYALTY

At Sarkuysan, one of the most crucial elements of our success is our strong and loyal staff. Our corporate culture is founded upon a perspective that aims to increase satisfaction and loyalty of our employees. Therefore, we aim to comply with the highest quality standards not only in production, but also in the work environment.

- **Employee Satisfaction:** This is the foundation of Shared Success. It is one of the most important factors that increase efficiency at the work place, foster innovation and bring sustainable success in the long run. At Sarkuysan, we develop various strategies to make each of our employees feel valuable and to keep their motivation high.
- **Open Communication and Transparency:** Having open communication channels between the management and the employees ensure freedom of expression for the employees.
- **Development and Training Opportunities:** Career development is one of the most principal factors that increase the loyalty of our employees. We support the development of competencies of our employees through various training programs we provide under the roof of Sarkuysan, and we invest in their personal and professional development.
- **Employee Loyalty:** The loyalty of employees to their company is an indication of the feeling of belonging and

belief in the corporate culture. Loyal employees do not only work more efficiently, but they also contribute to the vision and mission of the company. Here are some methods we use at Sarkuysan to increase employee loyalty:

- **Appreciation and Reward Systems:** We regularly appreciate and reward the achievements of our employees. We ensure that they receive the awards they deserve through performance evaluation processes, thus increasing their motivation.
- **Contribution to Social Responsibility Projects:** We encourage our employees to participate in social responsibility projects which support their contribution to society. These projects strengthen team spirit while also increasing employees' loyalty to the company.
- **Internal Communication and Social Events:** We organize social events; team works and celebrations throughout the year to consolidate the pride of being a part of Sarkuysan family. Thanks to this, we strengthen solidarity and team spirit among our employees.

At Sarkuysan, we know that our success depends on the satisfaction and loyalty of our employees. We aim to create the best work environment for our employees and achieve greater things together by sustaining this approach in the future as well. Because we know that happy and loyal employees are our biggest strength in the journey towards sustainable success.



GRI 102-7-8 401-2 405-1 406-1

DEVELOPMENT & SKILLS MANAGEMENT

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 A.Ş. 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 A.Ş. 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 the 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 for our newly recruited employees in our factory by the related departments/organizations before they begin working. On-the-job training provided for our blue-collar employees is refreshed every six months.

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 41 years ago as an intern engineer. In the Performance evaluation forms filled out at Sarkuysan at the end of 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.

Resources, including performance and competence 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 actions 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 2023, our employees were provided 12,601 hours of training, 85% of which was regarding occupational health and safety and the environment, and 15% of which was regarding professional and personal development. The average training hours per employee in 2023 was 15 hours. As per the employee development and talent planning, the expected training



GRI 102-7-8 401-2 404-1-2 405-1 406-1



hours per employee for 2024 was increased to 20 hours. Sarkuysan ACADEMY, which will be established in the following periods, has the purpose of ensuring all employees of our group companies benefit from the training and development programs on common ground.

2024 EDUCATION TARGETS

We made plans for 2024 with a strategic perspective to support the development of our employees by prioritizing sustainability principles in our education activities. Our education targets aims not only to increase personal competencies, but to also create a sustainable learning culture, thus supporting corporate growth.

Education Hours per Person: In line with the targets we determined for 2024, the average education time per person for each of our employees is planned as 20 hours, corresponding to 16,784 hours in total. This target has been determined with the purpose of keeping the knowledge and skills of our employees up to date, enabling them to gain new competencies, and ensuring fast adaptability to the changes in the sector. This will enable our employees to be more equipped, and us to manage our business processes more efficiently.

Our training courses are diversified to encompass both technical knowledge and personal development areas and designed to be effective on all organizational levels.

Our 2024 education targets aims not only to increase knowledge and competencies of our employees, but also to contribute to the sustainability goals of our company.

Our education processes will be guided strategically to foster a sustainable future and to add value to all our stakeholders.

In this framework, we will sustain our education activities throughout 2024 with our perspective of sustainable growth and continuous development.

PERFORMANCE MANAGEMENT

Sarkuysan A.Ş. Performance Assessment Process: We implement a performance assessment system that supports the development of our employees, recognizes their achievements, and encourages continuous improvement. Created in line with our company's strategic goals, this process aims to strengthen individual and corporate success by assessing the contributions of our employees of all levels under the light of objective criteria.

