

# BORUSAN GROUP **SUSTAINABILITY POLICY**



## PURPOSE

The Borusan Group ("Group") Sustainability Policy ("Policy") demonstrates the Group's comprehensive commitment to sustainability and establishes an Environmental, Social, and Governance ("ESG") framework to ensure consistency and alignment across all business units and operations.

This principal policy articulates Borusan's sustainability vision and strategic approach, addressing both direct operational impacts and wider indirect impacts arising throughout the value chain. Where necessary, the Policy is supported by topic-specific policies, standards, and operational guidelines to ensure effective integration of sustainability principles into business processes.

The Group considers full compliance with applicable legal and regulatory ESG requirements in all operating regions as a minimum obligation. Beyond compliance, Borusan commits to adopting internationally recognized sustainability standards and principles such as environmental responsibility, climate change mitigation and adaptation, protection and promotion of human and labor rights, and prevention of corruption and unethical business practices, while continuously improving its practices.

Through this Policy, the Group aims to create sustainable value for all stakeholders by integrating ESG factors into decision-making processes, risk management frameworks, and long-term strategic planning.

## SCOPE

This Policy applies to Borusan Holding and all Group Companies. It serves as a high-level framework defining minimum standards, expectations, and compliance requirements binding for all Group Companies.

Each Group Company is responsible for developing and maintaining its internal governance structures, policies, and operational practices to ensure compliance with this Policy. Moreover, all Group Companies and affiliates must comply with local laws, regulations, and industry standards applicable in their jurisdictions, while also embracing Borusan's Group wide core principles and targets within the sustainability vision. This Policy has been prepared and enacted in accordance with applicable legislation and sectoral standards. While Borusan will make every effort to update the Policy in line with changes in relevant regulations (including local laws in the countries of operation), in cases of conflict, the provisions of the applicable legislation shall prevail.

When implementing the Policy, Group Companies may adopt additional policies, procedures, or operational principles aligned with this Policy, taking into account their own Board of Directors' decisions, relevant legislation, industry, and specific conditions. In such cases, Borusan Holding's Sustainability Board shall be informed of the additional documents developed. This ensures consistent, transparent, accountable, and integrated ESG performance across all operations.



# RESPONSIBILITY AND IMPLEMENTATION

This Policy applies to all employees across the Group. The respective Boards of Directors (BoD) and senior executives (Company General Managers and Company CEOs) of each Group Company are responsible for the effective implementation, oversight, and enforcement of this Policy within their organizations.

Relevant executives are required to integrate the principles outlined in the Policy into business strategies, operational processes, investment decisions, and corporate culture, thereby ensuring ESG factors are embedded in decision-making at all levels and daily operations.

Responsibilities of the structured committees and executives managing sustainability at the corporate level are outlined under the Borusan Group Sustainability Governance Structure and detailed in Section 8. **Sustainability Oversight and Governance Framework**.



# SUSTAINABILITY APPROACH AND COMMITMENTS

The Group's sustainability approach is based on three core value areas; Climate, People, and Innovation (i<sup>3</sup>), together with cross-cutting Governance practices. Strategic alignment, risk assessment, and progress are systematically evaluated throughout the strategy development process conducted in close collaboration between Holding and Group Companies.

The Group defines annual short-, medium-, and long-term targets, establishes performance indicators for these targets, and formulates a Group sustainability roadmap. Targets are proposed by Group Company Sustainability Leaders and the Holding Sustainability Department, guided by Borusan Holding, and are jointly adopted by the Group Company General Managers and the Group People, Communication and Sustainability President. These become company-specific sustainability targets and are cascaded internally. Performance indicators include Group-wide common metrics as well as company-specific indicators tailored to unique priorities.

Each year during the target-setting cycle, these targets are reviewed, updated in agreement with Group Companies, and formalized in annual target cards. Company sustainability targets are included in the performance scorecards of the respective General Managers.

Each Group Company progresses based on its own sustainability targets, performance indicators, and materiality analyses, while the Holding monitors the overall performance of the Group through consolidated high-level indicators. These indicators align with the Group's short-, medium-, and long-term sustainability commitments, ensuring consistency and alignment across all Group Companies.

