



Sustainability Report — 2024



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Esteemed Stakeholders

"Sustainable Development" is a concept based on increasing economic growth and social welfare by managing resources in this way. For this concept, if the top priority of the 21st century is to ensure that humanity has a future, then we want to contribute to ensuring that both ourselves and our suppliers and customers are aware of this issue and thus start this transformation together.

Turkey's ratification of the Paris Agreement, the announcement of a net zero emission target by 2053 and new regulations on the European Union (EU) Green Deal were the most important developments. The Green Deal, which aims to create an EU carbon neutral economy, directs companies exporting to EU countries to comply with the Border Carbon Adjustment Mechanism (CBAM) and other new regulations.

This will force many companies exporting from Turkey to the EU to pay carbon tax and reduce the competitiveness of our companies. In other words, the slogan "Less carbon emissions=Smaller cost" will be remembered in trade with the EU from now on.

In this period, we must accelerate our efforts to improve the environmental and social impact of our operations, product and service solutions, and to enhance the quality of life of our stakeholders and the welfare of society.

I would like to thank all our stakeholders with whom Sağlam Metal collaborates in its sustainability efforts and our employees who contributed to our successful results despite a challenging year.

It is an honor for us to share our first performance report on our sustainability impacts with you, our valued stakeholders.



Hakan KOÇAK

Sağlam Metal

Chairman of the Board of Directors

1-CORPORATE PROFILE

Since 1989, when our founder, Mr. Hakan Koçak, began making a name for himself in the industry, he started his professional career with an international company specializing in special steels and copper alloys.

In 1997, we focused on special steels and copper alloys, the primary materials for tools, molds, and machine parts, and have continued with this product group ever since.

In 1999, Doerrenberg, a tool steel company founded in Germany with nearly 200 years of history, became a partner by acquiring shares in Sağlam Metal. Our partner, Dörrenberg Edelstahl, a well-established tool steel manufacturer in Germany, is also one of the world's leading stockholders in these steels.

In 2005, we began producing the copper alloys we previously imported at our Çayırova Facility.

In 2015, we led the industry by launching the sale of cut-to-size tool steels via the internet.

In 2016, we filled the gap in the domestic market by opening our second production facility in Balıkesir and significantly increased our export capacity for bronze and copper alloys.

In 2017, we earned the status of the 649th R&D center in our country.

In 2021, we added 5,000 m² of enclosed space to our Balıkesir Facility.

In 2022, we opened our Heat Treatment and Machining Facility in the 6,500 m² enclosed space we added to our Çayırova Facility.

At this point, we continue to benefit our country as a company with over 300 employees and all the necessary quality assurance capabilities.



1.2- Purpose, Vision, Mission, Values

Our Vision

To achieve sustainable growth in specialty copper alloys and steel production/sales services.

Our Mission

To be a company that produces copper alloys and steels specific to the needs of our customers and offers quality products and services in the sector.

Our values:

Humanitarian Approach

We prioritize people and human values and cooperate with our employees, suppliers, partners and customers. We believe that human development strengthens our organization, we listen to everyone and find common solutions.

Trustworthiness and Honesty

We treat everyone honestly and transparently and expect the same honesty and transparency. We fulfill our promises on time and remain true to the principle of reliability.

Effective Communication

We communicate openly and open the necessary channels to accurately understand customer demands. We establish a healthy dialog with everyone by using modern communication techniques effectively.

Willingness to Move

We constantly look for the better, strive to make the right decisions and quickly implement these decisions. We adapt to changing conditions, attach importance to ethical values and learn from our mistakes.

Courage and Diligence

We approach new projects with courage and encourage everyone we cooperate with to innovate. We move forward with courage and diligence by doing the right things with the right people.

Innovation

We take an innovative approach to product and process development. We encourage our employees in innovation and document these efforts. Innovation is always our priority.

2-STRATEGY and CORPORATE GOVERNANCE



2.1-Strategic Overview

Identification of Strategies is carried out by the process owners and presented to the Board of Directors, and published to the entire organization upon approval of the Board of Directors. The Strategy calendar includes the steps to be followed that year and their foreseen duration.

Sağlam Metal bases its strategic outlook on "understanding the ecosystem" and "being aware of its own capabilities".

Understanding the Ecosystem:

Robust Metal recognizes that its own sustainability depends on the sustainability of the ecosystem (in which all actors must act on the principle of interdependence).

Sağlam Metal strives to understand and act in harmony with the ecosystem in which its stakeholders and all actors in the market in which it operates, which is influenced by global trends.

Market Analysis:

Sağlam Metal analyzes the structure and dynamics of the markets in which it operates, as well as other actors in the market area.

Stakeholder Analysis:

Since Sağlam Metal adopts a stakeholder-oriented management model, key stakeholder expectations have an important place in its strategic perspective.



