ETİ BAKIR

Limitless **sustainability** through circular economy

Sustainability Report **2023**

Contents

ABOUT THE REPORT

The 2022-2023 Sustainability Report of Eti Bakır A.Ş. Mazıdağı Enterprise has been prepared to evaluate the sustainability performance of our Company for the years 2022 and 2023 and to ensure transparent communication with its stakeholders. Throughout this report, Eti Bakır A.Ş. Mazıdağı Enterprise will be referred to as Eti Bakır Mazıdağı Enterprise.

Reporting Scope

The report is the first sustainability report of Eti Bakır A.Ş. Mazıdağı Enterprise and includes Eti Bakır Mazıdağı Enterprise's sustainability strategy, activities and targets in the fields of environmental, social and governance, as well as its approach to material issues important to stakeholders and its performance in the two-year period starting on 1 January 2022 and ending on 31 December 2023.

Reporting Principles and Standards

This report has been prepared in accordance with Global Reporting Initiative (GRI) standards. The content of the report is based on the topics and disclosures identified by GRI and has been prepared in accordance with the methodology requirements of the Task Force on Climate-related Financial Disclosures (TCFD). In addition, the report includes our contributions to the United Nations Sustainable Development Goals (SDGs), which are widely recognised across the industry.

Publication Date and Frequency

This report will be published annually as an indicator of Eti Bakır Mazıdağı Enterprise's commitment to sharing its sustainability performance with its stakeholders. Eti Bakır Mazıdağı Enterprise Sustainability Report was published in December 2024.

GENERAL MANAGER MESSAGE

Dear Stakeholders,

The global economy has been experiencing significant transformation in recent years under the impact of complex dynamics such as the pandemic, geopolitical tensions, increases in energy and raw material costs, supply chain disruptions and increasingly stringent environmental regulations. These changes are slowing economic growth while reshaping global trade dynamics. As Eti Bakır Mazıdağı Enterprise, we see this challenging period as an opportunity and we are taking strategic steps to make our business model more sustainable and resilient. Global uncertainties and tightening environmental regulations require us to assume greater responsibility for carbon emissions and waste management. The spread of new mechanisms such as carbon tax and emission trading may put cost pressure on our operations. However, thanks to our strong corporate structure and innovative management culture, we have developed a comprehensive compliance strategy to overcome these challenges. Our renewable energy investments and projects aimed at enhancing energy efficiency are reducing our environmental impacts while further strengthening our financial performance. Our company has an integrated structure that produces various products, such as phosphoric acid, sulphuric acid, metal recovery, ammonia and fertiliser. Our plant is one of the best examples of the circular economy, enabling us to optimise our production processes and reduce our dependence on raw materials. The business model we have created differentiates us from our competitors in the sector and increases our operational efficiency.

As Eti Bakır Mazıdağı, the foundation of our business model is operational excellence, efficiency, and technological innovation. With our energy efficiency projects and process improvements, we improving the quality of our existing products and developing new solutions. In addition, by adopting the principles of the circular economy, we implement innovative approaches in waste management and gain a competitive edge in the market by reducing our environmental impact with our green fertiliser products. Considering global dynamics, we take proactive approaches to address risks such as climate change, raw material price fluctuations and logistical challenges while leveraging the advantages of our integrated structure. Focusing on sustainability, we aimed to create long-term value by considering both our environmental and social responsibilities. In line with this approach, the year 2023 was a critical turning point in our sustainability journey. Lean management practices, energy efficiency projects and carbon footprint studies have enabled significant progress towards achieving our sustainability goals. We also significantly reduced our environmental footprint through improvements in phosphoric acid, sulphuric acid and metal recovery processes. Within the framework of the United Nations Sustainable Development Goals (SDGs), we focused on Climate Action, Affordable and Clean Energy, Responsible Consumption and Production, Industry, Innovation and Infrastructure, aiming to make a meaningful difference in our sector and provide the highest contribution.

Contributing to society and building strong relationships with our stakeholders are also among our main priorities. We focus on education, health and environmental projects in collaboration with local communities; we encourage women's employment, increase occupational health awareness and provide social benefit through qualified education projects.

Our future vision is rooted in sustainable growth, innovation and environmental responsibility. To achieve our net-zero carbon target, which lies at the core of our long-term strategy, we are increasing our renewable energy investments and accelerating the implementation of energy efficiency projects. In alignment with our medium-term plans focused on 2030, we aim to reduce our carbon intensity and increase our competitiveness through low-carbon solutions and environmentally friendly projects. During this process, we comply with new regulations such as the Carbon Border Adjustment Mechanism and emission trading, meticulously manage our reporting and disclosure processes, and continuously improve our environmental performance.

Sustainability is a business model that aims not only to reduce environmental impacts but also to create long-term value. As Eti Bakır Mazıdağı Enterprise, we work with great determination as a team to achieve the sustainability targets we have set. Our performance in recent years proves that achieving these goals is possible and motivates us toward even greater targets.

As Eti Bakır Mazıdağı Enterprise, we adopt sustainability as a priority value at every stage of our business processes and act with this understanding. In our sustainability report, which we published for the first time this year, we reinforce our commitment to transparent management by sharing our sustainability strategy, business model, and financial and operational performance.

In the coming years, we will continue to share our progress towards our sustainability goals, our achievements and the challenges we face with all our stakeholders. I would like to thank all my colleagues and business partners for supporting us on this journey.

Bekir Kan

Eti Bakır Mazıdağı Enterprise
General Manager

"Limitless sustainability through circular economy"

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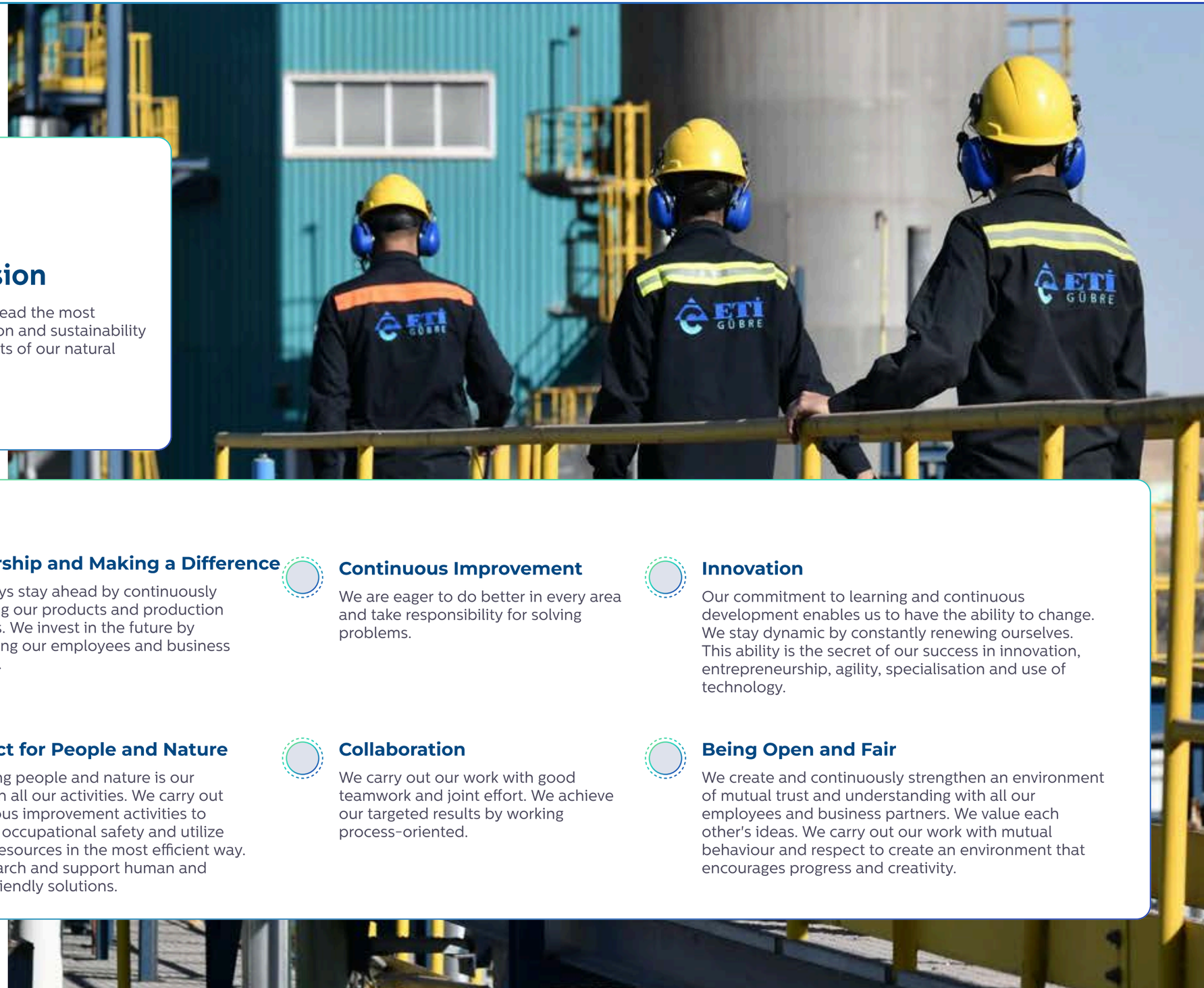
CORPORATE PROFILE

CORPORATE PROFILE



Our Vision

With our management approach and continuously developing processes, we aim to become an international role model organisation that shapes the future by exceeding the expectations of our stakeholders.

Our Mission

As Eti Bakır, we lead the most efficient utilisation and sustainability of all components of our natural resources.

Our Principles and Values

Leadership and Making a Difference

We always stay ahead by continuously improving our products and production methods. We invest in the future by developing our employees and business partners.

Continuous Improvement

We are eager to do better in every area and take responsibility for solving problems.

Innovation

Our commitment to learning and continuous development enables us to have the ability to change. We stay dynamic by constantly renewing ourselves. This ability is the secret of our success in innovation, entrepreneurship, agility, specialisation and use of technology.

Value Addition

We focus on adding value to our customers and society.

Respect for People and Nature

Protecting people and nature is our priority in all our activities. We carry out continuous improvement activities to increase occupational safety and utilize natural resources in the most efficient way. We research and support human and nature friendly solutions.

Collaboration

We carry out our work with good teamwork and joint effort. We achieve our targeted results by working process-oriented.

Being Open and Fair

We create and continuously strengthen an environment of mutual trust and understanding with all our employees and business partners. We value each other's ideas. We carry out our work with mutual behaviour and respect to create an environment that encourages progress and creativity.

Milestones

2011

Acquisition

Mazıdağı Mining Facilities were acquired by Cengiz Holding

2013

Transfer to Eti Bakır

The facilities were transferred to Eti Bakır AŞ, a subsidiary of Cengiz Holding

2015

Foundations of Factories

Project and feasibility studies were completed, and the foundation of the factory was laid.

2018

Factories Were Commissioned

Sulfuric Acid (SAP), Phosphoric Acid (PAP), Fertiliser (DAP) and LEACH factories were commissioned.

2019

Integrated Plant Was Implemented

With the commissioning of the ammonia plant, a fully integrated plant investment was realised.

2020

Achieved Design Capacity

The plant reached its design capacity, and continuous improvement works were initiated. ICONICHEM plant was acquired.

Eti Bakır Mazıdağı Enterprise in 2023

Employment for **1.380 people**

2.541.830 hours of work without accidents

14 projects focused on digitalisation and environmental **sustainability**

Energy savings of 42,449 kWh in electricity consumption, equivalent to the annual consumption of 22 households

Improvements in water management resulted in **13.121 m³ of water saved,** equivalent to the annual water consumption of 20 households

Environmental awareness training for a total of **1,500 students in 45 schools**

One of only 7 copper, 2 zinc and 45 cobalt producers worldwide with Responsible Minerals Initiative (RMI) certification

A 65% increase in the number of female employees compared to 2020

Eti Bakır Mazıdağı Enterprise

We Are the Most Special Example of Circular Economy

It was established with an investment of 1.2 billion dollars in order to bring the phosphate mine of Mardin Mazıdağı, Türkiye's only phosphate mine, and the copper flotation waste generated in Kastamonu Küre into the economy and became an Integrated Fertiliser and Metal Recovery Plant, which is unique in the world.

Eti Bakır Mazıdağı Metal Recovery and Integrated Fertiliser Plants

Eti Bakır Mazıdağı Plant was established to utilise Türkiye's only phosphate mine in Mardin Mazıdağı and the copper flotation waste generated in Kastamonu Küre into the economy and has become an Integrated Fertiliser and Metal Recovery Plant that is unique in the world. With an investment of USD 1.2 billion, our plants, developed within the framework of circular economy, offer a sustainable production model with the concept of production from residuals.

Circular Economy and the Concept of Production From Residuals

Our Mazıdağı Enterprise is one of the best examples of circular economy. In our process, sulphur in pyrite is converted into sulphuric acid and steam is produced in this process. The steam produced is directed to our power generation plant and meets 70% of our energy needs. The valuable metals obtained during the process include cobalt, zinc, copper and iron. With the sulfuric acid produced, the low-grade ore extracted from the phosphate mine is converted into phosphoric acid and used in the production of composite fertiliser. In addition, process water is recycled back into the system, ensuring the efficient use of natural resources and water.

Production Process and Products

Various products such as phosphoric acid, sulphuric acid, ammonia, compound fertiliser are produced in our Mazıdağı enterprise. Our annual production capacity includes 540,000 tonnes of DAP and 750,000 tonnes of NP fertiliser. In our metal recovery unit, metals such as cobalt, copper, zinc and iron are recovered.