Holding plays a supportive role by providing tools, methodologies, best practices, and governance mechanisms to help Group Companies advance their sustainability agendas. Through this integrated support system, Holding aims to create holistic, long-term value in line with the i<sup>3</sup> strategic framework, and to support the transition towards a safer, more sustainable, and inclusive global society.

All Borusan Group operations are aligned with the United Nations 2030 Sustainable Development Goals (SDGs). To reinforce this commitment, the Holding adheres to globally recognized sustainability standards and frameworks such as the UN Global Compact and the UN Women's Empowerment Principles (WEPs), providing strategic guidance and operational support to all Group Companies.





# Climate

The Group assesses, monitors, and addresses climate-related risks and opportunities in alignment with the corporate risk management framework, thereby strengthening climate resilience. Strategic plans are developed with a view to adapting to the impacts of climate change and leveraging climate-related opportunities.

Greenhouse gas emissions are calculated regularly in accordance with ISO 14064 and the Corporate Greenhouse Gas Protocol (GHG Protocol), and reduction actions are guided by science-based targets. Regulatory reporting and notification obligations regarding greenhouse gas emissions are fulfilled. In calculating the Group's consolidated greenhouse gas emissions, the Borusan Group Greenhouse Gas Emissions Management Implementation Basis, which is fully aligned with the Corporate GHG Protocol, is followed.

To achieve local and global net-zero targets, the Group has developed the Borusan Group Decarbonization Roadmap to transition operations to a low-carbon structure. In line with the roadmap, energy efficiency projects are implemented at Group Companies, innovative and best available technologies are researched, developed, and integrated into existing processes, and all stakeholders collaborate to reduce direct and indirect emissions. Increasing the use of renewable energy across all plants and facilities is also targeted.

The Group adopts sustainable resource management principles, optimizing waste management in line with circular economy principles to promote the efficient use of natural resources and the expanded use of recycled and sustainable materials in processes.

To reduce water withdrawal and consumption, advanced technologies, such as wastewater treatment and rainwater harvesting systems, are utilized, thereby enhancing resource efficiency.

Recognizing the importance of ecosystem conservation, the Group initiates biodiversity projects—such as flora and fauna surveys, species protection, and regeneration initiatives—and allocates investment to comprehensive environmental improvement programs.



# People

The Group assesses, monitors, addresses risks and opportunities related to human rights, occupational health and safety, diversity, equity and inclusion, community impact, and other social topics and takes necessary precautions in alignment with the corporate risk management framework.

Respect for human rights is a fundamental principle embedded across all Group operations. The Group commits to upholding national legislation in its regions of operation and internationally recognized standards including the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the ILO Core Conventions.

The Group undertakes initiatives to promote gender equality; prevent harassment and discrimination; eliminate forced and child labor; support freedom of association and collective bargaining; and protect the rights of vulnerable groups such as persons with disabilities. Diversity, Equity, and Inclusion (DEI) principles are systematically integrated into all policies and operational practices to cultivate a culture grounded in respect, dignity, and equal opportunity.

Through continuous monitoring, human rights due diligence, stakeholder engagement, and capacity-building activities, the Group strengthens its commitment to responsible and ethical business practices throughout the value chain.

Within the organization and across the supply chain, the Group maintains a zero-tolerance policy against any form of discrimination. The protection of human rights, the enhancement of employee well-being, and the provision of occupational health and safety (OHS) are core priorities. DEI principles are deeply embedded in the corporate culture and guide all practices, including recruitment, performance evaluation, remuneration, career management, training, professional development, and internal communications. The Group strives to create a work environment where differences are accepted, respected, and valued, and where every employee feels safe, empowered, and encouraged to express their authentic identity.

Borusan Group demonstrates a strong institutional stance against unethical behavior and regards the right of employees to a safe, fair, and respectful working environment as a priority. To this end, a transparent and secure reporting system has been established to enable reporting of ethical violations, human rights infringements, discrimination, and misconduct. The Group's ethics hotline mechanism, "Turuncu Etik" (Orange Ethics), allows employees and all stakeholders to report suspected violations while keeping their identities confidential. Reports are received via an independent line, evaluated under the principles of confidentiality and impartiality, and resolution processes are conducted with the involvement of relevant teams where necessary.