Solid Metal categorizes its stakeholders in this way:

- Customers
- Employees
- Business and Governance Stakeholders
- Society
- Collaborations and Suppliers

Awareness of your own abilities:

Sağlam Metal believes in the importance of understanding the ecosystem as well as being aware of one's own capabilities when creating a strategic outlook.

Core Competencies:

Sağlam Metal has identified its skills that provide it with a competitive advantage and are reflected as customer-specific value as follows:

- Product Expertise
- Sector Information
- Customized Solution

Analyzing Organizational Performance:

Through periodic analyses and annual internal & external audits (identifying positive & negative trends, successful & unsuccessful practices and approaches), Sağlam Metal identifies where it is strong and where it needs improvement.

2.2. Corporate Governance

Sağlam Metal carries out the following activities within the framework of corporate governance principles:

Determination of Board of Directors Working Principles: The principles of the Board of Directors have been determined by the Chairman and members of the Board of Directors and all activities are carried out within the framework of these principles.

Management of Internal Audit Activities:

Robust Metal, the internal audit structure includes the following headings:

- We have a legal advisor for debts and receivables
- We have a second legal advisor for contracts
- We have an independent accountant who reviews our financial statements monthly
- External audits
- Our internal audit system
- Our integrated management system
- Process Risk Analyses

2.3. Business Ethics and Anti-Corruption

Sağlam Metal Ethics Committee was established in order to keep the corporate culture alive within the framework of ethics. It was decided to change the members of the board every two years, prioritizing the principle of volunteerism.

Corporate Values:

Corporate Culture and values workshop was held. Relevant actions were taken to disseminate the values.

Mobbing:

In our company, positive discrimination has been adopted as a motto and encouraged. Mobbing, sexual violence against women, unsafe and disturbing working environments have never been allowed in our company. Safe and healthy working environments have always been provided.

Non-Competition:

The groundwork was prepared for legal sanctions through Non-Competition Agreement, 3rd Party Confidentiality Agreement, Disciplinary Regulation, etc. Employees were informed about the relevant process.

KVKK:

All requirements related to KVKK processes were fulfilled. All data records within the company were harmonized with the requirements of the LPPD.



2.4-Enterprise Risk and Opportunity Management

A system based on the ISO 31000 Enterprise Risk Management standard was established by Sağlam Metal Management to identify risks and opportunities that may arise during the planned works; to improve the desired effects and to prevent or mitigate unwanted effects.

- Potential non-conformities
- Work accidents and their effects
- Environmental accidents and their effects
- Evaluation of near misses
- Assessing the actions necessary to prevent nonconformity from occurring
- Identification and implementation of measures
- Records of the results of the measures taken
- Review of the activities carried out
- Information Security Breach Incidents
- Energy Consumption Values and Energy Review Results

2.5-Stakeholder Relationship Management

The senior management of Sağlam Metal is responsible for the adoption and use of the key stakeholder management approach by Sağlam Metal employees and for ensuring the continuity of the system.

The Quality Management Systems department is responsible for implementing, monitoring and updating the management of key stakeholders approach in line with the requirements.

The relevant department is responsible for the fulfillment of obligations such as identifying key stakeholders, obtaining their expectations, measuring their perceptions, etc. as required by the key stakeholder management approach.

- Customers
- Employees
- Business and Governance Stakeholders
- Society
- Collaborations and Suppliers



2.6-Sustainability Management

2.6.1. Sustainable Growth

Our company, which produces and activates projects for sustainability in many areas, has continued its growth by taking the necessary actions for sustainability in the economic sense.

With the increase in our stocks and our sales capability, we increased our sales by 100% from 2021 to 2022. From the last quarter of 2022 to 2023, we have increased our sales by 50% from 2022 to 2023 despite the economic difficulties we experienced as a country in 2023.

With our increasing sales volume and profitability, we supported our economic sustainability with new investments. In this process, we launched SPP projects on the roofs of our Çayırova and Balıkesir plants. Simultaneously, we continued to invest in small and medium-sized machinery and equipment.



2.6.2 Sustainability Management Structure

At Sağlam Metal, all activities on sustainability are coordinated and carried out by the Sustainability Committee. The Sustainability Committee reports all activities within the scope of its duties to the Board of Directors. Care is taken to ensure that there are Executive level members among the members of the Committee.

Sustainability indicators are disclosed to stakeholders through the Sustainability Report, which is planned to be published every two years, and disseminated to individual targets through the mechanism of goal diffusion, similar to strategic goals within the organization.

Sustainability Committee Members:

Hakan Koçak.....Chairman of the Board of Directors
F.Mehmet Koçak.....Purchasing and Administrative Affairs Manager
Çağatay Özdemir.....Quality Management System Manager
Tolga Danışman.....Energy Projects Manager
Orçun Zığındere.....R&D Manager
Abdullah Kalmak.....IK Manager

Committee Tasks

1. Identify Sağlam Metal's focus areas and material sustainability issues and propose these issues to the management.

2. Coordinate the publication of the Sustainability Report (every 2 years).

3. Identify and monitor sustainability actions.

4. To work towards the realization of sustainability concepts in Sağlam Metal:

- Research and understanding of the ecosystem, including global trends and implications for the UN Sustainable Development Goals.
- Creating awareness among the organization's employees and encouraging them to act with a responsible consciousness towards the environment.
- Organizing experience sharing with other organizations in its ecosystem.
- Organizing joint collaborations with public institutions and NGOs.
- Opening communication channels for key social stakeholders.
- Ensuring the adoption of circular economy principles in the organization.