Our Products

Cobalt
(Metallic Basis)

Copper
(Metallic Basis)

Zinc
(Metallic Basis)

Iron Cake

DAP Fertiliser

NP Fertiliser

Product Development and Innovation

Cobalt Acetate
[$CO(CH_3CO_2)_2$]

Cobalt Hydroxide
[$CO(OH)_2$]

Cobalt Oxide
[CoO]

Cobalt Carbonate
[$COCO_3$]

Cobalt Sulphate
[$CoSO_4$]

Cobalt Nitrate
[$CO(NO_3)_2$]

Cobalt Chloride
[$CoCl_2$]

Nickel Carbonate
[$NiCO_3$]

Phosphate Mine

Total Reserves: 50.000.000 tonnes

Expected Lifespan: >30 Years

Ammonia Plant

Raw material: Natural gas, water and air

Products: Anhydrous Ammonia

Sulfuric Acid Plant

Raw Material: Pyrite Concentrate containing 48-50% sulphur

Products: Sulfuric Acid, Calcine, Vapour

Phosphoric Acid Plant

The phosphate ore is fed into the enrichment plant for P205 beneficiation.

Fertiliser Plant

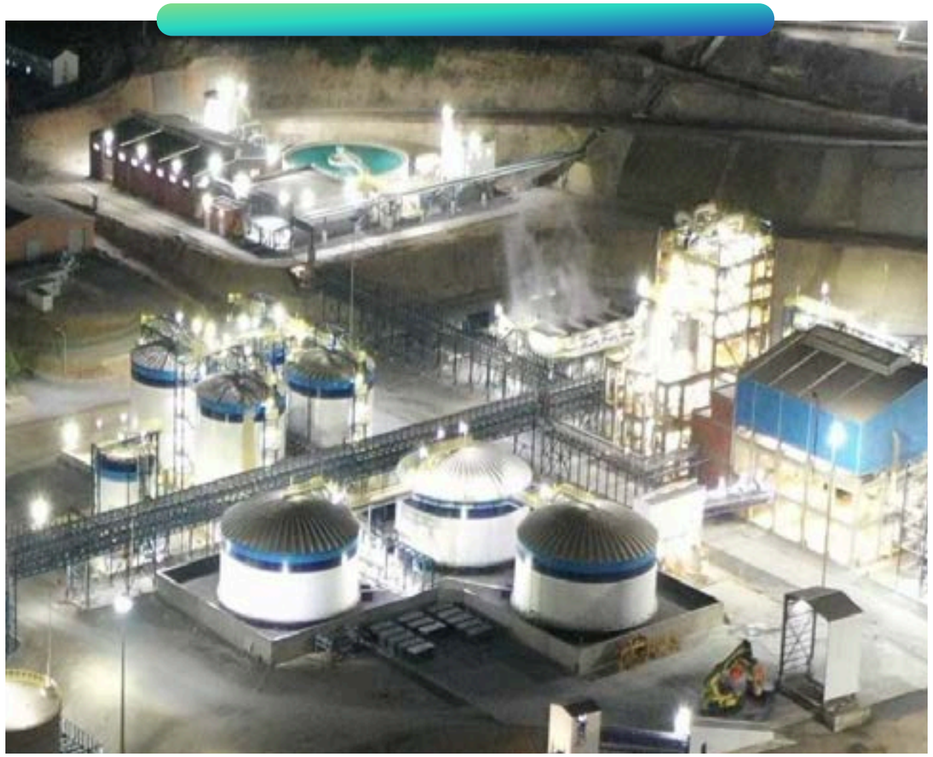
Raw Material: Phosphoric acid, liquid anhydrous ammonia, concentrated sulphuric acid, potassium chloride, ammonium sulphate

Products: 540,000 tonnes DAP/year, 750,000 tonnes NP/year production capacity.

Metal Recycling Plant

Raw Material: Calcine containing 65% Fe, 0.8% Co, 0.6% Cu and 0.4% Zn from the roasters in the sulphuric acid plant

Products: Cobalt, Copper, Zinc, Iron Concentrate



Ammonia Production Plant Operations

The enterprise's field of activity is the production of ammonia (NH_3), which is the raw material for the production of inorganic fertilisers used to meet plants' nitrogen needs. This process occurs through the reaction of hydrogen and nitrogen gases on iron (Fe) catalysts under a pressure range of 110-120 bar and a temperature range of 350-550 °C, following the reaction equation ($N_2 + 3H_2 \rightleftharpoons 2NH_3 + Q$ heat).

The raw materials used in ammonia production are natural gas, water, and atmospheric air. To obtain the required 1:3 ratio of hydrogen-nitrogen gas mixture, a 1:3 mixture of natural gas and steam is broken down in tubular reactors containing nickel catalysts, converting it into hydrogen and carbon monoxide gases.

H_2 is produced by the conversion of natural gas. In subsequent, carbon monoxide gases react with steam to form CO_2 and hydrogen. We produce Nitrogen from atmospheric air by combustion reaction. CO_2 gas is separated from nitrogen and hydrogen using an MDEA solution. The mixture of hydrogen and nitrogen is sent to the synthesis reactor for reaction. Ammonia is produced as a result of the reaction in the Ammonia Synthesis Reactor containing iron (Fe) catalyst. In the subsequent units, carbon monoxide gases are converted into hydrogen. Atmospheric air is added to the resulting gas, allowing the nitrogen from the combustion reactions to mix with hydrogen in a specific ratio. These gases then react in an Ammonia Synthesis Reactor containing an iron (Fe) catalyst to produce ammonia.

Phosphoric Acid Production Plant Operations

Phosphate extracted from the region is turned into fertiliser together with other input products. Phosphate ranks as the 5th most exported product in Türkiye, following oil and coal.

Phosphate ore required for phosphoric acid production is extracted from the mine site and loaded onto trucks. Phosphate ore loaded on trucks is crushed in jaw crusher. After the crushed phosphate ore is ground in the autogenous mill, it is turned into sludge with water in the sludge preparation unit. Phosphate sludge, sulphuric acid and water react in the attack tank reactors. The reaction sludge is mixed in the reactors to complete the reactions.

The gases resulting from the reactions are extracted from the reactor with the help of a fan and sent to the gas washing tower. The gases are cleaned in the tower using process water and nozzles, then discharged into the atmosphere through the chimney. The sludge formed in the reactors is fed to the filter using a pump. The weak phosphoric acid with a concentration of 22-26% P_2O_5,filtered through the filter pan, is stored in tanks.

The gypsum remaining on the filter is collected in the gypsum container, loaded onto trucks, and stored in the landfill facility. The stored weak acid is fed to the evaporator. The acid fed to the evaporator unit is brought to its boiling temperature by circulating under vacuum with steam. The acid, containing 47- 54% P_2O_5, is stored in concentrated acid tanks and used for fertiliser production. In addition, fluorosilicic acid (F.S.A H_2SiF_6), produced as a waste product in the concentration unit, reacts with phosphate sludge in the FSA recovery unit and is reintroduced into production, achieving waste recovery.

Sulfuric Acid Production Plant Operations

Pyrite concentrate, obtained as waste from Eti Bakır Küre Plants after flotation, is burned in blast furnaces at Mazıdağı Sulphuric Acid Plant to produce calcine ash, steam and sulphuric acid. Pyrite is roasted in fluidised bed furnaces to produce sulphur dioxide, the raw material for sulphuric acid, and calcine ash, the raw material for the leaching process. Sulphur dioxide (SO_2), the raw material for sulphuric acid, undergoes various processes to produce sulphuric acid and used in the production of phosphoric acid.

The most important feature of the plant is its ability to operate using internal resources for production. The factory, which provides employment to the people of the region, keeps the national capital in the country by exporting raw materials. The use of domestic energy resources plays an important role in the development of the country.

Fertiliser Production Plant Operations

DAP (Diammonium Phosphate) fertiliser has a composition of 18% N (Nitrogen) and 46% P2O5 (phosphorus pentaoxide) by weight and is a compound fertiliser with two nutrient. In DAP production, the main reaction occurs when ammonia reacts with phosphoric acid in a reactor known as a pipe reactor, within a short time of 3-5 seconds, initially forming MAP (Mono Ammonium Phosphate) slurry. This slurry is granulated by spraying it onto the solid bed in the drum granulator. During the granulation process, it is converted into DAP (diammonium phosphate) through a second ammoniation.

Metal Recovery (Leach) Production Plant Operations

The pyrite ash generated as waste after the flotation process at the Eti Bakır Küre Plant is burned in blast furnaces at the Mazıdağı Sulphuric Acid Plant. The sulphur (S) in the pyrite is oxidised with air to form sulphur dioxide (SO_2). After undergoing various process steps, it is converted into sulphuric acid (H_2SO_4) and stored, ready for use.

After the sulphur in Pyrite Ash is removed, the ash collected in the filters is directed to the plant to be used as a raw material source in the calcine ash recovery plant (Leach). The calcine ash transferred to the autoclave undergoes chemical reactions with high pressure, high steam and oxygen, enabling the extraction of cobalt, copper, and zinc into the solution. The sludge undergoes various physical and chemical processes to produce a solution. This solution is then sent to the copper solvent extraction unit, where the copper is processed and prepared for sale.

The main purpose of the cobalt carbonation unit is to produce Cobalt Carbonate from cobalt sulphate solution. This is achieved using cobalt sulphate solution obtained from solvent extraction.

Ion Exchange Columns

Ion exchangers are columns used to recover the copper remaining in the cobalt sulphate solution. The efficiency of the columns changes directly with the pH of the solution. Therefore, the pH should be kept within the desired range at all times. Also, copper concentration can be monitored from laboratory results.

Cadmium Removal

This is the circuit designed to remove cadmium from the solution after ion exchange columns. Cadmium in the filtered solution is removed by adjusting the required pH and chemical feeding. For an efficient cadmium removal process, pH, sodium carbonate flow and aerophene dosing are very important.

Cobalt Carbonation

It is the stage where carbonate is obtained from cobalt solution. The solution is fed to the reactors from the solution feed tank. Sodium carbonate is also fed to the reactors. The following reaction takes place between the sodium carbonate and the solution. For a proper cobalt carbonation, pH and temperature should always be controlled.

CoCO3 Precipitation

After carbonation, cobalt carbonate is fed to the thickener for solid-liquid separation. The purpose of the thickener is to separate the solid from the liquid by providing a suitable precipitation medium. For the desired cake yield, pH, flocculant amount, nucleation cycle, upstream leakage control, thickener bottom density, thickener torque magnitude should be monitored.

CoCO3 Filtering

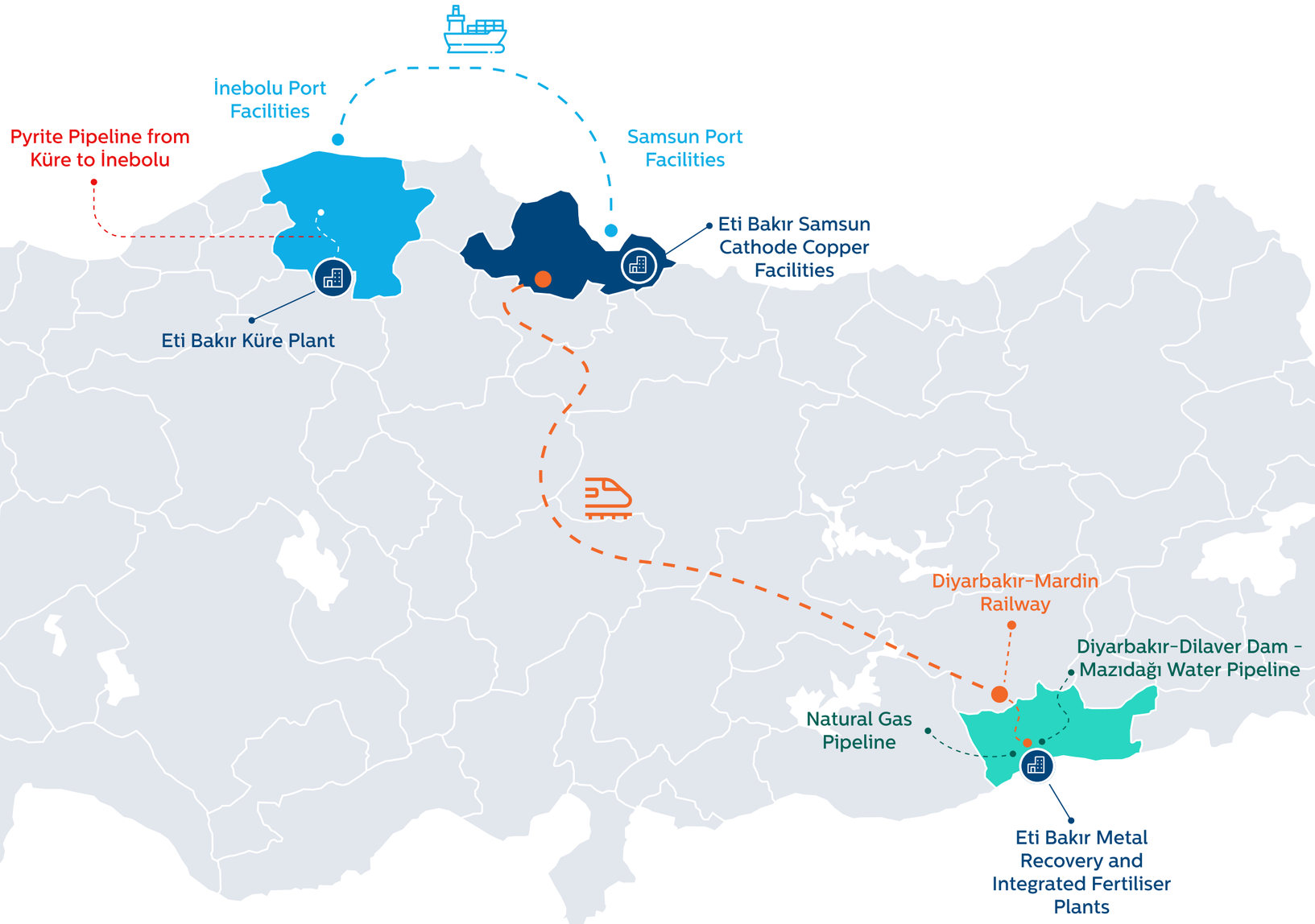
The purpose of cobalt carbonate filtration is to reduce the moisture content of the carbonate sludge from the thickeners and transfer it to the packaging unit. For the filtration process, thickener bottom density, filtration time, cake thickness, moisture ratio are important.

