



years
of a great success story

Sustainability Report 2023



Uğur Cooling
at a Glance



Sustainability
Governance



Corporate
Sustainability



Working for
Sustainable Economic
Development



Working for
Sustainable Social
Development



Working for a
Sustainable World



Annexes



The birth of a great power

Established seven decades ago as an ice cream enterprise, our commercial success story today reflects a monumental journey of 40 years. Our founders, renowned for producing the finest ice cream in the region, soon gained acclaim for repairing and maintaining the machines used for production. Always striving for better, and unable to find satisfactory cooling cabinets on the market, Uğur Cooling's founders laid the foundation for an innovative brand by creating their own device. And thus the journey began.

Transforming challenges into opportunities and successes, Uğur Cooling is now one of the largest employers in Aydın, breaking export records in its field. Reaching numerous countries across five continents, Uğur Cooling continues to expand its product range each year with notable initiatives, touching every aspect of life.

A tangible example of sustainable success, Uğur Cooling steadfastly proceeds on a trust-based journey of growth while contributing to society, economy, its region, and the environment.





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at a Glance



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Great confidence

As one of Türkiye's established refrigeration giants and a pioneering and powerful regional brand in its sector, Uğur Cooling is steadily progressing toward becoming a leading global player in the deep freezer and cooling cabinet category. Exporting more than half of its production, Uğur Cooling contributes a substantial share of foreign currency to Türkiye's economy each year and ranks among the country's top 100 export brands. At the core of this success is an innovative vision supported by a strong organizational structure, more than 2,000 employees and over 900 product varieties, and modern facilities spanning 400,000 square meters.

146

Number of countries exported to





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Great growth

Focusing on innovation throughout its commercial and operational processes, Uğur Cooling has achieved a leading position in its sector through a farsighted and future-shaping approach that places technology and R&D at the core of its strategy. Embracing innovation as a fundamental value, the Company develops environmentally friendly and life-enhancing solutions tailored to evolving needs. Its investments in R&D not only reinforce Uğur Cooling's pioneering role in the sector but also strengthen its presence in global markets. By means of its innovative approach to collaboration, the Company establishes strong ties with solution partners,

TRY 92.8 million

R&D investment amount





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Great responsibility

Uğur Cooling continues to think big for a carbon-free future, putting its responsibilities into action together with its stakeholders. The Company which develops products with high energy efficiency, gradually reduces natural resource consumption, and increases the use of renewable energy sources in its production processes. Guided by its 70-year sustainability vision, Uğur Cooling aims to leave a more livable world for future generations and contribute to a sustainable future with these efforts.

36%

Carbon emission reduction





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A great ecosystem

With 100% domestic capital, hundreds of dealers and sales points across the country, more than 250 authorized service centers, millions of users, and strong suppliers, Uğur Cooling has built an extensive ecosystem. Adopting a people-centered service approach, the Company prioritizes compliance with regulations and stakeholder satisfaction. By offering its products through digital channels, Uğur Cooling further expands its sphere of influence. The Company has been meeting Türkiye's freezer and refrigerator needs for 70 years, continuously strengthening its success by means of this robust ecosystem,

~ 1,000
Number of dealers





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UGUR
"Tazeliğin Güvencesi"



GRI 2-1, 2-2, 2-3

ABOUT THE REPORT

A Leading Manufacturer Expanding Across 146 Countries

“Türkiye’s Uğur” presents its third sustainability report, detailing its economic, environmental, and social performance for 2023, inviting evaluation from its stakeholders.

With over half a century of experience and a leading position in its industry, Uğur Cooling supports its leadership with a strong sense of environmental and social responsibility, further reinforcing its position through pioneering sustainability practices. Acting with the goal of creating a sustainable future, the Company focuses on adding value to all its stakeholders.

“Türkiye’s Uğur,” which strengthens collaboration with its global stakeholders through its products and services while aiming to enhance the quality of lives it touches and protect natural resources, presents its third sustainability report, detailing its economic, environmental, and social

performance for 2023, inviting evaluation from its stakeholders. This report transparently showcases the Company’s strategic approach focused on corporate sustainability, the impacts resulting from its activities, and the measurement, monitoring, and improvement steps undertaken during the period to manage these impacts, along with its commitments for future development.

The air conditioning performance and environmental impacts of Uğur Cooling, which adheres to a measurement and evaluation framework for environmental, social, and economic metrics to internalize the sustainability approach, have been calculated and shared in this report.

The Company is subject to independent financial audits due to its size. Specifically, data such as financial accounts and annual revenue statements are verified for accuracy. As Uğur Cooling, transactions are conducted with external assurance providers based on principles of independence and confidentiality. Senior management actively participates in all audit activities and continues to support third-party audits and oversight with their leadership role.

Prepared in compliance with GRI Standards, this report covers the activities of Uğur Cooling’s headquarters and production facilities for the period from January 1, 2023, to December 31, 2023, unless otherwise stated.

For any questions or feedback regarding the report, the sustainability approach, or other matters, you can contact sustainability@ugur.com. Uğur Cooling values and welcomes your feedback and comments.





GRI 2-22

MESSAGE FROM THE CHAIRMAN

2050 net-zero target

We will work tirelessly to become one of the strongest supporters of Türkiye's sustainable, qualified, and inclusive development.

Dear Stakeholders,

We marked the centenary of the Republic of Türkiye in 2023, a year in which we felt our national unity and solidarity at their strongest. As "Türkiye's Uğur," a company progressing for seven decades on the bright path illuminated by our Republic, we continue to work committedly and in line with our responsibility toward our nation's future. Sadly, 2023 was also a year in which our country faced devastating earthquakes, a disaster that deeply affected us all. On this occasion, I once again honor the memory of our citizens who lost their lives in the earthquakes, and I extend my heartfelt condolences to their loved ones. We will continue to stand by those affected by this disaster until our country's wounds are fully healed.

As Uğur Cooling, we believe that achieving long-term success and bequeathing a livable world to future generations requires working in harmony with humanity and nature. Therefore, embracing environmental, social, and economic sustainability principles, and implementing best practices

in these areas, have become essential components in companies' competitiveness and sustainable growth. With this perspective, we place sustainability at the heart of our business strategy and shape all our future plans towards a vision of a world where no one is left behind. In 2023, we continued to make significant progress in creating the highest value for all our stakeholders by focusing on people, nature, and innovation. By taking the lead in sustainability within our sector, we strengthened our capacity to create value and enhance our competitiveness. The Bronze Medal we received in this year's EcoVadis assessment serves as a concrete testament to the international recognition of our efforts in environmental, social, and governance practices.

Faced with the adverse effects of ever-growing climate risks, we are taking innovative steps to contribute to the solution. Accordingly, we are continuously enhancing our environmental performance. We are investing in reducing carbon emissions, improving energy efficiency, and minimizing waste while transitioning

to renewable energy sources such as solar power. To further augment our contribution to the fight against global climate change, we have aligned our actions with the Science Based Targets Initiative (SBTi). Once our targets are approved by the SBTi, we will commit to fulfilling our responsibilities in emission reduction. Additionally, we maintain our carbon management efforts on the CDP (Carbon Disclosure Project) platform with a focus on transparency and accountability.

We continuously invest in innovation and technology with the aim of becoming a pioneering brand that sets global standards in our field of operation. We prioritize R&D, channeling our resources toward developing energy-efficient and environmentally friendly products. At our R&D Center, we develop innovative solutions to improve energy efficiency in cooling devices and ensure compliance with new labeling regulations. Through our digitalization efforts, we accelerate our R&D processes, while our collaborations with universities enhance our knowledge base and competencies by means of innovative projects.

Another pillar of our sustainability efforts is the creation of value for our stakeholders and society. In addition to the employment we generate, we contribute to social development and welfare through projects and support programs implemented in collaboration with local stakeholders in our areas of operation.

We acknowledge the invaluable contributions of every employee to our Company's success and we work diligently to maximize these contributions. By emphasizing diversity and equal opportunity, we prioritize fostering a work environment where our employees feel valued, supported, and secure. We remain dedicated to increasing the representation of women in our workforce and promoting the greater participation of women in professional life.

As Uğur Cooling, we believe that success is a journey undertaken together with all our stakeholders, and we consider each stakeholder an indispensable part of our value chain. We place great importance on maintaining transparent and effective communication to ensure

continued collaboration and unity. Aware of the critical role our stakeholders play in achieving our sustainability goals, we will continue to expand our vision in this area across our entire value chain, starting with our customers, suppliers, and employees.

The vision of a net-zero Türkiye by 2050 forms the foundation of our strategy. Guided by this vision, we will work tirelessly to become one of the strongest supporters of our country's sustainable, qualified, and inclusive development.

I sincerely thank every member of the Uğur Cooling family, our business partners, and our valued customers for standing with us on this journey. Your trust and support empower us at every step we take toward a sustainable future.

Kindest regards,

Talip TAKMAKLI
Chairman of the Board of Directors



GRI 2-1, 2-6

ABOUT UĞUR COOLING

Türkiye's leading cooling brand

Uğur Cooling stands as the largest commercial cooling manufacturer in Europe, the Middle East, and Africa in terms of production capacity.



Over **1,000**
sales points



Nearly **250**
authorized service centers



The name **“UĞUR”**
as a generic
brand in Türkiye



Operating since 1954, Uğur Cooling holds the position of the largest commercial cooling manufacturer in Europe, the Middle East, and Africa in terms of production capacity. The Company is one of the leading approved suppliers to national and international businesses operating in the carbonated and non-carbonated beverage, ice cream, frozen food, and supermarket sectors, while also supporting its partners' various initiatives related to climate, environmental, and energy policies.

The concept of sustainability forms one of the cornerstone principles of Uğur Cooling's business model and management approach. The Company shapes its production and sales strategies with a focus on societal and environmental considerations. Particularly through climate-focused projects implemented in the Aegean Region, Uğur Cooling effectively demonstrates its commitment to sustainability.

With its “Uğur Derin Dondurucu” generic brand identity, the Company has secured a strong position in the minds of consumers across Türkiye. It has maintained its leadership in the deep freezer market for many years, driven by both consumer preferences and an extensive sales network. With nearly 1,000 dealers and sales points nationwide, Uğur Cooling delivers its products directly to end users while prioritizing customer satisfaction through its approximately 250 authorized service centers.

Uğur Cooling offers a wide range of products in two categories: commercial and household. In addition to commercial products like bottle coolers, supermarket cabinets, and ice cream freezers, the Company also provides household items such as deep freezers, refrigerators, air conditioners, built-in kitchen appliances, and water purification devices, catering to diverse consumer needs.



RESPONSIBILITIES, FUTURE VISION, AND CORPORATE VALUES

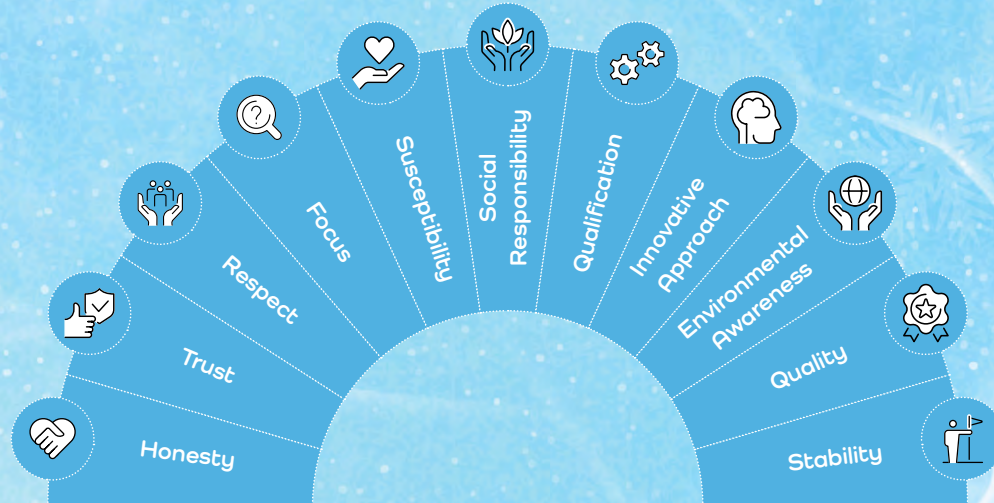
Mission

While Uğur Cooling continues to offer the highest quality products thanks to its expertise, it has adopted the mission of increasing employee satisfaction by understanding the importance of an organizational culture that encourages learning to gain a competitive advantage and to add value for all its stakeholders with its expertise.

Vision

Uğur Cooling aims to maintain its leadership in Türkiye regarding its business activity, meet customer expectations by offering high-quality products as the market competition increases, and position among the best brands in the commercial refrigerators market worldwide within the next 10 years.

Our Corporate Values





GRI 2-1

OPERATIONAL GEOGRAPHY OF UĞUR COOLING

Strong Global Presence

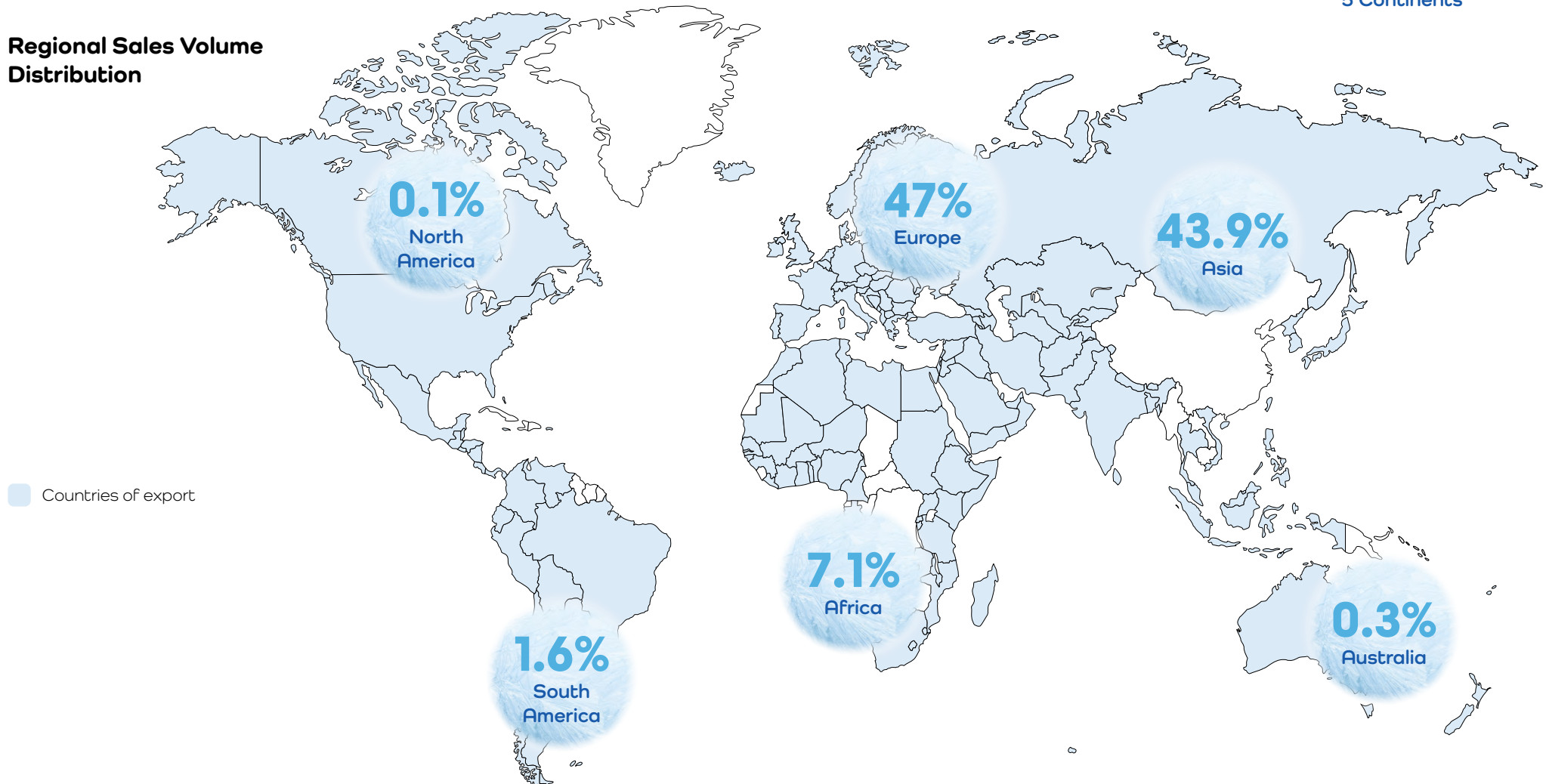
Uğur Cooling maintains its global presence by exporting to 146 countries, holding a strong position in sales across Europe and Asia.

Exports to

146

Countries Across
5 Continents

Regional Sales Volume Distribution





GRI 2-22

UĞUR COOLING FROM PAST TO PRESENT



April 18, 1954

Uğur Cooling was founded in Aydın, Nazilli.



1954

The **first ice cream machine** production was started in Nazilli, Aydın.

In addition to the production of ice cream, the **first ice cream machine repair** activities also started.



1965

The Company participated in the **İzmir International Fair** for the first time and ice cream made with Uğur Ice Cream Machines was served to all participants during the fair.



1974

Ice cream machines were sent to Germany as the **first exporting activity**.



1985

A **license agreement** was signed with the Danish company **Derby**.



1984

The first legal entity was established, and **cooler production** began.



1982

The **first television commercial** for Uğur Ice Cream Machines was broadcast.



1976

The **first newspaper advertisement** for the ice cream machine was published.



1975

Products were exhibited at **international fairs** for the first time.



1986

The company underwent restructuring, and its title was changed to "**Uğur Soğutma Makinaları Sanayi ve Ticaret A.Ş.,**" continuing production activities under this name.



1987

Production of **ice cream storage cabinets** began.



1990

The **license agreement** with the Danish company **Derby** was terminated.



1991

The **first dealership meeting** was held in Kuşadası.

Production of **vertical bottle cooler cabinets** began.



2009

A joint project with **Pepsi** was initiated, resulting in the **production of bottle coolers that achieved 51% energy savings** for the first time both in the world and in Türkiye.



2008

The license and production line of Denmark's **Frigor** company were purchased.



2006

Energy-efficient and environmentally friendly **storage cabinets** were produced for **Algida**.



2001

The **ISO 9001** Quality Management System was implemented.



1994

Production of the **first ice cream display units** began.



2010

The Company received the "**Top Exporting Company of the Year**" award by the Aegean Exporters' Association in the newly introduced "Machinery" category.



2011

Uğur Cooling received the "**Top Exporting Companies of the Year**" award for the **second time**, a recognition also regarded as a testament to its "continuity in quality."

"Uğur Derin Dondurucu" began to be recognized as a "**well-known brand**."

In 2011, market cabinets were added to the product range and introduced to the market, initiating competition with imported **market cabinets**.



2012

The **ISO 14001** Environmental Management System Certificate was obtained.

Microwaves and air conditioners were added to the product range.



GRI 2-22

UĞUR COOLING FROM PAST TO PRESENT



2013

The Company joined the **Turquality** Brand Support Program.

As a result of investments made in the Nazilli Organized Industrial Zone, operations were expanded with an **additional area of 158,000 m²**.

On May 7, 2013, at the 11th Stars of Export Award Ceremony, the Company was awarded first place in the **"New Market - Market Diversity"** category.

The **Nyssa Project**, supported and successfully completed under the **TÜBİTAK TEYDEB** Program, earned the Company an award.

The USS 220 Bomonti design received a bronze prize in the **"OMA Creative Design at the Point-of-Sale Competition."**



2014

The **ISO 27001** Information Security Certificate was obtained.

The Company became the **export champion** in the commercial refrigeration category among Turkish Exporters Assembly members.

The **OHSAS 18001** Occupational Health and Safety Certificate was obtained.



2016

Certificates for **ISO 31000** Risk Management, **ISO 20000-1** IT Service Management, **ISO 28000** Supply Chain Security, and **ISO 22301** Social Security and Business Continuity Management Systems were obtained.

The **Silver Apple Award** was received at the 28th Crystal Apple Festival organized by the Advertising Association.

Uğur Cooling was ranked 70th among **"Türkiye's Top 100 Most Valuable Brands"** by Brand Finance in 2016.

The **Respect for People Award** was received.



2015

ISO 50001 Energy Management System and **ISO 10002** Customer Satisfaction Management System Certificates were obtained.

Uğur Cooling's **corporate website** was awarded first place through a public vote among projects selected by an expert jury.

Three awards were received at the **Successful Exporters Award Ceremony** in the air conditioning sector.

The Company was listed among **"134 Super Brands of Türkiye,"** as determined by Nielsen evaluations.



2017

As a result of an audit conducted by a third-party inspection and certification organization, Uğur Cooling became the **first brand in Türkiye** to receive the title of **Customer Satisfaction**.

In the 14th edition of the Red Press Best Advertising Awards, the **best agenda-related advertising award** was received with the "Let all the Uğur Fridges be empty in this Eid al-Adha but do not leave the neighbors without meat" campaign.

The Company became the first brand in Türkiye to be entitled as the **Trusted Brand**.

ITIL (Information Technology Infrastructure Library) adaptation was completed.

Realizing the **highest number of exports** in the air conditioning sector in 2016 was placed first among the Aegean Exporters' Associations.



2018

At the 15th Red Press Best Advertising Awards, the "No Spoilage Later" campaign won the **"Best Durable Consumer Goods Advertisement"** award.

The Company also received a silver award in the Technology Manufacturers Category at the **Social Media Awards 2018**.

The **ISO 45001** certificate was obtained.



2021

All products were transitioned to **comply with the new energy regulations**.

The **Sedex SMETA 4-Pillar Social Compliance Audit** was successfully completed.

The Company was among the few Turkish firms to join the **SBTi** initiative.



2020

Uğur Cooling was one of the companies that **exported the most** in 2019 in the Air Conditioning category among the exporting companies in the Aegean Region.

Kariyer.net Respect for People Award was won.

After the inspections carried out by TSE in all facilities, the **COVID-19 Safe Production Certificate** was obtained.



2019

Uğur Cooling became one of the companies that **exported most** in the air conditioning sector at the **Stars of the Exports award ceremony**.

In the **Crystal Apple Türkiye Advertising Awards** Competition, the award was won in the advertising music category **with the radio spot**.

Uğur Cooling was certified for the first time with **ISO 17025** Laboratory Accreditation Certification.

The Company was rated with **"Silver"** in **EcoVadis** sustainability reporting.

GRI-approved **Sustainability Report** has been published.

R&D Center certificate was earned.



2022

The Company ranked first as the **"Most Technological Brand"** in the refrigeration sector at the **"Tech Brands Türkiye"** organized in cooperation with NielsenIQ Türkiye and Pazarlamasyon.

Among the exporting companies in the Aegean Region, the Company became one of the companies that realized the **highest exports** in the "Air Conditioning and Electrical and Electronics" category.

It continued to be one of the companies that **realized the highest exports** in the Air Conditioning and Electrical/Electronic sectors among EIB members.

New generation **"Ucool Vertical Type Coolers"** with low energy consumption were produced.

Zero Waste Certificate was obtained as an indicator of environmental sensitivity.



2023

The second GRI-approved **Sustainability Report** was published.

Uğur Cooling ranked among the **top 100 companies** in Türkiye with the highest R&D expenditures, according to the R&D 250 research report.

Production began for household horizontal deep freezers with digital control panels and **D energy class**.

EcoVadis awarded Uğur Cooling a **Bronze Medal**.



GRI 2-22

STRONG PERFORMANCE IN 2023

The largest commercial refrigeration manufacturer in Europe, the Middle East, and Africa.

The only company offering a Class A product with a 400L capacity in the energy labeling of Commercial Refrigeration in Türkiye and European Union countries.

Nearly **1,000** dealers and **250** authorized service centers nationwide.

Bronze Medal awarded by **EcoVadis**, one of the world's most reputable sustainability rating platforms.

Ongoing target-setting process within the **Science-Based Targets Initiative (SBTi)** to combat climate change.

Ranked among the top **100** companies with the highest R&D investment, according to the **Turkishtime R&D 250** Research Report.

- **20th** place in the Utility Model ranking.
- **28th** place in the Design Registration ranking.

Initiation of production of **home-use horizontal deep freezers** with digital control panels and **D energy classification**.

Efforts have been initiated to transition the styrofoam facility to a **natural gas-powered system** to minimize air pollution during combustion and ensure the use of less and more efficient fuel.

New members of the home product range: Built-in cooking appliances and water purification devices.

Maintained leadership in the white goods sector **with the fewest complaints**, according to **Şikayetvar** data.

Training sessions were organized to raise awareness among employees on reducing paper consumption, improving waste management, and promoting **Zero Waste** principles.

Achieved **2nd** place in the "Air Conditioning" category and **3rd** place in the "Electronics" category among exporting firms in the Aegean Region in **2023**.



Uğur Cooling
at a Glance



**Sustainability
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GRI 2-14, 2-16

SUSTAINABILITY APPROACH AND ORGANIZATION

A vision to be a leader in sustainability

Uğur Cooling's sustainability strategy aims to ensure sustainable economic performance while fulfilling its environmental and social responsibilities in line with its long-term growth objectives.

Sustainability Strategy

Uğur Cooling shapes its sustainability approach with a sense of responsibility for the future, carefully balancing environmental, economic, and social dimensions. The Company integrates sustainability principles into every stage of its operations and conducts its business processes within this framework. Acting with a broad perspective—from reducing environmental impacts to developing innovative products, contributing to society, and ensuring corporate transparency—Uğur Cooling's core values can be summarized as follows:

- **Environmental Responsibility:** Key priorities include energy efficiency, the use of renewable energy, and carbon footprint management. Efforts are actively pursued to minimize environmental impacts.
- **Focus on Innovation and Technology:** Developing environmentally friendly and sustainable products and processes is one of the company's foremost goals.
- **Contribution to Society:** Through social responsibility initiatives, Uğur Cooling contributes to both society and its employees while supporting projects aimed at creating social value.

- **Corporate Transparency and Ethical Management:** Ethical business practices and transparent reporting are central to the company's sustainability objectives.

Uğur Cooling's sustainability strategy aims to ensure sustainable economic performance while fulfilling its environmental and social responsibilities in line with its long-term growth objectives. This strategy is built on key pillars such as energy efficiency, carbon reduction, social responsibility, and corporate governance.

- **Short-Term Goals:** Expanding energy efficiency projects, effective utilization of solar energy (GES) projects, reducing the carbon footprint, and making improvements in waste management.
- **Medium-Term Goals:** More comprehensive greenhouse gas emission reduction projects, sustainable product innovation, and social responsibility projects focused on employee satisfaction.
- **Long-Term Goals:** Net zero carbon emissions, energy independence, and the vision of becoming a leader in environmental sustainability.



Sustainability Governance

Sustainability governance is an integral part of Uğur Cooling's business model and management philosophy. The Chairman of the Board and the Vice Chairman lead in setting sustainable business models and economic, environmental, and social strategic goals. This leadership is supported by regular board meetings and review sessions with relevant departments.

The Company monitors the implementation of sustainability strategies and tracks targets through regular meetings held in each department, periodic director meetings, and Management Review meetings. These processes are supported by activities such as carbon footprint calculations, EcoVadis assessments, and Integrated Management Systems meetings.

All meeting outputs are regularly reported to top management and the decisions taken are integrated into business processes. The strategies adopted at the Company's factories are implemented in line with sustainability policies and integrated into all business processes.



GRI 2-14, 2-16

SUSTAINABILITY APPROACH AND ORGANIZATION

Proactive sustainability management

The Sustainability Committee is responsible for identifying and assessing economic, social, environmental, ethical, and governance risks and opportunities, as well as monitoring local, national, and global trends.

Sustainability Committee

The Sustainability Committee is the highest-level body in the organization responsible for monitoring, evaluating, and reflecting on all sustainability-related operations and strategies of Uğur Cooling. Composed of managers and members from various business lines, the Committee is also responsible for developing and routinely reviewing the company's sustainability strategy and policy.

The Committee is responsible for assessing the economic, social, environmental, ethical, and governance hazards and opportunities that will be the focus of the Company's activities within this scope, as well as monitoring local, national, and international issues. The Committee's activities are regularly conveyed to the Chair and Vice Chair of the Board of Directors.

To enhance the effectiveness of the Sustainability Committee, four different working groups were established: Environmental, Social Management and R&D; Customer and Sales Management; Business Development; and Corporate Governance. These working groups are composed of subcommittees with sufficient expertise and competence in their respective sustainability fields.

In 2023, sustainability management was a cornerstone of Uğur Cooling's corporate strategy, and the Sustainability Committee played an active role.

The Committee holds regular meetings at least twice a year, while the working groups convene quarterly or as needed. In 2023, the committee held four meetings and made significant decisions regarding environmental performance and social responsibility projects. These decisions and implemented strategies have laid a solid foundation for Uğur Cooling to achieve its long-term sustainability goals.

The Sustainability Committee's focus areas in 2023 included:

- Energy Efficiency Projects
- Waste Management Strategies
- Improving Employee Health and Safety



Committee Chair

Chair of the
Board of Directors

Committee Members





GRI 2-14, 2-16

SUSTAINABILITY APPROACH AND ORGANIZATION

Strong sustainability image

Uğur Cooling engages in activities to integrate its sustainability initiatives with international practices and standards while continuously enhancing them.

Sustainability Actions



- **SBTi:** By using the best practices recommended by the Science Based Targets initiative (SBTi), the company intends to take action in this regard. Uğur Cooling has started working to create short and long-term targets for scope 1, 2, and 3 emissions in this direction with the goal of quickly transitioning to net zero emissions in its business model.



- **CDP:** In recent years, one of the most important topics on the global agenda has been the idea of climate change. Uğur Cooling has been participating in CDP activities since 2020 as a responsible company that is conscious of this in order to strengthen the relationship of trust with its stakeholders.



- **EcoVadis:** The company collaborates with EcoVadis to optimize sustainability in its supply chain, thereby increasing both its own and its commercial partners' accountability. Uğur Cooling, which can also determine its position in the industry thanks to the EcoVadis platform, is continually improving itself. As in the previous year, the Company was awarded the Bronze Medal for its sustainability performance in 2023 and aims to achieve the Silver Medal level in the upcoming reporting period.



- **BM Global Compact:** Uğur Cooling continues to strive toward the United Nations Global Compact as a company with the fundamental responsibilities of the business world. The Company strives for both long-term success and a responsible corporate identity by incorporating human rights, labor standards, environmental, and anti-corruption principles into all of its business procedures and policies.





GRI 2-16, 2-25

ANALYSIS OF SUSTAINABILITY RISKS, TRENDS AND OPPORTUNITIES

A systematic approach to risks

Uğur Cooling operates with the awareness of developing strategies based on its sustainability policies, as well as its associated risks and opportunities.

In 2023, Uğur Cooling further strengthened its risk management system, relying on ISO 31000 Risk Management Standards. Financial, operational, environmental, social, and governance risks are addressed through a systematic approach and evaluated in terms of their impact on the Company's strategic objectives.

Risk Management Methodology

Integrating its risk management processes with its strategic

objectives and business operations, Uğur Cooling acts with the awareness of developing strategies based on its sustainability policies, risks, and opportunities, aiming to create value in a sustainable manner. Through a SWOT analysis, the Company evaluates its current position and, in line with the established Risk Management and Assessment Procedure, takes action to manage financial, environmental, and social risks while identifying opportunities.

Each department is responsible for managing its own risks and evaluating opportunities, ensuring the effective management of operational, environmental, and social risks throughout the process.

A risk/opportunity assessment table is created using data from relevant departments within the Company. These tables are utilized to understand the potential environmental impacts of risks, assess their likelihood, score

the risks, propose improvement recommendations, analyze opportunities, evaluate their positive impacts and likelihood, and determine action plans.

The identified risks are managed by the teams specified in the procedure. A representative from each department participates in the process of creating the Risk/Opportunity Assessment Tables. The Risk Assessment Team rates the recorded risks and holds risk assessment meetings at least once a year.

The corporate risk management process is planned in collaboration with department managers or process owners, who score risks based on their sensitivity values. In Uğur Cooling's business processes, information security risks are evaluated using ISRAM, an internationally recognized methodology, while process-based risks are analyzed using the 5x5 Matrix Diagram. Additionally, occupational health and safety (OHS)-related risks are assessed based on the Fine-Kinney Risk Analysis Methodology, completing the evaluation processes accordingly.

SDGs We Contribute to



In addition to process-based risks, Uğur Cooling also addresses corporate risks, categorizing them under three main headings:

1. Financial
2. Operational
3. Strategic

The risks identified by managers are addressed in four different ways:

- Acceptable
- Transferable
- Controllable
- Avoidable

Taking a sustainable approach to its risk management processes, Uğur Cooling develops strategies and takes action by focusing on the root cause of risks. Senior management plays a key role in prioritizing these risks.





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Sustainability Risk and Opportunity Analysis

5*5 L Risk Matrix		Intensity (Impact)			
Probability	(1) Very light	(2) Light	(3) Medium	(4) Severe	(5) Very severe
(1) Very low	Very low risk 1	Low 2	Low 3	Low 4	Low 5
(2) Low	Low 2	Low 4	Low 6	Medium 8	Medium 10
(3) Medium	Low 3	Low 6	Medium 9	Medium 12	High 20
(4) High	Low 4	Medium 8	Medium 12	High 16	High 20
(5) Very high	Low 5	Medium 10	High 15	High 20	High 25

Risks analysis

Scoring/categorization of risks
according to their severityIdentifying opportunities based on the
rated risks

Risk monitoring with periodic reports

Sustainability Risks and Trends

Uğur Cooling has deepened its understanding of risk management, making it a cornerstone of its business approach to foresee how risks evolve over time, evaluate opportunities from various perspectives, and anticipate how these two factors influence each other. This approach not only focuses on managing risks but also emphasizes creating opportunities that generate value from these risks, contributing to the construction of a sustainable future.

As climate change emerges as a critical agenda item deeply affecting the manufacturing sector, an innovation-driven and visionary approach that enables smart decision-making plays a significant role, particularly in implementing emission reduction targets in industries with high carbon emissions and substantial risks. In this context, Uğur Cooling prioritizes environmental factors such as climate-related weather conditions, energy consumption, and waste management while identifying environmental, social, and governance (ESG) risks and

opportunities. The Company's efforts to develop and implement sustainable production models are aligned with Türkiye's 2025 net-zero target.