Goal and Targets: The main purpose of our Performance Assessment system is to identify improvement areas and reward the achievements of our employees by measuring their competencies and work performances in a fair manner.

In this process:

- **Development of Employee Potential:** We contribute to the career development of every employee by identifying their strengths and improvement areas.
- **Compliance with Corporate Goals:** We support the compliance of the individual goals of our employees with the strategic goals of our company. Thus, individual achievements turn into corporate success.
- **Transparent and Objective Assessment:** Criteria used in the assessment process are designed to be fair, transparent, and objective. The performance results are shared with our employees through open communication and feedback culture.

Assessment Criteria and Methods: Performance assessment process of Sarkuysan A.Ş. is supported by various criteria and measurement methods.

GRI 102-7-8 401-2 404-1 405-1 406-1

We foster success and creativity through a reward and recommendation system.

- **Competency Assessment:** We plan for education and support programs that will contribute to the professional development of our employees by analyzing their technical knowledge, skills, and competencies.
- **Behavioral Competencies:** We consider our employees' compliance to ethical values, corporate culture and teamwork.

Development and Feedback: At Sarkuysan, we consider performance assessment not only as a measurement tool, but also an opportunity that encourages development of our employees.

Accordingly:

- **Continuous Development Plans:** Personal development plans are created based on assessment results to enable our employees to reach their career goals.
- **Feedback:** Our employees get the opportunity to assess and improve their performance via feedback processes. Thus, they can further improve their skills which will contribute to the corporate success.

At Sarkuysan A.Ş., we consider our human resources as our most valuable asset and aim to maximize the potential of every employee. Our performance assessment system contributes to our sustainable growth while also supporting the career journeys of our employees. Thus, we aim to increase both employee satisfaction and corporate success by creating a fair, objective performance culture based on continuous development that is in harmony with our business goals.



THE REWARD SYSTEM

We believe that a key factor in improving both in-house and external experiences of our colleagues is recognition, appreciation and remuneration. We determine our wages in a competitive manner compared to the relevant sectors and local labor market while complying with the collective labor agreement for blue collars.

As part of our corporate culture, we attach importance to recognizing and appreciating the attitudes, manners, behaviors, and efforts of our colleagues, who take initiative for successful processes and results, thus contributing to our businesses and communications at prominent levels. We manage our recognition and rewarding processes in three main scopes in order to fairly recognize and reward these visible behaviors:

In addition to the legal rights, we offer additional opportunities to our colleagues that would support benefits and their development. We offer our colleagues Health Insurance, holiday, and fuel allowances in the year as well as other supports, in addition to leaves, in cases such as Marriage, the death of a relative, childbirth, and education. We support our colleagues in their parenting and home making processes and look out for their needs in the processes of childbirth and parental leave. Moreover, we provide education and university grants to the children of our colleagues. We make production premium payments at the end of the year for all our colleagues simultaneously.

We always prioritize success and creativity as a company. The Reward and Recommendation System, designed to reward the valuable contributions of our employees and to encourage continuous development, offers various reward categories this year as well, to recognize both individual and team achievements.



During 2023, our employees submitted 109 recommendations. 73 of these recommendations were realized, after they have been considered to be positive. These creative ideas, which improve our business process, and contribute to our company, play a vital role in achieving our sustainable success goal.

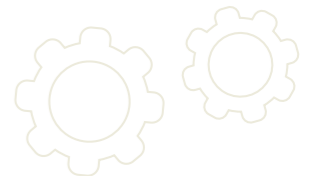
Rewarding Process:

- We thank all our employees who submit recommendations and present gift cards.
- We also honor the top 3 employees among the best recommendations with various rewards.

Thanks to this system, our employees believe that their ideas are valuable, thus we advance into the future with firmer steps due to their contributions. Each recommendation helps us make our business processes more efficient, innovative, and effective.

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.

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.



EMPLOYEE ORGANIZATIONS & EVENTS



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.