2.6.3-IMSRAs to be focused on



**Saglam Metal Board of Directors
of all sustainability goals
"A New World Full of Energy"
and decided to focus on objectives related to
"Energy" and "Innovation"**

2.7 Quality Certificates - Awards - Achievements

- ISO 9001 Quality Management System Certificate
- ISO 14001 Environmental Management System Certificate
- ISO 45001 Occupational Health and Safety System Certificate
- ISO 27001 Information Security Management System Certificate
- ISO 50001 Energy Management System Certificate
- ISO 10002 Customer Satisfaction Management System Certificate
- AS 9100 Aerospace and Defense Quality Management System Certificate
- International Renewable Energy Certificate (I-REC)
- Ministry of Industry and Technology Efficiency Project Award (3rd place in the Energy Efficiency category)



3-OPERATIONAL SUSTAINABILITY

3.1 Environmental Management

As Sağlam Metal, our goal in our operational sustainability activities is to prevent environmental pollution through waste management, reduce our emissions in the fight against climate change, and increase our efficiency in environmental responsibility issues such as energy and water management.

Our policy, which includes our commitments to protect natural resources, to use energy effectively and efficiently, to respect people and the environment, to reduce waste and to increase the recycling rate, was approved by our General Manager and certified with the ISO 14001 Environmental Management System Standard.

Our ISO 14001 Environmental Management System is kept effective and up-to-date through periodic internal and external audits. The results of internal and external audit reports are shared with the senior management at the FGD and monitored and evaluated.

In order to minimize emission emissions in energy consumption, all of the electricity we supply from Electricity Distribution Companies is supplied from renewable energy production plants, except for the electricity produced by the SPP and WPP plants in our facility.

3.2-Energy Management

Efficient use of energy, orientation towards renewable energy sources and reducing the energy per ton / product we produce are among the strategic goals of Sağlam Metal. In this context, we have GES power plants with a total installed capacity of 1.7 Mw/hour on the roofs of our Çayirova and Balıkesir facilities, and we pay attention to use renewable energy sources at every point that can be efficient in our facilities and reduce our dependence on foreign energy consumption.

ISO 50001 Energy Management Standard System trainings and system installations were completed in 2021 and our certificate was first published in 2022. Our Energy Audit Report, which was created based on ISO 50001 calculations and the data of 2021, which we realized in parallel, was first published in 2022.

In 2023, we were honored to receive the third-place award in the Energy Efficiency category at the 9th Productivity Project Awards, organized by the Republic of Turkey Ministry of Industry and Technology, Directorate General for Strategic Research and Productivity. Our project, titled "Utilizing the Waste Heat of Forging Plant Annealing Furnaces for Raw Material and Indoor Heating," was selected from among 600 participating companies.



Satellite Image of Çayirova Rooftop Solar Power Plant



Balıkesir Rooftop Solar Power Plant (Rooftop PV System)



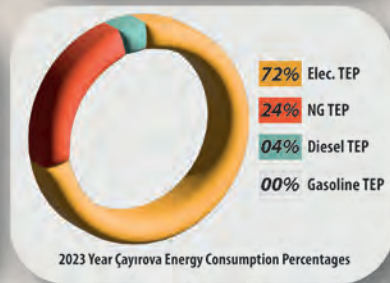
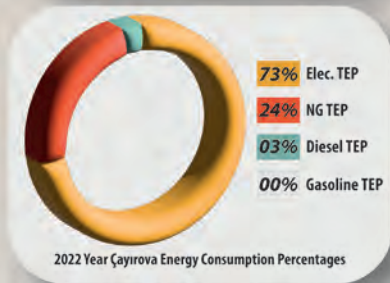
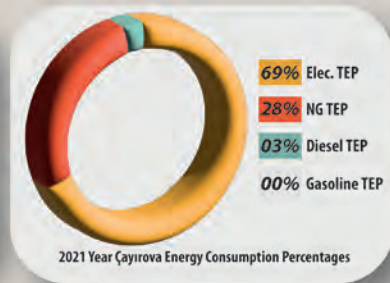
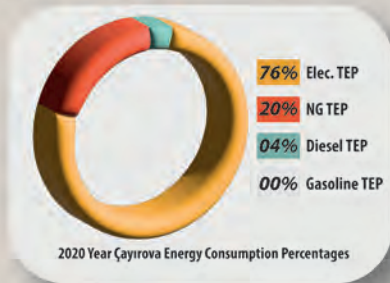
At the 9th Productivity Project Awards, our Chairman, Hakan Koçak, received the third-place award.



