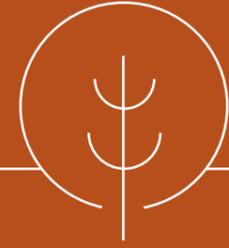


**SUSTAINABILITY  
REPORT**



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# ABOUT REPORT

Since 2020; as Borusan Mannesmann we are preparing our sustainability report to provide transparent communication with our stakeholders.

Within this scope, we have improved our impacts on our operations and our services with the contribution of our agile teams who are managing our sustainability activities and we have achieved many gains.

We will regularly publish our report with the aim of increased sustainability awareness of our stakeholders as well.



The scope of our report is the operations within the fiscal year between 01.01.2021 and 31.12.2021

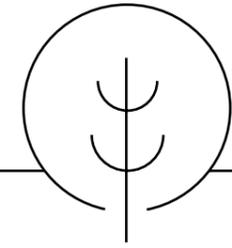
In our report we are including the consolidated performance of operations of Borusan Mannesmann in Turkey; our affiliates and partnerships in Italy and USA are not within the reporting boundary.

This report has been prepared in accordance with the GRI Standards: Core option and also Borusan Mannesmann's performance towards international frameworks such as the United Nations Global Compact (UNGC). We have also aligned our material topics with the 17

Sustainable Development Goals defined by the UN (UN SDGs) to share our global effects of our operations with our stakeholders.

Terms "company", "corporation" and "establishment" used in the texts refer to Borusan Mannesmann Boru Sanayi ve Ticaret A.Ş. and the term "Holding" refers to Borusan Holding.

Our report has been prepared with the consultancy of Sachi Consultancy. Our report has not been subject to any external audit process except water and climate data information's. You can contact us for feedback or questions regarding our report at [bmbustainability@borusan.com](mailto:bmbustainability@borusan.com)



## CEO LETTER

Our journey, which started with our teams in 2020, has covered a long and serious road in a short time. Continuing to work under 6 titles, our teams have worked not only for Borusan Mannesmann, but also for our entire value chain and to create benefits.

In addition, by completing the Borusan Mannesmann Global Compact signature processes in 2021, we took its place among the participating companies and became a part of the world's largest corporate sustainability initiative, while at the same time, we became one of the entities that closely follow, determine, and direct the global and local sustainability agenda.

One of our greatest achievements within the scope of Sustainability in 2021 was to achieve an improvement of more than 10% in greenhouse gas measurements compared to 2020, which we calculated and verified according to ISO 14064:2018.

At the same time, we received a loan from TSKB because of our initiatives in funding our activities within the scope of sustainability.

Many events witnessed by the world in 2021 have always encouraged us to think more future-oriented. While Turkey's 2053 net zero target and Borusan Holding's 2050 net zero targets show that we, as Borusan Mannesmann, need to move forward without giving up both for our country and our world in the face of the world's ever-changing political and social instability, we, as Borusan Mannesmann, see all negative



developments as opportunities and treat the climate, people, we continue our innovation-oriented activities without slowing down.

Developments all over the world have also improved our risk management approach, making our sustainability risks the top priority of our operational risks. In this context, we continue to determine our strategy with detailed risk analyzes.

With the uncertainty of the Covid 19 normalization process, all economic and geopolitical fluctuations in the world continue to affect the business world. By adding all these externalities to our strategy; We are improving our way of doing business in a way that supports the Sustainable Development goals.

As we stated in our manifesto, we are owning Borusan Holding's goal of creating benefits. We are happy to share our second sustainability report with you as a process output of the way we have progressed with this aim.

### **We protect the Climate by creating benefits for the planet.**

We continue our efforts towards decarbonization, by developing projects that will contribute to the Borusan Holding Climate Group Goals with our agile teams. In this context, we increased our scrap rate in the selection of raw materials by making our activities in the use of scrap more effective in 2021. We continued to prepare our Greenhouse Gas Emissions Inventory report, which we started last year, by expanding our Scope 3 emissions further this year and by including Scope 4.

### **We dream, we design, we turn it into reality, and we protect our people...**

Within the scope of Sustainable Development Goals, It is aimed in 2030 to provide equal conditions and opportunities to people in social, economic and societal terms, regardless of religion, language, race, gender, age and disability by getting rid of all the inequalities of the world. As we always say; It is the "PEOPLE" who make the difference in the success of companies. We, as Borusan Mannesmann, continued our human-oriented work in 2021 as well. We continue to work in a family spirit with our employee satisfaction surveys and practices that make a difference in occupational health and safety.

As in 2020, we continued to be an example for the sector with our practices by winning the Golden Glove and Golden Suggestion Awards of the Turkish Metal Industrialists' Union (MESS) in 2021 as well.

### **We protect innovation by designing innovative ideas.**

In 2021, we obtained 12% of our first quality product consolidated gross profitability from the sales made in the new product and service group. In product development, we focused on value-

added further processing and coatings in 2021. We continued our work with entrepreneurs and researchers in 2021 through the Ezber Borusan CoIN (Collective Innovation Network) platform, which started in 2020.

We have advanced our people-oriented work to include both our employees and our entire value chain. We took the leading step in the industry by obtaining our EPD / Environmental Product Declarations for more than 40 of our products.

### **We are Inspiring the Future, and we protect the Climate / People / Innovation.**

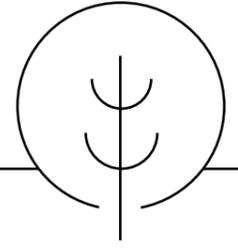
As the Holding, we continue to work to integrate the climate, human and innovation union, which is determined as three basic strategies, into our entire business conduct. We design all our processes with the awareness that resources are not limited.

Being a pioneer in many issues in our sector also plays an important role in our sustainability efforts. We are moving on a transforming and developing path with our entire value chain. We continue to improve and move forward our performance indicators in order to reach the 2030 & 2050 targets set by Borusan Holding.

Our goal is; With its leading role in the industry, Borusan Mannesmann maintains its competitive edge, while at the same time providing benefits for the planet and our entire value chain, and making the future more livable.

In line with this goal, we will continue to share our commitments transparently with our stakeholders through regular information and sharing.

We know that every drop in this matter will be an ocean. I would like to thank all my stakeholders who carry our company to the future on journey of sustainable success and I am proud to be a part of this journey.



## BORUSAN HOLDING

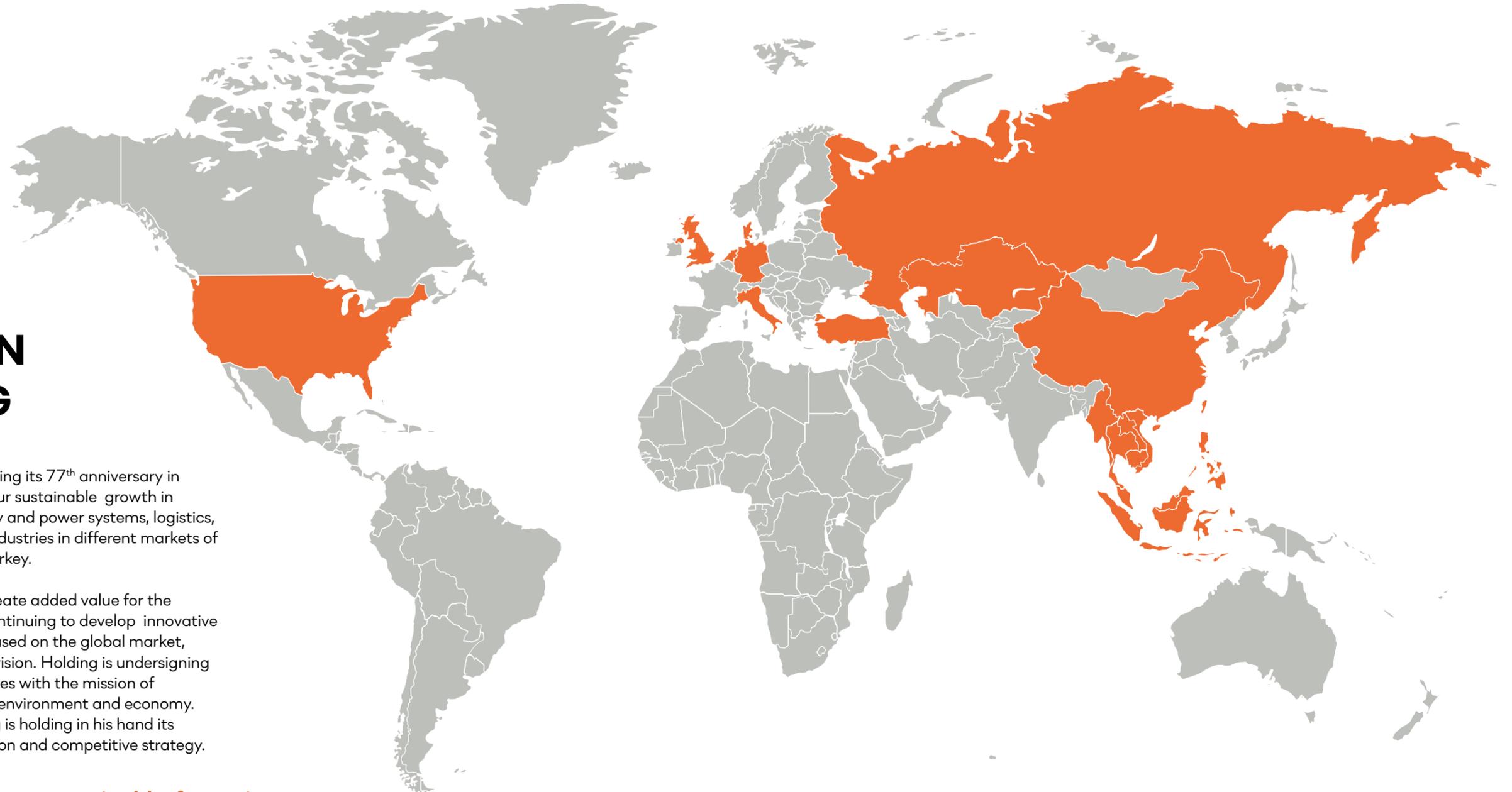
Borusan Group is celebrating its 77<sup>th</sup> anniversary in 2021 and we continued our sustainable growth in manufacturing, machinery and power systems, logistics, energy, and automotive industries in different markets of the world specifically in Turkey.

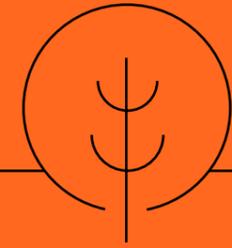
The basic strategy is to create added value for the Turkish economy, while continuing to develop innovative products and services focused on the global market, which is based on a clear vision. Holding is undersigning difference creating activities with the mission of value creation for society, environment and economy. With this context; Holding is holding in his hand its entrepreneurship, innovation and competitive strategy.

**Holding aims to sign a sustainable future in 12 countries on 3 continents with a turnover of US\$ 2.6 Billion. With Borusan Mannesman, together with Borçelik and Supsan Group Companies, owns a leading role in the Turkish steel pipe and automotive supply industry.**

Within Business World Plastics Initiative; Borusan Holding is one of the 34 companies that commits and shares with public transparently its plastic reduction and plastic usage prevention approach till 2023 through a common strategy and circular economy target with those companies who are operating in Turkey.

Borusan Mannesman is also owning Holding's Business World Plastics Initiative commitments through its own process Borusan Holding's [Business World Plastics Initiative commitments can be reached via borusan.pdf \(plastikgirisimi.org\)](#).





Total Revenue

**825**  
Million USD



Market Value

**287**  
Million USD



Number of Employees

**2.187**



# AT A GLANCE BORUSAN MANNESMAN

Activity  
Areas

- 38%** Industry
- 43%** Energy
- 11%** Automotive
- 8%** Construction



Export Sales

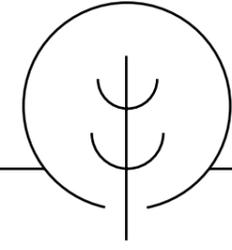
More than  
**70**  
countries



Total Sales Volume

**758.000**  
tons





## ABOUT BORUSAN MANNESMANN

Borusan Mannesmann Boru Sanayi ve Ticaret A.Ş. (BMB), which was established in 1958 and is considered as the most rooted company in the sector, has pioneered the development of the sector in Turkey with its 64 years of experience. Borusan Mannesmann, the world's and Europe's leading steel pipe manufacturer, is among the leading manufacturers of the steel pipe industry in Europe and the world, with more than 4,000 products in its product range, a production capacity of 1.4 million tons and a high sales volume.

As Borusan Boru Sanayi A.Ş., we made our first export in 1969 and then opened the Gemlik facility in 1976. In 1994, the shares of our company were offered to the public and started to be traded on Borsa Istanbul. When we joined forces with Salzgitter Mannesmann, Europe's leading steel and technology company, in 1998, we also expanded our presence abroad in the 2000s. We opened our facilities in Italy with BM Vobarno in 2001 and in the USA with Borusan Mannesmann Pipe in 2014.

### BORUSAN MANNESMANN

**20%**

Free Floating

**73%**

Borusan Mannesmann  
Boru Yatırım Holding

**7%**

Other

**23%**

**77%**

 BORUSAN



Our production facilities operate in 3 regions in Turkey:

1) In our 3 facilities in Gemlik, we produce pipes related to energy transfer and construction.

2) In our Halkalı facility, commissioned in 1958, we manufacture industrial pipes used in many industries including white goods, automotive and bicycles.

3) Our facility commissioned in 2016 in Bursa Organized Industrial Zone (OIZ) produces pipes used in automotive and industrial function.

Borusan Mannesmann continues its activities as a reliable global brand with 7 facilities in Europe, Asia and North America continents and 2,187 employees.

Borusan Mannesmann exports the high-tech steel pipes it produces in a wide range from high value-added energy and automotive sectors to construction, infrastructure and white goods sectors to more than 70 countries; has undertaken the pipe supplier of important international energy lines such as Turkish Stream; TANAP.



Gemlik Plant, Bursa / Türkiye



Halkalı Plant, Istanbul / Türkiye



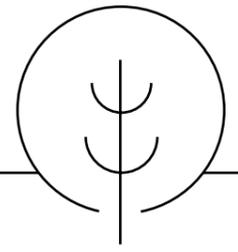
Bursa Facility, Bursa / Türkiye



Houston Baytown Plant, Houston-Texas/USA



Vobarno Plant, Vobarno/Italy



Borusan Mannesman; It positions itself as one of the leading steel pipe manufacturers in important markets such as Turkey, Europe and the USA, with the vision of being a globally recognized leading steel pipe and complementary solution supplier focused on high value-added products, with a production footprint in main product markets.

Borusan Mannesman is market leader in 2022 with a market share of 25% which is proceeding in the alignment of vision of becoming a reliable and world brand steel pipe and solution supplier since 1958.

With the outstanding competitive advantages and also being a pioneer; Borusan Mannesmann ensures that it maintains its market share and creates a positive impact on all its stakeholders.

Borusan Mannesman's competitive advantage; has achieved as a result of both **strategic growth in the market, product excellence, financial leadership** and an **inclusive sustainability approach** that it has made in a way that will take all its stakeholders into its sphere of influence.

**Strategic growth policy in the global market is based on;**

A profitable growth strategy to invest in high value-added products in the right locations

The goal of being the most profitable and preferred player in the high value-added products of the North American drill and well pipe market;

One of the leading companies in the American OCTG (oil, natural gas,) market;

Pipe supplier of international energy lines such as TANAP, TurkStream, Gulf Coast Express, Lone Star Express, Gas System;

In the light of the innovative product and new business models strategy, the strategy of penetration into niche and new markets as well as sustaining its leading position in existing markets.

**Product Excellence is based on;**

Global competitiveness achieved by directing approximately 62.5% of premium quality sales tonnage to global markets;

Ability to generate three-quarters of premium product turnover from high value-added product sales

Sustainable and profitable business model in large diameter spiral welded line pipes, high value-added markets;

The goal of maintaining the market leadership in the domestic market in special pipes for the automotive industry and becoming the largest welded cold drawing manufacturer in Europe.

**Financial Leadership;**

Among the European leaders with 1.4 million tons of production.

**Inclusive Sustainability Approach;**

Digitalized business processes that provide competitive advantage and increase process efficiency

Provide Fast and innovative solutions to meet customers' expectations with high added value innovative products and processes

Being the first company in the steel pipe industry that responded CDP ( Climate Disclosure Project) in Turkey

Creating significant awareness on carbon and water footprint reduction by having greenhouse gas and water footprint calculations made and verified with ISO 14064 and ISO 14046 standards

Publishing a Sustainability Report and transparent communication with stakeholders on this issue.



**1958**  
**First years of production**

First industrial investment of Borusan Group  
Second pipe manufacturing plant is established by Mannesman Group

Capacity : **7000 tonnes**  
Sales : **2000 tonnes**  
Employee : **27**

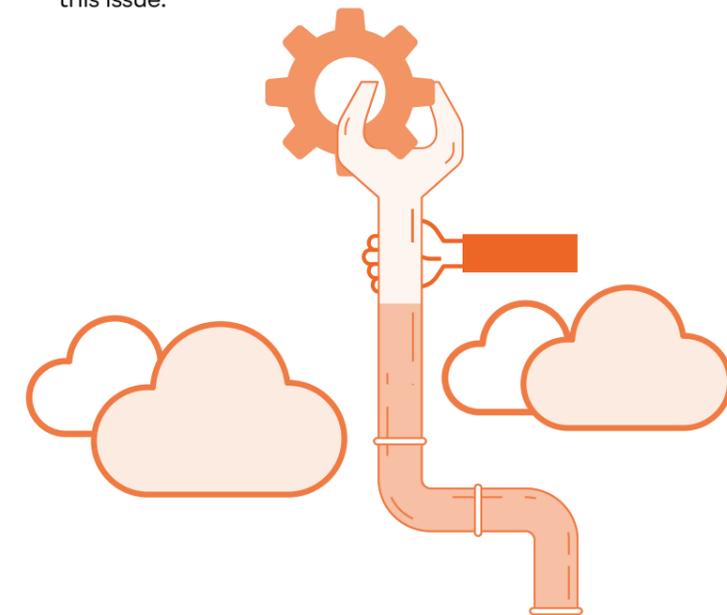


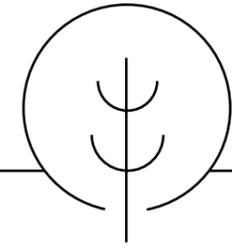
**2021**  
**Borusan Mannesmann**

8 production plants  
(5 Turkey, 1 Italy, 1 Romaine, 1 USA)

Capacity : **1,4 million tonnes**  
Employee : **2174**

**Market Leader with 25%** market share

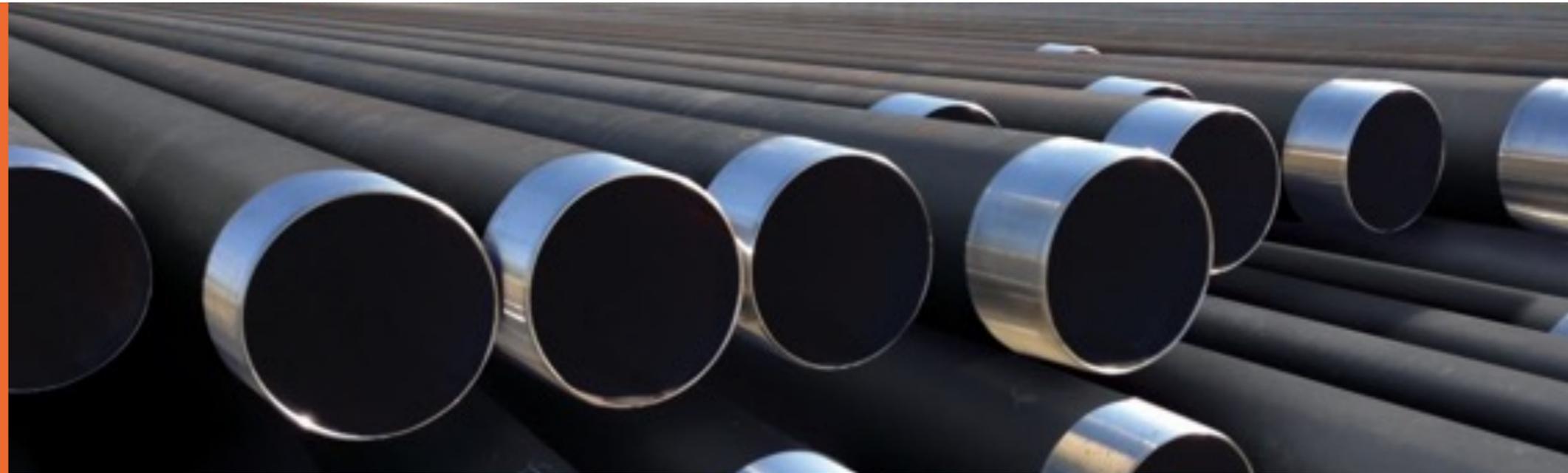




## OUR PRODUCTS

As Borusan Mannesmann, **we produce line pipes, drill pipes, natural gas and high-pressure pipes** for world-famous energy projects with our 60 years of experience. In line with our growth strategy in value-added products, we share our expertise with the world for the energy sector with our two facilities in Gemlik in Turkey and our facility in Houston, Texas in the USA.

We exist in all areas of life, from energy to construction, from automotive to general industry, with our production for various needs. Some of the steel pipes we produce ensure that the natural gas entering our homes from the well to our kitchen is clean and safe, while some of them are used in our fire installations of our homes as well as in our cars. Our steel pipes and profiles contribute to the strength and quality of our structures and support us in every area with making our daily life comfortable.





## ECONOMIC PERFORMANCE

As Borusan Mannesman, we are rewarding our economic performance in the 2021 operating period with our R&D and Innovation studies, increasing the benefits of our products and services to our stakeholders and at the same time making our business processes more sustainable for the environment and society.

Our company set out with a digitalization budget of 6.5 M USD in 2021 and used approximately 5.5 M USD of this for different projects. Approximately 2M USD of this budget is allocated to digitalization (End-to-End Supply System, Stock Optimization, Customer Portal), the remaining amount is used for optimization and development projects.

With the Demand-Based Supply Chain Optimization Project, it is planned to optimize the supply chain with the support of both new processes and digital tools. A budget of approximately 3M € has been allocated for this project and it is planned to complete the project in 3 years

Additional taxes of 25% on steel and 10% on aluminum were enacted as part of the investigation launched by the United States against steel and aluminum imports to examine

whether the import of these products poses a threat to the national security of the USA and this action was one of the most important factors affecting our economic performance in 2021. Against these protectionist measures taken by the US government, the European Union has also imposed quotas and taxes on steel imports. The protectionist measures initiated by the USA have been one of the most influential factors of the 2021 period.

COVID-19, which was declared a pandemic by the World Health Organization and affected the whole world negatively, naturally also negatively affected our sector.

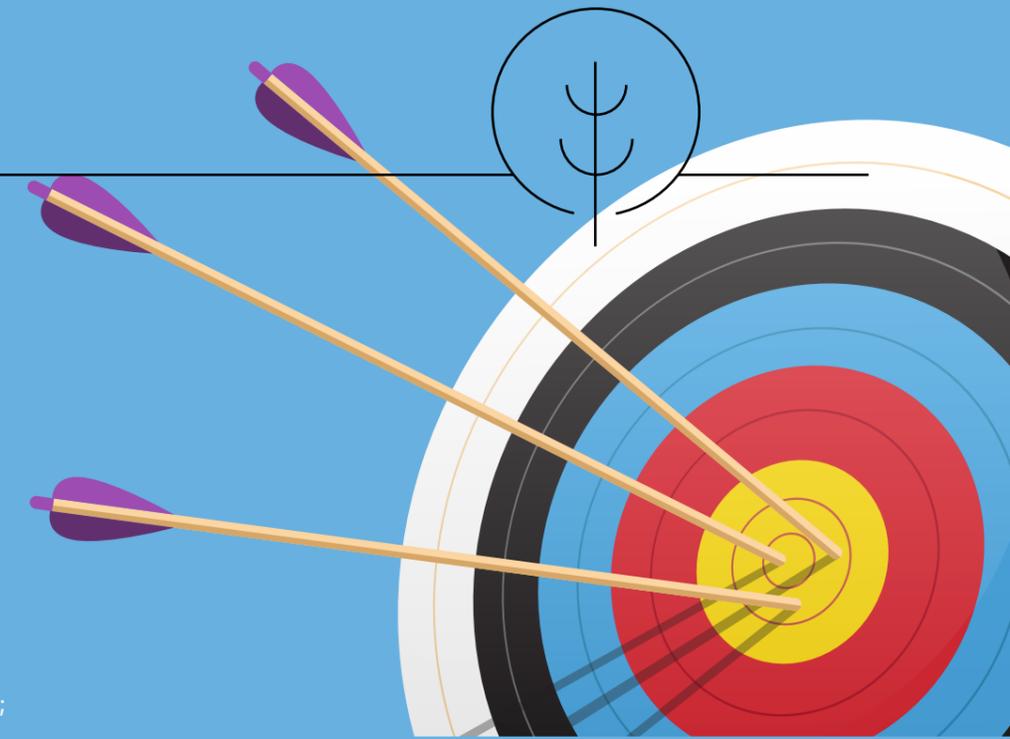
As Borusan Mannesmann, we have set the principle of protecting the health of our employees, suppliers and customers against COVID-19 pandemic; as our top priority in 2021, as we did in 2020. We continued to provide added value so that the industrial sector, can continue with uninterrupted production. We continued our operations with the mission of setting an example for our competitors in all areas in which we operate, with our rapid adaptation to changing trends and our high sense of responsibility.

