2024

SUSTAINABILITY REPORT

ELSAN

Respect for Nature, Assurance for the Future

Contents

INTRODUCTION

Report and Company Information

About the Report

Elsan Elektrik Gereçleri San. ve Tic. A.Ş manufactures round and flat enamelled coil wire, CTC (Continuous Transposed Conductor) and paper-covered winding wire. With nearly a thousand product varieties, Elsan is one of the leading brands in its sector, particularly in the European market, maintaining its pioneering position and steadfastly continuing its commitment to sustainability principles.

This report has been prepared to comprehensively assess Elsan's sustainability performance for 2024 in terms of environmental, social and governance (ESG) dimensions and to transparently present the relevant financial analyses to stakeholders.

Prepared in line with the company's long-term value creation objectives, the report focuses on the integrated business model; it provides a detailed financial assessment of sustainability and climate change-related risks and opportunities, and addresses the management of these issues and the process of determining the company's priorities. The report has been prepared in accordance with the Türkiye Sustainability Reporting Standards (TSRS) and the term "Elsan" will be used instead of Elsan Elektrik Gereçleri San. ve Tic. A.Ş. in the remainder of the report.

Reporting Period

Unless otherwise stated, the data and information contained in the report cover the period from 1 January 2024 to 31 December 2024.

Scope of the Report

Elsan details its sustainability and climate-focused future strategies alongside financial, environmental, social, and governance performance indicators. The company's commitment to sustainability principles and transparency forms the basis of the report, presenting stakeholders with a responsible and accountable approach. The report also includes the company's achievements in sustainability and its future goals.

Reporting Principles and Standards

Elsan's 2024 Sustainability Report has been prepared in accordance with the requirements of the relevant standards and frameworks. The relevant principles and standards are listed below.

- Türkiye Sustainability Reporting Standards - General Provisions on the Disclosure of Sustainability-Related Financial Information (TSRS 1)
- Türkiye Sustainability Reporting Standards - Climate-Related Disclosures (TSRS 2)
- Global Reporting Initiative Standards (GRI)
- Task Force on Climate-related Financial Disclosures (TCFD)
- United Nations Sustainable Development Goals (UN SDGs)
- United Nations Women's Empowerment Principles (UN WEPs)
- United Nations Global Compact (UNGC)
- Sustainability Accounting Standards Board (SASB)

About the Company

Elsan Elektrik Gereçleri San. ve Tic. A.Ş

Mersis: 0333002836500014

Trade Registry Number: 5675

Registration Date: 17 January 1980

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The 2024 Sustainability Report has been prepared in both Turkish and English. You may send your opinions, suggestions, and feedback regarding the report to **info@elsan.com.tr**.

Message from the General Manager

Mehmet Akif Gül
Chairman of the Board of Directors and General Manager of Elsan

Dear Stakeholders,

2024 has been a critical year for the global business world, marked by uncertainties, rapidly changing regulations and more concrete steps taken in the field of sustainability. Issues such as combating climate change, resource efficiency and reducing carbon emissions are at the heart of companies' agendas, not only in terms of environmental responsibility but also in terms of financial stability and long-term value creation. The green transformation process has become a decisive factor in terms of operational efficiency and competitiveness, especially for companies operating in the manufacturing sector. In this context, at Elsan, we have taken our sustainability strategies even further in 2024 by integrating an environmental, social and governance (ESG)-focused management approach into our business processes.

This year, for the first time, we published a sustainability report compliant with the TSRS (Türkiye Sustainability Reporting Standard), demonstrating our commitment to transparency and accountability. Using the TSRS approach, we have created a structure that reshapes our business model with a perspective of sustainable growth.

We have taken concrete steps in risk and opportunity management by conducting comprehensive analyses to prepare for the physical risks and transition risks that climate change may pose. We have made investments to reduce our carbon footprint by increasing our use of green aluminium, developed projects to improve energy efficiency, and focused on circular economy practices.

We are pleased to see that our company's climate commitments are recognised and appreciated at an international level, as evidenced by the A (Leadership) score we have achieved consecutively in the CDP Climate Change Programme.

The increasing demand in our sector for sustainable material use in the global supply chain and efficiency in production processes also creates significant opportunities for Elsan's growth strategies. Our company is making its operations more resilient by adopting technologies that reduce resource consumption in production, while also taking strategic steps to strengthen its access to green financing. We are aware that adapting to climate change, which is increasingly affecting us every day and is a game changer not only in physical conditions but also in the trade order, has become a necessity rather than a choice.

Regulations are tightening, investor and customer expectations are changing, and sustainability-focused transformations in supply chains are gaining momentum. As Elsan, we will continue to respond proactively to this change, enhancing our competitive strength, minimising our environmental impact, and shaping our business model around sustainable growth. In light of all these developments, our most important asset at Elsan is always our colleagues. With our management approach that encourages diversity and inclusivity, we will continue to support their development and create a competent human resource for our sector.

I am fully confident that our company, which takes pride in being part of the construction of modern life and a component of sustainable development and green transformation, will continue to grow stronger in the coming period and achieve sustainable successes, just as it has today. I would like to thank all our customers, business partners and dedicated team members who have been with us on this journey.

Mehmet Akif GÜL
General Manager

About Elsan

Recognised as the first and founding company of Aydem Energy, Elsan ranks among Türkiye's largest copper enamel and Europe's largest aluminium enamel coil wire manufacturers. With a history spanning 44 years as of 2024, the company has become one of the most important producers in its sector in Türkiye and Europe. Elsan, which produces critical components that make life easier, serves a wide range of industries with its coil wires.

The coil wires produced by the company are used in many areas, from washing machines and dishwashers to refrigerators and air conditioners, from starter and wiper motors in vehicles to transformers. Elsan's products are an integral part of daily life and have a high brand value in the electrical and electronics sector due to their reliability and sustainable quality.

As of 2024, Elsan has steadily increased its production capacity and market share, exporting to a total of 40 countries, primarily in Europe, but also in the Middle East, North America and Africa. The company continues to enhance its competitive strength in the global market by offering innovative solutions, leveraging its years of experience and robust R&D infrastructure.

It focuses on developing safe and durable products that increase energy efficiency by offering its customers the best solutions. The company adds value to the industry with its high-tech production processes and strengthens its leading position in the sector. At the same time, it embraces a responsible production approach by investing in the development of its employees and prioritising occupational health and safety and environmental sustainability. Adapting to the changing dynamics of the sector, Elsan aims to offer its customers solutions of the highest quality standards and to be part of digitalisation and green energy transformation processes. Supporting innovation in production and developing sustainable business models, the company aims to expand its global customer portfolio and become a brand that leads the industry.

Strategic Commitments on the Path to Sustainable Development

Elsan takes pride in and feels responsible for being a participant in the United Nations Global Compact (UNGC). Adhering to the UNGC's 10 fundamental principles in the areas of human rights, labour standards, the environment and anti-corruption, these principles are integrated into business processes; activities carried out each year are reported, and company practices are monitored with concrete indicators.

The Production Process at Elsan

Elsan manufactures high-quality copper and aluminium products using advanced technologies in its production processes.

The casting process begins with the melting of copper cathodes sourced from suppliers at a temperature of 1200°C. The molten copper is solidified without coming into contact with air by passing through graphite rollers in special coolers and is formed into oxygen-free copper film with a diameter of 8-12.5 mm.

The copper and aluminium enamel production process is carried out by varnishing bare copper or aluminium wires and then baking them in an oven. In this process, the volatile substances in the varnish are burned off, creating an insulation layer from the permanent components. The enamelling process is carried out to insulate the conductive wires and, in this respect, is similar to cable production. However, the amount of varnish used for insulation is kept at a lower level than plastic coating, achieving a similar insulation performance.

The round wire drawing process is carried out by stretching the 8 mm diameter copper film in wire drawing heads. Rolls are used to ensure uniform elongation at every point of the wire and to obtain a smooth surface. Emulsions or wire drawing oils are used to effectively distribute the heat generated during the process and to smooth the wire surface. The dimensions of the wire drawing heads and the motor power used vary depending on the diameter of the wire to be drawn.

The flat wire drawing (extrusion) process is based on shaping 10-12.5 mm thick copper foil under high pressure. No heat source is used in this process; the copper loses its solid form and is flattened under 600-650 bar pressure. Once the flat wire has been drawn through the die to achieve the desired shape, it is cooled with water without coming into contact with air. A low concentration of isopropyl alcohol is added to the cooling water to remove the oxide layer formed on the copper surface.

The CTC and paper coating production process involves coating bare or enamelled flat copper wires with insulation paper. In CTC production, flat enamelled copper and aluminium wires are transposed into a single wire and coated with insulation paper. These processes are applied specifically to meet the demands of transformer manufacturer customers.

Elsan's Position in Sustainable Development

Elsan holds a pioneering position in the industry with its production of enamelled coil wire, playing a strategic role in the construction of modern life through its use in numerous sectors including industry, energy, transportation, technology, and daily life.

The company contributes to the development of electrification, energy efficiency, renewable energy infrastructure, and industrial technologies, which are fundamental components of sustainable development, through its production of copper and aluminium enamelled coil wires.

Providing critical components for the transition to a low-carbon economy model, which is increasingly being adopted on a global scale, Elsan produces effective solutions in the areas of green transformation, digitalisation, and industrial efficiency.

Impact on Energy Transformation and Renewable Energy

The energy sector is one of the areas undergoing the fastest transformation in terms of transitioning to low-carbon production technologies. The wires produced by Elsan have a wide range of applications in wind turbines, hydroelectric power plants, solar panels and energy distribution systems . By supporting electrification and modern energy transmission processes, it is at the centre of the global energy transition and contributes to the development of sustainable energy systems.

Strategic Role in Technology and Digital Transformation

Elsan creates a strategic impact in many critical areas such as modern industry, energy transformation, electric transportation, digitalisation, and sustainable production processes. The coil wires produced by the company stand out as an important component accelerating the transition to a low-carbon economy in sectors such as renewable energy, electric vehicles, telecommunications, automotive, industrial and consumer electronics. Elsan produces important components that form the infrastructure of modern technology with coil wires used in telecommunications, data centres and smart device production.

Through its innovative products, it supports the sustainability of technology production by providing energy-efficient components for the electronics and IT sectors.

Green Production and Circular Economy Approach

The company is reducing waste by adopting circular economy principles in its production processes and lowering carbon emissions through energy-efficient practices. It is taking steps to minimise environmental impacts by increasing the use of green aluminium. It has adopted a comprehensive strategy to reduce its carbon footprint by investing in low-carbon production processes.

With its solutions that increase energy efficiency, reduce carbon emissions and support sustainable development, Elsan continues to create environmental and economic value on a global scale.

Mission, Vision and Values

Our Vision

To create happy stakeholders who are proud of our presence that makes every moment of life easier.

Our Mission

To produce electromagnetic wire in a socially and environmentally friendly manner, with advanced technology machines, innovative management systems and competent staff, for organizations that want to add value to life with their products.

Our Core Values

• Happy employees with a strong sense of belonging who constantly generate new ideas and can take initiative when necessary,

• A fair and encouraging management that makes quick decisions focused on solutions and shares these decisions,

• To add value to society with our activities in harmony with nature.

• To seek innovation in every thing wedo,to work efficiently and effectively with team spirit by giving importance to employee health and ethical rules.

• The trust of our end customers is our reliability.

Elsan in 2024

Milestones, Awards, and Achievements

In 2024, the work carried out in the field of sustainability and environmental responsibility was recognised on national and international platforms and crowned with various awards:

In 2024, Elsan received an **A rating in the Climate Change category** of the **CDP (Carbon Disclosure Project)** report, as it did last year. This significant achievement is one of the most important indicators of the steps the company has taken towards a more liveable world in line with its sustainability vision.

Climate CDP A List 2024

Elsan ranked **281st on the Economist magazine's Anadolu 500 list**, increasing its sustainable growth and competitiveness and continuing its contribution to the country's economy.

Elsan applied for the 2023 Vision Awards of the League of American Communications Professionals (LACP) with its 2023 Sustainability Report and received a score of 99 out of 100 99 points out of 100, winning awards in a total of 4 categories.

- Platinum Winner Worldwide Award
- Top 50 Reports EMEA Region
- Top 20 Reports in Türkiye
- Regional Most Improved Report (Gold)

By signing the **United Nations Global Compact (UNGC)** in 2024, Elsan has internationally certified its commitment to global sustainability goals. This step reinforces the company's responsible corporate stance in the areas of human rights, the environment, ethics and labour standards.