**EQUAL BORUSAN**



Turuncu Etik is not merely a complaint mechanism; it is also a strategic building block aimed at enhancing ethical awareness within the Group and fostering an inclusive and fair working environment. The Group regards this mechanism as an integral component of its sustainability governance structure and strengthens it through periodic reviews.

Occupational Health and Safety (OHS) is one of the Group's top priorities. The Group aims for zero accidents, safeguarding the physical and mental health of employees by creating safe and healthy working environments and by adopting international best practices to ensure the highest OHS standards. Through proactive risk management, all necessary preventive measures are implemented to avert workplace accidents and occupational diseases. The Group also offers comprehensive health and well-being programs that protect holistic employee welfare. Targeted training increases awareness, reinforces individual responsibility, and embeds a safety-first culture in day-to-day operations as part of a continuous improvement mindset.

The Group is committed to developing a dynamic, inclusive, and future-ready learning ecosystem. It invests in the continuous professional development of its employees through structured and comprehensive training programs and continuously improves its talent management systems. By providing digital learning platforms, mentoring programs, and leadership development initiatives, the Group maximizes the potential of its talent and offers specialized training in areas such as sustainability, technical skills, and innovation.

The Group builds strong collaborations with local communities, invests in projects that support social development, and aims to deliver long-term benefits to society. Through projects in areas such as education, employment, environment, culture and arts, and social inclusion, the Group seeks to enhance individual and community well-being. Under its impact-oriented social responsibility approach, it establishes strong partnerships with NGOs, academia, and public institutions to implement projects focused on social inclusion. The impact of social projects is measured systematically with tangible metrics, and efforts are made to promote equal opportunities in society.

By leading in entrepreneurship and youth employment, the Group helps bridge the talent gap and actively contributes to the integration of the next generation of talent into the business world, thereby supporting long-term sustainable growth.



# Innovation

The Group positions innovation, entrepreneurship, and research and development (R&D) as key drivers of sustainable growth. By focusing strategically on reducing operational risks, using resources efficiently and effectively, and integrating advanced technologies into business processes, the Group aims to future-proof operations and accelerate value creation across all sectors in which it operates.

Recognizing the critical role of collaboration in sustainable development, the Group establishes partnerships with stakeholders such as academia, startups, sector leaders, research institutions, and NGOs to amplify environmental and social impact.

By systematically directing resources toward projects that enhance operational resilience, promote resource circularity, prioritize decarbonized business models, and improve overall process efficiency, the Group aligns its activities with global sustainability objectives.

Through Corporate Venture Capital (CVC) investments, the Group takes a proactive role in supporting next-generation technology startups by focusing on high-impact fields such as clean technologies, digitalization, smart manufacturing, and the energy transition. By nurturing entrepreneurship initiatives and innovation ecosystems, the Group not only accelerates the commercialization of innovative solutions but also catalyzes broader sectoral transformation.

In addition, the Group systematically identifies and addresses critical industrial challenges by developing scalable, high value-added solutions that contribute to the growth of the entrepreneurship ecosystem. These initiatives strengthen the Group's leadership position, expand the value delivered to customers and the value chain, and help secure the long-term sustainability of business operations in a rapidly changing global market.



# RESPONSIBLE BUSINESS ETHICS AND SUSTAINABILITY MANAGEMENT

Borusan Group applies responsible business principles holistically across governance, investment, ethics, transparency, and supply chain management. Compliance with national and international regulations is ensured through active and systematic audit processes. In this context, in addition to internal audits conducted by the Borusan Holding Audit Directorate, external audits by independent third parties are also performed. A zero-tolerance policy is applied against bribery, corruption, and ethical violations. All employees and representatives must comply with the Orange Guide, the Borusan Group Principles of Conduct and Code of Ethics. Employees receive regular training on relevant legislation and ethics and compliance standards. Reports of misconduct are investigated meticulously, and disciplinary measures are applied where necessary. Ethical standards are reviewed and updated regularly in line with legislative changes, global developments, and best practices. Notifications to the Turuncu Etik (Orange Ethics) Hotline are evaluated by the Fraud Examination and Prevention Team, and all notifications are submitted to the Ethics and Compliance Board. As part of annual audits, risks related to fraud, misconduct, and discrimination are examined, ensuring a proactive approach to ethical risk management across the Group.