### Economic highlights in 2021;

- Sales tonnage of our first quality product increased by 22% compared to the previous year and reached the level of 640 thousand tons. The main factor of this increase is the base effect created by the COVID-19 pandemic, which was felt very intensely in 2020. The global protectionist measures and the container crisis continue to exert pressure on sales.
- Approximately 62% of the total premium sales tonnage was realized in global markets, maintaining the strong global performance.
- The share of the turnover obtained from the sales of high value-added pipes, especially pressure, special and spiral pipes, in the total first quality sales turnover is at the level of 62%
- The share of the turnover obtained from the sales of high value-added drilling and well pipe in the total first quality turnover was 23% as the number of wells increased compared to the same period of the previous year.
- The sales tonnage of spiral welded pipes with high added value decreased by approximately 50% compared to the previous year, and the share of the sales of these pipes in the total premium product turnover was 4%.

- Steel pipe sales to the automotive industry increased its sales tonnage by 36% compared to the same period of the previous year, with the investment made. The share of the turnover realized for this sector in the total first quality sales turnover in 2021 was 23%.
- Turnover from innovation was 10% of the company's consolidated premium sales turnover. A significant portion of the projects realized during the year were aimed at ensuring customer satisfaction and loyalty by developing products and services that directly touched the customer.

The gross sales profit of the Borusan Mannesman as of 31.12.2021 is 590.389 thousand TL. Borusan Mannesman's Net Debt / EBITDA ratio was 2.63(\*) as of 01.01.2021-31.12.2021. The company is not expected to be at income risk.





## SUSTAINABILITY HIGHLIGHT IN 2021

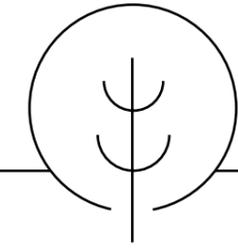
Like 2020, 2021 was a year in which many different dynamics took place in terms of the global economic order, with the ongoing effect of the pandemic. As companies get used to the working order under the effect of the pandemic, the increasing risks in economic terms caused new balances to prevail for the companies. Borusan Mannesman has carried out many activities that will further its commitment to sustainability with our fast adaptation speed to all these changing dynamics and changing trends with our sense of responsibility

In 2021, many sustainability studies were carried out under 6 topics. The work of our agile teams was shared at the Sustainability Committee meetings held on the second Tuesday of every month. Besides; executive summaries of the studies were conveyed to all members in the monthly Steering Committee Meeting. It will continue in the same way in 2022.

Topics;

1. Decarbonization
2. Circular Economy
3. Process and Product Innovation
4. Sustainable Supply Chain
5. Sustainable Finance
6. Equal Borusan

Our effort on the diversification of our agile groups continues. **In 2022, « Sustainable Talent Management » will be added to our agile groups.**



### Decarbonization

We have developed projects that would contribute to our business by following all legal and global developments in the field of decarbonization.

We continued the Greenhouse Gas Emission Inventory, which we started in 2020

**7** AFFORDABLE AND CLEAN ENERGY



### Circular Economy

We conducted studies to reevaluate saving activities and recycling criteria. We re-examined the processes leading to waste generation by prioritizing raw material and resource savings.

We reused reactive oils

We have saved 11000 m<sup>3</sup> of water with the water saving projects. We examined our idle materials and extended their shelf life.

**12** RESPONSIBLE CONSUMPTION AND PRODUCTION



### Process and Product Innovation

We assessed our innovative approach in all products and processes.

We have designed 4 sustainable products.

**9** INDUSTRY, INNOVATION AND INFRASTRUCTURE



### Sustainable Finance

We have increased benchmarking with our stakeholders.

TSKB-SDG Focused Operational Capital Loan is used.

Sustainable Finance survey is conducted, and guide is prepared.

**8** DECENT WORK AND ECONOMIC GROWTH



### Sustainable Supply Chain

We have increased our collaboration with our raw material and non raw material suppliers.

Raw material circularity rate is increased from %30,25' to %33,54 (baseline 2020).

We have increased the variety of our raw material supplier pool.

We have developed supplier sustainability index and supplier portal.

**12** RESPONSIBLE CONSUMPTION AND PRODUCTION



### Equal Borusan

We have made improvements in our physical areas.

We have developed equal borusan project we have increased our collaborations and we have signed UN Global Compact.

**12** RESPONSIBLE CONSUMPTION AND PRODUCTION



\*While Borusan Holding has been a participant in the UN Global Compact since 2006, 4 group companies completed the signature processes and took their places among the participating companies in 2021. Borusan Mannesmann, one of these companies, joined the UN Global Compact and became a part of the world's largest corporate sustainability initiative, while also becoming one of the companies that closely follow, determine and direct the global and local sustainability agenda.

For the steps that contribute to our overall performance and support us in our long-term sustainability journey;

During 2021;

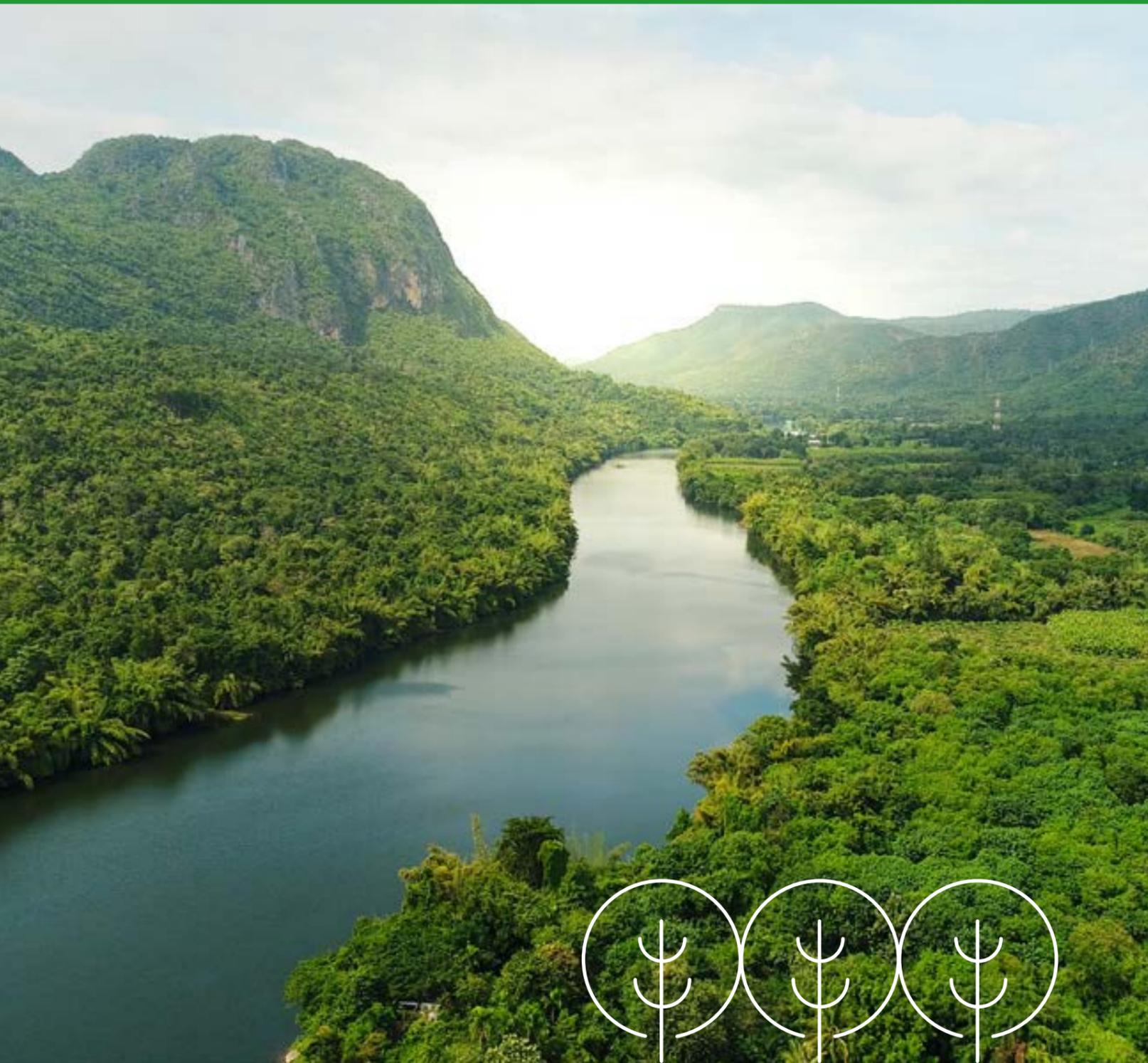
We had more than 288 hours of meetings...

82 of our employees took an active role in agile teams in 2021.

397 Backlog projects are completed.



## SUSTAINABILITY HIGHLIGHT IN 2021



## CLIMATE

- CDP Water Security Assessment is continued during 2021 and we have taken C from the assessment which is higher than sector average.
- CDP Climate Initiative Assessment is continued during 2021 and we have taken B from the assessment which is higher than sector average.
- We are the first company in our sector that take an assurance for GHG Emissions Measurement done according to the 14064:2018 and made calculation according to the Scope 4.
- With the projects 2810 ton CO<sub>2</sub> emission is prevented.
- We have provided 10% reduction of Scope 1 + Scope 2 emissions during 2021.
- 20% water is recycled.
- Circularly rate of our ram materials in increased to the 33,54%.
- With the project carried out, we increased the rate of use of steel with lower greenhouse gas emissions in our production.



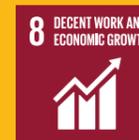


## SUSTAINABILITY HIGHLIGHT IN 2021



## HUMAN

- Employee satisfaction and engagement survey score is 74%. We have renovated our breastfeeding rooms.
- We have employed 81.7% of our employees with collective bargaining agreement.
- We have given Sağlık Olsun bracelet to our employees and conducted trainings about usage of the bracelets.
- In 2021, a total of 5.170 environmental training hours were organized for 472 participants across the BMB.
- We aimed to provide resources for our sustainability efforts by making use of sustainability loans provided by the Türkiye Sınai Kalkınma Bankası and increased the Number of Female Employees from 73 in December 2020 to 100 in December 2021.
- We have expanded the Approved Raw Material Supplier Pool.
- We developed Supplier Sustainability Index and Supplier Portal
- We have continued the Green Purchasing transformation, eliminating single-use plastics.





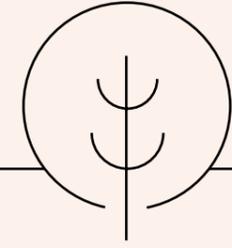
## SUSTAINABILITY HIGHLIGHT IN 2021



## INNOVATION

- R&D budget was 520.000 \$ in 2020 and increased to 750.000 \$ in 2021.
- We have obtained 42 Environmental Product Declarations (EPD).
- We have participated the fair conducted in Dusseldorf with Green Pipe Study designed for Segment 4.
- With the oil trapping system, there was a decrease of approximately 1/3 in the amount of waste.
- With COIN platform; we have conducted studies with 3 innovative projects.
- We launched the Easy Offer Sales Platform.
- During 2021 we have launched 18 new products and 4 of them are sustainable.





## CORPORATE GOVERNANCE

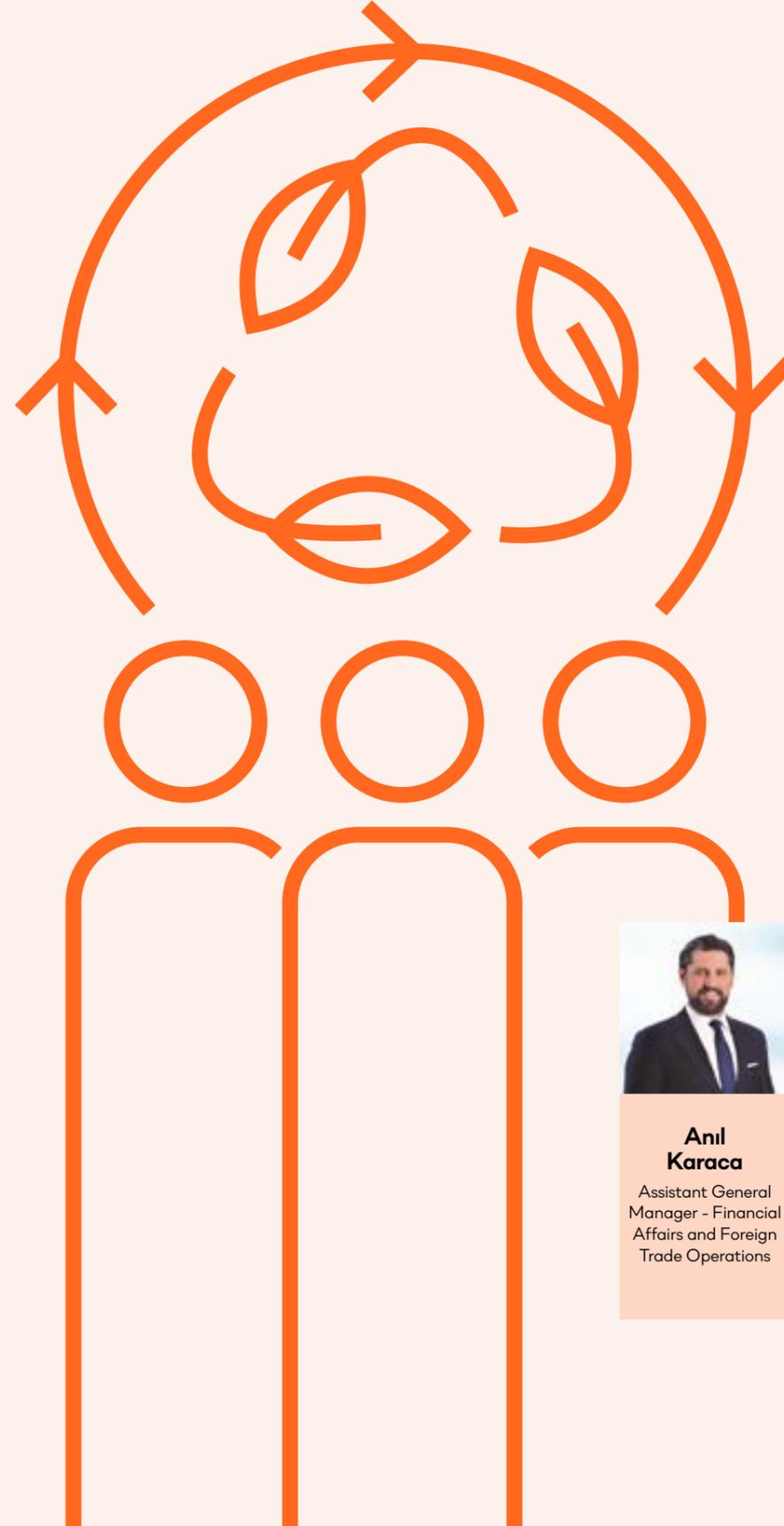
We have been adding value to our country in the production sector since 1958, and we are continuing to lead the sector with our new products, services and business models. As Borusan Mannesman, with the activities we carry out within the scope of Borusan Group's strategic directions; we are maintaining relations with all our stakeholders within the scope of corporate governance principles.

Our company has been approved by the Capital Markets Board in the operating period of 1 January-31 December 2021. It complied with certain criteria in the published Corporate Governance Principles. During the period, the Company's articles of association, procedures and practices were reviewed in terms of compliance with the principles, and areas of incomplete compliance were identified, and improvements were made in these areas. Compliance with the practices in the Corporate Governance Principles has been adopted as a principle by the Company management.

Thanks to our mission and vision that makes quality, added value, innovation and creativity and with the the short-medium-long-term values we create; We are establishing relationships based on trust and justice with our stakeholders.

Since we are a publicly traded company, our corporate governance structure includes an Audit Committee, an Early Detection of Risk Committee and a Corporate Governance Committee to support the implementation of the Board's decisions and objectives. The Corporate Governance Committee also undertakes the duties of the nomination and remuneration committees.

Holding Steering Committee, which consists of executive members to whom Borusan General Manager is affiliated, is Borusan Holding's senior management platform. Borusan Group strategy is determined by the Board; It is aimed to provide guidance to the operation companies that carry out the applications.



## ORGANIZATIONAL CHART

### President of the Executive Board



**Zafer Atabey**  
General Manager



**Anil Karaca**  
Assistant General Manager - Financial Affairs and Foreign Trade Operations



**Uğur Onbaşı**  
Assistant General Manager - Infrastructure Projects Segment



**Ali Okyay**  
Assistant General Manager - Construction and General Industries Segment



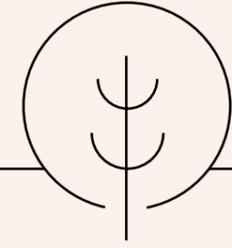
**Oğuzhan Kuşçuoğlu**  
Assistant General Manager - Construction and General Industries Segment



**Nihan Alhan**  
Assistant General Manager - Human Resources, Corporate Development, Sustainability



**Serdar Birlikçi**  
Assistant General Manager - Digital Technologies

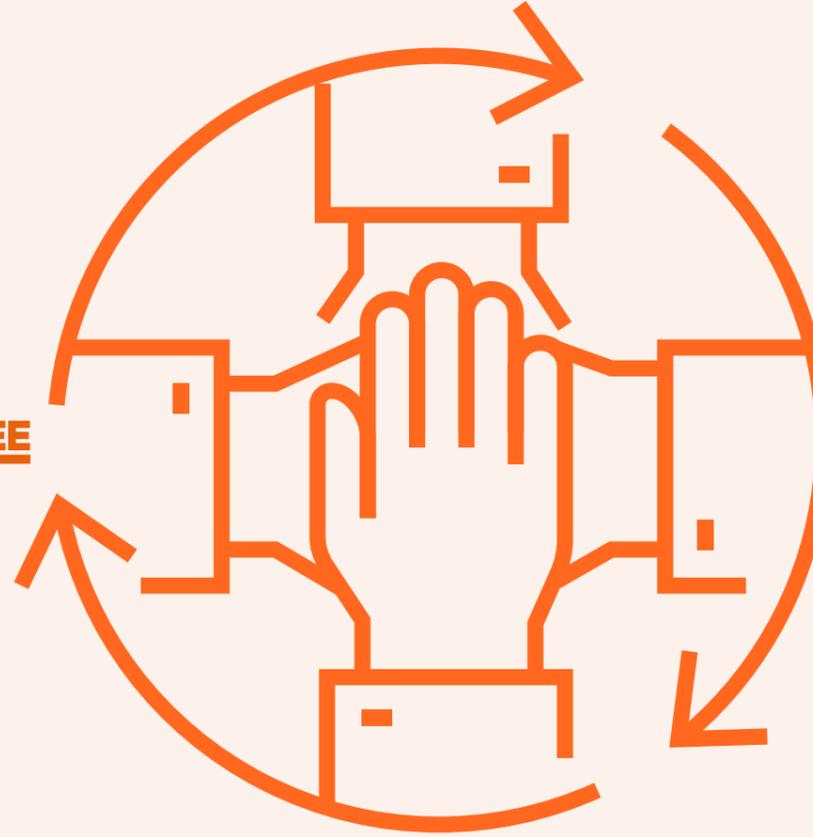


# SUSTAINABILITY ORGANIZATION CHART

Borusan Mannesman Sustainability Steering Committee carries out its activities under the sponsorship of the General Manager.

## BORUSAN MANNESMANN SUSTAINABILITY STEERING COMMITTEE

EXECUTIVE BOARD	SUSTAINABILITY LEADER	AGILE TEAM LEADERS
Zafer Atabey Oğuzhan Kuşçuoğlu Uğur Onbaşı Ali Okyay Anıl Karaca Serdar Birlikçi Nihan Alhan	Nihan Alhan	Fatih Özkan Ertuğrul Arabacı Kemal Gözbebek Ceren Cem Onur Önen Arif Öner
AGILE TEAMS COORDINATORS		
Ahu Olgun Gülşay Birdal Burcu Erdoğan		



## VISION, MISSION

To be a globally recognized leader provider of steel pipe and complementary solutions focusing on high value add products with a production footprint in its major markets.

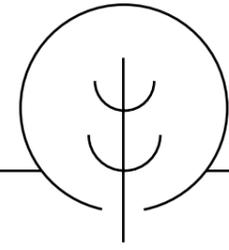
Provide products and services that add to quality of life and maximize the economic and social development of the society.

82 of our employees took an active role in agile teams in 2021. Agile teams meet weekly and action plans are checked over the meeting back-logs. At the end of each month, the leaders of the agile team made a presentation to the committee. We aim to progress more comprehensively by adding "Sustainable Talent Management" in 2022 to our journey that we continued with 6 agile teams in 2021.

Holding sustainability board, which covers all of Borusan Holding and our Group Companies, meets minimum four times a year, follows the developments in the field of sustainability with an integrated perspective, takes the necessary decisions and puts them into reality. Borusan Mannesman sustainability leaders and agile group leaders participate in the Group Sustainability Board as well.

## TEMATİK ÇALIŞMA GRUPLARI

Decarbonization Fatih Özkan	Circular Economy Ertuğrul Arabacı	Sustainable Finance Ceren Cem	Sustainable Value Chain Onur Önen	Sustainable Talent Management	Equal Borusan Arif Öner	Process and Product Innovation Kemal Gözbebek
Samet Kartal Zafer Araba Yeter Cankurt Kahraman Büşra Tural Zeynep Aşkın Batıkan Haktan Özbek Atilla Atabay Burak Balcı Sedat Gökalp Murat İlerigelen Uğur Yuca Murat Kargı Bülent Ünal Musa Gökhan Er Bülent Erbaş Muhsin Erdem	Genco Egemen Mutlu Hüsamettin Dinçeli Hilmi Meriç Kızıldaş Bahadır Güven Rifat Bulut Bilun Çavdar Serkan Avcı Emre Tanrıseven Ahmet Hayri Akız Bülent Erbaş Orhan Kemal Yeşilli Tansu Gökmen Noyan Demir	Cem Ankan Mehmet Baklacı Mehmet Ragıp Muhaffel Çağrı Zehni Burcu Poşpoş	Aslı Akpınar Asiye Ekmekçi Alperen Eyüpoğlu Burcu Poşpoş Damla Nur Güllü Muharrem Aktas Oğuz Özbek Tanık Arat Kıvanç Çetinkaya Asım Emrem Erkan İnanc	2022'de kurulacak	Ahmet Hayri Akız Ahu Olgun Alperen Eyüpoğlu Burcu Önen Can Öz İrem Celt Kübra Genç Sedat Gökalp Elif Öncü Erbak Elif Acar Asiye Ekmekçi Çağrı Zehni	Elif Gocer Güray Eryılmaz Engin Dadalı Tuncay Alay Cem Ankan Melisa Pacacı Galip Demirel Eray Örendil Koray Köken Uğur Önder Yasemin Güzel Mustafa Serbest



# SUSTAINABILITY MANIFESTO



As Borusan Mannesmann; With our journey that started in 1958, we contribute to Borusan Holding's dream of creating a real benefit, and inspire our industry with our values and all our resources.

By developing our value creation strategies with a focus on Climate, Human and Innovation, we offer processes and products that add value to all our internal and external stakeholders. We are aware of the responsibility of being a pioneer in the sector. This is our biggest motivation.

With this responsibility, we always embrace and lead more innovative approaches. We determine our spheres of influence with our internal and external stakeholders and consider sustainability a must in our benefit-oriented works.

We are creating our future strategies with the work we do by expanding our focus areas.

## We are owning the Climate by creating benefits for the planet...

Within the scope of the climate theme, which we have set as our goal of making a difference, we proceed with the inspiration we receive from nature. We focus on protecting the ecological balance in the face of the climate crisis, which is critical for our future, and develop projects that help reduce our environmental footprint by paying attention to resource consumption. We work for a healthy climate by designing new carbon-free and circular business models.

## We are Inspiring the Future by owning the Climate, People and Innovation...

We know that resources are not unlimited, at the same time, we are aware that we are not the owner but the trustee of nature and the environment, and that we must leave a future inspired by them for future generations.

