

FRAMEWORK FOR COMPLIANCE WITH SUSTAINABILITY PRINCIPLES

"Sustainability Principles Compliance Framework" is the Environmental, Social, Corporate
It contains the basic principles that are expected to be explained while carrying out the management (ESM) studies.

While the implementation of these principles is voluntary, whether or not they are implemented
It is obligatory to report with the principle of "Explain".

stated in the 5th paragraph of the 1st article of the Corporate Governance Communiqué numbered II-17.1.
from the 2021 annual reports to include the 2020 data in terms of partnerships.
from; for the initial public offering of its shares and/or for starting to be traded on the stock exchange.
In terms of partnerships applying/applied to the Board, the shares of the partnerships are not traded on the stock exchange.
from the activity reports of the relevant year, including the data of the year following the year
From now on, the sustainability principles harmonization framework is included (application in initial public offerings).
The example is as follows: The first public offering of the shares of X A.Ş. was held on 13.08.2020.
The year following the public offering is 2021. Therefore, 2022 to include the data for 2021.
It will be applied from the annual reports).

In this context, the Partnership:

A. General Principles

A1. Strategy, Policy and Goals

- The Board of Directors identifies ESG material issues, risks and opportunities and accordingly
Establishes ESG policies. Effective implementation of these policies
in terms of; Intra-partner directives, business procedures, etc. can be prepared. for these policies
The Board of Directors takes the decision and announces it to the public.
- Determines the Partnership Strategy in line with ESG policies, risks and opportunities. Partnership
determines its short- and long-term objectives in line with its strategy and ESG policies and makes it publicly available.
explains.

A2. Implementation/Monitoring

- Identifies and makes public the committees/units responsible for implementing ESG policies
explains. The responsible committee/unit performs the activities carried out within the scope of the policies annually.
at least once and in any case, in accordance with the relevant regulations of the Board, the annual activity reports
Management to remain within the maximum periods determined for public disclosure.
Reports to the Board.
- Implementation and action plans in line with the determined short and long-term goals
creates and makes public.
- Establishes ESG Key Performance Indicators (KPI) and comparatively over the years
explains. In the presence of verifiable data, KPGs can be used locally and internationally.
along with industry comparisons.
- Improving sustainability performance for business processes or products and services
explains innovation activities.

A3. Reporting

Page 2

- Reports sustainability performance, targets and actions at least once a year and publicly available. Annual report with information on sustainability activities explains in scope.
- In order to understand the position, performance and development of the partnership for the stakeholders
It is essential to share important information in a direct and concise manner. Detailed can also disclose information and data on the corporate website, can prepare separate reports that directly meet their needs.
- Takes the utmost care in terms of transparency and reliability. As part of the balanced approach objectively analyze all kinds of developments about priority issues in disclosures and reports. explains it.
- Its activities are in line with the United Nations (UN) 2030 Sustainable Development Goals.
It gives information about which ones it is related to.
- Opened and/or concluded against environmental, social and corporate governance issues explains the lawsuits.

A4. Verification

- Independent third parties (independent sustainability assurance providers) publicly discloses sustainability performance measures and
It strives to increase the verification processes in question.

B. Environmental Principles

- Policies and practices in the field of environmental management, action plans, environmental explains management systems (known by the ISO 14001 standard) and programs.
- Complies with environmental laws and other relevant regulations and explains them.
- Environmental issues to be included in the report to be prepared within the scope of Sustainability Principles boundary of the report, reporting period, reporting date, data collection process and reporting explains the constraints of the conditions.
- The highest level responsible in the partnership regarding the environment and climate change, the relevant Explain the committees and their duties.
- for the management of environmental issues, including the achievement of objectives explains the incentives it offers.
- Explains how environmental issues are integrated into business goals and strategies.
- Sustainability performances for business processes or products and services, and explains these performance-improving activities.
- Not just in terms of direct operations, but throughout the partnership value chain how it manages environmental issues and integrates suppliers and customers into its strategies explains what it does.
- Policy making on environmental issues (sectoral, regional, national and international) whether they are involved in their processes; environmental associations, related its cooperation with organizations and non-governmental organizations and its duties, if any, and explains the activities it supports.

- Environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect) ¹), air quality, energy management, water and wastewater management, information on environmental impacts in the light of waste management, biodiversity impacts) periodically reports in a comparable way.
- The standard, protocol, methodology and basis it uses to collect and calculate its data explains the details of the year.
- Status of environmental indicators for the report year compared to previous years explains (increase or decrease).
- Sets short and long-term goals to reduce environmental impacts and sets these goals explains. These goals are set by the United Nations Conference of the Parties on Climate Change. It is recommended to set it as Science-Based as suggested. previously determined information on the subject, if progress is made in the report year according to the targets. gives.
- Explains the strategy and actions of combating the climate crisis.
- Preventing the potential negative impact of the products and/or services offered or explains the minimization program or procedures; greenhouse gases from third parties explains the actions to reduce the amount of emissions.
- Actions taken to reduce environmental impacts, projects carried out and the total number of initiatives and their environmental benefits/benefits and costs explains their savings.
- Reports total energy consumption data (excluding raw materials) and energy consumption It describes it as Scope-1 and Scope-2.
- Information on electricity, heat, steam and cooling produced and consumed in the reporting year provides.
- Increasing the use of renewable energy, transition to zero or low carbon electricity makes studies on the subject and explains these studies.
- Explains renewable energy production and usage data.
- Makes energy efficiency projects and thanks to these studies, energy consumption and emissions explains the amount of reduction.