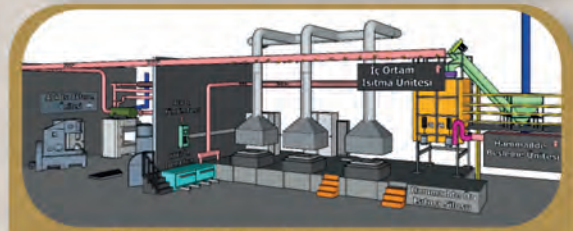
Çayirova Solar Panel and Wind Turbine Energy-Generating Bridge

Since most of the projects we have realized are unique designs for our company, we are rapidly moving towards becoming a company that produces and sells Energy Efficient Technologies by making patent or utility model applications for these projects.

Images of some of our projects for which we have applied for a Patent or Utility Model are on the right.



*TURKPATENT Application number 2024/000689
"Integrated compressor waste heat recovery system supported by solar generated heat and electricity"*



TURKPATENT "Waste heat recovery system" with application number 2023/009263

3.3. Waste Management

The most important part of our Environmental Management System is waste management. The types of waste generated within our company are hazardous waste, packaging waste, laboratory chemical waste and temporary waste. The wastes are accumulated in our storage areas. The accumulated wastes are disposed of through authorized disposal companies.

Our company has received a Zero Waste Certificate by meeting the requirements of the Zero Waste Regulation published by the Ministry of Environment and Urbanization, which aims to protect the environment, human health and resources in waste management.

As Sağlam Metal, in 2023, 15,360,000 kg of waste was sent to licensed companies and reported to the Ministry of Environment and Urbanization through the Integrated Environmental Information System with the activity of "Recycling of classified metal wastes, scraps and other parts, usually by mechanical or chemical change processes".

3.4. Emission Management

Calculation methodology for Greenhouse Gas emissions; calculations were made according to the GHG Protocol, 14064 Standard and studies were initiated for reporting according to GRI 305 -1 and 305 -2.

3.5. Water Management

During our activities, water use in the processes is kept at minimum levels with the improvements made.

In particular, the water required by the cooling systems of the melting furnaces and heat treatment furnaces, which are an important part of our process, is primarily obtained from our rainwater storage tanks, thereby significantly reducing our network-based water consumption.

After the rainwater we store is cooled in these systems, it evaporates and is recycled back into nature.



4-R&D and INNOVATION

4.1-R&D Center

Sağlam Metal R&D Center was approved as Turkey's 649th R&D Center by the Ministry of Industry and Technology in 2017 with the accumulation of R&D activities started in 2011.

With its unique engineering approach, it continues to work on a wide range of projects under the main headings of recycling, digitalization, efficiency improvement, recycling and nationalization.



Internal Unions

We continue to collaborate with national and international universities, research institutes and other industrial partners on sustainable technologies, materials and production techniques. Within the scope of collaborations, an application was made to the EITM Empowering SMEs call within the scope of digitalization project with a SME company from Turkey. An EU funded project application has been made for Marie Skłodowska-Curie Actions - Horizon Msca-Se, in which our company is a stakeholder under the leadership of Bursa Technical University. In the relevant project, 2 universities and 2 private companies from Turkey, as well as universities and private organizations from the UK, Portugal, Norway and Thailand are project partners.

Quality Education

Inclusive, fair education and lifelong learning for all are among our primary goals both as a company and as an R&D Center. In this context, our R&D Center employees participated in 27 different face-to-face or online events in Turkey and abroad in 2023 with 41 people.

As Sağlam Metal R&D Center, we believe in the importance of sharing our work as much as learning. The studies carried out with this understanding were shared with all our sector stakeholders with 12 papers and articles in 2023.

4.2-R&D Center Sustainable Development Goals

In September 2015, the United Nations General Assembly adopted the Sustainable Development Goals (SDGs) as a roadmap for 2030 to eradicate poverty, protect our planet and tackle inequality and injustice. The "2030 Agenda", which is for all nations and leaves no one behind, is based on 17 Sustainable Development Goals that clearly define the world we aspire to.

As Sağlam Metal R&D Center, we fulfill our responsibilities and produce projects. The projects created fall within the scope of subheadings 4-7-9-17.



4.3-Sustainable Products and Solutions

In the efforts to efficiently recycle the chips and scrap resulting from machining processes back into production, the loss in the remelting of precious metals has been reduced by 50%-80%.

Consumables used in different production stages and sent to disposal were recycled, eliminating their impact on the environment and realizing domestic and national production of these imported products. In this context, 1 Tübitak 1832 Industrial Environmental Transformation project application has been made.

New Product Developments and Nationalization Projects:

While creating our R&D Center projects, the development of new alloys and the nationalization of imported alloys constitute one of our most important focal points. Especially with our EYDEP and Ministry of National Defense General Directorate of Military Factories Approved Supplier Certificates, the alloys used in national projects are produced with national facilities and foreign dependency is minimized.