Uğur Cooling, continuously increasing the value it generates for Türkiye, strives to comply with local and global regulations while aiming to stay up-to-date. Anticipating regulations that include restrictions on carbon emissions, the Company aligns its sustainable growth strategies accordingly. To reduce carbon emissions, investments in renewable energy sources have

been decided, and energy efficiency projects have been implemented to minimize its carbon footprint.

Uğur Cooling, which engages in international collaborations, considers issues related to disruptions in raw material supply caused by external risks as part of its risk management scope. Investments in digitalization aimed at managing risks in the supply chain and improving processes have enhanced operational efficiency and created opportunities in the field of sustainability.

Excessive dependence on oil and gas poses a significant risk to the manufacturing sector. Sustainable resource utilization is of great importance to Uğur Cooling. Companies using renewable energy are less affected by fluctuations in non-renewable energy prices and demonstrate greater flexibility in their production processes. In addition to mitigating climate change risks, investing in renewable energy reduces energy costs and ensures environmental sustainability.



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Another issue that could disrupt production is natural disasters and the subsequent social compliance risks and opportunities. These matters are addressed and rated by the Company in accordance with the criteria specified in its risk assessment procedure. Social risks related to employee satisfaction and occupational health and safety are prioritized. Awareness training sessions for employees and the strict implementation of safety protocols are ensured.

Advanced technologies and water recovery systems are being explored to optimize water consumption, thereby reducing risks associated with water resources. Circular economy approaches implemented in waste management enable the reuse of waste, creating cost advantages and minimizing environmental impact. Through the principles of circular economy, waste is recycled, and the overall waste volume is significantly reduced.

Managing Sustainability Risks

CATEGORY	PHYSICAL RISKS	DEFINITION	HOW DOES UĞUR COOLING MANAGE THE RISK?
Environmental	Climate Change and Weather Events	Rising temperatures, extreme rainfall, droughts, hurricanes, and floods associated with climate change can pose physical risks to organizations. For example, facilities may face the risk of exposure to flooding or fires.	Uğur Cooling strengthens the resilience of its facilities against physical risks arising from climate change by implementing structural reinforcements and infrastructure measures to address incidents such as flooding and fires. Additionally, the Company minimizes risks through emergency planning, drills, employee training, supply chain assessments, and energy and water management strategies.
	Environmental Pollution and Chemical Risks	Industrial waste, chemical spills, and environmental pollution can impact the quality of water, air, and soil, causing harm to ecosystems and human health.	Uğur Cooling strengthens its waste management processes, minimizes chemical usage, and implements preventive measures against pollution through regular monitoring programs. Employees are educated on these matters through on-site training to raise awareness.
	Water Resource Management	The sustainable management of water resources and challenges in access can impact organizations and communities.	Projects are being developed for recycling and reuse systems to ensure efficient water use, and new targets are being set with innovative solutions to reduce the water footprint. The organization is being educated on water usage through informative visuals and hands-on presentations.
	Contamination of Groundwater	Industrial waste, agricultural chemicals, and other sources of pollution can lead to groundwater contamination, jeopardizing drinking water supplies and ecosystems.	Sources of pollution are regularly monitored, groundwater protection measures are implemented, and projects are developed for infrastructure investments to prevent leaks.



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CATEGORY	PHYSICAL RISKS	DEFINITION	HOW DOES UĞUR COOLING MANAGE THE RISK?
Environmental	Natural Disasters	Natural disasters such as earthquakes, tsunamis, and volcanic eruptions can cause significant physical damage to an organization's facilities and operations.	The company takes measures to enhance the resilience of its facilities, develops comprehensive emergency plans for natural disasters, and ensures financial security through insurance policies.
	Soil Pollution	Soil pollution caused by industrial waste, chemical usage, and other factors can impact agricultural lands and pose a risk to food security.	Soil pollution is prevented by tightening waste and chemical management processes, and environmental impact assessments are conducted periodically.
	Air Quality Issues – Air Pollution	Activities such as factories, energy production, and transportation can impact the quality of the air in the atmosphere. Air pollution poses risks for organizations in terms of public health and air quality regulations.	Emission reduction technologies are closely monitored, renewable energy sources are being adopted for energy consumption, and projects aimed at improving air quality are being developed.
	Fire Risks	Forest fires, industrial facility fires, and other fire incidents can result in the loss of physical assets, damage to ecosystems, and air pollution.	Physical resilience is being enhanced for fire-resistant facilities, and employees are regularly provided with emergency training. These efforts are reinforced through drills that offer practical, hands-on experience.
	Fire and Forest Fires	Forest fires and industrial fires, particularly in dry and hot climate regions, can cause environmental impacts and property losses.	Physical resilience is being enhanced for fire-resistant facilities, and employees are regularly provided with emergency training. These efforts are reinforced through drills that offer practical, hands-on experience.
	Air Pollution and Health Risks	Industrial emissions, traffic-related pollution, and other air pollution factors can degrade air quality and harm human health.	Uğur Cooling is increasing its investments in renewable energy and reducing its carbon footprint through energy-saving measures.
	Recycling and Waste Management Challenges	Insufficient waste management processes, recycling challenges, and ineffective handling of waste can amplify environmental impacts.	Uğur Cooling is increasing recycling rates and adopting a zero-waste approach to minimize environmental impacts. Regular training sessions and practical activities on on-site waste segregation and the zero-waste principle are conducted.
	Power Outages	Dependence on energy sources and power outages can pose physical risks to business continuity and operational reliability.	Uğur Cooling is focusing on diversified energy sources and aims to mitigate the risks of power outages through investments in renewable energy.
	Carbon Footprint and Carbon Market Risks	Regulations stemming from carbon emissions, as well as elements such as carbon trading and carbon pricing, can impact organizations' carbon footprint management and financial status.	The company is developing innovative solutions to reduce its carbon footprint and aims to participate in projects aligned with carbon trading and regulations. Additionally, efforts have been initiated to calculate the product-based carbon footprint alongside the corporate carbon footprint.



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CATEGORY	PHYSICAL RISKS	DEFINITION	HOW DOES UĞUR COOLING MANAGE THE RISK?
Social	Social and Societal Risks	In connection with sustainability, factors such as the expectations and demands of communities and employees, social media interactions, and public pressures can impact organizations.	Uğur Cooling establishes regular feedback mechanisms to understand stakeholder expectations and adopts a proactive approach through transparent communication strategies and effective social media management.
	Climate Related Health Risks	Factors associated with climate change, such as rising temperatures, air pollution, and water scarcity, can affect employee health as well as public health.	Work environments are being improved, health and safety measures are implemented, and investments are made in projects that aim to reduce environmental impacts.
	Pandemics	The rapid spread of infectious diseases strains healthcare systems and can lead to a widespread public health crisis.	Crisis management plans are being developed to address pandemics, hygiene standards are being enhanced, and employees are provided with access to healthcare services.
	Water and Food Security-Related Health Issues	Contaminated water sources and food can trigger health issues related to water and food security.	Water sources are regularly monitored, sustainability policies are supported, and pollution prevention strategies are implemented.
	The Rise of Chronic Diseases	Climate change, air pollution, and shifting lifestyles can lead to an increase in chronic diseases, placing additional strain on healthcare systems.	Health programs are being developed to support employee well-being, and policies and projects aimed at reducing air pollution are being implemented within the company.
	Conflict and Security-Related Risks	Regional conflicts, terrorist attacks, and other security-related incidents can pose physical security risks in the areas where organizations operate.	Operations in risk-prone areas are analyzed, security measures are strengthened, and employee safety is ensured.
	Biosecurity Threats	Pandemics, zoonotic transmissions, and biosecurity-related threats can impact public health and the operations of organizations.	Early prevention systems are being developed to address pandemics, and security protocols for employees and the supply chain are being reinforced.
	Accessibility Issues	Issues of accessibility to facilities or resources can impact the operations and sustainability goals of organizations.	Alternative supply and logistics plans are being developed to enhance operational flexibility.
	Industrial Accidents	Chemical spills, explosions, and other industrial accidents can lead to environmental pollution, harm to human health, and property loss.	Safety standards are being tightened within the company to reduce the risk of accidents, with regular inspections and employee training sessions being conducted.



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CATEGORY	PHYSICAL RISKS	DEFINITION	HOW DOES UĞUR COOLING MANAGE THE RISK?
Economic	Political Instability and Trade Barriers	Political conflicts, trade barriers between countries, and customs duties can hinder the flow of supply chains.	Uğur Cooling identifies alternative suppliers and logistics routes, develops expertise in international trade, and establishes effective contracts.
	Local and Global Market Fluctuations	Price fluctuations can impact supply chain costs and pose challenges for businesses that are dependent on specific markets.	The company establishes diversified supplier networks and implements strategies related to cost analysis.
	High Energy Costs and Resource Constraints	Fluctuations in energy costs, resource limitations, and the reliability of energy supply can impact the operational costs of organizations.	Investments are being made to enhance energy efficiency, renewable energy sources are being adopted, and energy consumption is being optimized.
	Air Travel and Transportation Safety	Accidents in air transportation can cause disruptions in logistics chains and pose physical security risks.	Insurance and alternative transportation solutions are utilized to mitigate transportation risks.
	Global Supply Chain Risks	The complexity of global supply chains can increase exposure to risks arising from factors such as natural disasters, political instability, or pandemics.	Supply chain processes are being digitalized, risk monitoring systems are being implemented, and collaborations with local suppliers are being increased.
	Weaknesses in Supplier Relationships	Financial issues, management changes, or ethical problems on the supplier side can negatively affect the supply of goods or services.	Uğur Cooling regularly evaluates supplier performance, establishes long-term partnerships, and identifies backup suppliers.
	Logistics and Transportation Issues	Customs issues, transportation disruptions, strikes, or problems in transportation infrastructure can reduce the efficiency of the supply chain.	Multiple transportation modes and prioritized customs procedures are utilized to ensure flexibility in logistics processes.
	Transportation Infrastructure Issues	Issues in transportation infrastructure can hinder the timely delivery of goods and services within the supply chain.	Alternative storage and delivery solutions are being developed by collaborating with local logistics networks.
	Technological Issues and Data Security	IT system issues, cyberattacks, or data security breaches can threaten the efficiency and security of the supply chain.	Cybersecurity infrastructure is being strengthened, regular data backups are performed, and supply chain software is kept up to date.
	Sustainable Transportation and Mobility Challenges	Vehicles that cause high carbon emissions, traffic congestion, and deficiencies in transportation infrastructure can complicate the implementation of sustainable transportation strategies.	Investments are being made in low-emission vehicles, while route optimization and sustainable transportation options are being utilized.
	Facility and Infrastructure Damages	Facility and infrastructure damages caused by natural disasters, accidents, and conflicts can impact the operations of organizations.	Disaster plans are being developed, infrastructure investments are being made, and insurance coverage is being expanded.



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CATEGORY	PHYSICAL RISKS	DEFINITION	HOW DOES UĞUR COOLING MANAGE THE RISK?
Environmental	Sustainability Reporting Risks	Failure to accurately report sustainability performance, lack of transparency, or the provision of incorrect information can put organizations at risk regarding transparency and reliability, potentially leading to legal issues.	Uğur Cooling is developing data collection and reporting processes in compliance with international standards to report its sustainability performance accurately and transparently.
	Change in Sustainability Reporting Standards	Changes or updates to international sustainability reporting standards may make it challenging for organizations to maintain compliance in their reporting practices.	Changes in reporting standards are being closely monitored, expert teams and consultants are engaged to accelerate compliance processes, and teams are being strengthened in this regard.
	Risk of Carbon Emission Measurement Limitation	The obligation to measure carbon emissions may lead countries and regions to establish carbon limits and emission reduction targets that apply to specific industries, companies, or sectors. This can pose financial and legal risks for companies that fail to make efforts to comply with the relevant regulations. The Carbon Border Adjustment Mechanism (CBAM) regulation will come into effect on October 1, 2023, limited to reporting obligations.	To ensure compliance with legal regulations, carbon emissions are regularly measured, reported, and reduction targets are set.
	Trade Tensions and Deterioration in Relations	CBAM implementations may lead to trade tensions between importing and exporting countries. The imposition of carbon regulations on one country's products by another can negatively impact trade relations and result in diplomatic tensions.	International collaborations are being strengthened, and a transparent communication policy is being adopted regarding carbon regulations.
	Industrial Adaptation Challenges	CBAM may impose carbon limitations on industries competing with a country's strict carbon regulations. This can lead to increased costs as industries are required to invest in compliance measures and adapt their business processes.	Operational processes are being optimized, and investments are being made to enhance energy efficiency to comply with CBAM. Even for those not currently within its scope, preparation efforts are ongoing.
	Fair Competition Issues	CBAM may aim to establish fair competition by ensuring that imported goods, accounting for their production-related carbon emissions, compete on equal terms with domestically produced products in the local market. However, this may result in imported goods becoming more expensive, potentially influencing consumer preferences.	The company is restructuring its supply chain based on sustainability principles to balance cost efficiency and carbon efficiency in line with customer demands.



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CATEGORY	PHYSICAL RISKS	DEFINITION	HOW DOES UĞUR COOLING MANAGE THE RISK?
Environmental	Sustainability Concerns in International Relations	CBAM implementations may raise concerns among countries regarding compliance with sustainability goals. If not perceived as part of a broader global sustainability strategy, this could lead to challenges in international relations.	CBAM is being addressed as part of a broader sustainability strategy, with collaborations being established and projects shaped accordingly.
	Global Carbon Footprint Relocation Risk	In some cases, CBAM (Carbon Border Adjustment Mechanism) implementations may not only impact the production of imported goods but also shift production processes to other countries. This could reduce carbon emissions within one country's borders while causing the same level of emissions in another country, thereby increasing the risk of global carbon footprint relocation.	Uğur Cooling prioritizes not merely the relocation of carbon emissions but their overall reduction, ensuring its production processes align with global sustainability principles.
Social	Brand and Image Challenges	Failure to fulfill sustainability commitments or engaging in greenwashing practices can lead to brand damage and loss of reputation.	Uğur Cooling supports its sustainability commitments with tangible projects and publishes regular reports in line with the principle of transparency.
	Social Media and Online Reputation Issues	Negative news or feedback related to sustainability can spread rapidly on social media, leading to reputation issues.	Reputation management strategies are being developed, and timely and accurate information is being shared across social media channels.
	Employee Dissatisfaction and Talent Loss	The lack of sustainability commitments and practices can lead to employee dissatisfaction and increased turnover. Additionally, it may create challenges in attracting new talents who are sensitive to sustainability issues.	Employees are being involved in sustainability initiatives, and inspiring work environments are being created for them.
	Human Resources and Talent Shortages	It can be challenging to find personnel with expertise and skills in sustainability and to ensure sufficient human resources to implement sustainability strategies.	To enhance sustainability expertise, employees are encouraged to participate in training programs, and collaborations are being established with talents within the industry.
	Low Employee Engagement	Low employee engagement in sustainability goals can make it more challenging to achieve these objectives.	To increase employee engagement, sustainability goals are clearly communicated, and shared achievements are celebrated.
	Social and Cultural Resistance	The transition to new sustainability practices may encounter resistance from traditional mindsets within the organization. Employees, customers, or local communities may oppose sustainability-related changes, making adaptation more challenging.	Training, awareness, and collaboration programs are being implemented to promote the adoption of sustainability-related changes.



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CATEGORY	PHYSICAL RISKS	DEFINITION	HOW DOES UĞUR COOLING MANAGE THE RISK?
Social	Employee Training and Adaptation Challenges	Challenges may be encountered in training employees or implementing programs to ensure quick adaptation to sustainability-related changes.	The company organizes comprehensive training programs and provides practical guides to ensure quick adaptation to new practices.
	Lack of Sustainability Risk Management Training	A lack of adequate training and awareness regarding sustainability risk management within the organization can lead to challenges in ensuring effective risk management.	Regular training programs and awareness initiatives on sustainability have been initiated for employees. Field and office staff are actively involved in the process of risk assessment activities.
	Changing Consumer Preferences	Sudden shifts in consumer demand for sustainable products and services can create challenges for organizations in adapting to these changes.	Market research is being conducted more frequently, customer feedback is being analyzed, and flexible production processes are being developed.
	Consumer Uncertainty	Consumers' interest in sustainable products and services may fluctuate over time, leading organizations to face uncertainty in meeting demands.	Uğur Cooling is diversifying its range of sustainable products and offering innovative solutions that can quickly adapt to changing customer expectations.
Economic	Operational Challenges	The integration of new sustainable practices and their adaptation to operations may require changes to the organization's existing processes and infrastructure.	The company is developing transition plans for integration into existing processes, launching pilot projects, and involving employees in the process by valuing their ideas.
	Increased Competitive Pressure	The implementation of similar sustainability strategies by competitors can increase competitive pressure and pose the risk of organizations losing their competitive advantage.	Competitor analysis is being conducted, innovative sustainable solutions are being developed, and efforts are focused on enhancing brand value.
	Political and Economic Uncertainties in International Markets	When organizations decide to expand their sustainability strategies into international markets, they may face challenges in navigating political and economic uncertainties in different countries.	Drawing on the knowledge and experience of its overseas sales team, which has years of expertise in international markets, political risks are carefully considered, and strategies for diversification across various markets are being implemented.
	Efficiency and Business Continuity Risks	Changes in production processes and the adoption of sustainable practices can impact business continuity and efficiency. Operational challenges during the transition period may also affect profitability.	Change processes are being planned incrementally, efficiency-boosting measures are being implemented, and operational disruptions during the transition are being minimized.



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CATEGORY	PHYSICAL RISKS	DEFINITION	HOW DOES UĞUR COOLING MANAGE THE RISK?
Economic	Cost Increases	The transition process often involves adopting new technologies, sustainable materials, or production methods. These changes can initially lead to increased investments and higher costs.	Uğur Cooling leverages financial incentives, conducts long-term cost-benefit analyses, and develops investment plans for sustainable technologies.
	Financial Market Volatility	Fluctuations in financial markets and economic uncertainties can impact the financing and investments directed toward sustainability projects.	The company is developing flexible financial strategies to counter economic fluctuations affecting sustainability projects.
	Lack of Investment and Innovation	A lack of sufficient funding and innovation can hinder the sustainability transition cause organizations to fall behind in the industry.	R&D efforts are being prioritized, partnerships and grants are being utilized, and a culture of innovation is being encouraged.
	Failure to Respond to Demands for Sustainable Products and Services	Failing to provide sustainable products and services that meet market demands can impact customer satisfaction.	Customer needs are continuously monitored, flexibility is ensured in product development processes, and customer-focused approaches are adopted.
	Cybersecurity Threats	The digitalization of sustainability strategies can increase cybersecurity risks, including threats such as data breaches, information leaks, or cyberattacks.	Digital infrastructure is being strengthened, regular security tests are being conducted, and data protection policies are being implemented.
	Product and Service Quality Issues	Sustainability-focused changes may impact product and service quality, potentially leading to decreased customer satisfaction.	Quality control processes are being improved, customer feedbacks are being analyzed, and continuous monitoring is conducted to maintain quality standards.
	Investor and Shareholder Pressure and Expectations	The expectations of investors or shareholders regarding sustainability can place organizations under pressure and compel them to act quickly. Investors and shareholders may prioritize sustainability commitments and performance. There is a risk of either opposing these expectations or failing to meet them.	Communication channels are being established to understand investor expectations, sustainability reporting is being strengthened, and transparency policies are being implemented.
	Supply Chain Dependency and Resilience	A weak link in the supply chain or resistance to changes can negatively impact the sustainability transition.	Suppliers' sustainability compliance is being evaluated, alternative suppliers are being identified, and collaboration processes are being enhanced.



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CATEGORY	PHYSICAL RISKS	DEFINITION	HOW DOES UĞUR COOLING MANAGE THE RISK?
Economic	Stakeholder Expectations	Different stakeholder groups (investors, customers, employees, society) may have varying expectations and demands. Balancing and meeting these expectations can be risky.	The Company maintains regular communication with stakeholders and develops comprehensive sustainability strategies that balance their expectations.
	Digital Transformation Challenges	The integration of digital technologies aligned with sustainability can complicate the digital transformation process for organizations.	Uğur Cooling manages the digitalization process gradually, works with expert teams, and updates the necessary infrastructure.
	High-Cost Sustainable Technology	The high cost of transitioning to sustainable technologies can lead to financial difficulties for organizations.	The company allocates a budget for sustainability investments and conducts long-term planning.
	Technological Infrastructure Issues	Insufficient or outdated technological infrastructure can hinder the effective management of sustainability projects.	The company is increasing technology investments, upgrading its infrastructure, and establishing technology partnerships.
	Technological Failures and Disruptions	Failures or disruptions in systems based on sustainable technologies can impact the operations of organizations.	Emergency plans are being developed, backup systems are being established, and regular maintenance activities are being carried out.
	Supply Chain Security	Finding suppliers aligned with sustainability and securing the supply chain can be challenging.	The Company is expanding its supplier network and strengthening its infrastructure to prioritize sustainability criteria in supplier selection.
	Innovation and R&D Challenges	Developing products or services aligned with sustainability may require greater effort in innovation and research and development (R&D). Challenges in these processes can impact competitive advantage.	Uğur Cooling promotes R&D, accelerates innovative product development processes, and enhances its competitive advantage.
	Breakdowns in Supply Chain Relationships	Dependence on suppliers that do not align with sustainability requirements can expose organizations to supply chain issues.	The company prioritizes working with sustainable suppliers, establishes long-term contracts, and reduces dependency.



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Managing Sustainability Trends

CATEGORY	TRENDS	DESCRIPTION	HOW DOES UĞUR COOLING MANAGE THE TREND?
Environmental	Green Energy and Carbon Footprint Reduction	Companies are adopting various strategies to increase the use of renewable energy and reduce their carbon footprint. They tend to invest in green energy projects and promote the use of sustainable energy.	Uğur Cooling adopts a carbon footprint reduction strategy through its investments in green energy projects. The company is turning to renewable energy sources, such as solar energy, to promote the use of sustainable energy.
	Circular Economy and Waste Reduction	Circular economy principles are increasingly being adopted to use resources more efficiently and reduce waste. Strategies focusing on recycling, reusing, and waste reduction are becoming more widespread.	Uğur Cooling adopts waste management and recycling strategies, utilizing resources efficiently and developing solutions to reduce waste in line with circular economy principles.
	Innovation and Green Technologies	Investments in green technologies and sustainable innovations are increasing. Innovative solutions may focus on improving business processes as well as reducing environmental impacts.	Uğur Cooling invests in sustainable innovations to improve business processes and develop innovative solutions to reduce environmental impacts.
	Carbon Footprint	Companies are evaluating carbon impacts from a broader perspective by considering not only their operational carbon footprint but also the carbon emissions generated throughout the supply chain and during the use of their products.	The company evaluates carbon impacts from a broad perspective by considering not only its operational carbon footprint but also the carbon emissions generated throughout the supply chain and during the use of its products, while developing projects in this area.
	Energy Storage and Renewable Resources	Advancements in energy storage technologies and the increase in renewable energy sources make energy consumption more sustainable.	In parallel with the increase in renewable energy sources, Uğur Cooling plans to invest in energy storage technologies to enhance sustainable energy use in the coming years.
	Plastic Alternatives and Packaging Innovations	The packaging industry is focusing on innovations to reduce single-use plastic consumption and develop eco-friendly packaging alternatives.	The company is reducing single-use plastic consumption by focusing on eco-friendly packaging alternatives and contributing to innovations in the packaging industry.
	Energy Storage Technologies	Energy storage systems contribute to the sustainable energy transition by balancing energy supply and storing energy generated from renewable sources.	The Company utilizes energy storage systems to make sustainable energy use more efficient and contribute to the transition to renewable energy.
	"Net Zero Carbon" Company Goals	Companies, industries, and countries are focusing on reducing their carbon footprints by setting net-zero carbon goals. Efforts to lower carbon emissions are a significant trend aimed at enhancing sustainability.	Uğur Cooling aims to reduce carbon emissions and enhance sustainability in line with its net-zero carbon goals.



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CATEGORY	TRENDS	DESCRIPTION	HOW DOES UĞUR COOLING MANAGE THE TREND?
Environmental	The Proliferation of Electric Transportation	Electric vehicles and public transportation provide a cleaner transportation alternative compared to fossil fuel-powered vehicles. This supports the transition to a sustainable transportation system by reducing energy consumption and carbon emissions.	By increasing the shift from fossil fuel-powered vehicles to electric vehicles, the Company supports the proliferation of cleaner and more sustainable transportation systems.
	Energy Training and Awareness	Raising public awareness about energy efficiency, promoting energy-saving habits, and providing education on sustainable energy use are among the key sustainability trends in the energy sector.	The Company organizes training programs to raise awareness about energy efficiency and sustainable energy use in society and encourages energy-saving habits.
	Waste Classification and Segregation	The proper classification and segregation of waste help make recycling processes more efficient. This trend involves fostering a culture of waste segregation within society.	Uğur Cooling implements effective waste management strategies to ensure proper waste classification and improve recycling processes.
	Waste Tracking and Monitoring	Businesses can track and analyze waste generated from production processes to develop strategies for reducing waste. Monitoring and reporting can help improve waste management processes.	The Company is developing waste reduction strategies by tracking and analyzing waste generated from production processes.
	Waste Electrical and Electronic Equipment (WEEE) Management	Rapidly advancing technological developments can make the management of waste electrical and electronic equipment challenging. Proper recycling of electronic waste and the extraction of its components support sustainability efforts in this field.	The Company implements proper management systems to ensure the recycling of electronic waste and the extraction of its components.
	Circular Economy and Waste Reduction	Circular economy models promote efforts to minimize waste and recycle materials.	The Company implements circular economy models to significantly minimize waste and recycle materials, supporting sustainability efforts in this area.
Social	Employee Health and Well-Being	Companies implement programs and policies that support employees' physical and mental health, focusing on ensuring a proper work-life balance. Healthy working conditions, ergonomic office arrangements, and mental health supports are integral aspects of this trend.	Uğur Cooling implements programs and policies that support the physical and mental health of its employees, ensuring healthy working conditions and maintaining a work-life balance.
	Training and Awareness Raising	Training programs and campaigns are becoming increasingly important for raising awareness on sustainability issues. Companies are intensifying their efforts to educate both employees and consumers about sustainability.	The Company organizes training programs to raise awareness about sustainability, conducts initiatives to build employee consciousness, and increasingly incorporates these topics into its projects.
Economic	Impact Investments	Companies and investors aim to achieve social and environmental benefits alongside financial returns by investing in projects focused on social and environmental impact.	The company invests in projects focused on social and environmental impact, aiming to achieve social and environmental benefits in addition to financial returns.
	Green Employment and Skill Development	The increasing demand in the green economy supports the development of green jobs and skills in environmentally friendly sectors. Green employment is a hallmark of sustainable economic growth.	Uğur Cooling contributes to the growth of the green economy by supporting the increase of green jobs and skills in environmentally friendly sectors, with its projects gaining momentum each day.



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Managing Sustainability Opportunities

TOPIC	DESCRIPTION	OPPORTUNITY	HOW DOES UĞUR COOLING MANAGE THE OPPORTUNITY?
Renewable Energy Usage	Meeting the company's energy needs through renewable energy sources such as solar, wind, and hydroelectric power.	Low carbon footprint, energy cost savings, environmental sustainability reputation.	Uğur Cooling enhances energy efficiency by increasing the use of renewable energy sources. In 2024, the company plans to install solar energy systems to reduce dependence on fossil fuels in production processes and is implementing projects aimed at minimizing its carbon footprint through environmentally friendly energy use.
Social Innovation and Societal Impact	Social responsibility projects and efforts to create societal impact.	Strengthening brand reputation, building connections with communities, and fostering customer loyalty.	The Company invests in social responsibility projects to build strong ties with local communities. By involving its employees and customers in these projects, Uğur Cooling enhances the social impact of its brand and fosters trust among communities.
Digitalization and Advanced Technology Utilization	Digitalization and the use of advanced technology in business processes.	Energy and resource savings, increased efficiency in business processes, competitive advantage.	By digitalizing its processes with high-tech systems, it uses resources more efficiently, enhances efficiency to reduce costs, and gains a competitive advantage in the market.
Sustainable Supply Chain Management	Aligning supply chain processes with sustainable and ethical standards.	Risk reduction, supply chain transparency, strengthening supplier relationships.	The Company develops sustainable and ethical supply chains by working closely with suppliers. By ensuring transparency, it reduces risks and strengthens supplier relationships.
Social Equity and Community Engagement	Diversity and equity-focused projects and policies.	Employee satisfaction, social reputation, expanding the customer base.	The Company provides equal opportunities through diversity-supporting policies and projects. By enhancing employee satisfaction, Uğur Cooling boosts productivity and loyalty.
Sustainable Finance Management	Managing financial strategies in accordance with sustainability principles.	Long-term profitability, financial transparency, risk management.	The Company shapes its financial strategies based on sustainability principles; prioritizes financial transparency and risk management while ensuring its long-term profitability.
Digitalization and Application Development	Digitalization and application development in business processes.	Increased efficiency in business processes, improved customer experience, innovation.	By developing digital solutions and innovative applications, Uğur Cooling enhances efficiency in business processes, improves the customer experience, and strengthens its competitive edge.
Water Efficiency and Management	Strategies for monitoring and reducing water consumption.	Protecting water resources, operational efficiency, sustainable water management.	The Company protects water resources and ensures efficiency in operational processes by implementing water efficiency strategies.
Carbon-Free Transportation Solutions	Carbon-free transportation vehicles and strategies.	Reducing carbon emissions, energy efficiency, sustainable transportation.	The Company achieves energy efficiency and reduces carbon emissions by investing in carbon-free transportation solutions.
Education and Awareness Programs	Training programs on sustainability for employees, suppliers, and customers.	Raising sustainability awareness, enabling participants to understand their environmental responsibilities.	The Company organizes sustainability-focused training sessions for employees and suppliers to raise environmental responsibility awareness. Additionally, Uğur Cooling conducts awareness campaigns with customers and communities to promote societal awareness of sustainability.



GRI 2-16, 2-25

ANALYSIS OF SUSTAINABILITY RISKS, TRENDS AND OPPORTUNITIES

Managing Sustainability Opportunities

TOPIC	DESCRIPTION	OPPORTUNITY	HOW DOES UĞUR COOLING MANAGE THE OPPORTUNITY?
Cybersecurity and Data Privacy	Sustainable practices in digital security and data privacy.	Reliability and transparency, enhancing customer trust, addressing cyber risks.	By implementing robust cybersecurity measures to protect data, the Company ensures the privacy of customer information and enhances customer trust through transparent data management and reporting practices.
Climate Change Education Programs	Training programs on climate change for employees and communities.	Adopting strategies to address climate change, raising community awareness.	The Company organizes training programs on combating climate change for employees and communities, enabling them to understand their environmental responsibilities and developing strategies to address climate change.
Energy Storage and Renewable Energy Projects	Investing in energy storage technologies.	Energy efficiency, reducing carbon footprint, energy security.	By investing in renewable energy projects, Uğur Cooling enhances energy efficiency and reduces its carbon footprint. Through energy storage technologies, the Company ensures energy security.
Digital Monitoring and Reporting Tools	Managing business processes with digital monitoring and reporting tools.	Regularly reporting environmental and social performance, ensuring transparency and accountability.	By monitoring business processes with digital tools, the Company regularly reports its environmental and social performance, ensuring transparency and enhancing accountability.
Social Justice and Equality Projects	Supporting equitable working conditions that respect human rights.	Employee satisfaction, diversity and inclusion, the company's social responsibility profile.	Uğur Cooling ensures working conditions that respect human rights, adopts the principle of diversity and inclusion among employees, and strengthens the company's social responsibility profile.
Sustainable Mobile Applications and Technologies	Implementing sustainability concepts through mobile applications and other technological solutions.	Enhancing customer engagement, facilitating access to sustainable products and services, and achieving technology leadership.	The Company aims to create mobile platforms that develop eco-friendly applications and promote sustainable products, empowering customers to make responsible choices.
Social Innovation and Social Entrepreneurship	Finding solutions to social issues through innovative approaches and entrepreneurship.	Positive social impact, brand reputation, customer loyalty, new market opportunities.	The Company aims to enhance social benefit and create new market opportunities by investing in social entrepreneurship and innovation projects.
Recyclable Packaging Design	Involves designing product packaging to be recyclable, low-waste, and environmentally friendly.	Biodegradable packaging, packaging made from recycled materials, packaging waste reduction strategies.	The Company develops environmentally friendly designs by using recyclable and biodegradable packaging and strives to minimize packaging waste.
Digital Transformation in Education	Involves the use of technology in educational processes, encompassing elements such as online education, digital resources, and interactive learning tools.	Distance education platforms, digital learning materials, energy-efficient school infrastructure.	As part of its digital transformation, the Company provides its employees with eco-friendly digital educational materials and fosters sustainability awareness in educational processes.
Sustainable Consumption Habits	Involves individuals and societies adopting consumption habits that cause less harm to the environment.	Conscious consumer campaigns, sustainable product designs, sharing economy practices.	It organizes conscious consumer campaigns and offers eco-friendly designs to encourage consumers to choose sustainable products.



GRI 2-6, 2-29

STAKEHOLDER MAP AND STAKEHOLDER RELATIONS

Open communication with stakeholders

Uğur Cooling places great importance on developing open lines of communication with its stakeholders and encouraging their participation in business processes.

Uğur Cooling bases its stakeholder identification process on the following criteria:

- Groups that have a direct impact on operations and strategies,
- Groups that are affected by or play a role in Uğur Cooling's social, economic, and environmental impacts,
- Stakeholders with whom mutual collaboration can contribute to achieving sustainability goals,
- Groups with the potential for long-term business relationships and collaboration opportunities.

In stakeholder selection, factors such as the ability to influence, level of impact, and the nature of the relationship with the Company are taken into consideration. Uğur Cooling has adopted the fundamental principle of progressing in harmony with all its stakeholders throughout its business processes and has established a two-way and participatory communication structure. The Company places

great importance on developing open lines of communication with its stakeholders and encouraging their participation in business processes.

Stakeholder Engagement

Uğur Cooling has created a comprehensive stakeholder map by considering all its stakeholders and has established regular communication methods to meet their expectations, needs, and demands. Within the framework of the AA1000 Stakeholder Engagement Standard, the communication methods and frequency for each stakeholder group have been organized. In this context, the active participation of key stakeholder groups in Uğur Cooling's sustainability journey has been ensured.

The company encourages collaborations that maximize the potential of its stakeholders to contribute to sustainability goals and considers stakeholder engagement as a fundamental element of its long-term success strategy.