¹ Scope 1 Direct Greenhouse Gas Emissions

Greenhouse gas emissions from greenhouse gas sources owned or controlled by an organization.

- Fixed combustion (boiler, furnace, turbine, heater, incinerator, engine etc.)
- Mobile incineration (car, truck, ship, plane, etc.)
- Process emission (CO₂ from calcination in cement production, catalytic cracking in petrochemical industry) CO₂ originating from the process, PFC (Perfluorocarbon) emission in aluminum melting)
- Fugitive emissions (from equipment connections, wastewater treatment plant, cooling towers, gas processing plants, etc.). leaks)

Scope 2 Energy indirect greenhouse gas emissions

generated during the production of electricity, heat or steam consumed by an organization from outside.

greenhouse gas emission

Scope 3 Other indirect greenhouse gas emissions

Other than energy indirect greenhouse gas emissions, other organizations as a result of an organization's activities greenhouse gas emissions from greenhouse gas sources owned or controlled

- Extracted, used, recycled and discharged from underground or above ground water quantities, sources and procedures (total water withdrawal by source, water resources affected by the draft; recycled and reused water percentage and total volume, etc.) reports.
- Any carbon pricing system of operations or activities (Emissions Trading System, Cap & Trade or Carbon Tax) explains.
- Explains the carbon credit information accumulated or purchased during the reporting period.
- Explains the details if carbon pricing is applied within the partnership.
- Explains all mandatory and voluntary platforms where it discloses its environmental information.

C. Social Principles

C1. Human Rights and Employee Rights

- Universal Declaration of Human Rights, ILO Conventions ratified by Turkey and Legal framework and legislation regulating human rights and working life in Turkey. Corporate Human Rights and Employee Rights Policy, in which full compliance is committed creates. the policy in question and their role in implementing the policy; and disclose its responsibilities to the public.
- It provides equal opportunity in recruitment processes. Considering supply and value chain effects fair workforce, improving labor standards, women's employment and inclusion (men, women, religious belief, language, race, ethnicity, age, disability, refugee, etc. discrimination) not to do so) in their policies.
- Those who are sensitive to certain economic, environmental and social factors (low-income groups, women, etc.) or the observance of minority rights/equality of opportunity. explains the measures taken along the value chain.
- Preventing and correcting discrimination, inequality, human rights violations, forced labor reports the developments regarding the applications. To prevent child labor explains the regulations.
- Investments in employees (education, development policies), compensation, fringe benefits, on the right to unionize, work/life balance solutions and talent management explains its policies. Regarding employee complaints and dispute resolution determines dispute resolution processes by establishing mechanisms. Working regularly explains the activities carried out to ensure satisfaction.
- Creates occupational health and safety policies and discloses them to the public. Occupational accidents and health explains the measures taken for the protection and accident statistics.
- Creates and publicly discloses personal data protection and data security policies.
- Establishes an ethics policy (business, work ethics, compliance processes, advertising and marketing ethics, open information etc. work) and publicly available.
- Community investment, social responsibility, financial inclusion and access to finance explains their work.
- Information meetings for employees on ESG policies and practices, and organizes training programs.

C2. Stakeholders, International Standards and Initiatives

- All stakeholders (employees, customers, etc.) suppliers and service providers, government agencies, shareholders, society and civil society organizations etc.) by taking into account their needs and priorities.
- Customer satisfaction policy regarding the management and resolution of customer complaints regulates and makes public.
- Conducts stakeholder communication in a continuous and transparent manner; with which stakeholders, for what purpose, on what subject and how often he communicated, recorded in his sustainability activities. explains the developments.
- Adopted international reporting standards (Carbon Disclosure Project (CDP), Global Reporting Initiative (GRI), International Integrated Reporting Council (IIRC), Sustainability Accounting Standards Board (SASB), Climate-Related Financial Disclosures Task Force (TCFD) etc.) are publicly available.
- International organizations or principles of which it is a signatory or a member (Equator Principles, United Nations Environment Program Finance Initiative (UNEP-FI), United Nations Global Principles (UNGC), United Nations Principles for Responsible Investment (UNPRI) etc.), international principles adopted by the International Capital Markets Association (ICMA) such as the Green/Sustainable Bond Principles).
- In Borsa Istanbul Sustainability Index and international sustainability indices (Dow Jones Sustainability Index, FTSE4Good, MSCI ESG Indices, etc.) concrete efforts.

D. Corporate Governance Principles

- Mandatory within the scope of the Capital Markets Board's Corporate Governance Communiqué no. In addition to the Corporate Governance principles that must be complied with, all Corporate Governance makes the utmost effort to comply with its principles.
- The subject of sustainability, the environmental effects of its activities and its principles in this regard takes into account when determining the corporate governance strategy.
 - Principles regarding stakeholders as specified in the Corporate Governance Principles take the necessary measures to ensure compliance and strengthen communication with stakeholders. gets. Benefit in determining measures and strategies in the field of sustainability seek the opinions of the owners.
 - Sustainability with social responsibility projects, awareness events and trainings It works to raise awareness about the subject and its importance.
 - Being a member of international standards and initiatives on sustainability, and strives to contribute to the work.
 - Policy on the fight against bribery and corruption and on the principle of honesty in terms of taxation and explains the programs.