With increasing digitalization, the Group integrates information systems security, cyber risks, and IT operational resilience into the sustainability risk management framework. In this context, potential security gaps in information systems infrastructure, data leaks, system interruptions, and risks arising from technology dependence are evaluated as factors that may affect sustainability performance. The Group operates its Information Security Policy and IT Risk Management processes in alignment with the sustainability governance structure to monitor, mitigate, and govern these risks.

The Group supports ESG-aligned investments focused on long-term value creation. ESG impact and risk assessments are conducted for all investment types. The Group avoids investing in sectors and activities that do not meet ESG criteria and, except for defined exceptions, restricts procurement and commercial activities with such sectors and activities.

The Group encourages projects that reduce environmental and social impacts through sustainable finance instruments and ensures compliance with international standards and certification requirements for access to sustainability-linked finance. In line with the Orange Guide and the Sustainable Procurement Policy, the Group collaborates with suppliers to establish sustainable production and service processes and to promote ethical practices, fair working conditions, and respect for human rights throughout the value chain.



The Group recognizes the strategic importance of the supply chain in achieving sustainability targets. Suppliers are expected to comply with environmental, social, and governance principles under the Borusan Sustainable Procurement Policy, to act in line with ethical principles, and to operate in compliance with national and international standards. Supplier sustainability assessment and monitoring processes are implemented. Through the Sustainable Supply Chain Platform, suppliers monitor their own performance while the Group conducts tracking in line with internal targets and metrics. Within this long-term collaboration approach, supply chain targets are defined for Group Companies under company sustainability targets; joint development processes are carried out with suppliers; and supplier performance is supported through capacity-building and awareness-raising initiatives and, where appropriate, target-based incentive and reward mechanisms. The objective is to secure sustainable transformation across the value chain and to build a more resilient supply structure from environmental and social perspectives.

The Group ensures the open, accurate, and timely disclosure of financial and non-financial sustainability information in accordance with international standards. Ethics management, supply chain performance, and environmental and social impacts are regularly communicated to stakeholders. Sustainability-related financial and non-financial information shared with stakeholders is assured by independent parties.





# SUSTAINABILITY OVERSIGHT AND GOVERNANCE FRAMEWORK

Sustainability is a strategic priority addressed under the direct ownership of the Borusan Holding Board of Directors. To ensure that sustainability efforts are carried out regularly and effectively, the Group reviews ongoing work through the committees and groups within its governance structure and monitors progress against targets. In this context, responsibilities for the management of sustainability at Borusan Holding are defined as follows:

**Borusan Holding Board of Directors:** Provides ultimate oversight and strategic direction for sustainability and ensures alignment with the Group's business model and growth objectives. The Board regularly monitors environmental, social, and governance risks and opportunities, including climate-related risks and opportunities. It is ultimately responsible for allocating the resources required to achieve sustainability targets. It oversees the development and implementation of policies aimed at fostering innovation and sustainable business opportunities and at creating long-term value. Sustainability topics are regularly reviewed at Board level.

**Group CEO:** Under the oversight of the Borusan Holding Board of Directors, the Group CEO is responsible for allocating, overseeing, and directing the resources necessary for the Holding and Group Companies to act in alignment with the strategy and to achieve sustainability targets. The Group CEO also chairs the Group Sustainability Board. The Sustainability Board reports to the Borusan Holding Board of Directors at least twice a year on sustainability activities and performance.

**Group Company General Managers / Group Company Chief Executive Officers:** Responsible for the effective implementation of the sustainability policy within their companies, for integrating it into strategy and operations, and for providing the direction necessary to achieve sustainability targets. Their core responsibilities include monitoring performance, ensuring alignment with targets, and contributing to Group-level governance processes.