**We believe that sustainability is possible with our focus areas that we have determined according to our entire value chain and priorities, and we benefit by making a difference...**

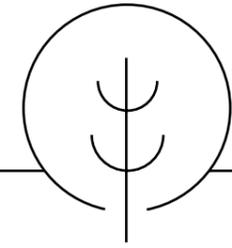
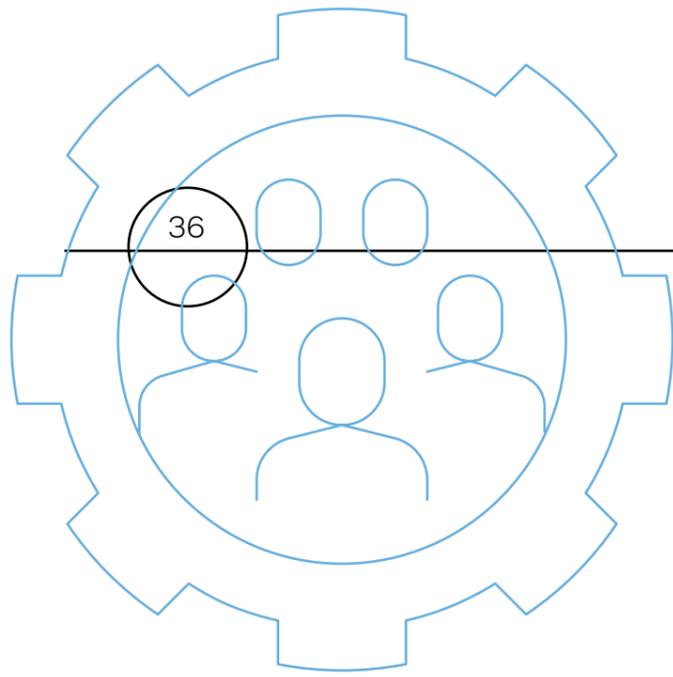


## We dream, we design, we turn it into reality and we are owning our people...

We believe that the difference in business life comes from "People" and we consider it our priority to offer a happy, healthy, safe and transparent work environment to our employees. We dream of the future with them and get inspired by our speed of making it a reality; We design the future.

## We own innovation by designing innovative ideas.

We know that maintaining our success depends on investing in the future with an innovative perspective. We work to transform our business model in line with the needs of the future, and we carry forward our new product and innovation processes, which are one of the most important links in achieving this goal, with the high meticulousness brought by our industry experience. In addition to the responsibility of being a pioneer in the sector, we undertake projects, investments and affiliates that nurture the entrepreneurial and innovative spirit with the responsibility we feel towards our nature and our stakeholders.



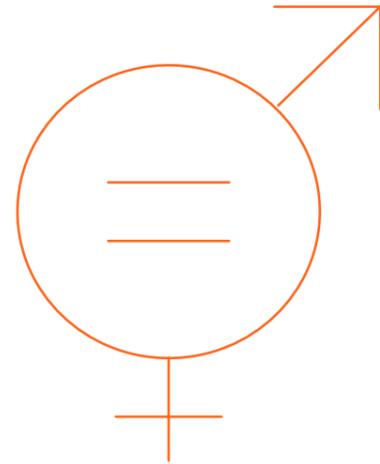
## BUSINESS ETHICS

We accept compliance with business ethics principles and legal regulations as a working standard. As respect for human rights is one of our fundamental principles in our relations with our employees, suppliers, business partners and society, we signed the United Nations Global Compact and defined clear rules against discrimination, bribery and corruption in all our activities.

Orange Guide, which was created by Borusan Holding, determines the business ethics rules we must comply with, is also owned by Borusan Mannesman and guides all the code of conduct.

In this context, trainings are organized which our employees participated regularly.

As a publicly traded company, Borusan Mannesmann complies with policies and programs aimed at combating bribery and corruption, and the principle of tax integrity. At Borusan Mannesmann, it is among the values that make up the corporate culture to prevent conflicts of interest, to manage relations with stakeholders in a professional manner and to prevent illegal acts. While unethical behaviors such as bribery, corruption and abuse of power are carefully avoided, international efforts to eliminate such crimes are supported and activities are carried out within the framework of competition law and ethical rules. Borusan Mannesman, which



communicates transparently with all its stakeholders, avoids all kinds of anti-competitive behavior.

There is an Orange Ethical Hotline, which is accessible 24/7, where our employees can easily and transparently convey all notifications with the purpose of being both guiding and inclusive regarding ethical rules. In 2021, 80 notifications were made to the Orange Ethical Hotline by Borusan Group. The number of notifications made to the Orange Ethical Hotline by Borusan Mannesman employees in 2021 is 15. 4 of the 15 notifications involve the risk of corruption/abuse.

We act within the framework of the ethical rules determined by the Borusan Holding Ethics Committee, which reports to the Chairman of the Borusan Holding Board of Directors, to provide relations we establish with our stakeholders in the way of transparency and honesty.

In order to be accountable to our stakeholders, to avoid illegal issues, to conduct our internal processes in a secure and fair manner, and to manage them with a sense of responsibility, we ensure that all our employees comply with the ethical rules, and we closely follow the relevant issues. We participate in the trainings organized by Borusan Holding on ethical behavior and risks related to bribery.



## BORUSAN HOLDING WORKING PRINCIPLES AND ETHICS RULES

1. Borusan Group considers honesty, transparency, and high business ethics above all else in all its activities; expects all parties with whom it does business to act in accordance with the same values. He trusts them and expects them to trust Borusan as well.

2. Borusan Group terminates its relationship with the related party in case this trust environment is damaged or terminated and cannot be regained in any business relationship.

3. As one of the most reliable and respected organizations in Turkey, Borusan Group does not act in any way against its business partners, employees, suppliers, competitors, environment, society and humanity that would undermine mutual trust in business relations.

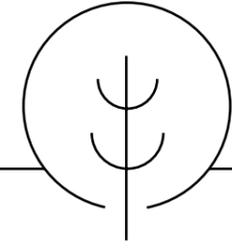
4. Borusan Group's high performance, efficiency, and profitability in its fields of activity are not only the commercial success of our Group, but also its concrete contribution to the national economy.

5. Borusan Group is a community of ethical, reliable, and good people. Borusan Group employees are responsible for enforcing corporate values and being a role model with their behaviors.

6. Our primary responsibility is to act in accordance with our vision, to add value to all our business partners and to be an exemplary organization. This enables us to be a trusted institution with its highly qualified and ethical employees and to make our customers feel privileged to work with us.

7. We protect our personal differences, which we see as wealth. On the other hand, as Borusan people, we adopt and keep alive the corporate culture, values and behavioral norms that will guide us towards a common goal.





## ORANGE ETHICS HOTLINE

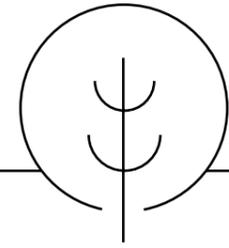
**turuncu etik**

It is the platform that Borusan Group employees, suppliers, or 3rd parties with some connection to Borusan and all other stakeholders can use and apply in cases where Borusan Group thinks that it violates the working principles and ethical rules and they can also use the Hotline for consulting services at the same time. All notifications, questions are answered by the Ethics Committee. The examination and investigation studies of the notifications reached on this hot line are carried out by Borusan Holding Audit Directorate's Abuse Investigation and Prevention Team. Notifications of Borusan Group employees or third parties to the Ethics Committee are all kept private. Investigation period is also managed by an independent organization. Orange Guide and Orange Ethics defines the Borusan Working Principles and Ethics Rules, Borusan employees' work principles, Borusan Holding's ethics rules and our employees' rights and responsibilities

### [Borusan Mannesmann | Turuncu Etik](#)

Borusan Mannesman with Borusan Investment, and Borusan Insurance are the members of the Ethics and Reputation Association (TEID) which is established to increase business ethics awareness in Turkey. We support TEID activities and contributing the development of business approach in country level.





## MANAGING CORRUPTION AND ANTI-COMPETITIVE BEHAVIOUR

Global Compact's which we are also signatory; 10<sup>th</sup> Principle states that businesses should work against corruption in all its forms, including extortion and bribery.

UN Global Compact participants not only to avoid bribery, extortion and other forms of corruption, but also to proactively develop policies and concrete programs to address corruption internally and within their supply chains. With the entry into force of the UN Convention Against Corruption (UNCAC) in 2005, an important global tool to fight corruption was introduced. The UNCAC is the underlying legal instrument for the 10<sup>th</sup> Principle.

Borusan Mannesman corporate culture includes preventing conflicts of interest, managing stakeholder relations professionally and acting without violating the laws. We have defined our relations with stakeholder with Orange Guide: Working Principles and Ethics Rules.

It is aimed to identify behaviors that may pose a risk in terms of corruption and competition within the scope of gifts and accommodation, donation and aid payments, public tenders and conflicts of interest, and it enables us to take all necessary measures. Unethical behaviors such as bribery, corruption, and misconduct are always kept away from Borusan Mannesman. We regularly support international efforts to eliminate such

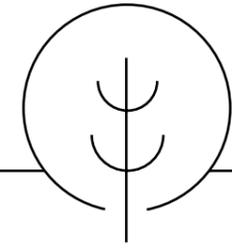


crimes, and we conduct all our activities and relations within the framework of competition law and ethical rules. As Borusan Mannesman; we have the principle of not adopting any political thought in Turkey and all the countries in which we operate and not providing material or in-kind, direct, or indirect support to political institutions and persons. We communicate transparently with public authorities and act in accordance with fair competition laws. With our competitors; we are maintaining the same ethical, transparent, and fair approach and avoiding any kind of anti-competitive behavior.

During the reporting period, there were no cases of anticompetitive behavior, monopolism, and trust, and no lawsuit was filed against our institution and also in 2020 and 2021 There were no cases of corruption .

Number of internal audits are;  
2020; 24  
2021;26





## RISK MANAGEMENT

Inclusive sustainable development approach aims to plan the future not only from the perspective of economics but also environmental and social as well. In this context, Borusan Mannesmann manages risks related to natural disasters, extreme weather events and biodiversity within its risk management system, as well as using natural resources more efficiently, increasing employee rights and providing equal opportunities, thus contributing to the stakeholder economy and ensuring sustainable development. Risk management issues such as occupational health and safety, product and service responsibility, innovation, business ethics, legal compliance, bribery and anti-corruption are also addressed within the scope of ESG (Environmental Social Governance).

As Borusan Mannesmann, we are aware of the importance of risk assessment approach for the continuity of the business.

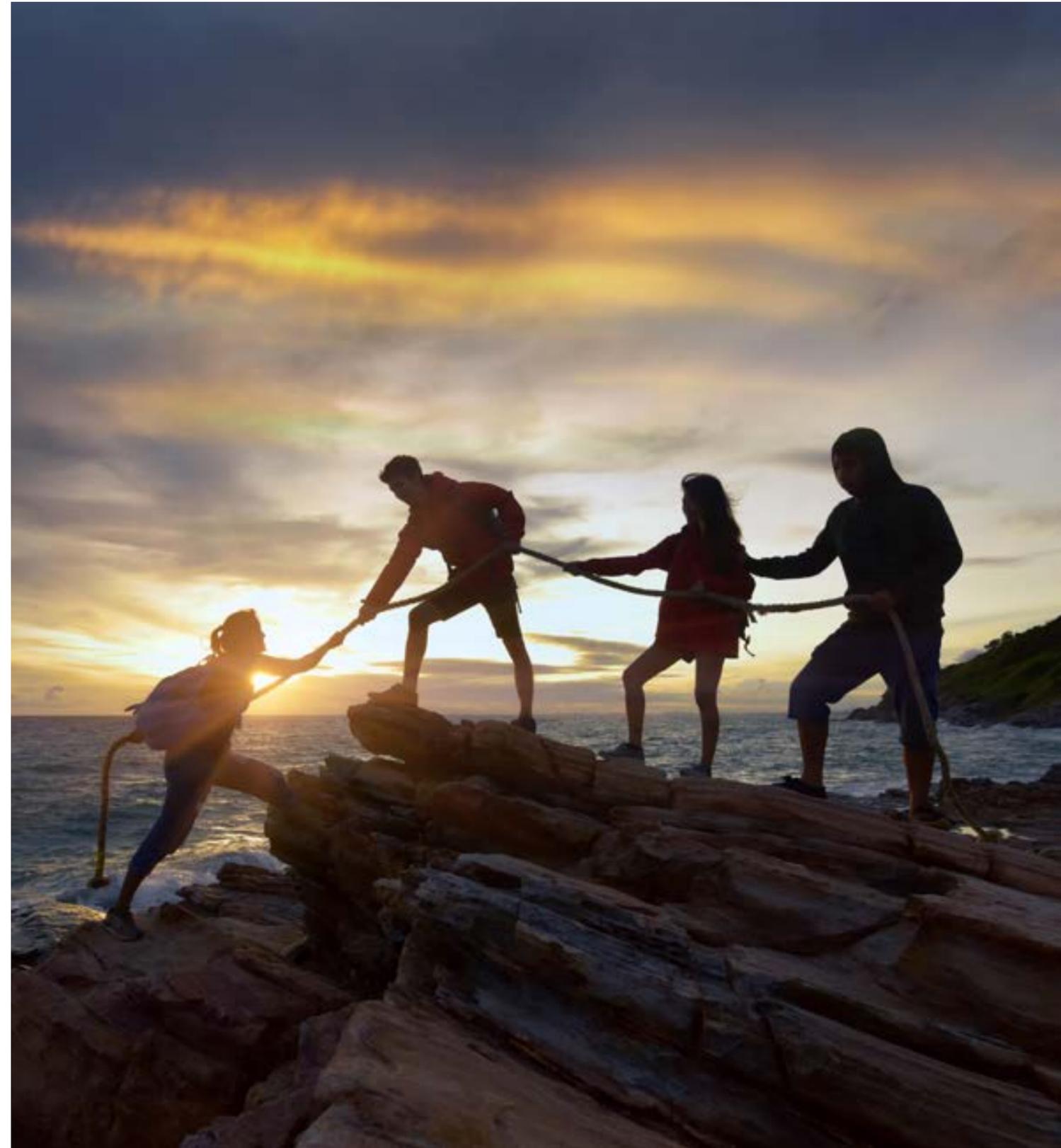
The main purpose of Corporate Risk Management activities is to take pro active actions regarding risks by evaluating risks at all levels of the organization starting from the Board of Directors level, especially the strategic, operational, financial, compliance and sustainability-related risks that may affect Borusan Mannesmann accomplishment of its short and long-term goals.

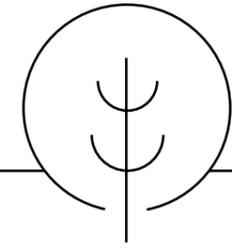
Risk assessments are carried out with the participation of all stakeholders who manage risks. As a result of risk assessments, risk actions are determined in order to reduce the effects of possible risks and the implementation of these actions is monitored. In order to ensure

early detection and effective management of risks, Borusan Mannesmann Board of Directors established the Early Detection and Management of Risk Committee.

Among the duties of the Committee are early detection and management of the risks stipulated in the capital markets, monitoring the compliance with the principles and making suggestions to the Board of Directors. The document stating the duties and responsibilities of the Committee has been prepared in line with the regulations, provisions and principles within the scope of the Capital Markets Legislation, as well as the Corporate Governance Principles Communiqué of the Capital Markets Board and the Turkish Commercial Code.

The main duties and responsibilities of the Committee is early detection and evaluation of strategic, operational, financial and other risks that may endanger the existence, development or continuity of the Company; to identify the possible effects and probability of these risks; manage these risks according to the company's corporate risk taking profile; to report the identified risks and to take the necessary measures for these risks; It consists of consulting decision-making mechanisms and establishing and integrating an effective and effective internal control system. The committee continues its work under the division of credit risk, operational risks, market risk, liquidity risk, strategic risks and reputational risks. Sustainability risks and opportunities such as natural disasters, extreme weather events, climate change, biodiversity, efficient use of natural resources, recycling and circular economy, employee rights and equal





## RISK MANAGEMENT

opportunity were evaluated in the risk studies that the group companies may encounter during their processes, and action plans are already prepared. Important risks such as occupational health and safety, product and service responsibility, innovation, business ethics, legal compliance, fight against bribery and corruption, as well as their impact on strategic, operational and compliance risks, are also included within the scope of sustainability risk management studies due to their economic, social and environmental dimensions.

As a Borusan Mannesman; we are supported by Holding Internal Audit Department for the identification of risks and suggestions for improvement, and we provide risk assessment with a third eye. Audit topics include environmental issues as well as social issues such as ethics, employee rights, occupational health and safety.

Potential damage that may occur in our facilities are determined and managed by Borusan Holding's risk engineering practices consisting of Risk Assessment / Scorecard, Recommendations, Implementation and Advice

Follow-up. Risk management and internal control processes are managed by Borusan Mannesmann Piping Internal Control, Borusan Holding Financial Control, Internal Audit, Finance and Investor Relations and Corporate Risk Management Departments.

In 2021, Internal Control Function reporting to the General Managers were established in Holding and Group Companies in order to contribute to the sustainability and effective management of our stakeholder relations. With this scope Internal Control Leader is contributing to create a risk and opportunity oriented corporate culture, determining the ownership of risk and opportunity within the company, developing and controlling effective management mechanisms. Since the unit is recently established; 2021 was a training and orientation year for the Internal Control Leader, who is also appointed for Borusan Mannesman, and the Internal Control Leader started to work as a risk and opportunity consultant within Borusan Mannesman. In the ESG Risks Assessment carried out within this scope, Borusan Mannesman facilities' earthquake, changing environmental legislation and policies,

possible reputation and financial losses due to environmental risks, fire, and the "Greenhouse Gas Emissions Based on the principle of determining an upper limit for The national and international market-based mechanism, that is, the Emissions Trading System and climate change factors, which works as a company and encourages or restricts greenhouse gas emissions and activities that cause greenhouse

gas in a cost-effective way by buying and selling greenhouse gas emission allowances, have been examined and responsibilities have been determined.

The risk and opportunity that Borusan Mannesman did among the Integrated Risk Management system is stated below table.

## MANAGEMENT SYSTEMS

### Management Systems

### Valid Plants

ISO 14064-1:2018 Greenhouse Gas Inventories & Measuring Carbon Footprint	Gemlik, Halkalı, Bursa, Headquarter
ISO 14046 Water footprint – Principles, requirements and guidelines	Gemlik, Halkalı, Bursa, Headquarter

### ISO 16949 IATF Automotive Quality Management System

### Gemlik, Halkalı, Bursa, Headquarter

Integrated Management System  
ISO 14001:2015 Environmental Management System,  
ISO 45001:2018 Health and Safety Management System,  
ISO 9001:2015 Quality Management System ISO 10002:2018  
Customer Satisfaction Management System

Gemlik, Halkalı, Bursa, Headquarter

### ISO 50001:2018 Energy Management System

### Gemlik, Halkalı

ISO 17025:2017  
Laboratory Management System

Gemlik

### API 5L Specification for Line Pipe

### Gemlik

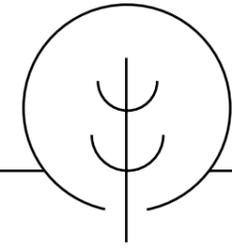
### API 5CT Specification for Casing and Tubing

### Gemlik

### API Q1 Quality Management System

### Gemlik





## SUSTAINABILITY STRATEGY

Sustainable Development Goal 9 seeks to build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. At the same time; Sustainable Development Goal aims to ensure access to water and sanitation for all. While substantial progress has been made in increasing access to clean drinking water and sanitation, billions of people—mostly in rural areas—still lack these basic services.

As Borusan Mannesman; we have a huge opportunity with our process to create a better world. We meet the basic needs of humanity with our infrastructure solutions and more livable solutions for cities with our business subject.

With our innovative and sensitive spirit, we are running our operations as a leading company in the worldwide pipe industry at the same time focusing on reducing the damage to the environment while increasing the welfare and wellness of people.

As Borusan Mannesman, we participate in all the projects/ activities of Borusan Holding within the scope of sustainability, and at the same time, we are creating a more sustainable value chain with our own material points. In this context, we have taken our first concrete steps in 2019, even though we have been working for years. Sustainability strategies were determined according to the material topics and the sustainability movement was started within the company with the relevant agile teams. As Borusan Mannesman, we have aligned ourselves with Borusan Holding's Sustainability strategy,

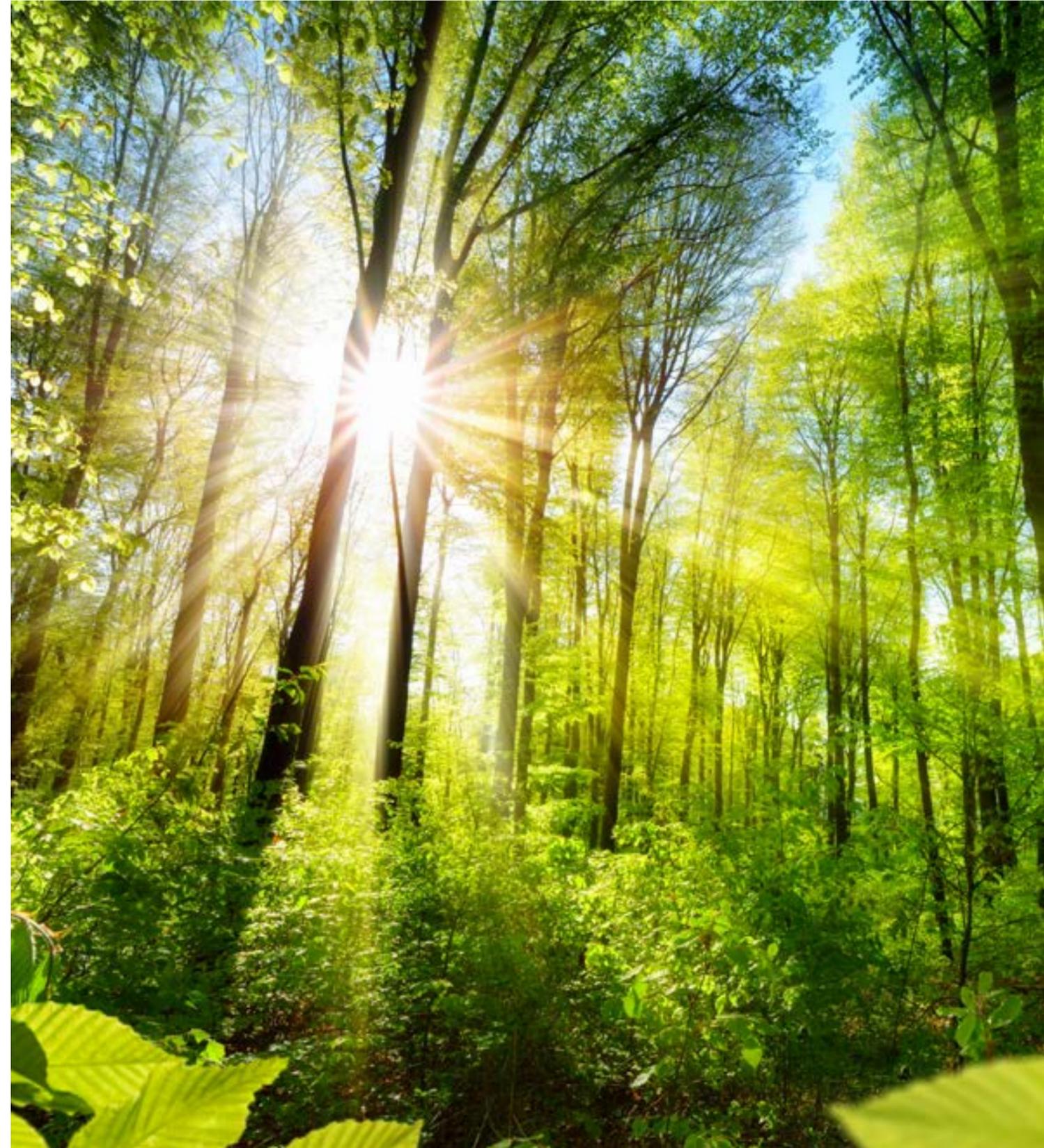
and we keep our business model dynamic by following short, medium, long-term plans and global developments in line with all stakeholder and materiality assessment.

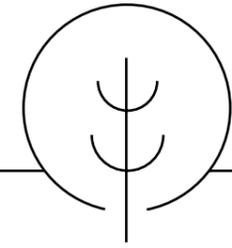
We are developing our sustainability strategies and we continue our work by expanding the framework of value areas such as climate, human and innovation determined in 2020.

We added Scope 4 to our GHG measurements in 2021 within the scope of 14064:2018. (Scope1, Scope 2 and Scope 3), which we calculated and verified for the first time in 2020. We continued our GHG measurements (Scope1, Scope 2 and Scope 3), which we calculated and verified for the first time in 2020, in 2021 by further expanding the emissions within the scope and including Scope 4 in line with the 14064:2018 standard.

Borusan Mannesmann works by setting targets for all of the Borusan Group's climate, human and innovation value areas. The studies have focused on the value area of CLIMATE due to both its geographical location and business unit.

**In order to reach the zero waste target determined by the Holding, both the Borusan Group and Borusan Mannesman 2021 sustainability targets have been determined within the scope of the strategy of reducing carbon emissions and wastes in a way that will reach the zero waste / zero emission target and also contributing to the preservation of the ecological balance.**

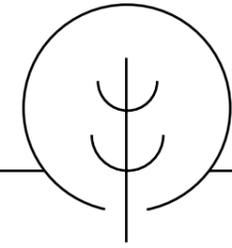




## BORUSAN MANNESMANN 2022 TARGETS

Borusan Mannesmann 2022 targets are given in the table below.