STRATEGIC IMPORTANCE OF ETİ COPPER MAZIDAĞI ENTERPRISE

Developing Tomorrow Already

Tomorrow's world will look very different, with new energy sources and higher levels of connectivity than ever before. The metals we produce, utilise and bring to market will contribute to achieving global decarbonisation goals.

- Our plant is the only factory in the world where the raw material called pyrite, considered residue in other copper mines and stored in waste dams for many years, is transformed into products of strategic importance.
- Contributing to our farmers and the agricultural sector, the only integrated factory in Türkiye that produces 100% domestic fertiliser with domestic raw materials in order to secure fertiliser supply
- The only factory that contributing 2% of the world's cobalt production while also focusing on Zinc, Copper, Nickel and Lithium products alongside Cobalt, supported by continuous R&D activities in the mining sector.
- A factory of strategic importance in becoming a global player, advancing the circular economy by recovering raw materials from end-of-life batteries and reintegrating them into the economy.
- A factory that undertakes significant initiatives on recycling and aims to produce a new element every year
- A factory that contributes millions of dollars every year to the closing of Türkiye's foreign trade deficit



Innovation and Sustainability Efforts

Eti Bakır Mazıdağı plays a pioneering role in sustainability efforts and acts with the principle of continuous improvement. Our facility, which holds management systems certificates such as ISO 9001, ISO 14001, ISO 45001 and ISO 50001, is also distinguished by its lean management and continuous improvement (Kaizen) practices. With the digitalisation projects carried out in our facility, our environmental sensitivity and sustainable management efforts are getting stronger day by day.

Social Responsibility and Employment

Eti Bakır Mazıdağı Enterprise adds value not only to the environment but also to society. It provides direct employment for 1,500 people and indirect employment for 25,000 people in the region. At the same time, we strengthen our diversity and equal opportunity policies by increasing the employment of women. We continue to support young talents through our education and social responsibility projects.

Eti Bakır Mazıdağı Enterprise is an industrial power that contributes to Türkiye's economic development and a sustainable future. With our circular economy approach and sustainability -focused strategies, we aim to serve as a model organisation not only in Türkiye but also on a global scale. We continue to drive innovation in the industrial sector through our strategic investments and forward-looking initiatives.

Integrated Management System

Our company operates in compliance with international standards on sustainability and management systems. Our Integrated Management System is structured in accordance with ISO 14001 Environmental Management System, ISO 9001 Quality Management System, ISO 45001 Occupational Health and Safety Management System and ISO 50001 Energy Management System standards. These management systems are structured to encompass all facilities within our business.

Our Integrated Management System plays a critical role in achieving our sustainability goals. By operating in accordance with international standards, we ensure that our company minimizes its environmental impact, safeguards employee health and safety, and increases customer satisfaction.

ISO 9001:2015- Quality Management Systems

The ISO 9001 Quality Management System standard helps us to continuously improve the quality of our products and services. We effectively manage our processes to increase customer satisfaction and meet the expectations of all stakeholders in our supply chain.

ISO 14001:2015- Environmental Management Systems

Operating in line with ISO 14001 Environmental Management System standard, we keep our environmental impacts under control, ensure sustainable use of natural resources and recover industrial waste. In this context, we continuously monitor and improve our environmental performance indicators such as waste management, energy efficiency, water use and emission control. We carry out regional studies to raise and promote environmental and waste awareness.

ISO 45001:2018- Occupational Health and Safety Management Systems

We prioritize employee health and safety in all activities conducted under the ISO 45001 Occupational Health and Safety Management System standard. We create a safe working environment, take the necessary measures to prevent occupational accidents and diseases, and enhance both employee well-being and business productivity. We contribute to fostering a regional culture of occupational health and safety.

ISO 17025:2017 – Competence of Testing and Calibration Laboratories Management System

We ensure that the analyses performed within the framework of laboratory activities comply with required standards. We guarantee the reliability of all measurement equipment and devices through our TÜRKAK accreditation certificate

ISO 50001:2018 – Energy Management System

By following technological developments in all activities we carry out in compliance with the ISO 50001 Energy Management System standard, we ensure that energy performance is considered during the evaluation of procurement and design activities, enhance our efficiency and effectiveness, and promote the efficient use of natural resources and energy.

Eti Bakır Mazıdağı Enterprise Sustainability Strategy

"Power that Generates Value, Vision that Guides the Future"

Growth

Our growth strategy aims to ensure that our company achieves sustainable growth and maintains its competitive advantage. This strategy focuses on areas such as entering new markets, developing new products and expanding the customer base.

Sustainable Growth: Strengthening the capacity for long-term growth by fulfilling its environmental and social responsibilities.

Competitive Advantage: Providing superiority in price, quality and customer service in order to achieve a stronger position compared to competitors in the industry.

Sales and Marketing: Increasing sales by developing new products, entering new markets and winning new customers.

New Projects and Investments: Accelerating growth and expanding operational capacity through new investments and projects.

Sales and Production Targets: Growing revenues by increasing the production and sales volume of existing products.

Profitability

Our profitability strategy is based on reducing costs, increasing operational efficiency and focusing on revenue-enhancing activities to improve the financial performance of our company.

Profitability Enhancement Strategies: Developing various methods to increase profitability; cost reduction, pricing strategies and product profitability analyses.

Sales and Marketing: Creating strategic marketing plans to increase sales volume and expand market share.

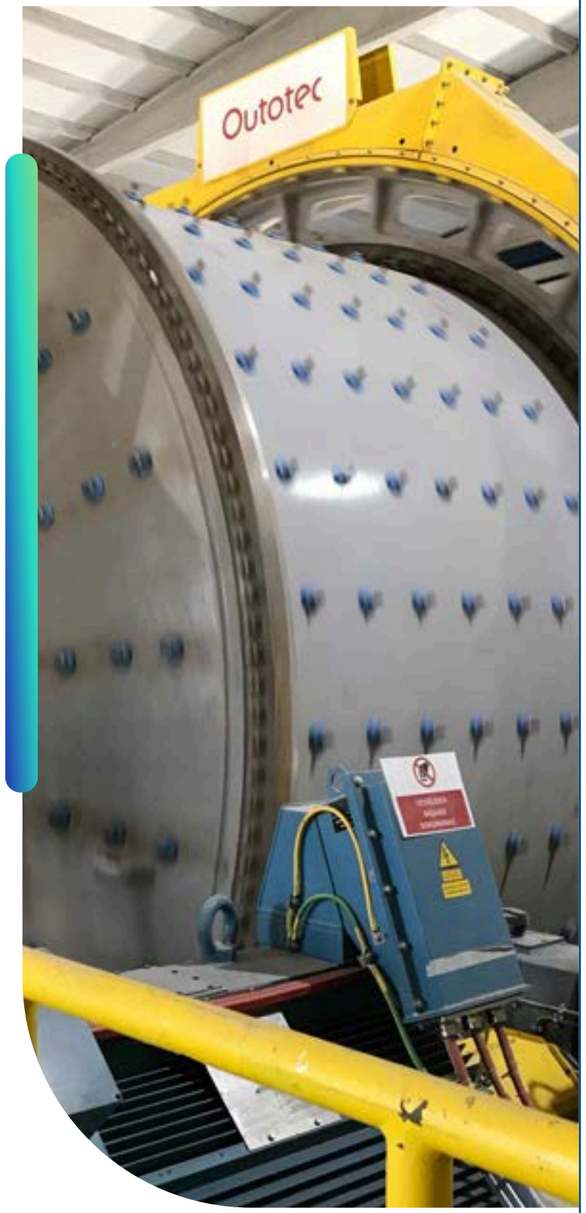
Cost Reduction: Lowering operational costs, particularly in production and supply chain expenses, to achieve savings.

Operational Excellence: Achieving operational excellence through process improvement and productivity enhancement efforts.

Innovation: Improving products and processes by developing new technologies and innovative solutions.

Minimizing Supply Constraints and Risks: Minimising risks and managing constraints within the supply chain.

Supplier Development: Creating a stronger supply chain by enhancing supplier capabilities.



R&D and Technology Utilisation

The use of R&D and technology enables our company to gain a competitive advantage by increasing its innovative capacity and technological advancements.

R&D Strategies:
Expanding research and development activities to develop new product and process.

Process Development:
Optimizing and improving existing production processes.

Use of Automation and Digitalisation:
Implementing digitalisation and automation solutions in production and business processes to boost efficiency.

Digitalisation and System Development:
Accelerating digital transformation and improving corporate systems.

Customer and Stakeholder Satisfaction

Our customer and stakeholder satisfaction strategy focuses on enhancing customer satisfaction and stakeholder engagement.

Timely Delivery, Speed, Flexibility:
Increasing customer satisfaction by optimizing delivery times and providing flexibility.

Quality Improvement:
Strengthening quality control processes to improve the quality of product and service.

Respect for Nature/Environment and Efficient Use of Resources:
Ensuring environmentally friendly production and sustainable resource management.

Contributing to the Community and Social Responsibility Projects:
Contributing to the local community through social responsibility projects and strengthening relationships with social stakeholders.

Expectations of Other Stakeholders:
Collaborating to understand and meet the expectations of other stakeholders.

Organisational Development and Employee Satisfaction

Our organisational development and employee satisfaction strategy focuses on increasing the competencies of employees, strengthening corporate culture, and preparing the organisation for the future.

Team Development Activities:
Implementing training and development programs to improve the competencies of employees.

Adopting Principles and Values, Enhancing Culture:
Adopting corporate values and principleswhile strengthening corporate culture.

Unleashing Employee Potential:
Creating motivation and reward programs to unleash the employees' potential.

Increasing Organizational Agility:
Making the organisational structure flexible and agile.

Preparing the Organisation for the Future:
Developing strategic planning and change management practices to be prepared for possible future changes.

"Limitless sustainability through circular economy"

03

SUSTAINABILITY AT ETİ BAKIR MAZIDAĞI ENTERPRISE

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Sustainability Approach

As Eti Bakır Mazıdağı Enterprise, our sustainability strategy adopts a balanced and integrated approach in environmental, social and economic dimensions. This strategy aims to promote sustainable practices and support sustainable development in all our operations. By integrating sustainability principles into our business processes, our company aims to leave a more livable world to future generations.

One of the fundamental principles of our sustainability approach is minimizing our environmental impact. In this context, we ontinuously implement improvements in areas such as energy efficiency, waste management and protection of water resources. We are carrying out various projects to reduce the environmental footprint of our production processes by using innovative technologies and processes.

Social responsibility is another key component of our sustainability strategy. The health and safety of our employees, our relationships with society and our collaboration with our stakeholders are among our top priorities in the area of social responsibility. We invest in the training and development of our employees and support their personal and professional development.

Economic sustainability is critical to the long-term success of our company. Therefore, we continuously monitor and improve our economic performance. By developing sustainable business models and strategies, we aim to create a flexible and resilient structure that can quickly adapt to market conditions.

Foundations of our Sustainability Approach

Safety

We never compromise on safety. We look out for each other and if it is not safe, we stop our work.

Entrepreneurship

We encourage new ideas and adapt easily to change. We are always looking for new opportunities to create value and find better, safer ways of working.

Simplicity

We work efficiently and focus on what matters most. We avoid unnecessary complexity and look for simple, pragmatic solutions.

Responsible and Ethical Production and Supply

Our core values are at the foundation of all our activities. We are committed to operating ethically and responsibly while contributing to the socio-economic development of the region in which we operate.

Responsible Product Use

A low-carbon future requires responsibly produced low carbon metals. Through our operations and extensive market activities, we will seek opportunities to increase the share of low-carbon metals we provide to our customers.

Responsibility

We take responsibility for our actions. We listen to our stakeholders and egage ideas with them to understand what they expect from us. We strive to improve our commercial, social and environmental performance.

Transparency

We are honest and straightforward in our communications. We aim to improve ourselves by sharing information and encouraging dialogue and feedback.

Responsible Portfolio Management

We will prioritise investing in metals that support the decarbonisation of energy use as well as helping to meet the demand for metals we need in our daily lives.

Governance Structure

As Eti Bakır Mazıdağı Enterprise, our sustainability governance structure is structured to ensure the implementation of sustainability principles at all levels of our company. From the Board of Directors to the operational teams, everyone is engaged in contributing to our sustainability goals. This structure plays an active role in defining, implementing and monitoring sustainability strategies.

The Chairman of the Committee holds the highest level of responsibility for the developing and executing of our sustainability strategy. Our sustainability performance is evaluated at regular meetings of the Board of Directors/Executive Committee. In addition, we aim to integrate best practices and innovative solutions into our business processes with the support of consultants specialised in sustainability.

At the operational level, our sustainability governance structure is supported by sustainability committees and working groups. These groups are established to ensure the implementation of our sustainability goals and to carry out various sustainability projects. Each department has specific responsibilities to achieve sustainability goals in its area.

Stakeholder engagement is an key component of our sustainability governance structure. y maintaining regular communication with our stakeholders, we take their expectations and feedback into account. In this way, we ensure that our sustainability strategies and projects are more effective and successful. We also aim to create synergy in the field of sustainability by carrying out joint projects with our stakeholders.

Senior Management Leadership and Sustainability Committee

At the highest level of the sustainability management structure in our company, the Sustainability Committee is established to address sustainability issues. The Committee is responsible for developing, implementing, and monitoring the performance of sustainability strategies. The Committee approves the necessary policies to ensure the achievement of sustainability goals and reports regularly to the Board of Directors.

Sustainability Coordination Unit

A Sustainability Coordination Unit has been established to coordinate the company's sustainability activities. This unit is responsible for developing and implementing sustainability strategies and monitoring performance. The Sustainability Coordination Unit integrates sustainability goals in co-operation with all units of the company and provides the necessary guidance to the relevant units. It plays an active role especially in environmental management, climate change and social responsibility projects.

Operational Integration and Action Plans

The sustainability team works in close co-operation with the various departments of the company, determines the sustainability goals of each department and implements the necessary strategies to achieve these goals. At the operational level, departments such as production, logistics, marketing and human resources continuously monitor and report their sustainability performance. Action plans are developed based on sustainability performance indicators (KPIs) and support the company in achieving its sustainability goals.