**Group People, Communication and Sustainability President:** Reports directly to the Group CEO. Responsible for the implementation of strategies and policies that manage the environmental and social impacts of Group activities. Approves Group sustainability targets, monitors progress, and ensures the governance and coordination necessary to achieve those targets. Leads the Thematic Working Groups within the sustainability governance structure. Monitors Group sustainability indicators based on reports from working groups and Group Companies, tracks developments, provides the necessary guidance, and coordinates consolidated reporting on an annual basis. Oversees the management of Holding-level initiatives and advances communications and organizational development activities with a sustainability perspective.



**Borusan Holding Sustainability Department:** Reporting to the Group People, Communication and Sustainability President, it ensures the effective execution of Group sustainability practices across the governance structure. It works in collaboration with the Thematic Working Groups and Company Sustainability Leaders. It monitors progress towards Sustainability Targets through thematic working group reports and Group Company reports, provides guidance to theme leaders and company sustainability leaders, supports implementation processes, and issues directives. It coordinates and provides the secretariat for the Group Sustainability Board.

**Group Sustainability Board:** Chaired by the Group CEO, the Group Sustainability Board comprises the Holding Executive Management, Group Company General Managers, sustainability leaders of the Holding and Group Companies, and the leaders of the thematic working groups, and convenes regularly at least twice a year. The Sustainability Board regularly evaluates sustainability-related risks and opportunities—including climate-related risks and opportunities—monitors developments in sustainability, makes strategic decisions, and seeks external expert opinion when needed. It addresses emerging sustainability and process trends and regulatory changes in the sectors of operation. Adopting a holistic approach, it monitors the Group's progress on sustainability targets through key performance indicators defined at Group level across climate, people, innovation, and governance, provides insight into performance, and supports the development of sustainability practices Group-wide.

**Group Thematic Working Groups:** Comprising relevant theme leaders and subject matter experts, these groups steer the Group's i3 approach and monitor and support its implementation at Group Companies. They lead the process of defining short-, medium-, and long-term targets for their themes. Each group addresses specific sustainability topics, facilitates learning, encourages knowledge sharing, and develops cross-company projects.

The annual meeting calendar and work plans of the Working Groups are set at the beginning of the year by the relevant theme leader in coordination with the Borusan Holding Sustainability Department and are approved by the Group People, Communication and Sustainability President. Each Thematic Working Group is responsible for tracking and reporting progress against Group sustainability targets within its theme. Theme leaders submit progress reports twice a year (semi-annually and annually) to the Group People, Communication and Sustainability President. These reports include outcomes against sustainability targets in the relevant theme and the activities of the working group.

Seven working groups report to the Group Sustainability Board:

- EU Green Deal & Decarbonization
- Circular Economy
- Talent Management
- Diversity, Equity & Inclusion
- Occupational Health & Safety
- Innovation
- Sustainable Finance