SDGs We Contribute to



Uğur Cooling considers stakeholder engagement to be a fundamental element of its long-term success strategy.





GRI 2-6, 2-29

STAKEHOLDER MAP AND STAKEHOLDER RELATIONS

Type	Related Parties	Expectations and Conditions of Related Parties	Communication Method	Communication Frequency
EXTERNAL	Government, Regulatory Agencies, and Civic Organizations	<p>Complete fulfillment of membership conditions</p> <p>Transparency of processes</p> <p>Works carried out in accordance with laws and regulations.</p> <p>Participation in activities</p> <p>Supporting development</p> <p>Transparency of processes</p> <p>Ensuring compliance with laws and standards</p>	E-mail, Telephone, Face-to-face meetings, Audits, Regular reports, Meetings, Joint projects	Monthly, Annual
	Customers	<p>Social Media, Website, News</p> <p>Compliance with contract/order obligations</p> <p>Price policy</p> <p>Product diversity</p> <p>Compliance with legal regulations/standards</p> <p>On-time and quality delivery</p> <p>Receiving safe and quality service</p> <p>Competitive environment</p> <p>Buy environmentally friendly products with low energy consumption.</p> <p>Product supply within the framework of legal regulations and standards</p> <p>Effective communication</p> <p>Ensuring quality product service</p> <p>Price policy</p> <p>Ensuring fast and effective communication (after-sales satisfaction, technical support, live support line)</p>	<p>Meetings, Trainings, Fairs, and Conferences</p> <p>Product Labels and User Manuals, Face-to-Face Meetings, Audits, Email, Telephone, Web</p> <p>Website, Social Media Accounts, Ads, Campaigns, Social Responsibility Projects, Customer Satisfaction Surveys, Written and Visual Media Advertisements, Catalogs, Corporate Reports, Call Center, Sponsorships, Written and Visual Media, Satisfaction Surveys, Fairs, Tenders</p>	Continuously
	Suppliers	<p>Supplier audits and portals</p> <p>Fair, transparent procurement</p> <p>Protection of information on suppliers</p> <p>Ensuring the safety of supplier company personnel within our factory site</p> <p>Compliance with contract/order obligations</p> <p>Making timely payments to institutions and organizations</p> <p>Long-term cooperation projection</p> <p>Price and payment terms</p> <p>Clear and complete notification of product orders and requests (specifications, etc.)</p>	<p>One-on-one meetings, Online face-to-face meetings, Supplier portal, E-mail, Supplier audits</p>	Continuously



GRI 2-6, 2-29

STAKEHOLDER MAP AND STAKEHOLDER RELATIONS

Type	Related Parties	Expectations and Conditions of Related Parties	Communication Method	Communication Frequency
EXTERNAL	Competitors	Fair competition conditions No unfair competition	Through fairs, Online interviews, Rating agencies, National and international projects	
	Community	Sensitivity to society and the environment Contact Reducing the physical security risks that Uğur Cooling will give to the environment Providing environment/regional conditions that will not disturb the peace, order, and security of the environment Fair approach Consideration of complaints and expectations Reducing carbon emissions to the environment	Social responsibility projects, Social media, Stand set-up, Information exchange, Getting ideas for award competitions, social projects through radio channels	Continuously
	Distributors and Services	Compliance of products with the required standards / product diversity Expectation of quality and affordable prices Safe and quality service concept Competitive environment, ability to purchase environmentally friendly, energy-efficient products Ability to communicate effectively Price policy Ensuring fast, effective communication (after-sales satisfaction, technical support	One-on-one meetings, annual and sustainability reports, website, dealer portal, joint projects and Telephone, Dealers/ Services Meetings, E-mail, Internal Periodicals, Trainings, Customer Satisfaction Surveys, Trainings	Continuously
	Employees	Determination of authorities and responsibilities Business continuity Safe working environment Education Protection of legal rights Career planning Fair governance Taking action on submitted suggestions and/or complaints Working in a healthy and safe environment Performance management Employment Ensuring a respectful and tolerant environment Ability to access the necessary personal protective equipment in case of epidemic disease Providing necessary information in case of epidemic disease Providing a working environment in accordance with the measures to be taken in case of epidemics	Employee satisfaction surveys, Announcements, Information boards, WhatsApp communication lines, ethics lines, information through in-house visual channels, Internal communication platform, Wish and suggestion system, Information Systems Support Portal, Corporate events, Trainings, Surveys	Continuously



GRI 2-6, 2-29

STAKEHOLDER MAP AND STAKEHOLDER RELATIONS

Type	Related Parties	Expectations and Conditions of Related Parties	Communication Method	Communication Frequency
EXTERNAL	Students and Interns	<p>Service support</p> <p>Workplace safety</p> <p>Respect and tolerance</p> <p>Access to authorized documents</p> <p>Education</p>	Stands established at universities, Career days events, Project studies	Continuously
	Senior management	<p>High profit</p> <p>High turnover</p> <p>Reputation protection</p> <p>Compliance with laws and regulations</p> <p>Return on investment</p> <p>Precision and flexibility of operations</p> <p>Fiscal stability</p> <p>Corporate Governance approach</p> <p>Efficient use and reduced consumption of energy and water resources</p> <p>Use of more energy-efficient products and practices</p> <p>A satisfactory business volume</p> <p>Creating new market and business opportunities</p> <p>Implementing risk-focused, process-based management</p> <p>Taking preventive measures against workplace accidents and occupational diseases within the factory</p> <p>Maintaining safe and health-compliant working environments</p> <p>Preventing environmental pollution and damage caused by company activities</p> <p>Using natural resources efficiently and effectively</p> <p>Minimizing waste generation</p> <p>Proper disposal of generated waste</p> <p>Reducing the carbon footprint</p> <p>Establishing a strong, precise, flexible, and fast production structure</p> <p>Taking necessary precautions to ensure the continuity of products required during a pandemic, including proper planning of PPE supply</p> <p>Ensuring that employees comply with mask, distancing, and hygiene rules</p> <p>Minimizing the impact of a pandemic on employees and ensuring the continuity of production.</p>	General Assembly Meetings, Annual Reports, Board of Directors Meetings, Financial Performance Meetings	Continuously



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GRI 2-6, 2-28

CORPORATE MEMBERSHIPS AND SUPPORTED INITIATIVES

SDGs We Contribute to



Valuable contributions to the sustainability ecosystem

Through its corporate memberships and supported initiatives, Uğur Cooling expands its sphere of influence within the sustainability ecosystem.



Aegean Exporters' Associations



İstanbul Chamber of Commerce



Ege University-Industry Cooperation



Aydın Chamber of Industry



Un Global Compact



Turkish Red Crescent (Kızılay)



İstanbul Chamber of Industry



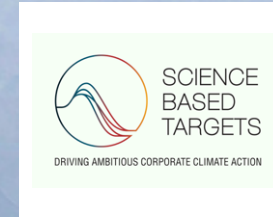
EcoVadis



Turkish Patent and Trademark Office



Nazilli Chamber of Commerce



Science Based Targets initiative



Ministry of National Education (MEB) Mastery Compensation Program Project



GRI 2-16, 3-1, 3-2, 3-3

MATERIAL TOPICS AND MATERIALITY MATRIX

Expanding Sustainability Impact Area

A comprehensive benchmarking study has been conducted to analyze the practices of other companies in the sector.



22

Material topics

Uğur Cooling progresses on its sustainability journey by considering the views and expectations of its stakeholders. In this context, the material topics study, included in the 2021-2022 Sustainability Report and conducted with consideration of stakeholder opinions and senior management perspectives, has been strengthened and updated for 2023.

During the process of updating the materiality matrix, a comprehensive benchmarking study was conducted to analyze the practices of other companies in the industry. Based on the data obtained from this study and in light of current industry trends, changes were made to the prioritization of certain topics, and new topics were incorporated into the matrix, taking into account contextual developments as well.

The updated materiality matrix includes 22 different topics that influence Uğur Cooling's sustainability performance. These topics are classified into three main categories: Very High, High, and Priority. The categorization was carried out by evaluating the potential impact of each topic on both Uğur Cooling and its stakeholders.

The foundational elements of the prioritization study are as follows:

- **Stakeholder Opinions:** The views of employees, customers, suppliers, investors, and other stakeholders are regularly collected and analyzed.

- **Sectoral Benchmarking:** In order to identify the best practices and trends in the sector, the sustainability reports and materiality studies of competing companies have been reviewed.
- **Global Trends:** International reports and global sustainability trends, such as the World Economic Forum (WEF) Global Risks Report and the United Nations Sustainable Development Goals (SDGs), have been taken into consideration.
- **Financial Impact:** An analysis of the financial impacts of material topics has been conducted to ensure alignment of sustainability strategies with long-term value creation goals.



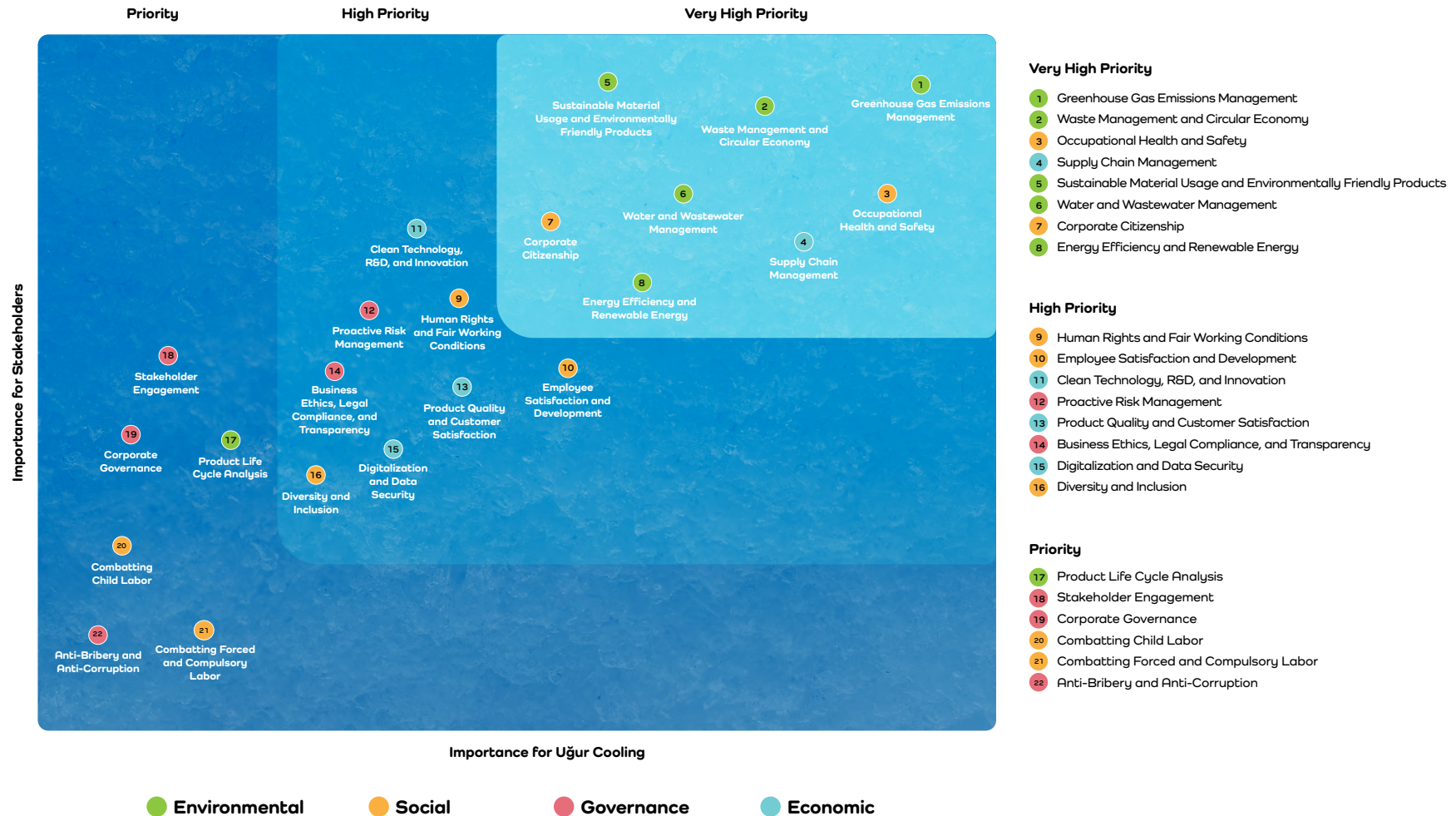


GRI 2-16, 3-1, 3-2, 3-3

MATERIAL TOPICS AND MATERIALITY MATRIX

Sustainability priorities shaped by stakeholder insights

Material topics have been prioritized through a matrix developed based on sectoral analyses and evaluations of global trends.





SUSTAINABLE DEVELOPMENT GOALS CONTRIBUTED TO

Uğur Cooling 2023 Material Topics

Contributed SDGs

Environmental

Green Gas Emission Management



Waste Management and Circular Economy



Sustainable Material Usage and Environmentally Friendly Products



Water and Wastewater Management



Energy Efficiency and Renewable Energy



Product Lifecycle Analyses



Social

Occupational Health and Safety



Corporate Citizenship



Human Rights and Fair Working Conditions



Employee Satisfaction and Development



Diversity and Inclusion



Combatting Child Labor



Combatting Forced and Compulsory Labor



Governance

Proactive Risk Management



Business Ethics, Legal Compliance, and Transparency



Stakeholder Engagement



Corporate Governance



Anti-Bribery and Anti-Corruption



Economic

Supply Chain Management



Clean Technology R&D and Innovation



Product Quality and Customer Satisfaction



Digitalization and Data Security





Uğur Cooling
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GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-17, 2-18, 2-23, 2-24, 2-27, 3-3

CORPORATE GOVERNANCE

Transparency in corporate governance

In 2023, Uğur Cooling successfully maintained its operations in line with the principles of corporate governance and strengthened stakeholder trust.

Uğur Cooling's highest governing body is the Board of Directors, and the Company's strategic decision-making mechanism is comprised of the Board of Directors, the Executive Committee, and the CEO.

Each functional unit ensures accountability and transparency by reporting to senior management or the Board of Directors at regular intervals. This reporting structure supports the effective making of strategic decisions.

The Board of Directors and the Executive Committee play a significant role in Uğur Cooling's senior management structure. As of the end of 2023, the Board of Directors consists of three members. Various committees have been established to support the decisions of the Board of Directors, ensuring that the Company operates in alignment with its sustainability, risk management, and ethical values.

The committees operating under the Board of Directors at Uğur Cooling are as follows:

- **Executive Committee:** Manages the Company's operational processes and ensures the implementation of strategic decisions.
- **Occupational Health and Safety (OHS) Committee:** Responsible for establishing and implementing policies related to occupational health and safety.
- **Risk Assessment Committee:** Evaluates risks the Company may face and develops strategies to address these risks.
- **Strategy Committee:** Defines the Company's long-term goals and growth strategies.
- **Ethics Committee:** Oversees the implementation of ethical conduct rules and monitors compliance with these rules.

These committees carry out their activities through regular meetings, ensuring that the Company operates in alignment with corporate governance principles.

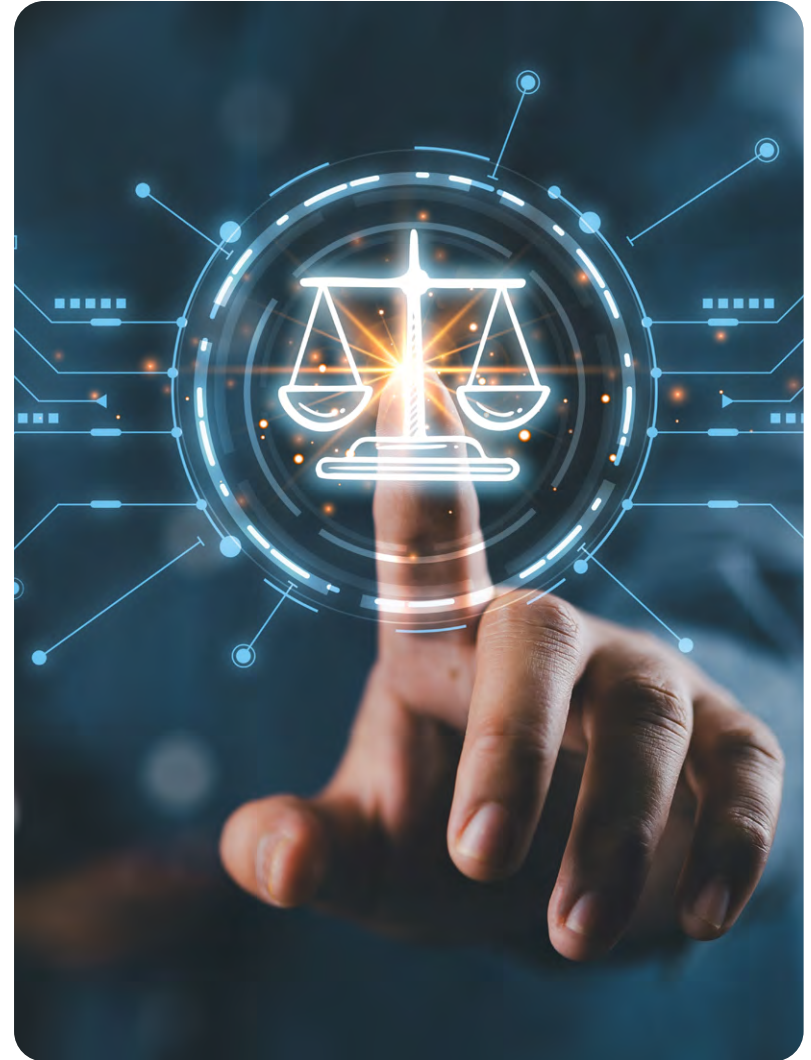
Detailed information about Uğur Cooling's policies and principles can be accessed at <https://www.ugur.com.tr/kurumsal-politikamiz/kurumsal-politikalarimiz>.

Corporate Governance Principles

Uğur Cooling has built its corporate governance approach on the principles of transparency, accountability, and sustainability. In 2023, despite various economic and environmental challenges, the Company successfully carried out its activities in line with its corporate governance principles, strengthening stakeholder trust. These principles include:

- Effective implementation of corporate governance rules,
- Trust-based, transparent, and sustainable relationship management with related parties,
- Efficient and effective use of resources,
- Compliance with laws and regulations, an auditable structure, and a responsible organizational approach,
- Effective execution of quality systems and successful completion of audit processes.

SDGs We Contribute to





GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-17, 2-18, 2-23, 2-24, 2-27, 3-3

CORPORATE GOVERNANCE

Strong governance structure and effective policy implementation

Uğur Cooling's corporate governance structure, with its strong committees and effective policy implementations, plays a crucial role in achieving its sustainability and efficiency goals.

Transparency and Accountability

Uğur Cooling adheres to the principle of transparency with the aim of ensuring clear and understandable communication in its stakeholder relations. Within the Company's internal communication processes, the management ensures regular information flow to employees and organizes briefing meetings to share updates on strategic decisions.

The principle of transparency has also been adopted in supply chain management, where ethical compliance, environmental standards, and social responsibility criteria are upheld in contracts with business partners and suppliers. The Company's performance targets, strategic directions, and significant announcements are shared on digital platforms, making them accessible to all employees.

Uğur Cooling's corporate governance structure, with its strong committees and effective policy implementations, plays a significant role in achieving its sustainability and efficiency goals.

Sustainability Policy

The aim of Uğur Cooling is to share with each stakeholder group the situations that are affected or impacted by its activities, considering sustainability priorities. Within the scope of this target, it is aimed to ensure compliance with both national and international standards and legislation by identifying priorities, strategic objectives, risks, and opportunities and establishing the appropriate infrastructure.

Unless otherwise stated, the determined sustainability policy applies to all operations and employees within Uğur Cooling.

Uğur Cooling employs the following principles in consideration of other policies applicable to sustainability:



To raise awareness about sustainability and the United Nations Sustainable Development Goals on behalf of our internal and external stakeholders,



To comply with the 10 Principles of the United Nations Global Compact, of which we are a signatory,



To implement and regularly renew an Environmental Management System that considers national/international legislation on the environment,



To ensure integration into the Environmental Management System by regularly evaluating the environmental risks identified within the scope of its activities,



To both raise awareness and include all our stakeholders in the Environmental Management System,



To ensure that wastes are reduced at source, recovered, and if not recovered, disposed of safely, considering the effective use of energy and natural resources,



To establish sustainable systems by including the most advanced and environmentally friendly technologies in its future investments,



To minimize greenhouse gas and air emissions by using renewable energy and sustainable materials by combating climate change and maintaining energy efficiency,



To ensure regular water monitoring and to take actions accordingly to reduce water consumption arising from our activities,



To observe and promote human rights, labor, and social rights and to regularly raise awareness of stakeholders on this issue,



To carry out its work in a system that is against bribery and corruption, where safeguards are in place, controls are in place, and punishment is available,



To conduct recruitment processes that do not allow any form of discrimination based on gender, language, religion, race, political views, or similar factors, and that ensure equal opportunities.



GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-17, 2-18, 2-23, 2-24, 2-27, 3-3

CORPORATE GOVERNANCE



To give importance to the data confidentiality of all stakeholders and not to share it with third parties,



To comply with the objectives and targets set for occupational health and safety (OHS) and national and international legislation,



To inform stakeholders and ensure their active participation by regularly monitoring our current situation regarding OHS issues,



To ensure the provision and use of personal protective equipment to employees within the scope of activities,



To protect the confidentiality, integrity, and accessibility of information and to include activities to raise stakeholders' awareness of information security,



To keep product quality at the highest level by using advanced equipment and technologies in future investments,



To provide a management system standard in accordance with national and international legislation and regulations,



To prioritize ethical values and human health and safety in all its activities,



Not allowing child labor and forced labor both within its own organization and in its supply chain,



To raise awareness of all stakeholders on this issue by carrying out social projects and training within the scope of OHS,



To minimize occupational accidents, occupational diseases, injuries, and near misses with a system where risk analyses are provided and stakeholder feedback is considered,



To organize the working and activity environment in a way that does not pose an OHS risk and to ensure regular control,



To ensure that production and sales activities prioritize customer satisfaction and trust within the scope of quality,



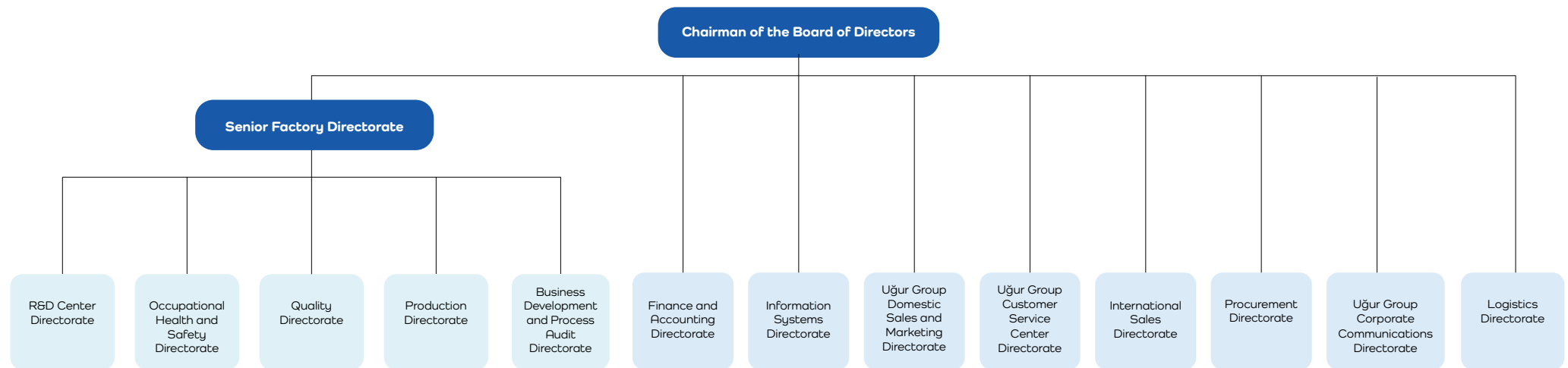
To ensure the effective and up-to-date implementation of the Integrated Management System, with the regular involvement of stakeholders.



GRI 2-9, 2-11, 2-12, 2-13

COMPANY ORGANIZATIONAL STRUCTURE

Competent organizational structure



As indicated in the General Organization Chart, the top management perspective is provided by the Chairman and the Vice Chairman of the Board of Directors. There is one Senior Factory Director reporting to the Board of Directors, and this director oversees five Department Directors. In total, the organization has thirteen Department Directors. The employees and senior management members included in the organizational chart have a say in the structure of the Sustainability Committee formation.



GRI 2-15, 2-25, 2-26, 2-27, 3-3, 406-1

BUSINESS ETHICS, TRANSPARENCY, AND LEGAL COMPLIANCE

SDGs We Contribute to



Full compliance with business ethics principles

Uğur Cooling is committed to creating a healthy work environment by integrating its corporate ethical values into the company culture.

Uğur Cooling views the establishment of an ethical business culture as an essential component of sustainability and continuously improves its policies and procedures accordingly. The Company adopts fairness, honesty, legal compliance, and transparency as fundamental principles in all its operations.

Ethics, Principles and Values

Uğur Cooling's business ethics principles are defined within the Ethical Conduct Principles and Implementation Procedure as well as the Uğur Cooling Ethical Conduct Rules and Implementation Guide. The ethical principles outlined in these documents are binding for all employees, business partners, and suppliers.

The Company implements a comprehensive information process from the recruitment stage to ensure that all employees adopt and comply with business ethics principles. During orientation programs, ethical rules are explained in detail, and employees are provided with the Ethical Conduct Rules and Implementation Guide. Additionally, regular training sessions throughout the year keep employees continuously informed and updated.

In 2023, 41% of the Company's employees participated in awareness programs on ethics and compliance.

Ethics Hotline and Audit Mechanisms

Uğur Cooling has established an anonymous Ethics Hotline to ensure the adoption of ethical values across the company and to enable the safe reporting of potential violations. Reports submitted through this hotline are evaluated with strict confidentiality, and necessary actions are taken accordingly. In 2023, a total of 24 reports were made to the Ethics Hotline.

The company conducts regular internal audit processes to monitor and enhance its business ethics performance. These processes not only assess employees' compliance with ethical rules but also identify opportunities for improving the effectiveness of operations. Based on audit results, action plans are developed and implemented accordingly.

Transparency and Stakeholder Relations

Uğur Cooling considers transparency a cornerstone of its corporate values and remains firmly committed to this principle at every stage of its business processes. The Company provides its stakeholders with comprehensive and reliable information through regularly published sustainability reports and disclosure documents.

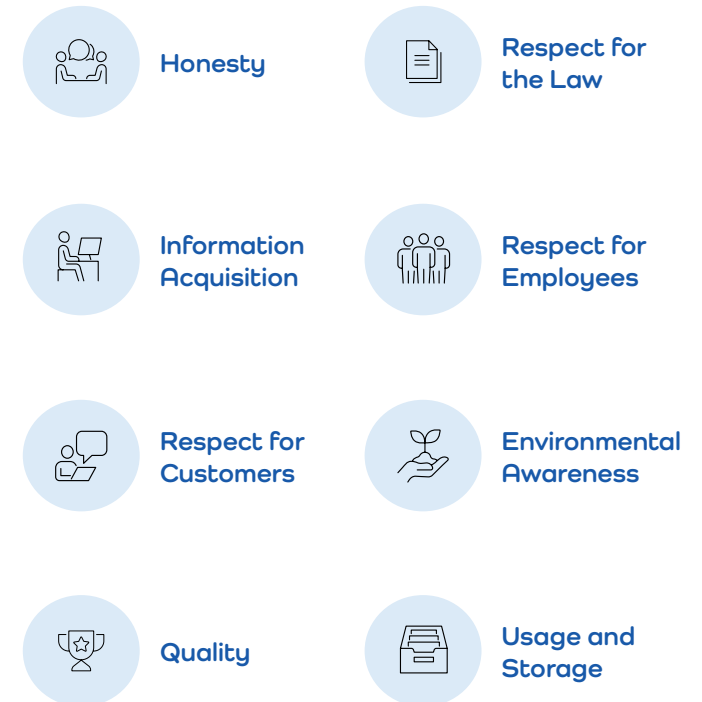
To ensure transparency in internal communication, performance goals, strategic directions, and key announcements are shared openly with all employees through digital platforms and the Company's internal portal. To effectively gather employee feedbacks and integrate them into business processes, the Company implements suggestion systems, surveys, and regular meetings. Additionally, the Open-Door Policy, which enables direct communication between senior management and employees, plays a crucial role in upholding the principle of transparency.

Legal Compliance and Reporting

Uğur Cooling considers full compliance with legal regulations and industry standards as a corporate obligation. In contracts with suppliers, adherence to business ethics, environmental standards, and social responsibility criteria is explicitly mandated. This approach ensures the traceability and auditability of supply chain processes.

All these practices enable Uğur Cooling to foster a corporate culture based on transparency, accountability, and ethical values, strengthening stakeholder relations and supporting the Company in achieving its sustainability goals.

The Company's ethical principles basically consist of 8 components:





GRI 2-15, 3-3, 205-1

ANTI-BRIBERY AND ANTI-CORRUPTION

“Zero tolerance” approach to bribery and corruption

Necessary audit and control mechanisms have been established based on the principles of transparency and accountability in all processes.

Uğur Cooling adopts a “zero tolerance” approach to bribery and corruption in line with its commitment to ethical conduct in all business processes. The Company’s policies and practices in this area are defined in the Code of Ethical Conduct and Implementation Procedure, and all employees, business partners, and suppliers are expected to comply with these principles.

The company is committed to adhering to the highest standards of business ethics in combating bribery and corruption and conducting its operations fairly, honestly, and in compliance with national and international legal regulations. In this context, the necessary audit and control mechanisms have been established based on the principles of transparency and accountability in all processes.

Training and Information

To raise awareness in the fight against bribery and corruption, Uğur Cooling implements regular training programs for all employees:

- **Orientation Training:** During the onboarding process, employees receive detailed information through the distribution of the Uğur Cooling Ethical Conduct Principles and Implementation Guide.
- **Ethics Training:** Throughout the year, training sessions are conducted to educate employees on anti-bribery and anti-corruption policies, ensuring they stay informed about ethical guidelines and best practices.

Audit and Control Mechanisms

Uğur Cooling has established comprehensive audit and control mechanisms to ensure the effectiveness of its anti-bribery and anti-corruption policies:

- **Internal Audit Processes:** The Company identifies bribery and corruption risks through an independent internal audit unit and conducts regular audits to manage these risks.

- **Reporting Mechanisms:** An anonymous “Ethics Hotline” has been established for employees to report ethical violations. All reports are evaluated within the framework of confidentiality principles, and necessary actions are taken accordingly.
- **Supplier and Business Partner Audits:** The Company upholds ethical compliance criteria in its relationships with suppliers and business partners, regularly assessing their adherence to Uğur Cooling’s Ethical Conduct Principles.

Sanctions for violations of Company policies are determined by the Code of Ethical Conduct and Implementation Procedure.

SDGs We Contribute to





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Working for Sustainable Economic Development

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- 74 Data Security and Privacy
- 76 Responsible Marketing Practices
- 78 Logistical Impacts





GRI 2-22, 3-3

ECONOMIC SUSTAINABILITY ROADMAP AND GOALS

“A Sustainable Economy”

Uğur Cooling’s “A Sustainable Economy” vision encompasses a broad spectrum, ranging from resource efficiency and capacity utilization to workforce productivity, effective governance, and a culture of savings.

Uğur Cooling has made directing its resources and efforts towards a “Sustainable Economy” one of the core components of its future vision by combining economic growth with environmental and social responsibility. This approach covers a wide range of areas, including resource efficiency, capacity utilization, workforce productivity, effective governance, and a culture of savings.





GRI 2-22, 3-3

ECONOMIC SUSTAINABILITY ROADMAP AND GOALS

Financial resilience and long term planning

Uğur Cooling sets KPI targets and measures progress toward achieving these targets.

Uğur Cooling works actively in areas such as operational efficiency, renewable energy investments, sustainable supply chain management, innovation, and technological and digital transformation to ensure economic sustainability and maintain its competitive advantage. Environmentally friendly initiatives including the GES project, energy and resource efficiency projects, and waste management constitute a significant part of this effort. To support economic sustainability and strengthen its competitive edge, the Company places great emphasis on expanding its innovative product portfolio through R&D activities. Financial resilience and long-term planning, on the other hand, constitute the other fundamental pillars of the Company's economic sustainability strategy.

For each subject, Uğur Cooling sets KPI targets and measures the process of achieving these targets. During the annual reporting process, the Company evaluates these targets and updates them when necessary, thus keeping its strategies dynamic and up-to-date.