WE SUPPORT UN GLOBAL COMPACT

Awards and Achievements

During the reporting period, Elsan won various awards in the areas of sustainability, corporate governance, production quality and social responsibility:

Electrical and Electronic Exporters Association
62nd place (Honour Award)

CDP 14th Climate Change & Nature Conference
Carbon Disclosure Project Climate Change Programme A Leadership Score Award

ISO Second 500 Ranking
11th Place

LACP 2023 Vision Awards
Awards in 4 different categories

Anadolu 500 List
281st place

Sectoral Trade Fairs and Conferences

Coiltech Augsburg Fair
20-21 March 2024

Wire & Tube 2024 Düsseldorf/Germany
15–19 April 2024

Cwieme Berlin 2024
14–16 May 2024

WIN Eurasia 2024
5–8 June 2024

3rd Logistech - Logistics, Storage and Technology Fair
11–13 September 2024

Coiltech Italy Fair
18–19 September 2024

Düsseldorf Aluminium Fair
8–10 October 2024

Innovation Summit Istanbul
7–8 October 2024

17th Kepware OPC Days
11 December 2024

Events Attended and Organised

Elsan participated in numerous events during the 2024 reporting period with the aim of following sectoral developments, strengthening partnerships and investing in human resources. Within this scope, it took part in various organisations such as career days, engineering summits, technology and industry fairs.

Career Days and Industry Meetings

Egekaf (Aegean Career Fair)
21-22 February 2024

IOS Bosphorus Engineering Summit
19–20 April 2024

CORPORATE GOVERNANCE

Corporate Governance

Elsan effectively manages risks and opportunities related to sustainability and climate change and integrates this structure into its operational processes. It analyses relevant risks and opportunities, along with their financial and non-financial impacts, and regularly evaluates them.

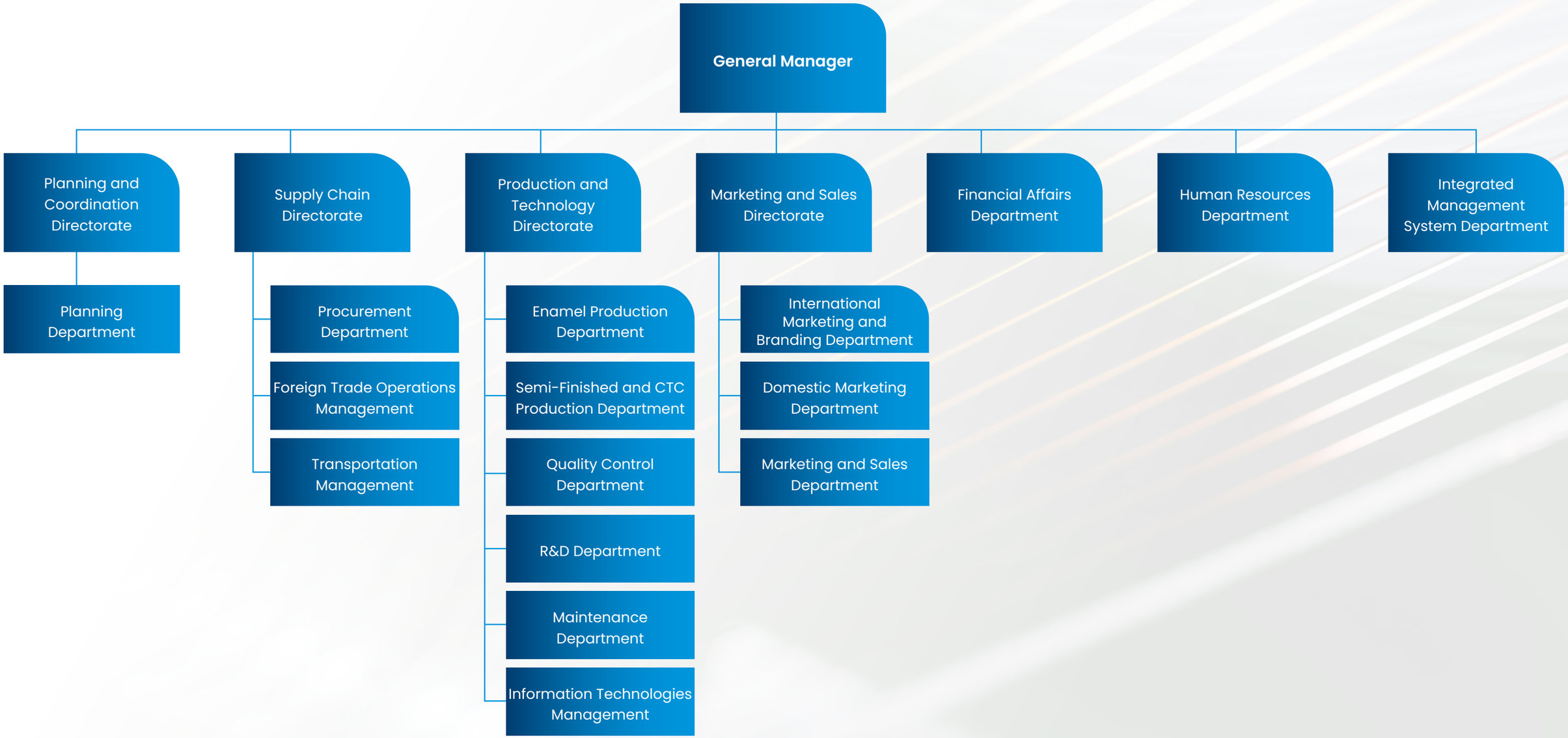
The Board of Directors (BoD) establishes a comprehensive management structure to effectively manage the company's sustainability and climate-related risks and opportunities and ensures the implementation and oversight of risk management principles. Within this framework, operational risks and sustainability and climate-related risks are managed holistically through an integrated management system.

Acceptable risk tolerance levels and risk policies are reviewed and approved annually using qualitative and quantitative methods. The critical risks and potential threats faced by the company are regularly assessed within the limits set in accordance with the approved risk policies. This ensures full compliance with environmental legislation, and environmental performance is continuously strengthened by setting sustainability targets.

The Sustainability, Environment, Occupational Health and Safety Committee, managed by the SELECT and Sustainability Group Directorate, meets four times a year to ensure the integration of sustainability and climate-related issues into management processes. The Committee contributes to the establishment of an effective and transparent governance model by reporting its activities directly to the Board of Directors.

The company also views ethical values and corporate responsibility as an integral part of corporate governance, ensuring its anti-corruption and anti-bribery approach through written policies. Under Aydem Energy's "Ethical Rules and Working Principles" and "Anti-Bribery and Anti-Corruption Policy", employees are made aware of unethical behaviour, supported by internal control systems, and regularly audited.

Organisational Structure



Board of Directors

Mehmet Akif GÜL
Chairman of the Board of Directors and General Manager of Elsan

He graduated from the Metallurgical Engineering Department of Middle East Technical University. Mehmet Akif Gül began his career in 1980 as a shareholder at Elsan Elektrik Gereçleri A.Ş., where he continues to serve as Chairman of the Board of Directors.

With 40 years of experience in the sector, Gül currently serves as Chairman of the Board and General Manager of Elsan Elektrik Gereçleri Sanayi ve Ticaret A.Ş., Member of the Board and General Manager of Parla Solar Hücre ve Panel Üretim A.Ş., and Member of the Board of Çates Elektrik Üretim A.Ş., representing Aydem Holding A.Ş.

Serdar MARANGOZ
Board Member

He graduated from the Department of Electrical and Electronics Engineering at Middle East Technical University (ODTÜ). Marangoz, who has approximately 20 years of experience in the energy sector, began his career at Siemens AG in 2006. Since 2009, he has held senior management positions at various companies under the Aydem Energy umbrella.

In this context, he has served as Aydem Electricity Market and Regulation Manager, and as a Member of the Executive Board at ADM Electricity Distribution and GDZ Electricity Distribution companies. In 2019, he was appointed as the Chief Commercial Officer (CCO) of Aydem Energy Trade Group and a Member of the Board of Directors of Aydem Renewable Energy.

In addition to being a member of the boards of directors of Aydem Retail and Gediz Retail, he has also served as their general manager since 2021.

Marangoz, who served as general manager of the retail group companies until 2023, has been serving as General Manager and Deputy Chairman of the Board of Directors of Aydem Renewable Energy since 25 October 2023. As of 1 November 2024, he has been appointed as CEO of Aydem Energy.

Sustainability Governance

Elsan maintains a management model that aims to integrate a sustainable governance approach into long-term value creation and decision-making processes. Positioning sustainability principles as a fundamental element of its corporate structure, the company prioritises sustainability in its business processes by integrating environmental, social and governance (ESG) parameters into its strategic plans.

At the heart of this approach is the Sustainability, Environment, Occupational Health and Safety Committee, chaired by the Chief Executive Officer. Reporting directly to the Board of Directors, the Committee evaluates the company's sustainability activities to determine strategic direction, ensures environmental and social impact management, and coordinates the implementation of sustainability targets in business processes. The committee, consisting of the General Manager, the HSE and Sustainability Group Director, the Production Technology Director, and the Integrated Management System Manager, regularly reviews sustainability activities to ensure that relevant policies and practices comply with legal regulations.

The committee meets regularly every three months to review developments related to sustainability processes and assess the effectiveness of governance mechanisms. Committee members are representatives from various departments within the company and ensure that sustainability efforts are carried out in a manner consistent with all business units. The committee's priorities include monitoring environmental, social and governance processes, conducting risk analyses, supporting decision-making processes based on ESG principles, and evaluating sustainability performance indicators (KPIs).

Elsan's approach to sustainability encompasses a comprehensive strategy that extends beyond merely reducing environmental impacts to include occupational health and safety and social responsibility issues. Proactive measures, corrective actions and new opportunities are evaluated to ensure the adoption of sustainability principles across the organisation, and the decisions taken are presented to the Board of Directors.

Under its Sustainability Policy, which is based on a corporate sustainability approach, Elsan systematically addresses its responsibilities in the environmental, social and governance areas and takes care to actively involve all its stakeholders in the process. Regular training programmes are conducted to establish a culture of sustainability within the company, and audits and improvement efforts are carried out to increase employee awareness, particularly in occupational health and safety.

Concrete steps are being taken in material areas such as emission reduction, energy and water efficiency, ethical principles, respect for human rights, and the implementation of sustainability criteria in the supply chain. Actions taken to improve ESG performance ensure the adoption of a management approach based on transparency and sustainability in stakeholder relations.

In 2024, Elsan became a member of the UN Global Compact, committing to comply with the universal principles defined within this framework, integrate these principles into all business processes, and contribute to a fairer, more inclusive and sustainable business world in collaboration with its stakeholders. The operational implementation of sustainability processes at Elsan is coordinated by the Integrated Management System (IMS) Directorate. The IMS Directorate is responsible for the effective management of processes such as the Environmental Management System, Occupational Health and Safety Management System, Energy Management System, and Quality Management System. Thanks to this structure, the company's sustainability goals are continuously monitored and developed at both board level and operational level.

Interaction with Stakeholders

Elsan manages its interactions with stakeholders through a holistic approach based on its corporate values and sustainability strategies. The company structures its environmental, social and financial responsibilities to encompass a broad ecosystem, extending from suppliers and contractors to consumers and public institutions, rather than limiting them to internal stakeholders.

Relationships with all stakeholders are managed on the basis of transparency and trust. Regular meetings, the website and other communication channels are used effectively to share the company's financial and strategic developments. Collaborations with public institutions, local authorities, suppliers and contractors are maintained through regular reporting and meetings.

In line with the company's vision of information sharing and developing innovative solutions, strong collaborations are pursued with academic circles. Joint projects with universities, research institutions, and consultants contribute to R&D and innovation processes. Relationships with financial institutions are managed through transparent reporting and regular meetings, while partnerships with civil society organisations, trade unions, and industry associations are structured to broaden the scope of social responsibility projects.

Elsan uses various platforms to strengthen the flow of information and ensure effective communication with its internal stakeholders. Channels such as the "Idea Line" have been implemented to ensure that employees' views and suggestions are included in decision-making processes, thereby accelerating the flow of information. Communication with external stakeholders is maintained through the website, social media and, where necessary, official correspondence .

