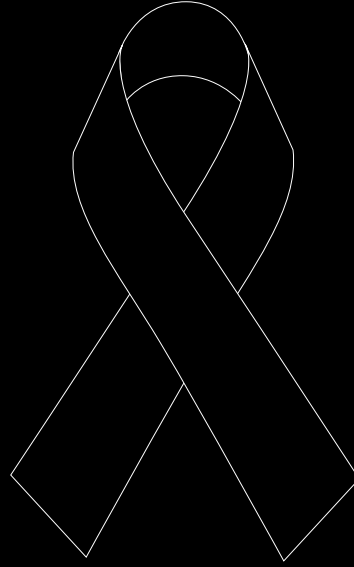


ADÖKSAN DIE CASTING 2022 SUSTAINABILITY REPORT



**INNOVATIVE AND GREEN
ALUMINUM DIE CASTING
SOLUTIONS FOR A
SUSTAINABLE FUTURE**



We are deeply saddened by the thousands of our citizens who lost their lives and were injured in the earthquake disaster that occurred in Kahramanmaraş on February 6, 2023, the devastating effects of which were felt in many cities.

We send our best wishes to all our citizens affected by the earthquake, we wish God's mercy to our citizens and business partners who lost their lives, a speedy recovery to the injured, and patience to those left behind.

As ADÖKSAN, we are working with all our strength in solidarity with our employees and their families and our sectoral unions to provide our support to the earthquake region, from the first moment we received the news of the earthquake.

We believe that together with our stakeholders we will overcome this challenge and build a sustainable future.

Once again, we extend our condolences to our country.



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ABOUT THIS REPORT

While presenting our innovative, technological and value-added solutions to the needs and expectations of our customers with high quality standards, we have also focused on sustainability and green transition issues as an indicator of our responsibility towards the environment, society and future generations.

We have established “ADÖKSAN Döküm Sanayi ve Ticaret A.Ş. (ADÖKSAN) Sustainability Strategy” for the first time in 2022. Now, we are transparently sharing our first Sustainability Report with our stakeholders. We are reporting with reference to the “GRI Universal Standards 2021” developed by the Global Reporting Initiative (GRI) and our report is based on the period between January 1, 2022 and December 31, 2022. This report covers our sustainability practices, our innovative solutions to our stakeholders’ priorities, and our economic, environmental and social performance throughout 2022. We have also taken into account the commitments under the United Nations Global Compact (UN GC), of which we intend to become a signatory member in 2023.

The data in our report are presented in a consolidated manner to include all legal entities and sectoral operations of ADÖKSAN in Turkey and abroad. Our first Sustainability Report was prepared with the contributions of the relevant departments under the leadership of ADÖKSAN Sustainability Committee. In addition to the FY2022, our environmental, social and economic performance data and our sustainability practices for the FY2020 and FY2021 are also included in our report in order to demonstrate the effectiveness of our sustainability approach.

“ *We are working to build a sustainable future together with our stakeholders.* ”

Feedback from our stakeholders provides an effective way to review the environmental, social and economic impacts of our operations and to improve the content of our reporting.

You can share your opinions and suggestions about our Sustainability Report with us at sustainability@adoksan.com.

You can access our Sustainability Report prepared in English and all of our sustainability-related practices at <https://www.adoksan.com/sustainability>.



MESSAGE FROM GENERAL MANAGER



Ajda Şener
General Manager

Dear Stakeholders,

After leaving the traces of the COVID-19 pandemic behind in 2022, we unfortunately experienced a major natural disaster on February 6, 2023 which affected a total of 11 cities in Turkey. We send our best wishes to our entire country; we wish God's mercy to those who lost their lives and a speedy recovery to the injured. We will continue to work with all our stakeholders in order to fulfill our responsibilities in building sustainable cities.

In the reporting period, the uncertainties in the global economy were at the forefront and our country also felt the adverse effects of those uncertainties. The high inflation effect and fluctuations, disruptions in the global supply chain, the Russia-Ukraine War, the rise in energy markets and the effects of the climate change were challenging for all sectors in 2022. As ADÖKSAN, we managed to perform substantial practices by using our resources in the most efficient way during this challenging period.

NOT ONLY A DIE CAST PARTS PROVIDER, BUT A FULL-FLEDGED ADDED-VALUE PARTNER IN A SUSTAINABILITY FRAMEWORK

ADÖKSAN was founded in 1991 to produce value-added, ready-to-assemble high-pressure aluminum die-cast parts for the world's leading automotive and non-automotive companies. The first of our production facilities is the die casting plant with a closed area of 8,000 m² in Istanbul Leather Organized Industrial Zone (IDOSB), where we produce high-pressure aluminum die casting parts. The second is the machining plant with a closed area of 8,500 m², located 1.7 km from the die casting plant, where we offer other value-added processes such as CNC machining, coating and (sub)assembly. Our logistics warehouse (third plant) in Hungary has a closed area of 3,000 m². In addition, our fourth plant is under construction as a new (2nd) die casting plant in Istanbul with a closed area of 11,500 m² and will be completed in 2023. Lastly, as a consequence of the strategy to expand our machining capabilities, our new (2nd) machining plant will be constructed in Miskolc/Hungary which is planned to be ready in 2024.

With the priority of sustainability and customer satisfaction, we produce aluminum high-pressure die casting parts for 70% automotive and 30% non-automotive. While we present all of our die-casting parts to the global markets (100% export), we realize 85% of our regional exports to Europe and 15% to America. In 2022, we exported to 11 countries (U.S., Hungary, Portugal, Poland, Sweden, Germany, France, Belgium, Brazil, The Czech Republic and Austria) with a total consolidated net sales of 55 million EUR.

With 32 years of experience, a total of 19,500 m² of closed area, more than 500 employees, with our products and services that meet environmental, social and quality standards, with our ethical principles, with a healthy and safe workplace, with our contribution to the environment and society throughout our value chain, and with our innovative processes and technologies we are rapidly progressing in our sustainability-based green transition journey that we started by 2022. We see our social responsibility as an inseparable part of our corporate culture and continue to engage in activities that will add value to society. We continue to grow and develop and proudly representing our country in the global automotive and non-automotive markets.

AWARE OF THE ECONOMIC, ENVIRONMENTAL AND SOCIAL IMPACTS THAT THREATEN OUR WORLD, WE ARE WORKING TO ENSURE A SUSTAINABLE FUTURE.

In 2022, we have established our **Sustainability Strategy** in accordance with our green development vision in four main categories: 1) Sustainable Growth, 2) Respect for the

Environment, 3) Respect for People and Society, and 4) Corporate Governance. We have also identified our 18 key sustainability issues (material topics) under these categories. We have created new policy documents (Sustainability Policy, Human Rights Policy, Anti-Bribery and Anti-Corruption Policy and Code of Conduct for Suppliers, updated version of Code of Conduct) to support our sustainability strategy and revised our corporate strategy and corporate disclosures within the framework of sustainability. We have aligned our operations with the UN Sustainable Development Goals, relevant sub-targets and benefits of the European Green Deal. We have established our Sustainability Committee and the relevant Sub-Working Groups in order to accelerate the green transition in our business processes.

Besides, we have set our 2023-2025 and 2030 roadmaps in line with Turkey's 2053 net-zero emissions and green development target and taking into account our sustainable growth vision. Moreover, we aim to be a part of the global sustainability network by committing to the United Nations Global Compact in 2023. In our new sustainability-oriented business models, we evaluate economic, environmental and social risks and opportunities together in our decision-making mechanisms. ADÖKSAN Top Management monitors the progress of the company's activities in accordance with legal regulations, internal regulations and committed policies. The principle of separation of powers and authority in our Top Management provides a balance by drawing lines of authority in corporate governance decision-making processes.

CONTINUOUS AND SUSTAINABLE GROWTH TO CREATE LONG-TERM VALUE FOR ALL OUR BUSINESS PARTNERS

We are continuously and sustainably focusing on innovative and technological advancement, undertaking the maximum value-added operations, rapidly adopting the latest technologies within the principles of green development to provide superior aluminum die casting solutions; thus, aiming to be the one-stop solution provider. Through our **Innovation and Technology Roadmap** published in 2022, we have determined which technologies are currently used within ADÖKSAN, how much these technologies are integrated with each other and which technologies are needed or will be needed. We manage our supplier relationships in an honest and fair manner and we act impartially and transparently in the selection of suppliers. We work with suppliers who adhere to environmental, social and ethical principles in all our business processes and relationships. We strive to extend the concepts of corporate sustainability and green transition throughout our entire value chain. We work with a proactive approach that focuses on customer satisfaction and responds to the needs and requirements of our customers in the timeliest and in accurate manner. We have measured the overall customer satisfaction level of ADÖKSAN as 97% in 2022. We are working to increase productivity and have an innovative business model with digitalization-oriented projects; thus, we established **ADÖKSAN Industry 4.0 Strategy** in 2022, set our digital transformation goals along 8 axes and integrated the roadmap to achieve these goals into our corporate strategies. Although ISO/IEC 27001:2013 Information Security Management System is currently in place, preliminary TISAX certification was also obtained at the end of 2022 (final certification will be obtained in 2023).

RESPONSIBLE AND ENVIRONMENTALLY CONSCIOUS PRODUCTION APPROACH

As ADÖKSAN, we design our production activities in the light of sustainable development, European Green Deal vision and EU Taxonomy, and we aim to accelerate our green transition process. We see the EU's "**Carbon Border Adjustment Mechanism (CBAM)**" and "**Emissions Trading System (ETS)**", laid out by "**Fit for 55**" law package, as an important competitive advantage with our low-carbon focused operational investment plans and innovative/sustainable technology applications that we will activate. We calculated our corporate GHG emissions inventory in 2022 for the first time in accordance with international protocols in order to develop our transition to a low-carbon economy with concrete data and to create a roadmap focused on net GHG emissions reduction.

Enabling sustainable production with low ecological footprint technologies, widespread use of energy efficiency, renewable energy and electrification practices in our facilities, and advancing the transition to a circular economy are among our very high priority sustainability issues. In line with our perspective of transitioning to a low-carbon economy, our Solar Power Plant Project (ADÖKSAN SPP-1 Project), which will be implemented in Van/Turkey, has been launched in 2022. Upon completion, the SPP-1 Project will have a solar energy area of 266,632.49 m² and an installed capacity of 9.6 MWe/11.61 MWp, with a total cost of 10 million dollars. With the commissioning of the Solar Power Plant scheduled for 2024, SPP's annual average energy generation will be 26 GWh, and a portion of our annual energy needs will be provided from renewable energy sources, resulting in a reduction of up to 50% of our carbon emissions from electricity use.

We aim to reduce the carbon footprint (Scope 1, 2 and 3) of our operations by at least 28% by 2030 and to become a carbon-neutral company by 2053.

We aim to increase the number of our circular economy practices while realizing effective resource use through innovative practices we have developed with an awareness of responsible production. To improve our environmental performance, we are also implementing additional investment projects focusing on environmental sustainability and combating climate change. We make every effort to reduce the amount of water we use by effectively managing our water and wastewater systems. Our recycled water consumption rate as a percentage of our total water consumption reached 77.47% in our die casting plant and 60.69% in our machining plant in 2022. Of the total amount of raw materials we consumed, 68.29% came from renewable materials and 29.19% came from recycled aluminum raw materials. We continue to work on sourcing raw materials from a value chain that is fully circular and sustainable. We also aim to reduce any damage to the living ecosystem and biodiversity by paying special attention to managing the environmental impact of our operations.

WE CREATE POSITIVE VALUE THROUGH OUR RESPECT FOR PEOPLE AND SOCIETY

We consider qualified human resources to be our most important asset, shaping our past, present and future. We are committed to being a fair, participative employer that values equal opportunity, inclusion and diversity, and we strive to make these values an integral part of our corporate culture. The proportion of female employees has increased to 34.3% in 2022.

We believe that attracting, managing, and effectively developing new talent through regular training activities is one of the fundamental components of sustainable success. In 2022, average training hours per employee were measured as 21.79 hours for men and 21.67 hours for women. The total number of training hours was 8,345 person x hour for men and 4,333 person x hour for women.

We not only support our employees in their career planning/ development journeys, but also make it easier for them to take on responsibilities in different areas or in higher positions within the company. It is also essential to evaluate the performance of our employees with measurable and accountable goals. In 2022, 93.86% of our employees participated in the regular performance and career development evaluation process and our employee satisfaction rate was determined as 95%. We continue to create experiences that increase employee motivation through rewards, awards, celebrations on important days, various social benefits and in-house events.

We comply with national, international and sectoral Occupational Health and Safety (OHS) regulations, and provide a healthy and safe workplace for our employees. By establishing the Occupational Health and Safety Management System, we obtained the ISO 45001:2018 Certificate and set a target of zero occupational accidents in 2022. In addition, we provided a total of 9,328 person x hour of Occupational Health and Safety training to our employees.

We see our social responsibility as an inseparable part of our corporate culture and plan to carry out activities that will add long-term value to the society by 2023; with the goal of leaving a more livable world to future generations.

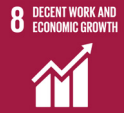
We hereby present our first Sustainability Report, which has been prepared with reference to the globally accepted "GRI Universal Standards 2021", along with our corporate governance approach and performance results regarding the environmental, social and economic impacts of our operations, in a transparent manner in four main sections: "Corporate Governance", "Sustainable Growth", "Respect for the Environment" and "Respect for People and Society".

I would like to express my gratitude to our esteemed business partners, colleagues, customers, suppliers, and all of our stakeholders for their trust and wholehearted support, and I believe that we will achieve many more great successes together.

Best Regards,

Ajda Şener
General Manager





1

AT A GLANCE

- ADÖKSAN in Figures
- Our Milestones
- About ADÖKSAN
- Top Management and its Structure
- Vision, Mission and Values
- Committees and Their Responsibilities
- 2022 Highlights

ADÖKSAN In Figures

Established in **1991 (32 Years of Experience)**

19,500 m² (Closed) Production Area

Business Area:

High-pressure aluminum die casting with value-added services such as CNC Machining, Coating, (Sub)Assembly

More Than **500 Employees**

Located in Tuzla, Istanbul.

Plant 1. Die casting plant (Since 2006)

Plant 2. Machining plant for value-added services (Since 2013)

100% Export to Global Manufacturing Corporations: 85% Europe, 15% Americas

Business Mix: 70% Automotive, 30% Non-Automotive (15% Engineering, 10% Household Appliances, 5% Others)

New Investments:

Plant 3: Logistics warehouse in Miskolc, Hungary. Operations started in Q2/2021

Plant 4: 2nd Die casting plant in Tuzla, Istanbul, currently under construction (will be ready in 2023)

Sales office in U.S. (Since 2019)

Nearly **323,251 EUR Environmental Investment (2022)**

26 GWh/year Renewable Energy Production

(Solar Power Plant Installation) with an installed capacity of 9,6 MWe/11,61 MWp (is planned to be ready in 2024)

Production Volumes*

Die Casting Plant Production Quantities	2020	2021	2022
Automotive	100	134	143
Non-Automotive	100	114	109
TOTAL	100	130	137
Machining Plant Production Quantities	2020	2021	2022
Automotive	100	136	133
Non-Automotive	100	222	216
TOTAL	100	147	143
TOTAL PRODUCTION QUANTITIES	100	135	139

* 2020 production quantity is taken as base value of 100.

Consolidated Net Sales (million EUR) (Exports)

Consolidated Net Sales (million EUR) (Exports) TOTAL	2020	2021	2022
	40	50	55

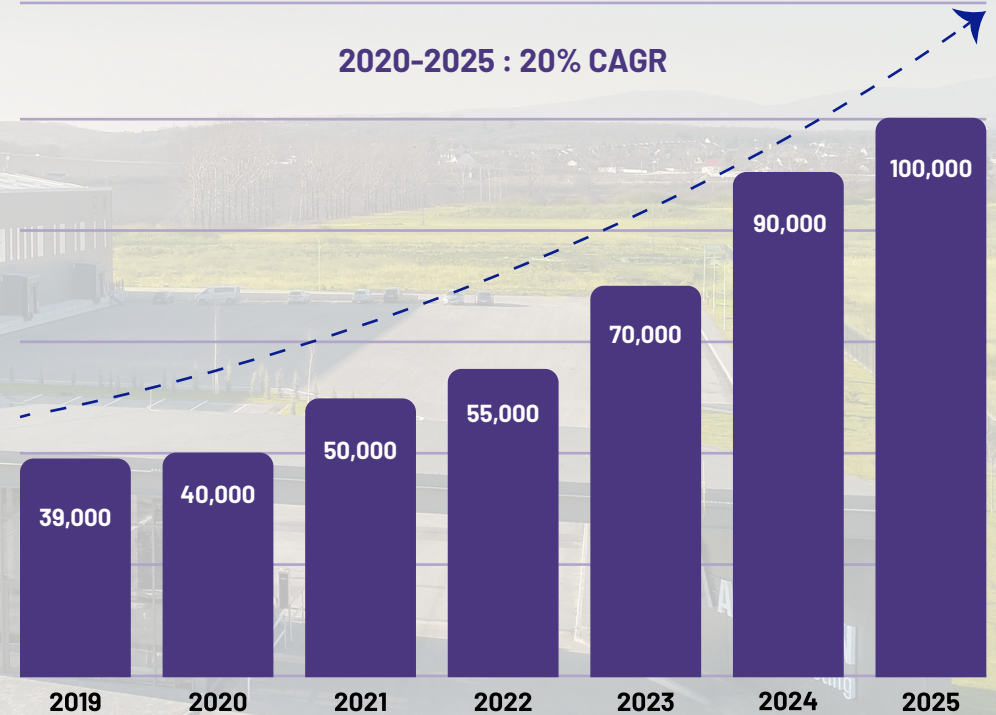
* Includes all legal entities and sectoral operations of ADÖKSAN in Turkey and abroad.

The Number of Countries Exported to in 2022: **11**

ADÖKSAN Revenue Projections (2020-2025)

Turnover (EUR Thousand)

2020-2025 : 20% CAGR



* CAGR: Compound Annual Growth Rate

Our Milestones

1991



ADÖKSAN was established in İstanbul.

1996



Growth and First Export:
* Growth as a supplier to the leading household appliance manufacturer in Turkey.
* First export to Europe.

2001



Change of Strategy:
* Change of strategy to focus on exporting to international companies instead of serving the local market.
* ISO TS 16949 and ISO 9001 Certification (Establishment of Quality Management System).

2003



Transformation and Expansion:
* Transformation of the customer portfolio into 100% export customers.
* A customer portfolio is established in the automotive and household appliance industries in the markets of Europe first, then America.

2006



New Die Casting Plant:
Establishment of a new foundry with a total closed area of 8,000 m² in Tuzla, İstanbul.

2013



New Machining Plant:
Investment in the 2nd Plant, which focuses on machining and other value-added services (closed area of 8,500 m²), in the free trade zone 1,7 km from the first plant.

2019



ISO 14001:2015 Certification (Establishment of Environmental Management System).

2019



ISO 27001:2013 Certification (Establishment of Information Security Management System).

2019



First Sales Office Abroad: Our Sales Office was opened in Charleston – U.S.

2021



First Plant Investment Abroad: Investment in the 3rd Plant (Logistics Warehouse) in Miskolc, Hungary (closed area of 3,000 m²)

2022



ISO 45001:2018 Certification (Establishment of Occupational Health and Safety Management System).

2022



2nd Die Casting Plant: Investment in the 4th Plant (2nd Die casting plant) in Istanbul (closed area of 13,000 m²) (It will be ready in 2023).

2022



Preliminary TISAX Certificate relevant to the Information Security was obtained.

2022



Our Sustainability Strategy and relevant policy documents were published. Our corporate GHG emissions inventory was calculated.

About ADÖKSAN

ADÖKSAN was founded in 1991 to produce value-added, ready-to-assemble high-pressure aluminum die-cast parts for the world's leading automotive and non-automotive companies. We maintain our international presence with two plants in Istanbul (die casting and machining plants), logistics warehouse in Miskolc/Hungary, and sales office in U.S.

The first of our production facilities is the die casting plant with a closed area of 8,000 m² in Istanbul Leather Organized Industrial Zone (IDOSB), where we produce high-pressure aluminum die casting parts. The second is the machining plant with a closed area of 8,500 m², located 1.7 km from the die casting plant, where we offer other value-added processes such as CNC machining, coating and (sub) assembly. Our logistics warehouse in Hungary has a closed area of 3,000 m². Additionally, our 4th plant is under construction as a new (2nd) die casting plant in Istanbul with a closed area of 11,500 m² and will be ready in 2023.

We use 41 horizontal and vertical state-of-the-art CNC-machines, the latest fixture/clamping concepts and the latest technological methods in our operational activities. We have anodizing, chromatization, powder coating processes within the company and Teflon and KTL coating processes as external processes upon request. In our die casting plant, we have 29 casting machines with clamping forces ranging from 160 to 1,350 tons. All machines are equipped with robots or pickmats. In 2023, the first casting machine in the range of 2.500-3.000T is planned to be implemented.

With the priority of sustainability and customer satisfaction, we produce aluminum high pressure die casting parts for 70% automotive, 15% engineering (machinery), 10% household appliances, and 5% other sectors.

Since the day we were founded, we continue to grow and develop with the innovative and technological approaches we have developed, and we proudly represent our country in the global markets. While we present all of our die-casting parts to the global markets, we realize 85% of our regional exports to Europe and 15% to America. In 2022, we exported to 11 countries (U.S., Hungary, Portugal, Poland, Sweden, Germany, France, Belgium, Brazil, The Czech Republic and Austria). We are one of the leading die casting companies in Turkey, which has been awarded for many years by the Istanbul Ferrous and Non-Ferrous Metals Exporters' Association (IDDMIB) for our export performance. At the Metallic Stars of Export Award ceremony organized by IDDMIB, we were awarded the third prize in the category of "Products Made of Aluminum" in 2020 and 2021. In addition, we have sectoral corporate memberships and collaborations with many institutions, organizations and associations.

We have all the quality standards required in the die casting industry, including IATF 16949, ISO 9001, ISO 14001, ISO 27001, TISAX and ISO 45001, and we are constantly expanding our certificates.

We integrate both sustainability and Green Development vision into our corporate strategy. With 32 years of experience, a total of 19,500 m² closed area, more than 500 employees, with our products and services that meet environmental, social and quality standards, with our ethical principles, healthy and safe workplace, with our contribution to the environment and society throughout our value chain, and our innovative processes and technologies we are progressing rapidly in our sustainability-based green transformation journey that we started by 2022. We see our social responsibility as an inseparable part of our corporate culture and continue to carry out activities that will add value to society.

Moreover, we aim to be a part of the global sustainability network by committing to the United Nations Global Compact in 2023.



FACILITY	Foundation Year	Facility Location	Total Production Area	Operations
1 st Die Casting Plant	2006	Tuzla, Istanbul	8,000 m ²	High-pressure aluminum die casting and surface treatment
Machining Plant	2013	Tuzla, Istanbul	8,500 m ²	Value-added services such as CNC machining, coating, (sub)assembly
Sales Office	2019	Charleston, U.S.	-	Sales
Logistics Warehouse	2021	Miskolc, Hungary	3,000 m ²	Logistics warehouse (Including repackaging)
2 nd Die Casting Plant	2023 (Planned)	Tuzla, Istanbul	13,000 m ²	High-pressure aluminum die casting and surface treatment

Our Corporate Memberships and Collaborations

- Istanbul Chamber of Commerce (ITO)
- Istanbul Chamber of Industry (ISO)
- Automotive Suppliers Association of Turkey (TAYSAD)
- Istanbul Mineral and Metals Exporters' Association (IMMIB)
- Turkish Foundry Association (TÜDOKSAD)
- Istanbul Ferrous and Non-Ferrous Metals Exporters' Association (IDDMIB)

Top Management and Its Structure

“With the proactive approach of our Top Management, our company has a responsible, transparent, fair, accountable and effective corporate governance mechanism.”

ADÖKSAN Top Management monitors the progress of the company’s activities in accordance with legal regulations, internal regulations and committed policies. It takes into account the environmental, social, economic and governance risks and opportunities of the company with its strategic decisions. It manages and represents the company in fair competitive environment, taking into account long-term interests. Our Top Management consists of the General Manager and two Deputy General Managers.

Our General Manager and Deputy General Managers have different responsibilities in our company. The principle of separation of powers and authority in our Top Management provides a balance by drawing lines of authority in corporate governance decision-making processes.

TOP MANAGEMENT

Title	Name/Surname	Responsibility
General Manager	Ajda Şener	
Deputy General Manager	Güngör Çetin	Technical
Deputy General Manager	Doğan Yüncüoğlu	Commercial

* Includes changes for 2023.

MID-LEVEL MANAGEMENT

Title	Responsibility
Business Development Director	Business Development
Sales Manager	Sales, Customer Relations
Project Manager	Project
Logistics Manager	Logistics
Operations Manager	Operational Issues
Foundry Director	Die Casting Process, Project Support
Foundry Manager	Die Casting Process
Machining Plant Manager	Machining Plant Processes
Maintenance Manager	Maintenance
Planning Manager	Planning and Method
Technical Manager	Die Casting Process
Quality Manager	Quality, Sustainability
Accounting Manager	Accounting, Finance
Purchasing Manager	Purchasing
Human Resources & Administrative Affairs Manager	Human Resources & Administrative Affairs, Payrolling, Training, Ethics

* Includes changes for 2023.

Decisions Regarding Sustainability of Production (8 Decisions in Total)

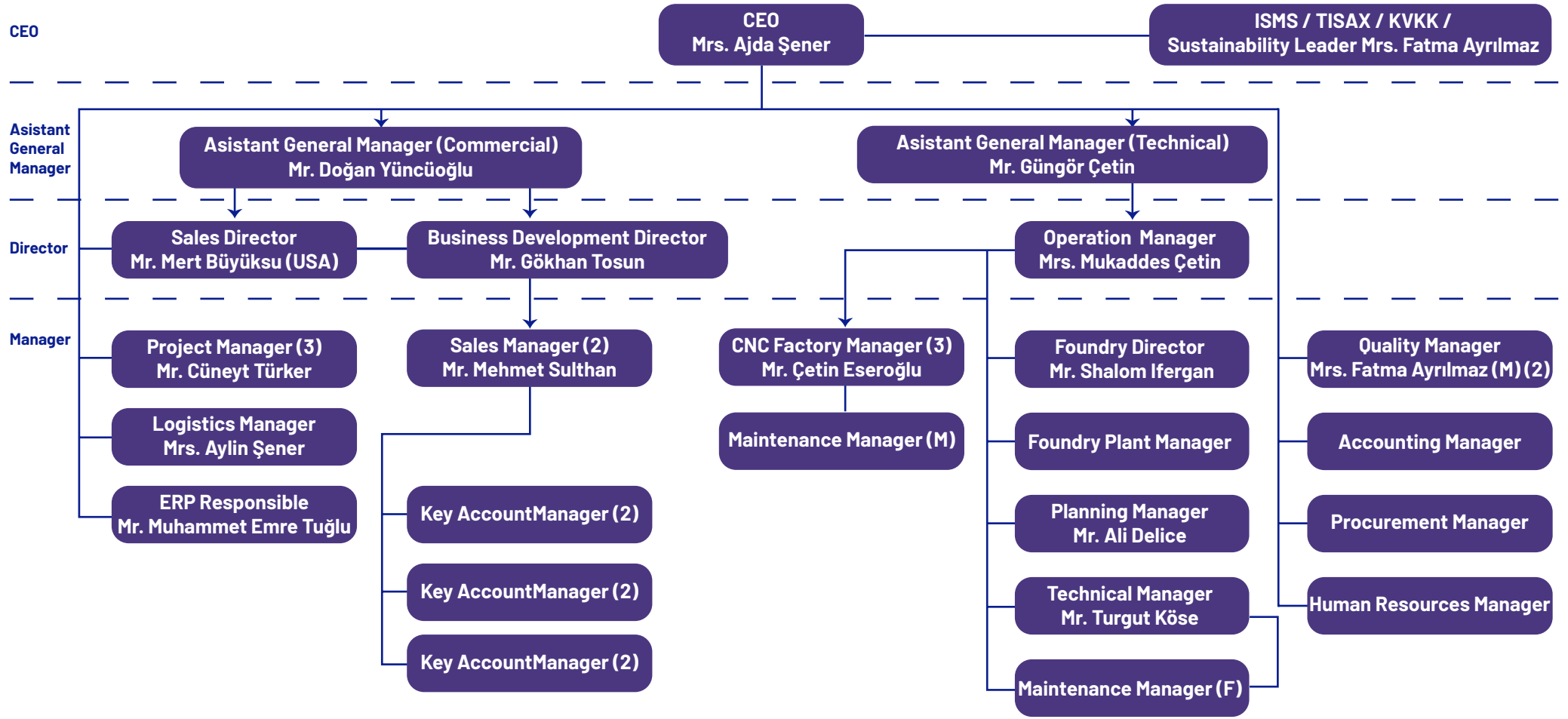
- CNC robotic application
- Strengthening the equipment infrastructure of the die casting plant
- Dissemination of the automation system in the die casting plant
- Schertech study
- Commissioning of the new shot blasting machine
- Construction of a new (2nd) die casting plant
- 3D Scanning device (quality, product sustainability)
- Establishment of OHS Management System and ISO 45001:2018 Certification

Other Decisions Regarding Sustainability (6 Decisions in Total)

- Start of ADÖKSAN Solar Power Plant Project
- New die casting plant high-tech air filtration system work
- Existing die casting plant indoor air improvement work
- Zero-waste studies at die casting and machining plants
- Establishment of Sustainability Committee
- Managing the processes related to the integration of sustainability into corporate culture, operational activities and corporate strategy
 - Institutional GHG emissions inventory study in accordance with the GHG Protocol
 - Development of the Sustainability Strategy
 - Determination of sustainability targets
 - Preparation of policy documents

ADÖKSAN Top Management met four times in 2022 and made a total of sixty decisions. Fourteen of these decisions were related to sustainability issues.

ADÖKSAN Organizational Chart



(1) Management Quality Representative
 (2) Customer Representative
 (3) Product Safety Responsible

* Includes changes for 2023.

The job descriptions of our General Manager and Deputy General Managers as well as the modification, transfer, creation and abolition of these positions are determined by the Top Management Decision. Our General Manager is authorized to make all kinds of regulations and decisions in these positions, provided that the job descriptions of other titles remain within the general budget limits of the year.

Decisions made as part of our sustainability and Green Development-based operational activities are evaluated by our General Manager, and performance and monitoring processes are followed.



Vision, Mission and Values

Our Vision

To become a comprehensible, all-encompassing and accountable solution partner for all key players in the industry in the long-term and to become the best-in-class innovative and creative provider in the sectors served: through sustainable and customer-oriented manner, expanded skills and know-how in the relevant sectors and finally to become a multi-faceted full-service and module provider.

Our Mission

ADÖKSAN is committed to creating long-term value for all business partners and offering sustainable high-pressure die cast aluminum products and relevant value-added services with a very high quality and price-performance ratio through the use of the latest innovative technologies and methods and compliance with the latest environmental, social and quality standards.

Our Values

- **Value-Driven Sustainable Growth:**
 - Highest quality standards with the goal of 0 PPM
 - Long-term and stable business relations with all partners, commitment to sustainable development through responsible supply chain management to ensure value-added products, services and solutions
 - Besides our company, also contributing to the sustainable development of the die casting industry on (inter)national basis

- **Innovation, Quality and Technology:**

- Maintaining the best-in-class innovation, quality and technology through the right investment with the right timing and providing sustainable aluminum die casting products, services and solutions to all business partners
- Green and digitalized transformation and capacity building for sustainable economic growth

- **Customer Satisfaction:**

- Long-term, strong and sustainable relationships and cooperation with customers for continuous improvement, ensuring mutual understanding of the needs and expectations, strategy, organization and people and providing competitive advantage
- Providing as much sustained value and service as possible for keeping customer satisfaction at the highest level

- **Environmental and Social Responsibility:**

- Responsible aluminum die casting production that is compassionate towards environment and minimizing our ecological footprint by prioritizing resource efficiency, low-carbon and circular economy
- Dedicated to working with fair, honest, reliable, accountable, transparent and ethical approach in both internal and external matters
- Committed to creating sustained value for both our employees and our community in an inclusive, diverse and participatory approach
- Being the most preferred die casting company with significant investment in human resources processes by

supporting continuous development of employees' knowledge and skills, encouraging team spirit and cooperation, and providing a healthy and safe workplace environment

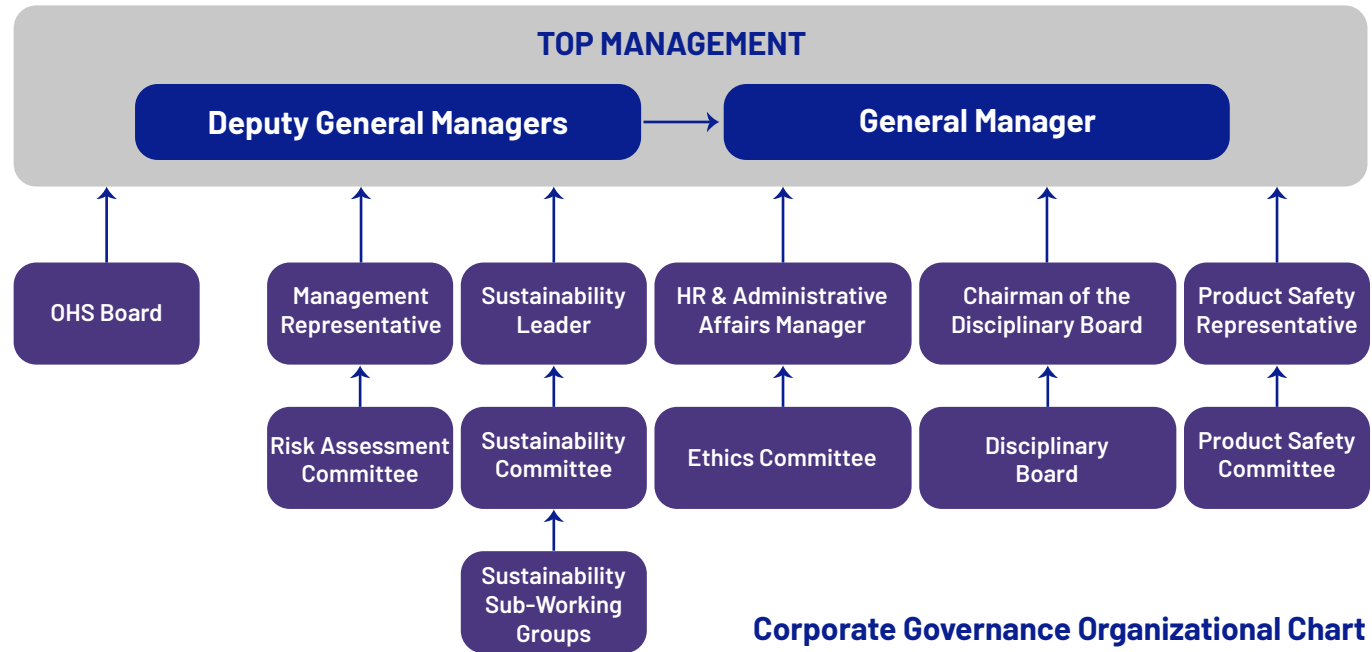
- Striving for positive contribution to the society by promoting a healthy, fair and equitable company culture in all fields of activity we interact with while fostering cultural, gender and national diversity.