Continuous Improvement and Performance Monitoring

Sustainability performance is regularly monitored and evaluated. Strategies and practices are continuously reviewed and improved based on performance data. Each department prepares regular reports according to the KPIs determined to monitor sustainability performance and these reports are presented to senior management. In addition, content creation studies on sustainability reporting and stakeholder feedback are utilized to evaluate and improve sustainability performance.

Stakeholder Management and Engagement

Our company takes into account the opinions and suggestions of internal and external stakeholders while developing sustainability strategies. Stakeholder management is ensured through the collaborative efforts of the sustainability committee and the coordination unit. The Company regularly conducts stakeholder analyses and shapes its sustainability policies and practices in line with the findings of these analyses. In addition, various events and training programs are organised to raise awareness on sustainability and encourage stakeholder participation.

Training and Awareness Programmes

In order to achieve our sustainability goals, we organise comprehensive training and awareness programmes for our employees. These programmes aim to improve the knowledge and skills of employees in areas such as environmental management, climate change, energy efficiency and social responsibility. Additionally, various internal communication campaigns and events are carried out to promote the sustainability culture throughout the organisation.

Stakeholder Engagement

As Eti Bakır Mazıdağı Enterprise, we believe in the importance of building strong and meaningful relationships with our stakeholders in achieving our sustainability goals. Stakeholder engagement is one of the cornerstones of our sustainability strategy and is effectively implemented in all our business processes. We constantly communicate with our stakeholders and take their expectations and feedback into consideration.

Our communication processes with our stakeholders are based on the principles of transparency and open communication. We receive the opinions of our stakeholders through regular meetings, surveys and feedback mechanisms. In this way, we ensure that our sustainability strategies and projects are more effective and successful. We aim to increase the satisfaction of our stakeholders by developing solutions in line with their expectations.

We attach great importance to the principles of diversity and inclusiveness in our stakeholder engagement processes. We shape our sustainability projects by considering the needs and expectations of diverse stakeholder groups. We aim to create synergy in the field of sustainability by collaborating with different stakeholder groups such as our employees, customers, suppliers, local communities and non-governmental organisations.

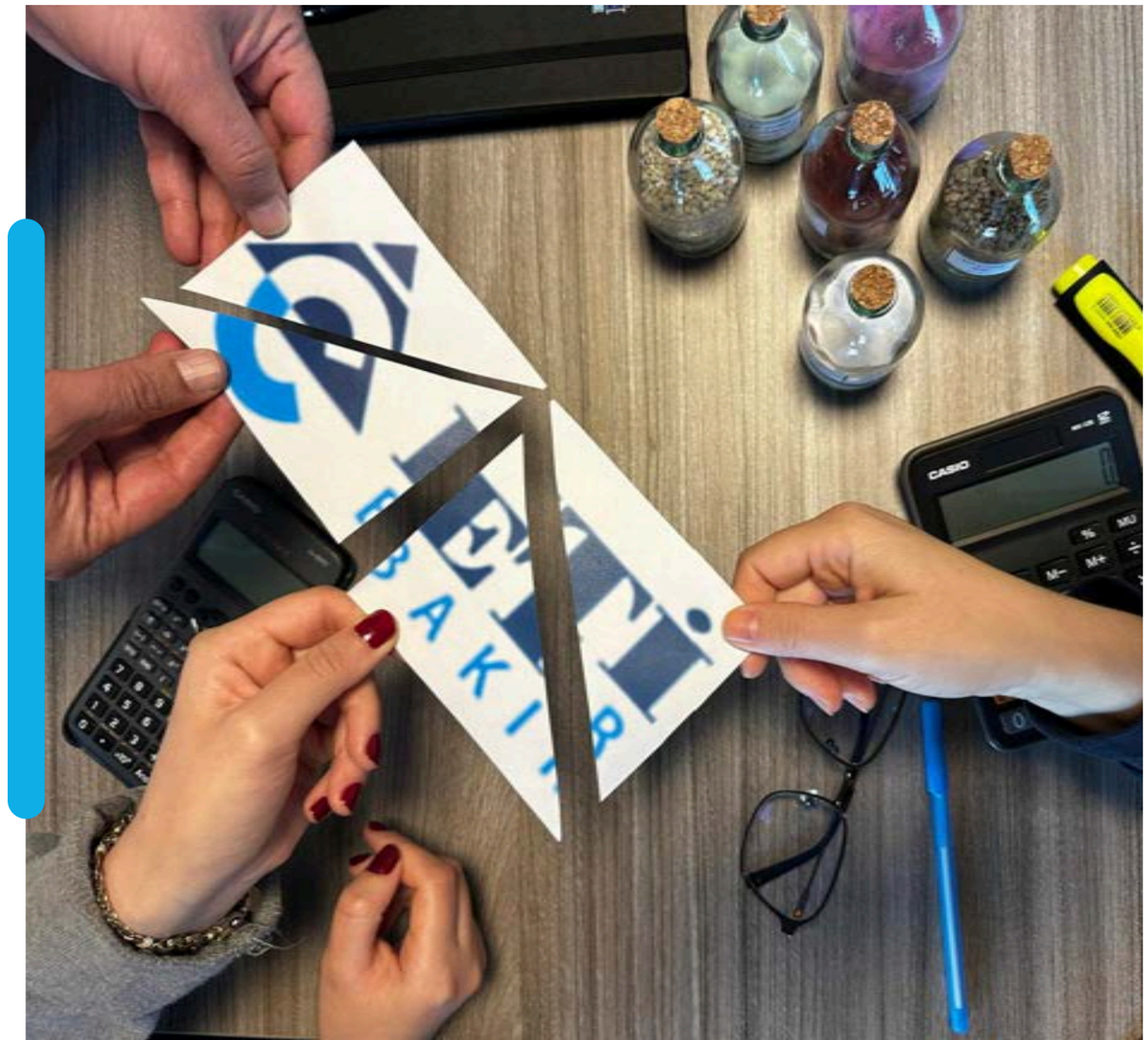
Our Stakeholders	Communication Platform	Frequency of Communication
Customers	E-mail, Internet, Telephone, Mutual visits, Meetings, Social networks, Face-to-face meeting, Face-to-face discussions, Seminar-congress-fairs, Factory visits and presentations	Continuous
Suppliers	E-mail, Telephone, Meetings	Continuous
Employees	E-mail, Telephone, Face-to-face meeting	Continuous
Holding	E-mail, Telephone, Face-to-face meeting	Continuous
Group Companies	E-mail, Telephone, Meetings, Internet	Continuous
Public Institutions	E-mail, Telephone, Face-to-face meeting	As needed
Local Community	Face-to-face discussions	As needed
Sister Companies	E-mail, Telephone, Social networks, Face-to-face meeting	As needed
Financial Institutions	E-mail, Telephone, Face-to-face meeting	Several times a month
Business Partnership Organisations	E-mail, Telephone, Meetings	Weekly
Non-Governmental Organizations	E-mail, Telephone, Meetings	Weekly
Customs Brokerage	E-mail, Telephone, Face-to-face discussions	Several times a month
University Collaborations	Factory visits and presentations	Several times a year
Intermediary Institutions	E-mail, Telephone, Face-to-face discussions	As needed
Subcontractors	E-mail, Telephone, Meetings	Continuous
Trade Unions (Maden-iş)	E-mail, Telephone, Meetings	As needed

As needed · Several times a year · Several times a month · Weekly · Continuous

E-mail · Internet · Telephone · Mutual visits · Meetings · Social networks · Face-to-face meeting · Face-to-face discussions · Seminar-congress-fairs · Factory visits and presentations

We develop various joint projects and collaborations to strengthen our relationships with our stakeholders. These projects help us achieve our sustainability goals faster and more effectively. For example, environmental protection projects carried out with local communities and the training programs conducted with our employees are successful examples of our stakeholder engagement processes.

Finally, we continuously monitor and evaluate the effectiveness of our stakeholder engagement processes. These evaluations provide important feedback to improve our sustainability strategies and projects in line with the feedback we receive from our stakeholders. In this way, we aim to achieve our sustainability goals more effectively and continuously improve our relations with our stakeholders.



Materiality Analysis

Materiality analysis plays a critical role for the effectiveness of our sustainability strategy. While identifying sustainability issues and targets, we consider the expectations of our stakeholders and the strategic priorities of our company. We regard this analysis as a fundamental tool that guides our sustainability strategies.

Our materiality analysis is conducted based on interactions and feedback from various stakeholder groups. We regularly carry out surveys and interviews to understand the expectations and priorities of a wide range of stakeholders, from our employees and customers to our suppliers and the communities in which we operate. This process helps us determine the importance of sustainability issues.

Our company's strategic goals and operational priorities are also taken into consideration during the analysis process. We ensure that our sustainability goals are in line with our company's overall strategy. In this way, our sustainability strategies are aligned with the long-term success goals of our company. Our materiality analysis plays an key role in ensuring this strategic alignment.

Material Issues and Materiality Matrix

In order to improve our sustainability performance, we identify our priorities by closely following sectoral, national and global trends. In 2023, we identified our material issues to assess the greatest impact on our business, stakeholders, and operations, considering the opinions and expectations of our stakeholders. We shared our material issues under 16 headings to our stakeholders through a survey. We asked them to evaluate the impact on Eti Bakır Mazıdağı Enterprise from an environmental, social and governance perspective. After analysing stakeholder feedback and responses on material issues, the impact levels of the relevant issues were determined. The topics with defined priority levels were evaluated by the Sustainability Committee and submitted for management approval.

Economic Social Environmental Governance

Very High Priority	High Priority	Priority
1 Circular Economy	8 Sustainable Supply Chain	14 Waste Management
2 Water Management	9 Talent Management	15 Continuous Improvement
3 OHS	10 Combating Climate Change and Adaptation	16 Biodiversity
4 R&D and Innovation	11 Ethics and Transparency	
5 Energy Management	12 Equal Opportunity and Diversity	
6 Product Quality	13 Digitalisation	
7 Operational Efficiency		

Our Contribution To Sustainable Development Goals

As Eti Bakır Mazıdağı Enterprise, we are committed to contributing to the United Nations Sustainable Development Goals (SDGs). In line with the SDGs, we implement various projects and practices in environmental, social and economic areas.

In line with our environmental sustainability goals, we use innovative technologies to reduce energy consumption and support the circular economy by recycling waste. Our efforts to protect water resources promote the efficient use and reuse of water. We also carry out projects that contribute to the sustainability of natural ecosystems to protect biodiversity.

Combating Climate Change and Adaptation

Biodiversity

Circular Economy

Talent Management

Energy Management

Ethics and Transparency

Product Quality

Occupational Health and Safety

Water Management

P&D and Innovation

Digitalisation

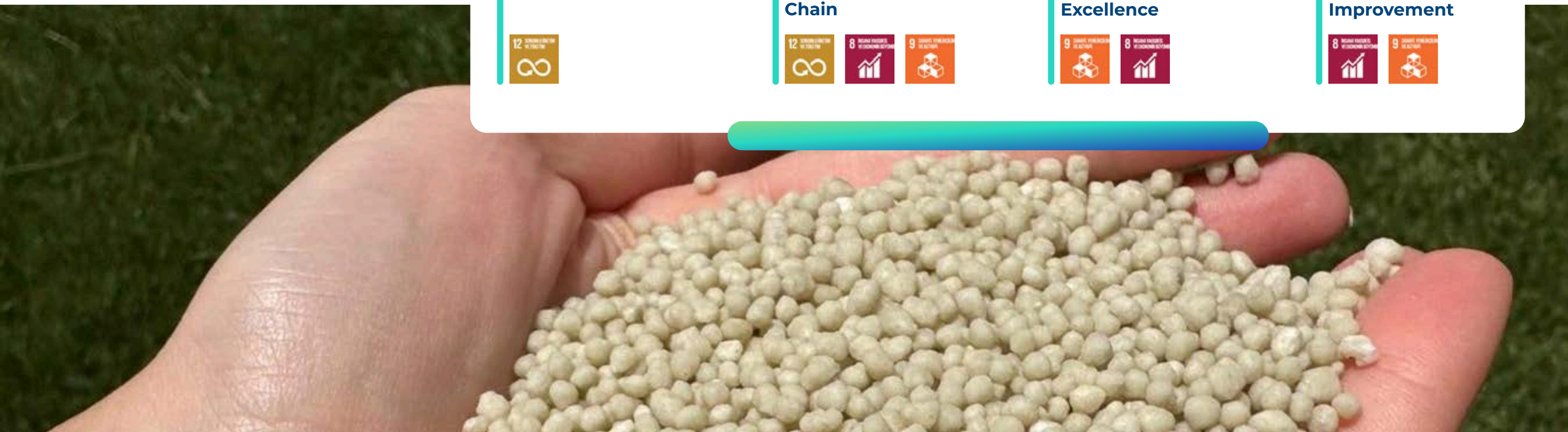
Equal Opportunity and Diversity

Waste Management

Sustainable Supply Chain

Operational Excellence

Continuous Improvement



Climate-related Risk and Opportunity Management

Climate change is one of the greatest challenges facing the modern world, and effective risk and opportunity management is critical to meeting this challenge. As Eti Bakır Mazıdağı Enterprise, we adopt a comprehensive management approach to anticipate the potential impacts of climate change on our business and develop strategic responses to these impacts. The management of risks and opportunities arising from climate change guides us in achieving our sustainability goals.

Risks associated with climate change include rising temperatures, water scarcity, extreme weather events and their potential negative impacts on our production processes. These risks can reach levels that threaten our business continuity; therefore, taking preventive measures against them is of great importance. In order to manage climate risks effectively, we regularly conduct risk assessments and update our business processes in line with these assessments.

Climate change presents not only risks but also opportunities. By investing in innovative technologies and developing sustainable business models, we can become a leader in combating climate change. These opportunities include the use of technologies that increase energy efficiency, transition to renewable energy sources, and circular economy practices.. The strategies we have developed not only improve our environmental performance but also strengthen our economic competitiveness.

As Eti Bakır Mazıdağı Enterprise, this year we conducted a comprehensive assessment process under the guidance of the Task Force on Climate-Related Financial Disclosures (TCFD) in order to manage our climate change-related risks and achieve our sustainability goals. Climate-related risks we have identified include rising temperatures, water scarcity, extreme weather events, customer expectations, technological changes, regulatory changes, and their potential impacts on our production processes. We develop action plans to minimise the potential negative impacts of these risks on our business continuity. By evaluating each risk from multiple perspectives, we conduct regular risk assessments and update our processes accordingly to manage them effectively.