Elsan encourages partnerships to combat climate change by establishing strong and transparent communication with its stakeholders. As a fundamental part of its climate strategy, it aims to raise awareness of low-carbon products and support sustainable business models by engaging with its customers. Compliance with regulatory requirements and meeting the growing demand for low-carbon products contribute to expanding the company's market opportunities and accelerating the climate transition process. In this regard, it aims to increase its market share and take joint action in the field of environmental sustainability by communicating directly with all its existing customers.

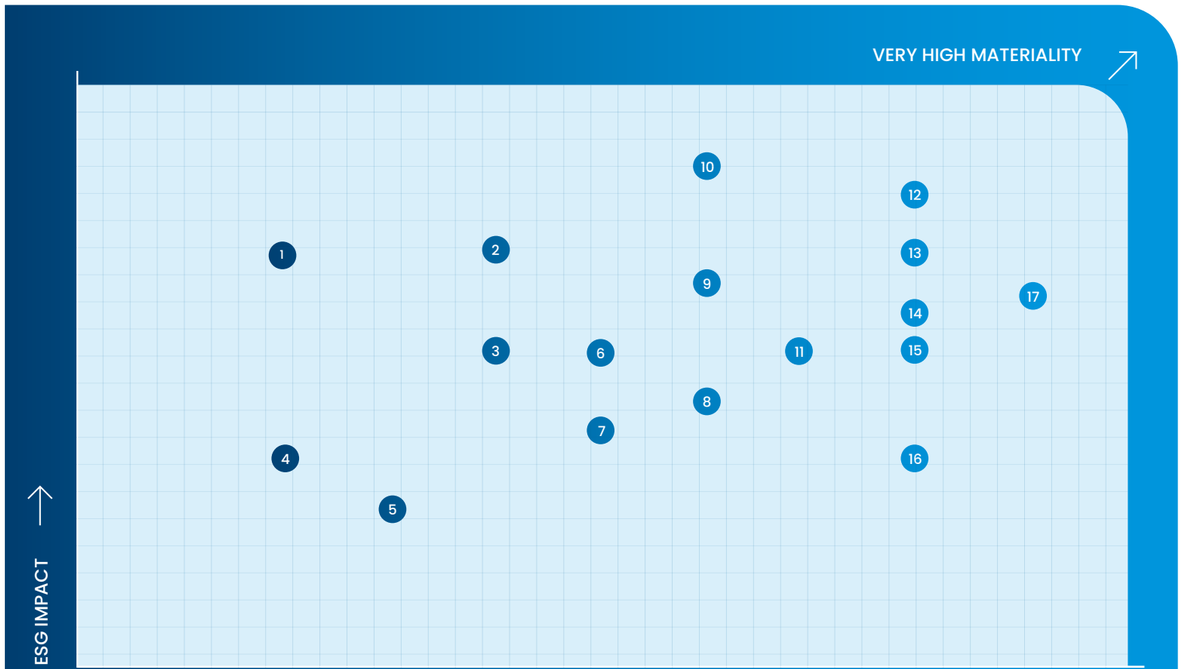
Adopting a principle of transparent communication to alleviate its customers' concerns about environmental impacts, the company provides comprehensive information about its products and business processes to meet data requests related to environmental and climatic impacts. It actively engages with all its customers through social platforms and direct communication channels, providing detailed information about its products and its commitments to climate change.

The transparent structure created goes beyond mere information provision and also encompasses raising awareness about the use of low-carbon products by developing joint ventures with customers. Investments in the research and development of low-carbon products support adaptation to sector-specific climate change developments. This interaction with customers not only meets sustainable product demands but also contributes to strengthening joint commitments in the fight against climate change. By working in collaboration with customers for a sustainable future, it enables them to take an active role in initiatives to reduce their carbon footprint. Life Cycle Assessment (LCA) and Environmental Product Declaration (EPD) studies have been initiated to present the environmental impacts of products more transparently.

The company ensures that its customers' carbon reduction targets are understood and supported in the sustainability reports and declarations they submit to organisations such as CDP. Continuous efforts in the areas of information, cooperation and innovation help customers become more aware of climate strategies and encourage them to contribute to collective progress towards net-zero targets.

The company also actively participates in international sustainability initiatives, closely following developments in the global business world. As part of its UNGC membership, it regularly participates in industry-related organisations and training programmes. It has gained knowledge on carbon regulations and compliance processes by participating in the Border Carbon Adjustment Mechanism Implementation Training organised by IMMIB. It has also completed the Türk Eximbank Carbon and Greenhouse Gas Emission Data Request study and submitted it to the institution.

Assessment of Material Topics



1- Air Quality
2- Water Efficiency Management
3- Waste and Hazardous Materials Management
4- Greenhouse Gas Emissions
5- Business Ethics
6- Employee Engagement
7- Material Procurement and Efficiency
8- Data Security
9- Supply Chain Management
10- Employee Health and Safety Diversity and Inclusion
11- Risk Management
12- Energy Management
13- Physical Effects of Climate Change
14- Material Procurement and Efficiency
15- Labour Practices
16- Product Quality and Safety
17- Research and Development and Innovation

Global Trends and External Environment Analysis

In determining Elsan's material topics, the assessments presented by organisations such as the Sustainability Accounting Standards Board (SASB), the World Economic Forum (WEF), and the European Sustainability Reporting Standards (ESRS) were first examined at a global and sector-specific level. A comprehensive literature review focusing on global trends, sector developments, competitor analysis and the direction of potential regulations shaped the list of material issues, which were aligned with the Türkiye Sustainability Reporting Standard (TSRS).

Determining the Impact of Material Issues and the Double Materiality Approach

The material topics identified within the framework of the company's sustainability strategy were evaluated in terms of their positive and negative impacts on the environment and society, their likelihood of occurrence, and their timeframes, with the contributions of the Integrated Management System and relevant units. During this process, potential impacts on human rights were also taken into account.

Elsan addressed each impact using a risk management approach, developing comprehensive insights into which stages of the value chain they affected the company. The impacts were analysed in terms of their environmental and social significance, severity and likelihood. Based on the findings of the studies, a Double Materiality Matrix was created to support the company's strategic decision-making processes.

Contribution to Sustainable Development Goals

Environment	Social Capital	Human Capital	Business Model and Innovation	Leadership and Governance
Electrical and Electronic Equipment				
				
Energy Management Waste and Hazardous Materials Management Greenhouse Gas Emissions Air Quality Water Efficiency Management	**Product Quality and Safety Data Security**	**Labour Practices Employee Health and Safety Employee Engagement, Diversity and Inclusion**	**Material Procurement and Efficiency Research and Development and Innovation Supply Chain Management Physical Effects of Climate Change**	**Business Ethics Risk Management**
Elsan aims to manage resource use in the most efficient manner and minimise its environmental impact by placing environmental sustainability at the heart of its business processes. Critical environmental issues such as energy management, waste and hazardous substance management, reduction of greenhouse gas emissions, air quality and water efficiency are addressed within the framework of the company's long-term sustainability strategy. Elsan invests in innovative technologies in its production processes to increase energy efficiency and reduce its carbon footprint. It monitors energy consumption under the Energy Management System (ISO 50001) and identifies actions to achieve energy savings in its operational processes. Elsan considers carbon management an integral part of the company's climate strategy. Low-carbon production methods are adopted, energy efficiency projects are implemented, and sustainable raw material procurement is supported to reduce greenhouse gas emissions. Emission calculations are performed regularly, and monitoring and reporting processes are carried out in accordance with the ISO 14064 standard . In addition, to comply with regulations such as the European Union's Carbon Border Adjustment Mechanism (CBAM) regulations, supply chain processes are also evaluated from a carbon management perspective.	Elsan has adopted the highest quality standards in its production processes as a fundamental principle. It offers reliable products that meet customer expectations by working in line with international quality, environmental and occupational health and safety management systems such as ISO 9001, IATF 16949, ISO 14001 and ISO 45001, the company delivers reliable products that meet customer expectations by operating in line with these international quality, environmental, and occupational health and safety management systems. The company prioritises continuous improvement and R&D investments in the product development process, creating products that offer low-carbon, efficient, and long-lasting solutions. To enhance product safety, robust testing and quality control mechanisms are applied throughout all processes, and traceability is ensured through digitalisation and automation systems on the production line. With digitalisation, data security has become one of the fundamental elements of Elsan's sustainable governance approach. Companies that adopt the ISO 27001 Information Security Management System, the company ensures the protection of customer, employee and supplier data in accordance with the highest security standards.	Elsan adopts a sustainable workforce management approach that prioritises the development and well-being of its employees. The company respects employee rights by adopting ethical working standards, fair wage policies and inclusive employment practices as its core principles. Workforce sustainability is supported by competency-based recruitment processes, employee engagement programmes and career development opportunities. Workforce productivity is enhanced through continuous training and professional development programmes are organised to increase workforce productivity. Elsan aims to reduce workplace accidents by implementing proactive occupational health and safety (OHS) policies. As part of risk assessment and preventive measures, OHS training is provided to all employees on a regular basis, and occupational safety awareness is increased. In line with policies that promote diversity and inclusiveness, increasing the proportion of female employees, ensuring the participation of disadvantaged groups in the workforce, and integrating the principles of equal opportunity into work processes are among the priority objectives.	Elsan manages its raw material procurement processes in line with efficiency, quality and sustainability criteria, in accordance with its sustainable production approach. Minimising waste in material use, energy efficiency and reducing the carbon footprint are among the priority strategies. Elsan aims to increase energy efficiency and reduce its carbon footprint in the production processes of enamelled coil wire. In this regard, it focuses on high value-added products by investing in the development of production technology with innovative solutions. R&D projects offering innovative solutions for decarbonisation, circular economy, and sustainable production models are supported by automation and digitalisation applications that make production processes more efficient, flexible, and intelligent. Elsan aims to manage its supply chain within the framework of sustainability criteria, creating an ecosystem aligned with environmental, social, and governance (ESG) principles. While local producers are prioritised in supplier selection, all collaborating suppliers are expected to comply with ethical and environmental standards. To minimise the adverse physical impacts of climate change, Elsan aims to develop resilient production infrastructures and establish an operation model that is resilient to climate risks . Climate-related risks such as extreme weather events, water scarcity and temperature increases are regularly analysed, and adaptation strategies are developed to ensure business continuity.	Elsan considers business ethics to be the cornerstone of its corporate values and acts in accordance with the principles of transparency, accountability and fair management in all its business processes. Ethical Rules and Working Principles have been established to ensure compliance with ethical principles, and within this framework, all employees, business partners and suppliers are required to act in accordance with ethical standards. Strategic, operational, financial and environmental risks are identified, and risk management processes are continuously developed and implemented. The risk management approach is based on preventive measures, regular monitoring and improvement policies. An Enterprise Risk Management (ERM) System is implemented to proactively manage risks in all business processes, and potential threats are identified at an early stage. Sustainable energy solutions are developed to manage climate change-related risks, and projects aimed at reducing the carbon footprint are implemented. The company creates long-term value for all its stakeholders while maintaining its sound financial structure by effectively managing financial and operational risks.

Supply Chain Management

Elsan aims to comply with global standards and increase its competitive strength by prioritising quality, environmental and operational sustainability in supply chain management. A sustainable supply chain plays a critical role not only in ensuring operational efficiency but also in reducing environmental impacts, embracing social responsibility principles and minimising financial risks. Elsan develops innovative approaches to continuously improve its procurement processes, establishes long-term partnerships with its suppliers, and brings greater traceability and transparency to its production processes.

The company conducts its audit process based on ethical standards, occupational health and safety (OHS) policies, environmental impacts, quality management, and energy efficiency in its supplier selection and evaluation processes. The supplier performance evaluation system includes factors such as shipment reliability, delivery times, development performance, and cooperation performance, and scoring is carried out according to defined criteria. However, uncertainties in global markets, instability in raw material sources in the supply chain, and fluctuations in logistics costs may pose risks in some supply processes.

In particular, the inability of local producers to supply cathode and varnish raw materials and the insufficient supply in the market increase dependence on external sources for these products. To prevent such situations, Elsan is developing alternative solutions to increase local supply opportunities and establishing new partnerships to ensure the security of the supply chain.

In 2024, the local supply rate reached 92%.

Collaboration efforts with local sources have been initiated for foil supply, trial productions have been carried out, and necessary improvements have been made to ensure the continuity of the supply chain. Alternative partnerships have also been developed with local producers for the supply of aluminium and copper foil, and a sustainable supply model has been created by optimising production processes.