Committees and Their Responsibilities

Our Top Management, which goes beyond the responsibilities of loyalty and care, plays a major role in making our corporate governance structure work. Through our boards and committees, our Top Management oversees performance based on our corporate strategy and contributes to the long-term development of our company.

In order to fulfill the primary requirements of corporate governance, the Ethics Committee, Occupational Health and Safety (OHS) Board, Product Safety Committee, Risk Assessment Committee, Disciplinary Board and the Sustainability Committee which we established in 2022, operate under ADÖKSAN.

For detailed information about the Sustainability Committee, please visit the "Sustainability Management Approach" section, and for detailed information about the Ethics Committee, please visit the "Ethics and Compliance" Section.



Corporate Governance Organizational Chart

Occupational Health and Safety (OHS) Board

The OHS Board consists of the OHS Consultant, Human Resources Manager, Plant Manager, Quality Manager, Company Doctor, Production Engineer, Foundry, Molding, Leveling, CNC, Final Inspection and Maintenance Departments Representatives. The monthly OHS Board meetings are chaired by the Deputy General Manager (Technical)

OHS Board Responsibilities:

- To guide the employees in the workplace on the OHS issues, to determine the measures regarding the OHS in the workplace. To make proposals to the employer, to prepare

a draft of the OHS regulation suitable for the nature of the workplace and to submit it to the employer for approval, and to monitor the implementation of the internal regulation,

- To make proposals to the employer for the establishment of an order that will ensure worker health and safety of worker at the workplace, such as the safe placement of machinery and benches and the necessary measures, the working methods applied, the materials used, the personal protective equipment, the cleanliness of the workplace,
- In case of any work accident or occupational disease resulting in death or permanent disability, or in case of any

danger related to the health and safety of workers, to carry out the necessary research, examination and investigation, to determine the measures to be taken with a report and to submit them to the employer,

- To plan OHS training at the workplace, to prepare OHS programs and regulations, submit them to the employer for approval and monitor its implementation,
- To issue publications, hold conferences and conduct similar studies in order to expand and improve OHS in the workplace, to continue and reinforce the interest,
- To plan and control the necessary safety measures in the maintenance and repair of the facilities,
- To supervise that the periodic health examinations and controls of the workers are carried out according to the characteristics of the workplaces,
- To monitor the adequacy of fire prevention measures in the workplace and the work of the OHS teams, to make proposals to the employer in this regard,
- To monitor the innovations related to the health and safety situation, to collect and evaluate the information and to propose taking the related measures,
- To prepare an annual report on the health and safety situation of the workplace, to evaluate the work of that year and to determine the issues to be included in the work program of the following year according to the experience gained and to make a proposal to the employer.

Working Principles of the OHS Board

Our OHS Board meets regularly every month, and meeting reports are presented by our OHS Consultant. At the meeting, decisions are made regarding risks and necessary actions are followed up. The agenda, place, day and time of the meeting are communicated to the Board members by the Chairman of the Board at least 48 hours before the meeting. Board members may request changes in the agenda. If such request is approved by the Board, the agenda is changed accordingly. Any member of the Board may call the board for an extraordinary meeting in case of a serious work accident or in important cases that requiring a special action.

The Board meets with the majority of its members and the

decisions are taken by the majority of the those present. In case of a tie, the chairman's vote is decisive. In cases where the majority is not reached or the meeting cannot be held for any other reason, a report is drawn up stating the situation.

At each meeting, a report is prepared on the matters discussed and the decisions taken at the meeting are communicated to the relevant parties so that they may take the necessary measures. In addition, the issues that are expected to be announced to the employees are announced in the workplace.



Product Safety Committee

Our Product Safety Committee has full authority over product safety regulations, changes and decisions. The committee meets twice a year or every six months. It consists of the Production Manager, Planning Manager, Project Manager, Purchasing Manager, Sales Manager and Quality Assurance Officer under the chairmanship of the Product Safety Representative.

When the risk(s) that will endanger the product safety appear, the product safety management conditions are applied and the customer is informed about the related risk. Data is collected and necessary applications are made. Communication between departments is provided by our Quality Management. The Product Safety Committee was not convened in 2022 as there were no internal or external failures that would affect product safety.

Risk Assessment Committee

The Risk Assessment Committee consists of the Management Representative and process owners. The committee is responsible for identifying and evaluating the risks and opportunities in our company within the framework of ISO 9001, ISO 14001, TISAX, ISO 27001 and IATF 16949 Standards.

The Management Representative, together with the Risk Assessment Committee, stores the risks and opportunities identified within our ADÖKSAN processes in the Risk Evaluation Table. The Risk Assessment Committee evaluates the risks and opportunities by voting in team meetings. The

Committee meets every year before the Management Review (Y.G.G.) meetings to review the risks and opportunities, and make the necessary changes if there is a need for change. When new equipment, technology or materials are purchased or investments are made, the Risk Assessment Committee evaluates the possible risks and opportunities at the project stage and records them in the Risk Evaluation Table. If the risks are significant, appropriate goals and programs are established to eliminate or reduce their magnitude. If there are risks and opportunities arising from subcontractors, suppliers and visitors, these are also added to the Risk Assessment Table.

The Risk Assessment Committee met at the end of 2022 and evaluated the process risks.

Disciplinary Board

The Disciplinary Board consists of three representatives appointed by our General Manager. The Board convenes upon the written call of the Chairman of the Board, three days in advance, with the participation of the full members. If the permanent members have an excuse, substitute members join in their place. In case the permanent and substitute members do not attend the meeting despite the invitation, the Board schedules the next meeting within three days with the participation of the majority. The Disciplinary Board decides on the matter referred to it within 15 days at the latest. In order to ensure the security of the investigation, this period may be extended by the decision of the Board.

In order to make a decision, the Board collects all kinds of evidence and also receives the written defense of the personnel concerned. In the Disciplinary Board, each member has one vote, regardless of his or her position on the Board. A majority vote is required in order for a dismissal decision. If the votes are equal, the vote of the President counts as two votes. This penalty is applied to the personnel within 6 working days from the date of the General Manager's approval of the dismissal penalty given by the Board. In 2022, no negative situation was reported to the Disciplinary Board.



2022 Highlights

CORPORATE GOVERNANCE

- We updated our Mission, Vision, Corporate Values statements and Corporate Strategy with a focus on sustainability.
- We updated our sustainability disclosures in our corporate website.
- We updated our Quality and Environmental Policy.
- The number of countries we export to has increased to 11.
- Our export volume has increased by 10% compared to 2021.
- Our production volume has increased by 39% compared to 2020.

SUSTAINABILITY STRATEGY

- We identified our material topics and conducted a Materiality Analysis.
- We developed our Sustainability Strategy.
- We established our Sustainability Committee and the relevant Sub-Working Groups.
- We determined our 2023-2025 and 2030 sustainability targets with a focus of our sustainable growth vision in line with Turkey's 2053 net-zero emissions and Green Development target.
- We published new policy documents that support sustainability.
 - ADÖKSAN Code of Conduct
 - ADÖKSAN Sustainability Policy
 - ADÖKSAN Human Rights Policy
 - ADÖKSAN Anti-Bribery and Anti-Corruption Policy
 - ADÖKSAN Code of Conduct for Suppliers

SUSTAINABLE GROWTH

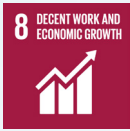
- 2nd Die Casting Plant: Investment in the 4th Plant (2nd die casting plant) in Istanbul (closed area of 13,000 m²)(It will be ready in 2023).
- A preliminary TISAX Certificate relevant to the Information Security was obtained.
- We published the ADÖKSAN Innovation and Technology Roadmap. We determined the current technologies we are using, the degree of integration of these technologies with each other and the technologies we need.
- We published the ADÖKSAN Industry 4.0 Strategy and determined our digital transformation targets in eight titles.
- We measured the customer satisfaction rate as 97%.

RESPECT FOR PEOPLE AND SOCIETY

- Our total number of female employees increased to 34.3%.
- We provided a total of 9,328 person x hour of OHS training to our employees.
- We provided a total of 12,678 person x hour of training to our employees.
- ISO 45001 Certificate: With the implementation of the Occupational Health and Safety Management System, we received the ISO 45001:2018 Certificate.
- We set a target of zero occupational accidents
- We carried out occupational hygiene measurements (Total personal dust exposure, personal VOC exposure, thermal comfort, personal noise exposure, lighting, whole body and hand-arm vibration) with an accredited organization in the production departments of our die casting and machining plants, and no non-conformities were detected.

RESPECT FOR THE ENVIRONMENT

- We calculated our corporate GHG emissions inventory (Scope 1,2,3) in accordance with international protocols.
- We have successfully completed 4 audits (3 machining plants, 1 die casting plant) conducted by the Ministry of Environment, Urbanization and Climate Change.
- In addition to the Environmental Permit Certificate of our die casting plant, we passed to the last stage of the Environmental Permit Process of our machining plant.
- We added an indoor ventilation shaft to improve the indoor air in our die casting plant.
- We began to invest in high-tech air filtration system for casting machines in our new die casting plant, which is still under construction.
- In line with our perspective of transition to a low-carbon economy, ADÖKSAN's Solar Power Plant Project (ADÖKSAN SPP-1 Project), which will be implemented in Erçek (Gündoğdu) and Kaymaklı locations of Van's İpekyolu District (Turkey) was started in 2022. When completed, the SPP-1 Project will have a solar energy area of 266,632.49 m² and an installed capacity of 9.6 MWe/11.61 MWp, with a total cost of 10 million dollars.
- Our recycled water consumption rate as a percentage of total water consumption in our die casting and machining plant has increased over the years in line with the investments made, reaching 77.47% in our die casting plant and 60.69% in our machining plant.
- Considering both our die casting and machining plants together, we have reduced our average water consumption by 15.85% over the last three years, despite the increase in production.
- Of the total amount of raw materials we used, 68.29% was from renewable materials and 29.19% was recycled aluminum raw materials.
- "Basic Level Zero-Waste Certificate" is available in both our die casting and machining plant.



2

CORPORATE GOVERNANCE

Corporate Governance Approach
Management Systems and Certificates
Ethics and Compliance
Risk Management
Human Rights Along the Value Chain
Anti-Bribery and Anti-Corruption
Tax
Communication with Stakeholders

Corporate Governance Approach

“By integrating sustainability into our corporate strategy, we create long-term value for all our stakeholders.”

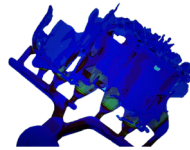
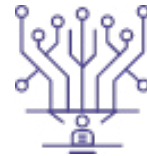
With our understanding of responsible and sustainable production, we pay special attention to corporate governance, sustainability issues and ethical values, and implement many policies, principles and statements in order to regulate our business relations. In this way, we establish a strong infrastructure between the Top Management and the company, strengthen this structure with the best governance practices and extending it into the corporate culture.

In 2022, we updated our “ADÖKSAN Code of Conduct” document. In addition to the existing Quality and Environmental Policy, Occupational Health and Safety (OHS) Policy and Information Security/TISAX and Personal Data Protection Policy, we have created new Policy documents in line with the needs.

In addition, we also have many procedures, instructions and support documents which are prepared and published in coordination with other departments under the responsibility of our Quality Department.

Our New Policies That We Put into Practice in 2022;

- ADÖKSAN Code of Conduct
- ADÖKSAN Sustainability Policy
- ADÖKSAN Human Rights Policy
- ADÖKSAN Anti-Bribery and Anti-Corruption Policy
- ADÖKSAN Code of Conduct for Suppliers



ADÖKSAN CORPORATE STRATEGY

1. Dedication to State-of-the-art Technology Within the Green Development Principles

Continuous and sustainable focus on innovative and technological advancement, fast adoption of state-of-the-art technologies within the principles of green development for provision of superior aluminum die casting solutions

2. Long-Term, Sustainable and Stable Business Relations with Customers and Being the Preferred Development Partner for Projects of Extraordinary Complexity

True understanding of our customers' needs and expectations, strategy, organization and people – as Prerequisite for sustainable business relations, Being the Preferred Development Partner for projects of Extraordinary Complexity, Demonstration of high flexibility, distinct know-how and speed in meeting the most challenging development targets and achieving maximum customer satisfaction.

3. Unparalleled Supply Performance for Value-Driven Sustainable Growth

Ability to meet fast demand changes within the shortest possible lead time while keeping up with the highest environmental, social and quality standards within our strong corporate governance approach, sustainable supply chain management system and value-creation principle for our business partners.

4. Being the One-Stop Solution Provider

Taking over of the maximum value-added operations such as machining, cleaning, leak-testing, coating and assembly in a sustainable manner to provide complete solutions to our customers.

5. Responsible and Sustainable Aluminum Die Casting Production that Respects Environment, People and Society

Transition to a low-carbon and circular economy to contribute to the climate change adaptation and mitigation, sustainability and people/society oriented corporate integrity, responsible aluminum die casting production, green and digitalized transformation and capacity building for sustainable growth, value creation for all business partners and society in an inclusive and participatory approach.

Management Systems and Certificates

As ADÖKSAN, we adopt an integrated management system (ISO 9001, ISO 14001, ISO 45001, IATF 16949, TISAX and ISO 27001) in all our production and supply chain processes and products/services. In our activities, we apply international quality and management standards as well as our own internal standards. Our management systems make a significant contribution to our effective data monitoring, risk management, strategy planning, target setting and sustainability efforts.

All of our management processes are compatible with the Integrated Management Systems we are involved in, are accessible to all of our employees through the COMMON NETWORK, and revised/reviewed on a regular basis.

“Thanks to our policies regarding our Management Systems, we take decisive steps to achieve our goals.”

We published our Quality and Environment Policy on 01.12.2009 and revised it lastly on 20.06.2022. For detailed information about [ADÖKSAN's Quality and Environmental Policy](#), please visit [here](#).



Principles Regarding Quality Management in our Quality and Environmental Policy

- To be competitive in the sector with our product quality, reliability and experience,
- To adopt a customer-oriented quality approach throughout the organization,
- To improve the quality system and production efficiency by providing necessary technological investments and training,
- To ensure that the quality of our company is not a level reached and protected, but a target that changes and renews according to the conditions shaped in parallel with the development of the world,
- To continuously renew and improve our production methods in order to provide ease of application to our customers,
- To ensure the implementation of the Quality Policy we have created and continuously improve the Quality Management System,
- To meet the demands of our customers in the desired quality and time, to perform quality production in all areas,
- To provide all our employees and visitors with the necessary training against the dangers that may arise within the scope of our activities,
- To carry out risk assessments against dangerous situations that may occur within the scope of our activities and to avoid any preventive activity,
- To fulfill the requirements of Quality, OHS and Environmental Management Systems standards,
- In all our activities, not to compromise the respect for the environment and human rights and social satisfaction, to see as a value above all profit, to be in the forefront of our customers by keeping customer satisfaction in the forefront and to maintain the trust in our company.

Management Systems Certificates	Facilities for which the Certificate is Valid	Date Received	Last Updated
ISO 9001:2015 Quality Management System	Die Casting Plant, Machining Plant, Miskolc Logistics Warehouse	27.02.2021	26.02.2024
ISO 14001:2015 Environmental Management System	Die Casting Plant, Machining Plant, Miskolc Logistics Warehouse	21.07.2020	20.07.2023
ISO 45001:2018 Occupational Health and Safety Management System	Die Casting Plant and Machining Plant	13.01.2022	12.01.2025
ISO/IEC 27001:2013 Information Security Management System	Die Casting Plant and Machining Plant	21.07.2020	20.07.2023
IATF 16949:2016 Automotive Quality Management System	Die Casting Plant, Machining Plant, Miskolc Logistics Warehouse	19.04.2021	18.04.2024
TISAX Information Security Management System	Die Casting Plant	A preliminary certificate was obtained during the reporting year.	



In order to ensure the adequacy and effectiveness of our Integrated Management System established in our Company, we have a "Management Review (Y.G.G.) Procedure" which establishes the principles regarding the review at planned intervals and ensures internal communication within the Company. At least once a year, Management Review meeting is held. During the meeting, decisions are made to improve the efficiency of processes and increase customer satisfaction regarding the issues discussed, and the necessary resources for these decisions are determined. In addition, weekly and monthly review, evaluation and coordination meetings are held.

We create awareness by sharing news, information, content and similar resources related to the Integrated Management System and customer requirements in order to ensure that the tasks undertaken at the relevant levels of our organizational structure and within the processes are fully fulfilled. Throughout the company, we use bulletin boards hung in various parts of the enterprise, where our employees can easily see them, for various announcements, bulletin articles, and warnings that concern all our departments.

We periodically conduct **internal audits** (planned (at least once a year), unscheduled and follow-up audits) in order to verify the compliance and effectiveness of the current IATF 16949:2016 Automotive Quality Management System in our company with the standard requirements and the special conditions of our customers, and to ensure that the necessary measures are taken. The relevant internal audit covers all our activities, processes (including external processes) and automotive products carried out within the scope of IATF 16949:2016. We prepare our internal audit plans in 3-year periods, but this plan may change according to our suppliers, customers and product risks. In addition to the Quality Management System, an internal audit is also carried out once a year in accordance with ISO 14001, ISO 45001, TISAX, IATF 16949 and ISO 27001 standards.

With our "Corrective Action Procedure", we determine the principles of actions to be taken in order to identify the main causes of nonconformities that occur during the effective operation of our Integrated Management System, to eliminate these causes and to prevent their recurrence. We identify nonconformities through quality control practices, internal

audits, customer complaints and returns, process performance analysis and statistical control practices. Each unit can request corrective action for defects or nonconformities in existing products, processes and other activities.

During the effective operation of our Integrated Management System, we establish the principles of the activities to be carried out in order to prevent the occurrence of nonconformities by eliminating potential nonconformities related to a certain activity/product with our "Preventive Action Procedure".

Continuous Improvement

Our "Continuous Improvement Procedure" has been prepared to determine a method to continuously improve the effectiveness of our Quality/Environmental Management System and covers all processes within the scope of the Quality/Environmental Management System. In line with our data collection and suggestion evaluation processes; all our department managers are responsible for identifying areas for improvement.

We determine project subjects that require continuous improvement at ADÖKSAN by measuring, analyzing and evaluating the outputs of the activities of the Strategic Business Plan, Inspection Results, KYS Process Performance Measurement results, Suggestion Box System, Measurement, Analysis and Evaluation Process results, Customer Satisfaction measurement results, FMEA Study results, Corrective and Preventive Action results, APQP, MSA etc.

In line with our Quality/Environmental Policy and Goals, we evaluate the relevant activity outputs at weekly, monthly or 6-monthly meetings, and analyze the collected data and make decisions to continuously improve the effectiveness of the Quality/Environmental Management System. Based on the decisions, we prepare a Project Plan, if necessary. We have a "Problem Solving Techniques Procedure" to explain the techniques to be used to eliminate any complex non-conformities encountered in the business or to improve the current situation.

Continuous Improvement Steps

- The area/subject is selected for improvement.
- The effectiveness and efficiency of the current process is evaluated. Data is collected and analyzed to find out which types of problems occur most frequently. A specific problem is selected and a target for improvement is set.
- Root causes of the problem are identified and verified.
- Alternative solutions are reviewed, and the best solution is found and implemented.
- It is then confirmed that the root causes of the problem have been eliminated or reduced and the target for improvement has been met.
- The old process is replaced with the improved process.
- The effectiveness and efficiency of the improved process are evaluated.

Ethics and Compliance

“Our corporate values are an integral part of our corporate culture and are at the heart of our commitment to ethical rules.”

In order to ensure our corporate development in accordance with national and transnational laws and ethical standards, we published the “ADÖKSAN Code of Conduct” in 2022. Our Code of Conduct regulates our relationships with our employees, customers, business partners, suppliers, competitors and society.

All of our managers and employees are obliged to comply with the ADÖKSAN Code of Conduct and to be aware of the rules and policies related to their work in the workplace. They should be careful not to enter into agreements or other arrangements that violate this Code of Conduct or other applicable regulations.

For detailed information about [ADÖKSAN Code of Conduct](#), please visit [here](#).

When ADÖKSAN employees start working, they are given a 1-hour "Ethics Training" by our internal trainers. Concrete examples are also given during the training.

The management of ethical issues is managed by our Ethics Committee established within ADÖKSAN. ADÖKSAN Ethics Committee consists of five members, one of whom is the Chairman. The Ethics Committee is responsible for investigating and resolving complaints and notifications

regarding violations of the ethical rules within the scope of the “ADÖKSAN Code of Conduct” and works under the chairmanship of our Human Resources & Administrative Affairs Manager who reports directly to our General Manager. It was noted that no complaints/notifications were made to the Ethics Committee by our employees or stakeholders in 2022; however, the Ethics Committee convened four times in 2022 in order to review the current situation and to develop the ADÖKSAN Code of Conduct and other policy documents (i.e. Human Rights, Anti-Bribery and Anti-Corruption).

ADÖKSAN Ethics Committee	
Title	Position
Chairman	Human Resources & Administrative Affairs Manager
Member	Legal Advisor
Member	Operations Manager
Member	Quality Manager
Member	Accounting Manager



ADÖKSAN Ethics Committee Working Principles

- Keeps notifications and complaints, and the identity of those who make notifications or complaints confidential.
- Conducts the investigation as confidentially as possible.
- It has the authority to request information, documents and evidence related to the investigation directly from the available department. It may examine all types of information and documents it has obtained but only those related to the subject matter of the investigation.
- The investigation process is written down from the beginning. Information, evidence and documents are added to the report.
- The report is signed by the chairman and members.
- The investigation is handled with the immediate method and the result is reached as soon as possible.
- Decisions made by the Committee are implemented immediately.
- The relevant departments and authorities are informed about the result.
- The Chairman and members of the Committee act independently and unaffected by the department managers and the hierarchy within the organization while performing their duties on this issue. They cannot be pressured or indoctrinated on the subject.
- The Committee may seek the Department Officer's opinion if it deems it necessary, and may benefit from the Department Officer by taking measures that will not violate the principles of confidentiality during the investigation.

Responsibilities of Our Managers

- To ensure the dissemination and continuity of the Code of Conduct throughout the corporate culture,
- To create and maintain a corporate culture and workplace that supports ethical rules,
- To set an example for the implementation of the Code of Conduct by all our employees,
- To train its employees on the Code of Conduct,
- Supporting its employees in raising questions, complaints and concerns regarding the Code of Conduct, creating an environment in which employees can easily voice their problems,
- To provide guidance on what to do when consulted, to consider all notifications and to forward them to the Ethics Committee as soon as it deems necessary,
- To structure the business processes under its responsibility in such a way that minimizes the risks related to ethical issues.

Resolution of Non-Compliance with the Code of Conduct

Those who violate the ADÖKSAN Code of Conduct or company policies and procedures are subject to various disciplinary sanctions, up to the level of being asked to leave their job if necessary. The scope of the sanctions is determined depending on the degree of the violation and the relevant provisions of the national legislation. Disciplinary sanctions are also applied to those who approve or direct inappropriate behaviors and acts that cause violation of the rules, or who have knowledge of these issues and do not make the necessary notification properly.

Any employee who believes that there is a conflict between the language of our Code of Conduct and our activities, has questions about our Code of Conduct, or wishes to report a potential violation or suspicious situation is encouraged to discuss these questions and concerns with our Ethics Committee. The Legal Advisor in the Ethics Committee can be consulted to learn more about the application and scope of the ADÖKSAN Code of Conduct.

For your additional questions and concerns, please use the e-mail and postal addresses below, or directly contact our Ethics Committee members. Besides, our employees, suppliers and customers can report their ethical complaints through the web-based Ethics Hotline (e-Ethics Form) that can be accessed from <https://www.adoksan.com/contact>.

In 2022, there are no penalties referred to ADÖKSAN within the scope of national or international financial penalties, major lawsuits, and anti-competitive behavior.

For detailed information about our **Disciplinary Board**, please visit the "Committees and Their Responsibilities" Section.

Ethics Committee Contact:

E-mail: etik@adoksan.com

Address: İstanbul Deri Organize Sanayi Bölgesi Fikse Cad. No: 12 V5 Parsel 34953 Tuzla/İstanbul

Legal Responsibilities and Compliance

We carry out all our current activities and transactions within the framework of national and international law, and provide accurate, complete and understandable information to legal regulatory institutions and organizations in a timely manner.

In all our activities and transactions, we are at an equal distance from all kinds of public institutions and organizations, administrative formations, non-governmental organizations and political parties without any expectation of benefit, and we fulfill our obligations with this sense of responsibility.

We have determined the departments responsible for monitoring national/international legal terms, keeping them within the specified periods, making revisions and announcing any changes in the relevant documents.

Legal Terms/ Standards	Responsibility (Person/ Department)
Legal Terms Regarding Environment	Environmental Consultant and Quality Assurance Engineer
Legal Terms Regarding OHS	OHS Consultant and Quality Assurance Engineer
Legal Terms Regarding Labor Legislation	HR Department
Legal Terms Regarding Tax and Finance	Accounting Department
Legal Terms Regarding Die Casting and Machining	Project Department
Legal Terms Regarding Quality	Quality Department
Customs Legislation	Shipment Officer

Risk Management

Risk is the potential negative impact of all uncertainties related to internal or external factors that prevent the company from achieving its business objectives and long and short-term strategies.

With our "Risk Management Procedure", which includes the risk assessment studies we carry out within the scope of ISO 9001 and IATF 16949 Quality Management System, we aimed to identify the risks for the processes defined in our Quality/ Environmental Management Systems and to ensure that the necessary actions are taken.

Our Top Management is responsible for providing the necessary support and leadership for risk management, and our Quality Manager is responsible for monitoring and completing process risk assessments. Each process owner is responsible for ensuring that the risks/opportunities related to his/her own process are evaluated, defined and necessary actions are taken, and the process risks/opportunities are identified, updated and reported to the appropriate quality management system.

Responsibilities of the risk process owner

- Identifying, measuring, monitoring, controlling and reporting risks,
- Increasing risk awareness,
- To take and re-prioritize the actions resulting from the risk analysis.

We continuously monitor identified risks until they are reduced to an acceptable level, and even after they are reduced to an acceptable level, we continue to monitor them based on the measures taken to prevent their probability and severity from increasing.

“Our Risk Management System ensures that potential risks are managed systematically, based on data, before they become a threat and, in a way that reduces the impact of potential damages.”

Risk Management is a structured approach used to manage uncertainty. The options are; risk avoidance, risk reduction, risk transfer, and risk acceptance. We determine internal and external risks and take necessary precautions by carrying out SWOT analysis at regular intervals to evaluate internal and external conditions such as ADÖKSAN's corporate operability, competitiveness, position in the sector, and presence of external threats in the market.

At ADÖKSAN, we monitor **Risks/Hazards and Opportunities** as a) Quality/Information Security Management System Processes and b) Risks/hazards and opportunities within the scope of Occupational Health and Safety and Environmental Management with the "Process Risk Assessment Table". We also consider historical data when scoring risks. We calculate the risk score for the elements that increase the existing hazards and add these values to the risk score of each hazard.

Identification of risks is the determination of possible threats and opportunities that the organization may encounter in the way of achieving its goals, based on the vision, mission and corporate values, as well as strategic goals and processes.

- **Initial Risk Identification:** When establishing risk management for the first time in an institution, all risks faced by the institution are determined.
- **Ongoing Risk Identification:** During the risk management process, changes in existing risks are monitored, and risks that are included in the risk table but are no longer a risk and newly emerging risks are determined, and the risk table is continuously updated accordingly.

Various information gathering and evaluation techniques can be used to identify risks. The most common is group work with the participation of process owners and personnel involved in the process.

Process Risk Assessment	SEVERITY (IMPACT)				
	SEVERE 5	MAJOR 4	SIGNIFICANT 3	MINOR 2	INSIGNIFICANT 1
PROBABILITY (LIKELIHOOD)					
ALMOST CERTAIN 5	25	20	15	10	5
LIKELY 4	20	16	12	8	4
MODERATE 3	15	12	9	6	3
UNLIKELY 2	10	8	6	4	2
RARE 1	5	4	3	2	1

“Probability” Scoring of Processes

- 1- Almost Impossible
- 2- Rarely (Once a Year)
- 3- In Probability (A Few Times a Year)
- 4- Very Likely (Monthly)
- 5- Inevitable (Once a Week, Every Day)

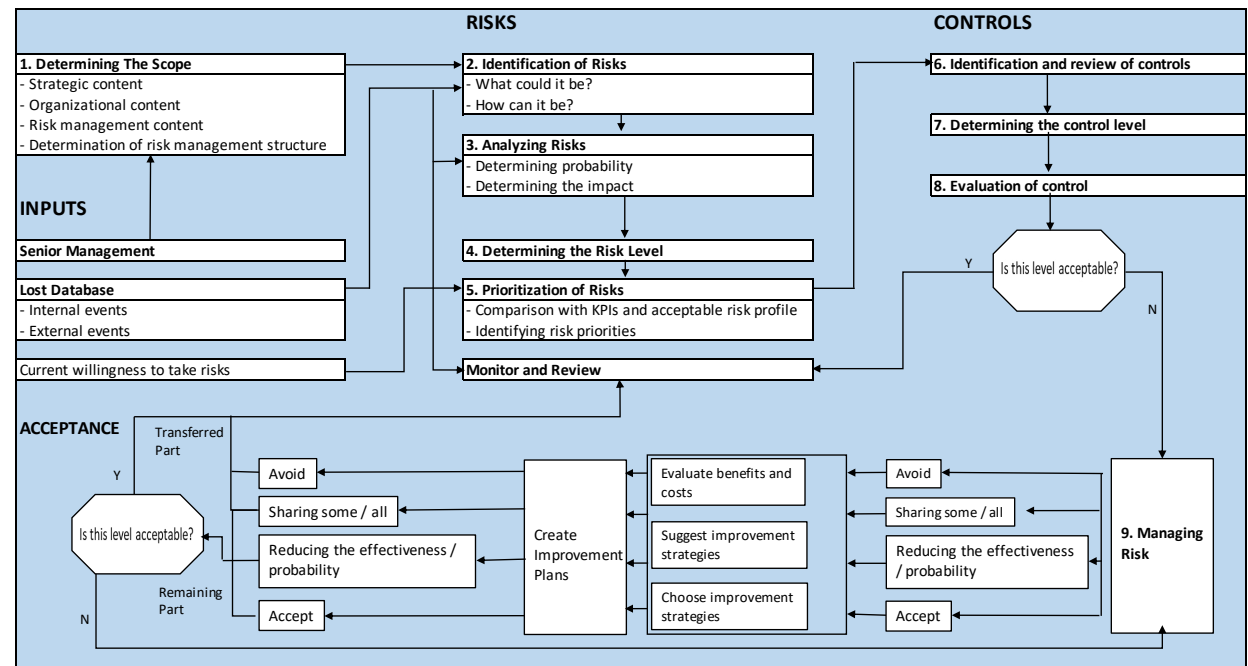
“Severity/Impact” Scoring of Processes

- 1- Insignificant (Negligible Risk)
- 2- Low (Encounterable Difficulties)
- 3- Important (Challenges in Reaching Goals)
- 4- High (Necessity of Restructuring)
- 5- Too High (Unable to Achieve Goals)

Risk Priority Scoring for Processes

- A- Unacceptable Risks (15, 16, 20, 25)
- B- Tolerable Risks (8, 9, 10, 12)
- C- Acceptable Risks (1, 2, 3, 4, 5, 6)

Risk Degree (Score) = Probability (Likelihood) x Severity (Impact)



ADÖKSAN Risk Management Process and Steps

The Risk Assessment Committee is responsible for identifying and evaluating the risks and opportunities related to the processes at ADÖKSAN within the framework of ISO 9001, ISO 14001, ISO 27001, TISAX and IATF 16949 Standards. For detailed information about our Risk Assessment Committee, please visit the "Committees and Their Responsibilities" Section.

During the internal audits carried out regarding our processes at ADÖKSAN in 2022, the risk and opportunity analysis of each process was reviewed and no non-compliance was found. Process-based risk and opportunity analyzes were also reviewed in external audits performed by both customer audits and independent audit firms, and no non-compliance was found. At ADÖKSAN, we have determined our risks on a process basis, and each process has its own risks.

“While evaluating and managing our risks, we carry our company into the future by considering not only internal risks, but also global issues, sectoral trends and potential regulatory changes, as well as all external factors.”

ADÖKSAN PROCESS BASED RISK GROUPS

Process	Risk Management Based on the Relevant Process	
Purchasing Process	The risks and opportunities in the supply chain are evaluated.	Availability of alternative approved suppliers, both domestic and international
New Product Commissioning and Continuous Improvement Process	The risks and opportunities that may be encountered during the project phase are evaluated.	Improvements in the project process, capacity increases, feasibility studies, lessons learned table
Planning Process	The risks and opportunities that will affect the production planning are evaluated.	ERP implementation, capacity increases, new die casting plant, product traceability
Production Process	The risks and opportunities that may be encountered in production are evaluated.	Machine controls, process parameters, field inspections, critical equipment lists
Shipping and Storage Process	Risks and opportunities that may occur in products during storage and shipment and relevant to shipping times are evaluated.	ERP implementation, logistic supply chain, packaging instructions, storage conditions
Quality Control and Calibration Process	Risks and opportunities relevant to product quality and calibration are evaluated.	Suitability of laboratory equipment, calibration supply chain, quality plans, product flow diagrams, FMEA and control plans, root cause analysis applications, 8D applications
Maintenance Process	The risks and opportunities associated with critical equipment, machinery and downtime are assessed.	Planned maintenance plans, predictive maintenance plans, critical equipment list
Customer Satisfaction Process	Risks and opportunities relevant to situations that will affect customer satisfaction are evaluated.	Customer scorecards, customer satisfaction tables
Internal Audit Process	The risks and opportunities relevant to management system audits are evaluated.	Inspection plans, 8D applications
HR and Training Process	Risks and opportunities related to employees, OHS and training are evaluated.	Employee satisfaction surveys, OHS Board meeting reports, drill reports, competency matrices, training plans
Management Control and Sales Process	Risks and opportunities related to sales and Top Management (leadership) are evaluated.	Feasibility studies, investment plans, strategic plans, SWOT analysis, benchmarking analysis
Environmental Process (ISO 14001)	Environmental risks and opportunities are evaluated.	Compliance with environmental legislation, environmental consultancy processes, monitoring of natural resource use, awareness training
Information Security Process (ISO 27001)	Risks and opportunities relevant to Information Security are evaluated.	IT consultancy processes, TISAX certification, awareness training

Human Rights Along the Value Chain

“Human Rights” refers to the rights common to all human beings regardless of gender, race, color, religion, language, age, nationality, opinion and wealth, and includes the right to live in equality, freedom and dignity.”