4.4-Green R&D

Green Innovation

With the reduction of the carbon footprint, preparations are being made for the borderline carbon application, which will be included in our sector in the future. It is planned to increase the efficiency and reduce the carbon footprint by mixing the natural gas used in the annealing furnaces within our company with the renewable hydrogen to be produced in our company in a certain ratio.



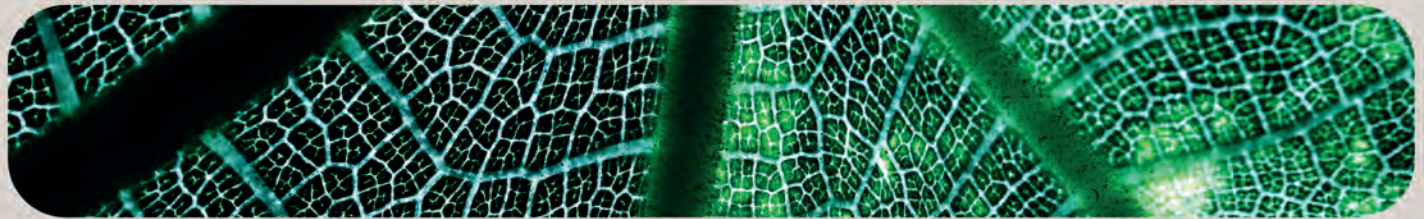
5. Technology and Digitalization

5.1. Environmentally Friendly Technologies

We develop innovative inventions and invest in sustainable technologies in order to use better options as production methods. Thanks to our environmental and energy policy that enables us to use natural resources more effectively, we continue to continuously improve our environmentally friendly practices. We aim to reduce our carbon footprint by reducing our energy consumption by continuously revising our Solar and Wind Energy Production Systems and the machinery and equipment we have for our production processes, especially by targeting the use of renewable energy sources.

At the same time, by designing and developing unique and environmentally friendly technologies with patents and utility models that can use waste energy (heat, steam, etc.) sources and convert these sources into different energy sources (electricity, hydrogen, etc.), we have ensured that these technologies are used as an alternative to natural gas and coal, and have significantly reduced emission emissions.

- Turkish Patent 2024/000689 Application number "Integrated compressor waste heat recovery system supported by solar generated heat and electricity"
- Turkish Patent 2023/009263 Application number "Waste heat recovery system"
- Turkish Patent 2022/016462 application number "Casting ladle working with waste heat"



5.2-Digital Transformation

In addition to keeping the flow of information strong, our main goal in the digitalization process has been to create reportable systems and to place the experiences gained not only in verbal and written form but also in autonomous mechanisms.

In our sector, which requires intensive material circulation and fast supply, we started our digitalization efforts with activities to prevent data loss due to this intensity. While increasing the reliability of the data by supporting these processes with RPA (Robotic Process Automation), we are creating our big data by increasing our data in terms of quantity and quality.

In addition to our own software, we have connected to vehicle routing software, HR portal, B2B portal, banks, cargo companies, various government agencies, marketing software and many other systems with web services, adding the power of these software to our own power, and by collecting our master data inside, significant internal power savings have been achieved.



5.3-Information Security

As Sağlam Metal, our Information Security and KVKK process, which we started in 2017 to protect the value of information for both us and our stakeholders, was secured by being awarded ISO 27001 certification in the same year.

Business processes related to ensuring the security of information systems, which is one of the most important issues of today, and the secure storage of personal data and confidential information are followed according to our policies and standards that we have established in accordance with our ISO 27001 Information Security Management System certificate.

As Sağlam Metal, we aim to ensure the highest level of information security by conducting all our operations meticulously to ensure confidentiality and security while taking steps towards digitalization. We see cyber security efforts as a part of digital transformation.

Information technologies infrastructure needs are managed in a centralized discipline from end-to-end, from data centers to end-user computers. Cyber security does not only cover malicious attacks, but uninterrupted and consistent access to data is an indispensable part of information security.

In this direction, infrastructure works are carried out to eliminate external attacks, prevent leakage of our assets and ensure uninterrupted / easy access to information through projects implemented in different fields.



Within the scope of our Information Security Policy and Infrastructure Works:

- Ensures that risks related to business processes are identified and systematically managed.
- Ensures that information is only accessible by authorized persons.
- Regular vulnerability scanning tests are conducted to detect system vulnerabilities.
- The use of the latest hardware and software versions in infrastructure works has provided important steps towards protection against new generation attacks. In this context, our software (MSSQL, MS Windows Server, Windows, MS Office, Firmware, etc.) and network hardware (Switch, Firewall, Access Point, etc.) were replaced with the latest versions.
- In order to keep the average Up-Time rate of our critical infrastructure and systems (FW, DC, ERP, SW, WLC, etc.) above 99% with business impact analysis, our systems are designed in a cluster structure to run HA.
- In order to prevent malware from infecting systems, more modern antivirus software with EDR features has been used instead of classical architecture antivirus software.
- The use of secure printout (CARD or PIN to Print) method has been introduced to ensure that printer printouts reach the job owner securely.
- With different (SSID) broadcasts in wireless network access, employees, consultants, guests and mobile devices are separated from each other.
- By using VPN (SSL VPN) for remote access to the corporate network, risks are kept to a minimum.