Under the European Union's Carbon Border Adjustment Mechanism (CBAM), Elsan focuses on reducing the environmental impact of its supply chain by monitoring both its own carbon footprint and the emissions of its suppliers. In this context, Scope 1, Scope 2 and Scope 3 greenhouse gas emission measurements are requested from suppliers, and steps are taken to promote environmental sustainability in the supply processes.

CORPORATE RISK MANAGEMENT

Corporate Risk Management

Elsan integrates sustainability and climate-related risks and opportunities into all its operations, making them a fundamental part of its management strategies. The relevant risks and opportunities are analysed in detail from both a financial and non-financial perspective. In line with its integrated management system, strategies are developed and implemented to identify, assess and manage sustainability and climate risks and opportunities.

Adopting a holistic approach, the company guides the effective management of risks and opportunities throughout this process. Elsan's sustainability and climate-related financial and non-financial impacts are shaped by the risks encountered and the opportunities evaluated.

These impacts vary depending on the strategic decisions taken to manage risks and effectively evaluate opportunities. As part of the assessment process, both qualitative and quantitative methods are used to analyse the risks and opportunities that may arise in the short, medium and long term in the company's direct activities or within the value chain.

The time horizons used in planning sustainability and climate-related risks, opportunities and investments in these areas are specified below:

Time Horizon	Time Range	Years
Short	0-3	2024-2026
Medium	4-10	2027-2033
Long-term	11-30	2034-2052

The prioritisation of critical risks is considered a fundamental element of the processes of defining, analysing and managing risks and opportunities within an integrated system. Identified risks and opportunities are evaluated based on their likelihood and impact, while their financial implications are analysed in detail to determine elements of strategic importance. Financial and operational impacts are considered in the prioritisation process, and financial impact levels are detailed within this framework.

The aim is to minimise climate-related risks and transform them into financially assessable opportunities through a sustainability approach. Strategic action plans are developed and investments are directed accordingly. The process is based on comprehensive assessment and planning studies based on international standards such as Intergovernmental Panel on Climate Change (IPCC) projections and scenario analyses. This strengthens the company's resilience to changing climate conditions and supports a sustainable business model.

Annual impact on revenue;

Low Impact
2 - 2.5 Million USD

Medium Impact
5 - 6 Million USD

High Impact
10% and above - over 12 Million USD

Corporate Risk Management

Elsan implements a comprehensive risk management strategy aimed at protecting company assets and values from a long-term perspective, based on the principles of quality and operational sustainability. This strategy plays a critical role in supporting sustainable financial performance, as well as providing competitive advantage and facilitating market expansion.

Management processes based on internationally recognised principles address the company's reputation, financial results, impact on employees, and potential risks across the overall value chain in detail. Investment decisions and business processes are regularly and effectively reviewed and improved through risk management mechanisms.

Climate Risk Management

The comprehensive assessment of environmental, social and economic impacts is adopted as a fundamental approach in Elsan's investment decisions. Risks related to strategic, operational and financial objectives are addressed in detail within the scope of risk management policies in terms of the company's sustainability and continuity. These financial and non-financial risks are considered serious risks that could negatively impact the company's reputation among stakeholders, and effective measures are implemented for each of them.

Green raw material supply, the development of innovative products, energy efficiency practices, physical impacts caused by climate change, and legal changes related to these factors are among the key elements considered in the assessment processes. In addition, natural disasters, changes in economic balances, new market opportunities, digitalisation, and the effects of technological innovations are also analysed comprehensively.

The comprehensive risk assessment process lays the groundwork for identifying threats that the company may face and developing effective measures against these threats. The structure, which allows for a multi-faceted assessment, makes it possible to aim for sustainable success while safeguarding the interests of the company and its stakeholders.

Board Responsibility in Risk Management

The Board of Directors ensures the implementation and supervision of risk management principles in order to establish an effective risk management system and integrate it with operational processes. Significant and potential risks in all areas of the company's business and core operational processes, acceptable risk levels and risk policies are assessed qualitatively and quantitatively each year. The Aydem Holding Risk Management Policy, approved by the Board of Directors, outlines the company's risk management strategy, general principles and management principles. The manager responsible for risk management or the legal and compliance managers are responsible for the implementation of risk management activities.

Risk management is fully integrated into daily activities and strategic planning in order to adapt quickly to changing market conditions. Risk management policies and processes are regularly reviewed and adapted to today's changing business conditions and competitive market dynamics.

STRATEGY

Strategic Focus Areas

Elsan shapes its strategies by focusing on growth and profitability, brand management, human resources, sustainability and innovation, with the aim of achieving sustainable growth and maintaining its competitive advantage. The defined strategic areas are based on the company's operational excellence, financial resilience, environmental responsibility and innovative production approach.

Elsan aims to achieve a strong position in the markets it operates in, as well as to prepare for the future with investments focused on digital transformation, energy efficiency, environmental sustainability and innovation. By closely following global trends, it continuously improves its production processes, expands into new markets, and focuses on creating lasting value for its stakeholders. All of Elsan's strategic plans are designed within an integrated structure based on financial soundness, operational efficiency, and environmental and social responsibility principles.

Growth and Profitability

Elsan develops various strategies to increase its competitiveness in the global market, maintain its financial strength, and maximise its operational efficiency. The company aims to expand its market presence by increasing domestic and international sales, focusing on reducing operational costs through budget management and expense optimisation. Elsan aims to increase production efficiency by strengthening raw material and semi-finished product supply processes and also implements modern solutions in warehouse and inventory management. Effective planning, digitisation of shipping processes, and cost management are among the key strategic steps to increase the company's profitability.

Brand Management and Market Positioning

Elsan aims to increase its visibility in existing and potential markets to strengthen its brand value. In this context, maintaining and continuously improving product quality is a priority.

The company aims to maintain its position as a reliable brand in the sector by continuously improving its service processes to maximise customer satisfaction while maintaining high quality standards. At the same time, it aims to achieve a stronger position in global markets by increasing brand awareness.

Human Resources and Employee Satisfaction

Elsan considers its human resources to be its greatest asset and implements various policies to ensure the continuous development and occupational safety of its employees. The company strengthens employee loyalty by effectively utilising performance-based management systems and contributes to the professional development of its employees through competency development programmes.

Furthermore, Elsan attaches great importance to occupational health and safety issues, taking various measures to ensure a safe working environment and developing projects aimed at increasing employee satisfaction. It aims to strengthen organisational commitment and create a sustainable working environment through a management approach that encourages employee participation.

Sustainability and Environmental Responsibility

Elsan has a management approach that aims to integrate environmental sustainability and energy efficiency into all business processes. It prioritises raising environmental awareness, reducing carbon emissions, increasing energy efficiency, and ensuring full compliance with management systems.

The company develops projects focused on renewable energy use, waste management policies, and sustainable resource utilisation to minimise environmental impacts in its production processes. It also enhances its positive impact on society through social responsibility projects while ensuring full compliance with legal regulations.

Innovation and Technology-Focused Growth

Elsan closely follows technological developments and embraces digitalisation and innovative solutions in its production processes. Improving existing processes, establishing integrated systems in production, and developing sustainable digital solutions form the core elements of the company's innovation strategy.

In particular, developing products and systems that will support expansion into new markets and working to increase the production efficiency of aluminium flat wire and CTC and paper-coated wire are among the focal points of the company's R&D and innovation strategy. The integration of digital transformation into production processes will increase operational efficiency while also providing a competitive advantage.

Scenario Analysis

Elsan uses the Net Zero Emissions (NZE 2050) Scenario to analyse climate-related risks and opportunities up to 2050. NZE 2050 was developed by the International Energy Agency (IEA) and is fully aligned with the United Nations Sustainable Development Goals (SDGs) and the Intergovernmental Panel on Climate Change (IPCC) 1.5°C global warming targets.

The NZE 2050 Scenario is based on achieving net zero emissions targets on a global scale, promoting the widespread use of renewable energy sources, the adoption of low-carbon technologies and increased energy efficiency. In this regard, it is anticipated that developed economies will achieve net-zero carbon emissions earlier, global emission reduction efforts will gain momentum, and the transition to renewable energy will accelerate.

Within the framework of the NZE 2050 scenario, Elsan is shaping its energy transition plans and emission reduction strategies, focusing on developing existing technologies and adopting new low-carbon technologies. Elsan prefers to integrate renewable energy investments with its strategic objectives, directing its efforts towards sources such as solar energy.

However, key constraints that could impact the transition process include scaling up renewable energy infrastructure, uncertainties in the pace of policy implementation, and macroeconomic fluctuations. Although the scenario comprehensively addresses the global energy transition, it does not address regional or local variables in detail. Therefore, Elsan needs to develop specific strategies for local energy markets and regional emission reduction targets.

Strategic Alignment and Carbon Reduction Targets

The NZE 2050 Scenario is highly aligned with Elsan's business strategy and establishes a roadmap towards long-term sustainability goals. The company is committed to achieving net-zero CO_2 emissions in line with its Scope 1 and Scope 2 emission reduction targets. In this context, it aligns its investment decisions, technology choices and emission reduction processes with the Science Based Targets Initiative (SBTi) by basing them on scientific principles.

The NZE 2050 Scenario helps anticipate the long-term effects of climate change on operations and the supply chain, guiding investment decisions and strengthening sustainability strategies. This scenario, which is consistent with global climate agreements, ensures that Elsan progresses in line with international standards in terms of its transition to renewable energy, carbon reduction targets, and sustainable growth strategies. Elsan will continue to strengthen its commitment to sustainability by updating its emission reduction targets and adopting low-carbon production processes in the future.

Resilience

The company's strategy and resilience are not limited to managing current operational challenges but also aim to prepare for future uncertainties and make the best use of emerging opportunities. Elsan has adopted a comprehensive resilience strategy to build a structure that is resilient to the physical and transition risks caused by climate change, implementing comprehensive measures to maintain operational continuity.

The effects of extreme weather events linked to climate change on operations are analysed in detail, and while necessary measures are taken to mitigate the effects of physical risks, investments and plans are made to address transition risks.

The company conducts all its activities in full compliance with national and international regulations, closely monitoring changes in legislation and continuously updating its processes. While meticulously fulfilling reporting requirements, it is strengthening its resilience against transition risks.

Elsan aims to achieve its long-term sustainability goals by adopting a multifaceted and holistic approach to increase the resilience and flexibility of its operations against climate change. In this context, it continues its investments in strengthening its infrastructure and accelerating its R&D, innovation, and digitalisation processes without slowing down. It will continue its operations excellence and sustainable growth-focused efforts by adopting a management approach that is resilient to climate risks, both today and in the future.

Response Strategies for Sustainability-Related Risks

Risk Definition-1	Risk Maturity	Risk Level	Position in the Value Chain	Internal Risk Control and Mitigation Measures
The high costs that may be incurred in developing decarbonization efforts	Short	Low	Entire value chain	Elsan has developed a comprehensive emissions reduction strategy to accelerate decarbonization processes in line with the 2050 Net Zero Emissions (NZE) scenario. In this process, it aims to reduce its carbon footprint through the transition to low-carbon energy sources, energy efficiency projects, and sustainable production practices. However, as this transformation process may entail high costs, the company is developing strategic approaches and control mechanisms to minimize these cost risks. Elsan adopts a systematic approach to manage high cost risks in the decarbonization process. In this context: • **Energy Efficiency Investments:** Modernization efforts are being carried out to reduce energy consumption in production processes, and energy-intensive processes are being optimized with innovative technologies. • **Low-Carbon Energy Use:** Renewable energy sources are planned to be integrated into production processes to reduce dependence on fossil fuels. • **Cost Impact Analysis:** The financial impacts of decarbonization investments are regularly evaluated, and methods to minimize costs are determined. • **Utilization of Incentives and Funds:** Strategies are developed to benefit from national and international incentive mechanisms and financial support within the scope of green transformation projects. • **Supply Chain Optimization:** The goal is to keep costs under control by reducing emissions through low-carbon raw material procurement and sustainable production processes. • **R&D and Innovation Activities:** Investments are made in R&D projects to develop products and processes with lower carbon emissions, thereby achieving long-term cost savings.

Impact of Risk on Service Performance and Financial Results

Elsan ensures financial sustainability by integrating risk management into its business processes in line with its goal of sustainable growth and maintaining service quality. Investments made in the context of the decarbonization process, energy efficiency initiatives, and environmental risk management directly impact financial performance and increase future operational efficiency.
Closely following technological developments and supporting sustainable production processes, Elsan allocated a total of TL 13.8 million to R&D and innovation projects in 2024. The investments made are critical for the development of innovative production techniques, reduction of carbon footprint, and production of low-carbon products.