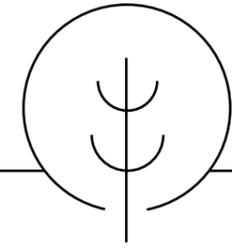
VALUE DRIVER	SUB TARGET	INDICATOR DEFINITION		UNIT	Result 2021	2022 Target	2030 Target	
Climate Decarbonization	Emission Reduction	Total Emissions of GHG (scope 1 + scope 2)		Ton CO <sub>2</sub> e	67,489.61	3% decrease	37% decrease	
				kg CO <sub>2</sub> e/t welding	128.47			
		Direct (Scope 1)		Ton CO <sub>2</sub> e	21,761.86	protect current situation	5% decrease	
				Ton CO <sub>2</sub> e/T welding	38.16			
	Indirect (Scope 2)		Ton CO <sub>2</sub> e	45,727.51	4,5% decrease	52% decrease		
			Ton CO <sub>2</sub> e/T welding	80.18				
	Sustainable Supply Chain	decrease on GHG amount resulting from Raw Material	Decrease according to the 2020	%	3.5%	7% decrease	20%	
Climate Circular Economy	Water	Decrease on water consumption		%	0.79663	5% decrease	50	
		Increase on recycled water amount		%	9.05	5% increase	50	
	Waste	Decrease on waste amount	decrease on percentage of waste / production	%	3.99	5% decrease	50 0	
	Project Improvement	Start up Circular Business Model (product & process)	Revenue obtained from circular business models	USD	-	continuous follow up	TDB	
	Supply Chain	Increase circularity rate on raw material		Increase according to the 2020	%	10.86%	25.61%	30%
		supply according to the green purchasing criteria		increase according to the 2021	%	-	3%	To Be Determined



## BORUSAN MANNESMANN 2022 TARGETS

Borusan Mannesmann 2022 targets are given in the table below.

VALUE DRIVER	SUB TARGET	INDICATOR DEFINITION	UNIT	Result 2021	2022 Target	2030 Target
Inovation	Percentage of annual revenues from sustainable business model		USD		continuous follow up	20 milyon \$ GP
Human Health And Safety	Preventing casualties	Decrease on Frequency Index	Value	Accident Frequency (Number of Accidents in One Million Labor Hours)	0.37	0.14
			Progress	%	10% decrease	10% decrease compared to previous year
		Decrease on Gravity Index	Value	Accident Frequency (Number of Accidents in One Million Labor Hours)	6.5	2.518233
			Progress	%		10% decrease compared to previous year
Human Equal Borusan	Gender	Percentage of Women working at offices	%	26.1	25% increase	36
		Percentage of women non desk employee / desk employee	%	2.8	continuous follow up	16
		Percentage of women executives (all grades)	%	17.5	continuous follow up	27
Human Talent Management	Talent Management	Future Leader Leave Rate	%	6	14% decrease	5
		Borusan Alpha Leave Rate	%	2020 - 25%	-	20



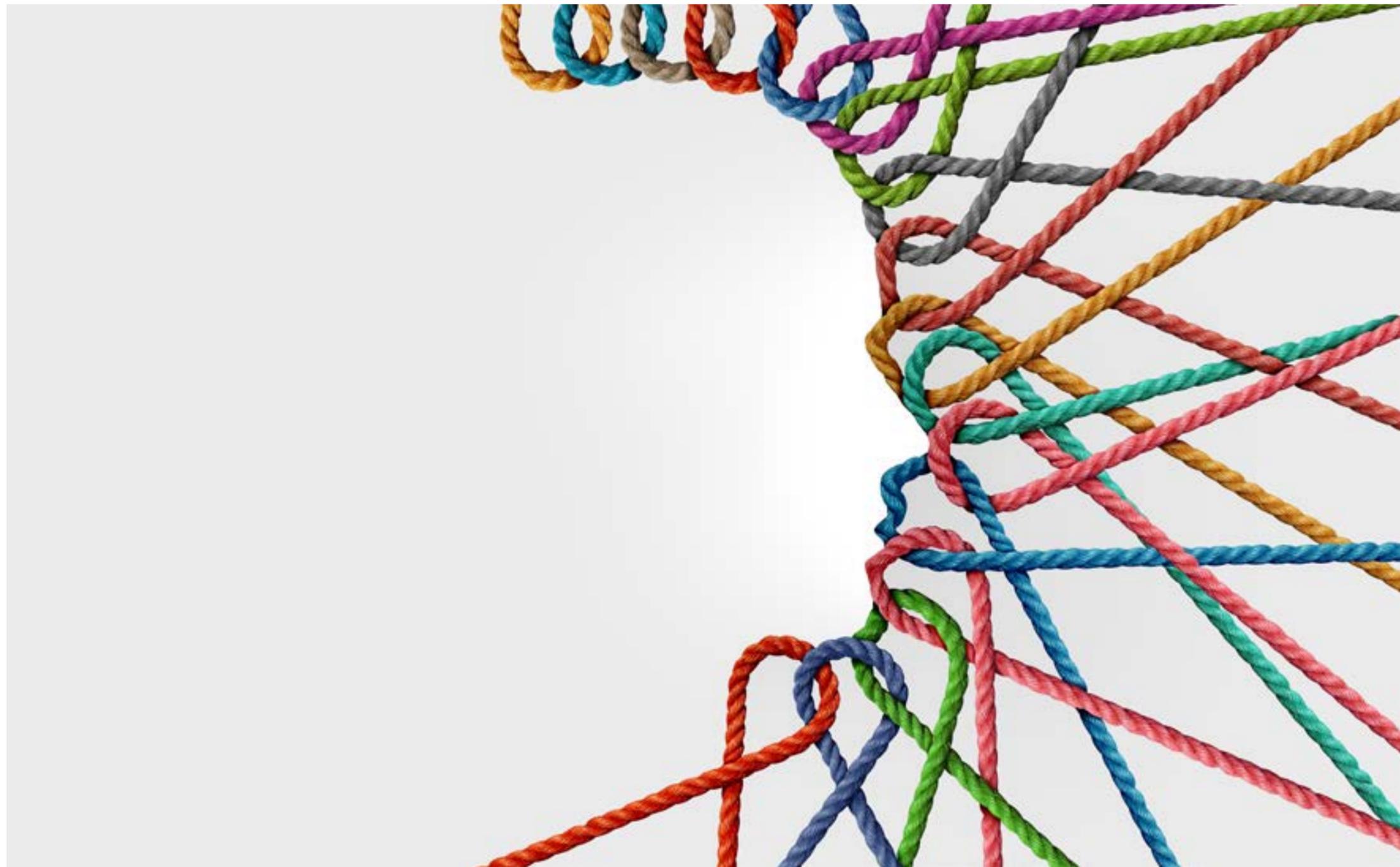
## STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

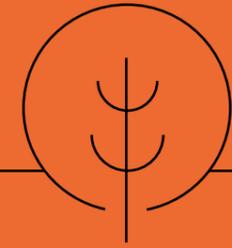
As Borusan Mannesmann, we are managing our sustainability efforts and shape our activities through communication with our stakeholders. Stakeholder engagement is very important for companies to build their future. In order to create shared value, the inclusion of the entire value chain is necessary, not just the employees of the company. Stakeholder engagement is essential to the corporate governance philosophy and shapes the future of the company.

In order for us to achieve the goals in all focus areas, the goals need to be owned by all stakeholders. We measured which sustainability issues are of priority for our company, taking into account their relations with Borusan Mannesmann, through questionnaires sent to our stakeholders that we determined with the company management and our agile groups.

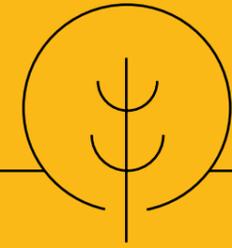
To achieve the goals in all focus areas, the goals need to be owned by all stakeholders. We measured which sustainability issues are of material for our company, taking into account their relations with Borusan Mannesmann and also identifying feedbacks of stakeholders through survey sent to them. We reviewed our materiality assessment done in 2020 and re-evaluated it in terms of focus areas determined by the Holding in 2021. This assessment will be regularly repeated and the scope of which will be updated to understand the expectations of Borusan Mannesmann in the most accurate way while keeping the communication with all stakeholders of Borusan Mannesmann continuous and dynamic.

Borusan Mannesman Stakeholders and communication platforms are;

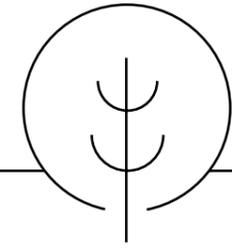




STAKEHOLDER GROUP	COMMUNICATION METHOD	COMMUNICATION PERIOD	STAKEHOLDER GROUP	COMMUNICATION METHOD	COMMUNICATION PERIOD
<b>Borusan Mannesmann employees</b>	CEO and GM Memorandumları (Celebrations, important topic information)	Periodic	<b>Suppliers</b>	External and Internal Reports	Annual
	Special Day Events (Digital)	Continuously		Supplier Visits, Audits, Platforms	Continuously
	Employee Engagement / Satisfaction Surveys	Annual		Social Media	Continuously
	Internal and External Reports (sustainability-activity reports)	Periodic	<b>Borusan Mannesmann Board of Director</b>	Boards Meeting	Continuously
	Social Responsibility Platforms and Clubs	Periodic		External and Internal Reports	Annual
	Social Media, Corporate Websites and Borusan Applications	Continuously		Corporate Web site, social media	Continuously
	Trainings	Continuously	<b>Media</b>	External and Internal Reports	Annual
	Guides	Continuously		Media Press	Continuously
	Internal and External Meetings, Assessments and Announcements	Continuously		Social Media, Corporate Websites and Borusan Applications	Continuously
	Orange Ethical Hotline	Continuously	<b>Customers</b>	External and Internal Reports	Annual
External and Internal Reports	Annual	Customer Satisfaction Surveys		Continuously	
Internal and External Meetings, Assessments and Announcements	Continuously	Internal and External Meetings, Assessments and Announcements		Continuously	
Social Media, Corporate Websites and Borusan Applications	Continuously	Social Media, Corporate Websites and Borusan Applications		Continuously	
<b>Borusan Holding</b>	Special Status Notifications	Instant	Customer Standards / Customer Audits	Continuously	
	External and Internal Reports	Annual	<b>Competitors</b>	External and Internal Reports	Annual
	Internal and External Meetings, Assessments and Announcements	Continuously		Associations	Continuously
	Social Media, Corporate Websites and Borusan Applications	Continuously		Social Media, Corporate Websites and Borusan Applications	Continuously
Trainings	Continuously	Social Media, Corporate Websites and Borusan Applications		Continuously	
<b>Group Companies</b>	Social Media, Corporate Websites and Borusan Applications	Continuously	Fairs	Continuously	



STAKEHOLDER GROUP	COMMUNICATION METHOD	COMMUNICATION PERIOD	STAKEHOLDER GROUP	COMMUNICATION METHOD	COMMUNICATION PERIOD
<b>Local Community</b>	External and Internal Reports	Annual	<b>Other stakeholders</b>	External and Internal Reports	Annual
	Social Responsibility Projects	Continuously		Internal and External Meetings, Assessments and Announcement	Continuously
	Social Media, Corporate Websites and Borusan Applications	Continuously		Social Media, Corporate Websites and Borusan Applications	Continuously
<b>Student, Academics, Universities</b>	Career Days	Continuously	<b>Union</b>	External and Internal Reports	Annual
	Social Responsibility Projects	Continuously		Internal and External Meetings, Assessments and Announcement	Continuously
	Students Coaching and Internship Programs	Continuously	<b>R&amp;D ecosystem</b>	External and Internal Reports	Annual
	Social Media, Corporate Websites and Borusan Applications	Continuously		COIN	Continuously
<b>Financial Institutions</b>	External and Internal Reports	Annual			
	Social Media, Corporate Websites and Borusan Applications	Continuously			
<b>Public and Local Administrations</b>	External and Internal Reports	Annual			
	Internal and External Meetings, Assessments and Announcement	Continuously			
	Social Media, Corporate Websites and Borusan Applications	Continuously			
	Projects	Project based			
	Audits	Instant/ Periodic			
<b>Non-Governmental Organizations and Professional Unions</b>	External and Internal Reports	Annual			
	Internal and External Meetings, Assessments and Announcement	Continuously			
	Projects	Project Based			
	Social Media, Corporate Websites and Borusan Applications	Continuously			
	Memberships	Continuously			
	Donations and Sponsorships	Project Based			



# MATERIALITY ASSESSMENT



**Create Benefit for the Planet, own the climate**

**Dream, design, turn it into reality, own human**

**Design innovative ideas, own the innovation**

**Inspire the future-own climate, human and innovation**

As Borusan Mannesman, we follow all global developments very closely and we care about identifying the issues that have the most important impact on our stakeholders, focusing on them and working on these issues.

The prioritization study was conducted for the first time in 2020 with the opinions/ feedbacks of senior management. Assessment was repeated in 2021, took place with a wider working group. As Borusan Mannesman, we are reviewing our Materiality Assessment on an annual basis.

Not only the material issues of Borusan Group, but also the global agenda, global developments and our materiality assessment also take an active part one identifying our Material Assessment. For this purpose, we are aiming to deepen the scope and inclusiveness of our assessment every year.

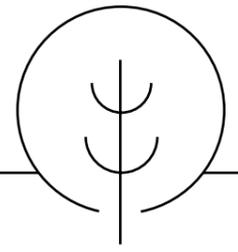
Our Materiality Assessment has also been prepared to comply with the Global Reporting Initiative (GRI – Global Reporting Initiative) reporting standards. As a result of the materiality

assessment, 28 material topics were identified after the feedbacks of internal and external stakeholder . After first assessment study; we have reviewed the topics and we have made groups with the topics and finally we have collected all our topics under 16 topics.

All our material topics are evaluated with the guidance of SDG and they are developed in order to be aligned with the SDG's. All our sustainable development objectives by assessing the priority topics in the guidance of the United Nations, the United Nations' 2030 Sustainable Development Agenda to be compatible with and support the objectives of Sustainable Development Goals that are matched as Borusan Mannesmann have been identified.

At the end of this process, our materiality assessment has been determined as follows. We also aimed to contribute to the Group's targets by classifying our material issues within the scope of Borusan Group focus areas.

<p>Environmentally and Socially Responsible Sourcing and Material Use</p> <p>Responsible Waste Management</p> <p>Circular Economy</p> <p>Combatting Climate Change</p>	<p>Occupational Health and Safety Management</p> <p>Human Rights</p> <p>Employee Satisfaction</p> <p>Contributing to Society</p> <p>Inclusion and Equal Opportunity</p>	<p>New Products and Innovation</p> <p>Creating a Digital Business Culture</p> <p>Improving Supplier's</p> <p>Technology Use Capacity</p>	<p>Effective Risk and Crisis Management</p> <p>Customer Satisfaction and Loyalty</p> <p>Growth Into New Markets</p> <p>Sustainability in Supply Chain</p>
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# MATERIALITY ANALYSIS

## Tanım

The 16 sub-titles we gathered in 4 main titles are as follows.

Our results after the materiality assessment (16 sub-titles) are listed as follows. (most important at the top).

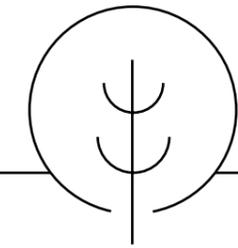
In the materiality matrix, groupings were made according to Borusan Holding's main focuses and priority issues were classified in 4 main groups. These main groups are determined as climate, people, innovation and corporate governance.

According to the materiality matrix, people is available at the top. The 'people first' is always at the core of Borusan's business culture and values and is a strategy we have been pursuing for years so it was not surprising to see People in our stakeholder analysis.

We will move forward in our sustainability journey by adding our CLIMATE and INNOVATION value areas to the works we have been doing in this direction for years.

Occupational Health and Safety Management
Human Rights
Effective Risk and Crisis Management
Responsible Waste Management
Environmentally and Socially Responsible Sourcing and Material Use
Customer Satisfaction and Loyalty
Growth to New Markets
Combatting Climate Change
Circular Economy
Employee Satisfaction
Contributing to Society
Inclusion and Equal Opportunity
New Product and Innovation
Sustainability in Supply Chain
Creating Digital Business Culture
Improving Supplier's Technology Use Capacity





We matched our focus areas with our material issues and grouped them according to the Sustainable Development Goals in order to measure the global impact.

# CLIMATE

Create benefit for the planet-own the climate

- Environmentally and Socially Responsible Sourcing and Material Use
- Responsible Waste Management
- Circular Economy
- Combating Climate Change



# INNOVATION

Design Innovative ideas-own innovation

- New Products and Innovation
- Creating a Digital Business Culture
- Improving Suppliers' Technology Usage Capacity



- Occupational Health and Safety Management
- Human Rights
- Employee Satisfaction
- Contributing to Society
- Inclusion and Equal Opportunity

# HUMAN

Dream, design, turn it into reality- own human

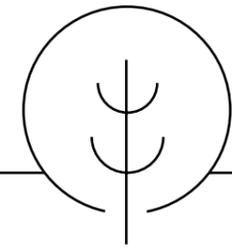


# CORPORATE FOCUS

- Effective Risk and Crisis Management
- Customer Satisfaction and Loyalty
- Growth into new markets
- Sustainability in the Supply Chain

Inspire the future-own climate, human and innovation

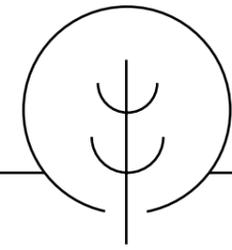




# OUR CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS

As Borusan Mannesman, we continue to create benefits with our activities. The fact that the materiality assessment that we have identified serve the United Nations Sustainable Development Goals makes our roadmap even more meaningful.

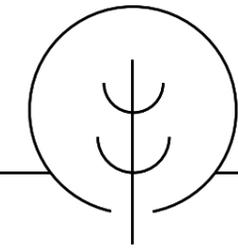
Philosophy	Pillars	Material Topics	SDG Goals	SDG Target Explanation	SDG
Climate	Create benefit for the planet-own the climate	Environmentally and Socially Responsible Sourcing and Material Use	12.2	12.2 By 2030, achieve the sustainable management and efficient use of natural resources	
		Responsible Waste Management	12.4 / 6.3	12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment 6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally	 
		Circular Economy	12.4	12.4. By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment	
		Combating Climate Change	13.3	13.3. Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	



# OUR CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS

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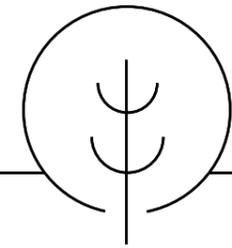
Philosophy	Pillars	Material Topics	SDG Goals	SDG Target Explanation	SDG
Human	Dream, design, turn it into reality-own human	Occupational Health and Safety Management	8.8	8.8. Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	
		Human Rights	10.3	10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard	
		Employee Satisfaction	8.7	8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its fo	
		Contributing to Society	12.8	12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature	
		Inclusion and Equal Opportunity	5.5	5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	



# OUR CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS

As Borusan Mannesman, we continue to create benefits with our activities. The fact that the materiality assessment that we have identified serve the United Nations Sustainable Development Goals makes our roadmap even more meaningful.

Philosophy	Pillars	Material Topics	SDG Goals	SDG Target Explanation	SDG
Innovation	Design innovative ideas-own innovation	New Products and Innovation	12.a	12.a Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production	
		Creating a Digital Business Culture	12.a	12.a Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production	
		Improving Suppliers' Technology Usage Capacity	12.a	12.a Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production	



# OUR CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS

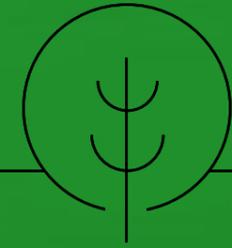
As Borusan Mannesman, we continue to create benefits with our activities. The fact that the materiality assessment that we have identified serve the United Nations Sustainable Development Goals makes our roadmap even more meaningful.

Philosophy	Pillars	Material Topics	SDG Goals	SDG Target Explanation	SDG
Corporate	Inspire the future-own climate, human and innovation	Effective Risk and Crisis Management	17.14	17.14 Enhance policy coherence for sustainable development	
		Customer Satisfaction	17.17	17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships	
		Growth into New Markets	8.5	8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	
		Sustainability in the Supply Chain	16.b	16.b Promote and enforce non-discriminatory laws and policies for sustainable development	



I.  
**CREATE BENEFIT  
FOR THE PLANET-OWN  
THE CLIMATE**





# I. CREATE BENEFIT FOR THE PLANET-OWN THE CLIMATE

Like the whole world, we are also aware of the environmental, social and economic problems we are facing and we are shaping our steps towards the future in order to be a part of the solution. Some important steps have been already taken within the scope of joint ago in order to produce solutions to the problem of climate change. With this purpose; many international summits and conferences are effective activities carried out in order to create a common solution.

In 2015; the Sustainable Development Goals (United Nations, t.y.) were created and the Paris Climate Agreement was signed. The Paris Agreement sets out a global framework to avoid dangerous climate change by limiting global warming to well below 2°C and pursuing efforts to limit it to 1.5°C. It also aims to strengthen countries' ability to deal with the impacts of climate change and support them in their efforts. The EU formally ratified the agreement on 5 October 2016, thus enabling its entry into force on 4 November 2016. For the agreement to enter into force, at least

55 countries representing at least 55% of global emissions had to deposit their instruments of ratification. Turkey; signed the Paris Agreement with the representatives of 175 countries at the High-Level Signing Ceremony held in New York on April 22, 2016 and The "Law Regarding the Approval of the Paris Agreement" entered into force following its publication in Turkey's Official Gazette on 7 October 2021. In August 2021, the sixth report of the Intergovernmental Panel on Climate Change (IPCC), Decisively evaluating the scientific findings on climate change, pointed out that the major impacts caused by climate change are inevitable and irreversible. The report issued a red alert for humanity, stating that the 1.5 °C temperature rise limit targeted by the Paris Agreement will be exceeded in all scenarios.

Within the framework of all these global developments, we continue our efforts towards decarbonization by developing projects with our agile teams that will contribute to the Climate Group Targets determined by Borusan Holding

## Borusan Holding Climate Targets



**To be carbon neutral**  
(in Scope 1 and Scope 2)



**To develop decarbonization  
and circular based  
business models**



**To Support  
terrestrial life and  
biodiversity**



**Reduce  
plastic usage**



**To provide  
collaboration with  
all stakeholders**

In our report, we have classified our four material topics under the title of

**"Create benefit for  
the planet-own the  
climate"**

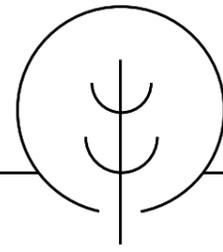
Our material topics issues this title are;

**Environmentally and Socially  
Responsible Sourcing and Material Use,**

**Responsible Waste Management  
(e.g. Waste Water Management, etc.),**

**Circular Economy,**

**Combating climate change.**



# ENVIRONMENTALLY AND SOCIALLY RESPONSIBLE SOURCING AND MATERIAL USE

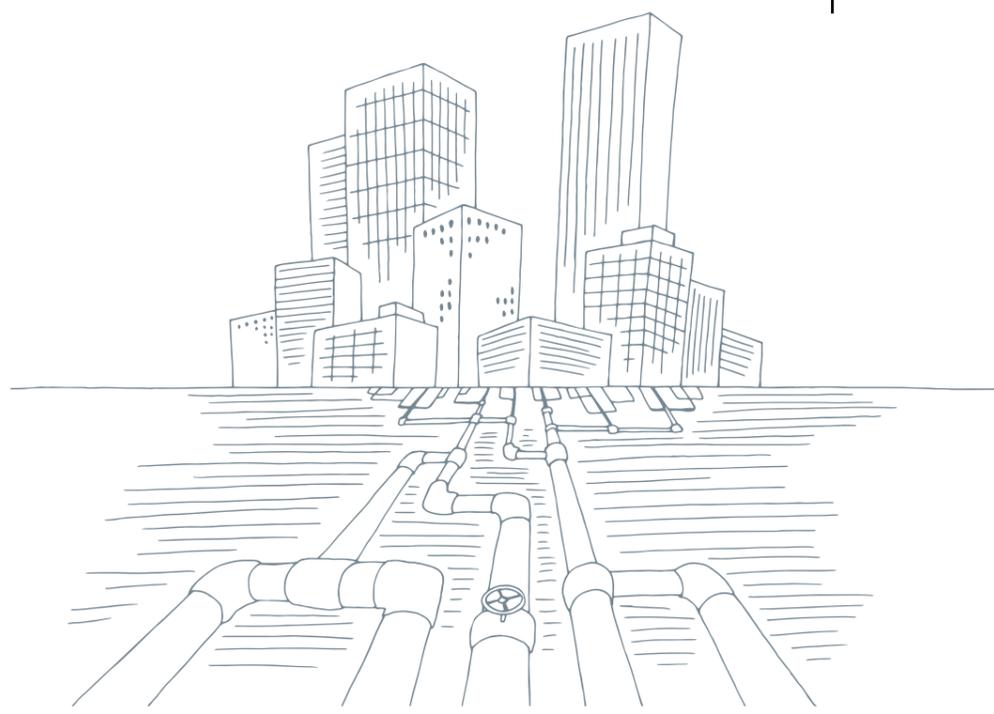
As Borusan Group, we are aware that limited natural resources should be consumed responsibly. We continue our activities within this scope, we use the energy we consume effectively, and we make our business processes sustainable and long-term by realizing projects related to energy efficiency and the environment.

