

# 2019

# Sustainability Report





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Dear Stakeholders,

From our humble beginnings 66 years ago as a local business, today we are proud to be one of the pioneering companies that has, over the years, made a major contribution to the Aydin region and to the whole of Turkey. Now, in full awareness of the responsibilities that come with the status of brand leadership, we are pleased to present our “Uğur Cooling 2019 Sustainability Report” covering our activities for 2019.

As Uğur Cooling, we have achieved our current distribution network - covering 146 countries with a production capacity of over 4,800 units daily - by promoting domestic and national production in our activities.

In order to sustain our operational network to hand on to future generations we are mindful that, to survive, we must also be innovative and sustainable.

It is evident that the issue of sustainability, which has been on the agenda for many years, has become even more important today. Global problems such as rapid population growth, industrialization, unconscious urbanization and climate change continue to consume the limited resources of our planet and affect the lives of societies more than ever. We can see that these highly complex and multidimensional issues cannot be solved by states or institutions alone, and that the resources allocated to solve all these problems are almost non-existent. Therefore, we believe that a systemic change is needed, and this is only possible if companies like us direct their resources to areas that will impact society. We have begun by measuring our impact on climate change, which is a primary concern for all humanity. In this context, we have calculated our corporate carbon footprint and the environmental impacts of our two main products and shared them with you in this report. Being aware that we cannot manage what we cannot measure, we have used these studies to support the inclusion of sustainability in our management strategy.

In the social aspect of sustainability, we consider the demands and needs of our region as a priority

and support various projects in different fields - especially in education and health - to create sustainable effects. In our work to date, we have tried to be a pioneering example to society, and have also made great efforts to ensure permanent benefits.

At Uğur Cooling, we are determined to continue to fulfil all our responsibilities on local and global platforms, to carry these responsibilities further on our own initiative, and to continue to be a role model for our industry in order to build a sustainable future. The opinions and evaluations of our valued stakeholders regarding the content of this report, which outlines the steps we have taken in the field of sustainability, are very valuable to us. In line with the belief and determination of our employees, and the support and guidance of all our stakeholders from our suppliers to our customers, we believe that we will achieve many successes together during our journey towards sustainability.

As the Uğur Cooling family of companies, we are delighted and excited to share our Sustainability Report with our valuable stakeholders. We express our gratitude to our stakeholders who have supported us since our establishment, have been with us in our successes and have shared our excitement.

Best regards,

Murat TAKMAKLI  
Chairman of the Executive Board



Dear Stakeholders,

Uğur Cooling, which began its operations in 1954 in Nazilli, has today achieved the position of market leader: not only in Turkey, but also in the world. At Uğur Cooling, we consider our duty is not only to produce coolers and freezers, but also to provide our customers with high-quality products, to contribute to our country through employment and export, and to create added value thanks to our R&D capacity.

Knowing we have to offer our customers the best design and quality, we strive to provide high quality products that combine technology and art in our works. In this context, we constantly follow the latest developments in production technologies.

As a result of our continuous development goal – a goal we have had since we started our journey as the Uğur Cooling family - we now serve our domestic and foreign customer portfolio with more than 2,000 employees, over 850 sales points and nearly 250 Uğur Authorized Service Centres.

We aim to maintain our economic sustainability by increasing our performance year-on-year and by being a reliable business partner for our customers. With this in mind, while continuously aiming to offer products with high functionality as well as visual appeal, we have begun to integrate sustainability into our processes. In this regard, we aim to minimize resource consumption by adopting best practices in resource efficiency, to manage our production-related wastes better, and to push ourselves to do the best in ensuring the well-being of our employees.

In recent years, the entire world has been struggling with environmental and social sustainability problems that are closely interdependent and necessitate the integrated cooperation of governments, society and business. Considering that companies are constantly in contact with these global challenges as key players in supply chains around the world, at Uğur Cooling we try to consolidate our economic sustainability by monitoring, evaluating and mitigating the risks and grasping the opportunities brought by environmental, economic and social challenges.

Being aware of the responsibilities that arise from the breadth of our scope, we focus on contributing to sustainable growth in our areas of operation, conducting our business responsibly and increasing the added value we generate for all our stakeholders.

At Uğur Cooling, we are aware that sustainable success can only be achieved through the collaboration and performance of all our stakeholders. We believe that if we work with our internal and external stakeholders, we will have a better and more sustainable world. We know that there is no limit on what we can do and accomplish together.