Environmental expenditures totaling 3.6 million TL were made in 2024 for applications related to environmental impact management, waste management, water conservation, and emission reduction. These expenditures aimed at reducing environmental impacts seek to facilitate compliance with future environmental regulations, thereby preventing potential penalties and operational disruptions.

A total of 2.7 million TL was invested in efficiency to reduce energy costs and increase operational sustainability. The improvement efforts carried out within this scope resulted in annual energy savings of 171,911 kWh and contributed to the reduction of carbon emissions. Projects and investments made in the scope of energy efficiency support financial sustainability by reducing operational costs in the long term.

Risk Definition-2	Risk Maturity	Risk Level	Position in the Value Chain	Internal Risk Controls and Mitigation Measures
Risk of being subject to climate-related legal proceedings or other legal sanctions	Short	Low	Entire value chain	Elsan ensures full compliance with legislation in its activities and diligently fulfils its reporting obligations. Declarations and periodic reports are prepared and submitted in a manner that is fully compliant with legal requirements and transparent. Regulatory updates are regularly monitored and communicated to the relevant units in a timely manner. The company takes a meticulous approach to legal obligations and potential climate-related lawsuits, continuously updating and improving its compliance processes. This method aims to minimise legal risks.
Impact of Risk on Service Performance and Financial Results				
Elsan closely monitors legal risks and legal processes arising from climate change. Regarding other climate-related issues and environmental performance, no legal sanctions or fines have been imposed to date.				

Risk Definition-3	Risk Maturity	Risk Level	Position in the Value Chain	nternal Risk Control and Mitigation Measures
Changes in investor/ creditor expectations in response to climate change (difficulty accessing capital/ financing) and failure to meet these expectations.	Short	Low	Direct Activities	Elsan manages potential difficulties in accessing financing by transparently sharing its environmental, social, and economic data in order to meet investor and creditor expectations. The company is committed to continuously improving its environmental performance by actively participating in international sustainability initiatives. It aims to increase its competitive advantage in financial markets through actions such as reducing its carbon footprint, developing energy efficiency projects, and using sustainable raw materials. Elsan has once again demonstrated its sustainability goals and commitment to transitioning to a low-carbon economy by achieving an A score in the Carbon Disclosure Project (CDP) Climate Change category for the past two years. This score is an important indicator of the company's effective management of climate risks, implementation of carbon reduction strategies, and adoption of sustainable business models. The company has been meeting transparent reporting expectations for many years through its sustainability reports, providing comprehensive visibility for all stakeholders, particularly investors and financial institutions. Furthermore, the ESG rating studies to be conducted in the coming period will facilitate Elsan's access to green financing and contribute to its ability to benefit from more advantageous financing conditions. This will increase access to low-cost credit opportunities while expanding the possibility of benefiting from sustainable finance instruments (green bonds, sustainability-linked loans, etc.).
Impact of Risk on Service Performance and Financial Results				
The increasing focus of global financial markets on environmental, social, and governance (ESG) factors in the fight against climate change has significantly altered the conditions for accessing capital and financing. Investors and creditors are taking companies' sustainability performance into account during the transition to a low-carbon economy, particularly favoring firms that develop low-emission business models and provide access to green financing. Elsan demonstrates a proactive approach to strengthen its financial sustainability and increase its competitive advantage in the transition to a low-carbon economy by continuously developing its climate change strategy to meet investor and creditor expectations. During the reporting period, expectations were met and no negative consequences regarding transparency were encountered.				

Response Strategies for Climate-Related Risks

Risk Definition-4	Risk Category	Risk Sub-Category	Risk Maturity	Risk Level	Position in the Value Chain	Internal Risk Controls and Mitigation Measures
Damage to production facilities caused by extreme weather events (floods, landslides, excessive rainfall, drought, fires, storms, etc.) and resulting production interruptions/shutdowns	Physical	Acute	Medium	Medium	Entire value chain	Extreme weather events, intensified by climate change can cause physical damage to production facilities, leading to operational disruptions and financial losses. Elsan is particularly sensitive to fire risk and manages these risks by increasing operational resilience and developing measures to ensure production continuity. Fire detection and suppression systems, emergency response teams, and regular drills ensure preparedness for this risk. In addition, investments are made to strengthen the infrastructure of production facilities to mitigate the effects of events such as floods and storms.
Impact of Risk on Service Performance and Financial Results						
Production losses, damage costs and insurance premium increases that extreme weather events can cause can directly affect the company's operational efficiency and financial sustainability. Interruptions in production processes can lead to delays in customer deliveries and financial losses. No negative impact caused by this risk was encountered during the reporting period.						

Sustainability and Climate-Related Opportunities

Opportunity Description	Opportunity Maturity	Position in the Value Chain	Opportunity-Focused Assessment and Action Plans
Transition to green aluminium	Medium-long	Entire value chain	The use of green aluminum, considered one of the most important opportunities in the sector, contributes to expanding market share by appealing to potential customers with high environmental sensitivity. The growing demand for sustainable products strengthens the company's position in the market and contributes to long-term revenue growth. In this context, Elsan has increased its green aluminum supply during the reporting year and integrated the use of low-carbon raw materials into its business strategies. Low-carbon product manufacturing stands out as a strategy fully aligned with the company's carbon reduction targets. The planned transformation process provides a competitive advantage by expanding the sustainable product portfolio in the medium term while offering significant emission reductions. The company's transition to green aluminum also directly impacts financial planning, with careful consideration given to supply chain management, savings from the transition to renewable energy, and equipment investments. Elsan maintains financial stability while adopting a growth strategy aligned with sustainability goals by conducting a detailed analysis of these factors.
Innovative products and services investments	Short-to-medium	Downstream value chain	Elsan is conducting various strategic initiatives to evaluate new market opportunities and align with customer expectations. To achieve business objectives and reduce greenhouse gas (GHG) emissions per ton, energy efficiency projects integrated into the value chain are being implemented, prioritizing both technological investments and operational improvements. The company shapes its risk and opportunity assessment processes in line with the analyses of its business units, treating technology investments as a strategic opportunity. Investments made during the reporting year have increased resource efficiency and ensured higher performance and sustainability in production processes. In this regard, Elsan has adopted a two-pronged strategy of working to increase the energy efficiency of existing machinery and investing in new technologies. This approach is expected to contribute to reducing carbon emissions and lowering operational energy costs. As part of the investments made to realize opportunities, USD 1,335,000 was invested in a flat aluminum wire machine during the reporting year. This investment in new equipment has reduced energy consumption per ton and increased efficiency by using less raw material in production processes. Furthermore, it has supported waste management and sustainable production processes by reducing scrap generated on production lines. Capitalizing on these identified opportunities provides short-term financial benefits by reducing operational costs while strengthening the low-carbon production strategy in the long term. The reduction in energy consumption per ton of products enables them to be classified as low-carbon products, enhancing Elsan's ability to respond to customer demands and positioning it for a competitive advantage

ENVIRONMENTAL PERFORMANCE

Environmental Performance

Elsan implements scientific and systematic approaches to monitor, evaluate and control the environmental impacts arising from its activities within the scope of the ISO 14001 Environmental Management System. This approach is grounded in Elsan's Environmental Policy. Within the scope of this policy, comprehensive measures are implemented in areas such as increasing resource efficiency, optimising waste management, reducing energy consumption, controlling emissions, effectively managing water resources, and protecting biodiversity. These efforts, pursued in line with the principle of continuous improvement, strengthen Elsan's environmental performance and make a strategic contribution to its sustainable production goals.

Various awareness and education initiatives are being carried out to promote environmental awareness throughout the organisation. A total of 280 person-hours of training on environmental management and environmental emergency drills have been provided to employees.

Elsan views energy management as an integral part of environmental sustainability and shapes its activities in this area in line with its Energy Policy. The efficient use of energy resources, the preference for products, equipment and technologies with high energy efficiency, the reduction of energy consumption and the continuous improvement of energy performance are among the key objectives. You can access the current policy documents reflecting Elsan's principles, objectives and commitments in the areas of environment and energy by clicking here.

Climate Transition Plan

ELSAN has identified reducing its carbon footprint and adopting low-carbon approaches in its production processes as one of its fundamental strategies in combating climate change. The company is accelerating the transition to low-emission green aluminium by reducing its use of high-emission primary aluminium. Expanding its green aluminium supply processes, ELSAN has increased the share of green aluminium in its total aluminium production to over 60% in 2024. ELSAN's climate transition strategy includes a shift towards low-emission raw materials as well as investments in energy efficiency. The implementation of these strategies plays a critical role in the transition to a sustainable production model.

Carbon Transparency Project

The company has adopted a transparent reporting approach within the framework of sustainability, achieving an A Score in the CDP Climate Change Category for two consecutive years. At the same time, it has been meeting international expectations regarding climate change, energy management and carbon reduction targets for many years through its sustainability reports. ELSAN aims to accelerate its transition to low-carbon production by continuously developing its sustainable production strategy. Significant progress is being made towards the company's 2050 Net Zero Emissions Target through the use of green aluminium, energy efficiency investments, and renewable energy projects.

Energy Efficiency and Emission Reduction Initiatives

Elsan embraces reducing the energy intensity of its production processes, increasing operational efficiency, and lowering greenhouse gas emissions as a fundamental component of its sustainability strategy. In this regard, energy consumption is regularly monitored, evaluated, and corrective actions are implemented through systematic improvement efforts conducted under the ISO 50001 Energy Management System. Greenhouse gas emission management activities are carried out in accordance with the ISO 14064-1 standard, and emission data is periodically verified and reported. The company aims to reduce energy consumption through the use of digital energy monitoring systems, process optimisations, and investments in high-efficiency equipment.

Between 2022 and 2024, **emissions were reduced by;**
Scope 1: **3.75%**
Scope 2: **14.5%**

The financing of the climate transition process is supported by strategic investments and resource management. A specific budget has been allocated for increasing the use of green aluminium, improving energy efficiency, and renewable energy projects.

In 2024, an investment of **2.7 million TL** was made in energy efficiency projects, resulting in an **annual energy saving** of **170,911 kWh**.

In addition, USD 1,335,000 was invested in an aluminium wire machine, which reduced greenhouse gas emissions by lowering the amount of energy consumed per tonne of product.

All electricity consumed in 2024 was balanced by **renewable energy sources** through **I-REC certificates**.

Greenhouse Gas Emissions	2022	2023	2024
Scope 1 (tCO_2e)	1,120	1,046	1,078
Scope 2 (tCO_2e)	13,244	12,467	11,310
Scope 3 (tCO_2e)	142,993	100,938	85,540

Biodiversity Management

As part of its environmental policy, Elsan develops strategies to protect biodiversity, recognising the limited nature of natural resources. Biodiversity issues are addressed within the scope of sustainability-based initiatives, aiming to embed environmental responsibility throughout the entire organisation.

Elsan conducts detailed assessments to minimise the impact of its activities on biodiversity-sensitive areas. None of the facilities owned, leased or operated by the company are located in protected areas, areas of high biodiversity value or areas adjacent to such areas. Proactively fulfilling its responsibilities for the protection of biodiversity, Elsan continues to conduct all its operations with an environmentally conscious approach.

Water Management

Increasing global demand for water, along with environmental and social factors such as climate change and population growth, threaten the sustainability of water resources and necessitate responsible water management for industrial organisations. Aware of this responsibility, Elsan prioritises the efficient and controlled use of water in its production processes and develops systematic practices aimed at reducing water consumption and minimising its water footprint.

The water used in production processes is mains water supplied by the municipality, which is converted into pure and soft water through double-stage osmosis systems. Pure water is used to clean the wire surface and maintain the stability of the emulsion oil, while soft water is used in the cooling processes to cool the wire coming out of the furnace. Thanks to the closed-loop system, the water used in the processes is recycled within the system and reused, thereby significantly reducing water consumption. This cyclical use of water increases resource efficiency and limits wastewater generation. The wastewater generated at the end of the process is discharged into the municipal sewage system in accordance with environmental regulations. Furthermore, water obtained from the water conversion process is reused in areas such as garden irrigation and social facilities. Optimising water systems throughout the factory is one of the fundamental strategies for reducing water consumption. In this context, a water consumption map has been created, connection errors at meters and control points have been eliminated, the efficiency of osmosis systems has been increased, and operational efficiency and water savings have been achieved.