In line with the Sustainable Development Goals, we published the Human Rights Policy in 2022 in order to create a guide that reflects our approach and standards towards fundamental human rights, to emphasize the respect we show to human rights and the value we place on all our employees, and to build a human rights-oriented approach in our relations with all stakeholders.

The policy is in accordance with ADÖKSAN Code of Conduct, ADÖKSAN policies and our corporate values. Our internal practices refer to the ADÖKSAN Human Rights Policy and ADÖKSAN Code of Conduct.

“Our employees and managers in all countries where we operate are obliged to act in accordance with our Human Rights Policy.”

For detailed information about [ADÖKSAN Human Rights Policy](#), please visit [here](#).

As ADÖKSAN, international standards and principles regarding human rights that we are committed to comply with:

- UN Universal Declaration of Human Rights (UDHR) (1948)
- UN Global Compact (UNGC)(2000)
- UN Guiding Principles on Business and Human Rights (2011)
- The International Labor Organization (ILO) Declaration of Fundamental Principles and Rights at Work (1998)
- OECD Guidelines for Multinational Enterprises (2011)
- UN Women's Empowerment Principles (WEPs)(2011)

We plan to provide awareness training to all our employees and security personnel in 2023 on the subject of "Human Rights".

We consider human rights as one of the most fundamental ethical principles, and we expect all our Business Partners with whom we have a relationship with the supply of goods or services to act in accordance with the principles in our Human Rights Policy, and we take the necessary steps to ensure this.



Anti-Bribery and Anti-Corruption

“As ADÖKSAN, we never tolerate any form of acts such as bribery, corruption, anti-competitive behavior, abuse of power and nepotism based on any material or moral interest, regardless of the purpose, among our employees and business partners. In a potential case, we act in accordance with our “Anti-Bribery and Anti-Corruption Policy” published in 2022.”

In accordance with our Code of Conduct, we aim to fully comply with the principles in our Anti-Bribery and Anti-Corruption Policy. The purpose of the relevant policy is to establish the framework of the principles and practices regarding the fight against bribery and corruption as ADÖKSAN and to ensure open communication. With this policy, we aim to identify, reduce and manage the risks of bribery and corruption in compliance with legal regulations, ethical and professional principles and universal legal rules.

The policy is in accordance with ADÖKSAN Code of Conduct, ADÖKSAN policies and our corporate values. Our internal practices refer to the ADÖKSAN Anti-Bribery and Anti-Corruption Policy and ADÖKSAN Code of Conduct.

Our employees and managers in all countries where we operate are obliged to act in accordance with this Policy. We expect all our Business Partners with whom we have a relationship with the supply of goods or services to act in compliance with the principles in this Policy, and we take the necessary steps to ensure this.

The relevant policy is based on four different risk areas where acts of bribery and corruption may occur (a. Legal use of ADÖKSAN's funds, services and assets; b. Relations with customers and suppliers; c. Fair competition; d. Industrial property rights) and principles are stated for the risk areas. For detailed information about ADÖKSAN's Anti-Bribery and Anti-Corruption Policy, please visit [here](#).

In 2022, there are no penalties submitted to ADÖKSAN within the scope of issues such as national or international financial penalties, major lawsuits, and anti-competitive behavior.

We plan to provide awareness training to all our employees in 2023 on the subject of "Anti-Bribery and Anti-Corruption".



Tax

We are aware that tax provides a social security. We have a taxation strategy that focuses on objective, ethical, transparent, reliable and sustainable principles.

Our Top Management fulfills its legal obligations (declaration, tax, legislation) on time. We follow the legal regulations regularly and up-to-date. Our financial statements and financial data are fully certified and independently audited by audit firms.

“ We fulfill our tax obligations completely and on time. ”

Full tax compliance is essential, and our internal and external audits are carried out and reported regularly within the framework of legal processes. We make the accrued payments to our company on the same day through internet banking and interactive tax office. We communicate with the tax authorities to which we are affiliated, by phone and in person if necessary, and exchange information/documents on a regular basis.

In order to defend the public policy on taxation, we terminate our business relations with our suppliers who do not fulfill their tax obligations correctly.

(DIE CASTING PLANT) TAXES*	2020	2021	2022
	Total paid	Total paid	Total paid
TOTAL	100	231	216

(*) There was a change in company type on 26/04/2022, the taxes before it is related to the Limited Company, the following ones are related to the Inc.
*2020 total paid tax is taken as base value of 100.

(MACHINING PLANT) TAXES*	2020	2021	2022
	Total paid	Total paid	Total paid
TOTAL	100	110	171

*2020 total paid tax is taken as base value of 100.



Tax Audit

Our company is subject to full certification, free zone full approval, free zone earnings audit report and additionally Public Oversight Authority/Independent audit. In all these audits, our financial statements and the processes and documents that constitute the subject matter are audited.

Audit services are carried out by EA YMM - Eray Asil as full certification and audit, by Bosphorus Independent Auditing A.Ş. as an independent audit. We are in the category of export stars in the die casting industry by the Istanbul Mineral and Metals Exporters' Association (IMMIB). We continue our current investments and have a strategic investment incentive certificate. Due to our investment incentive certificate and return transactions, we frequently meet with Çamlıca Specialized, Anadolu Corporation and Tuzla Tax Offices.



Communication with Stakeholders

“ We adopt a participatory management approach to ensure sustainability throughout our value chain with our corporate values, operations, products and services. ”

We strive to be honest, open and transparent in our communication with our stakeholders, and we strengthen our brand perception through a continuous communication model. In our decision-making mechanisms, we aim to accurately identify the needs and expectations of our stakeholders through various communication methods, and

we try to respond appropriately with the results we obtain. We take care to involve and inform our stakeholders about issues such as determining our sustainability priorities, establishing our policies/procedures, and commissioning our new investment/ implementation projects, and we carefully consider our stakeholders' feedback.

We provide comprehensive and up-to-date information to all our stakeholders through our corporate website and mailings.

As ADÖKSAN, we participated in “The International Trade Fair for the Die Casting Industry (EUROGUSS)” held in Nuremberg / Germany on 18-20 January 2022, evaluating new customer opportunities and visiting new customer factories.



Stakeholder Group	Communication Method	Communication Frequency	Stakeholder Material Issues/Key Topics
Employees	Field visits and audits, Employee satisfaction surveys, Website, OHS Board meetings, Training, Internal communication boards	Constant	Business results, performance and talent management, employee development
Public Institutions and Organizations (Governments, Local Authorities, Regulatory Authorities, International Organizations/ Initiatives)	Periodic meetings, Projects	Periodic	Compliance, performance, quality
Educational Institutions (Universities, High Schools, etc.)	School technical visits, Internship programs	Upon request	Training
Suppliers	One-on-one meetings, Audits, Training, Website	Constant	Business performance, quality
Customers	Meetings and talks, Customer satisfaction survey, Customer portal, Website	Constant	Business performance, quality
Consultants	Field visits and audits, Meetings and talks	Upon request	Environmental Management, OHS, Sustainability, Carbon Management
NGOs and Sectoral Organizations	Sustainability report, Website, Collaborations, Meetings, Seminars	Upon request	Social Responsibility

FROM OUR STAKEHOLDERS

I have been working as a Deputy General Manager (Commercial) at ADÖKSAN since May 2022.

ADÖKSAN has determined its target for many years as marketing and exporting its products in global markets, especially for the automotive sector. The steps taken in line with this goal have turned into strategic collaborations with automotive main industry and sub-industry companies operating at a global level (SCANIA, MAN, ZF, Knorr Bremse, BorgWarner, APTIV etc.). As of the point reached, ADÖKSAN has gained the position of a strategic company that makes a significant contribution to the national economy and ensures the acceptance of Turkish products in global markets. ADÖKSAN has become a pioneering company on the path of sustainability, especially with the parts produced for use in environmentally conscious electric vehicles. Directing its investments in accordance with the demands from the global markets, ADÖKSAN continues to take decisive steps in maintaining its leading role in Turkey's die casting industry together with its new environmentally conscious die casting plant that is about to start operating.

Focusing its activities on the production of complex parts with a high production depth, ADÖKSAN expands its staff and continues to implement new investments on this path. ADÖKSAN, which has determined its strategic targets as short, medium and long-term and constantly updates them according to the developing/changing market conditions, continues its development successfully in the global competitive environment.

The continuous increase in the market shares, production and sales volumes of electric vehicles brings along important opportunities for ADÖKSAN, which has set the manufacturing of the products used in these vehicles and the growth in this product group as its target. On the other hand, the risks created by the competition of companies originating from the Far East and Eastern Europe make it inevitable to determine future-oriented strategies in this direction.

ADÖKSAN has determined its short, medium and long-term targets and the actions to be taken within the scope of harmonization with the European Green Deal, and started to take its first steps with the calculation of the corporate GHG emissions inventory for 2022.

DOĞAN YÜNCÜOĞLU / ADÖKSAN Deputy General Manager (Commercial)



3

SUSTAINABILITY STRATEGY

Sustainability Management Approach

Material Topics

Contribution to the Sustainable Development Goals

Future Vision and Sustainability Targets

Sustainability Management Approach

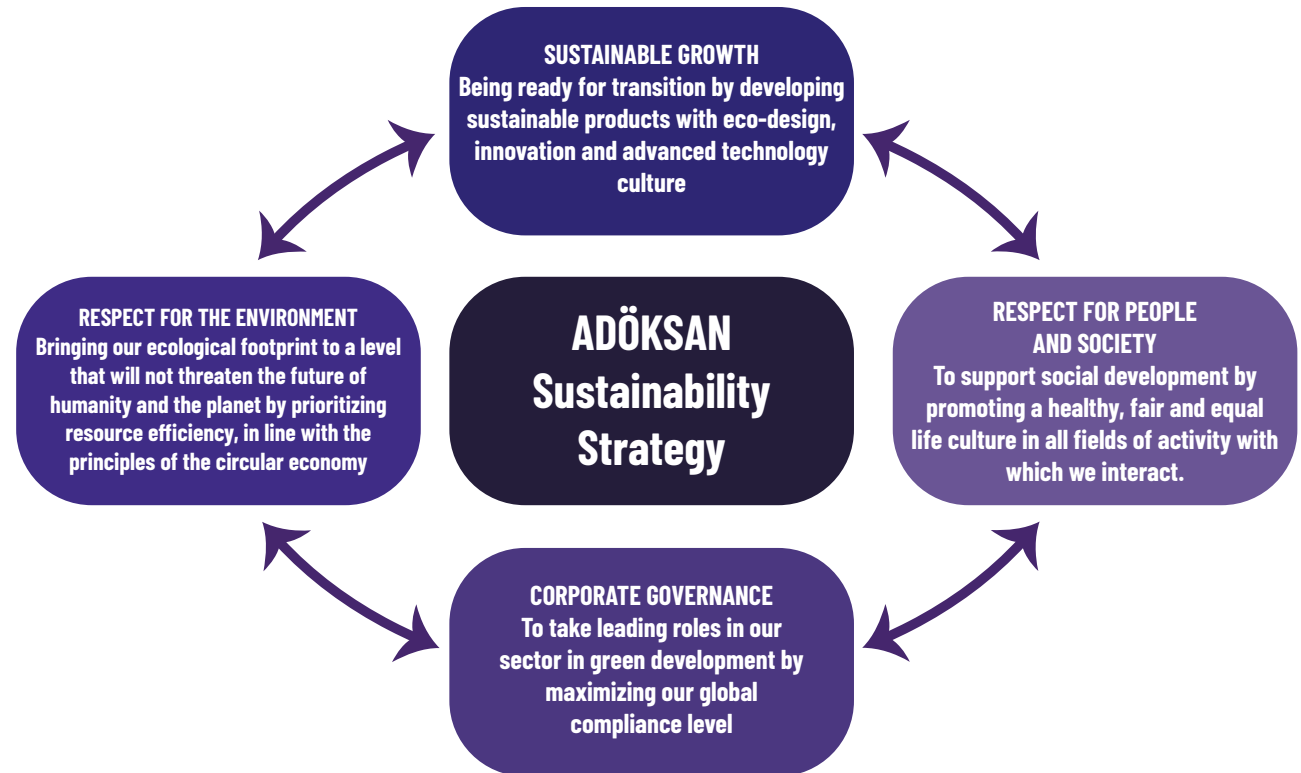
Aware of the economic, environmental and social impacts threatening our world, we are working to ensure a sustainable future. By integrating sustainability into our corporate strategy, we create long-term value for our entire stakeholders. In our sustainability-oriented green transition journey, we evaluate economic, environmental and social risks and opportunities together in our decision-making mechanisms and business models. As a result, we anticipate protecting our competitiveness in global markets by adapting to new systems that are likely to emerge in international trade, particularly to address the climate change.

Sustainability strategy is the roadmap that determines which resources a company will use and how it will use them to achieve the goals of its sustainability policy, which management and operational processes it will follow, and how it will adapt its current operating and business models to the sustainability issues of this policy. It is crucial to develop the sustainability strategy in an integrated structure with the corporate strategy.

As ADÖKSAN, we have developed our **Sustainability Strategy** in line with our green transition vision in four main categories: 1) Sustainable Growth, 2) Respect for the Environment, 3) Respect for People and Society, 4) Corporate Governance.

“Sustainability is at the core of ADÖKSAN’s business strategy, and is an opportunity for innovation, growth, and the long-term value creation of the company.”

- **Our Sustainable Development Vision:** To realize sustainable and responsible production with the awareness of its economic, environmental and social impacts, disseminating sustainability principles throughout the corporate culture and value chain in order to accelerate the transition to a low-carbon economy and green transition.
- **Our Sustainability Strategy Main Purpose:** To provide high-pressure aluminum die casting parts production and value-added services such as CNC machining, coating, (sub)assembly by using technologies compatible with sustainability principles.



ADÖKSAN Sustainability Policy

We aim to contribute to the sustainable development of our country, to create value for our stakeholders, and to leave a livable world to the future generations, by focusing on the economic, environmental, social impacts of our operations within the sustainability. The “Sustainability Policy” we published in 2022 includes the basic principles that guide our sustainability activities in line with our vision of transition to a low-carbon economy and green development. The policy is regularly reviewed by our Sustainability Committee at least once a year, focusing on current requirements and changes in our operating conditions.

“Sustainability Policy” guides our sustainability activities in line with the Green Development Vision.

For detailed information about ADÖKSAN’s Sustainability Policy, please visit [here](#).

ADÖKSAN Sustainability Policy General Principles:

1. We integrate our sustainability approach, medium and long-term strategies, operational activities and future goals with the UN Sustainable Development Goals, related sub-goals and achievements of the European Green Deal.
2. We strive to maximize our sustainability performance in line with our corporate main strategy, vision, mission and values.

3. We adopt a green transformation-oriented growth strategy through our responsible investments that focus on sustainability, and we aim to realize sustainable and responsible production that is sensitive to the environment and society, by reducing our environmental and social impacts arising from our operational activities.
4. We aim to create long-term value for all our business partners and to develop sustainable R&D-oriented products that shape the sector by using the latest innovative technologies and methods, and to be ready for transformation.
5. We contribute to the Turkish economy with the employment and foreign trade volume we create.
6. We pay attention to stakeholder engagement and the needs and expectations of our customers, and aim to keep customer satisfaction at the highest level.
7. By adopting a responsible purchasing approach, we conduct a fair, honest, transparent and impartial process in the selection of our suppliers for materials/ services.
8. We integrate the concepts of sustainability and green transformation with our corporate culture, ensure that they are internalized, and at the same time, we take care to carry out studies to spread them across our entire value chain.
9. We aim to increase the awareness of not only our employees but also our suppliers, customers and all other stakeholders on sustainability with our approach that respects human rights, is inclusive, observes social justice and advocates equal opportunity.

10. We evaluate all kinds of financial, operational, strategic, legal and external risks by integrating risk management into all our business processes with a holistic approach.
11. We take into account the effects of climate change on economic and social welfare and sustainable growth, and the associated risks and opportunities, and contribute to the global struggle for the transition to a low carbon economy.
12. We expect to increase our investments in energy/resource efficiency, renewable energy, recycling and recovery projects in line with our country’s 2053 net-zero emission target, green development vision and circular economy principles.
13. We carry out all our activities in full compliance with national and international legal regulations, ethical rules and (industrial) standards. In addition, we are progressing in accordance with the 10 Principles of the United Nations Global Compact, which we aim to become a signatory member in 2023.
14. We do not tolerate any form of anti-competitive behavior, bribery and corruption. In relevant cases, we act within the framework of our company’s Code of Conduct.
15. Considering the satisfaction of our employees, we offer an inclusive working environment that respects human rights, is inclusive, fair and offers equal opportunities, and we strictly reject all kinds of discrimination among our employees in accordance with our ethical principles. We aim to contribute to the success of our employees with a fair reward and per-

formance system among our employees. We aim to maintain a long-term business relationship with our employees by constantly investing in their talents and development.

16. Within the framework of Occupational Health and Safety requirements and national, international and sectoral regulations, we provide a healthy and safe workplace environment for our employees, implement regular training and information activities and take the necessary precautions.

17. We aim to contribute to the society by developing social responsibility projects that support sustainable development.

18. In order to ensure that information security is managed more effectively in line with national/international standards, we closely follow the innovations and developments in information security and constantly improve our processes related to this. We attach importance to the confidentiality and protection of private information of our employees, customers and stakeholders in our activities and business relations.

19. We closely follow the work of national and international initiatives that support sustainability, and we care about taking part in cooperation platforms that are compatible with our sustainability vision. We share experiences with our various stakeholders, especially sector representatives, universities, public institutions/organizations and non-governmental organizations, by keeping in constant communication and cooperating.

20. We share our sustainability performance transparently with all our stakeholders through our corporate website, and review our way of doing business in line with needs, taking into account all opinions and suggestions.

Our Sustainable Governance Approach

“We established our **ADÖKSAN Sustainability Committee** in order to accelerate the green transition in our business processes.”

In order to make sustainability an integral part of our corporate strategy and to accelerate our green transition process, we established the “**ADÖKSAN Sustainability Committee**” as of September 2022 with the participation of our employees from different departments. We determined the structure of our sustainability committee as a result of analytical examinations made in line with the conditions of the casting industry, export situation, product portfolio and international sustainability requirements. Our Sustainability Committee is operating under the management of ADÖKSAN General Manager.

With its inclusive, diverse and multi-layered structure, our Sustainability Committee is directly responsible for managing our corporate sustainability strategy in line with our 2023-2025 and 2030 goals, measuring, evaluating and auditing the environmental, social and economic impacts and risks arising from our operational activities, and ensuring data/information flow.

Sustainability Committee is led by our General Manager, who is responsible for the management of sustainability issues at the highest level. The coordination of the committee, sustainability management covering environmental, social and governance (ESG) issues, and sustainability

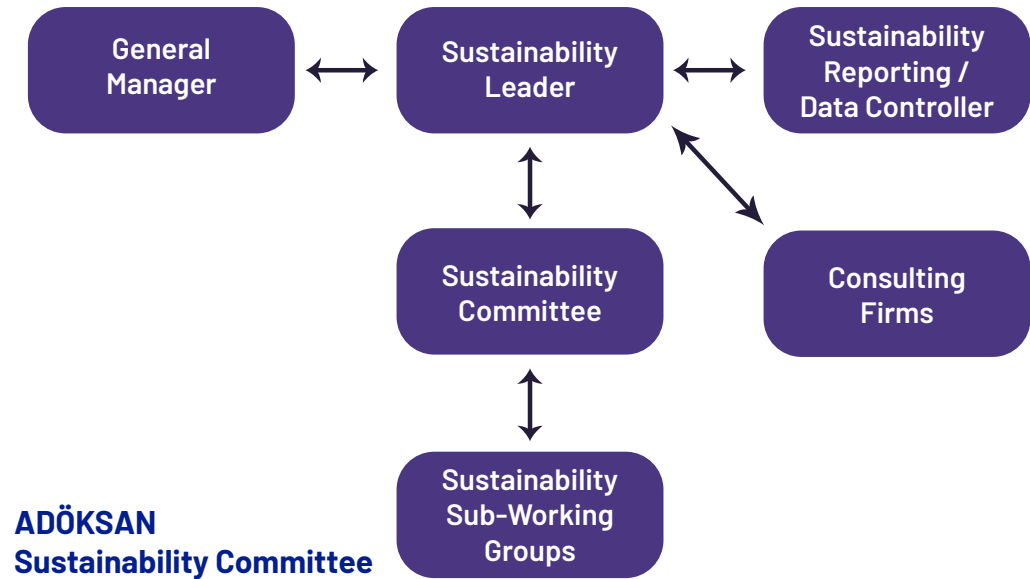
performance monitoring are under the responsibility of the “Quality Department”, which reports directly to our General Manager. Our Quality Manager has been appointed as the Sustainability Leader at ADÖKSAN.

We have defined four different sub-working groups under the Sustainability Committee and the material work topics for each group in order to identify environmental, social and economic risks and impacts, to carry out work on sustainable products, environmental management, energy management and social benefits in line with our sustainability and green transformation vision, and to ensure effective communication and data/information transfer between departments. Sub-working groups report their findings directly to the Sustainability Leader.



Responsibilities of the ADÖKSAN Sustainability Committee:

- To support the Top Management, in coordination with the relevant business units, in designing the short, medium and long-term sustainability roadmap and determining the sustainability targets,
- To ensure the systematic alignment of the sustainability strategy and sustainability policy with the corporate strategy and business models,
- To implement the approved strategies and policies related to sustainability,
- Developing, executing, monitoring, improving and auditing sustainability-oriented processes, practices and projects, creating sustainable performance indicators and reporting the data/information flow provided by the relevant departments,
- To follow up current national/international trends related to sustainability and to make recommendations to the Top Management for the development of current strategies, policies and practices,
- To ensure that all our employees are informed in line with the sustainability strategy and targets,
- To carry out communication activities to ensure that the sustainability strategy, policy and practices are disseminated throughout our entire value chain, to organize required trainings on related issues and to coordinate stakeholder engagement,
- To identify, monitor, audit and report our company's environmental, social and economic risks and impacts, including climate change,
- To establish, authorize and coordinate Sub-Working Groups under the Committee in order to support its activities for the effective management of sustainability issues.



ADÖKSAN Sustainability Committee

ADÖKSAN Sustainability Committee's Sub-Working Groups



Our Sustainability Committee, which was established in September 2022, convened twice in 2022 with the participation of all members. At the meeting in September, benchmark study results were reviewed and ADÖKSAN's Sustainability Strategy was discussed. At the meeting held in December, our 2022 activities were reviewed with a focus on sustainability, a Sustainability Policy was published and the proposals received for the calculation of our corporate greenhouse gas inventory were evaluated.

We expect our employees at all levels to fulfill their responsibilities with a focus on sustainability and green transition, in order to expand sustainability and the transition to a low-carbon economy as a corporate culture, including our value chain.

Material Topics

While determining our material issues in accordance with the principles of stakeholder engagement and inclusiveness, we took into account the opinions of our strategic external stakeholders and employees, and evaluated all expectations within the scope of sustainability according to their impact-importance degree and determined the analytical position of the sustainability components. We have added dimension to our prioritization analysis in line with our company's business strategies, with the expectations of our stakeholders and comparable balance elements and global trends concerning our industry. As a result of our analysis, we have revealed the sustainability issues that we will focus on in the upcoming period.

The digital form (survey) applied to our employees and external stakeholders for the purpose of preparing the Materiality Matrix is the most important component in determining the sustainability strategy and has been made mandatory by expressing it as the Materiality Matrix in the GRI 2016 and 2021 Standards.

In the survey, ADÖKSAN's existing internal and external stakeholders were asked to score 18 sustainability factors (between 1 and 5) according to their impact on ADÖKSAN activities. For ADÖKSAN, the sustainability factor, which is considered extremely important/effective, is scored with 5, and the least important/effective factor with 1.

Holistic categories and sustainability issues have been created by considering ADÖKSAN's corporate structure, quality approach, technology and innovation-oriented product portfolio, sectoral and geographical location, value creation for its stakeholders, customer-oriented perspective, and national/international benchmarks as analytical factors.



OUR KEY SUSTAINABILITY ISSUES

1) Corporate Governance

- Economic Performance, Global Market Availability
- Combating Anti-Competitive Conduct and Anti-Corruption
- International Compliance and Sustainable Development Networks Engagement
- Stakeholder Engagement and Governance Practices

2) Sustainable Growth

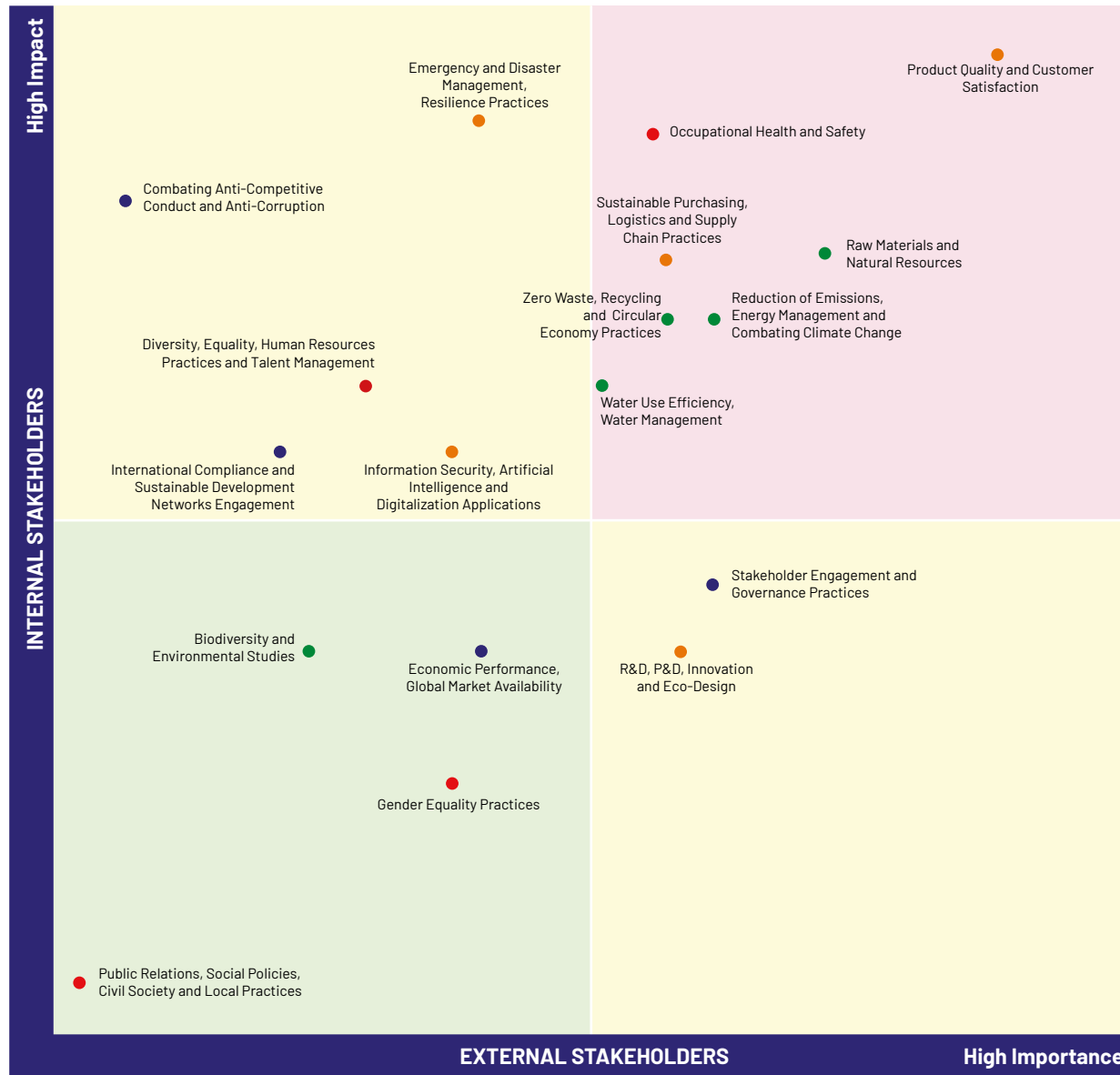
- Product Quality and Customer Satisfaction
- Sustainable Purchasing, Logistics and Supply Chain Practices
- R&D, P&D, Innovation and Eco-Design
- Information Security, Artificial Intelligence and Digitalization Applications
- Emergency and Disaster Management, Resilience Practices

3) Respect for the Environment

- Raw Materials and Natural Resources
- Water Use Efficiency, Water Management
- Reduction of Emissions, Energy Management and Combating Climate Change
- Zero Waste, Recycling and Circular Economy Practices
- Biodiversity and Environmental Studies

4) Respect for People and Society

- Diversity, Equality, Human Resources Practices and Talent Management
- Occupational Health and Safety
- Public Relations, Social Policies, Civil Society and Local Practices
- Gender Equality Practices



Prioritizing sustainability issues with stakeholder engagement forms the basis of our strategic governance choices within the framework of GRI Standards in terms of positioning sustainability practices.

By conducting internal and external stakeholder analysis of ADÖKSAN, we have created our Materiality Matrix including our material topics and analyzed for the integration of the sustainability balance into the creation of the sustainability strategy.

The primary centrality in our sustainability priorities is determined by the linkage between the “Respect for the Environment” category and the “Sustainable Growth” category, and the sustainability areas focused on R&D, P&D, Innovation and Eco-design that the linkage indicates.

Contributing to the quality of our products, customer satisfaction and the development of sustainable technologies through our environmental sustainability performance in energy, raw materials and water management is our priority in stakeholder interaction.

“We aim to be a part of the global sustainability network by committing to the United Nations Global Compact in 2023.”

FROM OUR STAKEHOLDERS

I have been working both as a Quality Manager at ADÖKSAN for about 4 years and as a Sustainability Leader for 6 months. In 2022, we started to our sustainability studies within ADÖKSAN and received consultancy services on this subject. We formed our Sustainability Committee and determined our sustainability strategy, sustainability priorities and future goals.

We have a goal of establishing Solar Panels in Van in 2024 that our activities still ongoing. We will provide some of the electrical energy we use via these panels. Besides, it will also help us to meet our future carbon target. We calculated "ADÖKSAN's corporate GHG inventory for FY2022 with another consultancy firm. We are deciding actions to reduce our carbon emissions according to the inventory amounts in question.

The raw materials we use in production processes are the recycled materials. In our own production, we use 30% of the scrap material by melting. In other words, we do not have raw material waste. We will also create projects that will reduce our water and natural gas use.

ADÖKSAN is a company that believes in Quality Management Systems and the benefits these systems bring. Therefore, we have many Quality Management Systems and they are all documented. As in every company, we identify the aspects that are open to improvement in practices through internal audits and take necessary corrective actions. Our Top Management provides full support in the establishment and maintenance of management systems.

We present our first Sustainability Report, which we started to publish as of 2023, and our current sustainability performance for the evaluation of our stakeholders.

FATMA AYRILMAZ / ADÖKSAN Quality Manager and Sustainability Leader

Very High Priority Issues

- Product Quality and Customer Satisfaction
- Occupational Health and Safety
- Reduction of Emissions, Energy Management and Combating Climate Change
- Sustainable Purchasing, Logistics and Supply Chain Practices
- Raw Materials and Natural Resources
- Zero Waste, Recycling and Circular Economy Practices
- Water Use Efficiency, Water Management

High Priority Issues

- Emergency and Disaster Management, Resilience Practices
- Combating Anti-Competitive Conduct and Anti-Corruption
- Diversity, Equality, Human Resources Practices and Talent Management
- Information Security, Artificial Intelligence and Digitalization Applications
- International Compliance and Sustainable Development Networks Engagement
- Stakeholder Engagement and Governance Practices
- R&D, P&D, Innovation and Eco-Design



Priority Issues

- Biodiversity and Environmental Studies
- Economic Performance, Global Market Availability
- Gender Equality Practices
- Public Relations, Social Policies, Civil Society and Local Practices

Contribution to the Sustainable Development Goals



The 2020-2030 period is defined as the DECADE OF ACTION for the United Nations Sustainable Development Goals, and companies are expected to develop more effective and realistic practices on sustainability. We, as ADÖKSAN, plan to carry our corporate responsibility to a global scale in order to build a sustainable future.

Alignment for SGDs, Sub-Targets of SDGs and European Green Deal Benefits

STRATEGIC PURPOSE	CATEGORY	KEY SUSTAINABILITY ISSUES	SDGs Sub-Targets Contribution	EUROPEAN GREEN DEAL VISION
<p>Being ready for transition by developing sustainable products with eco-design, innovation and advanced technology culture</p>  <p>Focus: 7.3, 9.4, 12.a, 13.2, 17.8</p>	<p>SUSTAINABLE GROWTH</p>	Product Quality and Customer Satisfaction	7.2, 7.3, 9.2, 9.4, 9.5, 12.5, 12.a, 13.2	* Renovated, Energy efficient Buildings
		Sustainable Purchasing, Logistics and Supply Chain Practices	12.4, 12.6, 12.8, 12.c	* Cleaner Energy and Cutting-Edge Clean Technological Innovation
		Emergency and Disaster Management, Resilience Practices	13.1, 13.3	* Longer Lasting Products That Can Be Repaired, Recycled and Re-used
		Information Security, Artificial Intelligence and Digitalization Applications	9.1, 9.5, 9.b, 12.a	* Globally Competitive and Resilient Industry
		R&D, P&D, Innovation and Eco-Design	7.3, 7.a, 9.4, 9.5, 9.b, 12.a, 17.7, 17.8	
<p>Bringing our ecological footprint to dimensions that will not threaten the future of humanity and the planet by prioritizing resource efficiency, in line with the principles of the circular economy</p>  <p>Focus: 6.4, 7.a, 12.5, 13.1</p>	<p>RESPECT FOR THE ENVIRONMENT</p>	Reduction of Emissions, Energy Management and Combating Climate Change	7.2, 7.3, 7.a, 7.b, 13.1, 13.3	* Fresh Air, Clean Water, Healthy Soil and Biodiversity
		Raw Materials and Natural Resources	12.2, 12.4, 12.5	* Renovated, Energy efficient Buildings
		Zero Waste, Recycling and Circular Economy Practices	12.2, 12.4, 12.5	* Cleaner Energy and Cutting-Edge Clean Technological Innovation
		Water Use Efficiency, Water Management	6.3, 6.4	* Longer Lasting Products That Can Be Repaired, Recycled and Re-used
		Biodiversity and Environmental Studies	6.6	






As a result of our studies and sectoral research during the development of our Sustainability Strategy, we revealed our strategic directions and alignments. We contribute directly or indirectly to the 12 Sustainable Development Goals (SDGs) and relevant 46 Sub-Targets of SDGs through the activities we carry out within the scope of our sustainability strategy.