Topic	Subtopic	Objective	Target	Targeted Value	Strategy for Achieving the Target
A Sustainable Economy	R&D Activities	Expanding product diversity and alternatives	Conducting the industrial design of the new product.	10 units	Conducting competitor product analyses, Participating in trade fairs.
		Developing new products in line with customer demands and standards to increase sales volume.	Developing new products (PDR-PVR).	10 units	Responding to customer requests from domestic and international sales representatives through the R&D Business Request Form; designing or improving new products in accordance with changing standards.
		Obtaining IPR (Intellectual and Industrial Property Rights) in developed products.	Filing patent, utility model, and design registration applications throughout the year.	5 patents-utility models	Designing intellectual and industrial property-related products, submitting applications, monitoring the process, and ensuring registration throughout the year.
	Business Model and R&D Activities	To increase the level of confidence in laboratory practices by increasing the number of test methods with accreditation approval.	Accreditation for standards for one domestic and one commercial model within the context of ISO 17025 Accreditation	2 accreditations	Determining the test method to be accredited based on market and customer demands and ensuring its feasibility in laboratory processes.
		To check the conformity of the final products according to International Safety Standards and to certify this with approved third-party certificates Certifying with corporate accreditation certificates.	Study of 12 products for the CB scheme and EMC report	12 reports	Checking the compliance of product designs with standards, searching for suppliers with safety certificates for alternative components



GRI 2-22, 3-3

ECONOMIC SUSTAINABILITY ROADMAP AND GOALS

Topic	Subtopic	Objective	Target	Targeted Value	Strategy for Achieving the Target
A Sustainable Economy	R&D Activities	To be able to present product information in line with updated standards	Creating and using a file format with comparative test results for products tested in different configurations	100%	Model analysis in accordance with current standards, Ensuring the transfer of updated information to the documentation section
		To use the knowledge and experience of the personnel more efficiently through the competency mapping process	Aiming to double the number of competent personnel within the context of accreditation	100%	Expanding the extent of accreditation and mapping the competencies of newly recruited personnel.
		Increasing staff competencies and ensuring continuous development	During 2023, at least 5 out-sourced and at least 5 in-sourced training should be planned and realized.	10 trainings	Analyzing personnel requests, submitting requests for approval, and requesting company research
	Business Model	Meeting the standard requirements	Achieving 100% of the clauses specified in the activity plans in accordance with ISO 9001, ISO 14001, ISO 45001, ISO 10002, ISO 50001, and ISO 31000 as targeted	100%	Carrying out studies in accordance with the relevant standard clauses
			Achieving 100% of the clauses specified in the activity plans in accordance with ISO 27001, ISO 28000, ISO 20000-1, and ISO 22301 as targeted	100%	
			Achieving 100% of the clauses specified in the activity plan in accordance with ISO 17025 Laboratory Accreditation Standard as targeted	100%	
		No non-conformity detection in the activities carried out	To complete all audits with zero major and minor defects	Zero findings, 100% compliance with standards.	Ensuring full compliance with audit requirements.
		Achieving social compliance requirements.	Demonstrating 100% conformity with the compliance rules set out in the Social Compliance Guidelines and maintaining our success in factory audits	Zero findings, 100% compliance with standards.	Carrying out activities in accordance with Social Compliance criteria
		To meet EcoVadis criteria, To ensure customer requirements	Upgrading the bronze status to a higher tier in the EcoVadis CSR Assessment.	Gold	Fulfillment of the issues specified in the EcoVadis checklist topics



GRI 2-22, 3-3

ECONOMIC SUSTAINABILITY ROADMAP AND GOALS

Topic	Subtopic	Objective	Target	Targeted Value	Strategy for Achieving the Target
A Sustainable Economy	Business Model	Ensuring that the findings identified as a result of Internal / External Audits, Field Observations, Risk Analyses, management review meeting (MRM) actions, etc. are notified to the relevant people through the system and ensuring that they are completed within the defined period of time, Ensuring Regular Follow-up of Activities, Effective Use of QDMS System	To carry out efforts to close 100% of the corrective actions opened in 2023	100%	Ensuring that the findings identified as a result of Internal / External Audits, Field Observations, Risk Analyses, management review meeting (MRM) actions, etc. are notified to the relevant people through the system and ensuring that they are completed within the defined period of time, Ensuring Regular Follow-up of Activities, Effective Use of QDMS System
		Reducing transportation costs	Keeping our transportation costs below fuel hikes and inflation differences	Achieving success by staying below the annual transportation inflation rate reported by TURKSTAT (Since TURKSTAT data varies, quantitative results become available at the end of the year. By the end of 2023, the target was met by remaining below 65%.)	Making improvements
	Business Model and Responsible Supply Chain	Fast shipment on time	To increase our delivery rate to 100% in 2023 within 15 days of order receipt.	100%	Increasing the frequency of reporting and control.
	Market Diversity and Business Model	Reducing procurement costs	Keeping annual purchasing increases below the changes in the "TURKSTAT Domestic Producer Price Index"	< 10%	Developing a proactive attitude by closely following market trends and economic developments and being open to supplier improvement/cost reduction suggestions
		Reducing procurement costs	To provide cost advantage by periodically (bulk) opening orders of product groups and to support the planning unit to realize shipments according to the needs of the planning unit.	100%	Developing a proactive attitude by closely following market trends and economic developments and being open to supplier improvement/cost reduction suggestions
	Responsible Supply Chain	Measuring and evaluating supplier performances	To ensure that the average success score of the Certified Supplier is 90 points and above.	100%	To ensure the continuity of improvements and developments by conducting supplier company audits and visits at appropriate times and conditions
		To prevent supply shortages	Increasing the number of suppliers in different material and service groups	min 3	Making the search for alternative companies effective and continuous through the Internet, e-mail, company visits, etc.



GRI 2-6, 3-3

KEY PRODUCTS

Broad product scale

Uğur Cooling offers consumers the opportunity to make a responsible choice by prioritizing energy efficiency and environmentally friendly technologies in both commercial and household product categories.



A Broad Product Portfolio Developed with a Focus on Energy Efficiency

In today's world, as consumer needs continue to diversify, awareness of environmental responsibility is becoming increasingly important. Bringing these two fundamental aspects together, Uğur Cooling not only offers a wide product range but also contributes to a sustainable future. The Company prioritizes energy efficiency and environmentally friendly technologies in both commercial and household product categories, providing consumers with the opportunity to make a conscious choice.

PRODUCT GROUPS

Ice Cream and Cooling Equipment:

Ice cream freezers, ice cream machines, bottle coolers, storage cabinets, super freezers.

Beverage and Food Preservation

Display Cabinets: Commercial water dispensers, sherbet machines, ice makers, pastry display cabinets, supermarket cabinets.

Household Appliances: Deep freezers, refrigerators, washing machines, dryers, built-in products (oven, stove, range hood). Other Household and Office Products: Microwaves, water purification devices, water dispensers, air conditioners.

Uğur Cooling products are designed to achieve energy efficiency by being classified in the best energy ratings and manufactured using environmentally friendly materials. With a focus on ease of use and multifunctionality, these products cater to a wide range of needs, including commercial businesses, homes, offices, and industrial spaces. Additionally, a long-term warranty ensures uninterrupted performance. Available in both horizontal and vertical models, they offer various capacity and accessory options to meet different usage requirements. The Company's energy-efficient production approach aims to minimize environmental impact.

Uğur Cooling adapts its products to meet the specific needs of different markets and regions while expanding its global presence. In this process, factors such as

energy classifications, refrigerants, electrical components, and equipment safety are carefully evaluated. The R&D team conducts rigorous testing to ensure that products are suitable for various geographical conditions and user requirements. Additionally, product

developments take into account the environmental conditions of sales locations, providing long-term warranty and reliability tailored to market demands. Compliance with international standards remains a fundamental principle across all products.

28.94%
Frozen Food
Cabinets

24.93%
Supermarket
Cabinets

13.37%
Other

0.76%
Ice Cream and
Display Equipment

31.69%
Carbonated/Non-Carbonated
Beverage Cabinets



GRI 2-6, 3-3

KEY PRODUCTS

Production in Compliance with Europe and Turkish Standards

Uğur Cooling enhances its competitive strength in the industry with the development of highly energy-efficient products.



As a way to extend product lifespan and reduce waste, Uğur Cooling pays close attention to design and material selection.

Sustainability plays a fundamental role in Uğur Cooling's product development strategy. In line with this approach, the company manufactures its products in compliance with European and Turkish standards, prioritizing energy efficiency. By developing highly energy-efficient products, it aims to minimize energy consumption while utilizing refrigerants that do not harm the ozone layer and

have low global warming potential. Additionally, advanced insulation materials help reduce energy losses and enhance cooling performance. Demonstrating its commitment to energy efficiency and sustainability through internationally recognized certifications, the company also strengthens its competitive position in the industry with its high-energy-efficiency products.

As a way to extend product lifespan and reduce waste, Uğur Cooling pays close attention to design and material selection. In this context, low noise levels are also considered to enhance user comfort. Additionally, ensuring that products are made from recyclable components at the end of their lifecycle is another key priority for the company.

Innovative and Eco-Friendly Products

Low Energy Classes

- More environmentally friendly and energy-efficient cabinets.

Inverter Compressor Technology

- Ensures energy savings.
- Minimizes temperature fluctuations, providing stable cooling performance.

Advanced Insulation Materials

- Reduces energy losses.
- Enables more efficient operation and lower energy costs.

No-Frost Technology

- Prevents ice buildup.
- Keeps food fresh for longer.
- Reduces energy consumption.

Rapid Cooling and Freezing Functions

- Quickly freezes food, preserving its nutritional value.
- Contributes to energy savings.

Eco-Friendly Refrigerants

- Alternative refrigerants with lower harmful effects.
- Reduces negative environmental impact.





STRONG MARKET POSITION

Continuous improvement to maintain market leadership

Uğur Cooling strengthens its leading position in the market with its dynamic structure and strategic initiatives, keeping customer satisfaction at the core of its approach. The Company continues to move forward with confidence on the path to sustainable growth.

Uğur Cooling holds a strong position in the market with its high-quality products, extensive product range, and customer-oriented approach. Its ability to provide tailored solutions in line with corporate customers' demands through solution-based collaborations with global brands is a key factor that enhances Uğur Cooling's competitive advantage. To maintain its market leadership in the region, Uğur Cooling remains committed to continuous development and monitoring principles. Strategies such as building strong relationships with customers, developing more environmentally friendly products, and proactively addressing potential demands further support this leadership.

Uğur Cooling strengthens its leading position in the market and advances steadily toward sustainable growth with its dynamic structure and strategic moves centered around customer satisfaction. The Company stands out in the industry with its lead times, competitive pricing strategies, and customer-focused approach. Factors such as agility

in decision-making and product development, a strong brand perception, an experienced and regionally well-versed sales team, an extensive service network, and the ability to respond swiftly to customer needs further differentiate Uğur Cooling from its competitors and enhance its market position. To expand the prestige and influence of its brand, the Company undertakes activities that increase brand visibility, such as responding quickly to customer demands, participating in trade fairs, and conducting customer visits. Additionally, its decision to reduce OEM (Original Equipment Manufacturer) production in favor of manufacturing under its own brand further supports these strategic initiatives.

Through collaborations with national and local companies, Uğur Cooling products are present across a wide range of sectors, from supermarkets to hospitals and from patisseries to tea gardens. Being a 100% domestic company enhances Uğur Cooling's value in the eyes of domestic customers.

Uğur Cooling products are present across a wide range of sectors, from supermarkets to hospitals and from patisseries to tea gardens.





STRONG MARKET POSITION

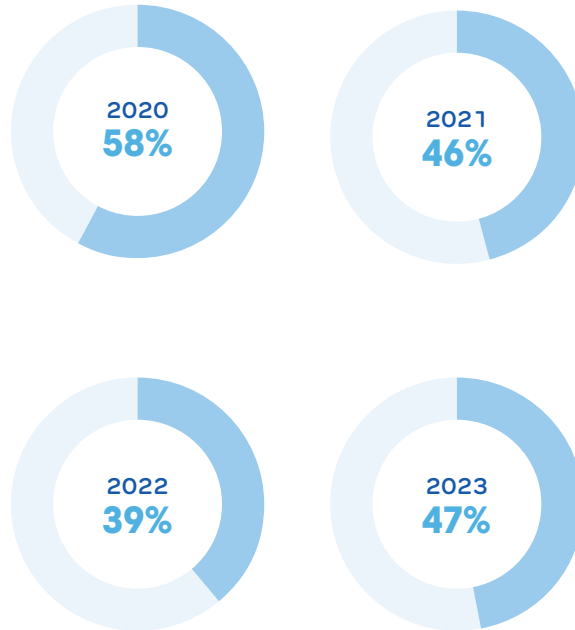
Alignment with market dynamics and expectations

Uğur Cooling closely monitors global developments and the market to capitalize on the growth potential in the refrigeration and freezing industry.

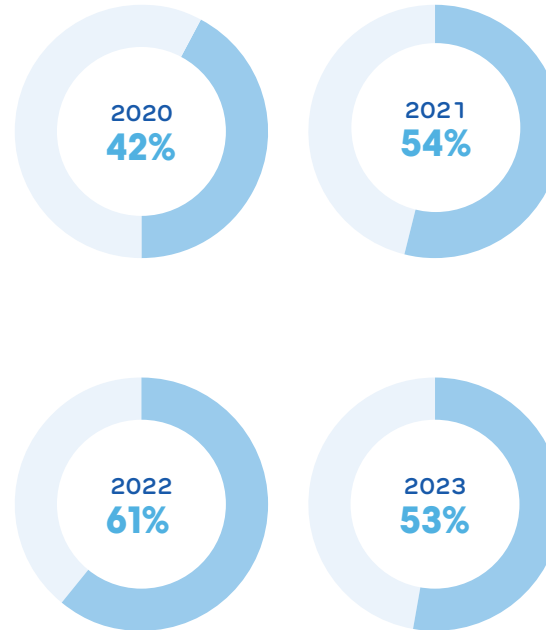
To keep pace with evolving industry trends, the Company continuously develops new products and improves energy efficiency while closely monitoring regulations and competitive conditions. To align with market dynamics and expectations, Uğur Cooling invests in key areas such as customer-focused operations, target pricing, quality, R&D, and its service network. Uğur Cooling aims to take customer satisfaction to the highest level through its total quality approach. Closely monitoring global developments and the market to capitalize on the growth potential in the refrigeration and freezing industry, the Company operates as one of the sector's leading players through its relationships with international stakeholders. Exporting to various markets, including Europe, the Middle East, Africa, Asia, North America, and South America, Uğur Cooling delivered its products to 146 countries in 2023.

Domestic and International Sales Volume Ratio

Sales Channel Domestic



Sales Channel International



In addition to its standard products, Uğur Cooling also sells its premium products to major brands. During the reporting period, Uğur Cooling participated in two different international trade fairs, strengthening its business relationships with international stakeholders and reinforcing its corporate culture.

Trade Fairs Uğur Cooling Attended in 2023

- Brau Bevale – Germany: November 28-30, 2023
- Gulf Food Manufacturing – Dubai: November 7-9, 2023



GRI 3-3

R&D, INNOVATION, AND DIGITALIZATION

SDGs We Contribute to



Innovative product development with the R&D Center

The R&D Center Testing Laboratory, certified with ISO 17025, operates in an integrated manner with standards, focusing on ensuring customer satisfaction.



Uğur Cooling considers quality and innovation as essential factors while ensuring the continuity of its production. In this context, there is an R&D Center within the Company that performs the tasks of researching and testing new raw materials, semi-finished products, and product ideas, as well as providing innovative products and services to meet the demands of customers. The Center assesses new product and product development requests by verifying the usability of newly supplied raw materials and semi-finished products in this field and ensuring that the new product complies with standards and meets customer requirements. Moreover, Uğur Cooling takes customer demands and feedback

into account, carrying out corrective research and development activities through its R&D Center to fulfill customer expectations and reduce errors to the lowest possible level.

All of the company's product development actions are carried out in accordance with the Product Decision, Development, and Improvement Procedure it has established. Within the scope of this procedure, which is overseen by the R&D Center Project Development team, the relevant unit provides directives to verify and control the product development process.

Uğur Cooling R&D Center operates in compliance with international standards within a total area of 2,100 m², comprising an 844 m² office space and a 1,256 m² laboratory, with a team of 50 personnel. The center prepares energy label designs in accordance with European and Turkish energy labeling regulations (EU 2019/2018, EU 2019/2016, and EU 2015/1094). Certified with ISO 17025, the R&D Center Testing Laboratory conducts its activities in integration with this standard, ensuring customer satisfaction while maintaining strict compliance with standards and legal requirements, tolerating no incidents that could lead to violations.

R&D and Digitalization Efforts

Ensuring the continuity of its R&D activities at all times, Uğur Cooling maintains its presence in the industry as an innovative company.

- Among the 1,292 R&D centers in Türkiye, the Uğur Cooling R&D Center was listed among the top 100 companies in the Turkish Time R&D 250 Research report, which evaluates firms based on their innovation and R&D projects as well as the investments made in these projects.

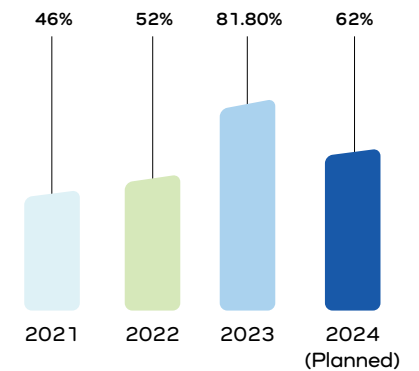
- During the 2023 operational period, the R&D Center employed PhD student personnel, enabling the development of a repository of know-how through theoretical studies and analytical research within projects.

Uğur Cooling recognizes that R&D, design, and innovation efforts can only be achieved with expert personnel who possess strong research capabilities. Therefore, it prioritizes and places great importance on recruiting employees who align with this vision. To enhance the competencies of its R&D personnel, the Company encourages postgraduate education and ensures they receive technical training.

Uğur Cooling R&D Center has outlined its roadmap within the framework of the Regulation on Energy Labeling of Refrigeration Appliances, which is in force in Türkiye and European Union member states. This roadmap focuses on improving the energy classes of products and reviewing the mechanical and functional designs of new products to ensure compliance

with these updated labeling values. Within the scope of various initiatives carried out between 2020 and 2023 to enhance energy efficiency, the company has implemented energy improvement projects, examined, evaluated, and tested innovative alternatives. Committed to R&D and innovation, Uğur Cooling will continue to develop projects with high commercialization potential.

R&D expenditure increase rates compared to the previous year





GRI 3-3

R&D, INNOVATION, AND DIGITALIZATION

A commitment to green transformation

Recognizing the critical importance of social criteria and energy efficiency in R&D efforts, the company designs products that comply with standards while incorporating necessary safety measures based on the product type.

Uğur Cooling follows the automation development program calls issued by the Ministry of Industry and Technology related to Industry 4.0. Among the digitalization initiatives carried out within the R&D department in 2023 were digital prototyping, cloud-based collaboration tools, simulation and modeling, project management tools, and digital process optimization. During the reporting period, business processes that were transitioned to digital platforms included data analysis and reporting, as well as supply chain management.

As of the end of 2023, the number of personnel working in R&D at Uğur Cooling accounted for 2.5% of its total workforce. During the reporting period, R&D expenditures recorded an 81.80% increase compared to the previous year.

Uğur Cooling has set goals for 2024 and the long term to enhance sustainability in R&D, innovation, and digitalization, ensure customer satisfaction, and strengthen its competitive advantage. To achieve these goals, strategies such as

increasing R&D investments, researching eco-friendly materials, developing digital infrastructure, providing training and awareness programs, implementing customer feedback mechanisms, and fostering collaborations will be pursued.

2023 R&D Projects

Uğur Cooling prioritizes generating economic, environmental, and social benefits in all its R&D activities. Aware of its responsibility toward nature, the Company designs all its products to be compatible with eco-friendly refrigerants. Additionally, it has incorporated solar panel-integrated product designs into its portfolio and is actively developing them. Through these initiatives, Uğur Cooling has reinforced its commitment to green transformation with concrete actions.

Aware of the advantages of economic comfort in ensuring business continuity, the Company determines the strategy in R&D activities by considering this element. In the development of the new product family, common components are used across

products of different capacities, minimizing stock, labor, and assembly costs while contributing to economic sustainability.

Uğur Cooling, knowing that social criteria and energy efficiency are essential in R&D activities, designs products and carries out energy improvement efforts that comply with the standards along with safety measures according to the type of product. While the products designed within the Company go through the testing and analysis stages, the clauses on the R&D Job Request Form serve as a reminder for these processes.

Uğur Cooling conducts regular studies on patents, utility models, and designs, constantly refining its practices with the experience and knowledge gained in this process. With each model design and patent, the Company inspires the sector while working towards a more sustainable future on a global scale. Uğur Cooling acts sensitively against possible environmental impacts in every model design and patent in this context. The Company emphasizes product safety and international compliance in its R&D and innovation activities.





GRI 3-3

R&D, INNOVATION, AND DIGITALIZATION

Continuous improvement goal

For products whose designs have been completed, reports and certifications obtained from independent organizations in accordance with relevant standards provide assurance to customers.



7

Utility model applications



Uğur Cooling has obtained ISO 17025 accreditation approval.

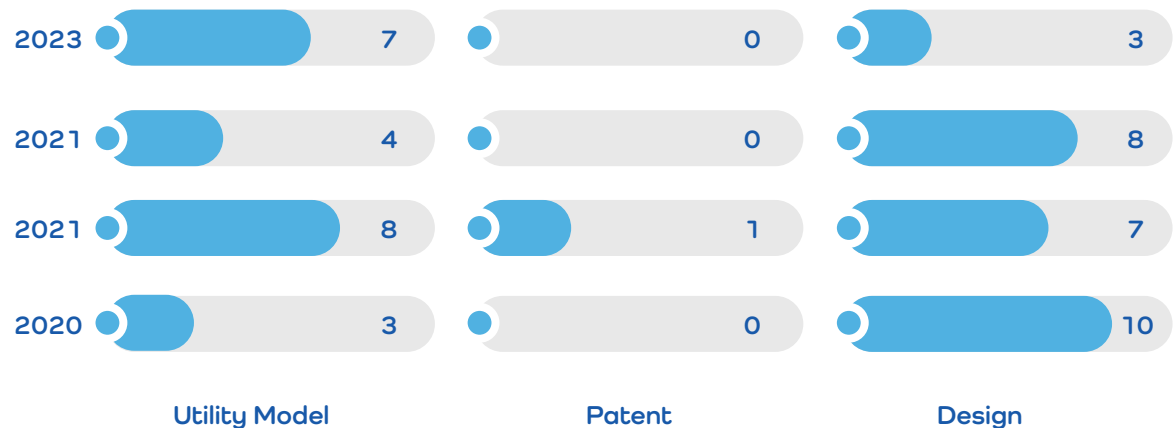
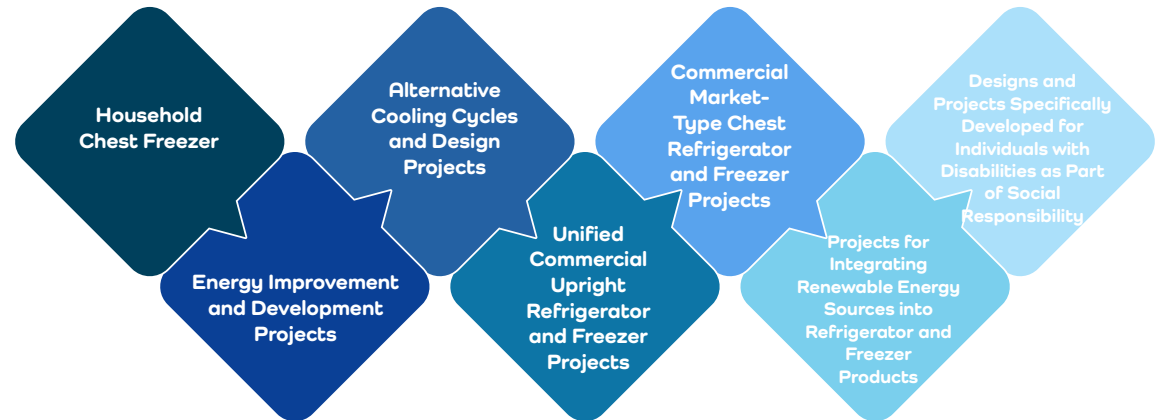
Product Safety

Uğur Cooling, which perpetually takes into account the safety of users in its products, seeks continuous improvement in accordance with the standards it is bound to follow in its design activities. For products whose designs have been completed, reports and certifications obtained from independent organizations in accordance with relevant standards provide assurance to customers.

Laboratory Approvals

Uğur Cooling R&D Test Laboratory has obtained ISO 17025 Accreditation to enhance transparency and traceability of the results reported in its test studies conducted in line with international, national, or customer test methods.

In 2023, the Company submitted seven utility model and three design registration applications. It is expected that automatization of business processes with each R&D-specific work carried out will provide the highest level of benefit with lower energy and lower costs.

2023 R&D and Innovation Projects



GRI 2-25, 3-3

OPERATIONAL EXCELLENCE AND SUSTAINABLE PRODUCT QUALITY

Business continuity ensured through integrated management systems

SDGs We Contribute to



Possessing ISO-certified management systems with universal validity in various fields ranging from quality to environmental management, Uğur Cooling ensures business continuity through these systems while also demonstrating outstanding performance in work standards, health and safety, environmental management, and business ethics. Since 2014, the company has reinforced its commitment in this area through social compliance audits and corresponding reports. Uğur Cooling fully complies with audit standards under four main categories: work standards, health and safety, environmental management, and business ethics.

Uğur Cooling routinely automates the operations required by management system requirements through the QDMS System (Quality Document Management System) it utilizes.

Through this system, the Company establishes its internal certification infrastructure and manages the execution and follow-up of all related activities. Accordingly, all newly prepared and revised documents in the Company are recorded, while verification and calibration data are also monitored. In 2023, the verification of more than 1,350 devices and the calibration of over 400 devices were successfully conducted at Uğur Cooling.

In 2023, a total of 19 different external audits were conducted under the umbrella of Uğur Cooling. In addition to these, internal audits are carried out at specified periods within the Company, accompanied by competent chief auditors and internal auditors.

Certified Management Systems

Zero
Waste
Certificate

ISO 9001
Quality
Management
System

ISO 10002
Customer
Satisfaction
Management
System

ISO 14001
Environmental
Management
System

ISO 17025
Certified R&D
Testing
Laboratory

ISO 20000-1
Information
Technology Service
Management
Systems

ISO 22301
Business
Continuity
Management
System

ISO 27001
Information
Security
Management
System

ISO 28000
Supply Chain
Security
Management
System

ISO 31000
Risk
Management
System

ISO 45001
Occupational
Health and Safety
Management
System

ISO 45001
Occupational
Health and
Safety
Management
System



GRI 2-25, 3-3

OPERATIONAL EXCELLENCE AND SUSTAINABLE PRODUCT QUALITY

19 Different external audits in 2023

Internal audits are carried out within the company at designated intervals under the supervision of competent lead auditors and internal auditors.

Topic	2020	2021	2022	2023	Topic	2020	2021	2022	2023
Number of Internal Audits Conducted	23	22	25	27	Number of newly prepared documents	213	158	81	56
Number of External Audits Conducted	17	17	18	19	Number of revised documents	182	184	279	215
Descriptions of External Audits Conducted	*11 Standard Audits (ISO 9001, ISO 14001, ISO 45001, ISO 50001, ISO 10002, ISO 31000, ISO 22301, ISO 28000, ISO 20000-1, ISO 27001, ISO 17025)	*11 Standard Audits (ISO 9001, ISO 14001, ISO 45001, ISO 50001, ISO 10002, ISO 31000, ISO 22301, ISO 28000, ISO 20000-1, ISO 27001, ISO 17025)	*11 Standard Audits (ISO 9001, ISO 14001, ISO 45001, ISO 50001, ISO 10002, ISO 31000, ISO 22301, ISO 28000, ISO 20000-1, ISO 27001, ISO 17025)	*11 Standard Audit (ISO 9001, ISO 14001, ISO 45001, ISO 50001, ISO 10002, ISO 31000, ISO 22301, ISO 28000, ISO 20000-1, ISO 27001, ISO 17025)	Total Number of Documents in the System				3,592
	*Covid-19 Safe Production Audit *BSCI EcoVadis *TCCC SGP WRP Social Audit *TSE Factory Production Control Audit *R&D Center Audit	*Covid-19 Safe Production Audit *TCCC SGP WRP EcoVadis *Sedex SMETA 4-Pillar *TSE Factory Production Control Audit *R&D Center Audit	*Covid-19 Safe Production Audit EcoVadis *Sedex SMETA 4-Pillar *TSE Factory Production Control Audit *R&D Center Audit *KTL Audit	*Sedex SMETA 4-Pillar *TSE Factory Production Control Audit *R&D Center Audit *Provincial Directorate of Environment Audit	Number of corrective actions opened	358	534	200	176
					Number of corrective actions closed	245	517	142	176
					Number of verified devices			As of the end of 2022: 802 units	1350
					Total number of verified devices registered in the QDMS system			As of the end of 2022: 1,611 units	1,350
Annual Number of Examinations Conducted Through the Onboarding Periodic Examination Module	11	422	935	1,189	Number of calibrated devices	406	420	411	404
					Total number of calibrated devices registered in the QDMS system			As of the end of 2022: 409	404

The active modules used in QDMS: The Document Management Module, Corrective Actions Module, Audit Activities Module, Action Management Module, Management Review Module, Device Management System Module, Risk Assessment Module, Training Planning Module, and On-the-Job Periodic Inspection Module.



GRI 2-25, 3-3

OPERATIONAL EXCELLENCE AND SUSTAINABLE PRODUCT QUALITY

Software and applications that facilitate business processes

The effective analytical applications, realistic planning, and forecasting capability provided by the SAP ERP system stand out as a factor that significantly increases business intelligence in Uğur Cooling.

Service Quality

Uğur Cooling operates in an integrated manner with its ISO 22301 Business Continuity and ISO 9001 Quality Management Systems, ensuring that its business processes are conducted in compliance with the relevant standards. Both the Central and OIZ (Organized Industrial Zone) Factories, where production activities at Uğur Cooling take place, have TSI Conformity certificates.

Uğur Cooling takes important steps to maximize its economic sustainability every day. The Company prioritizes maintaining a balance between employee and customer satisfaction within its strong financial management strategy. In this context, Uğur Cooling continuously monitors and improves both internal and external operations management.

The initiatives reflecting the company's strengths can be listed as follows:

- Auditable and transparent record keeping (independent audit activities),
- Reliable finance automation - SAP ERP system,
- Strong financing credibility support within the context of balance sheet and financials,
- Solution-oriented financial management that emphasizes employee satisfaction,
- Follow-up of Financial Planning as part of budget automation and discipline.

The SAP ERP System used at Uğur Cooling stands out as one of the cornerstones that carries the Company forward in a functional sense. The Company, which does not limit current technology to production activities, updates its internal software in this direction. In

this way, Uğur Cooling, which places the discipline in business processes, corporate information security, confidentiality, integrity, and accessibility on solid ground, has brought a flexible and integrated hardware system to its structure.

The enterprise software, which significantly facilitates business processes at Uğur Cooling, also provides more determined business functions for the Company. The effective analytical applications, realistic planning, and forecasting capability provided by the SAP ERP System stand out as a factor that significantly increases business intelligence in Uğur Cooling.

Production Quality

Uğur Cooling aims to raise its quality to the next level every year in its 70-year history. In this regard, the Quality Department ensures the control of processes for product quality in the Company in order

to provide an effective production process. The unit, which provides routine controls of both supplied and manufactured products, regularly checks technical feedback in order to meet the demands of customers and takes action when necessary.

Uğur Cooling regularly conducts calibration studies in order not to compromise the high standard of equipment quality. The Company has employees with Calibration Certificate and competence to carry out calibration and process execution operations.

Uğur Cooling has established a comprehensive Quality Culture for the effective operation and execution of the established Quality Management System. The Company's Quality Culture is regularly carried out through set targets and performance indicators.





GRI 2-25, 3-3

OPERATIONAL EXCELLENCE AND SUSTAINABLE PRODUCT QUALITY

Performance indicators defined for continuous improvement

Uğur Cooling bases its quality assurance framework on risk management.



Uğur Cooling has established a comprehensive Quality Culture for the effective operation and execution of the established Quality Management System.

Uğur Cooling's practices for production quality:

Quality Targets and Production

Performance Indicators: Uğur Cooling has set specific quality targets and production performance indicators to increase and continuously improve the quality of its business processes. As a result, the effectiveness of the processes can be measured and improvements can be realized.

Risk-Based Thinking and

Continuous Improvement: The Company bases its quality assurance framework on risk management. This approach is implemented to prevent the occurrence of problems and to encourage risk-based thinking.

Quality Circles and Improvement

Project Teams: Uğur Cooling has established "Quality Circles" for blue-collar workers. At the same time, white-collar workers are included in this process through Improvement Project Teams (IPTs). The Company's approach aims to ensure that the

activities of all groups are integrated to fully satisfy customer needs and ensure customer satisfaction.

Integrated Supplier Audits:

The Incoming Quality Control Department audits all management systems in addition to process quality in supplier audits. These audits also cover the environmental, social, and economic performance of suppliers.

Supplier Performance Monitoring:

The Incoming Quality Control Department dynamically monitors the performance of suppliers on the "IQC Activity Dashboard" and carries out enhancement activities with quality improvement methods.

ASAKAI Meetings: Before the start of each working day, ASAKAI meetings are organized with the participation of representatives from different departments. In these meetings, issues are discussed with a specific format and visuals, and actions are monitored. In addition, at the Management ASAKAI, the situation is assessed with the





GRI 2-25, 3-3

OPERATIONAL EXCELLENCE AND SUSTAINABLE PRODUCT QUALITY

Control processes to ensure sustainable product quality

Uğur Cooling implements various methods to enhance operational efficiency and integrate it as a part of the Company culture.



participation of all department directors and executives, and communication between departments is reinforced by briefing the outputs.

Methods for Enhancing Operational Efficiency: Uğur Cooling implements various methods to enhance operational efficiency and integrate it into the company culture. These methods include developing a critical perspective on business processes, considering operators' feedback, automating repetitive tasks, utilizing employee management software, and implementing an employee suggestion system.

Continuous Improvement Solutions: Uğur Cooling employs various methods as part of its continuous improvement solutions, including Kaizen, 5S Audits, Near-Miss Reporting, Lessons Learned, Action Management, Customer Requests, Problem-Solving Techniques, and Quality Circle Management. These solutions enable the company to comprehensively manage its improvement projects.

Achieving Sustainability and Efficiency Goals in Production Processes: Uğur Cooling adopts advanced technologies, utilizes effective software solutions, optimizes workforce and processes, enhances employee skills, implements

continuous improvement practices, ensures proactive maintenance and safety measures, and applies data-driven decision-making and analysis to achieve sustainability and efficiency goals in its production processes.

Sustaining Product Quality: Uğur Cooling implements various quality control processes to ensure the sustainability of product quality. These processes include setting standards, input control, process control, product inspection and testing, defect detection and correction, certification, and record-keeping.

Quality Laboratory Activities
Uğur Cooling's Quality Laboratory offers a range of services for materials coming from suppliers, materials produced in the subsidiary facility, and R&D new product activities. These services include chemical and mechanical testing of materials.

The laboratory performs corrosion, UV, air conditioning, on-off life, thermal efficiency, and internal contamination tests. These tests are conducted in compliance with ASTM and ISO standards and their

results are recorded on the Intranet System, then shared with the relevant departments.

All tests are applied in periodic controls of materials coming from suppliers. If non-conformity or the need for improvement is detected, immediate action is taken in these cases. In addition, a control mechanism in compliance with customer demands is established by mutual control of the tests performed on the materials with the suppliers.

Daily controls of the chemical baths in the Central painting facility and OIZ painting facility and thermograph measurements for temperature control of the furnaces are recorded to ensure that the process requirements are met, and mass production starts.

Daily checks of chemical baths in the central painting facility and OIZ painting facility, along with thermographic measurements for monitoring oven temperatures, are recorded to ensure compliance with process requirements. Once these requirements are met, serial production begins.