To institutionalise awareness of water management, employees receive regular training each year on water consumption and efficient use. Elsan also calculates its water footprint in accordance with the ISO 14046 Water Footprint Standard and has this data verified by independent certification bodies. As of 2024, the water footprint data has been calculated as follows:

- **Blue Water Footprint: 33,598.00 m³**
- **Green Water Footprint: 25,618.50 m³**
- **Grey Water Footprint: 26,654.41 m³**

Waste Management

Waste management plays a critical role in the efficient use of resources and the reduction of environmental impacts as an important component of sustainability strategies. Elsan effectively manages waste generated during its operational processes and maintenance activities and carries out work aimed at reducing the proportion of hazardous waste.

The waste management strategy focuses on preventing waste generation at source, increasing recovery processes and minimising environmental impacts. The company separates hazardous and non-hazardous waste at source and collects it regularly according to designated colour codes. These wastes, stored in temporary waste storage areas, are directed to contracted and licensed recovery, conversion or disposal facilities and disposed of in an environmentally sound manner.

In order to reduce the amount of hazardous waste, the company aims to use raw materials more efficiently in production processes, evaluate alternative material options and implement improvement projects for waste reduction. In addition, Environmental and Waste Management training courses are held regularly each year to raise employee awareness. Awareness campaigns are conducted on the separation of waste at source and its disposal in appropriate bins.

Waste management and the reduction of hazardous waste ratios are among the company's priority sustainability goals, and processes are regularly monitored and continuous improvement activities are carried out.

Total Waste

By Type	Unit	2022	2023	2024
Hazardous Waste	Ton	133	117	135
Non-hazardous Waste	Ton	1,018	1,246	1,244

Sustainability-Focused Environmental Goals

Elsan aims to play an active role in combating climate change in line with its environmental sustainability vision. It sets climate change-focused targets by integrating its strategic plans into its operations to contribute to the United Nations Sustainable Development Goals.

The company is adopting a net-zero carbon emissions target by 2050 by developing strategies aligned with the IEA NZE 2050 Scenario and is taking concrete steps to reduce greenhouse gas emissions based on the principle of protecting the IPCC 1.5°C temperature increase limit. Within the framework of its green transformation strategy, it is implementing low-carbon energy projects and developing solutions for sustainable energy supply.

Elsan has carried out significant work in line with the strategic goals set for 2024 by adopting a management approach focused on sustainable growth and efficiency. The company has shaped its operations by setting targets in key areas such as energy efficiency, material use optimisation, greenhouse gas emission reduction, and workforce management. The company has made investments in line with long-term sustainability policies such as transitioning to low-carbon production, increasing the use of green aluminium, and combating climate change. The completion of Life Cycle Assessment (LCA) studies for two products and the acquisition of Environmental Product Declaration (EPD) documents are targeted within 2025.

Key Performance Indicators developed to improve sustainability performance have been integrated with financial incentive mechanisms that support employee motivation. The company is committed to transitioning to low-carbon or fully renewable energy use in its internal operations by 2030, avoiding fossil fuel investments and supporting the renewable energy sector. In this context, all electricity consumed in 2024 has been balanced by sourcing it from renewable energy sources through I-REC certificates. It also clearly states its commitment to not finance projects that are incompatible with climate change and to not support initiatives that go against climate policies.

R&D AND INNOVATION

R&D and Innovation

Sustainable Production and Competitive Growth

In line with its sustainable growth strategy, Elsan prioritises R&D and innovation efforts, aiming to increase operational efficiency, modernise production processes, and adopt advanced technologies in terms of environmental sustainability. R&D projects, conducted with the aim of developing innovative solutions and increasing competitive strength, contribute to achieving a strong global position by increasing production efficiency as well as customer and market diversity.

The company evaluates suggestions via the Idea Line Portal and rewards successful projects in order to encourage employees' contribution to innovation. Quality Circle applications support employees' active participation in all project processes. In the development and implementation of R&D projects, a comprehensive evaluation process is carried out, taking into account the opinions of not only technical departments but also many other units such as EYS, Production, Planning, Sales, Marketing and Maintenance.

Significant steps have been taken to increase efficiency in production processes within the scope of R&D activities. The efficiency and capacity of filtration systems in wire drawing processes have been increased, reducing water and oil consumption, thereby lowering operational costs and contributing to environmental sustainability. Actions taken to prevent unplanned downtime in the CTC production process and ensure production continuity have guaranteed that customer demands are met on time.

Within the scope of energy management, product-based energy consumption was analysed to prevent inefficiencies in processes, resulting in energy savings of 200,000 kWh. The flat wire drawing process was integrated into the SCADA system, completing the traceability of all processes by 85%. Furthermore, the integration of a burr detector, which enhances traceability, has been implemented during this process. This has strengthened early intervention mechanisms on production lines, minimised error rates, and elevated quality standards.

Optimisation efforts in water management and sustainability have resulted in the creation of a water consumption map, the strengthening of control points within the system, and increased efficiency of osmosis systems, delivering both operational and environmental benefits. Elsan steadfastly continues its new product launch activities in line with its strategic objectives.

New products requested in line with current market needs, customer expectations, and technological developments are quickly and effectively integrated into production processes, contributing to the company's portfolio diversification and the achievement of production targets. In 2024, the commissioning processes for new product requests from six foreign and five domestic companies were completed, and the transition to mass production was finalised.

Within the scope of projects carried out in occupational health and safety, applications have been developed to minimise chemical exposure risks within the factory, proactive measures have been taken to prevent accidents in production processes, and structural resilience has been increased in stacking areas, thereby strengthening occupational safety standards.

The Company's technology-based innovative approach in all projects implemented optimises operational processes and enables it to expand its global customer network by increasing its competitiveness in the international market. With its sustainable production approach for the future, Elsan continues to take steps towards becoming a leading innovation centre in its sector without compromising on quality and reliability.

Elsan has gained significant momentum in terms of operational efficiency and competitiveness by increasing its R&D and innovation investments every year. R&D and innovation expenditures, which accounted for 7% of total investments in 2022, **reached 18.7% in 2024, increasing 3.5 times compared to 2022.**

Project	Partnerships Organisation	Area/Project of Collaboration
CTC Production Efficiency and Quality Improvement	Pamukkale University	Increasing Efficiency in the Production Process/Improving the Quality of Existing Products
Flat Wire Producibility	Pamukkale University	Development of Exportable Products
Quality in Super Fine Wires Development and Reduction of Breakages Reduction	Pamukkale University	Improving the Quality of Existing Products
With Machine Automation Increasing Product Quality and Efficiency Through Machine Automation	Pamukkale University	Increasing Productivity in the Production Process
Steam Production from Waste Flue Gas and Utilising it in Processes in Processes	Pamukkale University	Increasing Efficiency in the Production Process
Energy SCADA Automation	Pamukkale University	Increasing Efficiency in the Production Process

SOCIAL PERFORMANCE

Human Resources Policies and Practices

Human Resources Management

Elsan positions human resources management as a strategic priority in order to ensure that its employees work in a happy, productive and sustainable working environment.

A structure is being created in line with the corporate culture and values, where employees can develop themselves, use their potential to the fullest and actively participate in work processes. The company implements transparent, fair and measurable human resources strategies to increase employee commitment to the workplace, boost motivation and create an inclusive working environment for all employees.

Adopting a sustainable approach to human resources management, Elsan develops policies that support its employees at every stage, from recruitment to career development. Work objectives are shaped with employee contributions, performance evaluation processes are conducted in a fair and transparent manner, and continuous training and development programmes are offered for the professional development of employees.

The company considers protecting the rights of all employees within the framework of the law and creating a healthy communication environment in the workplace to be one of its fundamental principles. A management approach that takes employee opinions and feedback into account and encourages participation in management is adopted. At the same time, innovative and contemporary training programmes are implemented to support the professional and personal development of employees.

In line with the principles of commitment to ethical values, environmental awareness and contributing to society, Elsan employees are encouraged to develop sustainable business models and are provided with an environment conducive to producing the best and most efficient solutions. By supporting innovative and creative employee profiles, the company aims to increase its competitive strength and maintain its leading position in the sector. Elsan's Human Resources Policy is shaped in line with the principles of diversity, inclusiveness and equal opportunity, and continuous improvement efforts are carried out to increase female employment, ensure work-life balance and enhance employee well-being.

The human resources approach is supported by a corporate stance based on respect for human rights, and Elsan's human resources practices are carried out in line with Aydem Energy's Human Rights Policy. The company continuously improves the working environment to increase employee job satisfaction and commitment, and applies the highest standards in occupational health and safety.

Employee Experience Enhanced by Fringe Benefits

The company offers various benefits to celebrate and support its employees' special days and important moments in their lives.

Financial and moral support is provided to employees during important moments in their lives, such as marriage, childbirth, health, death, circumcision, military service, and their children's education, as well as on special occasions such as birthdays, seniority, and promotions. Childcare, legal and psychological support services are provided to support employees. The fringe benefits provided within this scope aim to support employees in both their work and private lives and contribute to strengthening corporate loyalty.

Existing benefits are reviewed annually and efforts are made to improve them.

Equal Life Project

Elsan has launched the "Equal Life Project" to support gender equality and increase the proportion of female employees. Gender equality is observed in management positions, awareness training is organised, and gender-neutral CV evaluation processes are implemented.

The project aims to remove gender-based barriers in work and social life and to provide lasting solutions to gender inequality. Committed to creating a working environment that supports diversity, the company organises training programmes and seminars to increase the number of female managers, and these efforts contribute to its inclusivity goals.

Women's Empowerment Principles (WEPs)

To support women's participation in the workforce, the principles of gender equality are upheld in all practices and processes, and strategies are implemented to increase female representation on the board of directors and in senior management. Elsan embraces the policies and objectives established within the framework of the United Nations Women's Empowerment Principles (UN WEPs), to which its holding company is a signatory, and is working to create an inclusive and equitable working environment in line with these principles. Furthermore, it supports its commitment to the principles of human rights, labour standards and equal opportunities under the United Nations Global Compact with its sustainability policies.

In this area, it develops awareness initiatives, career development and work-life balance-focused projects, thereby increasing employee satisfaction while contributing to sustainable growth.

Talent Management

Professional and Personal Development Programmes

Elsan offers comprehensive training programmes to support the professional and personal development of its employees. Training courses assigned through the Aydem Academy platform contribute to the continuous development of employees' knowledge and skills through internal awareness training that supports technical and professional development.

The mentee-mentor programmes implemented within the company offer young employees the opportunity to learn about the company culture and gain experience, while the Enerjim Tamam Young Talent Programme enables recent graduates to shape their careers by gaining experience in group companies. Under the S-energy programme, the development of interns is supported, and recruitment processes are carried out for successful candidates.

Qualified candidates are identified through white-collar recruitment tests and blue-collar general aptitude tests and recruited to the company. Thanks to partnerships with high schools and universities, projects that support the development of both Elsan and students are being implemented. Diversity and inclusion issues are monitored by the Human Resources Department and developed in line with sustainable talent management strategies.

Occupational Health and Safety Management

Elsan manages occupational health and safety processes with a principle of continuous improvement and prioritises protecting its employees in a safe working environment.

To identify workplace hazards, minimise risks and eliminate them, site inspections and employee observations are conducted on a regular basis. Identified non-conformities are analysed according to their hazard levels, shared with the relevant departments and necessary actions are taken. High-priority risks are managed by submitting them to the Health and Safety Committee for evaluation by the employer representative and committee members. Occupational health and safety processes are carried out in accordance with the Health and Safety Management System and relevant national legislation. Risk analyses are reviewed annually with employees and department managers to identify hazards and eliminate risks.

Workplace accidents are added to risk analysis tables and updated, and are published in the ERP system, accessible to employees. To ensure the active participation of employees in the processes, OHS Committee Meetings, field inspections and feedback mechanisms are regularly implemented. The ISO 45001 OHS Management System is implemented by the EHS Directorate, and regular training is provided to employees to foster an effective OHS culture, with performance indicators monitored monthly.

Employee Participation

Elsan encourages its employees to participate in occupational health and safety processes. Weekly Toolbox training sessions cover topics such as working at height, equipment use and workplace accidents. All OHS policies and procedures are published in the system and are accessible to employees. Requests, complaints and suggestions are collected through employee representatives, evaluated by the technical team and implemented where feasible.