In addition, we directly/indirectly serve six of the eight benefits of the European Green Deal. Our willingness to meet SDG requirements with our business practices is monitored by our Top Management and Sustainability Committee.





STRATEGIC PURPOSE	CATEGORY	KEY SUSTAINABILITY ISSUES	SDGs Sub-Targets Contribution	EUROPEAN GREEN DEAL VISION
<p>To support social development by promoting a healthy, fair and equal life culture in all fields of activity with which we interact</p>  <p>Focus: 3.9, 4.3, 5.5, 8.5, 10.2</p>	<p>RESPECT FOR PEOPLE AND SOCIETY</p>	Occupational Health and Safety	3.9 8.8	<p>* Future-Proof Jobs and Skills Training for the Transition</p>
		Diversity, Equality, Human Resources Practices and Talent Management	4.3, 4.4, 4.5, 4.7 10.2, 10.4 8.2, 8.3, 8.5, 8.8	
		Gender Equality Practices	5.5	
		Public Relations, Social Policies, Civil Society and Local Practices	3.8 4.3., 4.4 8.2, 8.5, 8.8 10.2, 10.4	
<p>To take leading roles in our sector in green development by maximizing our global compliance level</p>  <p>Focus: 8.2, 10.6, 16.8, 17.16</p>	<p>CORPORATE GOVERNANCE</p>	Combating Anti-Competitive Conduct and Anti-Corruption	16.6,	<p>* Future-Proof Jobs and Skills Training for the Transition * Globally Competitive and Resilient Industry</p>
		International Compliance and Sustainable Development Networks Engagement	16.8 17.16, 17.17	
		Stakeholder Engagement and Governance Practices	10.6 16.7, 16.8 17.6	
		Economic Performance, Global Market Availability	8.1, 8.2 17.11	

The 12 SDGs and 46 SDGs Sub-Targets that we contribute directly/indirectly due to our company's business/operational activities and sustainability strategy are given in the following table. Please discover more about how we are referring SDGs and SDGs Sub-Targets across this report.

ADÖKSAN's Contribution to the SDGs

SDGs	Sub-Targets of Relevant SDGs	Our Contributions	References
 <p>SDG 3. Ensure healthy lives and promote well-being for all at all ages</p>	<p>3.8. Achieve universal health coverage</p> <p>3.9. Reduce illnesses and death from hazardous chemicals and (air, water, soil) pollution</p>	<ul style="list-style-type: none"> -Ensuring the health and well-being of all our employees -Providing a healthy and safe workplace for our employees -Zero occupational accident target -Annual health checks of our employees against occupational diseases 	<p>* Occupational Health and Safety, pp.93-97</p>
 <p>SDG 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<p>4.3. Equal access to affordable technical, vocational and higher education</p> <p>4.4. Increase the number of people with relevant skills for financial success</p> <p>4.5. Eliminate all discrimination in education</p> <p>4.7. Education for sustainable development and global citizenship</p>	<ul style="list-style-type: none"> -Supporting personal and professional development of all our employees 	<p>* Talent Management, Career Development and Trainings, pp.90-91</p>
 <p>SDG 5. Achieve gender equality and empower all women and girls</p>	<p>5.5. Ensure all participation in leadership and decision-making</p>	<ul style="list-style-type: none"> -Number of our female employees -Setting targets to increase the female employee ratio at Mid-Level and Top Management 	<p>* Future Vision and Sustainability Targets, pp.49-52</p> <p>* Social Performance Indicators, pp.103-106</p>
 <p>SDG 6. Ensure availability and sustainable management of water and sanitation for all</p>	<p>6.3. Improve water quality, wastewater treatment and safe reuse</p> <p>6.4. Increase water-use efficiency and ensure freshwater supplies</p> <p>6.6. Protect and restore water-related ecosystems</p>	<ul style="list-style-type: none"> -Effective and efficient management of water resources -Reducing water withdrawal and increasing water efficiency by using recycled water 	<p>* Water Management pp.79-80</p>
 <p>SDG 7. Ensure access to affordable, reliable, sustainable and modern energy for all</p>	<p>7.2. Increase global percentage of renewable energy</p> <p>7.3. Double the improvement in energy efficiency</p> <p>7.a. Remote access to research and investments in clean energy</p> <p>7.b. Expand and upgrade energy service for developing countries</p>	<ul style="list-style-type: none"> -Solar Power Plant Investment in İpekyolu/Van (It will be ready in 2024) -Corporate GHG inventory (2022) 	<p>* Managing GHG Emissions, pp.72-77</p> <p>* Energy Management, pp.78</p>

SDGs	Sub-Targets of Relevant SDGs	Our Contributions	References
 <p>SDG 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p>8.1. Sustainable economic growth</p> <p>8.2. Diversify, innovate and upgrade for economic productivity</p> <p>8.3. Promote policies to support job creation and growing enterprises</p> <p>8.5. Full employment and decent work with equal pay</p> <p>8.8. Protect labour rights and promote safe working environments</p>	<p>-New Investment: 2nd die casting plant (It will be ready in 2023)</p> <p>-New Investment: 2nd Machining plant in Miskolc/Hungary (It is planned to be ready in 2024)</p> <p>-ISO 45001:2018 OHS Management System</p> <p>-ADÖKSAN OHS Board</p> <p>-Number of our female employees</p> <p>-Setting targets to increase the female employee ratio at Mid-Level and Top Management</p> <p>-Ensuring the health and well-being of all our employees</p> <p>-Providing a healthy and safe workplace for our employees</p> <p>-Supporting personal and professional development of all our employees</p>	<p>* Future Vision and Sustainability Targets, pp.49-52</p> <p>* Responsible Products and Services, pp.54-60</p> <p>* Talent Management, Career Development and Trainings, pp.90-91</p> <p>* Occupational Health and Safety, pp.93-97</p> <p>* Social Performance Indicators pp.103-106</p>
 <p>SDG 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p>	<p>9.1. Develop sustainable, resilient and inclusive infrastructures</p> <p>9.2. Promote inclusive and sustainable industrialization</p> <p>9.4. Upgrade all industries and infrastructures for sustainability</p> <p>9.5. Enhance research and upgrade industrial technologies</p> <p>9.b. Support domestic technology development and industrial diversification</p>	<p>-New Investment: 2nd die casting plant (It will be ready in 2023)</p> <p>-New Investment: 2nd Machining plant in Miskolc/Hungary (It is planned to be ready in 2024)</p> <p>-Solar Power Plant Investment in İpekyolu/Van (It will be ready in 2024)</p> <p>-New Investment: High Tech Air Filtration System in the new foundry</p> <p>-Digital transformation practices</p> <p>-Expanding automation system in current foundry</p> <p>-Innovation and Technology Roadmap</p> <p>-Industry 4.0 Strategy</p> <p>-ISO 27001:2013 Information Security Management System</p> <p>-TISAX Information Security Management System (Preliminary certificate in FY2022)</p> <p>-ADÖKSAN Information Security/ TISAX and Personal Data Protection Policy</p>	<p>* Responsible Products and Services, pp.54-60</p> <p>* Technology, Innovation and R&D, P&D, pp.61</p> <p>* Digital Transformation Journey, pp.66-68</p> <p>* Managing GHG Emissions, pp.72-77</p> <p>* Energy Management, pp.78</p>
 <p>SDG 10. Reduce inequality within and among countries</p>	<p>10.2. Promote universal social, economic and political inclusion</p> <p>10.4. Adopt fiscal and social policies that promotes equality</p> <p>10.6. Enhanced representation for developing countries in financial institutions</p>	<p>-Human rights and employee rights practices</p> <p>-ADÖKSAN Human Rights Policy</p> <p>-Employment-creating activities and training support</p> <p>-Working with responsible employment and HR policies</p> <p>-Number of our disabled employees</p>	<p>* Human Rights Along the Value Chain, pp.31</p> <p>* Human Resources Approach and Employee Profile, pp.86-87</p> <p>* Equal Opportunity, Inclusion and Diversity Approach, pp.88-89</p> <p>* Talent Management, Career Development and Trainings, pp.90-91</p> <p>* Employee Rights, pp.92</p> <p>* Social Performance Indicators, pp.103-106</p>

SDGs	Sub-Targets of Relevant SDGs	Our Contributions	References
 <p>SDG 12. Ensure sustainable consumption and production patterns</p>	<p>12.2. Sustainable management and use of natural resources</p> <p>12.4. Responsible management of chemicals and waste</p> <p>12.5. Substantially reduce waste generation</p> <p>12.6. Encourage companies to adopt sustainable practices and sustainability reporting</p> <p>12.8. Promote universal understanding of sustainable life-styles</p> <p>12.a. Support developing countries scientific and technological capacity for sustainable consumption and production</p> <p>12.c. Remove market distortions that encourage wasteful consumption</p>	<p>-ADÖKSAN Sustainability Strategy, Sustainability Reporting, Sustainability Policy, Sustainability Committee</p> <p>-Sustainable Supply Chain Management</p> <p>-ADÖKSAN Code of Conduct for Suppliers</p> <p>-Supporting sustainable production through recyclable products</p> <p>-ADÖKSAN Quality and Environmental Policy</p> <p>-ISO 14001:2015 Environmental Management System</p> <p>-Waste Management, Zero Waste and Circular Economy practices</p> <p>-Environmental Permit/License for die casting and machining plants from the Ministry of Environment, Urbanization and Climate Change</p>	<p>* Management Systems and Certificates, pp.24-26</p> <p>* Sustainability Strategy, pp.36-52</p> <p>* Responsible Supply Chain Management, pp.62-64</p> <p>* Respect for the Environment pp.69-84</p> <p>* Environmental Performance Indicators, pp.100-102</p>
 <p>SDG 13. Take urgent action to combat climate change and its impacts</p>	<p>13.1. Strengthen resilience and adaptive capacity to climate related disasters</p> <p>13.2. Integrate climate change measures into policies and planning</p> <p>13.3. Build knowledge and capacity to meet climate change</p>	<p>-Policies and targets related to combating climate change</p> <p>-Corporate GHG inventory (2022)</p> <p>-Solar Power Plant Investment in İpekyolu/Van (It will be ready in 2024)</p> <p>-Becoming a carbon-neutral company by 2053</p> <p>-New Investment: High Tech Air Filtration System in the new foundry</p> <p>-Indoor air quality improvement practices in current foundry</p> <p>-ADÖKSAN Code of Conduct / ADÖKSAN Ethics Committee</p>	<p>* Managing GHG Emissions, pp.72-77</p> <p>* Energy Management, pp.78</p>
 <p>SDG 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	<p>16.6. Develop effective, accountable and transparent institutions</p> <p>16.7. Ensure responsive, inclusive and representative decision-making</p> <p>16.8. Strengthen the participation in global governance</p>	<p>-ADÖKSAN Anti-Bribery and Anti-Corruption Policy</p> <p>-Memberships in sectoral associations</p> <p>-Becoming a signatory member of UN Global Compact in 2023 to support collective action</p> <p>-IATF 16949, ISO 9001, ISO 14001, TISAX, ISO 27001 and ISO 45001 Management Systems Certificates, ADÖKSAN Risk Assessment Committee</p> <p>-Integration of sustainability into our Corporate Strategy</p>	<p>* Management Systems and Certificates, pp.24-26</p> <p>* Anti-Bribery and Anti-Corruption, pp.32</p> <p>* Sustainability Management Approach, pp.37-39</p> <p>* Contribution to the Sustainable Development Goals, pp.44-48</p>
 <p>SDG 17. Strengthen the means of implementation and revitalize the global partnership for sustainable development</p>	<p>17.6. Knowledge sharing and cooperation for access to science, technology and innovation</p> <p>17.7. Promote sustainable technologies to developing countries</p> <p>17.8. Strengthen the science, technology and innovation capacity for least developed countries</p> <p>17.11. Increase the exports of developing countries</p> <p>17.16. Enhance the global partnership for sustainable development</p> <p>17.17. Encourage effective partnerships</p>	<p>-Becoming a signatory member of UN Global Compact in 2023 to support collective action</p> <p>-Contribution to the country's economy and national development with 100% export volume</p>	<p>* ADÖKSAN in Figures, pp.9-10</p> <p>* Contribution to the Sustainable Development Goals, pp.44-48</p>

Future Vision and Sustainability Targets

As ADÖKSAN, we entered a new era in our sustainable management model in 2022 and established our 2023-2025 and 2030 roadmaps with the focus on our sustainable growth vision in line with Turkey's 2053 net-zero emissions and Green Development target.

ADÖKSAN 2023-2025 and 2030 Sustainability Targets

ACTION	KEY SUSTAINABILITY ISSUES	2023-2025 Targets	2030 Targets
<p>IMPROVE</p>	<p>Product Quality and Customer Satisfaction</p>	<p>Making product LCA analyzes on the portfolio determined by key customers, Increasing the capacity of sustainable transition through feasibility studies for sustainable products that are compatible with the carbon-neutral societies target, have low ecological footprint, contain innovative energy technologies and use sectorally optimum resources.</p>	<p>Reaching at least 50% of the national and international net turnover from the sustainable product category</p>
	<p>Occupational Health and Safety</p>	<p>Reducing the loss of workforce by 10% every year due to accidents and injuries, supporting healthy and safe workplace</p>	<p>To reduce the number of occupational accidents by 60%, based on the reference year of 2022, in order to spread the safety culture, to be the guarantor of the healthy life of the employees and their families.</p>
	<p>Reduction of Emissions, Energy Management and Combating Climate Change</p>	<p>Designing ISO 14064 Corporate GHG Inventory in (high resolution) Scope 3 to ensure EU CBAM compliance, determine Science Based Targets Initiative (SBTi, 1.5 Degree) mitigation plan for 2030 (corresponding to at least 28% reduction for 2030)</p>	<p>In compliance with the SBTi methodology, reducing at least 15% in Scope-3 emissions and at least 40% in Scope-1,2 emissions (becoming a carbon-neutral company in 2053), reducing energy consumption per unit of production with renewable energy and energy efficiency investments</p>
	<p>Sustainable Purchasing, Logistics and Supply Chain Practices</p>	<p>Establishing a supplier evaluation system with ESG/ sustainability elements in the upstream and downstream supply chain, including logistics components to include 100% of the supply components in the system</p>	<p>Becoming the industry leader with a positive ecological impact covering the entire value chain, increasing the number of suppliers that are audited/monitored for performance on environmental and social issues/approving the Code of Conduct for Suppliers above 50%, increasing the rate of purchase from responsible sources above 50%</p>

ACTION	KEY SUSTAINABILITY ISSUES	2023-2025 Targets	2030 Targets
<p>IMPROVE</p>	<p>Water Use Efficiency, Water Management</p>	<p>Reducing the amount of water use and discharged wastewater on a source basis, increasing water use efficiency</p>	<p>Reducing water consumption by 40% resulting from activities in all water-stressed areas, including the supply chain, applying for UNGC CEO Water Mandate membership</p>
	<p>Raw Materials and Natural Resources</p>	<p>Ensuring the recycling of input materials in new product development, increasing the use of sustainable raw materials, specializing in waste reduction and recycling, becoming SKD Turkey membership, extending Zero Waste practices in all operations and production areas, 50% reduction in waste, performing at least 1-2 transactions through the Turkish Circular Economy Platform, doubling the rate of waste included in the circular economy</p>	<p>Sourcing raw materials entirely from a value chain shaped with circular economy and sustainability components, 80% reduction in waste disposal by 2030, increasing the share of the product portfolio in which the circular economy, eco-design approach is applied/ developed to 80%</p>
	<p>Zero Waste, Recycling and Circular Economy Practices</p>		

ACTION	KEY SUSTAINABILITY ISSUES	2023-2025 Targets	2030 Targets
<p>STRENGTHEN</p>	<p>Emergency and Disaster Management, Resilience Practices</p>	<p>Ensuring the transition to the resilient sector approach by developing preventive activities with risk maps</p>	<p>Integrating regional and global disaster preparedness action plans into all processes, including the supply chain</p>
	<p>Combating Anti-Competitive Conduct and Anti-Corruption</p>	<p>Reducing nonconformities in activity reports prepared by internal and external audit mechanisms</p>	<p>Minimizing the number of sanctions, penalties or lawsuits determined by national-international ethical mechanisms, including human rights violations</p>
	<p>Diversity, Equality, Human Resources Practices and Talent Management Conduct and Anti-Corruption</p>	<p>Ensuring the integration of performance evaluation, equal opportunity and diversity indicators into the human resources system in the form of "Equality at Work" certificate and Code of Conduct.</p>	<p>Increasing economic productivity by increasing capacity and making new investments for a just transition process and future of jobs descriptions</p>

ACTION	KEY SUSTAINABILITY ISSUES	2023–2025 Targets	2030 Targets
STRENGTHEN	Information Security, Artificial Intelligence and Digitalization Applications	Proactive management of efficiency and effectiveness with studies carried out for instant and continuous monitoring of Robotic Process Automation (RPA) in managerial processes and Overall-Equipment Effectiveness (OEE) in operational processes in order to easily meet customer needs within the framework of Industry 4.0 and digitalization.	Extending Industry 4.0 and the digital transformation across the entire value chain
	International Compliance and Sustainable Development Networks Engagement	Becoming UN GC Member and CDP Reporting network member (at least B-total score level) and participation to the sub-working groups of relevant organizations, developing institutional SDG capacity	Adapting to the external audit process in full compliance with EU CSRD-ESRS and IFRS-ISSB standards, increasing the number of global partnerships for sustainable development
	Stakeholder Engagement and Governance Practices	Increasing the number of projects that create common value and the number of project participant stakeholders	Gaining a policy maker position in sectoral activities in global and regional governance and enhancement of participation, increasing sectoral collaborations for sustainability innovation
	R&D, P&D, Innovation and Eco-Design	Doubling participation in climate-neutral sustainable product development grants and funds aligned with the EU Green Deal vision	Increasing the ratio of R&D/technology and innovation investments allocated for sustainable products to total investments to at least 40%, increasing the impact of R&D/technology and innovation investments on profitability, developing eco-design practices

ACTION	KEY SUSTAINABILITY ISSUES	2023-2025 Targets	2030 Targets
<p>PROTECT & MODERATE</p>	<p>Biodiversity and Environmental Studies</p>	<p>Carrying out “Environmental Research” measurements in accordance with the new standards/national regulations in the production areas in line with the principles of responsible production and environmental awareness.</p>	<p>Leading projects to prevent biodiversity loss in line with Green Organized Industrial Zones, the EU Green Deal and other urban transition visions</p>
	<p>Economic Performance, Global Market Availabilities</p>	<p>Increasing the international market presence in line with the goal of sustainable economic growth and the number of export regions, countries and customers</p>	<p>Transforming carbon-neutral company advantages into competitiveness and company reputation in EU ETS, EU CBAM, NATIONAL ETS and other global trade regulations; increasing the transaction volume of emission loans by being an effective shareholder in the national/international ETS</p>
	<p>Gender Equality Practices</p>	<p>Increasing the number of women in decision-making mechanisms and sub-committees of the Top Management to over 30%, becoming UNGC WEPs member</p>	<p>Strengthening women’s full and effective participation in the decision-making processes of economic and social life within the framework of just transition in national and international local communities where they are active.</p>
	<p>Public Relations, Social Policies, Civil Society and Local Practices</p>	<p>Realizing local development and social projects with NGOs, creating a sponsorship budget and increasing the budget by 10% every year, transferring 5% of the net turnover to social issues</p>	<p>Developing social practices compatible with just transition mechanisms in the prevention of regional and local risks, including human rights, migration policies and gender equality, and carrying out support and development projects for local producers</p>

■ Respect For The Environment
 ■ Sustainable Growth
 ■ Respect For People and Society
 ■ Corporate Governance



4

SUSTAINABLE GROWTH

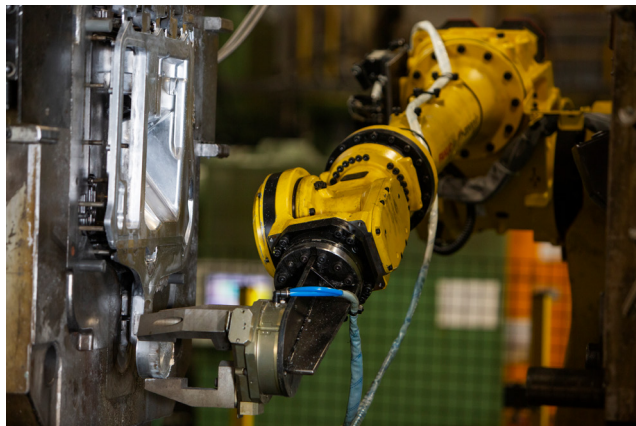
- Responsible Products and Services
- Technology, Innovation and R&D & P&D
- Responsible Supply Chain Management
- Customer Satisfaction
- Digital Transformation Journey

Responsible Products and Services

“In every area we operate, we develop our products and services with a sustainability perspective, and we grow with the goal of creating social, environmental and economic value for all our stakeholders.”

Established in Istanbul in 1991, our business area is high-pressure aluminum die casting with value-added services - CNC machining, coating, (sub)assembly.

We have two plants closely located in Tuzla, one for die casting (since 2006) and one for value-added services (since 2013). We've also been operating our logistics warehouse in Miskolc, Hungary since Q2/2021. The second die casting plant in Tuzla, Istanbul is currently under construction and will be ready in 2023.



“Broad Range of Manufacturing Expertise”

Our operations:

1. Design & Engineering: Product design for automotive and non-automotive parts produced in our company is done by our customers. Our company only performs process and tool design of related products.

- Providing the right engineering solutions is ADÖKSAN's core competence.
- Partnership with engineering company in Brescia/ Italy to design and manufacture the best tooling concept.
- Use of advanced simulation software to meet and exceed customer requirements.
- Maximum cooperation with our customers to develop competitive solutions.
- Where possible, role as co-designer for the development of new products.

2. Melting: In our die casting plant, we have five furnaces conducting with five different alloys (EN AC 46000-AlSi₉Cu₃, EN AC 47100-AlSi₁₂Cu, EN AC 44300-AlSi₁₂(Fe), EN AC 43400-AlSi₁₀Mg(Fe), EN AC 43500-AlSi₁₀MnMg). Total melting capacity is 10,000 kg/hour (most of the aluminum is supplied from Italy). Degassing is performed centrally instead of degassing in the individual pots, increasing process effectiveness and efficiency.

3. Die casting: We use modern Swiss and Italian die casting machines operated by robots and pickmats. The machines in the range from 160T to 1,350T clamping force to cast parts ranging from 30 gr to 18 kg. In 2023, the first 2,500-3,000T range die casting machine is planned to be implemented.

“The size of die casting machine park is 29 while the size of the CNC machine park is 48.”

Die Casting - Leading Technology Machinery

- Excellent process control
- Automation for process stability & control and increased efficiency
- Use of auxiliary equipment for highest quality
- Latest technology multi-channel casting tool temperature controller capable of independently regulating 12 temperature zones
- Concept and physical properties of each die casting tool are critical success factors in our projects
- Tooling concepts are co-developed with and manufactured by our long-term Italian partners

4. Surface Treatment: We apply all conventional surface treatment methods such as vibratory deburring, shot blasting, thermal deburring and vibratory polishing. Thermal deburring is a unique process used by a limited number of manufacturers worldwide. Thermal blasts are used to remove the finest burrs in the inaccessible internal areas of the manufactured parts.

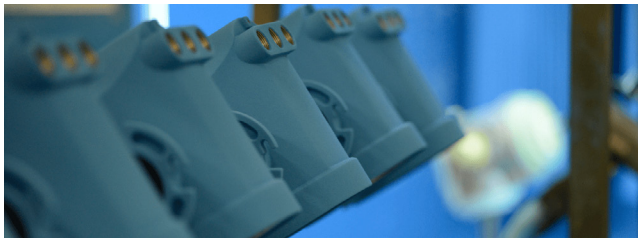
Fully Automated Robotic Deburring Cell

- For precise and time-consuming project-specific deburring operations
- Automatic part feeding with state-of-the-art safety precautions
- Customizable program and precise pressure control
- Freely programmable belt and spindle deburring units

5. Machining in CNC: Machining has strategic priority, with special focus on complex, leakage parts. The investment in the 2nd machining plant in Miskolc/Hungary is as a consequence of the strategy to expand our machining capabilities. We are continuously investing into new machines and growing together with our customers' new projects.

“Machining; Leading Technology Applications”

6. Coating: Long-term relationships with our customers have led to the establishment of **dedicated coating lines**. Establishment of various coating applications like chromatization, powder painting and automated anodizing line leads to **extensive know-how** in this area, enabling us to **meet wide range of coating quality criteria**.



“Ready for the most stringent technical cleanliness requirements with in-house cleanliness laboratory (measurement sensitivity of 5 µm)”

7. High Technology Assembly: Robotic assembly line has high precision operations such as **Plasma Cleaning, Glue Micro Dosing, Electropress performed Riveting, LASER based Dimension Control**. It allows part-by-part identification by **DATAMATRIX**, computer controlled **interlocked process** and part flow over multiple work stations.

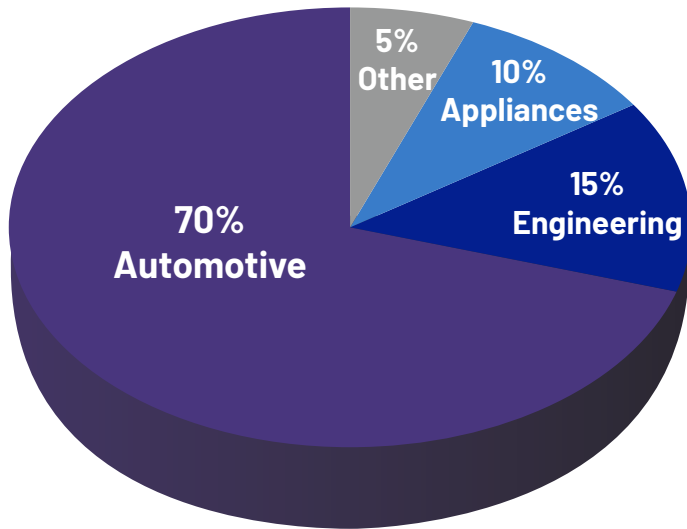
8. Clean Environment: With our «half» clean final inspection and test area with immediate packaging and in-house **cleanliness laboratory, we are able to meet** standard automotive cleanliness requirements of 400-600 µm particle size. Our new investment for «full» clean final inspection and test area with immediate packaging and in-house cleanliness laboratory will achieve stringent automotive cleanliness requirements of 200 µm particle size (metallic particles). Fully integrated state of the art line to meet the most demanding technical cleanliness requirements will meet ISO 14644 Class 7 and 8 definitions.



9. Quality: Quality is **the basis and determinant of all our actions**. We adopt a systematic and methodical problem-solving approach. Our customers' confidence in our quality approach is **the main driver of our market success**. **VDA trainings** are held on a regular basis. We have a wide range of measurement devices. Besides, majority of our products are leakage parts for which we design and implement sophisticated air leak test devices.

Our Business Mix:

Majority of our business comes from **global automotive Tier1s and we have also started production for Automotive OEMs in 2017**. Our non-automotive customers are strategically important to maintain financial balance in different economic conditions.



Current Business Mix



Our Strategic Focus Areas in Automotive

1. Electrification

- We have started working in this area as early as 2014, producing on-board charger (OBC) housing and heatsink for BMW and Volvo projects.
- We have focused in building the business while developing capabilities important for this area such as cleanliness, micro dosed gluing, robotic assembly, 3D dimension control.
- Conclusively, we have been nominated for different parts for the Audi/Porsche/VW PPE platform and Daimler Gen4 Project.
- We aim to be the leading die casting supplier in Europe for this area.

2. Commercial Vehicles

- We have been a strategic supplier of KNORR BREMSE for the last 20 years producing the most challenging air leakage parts for brake systems and transmission parts.
- in recent years, we expanded the business with WABCO/ZF.
- In addition, we added MAN and SCANIA to our customer portfolio and started providing parts directly to commercial vehicle OEMs.



Customers in Automotive

Our Strategic Focus Areas in Non-Automotive

- Our non-automotive customer portfolio has also been expanding rapidly in the recent period.
- In this area, we focus on supplying world's leading engineering companies which are at the forefront in terms of technological advancement and global business volume in their respective areas of expertise.
- In recent years, we have included ATLAS COPCO and VIESSMANN into our customer portfolio.
- These customers have all important product development projects in the pipeline. ADÖKSAN strives to be an important co-development partner for these companies.

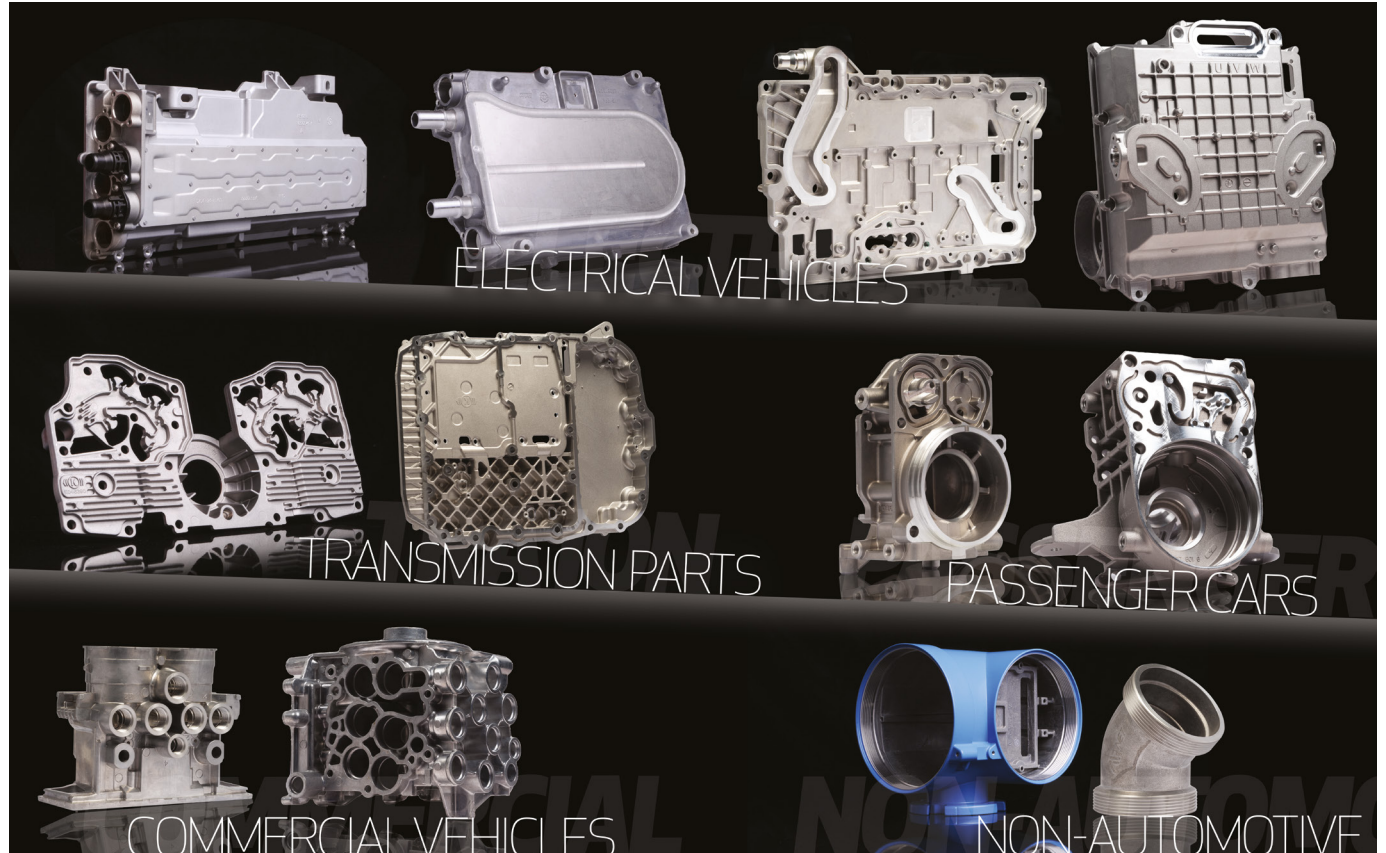


Customers in Non-Automotive



Our Various Products for Automotive and Non-Automotive

- ABS Brake System Parts (Housing)
- Transmission Electronic Control Unit Parts (ECU Cover, Automated Manual Transmission Cover, Strength Cover, Cooling Cover)
- Brake and Transmission System Parts (Electro Pneumatic Foot Brake Module, Transmission Control Module)
- Brake System Air Dryers
- Compressor System Parts (Cylinder Head – Front and Back, Valve Plate, Compressor Head)
- Charger Electronics Housing for BMW & Volvo (On Board Charger Unit)
- Inverter Housing & Cover for Daimler (Inverter Housing, Inverter Cover)
- Inverter Housing for VW/Audi
- Camera Housing and Cover, Heatsink
- Electronic Truck Control Unit (Top Housing, Rear Housing)
- Console & Pedal Bracket
- Pump Covers (Oil Pump Cover, Vacuum Pump Cover)
- Powertrain - Oil Pump (Housing, Cover)
- Diesel System Parts (Diesel Pump Front Plate)
- GW Covers Main/Split
- Turbo System Parts (Piston Carrier, Core Ring)
- Powertrain & Engine Management System (EGR Valve Body, Throttle Body)
- Brackets & Sockets (Socket, Rear Bracket, Support Bracket)
- Engine Cooling Parts (Flange Outlet Parts, Radiator Outlet Parts)
- Electronic Measurement Devices (Gas Flowmeter Housings, Display Frame, Measurement Device Body)
- Industrial Systems - Compressor Parts



“ Working together to develop innovative solutions ”

“Adoksan Hungary Kft”; 3rd plant investment in Miskolc/Hungary to become a top EU Supplier.”

All of ADÖKSAN customers are **located in Europe and in the U.S.** In addition to the global Automotive Tier1s, ADÖKSAN sets **OEM customers as a priority target.** Our product portfolio and technological know-how are developing accordingly. In the Aluminum Die Casting business, **proximity to the customers** along with provision of **intelligent supply chain solutions** is becoming critical. ADÖKSAN aims to meet all the needs of the most demanding, high volume customer projects while providing **optimal logistic services.** **Miskolc, Hungary;** logistically advantageous position to serve the EU with the right ecosystem for high-tech industrial production.

7 hectares of land is part of the newly established South Industrial Park of Miskolc, distance to the European main highway M30/E71 is less than 3 km. **1. Phase: 3.000 m² logistics warehouse was completed in Q2/2021.** Adoksan Hungary Kft started the repacking and distribution of the parts produced in ADÖKSAN plants in Turkey. Other sections will be successively implemented in following phases based on the global market development (project developed for 10,500 m²). **2. Phase:** New investment for 2nd machining plant in Miskolc/Hungary (It is planned to be ready in 2024).

“4th plant investment to increase casting capacity.”