In addition, recycling processes are applied to ensure that materials such as chemicals and plastics tested can be reused. These processes both contribute to waste management and represent an important step in creating a sustainable business model.

Customer Complaint Handling by the Quality Department

Uğur Cooling has established an effective system to resolve customer complaints. Incoming customer complaints are recorded on the Intranet system and the root causes of problems are identified through problem-solving techniques.

The relevant departments are tracked through the Quality Problem Tracking Report and quick and effective actions are taken to resolve problems. The improvements made are disseminated throughout the production process and included in standard business procedures. This ensures that the same problems are not repeated and supports continuous improvement efforts.



GRI 3-3

CUSTOMER SATISFACTION

SDGs We Contribute to



Strong and lasting bonds with customers

Uğur Cooling considers customer satisfaction as an integral part of its sustainability performance.

to and evaluating customer feedbacks. The Company considers customer satisfaction as an integral part of its sustainability performance and supports its efforts in this area with the ISO 10002 Customer Satisfaction Management System.

Maintaining a high standard of service and prioritizing customer experience as a strategic focus, Uğur Cooling manages customer requests through its distinctive service approach, which includes:



A service network equipped with expert teams



Process tracking with timely appointments



Customer satisfaction surveys



A conscious consumer page.



Transportation and installation processes



- Accessibility from all regions of Türkiye
- A professional team providing ease of request tracking, information support, and technical assistance

444 84 87 Call Center

- Trained and expert staff
- Nearly 250 authorized service providers

Service Network

- Customer follow-up and feedback tracking after request closures
- Sending service quality satisfaction surveys

Customer Satisfaction

- Installation and transportation of products purchased from authorized dealers

Transportation/Installation

- Adherence to the scheduled appointment given to the consumer
- General process tracking for the service operation

Timely Appointment

- Promoting informed shopping and contributing to conscious consumption
- Publishing recommendations through the Conscious Consumer blog page

Conscious Consumer



GRI 3-3

CUSTOMER SATISFACTION

Premium customer experience

Uğur Cooling provides services within defined standards to maximize customer satisfaction and meticulously evaluates all feedback received from customers.

The Company manages customer relations with a service approach that sets it apart in the industry. While engaging with its stakeholders, it adheres to the principles outlined in its Customer Service Policy, including:

- Ensuring accessibility through diverse communication channels,
- Providing reliable information in a timely manner via easy access to data and swift feedback,
- Focusing on customer needs with a solution-oriented approach to deliver effective resolutions,
- Enabling active customer participation in the resolution process to ensure objective interpretation of requests,
- Following resolution steps within the framework of confidentiality,
- Allowing customer service representatives to take initiative in decision-making while upholding the company's core values,
- Making satisfaction monitoring transparent during audits through reports and records,
- Analyzing and reporting customer complaints,
- Continuously improving processes by carefully evaluating suggestions and feedback,
- Sharing informative and educational recommendations on the "Conscious Consumer" blog to cultivate an informed consumer base,
- Continuing the resolution process after evaluating customer requests and suggestions with a service quality and policy that create a significant distinction in the industry. All feedback received from customers is reviewed by call center specialists, ensuring that these requests are addressed in a manner that maximizes customer satisfaction and concluded within defined standards. The Company, which respects personal rights and adopts that sharing should be with the declaration of consent, acts meticulously in examining and finalizing customer requests.

The principles outlined in the Customer Service Policy form the foundation of Uğur Cooling's interaction with its stakeholders. Customer satisfaction is one of Uğur Cooling's key priorities. In this regard, beyond the legally mandated warranty period, additional coverage is provided, and promotional campaigns are conducted for a significant portion of the year. Based on customer complaints, the warranty period may be extended to maintain brand loyalty."

To further enhance customer satisfaction and experience, Uğur Cooling took significant steps in 2023. For certain household products, an additional four years of free extended warranty was introduced, increasing the total warranty period to seven years. With the inclusion of new product groups, online training sessions were organized for authorized service providers, ensuring they received the necessary training to deliver high-quality service.

The receipt and resolution of customer complaints follow a standardized process. Complaints received by the customer service center through various channels, such as the call center, email, Zopim, and complaint platforms, are processed and resolved based on the availability of the relevant department. During this process, customer satisfaction confirmation is obtained, and requests are classified as either approved or declined before being archived. Unresolved requests are forwarded to the relevant departments to ensure a solution is reached.

Uğur Cooling provides services within defined standards to maximize customer satisfaction and meticulously evaluates all feedback received from customers. The Company, which respects personal

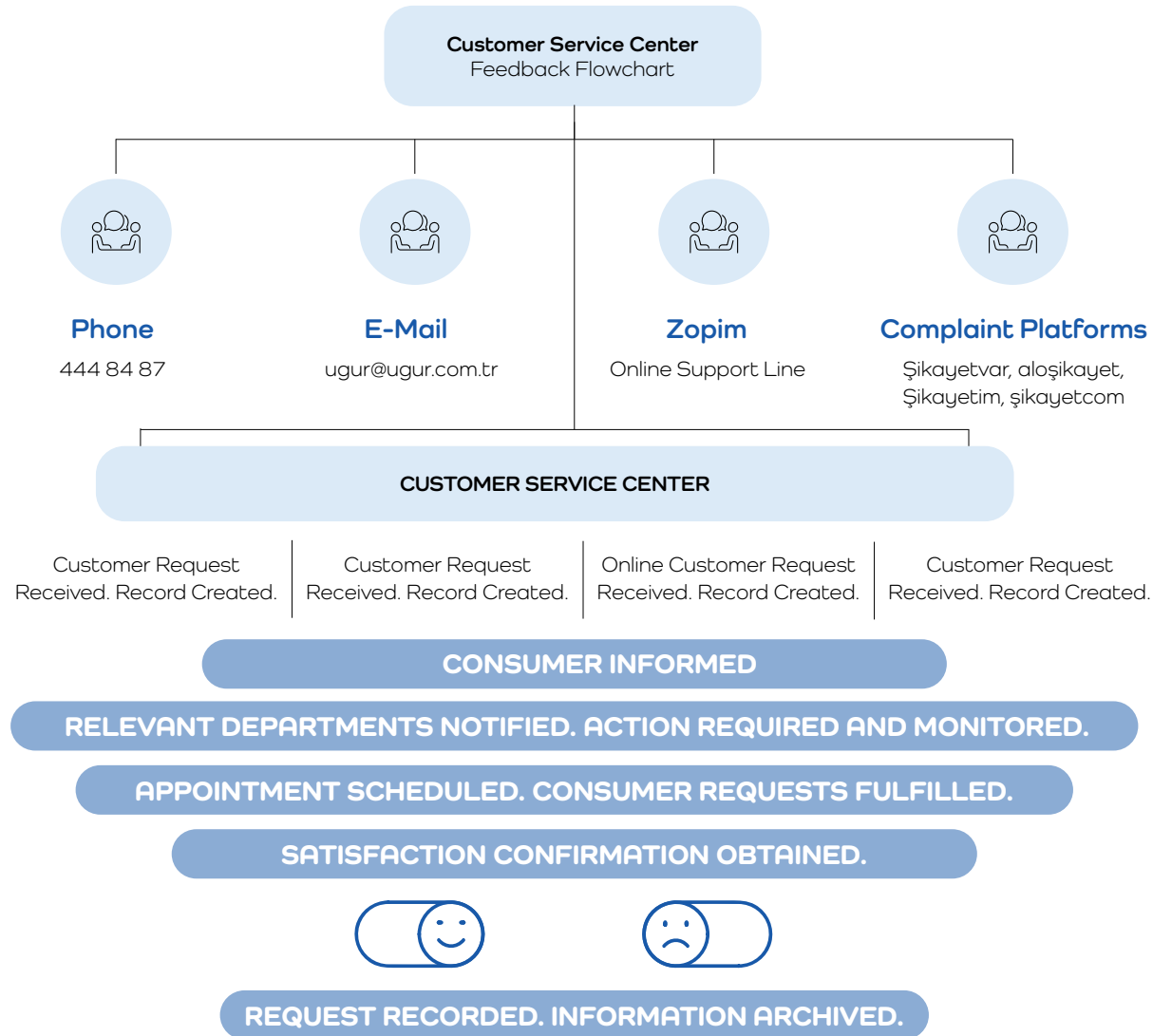
rights and adopts that sharing should be with the declaration of consent, acts meticulously in examining and finalizing customer requests.

The response rate to customer feedback holds significant importance. Requests registered in the after-sales service portal are evaluated within 48 hours, and necessary actions are taken. According to 2023 data, the 48-hour call closure rate was recorded at 95%.



GRI 3-3

CUSTOMER SATISFACTION





GRI 3-3

CUSTOMER SATISFACTION

Customer satisfaction rate reaching 97%

Uğur Cooling stands out as the “Best in the Home Appliances Sector” among its competitors in handling and responding to complaints.

Customer Satisfaction with Data

Over the years, Uğur Cooling has increased its customer satisfaction rate from 92% to 97%. The positive progression of the complaint resolution process, along with the Company's commitment to this approach as an integral part of its operations, is evidenced by the observed rise in satisfaction rates.

Customer complaints are received through the call center as well as collected from social media, live support, the “Contact Us” section, and complaint platforms. As a member of the “Şikayetvar” platform for over 10 years, the Company ensures the continuity of customer loyalty by providing prompt responses and constructive communication to effectively resolve complaints.

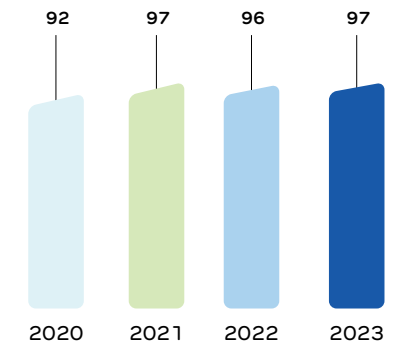
According to data from the “Şikayetvar” platform, Uğur Cooling stands out as the “Best in the Home Appliances Sector” among its competitors in handling and

responding to complaints. At the same time, the Company has been awarded the title of “Fast Responder” in terms of resolving incoming complaints. The rate of resolved complaints is 100%, and customer satisfaction ratings are exceedingly high.

Apart from the complaint site, considering the current impact of social interaction tools in digital media, Facebook, Twitter, Instagram, and “Zopim” for live support are used as social media tools. Access is provided through “Contact Us.” For retail customers, contact is made through the 444 84 87 call center. Malfunctions reported by both corporate and individual customers are recorded through email and the after-sales service portal system. These online transactions can be tracked through the system.

Number of Complaints Responded to through Communication Channels

	Social Media	Zopim	Contact Us	Complaints Platforms
2020	177	870	2,359	955
2021	80	394	1,751	577
2022	52	395	823	477
2023	20	1,699	1,109	681
Total	329	3,358	6,042	2,690

**Customer Satisfaction Rate by Year**



GRI 3-3

CUSTOMER SATISFACTION

Extensive authorized service network

Uğur Cooling organizes annual training programs to ensure a consistent standard of quality and support the professional development of service employees.

In 2020, while going through a more isolated period due to the pandemic, it has become widespread for people to meet their needs using social media tools. This situation also manifests itself in communicating customer complaints.

Among communication channels, "Contact Us" was the most preferred channel for receiving complaints, while "Social Media" tools were the least preferred. As of 2023, 1,109 complaints were received via the website, 681 via other complaint websites, and only 20 via social media.

Widespread and Expert Service Network Across the Country

Uğur Cooling has a wide network of authorized services as the customer-facing aspect and as an important part of the value chain. For Uğur Cooling, which puts quality at the forefront in its processes, the continuity of providing qualified and high standards of service based on the competencies and technical

skills of its services in business development stages is of great importance. Hence, it is considered essential to provide training for this employee group in terms of their professional development. Specific training programs are organized every year to ensure a standard quality and to help the professional development of service employees.

Uğur Cooling, which provides services with its expert staff in its field and maintains its leadership in the sector through its extensive service network with nearly 250 approved competencies, serves its customers in all regions of Türkiye. Uğur Cooling utilizes all the tools at its command, including WhatsApp, Uğur Web, GSM, Prokod, etc., to coordinate and communicate quickly with its services. Controlling the requests opened through Authorized Services, follow-up of collateral, TSI, structuring, and infrastructure processes, monitoring the processes of notifying the services or creating alternatives according to the condition of their

performance, and keeping the authorized services technically and administratively up to date with current developments are ensured. During product delivery, it provides service to its customers through its authorized services and informs them about energy consumption. Thus, the authorized service employee also becomes a part of the sustainability chain. The Company continuously expands the capacity of its expert technician staff and supports employees in their individual career journeys through the training programs it organizes.



Training Provided to Technicians during 2020-2023

2020/2021/2022/2023 Total Number of Trainings	67
Total Number of Technicians Trained	430
2020 Number of Technicians Trained	31
2021 Number of Technicians Trained	93
2022 Number of Technicians Trained	306
2023 Number of Technicians Trained	235



GRI 2-6, 3-3, 204-1, 308-2, 414-2

SUSTAINABLE VALUE CHAIN MANAGEMENT

A responsible and sustainable business culture

Among the key elements Uğur Cooling prioritizes to ensure sustainability throughout its value chain are efficient resource utilization, waste reduction, fair working conditions, and social contribution.

SDGs We Contribute to



Total Suppliers
5,500+



Active Suppliers
1,000+



Local Suppliers
69%



Global Suppliers
31%

Uğur Cooling's approach to sustainable value chain management encompasses overseeing all stages of product and service production—from procurement to consumer—while adhering to environmental, social, and economic sustainability principles. The Company integrates these principles into its operations to ensure sustainability across the entire value chain, with a strong emphasis on resource efficiency, waste minimization, fair labor practices, and social impact.

Embracing a responsible and sustainable business culture across all its processes and operations, Uğur Cooling expects the same approach from its suppliers. For this reason, the company adopts a highly meticulous approach in selecting its suppliers. Those suppliers that Uğur Cooling trusts for their quality and has

collaborated with for an extended period are included in the Approved Supplier List. Companies that continue to be on this list must keep fulfilling the ideal group competences.

The security of the supply chain is among the Company's strategic priorities. Uğur Cooling, which recognizes the value of being a company that gives confidence to its stakeholders in its sector, continues its efforts on this subject on a regular basis.

While integrating international management systems into its own structure, Uğur Cooling sees this as a responsibility rather than an obligation. Accordingly, there is an ISO 28000 certified Supply Chain Security Management System in force within the Company.

Uğur Cooling Supply Chain Policy

- Establish long-term relationships with suppliers, set common goals, and aim for mutual growth.
- Collaborate with suppliers to optimize processes and enhance efficiency.
- Support suppliers in increasing their capacities and facilitate knowledge sharing.
- Identify potential risks within the supply chain and develop strategies together with suppliers to minimize these risks.





GRI 2-6, 3-3, 204-1, 308-2, 414-2

SUSTAINABLE VALUE CHAIN MANAGEMENT

Evaluation of suppliers based on sustainability criteria

Uğur Cooling prioritizes working with suppliers that comply with quality, environmental, and occupational health and safety management systems and hold certifications such as ISO 9001, ISO 14001, ISO 45001, and ISO 50001.

Supplier Selection and Evaluation

Purchasing processes within Uğur Cooling are determined in two different ways: domestic and international. The Company pays attention to working with suppliers that have quality, environmental, and OHS management systems and ISO 9001, ISO 14001, ISO 45001, and ISO 50001 certifications. At the same time, suppliers are subjected to audits in order to measure their economic, social, and environmental competencies. In this context, Uğur Cooling requests its suppliers to respond to social audit and information security assessment questionnaires. In addition, the supplier's price, maturity, quality score, and delivery score are evaluated with the support of the Company's Quality and Planning units. Suppliers evaluated on all these metrics are included in 3 different categories: ideal group, risky group, and high-risk group.

Uğur Cooling sources raw materials locally from suppliers located in various cities across the country. In addition, the majority of the Company's international procurements come from countries in Europe, Asia, and South America. Uğur Cooling, which has cooperated with approximately 5500 different suppliers until today, actively works with over 1000 suppliers. From a financial perspective, 31% of the company's purchases are imported from abroad, while 69% are sourced locally. Uğur Cooling procures raw materials from suppliers for use in the commercial and household freezers/refrigerators it manufactures. These procurements are made in alignment with the Company's annual production capacity and sales targets.

Uğur Cooling takes various steps to integrate sustainability criteria into its supply chain. A supplier policy encompassing sustainability

principles has been established, defining environmental, social, and economic sustainability goals. Sustainability criteria are considered in the selection of new suppliers, with specific evaluation metrics assessing their environmental and social responsibilities. Suppliers receive training on sustainability practices to raise awareness and encourage responsible operations. The sustainability performance of suppliers is regularly assessed, covering factors such as environmental impact, occupational safety, and working conditions. An open communication channel is maintained with suppliers to collaboratively achieve sustainability goals. Joint projects and knowledge sharing further support the adoption of sustainable practices. Suppliers are encouraged to develop innovative and sustainable solutions, and their sustainability performance is

systematically reported and shared with stakeholders. Additionally, sustainability strategies are continuously reviewed and updated to drive ongoing improvement.

Risk Management and Improvement Efforts

Uğur Cooling conducts a comprehensive risk assessment process to manage risks arising from its supply chain. This process includes supplier, transportation, production, and market risks. Risks are minimized by diversifying supply sources, increasing collaboration with local suppliers, utilizing digital tools and data analytics, maintaining continuous communication with suppliers and ensuring transparent information flow, developing contingency plans for potential crisis situations, and continuously monitoring supply chain performance.

As part of the supply chain renewal and improvement efforts in 2023, demand forecasting accuracy was enhanced through data analytics, systems were implemented to monitor and manage stock levels, and suppliers complying with sustainability criteria were prioritized. New programs were developed to reduce waste and increase recycling rates, while closer collaborations were established with suppliers. Communication channels were strengthened to ensure transparency at every stage of the supply chain. New models were created to identify potential risks within the supply chain, and alternative supply sources and strategies were determined to enhance supply chain flexibility. Local suppliers were supported, and training programs were organized for employees on supply chain management.





GRI 3-3

DATA SECURITY AND PRIVACY

A holistic approach to data security and privacy

The Company considers the confidentiality of all stakeholder data as an integral part of its business ethics and corporate values and operates with this understanding.

In today's digital age, where information has become one of the most valuable assets, the protection and confidentiality of data are of great importance for both individuals and organizations. Aware of this responsibility, Uğur Cooling adopts data security and privacy as a fundamental principle and demonstrates the highest level of sensitivity in this regard. The Company considers the confidentiality of all stakeholder data as an integral part of its business ethics and corporate values and operates with this understanding.

Complying with international standards such as ISO 27001, ISO 20000-1, ISO 22301, ISO 28000, and ISO 31000 in the field of information security, Uğur Cooling adopts a holistic approach to information security and privacy. With its Information Security Policy,

which forms the foundation of this approach, Uğur Cooling is committed to:

- Establishing an Information Security Management System, supporting it with relevant policies and procedures, ensuring its documentation, certification, review, and continuous improvement.
- Complying with all applicable laws and regulations related to information security, fulfilling legal requirements, and implementing necessary sanctions and disciplinary processes in case of violations.
- Ensuring the necessary infrastructure and support for the uninterrupted and secure continuation of IT automation and services that sustain corporate processes, while adhering to access management principles.
- Managing risks that threaten the confidentiality, integrity, and availability of information assets.
- Conducting necessary training programs to ensure responsibility, awareness, and consciousness regarding information security.



SDGs We Contribute to





GRI 3-3

DATA SECURITY AND PRIVACY

Raising awareness on data security and privacy

Uğur Cooling organizes periodic information security awareness training sessions and provides ISO 27001 Internal Audit training to enhance employee awareness of data security and privacy.

In this context, efforts are carried out in integration with all departments to classify all types of information that fit the definition specified in the Information Security Policy, determine their level of importance, and control their integrity and accessibility. Each department is responsible for managing the information defined in relation to its own processes. The Information Systems Department ensures the coordinated control of the management of information identified in accordance with the defined criteria. Within the scope of information management, departments define and classify information in list form, determine their level of importance, and implement procedural and system-based measures to ensure their security.

To protect the personal data of customers, employees, and business partners, personal data is categorized within the scope of the "Personal Data Protection and Processing Policy." Processes

are implemented to ensure access control and data integrity, and periodic audits are conducted by the legal department.

To prevent data breaches, the steps outlined in the ISMS Incident and Breach Response Procedure are followed. Additionally, to counter cybersecurity threats, system scanning tests are conducted periodically in accordance with the System Security Vulnerability Scanning Test Management Procedure, and necessary system updates are implemented to address identified vulnerabilities.

Uğur Cooling organizes periodic information security awareness training sessions and provides ISO 27001 Internal Audit training to raise awareness among its employees about data security and privacy. The company ensures compliance with data privacy policies by adhering to national and international regulations such as the 5651 Logging Law, the Personal Data Protection Law (KVKK), and GDPR.

Planned Data Security and Privacy Actions

- Expanding the scope and variety of security software,
- Extending the coverage of the enhanced detection and response system,
- Deploying an automation system for Information and Document Management across the Company,
- Implementing a Company-wide data classification and tracking system,
- Enhancing the effectiveness of compliance practices related to KVKK/GDPR regulations,
- Transitioning to and adapting the latest version of the ISO 27001 standard.



RESPONSIBLE MARKETING PRACTICES

The goal of raising sustainability awareness among consumers

Uğur Cooling aims to provide consumers with accurate and transparent information, avoid greenwashing, and promote responsible consumption.

Uğur Cooling also carries out its marketing activities in alignment with its sustainability and environmental goals. In this regard, the Company aims to provide accurate and transparent information to consumers, avoid greenwashing, and promote responsible consumption.

Additionally, in its communications with a broad stakeholder network, the Company has accelerated its efforts to reduce environmental impact and enhance resource efficiency. In line with this approach, paper consumption has been significantly reduced by 90% through the minimization of printed catalogs and inserts, transitioning to a digital catalog system.

Uğur Cooling works diligently to ensure that the information provided about its products and services is accurate, transparent, and not misleading. The content on the Company's website (www.ugur.com.tr) is regularly reviewed for accuracy. The marketing activities of competing brands are thoroughly

analyzed, and customer feedback is carefully evaluated. When promoting environmentally friendly and energy-efficient products, these features are specifically highlighted. For example, marketing materials emphasize that the R600 gas used in deep freezers and refrigerators has no harmful effects on the ozone layer.

Avoiding Greenwashing

Uğur Cooling takes a series of steps to avoid greenwashing in its marketing campaigns. These steps include maintaining transparent communication about environmental and social impacts, reporting sustainability goals and performance, integrating sustainability considerations into product development processes, obtaining independent audits and certifications, and adopting a target-oriented approach in marketing messages.

Sustainability in the Value Chain

Uğur Cooling aims to raise awareness among consumers about sustainability and reflect this responsibility in its marketing messages. In this context,



Uğur Cooling takes a series of steps to avoid greenwashing in its marketing campaigns.

it plans to educate and mobilize consumers in the coming period through training campaigns and social responsibility projects.

Uğur Cooling seeks to continue its sustainability journey in collaboration with its suppliers. By establishing a strong communication network with its business partners, it aims to organize workshops based on ethical and sustainability standards

and set common goals for the future. Currently, it clearly shares its sustainability vision with business partners in line with the Uğur Cooling Supplier Principles and Code of Conduct.

Digital Marketing and Consumer Feedback

Efforts are being made to ensure that digital marketing initiatives promote responsible consumption

and sustainability. It is aimed to share content related to sustainability on social media platforms, raise consumer awareness, and promote responsible consumption habits. Social media is actively used to collect and address consumer feedback regarding the sustainability of marketing practices.



RESPONSIBLE MARKETING PRACTICES

A holistic approach in marketing communication

Uğur Cooling adopts a more holistic approach by clearly conveying not only the environmental benefits of its products but also their quality and performance features, going beyond just being “green.”

Uğur Cooling implements sustainable and socially responsible marketing practices while avoiding greenwashing.

- **Transparent Communication:** The Company provides clear and open information to customers and stakeholders about its environmental and social impacts. By honestly sharing details about the environmental footprint of its products, recycling processes, and sustainability efforts, it prevents misleading claims.
- **Goals and Performance Reports:** Uğur Cooling sets sustainability goals and regularly monitors the steps taken to achieve them. By transparently sharing progress and challenges in performance reports, it enhances accountability in its public engagements.
- **Sustainability in Product Development Processes:** The Company prioritizes materials and production methods that minimize environmental impact in product development. This ensures that the sustainability of the products promoted in marketing campaigns is based on a genuine foundation.
- **Independent Audits and Certifications:** To verify the sustainability of its products and practices, the Company undergoes audits and certification processes by independent organizations. These external evaluations enhance the accuracy and credibility of its marketing messages.
- **Target-Oriented Communication:** Marketing campaigns highlight not only the environmental benefits of products but also their overall advantages. By presenting a more holistic approach, the Company clearly conveys product quality and performance beyond just being “green.”



GRI 308-2

LOGISTICS IMPACT

Optimized logistics processes

Uğur Cooling carries out initiatives to minimize the environmental impact of its logistics activities and conserve natural resources.

In 2022, the number of electric forklifts was 30, and by 2023, this number increased to 43, achieving a 30% growth.



Best Practices in Logistics Management

- Preference for Sea and Ro-Ro Transportation
- Digitalization
- Improvement in Storage and Transportation Processes
- Recycling and Waste Management
- Electrification

Uğur Cooling is fully aware of the environmental impact of each step in the journey of its products from production to the end consumer. With the goals of “zero waste” and “minimum carbon footprint,” the Company prioritizes sustainability in its logistics operations, working to minimize environmental impact and conserve natural resources.

In line with these objectives, the Company continuously improves and optimizes its logistics processes. By transporting products to various locations in Europe via sea routes instead of trucks, Uğur Cooling significantly reduces both fuel consumption and carbon emissions. For instance, in shipments to Valencia, Spain, it has been observed that sea transportation generates a carbon footprint 3.5 times lower than truck transportation.

Uğur Cooling is not only transforming its transportation methods but also renewing its fleet with the aim of reducing environmental impact. Fossil-fuel-powered vehicles within



the Company have been replaced with electric tow trucks, and the use of fossil-fuel vehicles in finished goods transfers has been entirely eliminated. Additionally, the number of electric forklifts increased from 30 in 2022 to 43 in 2023, achieving a 30% growth.

Supply chain sustainability is another key focus for Uğur Cooling. By working closely with suppliers, the Company ensures that outgoing vehicles do not return empty, optimizes product packaging and stacking, and prefers Ro-Ro transportation in suitable cities. These efforts enhance efficiency while minimizing environmental impact.

Believing in continuous improvement in sustainable logistics, Uğur Cooling

effectively utilizes technology and continues its innovation efforts to reduce environmental effects. Mapsle and SAP software are used for route and load optimization, while dealer storage activities are managed through Uğurweb software. In the shipping department, loading planning software increases vehicle occupancy rates, leading to a 15% improvement. Milkrun route planning standardizes trip frequencies and schedules, reducing the number of shipment vehicles. Additionally, dealer storage services are provided in certain regions to optimize shipments, the use of handheld terminals accelerates digitalization in transportation and storage processes, and conveyors have replaced equipment for finished

goods transfers from production lines to warehouses.

Regarding waste management and recycling, the adoption of e-invoices and e-waybills has reduced paper consumption, and product delivery documents have been digitized. Waste materials such as forklift oil and tires are managed through the waste/recycling process within the factory. Product packaging is collected back from dealers to reduce waste at its source, and damaged returned packaging materials are recycled and reused as raw materials.



Uğur Cooling
at a Glance



Sustainability
Governance



Corporate
Sustainability



Working for
Sustainable Economic
Development



Working for
Sustainable Social
Development



Working for a
Sustainable World



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Working for Sustainable Social Development

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GRI 2-22, 3-3

SOCIAL SUSTAINABILITY ROADMAP AND GOALS

“A Sustainable Community”

Uğur Cooling’s “Sustainable Society” vision encompasses a wide range of commitments, including employee happiness and development, occupational health and safety, and creating social value.

Uğur Cooling embraces the “Sustainable Society” vision, acting not only with consideration for today but also for the well-being of future generations. This vision encompasses a wide spectrum, including employee happiness and development, occupational health and safety, and creating social value.

The Company adopts an action-oriented approach, ensuring that this vision is not merely a statement but a guiding principle in its operations. Uğur Cooling provides a work environment that values employees, helps them realize their potential, and supports their development. At the same time, it prioritizes occupational health and safety, taking every necessary measure to protect the well-being of its employees. Fully aware of its social responsibilities, the Company supports projects that generate social benefits and develops initiatives aligned with this commitment.

Topic	Subtopic	Objective	2023 Goal	Targeted Value	Year-end Completion Status	2024 Goal	Targeted Value	Strategy for Achieving the Target
Sustainable Social Development	Occupational Health and Safety	Reducing the Lost Time Injury Frequency Rate	Setting the Lost Time Injury Frequency Rate at 15	15	100% Completion	Setting the Lost Time Injury Frequency Rate at 15	15	Increasing occupational health and safety training, conducting periodic maintenance of machinery and equipment, ensuring that employees hold professional certifications relevant to their tasks, and providing on-the-job training for new employees by experienced and knowledgeable colleagues in their departments. Department supervisors must ensure that employees use the necessary personal protective equipment required for their tasks. Ensuring that the safety features of machines and equipment are fully operational, adding safety equipment to machines that lack them, and replacing unsafe and outdated machines with technologically advanced and secure ones. Renovating roofs and promptly addressing nonconformities identified through technical inspections.
		Reducing the lost time injury severity rate.	Setting the lost time injury severity rate at 0.5.	0.5	100% Completion	Setting the lost time injury severity rate at 0.5.	0,5	Increasing occupational health and safety training, conducting periodic maintenance of machinery and equipment, ensuring that employees hold professional certifications relevant to their tasks, and providing on-the-job training for new employees by experienced and knowledgeable colleagues in their departments. Department supervisors must ensure that employees use the necessary personal protective equipment required for their tasks. Ensuring that the safety features of machines and equipment are fully operational, adding safety equipment to machines that lack them, and replacing unsafe and outdated machines with technologically advanced and secure ones. Renovating roofs and promptly addressing nonconformities identified through technical inspections.



GRI 2-22, 3-3

SOCIAL SUSTAINABILITY ROADMAP AND GOALS

Topic	Subtopic	Objective	2023 Goal	Targeted Value	Year-end Completion Status	2024 Goal	Targeted Value	Strategy for Achieving the Target
Sustainable Social Development	Occupational Health and Safety	Preventing fatal and limb-loss accidents.	Ensuring the fatal and limb-loss accident rate remains at zero.	100%	100% Completion	Ensuring the fatal and limb-loss accident rate remains at zero.	Zero limb-loss workplace accidents, 100% compliance with the target.	Increasing occupational health and safety training, conducting periodic maintenance of machinery and equipment, ensuring that employees hold professional certifications relevant to their tasks, and providing on-the-job training for new employees by experienced and knowledgeable colleagues in their departments. Department supervisors must ensure that employees use the necessary personal protective equipment required for their tasks. Ensuring that the safety features of machines and equipment are fully operational, adding safety equipment to machines that lack them, and replacing unsafe and outdated machines with technologically advanced and secure ones. Renovating roofs and promptly addressing nonconformities identified through technical inspections.
		Completing risk analysis actions and addressing findings identified during field inspections and assessments.	Completing major risks by 90%, medium risks by 80%, and potential risks by 80%.	Major risks 90%, medium and potential risks 80%.	100% Completion	Completing major risks by 90%, medium risks by 80%, and potential risks by 80%.	Major risk 90%, medium and potential risks 80%.	Increasing the number of technical management staff (Mechanical and Electrical) responsible for technical operations, replacing unsafe machinery and equipment, informing relevant personnel about Corrective and Preventive Action (CAPA) notifications, allocating time for training sessions and ensuring their completion, conducting professional training, performing regular mechanical maintenance and repair operations, and systematically organizing stacking arrangements.
		Fulfilling legal and regulatory obligations.	Fully complying with legal regulations to avoid penalties and sanctions.	100%	100% Completion	100%	100% Completion of the target	Ensuring compliance with regulatory requirements by monitoring progress, informing relevant departments, and ensuring the necessary conditions are met.
		Increasing the number of near-miss reports	Ensuring that the number of near-miss reports reaches at least 50 throughout the year.	50	2	Ensuring that the number of near-miss reports reaches at least 50 throughout the year.	50	Allocating time for training and increasing the number of training sessions, implementing incentive programs with the support of Human Resources to encourage the reporting of near misses.
		Recording employees' EK-2 pre-employment and periodic medical examination reports in the QDMS Program.	Ensuring that all employees' health records and monitoring are managed within the program.	100%	100% Completion	Ensuring that all employees' health records and monitoring are managed within the program.	100%	Ensuring that periodic examinations and recruitment examinations are recorded in the QDMS Program as a priority within the annual business plan



GRI 2-22, 3-3

SOCIAL SUSTAINABILITY ROADMAP AND GOALS

Topic	Subtopic	Objective	2023 Goal	Targeted Value	Year-end Completion Status	2024 Goal	Targeted Value	Strategy for Achieving the Target
Sustainable Social Development	Occupational Health and Safety	To eliminate and minimize the risk of illness and occupational accidents by observing ergonomic conditions in the working environment.	Supporting the creation of suitable working conditions for four employees diagnosed with cervical discopathy and eleven employees diagnosed with lumbar discopathy in their respective departments, and ensuring that ergonomics training on heavy lifting is repeated annually for employees working in heavy lifting areas.	100%	100% Completion	Supporting the creation of suitable working conditions for four employees diagnosed with cervical discopathy and eleven employees diagnosed with lumbar discopathy in their respective departments, and ensuring that ergonomics training on heavy lifting is repeated annually for employees working in heavy lifting areas.	100%	Conducting monthly inspections of production and social areas to identify and report deficiencies, and preparing an annual training plan.
	Employee Engagement and Satisfaction	Completion of employee requests.	Blue-collar 1 Month White collar: 2 Months	100% Closed finding.	84% of employee requests were closed on time.	Blue-collar 1 Month White collar: 2 Months	100% Target completion	Tracking requests through the Intranet system and conducting job interviews to ensure the selection and onboarding of a suitable candidate.
		Reducing the employee turnover rate to 3%.	To increase employee loyalty and to ensure long-term employment of the employee	100% Closed finding	The employee turnover rate for 2023 was 3.6%.	To increase employee loyalty and to ensure long-term employment of the employee	100% Target completion	Enhancing working conditions and social benefits to increase employee engagement.
		Ensuring that 100% of the wishes, complaints, and suggestions submitted by employees are resolved.	Meeting employees' requests to provide a healthier and safer working environment.	100% Closed finding	Resolved at a rate of 46%.	Meeting employees' requests to provide a healthier and safer working environment.	100% Target completion	Evaluating and resolving the submitted wishes, complaints, and suggestions at the Ethics Committee meetings
	Diversity, Inclusion, and Equal Opportunity	Increasing female employment	Increasing the total female employee ratio to 33%.	100% Closed finding	The ratio of female employees is 31%.	Increasing the total female employee ratio to 33%.	100% Target Completion	Applying positive discrimination in recruitment by preferring female candidates for candidates who do not differ in the competencies required by the position and increasing female employment.
	Employee Development	Increasing training effectiveness.	Not below 4 points in Participant and Manager evaluation	100% Closed finding	Participant Evaluation Score: 4.62 Manager Evaluation Score: 3.92 Overall Average: 4.27	Not below 4 points in Participant and Manager evaluation	100% Target Completion	Receiving feedback from participants and managers through training evaluation questionnaires and training activity evaluation forms



GRI 2-22, 3-3

SOCIAL SUSTAINABILITY ROADMAP AND GOALS

Topic	Subtopic	Objective	2023 Goal	Targeted Value	Year-end Completion Status	2024 Goal	Targeted Value	Strategy for Achieving the Target
Sustainable Social Development	Employee Development	Increasing the number of employees with a vocational qualification certificate	Certification of 200 employees	100% closed finding	The vocational qualification certification of 271 employees has been completed.	Certification of 200 employees	100% Target completion	Increasing the frequency of training and periodic training given to each employee at the time of recruitment, conducting visually supported training to raise the awareness of employees, increasing the number of trained employees
		Increasing training on social compliance and ethics	Ensuring 25% employee participation.	100% closed finding	Participation rate reached 44%.	Ensuring 30% employee participation.	100% Target completion	Organizing training to increase the level of awareness among employees and distributing relevant information booklets
		Increasing information security training.	Ensuring that 100% of white-collar employees receive training.	100% closed finding	97% of white-collar employees receive training.	Ensuring that 100% of white-collar employees receive training.	100% Target completion	Organizing training to increase the level of awareness among employees and distributing relevant information booklets
		Inclusion of all employees in Occupational Health and Safety training programs.	Ensuring 100% employee participation.	100% closed finding	Participation rate reached 67%.	Ensuring 100% employee participation.	100% Target completion	Organizing training to increase the level of awareness among employees and distributing relevant information booklets
		Increasing environmental and waste awareness training	Ensuring 25% employee participation	100% closed finding	Participation rate reached 36.1%.	Ensuring 30% employee participation.	100% Target completion	Organizing training to increase the level of awareness among employees and distributing relevant information booklets
		Increasing energy management and carbon footprint awareness training.	Ensuring 25% employee participation.	100% closed finding	Participation rate reached 9%.	Ensuring 25% employee participation.	100% Target completion	Organizing training to increase the level of awareness among employees and distributing relevant information booklets
		Ensuring that blue-collar employees receive vocational and personal development training throughout the year	Ensuring an average of 5 training hours per employee.	100% closed finding	The average training hours per employee is 3.37 hours.	Ensuring an average of 4 training hours per employee.	100% Target completion	Increasing the frequency of training and periodic training given to each employee at the time of recruitment, conducting visually supported training to raise the awareness of employees, increasing the number of trained employees
		Ensuring that white-collar employees receive vocational and personal development training throughout the year.	Ensuring an average of 5 training hours per employee.	100% closed finding	The average training hours per employee is 3.60 hours.	Ensuring an average of 4 training hours per employee.	100% Target completion	Increasing the frequency of training and periodic training given to each employee at the time of recruitment, conducting visually supported training to raise the awareness of employees, increasing the number of trained employees



GRI 2-22, 3-3

SOCIAL SUSTAINABILITY ROADMAP AND GOALS

Integration of social issues into strategic decision-making processes

Uğur Cooling acts with the awareness of transparently sharing sustainability performance evaluations and actions, and addressing the internal processes of each department.