5-WORK LIFE

As Sağlam Metal, we do not discriminate on the basis of religion, language, race, ethnic origin, gender and sexual orientation in all human resources processes from recruitment to wage management, and we adopt a zero-tolerance policy for discrimination in all business processes.

Sağlam Metal's human resources practices include increasing employee loyalty, supporting employee development, and providing equal career opportunities for all.

We believe that we can realize our strategic goals with the contribution of our employees. We continue to grow with a human resource consisting of employees who produce and share through strategic human resources management, who are open to development, creative, responsible, prone to teamwork, compatible with the corporate culture and who attach importance to ethical values.



Central Campus -Çayırova



Balıkesir Factory

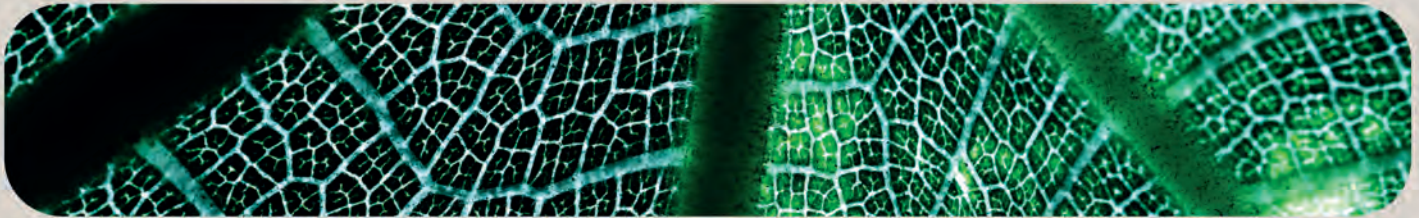
6.1-Occupational Health and Safety

Sağlam Metal A. . Always prioritizes Internal Health and Safety issues and considers them as a natural part of production and service activities. Necessary trainings are provided to ensure that OHS practices are adopted by employees and that the first intervention against possible accidents can be done correctly. All trainings are provided on a departmental basis, according to the departments' own risks. Not only process risks, but also ergonomic and psychological risks are taken as a basis for training and studies.

In line with the development of Occupational Health and Safety practices, activities are designed and continuously improved according to the ISO 45001 Internal Health and Safety Management System. Targets, Risk and Opportunity Analyses, Trainings, Internal Audits, Corrective Action and Accident - Near-Miss Reports initiated in response to possible incidents are regularly shared with senior management. The Chairman of the Board of Directors and all senior executives participate in Management Review meetings to inform and evaluate the activities.

6.2-Employee Development & Sağlam Metal Academy

Sağlam Academy combines vocational and behavioral trainings and prepares trainings that will contribute to employees and young people who have just stepped into business life to be competent in their fields, equipped with information and technology, creative and dynamic, and supports the development of professional and personal competencies of employees. Our newly recruited employees are included in the training plan prepared by Sağlam Academy for at least 3 months. In 2023, we provided a total of 5,230 hours of training to 331 employees, and the average annual training hours per employee was 15.80.



6.3 Employee Engagement

Employee Satisfaction Surveys and High Employee Satisfaction

With the employee satisfaction surveys conducted every year, the voices of employees were listened to and necessary actions were planned to meet their demands.

A Fun and Friendly Working Environment

As Sağlam Metal, we have created a family environment where we come together regularly with the organizations we organize within the company and share much more than business goals.

We Support Our Workers

In order to increase the living standards of our employees and to be with them on their special days, we support our employees with Shopping Vouchers, Marriage Allowance, Birth Allowance, Funeral Allowance, Diaper Allowance, and Education Allowance.

Effective Career Planning

With the Career Backup and Individual Performance Management Systems we offer to our employees, all necessary operations were carried out for an accurate and effective career planning. We proceeded with the belief that the correct evaluation of talents, realistic career planning and the correct development of competencies will benefit both our employees and our company.

Support for Personal Development

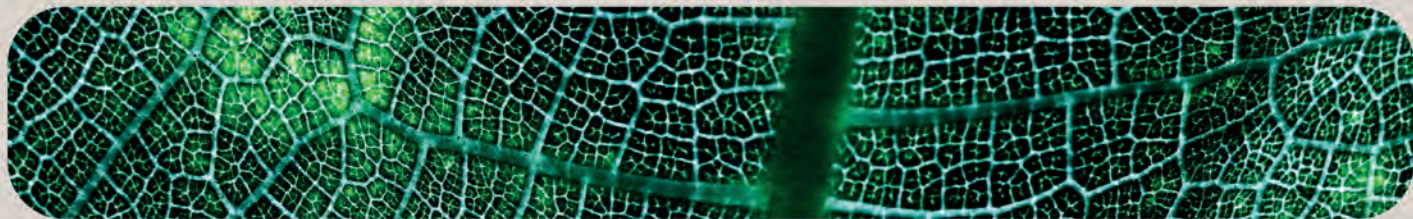
Our employees were encouraged to continue their education and their success in this field was rewarded. At the same time, our employees were offered the opportunity to rotate in different departments within the company and their development was supported.