The innovative steps we take in managing climate change risks and opportunities guide us in achieving our sustainability goals.

Climate Change and Adaptation Strategy

We have developed a comprehensive climate change and adaptation strategy to minimise the impacts of climate change and build a more resilient operational structure for the future. This strategy aims to take proactive measures to mitigate and cope with the negative impacts of climate change on our business. Our adaptation strategy is an important part of our long-term sustainability goals.
Our climate change and adaptation strategy primarily involves identifying climate risks and building a operational structure that is resilient to these risks. In this context, we conduct comprehensive analyses assessing the potential impacts of climate change and adapt our business processes in line with these analyses.

We are investing in innovative technologies to adapt to climate change. Technologies that reduce energy consumption and utilise renewable energy sources significantly enhance our sustainability performance. Through the improvement works we carry out, we both reduce our environmental footprint and enhance our economic efficiency.

Climate-Related Risk Management

Climate change poses various risks to businesses , and effectively managing these risks is critical to the success of sustainability strategies. As Eti Bakır Mazıdağı Enterprise, we adopt a comprehensive risk management approach to identify climate-related risks and take proactive measures against these risks. All our efforts aim to make our company more resilient to the future.
The first step in our risk management process is identifying potential risks associated with climate change. Our risk assessment efforts help us to determine the likelihood and potential impact of these risks, enabling us to take the necessary strategic measures to minimise risks.

The measures we take against climate change risks aim to make our business processes more resilient. Our goals for efficient water usage focus on improving the effective use of water resources and increasing our resilience to water scarcity. Similarly, by investing in technologies that increase energy efficiency, we reduce our energy consumption and carbon footprint. In addition to mitigating climate change risks, such measures also enhance our operational efficiency.

Continuous monitoring and improvement play a key role in our risk management process. We regularly evaluate the effectiveness of the measures we take against climate change risks and update our strategies when necessary. Through a continuous improvement process, we ensure that our risk management remains dynamic and adaptive, continuously enhancing our risk management capacity with innovative solutions and technologies.

Climate-related Risks and Opportunities

Risks associated with climate change include physical risks and transition risks. Physical risks include climate change impacts such as extreme weather events, water scarcity and increased temperatures. These risks can directly affect our production processes and supply chain. Transition risks include changes in climate policies, carbon pricing and market dynamics. The risks we have identified may affect the environmental and economic conditions in which our business operates.

In combating climate change, we simultaneously address our areas of opportunity as well as risks. By investing in innovative technologies and developing sustainable business models, we are taking a leading role in combating climate change. These opportunities include the use of technologies that increase energy efficiency, transition to renewable energy sources and circular economy practices. By investing in renewable energy sources, we reduce our energy costs and significantly reduce our carbon footprint. Likewise, with circular economy practices, we minimise our waste and encourage the efficient use of resources.

Metrics and Targets

As Eti Bakır Mazıdağı Enterprise, the metrics and targets we set to measure and improve our sustainability performance constitute the basic building blocks of our sustainability strategy. Our company targets help us evaluate the effectiveness of the steps we take to combat and adapt to climate change and support our understanding of continuous improvement.

The metrics we use to measure our sustainability performance include carbon footprint, energy consumption, water use efficiency and waste management. These metrics enable us to continuously monitor our environmental impact and resource utilisation. With regularly updated data, we evaluate our performance and make necessary improvements.

The metrics and targets we set in combating climate change increase the effectiveness and accountability of our sustainability strategy. We establish an open and reliable communication with our stakeholders through our transparent reporting processes. Starting this year, our sustainability reports will allow us to share with our stakeholders our performance and the progress we have made towards achieving our goals.

"Limitless sustainability through circular economy"

04

CIRCULAR BUSINESS MODEL AND CONTINUOUS IMPROVEMENT

CIRCULAR BUSINESS MODEL AND CONTINUOUS IMPROVEMENT

Our circular business model forms the foundation of our vision for the future and continuous improvement approach.

As Eti Bakır Mazıdağı Enterprise, we act with the mission of building a sustainable future by placing circular economy principles at the centre of all our operations. The circular business model, which we have developed for the efficient use of resources and the recovery of waste, represents an innovative approach that aims to return what is taken from nature back to it. This model forms the basis of our efforts to protect the finite resources of our planet by balancing economic growth with environmental responsibility.

At our company, the production of value-added products by using raw materials and residues is the most special example of value-added production model within the scope of circular economy. The main raw material of our integrated plant is phosphate rock and residual pyrite. The approach of utilizing raw materials from sustainable sources prevents the depletion of natural resources and contributes to the protection of ecosystems. In our production processes, we aim to minimise our environmental footprint by using technologies that increase energy and water efficiency.

In waste management, another fundamental component of the circular economy, we adopt the philosophy of "no waste, only resources". We re-evaluate the waste generated in our production processes and minimise waste through recycling and reuse methods. In this way, we transform waste into economic value and reduce its negative impacts on the environment.

Our circular business model is built on a culture focused on innovation and continuous improvement. By developing new technologies and processes through our R&D activities, we optimise resource use and continuously enhance our environmental performance.

By extending our circular business model across our entire supply chain, we address sustainability with a holistic approach. We establish partnerships with our suppliers based on sustainability criteria and encourage them to adopt circular economy practices. Our circular economy practices not only provide environmental benefits, but also give our business a competitive advantage. Efficient use of resources reduces costs, while innovative waste management solutions increase operational efficiency.

Improving operational efficiency and product energy performance, as well as reducing the carbon intensity of products, is considered an opportunity in terms of carbon taxes, and improvement projects are carried out to enhance the carbon footprint of products.

Sustainable Improvement and Innovation with Kaizen

Environmental sustainability is at the centre of our operations. We minimise our negative environmental impact by reducing our carbon footprint, optimising our energy use and utilising renewable resources. We offer our customers long-term sustainable energy solutions through our distributed energy resources.

Kaizen: The Culture of Continuous Improvement

As Eti Bakır Mazıdağı Enterprise, we believe that the path to sustainable success lies in adopting a continuous improvement approach in both our business operations and daily activities. The "Kaizen" philosophy means "change for the better" in Japanese, and for us, this philosophy is the key not only optimising our business processes but also to creating a permanent change throughout our entire organisational structure. By making the Kaizen spirit one of the cornerstones of our corporate culture, we are working for a better and more sustainable future. The continuous improvement approach is an integral part of our journey toward operational excellence and innovation. Every day, we work with all our strength to provide safer, more efficient and more environmentally friendly solutions for a sustainable world.

Continuous Improvement and Innovation

Kaizen enables each employee to contribute to significant changes by making small but continuous improvements. This approach allows all our employees to make the best use of their knowledge and experience. We believe that every individual can be a driver of change within our company. Therefore, at Eti Bakır, we encourage innovative thinking and invite our colleagues at all levels to identify and implement opportunities for improvement.

Kaizen in Environmental Sustainability

Kaizen not only enhances operational efficiency but also helps us achieve our environmental sustainability goals. We reduce our environmental footprint by making small but effective improvements in many areas, ranging from energy consumption to waste management and from water use to emission reduction. Each improvement contributes to a lower carbon and environmentally friendly production process.

Shaping the Future with the Strength of Our Employees

Our Kaizen philosophy focuses not only on our processes but also on the development of our colleagues. We offer various training and development programs for our employees to continuously improve their knowledge and skills. We create an environment that fosters their potential and encourages them to contribute innovative ideas to our company. Investing in our human resources is a critical factor not only for our current success but also for our future growth and sustainability.

Continuous Improvement Culture: Kaizen Projects

As Eti Bakır Mazıdağı Enterprise, we adopt the Kaizen approach to continuously improve our production processes and increase efficiency. Within the scope of Kaizen efforts, a total of 514 improvement projects were implemented at our facility in 2023. These projects aim to increase energy consumption, water use, material waste and efficiency in production processes.

Since 2020, the amount of savings realised with the projects we have carried out is approximately 33,663,738.17 TL.

Energy Efficiency

As a result of the Kaizen projects carried out in 2023, we achieved a reduction in electricity consumption equivalent to the annual usage of approximately 22 households, saving 42,449 kWh of energy.

Reducing Water Consumption

Through improvements in water management, we achieved a reduction of 13,121 m^3 in water usage. This saving is equivalent to the annual water consumption of 20 households.

Fuel Efficiency

A saving of 18,692 liters of diesel fuel was achieved, equivalent to 13 trips from Edirne to Hakkari, the two farthest points of Türkiye.

Greenhouse Gas Emissions

In 2023, Kaizen projects prevented greenhouse gas emissions equivalent to the amount that could be absorbed by 12,008 broadleaf trees.

Main Topics in Our Culture of Continuous Improvement and Innovation

Carbon Footprint and Water Footprint Management

Corporate carbon footprint studies, product-based carbon footprint calculations (ISO 14067), and water footprint analyses (ISO 14046) are performed.

Circular Economy

Within the scope of circular economy practices carried out at our facility, waste is minimised through battery recycling projects and metal recovery processes. These initiatives are carried out in line with the Minus Waste concept of our facility.

Energy Efficiency

We optimise our energy consumption in line with the ISO 50001 Energy Management System. Up to 30% improvement in our electricity consumption was achieved with the energy efficiency projects implemented in 2023.

Responsible Supply Chain Management

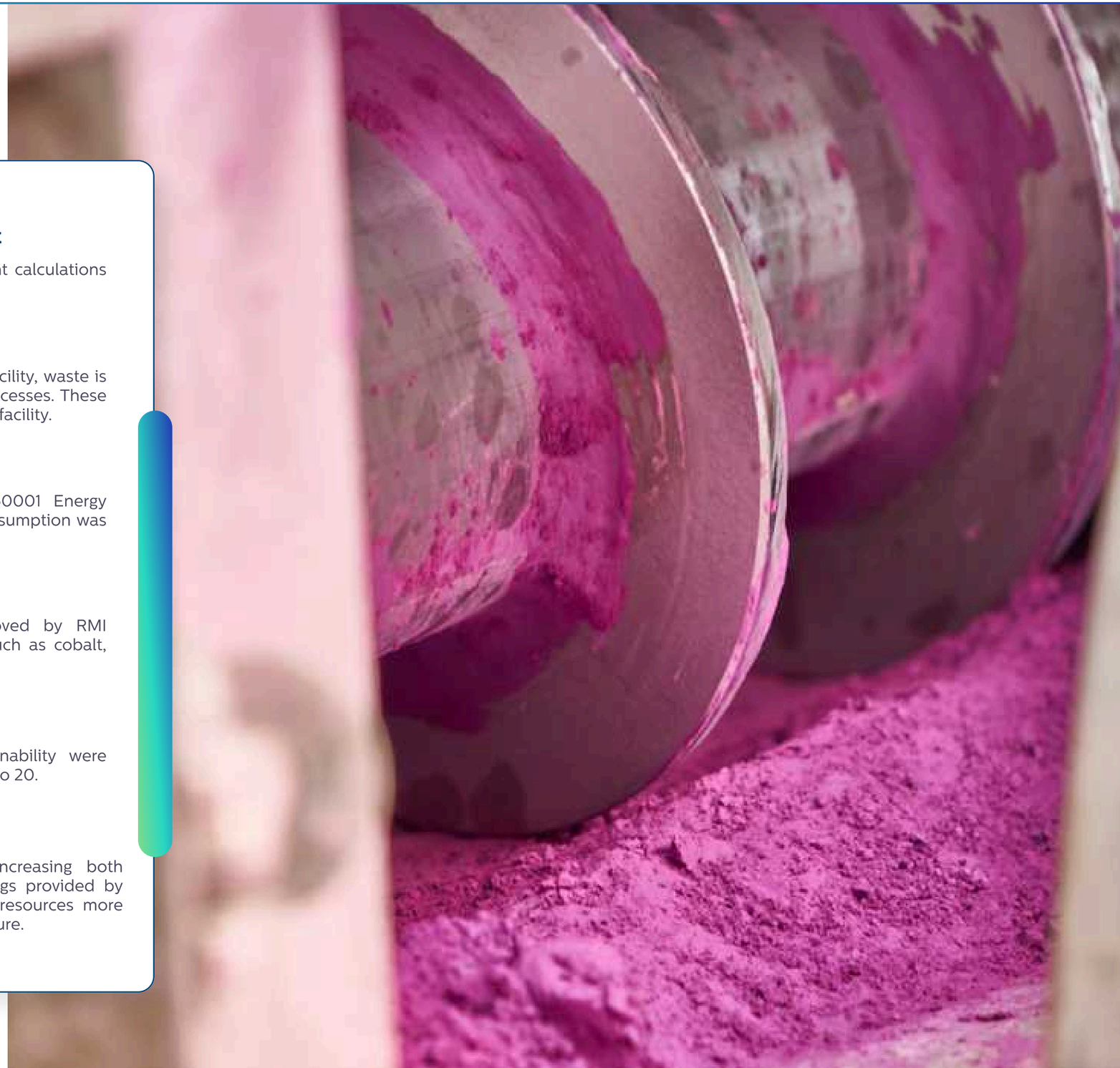
In 2023, we obtained responsible supplier certification approved by RMI (Responsible Minerals Initiative) and produce strategic minerals such as cobalt, copper and zinc in compliance with OECD standards.

Innovation and Digitalisation

14 projects focused on digitalisation and environmental sustainability were implemented in 2023. The target for 2024 is to increase this number to 20.

Long-term Environmental and Social Responsibility

Kaizen and sustainability efforts are handled as a whole, increasing both environmental and operational efficiency. With the tangible savings provided by Kaizen projects and our sustainability initiatives, we aim to use resources more efficiently and create a more sustainable production model in the future.