With this Sustainability Report, we are pleased to present to our stakeholders our efforts and actions to achieve sustainable growth.

I would like to thank our esteemed stakeholders, especially the Uğur Cooling family employees, who have shared all our success during our sustainability journey.

Best regards,

Best regards,



Talip TAKMAKLI  
CEO





# About the Report

Uğur Cooling Inc. Co (Uğur Cooling), your partner in cooling and freezing, has grown over its 66 years of adventure to become established in 146 countries in 5 continents, and is today - thanks to its innovative products - one of the leading brands in its sector.

As the Uğur Cooling family of companies, we use our core strengths to meet the needs of our current customers, but we are also accelerating our sustainability efforts to demonstrate the responsibility we feel for the world we live in and for future generations. As a result of these efforts, we openly share with you in this report our understanding of, and journey towards, sustainability. This first sustainability report from Uğur Cooling is based on the period January-December 2019 and has been prepared in compliance with Core level requirements of the Global Reporting Initiative (GRI) Standards.

Given the environmental and social problems we face today, we are aware that a single report

will not be enough to express our sensitivity to these issues, nor our responsibilities. For this reason, we undertake to periodically update our sustainability report, to constantly improve, to share our work with you and, as shown in this report, to operate taking into consideration the values held by our stakeholders.

We believe that, to achieve success in this sustainability journey, it is important and necessary to carry out the whole process transparently. For this reason we are excited and proud to present our 2019 Uğur Cooling Sustainability Report, which we see as the first step in the sustainability journey, on our website at [www.ugur.com](http://www.ugur.com)

We value all comments and suggestions from our stakeholders. Please send your thoughts and questions about our report and our sustainability efforts by e mail to us at: [sustainability@ugur.com](mailto:sustainability@ugur.com)



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Provides information about how many minutes it will take to read or review the content.



Clicking the QR Code will make you reach the link related with the content. If you wish to access the content from a different device, you can scan the QR code.



Expresses the relation with GRI Standards Index.





# **Corporate Profile**



# Uğur in a Nutshell



Number of  
Sales in 2019

587 235 pieces



Number of  
Domestic Sales

270 610 pieces



Number of  
International Sales

270 610 pieces



Vertical  
Beverage  
Cooler



Storage  
Cabinet

Ice Cream  
Freezer



Vertical Deep  
Freezer



Market  
Fridge



and dozens  
more



1 min.