Environmentally and socially responsible use of resources and materials; requires us to look beyond the traditional cost and quality aspects to encompass the value chain. We plan to reduce our carbon footprint holistically with our studies on all the factors that make up our footprint. In this context; Our company aims to keep the environmental impacts it has on the environment as waste from the design stage to a minimum in all its products and services it has implemented throughout its life cycle. It takes the necessary actions to internalize this approach by all our stakeholders.

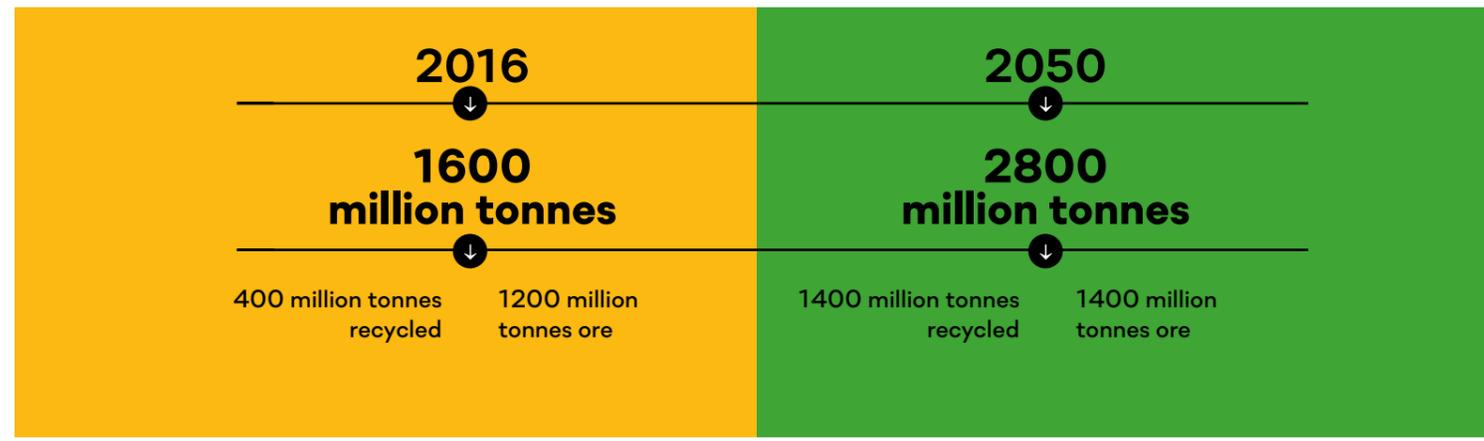
Our efforts to obtain EPD (Environmental Product Declaration) certificate, which started in 2020 in order to better monitor the environmental performance of our products and provide clear information to the customer continued in 2021 with 42 EPDs. Thanks to this certification, we evaluate the entire life cycle of our products from an environmental point of view and declare them transparently. 30 in total in segment 2-3 products; There are a total of 42 EPDs, 12 of which are in

Segment 1 products. Participation in the fair held in Düsseldorf with the Green Pipe study for Segment 4 was also performed. With the Green Pipe study, we have taken a serious step in terms of carbon neutral pipe production. With the EPD process, we provide proactive feedback to our customers.

Steel is a 100% recyclable material without loss of quality. The scrap material obtained from the steel structures that have completed their life is added to the structure of the newly produced steel. 37% of the steel material produced today contains recycled steel. Approximately 100% of the material formed in the steel production process can be used. Slag formed during the melting of steel are used in production of cement, asphalt, fertilizer etc., chemicals are used as input material in the chemical industry, and the gases formed during the production process are used in the production of heat and electricity. The electrical energy produced in this process can meet 60-100% of the energy needed by the steel production facility. In addition, 90% of the water used during production can be cleaned and returned to the sources. Most of the remaining 10% water loss is due to evaporation. Thanks to the developments in steel materials and production facilities in the last fifty years, the energy consumed per ton of steel has shrunk by 61%, and this has led to a great reduction in the CO<sub>2</sub> gas released into the atmosphere.

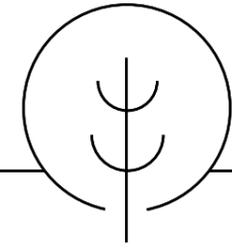


Steel Demand- Actual and Potential Estimation for 2050



Recycling activities of iron and steel products scraps are becoming more and more in our focus every day due to their environmental impact.

Increased scrap consumption reduces additional sourcing requirements and therefore reduces environmental impact.



## We aim to use 38% of scrap in 2022.

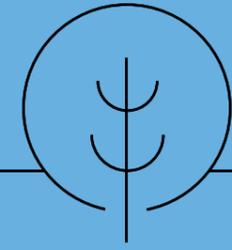
As a result of these studies; We ensured that the emission rate caused by **1 ton of steel we supplied in 2021 decreased from 1.774 tons to 1.671 tons.**

## We aim to increase this amount to 1.61 in 2022.

Within the scope of our responsible sourcing approach, a number of projects were also executed in our Halkali factory in 2021. The use of recycled chemicals within the facility was evaluated. Waste oil reduction is aimed in the project of recyclable use of reactive oils. In the Cold Drawn pipe process; Reactive oil is used for surface coating before drawing. Before the commissioning of the project; these oils were sent from our factory to disposal facilities as waste. In order to be compatible with the circularity economy, many experimental studies have been carried out to reuse these wastes. **As a result of the studies, 95 tons of chemical waste was reused.**

In addition, in order to increase environmental awareness in 2021, 5170 total training hours were organized for 472 participants across the BMB.





## RESPONSIBLE WASTE MANAGEMENT

### WASTE MANAGEMENT

Zero Waste"; It is a goal defined as a waste management philosophy that includes preventing waste, using resources more efficiently, preventing or minimizing waste generation by reviewing the causes of waste generation, and collecting and recycling waste separately at the source in case of occurrence. In order to reach the 2050 zero waste, zero emission target determined by the Holding, special targets related to wastes have been determined within the scope of the strategy of reducing carbon emissions and wastes in a way to reach the zero waste/zero emission target and also contributing to the preservation of ecological balance which is basic of our strategy. In this context, 50% reduction is targeted in 2030 within the scope of reducing the amount of waste that cannot be sent for recycling. It is aimed to recover all organic waste by 2030.

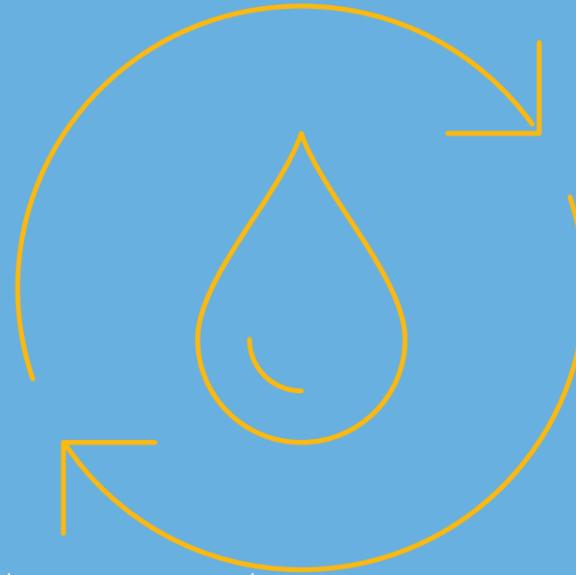
Since our company is in the steel sector, most of our production-related wastes are re-evaluated. In addition, the pipes that we manufacture can also turn into steel at the end of their useful life. Therefore, our company's circularity rate is quite high.

It is essential that the wastes generated as a result of our production processes are collected at the source without mixing them. According to our waste management procedure, the property and possibility of recovery of all classified wastes are investigated within the framework of the relevant regulations and recovery is ensured by appropriate methods to be determined.

With our ISO 14001 Environmental Management System; we certify that the environmental impacts arising from our production facilities are controlled according to internationally accepted standards.

The ZERO WASTE certificates issued by the Ministry of Minister of Environment, Urbanisation and Climate Change were obtained by our GEMLIK and Halkalı plants

Within the framework of our targets in 2021, our focus has been on "reducing the amount of waste going to disposal per production". In 2022, our projects continue to be implemented with the same focus.

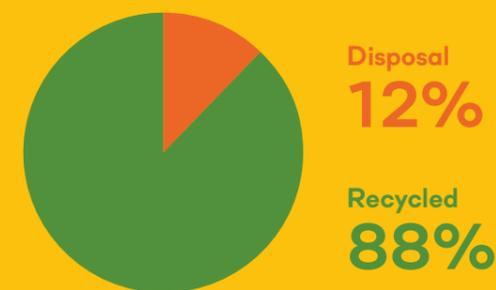


The wastewater from the Borusan Mannesmann canteen, which provides catering services to the Gemlik facilities, created odor and waste generation problems in the existing oil trap pre-treatment unit due to its high oil content. Company named BAKTEK has carried out an oil trap project in order to eliminate the odor problem caused by this unit, which is close to the facility, to eliminate the damage caused by the high oil content in the system to the pump, etc., and to reduce the amount of oil sent for disposal. Firstly; a bacteria dose was made into the oil trap device and the effect of this dosing was evaluated at the oil trap outlet and biological treatment inlet for 1 week. Pollution loads at the oil trap outlet and biological treatment inlet did not change and did not have a negative effect on biological treatment. There has been a decrease of approximately 1/3 in the amount of waste. Compared to 2020, a 70% waste reduction has been achieved

By removing the decantation process from the reagent baths in our Halkalı factory, efforts were made to reduce the amount of waste. With the circulation pump and stainless filter revisions, the baths started to be kept more stable and homogeneous compared to the past. In this context, both a reduction in the amount of waste and a revenue of 135,000 dollars were achieved on an annual basis. The amount of hazardous waste decreasing according to the previous year is 28 tons.

In 2021, a total of 44,563,905 kg of waste was generated from Borusan Mannesman's activities.

### Borusan Mannesmann Waste Management



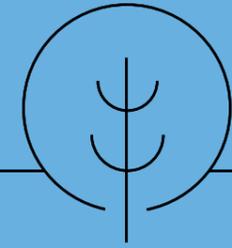
**Total Amount of Waste (kg)**  
**44.563.905**

**Amount of Waste to Disposal (kg)**  
**5.286.787**

**Amount of Recycled Waste (kg)**  
**39.277.118**

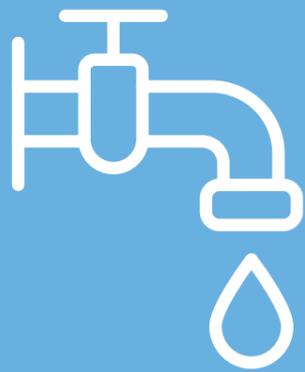
In addition, in our Halkalı factory, an industrial symbiosis application was carried out by ensuring the reuse of chemicals within the facility. The details of the project are given under the title of "**Environmentally and Socially Responsible Sourcing and Material Use**".

This project has also shown us that sustainable production can be made with recycled oil without sacrificing product quality. Products produced with recycled raw materials can be produced without loss of quality.

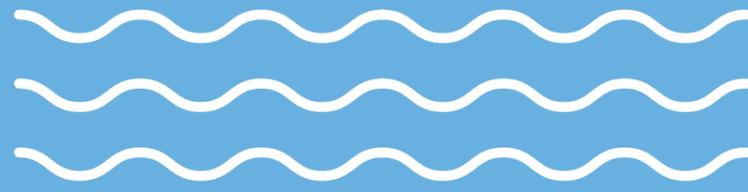


## WATER-USE EFFICIENCY

Since 2015 water-use efficiency has increased by



**10%**  
globally



## WATER STRESS



**2.3**  
billion people

**live in water-stressed countries**

**of which 733 million live in high and critically water-stressed countries**

## WATER MANAGEMENT

According to the **"SDG 6-Water and Sanitation for all 2021"** report; billions of people still have difficulty in accessing drinking and potable water around the world, which is a human right. At the same time, many water sources are drying up and becoming increasingly polluted. But at the same time, demand is increasing to meet the increasing population needs in sectors such as agriculture and industry, which need water intensively. In the light of all these developments, according to the **World Economic Forum Global Risk Report 2022** published in 2022, natural resource crises, including water scarcity, are among the top 10 risks that will affect the world.

The water problem is a problem that triggers many problems and can only be solved with a collective approach. As Borusan Mannesman, we are a part of the solution to the projects led by Borusan Holding as a reflection of the collective approach, by producing and implementing projects that will reduce pollution in water

resources, alternative waste water treatment methods, or reduce the need for water used in products and processes.

Coating process that takes places during manufacturing our pipes use water. Due to these reason; water we use and waste water occur in our activities are followed regularly. By constantly monitoring the amount of water we draw and the quality of our waste water, we not only comply with regulations, but also maintain the sustainability of our relations with our stakeholders and our environment.

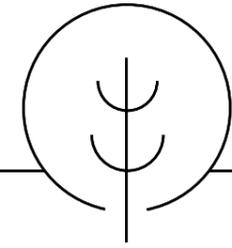
We continued our CDP Water Safety report, which we first made in 2020 in order to declare our water management, opportunities and risks related to water, and our work related to water use in a detailed and transparent manner, for 2021 as well, and achieved an industry average result by getting a C score in 2020.

In our Halkalı Factory; With the introduction of the Automotive Factory in Gemlik; capacity changes have occurred. As a result of capacity change; bathrooms with high water consumption were removed. In addition, with the new Reverse Osmose investment in our Halkalı factory, water savings were made by reducing the amount of bottom and surface blowdown. As a result of these revisions carried out in our Halkalı factory, 11270 m<sup>3</sup> of water was saved.

With the project of reusing the water of the chemical treatment plant in the Gemlik ERW factory, it is aimed to return the treated water to the galvanizing process. In this way, the amount of groundwater usage of the galvanizing process has decreased. With this project, 4060 m<sup>3</sup> of water was saved annually. Again in our ERW factory, the water we used to cool the internal burr impeder was discharged to the sewer. With the project carried out in order to reuse this water, the water was cooled again and fed back

to the tank. With this project, 1195 m<sup>3</sup> of water was saved annually.

It was projected to reuse of wastewater generated in the automotive factory investment project Waste water is treated and reused. Untreated water is disposed of as waste. In 2021, treatment works were carried out at the treatment plant for the untreated waters and projects were carried out to increase the recycled water. With this project, the rate of use of the water that comes out of the treatment in the surface treatment baths has been increased. With these studies, 1600 m<sup>3</sup> of water was reused throughout the year.



## CIRCULAR ECONOMY



Circular Economy activities; It includes all of the studies carried out to carry out studies for resource use, waste reduction and waste evaluation. We adopt the circular economy approach in all our activities. By constructing our business models on the axis of innovation; We activate the use of resources, choose more environmentally friendly products in our material preference, incorporate innovation into our business processes, and identify new opportunities in the field of circularity by reducing and recycling our wastes and bringing them back as value to the economy.

As Borusan Mannesman, circularity is a very important principle of us in both our own waste and raw materials. It is important for us to reuse all of our wastes as an environmental and economic loss. It is our primary priority to adopt the principle of circularity throughout the entire value chain.

Our circular economy working group evaluates the environmental, social and economic effects of all our outputs together with the wastes generated from our production inputs, examines these processes in terms of sustainability focus, and works on taking action against climate change and then on all sustainability risks.

Increasing the circularity of our raw materials is one of the most important ways to reduce our greenhouse gas emissions as part of the European Green Deal. For this reason, studies are conducted continuously to increase the circularity of our raw materials.

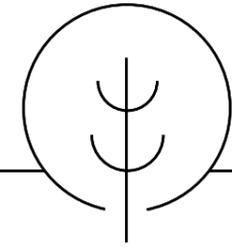
Circular economy; It also plays an important role in our product innovation processes. We aim to increase the service life of our products with our R&D studies.

In 2021, new product development was achieved with studies that increase the service life of the products. 18 new products were commissioned and 4 of these products were defined as sustainability products. While 3 of the sustainability products are aimed at increasing the service life of the pipes by coating, 1 of them is about energy efficiency.

We know the importance of local suppliers in the circular economy. In this context, we procured 53% of all raw material purchases from our local suppliers in 2021.

Major work done by our Circularity Team in 2021 progressed under 22 main topics. At the end of these studies;





210 tons of chemicals saved with minor projects.

1 out of 4 pipes became drawn with recycling reactive oil.

Started to use 100% recycle straightening oil.

A total reduction of 33% per ton of hazardous waste was achieved

16.000 m<sup>3</sup> natural gas savings were achieved with the works carried out in the boiler room.

As a result of the improvements made in surface preparation, 11,000 m<sup>3</sup> of water was saved and the cleaning line was closed. (Details are explained in Water Management Section.)

With the Reverse Osmosis Installation, boiler water discharge was reduced and water savings were achieved. (Details in the Water Management Section.)

Warehouse process was reviewed within the framework of the circular economy, and opportunities for improvement were evaluated. In this context, the saws, which are an important usage item and waited as waste in the production

processes, were re-examined and reused with minor operations.

In addition, a stock study was carried out for materials that did not move during the entire supply chain process, the total stock load was reduced and the minimum and maximum stock amounts were determined again in order to ensure continuity.

Moreover; Secondary raw materials that were in stock and expired were identified, and later, the deadlines of some were extended by negotiating with the suppliers, while some raw materials were evaluated differently. All waste materials were examined and in this context, pipes that remained idle and quarantined for a long time were placed in appropriate files and evaluated.

In addition, one of the projects we have realized within the scope of the Circular Economy is the BORUSAN OUTLET application that we started in 2020. With the Outlet platform, which is the platform that sells the products ordered for its customers but not purchased or sold in the main market, 232 tons of idle Pipes were sold in the Export Markets, 14,078 tons in the Domestic Market, in 2021. Thanks to this platform, more people have access to the evaluation of pipes, which were previously made through bulk sales.

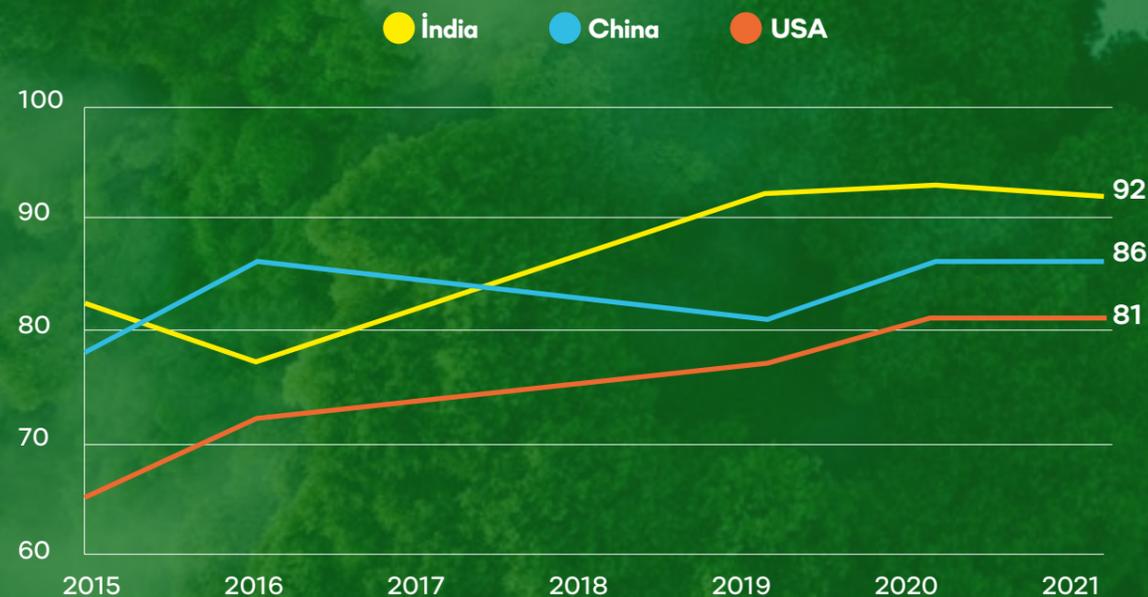




## COMBATTING CLIMATE CHANGE

Within the scope of the climate theme, which we have set as a difference-making goal, we are fighting the climate crisis by reducing our environmental footprint by carrying out activities in our entire value chain and at the same time paying attention to resource consumption.

We manage our activities with a holistic approach in our fight against the climate crisis. According to the **Globe Scan 2021** report, the importance of the climate crisis is increasing day by day in the countries that cause the Climate Crisis

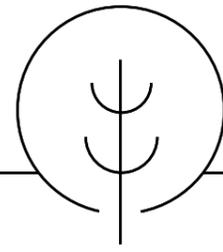


Undoubtedly, one of the most important developments of 2021 was the COP26 negotiations, which continued between 1<sup>st</sup>-13<sup>rd</sup> of November. The United Nations Climate Change Conference in 2021 held in Glasgow witnessed important steps being taken within the scope of the 1.5 degree scenario. 153 countries were asked to update their Statements of Contribution, and decisions were made to strengthen climate adaptation financing packages. The COP 26 summit went down in history as the first summit with financial sector representatives, and the Global Financial Alliance for Net Zero (GFANZ) was also present at the summit. During the summit negotiations, commitments to stop deforestation, create zero-emission transport routes, switch to zero-emission vehicles by 2040, phase out coal, and reduce methane emissions by 30% by 2030 were agreed.

As Borusan Mannesmann, we carry out remarkable activities in the fight against the climate crisis, which has an important position in the sustainability focus of Borusan Holding: climate, human and innovation.

As Borusan Group, we are working to do our part in the fight against the climate by becoming a carbon neutral company by 2030. With all the activities carried out in 2021, projects were developed to reduce the carbon intensity per unit production in Borusan Mannesmann operations

We regularly take firm steps forward in our carbon footprint and water footprint measurements on key climate factors such as energy and water efficiency and our greenhouse gas impacts.



## GOOD MANAGEMENT OF ENERGY USE AND RENEWABLE ENERGY PRACTICES

Based on 2020 as the base year, GHG measurements continued in 2021, and our emission calculations were verified by a third-party certification firm in accordance with the ISO 14064-1:2018 standard. Within the scope of the calculations, the operational control limit was taken as the data consolidation approach. Greenhouse gases included in the

calculation include emissions from fuel and electricity consumption activities, and Emission Management covers CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O gases.

Our greenhouse gas emissions in 2021 are detailed in the table below according to Scope 1, 2 and 3.

Years	Scope 1	Scope 2	Scope 3*	Total
2020	17.667,4533	40.251,1681	4.902,36	<b>62.820,98</b>
2021	21.762,09	45.727,51	87.485,70	<b>154.975,30</b>

Scope 1 Direct Emissions Sources  
 Scope 2 Indirect Emission Sources from Energy Use  
 Scope 3 Other Indirect Emission Sources

Although there is an increase in total emission values, when the density is examined according to the production figures, an improvement of 13,40 % has been detected in all emission values per production, despite the increase in production.

As in 2020, according to the data in the reporting year, the largest share in our greenhouse gas emissions belongs to the energy indirect emissions (Scope 2) resulting from the use of purchased electrical energy. In this context, we continue our efforts to reduce our emission amount under Scope 2 by purchasing the electrical energy we need from renewable energy sources.

We calculated our Scope 3 greenhouse gas emissions, which include other indirect emissions in the value chain, for the first time in 2020. In addition, in the measurements made within the scope of ISO 14064-1:2018, the 2021 Greenhouse Gas Inventory has been developed in accordance with common industry practices, including the ISO 14064-1:2018 Standard. Scope 3 includes waste and employee services, but in 2021, all our transportation vehicles are also included in scope 3.

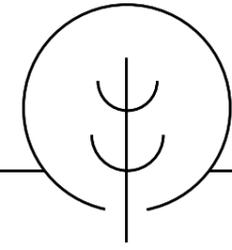
In addition, the calculation was made within the scope of Scope 4, which is the indirect emissions arising from the products used by the organization, and the resulting value was used in the EPD process.

Scope 4; 123,383.28 tCO<sub>2</sub>e (indirect emissions from products used by the organization (Category 4) reasonably calculated)

We continue to manage our supply chain emissions as in 2020. Energy Efficiency Projects As Borusan Mannesmann, we review our activities that require high energy use in our production processes, with an energy efficiency focus, and implement practices where we can save money. We follow our energy efficiency studies with the documented ISO 50001 Energy Management System. In this context, our Gemlik facility has been certified with ISO 50001 for many years, and the certification process of our Halkalı facility was completed in 2021.

As Borusan Mannesman, we responded to the CDP Climate Initiative in 2021 so that our work on the climate can be interpreted transparently by our stakeholders and received a B score which was above the sector. The Agile Project group, which was created within the company under the name of Decarbonization for climate improvements, has carried out studies that can produce solutions for climate change in the near term and in the long term





Some of our projects carried out by the Agile Project group are summarized below.

Automatic energy meters and a reading system were installed in our Halkalı ERW and Spiral Factory. Thanks to this system, Important Energy Usage points of users in regions with high energy and natural gas consumption can be monitored online. Thanks to the continuous monitoring system, points that need improvement have been identified. The biggest output of this system; In the energy tracking system connected to people, an automatic reading system has been established by switching to an online tracking system. The results were evaluated continuously with the relevant people and contributed to the intellectual capital by increasing the awareness of energy use.