SARBUYSAN 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. Our Board visits a charitable foundation, if possible, before noon. Following that, the ceremony continues with a factory visit with the participation of the families of our employees as well. 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 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. The ceremony ends once employees who completed their 5, 15 and 25 years of seniority are announced, and presented their plaques of appreciation and gifts. Then, the public concert of our Turkish Music Choir, composed of our employees, supported by guest artists and hosts, begins.



The anniversary of foundation of Sarkuysan is celebrated in May. 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, employees who are promoted to higher positions and also employees who will retire as of July 1 are announced during the anniversary celebrations.

SARBUYSAN TURKISH MUSIC CHOIR

Our Turkish Music Choir, consisting entirely of our employees, was established with the support of Mr. Hayrettin ÇAYCI, the Chair, who is an admirer of Turkish Music, and has been active for 27 years.



The Choir gives public concerts 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."

Sarkuysan celebrates its 51st 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.

PILATES FOR FEMALE EMPLOYEES

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



CHESS TOURNAMENT

Sarkuysan contributed to the Green Chess Green Industry Meetings Chess Tournament organized at the Anatolian High School.

Yeşil Satranç Yeşil Sanayi Buluşmaları 4
8-9 EKİM

4-15 yaş aralığında öğrencilere yönelik olarak düzenlenen bu yarışmada 4 farklı yaş kategorisinde 20'ye kadar öğrenci katılmaktadır. Yarışma, 8-9 Ekim tarihlerinde saat 10:00'de başlayacaktır. Yarışma, 15:00'de bitmektedir. Yarışma, 15:00'de bitmektedir. Yarışma, 15:00'de bitmektedir.

facebook.com/yesilsatranc instagram.com/yesilsatranc twitter.com/yesilsatranc

Yer: Sarkuysan Anadolu Lisesi
Osman Yılmaz, Barbaros Caddesi No:33, 41400 Gebze/Kocaeli
Başvuru: www.kocaeli.tsf.org.tr / www.yesilsatranc.com

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



Sarkuysan A.Ş. prevent discrimination in the workplace by ensuring equality and diversity (without any discrimination in terms of language, religion, ethnicity, gender and sexual orientation). We create equal opportunity for empowerment of disadvantaged groups and women.

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 of 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.

We spent a weekend full of fun in the nature during the picnic at Darıca in 2023.

All our employees attended the picnic once again. During the event, which started with a breakfast, we conducted various activities in which our employees competed with each other, leaving colorful memories in our minds.



CEREMONIES FOR NOVEMBER 10, COMMEMORATION DAY FOR ATATÜRK



On November 10, commemoration ceremonies are held in our headquarters and 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.

COMMUNICATION



SARKUYSAN NEWSPAPER

The annual newspaper, which consists of news about the Company and social activities, news in the media, 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.

GRI 102-7-8 401-2

OCCUPATIONAL HEALTH AND SAFETY PRACTICES

A safe work environment and conditions are provided for our employees. As part of the "ISO 9001 Quality Management System" job descriptions and our booklet titled "The Basic Sources of Our Corporate Culture", which includes Our Quality Policy, Our Personnel Guidelines, Our Collective Labor Contract and Our Corporate Behavior Principles, is given in printed form to each employee. The "Occupational Health & Safety Handbook" is distributed to our employees, blue collars 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 "OHSAS 18001 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.



We are aware that the copper sector we are a part of is in an extremely dangerous segment in terms of occupational health and safety. Thus, we prioritize the creation of a safe and healthy workplace at our offices and factories as one of our key responsibilities, by meeting all the legal and corporate work requirements related to occupational health and safety.

Guided by the Sarkuysan Occupational Health and Safety Policy, we prioritize the creation of a safe workplace, and prevention of accidents and losses. We act together with all of our colleagues in order to prevent hazards such as diseases, injuries, and fires, which threaten life and property security.