Uğur Cooling does not confine the concept of sustainability to economic measures and behaves responsibly in this context by emphasizing social issues in its strategic decisions. It acts with the awareness of publicly disclosing sustainability performance assessments and actions and addressing each department's internal processes.

The Company has created a "Social Compliance Framework" to solidify the foundations of its social approach, build a plan with strategic foundations, and adapt to the social dimension of Uğur Cooling's business processes.

Within the framework of Social Compliance, a team consisting of various representatives has been established. This organization includes 7 representatives under the Social Compliance Management Representative:

- Training Representative
- Environmental Representative
- Occupational Health and Safety (OHS) Representative
- Ethics Representative
- Energy Manager
- Employer Representative
- Employee Representative

In this way, the Company has comprehensively addressed its sustainability concerns and, in line with the principle of accountability,

has detailed its current social approach through process flow charts, the procedures it follows, and the performance targets it has set for itself.

The Company puts its key performance targets at the focal point of its production as activities that increase sustainability performance.

Stops identified in this roadmap:

- Evaluation of productivity, occupational safety, cost, and quality problems for the past 5 years,
- Determination of 2023 targets in relevant subjects,
- Integration of identified targets into the management system.





GRI 3-3, 409-1

HUMAN VALUES

The most valuable capital: Human

Uğur Cooling's Human Resources policy adopts an employee-focused approach and places people at the center at every stage.

SDGs We Contribute to



HUMAN RIGHTS APPROACH

Uğur Cooling views its human-centered approach as an integral part of its corporate culture and the foundation of its long-term success. The holistic understanding of business models and processes, based on sustainable future strategies, reflects the importance it places on Human Rights and ethical values. Supporting its social sustainability with the Ethical Behavior Principles and Implementation Procedure, Uğur Cooling aims to continuously enhance its reliability.

Respect for human rights is, for Uğur Cooling, not only a legal obligation but also a fundamental value. In this regard, a comprehensive approach is adopted to protect and promote human rights in the workplace.

Human Rights and a Suitable Work Environment:

Uğur Cooling implements the following practices to protect human rights and provide an ethical working environment:

- **Policies and Procedures:** A detailed set of policies and procedures regarding human rights and ethical working

conditions has been established. These documents are communicated to all employees and stakeholders, highlighting the Company's commitment to human rights. These policies can be accessed at www.ugur.com.tr/insan-kaynaklari-politikalari.

- **Training and Awareness:** Employees receive regular training on human rights and ethical working conditions. These trainings aim to raise awareness and help employees understand their responsibilities in this area.
- **Zero Tolerance for Discrimination:** A zero-tolerance policy is implemented against any form of discrimination. It is emphasized that all employees have equal rights, regardless of race, gender, religion, or disability status.
- **Safe Complaints Mechanism:** A secure mechanism has been established for employees to report complaints related to human rights violations or unethical behavior. This mechanism allows employees to raise their voices and ensures that potential issues are addressed.

- **Occupational Health and Safety:** Measures are taken in compliance with laws and international standards to protect the health and safety of employees.
- **Social Responsibility:** Participation in social responsibility projects that support respect for human rights is encouraged.

Uğur Cooling's Human Resources policy adopts an employee-centered approach, placing people at the core at every stage. This approach not only supports employees' motivation and productivity but also plays a key role in achieving sustainability goals.

In recruitment processes, discrimination is not practiced, and the principle of placing the right person in the right job is rigorously applied. Additionally, with policies against employing workers under the age of 18 and against forced labor, Uğur Cooling takes a strong stand against human rights violations such as child labor and forced labor.

Uğur Cooling fosters a participatory work environment and encourages transparent communication. In an environment where employees can freely express their opinions and suggestions, employee satisfaction and motivation increase, contributing to the development of a sustainable workplace culture.

Compliance with national and international laws and human rights standards is of paramount importance to Uğur Cooling. This compliance ensures the sustainability of the Company's ethical and social responsibility practices in the workplace.

Employee Safety and Well-being

Uğur Cooling has made it a principle to respect the dignity and honor of its employees. Verbal, physical, or psychological harassment is not tolerated, and the Company takes an active stance against such behaviors.



GRI 3-3, 409-1

HUMAN VALUES

Fair and ethical working conditions

Every employee is held to the same sustainability performance evaluation standards, particularly in business ethics.

All employees and contracted workers are ensured to fully and accurately exercise their rights, with all personal information being protected and kept confidential without any discrimination. Discrimination is against workplace rules, and those who violate this rule may face sanctions, including termination of employment. Employees can report complaints related to discrimination directly to the Human Resources department through the Human Resources communication line.

Ethical Principles and Application

The company's ethical policies are outlined under four main headings in the Ethical Behavior Principles and Implementation Procedure:

- Use of Company Resources
- Relationships
- Obligations to the Company
- General Rules

An Ethics Committee has been established to promote compliance with ethical behavior principles and to prevent potential violations. This Committee evaluates petitions, complaints, and suggestions; and examines defenses against criminal offense, immoral behavior, and behavior contrary to the rules of good faith. It also conducts the necessary examination and research on ethical issues received from external stakeholders. The Ethics Committee convenes monthly and takes decisions by majority vote.

Uğur Cooling provides channels through which employees and the general public can express their views and suggestions on ethical issues. In this regard, a Human Resources Communication Line is available for everyone to use.

Company employees can provide feedback through the Wish, Complaint, and Suggestion Request Form via the intranet. After filling out the form, the request is sent to UgurlnsanKaynaklariMailGrup@ugur.com.tr.

These policies and practices demonstrate Uğur Cooling's commitment to business ethics and its determination to ensure compliance with ethical standards. In this way, the Company not only constitutes an ethical business environment but also reinforces the trust of its employees and other stakeholders.

Every employee is held to the same sustainability performance evaluation standards, particularly in business ethics. The fact that all employees are fully protected and valued demonstrates respect for human rights and is consistent with the egalitarian approach, a prominent ethical principle. At Uğur Cooling, both the company's future and the strengthening of its corporate culture values are prioritized by focusing on the individual development and well-being of employees, without any discrimination.





GRI 2-7, 2-8

HUMAN VALUES

Being a preferred employer

Uğur Cooling supports the economic and social development of the region in which it operates through the employment opportunities it creates and the social initiatives it develops.

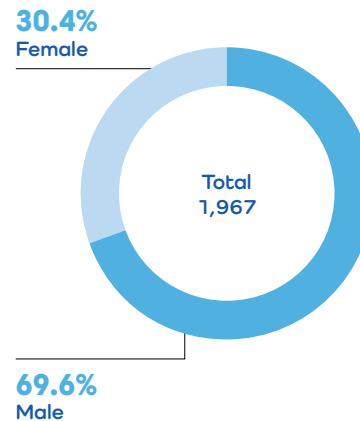
EMPLOYEE PROFILE

Uğur Cooling operates with an awareness of the responsibilities that come with its deep-rooted history and scale. Through the employment opportunities it creates and the social initiatives it develops, the Company contributes to the economic and social development of the region in which it operates.

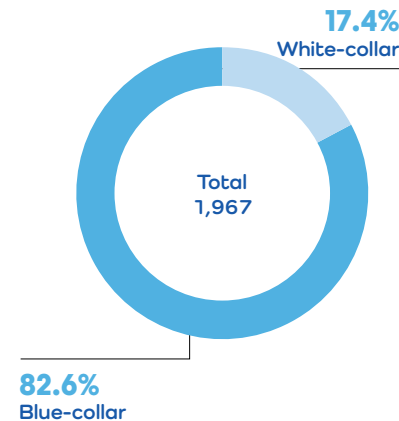
As of 2023, Uğur Cooling employs a total of 1,967 full-time employees. Of the total workforce, 1,370 employees (69.6%) are men, while 597 employees (30.4%) are women. Blue-collar employees constitute 82.6% of the workforce (1,624 employees), while white-collar employees make up 17.4% (343 employees).

- In 2023:
- New Hires: 733
- Employee Departures: 873
- Employee Turnover Rate: 3.6%
- Employees with Disabilities: 3%

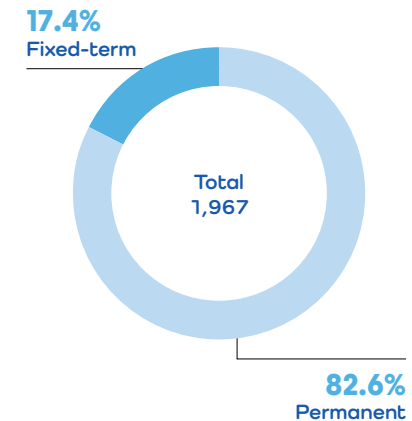
Employee Gender Distribution



Distribution of White-collar and Blue-collar



Employee Distribution by Contract Type



Seniority Distribution

Seniority	Number of Employees
Director	7
Senior Director	1
Manager	21
Assistant Manager	18
Senior Specialist	100
Specialist	163
Team Leader	57
Occupational Physician	2
Operator	5
Personnel	1,292



GRI 2-19, 2-20, 3-3

HUMAN VALUES

Equal pay for equal work approach

Uğur Cooling adopts an employment policy that aims to ensure both diversity and inclusion within its workforce.

SDGs We Contribute to

**447**

Number of employees with
a university degree

The number of employees with higher education levels, which was 415 for 2022, was 447 in the results for 2023. This ratio accounts for approximately 22% of all employees. Meanwhile, the proportion of employees with a primary education level is 42%.

It is also evident that the Company attaches importance to inclusiveness in the distribution by age groups. In 2022, 54% of blue-collar employees were between the ages of 31 and 50, while in 2023, this ratio increased to 61%.

The proportion of Uğur Cooling's blue-collar employees under the age of 30 to the total workforce was 22% in 2022, increasing to 33% in 2023. In 2023, the proportion of the Company's white-collar employees under the age of 30 was 4.6%.

FAIR COMPENSATION, DIVERSITY, INCLUSION, AND EQUAL OPPORTUNITY

Uğur Cooling adopts an employment policy that prioritizes both diversity and inclusion. In shaping its workforce structure, the company strives to maintain a balanced distribution of

male and female employees while carefully considering diversity across different age groups and genders. The presence of employees from various age groups, educational backgrounds, and demographic characteristics strengthens the Company's contribution to its sustainability goals.

Uğur Cooling strives to provide equal opportunities to all employees without discrimination. In its recruitment processes, the company evaluates not only candidates' personal characteristics but also their professional knowledge and competencies. Additionally, candidates' alignment with the Company's culture and values, as well as their ability to meet the health requirements of the job, play a decisive role in hiring decisions. According to the equity and inclusiveness principle of "No discrimination in recruitment and placement" adopted in the Procedure, equal pay for equal work is applied in the salaries of men and women employees, and the "right person for the right job" approach is followed according to the competence of the job.





GRI 401-2

HUMAN VALUES

SDGs We Contribute to



“Happy Employees, Strong Uğur”

At Uğur Cooling, strong performance is regularly recognized through feedback, enhancing employee motivation.

The Company adopts respect for employees and the law as a principle and integrates it into all internal policies and procedures. Uğur Cooling, which never allows discrimination among its employees, adheres to the principles of business ethics and reflects this in its remuneration processes.

A fair and consistent remuneration policy is adopted by taking into account the employee's level of education, professional experience, performance, sense of duty and responsibility.

Social benefits Uğur Cooling provide for the employees include:

- Progress payments depending on the task and position,
- Food and transportation service,
- Food, clothing, and fuel allowance at certain times of the year,
- Eid allowance
- Providing educational scholarships for the university students and disabled children of our employees,
- Continuity bonus system.

EMPLOYEE ENGAGEMENT AND SATISFACTION

Uğur Cooling, with its 1,967 employees, continues its journey of “Happy Employees, Strong Uğur,” believing in the importance of listening to every employee and fostering effective communication. Employee satisfaction and engagement are fundamental pillars of the Company's success, and with this understanding, Uğur Cooling continuously strives to build a strong connection with its employees. These efforts, grounded in respect for human rights and supported by fair compensation and work-life balance policies, aim to create a happy and motivated team.

At Uğur Cooling, strong performance is regularly recognized through feedback, enhancing employee motivation. The social benefits provided to improve employee well-being are another testament to the Company's commitment to valuing its workforce.

Ensuring employees' work-life balance is also among Uğur Cooling's priorities. By offering flexibility in annual leave planning, the Company considers employees' vacation periods and personal needs. Additionally, policies such as maternity leave, paternity leave, and leave for family emergencies support employees in fulfilling their family responsibilities.

Employee Engagement Enhancement Programs:

- Employee Development Programs: Training programs and workshops are organized to support employees' career growth, covering not only technical skills but also leadership, communication, and problem-solving.
- Feedback and Surveys: Regular surveys are conducted to measure employee satisfaction and collect feedback. The results are used to improve internal practices and ensure employees' voices are heard.
- Focus on Social and Emotional Needs:

- Training sessions are provided to develop social and emotional skills, covering topics such as empathy, communication, and stress management.
- Open communication channels have been established to allow employees express their emotional needs. Managers listen to employees' opinions and suggestions to better understand their needs.

Employee Feedback

Uğur Cooling continuously works to enhance employee satisfaction and engagement, valuing the opinions of its workforce. Feedback collected through employee satisfaction surveys and complaint/suggestion boxes enables the Company to monitor employee satisfaction levels and identify areas for improvement. Employee complaints and suggestions communicated verbally are gathered from designated boxes placed in various locations within the company. Employees are provided with the “Employee Representative and

Suggestion-Complaint System Information Guide,” which explains the functionality of these boxes, the responsibilities of employee representatives, and the social compliance policies implemented within the Company.

In 2023, a total of 532 employees (27%) participated in the Employee Satisfaction Survey, with the overall satisfaction rate recorded at 71.8%.



GRI 404-1, 404-2

HUMAN VALUES

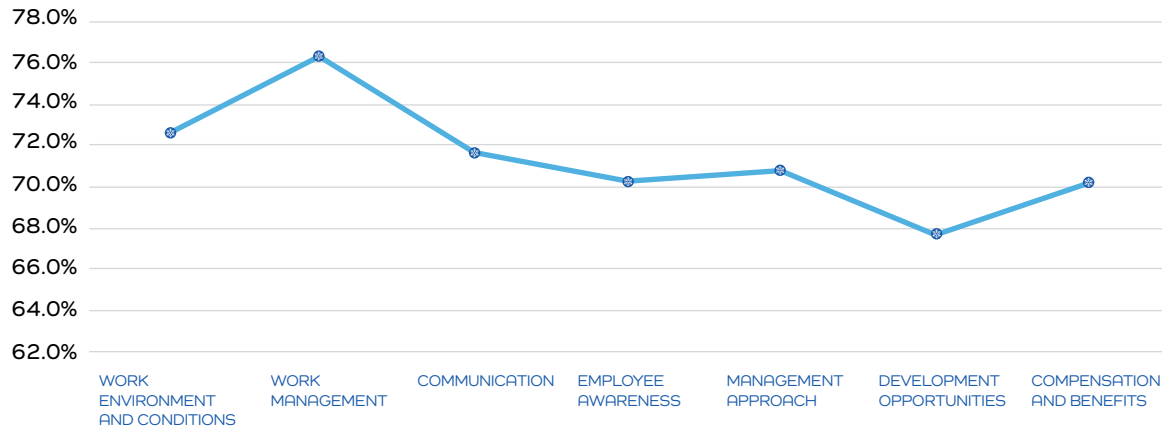
Great emphasis on employee development

Uğur Cooling provides its employees with training in various areas, including information security, ethics, environmental awareness, occupational health and safety, personal development, professional development, technical training, and disaster awareness.

SDGs We Contribute to



Employee Satisfaction Survey Results



EMPLOYEE DEVELOPMENT

Recognizing that its employees are the driving force behind its success, Uğur Cooling places great importance on their development. Prioritizing education as a key factor in enhancing employee productivity, the Company regularly provides development opportunities. By enabling employees to gain new perspectives, learn about emerging technologies, and acquire new

knowledge, Uğur Cooling aims to enhance individual competencies while strengthening employees' sense of belonging to the Company.

In performance evaluations, each employee's personal and professional competencies, internal communication skills, adaptability, and contribution to the Company are assessed. These evaluations help employees identify areas for improvement and support their professional growth.

Uğur Cooling's orientation program ensures that new hires and employees transitioning to different departments quickly adapt to the organization. By providing information about the Company culture, work structure, and departmental procedures, the program helps employees integrate effectively and perform their roles efficiently.

Uğur Cooling provides its employees with training in various areas, including information security, ethics, environmental awareness, occupational health and safety, personal development, professional development, technical training, and disaster awareness. Additionally, awareness training sessions are conducted on environmental, energy, social compliance, and management system standards.

It facilitates quicker integration into teamwork and enables employees to work more efficiently.

On-the-Job Training: Designed to enhance employees' professional knowledge and skills, this training helps them perform their jobs more efficiently and effectively. Additionally, it raises awareness of workplace safety and sustainability, fostering a responsible work ethic.

Training Types

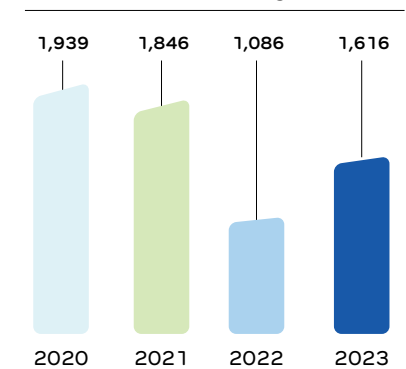
General Orientation Training:

Aimed at helping new employees adapt to Uğur Cooling's corporate culture, values, and work principles, this training facilitates a smooth transition into the work environment. It also supports employees in quickly adjusting to their roles and fostering a sense of belonging.

Departmental Orientation Training:

This training ensures that new employees or those who have been assigned to a different workplace within the Company gain a thorough understanding of their department's operations, processes, and interactions with other departments.

Orientation training hours



Employee Trainings



GRI 404-1, 404-2

HUMAN VALUES

Goal of instilling sustainability awareness in employees

Uğur Cooling raises awareness on eco-friendly practices, energy efficiency, and sustainable business strategies, providing training to ensure employees are well-informed in these areas.

The implementation of the training outputs by the employee participating in the training programs and their contribution to the employee are observed by the Department Manager over time. The effectiveness of training activities is evaluated 1 to 3 months after completion based on the employee's competency. The employee's manager completes a Training Effectiveness Evaluation Form, which is then submitted to the Human Resources Management Department. Any training gaps identified are addressed, training recommendations are revised accordingly, and the evaluations are resubmitted to management.

Uğur Cooling aims not only to equip its employees with the skills to perform their jobs effectively but also to instill a sustainability mindset. By raising awareness on eco-friendly practices, energy efficiency, and sustainable business strategies, the Company provides training to ensure its employees are well-informed in these areas as well.

With the Competence, Training, and Awareness Procedure, the planning and organization of training that will be useful in increasing efficiency in the professional development of employees is carried out in a written system.

Leadership and Talent Development

Various opportunities are provided to help employees unlock their leadership potential and enhance their skills:

- **Internal Training and Workshops:** Employees are supported in developing their skills through workshops and training sessions conducted by expert in-house trainers.
- **Project Assignments and Responsibility Delegation:** Employees are given projects and responsibilities that allow them to gain leadership experience.
- **Feedback and Evaluation:** Regular feedback and performance evaluations are conducted to support employees' professional growth.

2023 Training Data

Key highlights from the training programs conducted in 2023 are as follows:

- White-collar employees received a total of 1,469 hours of training.
- Blue-collar employees received a total of 17,373 hours of training.
- Environmental awareness training: 677 employees participated in 1-hour sessions each.
- Occupational health and safety training: 2,590 employees received approximately 15,045 hours of training.
- In line with the principles of equal opportunity and inclusion, female employees received 5,039 hours of training, while male employees received 19,416 hours.
- Recognizing employee rights as an integral part of human rights, the Company conducted 22 hours of training in 2023, covering sustainability performance assessments related to employee rights and business ethics.

17,373

Total training hours
provided to blue-collar
employees





GRI 404-1, 404-2

HUMAN VALUES

Training programs contributing to professional and personal development

Various opportunities are provided to help employees unlock their leadership potential and develop their skills.

TRAINING TOPIC	NUMBER OF ATTENDANTS	TOTAL DURATION (hours)
EMERGENCY TRAINING	318	1,232
INFORMATION SECURITY TRAINING	36	36
COATING APPLICATION TRAINING	40	120
ENVIRONMENTAL AWARENESS TRAINING	677	677
VALUE ORIENTED RELATIONSHIP MANAGEMENT TRAINING	20	160
ENERGY TRAINING	273	273
ERDEMİR PRODUCT TECHNICAL INFORMATION TRAINING	44	132
COMMUNICATION, RESPONSIBILITY AND INITIATIVE TRAINING	66	99
FIRST AID TRAININGS	46	472
OCCUPATIONAL HEALTH AND SAFETY TRAINING	2,272	13,813
CALIBRATION TRAINING	34	272
QUALITY AWARENESS TRAININGS	53	26
CORPORATE CARBON FOOTPRINT CALCULATION TRAINING	14	182
CORPORATE CULTURE, WORKPLACE PRINCIPLES, AND LOYALTY TRAINING	63	126
METAL COATING APPLICATION TRAINING	40	960
MS OFFICE ADVANCED EXCEL TRAINING	38	608
MSDS (Material Safety Data Sheet) Training	34	272
ORIENTATION TRAINING	808	1616
PRIORITY MANAGEMENT AND RESULT-ORIENTED SALES TRAINING	58	464
ADHESIVE SILICONE AWARENESS TRAINING	31	62
SOCIAL COMPLIANCE AND ETHICS AWARENESS TRAINING	22	22
TEAM LEADER DEVELOPMENT PROGRAM	11	83
SINGLE-MINUTE EXCHANGE OF DIES (SMED) TRAINING	47	188
TECHNICAL TAPE ADHESIVES AWARENESS TRAINING	35	105
TECHNICAL DRAWING READING TRAINING	100	100
BASIC-LEVEL PLASTIC AWARENESS TRAINING	24	384
MANAGEMENT SYSTEMS AWARENESS TRAINING	535	268



GRI 404-1, 404-2

HUMAN VALUES

Investments in a qualified workforce

Uğur Cooling adopts a “Right Person for the Right Job” policy for prospective employees, ensuring workforce well-being and continuity.

	2020-2021 Academic Year	2021-2022 Academic Year	2022-2023 Academic Year
Hired After Internship	4	9	3
Number of Interns	34	43	49

Transition from Internship to Full-Time Employment

With its Human Resources Management that has the vision of generating values to drive the Company forward, Uğur Cooling does not leave its future workforce challenges to chance. To ensure employee well-being and continuity, the Company follows a “Right Person for the Right Job” policy for prospective employees. In this project, which was initiated by putting these ideas into practice, interns - who are employee candidates- are treated equally as employees within the Company and talent management is carried out for their professional development.

Uğur’lu Kütüphane

The Company’s “Uğurlu Kütüphane” program is an initiative that aims to contribute to the personal and professional development of employees. “Uğurlu Kütüphane” aims to encourage employees to acquire the habit of reading books and to improve their reading habits. In line with this goal, the Company supports its employees by meeting their book requests and continuously expanding the library.

As part of the initiative implemented to both contribute to employees’ personal and professional development and encourage the spread of reading habits, a total of 133 books had been read by the end of 2023.



“Uğurlu Kütüphane” aims to encourage employees to acquire the habit of reading books and to improve their reading habits.



GRI 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10

OCCUPATIONAL HEALTH AND SAFETY

Goal of zero workplace accidents

Uğur Cooling adopts a proactive approach to minimizing occupational health and safety (OHS) risks.

SDGs We Contribute to



15,045 hours
OHS Training

Aware of the potential risks inherent in its industry, Uğur Cooling adopts a proactive approach to minimizing occupational health and safety (OHS) risks. Recognizing its employees as its most valuable asset, the Company fully complies with local and international OHS regulations and other relevant obligations to ensure that its workforce operates in safe and healthy environments.

and Safety Law No. 6331, and Social Insurance and General Health Insurance Law No. 5510.

This OHS Procedure applies to all employees and subcontractors across all locations, aiming to establish occupational health and safety in Uğur Cooling workplaces and improve existing conditions by defining the roles, authorities, and responsibilities of both employers and employees.



A Safe Future with the “Zero Workplace Accidents” Goal

Uğur Cooling implements the ISO 45001 Occupational Health and Safety (OHS) Management System to ensure compliance with OHS standards in its production processes and to drive continuous improvement. The Occupational Health and Safety Procedure, developed in line with this system, is fully aligned with the Labor Law No. 4857, Occupational Health

Occupational Health and Safety Policy:

- **Leadership and Participation:** Continuously develops the OHS management system under the leadership of senior management with the active participation of all employees.
- **Compliance with Laws and Standards:** Ensures full compliance with national and international regulations and standards, closely monitoring updates to keep processes aligned.
- **Awareness and Training:** Organizes social projects and training programs within the scope of OHS to ensure all stakeholders are informed.
- **Transparency and Communication:** Establishes a transparent communication environment for OHS issues, encouraging the active participation of all employees and stakeholders.
- **Risk Management:** Conducts risk analyses and controls hazards at their source to prevent workplace accidents, occupational diseases, and injuries.
- **Personal Protective Equipment (PPE):** Provides employees with the necessary PPE and ensures their proper use.
- **Work Environment:** Designs and regularly inspects work environments to minimize OHS risks, ensuring safe working conditions.



GRI 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10

OCCUPATIONAL HEALTH AND SAFETY

Procedures for minimizing risks

In line with its “zero workplace accidents” goal, Uğur Cooling implements a comprehensive risk assessment procedure to identify all potential hazards in the workplace and evaluate associated risks.



OHS Organizational Structure

Guided by occupational health and safety (OHS) specialists and workplace physicians, Uğur Cooling receives support and consultancy on OHS-related matters, including regulatory compliance. To ensure the effective management of OHS issues, the Company has established an OHS Committee. This Committee consists of 16 members selected from various departments and is led by the employer’s representative. Additionally, it includes four OHS specialists, a workplace physician, a human resources representative, a foreman, and an employee

representative. The Committee convenes monthly to evaluate OHS performance, implement necessary measures, and plan improvement initiatives.

Following the committee meetings, which are held at least once a month, the decisions made are communicated to relevant individuals along with their deadlines via email, QDMS, SMS, announcement boards, and meetings. The meeting agenda is determined jointly by the OHS specialist and the chairman of the committee, and members have the opportunity to request changes to the agenda.

Risk Management and Preventive Actions

In line with its “zero workplace accidents” goal, Uğur Cooling implements a comprehensive risk assessment procedure to identify all potential hazards in the workplace and evaluate associated risks. This procedure covers all hazards arising from working conditions and company operations. Hazards identified through risk analyses are reported to the relevant units, and necessary precautions are taken. The frequency, severity, and individuals potentially affected by risks arising from hazards are regularly analyzed through daily site inspections.

Health and Safety Practices

Focusing on both employee and employer behaviors, Uğur Cooling ensures a safe working environment through technical applications, preventive measures, and risk assessments. In the event of a workplace accident, after the initial intervention, the affected employee is transported to the

hospital either by a company vehicle or a 112 emergency ambulance, depending on the severity of the incident.

Employees are provided with the Personal Protective Equipment (PPE) required for their jobs upon hiring and throughout their employment through an assignment system. In 2023, PPE usage controls were intensified, and necessary equipment was tested by employees to select more ergonomic and durable options. To inform employees about Occupational Health and Safety (OHS) in the workplace and warn them about potential hazards, health and safety signs are posted in the work environment. First aid kits and medical supplies are placed in easily accessible locations. Considering ease of access to medical supplies and the possibility of natural disasters, two emergency containers and three fire trucks have been stationed at the Headquarters and Organized Industrial Zone (OIZ) branches.

To create a healthier and safer work environment, suggestions for improving ergonomics are evaluated, and those deemed appropriate are implemented. In 2023, additional fire detection and alarm systems were installed in certain areas, such as the R&D Center and Quality Laboratory. Security fences were placed around metal processing, thermoforming, and screen-printing machines, while safety switches were installed in certain areas. The use of electric bicycles within the facility was restricted, and protective guards were added to lathe and milling machines used in machining processes. Furthermore, various workplace improvements were made. Old lighting fixtures were replaced with energy-efficient LED floodlights for better illumination. Mobile air conditioners were introduced for cooling, and rooftop air conditioning units were upgraded to enhance performance.



GRI 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10

OCCUPATIONAL HEALTH AND SAFETY

Corrective and preventive measures

As part of OHS training, employees are informed about the health and safety risks & corrective and preventive measures that may be encountered in the workplace.

Machine-based heaters were installed in cold work areas, and instead of earplugs, earmuff-style hearing protectors were provided to employees.

In addition to assessing employees' physical health, periodic surveys are conducted to evaluate psychosocial risk factors. When necessary, employees are referred to a psychologist or psychiatry service to receive psychological support.

In Uğur Cooling's OHS Risk Assessment Procedure, all potential hazards that may arise from working conditions and operational activities are identified. The purpose of this procedure is to reduce all types of hazards and health risks to a level that does not impact human health. OHS risk assessment documents are renewed every four years if they fall under the hazardous risk classification and every six years if classified as low-risk, with an annual review

conducted in all cases. Hazards identified through risk analyses are reported to relevant parties, any deficiencies in risk mitigation are addressed, and the risk score section of the related issue is updated accordingly. The frequency, severity, and individuals affected by risks arising from hazards are analyzed daily through regular site inspections, and any OHS-related issues observed are reported to the relevant authorities. These planned site inspections are rescheduled for a later time with a commitment to eliminate the findings.

In identifying hazards, workplace accidents and occupational diseases that have occurred in similar workplaces are also taken into consideration. In areas where employees work with chemical substances, training is provided to minimize exposure risks, and personal protective equipment (PPE) is supplied to the relevant employees. Ventilation

opportunities are improved, and eye wash stations and eye rinse solutions are provided. In addition, annual chest radiography, SFT, blood and urine tests, and chemical exposures of employees are monitored.

To prevent employees from entering hazardous areas, movable machines are enclosed with appropriate fences. Additional safety measures are implemented for press machines. A fire detection and alarm system is being installed in the R&D and quality laboratories. Warning signs are put up, and worn-out signs are replaced. As a second layer of safety, fence protectors are installed in front of press machines, and blue lights are added to forklifts. Additionally, employees are provided with C and D resistance gloves, which offer better cut resistance.