ADÖKSAN has **grown very strongly** over the last years necessitating establishment of a new foundry. Optimal know-how sharing and holistic quality management required for both foundries has called for close distance between the two plants. The proximity of the foundries is also necessary for optimal production planning and load balancing of the foundries. Moreover, the new foundry needs to be close to the 2nd plant to make use of the advantages of free trade zone. Therefore, the location for the 4th plant is decided to be in Istanbul, Turkey; in close vicinity of the other 2 plants. Total investment of 13,000 m²; 11,000 m² production + 2,000 m² administration area will be completed and production start is planned for 2023.

Scope of ADÖKSAN 4th Plant Project:

It will be a state-of-the-art high-pressure aluminum die casting plant to increase the general foundry capacity.

- Fully automated die casting cells ranging from 550 to 3,300 ton.
- Surface treatment facilities including robotic deburring cells.
- Fully equipped quality laboratories.
- Tool shop including tool maintenance and production.
- Best-in-class sophisticated air filtration system to reach ambitious CO₂ targets.

ADÖKSAN's Strategic Approach to U.S. Market

In addition to Europe, the U.S. is ADÖKSAN's strategic target market, as almost all of ADÖKSAN's global customers have large production bases in the U.S. Serving these customers from a U.S. location center is highly beneficial to the customers due to shorter reaction time to customer demands and increased flexibility. In parallel with the Hungarian investment, ADÖKSAN plans to develop local presence in the U.S. The implementation of localization in the U.S. will be a multi-stage process, starting off with a sales/logistics office and moving later on to Local Production (planned for 2024-2025).



“We follow product management with our various procedures.”

New Product: In accordance with customer requirements; we ensure that new product requests or changes to existing products are fully understood by ADÖKSAN and we evaluate whether these conditions can be met. For a new or modified product, we explain the customer and ADÖKSAN approval processes and perform advanced product quality planning before mass production starts.

FMEA: We eliminate or reduce the risk of failure by identifying possible types of failure, possible causes and effects that may occur during the realization of all our business processes from the acceptance of the raw materials to the shipment of the product and during the production of our products

Quality Alert: We issue a Quality Alert when a quality issue (manufacturing, raw material quality, inventory, etc.) is identified that causes internal or external customer dissatisfaction during standard quality control practices, internal inspections, process performance analysis and statistical control inspections, or when there is a direct customer dissatisfaction. We also form a quality alert to eliminate potential quality risks by creating preventive actions that come with FMEA studies or suggestion system. Our responsible department officer who received the quality alert investigates the problem and determines the temporary and permanent solutions to be taken and puts them into practice.

Traceability: We identify and ensure the traceability of all inputs (raw and auxiliary materials) that we supply and that affect our product quality, as well as all semi-finished and finished products produced in our facilities, from raw material receipt to shipment.

Product Safety: Our company accepts as a basic principle to increase and improve product quality and to ensure the continuity of product quality, based on increasing product safety in accordance with the principles of corporate social responsibility principles. In accordance with our customers' requirements, we define our product safety conditions in our production areas together with our production and quality departments and we take it as our duty to make the necessary investments. For detailed information about our Product Safety Committee, please visit the “Committees and Their Responsibilities” section.

Product Inspection: We carry out scheduled product inspections on all finished products manufactured at ADÖKSAN that are ready for shipment.

The main objectives of product inspection:

- Identify opportunities for improvement,
- Inspect the product on behalf of the customer for ready-to-use products,
- Consider the importance and requirements of the customer,
- Proof of reliability claims,
- Demonstrate functional controls,
- Demonstrate product characteristics that may affect customer satisfaction,

- Proof of the accuracy of mass production controls,
- Proof of labeling and packaging.

Maintenance: As part of our Integrated Management System, we plan the periodic and predictive maintenance activities for the machinery, fixtures and equipment we use on a daily, weekly and annual basis, identify spare parts and follow the inventory, and determine the repairs to be made in case of malfunctions.



FROM OUR STAKEHOLDERS

I have been working as a Deputy General Manager (Technical) at ADÖKSAN since September 2020. We mainly serve the automotive supplier industry. In addition, we produce products for the machinery manufacturing industry, industrial measuring devices sector and household appliances industry, although it is proportionally less.

ADÖKSAN has grown very rapidly in recent years. Due to the fact that the existing die casting plant could not meet the capacity, the 2nd die casting plant has been invested. Along with the growth in die casting operations, we continue to rapidly increase our machining capacity. Since our products are quite complex automotive parts, ADÖKSAN is constantly improving itself in terms of quality and efficiency. In order to increase the efficiency and quality, all casting presses are fully automated and operators only perform quality control. Likewise, serious investments are made in robotic loading/unloading systems in CNC machines. In our 2nd die casting plant, hi-tech filters are used to provide clean ambient air by completely filtering the smoke and gases coming out of the casting presses. Thanks to a roof design that will benefit from sunlight, there is no need to use electricity for lighting during the day. With robotic deburring systems, a significant improvement in quality and workforce is achieved.

In addition, by investing in solar energy, we aim to recover all of the electrical energy consumed by the solar panels. Thus, we plan to become a carbon neutral company by 2053. As another saving point, we are using electric type stoves instead of high-energy consuming natural gas stoves.

Especially with the rise in the electric vehicle sector, we expect to see an increase in products of this segment. While other companies are trying to keep up with the trend started by Tesla, companies with high engineering capacity that will produce the products needed for these vehicles will gain an advantage. Besides, there is a trend towards assembled parts, additional high value-added operations, and products that have passed special tests.

In our 2nd die casting plant, we are aiming for an infrastructure suitable for lean production practices and an extremely lean process flow. Thus, it is aimed to reduce the problems caused by handling, transportation and excessive stock. In addition, new machinery and equipment have been purchased for casting tool maintenance and manufacturing. This will reduce casting tool manufacturing times and meet customer expectations to become a more flexible supplier.

GÜNGÖR ÇETİN / ADÖKSAN Deputy General Manager (Technical)

Technology, Innovation and R&D, P&D

We give high priority to our R&D, P&D, innovation and technology studies in order to increase our competitiveness in the global market and to emphasize sustainability and excellence in all our activities. We reinforce this focus through our strategic plans and milestones.

Through the **ADÖKSAN Innovation and Technology Roadmap** published in 2022, it has been determined which technologies are currently used within ADÖKSAN, how much these technologies are integrated with each other and which technologies are needed or will be needed. The required technologies have been researched, the return on investment has been determined, and the purchasing processes for technologies that will have a positive impact on the lean transformation process are continuing.

- Currently, MES, ERP, QMS, PPS, SCM, CAD and CAM software or modules connected to the software are actively used within ADÖKSAN.

- Robot investments have been made in many departments and new investments are planned.

- Data analysis, adaptive robotics (intelligent robots), simulation, cloud, sensors and actuators, horizontal-vertical software integration, artificial intelligence and machine-to-machine communication are used in ADÖKSAN, although to a limited extent. IoT technologies are used in almost every field. It is planned to perform predictive and prescriptive analysis by investing in data analysis technologies.

- The need for PDM and PLM systems and whether the related need can be met through modules on the ERP will be investigated. If the need is identified, Investments will be planned.

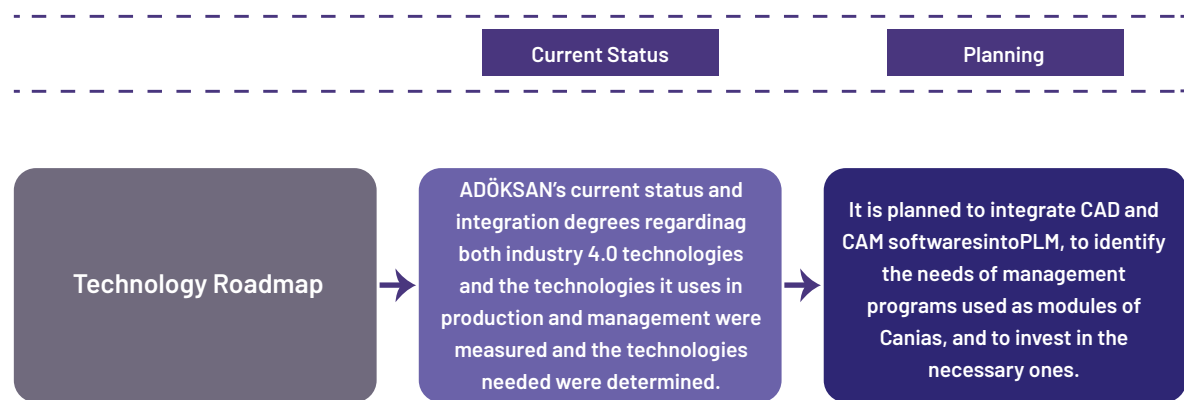
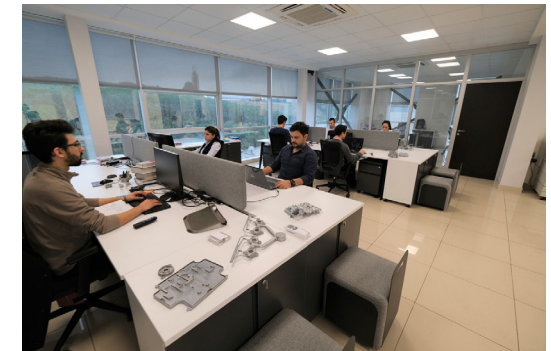
- Although ISO/IEC 27001 certification is currently in place and preliminary TISAX certification is received at the end of 2022 (final certification will be obtained in 2023), other cyber security technologies and cyber security models (C2M2, NICE-CMM, CERT-RMM, ISO/IEC 15408, SO/IEC 21827 SSE-CMM) will be investigated depending on future customer requirements.

- It has been determined that there are various needs in augmented reality, and it will be investigated to what extent augmented reality software and hardware can meet these needs.

- Energy efficient furnaces have been researched, investment returns have been calculated and investments have been made, and new investments are also planned.

- All technology investment plans within ADÖKSAN are carried out in parallel with the lean transformation process and it is aimed that the processes benefit each other.

- Since ADÖKSAN's products are not suitable for the acquisition of digital skills, no studies have yet been conducted in this area. However, developing technologies and their applicability to ADÖKSAN products, sales and leasing models that emerge with new technologies are being followed, and whether and how they could be used in ADÖKSAN's current and future products is being investigated.



ADÖKSAN Innovation and Technology Roadmap

Responsible Supply Chain Management

After the negative impact of the COVID-19 pandemic, which started in 2020, on the global supply chain, the years 2021 and 2022 are considered to be an economic recovery process all over the world. In this process, we closely monitored the national and global markets and made our purchases on time and at the best conditions available, not allowing any disruption in our supply chain.

We conduct our relations with our suppliers in an honest and fair manner within the framework of our “Responsibilities Towards Our Suppliers” in our “ADÖKSAN Code of Conduct” and “ADÖKSAN Code of Conduct for Suppliers” documents, and we act impartially and transparently in the selection of suppliers. We take due care to fulfill our obligations on time. We carefully protect the privacy of information, corporate and personal integrity of the people and organizations we do business with and our business partners.

We strive to extend the concepts of corporate sustainability and green transition throughout our entire value chain. We aim to raise the awareness of our suppliers, customers and all our stakeholders by setting an example of responsible and sustainable production that respects our employees, human rights, the environment and society, is fair, inclusive, observes social justice and advocates equal opportunity.

We commit all national/international suppliers with whom we have a relationship for the supply of goods or services to act in accordance with environmental, social and ethical values, and we expect them to extend and implement these values in their own companies and business environments.

We work with suppliers who adhere to environmental, social and ethical principles in all our business processes and relationships, act with financial integrity, comply with commercial and financial legislation, local laws and regulations, provide their employees with a fair, inclusive, diverse, egalitarian, healthy and safe work environment that is free from discrimination and violence/harassment; are environmentally and socially responsible throughout their operations and value chain, respect data/information privacy and avoid unfair competition.

In line with our purchasing principles, we do not purchase from conflict-affected and high-risk areas (CAHRA) under any circumstances.

We have published our “**Purchasing Procedure**” in order to manage our sustainable procurement and supply chain practices, which is one of our very high priority sustainability issues, and to explain how we purchase the inputs. Our main purchasing items are; **component material purchase, raw material purchase, contract (coating-machining), chemical material purchase, packaging material purchase and calibration, transportation and sorting services**. Our Purchasing Manager is responsible for monitoring the compliance of the purchased products with legal requirements.

We identify all our suppliers from which our company purchases materials or services, with the ‘Approved Supplier List’ approved by our General Manager. If the required material is to be procured from outside the

companies on the Approved Supplier List, we will procure it in accordance with the principles of our “Supplier Selection, Evaluation and Development Procedure”. We manage the evaluation of the manufacturers, subcontractors and vendors with whom we work, the selection of suitable qualified companies and the continuity of our work with these companies in line with the same procedure.

Supplier Selection and Supplier Performance Evaluation

In the event that our General Manager or Purchasing Officer searches for a new supplier or new suppliers apply to ADÖKSAN, the relevant suppliers must pass the audits in the Supplier Selection and Preliminary Evaluation Form before starting to work with ADÖKSAN.

In order to optimize the performance of our suppliers and increase the efficiency of our purchasing processes, we evaluate our suppliers through our Quality/Environmental Management Department using the ‘Supplier Performance Monitoring Form’. Evaluations are made according to product and service quality, delivery/time performance, quantity criteria, quality warning, production line stoppage and causing excessive freight criteria, and average score.

Evaluation rates are different for each supplier group. In addition, new evaluation criteria may be added by the Quality and Purchasing Managers, if deemed necessary for each supplier group.

According to the supplier evaluation, the level tracking is done as follows:

Total score: > 90	Class A supplier (Workable Firm)
Total score: 80-90	Class B supplier (Workable Firm with the approval of the General Manager, Action plan is requested.)
Total score: <80	C class supplier (Unworkable Firm)

We monitor the supplier evaluation results by recording them in the Approved Supplier List.

Supplier Audit

The Quality/Environmental Management Manager prepares the annual Supplier Audit Plan and sends it to the supplier company for confirmation prior to the audit date (all manufacturers/ contract Suppliers are within the scope of the audit, except for suppliers with IATF:16949 / ISO 9001 certification). Suppliers are requested to have at least ISO 9001:2015 Quality/Environmental Management System. A Supplier QMS Improvement Plan is created to improve the suppliers' quality management systems.

In the annual audit plan for suppliers, priority is given to suppliers who cannot achieve their performance score. Risk analysis is made for the new suppliers and the suppliers that are considered as risky are included in the audit plan.

In line with our responsible purchasing principle, we will continue our investment plans to integrate environmental (mitigating and adapting to climate change, effective use of natural resources, circular economy, etc.) and social (ethical practices, risk of child labor, risk of forced/compulsory labor, occupational health and safety conditions, etc.) components into our supplier performance evaluation process.

Our suppliers audited in 2022 are aluminum suppliers, tooling suppliers, chemical material suppliers, component material suppliers and outsourced coating suppliers.

Providing Technical Support to Suppliers

Within the framework of effective supply chain management and responsible purchasing approach, we attach importance to the compliance of our suppliers' business practices with our "ADÖKSAN Code of Conduct for Suppliers". For detailed information about [ADÖKSAN Code of Conduct for Suppliers](#), please visit [here](#).

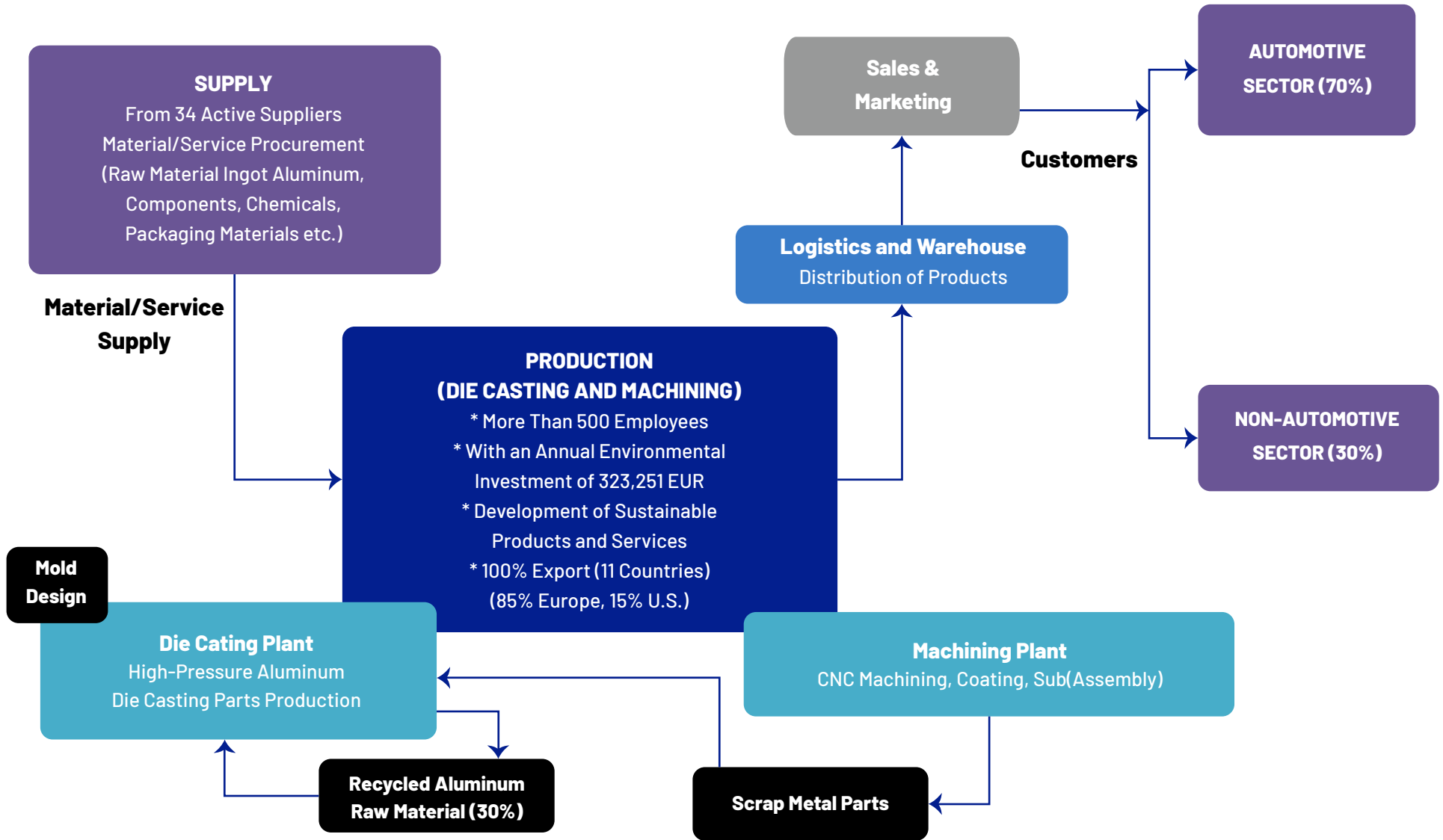
The determination of the suppliers that will receive technical support from the suppliers that directly affect the product is made at the Management Review Meeting. If the score obtained as a result of the evaluation is < 90, we provide technical support through methods such as training, on-site visits or orientation at ADÖKSAN. A supplier development plan (for the years 2023-2025) has been made.

SUPPLY CHAIN MANAGEMENT	2020	2021	2022
Number of Active Suppliers (TOTAL)	43	43	34
Number of Active Suppliers (Abroad)	18	19	16
Number of Active Suppliers (Domestic)	25	24	18
Ratio of Import Raw Material Supply in Total Raw Material Purchase (in %)	70,65%	64,35%	64,34%

Number of Local Supplier Firms *	2020	2021	2022
Marmara Region (Due to the location of ADÖKSAN)	25	24	18
Other Geographical Regions	-	-	-

* All of our domestic suppliers are local suppliers and are located in the Marmara Region.





ADÖKSAN SUPPLY CHAIN SCHEME

Customer Satisfaction

“The satisfaction of our customers with our products and services is one of our top priorities as ADÖKSAN.”

Within the framework of our “Responsibilities Towards Our Customers” in our “ADÖKSAN Code of Conduct” document, we work with a proactive approach that focuses on customer satisfaction and responds to the needs and demands of our customers in the shortest time and in the most correct way. We provide our services on time and under the promised conditions; we treat our customers with respect, honor, justice, equality and courtesy rules.

Putting sustainability and customer satisfaction in the first place, we produce for 70% automotive, 15% engineering (machinery), 10% household appliances and 5% other sectors.

We follow the orders and special requests of our customers through our ERP System. We define our processes up to shipment and delivery and ensure their traceability by planning production resources (technical capacity (machinery, energy, etc.), requirements, materials and workforce planning) in line with the current order/demand.

In order to ensure customer satisfaction, we define the returned products or complaints about the products or services from the customer after shipment for any reason, plan the necessary corrective/preventive actions and inform our customers about the relevant activities.

All our department managers are responsible for reporting verbal or written complaints from our customers to our Quality Manager, and our Quality Manager is responsible for communicating the evaluations regarding the complaints to the customer.



Reclamation: It is the service or product that is determined as a result of the controls made by the customer after the shipment and does not meet the customer’s requirements.

We review customer satisfaction on a monthly basis according to our PPM and shipment targets. In addition, we evaluate customer scorecards on a monthly basis and take action if there is an inappropriate score. Our criteria for measuring customer satisfaction are meeting the PPM target for customer returns, quality alerts received from customers, warranty returns, customer line interruptions, shipment performance, shipment-related claims and excessive freight.

- Our Quality Engineer tracks monthly PPRM for customer returns, customer complaints, warranty returns and line downtime due to quality issues.
- On a monthly basis, our Shipping and Logistics Officer evaluates the full and on-time shipment performance, customer claims regarding shipments and excessive freight data.
- Based on the weight of the evaluation criteria, an overall customer satisfaction score is calculated. If the monthly score is between 90-100, the customer is very satisfied, and if it is between 80-90, the customer is satisfied. If it is less than 80, an emergency action plan is created.
- Customer satisfaction is evaluated in the monthly performance evaluation report and shared with the Top Management.

In 2021 and 2022, we conducted our customer satisfaction measurements through our Quality Department according to our customer satisfaction measurement criteria, specific to 16 automotive companies and 4 non-automotive companies. As a result of the evaluation, we measured the overall customer satisfaction level of ADÖKSAN as 96% in 2021 and 97% in 2022. Since we are a completely export-oriented company, all of our customers are located abroad.

General Satisfaction Level	2021	2022
Customer Satisfaction Rate (%)	96%	97%

Through regular visits, phone calls and e-mail correspondence, our Sales Managers learn about the customer’s expectations and complaints, if any, and share this information with the relevant departments and management. For our customers, communication is provided with the Key Account Managers.

Digital Transformation Journey

We plan to ensure proactive management of efficiency and effectiveness as a result of our ongoing efforts to monitor Robotic Process Automation (RPA) in our administrative processes and Machine-Equipment Efficiency (OEE) in our operational processes.

By incorporating technological components such as data science and artificial intelligence into our processes, we expect to achieve benefits such as reducing operational costs, directing our employees to value-added activities instead of routine work, attracting new employees, minimizing human errors and raising employee awareness.

“As ADÖKSAN, we continue to work on both Industry 4.0 and the digitalization of all our processes.”

Within the framework of digital transformation, we have identified the current situation, the goals and the roadmap and established the project organization.

“In 2022, we set our digital transformation goals along 8 axes and integrated the roadmap to achieve these goals into our corporate strategies.”

1. Products, Equipment and Services: The software that will allow immediate analysis of live monitored data, increase the communication capabilities of production equipment, expand the traceability infrastructure of machinery and equipment is selected and the Digital Transformation Project is launched.

2. Production and Processes: It is planned to remove paper forms from all processes and transfer the related information via digital systems, to enable MES software to communicate

with machine automation and manage processes instantly, and to use data collected from equipment for preventive maintenance activities.

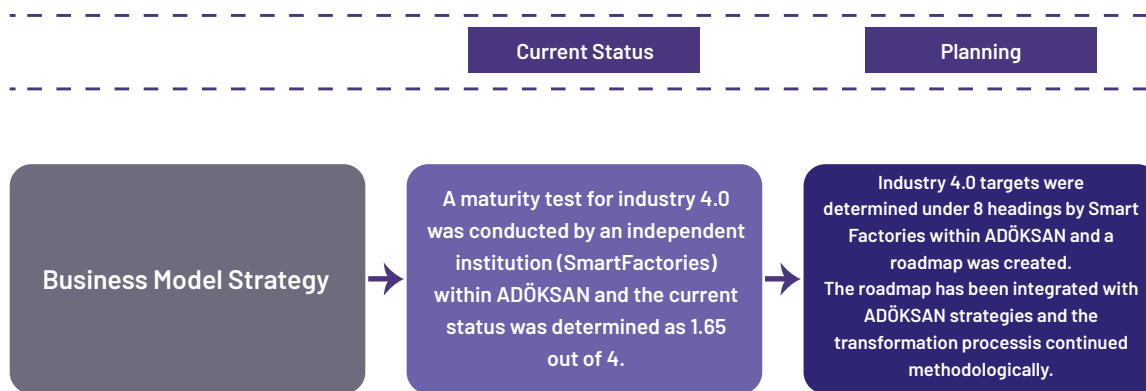
3. Technology and Integration: It is planned to disseminate technologies such as data analysis, embedded systems, RFID, RTLS, GPS, machine learning, etc. in processes, to acquire a PLM software, to make necessary arrangements on the software to ensure horizontal and vertical integration, or to acquire software and hardware suitable for integration.

4. Data Acquisition and Management: It is planned to start collecting instant data from all appropriate processes, to use software that can process the collected data in real time and to make autonomous decisions, and to use the acquired analysis know-how to offer new services to customers. These will be possible once the Digital Transformation Project is completed.

5. Supply Chain and Stakeholders: The plan is to increase the amount of customer analysis, integrate systems with customers and suppliers in appropriate processes, and begin to use authorization and role-based data sharing technologies with stakeholders. These will be implemented after the other items are fully implemented.

6. Security and Access: It is planned to provide regular cybersecurity management training to all employees, to explore the use of authorization and role-based data access technologies via the cloud, to take cyber security measures regarding data security in the cloud, and to involve service partners and customers in risk management. The first training sessions were held in 2022.

7. Strategy and Organization: It is planned to provide lean and digital transformation awareness and benefits training to all employees, research the needs related to the identified digital transformation roadmap items and the regulations and



ADÖKSAN Industry 4.0 Strategy

technologies that will meet the needs, to increase the use of data in decision-making processes, to research and implement agile management models, implement lean management approaches to increase the return on digital transformation investments.

8. Culture: It is planned to organize trainings and events to raise awareness of the desire for change and the benefits of change among employees, to provide the necessary training for Top Management to lead the digital transformation and lean transformation processes, to raise awareness of the benefits of data-driven decision making, and to implement agile management models.

Our digitalization practices implemented in our operational processes by 2022:

- CNC robotic feeding pilot project is successfully completed.
- Robotic deburring cell pilot project is successfully completed.
- The use of paper forms is significantly reduced.
- The issuance of invoices in Hungary is fully integrated into the system of local tax authority.

Our digitalization practices conducted in our managerial processes by 2022:

- The ERP system integration has been intensified and a full implementation of most of the additional modules is planned for 2023-2024 term.
- OEE measurement and monitoring is improved for more precision.
- First prototypes of machine-to-SW connections and visualization of instant data as part of the Digital Transformation Project have been successfully tested.
- Improvements made in predictive and preventive maintenance.

Information Security

We value the privacy and protection of information of our employees, customers and business partners in our activities and business relationships. We monitor all our activities within the framework of ISO/IEC 27001:2013 Information Security Management System and conduct certification studies at regular intervals.

Our ADÖKSAN Information Security, TISAX and Personal Data Protection Policy, which came into effect on 15.11.2018, was revised on 27.09.2022 for the requirements of personal data protection and TISAX. The purpose of this policy is to ensure information security in all processes, to reduce the impact of potential threats to information security and prevent breaches as well as to minimize the risk of damage, especially in the production processes which work for the automotive industry.

Our information security policy covers all information assets and is designed to be compatible with ISO/IEC 2701 and TISAX standards. Employees of all ADÖKSAN locations as well as internal and external suppliers and third parties are obliged to work in accordance with this standard and are included in it.

As ADÖKSAN, we are committed to developing and continuously improving our personal data protection, TISAX and information management systems in order to meet the needs and expectations of our customers, to achieve maximum customer satisfaction, to define measures to meet the requirements of the authorities and interested parties and to have a digitally traceable system.

In line with this purpose, our priorities and objectives to safeguard ADÖKSAN's information assets from threats from

internal or external, intentional or unintentional threats are:

- To ensure the continuous satisfaction of our employees, suppliers, business partners, environment and society and to be in compliance with the current legal requirements
- To operate in compliance with laws, regulations and international standards
- To maintain information security at the highest level by fulfilling TISAX and information security purposes, objectives, needs and expectations
- To maintain the confidentiality, integrity and accessibility of information and information assets.
- To prevent uncontrolled and unauthorized access to information and information assets
- To provide and maintain the necessary infrastructure to ensure that information services are uninterrupted and that only authorized individuals have access to special data
- To ensure regular and continuous identification of risks to information and information assets and take remedial action where necessary
- To organize training for employees in order to improve information security awareness
- To meet the requirements of TISAX conditions with all our processes and our information security management system and to continuously improve them
- In the event of breaches of information security or personal data, to take measures to identify the breach, report it and intervene in security incidents urgently
- To ensure that contracts with customers, business partners, suppliers, NGOs, government and public institutions are in accordance with information security and TISAX.
- To define information assets and work processes and ensure systematic risk management and continuous improvement
- To ensure that basic and support business operations

continue with minimal disruption and implement an emergency action plan in the event of an emergency

- To protect company practices, data, network and hardware from loss, unauthorized use and misuse.
- To ensure that all users are aware of and fully comply with the Information Security Policy and its supporting procedures and instructions.
- We pledge to inform all parties of our Information Security, TISAX and Personal Data Protection Policy by announcing it to all relevant internal and external parties as ADÖKSAN.

For detailed information about [ADÖKSAN Information Security, TISAX and Personal Data Protection Policy](#), please visit [here](#).

Cyber Security

Cybersecurity is the practice of protecting computers, servers, mobile devices, electronic systems, networks, and data from malicious attacks. It is also known as information technology security or electronic information security.

We have a firewall application in our company so that incoming and outgoing local and internet network packets can be analyzed and used with filtering process. We also have endpoint software solutions and hotspot solutions for wireless network connections to protect company devices from malware. Periodically, once a year, pentests (leakage test) are conducted to detect vulnerabilities in general network devices, servers and computer systems, and necessary actions are taken. In 2023, log tracking software will be made available to more closely examine and monitor the general network and network devices.

FROM OUR STAKEHOLDERS

I have been working as Business Development Director at ADÖKSAN for 5.5 years. During this period, as ADÖKSAN, we have made many investments and performed activities to improve our technology, competence and innovation level. The most important ones that come to my mind as first examples are;

- Continuously improving our experience, technology and know-how as part of our vision to be one of the leading die casting companies in the field of e-mobility (our work in the field of FSW – Friction Stir Welding, our investments in special washing machines that provide a high level of cleanliness, etc.),
- Identifying the necessary investments by receiving professional consultancy in the field of Industry 4.0 and automation, and implementing an innovative digital factory software project that will allow us to monitor all die casting parameters and machine signals and make predictive decisions in the context of our digital foundry vision,
- The exhaust air filtration system for the casting machines, in which we have invested with the aim of producing at the highest standards, in the cleanest and most efficient way.

Thanks to all these efforts and studies, we continue to be a preferred die casting company due to our technological superiority and competence in the sector we are in, and we are one of the exemplary foundries both in our country and in the international market.

In addition to all these, we have started our project to build a SPP (Solar Power Plant) in order to provide cost innovation and to eliminate the problems of high energy costs and dependence on a single source of energy that we have all been facing in recent years. I am proud and excited to be a part of all these innovative and technological breakthroughs. From now on, we will continue to take the necessary steps to maintain our leading position in the industry by following the innovations.

GÖKHAN TOSUN / ADÖKSAN Business Development Director



5

RESPECT FOR THE ENVIRONMENT

Energy Management and Combating Climate Change

Managing GHG Emissions

Energy Management

Water Management

Raw Materials, Natural Resources and Waste Management

Biodiversity

We adopt a responsible and environmentally conscious management approach as a principle in all our operational activities. In this way, we both improve our environmental performance and take a preventive and proactive approach by complying with the relevant legal regulations in order to reduce our environmental impacts arising from our operations. In our investment decisions and business strategies, we aim to take into account all kinds of risks and opportunities caused by our environmental impacts.

In line with our principle of respect for the environment, we are working on the transition to a low-carbon economy and the management of GHG emissions within the scope of combating and adapting to climate change, the use of renewable energy sources and energy efficiency and the effective use of water, the protection of natural resources, the reduction of waste, the circular economy, the management of chemicals and the protection of biodiversity. At the same time, we care about increasing the environmental knowledge and awareness of our employees and suppliers.

In 2020, we have established a management system in accordance with ISO 14001 Standard by increasing our efforts in order to determine the environmental factors in the process from the raw material to the delivery of the product to the customer and to minimize the damage to the environment by controlling these factors with the necessary measures, and we have completed the certification process. We carry out all our activities within the framework of ,ISO 14001:2015 Environmental Management System, in accordance which we review our environmental compliance with legal and other requirements during periodic internal audits. Our "Environmental Performance Monitoring

Procedure" defines the processes that regulate the measurements and controls, the monitoring of our environmental performance indicators, and the audit of our processes and activities that have significant environmental impacts. At the Management Review Meeting, we evaluated the results of the internal audits conducted within the scope of our Environmental Management System in 2022 and the realizations of our annual environmental targets, and published short and long-term action plans and ensured their follow-up. We have also been externally audited by an accredited organization and no non-compliance was found. In 2022, four audits were carried out at our facilities by the Ministry of Environment, Urbanization and Climate Change (Three machining plants, one die casting plant). After the audits, the last stage of the Environmental Permit Process of our machining plant has been passed, and we expect the Environmental Permit Process to be completed in Q1/2023. Our die casting plant has an Environmental Permit Certificate valid between 10.08.2022 and 20.10.2026 within the scope of Environmental Permit and License Regulation. In 2022, we do not have any non-compliance or fines revealed in environmental audits.

Our **Risk Assessment Committee** is responsible for identifying and evaluating environmental aspects in our company within the framework of ISO 14001:2015 Standard, and we have also published our relevant procedure.

We immediately follow the changes in the laws and regulations related to the Environmental Management System through our environmental consultants. The legal regulations are reviewed once a year and our records are updated (our Legal Legislation Bibliography) when necessary.

We have arranged our environmental performance indicators for the last 3 years (2020-2021-2022) specific to the die casting and machining plants, and we have given them cumulatively in the Annexes. Since only one person works in our sales office in U.S. and he is mostly in the field, we have excluded our U.S. sales office's environmental data in this reporting period. We have included the environmental data of our logistics warehouse in Miskolc/Hungary as informative paragraphs in the relevant subsections.