Equality of Opportunity

The necessary environments and practices have been prepared and implemented to ensure that all employees are evaluated at equal standards and their achievements are rewarded to the same extent, without discriminating between men and women, young and old.

Clear Job Descriptions

Thanks to the Human Resources Management System we created, we were able to determine the main areas of responsibility of our employees by creating clear job descriptions.



6.4-Diversity Inclusion

A corporate climate consisting of employees who treat each other equally without discrimination based on religion, language, race, gender, philosophical view, political opinion, economic status and private life was observed.

Expected Behaviors:

- Communicate without favoritism or prejudice.
- Seeing our differences as opportunities for development.
- Treating equal work equally without discrimination.

We Support the Participation of our Workers!

- Our employees are included in management and decision-making processes. The opinions of employees are obtained through Occupational Health and Safety committee meetings, suggestion systems and surveys and evaluated in process improvement studies.
- Employees' behaviors and efforts that contribute to the success of the company are rewarded within the scope of the Appreciation and Rewarding System.
- Through the Suggestion System, Sağlam Metal employees will be able to make a total of 86 suggestions were submitted, 25 of which were implemented and the suggestion owners were rewarded.



Supporting Learning!

- As Sağlam Metal, we support the vocational training of students within the scope of school-industry cooperation with 8 Universities, including Kocaeli, Gebze Technical, Gazi, Uşak, Karabük, Yıldız Technical, Bursa Technical and Sakarya University of Applied Sciences, and 9 Vocational High Schools in order to improve students' personal development and skills for business life.
- In 2022, we provided internship opportunities for 12 high school and 21 university students, and in 2023, we provided internship opportunities for 25 high school and 28 university students. We continue to provide internship opportunities for 12 months of the year.
- In 2023, we provided scholarships to 45 students in order to support successful and disadvantaged students to continue their education. We aim to reach more students by increasing our support for education every year.

7-SOCIAL DEVELOPMENT

7.1-Social Responsibility, Culture and Art Activities

On September 15, 2022, Sağlam Metal Culture and Art Department started its activities with the aim of protecting our historical, cultural and artistic values, carrying them to the present and transferring them to the future.

Our Activities

- The restoration and conservation of the early 20th century French Schieider mountain cannon in Çifteler District of Eskişehir province was carried out by us.
- Our exhibition titled "The Industrialization Story of the Republic with Photographs", prepared to mark the 100th anniversary of the founding of the Republic of Turkey, was opened in Kocaeli, Eskişehir, Karabük, Ankara, Gaziantep Chambers of Industry, Turkish Exporters Assembly (TİM), Başkent Organized Industrial Zone, Kocaeli University, Haliç University, Yeditepe University, Doğu University and Yeditepe University.
- Our book on "Factories of the Republic" prepared on the occasion of the 100th anniversary of the founding of the Republic of Turkey was published.
- The Short Film Award at the 2nd Kocaeli Film Festival, organized under the coordination of the Ministry of Culture and Tourism, was presented by Sağlam Metal.
- Sağlam Metal Industry and Trade Inc. participated as a stakeholder in the "Cultural Heritage Preservation and Research Symposium" and the "Contemporary Museology Symposium" organized by the Ministry of Culture and Tourism. Additionally, two papers were presented at these symposia.



Restored Mountain Cannon on Display at the Fairgrounds



"The Industrialization Story of the Republic with Photographs Exhibition" in Izmir



"The Industrialization Story of the Republic with Photographs Exhibition" in Denizli

Our exhibition titled "Vocational High Schools of the Republic," prepared in collaboration with the Turkish Grand National Assembly (TBMM) and Sağlam Metal San. ve Tic. A.Ş., was opened at the "TBMM War of Independence Museum."



Under the protocol signed between Vakıfbank Culture Publications and Sağlam Metal, the publication process and exhibition preparation of the book "The History of the Cannon" written by İbrahim Hakkı Konyalı, which is unique in Turkey, is being carried out by Vakıfbank. The exhibition and book promotion will take place in 2024 at the Istanbul Finance Center.



Necessary permits have been granted by the Ministry of Culture and Tourism for the establishment of the "Industry and Technology History Museum" under Sağlam Metal San. ve Tic. A.Ş.

Sağlam Metal San. ve Tic. A.Ş. participated as a stakeholder in the "International Lost Cultural Heritage Symposium" organized in the Turkish Republic of Northern Cyprus (TRNC) under the coordination of the Ministry of Culture and Tourism.