As part of OHS training, employees are informed about the health and safety risks & corrective and preventive measures that may be encountered in the workplace. These trainings are provided under the Basic Occupational Health and Safety Training program before starting work, when visitors, guests, or contractors arrive, in the event of equipment changes, or when new technology is introduced. To encourage employees to report near-miss incidents, near-miss reporting boxes and cards have been placed in the work environment. To raise awareness on health-related matters, informational emails, messages, and printed materials are utilized. First aid training is conducted in the numbers required by regulations, while employees who come into contact with food receive hygiene training. Training programs are updated and repeated as necessary to address emerging and evolving risks. Information renewal training is also provided after a work accident.





GRI 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10

OCCUPATIONAL HEALTH AND SAFETY

Continuously improving OHS performance

From 2022 to 2023, there was a decrease in both the number of lost-time accidents and the total lost workdays across all employees.

At Uğur Cooling, workplace health services are provided at the company infirmary by an occupational physician and an assistant staff member. The infirmary offers outpatient services, injections, wound dressing, and monitoring of blood pressure and blood sugar levels. Annual health screenings are conducted, and employees lacking tetanus vaccinations are immunized. If any health issues are detected in test results, employees are referred to the relevant medical specialists. Additionally, eye examinations are performed for employees working with screen-based equipment, while those working at heights undergo annual height fitness examinations. Employees' medical conditions and regularly used medications are recorded.

For employees with disabilities or chronic illnesses, a "Medical Status Report" is issued to ensure they are assigned to jobs suitable for their health conditions. Additionally, a designated attendant is assigned within the workplace to assist employees with disabilities.

Pre-employment and periodic health examinations are conducted, and if deemed necessary, employees are referred to the relevant specialist either by the occupational physician or at the employee's request. For pregnant employees, periodic health check-ups are conducted every six months, with follow-ups by the Family Physician and Obstetrics & Gynecology Clinic. Pregnant employees are assigned to suitable departments and tasks based on their condition and are exempt from night shifts and rotating work schedules.

OHS Performance

When examining data separately for both the Headquarters Factory and the OIZ Factory for the years 2020, 2021, 2022, and 2023, no workplace accidents resulting in fatalities were recorded. From 2022 to 2023, there was a decrease in both the number of lost-time accidents and the total lost workdays across all employees.

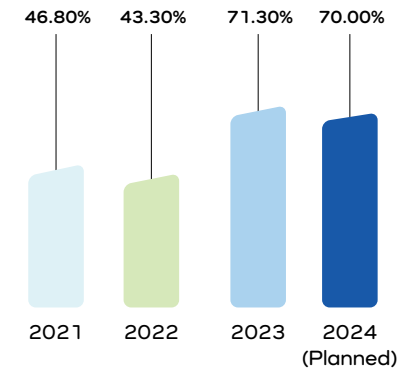
During the reporting period, the Headquarters Factory recorded an approximately 35% reduction in lost-time accidents and an approximately 48% decrease in the number of lost workdays for all employees.

Based on these data, it is evident that all kinds of OHS activities that are implemented and planned to be implemented provide positive outputs in the context of sustainability.



Uğur Cooling has planned its budget by covering OHS issues in expenditure items and also controlling the financial flow in ensuring health/safety conditions. In 2023, OHS expenditures increased by 71.30% compared to 2022, while the targeted increase for 2024 has been set at 70%.

OHS Expenditure Increase Rates Compared to the Previous Year





Uğur Cooling
at a Glance



Sustainability
Governance



Corporate
Sustainability



Working for
Sustainable Economic
Development



Working for
Sustainable Social
Development



Working for a
Sustainable World



Annexes



GRI 3-3, 413-1

CORPORATE CITIZENSHIP

Projects supporting and accelerating sustainable development

Uğur Cooling aims to generate social benefits through its social responsibility initiatives, developed in line with its environmental and economic responsibilities.

Uğur Cooling channels its industrial strength, which has enabled it to achieve sector leadership, into supporting and accelerating sustainable development. On its journey to creating lasting value, the Company actively engages with both internal and external stakeholders.

As a 100% domestically funded company, Uğur Cooling aims to generate social benefits not only through its contributions to local and national economies, particularly in terms of employment, but also through social responsibility initiatives aligned with its commitments to society, the environment, and the economy. These projects, carried out in collaboration with local governments and other stakeholders, extend beyond social impact and, when necessary, incorporate financial aspects requiring direct investment. Environmental sustainability practices, such as energy efficiency, natural resource conservation, and waste management, play a key role

in these initiatives. All completed and ongoing sustainability and corporate social responsibility projects are managed under the leadership of the Human Resources Department.

Nazilli State Hospital Angiography Center

Continuing its efforts to support public health, Uğur Cooling initiated a charitable project to establish an Angiography Center at Nazilli State Hospital, the region where its factory is located. The Coronary Heart Care Center became fully operational in 2023.

Mastery Compensation Program

Launched in 2022 and still ongoing, the Mastery Compensation Program contributes to employees' professional qualifications and training. This project is a state-funded program, enabling state-industry cooperation through social responsibility projects of this type reinforces stakeholder interaction.

February 6, 2023 Gaziantep-Kahramanmaraş Earthquake

During the reporting period, the devastating earthquake that deeply affected everyone and had widespread impacts occurred. In an effort to help heal the wounds and strengthen solidarity, Uğur Cooling promptly mobilized its aid efforts and took immediate action to deliver urgent assistance to the affected region.

Factory Visit as Part of Domestic Goods Week

As part of Domestic Goods Week, a factory visit took place on December 15, 2023, with the participation of 4th-grade students and teachers from Nazilli Sınav College. Uğur Cooling, which holds a significant place in domestic production in Türkiye, aimed to instill awareness of local manufacturing in future generations through this visit.

SDGs We Contribute to





MEDIA ENGAGEMENT AND BRAND REPUTATION

Strong brand reputation

In 2023, two-way communication was established with customers through social media platforms, incoming feedback was carefully evaluated, and steps were taken to enhance customer satisfaction.



Sustainability principles are also considered in marketing activities. Efforts are made to ensure that campaigns align with environmental and social responsibility awareness.

Uğur Cooling, maintaining its interaction with society in line with the principles of transparency and accessibility, manages media relations with a strategic approach and focuses on strengthening its brand reputation.

The “UĞUR DERİN DONDURUCU” commercials, which have become a generic brand in Türkiye, increase before Eid al-Adha, a period of high sales. During this time, various communication channels such as television, radio, digital platforms, and outdoor media are used to promote campaigns and strengthen brand perception.

In 2023, the new additions to the Company’s product range played an important role in communication campaigns. In addition to deep freezer products, both image-focused and discount-based campaigns were carried out for refrigerators, built-in cooking appliances, and water purifiers. Social media and programmatic advertising models were actively used in digital media to establish a strong connection with target audiences in these product categories.


By closely monitoring changing media consumption habits, efforts were made to increase visibility in digital media and strengthen engagement with target audiences. Two-way communication was established with customers through social media platforms, incoming feedback was carefully evaluated, and steps were taken to enhance customer satisfaction.

As a corporate and well-established company, great importance is placed on transparent and accurate information sharing in the media. In news related to the Company, timely and effective communication with the public was ensured. With content prepared in accordance with the brand language, a consistent message was conveyed across all communication channels.

Sustainability principles are also considered in marketing activities. Attention is paid to ensuring that campaigns align with environmental and social responsibility awareness.

Uğur Cooling has been the sponsor of the “Kafa Açan Uzman” program on Alem FM since 2019. Hosted by Fatih Yıldırım and Umut Bezgin, Kafa Açan Uzman provides a unique take on daily news and current developments, helping listeners start their day with joy and energy.

Uğur Cooling Social Media Follower Counts

 728,000

 93,500

 3,964

 9,000

 12,900





Uğur Cooling
at a Glance



Sustainability
Governance



Corporate
Sustainability



Working for
Sustainable Economic
Development



Working for
Sustainable Social
Development



**Working for a
Sustainable World**



Annexes



Working for a Sustainable World

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- 105 Efficient Energy Management
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- 110 Waste Management
- 116 Water and Wastewater Management
- 118 Eco-Friendly Products and Green Solutions





GRI 2-22, 3-3

ENVIRONMENTAL SUSTAINABILITY ROADMAP AND GOALS

“A Sustainable Planet”

Uğur Cooling, with its “A Sustainable Planet” vision, aims to leave a healthy environment for future generations by using natural resources in a balanced manner.

Uğur Cooling has adopted the principle of conducting its activities in a way that is respectful to nature and the environment for a “Sustainable Planet.” With this approach, it aims to use natural resources responsibly and leave a healthy environment for future generations.

Continuing its commitment in 2023, Uğur Cooling has structured its environmental management policy around the following key principles:

- Protecting and efficiently using natural resources,
- Enhancing recycling efforts with a zero-waste approach,
- Eliminating or minimizing potential negative environmental impacts arising from operations,
- Evaluating environmental impacts in investment processes and managing investments in an environmentally responsible manner,

- Monitoring, continuously improving, and periodically reporting environmental performance,
- Organizing training programs to raise environmental awareness among employees and strengthen environmental responsibility.

Uğur Cooling adopts a multidimensional approach in its sustainability journey, taking concrete steps in various areas such as waste management, energy efficiency, water and wastewater management, sustainable product development, and greenhouse gas emission reduction. To measure its performance in these areas and

drive continuous improvement, the Company sets Key Performance Indicators (KPIs) and regularly tracks progress toward these goals. During annual reporting periods, KPI targets are reviewed and updated, ensuring that the Company’s sustainability strategies remain dynamic and adaptable. In line with the principle of transparency, Uğur Cooling shares both its achievements and challenges in sustainability with all stakeholders, reaffirming its commitment to building a sustainable society and future.





GRI 2-22, 3-3

ENVIRONMENTAL SUSTAINABILITY ROADMAP AND GOALS

Topic	Subtopic	Objective	2023 Target	Targeted Value	Year-end Completion Status	2024 Target	2024 Targeted Value
A Sustainable Planet	Energy Management Greenhouse Gas Emissions Waste Management Water and Wastewater Sustainable Product	Regulatory Compliance	Ensuring Continuous Full Compliance with the regulations under Environmental Law No. 2872	100% continuity of compliance	100% completion	Ensuring Continuous Full Compliance with the regulations under Environmental Law No. 2872	100% continuity of compliance
	Waste Management	Waste Minimization	Reducing the amount of hazardous waste generated by operational units	5% improvement	100% completion	Reducing the amount of hazardous waste generated by operational units	5% improvement
	Waste Management	Waste Minimization	Minimizing paper consumption in offices and administrative areas	5%	100% completion	Minimizing paper consumption in offices and administrative areas	5%
	Waste Management	Raising Employee Awareness on Waste Types, Zero Waste, Waste Management, and Environmental Pollution	Completing training programs for at least 60% of employees	100%	100% completion	Completing training programs for at least 60% of employees	100% completion of the target
	Waste Management	Ensuring the Recovery of Plastic Waste in the Plastic Injection Unit	Increasing the in-house recovery of defective and scrap plastics generated during production in the plastic injection unit	3%	100% completion	Increasing the in-house recovery of defective and scrap plastics generated during production in the plastic injection unit	3% Increase in Recycling Compared to the Previous Year
	Energy Management and Waste Management	Implementation of the Zero Waste Management System	Enhancing energy savings by sending waste metals for recycling	5%	100% completion	Enhancing energy savings by sending waste metals for recycling	5% Savings Compared to the Previous Year
	Greenhouse Gas Emissions and Waste Management	Implementation of the Zero Waste Management System	Preventing greenhouse gas emissions by increasing recycling efforts through zero waste management	5%	100% completion	Preventing greenhouse gas emissions by increasing recycling efforts through zero waste management	5% Savings Compared to the Previous Year
	Waste Management, Water and Wastewater	Preventing Environmental Pollution Through the Waste Campaign	Reducing soil and water pollution by 3% through a waste battery collection campaign within the facility	100%	100% completion	Reducing soil and water pollution by 3% through a waste battery collection campaign within the facility	3% Reduction in Soil and Water Pollution Compared to the Previous Year



GRI 2-22, 3-3

ENVIRONMENTAL SUSTAINABILITY ROADMAP AND GOALS



Topic

Subtopic

Objective

2023 Target

Targeted Value

Year-end Completion Status

2024 Target

2024 Targeted Value

A Sustainable Planet

Energy Management

Continuous Reduction of Electricity Consumption per Standard Unit Product

3% Reduction in Electricity Consumption (kWh)

40.15

34.39

3% Reduction in electricity consumption (kwh)

33.36

Energy Management

Continuously Reducing Natural Gas Consumption Per Standard Unit Product

3% Reduction in Natural Gas Consumption (kWh)

23.67

36.38

3% Reduction in natural gas consumption (kwh)

35.29

Energy Management

Continuously Reducing Coal Consumption Per Standard Unit Product

3% Reduction in Coal Consumption (kWh)

8.9

9.82

3% Reduction in coal consumption (kwh)

9.53

Energy Management

Increasing Energy Efficiency

Providing energy awareness training to at least 50% of employees

340

45.3% Completion

Providing energy awareness training to at least 20% of employees (persons)

350

Energy Management and Greenhouse Gas Emissions

Obtaining ISO 14064 Certification

Having our Carbon Footprint studies approved and then certified by starting ISO 14064 efforts

100%

50% Completion
Calculation Completed,
Verification Process
Ongoing

Calculating and certifying corporate and product-based carbon footprint in compliance with standards

100% Completion of the target

Energy Management and Greenhouse Gas Emissions

Continuously Reducing Energy-Related Carbon Emissions

3% Reduction in Energy-Related Carbon Emissions (tons CO₂e)

21,572

93.4% Completion

3% Reduction in energy-related carbon emissions (tons CO₂e)

19,537

Energy Management and Greenhouse Gas Emissions

Initiating Studies to Take Actions Towards Achieving the Net Zero Target in Line with SBTi

Enhancing Gains in Carbon Footprint and Energy Management to Support Targets Aligned with the SBTi Initiative

100%

SBTi Targets are in the Approval Stage

Increasing our gains in carbon footprint and energy management and supporting the SBTi with our targets

100% Completion of the target

Energy Management and Sustainable Products

Being able to present accurate statements to the end user when determining the sales conditions of products in accordance with new regulations

Conducting energy consumption tests on 20 of our products in accordance with the new energy regulations

100%

100% Completion

Conducting energy consumption tests on 25 of our products in accordance with new energy regulations

100% Completion of the target



ENVIRONMENTAL MANAGEMENT AND COMPLIANCE

Environmental sustainability is no longer a choice, but a necessity

As the impacts of climate change become more evident with each passing day, environmental sustainability is no longer a choice but a necessity. Uğur Cooling has embraced this global call to action, placing environmental responsibility at the core of all its operations. The company not only aims to meet today's needs but also strives to leave a livable world for future generations. With this objective in mind, it takes decisive steps in critical areas such as the efficient use of resources, waste reduction, increasing energy efficiency, and lowering greenhouse gas emissions.

Uğur Cooling operates with a continuous improvement and development approach in environmental sustainability, engaging all stakeholders and setting an example in its sector with pioneering practices. Among the key projects pursued in line with this vision are the transition from coal-fired steam boilers to natural gas-fired boilers in production and the implementation of a rooftop solar power plant (GES) project for electricity generation from solar energy. Employee training programs to raise environmental awareness and zero-waste initiatives also serve as significant reflections of the Company's commitment to environmental responsibility.

Uğur Cooling ensures full compliance with Environmental Law No. 2872 and relevant regulations. To maintain this compliance, the Company receives environmental consultancy services, and all legal obligations—such as Environmental Impact Assessment (EIA) documents, environmental permits, air emission measurements, sewer connection permits, industrial waste management plans, and waste declarations—are meticulously fulfilled under the responsibility of the environmental manager. The environmental permit is renewed every five years, with the most recent permit obtained on November 26, 2020. In addition to these documents, a monthly environmental assessment report is published.

With its ISO 14001 Environmental Management System certification, Uğur Cooling identifies environmental factors at every stage of the production process, ensures necessary controls, and minimizes its environmental impact. Additionally, as a holder of the ISO 50001-certified Energy Management System, the Company is committed to enhancing its performance and efficiency in this field while developing the necessary methods to optimize energy costs.

Uğur Cooling, with its ISO 50001-certified Energy Management System, works to maximize its performance and efficiency in this field while developing the necessary methods to reduce energy costs.





GRI 3-3, 302-1, 302-2, 302-3, 302-4, 302-5

EFFICIENT ENERGY MANAGEMENT

Responsible and sustainable use of energy resources

The data on electricity consumption per employee and energy intensity per square meter reflect the positive outcomes of efficiency in energy management.



The increasing impacts of climate change and the growing global demand for energy have made the efficient management and sustainable use of energy resources a necessity. For a leading company like Uğur Cooling, energy management is a vital priority. The Company continuously implements measurement and evaluation activities to monitor and optimize energy management in both its production processes and product usage.

By analyzing the results of energy audits and real-time energy monitoring system data, Uğur Cooling makes operational improvements, upgrades its equipment, and implements energy efficiency projects. In this context, the Company aims to minimize energy losses and maximize energy savings. It adopts environmentally friendly practices by utilizing the most efficient technologies in its production facilities, warehouses, and offices.

Uğur Cooling is committed to using energy resources as efficiently as possible. Through its energy efficiency projects designed to combat climate change, the Company has achieved significant gains and notable improvements in energy consumption over the past three years. It monitors energy flow using an energy process flow diagram, which helps define energy reference points, processes, objectives, and action plans. With an operational control approach, Uğur Cooling includes the energy

consumption and greenhouse gas emissions of its two production plants, one showroom in Nazilli, and one showroom in Aydın in its calculations.

Energy performance in the factories is monitored on a monthly basis. The Company tracks energy consumption in energy-intensive production lines and auxiliary units using energy analyzers. Electricity, natural gas, and coal consumption are monitored monthly, and awareness training sessions are organized within the framework of the ISO 50001 Energy Management System to enhance employees' energy awareness.

Turning off lighting in non-operational areas of production sites or when natural daylight is sufficient is an essential part of the Company's energy-saving strategy. Additionally, preliminary feasibility studies have been conducted for the installation of solar power plants, including assessments of building designs, electrical infrastructure, and structural suitability.

Energy Management Performance Indicators

The ISO 50001 Certification enables Uğur Cooling to systematically manage its energy policy and objectives. Within this framework, processes and procedures have been established to define energy performance indicators, which have been analyzed using Sankey diagrams. These diagrams provide a visual representation of energy

flows, clearly identifying consumption intensities and loss points. As a result, energy calculations have become more accurate, traceable, and easily understandable. This method plays a crucial role in optimizing energy consumption and achieving sustainability goals.

As of 2023, electricity consumption has decreased in both the Central and OIZ facilities compared to 2022. The electricity consumption of the Central facility, which was 9,734,204 kWh in 2022, decreased by 6.47% to 9,104,112.07 kWh in 2023. Meanwhile, the OIZ facility's electricity consumption dropped from 15,173,561 kWh in 2022 to 12,158,993.00 kWh in 2023, marking a 19.87% reduction.

The Company's electricity consumption per employee and energy intensity per square meter also reflect the positive results of its energy management efficiency. In 2023, electricity consumption per employee decreased by 22.07% compared to the previous year, reaching 17,080 GJ, while electricity consumption per square meter declined by 14.68%, amounting to 93 GJ.

Other recorded data at the end of the year further demonstrate that Uğur Cooling has effectively implemented its strategies to reduce energy intensity and remains steadfast in its commitment to sustainable production goals.

SDGs We Contribute to





GRI 3-3, 302-1, 302-2, 302-3, 302-4, 302-5

EFFICIENT ENERGY MANAGEMENT

Optimization of energy consumption

Energy Intensity Data

	2021	2022	2023
Product number	805,468	654,256	653,198
Tonne of Oil Equivalent (TOE)	5,971	5,654	5,572
TOE per Product	0.00741	0.00864	0.00853

Electricity Consumption (kWh)	2021	2022	2023	Change (%)
Central	11,483,982	9,734,204	9,104,112	-6.47%
OIZ	19,396,075	15,173,561	12,158,993	-19.8%7

Electricity Consumption Intensity	2021	2022	2023	Change (%)
GJ/employee	24,846	21,918	17,080	-22.07%
GJ/m ²	136	109	93	-14.68%

Detailed data on energy consumption and intensity during the period can be found in the Environmental Performance Indicators section in the Annexes.

Energy Efficiency



Use of High-Efficiency Technological Products



Improvements and Insulation in Compressed Air Systems



Heat Recovery Initiatives



Process Optimization and Automation Systems



Efficiency Enhancement in Lighting



GRI 3-3, 302-1, 302-2, 302-3, 302-4, 302-5

EFFICIENT ENERGY MANAGEMENT

Projects and modernization efforts for energy

With the Solar Power Plant Project, it is aimed to meet 70% of the OIZ factory's consumption from renewable energy sources.

Energy Efficiency Projects

Prioritizing energy efficiency in line with sustainability principles, Uğur Cooling has achieved significant gains in this area through its savings projects and modernization efforts. The projects developed in 2023 and those planned for the 2024 period are presented in the tables below.

Projects Implemented in 2023

Project Description	Project Details	Project Savings
Investment in plate heat exchanger for the recovery of waste heat from the compressor	By using the 85-degree compressor waste heat in the heating of the working environment, an annual energy conservation of 230,400 kWh/year is anticipated.	230,400
Investment in plate heat exchanger for the recovery of waste heat from the compressor	By using the 85-degree compressor waste heat in hot water boiler operations, an annual energy conservation of 1,350,000 kWh/year is anticipated.	1,350,000
Investment in Shell-and-tube heat exchanger for the recovery of waste steam heat from Styrofoam machines	By using the steam boiler for heating the feed water, an annual energy conservation of 4,400,000 kWh/year is anticipated.	4,400,000

Planned Projects for 2024

Project Description	Project Details	Project Savings
Solar Power Plant (SPP) Project	It is aimed to meet 70% of the OIZ factory's consumption from renewable energy sources.	It is aimed to prevent 3,624.53 tons of CO ₂ eq carbon emissions.
Efficiency Enhancement in Lightning	The renewal of lighting systems is planned.	150,000 kWh
Increasing Motor Efficiency Classes	Energy savings are aimed to be achieved through the use of more efficient motors.	89,100 kWh
Utilization of Waste Heat	Energy savings are planned to be achieved by utilizing waste heat for process water and space heating.	611,544 kWh
Improving Pump Efficiency	Energy savings are aimed to be achieved through the use of efficiency-enhanced pumps.	550,000 kWh
Eliminating Air Losses and Leaks	Energy savings are aimed to be achieved by preventing air losses and leaks.	538,914 kWh*

*The project savings data represent the targeted values at the beginning of 2024. The values of the implemented projects may change by the end of 2024.



GRI 3-3, 305-1, 305-2, 305-3, 305-5

SUSTAINABLE CARBON MANAGEMENT

SDGs We Contribute to



Concrete steps in combating the climate crisis

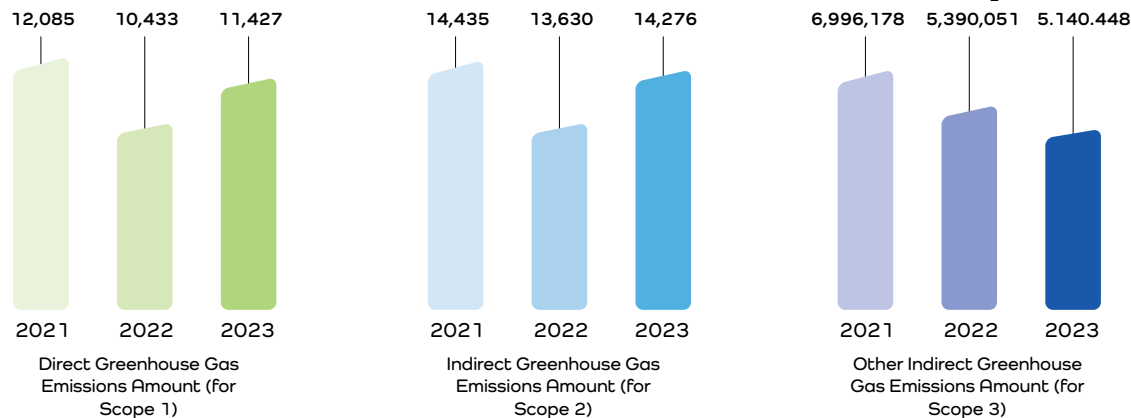
In line with its commitment to sustainability, Uğur Cooling measured its greenhouse gas emissions in 2023 in accordance with the GHG Protocol, covering Scope 1, 2, and 3, just as it did in 2021 and 2022.

To combat the climate crisis, Uğur Cooling has accelerated its efforts to integrate global sustainability standards into all its operations, with a primary focus on reducing greenhouse gas emissions. Reducing fossil fuel consumption, accelerating the transition to renewable energy sources, and ensuring the sustainable use of resources are among the key steps taken toward this goal.

Following its previous assessments in 2021 and 2022, Uğur Cooling measured its greenhouse gas emissions in 2023 in accordance with the GHG Protocol, covering Scope 1, 2, and 3. The gases included in the calculation are CO₂, CH₄, N₂O, and HFCs. A consolidation approach was adopted in the emissions measurement process, with all operational decisions

taken by Uğur Cooling to ensure operational control. The results of these measurements can be found in the Environmental Performance Indicators section in the Annexes, which provide data on greenhouse gas emissions and overall environmental performance.

Environmental Performance Data on Greenhouse Gas Emissions (Ton CO₂)*



Different inventories were used to control greenhouse gas emissions and the methodologies from which emission factors were taken can be listed as IPCC 2006 Guidelines, Türkiye National Inventory, Defra 2021, Ecoinvent 3.7. Global Warming Potential (GWP) reference is taken from the 6th assessment report of IPCC.





GRI 3-3, 305-1, 305-2, 305-3, 305-5

SUSTAINABLE CARBON MANAGEMENT

Target to reduce total carbon footprint by 2030

Uğur Cooling aims to obtain official validation of its short-term, science-based carbon reduction targets by 2025 and to achieve net-zero emissions by 2050.

Carbon Management and Reduction Strategies

Uğur Cooling has set targets to reduce greenhouse gas emissions in line with the Paris Agreement, aiming to keep global warming well below 2 degrees Celsius. To achieve these targets, efficiency initiatives are being implemented across all facilities to reduce emissions in Scope 1, 2, and 3 categories. The Company adopts a series of strategies to reduce its carbon footprint, including transitioning to renewable energy sources, investing in energy-efficient technologies, optimizing logistics, and implementing low-carbon strategies in the supply chain.

Aiming to reduce its total carbon footprint by 2030, Uğur Cooling has set specific reduction targets: a 42% reduction in Scope 1 and Scope 2 emissions and a 25% reduction in

Scope 3 emissions. For 2024, the Company targets a 3% reduction in carbon emissions. To reach these objectives, action plans such as energy efficiency projects, carbon offset strategies, supply chain collaborations to reduce Scope 3 emissions, and the commissioning of a solar power plant in 2024 are being implemented.

Uğur Cooling has defined its carbon reduction targets and roadmap, and its approval process under the Science Based Targets Initiative (SBTi) is currently ongoing. In this regard, the Company plans to obtain official validation of its short-term carbon reduction targets by 2025 and to achieve net-zero emissions by 2050. Additionally, Uğur Cooling regularly reports its carbon data through the Carbon

Disclosure Project (CDP) platform. To meet its reduction targets, the Company has introduced energy-efficient machinery and technologies, implemented measures to lower electricity consumption, and accelerated the transition to renewable energy sources. Furthermore, to enhance employee awareness, regular training sessions and internal communication campaigns are being conducted.

2024Reducing carbon
emissions by 3%**2030**

- Reducing carbon emissions of Scope 1 and Scope 2 by 42%
- Reducing carbon emissions of Scope 3 by 25%

**Emission Reduction
Targets and
Actions**

- Transition to Renewable Energy Sources – Solar Power Plant (GES) planned to be commissioned in 2024
- Low-Carbon Strategies in the Supply Chain
- Implementation of Carbon Offset Strategies
- Acceleration of Energy Efficiency Projects



GRI 3-3, 306-1, 306-2, 306-3, 306-4, 306-5

WASTE MANAGEMENT

Contribution to the circular economy with a zero-waste goal

Uğur Cooling implements a Zero-Waste Management System, certified with the “Basic Level Zero-Waste Certificate,” supporting the circular economy.

SDGs We Contribute to



Placing environmental sustainability at the core of its business strategy, Uğur Cooling adopts a proactive approach to managing waste generated from its production activities. Through its waste management practices developed in line with its sustainability goals, the Company minimizes its environmental impact while also contributing to the circular economy. With training programs, innovative solutions, and long-term strategies, Uğur Cooling not only enhances sustainability within its own operations but also fosters an eco-friendly ecosystem across its supply chain and business partners.

The Company's waste management processes operate in full compliance with national regulations and are integrated with the ISO 14001 Environmental Management System. Uğur Cooling implements a Zero-Waste Management System, certified with the “Basic Level Zero-Waste Certificate,” and conducts comprehensive efforts to reduce waste at the source, separate it efficiently, and promote recycling.





GRI 3-3, 306-1, 306-2, 306-3, 306-4, 306-5

WASTE MANAGEMENT

Full compliance with regulations under the Environmental Law

The goal is for at least 60% of employees to complete training on environmental awareness and waste management.

The aims and objectives of Uğur Cooling's waste management activities are set out below:

Reducing the amount of hazardous waste: Intensive efforts are being made to reduce the amount of hazardous waste generated in the company's units.

Minimizing paper consumption: Paper consumption will be reduced in offices and offices. Unnecessary printouts will be prevented, draft paper will be used for the printouts of non-official documents, and, if possible, documents will be transferred to the Uğur Cooling QDMS system without printing.

Use of non-hazardous raw materials and auxiliary components: Non-hazardous raw materials and auxiliary components are used in production processes. In addition, contamination of non-hazardous wastes with hazardous substances will be prevented.

Completion of employee training: It is aimed to complete the training of at least 60% of the company employees on environmental awareness and waste management. Training will be provided by the environmental consultant at least once a year.

Full compliance with the Environmental Law: No. 2872 Environmental Law and related regulations are fully complied with continuously.

Increasing plastic waste recovery: In-plant recovery of waste and scrap plastics generated during production in the plastic injection department will be increased. Scrap plastic and plastic wastes will be passed through the crushing unit in the plastic injection unit and put back into the production flow.

Monthly inspections of the site by the environmental consultant: During the monthly visits of the environmental consultant, site inspections are conducted, and a situation assessment is carried out with the environmental management unit.

Zero waste management and prevention of greenhouse gas emissions: It aims to prevent greenhouse gas emissions into the atmosphere by implementing zero waste management, separating waste at the source, and sending it for recycling.

Reducing the amount of hazardous waste: Intensive efforts are being made to reduce the amount of hazardous waste generated in the Company's units.

Waste battery collection campaign: The waste battery collection campaign will be carried out in the enterprise, and it will be aimed at preventing soil and water pollution by 3%. Waste batteries collected at the facility will be sent for disposal together with the waste batteries generated at employees' homes.

Control of waste bin equipment: The locations of the zero waste bins in the facility will be at points suitable for employee access, and their adequacy will be ensured by close monitoring on a departmental basis.



GRI 3-3, 306-1, 306-2, 306-3, 306-4, 306-5

WASTE MANAGEMENT

The principle of prevention and reduction at the source

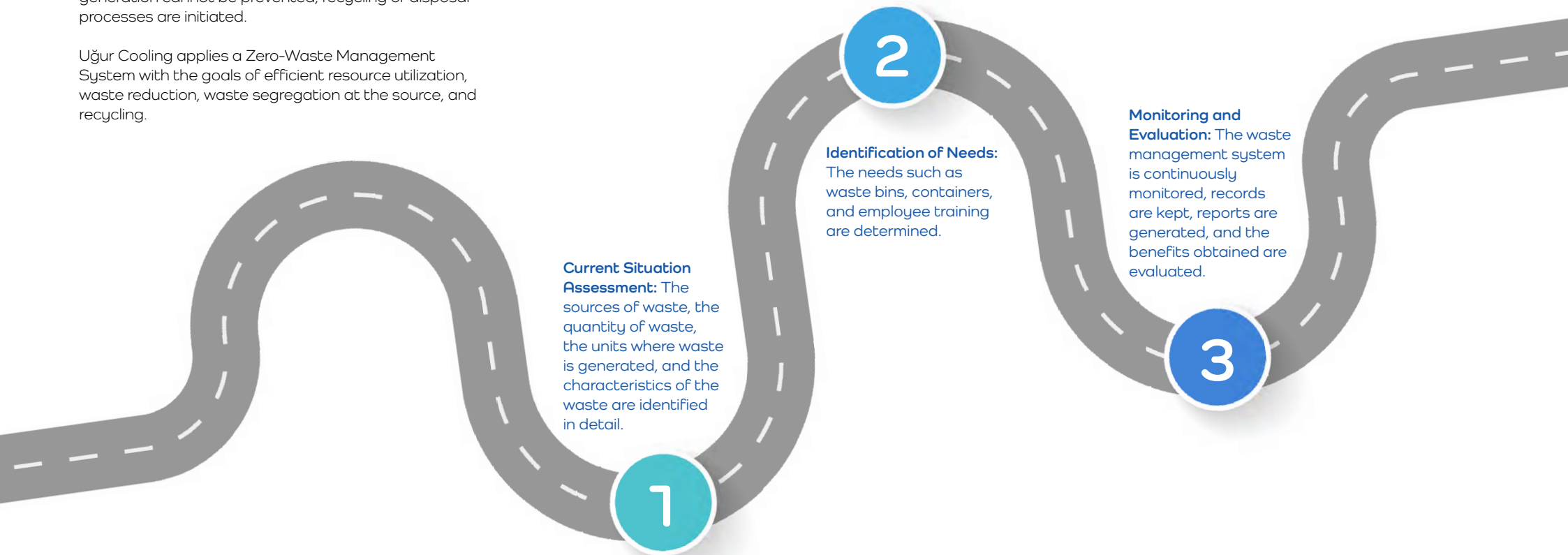
Uğur Cooling continues to be a part of an environmentally friendly ecosystem not only in its own operations but also at the level of its supply chain and business partners.

Waste Management Policy and Practices

Uğur Cooling's waste management processes are based on the principle of prevention and reduction at the source. The Company analyzes the type, quantity, and causes of waste in each production unit and implements measures to minimize waste at its source. When waste generation cannot be prevented, recycling or disposal processes are initiated.