In the Halkalı Factory, it is aimed to provide energy efficiency with low energy consumption by replacing inefficient luminaires with led luminaires. With the use of low-watt, high-efficiency luminaires, energy savings were achieved and a financial contribution was made.

A reduction in energy consumption has been achieved as a result of the replacement of the inefficient high KW motors used in our Halkalı Factory with the motors providing high energy efficiency. As a result of the changes made, 16 KW energy savings were achieved. In 2022, this project is planned to be expanded to all factories.

In our ERW factory, extensive insulation revision work was carried out within the scope of reducing energy losses. Within the scope of this project, unnecessary energy consumption points were determined and the insulation of the steam/hot water lines, the insulation of which was deteriorated, was renewed throughout the factory. With the energy saving study, 1500 tons of CO<sub>2</sub> greenhouse gas improvement was achieved within the scope of Climate, which is one of the 3 main headings

of our Borusan i<sup>3</sup> strategy and which we, as Borusan Mannesman, have chosen as our focus target, we both support Borusan Group's goal of being carbon neutral by reducing greenhouse gas emissions originating from our own operations, and minimize the impact we create throughout our value chain with various practices. We aim to download it and we continue our work in this direction in 2022 as well.

The use of CO<sub>2</sub> in fire extinguishers in electrical panels has been cancelled. Compared to 2020, greenhouse gas emissions from fire extinguishers decreased by 50%.

Improved A/C gas exchange control. Compared to 2020, greenhouse gas emissions from air conditioners decreased by 10%.

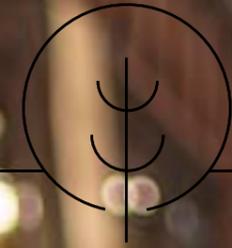
Energy Monitoring System Installation was completed at our ERW, SP and Halkalı plants. Thus, an effective system was created to monitor both the product and the corporate carbon footprint.

In 2021, in-house awareness activities were also included. Awareness projects were carried out in order to reduce fuel efficiency in vehicle use and air leaks in the factory. All company vehicles have been replaced with a hybrid model. With the awareness work on reducing air leaks, an improvement of up to 16 tons of CO<sub>2</sub> was achieved.



**II.  
DREAM, DESIGN,  
TURN IT INTO  
REALITY-OWN  
HUMAN**





## II. DREAM, DESIGN, TURN IT INTO REALITY-OWN HUMAN

### OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT AND PRACTICES

At Borusan Mannesmann, we see each of our employees as a part of our family and keep the health and safety of all family members among our primary responsibilities. Inspired by the culture of Borusan Holding, of which we are a affiliate, we continue our activities with great sensitivity in line with the high importance we attach to OHS management, which is among our priority sustainability issues. Our main goal in our work in the field of Occupational Health and Safety is to increase the trust of all our stakeholders in Borusan Mannesmann, and to maximize company loyalty and belonging. At Borusan Mannesmann, we are implementing various projects to ensure that all our employees adopt the OHS culture, based on our goal of zero work accidents.

We do not have any fatal occupational accidents in 2021.

We also adopt the Occupational Health and Safety principles developed by Borusan Holding and we work to move our system higher with the principle of continuous improvement.

Borusan Holding's principles in the field of OHS;

- Complies with all laws, regulations, national and international standards in force in its locations.
- It works to achieve the ideal of "Zero Occupational Accident", which is its main goal in all sectors.

- It detects potential dangerous situations that employees may be exposed to, and takes measures appropriate to their risk levels.

- It conducts the case study at the highest level possible in cases of work accident, occupational disease and narrowly missed incidents that it cannot prevent, and tries to ensure that the incident does not recur by taking appropriate actions for the root causes determined.

- Provides a safe working environment for all employees, customers, suppliers and subcontractors, and tries to create best practice examples in their sectors.

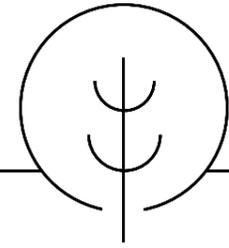
- It continuously audits all the systems it has established and the activities it carries out, and keeps it open to the access and inspection of the relevant parties.

- It expects them to contribute to the development of the OHS culture by actively involving all employees in their areas of responsibility in all processes of occupational health and safety, and by raising them correctly about their rights, duties and responsibilities.

- It ensures the ownership of the process by making occupational health and safety a way of doing business in the areas for which all leaders and managers are responsible.

- It determines a management system based on the principle of continuous improvement and makes efforts for its development.





## BORUSAN MANNESMANN MOVABLE SLING MOUNTING STAND

In the Gemlik ERW Factory SRM Automatic Package line, we had the risk of manually interfering with the pipes during the pipe movement on the bench, attaching sling slings to the pipe package, and pinching fingers during hooping. A movable sling attachment stand has been put into use in order to eliminate the risks of squeezing and crushing encountered during the installation of slings on the pipe package and at the same time to enable our employees to continue their operations in more ergonomic working conditions. This stand was designed by our employees.

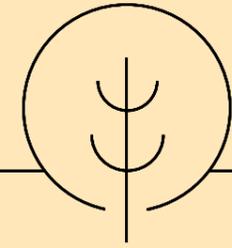
In our SRM Automatic Package line, the pipes are packed in a hexagonal structure by being compressed with a circle from several points. Upon the customer's request, 2 slings are attached to both sides of the pipe from the center of gravity for the customer to carry out the transport operation on the package. During these operations, hand-finger jamming while trying to save the sling due to the slingshot being stuck on the relay group on which the pipe package moves, finger jamming between the pipe package and the side struts that give the package form, and finger jamming when attaching the sling between the pipe package and the pipe package on which the pipe moves. We were at risk. In order to eliminate all these risks, a movable sling mounting stand was designed for the sling, which is suitable for the pipe package form (hexagonal structure), where the pipe package can pass directly through the sling stand. Slings were attached to the sling attachment stand, which was in the same form as the package form, before the pipe package arrived, allowing the pipe package to pass directly through the sling stand during packaging.

Along with this good practice;

- The risk of employees getting their hands, fingers or limbs caught in the jamming areas while wearing the sling has been eliminated.
- The employee's operating time for slinging has been reduced and the burden of anxiety and stress on the employee has been reduced.
- By keeping the operator away from the pipe package, the risk of work accident due to the oscillation of the strapping machine was eliminated.
- The work pressure on the operator, who couldn't take his eyes off the operation for fear of getting stuck in the sling after passing the sling to the pipe package, decreased.
- The employee had to keep his arm suspended in order to place a sling on average for 21 minutes per shift. With this high-frequency operation, non-ergonomic conditions such as stretching and straining occurred in the torso, neck, legs, upper arms, lower arms and wrists during the operator's working posture.

With the improvement made, all these ergonomic difficulties have been eliminated since the hanging sling operation has been eliminated, and a better and more comfortable working environment has been created for our employees.





## SURFACE PREPARATION AND LAYOUT REVISION AND SAFETY CLOSINGS OF TERMINAL LINES

We had very serious OHS risks in our hall where the Surface Preparation Facility and Pipe Ending lines are located within the Halkalı Factory Drawing Hall. First of all, if we start with the risks of the Surface Preparation Facility; Since most of the pools in the facility are attached to each other, employees were working under very difficult conditions and limited OHS measures in case of any need for intervention. The area around the facility was completely open and this included the risk of serious work accidents after the intervention of unauthorized persons in an area working with chemicals. Since the lubrication and leaching pools at the exit of the facility are perpendicular to the other pools at the entrance of the facility and the package transfer car afterwards, the pipe packages had to be rotated in the air with a crane 2 additional times. In the Flying Lines; Again, there were ergonomic problems due to the fact that the lines were perpendicular to the general pipe movement direction in the hall, there were no shelters around the line, too much oil leakage to the floor due to the old end lines, and the pipe loading work was done by hand.

Within the scope of the project, it was aimed to eliminate all these risks, to improve the working environment conditions and to eliminate the OHS risks that the employees are exposed to. In the Surface Preparation Facility, the layout plan was revised and the relocation of all existing pools was ensured. During the relocation, necessary service areas have been created for safe intervention on the right and left parts of both adjacent pools. After the relocations, a safety closure project has been prepared to protect the environment of the entire facility from the intervention of unauthorized persons.

Within the scope of the project, card readers were placed at the entrance-exit doors determined on the blockhouses and unauthorized personnel were prevented from entering the facility. The lubrication and leaching pools at the exit of the facility were rotated 90 degrees, the pools in the entire facility were made parallel to each other, and the necessity of turning packages with a crane was eliminated, and precautions were taken for this risk at the source.

In the Flying Lines, firstly, the old machines were replaced by new and automated machines. With the work of our maintenance teams on our only existing old machine. has been made suitable. Both the new machines and our existing machines are positioned parallel to our Surface Preparation Line and our package loading trolley. After the direction of our tipping machines was changed, the necessity of turning packages in the hall was completely eliminated. In this way, the risk of slipping during the transportation of oily pipes by crane, experienced in the past years, has been eliminated. An automatic feeding system has been installed on all tipping machines, eliminating the ergonomically challenging all-day manual pipe loading work for the operator. Again, protective assembly of our same machines has been made in accordance with the machinery safety regulations in both the inlet and outlet stands and the operation areas where the tipping process is made.

At the end of all these hall-wide works; we have gained employees who are safer, more sensitive to the environment, the risk of occupational accidents and near misses is minimized, and most importantly, happier employees.

### OHS Practices We Implemented in 2021

One Page OHS annual report, including all plain, quantitative and qualitative data and submitted to the Executive Board.

For the Behavior-Oriented Observation and Feedback System (B'Dost), studies have begun on analyzing the observation data with a software program and improving the performance measurement.

In order to improve OHS targets and performance, work on process improvement and adding and commissioning new performance indicators within the OHS Scorecard - HSE ScoreCard continues.

Image Processing Technology has started to work on detecting unsafe behaviors, rule violations and near misses by making use of artificial intelligence through the cameras in our factories.

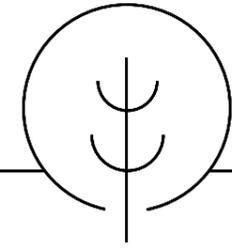
The Blue Collar Orientation Plan ensures the establishment of an organization and follow-up systematic in the process of assigning employees in accordance with their job descriptions in order to establish the right person and the right business relationship.

The QDMS Integrated Management System has started to work on the planned commissioning of the modules planned in the conceptual design part.

The digitalization of the periodical control process in Lifting-Conveying equipment provided the opportunity to quickly access the current and retrospective periodic control reports of the relevant equipment with a QR code.

The development of safe working systems (SSoW - Safe System of Work) has been completed by reviewing all control forms and combining them with a risk assessment method with a new approach.

Against the risk of Covid-19 transmission, the establishment of a vaccine control and follow-up system, operational control of vaccinated personnel, and the establishment of a follow-up system to prevent unvaccinated employees from being recruited to enterprises, and a weekly performance reporting process have been implemented.



## BORUSAN MANNESMANN OCCUPATIONAL HEALTH AND SAFETY TRAINING

### GEMLİK PLANT 2021

TRAINING STATISTICS	PARTICIPANT	MAN HOUR
Employees (People*hours)	33273	25080,77
Subcontractor employees (People*hours)	1212	2582,95
Total OHS trainings (People*hours)	34485	27663,72

### GEMLİK PLANT 2020

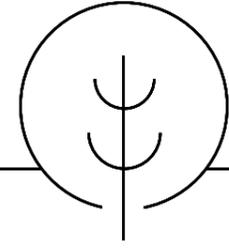
TRAINING STATISTICS	PARTICIPANT	MAN HOUR
Employees (People*hours)	29229	23384,45
Subcontractor employees (People*hours)	950	1920,15
Total OHS trainings (People*hours)	30179	25304,6

### BMB GEMLİK 2021 - BY TRAINING CLASS

Type	Basic OHS Training	Non-permanent sub-contact or training	OHS toolbox training	OHS Maturity training	Pys. Cons Number	OHS refreshment training	Other OHS trainings
HC	1377	1212	4286	238	27121	251	
HC	8805,47	2582,95	10530,14	723	4520,16	502	
Total	Person	34485		Hour	27663,72		
Total	Person	27663,72		Hour	62148,72		

### BMB GEMLİK 2020 - BY TRAINING CLASS

Type	Basic OHS Training	Non-permanent sub-contact or training	OHS toolbox training	OHS Maturity training	Pys. Cons Number	OHS refreshment training	Other OHS trainings
HC	2739	950	6240	90	20007	153	
HC	12124,25	1920,15	7259,7	360	3334,5	306	
TOTAL	Person	30179		(People* hours):	25304,6		



## HUMAN RIGHTS

Within the scope of the Sustainable Development Goals, which adopt the goals of eliminating inequalities, strengthening economic growth and employment, combating climate change, developing sustainable production and consumption, and strengthening human rights, in 2030, by getting rid of all the inequalities of the world; It is aimed to provide equal conditions and opportunities to people in social, economic and societal terms, regardless of religion, language, race, gender, age and disability.

As Borusan Mannesmann, we design all our business processes in line with universal human rights guidelines.

Orange Guide consisting of our in-house policies; supports compliance with human rights and guides us to prevent unethical behavior.

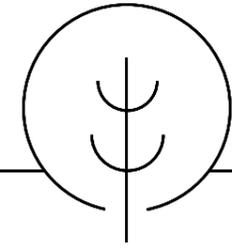
We offer our employees an innovative, innovative and creativity-supporting working environment under the title of Human, which we have identified as our strategic focus area. We believe that the difference in business life comes from "people", and for this reason, we consider providing a healthy, safe and fair work environment to our employees among our corporate priorities.

Adapting without compromising human rights in all our activities forms the basis of our working culture.

We respect our employees' right to unionize and support them to freely exercise their union rights. We establish constructive relations with unions. Borusan Mannesmann is a member of the Turkish Metal Industrialists Employer's Union (MESS), one of the authorized labor unions representing the workers. The unionization rate among our employees in our operations in Turkey is 81.7%.

At the same time, we act in harmony with the Human Rights Principles included in the United Nations Global Compact, of which we are a signatory.





	2019		2020		2021	
	Female	Male	Female	Male	Female	Male
<b>Employees entitled to maternity leave</b>	2	81	3	102	3	82
<b>Employees using maternity leave</b>	2	81	3	102	3	82
<b>Employees returning to work after maternity leave ends</b>	1	81	3	102	3	82
<b>Employees who return to work after maternity leave and then for at least 12 more months</b>	1	81	3	102	3	82

## EMPLOYEE SATISFACTION

In order to create a safe, transparent and fair working environment that respects human rights throughout the entire value chain, it is very important for us to ensure the happiness and commitment of our employees, our most important stakeholders. In this context, supporting them technically and personally, developing working models and providing an inclusive working environment are among our top priorities.

In this context, as Borusan Mannesmann, we measure the satisfaction of our employees on an annual basis, and we generate ideas to improve the experience of our colleagues who add value to our brand and aim to be the voice of all our employees.

80% of our employee loyalty and satisfaction score in 2020, and this score in 2021; It was 74%. This score gives us; has shown that we need to concentrate more on the studies on employee satisfaction and showed our areas open to improvement. Studies were started before the end of 2021 regarding these points we determined, and projects continued in 2022. In order for our

employees to benefit from health opportunities more easily, we offer outpatient and inpatient treatment to all our office workers with private health insurance. In addition, we have annual check-up and life insurance options in different scopes for our employees. In addition, we aim to support the future of our employees with the company-contributed Private Pension Plan. The contents of this type of fringe benefits vary according to the seniority level of our employees. In addition to the monthly deduction from the salary of employees included in the Pension Plan, we provide company support at the same rate. Our employees, who have completed their 5th year in the company, can receive their savings at the end of the 5<sup>th</sup> year.

In 2021, 3 female employees of Borusan Mannesmann who were entitled to maternity leave used their leave and all of the female employees who took leave started to work with the end of their maternity leave. 100% continued to work in our company for at least 12 more months after returning to work.

As Borusan Mannesmann, the talent development of our employees is very important to us. We know that we can achieve our goals with competent employees. We are constantly improving our talent development program in order to develop our talents and also to be a company preferred by new talents.

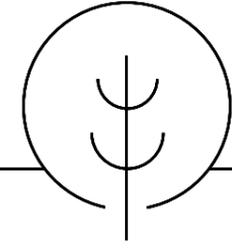
In addition, we implement Performance Management Processes to create a feedback culture with regular performance evaluations and to determine development plans according to the feedback results. In addition, we invest in our talents, who are the leaders of the future, with a structured development program that we organize with Borusan Academy in cooperation with Turkey's leading universities and institutions, which lasts for 2 years.

In 2021, the New Manager Development Program was carried out. With this program, to the leaders who are new managers; HR processes and competence transfer are targeted. The main purpose of this program is; To support the development of new leaders in team management.

The total training hours received by our employees in 2021 are shown in the tables.

## BMB All Trainings by Year (by type)

Professional Improvement			
	2019	2020	2021
<b>Hour</b>	39831	24718	24454
Individual Improvement			
	2019	2020	2021
<b>Hour</b>	4265	1916	100
OHS			
	2019	2020	2021
<b>Hour</b>	14123	16515	15734
Other (Eg. Leadership)			
	2019	2020	2021
<b>Hour</b>	11381	13605	9960
Total Training Hours			
	2019	2020	2021
<b>Hour</b>	69600	56754	50248



## CONTRIBUTION TO LOCAL COMMUNITY (SOCIAL RESPONSIBILITY PROJECTS AND LOAL INVESTMENTS)



**Sustainable Development Goals Goal 17; explains the importance of establishing partnerships for goals. To achieve our 2030 goals, to benefit from all our stakeholders, to lead change together; We are working to support the society we live in. In this way, we believe that global partnerships will be revived, and unity will be stronger.**

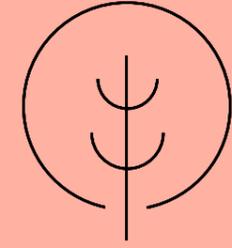
We know that every step that strengthens the society will also strengthen us as an institution. As Borusan Mannesmann, we establish strong, embracing and integrated collaborations at all levels without leaving anyone out. In this context, education, culture-art, sports, etc. We embrace the future and inspire our society with the social impact projects we carry out in the fields.

In 2021, we started a sapling planting project together with the **"Become a Partner with the Green"** project carried out jointly by the Confederation of Turkish Employers' Associations (TISK) and the Seed Association. Within the scope of this project, we planted 3 saplings on behalf of all our employees who have recently

joined us, retired and have children. In addition, in order to support the climate crisis and raise awareness, we donated 10 saplings within the scope of the Join the Green project on behalf of each person who reports the situations that cause an increase in carbon emissions. However, later on, our project grew even more and turned into the Borusan Mannesmann Memorial Forest in Mersin with a total donation of 30,000 saplings as our dealers, all our employees and Borusan Mannesmann. In Mersin, we took an important step to strengthen our forests, which are our breath, by planting a forest of 30 thousand trees, which is more resistant to fires, and predominantly red pine.

Moreover, Under Borusan Mannesmann leadership with the the Ocean Volunteer, a special fairy tale book was prepared for children. As a result of our 7-month work, we donated 300 of the **"Tales from Borusan"** book, all of which were written by the employees of the Group companies, to the All Children are Ours Association.





## INCLUSION AND EQUAL OPPORTUNITY

Inclusiveness can be based on creed, ethnicity, age, gender, sexual orientation, political affiliation, property, disability, etc. It describes an active participation in life regardless of As Borusan Mannesmann, we offer inclusive opportunities by offering equal opportunities to our workforce. We do not discriminate in any way in the recruitment processes, we only evaluate candidates based on their professional experience and abilities.

The Sustainable Development Goal Article 10 is on reducing inequalities and by 2030 in 10.2, it is a global goal to empower and promote social, economic and political inclusion of all, regardless of age, gender, disability, race, ethnicity, religion, economic or other status. states.

As Borusan Group, we work with the goal of a world where gender equality is fully ensured and women and men are equal and side by side under all conditions. It is one of our primary goals to apply this goal to all of our ways of doing business. We attach particular importance to equal representation of women and men in the business world, equal rights and opportunities, and equal promotion and salary opportunities.

With the Borusan is Equal Platform, which we established in 2015, we have gathered the steps we have taken for the adoption and

internalization of gender equality at both the corporate and individual level, under a single platform. Observing gender equality in all decision-making and implementation processes in business life, adopting inclusive policies to eliminate inequalities and making a commitment to take steps in this direction are always our focus. In order to show our determination in this matter, our General Manager became the ambassador of gender equality by signing the Borusan Equal Commitment on March 5, 2020.

The aim of Borusan Mannesmann Borusan Equals team is to ensure that the number of female employees in the company is 32% for office workers and 8% for factory, field and workshop employees by 2025. And since this rate is a significant amount for the steel industry, which is a male-dominated sector due to the line of business, it is continuously monitored on a monthly and annual basis.

2021 data for this target; 30.6% in the first level management level, 23% in the middle and senior management level, 26.1% in the office workers and 2.8% in the non desk workers.

**In 2021, we carried out many studies to strengthen the concepts of Inclusion and equal opportunity.**

We collaborated with "Value for Equality", one of AÇEV's initiatives, which was established to promote gender equality in all areas of life.

We renewed our breastfeeding rooms at Borusan Mannesmann. We have made the breastfeeding rooms in our factories more hygienic, more comfortable and safer for our working mothers who have given birth and returned to work.

In line with our project, which we named the Equality Field, we created a pool of candidates to meet the staffing needs of the production and quality departments in our Gemlik plant with female employment. In our Halkalı factory, we also carried out studies to increase women's employment.

We held benchmark meetings with companies that attach importance to gender equality within the scope of partnerships for targets. In this context, we continue our work in 2022.

On March 8, Women's Day, we made a Factory Interview with Anadolu Agency titled "Women Working in Heavy Industry" and made our employees have their voices heard.

We organized the "Equal Looking Leaders Seminar". The aim of the seminar, which was

held in order to increase the level of knowledge and awareness of our department managers and above, in the field of diversity and inclusion; To raise awareness in the participants about the sexist elements affecting business life, types of discrimination and its effects by conducting group studies and case studies of the theoretical background of gender-based discrimination in working life for our unit managers and above.

We also held the «See Life Equal» Seminar with our dealers to encourage our dealers to adopt the same point of view as Borusan Mannesmann.

Within the scope of Helmet Equality in Locations, we eliminated the difference in helmets for our employees.

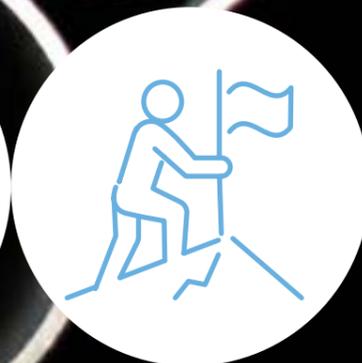
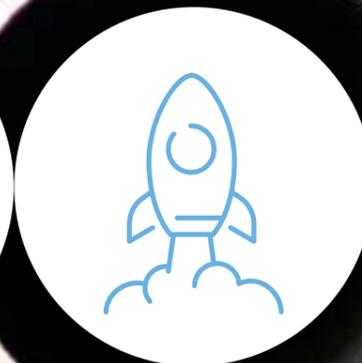
We distributed unbiased books on gender equality to the children of workers.

We cooperated with Bursa Engineer Women's Association and various Non-Governmental Organizations to enable qualified female workforce to play an active role in business life.

We published our Borusan Mannesmann Equality Newspaper and shared our work with our colleagues.

**You can reach our employee profile in 2021 from the appendices section.**

**III.  
DESIGN INNOVATIVE  
IDEAS-OWN  
INNOVATION**





### III. DESIGN INNOVATIVE IDEAS-OWN INNOVATION

#### NEW PRODUCT AND INNOVATION

Sustainable Development Goal 9; Under the industry, innovation and infrastructure article, he states that economic growth, social development and combating climate change are heavily dependent on investment in infrastructure, development and technological progress. Especially today, while rapidly changing dynamics in the global world increase inequalities, they also lead all companies to find alternative solutions and to design innovative and durable infrastructure, processes and products.

For this reason, innovation is very important in order to exist in the future.

The Sustainable Development Goal 9; Target 9.4;

**By 2030, develop infrastructure and retrofit industries to become sustainable, with each country taking action according to its own capacity, increasing more efficient use of resources and greater adoption of cleaner and more environmentally sound technologies and industrial processes.**

#### Ratio of R&D and Innovation investments to total investments

Unit	Borusan Mannesmann		
	2019	2020	2021
%	0,6	1	0,9

We, too, act in accordance with this purpose in our entire organizational structure within the scope of global goals. We implement innovative business models suitable for the future. With over 70 years of industry experience, we are meticulously moving forward to carry our business model to the future.

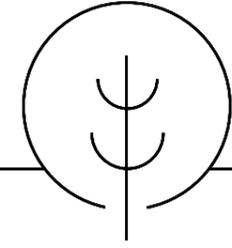
As Borusan Mannesmann, the budget we allocate to new product development and innovation studies has been \$520,000 in 2020, and \$750,000 in 2021. The budget we allocate to our investments for a sustainable growth is increasing every year.

We demonstrate our support for the domestic technology and development ecosystem by advancing our innovative product studies within the framework of our policy of supporting domestic suppliers.