“In 2022, a total of 351 employee x hours of environmental training was given to our employees.”

We published our Quality and Environmental Policy on 01.12.2009 and revised it on 20.06.2022. You can find detailed information about [ADÖKSAN Quality and Environmental Policy at here.](#)



Principles regarding Environmental Management in our Quality and Environmental Policy

- Within the scope of all our activities, to evaluate our recyclable wastes, to reduce the use of limited natural resources, to prevent pollution caused by wastes harmful to the environment, not to adversely affect living life,
- To take the necessary measures in order not to pollute the environment, to comply with the relevant legislations and standards within the scope of our activities,
- To fulfill the requirements of Quality, Occupational Health and Safety (OHS) and Environmental Management Systems standards,
- To provide required human, technology, infrastructure, finance sources for the protection of the environment, energy efficiency and reducing the use of natural resources,
- To carry out energy efficiency projects to reduce GHG emissions arising from all our activities and products, and to carry out designs and activities that will increase the use of renewable energy resources,
- To reduce the amount of water consumed per person as well as the amount of water consumed per product resulting from operational processes, and to minimize the impact on water resources,
- To encourage alternative water resource practices such as rainwater harvesting, waste water and gray water recycling,
- To work in compliance with the regulations

- regarding the water withdrawn, used, stored and/or discharged,
- To provide access to clean and safe water for all our employees,
 - To minimize the waste at the source and to recycle our waste, to reduce the environmental impacts during their disposal,
 - To manage the selection, storage and disposal of chemicals in accordance with legal regulations,
 - To minimize the waste at the source, to ensure the recycling of our waste, and to reduce the environmental impacts during their disposal.

Energy Management and Combating Climate Change

“We make our investment plans by taking into account the national and international legal regulations relevant to climate and environmental issues.”

Climate change is an important global threat with long-term effects on the sustainable development of countries. With **The European Green Deal** announced on 11 December 2019, Europe's goal of being the first climate-neutral continent in 2050 was set; It has also been reported that a new growth strategy that requires the green transition of European industry will be adopted and all policies will be rearranged with the focus on climate change. Our country, Turkey, has 41% of its foreign trade with the EU and it is both a necessity

for our integrated progress with the EU and a necessity to maintain our competitiveness in international trade that all our policies, especially industry and trade, are directed in the light of the developments in the EU. Turkey's **“Green Deal Action Plan”** was published in July 2021 in order to determine the roadmap to be followed under the leadership of the Ministry of Trade. With the Action Plan, it is foreseen to support the transition of our country to a sustainable, resource-efficient and green economy in line with its development goals.

The EU Taxonomy Regulation (2020/852/EU) entered into force on 12 July 2020 in order to determine **environmentally sustainable economic activities** and direct capital to sustainable investments, increase sustainable investments and support the European Green Deal targets. EU Taxonomy is the first uniform standard that creates a common perspective and enables the transition towards a low-carbon and sustainable business model in line with the European Green Deal roadmap. Taking into account the taxonomy legislation of the EU and international organizations, a **national taxonomy legislation** preparation will also be carried out in our country, targeting the sustainability of investments.

Our country has become a party to **the Paris Climate Agreement** as of November 10, 2021 and defined its global determination in the fight against the climate change with the target of 2053 net-zero emissions and Green Development. The year 2022 has been a very important and critical year for both the implementation of the Paris Agreement and the strengthening of our country's climate action. The climate roadmap of our country was determined with 217 important decisions, 76 of which were prioritized, at the Climate Council

held on February 21-25, 2022. At the 27th Conference of the Parties (COP27), our country's new Nationally Determined Contribution (NDC) were declared. In our updated NDC, our emission reduction target by 2030 has been declared as a reduction from increase from 21% to 41% with studies to be carried out in seven sectors including energy, industry, transportation, building and waste sectors. The preparations for the "Climate Law", which will strengthen Turkey's commitments on climate change on a legal basis, have reached the final stage.

As ADÖKSAN, we design our production activities, which are carried out in the light of our Green and Sustainable Development Principle, in line with the EU Green Deal vision and EU Taxonomy, and we aim to accelerate our green transition process. Enabling sustainable production with low ecological footprint technologies, widespread use of energy efficiency, renewable energy and electrification practices in our facilities, and accelerating the transition to a circular economy are among our very high priority sustainability issues.

We see the EU's "Carbon Border Adjustment Mechanism (CBAM)" and "Emissions Trading System (ETS)", laid out by "Fit for 55" law package, as an important competitive advantage with our low-carbon focused operational investment plans and innovative/sustainable technological applications that we will activate.

Managing GHG Emissions

We calculated our corporate GHG emissions inventory in 2022 in accordance with international protocols in order to develop our transition to a low-carbon economy with concrete data and to create a roadmap focused on net GHG emissions reduction.

For the year 2022, we included all our operational activities on the basis of our die casting plant and machining plant in the calculations. We have chosen the "Operational Control Approach" method for the calculation of GHG emissions and removals, by taking responsibility for all calculated GHG emissions and removals of the die casting and machining plants under our financial and administrative control. Since

our logistics warehouse in Miskolc/Hungary has no production and only few employees; we have excluded it from the scope of the carbon inventory calculation in this reporting period (In 2022, no natural gas and a total of 58,854 kWh of electricity were consumed in our logistics warehouse in Hungary).

Internationally accepted IPCC (Intergovernmental Panel on Climate Change) and GHG Protocol (Greenhouse Gas Protocol) are taken as reference in our company's greenhouse gas inventory calculation approach. Third-Party verification with respect to the ISO 14064-1:2018 Standard was planned for FY2024.



ADÖKSAN Corporate Carbon Management Strategy

- To reduce our environmental impact by controlling our activities that may cause GHG formation,
- To reduce our GHG emissions by using our GHG emission sources efficiently,
- To provide and develop an effective energy management system in our operational activities,
- To contribute positively to the fight against the climate change and adaptation by reducing our GHG emissions within the framework of global climate policies, international agreements, national/ international commitments,
- To raise awareness of our employees and suppliers on energy/resource efficiency issues by organizing trainings,
- To carry out the necessary actions to expand the GHG emissions reduction across our value chain.

Scope 1 Direct Emissions: Includes GHG emissions from natural gas consumption, diesel fueled company vehicles, generators and chillers.

Scope 2 Energy Indirect Emissions: Includes GHG emissions from electricity consumption.

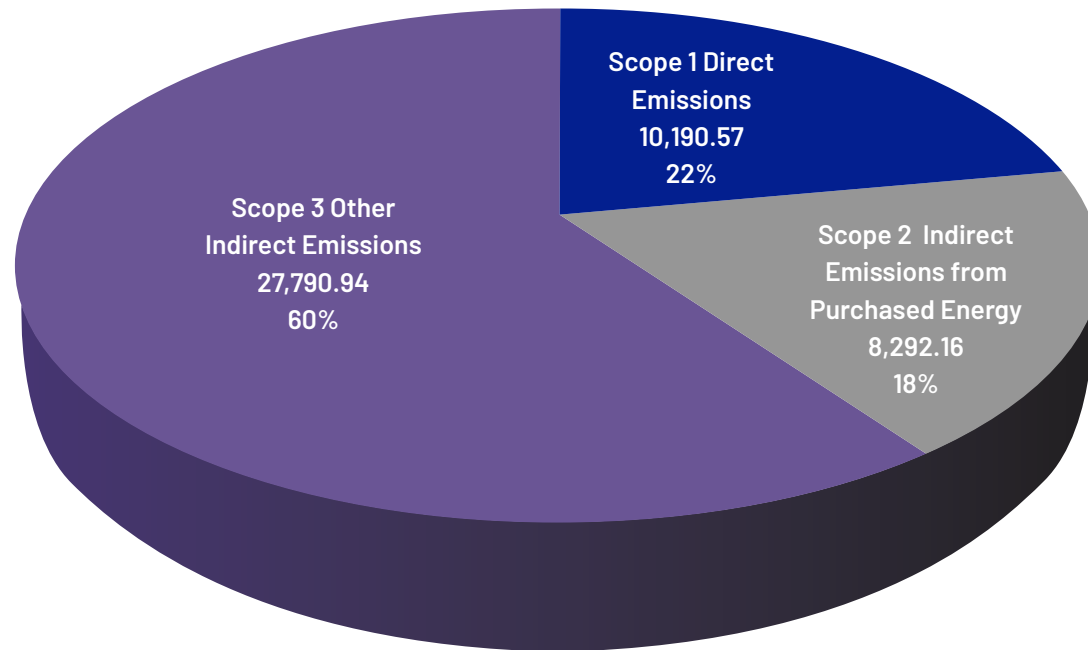
Scope 3 Other Indirect Emissions: Includes GHG emissions from raw materials/services purchased, fuel and energy-related activities, production-oriented transport/ distribution, waste from operations, business travel, employee transportation (services), transportation and distribution of products sold, and end-of-life operations of products sold.

GHG Emissions by Categories (2022)

GHG Emissions	t CO ₂	t CH ₄	t N ₂ O	t CO ₂ e	Ratio (%)
Scope 1 (Direct)	10,186.14	0.09	0.01	10,190.57	22%
Scope 2 (Indirect-Energy)	4,042.97	0.94	15.94	8,292.16	18%
Scope 3 (Indirect-Other)	27,790.94	-	-	27,790.94	60%
TOTAL	42,020.05	1.03	15.95	46,273.67	100%

* Third-Party verification against the ISO 14064-1:2018 Standard is planned for FY2024.

TOTAL EMISSION SOURCES



ADÖKSAN GHG Emissions by Categories (t CO₂e) (2022)

GHG Emissions Intensity and Energy Intensity (2022)

GHG Emissions Intensity, Energy Intensity	2022
GHG Emissions Intensity for Automotive and Non-Automotive Parts Production (t CO ₂ e/ton)(Scope 1)	1.209
GHG Emissions Intensity for Automotive and Non-Automotive Parts Production (t CO ₂ e/ton)(Scope 1+2)	2.194
GHG Emissions Intensity for Automotive and Non-Automotive Parts Production (t CO ₂ e/ton)(Scope 3)	3.298
GHG Emissions Intensity for Automotive and Non-Automotive Parts Production (t CO ₂ e/ton)(Scope 1+2+3)	5.492
GHG Emissions Intensity per Employee (t CO ₂ e/Employee)(Scope 1+2)	31.703
Energy Intensity for Automotive and Non-Automotive Parts Production (GJ/ton)	13.853

Comparing the emission categories, our largest emission source is Scope 3 emissions, with a share of 60% with a CO₂e value of 27,790.94 t. Our Scope 1 emissions have a share of 22% with 10,190.57 t CO₂e, and our Scope 2 emissions have a share of 18% with 8,292.16 t CO₂e.

Scope 1 (Direct) Emissions Distribution (2022)

Sub-Category	t CO ₂	t CH ₄	t N ₂ O	t CO ₂ e	Ratio (%)
Stationary Combustion Emissions (Natural gas, generator-diesel)	4,495.35	0.08	-	4,497.7	44.14%
Mobile Combustion Emissions (diesel)	134.63	0.01	0.01	136.71	1.34%
Fugitive Emissions*	5,556.16	-	-	5,556.16	54.52%
TOTAL	10,186.14	0.09	7.91	10,190.57	100.00%

The largest share in our Scope 1 emissions belongs to fugitive emissions with 54.52% and corresponds to 5,556.16 t CO₂e GHG emissions. Emissions from our stationary combustion sources, on the other hand, have a share of 44.14% with 4,497.7 t CO₂e.

* Fugitive Emissions: A/C gas, Refrigerator, Chillers, Fire Extinguishers, Deep Freezers etc.

Scope 2 (Indirect-Energy) Emissions Distribution (2022)

Sub-Category	t CO ₂	t CH ₄	t N ₂ O	t CO _{2e}	Ratio (%)
Indirect Emissions from Purchased Energy	4,042.97	0.94	15.94	8,292.16	100.00%
TOTAL	10,186.14	0.09	15.94	8,292.16	100.00%

Our Scope 2 emissions from electricity supply correspond to 4,042.97 t CO_{2e} GHG emissions.

Scope 3 (Indirect-Other) Emissions Distribution (2022)

Sub-Category	t CO ₂	t CH ₄	t N ₂ O	t CO _{2e}	Ratio (%)
Category 1. Emissions from purchased goods and services	25,212.97	-	-	25,212.97	90.72%
Category 3. Emissions from fuel- and energy-related activities	1,020.86	-	-	1,020.86	3.67%
Category 4. Emissions from upstream transportation and distribution	273.02	-	-	273.02	0.98%
Category 5. Emissions from waste generated in operations	13.70	-	-	13.70	0.05%
Category 6. Emissions from business travel	8.51	-	-	8.51	0.03%
Category 7. Emissions from employee commuting	126.36	-	-	126.36	0.45%
Category 9. Emissions from downstream transportation and distribution	1,005.546	-	-	1,005.546	3.62%
Category 12. Emissions from end-of-life treatment of sold products	129.97	-	-	129.97	0.48%
TOTAL	27,790.94	-	-	27,790.94	100.00%

The largest share among the sub-categories of Scope 3 emissions belongs to the purchased raw materials/ services with 90.72% and the total emission of 25,212.97 t CO_{2e}. The second largest emission source is fuel and energy-related activities with 3.67% and corresponds to 1,020.86 t CO_{2e} GHG emissions. The third largest emission source is the transportation and distribution of the products sold with 3.62% and a total emission is 1,005,546 t CO_{2e}.

Energy Consumption (TJ)	2022	Ratio (%)
Natural Gas	81.18	69.56%
Purchased Electricity (non-renewable)	33.75	28.91%
Purchased Electricity (renewable)	-	-
Fossil Fuels (Vehicles) (Diesel)	1.76	1.51%
Fossil Fuels (Generator)	0.03	0.02%
Energy Consumption for Heating-Cooling in Production	-	-
TOTAL	116.71	100%

We record the amount of energy we consume during the actual production by reading the relevant meters every month. If there are deviations from the average in the consumption data, we analyze the reasons and plan the necessary corrective actions.

Our GHG emissions are calculated by consolidating GHG activity data. The main factors that can affect data quality are the accuracy of the measuring instruments, the calibration of the measuring instruments, and deviations in temperature and pressure for some fuels. In the analysis made with the uncertainty levels for the activity data and emission factors related to the emission sources of ADÖKSAN, the uncertainty of the GHG emission inventory of ADÖKSAN for the year 2022 is calculated as 5.8% and is accepted with a limited confidence level.

We have the exhaust measurement inspections of the motor vehicles belonging to our institution performed by an authorized institution once every 2 years (the first time within 1 month after the vehicle has been put on the road). It is the responsibility of our Environmental Management Representative to plan and conduct the measurements and to record the results as exhaust emission stamps.



ADÖKSAN's Long-term CO₂ Goals

“ We aim to reduce the carbon footprint (Scope 1, 2 and 3) of our operations by at least 28% by 2030 and become a carbon-neutral company by 2053 ”

To reach these ambitious targets ADÖKSAN plans to establish a solar energy farm and will successively reduce direct CO₂ emissions by up to 50%.

We plan to take the first steps in advanced carbon management and net zero emission studies to prepare our emission reduction approaches extending to 2030 and 2053 with the methods determined by the Science-Based Targets Initiative (SBTi) in a way that will be effective in our entire value chain.

Improvement of Environmental Performance

In order to improve and develop our company's environmental performance, we have implemented several projects over the last two years that focus on environmental sustainability and combating climate change. We made an improvement in the ventilation system in 2021 due to the insufficient ventilation forced draft system that collects the emissions during melting and pressing in the die casting plant. In 2022, we added an indoor ventilation shaft to improve indoor air in our die casting plant. In addition, we started to invest in high-tech exhaust air filtration system for casting machines in our new die casting plant, which is still under construction. The total cost of the air filtration system investment is 500,000 EUR and, 60% of the project has been realized in 2022.

- This sophisticated air filtration system is a big and important step to realize ADÖKSAN's ambitious sustainability targets in terms of employee health and environmental protection.

Due to our environmental responsibility, we care about our environmental investments. In 2022, we made an environmental investment of approximately 323,251 EUR .

Noise Measurements

Our noise measurements are carried out by an accredited institution or university once a year. It is the responsibility of our Environmental Management Representative to make the measurements and to record the results as a noise measurement report. Non-conformities are reported to the relevant Production Engineer and corrective actions are planned.

“New Investment: High-Tech Air Filtration System”

- All players in the die casting industry face the major challenge in how to treat production exhaust air sustainably and in compliance with legal requirements.
- State of the art innovative air filtration system will be installed on each casting machines in ADÖKSAN's new casting plant in 2023.
- The system is characterized by its high separation efficiency, long service life and very low energy consumption.
- Dust, smoke, oil and smell which emerge during casting are filtered effectively and efficiently so that working atmosphere is kept clean (exhaust air purification).
- The filters are automatically washed by the system with water which ensures optimal continuous filter performance.



ADÖKSAN's long-term carbon reduction target

Energy Management

“To combat and adapt to climate change, we are working to reduce our energy consumption and greenhouse gas emissions.”

According to the “Global Risks Report 2023” published by the World Economic Forum (WEF) on January 11, 2023, the most important and long-term risks are related to climate risks. Heavy rains, fires, natural disasters and extreme weather events caused by the climate change continue to be experienced across the world. It has become inevitable for the global temperature increase to exceed 1.5°C in the coming years, especially due to anthropogenic activities.

Due to the rapid depletion of natural resources on a global level, the issue of combating and adapting to climate change has become much more important. This struggle has led companies to develop energy efficiency projects and to use renewable energy sources. These projects have addressed the recovery of energy with solar photovoltaic panels (SPP) and its evaluation as a new source. We are transforming our energy resources, and we are moving towards the future with nature-friendly energy.

As ADÖKSAN, in order to contribute to our country's 2053 Net-Zero Emissions Target and Green Development vision, we focus on responsible production and our efforts to combat and adapt to the climate change and in line with our short, medium and long-term goals, by reducing our GHG emissions arising from our operational activities and implementing our

energy efficiency projects, thus, planning to create positive ecological impact. We regularly monitor the (inter)national regulations and standards related to climate and environmental issues and prepare our investment plans accordingly.

Solar Power Plant Installation

“With our Solar Power Plant Project, we aim to create value for the future by keeping pace with the green transition.”

In line with our perspective of transition to a low-carbon economy, ADÖKSAN's Solar Power Plant Project (ADÖKSAN SPP-1 Project), which will be implemented in Erçek (Gündoğdu) and Kaymaklı locations of Van's İpekyolu District (Turkey) was started in 2022. When the SPP-1

Project is completed, it is planned to reach a solar energy area of 266,632.49 m² and an installed capacity of 9.6 MWe/11.61 MWp, with a total cost of 10 million dollars. With the commissioning of the Solar Power Plant planned for 2024, SPP's annual average energy generation will be 26 GWh, and a portion of our annual energy needs will be provided from renewable energy sources, resulting in a reduction of up to 50% of our carbon emissions from electricity use. In addition, we aim to contribute to the energy supply security of our country with clean energy production planning and to support the energy transformation.

As ADÖKSAN, we aim to leave a cleaner and more livable world to future generations by expanding renewable energy sources. Our goal is to meet the majority of our energy needs from renewable energy sources in the future.

ADÖKSAN's Solar Power Plant (SPP-1) Project

No	City	District	Location	Island	Parcel	Area (m ²)
1	Van	İpekyolu	Erçek (Gündoğdu)	184	4	40,176.61
2	Van	İpekyolu	Erçek (Gündoğdu)	184	2	83,716.82
3	Van	İpekyolu	Kaymaklı	104	421	103,490.16
4	Van	İpekyolu	Kaymaklı	104	400	19,363.91
5	Van	İpekyolu	Kaymaklı	104	399	19,884.79
TOTAL						266,632.49



Water Management

We make every effort to reduce the amount of water we use by effectively managing our water and wastewater systems.

We are working on solutions with various applications to continuously improve our water usage amount. We also encourage our suppliers to implement effective practices within the scope of water resources, water consumption, wastewater amounts, discharge points, wastewater management systems and locations.

At the beginning of each month, our Planning department reads the amount of water we consume during actual production from the relevant meters, saves the values in the process tracking list and transmits them to the Quality Department. If there are deviations from the average in the consumption data, we analyze the reasons and plan the necessary corrective actions.

We supply the water we need for our operational activities in our die casting and machining plants and processing facilities from the grid and the recycled water from the Istanbul Leather Organized Industrial Zone (IDOSB). The grid water consumption in 2022 was 1,757 m³ in our die casting plant and 9,554 m³ in our machining plant. Recycled water consumption in 2022 was determined to be 6,044 m³ in our die casting plant and 14,751 m³ in our machining plant.

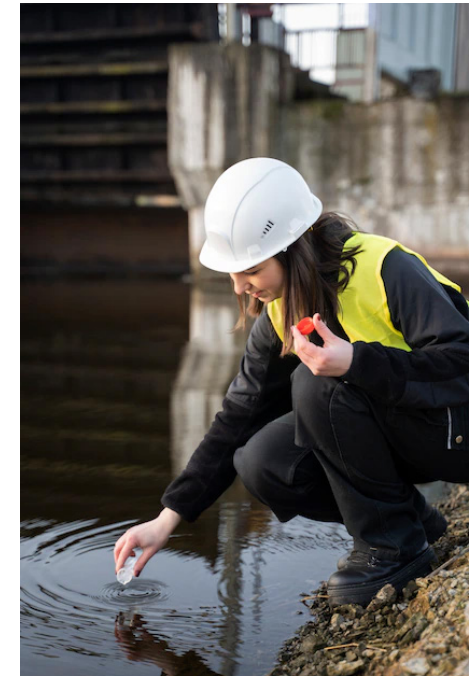
Miskolc grid water is used in our logistics warehouse in Hungary, and the water consumption in 2022 was recorded as 333 m³. The resulting wastewater is discharged to the Miskolc sewage system.

Water Withdrawal by Source (m ³)	Die Casting Plant			Machining Plant		
	2020	2021	2022	2020	2021	2022
Grid	6,853	4,792	1,757	7,489	8,127	9,554
Treated Wastewater from IDOSB	-	4,141	6,044	13,120	13,152	14,751
TOTAL	6,853	8,933	7,801	20,609	21,279	24,305

In our die casting plant, we consume water intensively to cool the parts in the die casting process and to reduce the friction between the stones and the die casting parts in the vibratory deburring process. In our machining plant, we use intensive water with 16 water baths in our “anodizing” process and 10 water baths in our “chromatization” process. In addition, we apply a washing process for our parts with cleaning criterion.

When we look at the total water consumption, we can state that the reason why more water is consumed in our machining plant than in our die casting plant is the washing of most of our parts and the use of quite a lot of water in our coating process, since the parts we produce have a cleanliness criterion.

“We ensure effective and efficient management of resources by using recycled water in our production processes.”



Our recycled water consumption rate in our total water consumption in our die casting and machining plant has increased over the years in parallel with the investments made and reached 77.47% in our die casting plant and 60.69% in our machining plant in 2022. The reason for the increase in our total water consumption over the years is the increase in our production volume due to the increase in customer demands, as well as the increase in equipment infrastructure and human resources.

Wastewater originating from our activities in our business is of industrial quality and is transferred directly to the IDOSB Wastewater Treatment Plant (with reference to the Quality Control Permit) through the sewage system, since our organization is located in the IDOSB and has a treatment plant belonging to the region.

During production at the die casting plant, an average of 1.6 m³/day industrial wastewater is generated from pressurized water spraying on the mold surfaces. In our facility, we pass the industrial wastewater coming out of the vibratory deburring machine through the filtration system in our treatment plant and subject it to physical treatment. We give the water treated from the wastes attached the filters to the IDOSB sewage canal, and the sludge from our treatment plant to the licensed company.

In our die casting plant, there is a well water treatment system (osmosis) for use in production and a filtration system for use in sinks.

Wastewater Discharged by Destination (m ³)	Die Casting Plant			Machining Plant		
	2020	2021	2022	2020	2021	2022
Discharge to the IDOSB Sewage Line connected to IDOSB Wastewater Treatment Plant	-	4,141	6,044	13,120	13,152	14,751

Water Consumption Per Ton of Product (m ³ /ton)	2020	2021	2022
Die Casting Plant	1.583	1.582	1.312
Machining Plant	11.891	8.374	9.811
TOTAL	4.529	3.689	3.811

Our total wastewater discharge amount in 2022 was 6,044 m³ in our die casting plant and 14,751 m³ in our machining plant.

“ Although our production volumes in our die casting plant have increased over the years, we have reduced our average amount of water withdrawn per product by 17.12% in the last three years. When we consider both our die casting and machining plants together, we have reduced our average amount of water withdrawal by 15.85% in the last three years, despite the increase in production. ”



Raw Materials, Natural Resources and Waste Management

“As ADÖKSAN, we prioritize the recycling of raw materials and wastes in our production processes.”

Our “Waste Management Procedure” defines the methods and responsibilities to be applied for the collection, recycling and disposal of wastes generated by our production processes and the control of hazardous wastes. We reduce the negative environmental impacts by managing the process at the point where the raw material becomes waste after being processed in the production processes.

Of the total amount of raw materials, we consumed in 2022, 68.29% was from renewable materials, 2.52% was from non-renewable materials, and 29.19% was recycled aluminum raw materials.

We fill out the waste declaration form between January and March every year for the declaration of our wastes, and convey our hazardous wastes that we deliver throughout the year to the Provincial Directorate of Environment, Urbanization and Climate Change via the Mobile Waste Tracking System (MoTAT). Our Accounting Department notifies the delivered waste amount data (waste type-amount-shipment date) to the Quality Department on a monthly basis.

Natural Resources (Ton)	2020	2021	2022
Total Amount of Raw Material Consumed (ton)*	4,475.09	5,794.69	6,112.79
Renewable Materials (ton)	3,057.31	3,994.59	4,174.40
Cardboard and paper (ton)	25.89	41.70	11.01
Aluminum ingot (ton)	3,031.42	3,952.89	4,163.39
Non-Renewable Materials (ton)	118.60	106.01	154.08
Chemicals (ton)	48.84	106.01	111.64
Boron oil (ton)	69.76	7.34	42.44
Recycled Raw Materials Consumed (tons)	1,299.18	1,694.10	1,784.31
* Total Amount of Raw Material Consumed (ton) = Renewable Materials (ton) + Non-Renewable Materials (ton) + Recycled Raw Materials Consumed (ton)			

Wastes by Type (ton)	2020	2021	2022
Hazardous Wastes	273.860	478.434	352.338
Non-Hazardous Wastes	193.318	228.877	204.432
TOTAL	467.178	707.311	556.770

When our waste data for the last three years are analyzed, we can say that the increase in our rates of hazardous and non-hazardous waste and waste per product rate in 2021 is due to the increase in our production volume due to the increase in customer demands in 2021, as well as the increase in equipment infrastructure and human resources.

In our logistics warehouse in Hungary, the amount of waste for 2022 is recorded as 4.4 tons of cardboard waste, 0.185 kg of plastic waste, 2 tons of non-recyclable waste, and there is no hazardous waste.

In 2020, we established Hazardous Waste Temporary Storage Sites for the storage of hazardous waste in die casting and machining plants. We send our separated packaging waste and hazardous waste to licensed recycling companies, and we dispose of our municipal solid wastes by waste incineration. We also send the treatment sludge from the vibratory deburring process in our die casting plant to licensed recycling companies. Our waste recycling rate was 65% in 2022.

Our main hazardous wastes generated in our die casting plant are; slag, boron oil, hydraulic oil, contaminated waste, contaminated packaging, fluorescent, vegetable waste oil, sewage sludge (containing hazardous substances) and discarded equipment (electronic waste, WEEE). Our main hazardous wastes generated in our machining plant are; filter cakes, boron oil, contaminated packaging, contaminated waste, vegetable waste oil, chips and non-ferrous metal burrs.

Waste Per Product Rate (kg/ton)	2020	2021	2022
For Hazardous Wastes	45.16	58.43	41.83
For Non-Hazardous Wastes	31.88	27.95	22.26
TOTAL	77.04	86.38	66.09

Ratios (%)	2020	2021	2022
Amount of Waste to Disposal (%) (Incineration + Landfill)	36%	26%	35%
Packaging Wastes / All Wastes (%)	6%	6%	2%
Waste Recycling Rate (%)	64%	74%	65%
Packaging Waste Recycling Rate (%)	100%	100%	100%

Our waste storage area is controlled by the Environmental Management Representative on a weekly basis. We plan corrective action by notifying the non-conformities to the relevant Production Engineer.

Waste Site Manager is responsible for the packaging, labeling and preparation of the wastes for shipment, Service Manager is responsible for the control of the wastes to be shipped and the training of the personnel. The training is given by the Dangerous Goods Safety Advisor (DGSA).



As ADÖKSAN, we support the zero-waste implementation initiated by the Ministry of Environment, Urbanization and Climate Change. We carried out studies on zero-waste at our die casting plant in 2021 and at our machining plant in 2022. Our waste management systems in both our die casting and machining plants have been issued in accordance with the “Zero Waste Regulation” dated 12.07.2019 and numbered 30829, and both our die casting and machining plants have a “Basic Level Zero Waste Certificate” valid between 03.06.2021 and 03.06.2026.

Resource Efficiency and Circular Economy Practices

Effective use of resources is one of our priority sustainability issues. Below are some of the works we have carried out to reduce our raw material usage rates and to work more efficiently in 2022.

We monitor our raw material usage with waste rates in production. Our Quality Department analyzes the reasons for the increase in waste rates and plans the necessary corrective actions. Fuel and oil usages are also monitored by our Quality Department in line with the data received from our Raw Material Warehouse, and machine working hours are reported to the Quality Department by our Production Department on a monthly basis.

We include 70% of the aluminum we use in our die casting plant as raw material (ingot) and 30% as recycled aluminum into the process, so we use resources effectively. In 2022, we procured 55% of the aluminum ingots used as raw materials from foreign suppliers and 45% from domestic suppliers. Recovered aluminum is scrap metal from manufacturing processes.

We continue our efforts to procure raw materials from a value chain shaped entirely with circular economy and sustainability components. We aim to increase the number of our circular economy practices while making the most efficient use of resources thanks to the innovative industrial practices we have developed with the awareness of responsible production and consumption.



Chemical Management and Supply

In our “ADÖKSAN Code of Conduct” document, the principles regarding the identification, storage and life cycle monitoring of chemicals are set. We use chemicals in our production processes and products in accordance with international regulations. Mold release oil in die casting, boron oil in machining, bath chemicals in coating and paint chemicals in painting are used as chemicals and MSDSs are available. All of the chemicals we use are registered in the Hazardous Chemicals list.

We also use raw materials in our production processes and products in accordance with international regulations. In line with the demand from our customers, three of the four different aluminum raw materials we use in production were tested and approved in 2021 by the third-party inspection laboratory “Intertek/TS EN ISO IEC 17025/AB-0716-T”. We have EU RoHS Certificates of Conformity for our aluminum raw materials (Comply with 2011/65/EU (June 8, 2011) and 2015/863/EU (June 4, 2015)).



FROM OUR STAKEHOLDERS

As Bilgi Çevre, we have been working with ADÖKSAN since 2019. In this process, studies have been started within ADÖKSAN to reduce wastes at the source with the focus of waste management and first of all, a hazardous waste site has been created. It was ensured that the wastes generated in both office and production areas were collected regularly and sent to licensed companies. Environmental consciousness and awareness were increased within the organization by regular environmental trainings for ADÖKSAN employees.

In order to reduce air pollution, the process of controlling emissions with environmental permit license documents was managed by ensuring that the chimneys of the facility are made in accordance with legal and environmental procedures. ADÖKSAN has also pioneered carbon footprint calculations as of 2022 and carries out projects to minimize its environmental impacts.

The company, which has the "Basic Level Zero Waste Certificate" in both its die casting and machining plants, contributes to waste management with studies that minimize the amount of waste in itself.

It treats its wastewater under suitable conditions and discharges it to the Istanbul Leather Organized Industrial Zone (IDOSB) Wastewater Treatment Plant through the sewage system. In addition, chemicals are stored regularly in the facilities, and the company is coordinated between the Ministry of Transport and Infrastructure and the General Directorate of Transportation Services Regulation. The company's dangerous goods inputs and outputs are monitored and reported to the Ministry, controls are made over the system, and operational processes are managed in case of an accident related to dangerous goods.

ŞULE YEL / BİLGİ ÇEVRE Environmental Consultant/Engineer

Biodiversity

“We take care to protect the living ecosystem and biodiversity in our operational activities.”

In line with our responsible production principle, we avoid processes that may adversely affect the living ecosystem and biodiversity in our operational activities. While realizing our new investments, we are proceeding in accordance with the Environmental Impact Assessment (EIA) Regulations. In addition, we ensure that possible risks to the living ecosystem are audited and evaluated by accredited institutions. Studies carried out to date show that there are no protected areas that could harm biodiversity in and around our production facilities.

In our "Environmental Performance Monitoring Procedure" and "Environmental Aspects and Impacts Determination Procedure", we have defined our processes and responsibilities for analyzing environmental risks, identifying activities that may cause significant impacts on the environment, and making necessary improvements in order to minimize the possible environmental impacts of our production activities. With our Management System Certificates, Certificates of Conformity and International Equivalency, we continue our efforts to reduce our environmental impacts and damages to biodiversity arising from our operational activities. Our studies on GHG emissions reduction, water-wastewater and waste recycling also contribute to the protection of biodiversity.





6

RESPECT FOR PEOPLE AND SOCIETY

- Human Resources Approach and Employee Profile
- Equal Opportunity, Inclusion and Diversity Approach
- Talent Management, Career Development and Training
- Performance and Pricing
- Employee Satisfaction and Employee Experience
- Occupational Health and Safety
- Investments in Society

Human Resources Approach and Employee Profile

Our Human Resources planning includes determining the human resources needed for the planned services and activities, the title, status, qualification and number of these human resources within the organizational structure, the training to be provided, career management and personnel backup. We do this planning to cover more than one year and annually. These plans are prepared by our Human Resources Department, in coordination with other departments, taking into account changes and trends in the sector, technological innovations, qualitative developments in human resources and budgetary possibilities. The annual plans are submitted to the Top Management as part of the overall budget.

“We consider qualified human resources to be our most important asset, shaping our past, present and future.”

We have published our “Human Resources Management Procedure” in order to recruit specialized personnel who will give our company a competitive advantage to our company in the national and international market. We have regulated the working conditions, rights and obligations of our employees with our “Personnel Regulation Procedure”. Human Resources Management is responsible for the implementation of both procedures, and all our units are responsible for their coordination.

ADÖKSAN Human Resources Management Procedure Principles

- To develop and implement recruitment and orientation systems for candidates in order to employ qualified and skilled employees who are suitable for the nature of the job,
- To prepare and implement training programs that will enable the employees to work in line with the objectives of the organization, improve the service quality, and enhance their professional knowledge and skills,
- To ensure that the employees work in tasks appropriate to their knowledge and skills,
- To develop systems that will increase the employees work efficiency of the employee and encourage success and creativity,
- To provide a safe workplace and working conditions that are suitable for the quality of the service provided, and that increase employee satisfaction,
- To ensure the development of institutionalization awareness among employees.