Supply Chain Management

Eti Bakır Mazıdağı Enterprise is a leader in its sector in terms of bringing natural resources into the economy and ensuring sustainability. Our company prioritizes and consistently demands that its suppliers conduct their business with the highest ethical standards, respect labor and human rights, and demonstrate environmental sensitivity. Our Responsible Supply Policy has been established in accordance with the Supply Chain Policy Model in Annex II of the OECD Compliance Guidelines for Responsible Supply Chain for Minerals from Conflict-Affected and High-Risk Areas.

As Eti Bakır Mazıdağı Enterprise,

- We will carefully evaluate our suppliers' compliance with OECD compliance guidelines, National and International Legal and Company Ethical Policies,
- We will follow the OECD's Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas ("CAHRAs") when identifying, mitigating and reporting risks in our value chain,
- We will apply the five-step due diligence process defined in Annex I of the OECD harmonisation guidelines,
- Identify and regularly review the risks of adverse social and environmental impacts in our value chain,
- We will verify whether our suppliers are sourcing minerals from conflict-affected areas,
- We will not obtain profit or benefit from our suppliers found to be non-compliant with the OECD compliance guidelines,
- We will not tolerate any direct or indirect support to non-state armed groups through the extraction, transport, trade, processing or export of minerals,

We are committed to supporting our suppliers and business partners in adhering to these principles and decisions.

Our Expectations from Our Suppliers

During the reporting period, three critical suppliers were audited with a focus onenvironmental and social criteria.

Our company expects our suppliers and business partners to adhere to certain ethical and legal standards in order to manage our risks and exposure related to minerals extracted from conflict-affected and high-risk areas. We do not tolerate when we find that our suppliers violate the OECD Due Diligence Guidance in relation to the risks mentioned and we are committed to suspend and terminate our relationship with the supplier in case of such violations. Our company expects its suppliers to implement systems and controls that promote compliance with applicable national and international laws, including policies, training, monitoring, and auditing mechanisms, as well as the principles outlined in these rules. Suppliers are also encouraged to ensure that their subcontractors and suppliers adhere to these or similar principles when providing goods and services to our company.

Respect for Human Rights and Prevention of Torture

Any form of torture, cruelty, or inhumane or degrading treatment is strictly prohibited during the procurement process.

Prohibition of Forced Labour

Business partners must not participate in any form of forced or compulsory labour activities.

Prevention of Child Labour

There should be no child labour in our supply chain.

Prevention of Sexual Violence

A zero-tolerance policy is applied to severe human rights violations such as sexual violence.

Prevention of Violations of International Law

The supply process must ensure that war crimes, serious violations of international humanitarian law, crimes against humanity, and genocide do not occur.

Prevention of Illegal Taxation and Extortion Practices

Illegal levies or taxes must not be imposed at mine sites, transportation routes, or trading locations.

The supply process must not involve intermediaries, export companies or international traders subjected to illegal taxation or extortion.

Security and Compliance with Human Rights

Any company in our supply chain contracting public or private security forces must ensure that these forces do not act contrary to security and human rights standards.

Transparent and Accountable Payments

The principles of transparency, proportionality and accountability should be observed in the payments made to public security forces to ensure security.

Protection of Vulnerable Groups

It is essential to protect labor-intensive and small-scale operations in mines within the supply chain from the negative impacts of public or private security forces, particularly to prevent the adverse effects on vulnerable groups such as artisanal miners.

Combating Bribery and Corruption

Bribes must not be offered under any circumstances to conceal or misrepresent the origin of minerals or to mislead the public regarding taxes, fees, and royalties paid to governments in mineral extraction, trade, processing, transportation, or export activities.

Prevention of Money Laundering

Where there is a risk of money laundering arising from or connected with the extraction, trade, processing, transport or export of minerals, appropriate measures must be taken to eliminate money laundering.

Leadership and Trust in Sustainable Production

RMI Approval for Eti Bakır Mazıdağı Enterprise

In the rapidly changing dynamics of modern industry, sustainability, ethical production and transparency have become key elements that provide competitive advantage. As Eti Bakır Mazıdağı Enterprise, we are committed not only to creating economic value but also to fulfilling our social and environmental responsibilities by putting these elements at the centre of our operations. In this context, we were awarded an approved producer certificate as a result of the audit conducted by the Responsible Minerals Initiative (RMI), the umbrella audit organisation of our sector. This certificate confirms that we produce cobalt, copper and zinc in compliance with OECD standards.

We have become the 45th company worldwide to obtain the RMI certificate for cobalt production, which has become a very important element with the developing technology. We are recognized as one of only 7 certified copper producers globally and one of just 2 certified zinc producers. In this way, we not only strengthen our pioneering position in Europe but also set higher standards in our human and environmental initiatives.

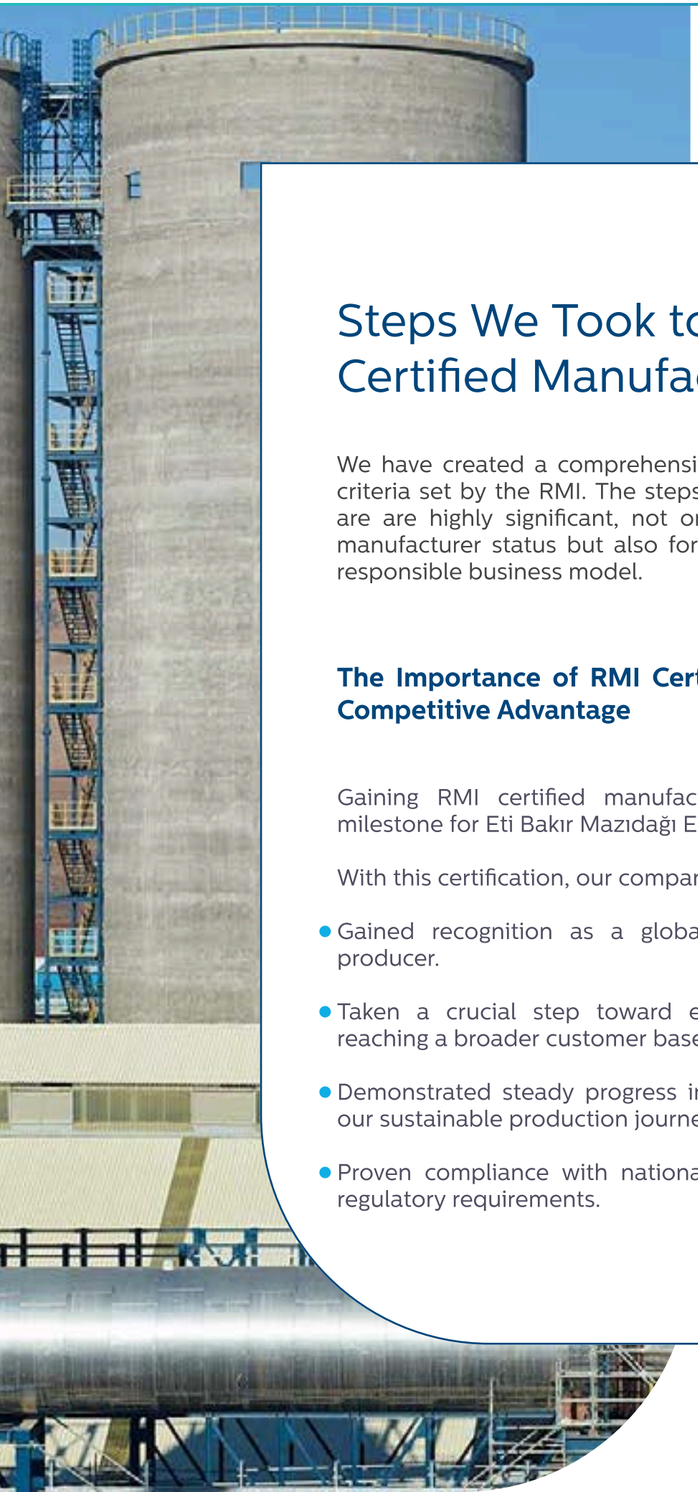
What is the Responsible Minerals Initiative (RMI)?

The Responsible Minerals Initiative (RMI) is recognised as an industry-leading organisation that aims to promote responsible and ethical practices in mineral supply chains worldwide. RMI sets global standards to ensure that human rights are respected, ethical and compliance policies are implemented, environmental responsibilities are met and social impacts are minimised in the minerals supply process.

Conditions for Becoming an RMI Certified Producer

Achieving RMI's certified manufacturer status requires a rigorous audit and compliance process. In this process, businesses are expected to meet the following criteria:

1. **Ethical Supply Chain Management:** Ethical and responsible sourcing should be ensured in the entire supply chain. The business must respect human rights, minimise its environmental impact and fulfil its social responsibilities.
2. **Transparency and Traceability:** Production processes should be transparent at every stage and minerals should be traceable from the source to the final product. The origin of the mineral must be documented and it must be proven that no human rights violations have been committed throughout the process.
3. **Environmental and Social Management Systems:** Companies should have effective management systems in place to control their environmental impact and improve their social performance. These systems should comply with international standards such as ISO 14001 (Environmental Management System) and ISO 45001 (Occupational Health and Safety Management System).
4. **Continuous Improvement and Audit:** Companies should be regularly audited in line with the principle of continuous improvement and should identify areas for improvement and take the necessary steps in these areas.
5. **Legal Compliance and International Standards:** Companies must operate in compliance with national and international legal regulations. This includes compliance with guidelines such as the OECD Due Diligence Guidance for Responsible Minerals Supply Chains.



Steps We Took to Gain RMI Certified Manufacturer Status

We have created a comprehensive roadmap to meet the strict criteria set by the RMI. The steps we have taken in this process are are highly significant, not only for achieving RMI certified manufacturer status but also for developing a sustainable and responsible business model.

The Importance of RMI Certification for Eti Bakır and Competitive Advantage

Gaining RMI certified manufacturer status is an important milestone for Eti Bakır Mazıdağı Enterprise.

With this certification, our company has:

- Gained recognition as a globally respected and reputable producer.
- Taken a crucial step toward entering diverse markets and reaching a broader customer base.
- Demonstrated steady progress in creating long-term value on our sustainable production journey.
- Proven compliance with national and international legal and regulatory requirements.

	2023
Ethical and Responsible Supply Chain Practices	We adopt ethical and responsible practices at every stage of our supply chain. We work in close co-operation with our local and international suppliers to ensure that our supply chain complies with ethical and environmental responsibility standards. We regularly evaluate the performance of our suppliers and take corrective measures when necessary.
Traceability and Transparency	We utilise advanced monitoring and reporting systems to ensure full transparency at every stage of our production processes. We ensure traceability throughout the entire process, from the source of minerals to the final product.
Environmental and Social Management Systems	In order to minimise our environmental impacts and fulfil our social responsibilities, we implement environmental and social management systems in compliance with international standards such as ISO 14001:2015 and ISO 45001:2018. Through these systems, we make continuous improvements to reduce our environmental footprint and ensure the highest level of health and safety for our employees.
Continuous Improvement and Audit Processes	Continuous improvement is one of the cornerstones of our way of doing business. Accordingly, we continuously review our production processes and management systems, identify areas for improvement and take the necessary steps in these areas. In addition, we regularly evaluate our compliance and performance through independent third-party audits.
Legal Compliance and Compliance with International Standards	We take all necessary measures to ensure full compliance with national and international legal regulations in carrying out our operations. In particular, we develop policies and procedures to ensure compliance with guidance such as the OECD's Compliance Guidelines for Responsible Supply Chain for Minerals from Conflict-Affected and High-Risk Areas

R&D and Innovative Practices

As Eti Bakır Mazıdağı Enterprise, we are committed to providing solutions that reduce Europe's dependence on battery raw materials.

As Eti Bakır Mazıdağı Enterprise, we are ready to mobilise all our resources and expertise to ensure the success of this project. Our leading role in this project will contribute greatly not only to the achievement of our company but also to Türkiye's achievement of global sustainability goals. We will continue to develop innovative solutions for a sustainable future and share these solutions with the whole world.

In our company, innovative and sustainable approaches in our production processes have brought our company to a leading position in the sector, while also enabling us to be recognised at the international level. In this respect, our company was the only Turkish company to receive funding from the European Union with the project "Sustainable Technologies for Reducing Europe's Battery Raw Materials Dependence". The project was supported within the scope of Horizon Europe's call titled "A Competitive and Sustainable European Battery Value Chain".

Scope and Objectives of the Project

The project, to be carried out at our facility, has a total budget of 7 million euro, with our company allocating 1.05 million euro to the initiative. Of this amount, 600,000 euro will be financed by the European Union. Within the scope of the project, cobalt, nickel, manganese and lithium compounds will be used to produce cathode active material, which is one of the main components of the battery. The cathode active material constitutes approximately 31% of a lithium ion battery by weight and 51% of the cost. In this context, our project holds significant importance not only economically but also environmental sustainability.

Another important objective of the project is the development of lithium-nickel-manganese-cobalt oxide (NMC) type lithium ion batteries with high energy density. These batteries will be produced using sustainable and environmentally friendly technologies from primary and secondary sources, as well as battery waste. In addition, we aim to develop battery-grade cobalt sulphate heptahydrate by improving our existing cobalt carbonate production process through advanced purification methods.

Innovative Production Processes and Recycling Technologies

As Eti Bakır Mazıdağı Enterprise, we recover trace amounts of precious metals such as nickel and manganese in pyrite concentrate and synthesise new products. In addition, we plan to recover trace amounts of lithium contained in the residual product of bauxite mine processed at the Eti Alüminyum Seydişehir plant and synthesise battery-grade lithium carbonate and lithium hydroxide with advanced purification techniques. These processes aim to reduce our environmental footprint while contributing to the circular economy.

With the project, which will continue over the next three years, we aim to develop a sustainable solution to reduce Europe's dependency on battery raw materials and strengthen Türkiye's strategic role in this field.

"Limitless sustainability through circular economy"

05

ENVIRONMENTAL PERFORMANCE

ENVIRONMENTAL PERFORMANCE

As Eti Bakır Mazıdağı Enterprise, we adopt an environmentally conscious production approach that adds value to society and the environment, with a focus on not only the present but also the future. By using the latest technologies in our production processes, we minimise our environmental impact and make dedicated efforts to protect our natural resources. In our environmental sustainability journey, we carry out our activities in full compliance with all applicable legislation. We take steps to reduce our carbon footprint while ensuring the efficient use of resources through projects in energy management, emission control, water use and waste management. By placing recycling and the circular economy at the centre of our production, we reintegrate raw material components into the economy as different products, and contributing to sustainable production.