Within the scope of the innovation work group established in 2020, we procured 64% of raw material purchases from local suppliers. In 2021, this rate was 53%.

In 2021, 12% of our first quality product consolidated gross profitability was obtained from the sales made in the new product and service group. In terms of sales tonnage, this figure represents 10% of our total sales tonnage of first quality products.

Product development issues focused on value-added further processing and coatings in 2021. Our development activities continue for different usage areas for all segments.



## BORUSAN MANNESMANN COLLECTIVE INNOVATION NETWORK-COIN

As Borusan Mannesmann, we want to expand our team, which has experience and skills in technical, digital and commercial fields, with entrepreneurs who can produce game-changing ideas and bring innovative solutions to problems in the field of steel pipes and profiles, with the Collective Innovation Network (CoIN).

You can reach to all the detailed information about the COIN Platform from [Home Page - Collaborative Innovation Network \(borusanmannesmann.com\)](#). It also offers opportunities to create common benefits for our most important future stakeholder, the students.



## BORUSAN MANNESMANN OUTLET

We sell products that are ordered for our customers but are not purchased or sold in the main market through the Outlet platform. In 2020, by selling 15,860 tons of inert pipes in the domestic market and 1,321 tons in export markets, we re-evaluated 17,181 tons of material without using extra energy and water. Before the outlet platform, these products were processed by going to the production facility to be reused as raw materials, but this was not a sustainable business model as it was an energy-intensive process. With the Platform, 232 tons of idle Pipes were sold in export markets, 14,078 tons in the domestic market, in 2021. Thanks to this platform, more people have access to the evaluation of pipes, which were previously made through bulk sales.

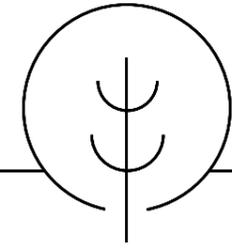
## EASY BID SALES PLATFORM

As Borusan Mannesmann, we add value to all our stakeholders and their projects with our products that stand out with their quality and reliability. In order to add this value at the highest level, we continue our work and develop new projects. Easy Bidding Platform is one of these projects.

With the Easy Bid Platform, we bring our customers and dealers together on a single platform, and we aim to speed up the pipe and profile quotation request and sales processes, so that all our stakeholders can save time and continue their processes faster and away from complexity.

You can find the details about the platform from the following page.

[Borusan Mannesmann Easy Bid Sales Platform](#)



## CONTRIBUTION TO THE DOMESTIC TECHNOLOGY ECOSYSTEM

### Compressor Energy Recovery (RePG)

With the "Compressor Waste Heat Recovery Project" realized by Borusan Mannesmann with the support of suppliers, electrical energy is produced from low-temperature waste heat in real field conditions. It is the first and only electricity generation system in the world with 100% domestic technology and micro-modular design, capable of generating electricity from waste heats below 100°C. With this system, we, as Borusan Mannesmann, reduced our carbon emissions by generating electricity from our own waste heat. Our improvements regarding waste heat will continue in the coming years.

## CREATING DIGITAL BUSINESS CULTURE

The word "digital" means the change that has occurred in today's world with the rapid adoption of technology. As Borusan Mannesmann, we prefer methods that embrace the new future instead of traditional methods by providing digital transformation.

It proceeds with the contributions, opinions and suggestions of all responsible persons in integrating digitalization processes into business processes.

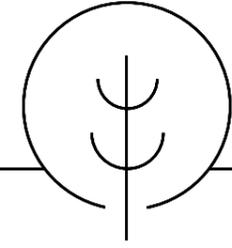
As Borusan Mannesmann, we set out in 2021 with a digitalization budget of 6.5 M USD. We have realized different projects worth approximately 5.5 M USD.

## DEMAND ORIENTED SUPPLY CHAIN OPTIMIZATION PROJECT

The aim of this project is to carry out demand and forecast management, sales & operation planning, operational planning, order management and detail scheduling processes with digital tools.

Demand and forecast management and sales & operations planning processes of the project were carried out in 2021. The project is targeted to be completed in June 2023. Processes will be planned with software support from the geometric and chemical properties of the raw material to be purchased to the combinations and sequences in the production. With this project, a reduction in waste production is expected. While reducing the amount and costs of waste, pollution caused by transportation will also be prevented. In the next phase of the project, when the optimization reaches the desired level, it is aimed to provide machine-

software integration. In this way, the machines will be directly integrated with the production plan and will reduce errors by communicating with each other. It is not possible to establish a fully integrated system in the future by using AI ML facilities to determine and improve production outputs and waste amounts according to product variety. Thanks to these processes, which are carried out with Excel or manually, processes that are faster, more permanent and at the same time use less paper have started to occur in the digital environment. Our demand-oriented supply chain project also improves the technology utilization capacities of our Suppliers. With the Supply Chain Optimization Project, transparency and cooperation will be increased and processes will be transformed from a forecast-oriented model to a demand-oriented model.



## DEVELOPPING SUPPLIERS' TECHNOLOGY USE CAPACITY

We are working to ensure that the digital business culture is a corporate culture and that our efforts will affect our entire value chain. As Borusan Mannesmann, while we digitize our processes, we also try to improve their technology usage capacities in order to be able to make long-term friendships with our suppliers.

We are aware that technological purchasing process are necessary for transparent and permanent information, a large supplier pool and better and long-term supplier-customer relations.

## SUPPLIER SUSTAINABILITY INDEX AND SUPPLIER PORTAL

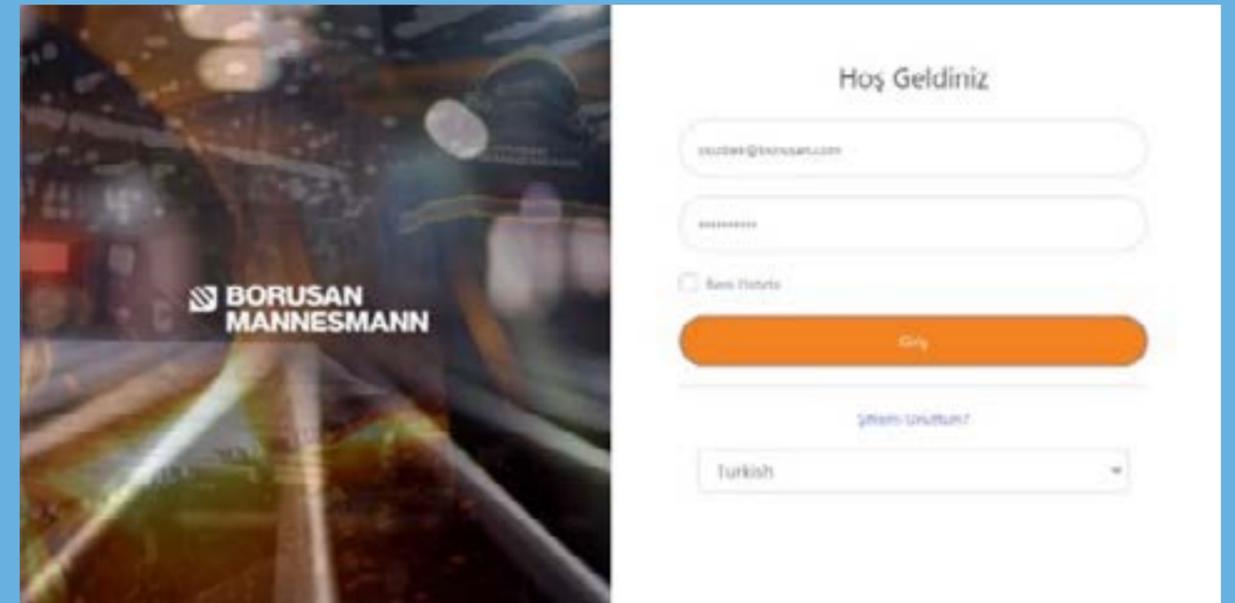
The aim with this index system; to follow the sustainability approaches and works of our strategic suppliers, to analyze, follow and plan the works that can be done to reduce our greenhouse gas emissions in the procurement process, to be a pioneer in the sustainability studies of our suppliers and to encourage them for their development, to show that the sustainability approach is an important value in determining the supplier resources, to increase the supplier competition to increase and to catch a benchmark opportunity for good practices.

In the "Supplier Sustainability Index", which is prepared to encourage and monitor the development of our suppliers under the umbrella of sustainability, our suppliers first fill out an Evaluation Questionnaire. The Supplier Sustainability Index Score structure has been established in order to measure the answers given to the survey, to evaluate their performance within the scope of sustainability, and to evaluate the factors of competition within the sector.

All supplier contracts were reviewed within the scope of the studies, and questions to be asked within the scope of the index were prepared. All the preliminary studies were transferred to the digital platform and the Sustainability Portal was created. A Supplier Sustainability Index Implementation Guide has also been created for suppliers.

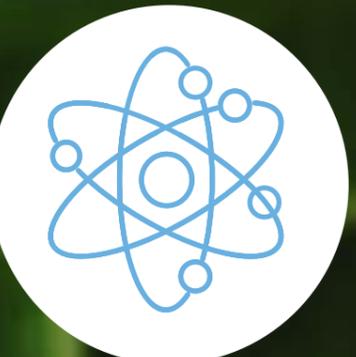
## Supplier Sustainability Portal

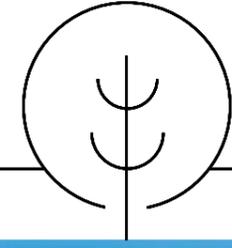
With our sustainability portal, which we created following our sustainability index application, it is aimed to improve and develop our cooperation with our suppliers. Through this portal, our suppliers can access information that increases service quality and cooperation.





**IV.  
INSPIRE THE  
FUTURE - OWN  
CLIMATE, HUMAN  
AND INNOVATION**





## IV. INSPIRE THE FUTURE - OWN CLIMATE, HUMAN AND INNOVATION

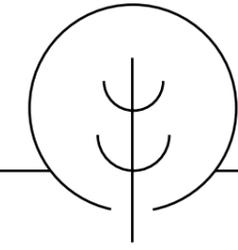
As Borusan Mannesmann, we aim for a movement that includes all our stakeholders in order to create benefits for the planet. We always support innovative ideas and take the lead in bringing these ideas to life, and we protect our future, climate and digital transformation.

## EFFECTIVE RISK AND CRISIS MANAGEMENT

As we explained in detail in the title of Risk Management, it is very important for Borusan Mannesmann to be proactive in the face of risks. In this context, Internal Control Functions and Risk management processes established under the General Managers of Borusan Holding and Group Companies in order to contribute to the effective management of sustainability and stakeholder relations in 2021 are carried out under the sponsorship of senior management.

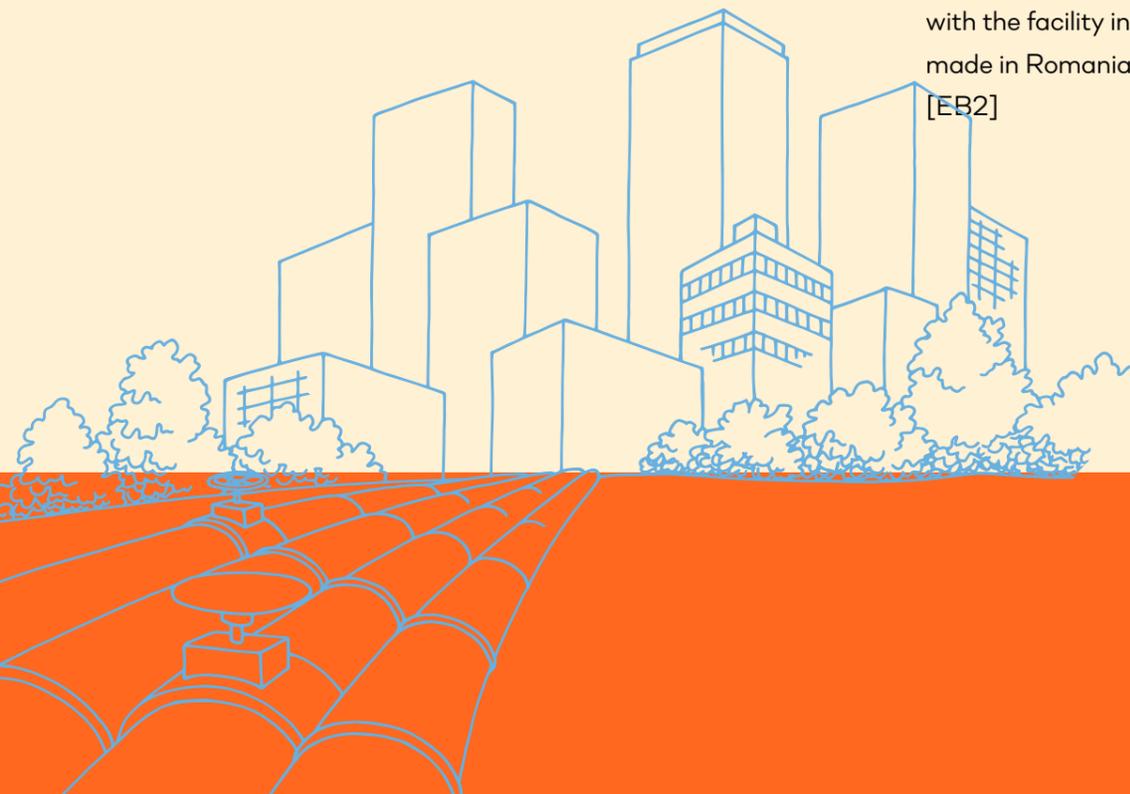
Aiming to monitor risks in an integrated manner in 2022, the Internal Control functions have started to work on the transition to the Integrated Risk Management system for this purpose, and implemented this structure in the first quarter of 2022.

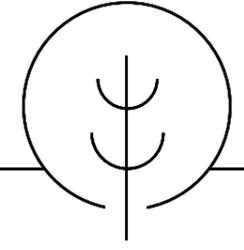




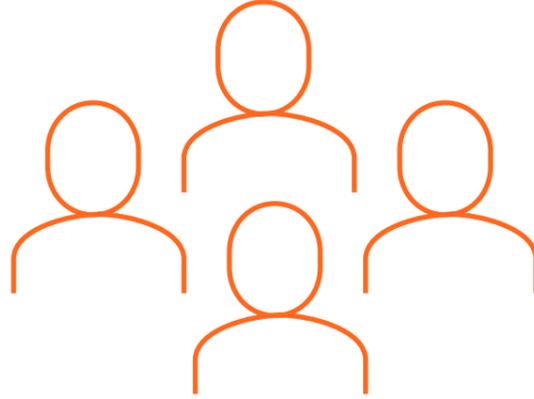
The risk and opportunity analysis made by Borusan Mannesman as a result of the Integrated Risk Management approach is given in the table below.

Company	External Trends	Risks	Opportunities	Company's strategic focus areas and goals	Monitoring KPIs, etc.
Mannesmann	<p>Quotas and duties on steel imports by the United States and the European Union</p> <hr/> <p>Emission Trading System [EB1]</p>	<p>Risks in sourcing raw materials from the supply chain</p> <hr/> <p>Risks posed by the climate crisis</p> <hr/> <p>Waterborne risks</p> <hr/> <p>Increasing the number of production facilities in EU countries and increasing penetration in the EU market with the facility investment made in Romania in 2021 [EB2]</p>	<p>The image superiority of being deemed worthy of the "Best Pipe Manufacturer" award by the American Metal Market, one of the most prestigious publications in the USA, in 2016, 2017 and 2020 with the high-tech pipes it produces.</p> <hr/> <p>The need to review and regulate the supply chain due to the European Green Deal [EB3]</p> <hr/> <p>Increasing production capacity and market share with the US investment planned for 2022</p>	<p>Occupational health and Safety</p> <hr/> <p>Responsible Products and Services</p> <hr/> <p>Combating the Climate Crisis and Transition to a Zero Carbon Economy</p> <hr/> <p>Crisis Management and Combating Epidemics</p> <hr/> <p>Effective Corporate Governance</p>	<p>Profitability optimization related to sales mix</p> <hr/> <p>Growth of the service center</p> <p>Increasing new products with high added value</p> <hr/> <p>Capacity maximization and increasing operational efficiency</p> <hr/> <p>Adaptation of practices in R&amp;D and Digitization Talent attracting and retaining</p>





## CUSTOMER SATISFACTION AND LOYALTY



We grow and develop together with our customers with the principle of customer satisfaction-oriented work in order to keep our relations with their stakeholders at the highest level. In this context, we regularly carry out our customer satisfaction studies by paying attention to listening to the expectations and needs of our customers.

Customer focus is the basis of Borusan Mannesmann's customer satisfaction policy. In order to make customer satisfaction permanent, customer requirements are meticulously examined and all developments are followed. Customer feedback is one of the most important channels in stakeholder communication for us.

Borusan Mannesmann implements Customer Management System VOC - Voice of the Customer. With this system, the demands and opinions of our customers are collected and evaluated in a systematic and holistic way. Business processes are improved to meet the expectations of our customers; products and services are developed according to these expectations.

Borusan Mannesmann has been awarded the ISO 10002 Customer Complaints Management Quality System Certificate, breaking new ground in the pipe industry in the world. With this understanding, continuous improvement studies are carried

out to increase customer satisfaction. Our ISO 10002 certificate is also available in our Gemlik, Halkali, Bursa and Merkez factories. Within the scope of our management system, we have made it mandatory to approve orders within 12 hours so that our customers can track their orders more easily and manage the details of their order entries quickly. We continuously increase our efficiency through the digital channels we use in our processes. All orders and connection forms are automatically sent to our customers. Address information and all waybills are shared automatically in shipments. In order to increase customer satisfaction, we organized a warehouse in Gebze and started to ship all domestic market goods from this warehouse. With the process improvements we made, we increased our loading and pipe delivery speed and reinforced customer satisfaction. We completed our application called Pipeline in 2020 and shared our product catalogues, quality product catalogues, quality certificates and current price information on this platform. In addition to these, we have implemented functions that can calculate the painting area, price and weight of the pipe. Finally, we made the test certificate of the pipe viewable with the QR code on the pipe label. We made it easier for end users to reach our dealers by sharing dealer addresses and contact information in the pipeline application. We receive regular feedback from our customers for our after-sales communications.

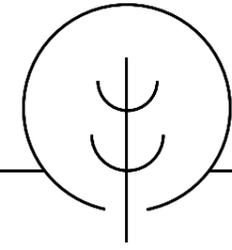
Our customer satisfaction survey, which we conducted in 2018 and which is done every 2 years under normal conditions; Due to the pandemic, we could not do it in 2020. Our customers in the automotive segment have a separate customer satisfaction survey, and supplier evaluation forms are shared with these customers on an annual basis. While the average of our customers who filled out the performance report and gave feedback in 2019 was 91%, this value was 93% in 2020 and this value increased to 93.9% in 2021.

As Borusan Mannesmann, we attach utmost importance to customer privacy. During the reporting period, no adverse events were encountered regarding the violation of customer privacy.

Also in 2021; With the contributions of the Customer Quality and Project Management department, it was aimed to increase customer satisfaction by removing the errors in the PPAP file and obtaining part approval in one go. In this area, formulations were added to the documents used in the preparation of PPAP files, and measurement reports over MES were reported to Excel as 'Requested and Found'. Manual entries are minimized by automatically flowing the data captured in MES to the PPAP draft file.

Moreover; The Quality Document Management System was put into use during the Customer Audits Process and a systematic follow-up system was established.





## COMPLIANCE WITH CUSTOMER STANDARDS

The demands and expectations of our customers, one of our most important stakeholders, are one of the most important criteria that guide our product development process and priorities. Compliance with customer standards is of vital importance for Borusan Mannesmann.

The pipes we produce must comply with the standards and regulations that vary depending on the countries in which they are used. With the NSF certification valid in the USA, the suitability of our galvanized water pipes has been registered. With our DFGW certified products in Europe, our pipes have been certified to comply with the health and quality standards required for drinking water transmission.

In addition to our activities to ensure public health and safety, we also support reducing the environmental impact of our customers with our products. As approximately 38% of global emissions originate from the construction industry and the use of buildings, our stakeholders' demands for highly energy efficient and low environmental impact buildings such as 'green buildings' are increasing day by day. Green buildings create less negative environmental impact than traditional buildings during the design, construction and operation phases. The materials and products that make up the infrastructure of these buildings, which

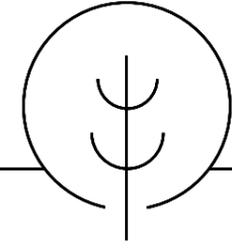
are more efficient in terms of energy efficiency and water use, must also comply with various standards. As Borusan Mannesmann, we support our customers' sustainability journeys by producing our pipes in accordance with internationally accepted green building certificates such as LEED, BREEAM etc.

In order to improve our communication with customers and to better monitor the environmental performance of our products, we continued our efforts to obtain the EPD (Environmental Product Declaration) certificate, which we started in 2020, in 2021. . Thanks to this certification, we plan to evaluate the entire life cycle of our products from an environmental point of view and declare them transparently. You can find detailed information under the heading of Environmentally and Socially Responsible Sourcing and Material Use.

## BORUSAN MANNESMANN CRM SYSTEM

The CRM project was commissioned by our sales units in 2021. With the implementation of the CRM system, it was aimed to centrally manage all customer activities and to create a corporate memory at the same time. In the 2nd and 3rd phases of the project, the first phase of which has been completed, manual order query processes will be imported into the system and opportunity analyzes will be made with data. The project is planned to be completed in 2024.





## GROWTH TO NEW MARKETS

Borusan Mannesmann focuses on high value-added products and manufactures in main product markets. It positions itself as one of the leading steel pipe manufacturers in important markets such as Turkey, Europe and the USA, with the vision of being a world-renowned leading steel pipe and complementary solution supplier.

Borusan Mannesmann Boru Investment Holding invested 20.9 million USD in 2020. The total investment amount in the last 5 years is 142.7 million USD.

Borusan Mannesmann's European market expansion move, which it started in 2001 at the Vobarno factory in Italy; will open its second facility in Romania. This new investment will operate as a pipe processing plant. A budget of 8 million dollars is foreseen for the facility at the first stage.

Borusan Mannesmann, which has a strong penetration strategy in niche and new markets, as well as making its leading position in existing markets sustainable in the light of its innovative product and new business models strategy, has built its story of inspiring the whole future on this strategy.

In 2021, it took an important step in terms of supporting sustainable development goals and moving the company forward by using a Sustainable Development Goals (SDG) focused business loan of 20 million dollars.

Create the growth strategy for 2021 by using future-oriented financial instruments, not only in terms of operational but also in terms of finance. Established for this purpose, our Sustainable Finance agile team; There is a two-way working logic: both to provide resources for the projects of other teams; and to provide financial support by providing financial resources with the theme of sustainability. With the SDG-focused business loan of 20 million dollars obtained from TSKB in 2021, we also revealed the financial side outputs of the efforts made in terms of sustainability. We succeeded in obtaining this loan by demonstrating the improvement rates we achieved in waste and greenhouse gas emissions going to disposal, and the increase in the number of our female employees.

### SUSTAINABILITY IN SUPPLY CHAIN

It is very important to establish a sustainable supply chain today, where we feel the impact of global developments in all our processes. In the ESG Strategic Approach and Future Outlook study, which we have determined as Borusan Mannesmann, our biggest risks include "risks in supplying raw materials from the supply chain and "Supply chain breaks, increased logistics and energy costs"; We chose "Expanding the Supply Chain Ecosystem" as a performance indicator in order to add value to our entire supply chain and move forward with them in our sustainability journey.

Sustainable supply chain management is the management of all value factors of the supply chain to maximize social welfare and supply chain profitability while minimizing environmental impacts. Sustainable supply chain management is very important for organizations to create value in the long run.

As Borusan Mannesmann, our mission within the scope of sustainability in the supply chain; To make all our stakeholders in our ecosystem a part of our sustainability movement. Our aim; In Supply Chain Sustainability studies, it is to create, protect and develop long-term environmental, social and economic values for all stakeholders involved in the process of delivering products and services to the market. In this context, it is to create a sustainable process for all our stakeholders by shedding light on the relevant articles of the Global Compact in our supply chain processes.

The Supply Chain Sustainability team created in 2020 continued its work in 2021 as well. In this process, a total of 13 titles and 139 sub-titles were completed. Our teams; They focused on two main topics.

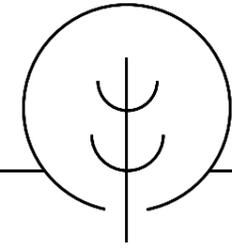
**Raw Material Cycling Rate; Greenhouse Gas Monitoring and Scrap Improvement Studies (SDG 12 & SDG 13)**

**Supplier Sustainability Index and Supplier Portal (SDG 16)**

As Borusan Mannesmann, we continue our cooperation in accordance with the Supplier Working Conditions Protocol prepared by Borusan Group, while advancing our focus in priority sustainable supply chain processes. On the other hand, in case of detection of cases such as unethical behavior, legal incompatibility or corruption that do not carry out activities in accordance with our supplier working criteria, we stop working with suppliers and subcontractors, make a written statement on the subject and end our cooperation. As a group, we are strictly against forced or forced labor and child labor, and we carry out the necessary inspections to prevent the risk of the slightest violation in this regard.