Our employee profile in 2022;

- Our company has a large proportion of employees (57.8%) between the ages of 30 and 50. While 24.5% of the company’s human resources are under the age of 30, 17.7% of the company’s human resources are over the age of 50.
- The ratio of women in Top and Mid-Level Management was 16.7%.
- The proportion of female employees has increased to 34.3%, of which 28.6% are blue-collar, 2.6% are gray-collar and 3.1% are white-collar.
- The number of new female employees is 31.2%, and the number of female employees leaving the company is 45.7%.
- Our total employee turnover rate was 8% for women and 4.96% for men.
- The proportion of our employees with disabilities increased to 3.4% of all employees and the proportion of our employees from foreign ethnic minorities increased to 2.92%.

All of our employees are paid monthly and direct employment is essential, there are no subcontracted employees. In line with the preference of our employees, there is no collective bargaining agreement.



The Number of Managers	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
Top Management	1	1	1	1	1	2
Mid-Level Management	3	4	3	12	2	13
TOTAL	4	5	4	13	3	15

Employees by Gender*	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
The Number of Employees	139	351	183	381	200	383
TOTAL	490		564		583	

* Top and Mid-Level Management included.

Employees by Category	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
Blue-Collar	118	278	160	306	167	300
White-Collar	13	29	13	34	18	41
Gray-Collar	8	44	10	41	15	42
TOTAL	139	351	183	381	200	383

Employees by Gender and Age Group	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
Over 50 years old	24	81	29	84	24	79
30-50 years old	109	208	135	233	138	199
Under 30 years old	6	62	19	64	38	105
TOTAL	139	351	183	381	200	383

Equal Opportunity, Inclusion and Diversity Approach

“We are committed to be a fair, participatory employer that values equal opportunity, inclusion and diversity, and we strive to make these values an integral part of our corporate culture.”

The principle of equal treatment is valid in all existing legal fields, and in terms of Labor Law, it obliges the employer not to act differently among employees unless there is a just and objective reason. As ADÖKSAN, the importance we attach to equal opportunities, inclusion, diversity and human rights is clearly stated in our "Personnel Regulation Procedure", "Human Rights Policy" and "ADÖKSAN Code of Conduct" document as the main principles of our "Human Resources Procedure".

As ADÖKSAN, we have the following **responsibilities towards our employees:**

- We demonstrate an attitude of inclusion, diversity, honesty, fairness, ethics and equality regardless of religion, language, race, nationality, ethnic origin, belief, creed, color, age, sexual orientation, gender, marital status, political opinion, disadvantage and any legally protected characteristics among our employees or in the recruitment, placement, resignation, training, career, promotion, assignment, discipline, wage management and social benefits processes.
- We value the ideas of our employees, seek to develop responsible corporate dialogue, and create a working environment in which they can freely express their thoughts with a participatory approach.

- We ensure that the personal rights of our employees are fully and correctly utilized, and we take employee engagement as a basis.
- We make the necessary efforts for the personal development of our employees, support them in volunteering for appropriate societal activities with a sense of social responsibility, and respect the balance between work and personal life.
- Employees, employers and all relevant parties shall act in accordance with the social compliance and ethical rules declared in the workplace, and they shall completely avoid behaviors such as discrimination, bribery, retaliation, racism, harassment, mobbing and shall accept in advance to reject such practices.
- We always support practices that respect the environment, occupational health and safety, ethics and social compliance.
- We strongly oppose child labor at any stage of our operations, which causes physical and psychological harm to children and deprives them of their right to education, and all forms of forced and compulsory labor, including modern slavery, bonded labor and human trafficking.
- We provide a safe working environment for our employees, free from any form of abuse, intimidation, mistreatment or physical, verbal, sexual/psychological harassment, bullying, threats and violence, and we take all necessary precautions and support them with our procedures.
- We comply with the legal working hours, working conditions and overtime provisions determined by the laws and regulations applicable in the countries in which we operate. We set competitive compensation in line with our sector and

local labor market and pay all wages, including social benefits, in accordance with applicable laws and regulations.

- We aim to maintain a long-term business relationship with our employees by continuously investing in their talents and personal/professional development through internal and external training.
- In line with our "Zero Accident" goal in accordance with the Occupational Health and Safety Legislation, we aim to provide a healthy and safe workplace for our employees and our business partners who are in our work areas for any reason, to take the necessary safety measures and to conduct regular training and information activities.
- We comply with national/international regulations and data privacy standards to protect the personal data of our employees.



The Responsibilities of Our Employees

"ADÖKSAN Code of Conduct" and related policies and procedures have detailed the principles of how we should behave and perform our work. Adherence to these rules is the primary responsibility of all our employees. Thus, all of our employees have the responsibility to;

- Act in accordance with laws and regulations in all circumstances,
- Learn and apply the Company's general and job-specific policies, procedures and instructions,
- Act in full compliance with the occupational health and safety rules and instructions and to take the necessary precautions while doing business,
- Act with a sense of responsibility towards the environment and society while doing business,
- Internalize and act in accordance with the rules, principles and values stated in the "ADÖKSAN Code of Conduct",
- Become familiar with the general and business-specific policies and procedures applicable to the Company,
- Consult the manager and Human Resources about potential violations,
- Promptly report potential violations by themselves or others; submit reports to the manager, Human Resources Department, either in writing or verbally, with or without name,
- Cooperate with the Ethics Committee in ethical investigations and to keep the information related to the investigation confidential.
- **Loyalty to the Workplace and the Employer:** Our employees are obliged to perform their jobs with care and attention. If they feel that ADÖKSAN will incur losses, they are obliged to take the necessary measures, immediately notify their managers and avoid any action that could harm ADÖKSAN.

The responsibilities of our Managers are outlined in the "Ethics and Compliance" Section.

Employee Selection:

We apply a competency-based selection and placement system in line with the qualifications required by the job in the selection of people who will join ADÖKSAN.

In the selection and placement process, we use objective, fair, reliable and valid methods to determine whether the candidates have the competencies required for each position; we aim to create a structure in which competencies play a role in business life and personal success. In line with this objective, the general application route is open at all times of the year, except

for advertisements on the internet. We carefully review all applications, and even if there is no open position at the time of application, we may invite candidates to the general interviews that are routinely held, and we may review candidates' applications again if necessary.

While education, experience and foreign language skills are important according to the requirements of the relevant position, the personal qualities and competencies observed in the interviews also play an important role in the selection of the candidate. The main principle in personnel selection and placement is to provide equal opportunity and promotion to candidates with the competencies required by the position without discrimination or privilege.



Talent Management, Career Development and Training

Talent Management and Training

“ We believe that attracting, managing, and effectively developing new talent through regular training activities is one of the fundamental components of sustainable success. ”

Through continuous improvement and structural change studies in the area of human resources, we attract qualified personnel to our company and evaluate them in the most effective and efficient way. On the other hand, we support the professional, managerial, personal and social development and career planning of our employees, who are our most important capital, prepare annual training plans in line with the needs and increase the efficiency and productivity of our employees and ensure their participation in the trainings. In addition to the competencies in the job descriptions of our employees, we determine the training needs according to the results of corrective and preventive actions, customer complaints, internal/external audit results, different production processes and tools, changes made in the quality system, and productivity improvement efforts.

In our “Training Procedure”, we defined the principles for determining the training needs, planning and conducting training, and evaluating the effectiveness of the training and reporting back to the trainer after a certain period of time. We use training results and evaluations in the processes of assignment, promotion, career planning, rotation, reward, selection-placement, identification and elimination

of individual/department/company development needs. We meet the training needs with our own experienced trainers and training environments, and also using external resources when necessary.

We present the prepared Annual Training Plan for the approval of our General Manager and then announce it to all our employees. We evaluate these studies and training results at the Management Review Meetings. We identify new training needs and include them in the plan.

Through our **orientation program**, the principles of which we have established in our "Training Procedure", we aim to ensure that our newly recruited employees know our activities, learn our working methods, accelerate their adaptation processes, thus minimize the time needed to get to know our workplace and keeping the errors and costs that can arise as low as possible. Orientation takes place during the training or probationary period.

“ We divide our training into four categories: vocational training, personal development training, management training and quality training. ”

ADÖKSAN Trainings	2022	
	Women	Men
Average Hours of Training per Employee	21.67	21.79
Total Training Hours (person x hour)	4,333	8,345

“ In 2022, average training hours per employee were measured as 21.79 hours for men and 21.67 hours for women. Total training hours were determined as 8,345 person x hour for men and 4,333 person x hour for women. ”

Our Main Training Activities:

- **Vocational Trainings:** These trainings are required by our employees to perform their identified duties. Vocational trainings are organized under two main headings as basic and refresher trainings.
- **Personal Development Trainings:** These are the trainings that our employees will receive in a way that complements their individual development.
- **Management Trainings:** These are the trainings that managers at different levels take to improve their managerial skills.
- **Quality Trainings:** These trainings are given to all our employees who have an impact on quality. The aim is to increase the awareness of our employees by informing them about the quality targets and their realization. These trainings are given every 3 months to all our quality related employees.

We continue our content and needs analysis studies to provide our employees with visionary trainings in the context of our priorities of sustainable development, sustainable growth, circular economy, green transition and decarbonization priorities.

Career Management

Career management is the process of identifying the top positions to which employees will be promoted to if they meet the requirements of the job description with superior performance, so that, they constantly strive to improve themselves personally and professionally. Career management is crucial in terms of employee motivation, healthy career progression and employee engagement.

Strengthening the existing knowledge, skills and abilities of our employees, enabling them to achieve their career goals, creating suitable work environment where they can realize their potential and increasing employee satisfaction by rewarding high performance are the basic components of our career management approach at ADÖKSAN. As part of this management process, we not only support our employees in their career planning and career development journeys, but also make it easier for them to take on responsibilities in different areas or in higher positions within the company.

In our company's appointment and promotion processes, we adopt an internal allocation approach, that takes into account equal opportunities and individual performance evaluation results. In this way, we aim to retain competent human resources within the organization.

Performance and Pricing

Performance

It is essential to evaluate the performance of our employees with measurable and accountable goals. The annual performance of our employees is evaluated by their supervisors using the "Employee Performance Measurement Form". The form consists of 10 questions, each of which is scored on a scale of 1 to 5, with a maximum score of 50. Individual performance evaluation criteria and reward results are used to determine training needs, rotation and career management.

In 2022, 93.86% of our employees were involved in the regular performance and career development evaluation process. Our performance evaluation results are shared with our employees through regular feedback throughout the year, and individual career development plans are proposed.

Ratio of Employees Involved in the Regular Performance Evaluation Process	2020	2021	2022
	40.71 / 50	43.82 / 50	46.93 / 50

Pricing

In our company, the weekly working time is forty-five hours. The division of this period into working days and the determination of daily working hours are at the discretion of the employer in accordance with the principles of Article 63 of the Labor Law. Work performed in excess of 45 hours, which is the legal working time per week, is considered as overtime.

There is no discrimination in terms of wages between our female and male employees and will definitely not be tolerated. The principle of "equal pay for equal work" is adopted among our employees. We consider objective data in our training,

Job descriptions of titles, individual goals, performance and reward criteria are determined by our company/department managers and communicated to our employees. hiring and promotion decisions.



Employee Satisfaction and Employee Experience

Employee Satisfaction

By placing our employees, who are our most important capital, at the center of our work, we regularly monitor the value we create for our employees through annual employee satisfaction surveys. We implement the improvements we plan according to the feedback we receive from our employees. According to the results of employee engagement survey; ADÖKSAN's Employee Satisfaction Rate in 2022 has been determined as 95%.

Employee Experience

As a matter of principle, we adopt the practices that will raise the living standards of our employees, increase their welfare level and create positive value. In order to increase the satisfaction of our employees and to strengthen their commitment to the company, we have defined many social rights in accordance with international standards and legal regulations within ADÖKSAN. In addition, we continue to create experiences that increase employee motivation through rewards, honors, celebrations on important days, various social aids and in-house events.

We recognize our employees' extraordinary efforts, contributions to our referral system, achievements and corporate commitment with monetary or moral awards. In this way, we contribute to increasing the performance of our employees, providing better and faster service, spreading the understanding of the quality chain throughout the corporate culture, and increasing success and merit.

Employee Satisfaction Rate (%)	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
	94%		98%		95%	

Employee Rights Offered	Fixed-Term Employment Contract	Permanent Employment Contract
Salary	✓	✓
Maternity Leave	✓	✓
Parental Leave	✓	✓
Eid Payouts	✓	✓
Seniority Award	✓	✓
Sales Bonus (Only for Sales Personnel)	✓	✓
Annual Premium	✓	✓
Health Insurance	✓	✓
Life Insurance	For Some Titles	For Some Titles
Dining Hall Service	✓	✓
Personnel Service	✓	✓
Rent Payment	For Some Titles	For Some Titles
Telephone and Cell Phone	For Some Titles	For Some Titles
Vehicle Allocation	For Some Titles	For Some Titles
Bonus Payouts	✓	✓
Complementary Health Insurance	20% Discount with the Contracted Institution	20% Discount with the Contracted Institution



The Points We Consider in Employee Performance for the Rewarding System:

- Devotion to his duty, loyalty to work,
- Diligence,
- Number of jobs per month,
- His attitude towards his colleagues and business owners,
- Whether he acts in accordance with the working hours,
- Whether there is an understanding of quality and the quality chain, and the company's effort to reach its goals,
- Its success in adding value to the recommendation system.

“With our ADÖKSAN "Suggestion Box" system, we enable our employees to create added value within the company.”

We value the ideas of our employees, try to develop a responsible corporate dialogue, encourage them to innovate and create workplace where they can freely express their thoughts with a participatory approach. Based on the knowledge, skills and experience of our employees, we implement our SUGGESTION BOX System in order to receive suggestions that will contribute to the development of our company in accordance with its goals and policies, and to ensure the continuous improvement of the effectiveness of the established Integrated Management System.

Suggestions from all our employees are thrown into the Suggestion Box with the Suggestion Form, the box is checked

every week by our Human Resources Manager, evaluated by the managers on a monthly basis, and the best suggestion is accepted as the Suggestion of the Month. Principles regarding the operation of our Suggestion Box system are stated in our "Continuous Improvement Procedure". Thanks to our Suggestion System, we enable our employees to participate in management processes, and we aim to increase their contribution to the growth, competitiveness and success of our company.

Suggestion: These are company-specific new ideas that improve the efficiency of processes within the framework of the Integrated Management System.

Topics to be Suggested

- Ensuring energy savings in processes
- Preventing the production of defective parts
- Saving time or material in the process
- Improved workflow
- Making floor plans more useful
- Creating a healthier environment for machinery, inventory, etc.
- Reducing excess inventory to a reasonable level
- Prevention of wasted motion (labor or material movement)
- Reducing set-up time or equipment replacement time
- Sensitizing the environment with warning slogans
- Making work easier
- Improving working conditions
- Occupational health and safety

“Contribute to the improvement of ADÖKSAN with your suggestions. We are listening to you!”

Occupational Health and Safety

Eliminating or minimizing OHS risks in our organization and ensuring a healthy and safe workplace for our employees are critical to our long-term success, reputation and standing as the best partner for our business partners. We manage the OHS issue, which is one of our very high priority sustainability issues, in accordance with ISO 45001:2018 Standard and legal requirements. Together with our employees, we strive to create a healthy and safe working environment, achieve the goal of zero occupational accidents and develop systems to prevent occupational diseases. We aim to increase the knowledge and awareness of our employees through the annual OHS training. With regular emergency drills, we aim to raise awareness throughout the company and to be ready for emergencies at all times.

“We comply with national, international and sectoral regulations regarding Occupational Health and Safety (OHS), and provide a healthy and safe workplace for our employees.”

Principles in our Occupational Health and Safety Policy

- The Occupational Health and Safety Policy of our company, which considers its employees as its most valuable asset and is aware of its social responsibility, is an indicator of the value it places on people.
- We consider the provision of a safe working environment for our employees as a fundamental element in increasing productivity and achieving long-term business success. It is our main goal to identify and eliminate the issues that may cause work accidents and occupational diseases in the workplaces of our companies.
- We identify and evaluate the hazards, risks and opportunities arising from the activities of our organization and outside the workplace. We fight at the source to eliminate hazards and risks.
- One of our main responsibilities is to follow and comply with all OHS-oriented national, international and sectoral legislation to which we are subject.
- We conduct regular training activities in order to increase our employees OHS awareness and to ensure that they act in a manner that puts safety first in all their activities.
- Considering the fact that issues within the scope of OHS are often irreparable issues, we will operate with a zero-defect policy.
- We set targets to improve our OHS performance, document our planned efforts to achieve them, measure and periodically review developments, and take the necessary precautions.
- We consider the suggestions and opinions of all our employees and employee representatives as the most important source of continuous improvement.
- It is the common duty of all ADÖKSAN employees to continuously develop and maintain policies within the scope of Quality and OHS.



We hold monthly OHS Board meetings to discuss the nonconformities and risks identified during the daily field tours with our OHS Consultant, and we take prompt action. In addition, we ensure the continuity of the OHS process by allowing our employees to express their opinions against work accidents through 'Near Miss Accident Boxes' in the production lines.

We published our Occupational Health and Safety Policy on 01.01.2013 and revised it lastly on 01.12.2021. For detailed information about [ADÖKSAN's Occupational Health and Safety Policy](#), please visit [here](#).

For detailed information about our **Occupational Health and Safety Board**, please visit the "Committees and Their Responsibilities" Section.

We established the rules and obligations related to OHS that all our employees have to comply with our "Occupational Health and Occupational Safety Instruction".

OHS Obligations of Our Employees:

- To properly use the tools, hazardous materials, equipment and machinery provided to them,
- To use the personal protective equipment provided to them correctly, not to remove the protectors and to use and preserve them correctly,
- Notifying the employer immediately when they see a serious and immediate hazard due to any deficiency in the protection measures,
- To Improve working conditions, assist the authorities in the implementation of the OHS legislation, cooperating and participating in OHS trainings,
- To comply with other OHS procedures and conditions required by the legislation,
- To pay maximum attention to the safety of own and other workers,
- To pass a health check in specified periods,
- To use the common areas such as toilet, shower, dressing room, cafeteria regularly and cleanly,
- To inform the authorities immediately in case of work accident or occupational disease,
- Not to use flammable, combustible, explosive or corrosive chemical materials in private areas and to comply with the smoking ban,
- Not to use machines, tools and equipment such as pressure vessels (boiler, compressor, etc.) and ovens that are not in their expertise, duty and authority,
- To use the machinery, tools and equipment under his/her responsibility in accordance with the instructions for use,
- To immediately notify the authorities of any malfunction and breakdown of machinery, tools and equipment,
- To use the work area regularly, to clean it and to keep it ready for work at all times.

Occupational Safety and Risks

“ We received ISO 45001:2018 Occupational Health and Safety Management System certificate in 2022 in order to ensure that OHS processes are carried out more systematically and that OHS data is recorded more regularly. ”

OHS is the responsibility of the OHS Board, which consists of one person responsible for all departments and related processes, and we implement our OHS processes together with our OHS Consultant. All units provide continuous support to close OHS non-conformities. The most authorized manager responsible for OHS is the Deputy General Manager (Technical), who is also the Chairman of the OHS Board. The members of the OHS Board ensure that nonconformities are identified and the necessary actions are taken.

We review the OHS risks on a process basis, and update them, if necessary, at the monthly OHS Board meeting. We review all OHS risks once a year and ensure that necessary actions are taken. The most important aspect of the OHS performances is the follow-up of work accidents. A zero occupational accident target has been set, and we are trying to achieve it. We investigate the root cause by preparing a report for each accident, and we act together with other

departments to take appropriate action to prevent a similar accident in the future. Each of our employees receives OHS training at the beginning of their employment (orientation). Once a year, we organize OHS and health trainings attended by all our employees. In these trainings; we provide information on basic OHS (4 hours) and technical OHS (8 hours) and health, hygiene and occupational diseases (4 hours). In order to ensure a healthy and safe workplace for our employees, we conduct daily field tours and review the non-conformities with the Top Management.

“ In 2022, a total of 9,328 person x hours of Occupational Health and Safety training was provided. ”



In 2022, there is no fatal occupational accident within ADÖKSAN.

“*We run the necessary information and warning mechanisms in order to ensure that our suppliers, business partners, customers and all relevant stakeholders meticulously comply with all components of our OHS policy.*”



Employee Health

We pay attention to the health of our employees and take measures to ensure that they are protected against both occupational and general diseases. We request health information from our employees during the recruitment processes and health reports regarding their suitability for the department they will work for. We provide necessary services to our employees through our workplace doctor, OHS consultant and OHS Board members.

Our employees are subject to periodic health checks by our workplace doctor throughout the entire period of work, starting from the recruitment. Annual health checks of our employees against occupational diseases are also carried out. We are making the necessary investments to provide a healthy and safe workplace within the facility (investments in the ventilation forced draft system that collects emissions and indoor ventilation shaft in the die casting plant in 2021 and 2022, high-tech air filtration system investment for press machines in our new die casting plant, which is still under construction).

In accordance with the legal regulations, the presence of physical, chemical and biological hazard sources is determined by means of environmental and personal exposure measurements, tests and analyzes when risk assessment is carried out and renewed in order to provide a safe working environment. As ADÖKSAN, we conduct occupational hygiene measurements once a year in both of our facilities. In this context, in the 2nd quarter of 2022, we carried out our occupational hygiene measurements

(Personal Total Dust Exposure - Personal VOC Exposure - Thermal Comfort - Personal Noise Exposure - Lighting - Whole Body and Hand Arm Vibration) with an accredited organization in the production departments of our die casting and machining plants. The measurements carried out in 2022 did not reveal any non-conformities in terms of occupational hygiene.

“*We continued healthy and safe production during the COVID-19 pandemic.*”

The negative effects of the COVID-19 pandemic, which began in our country as of March 2020, unfortunately continued to affect both the social life and the business world in 2021 and 2022. Thanks to the high importance we place on employee health, we have ensured our production and service continuity while providing a healthy and safe workplace for all our employees.

Emergency Management and Resilience Practices

“*An emergency is a situation that requires an immediate response within our company, whether production or non-production.*”

In ADÖKSAN, we have published our "Emergency Management Procedure" in order to determine the emergency status and create a method for its management based on quality, production and natural disasters. We have also published our "Emergency Action Procedure" with the aim of preventing

injury and damage to the personnel, stopping production and/or service partially or completely, preventing the environment from being adversely affected in any extraordinary situations that may occur in our company, preparing a work plan for the management to make quick and correct decisions in an emergency." Thus, we aimed to

- Rescue and treatment of accident victims,
- Rescue employees and guests,
- Reduce damage to equipment and materials,
- Prevent and control the spread of hazards,
- Secure the affected areas,
- Maintain emergency equipment and records,
- Ensure that necessary information is communicated to management and company officials.

Emergency plans and instructions cover the situation of ensuring and protecting the safety of life and property of every person in every building, facility and operation within the boundaries of the workplace.

While production-related emergencies include possible situations related to quality, inventory, production, shipment and customer demand, non-production emergencies refer to situations such as natural disasters such as fire, earthquake, flood and explosion, sabotage/terrorist acts, war, release of toxic or corrosive gases and liquids, work accidents, infectious diseases (such as COVID-19).

In case of an emergency in production, the employee of the department where the emergency occurred informs the chief, and the department chief decides that the situation will be considered as an emergency and notifies the Quality/

Environmental Management Representative. It is the responsibility of the Quality/Environmental Management Representative to report all production-related emergencies to the Top Management with an 'Emergency Announcement Form'. To follow-up on relevant production-related emergencies is the responsibility of the Top Management, while it is the responsibility of all employees to report production or non-production-related emergencies to the company.

In the event of one of the non-production emergencies:

- Employees who cannot intervene are primarily removed from the area,
- While the emergency response team intervenes in the case that it can intervene, it also informs the closest company official and also the relevant first-aid unit (fire department, İSKİ, first-aid, İGDAŞ) about the situation,
- After the intervention, the company officials and the closest witness to the incident perform the duty of the reporter on the subject, and the necessary follow-up and actions are carried out by filling out the 'Emergency Announcement Form'.

Measures We Take to Prevent an Emergency

- In order to prevent production-related emergencies, we will maintain a stock of spare parts for critically identified workbenches, provide necessary on-the-job training to the employees, and obtain support from outside the company if deemed necessary,
- In order to prevent non-production emergencies; arrange for the necessary training and keeping the necessary materials and equipment within the company.

The Emergency Manager is responsible for implementing the Emergency Action Plan. The duties and responsibilities of all teams and team leaders, including Emergency Manager and Fire Fighting Team, Search and Rescue Team, Evacuation Team, First-Aid Team and Preparation Team, are defined in our "Emergency Action Procedure".

We review our emergency action plans every year, and in case of changes in the workplace that may affect the identified emergencies or cause new emergencies, we renew the emergency plans completely or partially according to the extent of the impact.

By preparing annual drill plans, we select some of the , emergencies every year and perform drills for these situations. We organize scenario-based fire, flood, chemical spill, deactivation of the treatment plant, uncontrolled emission situation drills once every 2 years, earthquake and sabotage drills once every 2 years, and air attack drills once every 5 years. We plan emergency scenarios, either separately or in a single scenario, considering more than one emergency. Our Environmental Management Representative examines the reports of the drills, and inappropriate situations are reported to the relevant department officer and corrective action is requested to be planned.

In addition to our current in-house emergency management efforts, starting in 2023, we will accelerate our efforts to integrate our regional and global disaster preparedness action plans into all our processes, including our supply chain, and to become a resilient company.

FROM OUR STAKEHOLDERS

In order to build a more sustainable future, we act responsibly and sensitively towards both our employees and the society. With the practices we have developed as Human Resources, we aim to be a fair and participatory employer that respects equal opportunity, inclusion and diversity, and we consider highly motivated, well-equipped and competent human resources as our most important asset. Our corporate priority is to provide a healthy and safe workplace for our employees, to maintain a long-term business relationship with them by investing in their career development and evaluating their performance with measurable and observable targets, and to bring new talents to our institution through continuous improvement studies.

As ADÖKSAN, we approach sensitively the issues that will contribute to social development and welfare and create value for the society. By 2023, we anticipate realizing our corporate social responsibility projects that support sustainable development.

**GÖKMEN BAYRAM / ADÖKSAN Human Resources
& Administrative Affairs Manager**

Investments in Society

“As ADÖKSAN, we adopt the principle of adding value to the society by developing social responsibility projects that support sustainable development.”

With the corporate social responsibility projects that we will implement by 2023, we aim to both increase the awareness of corporate social responsibility and create common benefits for the society in general, thus leaving a more livable world to future generations.

In 2023, we plan to contact general and vocational high schools through our new project called **"The First Step on the Career Path"** by contacting the Istanbul Provincial Directorate

of National Education. In the activities which we will organize for high school students, we aim to contribute to the students in determining career goals and choosing a profession according to their interests and abilities, by including the definition of career, its importance, goals, management, as well as career introductions.

Together with various NGOs, we want to carry out projects that will provide environmental benefits such as planting saplings as part of forestation, cleaning our beaches, collecting and sorting waste in order to raise environmental awareness in our workplace and Organized Industrial Zone, with another new project called **"Touching Our Nature"**.





7

ANNEXES

ANNEX 1. Environmental and Social Performance Indicators

ANNEX 2. GRI Content Index

ANNEX 3. The United Nations Global Compact Index

ANNEX 4. CONTACT

ANNEX 1. PERFORMANCE INDICATORS

Environmental Performance Indicators¹

GHG Emissions by Categories (2022)

GHG Emissions	t CO ₂	t CH ₄	t N ₂ O	t CO ₂ e	Ratio (%)
Scope 1 (Direct)	10,186.14	0.09	0.01	10,190.57	22%
Scope 2 (Indirect-Energy)	4,042.97	0.94	15.94	8,292.16	18%
Scope 3 (Indirect-Other)	27,790.94	-	-	27,790.94	60%
TOTAL	42,020.05	1.03	15.95	46,273.67	100%

* Third-Party verification against the ISO 14064-1:2018 Standard is planned for FY2024.

GHG Emissions by Categories (2022)

GHG Emissions Intensity, Energy Intensity	2022
GHG Emissions Intensity for Automotive and Non-Automotive Parts Production (t CO ₂ e/ton)(Scope 1)	1.209
GHG Emissions Intensity for Automotive and Non-Automotive Parts Production (t CO ₂ e/ton)(Scope 1+2)	2.194
GHG Emissions Intensity for Automotive and Non-Automotive Parts Production (t CO ₂ e/ton)(Scope 3)	3.298
GHG Emissions Intensity for Automotive and Non-Automotive Parts Production (t CO ₂ e/ton)(Scope 1+2+3)	5.492
GHG Emissions Intensity per Employee (t CO ₂ e/Employee)(Scope 1+2)	31.703
Energy Intensity for Automotive and Non-Automotive Parts Production (GJ/ton)	13.853

Scope 1 (Direct) Emissions Distribution (2022)

Sub-Category	t CO ₂	t CH ₄	t N ₂ O	t CO ₂ e	Ratio (%)
Stationary Combustion Emissions (Natural gas, generator-diesel)	4,495.35	0.08	-	4,497.7	44.14%
Mobile Combustion Emissions (diesel)	134.63	0.01	0.01	136.71	1.34%
Fugitive Emissions*	5,556.16	-	-	5,556.16	54.52%
TOTAL	10,186.14	0.09	7.91	10,190.57	100.00%

* Fugitive Emissions: A/C gas, Refrigerator, Chillers, Fire Extinguishers, Deep Freezers etc.

Scope 2 (Indirect-Energy) Emissions Distribution (2022)

Sub-Category	t CO ₂	t CH ₄	t N ₂ O	t CO ₂ e	Ratio (%)
Indirect Emissions from Purchased Energy	4,042.97	0.94	15.94	8,292.16	100.00%
TOTAL	4,042.97	0.94	15.94	8,292.16	100.00%

Scope 3 (Indirect-Other) Emissions Distribution (2022)

Sub-Category	t CO ₂	t CH ₄	t N ₂ O	t CO ₂ e	Ratio (%)
Category 1. Emissions from purchased goods and services	25,212.97	-	-	25,212.97	90.72%
Category 3. Emissions from fuel- and energy-related activities	1,020.86	-	-	1,020.86	3.67%
Category 4. Emissions from upstream transportation and distribution	273.02	-	-	273.02	0.98%
Category 5. Emissions from waste generated in operations	13.70	-	-	13.70	0.05%
Category 6. Emissions from business travel	8.51	-	-	13.70	0.03%
Category 7. Emissions from employee commuting	126.36	-	-	8.51	0.45%
Category 9. Emissions from downstream transportation and distribution	1,005.546	-	-	1,005.546	3.62%
Category 12. Emissions from end-of-life treatment of sold products	129.97	-	-	129.97	0.48%
TOTAL	27,790.94	-	-	27,790.94	100.00%

¹Environmental Performance Indicators cover the data for die casting plant and machining plant in Istanbul. Sales office in U.S. and logistics warehouse in Hungary were excluded from the GHG emissions inventory (2022) for this reporting period. However, 2022 water/wastewater and waste data for those were indicated additionally in the relevant sub-sections of the report as separate paragraphs.

Energy Consumption (TJ)	2022	Ratio (%)
Natural Gas	81.18	69.56%
Purchased Electricity (non-renewable)	33.75	28.91%
Purchased Electricity (renewable)	-	-
Fossil Fuels (Vehicles) (Diesel)	1.76	1.51%
Fossil Fuels (Generator)	0.03	0.02%
Energy Consumption for Heating-Cooling in Production	-	-
TOTAL	116.71	100%

Water Withdrawal by Source (m³)	2020	2021	2022
Grid	14,342 (52.22%)	12,919 (42.76%)	11,311 (35.23%)
Treated Wastewater from İDOSB	13,120 (47.78%)	17,293 (57.24%)	20,795 (64.77%)
TOTAL	27,462 (100%)	30,212 (100%)	32,106 (100%)

Total Water Consumption (m³) (%)	2020	2021	2022
Grid	14,342 (52.22%)	12,919 (42.76%)	11,311 (35.23%)
Treated Wastewater from İDOSB	13,120 (47.78%)	17,293 (57.24%)	20,795 (64.77%)
TOTAL	27,462 (100%)	30,212 (100%)	32,106 (100%)

Water Consumption Per Ton of Product (m³/ton)	2020	2021	2022
Die Casting Plant	1.583	1.582	1.312
Machining Plant	11.891	8.374	9.811
TOTAL	4.529	3.689	3.811

Wastewater Discharged by Destination (m³)	2020	2021	2022
Discharge to the Surface Water	-	-	-
Discharge to the Municipal Treatment Plant	-	-	-
Discharge to the İDOSB Sewage Line connected to İDOSB Wastewater Treatment Plant	13,120	17,293	20,795
TOTAL	13,120	17,293	20,795

Amount of Recycled Water Use (m³)	2020	2021	2022
Amount of recycled and reused water (m³)(grey water)	13,120	17,293	20,795
Ratio of recycled and reused water to total water consumption (%)	47.78%	57.24%	64.77%

Natural Resources (ton)	2020	2021	2022
Total Amount of Raw Material Consumed (ton)*	4,475.09	5,794.69	6,112.79
Renewable Materials (ton)	3,057.31	3,994.59	4,174.40
Cardboard and paper (ton)	25.89	41.70	11.01
Aluminum ingot (ton)	3,031.42	3,952.89	4,163.39
Non-Renewable Materials (ton)	118.60	106.01	154.08
Chemicals (ton)	48.84	98.67	111.64
Boron oil (ton)	69.76	7.34	42.44
Recycled Raw Materials Consumed (tons)	1,299.18	1,694.10	1,784.31

* Total Amount of Raw Material Consumed (ton) = Renewable Materials (ton) + Non-Renewable Materials (ton) + Recycled Raw Materials Consumed (ton)

Wastes by Type (ton)	2020	2021	2022
Hazardous Wastes	273.860	478.434	352.338
Non-Hazardous Wastes	193.318	228.877	204.432
TOTAL	467.178	707.311	556.770

Amount of Waste by Type (ton)	2020			2021			2022		
	Amount of Waste Generated (ton)	Amount of Waste Diverted from Disposal (ton)	Amount of Waste to Disposal (ton)	Amount of Waste Generated (ton)	Amount of Waste Diverted from Disposal (ton)	Amount of Waste to Disposal (ton)	Amount of Waste Generated (ton)	Amount of Waste Diverted from Disposal (ton)	Amount of Waste to Disposal (ton)
Paper-Cardboard	25.89	25.89	-	41.698	41.698	-	11.01	11.01	-
WEEE	0.320	0.320	-	-	-	-	-	-	-
Municipal Solid Waste	167.428	-	167.428	187.179	-	187.179	193.422	-	193.422
Sewage Sludge (Containing dangerous substances)	1.468	1.468	-	6.734	6.734	-	0.6	0.6	-
Other	272.072	272.072	-	471.70	471.70	-	351.738	351.738	-
TOTAL	467.178	299.75	167.428	707.311	520.132	187.179	556.77	363.348	193.422

Waste Amount by Recovery/Disposal Method (Ton)	2020	2021	2022
HAZARDOUS WASTES (TOTAL)	273.86	478.434	352.338
Reuse	-	-	-
Recycle	273.86	478.434	352.338
Recovery	-	-	-
Energy Recovery	-	-	-
Waste Incineration	-	-	-
Disposal (Landfill)	-	-	-
NON-HAZARDOUS WASTES (TOTAL)	193.318	228.877	204.432
Reuse	-	-	-
Recycle	25.89	41.698	11.01
Recovery	-	-	-
Energy Recovery	-	-	-
Waste Incineration	167.428	187.179	193.422
Disposal (Landfill)	-	-	-

Waste Per Product Rate (kg/ton)	2020	2021	2022
For Hazardous Wastes	45.16	58.43	41.83
For Non-Hazardous Wastes	31.88	27.95	22.26
TOTAL	77.04	86.38	66.09

Ratios (%)	2020	2021	2022
Amount of Waste to Disposal (%) (Incineration + Landfill)	36%	26%	35%
Packaging Wastes / All Wastes (%)	6%	6%	2%
Waste Recycling Rate (%)	64%	74%	65%
Packaging Waste Recycling Rate (%)	100%	100%	100%

Social Performance Indicators¹

Employees by Gender*	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
The Number of Employees	139	351	183	381	200	383
TOTAL	490		564		583	

* Top and Mid-Level Management included.