OHS POLICIES AND ACTIVITIES

The principles of Sarkuysan A.Ş. which are based on protecting our employees' health and safety are as follows;

- Use clean materials and production technologies which do not pollute the environment and minimize waste and environmental impacts through recycling in our manufacturing processes in accordance with the requirements and expectations of our customers,
- Ensure efficient use of energy and natural resources for sustainable development and develop systems to prevent pollution as part of our Environmental Management System based on sustainable development,
- Eliminate hazards, carry out risk reduction studies, provide a safe and healthy work environment for our employees in order to protect our employees from work accidents and occupational diseases,
- Comply with the requirements of Environment, Health and Safety legislation and regulations,
- Set attainable goals, revise these goals in line with the continuous development principle and enhance environmental performance,
- Ensure effective implementation of Environment, Health and Safety Management Systems and train our employees to raise awareness.
- Our policy is accessible to all stakeholders and the public.
- We commit to putting our efforts into achieving these principles with the participation of all our employees.

GRI 401-2 403-1-5-6



We sustain and improve the performance of Environment and OHS Training, Risk and Opportunity Analysis, Health Supervision in order to create an eco-friendly, safe workplace, with a target of zero accident for all our employees.

- 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.
- We sustain our efforts to minimize the need for treatment or disposal by keeping natural resource consumption, climate change and emissions under control, by minimizing waste at their source through the use of clean technologies in the production, and by utilizing natural resources in an efficient manner.
- Ensuring continuance of our Environmental and OHS Management Systems and carrying out regular reviews are expected to result in continuous improvement.

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, our goal is to achieve improvement every year. Risk assessment activities shall be carried out in our facilities once every two years as per the 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 employees 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.

OCCUPATIONAL HEALTH AND SAFETY TRAINING

The Occupational Health and Safety Training aims to prevent. We have an occupational accident percentage which is below the averages of the Sector and Countries. 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 in order to raise awareness of our employees on occupational health and safety and to continuously improve the in-house OHS culture. Until June 2024, we provided 1,900 hours of trainings of OHS, disaster and Disaster and Emergency Management Presidency (AFAD) and first aid, and Vocational Competency Institution (MYK).

As part of the annual awareness-raising training 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. These trainings do not only cover occupational safety, but also has the purpose of raising a common awareness on natural disasters such as earthquakes, fires, etc.

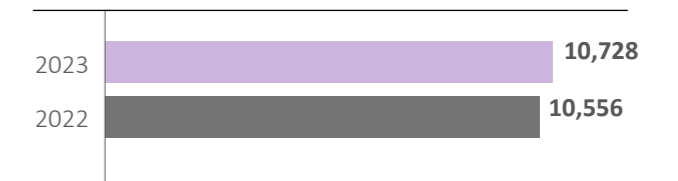
Moreover, our Company takes any and all necessary measures against environmental and occupational health risks that may occur while carrying out the existing processes and necessary training are provided periodically. All facilities of our Company that are actively in operation are certified with the "ISO 45001 Occupational Health and Safety Management System" certificate. Besides the emergency action drills including fire, search and rescue and evacuation drills, which are required to be conducted as per this standard, a drill for a pandemic is also included, thus extending the scope.

Sarkuysan A.Ş. considers employee health and safety as one of its priorities among its corporate values, and meticulously conducts comprehensive occupational health and safety (OHS) processes in line with this. Occupational accidents occurring despite all measures taken are inspected in detail by the OHS Board, occupational safety experts and the relevant department authorities. Following these inspections and assessments, all necessary measures are taken swiftly to prevent similar accidents. The OHS Board, which gathers monthly, assesses the identified risks together with the recommendations to improve work ergonomics of the workers in technical terms, and raises awareness by sharing these assessments with the employees. The decisions are carried out swiftly with the support of the senior management, and occupational safety culture is continuously improved. During the reporting period, accident frequency ratio (AFR) was recorded as 44.01 while accident severity ratio (ASR) as 0.38.

The potential hazard factors in the workplace are determined biyearly with the risk assessment conducted using Fine Kinney method, based on the Regulation Regarding Occupational Health and Safety. The assessment in question is regularly updated to determine the potential dangers and to implement necessary measures in a timely manner. Similarly, as per the OHS Law numbered 6331, emergency action plans are also updated biyearly. In the framework of these plans, actions to be taken in cases of natural disasters, epidemics, first aid, and similar emergencies are determined, the methods which are required to be managed in a safe manner are shared with the employees, and the necessary drills are conducted regularly.