Elsan's Health and Safety Committee meets at least six times a year. Attendees include representatives from production, maintenance, administrative affairs, human resources, EHS, R&D departments, employee representatives, the Health and Safety Specialist, and the Occupational Physician. The meeting agenda includes reviewing decisions made, gathering employee feedback, investigating workplace accidents, and determining improvement actions. Decisions made by the committee are communicated to the relevant departments to ensure their implementation. The "Near Miss and Unsafe Condition Reporting Form" is published in the document management system for reporting hazards encountered in the workplace. In addition, employees can report hazards in writing via the reporting boxes located in the production areas. While reports can also be made verbally or via email, all feedback is evaluated by the EHS Directorate and necessary actions are taken.

Health Services and Employee Support Programmes

The health status of employees within the company is closely monitored, and regular health checks are conducted. Periodic checks are carried out for employees with chronic illnesses, and health tests are administered for personnel working with chemical substances. An online support programme has been implemented to address the needs employees may encounter in their work and social lives, such as childcare, legal advice, and psychological support.

Occupational Health and Safety Projects

Elsan has implemented various OHS projects over the past three years to minimise workplace accidents and risks. New equipment has been introduced to reduce the risk of chemical contact during rolling mill cleaning operations, and safe platforms have been designed to prevent risks associated with working at height. New structural supports have been added to increase the durability of shelving systems and ensure occupational safety. As part of the "**Golden Rules**" programme implemented across all group companies, awareness-raising training and inspections are conducted for high-risk work processes such as Working at Height, My Hands Are Safe, Safe Driving, and Safe Lifting.

Corporate Social Responsibility

Corporate Social Responsibility Approach

Elsan adopts an approach that prioritises contributing to society in line with sustainable development goals.

The company aims to create value in the fields of education, health, science and technology by approaching its social responsibility projects from a strategic perspective. The projects, implemented in collaboration with stakeholders, both provide social benefits and contribute to the development of the sector.

Elsan contributes to social development by providing support through donations and sponsorships to various institutions and organisations. It strengthens its social responsibility approach with a sustainable approach through initiatives such as Red Crescent Blood Donation, donations to the Türkiye Charity Association, and sponsorship of the ODTÜ Development Foundation Schools FIRST Robotics Competition (FRC). Within the scope of the Istanbul Technical University (ITU) Hyperbee Bronze Sponsorship, enamel wire products manufactured by Elsan were provided to contribute to the hyperloop technology project developed by Istanbul Technical University students. On the other hand, support was provided to the Karadeniz Technical University (KTU) Materials Laboratory in procuring the necessary equipment, and Elsan products were sent for use in laboratory work.

Sarayköy Vocational and Technical Anatolian High School Industrial Maintenance and Repair Department Workshop

The Vocational Education Cooperation Protocol signed with Sarayköy Vocational and Technical Anatolian High School is a demonstration of Elsan's commitment to social development and the training of qualified workforce.

Within the framework of this cooperation, the aim is to strengthen the professional skills of students studying in the fields of Electrical and Electronic Technology, Industrial Maintenance and Repair, and Electrical Installations and Distribution. Elsan contributes to the training of students in line with today's industry standards by providing Pneumatic-Electropneumatic Training Sets and training materials to improve the school's technical infrastructure. Thanks to this well-equipped infrastructure, students can increase their professional skills and become qualified workforce meeting the needs of the sector, thereby participating in the employment process in a more competent manner.

APPENDICES

Abbreviations

UN	United Nations
IT	Information Technology
CDP	Carbon Disclosure Project
CTC	Continuous Transposed Conductor
ESG	Environmental, Social and Governance
EPD	Environmental Product Declaration
GRI	Global Reporting Initiative
IEA	International Energy Agency
OHS	Occupational Health and Safety
IPCC	Intergovernmental Panel on Climate Change
LACP	League of American Communications Professionals
LCA	Life Cycle Assessment
NZE	Net Zero Emissions
SASB	Sustainability Accounting Standards Board
SCADA	Supervisory Control and Data Acquisition System
HSE	Health, Safety, Environment
SDGs	Sustainable Development Goals
CBAM	Carbon Border Adjustment Mechanism

TCFD	Task Force on Climate-related Financial Disclosures
KPI	Key Performance Indicators
TSRS	Türkiye Sustainability Reporting Standards
UNGC	United Nations Global Compact
UN	SDGs United Nations Sustainable Development Goals
UN	WEPs United Nations Women's Empowerment Principles
YK	Board of Directors
WRI	World Resources Institute

Performance Tables

Economic Performance Indicators

Economic Value Created	Unit	2022	2023	2024
Economic Value Created (Revenues)	TL	2,070,774,044	2,943,288,140	3,927,021,152
Distributed Economic Value	**Unit**	**2022**	**2023**	**2024**
Operating expenses	TL	1,738,922,908	2,493,910,548	3,906,775,315
Employee benefits	TL	47,667,199	144,619,088	248,979,000
Total	**TL**	**1,786,590,107**	**2,638,529,636**	**4,155,754,315**
Financial Investments Received from the State	**Unit**	**2022**	**2023**	**2024**
Incentives	TL	5,549,402	9,830,232	9,018,306

Environmental Performance

Greenhouse Gas Emissions	Unit	2022	2023	2024
Scope 1 ✓	tCO_2e	1,120	1,046	1,078
Scope 2 ✓	tCO_2e	13,244	12,467	11,310
Scope 3 ✓	tCO_2e	142,993	100,938	85,540
Total CO_2 Emissions ✓	tCO_2e	157,357	114,451	97,612

✓ The data related to this indicator has been verified by an independent third party within the scope of limited assurance.

Environmental Performance Indicators

Water Footprint	Unit	2022	2023	2024
Blue Water Footprint ✓	m^3/year	36,262	34,235	33,598
Green Water Footprint ✓	m^3/year	25,542	25,542	25,618
Grey Water Footprint ✓	m^3/year	22,831	21,555	26,654

ENERGY				
Non-renewable Direct Energy (Consumption)	**Unit**	**2022**	**2023**	**2024**
Diesel/Motor Oil ✓	liter	13,600	4,200	5,000
Coal ✓	ton	316	341	346
Non-renewable indirect energy (Consumption)	**Unit**	**2022**	**2023**	**2024**
Electricity ✓	kWh	30,576,810	29,604,880	26,725,360

TOTAL WASTE				
Hazardous Waste	**Unit**	**2022**	**2023**	**2024**
Hazardous Waste ✓	ton	133	117	135
Non-hazardous Waste ✓	ton	1,018	1,246	1,244

Social Performance Indicators

LABOUR				
By Type of Employment	**Unit**	**2022**	**2023**	**2024**
White-Collar - Female ✓	Person	19	22	23
White Collar - Male ✓	Person	42	42	44
Blue Collar - Female ✓	Person	5	5	6
Blue Collar - Male ✓	Person	216	215	214
Total		**282**	**284**	**287**
By Contract Type	**Unit**	**2022**	**2023**	**2024**
Indefinite Term - Female ✓	Person	24	27	29
Indefinite Term - Male ✓	Person	258	257	258
Total		**282**	**284**	**287**
By Gender	**Unit**	**2022**	**2023**	**2024**
Male ✓	Person	258	257	258
	%	91%	90%	90%
Female ✓	Person	24	27	29
	%	9%	10%	10%
Total		**282**	**284**	**287**

By Age	**Unit**	**2022**	**2023**	**2024**
18–30 years old ✓	Female	8	8	8
	%	13%	13%	13%
	Male	55	55	57
	%	87%	87%	88%
31–40 years old ✓	Female	7	9	11
	%	6%	7%	10%
	Male	109	114	105
	%	94%	93%	91%
41–50 years old ✓	Female	4	5	6
	%	5%	6%	7%
	Male	77	72	76
	%	95%	94%	93%
51–60 years old ✓	Female	5	3	3
	%	28%	18%	15%
	Male	13	14	17
	%	72%	82%	85%
Over 60 years old ✓	Female	1	1	1
	%	25%	25%	25%
	Male	3	3	3
	%	75%	75%	75%
Other Groups	**Unit**	**2022**	**2023**	**2024**
Foreign	Male	1	1	1
	%	100.00%	100.00%	100.00%
Disabled	Male	9	10	11
	%	100.00%	100.00%	100.00%

✓ The data related to this indicator has been verified by an independent third party within the scope of limited assurance.

By Management Category	Unit	2022	2023	2024
Senior Management ✓	Female	1	1	1
	%	20.00%	20.00%	20.00%
	Male	4	4	4
	%	80.00%	80.00%	80.00%
Intermediate Level ✓	Female	4	5	5
	%	13.00%	15.00%	15.00%
	Male	27	28	29
	%	87.00%	85.00%	85.00%
Other ✓	Female	19	21	23
	%	8.00%	9.00%	9.00%
	Male	227	225	225
	%	82.00%	91.00%	91.00%
Total		**282**	**284**	**287**

Employment and Turnover	Unit	2022	2023	2024
New hires – Total	Person	13	24	14
White-collar	Person	3	5	4
Blue Collar	Person	10	19	10
Resigned – Total	Person	9	22	12
White-collar	Person	2	3	2
Blue Collar	Person	7	19	10
Total		**22**	**46**	**26**

By Gender	Unit	2022	2023	2024
Male – Hired ✓	Person	12	20	13
	%	90%	83%	87%
Male – Left work ✓	Person	7	21	12
	%	80%	95%	100%
Female – Hired ✓	Person	1	4	2
	%	10%	17%	13%
Female – Left work ✓	Person	2	1	-
	%	20%	5%	-
Total		**22**	**46**	**26**

By Age	Unit	2022	2023	2024
18–30 Years Old – Hired ✓	Person	12	19	11
	%	92%	79%	79%
18 - 30 Years old – Resigned ✓	Person	4	10	6
	%	44%	45%	60%
31 - 40 Years Old – Hired ✓	Person	-	5	2
	%	-	21%	14%
31 - 40 Years old – Resigned ✓	Person	4	1	4
	%	44%	5%	33%
41 - 50 Years Old – Hired ✓	Person	1	-	1
	%	8%	-	7%
41 - 50 Years old – Resigned ✓	Person	1	10	2
	%	12%	45%	20%
51 - 60 Years Old – Hired ✓	Person	-	-	-
	%	-	-	-
51 - 60 Years old – Resigned ✓	Person	-	1	-
	%	-	5%	-
Total		**22**	**46**	**26**

✓ The data related to this indicator has been verified by an independent third party within the scope of limited assurance.

All Training (By Type)	Unit	2022	2023	2024
Professional Development ✓	Hours	1,940	2,771	2,169
Personal Development ✓	Hours	4,873	9,529	1,428
Other (Leadership) ✓	Hours	1,736	101	405
Total Training Hours	**Hours**	**8,549**	**12,401**	**4,002**

Employee Satisfaction	Unit	2022	2023	2024
Employee Engagement and Satisfaction Score ✓	%	85%	89%	-

Orientation Programme	Unit	2022	2023	2024
Success rate of orientation and retention programmes for newly hired employees (0-2 years) ✓	%	92,3%	100%	93,33%

Education Distribution	Female	Male	Total
Primary	2	10	12
Secondary School	1	27	28
High School	3	160	163
Vocational College	2	36	38
University	18	21	39
Master's Degree	3	4	7
Intern	-	9	9
Subcontractor	5	11	16
Total Employees	**34**	**278**	**312**

✓ The data related to this indicator has been verified by an independent third party within the scope of limited assurance.

Local Supplier Performance		2022	2023	2024
Number of local suppliers	Number	9	11	8
Local supplier ratio	Ratio	38%	46%	32%
Local supplier ratio in the purchasing budget	Percentage	91%	90%	92%

Significant changes related to significant changes	Number of suppliers	Number of new suppliers
2022	2	2
2023	3	1
2024	2	2

Occupational Health and Safety					
Accidents	**Group**	**Birim**	**2022**	**2023**	**2024**
Near Miss ✓	Company	Ratio	1.00%	5.00%	2.00%
Accident Frequency Rate ✓	Company	Rate	17.11%	9.17%	7.77%

✓ The data related to this indicator has been verified by an independent third party within the scope of limited assurance.

Limited Warranty Statement

LIMITED ASSURANCE STATEMENT

Verification Scope

Necessary verification activities were carried out to independently verify the compliance of GRI performance disclosures (environmental and social indicators) in the Elsan Elektrik Gereçleri San. Tic. A.Ş. 2024 Sustainability Report prepared by Elsan Elektrik Gereçleri San. Tic. A.Ş. for the year ended 31 December 2024 with the GRI Standard at a limited confidence level.