We focused on three main activities within the scope of sustainable purchasing activities.

1. Raw material recycling ratio; Greenhouse gas monitoring and studies to increase scrap usage
2. Expanding the Pool of Approved Raw Material Suppliers
3. Supplier Sustainability Index and Supplier Portal



## RAW MATERIAL RECYCLING RATIO; GREENHOUSE GAS MONITORING AND STUDIES TO INCREASE SCRAP USAGE

We support socioeconomic development in our country by giving priority to local suppliers in our supply chain. In the reporting year of 2021, our raw material purchase rate from local sources was 58.25% according to cost.

In addition, during the reporting year, we continued to support our country's economy during the difficult pandemic period by cooperating with a total of 29 raw material suppliers, 66% of which are domestic. While the number of domestic suppliers from which we made non-raw material purchases was 786 in 2020, the number of foreign suppliers reached 41.

Since the raw material used is steel, when we evaluate all our greenhouse gas emissions, 88% of our greenhouse gas emissions originate from raw materials. These data are; has shown that reducing greenhouse gases from raw materials plays an important role in achieving

our 2030 and 2050 targets. With the increase in cyclicity in the use of raw materials, greenhouse gas data is also decreasing.

With the work of this team in 2021, the cyclicity rate in our raw material supply increased from **30.25% to 33.54%**. As a result, the emission rate caused by 1 ton of steel we supplied in 2021 was reduced from **1.74 tons of CO<sub>2</sub>e to 1.68 tons of CO<sub>2</sub>e**. (Studies have been made to replace raw materials produced from natural resources with the same quality in raw materials, and to switch to cyclically produced raw materials.) You can find detailed information under the heading Responsible Use of Resources and Materials Against the Environment and Society.

The emission rate caused by 1 ton of steel we supplied in 2021 was reduced from 1.74 tons of CO<sub>2</sub> to 1.68 tons of CO<sub>2</sub>.

The cost and number rates of non-raw material procurement in 2021 are as follows.

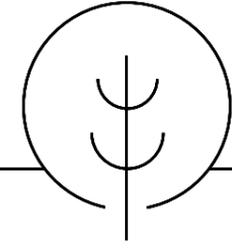
Procurement by Cost	2020	2021
External Supplies	16%	4,08%
Local Suppliers	84%	95,92%
Supplier Split by Region	2020	2021
External Suppliers	5%	5%
Local Suppliers	95%	95%

While our localization rate in our non-raw material suppliers was **84% in 2020, it increased to 95.92% in 2021.**

Our scrap usage rate, which was around 20% in 2018, has increased over the years in **parallel with our emission reduction targets.**

In 2021, we prioritized the use of scrap in our raw material supply and increased the scrap rate in our purchases from **30.25% to 33.54%**.

**We aim to use 42% of scrap in 2022.**



## SUPPLIER SUSTAINABILITY INDEX AND SUPPLIER PORTAL

As Borusan Mannesmann, we are trying to improve the technology usage capacities of our suppliers in order to be able to make long-term friendships with our suppliers while we digitize our processes.

As Borusan Holding, we started to evaluate the environmental performance of suppliers with the establishment of the **Supplier Sustainability Index and Supplier Portal**. In this context, the number of suppliers subject to the sustainability index and the index average scores are monitored.

In order to raise awareness of the works carried out within the scope of the supply chain, we have implemented some applications that will attract the attention of our business customers. We designed a sustainability logo and implemented a QR code application to be faster and more accessible in communication.

## OUR GOAL is 100% Green Purchasing

We continue our green purchasing transformation efforts, which we started in 2020, in 2022 as well. In this context, our goal is to transform all our purchasing processes into green purchasing. Identifying and managing our risks in advance with the green purchasing transformation will enable us to establish more comprehensive and transparent relations with our suppliers and at the same time create efficient processes. If we ensure sustainability at all stages of the supply chain, we can talk about creating benefits in the long run.

The main studies carried out in this context are;

### Keeping the Use of Pure Materials at a Minimum

It has been decided to use PE materials made from waste instead of 1st quality material for the plugs used as packaging in the pipes. A total of 70 tons of plugs are used annually. A total of 42.000 USD Cost Advantage has been obtained. In addition, the use of 70 tons of new plastic was prevented.

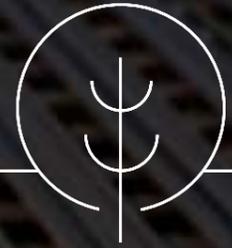
### Using Inert Materials for a Different Purpose in Production

We have determined that Outdated and Unused LDPE raw materials can be used in the production of plastic plugs for ERW pipes in the Spiral Facility. Instead of sending the raw materials to disposal, trial products have been made in consultation with the manufacturer, although these are harder than the standards, these plugs have been used for suitable customers with quality approval. A total of 199,500 TL Cost Advantage was achieved.

In addition, under the same title, Pipe End Protective Steel Circle has been produced in our Halkalı Plant from idle scrap and unused steel materials to be used in the SP plant. 1.1 tons of tape was evaluated and 500 hoops were produced.

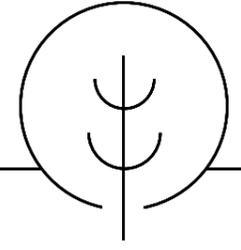
### Preferring Multi-Use Materials Instead of Disposable Materials

In accordance with the Holding İPG commitment of our company, we aim to use plastics at a minimum. In this context, instead of using new IBCs in chemical products, the use of returnable IBCs has been started on the condition that the chemical manufacturer fulfills the legal compliance. The product is shipped with 600 IBCs/year. Waste IBC formation was eliminated by using 50 IBCs for this purpose.



# APENDIX





## 1. MEMBERSHIPS

### Kurum Adı

Steel Pipe Manufacturers Association (ÇEBİD)  
 Steel Exporters' Association (CIB)  
 Environmentally Friendly Green Buildings Association (ÇEDBİK)  
 Foreign Economic Relations Board (DEİK)  
 Istanbul Minerals and Metals Exporters' Association (IMMIB)  
 Boiler and Pressure Vessel Manufacturers Association  
 Corporate Communicators Association  
 Automotive Vehicles Suppliers Association (TAYSAD)  
 Tunneling Association  
 Turkish Structural Steel Association (TUCSA)  
 Turkish Internal Audit Institute Association  
 Turkish Exporters Assembly (TIM)  
 Turkish Metal Industrialists' Union (MESS)  
 Structural Steel Association  
 43. Group Professional Committee (ICI)  
 Awning and Canvas Industrialists Businessmen Association

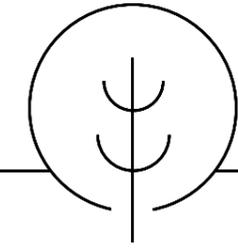
## 2. AWARDS

Name of Award	Year	Institut	Awarded Project
OHS Ambassador Award	2021	MESS	Pipe Pulling and Lifting Safety Improvement
Golden Glove & Best Suggestion Award	2021	MESS	Sağlık Olsun Mobile Application and Sağlık Olsun Bracelet

We were deemed worthy of an award with the valuable works we carried out in 2021. We won the Large-Scale Enterprise Metal Industry Environment Award of Kocaeli Chamber of Industry 28<sup>th</sup> Şahabettin Bilgisu Environment Awards

## 3. COLLABORATION

TISK	İPG	MTMD
Global Compact	İyilik Kazansın	Evolve
SKD	TTMD	BUMKAD



## 4. PERFORMANCE TABLES

### FINANCIAL PERFORMANCE INDEX

	Unit	2019	2020	2021
Nbr of R&D employees	HC	3	3	4
Number of New Products Deployed Without Development Process	Number of projects	0	6	6
Number of New Products Commissioned at the End of the Development Process	Number of projects	7	11	12
Cost Benefit from processes improved with R&D/Innovation/Digitalization	USD	1.907.690,00	2.442.522,00	1.888.410,00

### Labor Force by Employment Type and Gender

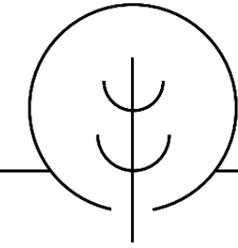
	2019	2020	2021
White Collar - Woman	58	59	69
White Collar - Man	192	194	196
Blue Collar - Woman	20	19	35
Blue Collar - Man	1168	1139	1235
Total	1438	1411	1535

### Number of Employees by Gender and Management Category

		2019	2020	2021
Senior Management	Woman	1	2	2
	%	11,11	20	22,22
	Man	8	8	7
	%	88,89	80	77,78
Mid-Level Management	Woman	6	4	4
	%	20,69	14,29	11,11
	Man	23	24	32
	%	79,31	85,71	88,89
Others	Woman	71	72	98
	%	5,07	1301	6,5
	Man	1329	94,79	1392
	%	94,93	1411	93,5

### BY CONTRACT TYPE

	2019	2020	2021
Indefinite Term Woman	78	78	99
Indefinite Term Man	1381	1340	1359
Final Term Woman	0	0	572
Final Term Man	7	6	

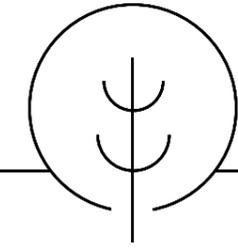


## OTHER GROUPS

	2019	2019	2020	2021
Foreign	Woman			
	Ratio			
	Man	1	1	1
	Ratio			
Handicaped	Woman	0	0	0
	Ratio	0%	0%	0%
	Man	40	37	37
	Ratio	2,7%	2,6%	2,6%

	2019	2020	2021
New Hired -Total	75	57	285
WC	32	35	45
BC	43	22	240
Resigned - Total	142	80	166
WC	28	29	38
BC	114	51	128
TOTAL			

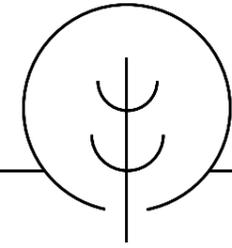
		2019	2020	2021
18-30 age - hired	HC	39	30	220
	Ratio	52%	53%	77%
18-30 age -resigned	HC	51	35	91
	Ratio	36%	44%	55%
31-40 age -hired	HC	24	20	56
	Ratio	32%	35%	20%
31-40 age -resigned	HC	54	25	47
	Ratio	38%	31%	28%
41-50 age- hired	HC	9	6	6
	Ratio	12%	11%	2%
41-50 age -resigned	HC	15	13	14
	Ratio	11%	16%	8%
51-60 age- hired	HC	3	1	2
	Ratio	4%	2%	1%
51-60 age - resigned	HC	22	8	14
	Ratio	15%	10%	8%
Over 60 age - hired	HC	0	0	1
	Ratio	0,0%	0,0%	0,4%
Over 60 age - resigned	HC	0	0	0
	Ratio	0%	0%	0%



		2019	2020	2021
Man - hired	HC	59	45	235
	Ratio	79%	79%	82%
Man -resigned	HC	129	69	140
	Ratio	91%	86%	84%
Woman - hired	HC	16	12	50
	Ratio	21%	21%	18%
Woman-resigned	HC	13	11	26
	Ratio	9%	14%	16%

#### HEALTH AND SAFETY

Accidents	Group	Unit	2019	2020	2021
Accident Frequency	Company	Ratio	6,02	6,65	6,15
	Sub-contractor	Ratio	3,55	2,73	7,69
Death	Company	Qty/year	0,00	0,00	0
	Sub-contractor	Qty/year	0,00	0,00	0
Lost Days	Group	Unit	2019	2020	2021
Lost day rate due to work accident	Company	Ratio	0,34	0,26	0,44
	Sub-contractor	Ratio	0,48	0,19	0,14
Occupational disease ratio (ODR)	Company	Ratio	0,00	0,00	0,00
	Sub-contractor	Ratio	0,00	0,00	0,00
Lost Day Ratio (LDR)	Company	Ratio	MD	MD	MD
	Sub-contractor	Ratio	MD	MD	MD
Absenteeism Ratio (AR)	Company	Ratio	3,83	5,26	4,71
	Sub-contractor	Ratio	0,00	0,00	0,00



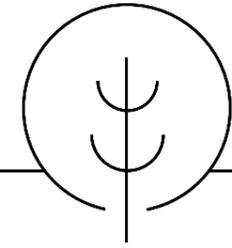
Health and Safety Trainings	2019	2020	2021
Employees (Man*hour)	27.146	20.194	29.893
Sub-contractor employees (Man*hour)	3.308	2.042	3.688
<b>Total OHS trainings (Man*hour)</b>	<b>30.454</b>	<b>22.236</b>	<b>33.581</b>
Established OHS Comitee Number	18	18	13
Total Number of Members in Established OHS Committee	33	37	30
Number of Employee Representatives in Established OHS Committees	3	3	2

#### ENVIRONMENT PERFORMANCE INDEX MATERIAL

Material	Type	Unit	2019	2020	2021
Quantity of recycled and recyclable materials supplied	Steel Cyclicity Ratio	%	29,71	30,02	33,46
Reused/recycled packaging ratio	PLUGS (Quantity)	Adet	3.973.113	5.013.088	7.267.730
Composting rate of organic waste from plants	Park and garden waste	%	0	0	0

#### PURCHASING

Supplier Split		2019	%	2020	%	2021	%
Raw Material	External Supplier	13	41	15	34	41	42
	Local Supplier	19	59	29	66	1.013	58
Non-Raw Material	External Supplier	44	5	41	5	31	0,03
	Local Supplier	855	95	786	95	17	0,96
Total External Supplier Number		57	6	56	6	41	4
Total Local Supplier Amount		874	94	815	94	1.019	96
<b>Total</b>		<b>931</b>	<b>100</b>	<b>871</b>	<b>100</b>	<b>1.054</b>	<b>100</b>
Raw Material	Import Cost (TL)	566270851	35	555171835	36	1952417400	0,4
	Local Procurment Cost (TL)	1035898751	65	1000185575	64	2850264957	0,6
Non-Raw Material	Import Cost (TL)	29306584	18	47998613	16	12706850	0,04
	Local Procurment Cost (TL)	131532641	82	256985154	84	298760000	99
Import Cost (TL)		595577435	34	603170447	32	1965124250	38
Local Procurment Cost (TL)		1167431392	66	1257170729	68	3149024957	62
<b>Total</b>		<b>1763008827</b>	<b>100</b>	<b>1965124250</b>	<b>100</b>	<b>5114149208</b>	<b>100</b>



## 2021 GREEN HOUSE GASE EMISSIONS

Years	Total Emission (tCO <sub>2</sub> e)			
	Scope 1	Scope 2	Scope 3	Total
2021	21.762,09	45.727,51	87.485,70	154.975,30

## WASTE - WASTE QUANTITIES BY TYPE (KG)

	2020	2021
Hazardous Waste	9.446,37	5.559,29
Non-Hazardous Waste	27.260,94	39.004,62

## WASTE - WASTE QUANTITIES ACCORDING TO THE DISPOSAL METHOD (KG)

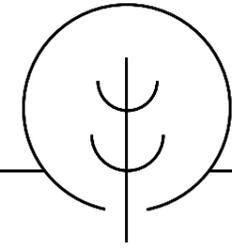
	2020	2021
Energy Recovery	3.811,02	4.828,88
Recovery	32.513,05	39.480,84
Waste Area	380,36	250,81
Burning	2,38	2,80
Others	0,5	0

Total Volume of Water Withdrawn	Unit	2019	2020	2021
Underground Waters	m <sup>3</sup>	195.608,00	403.625,00	374.526,00
Third Parties water sources (mains water, etc.)	m <sup>3</sup>	64.385,00	86.966,00	73.141,00
<b>Total</b>	<b>m<sup>3</sup></b>	<b>259.993,00</b>	<b>490.591,00</b>	<b>447.667,00</b>

Waste water discharge	Unit	2019	2020	2021
Sea water	m <sup>3</sup>	94.722,00	96.803,00	73.177,00
Third side (sewage)	m <sup>3</sup>	18.620,00	17.147,00	37.161,00
<b>Total</b>	<b>m<sup>3</sup></b>	<b>113.950,00</b>	<b>113.950,00</b>	<b>110.338,00</b>

## ENVIRONMENTAL INVESTMENTS

Currency (TL)	2019	2020	2021
Total operating expenses of environmental activities	2.445.318,70	2.567.584,64	3.845.469,64
Total environmental protection investments	287.315,00	445.680,00	-



## 5. GLOBAL COMPACT

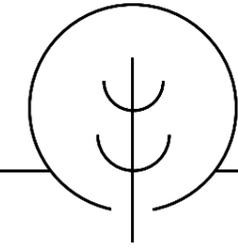
### United Nations Global Communication on Progress

Borusan Mannesman is a member of the UN Global Compact. Companies that are party to the UN Global Compact align their strategies and operations with the 10 Principles in the areas of human rights, labor standards, environment and anti-corruption.

Human Rights	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	Page 110
Principle 2: Businesses should make sure that they are not complicit in human rights abuses.	Page 110
Labour	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Page 110
Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.	Page 110
Principle 5: Businesses should uphold the effective abolition of child labour.	Page 110
Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.	Page 116
Environment	
Principle 7: Businesses should support a precautionary approach to environmental challenges.	Page 84
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.	Page 84
Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies	Page 84
Anti-Corruption	
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Page 44

## 6. GRI

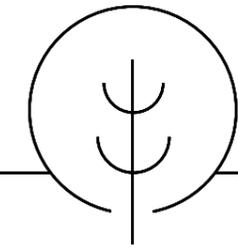
Definition	Definition and Page Numbers
GRI 101: Temel 2016	
GRI 102: Genel Standart Bildirimler 2016	
Corporate Profile	
102-1	ABOUT REPORT (Page 4)
102-2	PRODUCTS (Page 18, Page 20)
102-3	BORUSAN HOLDING (Page 8)
102-4	ABOUT BORUSAN MANNESMANN (Page 12)
102-5	BORUSAN HOLDING (Page 8)
102-6	ABOUT BORUSAN MANNESMANN (Page 12)
102-7	ABOUT BORUSAN MANNESMANN (Page 12)
102-8	ATTACHEMENTS
102-9	SUSTAINABILITY IN SUPPLY CHAIN (Page 134)
102-10	No significant change has occurred during the reporting period.
102-11	RISK MANAGEMENT (Page 48)
102-12	CEO LETTER (Page 6)
102-13	ATTACHEMENTS
Strategy	
102-14	CEO LETTER (Page 6)



Definition	Definition and Page Numbers
102-15	RISK MANAGEMENT / STAKEHOLDER ENGAGEMENT AND MATERIALITY (Page 48, 62)
<b>Code of Ethics and Integrity</b>	
102-16	BUSINESS ETHICS (Page 40)
102-17	BUSINESS ETHICS (Sayfa 40)
<b>Governance</b>	
102-18	ORGANIZATION CHART/SUSTAINABILITY ORGANIZATION (Page 34, 36)
<b>Stakeholder Engagement</b>	
102-40	STAKEHOLDER ENGAGEMENT AND MATERIALITY (Page 62)
102-41	HUMAN RIGHTS (Page 110)
102-42	STAKEHOLDER ENGAGEMENT AND MATERIALITY (Page 62)
102-43	STAKEHOLDER ENGAGEMENT AND MATERIALITY (Page 62)
102-44	STAKEHOLDER ENGAGEMENT AND MATERIALITY (Page 62)
<b>Reporting</b>	
102-45	BORUSAN HOLDING (Page 8)
102-46	ABOUT REPORT , STAKEHOLDER ENGAGEMENT AND MATERIALITY (Page 4, 62)
102-47	STAKEHOLDER ENGAGEMENT AND MATERIALITY (Page 62)
102-48	There is no restatement made regarding disclosures of previous year
102-49	There is no restatement made regarding disclosures of previous year
102-50	ABOUT REPORT (Page 4)
102-51	ABOUT REPORT (Page 4)

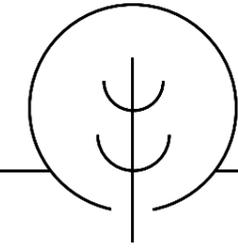
Definition	Definition and Page Numbers
102-52	ABOUT REPORT (Page 4)
102-53	ABOUT REPORT (Page 4)
102-54	ABOUT REPORT (Page 4)
102-55	GRI Content Index
102-56	ABOUT REPORT (Page 4)

Priority Topics		
Standard	Definition	Page Number
<b>CREATE BENEFIT FOR THE PLANET-MADE THE CLIMATE</b>		
<b>Environmentally and Socially Responsible Sourcing and Material Use</b>		
GRI 103: Management Approach 2016	103-1 Explanation and boundaries of material issues	Page 84, 86
	103-2 03-2 Management approach and its components	
	103-3 Evaluation of Management Approach	
	301-1 Amount of Material Used	Page 84, 86
	301-2 Amount of Recycled Material Used	
<b>Responsible Waste Management (eg Waste Water Management etc.)</b>		
GRI 103: Management Approach 2016	103-1 Explanation and boundaries of material issues	Page 86-90
	103-2 03-2 Management approach and its components	
	103-3 Evaluation of Management Approach	



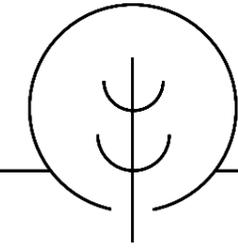
Standard	Definition	Page Number
<b>CREATE BENEFIT FOR THE PLANET-MADE THE CLIMATE</b>		
<b>Responsible Waste Management (eg Waste Water Management etc.)</b>		
GRI 306: Waste2020	306-1 Waste generation and significant waste-related impacts	Page 86
	306-2 Management of significant waste-related impacts	
	306-3 Amount of Waste	Attachements
	306-4 Recycled Waste	
	306-5 Waste Disposal	
GRI 103: Management Approach 2016	103-1 Explanation and boundaries of material issues	Page 86-90
	103-2 03-2 Management approach and its components	
	103-3 Evaluation of Management Approach	
GRI 303: Water and Waste Management Approach 2018	303-1 Water Policy and Management Approach of the Institution	Page 86-90
	303-2 Management of Impacts Related to Water Discharge	
	303-3 Withdrawal	Attachements
	303-4 Water Discharge	
	303-5 Total Water Consumption	
<b>Circular Economy</b>		
<b>Material Management</b>		
GRI 103: Management Approach 2016	103-1 Explanation and boundaries of material issues	Page 84, 86
	103-2 03-2 Management approach and its components	
	103-3 Evaluation of Management Approach	

Standard	Definition	Page Number
GRI 301: Material 2016	301-1 Amount of Material Used	Page 84, 86
	301-2 Amount of Recycled Material Used	
<b>Combating climate change</b>		
GRI 103: Management Approach 2016	103-1 Explanation and boundaries of material issues	Page 96, 98
	103-2 03-2 Management approach and its components	
	103-3 Evaluation of Management Approach	
GRI 302: Energy 2016	302-1 Energy Consumption in the Organization	Attachements
	302-2 Energy Consumption outside the Organization	
	302-3 Energy Density	
	302-4 Reduction in Energy Consumption	
	302-5 Reduction in the amount of energy in Products and Services	
<b>DREAM, DESIGN, TURN IT INTO REALITY-MADE YOUR HUMAN</b>		
<b>Occupational Health and Safety Management and Practices</b>		
GRI 103: Management Approach 2016	103-1 Explanation and boundaries of material issues	Page 102-110
	103-2 03-2 Management approach and its components	
	103-3 Evaluation of Management Approach	
GRI 403: Occupational Health and Safety (2018)	403-1 Occupational Health and Safety Management System	Page 102-110
	403-2 Hazard and Risk Identification, Accident Investigation	Page 102-110
	403-3 Occupational Health and Safety Services	Page 50
	403-4 Consulting, participating, communicating with employees	Page 102-110



Standard	Definition	Page Number
<b>DREAM, DESIGN, TURN IT INTO REALITY-MADE YOUR HUMAN</b>		
<b>Occupational Health and Safety Management and Practices</b>		
GRI 403: Occupational Health and Safety (2018)	403-5 Occupational Health and Safety Trainings	Page 102-110
	403-6 Practices for employee health	Page 102-110
	403-9 Business Applications	Attachements
<b>Human rights</b>		
GRI 103: Management Approach 2016	103-1 Explanation and boundaries of material issues	Page 110
	103-2 03-2 Management approach and its components	
	103-3 Evaluation of Management Approach	
Gri 412: Human Rights Assessment 2016	412-2 Trainings on Human Rights	Page 110
<b>Employee Satisfaction</b>		
GRI 103: Management Approach 2016	103-1 Explanation and boundaries of material issues	Page 112
	103-2 03-2 Management approach and its components	
	103-3 Evaluation of Management Approach	
GRI 401: Employment (2016)	401-1 New hires and employee turnover	Attachements, Page 112
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	
<b>Contributing to Society (Social Responsibility Projects and Local Investments)</b>		
GRI 103: Management Approach 2016	103-1 Explanation and boundaries of material issues	Page 114
	103-2 03-2 Management approach and its components	
	103-3 Evaluation of Management Approach	

Standard	Definition	Page Number
<b>Contributing to Society (Social Responsibility Projects and Local Investments)</b>		
Gri 413: Local Communities 2016	413-1 Percentage of operations with local community involvement, impact assessments and development programs	Page 114
<b>Inclusivity and Equal Opportunity</b>		
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