Sarkuysan considers that ensuring the health and safety of all of its employees and contractor personnel is one of its primary goals. In line with this purpose, periodical occupational health and safety training is provided, and awareness and knowledge levels of employees are constantly increased. The OHS, AFAD and first aid training were given for a total of 10,728 hours in the reporting period in question. These training courses play an important role in ensuring that employees understand potential hazards in the workplace and take the correct measures.

OHS Training (Hours)



MEASURES TAKEN AND ACCIDENT STATISTICS

Our Company takes any and all necessary measures against environmental and occupational health risks that may occur while carrying out the existing processes and these measures are supported through regular training. All premises of our Company are certified with the ISO 45001 Occupational Health and Safety Management System. This document proves the compliance of the company to the standards in occupational health and safety and is used as a guide to continuously improve these standards.

The OHS investments are among the key strategies of Sarkuysan, and the health and safety of employees and all stakeholders are ensured with significant investments every year. Some related significant investments carried out are as follows:

- Approximately 1,600 pieces of work equipment passed from periodical checks, and these were made compliant to the occupational safety standards.
- Specially designed manipulators were installed at 3 different points with the purpose of increasing the employees' ergonomics. These systems contribute to the occupational health and safety by preventing workers from being physically challenged.
- Fire extinguishing systems with aerosol gas and automatic sensors were commissioned at approximately 250 points, against the fire hazards due to heat at energy feeding and controlling panels, thus protection was ensured both for workers and work equipment.
- An OHS information video with QR code was prepared to relay OHS rules to the guests and contractors visiting the factory, and workers actively played in this video.

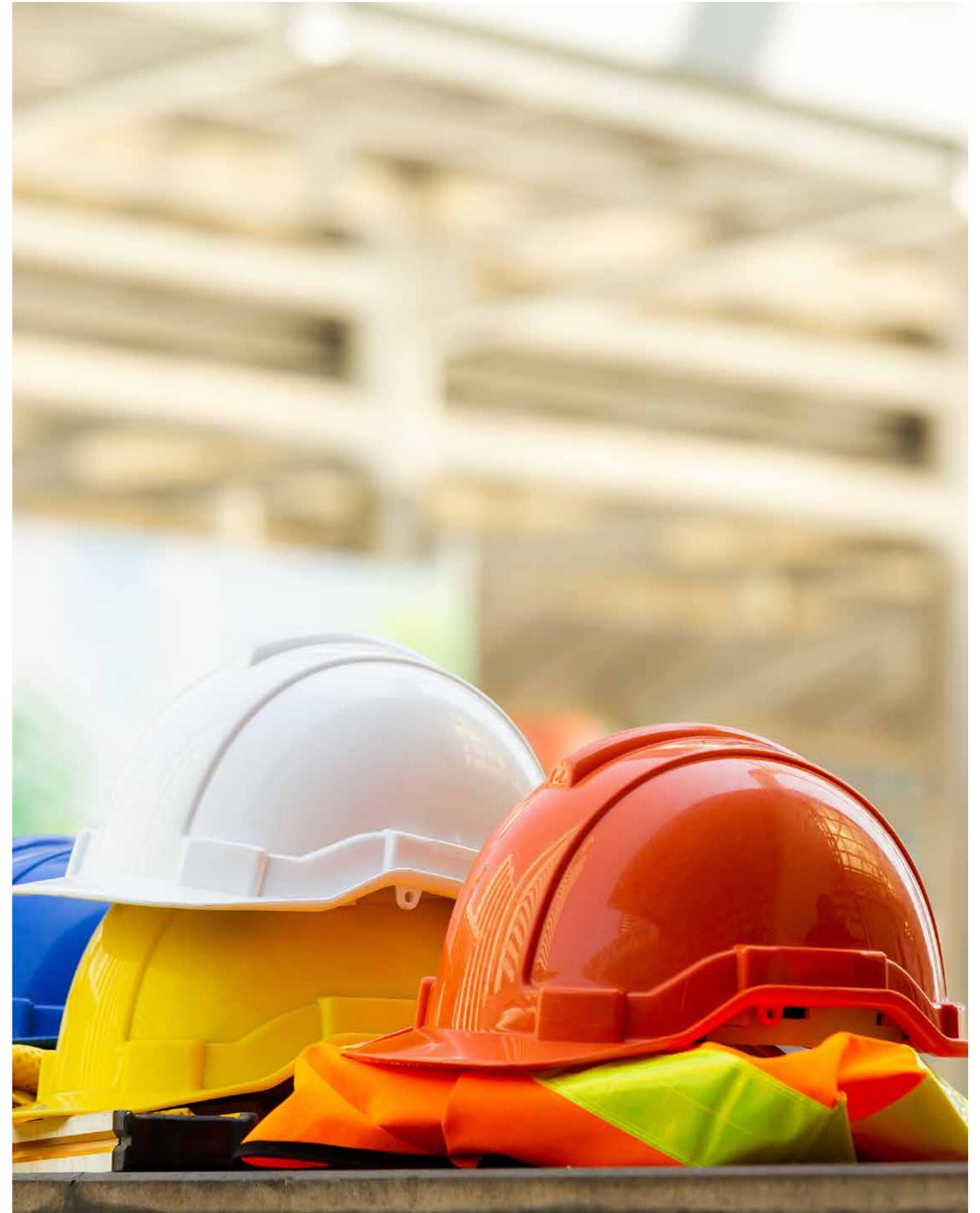
- A vertically operating manlift was acquired in addition to the existing personnel lifting system to prevent accidents that may occur during working at heights.
- Mechanic speed restriction systems were put into operation in the diesel forklifts in the last quarter of 2022, and worker safety was further increased. And in 2023, 3 forklifts at our 3 facilities were equipped with an automatic deceleration system, which senses people and vehicle traffic with artificial intelligence support. This system monitors both people and vehicle traffic in order to prevent accidents, automatically adjusting the speed limit, thus ensuring safety.