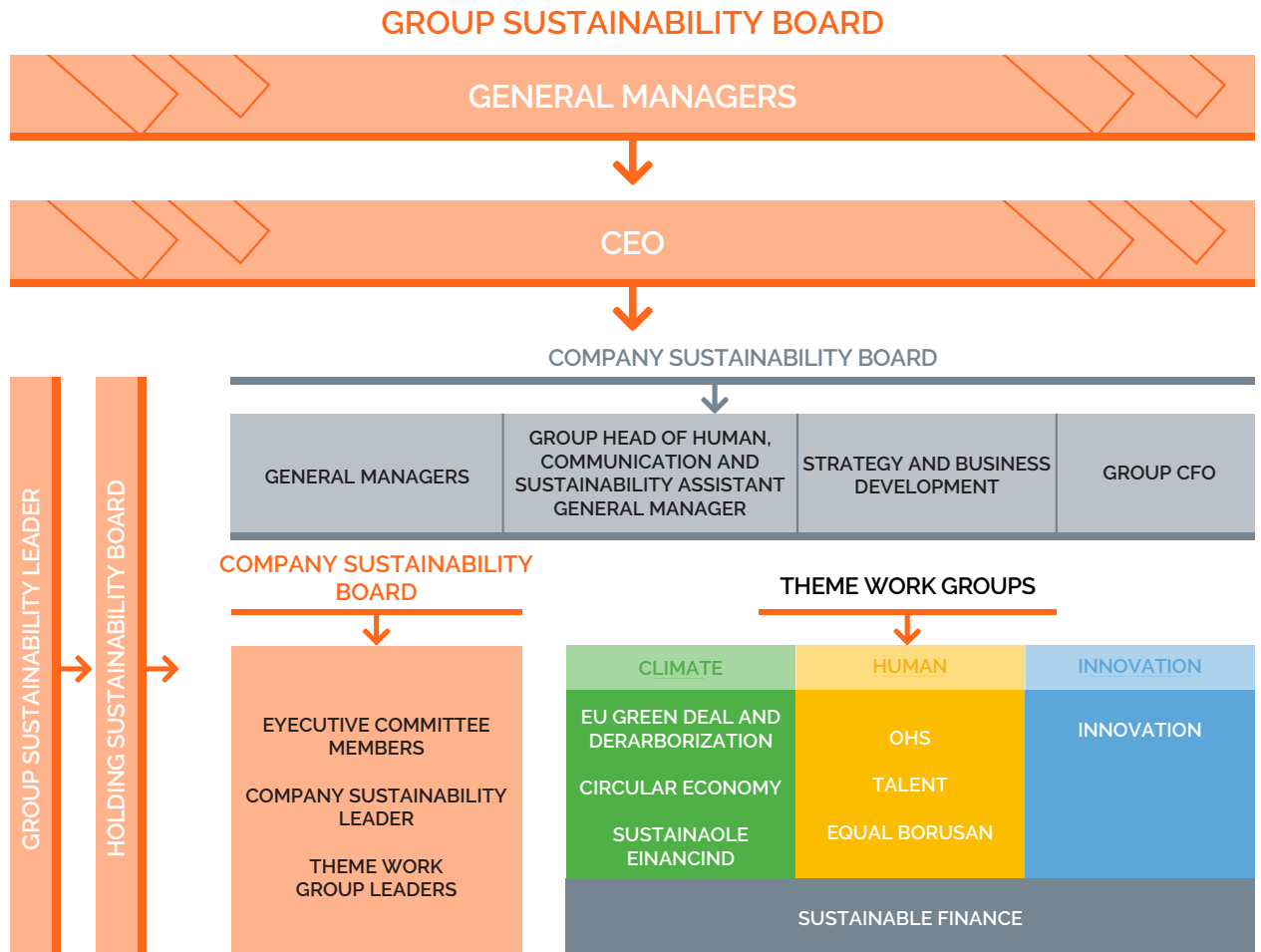




**Group Company Sustainability Leaders:** Responsible for day-to-day coordination of sustainability efforts within the Group Company, for monitoring relevant indicators, and for periodic reporting to the Holding Sustainability Department. They also collaborate with thematic working groups, share best practices, and carry out internal awareness activities. In the process of identifying sustainability-related risks and opportunities—including climate-related risks and opportunities—they work in collaboration with relevant business units (e.g., corporate risk management, internal control, finance, environment, human resources) and risk-responsible structures. They play a supportive role in technical steps such as preparing scenario analyses and impact-likelihood assessments and provide methodological input where necessary. However, processes such as risk assessment, definition of control points, determination of mitigation actions, and monitoring of controls are the responsibility of the relevant units within the company.

**Group Company Sustainability Working Groups:** Composed of the company-level sustainability sponsor at the General Manager or Executive Committee level, the company sustainability leader, and representatives of working groups. They are responsible for tracking the company's sustainability agenda, monitoring progress towards the sustainability targets set out in the company strategy, implementing, and tracking projects and investments, and ensuring compliance with ESG criteria.

**Borusan Group Employees:** Responsible for bringing the Borusan Group's sustainability approach into daily work practices. Employees participate in training programs organized by the Group to increase sustainability awareness.



\*The Innovation Thematic Working Group was established in 2023.

# REPORTING, DISCLOSURES AND TRANSPARENCY

The Group communicates its sustainability performance to the public through the Borusan Holding Integrated Annual Report, prepared in line with applicable national and international reporting standards and guidelines. The preparation process of this report is coordinated by the Group Presidency of People, Communication & Sustainability. Borusan Holding and Group Companies are responsible for providing information and content during the report preparation process.

