ENVIRONMENTAL POLICY

1) Purpose

1.1) The purpose of the Environmental Policy (hereinafter referred to as the "Policy") is to define and establish the general principles and scope of application to be followed in the environmental management processes of Erciyes Çelik Halat A.Ş. (hereinafter referred to as the "Company").

1.2) It is also to ensure that the necessary actions are taken for the implementation of legislation, national/international standards and systems related to environmental management, and for compliance with the Company's sustainability strategies.

2) Definitions

2.1) In this section, the specific terms and concepts used in the Policy are briefly explained as follows:

Company: Erciyes Çelik Halat Tel Sanayi ve Ticaret A.Ş.

Policy: Environmental Policy

Employee: Refers to company managers and employees.

Greenhouse Gas Emissions: Refers to the release into the atmosphere of gases such as Carbon Dioxide (CO_2), Methane (CH_4), and Nitrous Oxide (N_2O), which cause the retention of sunlight reflected from the Earth in the atmosphere and contribute to global warming.

Net Zero: Refers to the balance between the amount of greenhouse gas emissions produced by an organization, community, or country and the amount that is offset or absorbed.

Waste Hierarchy: Refers to the priority order of all waste management steps (Prevention, Reduction, Reuse, Recycling, Recovery, and Disposal).

Circular Economy: Refers to a model aimed at minimizing waste generation while returning materials and resources to the product cycle at the end of their use, preserving their value for as long as possible.

Zero Waste: Refers to a waste prevention approach that includes preventing waste, using resources more efficiently, reducing the amount of waste generated, establishing effective collection systems, and recycling waste.

Supply Chain: Refers to the entire system of companies, people, technology, activities, and resources involved in the movement of a product or service from the supplier to the customer.

3) Scope

3.1) This Policy covers:

Members of the Company's Board of Directors,
Employees of the Company,
Companies from which goods and services are procured and their employees,
Other persons, including those with whom the Company has commercial relationships—such as customers—and individuals and entities acting on behalf of the Company, including consultants, attorneys, advisors, and external auditors (collectively referred to as "Business Partners").

4) Principles and Guidelines

4.1) Regarding climate change, the Company shall:

4.1.1) Comply with regulatory national and international legislation (e.g., Waste Management Regulation, Regulation on the Control of Water Pollution, Regulation on Packaging Waste Control, etc.), systems (ISO 14001 Environmental Management System principles, Zero Waste Management System, etc.), and procedures.

4.1.2) Aim to achieve net zero by 2053 in line with Turkey's national targets. Within this scope, the Company calculates, verifies, monitors, and publicly discloses annually the greenhouse gas emissions arising from its operations and supply chain.

4.1.3) Strive to reduce greenhouse gas emissions from its operations and value chain and protect natural resources in line with the 2053 net zero target. This includes assessing environmental risks and opportunities and conducting internal initiatives.

4.1.4) Conduct research activities and invest in renewable energy sources to create efficient operational areas by continuously monitoring energy efficiency practices across all operational sites.

4.1.5) Participate in national and international platforms with awareness of its responsibilities in combating climate change.

4.1.6) Carry out awareness-raising initiatives regarding climate change mitigation within the Company and its value chain.

4.1.7) Identify risks and opportunities arising from climate change mitigation, continuously review business objectives accordingly, and support initiatives within the scope of climate change action.

4.2) Regarding the circular economy, the Company shall:

4.2.1) Develop and implement circular economy solutions in all its activities following the waste hierarchy in accordance with the Zero Waste approach, in the order of prevention, reduction, reuse, recycling, recovery, and disposal.

4.2.2) Support sustainable resource use and participate in sectoral, national, and international initiatives organized to use resources efficiently, reduce waste generation, protect the environment, and prevent pollution.

4.2.3) Aware of the global reduction of water resources, the Company regularly monitors water management performance and undertakes initiatives to ensure efficient water use. Within this scope, it calculates, verifies, monitors, and publicly discloses its water footprint annually.

4.2.4) The Company aims to identify the impacts of its operations on biodiversity and preserve the diversity of species, habitats, and ecosystems, as well as the integrity of ecological functions.

5) Roles and Responsibilities

5.1) Board of Directors

5.1.1) The Board of Directors is responsible for the overall supervision of the creation, implementation, and updating of the Policy.

5.2) Sustainability Committee

5.2.1) On behalf of the Board of Directors, the Sustainability Committee is responsible for the creation, implementation, and updating of the Policy.

5.2.2) The Sustainability Committee is responsible for the oversight of the Company's environmental performance, targets, and projects developed to achieve these targets.

5.3) Sustainability Department

5.3.1) The Sustainability Department is responsible for the effective execution and monitoring of the Company's environmental performance, targets, and related projects.

5.4) Employees

5.4.1) Employees are responsible for complying with the policies established by the Board of Directors, working in accordance with internal and external regulations, and reporting to the Sustainability Committee any behavior, attitude, action, decision, activity, or practice that is contrary to the Policy.

6) Communication

6.1) All behaviors and practices of the Company that are contrary to the principles set forth in this Policy must be reported to the Sustainability Committee. The Sustainability Committee is obliged to respond to all received reports within three (3) business days.

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7) Effective Date

7.1) This Policy has been enacted by the resolution of the Board of Directors. It shall remain in effect and valid until a new announcement is made.

8) Review

8.1) This Policy is reviewed annually by the Sustainability Committee, based on controls related to process or technical infrastructure changes. The reviewed and updated Policy is approved by the Board of Directors.

Related Policies and Procedures

- Sustainability Policy
- Sustainable Supply Chain Policy
- TS EN ISO 14001:2015 ÇYS-2021