Sarkuysan continues to make investments with the purpose of constantly improving occupational health and safety, and providing its employees the safest work environment. As raising awareness of employees on occupational health and safety has become an indispensable part of the corporate culture, this approach constitutes one of the key elements of the company's long-term sustainability strategy.

Accident Frequency Rate



Accident Severity Rate



GRI 401-2 403-1-5-6-9

GRI 401-2 403-1-5-6

CORPORATE SOCIAL RESPONSIBILITY PRACTICES



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 (jeweler) 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 significant 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.

ACTIVITIES IN THE HEALTHCARE SYSTEM

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 has 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 a medical devices/equipment immediately required by one or more healthcare institutions for 30 years. To date, very valuable medical devices/equipment have been donated to dozens of state and foundation hospitals in Istanbul and Kocaeli.

Two rooms in a nursing home of Kadıköy Health Education Foundation (KASEV) were also re-furnished together with medical devices by the Company. In this context, we donated 10 Computers and 10 monitors required by the computer network to Gebze Fatih State Hospital, and 8 ozone sets and 10 PRP KITS to Darıca Farabi Education and Research Hospital to be used in conventional medicine applications in 2023.

ACTIVITIES IN EDUCATION

Sarkuysan sustains its efforts to meet the different demands of the schools in the vicinity in addition to its own schools. In this context, we fulfilled the demands of Şehit Davut Ali Karadağ Vocational and Technical Anatolian High School in 2023.



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 was made in Darıca, where the Company Headquarters is located. This was an elementary school. "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.

Non-refundable scholarships for 910 students.

SARKUYSAN - UNIVERSITY COLLABORATION:

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 always share their professional experiences at congresses and events held, when requested by universities.



SCHOLARSHIPS

707 students completed their higher education with our scholarships. Currently, 203 students continue their education.

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

Initiated by Mr. Hayrettin Çaycı, the Chair at Sarkuysan, 707 people have begun their professional life, and 203 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. Moreover, scholarships are granted every year to selected students among the applications using our scholarship fund created with the contributions of our employees.

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. In this regard, two English teachers from Algeria had been hired for a year with the purpose of improving the English of our employees.



CULTURAL AND ENVIRONMENTAL ACTIVITIES

The social projects of the company extend to African countries. In Senegal and Gambia, two poor countries in the continent, we sponsored drilling of a water well in a village via "SEN DE GEL" Association, building of a mill as well as installation of solar panels on the roofs in a village which will produce the minimum electricity demand of 100 families.