We implement a comprehensive water management system for the sustainable use and protection of water resources. We regularly monitor the impact of our operations on water, utilise new technologies to reduce our water consumption and develop various projects to support environmental sustainability.

In order to maximise energy efficiency, we implement a comprehensive energy management strategy in accordance with ISO 50001 Energy Management System. We continuously improve our energy performance through projects and process improvements to reduce energy consumption.

At our facility, which adopts the circular economy model, we consider waste as a resource and focus on reuse in production processes. We separate all waste at its source, reintegrating recyclable wastes into the economy while disposing of hazardous wastes in compliance with environmental legislation. In addition, we achieve successful results in metal recovery from process waste, and ensuring that the recycled metals are reused in our production processes.

Water Efficiency and Management

Various concerns regarding the uninterrupted availability of water, safety of access and the potential for water pollution have increased in recent years due to extreme climate events. We recognise that access to good quality, safe and clean water is critical for the continuity of life. We strive to identify and minimise our operational water footprint and manage our operations in a way that protects our shared water resources and the ecosystems in which we operate. Through detailed assessments, we set targets for water management practices within our operations.

We strive to comprehensively analyse and minimise the water footprint of our operations while managing all our activities in a manner that safeguards the shared water resources.

In our integrated facility, which consists of five main plants and auxiliary units, all outputs are planned to serve as inputs for other plants through the use of advanced technologies and effective planning. As a result of the improvements carried out in line with our principle of continuous improvement, no wastewater is generated. In addition, rainwater harvesting is implemented to reduce the consumption of usable water. As a result of these efforts, a 35% improvement has been achieved in the project design water consumption values.

Aware that water is the world's most valuable resource, our company successfully reduced water consumption by approximately 2.5 million m^3 and generated a financial gain of 11.6 million TL through conservation and efficiency initiatives carried out in 2023.

Water Footprint	Unit	2023
Blue Water Footprint	m^3	4.702.813,36
Grey Water Footprint	m^3	54.750

Waste Management

We implement a comprehensive waste management system that ensures the sustainable use of resources and minimizes environmental impacts by recovering every recyclable material.

Zero Waste Practices

Our company has the Basic Level Zero Waste Certificate and continuously improves our waste management strategies in line with this certification.

Separation and Recovery at Source:

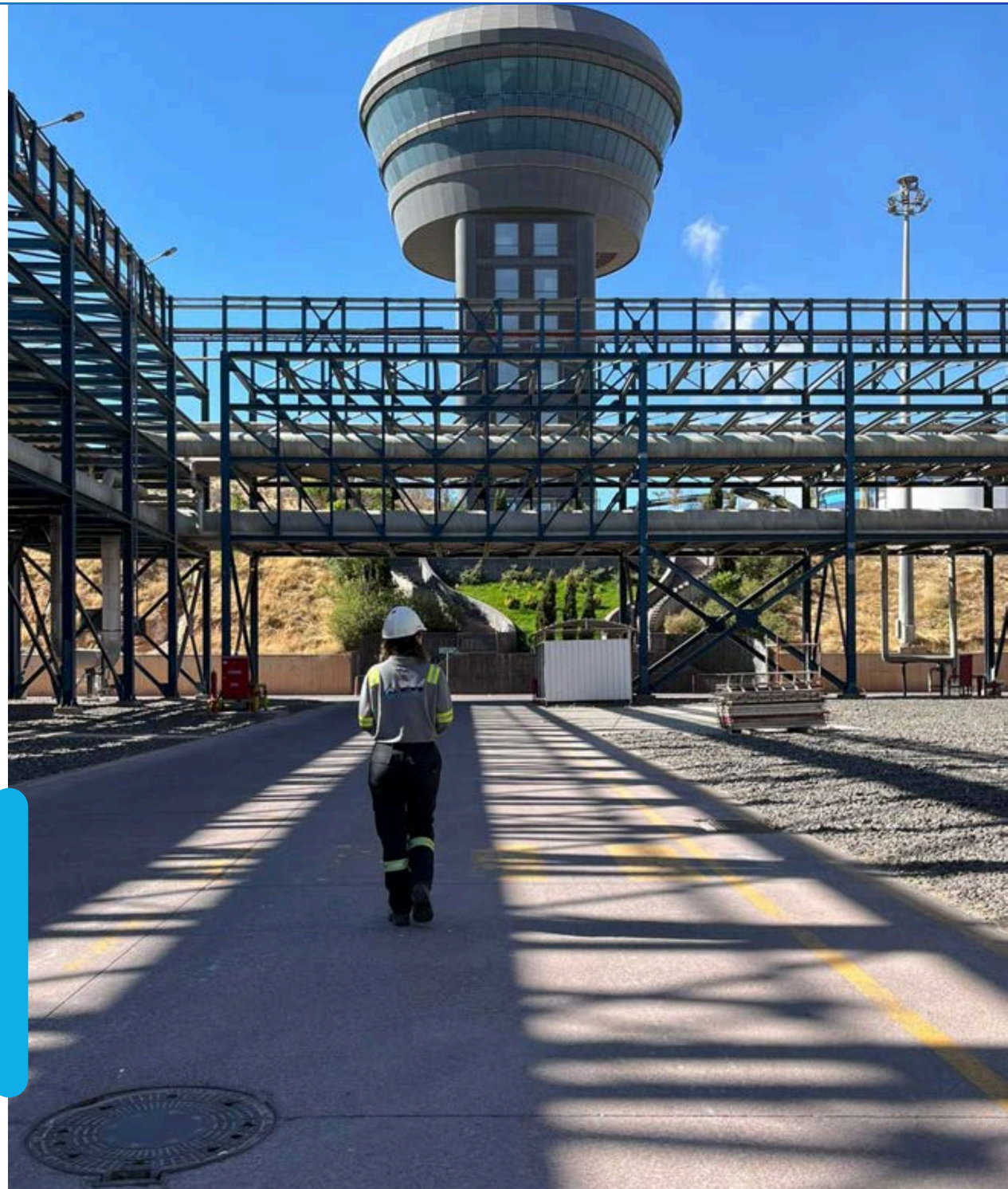
Waste containers suitable for different waste types have been placed throughout the site, and waste is separated and recycled at source.

Waste Minimisation Targets:

Our company sets tangible targets for waste minimisation every year and carries out various projects and initiatives to achieve these targets. In particular, reducing the use of single-use products is an important part of our waste minimisation strategy.

Reduction of Single Use Products:

Various measures have been taken to reduce the use of single-use plastic and paper products. Similarly, replacing single-use plastic bowls with porcelain bowls has significantly reduced waste generation.



Energy and Emission Management

As Eti Bakır Mazıdağı Enterprise, energy management and emission reduction are of great importance in line with our sustainability targets. Various strategies have been developed for the efficient use of energy, prevention of energy waste, reduction of energy costs and protection of the environment. In this context, measures have been taken to improve energy consumption habits, prevent unnecessary and unconscious use, and training programmes have been organised to raise employee awareness on this issue.

To strategically manage our energy use and continuously improve our energy performance, we initiated the establishment of the ISO 50001 Energy Management System in 2023. Processes for monitoring, evaluating, and periodically reporting energy consumption and costs have been implemented. Efforts have focused on preventing losses in electricity consumption and increasing efficiency in the conversion of electrical energy to mechanical energy or heat. Thermal insulation on hot and cold surfaces has been ensured in accordance with the standards, and it is aimed to minimise unwanted heat losses by insulating all units that generate, distribute and use heat. Necessary measures have been taken to achieve the highest efficiency in heating, cooling, air conditioning and heat transfer.

Care has been taken to select all mechanical equipment from technologies with high energy efficiency in accordance with standardisation and efficiency classes. Alternative energy solutions such as renewable energy sources, heat pumps and cogeneration applications were analysed and studies were carried out in this field. In this context, the 52 megawatt solar power plant, planned to be commissioned in 2024, is highly significant for environmentally friendly energy production.

In addition, within the scope of Kaizen studies carried out at our plant, a series of projects were implemented to ensure energy efficiency. Significant gains have been achieved in improving energy performance and reducing emissions through these projects. A decision has also been made to conduct an energy audit in 2024.

At our facility, missions are regularly monitored and calculated under the ISO 14064-1 Corporate Carbon Footprint standard and the GHG Protocol to enable necessary improvements. In addition, in compliance with the National Greenhouse Gas Emissions Monitoring and Reporting legislation, our emissions within the scope of the regulation are verified annually in accordance with the Monitoring and Reporting Regulation, and our verified reports are declared to the Ministry of Environment, Urbanisation and Climate Change. To manage the environmental impacts of our operations comprehensively, Life Cycle Assessment (LCA) studies have been conducted. These analyses evaluate all stages, from raw material extraction to production, usage, and disposal processes. Furthermore, calculations for products from our BOP, Phosphoric Acid, Fertilizer, Leaching, and Sulfuric Acid production facilities have been performed based on the ISO 14067 Product Carbon Footprint standard.

Greenhouse Gas Emissions	Unit	2022	2023
Scope 1	tCO_2e	270.107,74	279.452,26
Scope 2	tCO_2e	25.796,76	24.369,90
Scope 3	tCO_2e	377.502,29	498.688,66

"Limitless sustainability through circular economy"

06

STRENGTHENING HUMAN RESOURCES

STRENGTHENING HUMAN RESOURCES

Our Employees

As a part of the value of respect for human and nature, our company applies the principle of acting with social responsibility awareness in all its activities and adding value to our employees.

The human resources policy of our facility aims to create a highly engaged, happy, productive, successful, and healthy workforce. This workforce operates in alignment with our company's vision, mission, principles, and values, ensuring a fair, transparent, and inclusive environment where employees have a voice and the opportunity to realize their potential. Each employee contributes value, first to our company, then to Eti Bakır A.Ş., and ultimately to the future of Cengiz Holding.

Our company provides direct employment to 1,500 people and indirect employment to 25,000 individuals.The number of female employees, which was 44 in 2020, increased by 65% to reach 73 by the end of 2023.

Our employees play an active role not only in the workplace but also in contributing to society. Through our social responsibility projects, we support the development of local communities and contribute to a sustainable future.

As Eti Bakır Mazıdağı Enterprise, we consider our human resources to be our most valuable asset

We adopt a talent management, diversity and inclusion-oriented approach to maximise the talents, skills and potential of our employees. Investing in the development of our employees and providing them with a safe, inclusive and supportive working environment is at the centre of our human resources policy.

We develop our human resources policies in line with the principle of continuous improvement. We are aware of the impact of each employee's contribution on our company's success, and therefore, we aim to provide a fair, transparent, and performance-based management system for our employees.

In line with the principle of "equal pay for equal work", no differentiation in wages is made for employees performing the same tasks with equal efficiency, regardless of language, race, color, gender, political opinion, philosophical belief, religion, sect, age, physical disability, or similar factors.

The minimum working age in our company complies with legal requirements, and child labor is strictly prohibited. This policy also applies to contractors and subcontractors we collaborate with. If child labor is detected in the field for any reason, immediate action is taken to remove the child, and root causes are investigated to prevent recurrence.

Talent Management

We provide various training and development opportunities to improve the performance of all our employees. We determine the job descriptions, target management, competences and skills required for talent management and continuously develop them in line with the needs. In our company, increasing employee engagement is as important as developing talent. Global, national, and industry trends are followed in compensation and benefits policies. A system is implemented to recognize and reward employees for their value-adding improvement efforts and professional endeavors. Working hours that protect the work-life balance of our employees are adopted and efficient working environment is supported.

Investing in the Talents of the Future

Based on our vision, mission, principles and values, we utilise scientific techniques to place the most accurate and competent candidates for existing positions. We carry out internship and communication activities and establish connections with educational institutions in order to recruit talented university, college or vocational high school students to our company.

Hundreds of undergraduate students from leading universities in Türkiye and the world have had the opportunity to intern at our company. Future engineers participating in our internship programme gain field experience by receiving coaching from our company professionals and have the chance to explore the region through cultural trips we organise.

Diversity and Inclusion

Our approach to diversity and inclusion is designed to enable all our employees to make the best use of their potential and contribute to our company. Our Human Resources Policy supports individuals from different cultural and social backgrounds to work together and encourages creativity and innovation arising from diversity.

Occupational Health and Safety

Employee health and safety is paramount at Eti Bakır Mazıdağı Enterprise and is the foundation of everything we do. We implement occupational health, work and process safety practices, KPI reports and monitoring procedures. Our ultimate goal is zero workplace accidents. Our health and safety strategy focuses on fostering an environment where our employees thrive as a productive and harmonious workforce. We prioritise effective leadership, accountability, engagement and proactive communication to maintain our high health and safety standards. We recognise that every employee has a role to play in the development of a health and safety culture, while providing the necessary support and sensitivity for the overall well-being of our employees.

Occupational health and safety practices in our company are managed by the Health, Safety and Environment Committee, which consists of 29 people. Occupational Safety Specialist, Administrative Affairs Manager, Chief Production Engineers, Production Engineers, Environmental Engineers, Employee Representative, Maintenance Engineers, Security Supervisor, Purchasing Specialist and Mining Engineer are members of the Committee. Committee members are authorised to implement the decisions taken in the committee.

Our company adopts a zero work accident policy. Emergency procedures are applied in case of unwanted events and accidents that may occur within the facility. In case of an accident, accident analysis is carried out at the accident site with the participation of facility managers, occupational safety, leading operator, foremen and employees. Root cause analysis is performed at the accident site and accident analysis and recording processes are completed within 24 hours. Nonconformities requiring urgent action are immediately resolved, while corrective actions are initiated for tasks requiring investment, revision, assembly, or disassembly, and these are signed by the relevant parties and recorded. After all actions specified in the accident analysis are completed, the accident report is recorded and filed.