Uğur Cooling applies a Zero-Waste Management System with the goals of efficient resource utilization, waste reduction, waste segregation at the source, and recycling.

Zero-Waste Goal and Roadmap





GRI 3-3, 306-1, 306-2, 306-3, 306-4, 306-5

WASTE MANAGEMENT

Correction of the negative impacts of waste

Uğur Cooling reuses all waste that can be recycled within its facilities, contributing to sustainable production processes with this approach.

Waste Types, Quantities, and Gains for the Central, OIZ, and Styrofoam Facilities (2023)

Waste Type	Quantity	Gains
Waste Paper	392,260 kg	<ul style="list-style-type: none"> • 6,668.42 trees • 980.65 m³ of Waste Storage Area Savings • 1,608,266 kWh of Energy Savings • 10,983.28 m³ of Water Savings • 69,430.02 kg of Greenhouse Gas Reduction
Waste Plastic	67,420 kg	<ul style="list-style-type: none"> • 175,831.36 liters of Petrol • 389,283.08 kWh of Energy Savings • 168.55 m³ of Waste Storage Area Savings, • 2,764.22 kg of Greenhouse Gas Reduction
Waste Glass	58,860 kg	<ul style="list-style-type: none"> • 70.63 tons of Raw Materials • 2,472.12 kWh of Energy Savings • 88.29 m³ of Waste Storage Area Savings • 1,765.8 kg of Greenhouse Gas Reduction
Waste Metal	575,904 kg	<ul style="list-style-type: none"> • 691.08 tons of Raw Materials • 24,187.97 kWh of Energy Savings • 863.86 m³ of Waste Storage Area Savings • 17,277.12 kg of Greenhouse Gas Reduction

Uğur Cooling regularly identifies the negative impacts of waste emissions from the units in its facilities through Environmental Impact Assessments and updates them when necessary. To prevent the potential negative effects of waste generation, such as soil, visual, and water pollution, safe storage and disposal methods are applied. Any leakage or spillage incidents within the Company's boundaries are kept under control in enclosed areas. No leakage incidents occurred during the reporting period.

In the management of medical waste, the "Regulation on the Prevention of Risks of Exposure to Biological Agents" is followed. Medical waste collected in the infirmary is stored in locked containers and disposed of in accordance with procedures under the contract with the Aydın Metropolitan Municipality Environmental Directorate. Uğur Cooling continuously improves its waste management processes through regular risk and opportunity analyses. Moreover, compliance with legal obligations by licensed recycling companies is closely monitored.

As of 2023, Uğur Cooling has sent hazardous waste to licensed disposal/recovery companies a maximum of once every six months, while non-hazardous waste is sent once a year.

All processes are conducted in accordance with the Company's waste management regulations.

The Company aims to recycle all waste that can be reused within its facilities, contributing to sustainable production processes. As of 2023, as in previous years, Uğur Cooling has not conducted any waste incineration practices.

Additionally, through organized training and awareness programs, at least 60% of employees receive education on waste reduction and management each year.

By the end of 2023, the total waste amount at the OIZ facility was recorded as 2,050.80 tons, of which 95.77 tons were recovered hazardous waste, and 1,675.74 tons were recovered non-hazardous waste. The amounts of hazardous and non-hazardous waste disposed of were 0.036 tons and 364.82 tons, respectively. At the central facility, a total of 849.972 tons of waste was generated, of which 82.93 tons were recovered hazardous waste, and 425.60 tons were recovered non-hazardous waste. The amounts of hazardous and non-hazardous waste disposed of were 0.062 tons and 341.39 tons, respectively. Detailed information about the waste data can be found in the Environmental Performance Indicators section in the Annexes.



GRI 3-3, 306-1, 306-2, 306-3, 306-4, 306-5

WASTE MANAGEMENT

A 205% reduction in the amount of hazardous waste

Uğur Cooling maintains complete records of waste generated from the Styrofoam facility, as it does with its other facilities.

2023 Waste Data

Facility	Hazardous Waste (Ton)	Non-hazardous Waste (ton)
Central Facility	82.99	766.99
OIZ Facility	95.81	2040.56
Styrofoam Facility	-	243.08

2023 Achievements

- **Hazardous Waste Reduction:** The amount of hazardous waste at the Central, OIZ, and Styrofoam facilities decreased by 205% compared to 2022.
- **Paper and Cardboard Waste:** Through double-sided paper usage and the reuse of packaging materials, the amount of paper and cardboard waste was reduced by 105%.
- **Plastic Waste:** In the plastic injection section, through waste reduction and recycling efforts, the amount of plastic shavings and scrap decreased by 453.76%.
- **Battery Collection Campaign:** The collected waste batteries helped prevent 11,777 m² of soil pollution.

The Styrofoam factory under the roof of Uğur Cooling also operates as a production household. As in its other facilities, the company keeps a complete record of the waste from the Styrofoam factory.

The following values have been recorded on a monthly basis for 2023:

- Coal slag: 36,510 kg/month (non-hazardous waste)
- Plastic shavings and scrap: 2,256 kg/month (non-hazardous waste)
- Other hydraulic oils: 825 kg/month (hazardous waste)
- Paper and cardboard packaging: 32,688 kg/month (packaging waste)
- Plastic packaging: 5,618 kg/month (packaging waste)
- Wooden packaging: 46,440 kg/month (packaging waste)
- Contaminated packaging: 115 kg/month (hazardous waste)
- Nickel-cadmium batteries: 4.42 kg/month (hazardous waste)
- Mixed municipal waste: 58,850 kg/month





GRI 3-3, 306-1, 306-2, 306-3, 306-4, 306-5

WASTE MANAGEMENT

Active role in the management of final waste

In line with its sustainable production approach, Uğur Cooling plays an active role not only in production processes but also in the management of final waste.

Circular Economy Practices

Uğur Cooling, by adopting the principles of circular economy, aims to eliminate waste and pollution, keep products and materials in circulation, and regenerate natural systems.

In line with its sustainable production approach, Uğur Cooling plays an active role not only in production processes but also in the management of final waste. The Company tracks daily scrap costs and quantities on production lines using the SAP system, taking preventive measures and analyzing the reasons for high-cost materials turning into scrap, which are then reported.

Plastic and sheet metal waste are reintegrated into production through recycling processes, while harmful materials are recycled through licensed firms. Additionally, waste heat generated during production is utilized in various production processes to improve energy efficiency. For example, waste heat from compressors and the paint shop is used in drying operations and in heating polyurethane fixtures.

Future Targets and Strategies**Target****Strategy****Energy and Waste Reduction**

- Replacing coal-fired steam boilers with natural gas-fired boilers
- Commissioning a natural gas-fired steam boiler at the Styrofoam Facility in 2024
- Completely preventing the generation of 212,680 kg of slag and boiler dust waste produced in 2023
- Accelerating natural gas connection processes and implementing conversion efforts at other facilities

Waste Recycling and Recovery

- Developing composting systems for mixed municipal waste
- Implementing organic waste transformation projects within R&D initiatives

Employee Awareness and Behavior Change

- Reducing the use of plastic and paper cups
- Launching initiatives to encourage employees to use reusable bottles
- Distributing Uğur Cooling-branded water bottles as gifts to staff on special occasions

Sustainability of Continuous Improvements

- Monitoring short- and medium-term waste management improvements and ensuring their continuity
- Integrated tracking and auditing of recycling and waste management processes





GRI 3-3, 303-1, 303-2, 303-3, 303-4, 303-5

WATER AND WASTEWATER MANAGEMENT

Efficient water use

Uğur Cooling's water management policy aims to ensure the efficient and sustainable use of water resources, reduce environmental impacts, and prioritize social responsibility.

Uğur Cooling operates with the awareness that conscious water use is critical not only for protecting environmental health but also for securing access to water for future generations. The company's water management policy aims to ensure the efficient and sustainable use of water resources, reduce environmental impacts, and prioritize social responsibility. This approach is implemented within the framework of **Uğur Cooling's Sustainability Policy**.

Uğur Cooling Environmental Management Board regularly conducts Environmental Dimension and Impact Assessment studies to identify risks, such as water pollution caused by wastewater from its activities and take measures against them.

WATER MANAGEMENT POLICY

Sustainable Use: The goal is to use water resources efficiently and sustainably. Water conservation and recycling practices are encouraged.

Resource Protection: The protection of water resources, support for biodiversity, and maintenance of the health of local ecosystems are ensured.

Training and Awareness: Training programs are organized to raise awareness among employees about water conservation. This aims to increase awareness of water management practices.

Transparency and Reporting: Data related to water consumption and management is regularly reported, and this information is shared transparently with stakeholders.

IMPLEMENTATION METHODS

Water Consumption Monitoring: Water usage amounts and sources are regularly monitored, and this data is analyzed to set water conservation targets.

Water Conservation Technologies: Technologies such as low-flow faucets, water sensors, and rainwater harvesting systems are used to ensure water savings.

Continuity and Improvement: Feedback mechanisms are established to continuously improve water management practices, thereby enhancing the effectiveness of the processes.

SDGs We Contribute to



90%

Use of Groundwater





GRI 3-3, 303-1, 303-2, 303-3, 303-4, 303-5

WATER AND WASTEWATER MANAGEMENT

Water recycling efforts

Uğur Cooling uses water-saving technologies such as low-flow faucets, water sensors, and rainwater harvesting systems.

Water Recycling Efforts

Uğur Cooling conducts water recycling efforts specifically for the injection machines at its facilities. Additionally, water-saving technologies such as low-flow faucets, water sensors, and rainwater harvesting systems are used.

Wastewater Management

Uğur Cooling's central factory is equipped with a wastewater treatment plant that ensures the treatment of wastewater generated from painting processes, enhancing the efficient use of water and reducing environmental impacts. At the OIZ factory, the absence of a wastewater treatment plant was identified as a risk in the 2022 risk and opportunity assessment, and it was reported that establishing this facility would create a significant opportunity for water efficiency.

The Company's water usage is predominantly in the painting processes. In the painting of products with high metal content, water plays a critical role in cleansing the surfaces of foreign substances.

90% of the water used is sourced from underground resources and is discharged into the Nazilli Organized Industrial Zone's sewer system. Wastewater is categorized into two types: domestic and industrial. Domestic wastewater is directed to the sewer system with municipal permission, while industrial wastewater is processed in a chemical treatment facility and then discharged with the approval of accredited organizations. During the process of renewing the sewer connection permit, a sample of the wastewater was taken from the wastewater connection point and analyzed by an accredited laboratory, confirming that the results were below the limit values.

Employee Awareness and Training Programs

In 2023, awareness training sessions were held for employees to increase water conservation and environmental awareness. Through internal communication campaigns and informative materials, employees were encouraged to take effective steps, such as preventing water waste and using water-efficient faucets. These efforts aim to enhance the effectiveness of the water management policy and promote water conservation habits throughout the Company.

Performance Indicators

Uğur Cooling's water consumption, which was 262,325 m³ in 2022, decreased to 252,903 m³ in 2023. In line with its goals to reduce its water footprint, the Company continues to implement action plans for the efficient use of resources and regularly monitors performance indicators related to water management. Detailed data on the Company's water and wastewater topics can be found in the Environmental Performance Indicators section in the Annexes.

Water Consumption Amount

	2020	2021	2022	2023
Total Amount of Water Extracted from Nature (m ³)	222,700	232,550	252,325	245,719
Tap Water (m ³)	10,557	8,667	5,788	7,184
Water Consumption per Person (m ³ /person)	117	115	128	128.57
Total Water Consumption Across All Regions Covered by the Report (ton)	238,257	263,450	262,325	252,903



GRI 3-3

ECO-FRIENDLY PRODUCTS AND GREEN SOLUTIONS

Environmentally friendly approaches at every stage, from product design to production processes.

To contribute to the circular economy, Uğur Cooling is increasing the use of recyclable materials in its products and aims for a 96% recycling rate.

Uğur Cooling adopts environmentally friendly approaches at every stage, from product design to production processes, to support a sustainable future. The Company plays an active role in combating the climate crisis by offering a wide range of solutions, from energy-efficient devices to recyclable materials.

In its continuous efforts to reduce energy consumption in cooling devices, Uğur Cooling has improved its products, meeting the Energy Labeling Standards for Cooling Devices, which came into effect on March 1, 2021, in Türkiye and European Union member countries. By upgrading its products from class E to D energy class, Uğur Cooling is reducing its carbon footprint and supporting sustainable consumption through energy-efficient devices. Environmental impacts are minimized by using natural refrigerants (such as

ammonia and carbon dioxide) and alternative substances with low global warming potential.

To contribute to the circular economy, Uğur Cooling increases the use of recyclable materials in its products and aims for a 96% recycling rate. Additionally, efforts are underway to eliminate the use of EPS (Polystyrene) in packaging materials, aiming to conserve natural resources and improve waste management. Programs are being created for the recycling of products that have completed their lifecycle, and these processes are supported through informational tools provided to customers.

The Company also commits to reducing the environmental impact of its products through sustainability certifications. Products with RoHS (Restriction of Hazardous Substances) certification guarantee eco-friendly production processes,

limiting the use of hazardous materials and ensuring the safe recycling of electronic waste.

Uğur Cooling aims not only to make its production processes more environmentally friendly but also to encourage users to adopt eco-conscious habits. By providing detailed information on energy-saving methods in product manuals, the Company helps customers become more conscious consumers. Innovative technologies, such as rapid cooling systems, not only save energy but also enable food to stay fresh for longer periods.

These energy, environment, and user-focused innovative solutions reflect Uğur Cooling's strong commitment to a sustainable future. With products and processes that reduce environmental impact, the Company continues to maintain a leading position in the industry.

SDGs We Contribute to





Uğur Cooling
at a Glance



Sustainability
Governance



Corporate
Sustainability



Working for
Sustainable Economic
Development



Working for
Sustainable Social
Development



Working for a
Sustainable World



Annexes



Annexes

- 120 Performance Indicators
 - 120 Economic Performance Indicators
 - 120 Social Performance Indicators
 - 122 Environmental Performance Indicators
- 123 GRI Content Index
- 132 Glossary





GRI 2-7, 2-8, 204-1, 401-1, 404-1, 403-9, 403-10,

PERFORMANCE INDICATORS

ECONOMIC PERFORMANCE INDICATORS

Economic Performance	2020	2021	2022	2023
R&D				
Number of R&D Employees	38	44	52	50
Patent, Utility Model, Design Registration Applications (unit)	13	16	12	10
Number of R&D Projects	5	8	9	7
Procurement				
Percentage of Products and Services Purchased Locally	63.31%	71.53%	71.29%	69%
Sales				
Domestic Sales	46%	58%	39%	47%
International Sales	54%	42%	61%	53%

SOCIAL PERFORMANCE INDICATORS

Employee Training	2020	2021	2022	2023
Hours of Training Provided to All Female Employees	3,477	7,469	6,483	5,039
Hours of Training Provided to All Male Employees	15,157	21,327	17,730	19,416
Hours of Training Provided to All Blue-Collar Employees	17,093	24,102	19,031	17,373
Hours of Training Provided to All White-Collar Employees	1,541	4,694	5,181	6,560
By Training Type				
Hours of Training Provided to Employees on Personal Development		47	615	1,457
Hours of Training Provided to Employees on Human Rights	2,546	2,330	2,342	22
Hours of Training Provided to Employees on Business Ethics	2,546	2,330	2,342	22
Number of Training Provided to Technicians	31	93	306	235



GRI 2-7, 2-8, 204-1, 401-1, 404-1, 403-9, 403-10,

PERFORMANCE INDICATORS

Employee Profile	2020	2021	2022	2023
By Education Level				
Elementary School	977	930	840	847
High School	739	652	558	672
University and Above	445	462	415	448
Disabled Employees	2%	2%	3%	3%
Breakdown of Employees by Age Groups				
Percentage of Blue-Collar Employees under 30	32%	27%	22%	35%
Percentage of White-Collar Employees under 30	5%	5%	5%	4%
Percentage of Blue-Collar Employees Aged 30-50	48%	51%	54%	47%
Percentage of White-Collar Employees Aged 30-50	11%	13%	13%	10%
Percentage of Blue-Collar Employees Aged 50 and above	3%	3%	4%	3%
Percentage of White-Collar Employees Aged 50 and above	1%	1%	1%	1%
Number of Employees				
Total Number of Female Employees	544	597	565	597
Total Number of Male Employees	1,365	1,372	1,248	1,370
Total Number of Blue-Collar Employees	1,557	1,587	1,459	1,624
Total Number of White-Collar Employees	352	382	354	343
Ratio of Female Employees	18%	30%	31%	30%
Occupational Health and Safety Expenditures				
Rate of Increase in OHS Expenditures Compared to the Previous Year		46.80%	43.80%	71.30%
Customer Satisfaction				
Customer Satisfaction Rate	92%	97%	96%	97%



GRI 301-1, 301-2, 301-3, 302-1, 302-2, 302-3, 303-3, 303-4, 303-5, 305-1, 305-2, 305-3, 305-5, 306-3, 306-4, 306-5

PERFORMANCE INDICATORS

ENVIRONMENTAL PERFORMANCE INDICATORS

Water Consumption	2020	2021	2022	2023
Total Amount of Water Consumed (m3)	238,257	263,450	262,325	252,903
Total Amount of Water Withdrawn from Nature (m3)	222,700	232,550	252,325	245,719
Mains Water (m3)	10,557	8,667	5,788	7,184
Water Consumption per Capita (m3 / person)	117	115	128	128.57
Energy and Emissions	2020	2021	2022	2023
Energy Consumption (kWh)				
Electricity-Center	9,605,756	11,483,982	9,734,204	9,104,112
Electricity-OIZ	16,393,026	19,396,075	15,173,561	12,158,993
Natural Gas-Center	9,941,450	13,137,222	11,592,888	11,800,667
Natural Gas-OIZ	6,969,296	7,910,093	7,519,554	10,836,870
Electricity Consumption Intensity (GJ/employee)	21,086	24,846	21,918	17,080
Electricity Consumption Intensity (GJ/m2)	114	136	109	93
Natural gas Consumption Intensity (GJ/m2)	74	92	84	99
Reduction Rate in Energy Consumption	5% increase	4.15%	5.30%	6.69%
Scope 1 Emissions (tCO2e)		12,085	10,433	11,427
Scope 2 Emissions (tCO2e)		14,435	13,630	14,276
Scope 3 Emissions (tCO2e)		6,996,178	5,390,051	5,140,448
Reduction Rate in Energy Consumption		4.15%	18.50%	6.69%
Energy Intensity Data				
Number of Products		805,468	654,256	653,198
Tonne of Oil Equivalent (TOE)		5,971	5,654	5,572
Per product (TOE)		0.00741	0.00864	0.00853

*Energy measurements can be expressed in different units. A uniform expression enables the analysis of data to be more feasible. Therefore, for the conversion of energy units, the "TOE Conversion of Fuels and Unit Converter Table" set by the Republic of Türkiye Ministry of Energy and Natural Resources was taken as a reference.

Waste	2020	2021	2022	2023
OIZ Facility				
Recovered Hazardous Waste (Tonne)	39.40	45.41	42.936	95.77
Disposed Hazardous Waste (Tonne)	0.039	0.033	0.01	0.036
Recovered Non-Hazardous Waste (Tonne)	1,030.85	2,053.66	1,961.80	1,675.74
Disposed Non-Hazardous Waste (Tonne)	0.025		21.33	364.82
Total Amount of Waste (Tonne)	1,070.25	2,099.10	2,026.08	2,050.80
Central Facility				
Recovered Hazardous Waste (Tonne)	37.36	194.13	148.77	82.93
Disposed Hazardous Waste (Tonne)	0.032	0.025	0.034	0.06
Recovered Non-Hazardous Waste (Tonne)	1,437.32	1,971.51	707.77	425.60
Disposed Non-Hazardous Waste (Tonne)	0.004		28.46	341.39
Total Amount of Waste (Tonne)	1,474.68	2,165.67	885.03	849.97



GRI CONTENT INDEX

Statement of use

Uğur Cooling has reported in accordance with the GRI Standards for the period January 1 - December 31, 2023.

GRI 1:

GRI 1: Foundation 2021

Applicable GRI Sector Standard(s)

Since the sector standard for the cooling industry has not been prepared yet, no sector standard has been used.

GRI STANDARD

DISCLOSURE

LOCATION AND/OR ANSWERS

GENERAL DISCLOSURES

Organization and Its Reporting Practices

2-1 Organizational details

About the Report, page 08
About Uğur Cooling, page 10
Operational Geography of Uğur Cooling, page 12

2-2 Entities included in the organization's sustainability reporting

About the Report, page 08

2-3 Reporting period, frequency and contact point

About the Report, page 08

2-4 Restatements of information

None.

2-5 External assurance

No external assurance statement was received for the report.

Activities and Employees

2-6 Activities, value chain and other business relationships

About Uğur Cooling, page 10
Stakeholder Map and Stakeholder Relations, pages 35-38
Corporate Memberships and Supported Initiatives, page 39
Key Products, page 55-56
Sustainable Value Chain Management, pages 72-73

2-7 Employees

Employee Profile, page 87
Social Performance Indicators, pages 120-121

2-8 Workers who are not employees

Employee Profile, page 87
Social Performance Indicators, pages 120-121

Governance

2-9 Governance structure and composition

Corporate Governance, pages 44-46
Company Organizational Structure, page 47

2-10 Nomination and selection of the highest governance body

Corporate Governance, page 44-46

2-11 Chair of the highest governance body

Corporate Governance, pages 44-46
Company Organizational Structure, page 47

2-12 Role of the highest governance body in overseeing the management of impacts

Corporate Governance, pages 44-46
Company Organizational Structure, page 47

2-13 Delegation of responsibility for managing impacts

Corporate Governance, pages 44-46
Company Organizational Structure, page 47

GRI 2: General Disclosures 2021



GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
GENERAL DISCLOSURES		
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Approach and Organization, pages 17-19
	2-15 Conflicts of interest	Business Ethics, Transparency, and Legal Compliance, page 48 Anti-Bribery and Anti-Corruption, page 49
	2-16 Communication of critical concerns	Sustainability Approach and Organization, pages 17-19 Analysis of Sustainability Risks, Trends and Opportunities, pages 21-34 Material Topics and Materiality Matrix, pages 40-41
	2-17 Collective knowledge of the highest governance body	Corporate Governance, page 44-46
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance, page 44-46
	2-19 Remuneration policies	Fair Compensation, Diversity, Inclusion and Equal Opportunity, pages 88-89
	2-20 Process to determine remuneration	Fair Compensation, Diversity, Inclusion and Equal Opportunity, pages 88-89
	2-21 Annual total compensation ratio	Confidential.
	Strategy, Policies and Practices	
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	Message from the Chairman, page 09 Uğur Cooling from Past to Present pages 13-14 Strong Performance in 2023, page 15 Economic Sustainability Roadmap and Goals, pages 51-54 Social Sustainability Roadmap and Goals, pages 80-84 Environmental Sustainability Roadmap and Goals, pages 101-103
	2-23 Policy commitments	Corporate Governance, page 44-46 Corporate Policies
	2-24 Embedding policy commitments	Corporate Governance, page 44-46 Corporate Policies
	2-25 Processes to remediate negative impacts	Analysis of Sustainability Risks, Trends and Opportunities, pages 21-34 Business Ethics, Transparency, and Legal Compliance, page 48 Operational Excellence and Sustainable Product Quality, pages 62-66
	2-26 Mechanisms for seeking advice and raising concerns	Business Ethics, Transparency and Legal Compliance, page 48
	2-27 Compliance with laws and regulations	Corporate Governance, pages 44- 46 Business Ethics, Transparency and Legal Compliance, page 48
	2-28 Membership associations	Corporate Memberships and Supported Initiatives, page 39



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GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
GENERAL DISCLOSURES		
	Stakeholder Engagement	
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	Stakeholder Map and Stakeholder Relations, pages 35-38
	2-30 Collective bargaining agreements	There is no collective bargaining agreement.
MATERIAL TOPICS		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Material Topics and Materiality Matrix, pages 40-41
	3-2 List of material topics	Material Topics and Materiality Matrix, pages 40-41
	Supply Chain Management	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, pages 40-41 Economic Sustainability Roadmap and Goals, pages 51-54 Sustainable Value Chain Management, pages 72-73
	Supply Chain Safety Management System	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Sustainable Supply Chain Management, pages 72-73 Economic Performance Indicators, page 120
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	Sustainable Value Chain Management, pages 72-73 Logistic Impacts, page 78
GRI 414: Supplier Social Assessment 2016	414-2 Negative environmental impacts in the supply chain and actions taken	Sustainable Value Chain Management, pages 72-73
	Anti-Bribery and Anti-Corruption	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, pages 40-41 Anti-Bribery and Anti-Corruption, page 49
GRI 205: Anti-Corruption 2016:	"205-1 Operations assessed for risks related to corruption"	Anti-Bribery and Anti-Corruption, page 49
	Sustainable Material Use and Environmentally Friendly Products	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, pages 40-41 Environmental Sustainability Roadmap and Goals, pages 101-103 Waste Management, pages 110-115 Water and Wastewater Management, pages 116-117
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Waste Management, page 110-115 Environmental Performance Indicators, page 122
	301-2 Recycled input materials used	Waste Management, page 110-115 Environmental Performance Indicators, page 122
	301-3 Reclaimed products and their packaging materials	Waste Management, page 110-115 Environmental Performance Indicators, page 122



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GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
GENERAL DISCLOSURES		
Energy Efficiency and Renewable Energy		
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, pages 40-41 Environmental Roadmap and Goals, pages 101-103 Efficient Energy Management, pages 105-107
Energy Management System		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Efficient Energy Management, page 105- 107 Environmental Performance Indicators, page 122
	302-3 Energy intensity	Efficient Energy Management, page 105- 107 Environmental Performance Indicators, page 122
	302-4 Reduction of energy consumption	Efficient Energy Management, page 105- 107 Environmental Performance Indicators, page 122
	302-5 Reductions in energy requirements of products and services	Efficient Energy Management, page 105- 107 Environmental Performance Indicators, page 122
Water and Wastewater Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, pages 40-41 Environmental Sustainability Roadmap and Goals, pages 101-103 Water and Wastewater Management, pages 116-117
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water and Wastewater Management, pages 116-117
	303-2 Management of water discharge-related impacts	Water and Wastewater Management, pages 116-117
	303-3 Water withdrawal	Water Wastewater Management, pages 116-117 Environmental Performance Indicators, page 122
	303-4 Water discharge	Water Wastewater Management, pages 116-117 Environmental Performance Indicators, page 122
	303-5 Water consumption	Water Wastewater Management, pages 116-117 Environmental Performance Indicators, page 122
Greenhouse Gas Emissions Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, pages 40-41 Environmental Roadmap and Goals, pages 101-103 Sustainable Carbon Management, pages 108-109
Environmental Management System		



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GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
GENERAL DISCLOSURES		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Sustainable Carbon Management, page 108- 109 Environmental Performance Indicators, page 122
	305-2 Energy indirect (Scope 2) GHG emissions	Sustainable Carbon Management, page 108- 109 Environmental Performance Indicators, page 122
	305-3 Other indirect (Scope 3) GHG emissions	Sustainable Carbon Management, page 108- 109 Environmental Performance Indicators, page 122
	305-5 Reduction of GHG emissions	Sustainable Carbon Management, page 108- 109 Environmental Performance Indicators, page 122
Waste Management and Circular Economy		
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, pages 40-41 Environmental Roadmap and Goals, pages 101-103 Waste Management, pages 110-115 Zero Waste Certificate
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management, page 110-115
	306-2 Management of significant waste-related impacts	Waste Management, page 110-115
	306-3 Waste generated	Waste Management, page 110-115 Environmental Performance Indicators, page 122
	306-4 Waste diverted from disposal	Waste Management, page 110-115 Environmental Performance Indicators, page 122
	306-5 Waste directed to disposal	Waste Management, page 110-115 Environmental Performance Indicators, page 122
Employee Satisfaction and Development		
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, pages 40-41 Social Sustainability Roadmap and Goals, pages 80-84 Human Values, pages 85-93 Human Resources Policies
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Employee Profile, page 87 Social Performance Indicators, page 120-121
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Engagement and Satisfaction, page 89



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GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
GENERAL DISCLOSURES		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Employee Development, page 90-93 Social Performance Indicators, page 120-120
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Development, page 90-93
Occupational Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, pages 40-41 Social Roadmap and Goals, pages 80-84 Occupational Health and Safety, pages 94-97 Occupational Health and Safety Management System Occupational Safety Instruction
	403-1 Occupational health and safety management system	Occupational Health and Safety, page 94-97
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety, page 94-97
	403-3 Occupational health services	Occupational Health and Safety, page 94-97
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, page 94-97
	403-5 Worker training on occupational health and safety	Occupational Health and Safety, page 94-97
	403-6 Promotion of worker health	Occupational Health and Safety, page 94-97
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety, page 94-97
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety, page 94-97
	403-9 Work-related injuries	Occupational Health and Safety, pages 94-97 Social Performance Indicators, pages 120-121
	403-10 Work-related ill health	Occupational Health and Safety, pages 94-97 Social Performance Indicators, pages 120-121
Diversity and Inclusion		
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, pages 40-41 Social Sustainability Roadmap and Goals, pages 80-84 Fair Compensation, Diversity, Inclusion and Equal Opportunity, pages 88-89 Human Resources Policies



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GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
GENERAL DISCLOSURES		
GRI 405: Diversity and Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	At Uğur cooling, there is no gender-based discrimination in employee wages. Fair Compensation, Diversity, Inclusion and Equal Opportunity, pages 88-89
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	There were no cases of discrimination during the reporting period at Uğur Cooling. Business Ethics, Transparency and Legal Compliance, page 48
Combating Child Labor		
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, pages 40-41 Corporate Governance, pages 44-46 Human Rights Approach, pages 85-86
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Uğur Cooling does not employ child labor in any way, and expects its suppliers and other stakeholders in the value chain to comply with the age provisions specified in the relevant laws and regulations. Corporate Governance, pages 44-46 Human Rights Approach, pages 85- 86
Combating Forced and Compulsory Labor		
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, pages 40-41 Corporate Governance, pages 44-46 Human Rights Approach, pages 85-86
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Uğur Cooling and all stakeholders in its value chain, especially its suppliers, do not employ forced labor in any way. Corporate Governance, pages 44-46 Human Rights Approach, pages 85- 86
Corporate Citizenship		
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, pages 40-41 Social Sustainability Roadmap and Goals, pages 80-84 Corporate Citizenship, page 98
Corporate Social Responsibility Policy		



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GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
GENERAL DISCLOSURES		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Corporate Citizenship, page 98
	Corporate Governance	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, pages 40-41 Corporate Governance, page 44
	Proactive Risk Management	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, pages 40-41 Analysis of Sustainability Risks, Trends and Opportunities, pages 21-34
	Risk Management System	
	Stakeholder Communication	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, pages 40-41 Stakeholder Map and Stakeholder Relations, pages 35-38
	Product Quality and Customer Satisfaction	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, pages 40-41 Economic Sustainability Roadmap and Goals, pages 51-54 Key Products, page 55-56 Operational Excellence and Sustainable Product Quality, pages 62-66 Customer Satisfaction, pages 67-71
	Integrated Policy Quality Management System Business Continuity Management System Customer Service Policy Customer Satisfaction Management System	
	Business Ethics, Legal Compliance, and Transparency	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, pages 40- 41 Business Ethics, Transparency and Legal Compliance, page 48



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GRI STANDARD	DISCLOSURE	LOCATION AND/OR ANSWERS
GENERAL DISCLOSURES		
	Clean Technology, R&D and Innovation	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, pages 40-41 Economic Roadmap and Goals, pages 51-54 R&D, Innovation, and Digitalization, pages 59-61
	Life Cycle Analysis	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, pages 40-41 Environmental Sustainability Roadmap and Goals, pages 101-103 Eco-Friendly Products and Green Solutions, pages 118
	Human Rights and Fair Working Conditions	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, pages 40-41 Social Sustainability Roadmap and Goals, pages 80-84 Human Rights Approach, pages 85-86
		Human Resources Policies Fair Remuneration, Diversity, Inclusion and Equal Opportunity
	Digitalization and Data Security	
GRI 3: Material Topics 2021	3-3 Management of material topics	Material Topics and Materiality Matrix, page 40-41 Economic Sustainability Roadmap and Goals, pages 51-54 Data Security and Privacy, pages 74-75
		Information Security Policy Information Security Management System Information Technology Service Management Policy Information Technology Service Management System Personal Data Protection Policy Privacy Policy



GLOSSARY

Biodiversity: The diversity of plant, animal, and microorganism species in nature and their relationships with ecosystems.

Diversity and Inclusion: Workplace policies that aim to offer equal opportunities to everyone by accepting employees' different identities and backgrounds.

Circular Economy: An economic model in which resources are reused and kept in the economy for as long as possible, minimizing the consumption of raw materials.

Energy Efficiency: The ability to achieve the same or higher levels of service or product with less energy consumption.

Greenwashing: Marketing activities aimed at creating the perception that a product, service, or company policy is environmentally friendly or sustainable, but that do not reflect the truth.

Climate Adaptation: A set of measures taken to adjust to the negative impacts of climate change and minimize the damage caused by those effects.

Climate Neutrality: The state in which carbon emissions resulting from human activities are reduced or offset to zero.

Human Values: Practices within human resources management that focus on the rights, welfare, job security, and development of employees, ensuring the development and protection of talents.

Carbon Footprint: The amount of carbon dioxide and other greenhouse gases directly or indirectly released into the atmosphere as a result of the activities of an individual, community, or organization.

Carbon Trading: A market mechanism where carbon credits are bought and sold to reduce greenhouse gas emissions.

Corporate Citizenship: The act of companies fulfilling their social, environmental, and ethical responsibilities by creating positive impacts on society, carrying out corporate social responsibility projects, and reflecting the value they create in society.

Customer Experience: The impressions and level of satisfaction a customer gains from their interactions with a product or service.

Responsible Consumption: Making more conscious choices considering the environmental, social, and economic impacts of consumption habits. It also promotes the sustainable use of resources, as one of the UN Sustainable Development Goals (SDG 12).

Sustainable Development Goals (SDGs): The 17 global goals set by the United Nations to achieve sustainable development worldwide by 2030.



Uğur Cooling
at a Glance



Sustainability
Governance



Corporate
Sustainability



Working for
Sustainable Economic
Development



Working for
Sustainable Social
Development



Working for a
Sustainable World



Annexes



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