- Kocaeli University and Sağlam Metal San. ve Tic. A. signed an "Industry-University cooperation protocol".
- Istanbul Technical University and Sağlam Metal San. ve Tic. A. "Industry-University cooperation protocol" was signed between Istanbul Technical University and Sağlam Metal San. ve Tic.
- A cooperation protocol was signed with the Ministry of Culture and Tourism Gallipoli Historical Site Presidency for the re-casting and exhibition of the historical Dardanel Cannon.
- Sağlam Metal San. ve Tic. A. took part as a stakeholder.
- Our book on "Vocational High Schools of the Republic" prepared on the occasion of the 100th anniversary of the founding of the Republic of Turkey was published.



7.2-Human Rights

As Sağlam Metal, we have prepared and implemented an appropriate environment to act in compliance with the Universal Declaration of Human Rights and all laws and regulations in all countries where we operate, and to observe all the rights of our employees by adopting international declarations, principles, conventions and conventions to which our country is a party.

7.3-Employment

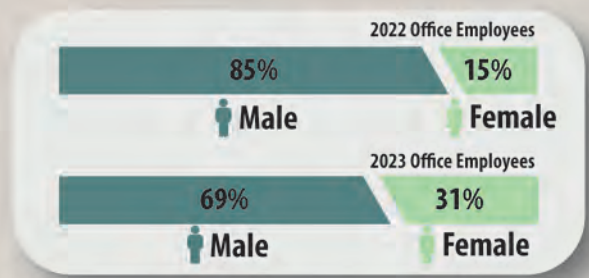
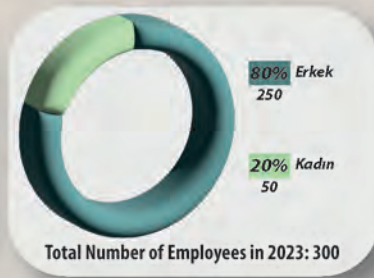
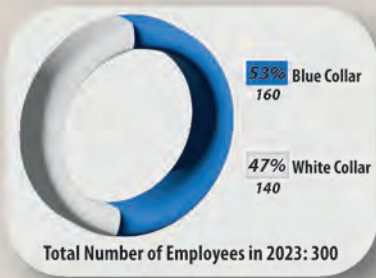
Despite the socio-economic conditions, a family structure has been created that protects its employees and continues to grow in numbers no matter what.

Growth

As Sağlam Metal, we continue to grow successfully. As of the end of 2023, our number of personnel has reached 300.

Demographic Structure

By the end of 2023, the office female employee recruitment rate was increased from 15 percent to 31 percent, and the total female employee ratio from 13.4 percent to 20.3 percent.



8. PERFORMANCE INDICATORS

PROCESS

INDICATORS

8.1-Management Responsibility Performance Indicators

Management Responsibility Process

The Timely Implementation Rate of Management Review Meeting Decisions

8.2-Performance Indicators for Measurement, Analysis and Evaluation

Measurement, Analysis and Evaluation Process

Compliance with the Internal Audit Plan

Customer Satisfaction

Customer Return Rate

8.3-Environmental Performance Indicators

Environmental Management

Number of Environmental Incidents

Environmental Consultant Firm Visit Rate

Waste Disposal Rate

Environmental Training Completion Rate

Number of Environmental Drills

PROCESS | **INDICATORS**

<p>8.4 OHS Performance Indicators</p>	<p>OHS Management (Occupational Health and Safety Management)</p>	<p>Number of Work Accidents</p> <p>Number of Near-Miss Reports</p> <p>Number of OHS Drills</p>	<p>Occupational Health and Safety (OHS) Training Completion Rate</p>
<p>8.5 Project Management Performance Indicators</p>	<p>Project Management Process</p>	<p>First-Time Sample Approval Percentage</p> <p>Project Work Escort Package (Defense and Aerospace)</p> <p>On-Time Delivery of the First Article Inspection (FAI) (Defense and Aerospace)</p>	
<p>8.6 Operational Performance Indicators</p>	<p>Manufacturing Management Process</p>	<p>Productivity</p> <p>Near-Miss Rate</p> <p>On-Time Delivery Performance</p>	<p>Internal Defects (Scrap Rate)</p>

PROCESS

INDICATORS

8.7-Supply Chain Management Performance Indicators

Purchasing Process

Supplier Audit

Average Supplier Performance

8.8-Employee Management Performance Indicators

Human Resources Process

Average Company Competence

Compliance with the Training Plan

Employee Satisfaction

Employee Turnover Rate

8.9-R&D Innovation Management Performance Indicators

R&D (Research and Development)

R&D Projects

Number of R&D Projects (Externally Funded)

R&D Committee Meeting Effectiveness

R&D Scientific Publications

Number of R&D Projects (Equity-Funded)

R&D Trainings

SAGLAM METAL

STEEL

COPPER

BRONZE

HARDENING

RECYCLING

LOGISTICS



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