Occupational Health and Safety Practices

- A work permit system is applied for each work.
- Personnel recruitment trainings and periodic trainings are carried out in compliance with legal regulations.
- Our activities are carried out with occupational safety experts and emergency support teams more than the number required by the Law without being limited by legal requirements.
- We have a fully equipped and trained firefighting and medical team available 24/7.
- In 2023, in addition to ensuring the safety of our employees, we set out with the slogan "Occupational Safety for Everyone Everywhere" and ensured the health of guests and subcontractors by transferring our experience and knowledge on Occupational Safety through trainings through the "Wellcome" program.
- Thanks to our Occupational Health and Safety Management System, we reached 2,541,830 hours of work without any lost-time incidents.

Our Links with Society

Environmental Inspectors Project

Our "Environmental Inspectors" project, which aims to raise environmental awareness and consciousness for a sustainable future, is carried out in schools in the Mazıdağı region. Within the scope of the project, a total of 1,500 students in 45 schools received environmental awareness training in 2022-2023. With these trainings, it is aimed to increase environmental awareness. In addition, more than 25 kilograms of waste batteries were collected and recycled during the project. A total of 225 "Eti Bakır Environmental Inspectors" selected from among the students participate in our environmental activities, transferring environmental awareness and practices to their peers.

Laboratory Equipment Support Project

Mardin Science High School students are supported in their scientific research. The students, who received technical knowledge and analysis support, participated in TÜBİTAK's 54th High School Students Research Project competition and won third place with their project aiming to prevent nitrate pollution in groundwater. After the project, the necessary equipment support was provided for the modernisation of Chemistry and Biology laboratories, contributing to the improvement of the quality of scientific studies.

Support for Education Beyond Borders Project

As Eti Bakır, we also support young people who have achieved global success. Three students who graduated from Bahçeşehir College Diyarbakır Science and Technology High School and received full scholarships from Dartmouth College, UPenn and Brown University in the United States are supported throughout their education in the USA. This support aims to help young talents, who are the light of our future, to succeed on the international platform.

Training Workshop Support Project

A training workshop consisting of vocational training sets has been established for Mazıdağı Vocational and Technical Anatolian High School Electricity Department students. This workshop allows students to transform their theoretical knowledge into practice and improve their professional competences. The training sets prepared by our employees aim to contribute to the professional development of students.

Support to Education through Technical Trips

Mardin Technical High School students and teachers visited our Mazıdağı Enterprise and received information about our operations. During these visits to our plant, which is one of the largest private sector investments in Türkiye, future engineer candidates had the opportunity to see the technical processes of our plant on site and get information from our expert engineers.

Disaster Support Project

In response to the 2023 earthquakes that affected Kahramanmaraş, Adıyaman, Hatay, Malatya, and surrounding provinces, we, as Eti Bakır, mobilized our heavy machinery, rescue teams, and all other resources for emergency relief efforts.

Library and IT Support Project

In order to support equal opportunities in education, we made significant contributions to Kocakent Secondary School in the fields of library and informatics. A total of 810 books were donated to the school, along with a computer, a projector, and a printer. These contributions aim to support students' academic success by increasing their access to information.

"Limitless sustainability through circular economy"

07

APPENDICES

ENVIRONMENTAL PERFORMANCE

Water Management	Unit	2021	2022	2023
Total Withdrawn Water Volume (Groundwater)	m^3	4.335.203	4.335.203	4.335.203
Water Consumption	m^3	4.335.203	4.335.203	4.335.203
Recovered Water Rate (Raw Water)	%	27,2	34,24	26,44
Recovered Water Rate (Soft Water)	%	2	2	1,44

Waste Management	Unit	2021	2022	2023
Hazardous Wastes	Tonnes	65,676	85,2	62,49
Non-hazardous Waste	Tonnes	131,565	118,27	157
Amount of Waste Sent for Disposal	Tonnes	66	85	157

Water Footprint	Unit	2023
Blue Water Footprint	m^3	4.702.813,36
Grey Water Footprint	m^3	54.750

ENVIRONMENTAL PERFORMANCE

Greenhouse Gas Emissions	Unit	2022	2023
Scope 1	tCO_2e	270.107,74	279.452,26
Scope 2	tCO_2e	25.796,76	24.369,9
Scope 3	tCO_2e	377.502,29	498.688,66

Energy Management	Unit	2021	2022	2023
Energy Sourced from the Grid	MW	49.393,7	59.563,05	56.268,53
Total Energy Produced (WARTSILA-TURBINE)	MW	250.864,4	214.455,5	238.113,5
Total Energy Consumption	MW	300.258,1	274.018,55	294.382,03

SOCIAL PERFORMANCE

By Employment Type	Unit	2021	2022	2023
White Collar - Female	Person	31	37	42
White Collar - Male	Person	166	160	172
Blue Collar - Female	Person	25	27	30
Blue Collar - Male	Person	1.143	1.142	1.136
Total		**1.365**	**1.366**	**1.380**

According to Contract Type	Unit	2021	2022	2023
Indefinite Term - Female	Person	56	64	1.380
Indefinite Term - Male	Person	1.309	1.302	1.380
Fixed Term - Female	Person	0	0	0
Fixed Term - Male	Person	0	0	0
Total		**1.365**	**1.366**	**1.380**

By Gender	Unit	2022	2023	2023
Male	Person	1.309	1.302	1.308
	Ratio	96%	95%	95%
Female	Person	56	64	72
	Ratio	4%	5%	5%
Total	**Person**	**1.365**	**1.366**	**1.380**

SOCIAL PERFORMANCE

By Age	Unit	2021	2022	2023
18-30 Years	Female	22	25	27
	Ratio	0,05	0,06	0,07
	Male	402	364	342
	Ratio	0,95	0,94	0,93
31-40 Years	Female	20	23	29
	Ratio	0,04	0,04	0,05
	Male	548	557	562
	Ratio	0,96	0,96	0,95
41-50 Years	Female	12	14	12
	Ratio	0,04	0,04	0,04
	Male	298	304	314
	Ratio	0,96	0,96	0,96
51-60 Years	Female	2	2	4
	Ratio	0,04	0,03	0,05
	Male	54	65	81
	Ratio	0,96	0,97	0,95
Over 60 Age	Female	0	0	0
	Ratio	0	0	0
	Male	7	7	9
	Ratio	1	1	1
	Total	**1.365**	**1.366**	**1.380**

SOCIAL PERFORMANCE

Other Grups	Unit	2021	2022	2023
Foreign	Female	0	0	0
	Ratio	0	0	0
	Male	5	5	4
	Ratio	1	1	1
Disabled	Female	1	1	1
	Ratio	0,03	0,03	0,03
	Male	35	34	35
	Ratio	0,97	0,97	0,97

By Management Category	Unit	2021	2022	2023
Senior Management	Female	0	0	0
	Ratio	0	0	0
	Male	11	12	12
	Ratio	1	1	1
Medium Level	Female	3	2	3
	Ratio	0,09	0,07	0,10
	Male	54	65	81
	Ratio	0,91	0,93	0,90
Other	Female	1	7	6
	Oran	0,04	0,19	0,21
	Male	25	29	23
	Ratio	0,96	0,81	0,79
	Total	**71**	**76**	**71**

SOCIAL PERFORMANCE

Employment and Turnover	Unit	2021	2022	2023
New Hires - Total	Person	174	148	229
White Collar	Person	40	45	58
Blue Collar	Person	134	103	171
Resigned - Total	Person	32	46	63
White Collar	Person	12	19	17
Blue Collar	Person	20	27	46

By Gender	Unit	2022	2023	2023
Male - Recruited	Person	156	126	204
	Ratio	0,90	0,85	0,89
Male - Resigned	Person	30	39	52
	Ratio	0,94	0,85	0,83
Female - Recruited	Person	18	22	25
	Ratio	0,10	0,15	0,11
Female - Resigned	Person	2	7	11
	Ratio	0,06	0,15	0,17

SOCIAL PERFORMANCE

By Age	Unit	2022	2023	2023
18 - 30 years old - Recruited	Person	96	94	110
	Ratio	0,55	0,64	0,48
18 - 30 years old - Resigned	Person	16	31	33
	Ratio	0,50	0,67	0,52
31 - 40 years old - Recruited	Person	38	34	45
	Ratio	0,22	0,23	0,20
31 - 40 years old - Resigned	Person	7	10	16
	Ratio	0,22	0,22	0,25
41 - 50 years old - Recruited	Person	30	16	42
	Ratio	0,17	0,11	0,18
41 - 50 years old - Resigned	Person	7	4	10
	Ratio	0,22	0,09	0,16
51 - 60 years old - Recruited	Person	9	3	30
	Ratio	0,05	0,02	0,13
51 - 60 years old - Resigned	Person	2	0	4
	Ratio	0,06	0	0,06
Over 60 years old - Recruited	Person	1	1	2
	Ratio	0,01	0,01	0,01
Over 60 years old - Resigned	Person	0	1	0
	Ratio	0	0,02	0

SOCIAL PERFORMANCE

Workforce Performance Indicators	Unit	2021	2022	2023
Percentage of Factory Employee Covered by Collective Labour Agreements	Ratio	86%	85,58%	84,49%
Success Rate of Orientation and Retention Programs for New Hired (0-2 Years) Employees	Ratio	97,7%	96,6%	95,4%

All Trainings (By Type)	Unit	2021	2022	2023
Professional Development	Hours	6.558	4.585	3.402
Personal Development	Hours	480	432	0
Other (Leadership)	Hours	140	154	41
Total Training Hours	**Hours**	**7.178**	**5.171**	**3.443**

SOCIAL PERFORMANCE

Supply Methods	Unit	2021	2022	2023
Number of Local Suppliers	Number	977	1.120	1.142
Rate of Local Suppliers	%	0,988	0,986	0,988

Occupational Health and Safety Trainings	Unit	2021	2022	2023
Number of Company Employees	Person	1.459	1.419	1.380
Number of Subcontractor Employees	Person	68	70	228
Total Number of Participants	**Person**	**1.527**	**1.489**	**1.608**
Company Employees	Person* Hour	3.737.067	3.766.586	3.676.176
Subcontractor Employees	Person* Hour	155.400	155.492	52.420
Total OHS Trainings	**Person* Hour**	**23.424**	**26.326**	**18.596**

SOCIAL PERFORMANCE

By Gender	Group	Unit	2021	2022	2023
Near Miss	Number of Company Employees	Number/Year	1.302	1.308	1.308
	Number of Subcontractor Employees	Number/Year	0,00	0,00	0,00
Accident Frequency Rate	Number of Company Employees	Ratio	6,96	1,86	2,99
	Number of Subcontractor Employees	Ratio	0,00	0,00	7,79

Lost Days	Group	Unit	2021	2022	2023
Lost Days Rate due to Work Accident	Number of Company Employees	Ratio	333,00	341,00	230,00
	Number of Subcontractor Employees	Ratio	0,00	0,00	115,00

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GRI STANDARD	DISCLOSURE	LOCATION
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	2-2 Entities included in the organization's sustainability reporting	2
	2-3 Reporting period, frequency and contact point	2
	2-4 Restatements of information	2
	2-6 Activities, value chain and other business relationships	9,10,11,12,13
	2-7 Employees	45,46
	2-8 Workers who are not employees	58
	2-9 Governance structure and composition	21,22
	2-11 Chair of the highest governance body	22
	2-12 Role of the highest governance body in overseeing the management of impacts	21,22
	2-14 Role of the highest governance body in sustainability reporting	21,22
	2-16 Communication of critical concerns	22,23,26
	2-19 Remuneration policies	45
	2-22 Statement on sustainable development strategy	25
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	2-24 Embedding policy commitments	34,45

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	2-26 Mechanisms for seeking advice and raising concerns	22,23
	2-27 Compliance with laws and regulations	34
	2-29 Approach to stakeholder engagement	22,23
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GRI 3: Material Topics 2021	3-1 Process to determine material topics	24
	3-2 List of material topics	24
Occupational Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	24
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	47
	403-2 Hazard identification, risk assessment, and incident investigation	47
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	403-9 Work-related injuries	59

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GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	35
Combating Climate Change and Adaptation		
GRI 3: Material Topics 2021	3-3 Management of material topics	24
GRI 302: Energy 2016	302-1 Energy consumption within the organization	51
	302-4 Reduction of energy consumption	43
	302-5 Reductions in energy requirements of products and services	43
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	43,51
	305-2 Energy indirect (Scope 2) GHG emissions	43,51
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	305-4 GHG emissions intensity	43,51
	305-5 Reduction of GHG emissions	43

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GRI STANDARD	DISCLOSURE	LOCATION
Water Management		
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	303-2 Management of water discharge-related impacts	41
	303-3 Water withdrawal	41,50
	303-4 Water discharge	41,50
	303-5 Water consumption	41,50
Circular Economy and Waste Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	24
GRI 301: Materials 2016	301-1 Materials used by weight or volume	30,31,32
	301-2 Recycled input materials used	30,31,32
	301-3 Reclaimed products and their packaging materials	30,31,32
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	42
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	306-4 Waste diverted from disposal	50
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	404-2 Programs for upgrading employee skills and transition assistance programs	45,46
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GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	48
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	35

Statement of Responsibility

The report contains forward-looking statements. Forward-looking statements, by their nature, involve known and unknown risks, uncertainties and other factors that could cause the Company's actual results, performance and achievements to differ significantly from future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, fluctuations in foreign exchange rates and general economic conditions, rising costs and political and social risks, changes in the regulatory framework in which the Company operates or may operate in the future, environmental conditions, including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation. Forward-looking statements are based on the Company's and management's good faith assumptions regarding the financial, market, regulatory and other relevant conditions that will affect the Company's business and operations in the future. The Company provides no assurance that the assumptions underlying the forward-looking statements will prove to be correct or that the Company's business or operations will not be materially affected by these or other factors, whether anticipated or unanticipated, or beyond the Company's control. While the Company has attempted to identify factors that could cause actual actions, events or results to differ materially from those described in the forward-looking statements, other factors could cause actual results, performance, achievements or to differ from what is anticipated, predicted, or intended. Many events are beyond the Company's reasonable control. Accordingly, the Company undertakes no obligation to publicly update or revise any forward-looking statement or to communicate any change in events, circumstances or conditions on which any such statement is based.

Reporting Consultant and Design

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Sustainability Report **2023**

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