This Statement of Assurance covers the data and information relating to the performance disclosures assessed within the scope of the work described below.

Environmental Indicators

Direct CO_2 Emissions (Scope 1) (ton CO_2e)

Indirect CO_2 Emissions (Scope 2) (ton CO_2e)

Indirect CO_2 Emissions (Scope 3) (ton CO_2e)

Blue Water Footprint (m^3/year)

Green Water Footprint (m^3/year)

Grey Water Footprint (m^3/year)

Non-Renewable Direct Energy Consumption (Diesel/Fuel Oil) (Liter)

Non-Renewable Direct Energy Consumption (Coal) (ton)

Non-Renewable Indirect Energy Consumption (Electricity) (kWh)

Amount of Hazardous Waste (ton)

Amount of Non-Hazardous Waste (ton)

Social Indicators

Number of Female and Male Employees by Employment Type

Number of Female and Male Employees by Contract Type

Number of Employees by Management Category

Number of Employees by Gender and Age

Number of Newly Hired Employees by Gender and Age

Number of Employees Who Left by Gender and Age

Total Training Hours by Training Topics

Employee Satisfaction and Orientation Success Rate

Near-Miss Rate

Injury Frequency Rate

Number of Fatal Accidents

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Verification Activities

The accuracy and responsibility for the information contained in the Sustainability Report lies with Elsan Elektrik Gereçleri San. Tic. A.Ş. and Unity Belgelendirme Muayene ve Test Hizmetleri Ltd. Şti. did not participate in the preparation of this report. The responsibility of Unity Belgelendirme Muayene ve Test Hizmetleri Ltd. is to verify the accuracy and reliability of the information available and to provide independent assurance of the underlying systems and processes used to obtain, analyse and review this information.

The procedures we perform are based on our professional judgement and include research, interviews, observation of processes performed, review of documentation, analytical procedures, assessment of the appropriateness of measurement methods, review of reporting policies and reconciliation of underlying records.

The limited assurance procedures we carry out are as follows:

1. Interviews were conducted with the persons responsible for the relevant environmental and social indicators.
2. It includes the control and verification of environmental and social performance reporting data with reference documents.
3. The source data used for the preparation of environmental and social indicators have been evaluated and selected specific examples of calculations have been redone.
4. Limited testing was carried out on a sample basis for the compilation and preparation of environmental and social indicators prepared by the Company.
5. It covers the evaluation of data and information management systems in terms of collecting, combining, analysing and reviewing data.

Limited Assurance Statement

Unity Certification has planned and implemented verification studies in order to collect the information, explanations and evidence required to provide limited assurance in line with the processes and procedures applied.

In line with the procedures we have carried out and the evidence we have obtained, the GRI performance disclosures (environmental and social indicators) in the Company's 2024 Sustainability Report until 31 December 2024 have been verified and approved in all material aspects by the verification team.

Restriction

This report has been prepared to assist in the reporting of the Company's sustainability performance and activities, including the results. We authorise the inclusion of this report in the 2024 Sustainability Report for the year ending 31 December 2024 so that the Company can demonstrate that it has fulfilled its responsibilities by having a limited independent assurance report prepared on the performance data. To the extent permitted by law and with our prior written approval, we do not accept any responsibility to any person or organisation other than Elsan Elektrik Gereçleri San. Tic. A.Ş. in relation to the study or report we have carried out, except in cases expressly agreed upon.

UNITY CERT

Abdulkadir ÖZDOĞAN / Lead Verifier

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GRI Content Index

Content Index – Basic Information GRI Services has assessed that the GRI content index has been prepared in accordance with the reporting requirements of the GRI Standards, and that the information in the index is presented in a clear and accessible manner for stakeholders. The service was performed on the English version of the report.

Statement of Use	Elsan has reported in accordance with the GRI Standards for the period 1 January 2024 - 31 December 2024.
GRI 1 Usage	GRI 1: Core 2021

GRI STANDART	EXPLANATION	REPORT PAGE
GRI 2: General Disclosures 2021	2-1 Organizational details	Report and Company Information, p.4, About Elsan, p.6
	2-2 Entities included in the organization's sustainability reporting	Report and Company Information, p.4
	2-3 Reporting period, frequency and contact point	Report and Company Information, p.4
	2-4 Restatement of information	Report and Company Information, p.4
	2-5 External assurance	Limited Assurance Statement, p.51
	2-6 Activities, value chain and other business relationships	About Elsan, p.6
	2-7 Employees	Human Resources Policies and Practices, p.40,41
	2-8 Workers who are not employees	Confidentiality restrictions
	2-9 Governance structure and composition	Corporate Governance, pp. 13-16
	2-10 Nomination and selection of the highest governance body	Confidentiality restrictions
	2-11 Chair of the highest governance body	Corporate Governance, pp. 13-16
	2-12 The role of the highest governance body in overseeing the management of impacts	Sustainability Governance, p.16
	2-13 Delegation of responsibility for managing impacts	Corporate Governance, pp. 13-16
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance, p.16

GRI STANDART	EXPLANATION	REPORT PAGE
GRI 2: General Disclosures 2021	2-15 Conflicts of interest	Confidentiality restrictions
	2-16 Communication of critical concerns	Sustainability Governance, p.16, Stakeholder Engagement, p.17
	2-17 Collective knowledge of the highest governance body	Corporate Governance, pp. 13-16
	2-18 Evaluation of the performance of the highest governance body	Confidentiality restrictions
	2-19 Remuneration policies	Human Resources Policies and Practices, pp. 40, 41
	2-20 Remuneration determination process	Confidentiality restrictions
	2-21 Annual total compensation ratio	Confidentiality restrictions
	2-22 Statement on sustainable development strategy	Contribution to Sustainable Development Goals, p.19
	2-23 Policy commitments	Sustainability Governance, p.16, Human Resources Policies and Practices, pp.40,41
	2-24 Embedding policy commitments	Sustainability Governance, p.16, Human Resources Policies and Practices, pp.40,41
	2-25 Processes to remediate negative impacts	Corporate Governance, p.13-16, Corporate Risk Management, p.23
	2-26 Mechanisms for seeking advice and raising concerns	Sustainability Governance, p.16, Human Resources Policies and Practices, pp.40,41 Stakeholder Engagement, p.17
	2-27 Compliance with laws and regulations	Corporate Governance, pp. 13–16, Corporate Risk Management, p. 23
	2-28 Membership associations	Confidentiality restrictions
	2-29 Approach to stakeholder engagement	Interaction with Stakeholders, p.17
	2-30 Collective Bargaining Agreements	Confidentiality restrictions
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Assessment of Material Topics, p.18
	3-2 List of material topics	Assessment of Material Topics, p.18
Occupational Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Assessment of Material Topics, p.18

GRI STANDART	EXPLANATION	REPORT PAGE
Occupational Health and Safety		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety, pp. 42, 43
	403-2 Hazard identification, risk assessment and incident investigation	Occupational Health and Safety, pp. 42, 43
	403-3 Occupational health services	Occupational Health and Safety, pp. 42, 43
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, pp. 42, 43
	403-5 Worker training on occupational health and safety	Occupational Health and Safety, pp. 42, 43
	403-6 Promotion of worker health	Occupational Health and Safety, pp. 42, 43
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety, pp. 42, 43
	403-8 Workers covered by an occupational health and safety management system	Social Performance Indicators, p.50
Climate Change Mitigation and Adaptation		
GRI 3: Material Topics 2021	3-3 Management of material topics	Assessment of Material Topics, p.18
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Environmental Performance Indicators, p.46
	302-4 Reduction of energy consumption	Environmental Performance, p.32
	302-5 Reductions in energy requirements of products and services	Environmental Performance, p.32
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Management, p.34
	303-2 Management of water discharge-related impacts	Water Management, p.34
	303-3 Water withdrawal	Water Management, p.34, Environmental Performance Indicators, p.46
	303-4 Water discharge	Water Management, p.34, Environmental Performance Indicators, p.46
	303-5 Water consumption	Water Management, p.34, Environmental Performance Indicators, p.46

GRI STANDART	EXPLANATION	REPORT PAGE
Climate Change Mitigation and Adaptation		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environmental Performance, p.32, Environmental Performance Indicators, p.46
	305-2 Energy indirect (Scope 2) GHG emission	Environmental Performance, p.32, Environmental Performance Indicators, p.46
	305-3 Other indirect (Scope 3) GHG emissions	Environmental Performance, p.32, Environmental Performance Indicators, p.46
	305-5 Reduction of GHG emissions	Environmental Performance, p.32
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management, p.35
	306-2 Management of significant waste-related impacts	Waste Management, p.35
	306-3 Waste generated	Waste Management, p.35, Environmental Performance Indicators, p.46
Sustainable Profitability		
GRI 3: Material Topics 2021	3-3 Management of material topics	Assessment of Material Topics, p.18
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Economic Performance Indicators, p.46
	201-2 Financial implications and other risks and opportunities due to climate change	Strategy, pp. 25-30
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	R&D and Innovation, p.40
	203-2 Significant indirect economic impacts	Economic Performance Indicators, p.46
Inclusion, Diversity and Talent Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	Assessment of Material Topics, p.18
GRI 401: Employment 2016	401-1 New employee hires and employee turnover rate	Social Performance Indicators, pp. 47, 48
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human Resources Policies and Practices, p.40,41
	401-3 Parental leave	Human Resources Policies and Practices, pp. 40, 41

GRI STANDART	EXPLANATION	REPORT PAGE
Inclusion, Diversity and Talent Management		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Social Performance Indicators, p.49
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent Management, p.41
	404-3 Percentage of employees receiving regular performance and career development reviews	Human Resources Policies and Practices, pp. 40, 41, Social Performance Indicators, p. 49
GRI 405: Diversity and Equal Opportunities 2016	405-1 Diversity of governance bodies and employees	Human Resources Policies and Practices, pp. 40, 41, Social Performance Indicators, p. 48
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Human Resources Policies and Practices, pp. 40, 41
Other Topics		
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supply Chain Management, p.20
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	Human Resources Policies and Practices, p.40,41
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Human Resources Policies and Practices, pp. 40, 41
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Corporate Social Responsibility, p.43
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Supply Chain Management, p.20

TSRS Content Index

TSRS 1: General Provisions Regarding the Disclosure of Financial Information Related to Sustainability	Page Number
Governance	
The board of directors' oversight of sustainability-related risks and opportunities	Corporate Governance, pp. 13-16
The role of management in assessing and managing sustainability-related risks and opportunities	Sustainability Governance, p.16
Strategy	
Sustainability-related risks and opportunities	Response Strategies for Sustainability-Related Risks, pp. 27-28, Sustainability and Climate-Related Opportunities, p. 30
Business model and value chain	About Elsan, p.6
Strategy and decision-making processes	Corporate Risk Management, p.23, Strategy, pp.25-30
Financial position, financial performance and cash flows	Economic Performance Indicators, p.46
Resilience	Scenario Analysis, p.26
Risk management	
Sustainability risk assessment process	Corporate Risk Management, p.23
The process of managing sustainability-related risks	Corporate Risk Management, p.23
Integration of the sustainability risk management process into overall risk management	Corporate Risk Management, p.23
Metrics and targets	Sustainability-Focused Environmental Targets, p.36

TSRS 2: Climate-Related Disclosures	Page Number
Governance	
The board of directors' oversight of sustainability-related risks and opportunities	Corporate Governance, pp. 13-16
The role of management in assessing and managing sustainability-related risks and opportunities	Sustainability Governance, p.16
Strategy	
Climate-related risks and opportunities	Response Strategies for Sustainability-Related Risks, pp. 27-29, Sustainability and Climate-Related Opportunities, p. 30
Business model and value chain	About Elsan, p.6
Strategy and decision-making	Corporate Risk Management, p.23, Strategy, pp.25-30
Financial position, financial performance and cash flows	Economic Performance Indicators, p.46
Climate Resilience	Scenario Analysis, p.26
Risk management	
Climate-related risk assessment process	Corporate Risk Management, p.23
The process of managing climate-related risks	Corporate Risk Management, p.23
Integration of the climate risk management process into overall risk management	Corporate Risk Management, p.23
Metrics and targets	Sustainability-Focused Environmental Targets, p.36, Environmental Performance Indicators, p.46

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