We experienced devastating earthquakes on February 6, 2023, occurred in Kahramanmaraş and affected 11 other cities. We share the grief of all our citizens who were affected by the earthquakes, and we wish God's mercy to those who lost their lives in the earthquake disaster and offer our condolences to our country. At Sarkuysan A.Ş., we continue to exert our utmost efforts, which we commenced from the very beginning, to heal the wounds in the region.

We continue to provide support to overcome the challenges with unity, fraternity, and solidarity, and to build the future together.



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.



PART: VIII

APPENDICES



ENVIRONMENTAL PERFORMANCE

	2021	2022	2023
Total water consumption (m ³)	130,468	127,952	137,843
Hazardous Waste Ratio (%)	16.4	16.6	15.8
Secondary Copper Utilization Rate (%)	-*	%15	%15
Primary Energy Consumption (Million MWh) (Natural Gas, Poplar Tree)	0.30	0.21	0.24
Secondary Energy Consumption (Million MWh) (Electricity, Charcoal, Acetylene, LPG, Petroleum products)	0.08	0.11	0.09
Total Energy Consumption (Million MWh)	0.38	0.32	0.33
Scope 1 emissions (tCO ₂ e)	51.70	35.9	41.6
Cumulative Energy Saving (MWh)	-**	3,948	4,581
Cumulative CO ₂ Saving (tCO ₂)	-**	946	1,249

* Secondary Copper utilization rate was started to be shared as of 2022.

** Cumulative total values started to be calculated and shared as of 2022.

SOCIAL PERFORMANCE INDICATORS

	2021		2022		2023	
	Woman	Man	Woman	Man	Woman	Man
Number of Employees						
Total Number of Employees	60	776	61	794	60	776
Number of White Collar Employees	60	242	61	247	60	233
Number of Employees Included in the Collective Labor Agreement	0	534	0	547	0	543
Total Number of Employees		836		855		836

	2021		2022		2023	
	Woman	Man	Woman	Man	Woman	Man
Subcontract Employees						
Subcontract Employees per Gender	28	91	17	133	19	94

	2021	2022	2023
Employee Turnover			
Employee Turnover Rate	0.11%	6.43%	1.87%

	Unit	2021	2022	2023
Newly-Recruited	Woman	4	12	9
Quitted	Woman	6	5	10
Newly-Recruited	Man	36	62	146
Quitted	Man	24	50	161
Total - Newly-Recruited	Persons	40	74	155
Total - Quitted	Persons	30	55	171

	2021	2022	2023
Employees' Educational Background - Blue Collar			
Elementary School	62	64	54
High School	394	403	389
Graduate and Post-graduate	78	80	100
Total	534	547	543

	2021	2022	2023
Employees' Educational Background - White Collar			
Elementary School	13	12	6
High School	101	102	97
Graduate and Post-graduate	188	194	190
Total	302	308	293

Woman Employee Rates	Unit	2021	2022	2023
Woman (total working woman)	Percentage	6.80%	7.00%	7.17%
Ages 30 and Under	Percentage	25.00%	25.00%	25.00%
Ages Between 30 and 50	Percentage	65.00%	65.00%	65.00%
Ages 50 and Over	Percentage	10.00%	10.00%	10.00%
Foreigner	Percentage	0.00%	0.00%	0.00%
Employees w/ Disabilities	Percentage	0.00%	0.00%	0.00%

Governance Structure (Board of Directors, Senior Management & Managers)	Unit	2021	2022	2023
Women	Percentage	16.67%	23.68%	25.65%
Ages 30 and Under	Percentage	0.00%	0.00%	0.00%
Ages Between 30 and 50	Percentage	38.89%	26.32%	35.90%
Ages 50 and Over	Percentage	61.11%	73.68%	64.10%
Foreigner	Percentage	0.00%	0.00%	0.00%
Employees w/ Disabilities	Percentage	0.00%	0.00%	0.00%

Training Hours	Unit	2021	2022	2023
Occupational and Technical Training	Hours	2,802	4,523	791.5
Personal Development	Hours	900	1,621	16
OHS and Environment	Hours	8,480	10,556	10,728
Other	Hours	1,161	776	1,065.5
Total	Hours	13,343	17,476	12,601