The Number of Managers	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
Top Management	1	1	1	1	1	2
Mid-Level Management	3	4	3	12	2	13
TOTAL	4	5	4	13	3	15

Employees by Category	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
Blue-Collar	118	278	160	306	167	300
White-Collar	13	29	13	34	18	41
Gray-Collar	8	44	10	41	15	42
TOTAL	139	351	183	381	200	383
	490		564		583	

Workforce by Payment Method	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
The Number of Hourly Paid Employees	0	0	0	0	0	0
The Number of Monthly Paid Employees	139	351	183	381	200	383
TOTAL	139	351	183	381	200	383

Employee Demographics	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
Direct Employment	139	351	183	381	200	383
The Number of Contracting Company Employees	0	0	0	0	0	0
TOTAL	139	351	183	381	200	383

The Number of Employees Under the Collective Bargaining Agreement	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
	0	0	0	0	0	0

Workforce by Contract Type	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
Permanent Employment Contract	138	350	181	376	197	373
Fixed-Term Employment Contract	1	1	2	5	3	10
Temporary Employment Contract	0	0	0	0	0	0
TOTAL	139	351	183	381	200	383

Workforce by Employment Type	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
The Number of Full-Time Employees	137	349	181	378	198	379
The Number of Part-Time Employees	2	2	2	3	2	4
TOTAL	139	351	183	381	200	383

Employees by Education Level	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
Uneducated	1	6	1	9	1	9
Primary/Secondary Education	94	177	124	182	119	172
High School	23	109	30	114	45	112
University and higher	21	59	28	76	35	90
TOTAL	139	351	183	381	200	383

¹Social Performance Indicators cover the data for the entire company globally.

Top Management by Gender and Age Group	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
Over 50 years old	0	1	0	1	0	2
30-50 years old	1	0	1	0	1	0
Under 30 years old	0	0	0	0	0	0
TOTAL	1	1	1	1	1	2

The Number of New Hires by Gender and Age Group	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
Over 50 years old	0	8	10	10	1	29
30-50 years old	15	39	45	68	35	55
Under 30 years old	2	26	15	32	23	46
TOTAL	17	73	70	110	59	130

Mid-Level Management by Gender and Age Group	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
Over 50 years old	0	2	0	5	0	5
30-50 years old	3	2	3	7	2	8
Under 30 years old	0	0	0	0	0	0
TOTAL	3	4	3	12	2	13

Employee Turnover Rate (%)	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
Total Employee Turnover Rate (%)	0.00	1.42	1.09	2.10	8.00	4.96
Voluntary Employee Turnover Rate (%)	0.00	1.42	1.09	2.10	8.00	4.96
Involuntary Employee Turnover Rate (%)	-	-	-	-	-	-

Total Employee Turnover Rate: Total number of employees leaving / Total number of employees * 100
Voluntary Employee Turnover Rate: The number of employees leaving voluntarily / Total number of employees * 100
Involuntary Employee Turnover Rate: The number of employees leaving involuntarily / Total number of employees * 100

Employees by Gender and Age Group	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
Over 50 years old	24	81	29	84	24	79
30-50 years old	109	208	135	233	138	199
Under 30 years old	6	62	19	64	38	105
TOTAL	139	351	183	381	200	383

Employee Turnover Rate by Gender and Age Group (%)	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
Over 50 years old	0.00	2.47	0.00	0.00	4.17	2.53
30-50 years old	0.00	0.48	0.00	2.58	9.42	6.03
Under 30 years old	0.00	3.23	10.53	3.13	5.26	4.76

The Number of Employees Leaving by Gender and Age Group	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
Over 50 years old	0	2	0	0	1	2
30-50 years old	0	1	0	6	13	12
Under 30 years old	0	2	2	2	2	5
TOTAL	0	5	2	8	16	19

Voluntary Employee Turnover Rate by Gender and Age Group (%)	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
Over 50 years old	0.00	2.47	0.00	0.00	4.17	2.53
30-50 years old	0.00	0.48	0.00	2.58	9.42	6.03
Under 30 years old	0.00	3.23	10.53	3.13	5.26	4.76

Involuntary Employee Turnover Rate by Gender and Age Group (%)	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
Over 50 years old	-	-	-	-	-	-
30-50 years old	-	-	-	-	-	-
Under 30 years old	-	-	-	-	-	-

The Number of Disabled Employees	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
TOTAL	1	9	4	12	5	15

Ethnic Minority Employees (Foreign Employees)	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
	0	12	0	15	0	17

Employees by Working Years	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
Employees Working for Less Than 5 Years	87	224	124	259	139	269
Employees Working for 5-10 Years	41	99	50	93	51	85
Employees Working for More Than 10 Years	11	28	9	29	10	29
TOTAL	139	351	183	381	200	383

The Number of Employees Involved in Volunteering Activities	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
	-	-	-	-	-	-

* Our volunteering activities are planned for 2023.

Ratio of Women's Salary and Remuneration to Men	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
Permanent Employment Contract	No gender discrimination is observed in the salary policy.					
Fixed-Term Employment Contract	No gender discrimination is observed in the salary policy.					

Employee Satisfaction Rate (%)	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
	94%		98%		95%	

Ratio of Employees Involved in the Regular Performance Evaluation Process (%)	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
	40.71 / 50		43.82 / 50		46.93 / 50	

Maternity Leave	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
Employees Taking Maternity Leave	0	0	0	0	1	1
The Number of Employees Returned to Work After Maternity Leave	0	0	0	0	0	0

Occupational Health and Safety (OHS)	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
Total Working Hours (in a year)	1,223,040		1,407,744		1,455,168	
The Number of Fatal Accidents	0		0		0	
The Number of Injuries	14		30		36	
Total Number of Accidents	14		30		36	
Accident Frequency Rate (*)	2.289		4.262		4.947	
Total Number of Lost Working Days	71		240		252	
Lost Working Day Rate (**)	11.610		34.097		34.635	
The Number of Occupational Diseases	0		0		0	
Occupational Disease Rate (***)	0		0		0	

(*) Accident Frequency Rate = The Number of Injuries x 200,000 / Total Working Hours (in a year)

(**) Lost Working Day Rate = Total Number of Lost Working Days x 200,000 / Total Working Hours (in a year)

(***) Occupational Disease Rate = The Number of Occupational Diseases x 200,000 / Total Working Hours (in a year)

Employee Rights Offered	Fixed-Term Employment Contract	Permanent Employment Contract
Salary	✓	✓
Maternity Leave	✓	✓
Parental Leave	✓	✓
Eid Payouts	✓	✓
Seniority Award	✓	✓
Sales Bonus (Only for Sales Personnel)	✓	✓
Annual Premium	✓	✓
Health Insurance	✓	✓
Life Insurance	For Some Titles	For Some Titles
Dining Hall Service	✓	✓
Personnel Service	✓	✓
Rent Payment	For Some Titles	For Some Titles
Telephone and Cell Phone	For Some Titles	For Some Titles
Vehicle Allocation	For Some Titles	For Some Titles
Bonus Payouts	✓	✓
Complementary Health Insurance	20% Discount with the Contracted Institution	20% Discount with the Contracted Institution

OHS Training	2020	2021	2022
Average Hours of OHS Training per Employee	16	16	16
Total Hours of OHS Training (person x hour)	7,840	9,024	9,328

Employees under the OHS System	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
Blue-Collar	118	278	160	306	167	300
White-Collar	13	28	13	34	18	41
Gray-Collar	8	44	10	41	15	42
Subtotal	139	351	183	381	200	383
TOTAL	489		564		583	

ADÖKSAN Trainings	2020		2021		2022	
	Women	Men	Women	Men	Women	Men
Average Hours of Training per Employee	24.09	23.54	23.99	23.49	21.67	21.79
Total Training Hours (person x hour)	3,349	8,261	4,390	8,950	4,333	8,345
Environmental Waste Management Training (person x hour)	65	118	112	230	120	231
APQP and PPAP Training (person x hour)	-	-	3	3	-	-
OHS Basic Training (person x hour)	556	1,404	732	1,524	800	1,532
OHS Technical Training (person x hour)	1,112	2,808	1,464	3,048	1,600	3,064
Occupational Diseases Training (person x hour)	556	1,404	732	1,524	800	1,532
SPC Training (person x hour)	2	8	3	3	3	2
MSA Training (person x hour)	-	-	3	3	3	2
FMEA and Control Plan Training (person x hour)	-	-	3	3	4	5
VDA FMEA Training (person x hour)	3	9	-	-	-	-
Code of Conduct Training (person x hour)	120	251	146	299	30	67
4857 Labor Law General Information Training (person x hour)	120	251	146	299	30	67
5S Training (person x hour)	4	5	-	-	-	-
Why 8D and 5S Training (person x hour)	2	5	-	-	-	-
IATF 16949:2016 Information Training (person x hour)	2	5	-	-	-	-
OEE Concept (person x hour)	-	3	-	-	-	-
Customer Requirements Training (person x hour)	145	316	157	245	64	135
Product Safety Training (person x hour)	106	270	157	245	64	135
Fire Training and Drill (person x hour)	556	1,404	732	1,524	800	1,532
Information Security Awareness Training (person x hour)	-	-	-	-	15	41

ANNEX 2. GRI CONTENT INDEX

Statement of Use

ADÖKSAN Döküm Sanayi ve Ticaret A.Ş. has reported the information cited in this GRI Content Index for the period 1 January to 31 December 2022 with reference to the GRI Standards.

GRI 1: Foundation Disclosures (2021)

GRI Standard	Disclosure and Disclosure Title		Location or explanation
GRI 1: Foundation Disclosures (2021)	Requirement 1	Application of the reporting principles	Action Completed
	Requirement 2	Report the disclosures in GRI 2: General Disclosures 2021	Action Completed
	Requirement 3	Determine material topics	Action Completed
	Requirement 4	Report the disclosures in GRI 3: Material Topics 2021	Action Completed
	Requirement 5	Report disclosures from the GRI Topic Standards for each material topic	Not required for reporting with reference to the standards
	Requirement 6	Provide reasons for omission for disclosures and requirements that the organization cannot comply with	Not required for reporting with reference to the standards
	Requirement 7	Publish a GRI content index	Action Completed
	Requirement 8	Provide a statement of use	Action Completed
	Requirement 9	Notify GRI	Action Completed

GRI 2: General Disclosures (2021)

GRI Standard

Disclosure and Disclosure Title

Location or explanation

GRI 2: 1 The Organization and Reporting Practice

2-1 Organizational details	Legal Name	ADÖKSAN Döküm Sanayi ve Ticaret A.Ş.	
	Nature of ownership and legal structure	About This Report, pp.4	
	Location of Headquarters	İstanbul Deri Organize Sanayi Bölgesi Fikse Cad. No:12 V5 Parsel 34953 Tuzla / İstanbul / Turkey ANNEX 4. Contact, pp.122	
	Countries of Operations	Message from General Manager, pp.5-7 ADÖKSAN in Figures, pp.9-10 About ADÖKSAN, pp.13-14	
	2-2	Entities included in the organization's sustainability reporting	About This Report, pp.4
	2-3	Reporting period, frequency and contact point	About This Report, pp.4 Reporting will be done annually.
	2-4	Restatements of information	This report is the first sustainability report of ADÖKSAN.
	2-5	External assurance	No external audit has been carried out.

GRI 2: General Disclosures (2021)

GRI 2: 2 Activities and Workers

2-6	Activities, value chain and other business relationships	Message from General Manager, pp.5-7 ADÖKSAN in Figures, pp.9-10 About ADÖKSAN, pp.13-14 Responsible Products and Services, pp.54-60 Responsible Supply Chain Management, pp.62-64 There was no significant change in the size, structure, ownership or supply chain of the organization during the reporting period.
		ADÖKSAN in Figures, pp.9-10 About ADÖKSAN, pp.13-14 Human Resources Approach and Employee Profile, pp.86-87 Social Performance Indicators, pp.103-106
		ADÖKSAN in Figures, pp.9-10 About ADÖKSAN, pp.13-14 Human Resources Approach and Employee Profile, pp.86-87 Social Performance Indicators, pp.103-106
		Human Resources Approach and Employee Profile, pp.86-87 Social Performance Indicators, pp.103-106

GRI Standard	Disclosure and Disclosure Title		Location or explanation
GRI 2: General Disclosures (2021)	GRI 2: 3 Governance		
	2-9	Governance structure and composition	Top Management and Its Structure, pp.14-16 Sustainability Management Approach, pp.37-39 Committees and Their Responsibilities, pp.18 Corporate Governance Approach, pp.23
	2-10	Nomination and selection of the highest governance body	Privacy Restrictions ADÖKSAN does not share this information publicly in accordance with the privacy policies of the company.
	2-11	Chair of the highest governance body	Top Management and Its Structure, pp.14-15
	2-12	Role of the highest governance body in overseeing the management of impacts	Message from General Manager, pp.5-7 Communication with Stakeholders pp.34 Risk Management, pp.28-30 Top Management and Its Structure, pp.14-16 Material Topics, pp.41-43 Respect for the Environment, pp.69-84 Sustainability Strategy, pp.36-52 Respect for People and Society, pp.85-98
	2-13	Delegation of responsibility for managing impacts	Message from General Manager, pp.5-7 Top Management and Its Structure, pp.14-16 Sustainability Management Approach, pp.39
	2-14	Role of the highest governance body in sustainability reporting	Sustainability Management Approach, pp.39
	2-15	Conflicts of interest	Ethics and Compliance, pp.26-27 Anti-Bribery and Anti-Corruption, pp.32 <u>ADÖKSAN Code of Conduct</u>
	2-16	Communication of critical concerns	Sustainability Management Approach, pp.37-39
	2-17	Collective knowledge of the highest governance body	Privacy Restrictions ADÖKSAN does not share this information publicly in accordance with the privacy policies of the company.
	2-18	Evaluation of the performance of the highest governance body	Privacy Restrictions ADÖKSAN does not share this information publicly in accordance with the privacy policies of the company.
2-19	Remuneration policies	Equal Opportunity, Inclusion and Diversity Approach, pp.88-89 Performance and Pricing, pp.91	

GRI Standard	Disclosure and Disclosure Title		Location or explanation
GRI 2: General Disclosures (2021)	2-20	Process to determine remuneration	Human Resources Approach and Employee Profile, pp.86-87 Equal Opportunity, Inclusion and Diversity Approach, pp.88-89 Performance and Pricing, pp.91
	2-21	Annual total compensation ratio	Privacy Restrictions ADÖKSAN does not share this information publicly in accordance with the privacy policies of the company.
	GRI 2: 4 Strategy, Policies and Practices		
	2-22	Statement on sustainable development strategy	Message from General Manager, pp.5-7
	2-23	Policy commitments	Vision, Mission and Values, pp.17 Ethics and Compliance, pp.26-28 Sustainability Management Approach, pp.37-39
	2-24	Embedding policy commitments	Vision, Mission and Values, pp.17 Ethics and Compliance, pp.26-28 Sustainability Management Approach, pp.37-39
	2-25	Processes to remediate negative impacts	Ethics and Compliance, pp.26-28
	2-26	Mechanisms for seeking advice and raising concerns	Ethics and Compliance, pp.26-27 ADÖKSAN Code of Conduct
	2-27	Compliance with laws and regulations	Ethics and Compliance, pp.26-28
	2-28	Membership associations	About ADÖKSAN, pp.14
	GRI 2: 5 Stakeholder Engagement		
	2-29	Approach to stakeholder engagement	Communication with Stakeholders, pp.34
	2-30	Collective bargaining agreements	There is no employee under the collective bargaining agreement.

GRI 3: Material Topics (2021)

GRI Standard	Disclosure and Disclosure Title		Location or explanation
GRI 3: Material Topics (2021)	3-1	Process to determine material topics	Message from General Manager, pp.5-7 Sustainability Management Approach, pp.37-39 Material Topics, pp.41-43
	3-2	List of material topics	Message from General Manager, pp.5-7 Sustainability Management Approach, pp.37-39 Material Topics, pp.41-43

GRI 200: Economic Standard Series

GRI Standard

Disclosure and Disclosure Title

Location or explanation

GRI 201: Economic Performance 2016

GRI 3: Material Topics 2021

3-3

Management of material topics

Message from General Manager, pp.5-7
Sustainability Management Approach, pp.37-39
Material Topics, pp.41-43
[ADÖKSAN Sustainability Policy](#)

GRI 201: Economic Performance 2016

201-1

Direct economic value generated and distributed

Message from General Manager, pp.5
ADÖKSAN in Figures, pp.9-10

201-4

Financial assistance received from government

Tax, pp.33

GRI 202: Market Presence 2016

GRI 3: Material Topics 2021

3-3

Management of material topics

Message from General Manager, pp.5-7
Sustainability Management Approach, pp.37-39
Material Topics, pp.41-43
[ADÖKSAN Sustainability Policy](#)

GRI 202: Market Presence 2016

202-1

Ratios of standard entry level wage by gender compared to local minimum wage

Performance and Pricing, pp.91

202-2

Proportion of senior management hired from the local community

Top Management and Its Structure, pp.15
Social Performance Indicators, pp.103-106

GRI 204: Procurement Practices 2016

GRI 3: Material Topics 2021

3-3

Management of material topics

Message from General Manager, pp.5-7
Sustainability Management Approach, pp.37-39
Material Topics, pp.41-43
[ADÖKSAN Sustainability Policy](#)

GRI 204: Procurement Practices 2016

204-1

Proportion of spending on local suppliers

Responsible Supply Chain Management, pp.62-64

GRI Standard	Disclosure and Disclosure Title		Location or explanation
GRI 205: Anti-Corruption 2016			
GRI 3: Material Topics 2021	3-3	Management of material topics	Message from General Manager, pp.5-7 Sustainability Management Approach, pp.37-39 Material Topics, pp.41-43 ADÖKSAN Sustainability Policy
	205-1	Operations assessed for risks related to corruption	Anti-Bribery and Anti-Corruption, pp.32 ADÖKSAN Code of Conduct ADÖKSAN Anti-Bribery and Anti-Corruption Policy
GRI 205: Anti-Corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	Anti-Bribery and Anti-Corruption, pp.32
	205-3	Confirmed incidents of corruption and actions taken	We have no lawsuits or legal penalties for corruption.
GRI 206: Anti-Competitive Behavior 2016			
GRI 3: Material Topics 2021	3-3	Management of material topics	Message from General Manager, pp.5-7 Sustainability Management Approach, pp.37-39 Material Topics, pp.41-43 ADÖKSAN Sustainability Policy
	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Ethics and Compliance, pp.26-28 ADÖKSAN Code of Conduct
GRI 207: Tax 2019			
GRI 3: Material Topics 2021	3-3	Management of material topics	Message from General Manager, pp.5-7 Tax, pp.33
	207-1	Approach to tax	Tax, pp.33
GRI 207: Tax 2019	207-2	Tax governance, control, and risk management	Tax, pp.33
	207-3	Stakeholder engagement and management of concerns related to tax	Tax, pp.33

GRI 300: Environmental Standard Series

GRI Standard	Disclosure and Disclosure Title		Location or explanation
GRI 301: Materials 2016			
GRI 3: Material Topics 2021	3-3	Management of material topics	Message from General Manager, pp.5-7 Sustainability Management Approach, pp.37-39 Material Topics, pp.41-43 ADÖKSAN Sustainability Policy
	301-1	Materials used by weight or volume	Raw Materials, Natural Resources and Waste Management, pp.81-83 Environmental Performance Indicators, pp.100-102
GRI 301: Materials 2016	301-2	Recycled input materials used	Raw Materials, Natural Resources and Waste Management, pp.81-83 Environmental Performance Indicators, pp.100-102
	301-3	Reclaimed products and their packaging materials	Raw Materials, Natural Resources and Waste Management, pp.81-83 Environmental Performance Indicators, pp.100-102
	GRI 302: Energy 2016		
GRI 3: Material Topics 2021	3-3	Management of material topics	Message from General Manager, pp.5-7 Sustainability Management Approach, pp.37-39 Material Topics, pp.41-43 ADÖKSAN Sustainability Policy
	302-1	Energy consumption within the organization	Managing GHG Emissions, pp.76 Environmental Performance Indicators, pp.101
GRI 302: Energy 2016	302-3	Energy intensity	Managing GHG Emissions, pp.74 Environmental Performance Indicators, pp.100
	302-4	Reduction of energy consumption	Energy Management and Combating Climate Change, pp.76-77 Environmental Performance Indicators, pp.100
	302-5	Reductions in energy requirements of products and services	Energy Management and Combating Climate Change, pp.76-77 Environmental Performance Indicators, pp.100
GRI 303: Water and Effluents 2018			
GRI 3: Material Topics 2021	3-3	Management of material topics	Message from General Manager, pp.5-7 Sustainability Management Approach, pp.37-39 Material Topics, pp.41-43 ADÖKSAN Sustainability Policy

GRI Standard	Disclosure and Disclosure Title		Location or explanation
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Water Management, pp.79-80
	303-2	Management of water discharge-related impacts	Water Management, pp.79-80
	303-3	Water withdrawal	Water Management, pp.79-80 Environmental Performance Indicators, pp.101
	303-4	Water discharge	Water Management, pp.79-80 Environmental Performance Indicators, pp.101
	303-5	Water consumption	Water Management, pp.79-80 Environmental Performance Indicators, pp.101
GRI 304: Biodiversity 2016			
GRI 3: Material Topics 2021	3-3	Management of material topics	Message from General Manager, pp.5-7 Sustainability Management Approach, pp.37-39 Material Topics, pp.41-43 ADÖKSAN Sustainability Policy
GRI 304: Biodiversity 2016	304-2	Significant impacts of activities, products and services on biodiversity	Biodiversity, pp.84
	304-3	Habitats protected or restored	Biodiversity, pp.84
GRI 305: Emissions 2016			
GRI 3: Material Topics 2021	3-3	Management of material topics	Message from General Manager, pp.5-7 Sustainability Management Approach, pp.37-39 Material Topics, pp.41-43 ADÖKSAN Sustainability Policy
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Managing GHG Emissions, pp.72-77 Environmental Performance Indicators, pp.100-102
	305-2	Energy indirect (Scope 2) GHG emissions	Managing GHG Emissions, pp.72-77 Environmental Performance Indicators, pp.100-102
	305-3	Other indirect (Scope 3) GHG emissions	Managing GHG Emissions, pp.72-77 Environmental Performance Indicators, pp.100-102
	305-4	GHG emissions intensity	Managing GHG Emissions, pp.72-77 Environmental Performance Indicators, pp.100-102
	305-5	Reduction of GHG emissions	Managing GHG Emissions, pp.72-77 Environmental Performance Indicators, pp.100-102

GRI Standard	Disclosure and Disclosure Title		Location or explanation
GRI 305: Emissions 2016	305-6	Emissions of ozone-depleting substances (ODS)	Managing GHG Emissions, pp.72-77 Environmental Performance Indicators, pp.100-102
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Managing GHG Emissions, pp.72-77 Environmental Performance Indicators, pp.100-102
GRI 306: Waste 2020			
GRI 3: Material Topics 2021	3-3	Management of material topics	Message from General Manager, pp.5-7 Sustainability Management Approach, pp.37-39 Material Topics, pp.41-43 ADÖKSAN Sustainability Policy
	306-1	Waste generation and significant waste-related impacts	Raw Materials, Natural Resources and Waste Management, pp.81-83
GRI 306: Waste 2020	306-2	Management of significant waste-related impacts	Raw Materials, Natural Resources and Waste Management, pp.81-83
	306-3	Waste generated	Raw Materials, Natural Resources and Waste Management, pp.81-83 Environmental Performance Indicators, pp.100-102
	306-4	Waste diverted from disposal	Environmental Performance Indicators, pp.100-102
	306-5	Waste directed to disposal	Environmental Performance Indicators, pp.100-102
GRI 308: Supplier Environmental Assessment 2016			
GRI 3: Material Topics 2021	3-3	Management of material topics	Message from General Manager, pp.5-7 Sustainability Management Approach, pp.37-39 Material Topics, pp.41-43
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Responsible Supply Chain Management, pp.62-64 ADÖKSAN Code of Conduct for Suppliers

GRI 400: Social Standard Series

GRI Standard	Disclosure and Disclosure Title		Location or explanation
GRI 401: Employment 2016			
GRI 3: Material Topics 2021	3-3	Management of material topics	Message from General Manager, pp.5-7 Sustainability Management Approach, pp.37-39 Material Topics, pp.41-43 ADÖKSAN Sustainability Policy
	401-1	New employee hires and employee turnover	Human Resources Approach and Employee Profile, pp.86-87 Social Performance Indicators, pp.103-106
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Satisfaction and Employee Experience (Employee Rights), pp.92
	401-3	Parental leave	Employee Satisfaction and Employee Experience (Employee Rights), pp.92 Social Performance Indicators, pp.103-106
GRI 403: Occupational Health and Safety 2018			
GRI 3: Material Topics 2021	3-3	Management of material topics	Message from General Manager, pp.5-7 Sustainability Management Approach, pp.37-39 Material Topics, pp.41-43 ADÖKSAN Sustainability Policy
	403-1	Occupational health and safety management system	Occupational Health and Safety, pp.93-97
GRI 403: Occupational Health and Safety 2018	403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety, pp.93-97 Risk Management, pp.28-30
	403-3	Occupational health services	Occupational Health and Safety, pp.93-97
	403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, pp.93-97
	403-5	Worker training on occupational health and safety	Occupational Health and Safety, pp.93-97 Talent Management, Career Development and Trainings, pp.90-91
	403-6	Promotion of worker health	Occupational Health and Safety, pp.93-97
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety, pp.93-97
	403-8	Workers covered by an occupational health and safety management system	Social Performance Indicators, pp.103-106
	403-9	Work-related injuries	Occupational Health and Safety, pp.93-97 Social Performance Indicators, pp.103-106
403-10	Work-related ill health	Occupational Health and Safety, pp.93-97 Social Performance Indicators, pp.103-106	

GRI Standard	Disclosure and Disclosure Title		Location or explanation
GRI 404: Training and Education 2016			
GRI 3: Material Topics 2021	3-3	Management of material topics	Message from General Manager, pp.5-7 Sustainability Management Approach, pp.37-39 Material Topics, pp.41-43 ADÖKSAN Sustainability Policy
	404-1	Average hours of training per year per employee	Talent Management, Career Development and Trainings, pp.90-91 Social Performance Indicators, pp.103-106
GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	Talent Management, Career Development and Trainings, pp.90-91
	404-3	Percentage of employees receiving regular performance and career development reviews	Performance and Pricing, pp.91 Social Performance Indicators, pp.103-106
GRI 405: Diversity and Equal Opportunity 2016			
GRI 3: Material Topics 2021	3-3	Management of material topics	Message from General Manager, pp.5-7 Sustainability Management Approach, pp.37-39 Material Topics, pp.41-43 ADÖKSAN Sustainability Policy
	405-1	Diversity of governance bodies and employees	Human Resources Approach and Employee Profile, pp.86-87 Social Performance Indicators, pp.103-106
GRI 405: Diversity and Equal Opportunity 2016	405-2	Ratio of basic salary and remuneration of women to men	Performance and Pricing, pp.91
GRI 406: Non-discrimination 2016			
GRI 3: Material Topics 2021	3-3	Management of material topics	Message from General Manager, pp.5-7 Sustainability Management Approach, pp.37-39 Material Topics, pp.41-43
	GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken

GRI Standard	Disclosure and Disclosure Title		Location or explanation
GRI 408: Child Labor 2016			
GRI 3: Material Topics 2021	3-3	Management of material topics	Message from General Manager, pp.5-7 Sustainability Management Approach, pp.37-39 Material Topics, pp.41-43
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Equal Opportunity, Inclusion and Diversity Approach, pp.88-89 Responsible Supply Chain Management, pp.62-64 ADÖKSAN Code of Conduct ADÖKSAN Code of Conduct for Suppliers ADÖKSAN Human Rights Policy
GRI 409: Forced or compulsory labor 2016			
GRI 3: Material Topics 2021	3-3	Management of material topics	Message from General Manager, pp.5-7 Sustainability Management Approach, pp.37-39 Material Topics, pp.41-43
GRI 409: Forced or compulsory labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Equal Opportunity, Inclusion and Diversity Approach, pp.88-89 Responsible Supply Chain Management, pp.62-64 ADÖKSAN Code of Conduct ADÖKSAN Code of Conduct for Suppliers ADÖKSAN Human Rights Policy
GRI 410: Security Practices 2016			
GRI 3: Material Topics 2021	3-3	Management of material topics	Message from General Manager, pp.5-7 Sustainability Management Approach, pp.37-39 Material Topics, pp.41-43
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	Human Rights Along the Value Chain, pp.31
GRI 414: Supplier-Social Assessment 2016			
GRI 3: Material Topics 2021	3-3	Management of material topics	Message from General Manager, pp.5-7 Sustainability Management Approach, pp.37-39 Material Topics, pp.41-43
GRI 414: Supplier-Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Responsible Supply Chain Management, pp.62-64 ADÖKSAN Code of Conduct for Suppliers

GRI Standard	Disclosure and Disclosure Title		Location or explanation
GRI 416: Customer Health and Safety 2016			
GRI 3: Material Topics 2021	3-3	Management of material topics	Message from General Manager, pp.5-7 Sustainability Management Approach, pp.37-39 Material Topics, pp.41-43 ADÖKSAN Sustainability Policy
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Management Systems and Certificates, pp.24-26
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Not available
GRI 417: Marketing and Labeling 2016			
GRI 3: Material Topics 2021	3-3	Management of material topics	Message from General Manager, pp.5-7 Management Systems and Certificates, pp.24-26
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	Management Systems and Certificates, pp.24-26
	417-2	Incidents of non-compliance concerning product and service information and labeling	Not available
GRI 418: Customer Privacy 2016			
GRI 3: Material Topics 2021	3-3	Management of material topics	Message from General Manager, pp.5-7 Sustainability Management Approach, pp.37-39 Digital Transformation Journey, pp.66-68 ADÖKSAN Information Security/ TISAX and Personal Data Protection Policy
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not available

Additional Material Topics

GRI Standard	Disclosure and Disclosure Title	Location or explanation
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Product Quality and Customer Satisfaction

GRI 3: Material Topics 2021	3-3 Management of material topics	Message from General Manager, pp.5-7 Sustainability Management Approach, pp.37-39 Material Topics, pp.41-43 Management Systems and Certificates, pp.24-26 Responsible Products and Services, pp.54-60 Customer Satisfaction, pp.65
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R&D, P&D, Innovation and Eco-Design

GRI 3: Material Topics 2021	3-3 Management of material topics	Message from General Manager, pp.5-7 Sustainability Management Approach, pp.37-39 Material Topics, pp.41-43 Technology, Innovation and R&D & P&D, pp.61
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Information Security, Artificial Intelligence and Digitalization Applications

GRI 3: Material Topics 2021	3-3 Management of material topics	Message from General Manager, pp.5-7 Sustainability Management Approach, pp.37-39 Material Topics, pp.41-43 Digital Transformation Journey, pp.66-68
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Emergency and Disaster Management, Resilience Practices

GRI 3: Material Topics 2021	3-3 Management of material topics	Message from General Manager, pp.5-7 Sustainability Management Approach, pp.37-39 Material Topics, pp.41-43 Occupational Health and Safety, pp.96-97
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Public Relations, Social Policies, Civil Society and Local Practices

GRI 3: Material Topics 2021	3-3 Management of material topics	Message from General Manager, pp.5-7 Sustainability Management Approach, pp.37-39 Material Topics, pp.41-43 Investments in Society, pp.98
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ANNEX 3. THE UNITED NATIONS GLOBAL COMPACT INDEX

The Ten Principles of the UN Global Compact	Principles	Relevant Report Section/Page
HUMAN RIGHTS		
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.		Ethics and Compliance, pp.26-28 Human Resources Approach and Employee Profile, pp.86-87
Principle 2: Business should make sure that they are not complicit in human rights abuses.		Equal Opportunity, Inclusion and Diversity Approach, pp.88-89 Employee Satisfaction and Employee Experience (Employee Rights), pp.92 ADÖKSAN Code of Conduct
LABOUR		
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.		There is no employee under the collective bargaining agreement.
Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.		Equal Opportunity, Inclusion and Diversity Approach, pp.88-89 Responsible Supply Chain Management, pp.62-64 ADÖKSAN Code of Conduct ADÖKSAN Code of Conduct for Suppliers ADÖKSAN Human Rights Policy
Principle 5: Businesses should uphold the effective abolition of child labour.		Equal Opportunity, Inclusion and Diversity Approach, pp.88-89 Responsible Supply Chain Management, pp.62-64 ADÖKSAN Code of Conduct ADÖKSAN Code of Conduct for Suppliers ADÖKSAN Human Rights Policy
Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.		Equal Opportunity, Inclusion and Diversity Approach, pp.88-89 ADÖKSAN Code of Conduct
ENVIRONMENT		
Principle 7: Businesses should support a precautionary approach to environmental challenges.		
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.		Respect for the Environment, pp.69-84
Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.		Environmental Performance Indicators, pp.100-102
ANTI-CORRUPTION		
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.		Anti-Bribery and Anti-Corruption, pp.32 ADÖKSAN Anti-Bribery and Anti-Corruption Policy ADÖKSAN Code of Conduct

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