As sustainability reporting largely relies on data provided by Group Companies, the accuracy, timeliness, consistency, and integrity of the data are ensured by each Group Company. The primary party directly responsible for data quality is the relevant Group Company. Ensuring error-free and reliable data flows across the Group aims not only to guarantee the accuracy of sustainability reporting but also to strengthen the level of corporate accountability.

The Group places strong emphasis on maintaining high data quality standards in the creation, monitoring, and reporting of sustainability indicators and uses this data as a strategic tool for performance improvement. The accuracy, source integrity, and systematic nature of the datasets used are essential; the collection, monitoring, and analysis of data are safeguarded by corporate information technology infrastructure. Controls for data quality are performed regularly, and processes are developed within a continuous improvement approach.

In addition, Borusan Holding and Group Companies may prepare other ESG-focused reports such as sustainability reports, annual activity reports, and CDP submissions. These reports are prepared in accordance with the principles of transparency, relevance, faithful representation, comparability, verifiability, timeliness, and understandability.

## STAKEHOLDER ENGAGEMENT

The Group defines stakeholders as all individuals, organizations, and communities affected by its activities and those that play a role in conducting activities and achieving objectives. Key stakeholders include employees, suppliers, media organizations, customers, business partners, local communities, students and academics, financial institutions, public and local authorities, NGOs, and trade unions. The Group engages in multi-channel and comprehensive communication with these stakeholders to address material sustainability topics and to foster a transparent dialogue environment.

During the drafting of this Policy, a comprehensive prioritization (materiality) exercise was conducted with the participation of managers and subject matter experts from Group Companies to determine the sustainability priorities of the Borusan Group. Input and evaluations from internal and external stakeholders were taken into account as a key input in shaping the scope and focus areas of the Policy. This prioritization study is reviewed at defined intervals to ensure that sustainability priorities remain valid and is updated when necessary.





# REVISIONS

This Policy is approved by the Borusan Holding Board of Directors or the relevant authorized governing body and is reviewed at least once a year. In line with evolving international sustainability standards, legislative changes, shifting global dynamics, and internal Group necessities, update proposals are prepared by the Holding Sustainability Department. All updates are approved by the Group People, Communication and Sustainability President and submitted to the Borusan Holding Board of Directors or the relevant authorized governing body for final approval and recorded.

# EFFECTIVE DATE

This Policy enters into force upon approval by the Borusan Holding Board of Directors or the relevant authorized governing body. All changes to the Policy are subject to the approval of the Borusan Holding Board of Directors or the relevant authorized governing body.

# REFERENCES

- BORUSAN ORANGE GUIDE: BORUSAN PRINCIPLES OF CONDUCT AND CODE OF ETHICS
- BORUSAN SUSTAINABLE PROCUREMENT POLICY
- BORUSAN EŞİTTİR - DEI GUIDELINES
- GENDER EQUALITY AND DOMESTIC VIOLENCE POLICY
- BORUSAN HOLDING INFORMATION SECURITY POLICY
- GHG PROTOCOL - GREENHOUSE GAS PROTOCOL
- ISO 14001 - ENVIRONMENTAL MANAGEMENT SYSTEM STANDARD
- ISO 14064 - GREENHOUSE GAS EMISSIONS REPORTING STANDARD
- ISO 45001 - OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEMS STANDARD
- ISO 50001 - ENERGY MANAGEMENT SYSTEM STANDARD
- SCIENCE BASED TARGETS INITIATIVE (SBTI) STANDARDS
- UN GLOBAL COMPACT
- UN SUSTAINABLE DEVELOPMENT GOALS (SDGS)
- UN GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS (UNGPS)
- INTERNATIONAL LABOUR ORGANIZATION (ILO) CORE CONVENTIONS
- UN WOMEN'S EMPOWERMENT PRINCIPLES (WEPS)
- OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES
- IFRS S1 GENERAL REQUIREMENTS FOR DISCLOSURE OF SUSTAINABILITY-RELATED FINANCIAL INFORMATION
- IFRS S2 CLIMATE-RELATED DISCLOSURES
- TSRS S1 GENERAL PROVISIONS ON DISCLOSURE OF SUSTAINABILITY-RELATED FINANCIAL INFORMATION
- TSRS S2 CLIMATE-RELATED DISCLOSURES