*2024 TARGET: 16,784 HOURS

Average Training Hours per Employee	Unit	2021	2022	2023
	Hours	16.0	20.4	15.1

Employees per Management Category	Unit	2021	2022	2023
Managing Director	Women	0	0	0
	Men	1	1	1
Deputy Managing Director	Women	0	0	0
	Men	3	3	3
Manager	Women	4	4	5
	Men	16	15	16
Chief	Women	11	14	11
	Men	28	28	26
Engineer	Women	7	7	9
	Men	28	30	28
Staff	Women	38	36	41
	Men	77	80	66
Technician	Women	0	0	0
	Men	68	69	67
Foreman	Women	0	0	0
	Men	21	21	20
Worker	Women	0	0	0
	Men	534	547	543

OHS Performance Indicators	2021	2022	2023
Accident Frequency Rate*	45.93	43.90	44.01
Accident Severity Rate**	0.69	0.39	0.38
Occupational Disease Rate***	0	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

Employee Number per Seniority	Unit	2021	2022	2023
Number of Employees Working for 0-5 Years	Women	14	20	22
	Men	173	198	406
Number of Employees Working for 5-10 Years	Women	28	19	10
	Men	169	189	138
Number of Employees Working for 10 Years and More	Women	18	22	18
	Men	434	407	242



GRI INDEX

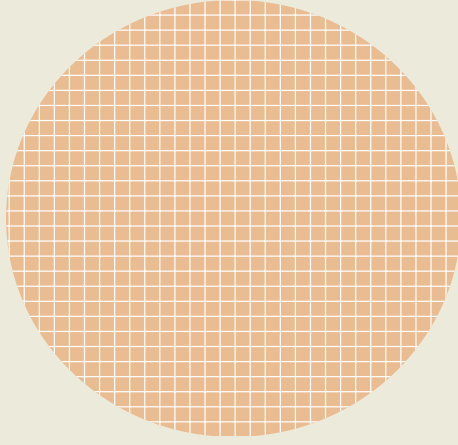
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102-2 Activities, brands, products, and services	16-17,24
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102-4 Location of operations	20-21
102-5 Shareholder Structure	7
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102-7 About Us Shareholder Structure Production Portfolio Economic Value Created Employees	5,14-17,20-25,76-90
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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. 28
102-29 Identifying economic, environmental, and social impacts, risks and opportunities	34-37
102-30 Risk Management	34-39
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102-44 Sustainability Approach Sustainability Priorities Stakeholder Relations and Communication Channels	42-53
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	7
102-46 Report content and boundaries	7
102-47 List of material topics	46-47
102-48 Restatement of information given in previous reports	none
102-49 Changes in the content of reporting	none
102-50 Reporting Period	01.01.2023-31.12.2023
102-51 Date of most recent report	01.01.2022-31.12.2022
102-52 Reporting cycle	The report is issued annually.
102-55 GRI content index	106-110
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103-2 The management approach and its components	42-51
103-3 Evaluation of the management approach	42-51
GRI 201: Economic Performance 2016	
201-1 Direct economic value generated and distributed	14-17, 20-25,52,60-63
201-2 Financial implications on the activities of the organization and other risks and opportunities due to climate change	38-39

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203-2	Significant indirect economic impacts, including the extent of impacts	56-62
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GRI 300: ENVIRONMENTAL STANDARDS SERIES		
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GRI 301: Materials 2016		
301-2	Percentage of recycled input materials used	66-69
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302-1	Energy consumption within the organization	70-73
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303-1	Organization's Water Policy and Management Approach-Water and Wastewater Management	30
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306-1	Waste generation and significant waste-related impacts-Waste Management	66-69
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306-3	Waste generated	66-69
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GRI 307: Environmental Compliance 2016		
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GRI 401: Employment 2016		
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404-2 Skills management and lifelong learning programs to support employee development	84-85
GRI 405: Diversity and Equal Opportunity 2016	
405-1 Diversity of governance bodies and employees	76-85
GRI 406: Non-discrimination 2016	
406-1 Incidents of discrimination-Equal Opportunity and Diversity	76-85
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	46-49
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.



Headquarters

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