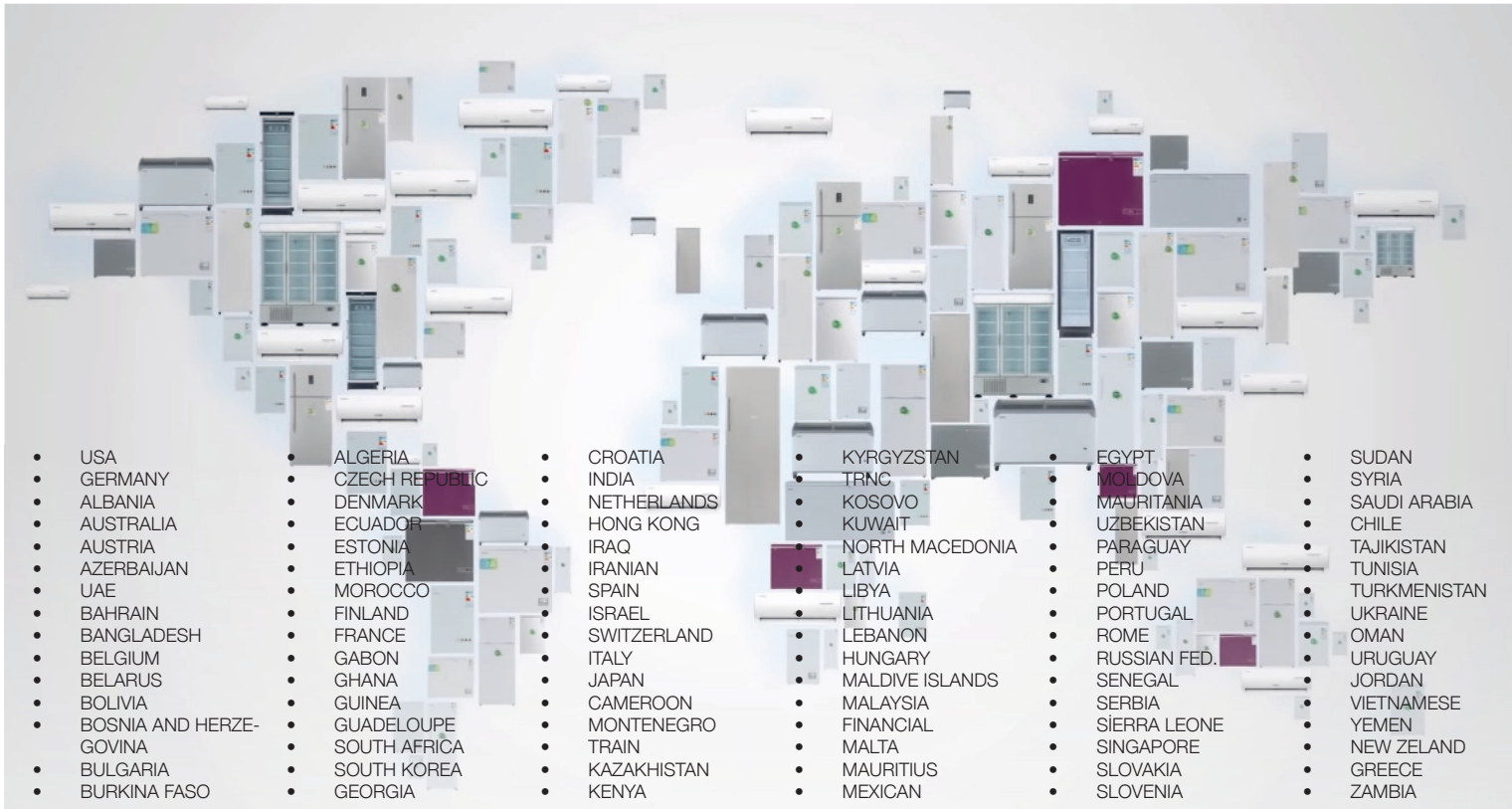
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102-6

With our experience gained over more than half a century, we have also won export awards. As Uğur Cooling, we are proud to have been recognised as the company with the largest export value in 2018 and as one of the largest exporting companies in 2019, according to Aegean Exporters' Associations, in their "Stars of Export Award Ceremony".



*Aegean Exporters' Associations Award Ceremony, 2019.*



5 Continents 146 Countries



# Our History

Uğur Cooling's history started 66 years ago with the production of ice cream machines in Aydın Nazilli, and today we serve 146 countries on 5 continents thanks to our main factory with an active indoor area of 220 000 m<sup>2</sup>, Nazilli Organized Industrial factory with a closed area of 91 000 m<sup>2</sup>, more than 2 000 employees, over 850 sales points, and nearly 250 Uğur Authorized Service Centres.

Uğur Cooling, which has daily production capacity of 4 800+ units in commercial and home coolers and a wide product range of over 420 types of deep freezers, water dispensers, air conditioners, bottle coolers, ice cream machines, market cabinets..., operates with:

- a focus on innovation and R&D,
- modern, technological and environmentally-friendly production facilities,
- comprehensive HR policies including in-house training, rigorous adherence to personal rights, employing “the right person for the right job” and social responsibility awareness,
- a quality system open to improvement and continuous improvement,
- environmentally-friendly products, and
- customer support services and authorised dealerships

In addition, Uğur Cooling is distinctive for its belief in Turkey's future and for raising awareness about the planet's future through its effective and solution-oriented environmental policies and voluntary/social projects. With 66 years of experience, Uğur Cooling – Turkey's foremost and pioneering brand when it comes to cooling – is proud to be one of the world's leading companies.



You can watch the  
65-year story of Uğur  
Cooling as a video.

Scan or Click!

The story  
that started  
in Nazilli in

1954,  
today  
includes  
millions  
from

146  
countries

on 5  
continents.



1 min.

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102-1, 102-2, 102-3,  
102-4, 102-5, 102-7

**UĞUR**  
Enjoy Cool Quality

# The Story of Uğur

Think of a soil ... This is such a fertile soil that it allows you to harvest 3 times a year as nature's own gift. Such fertile lands exist in Nazilli, Aydın, Turkey.

It is not a coincidence that Uğur was born in Nazilli. Various methods have been tried to store the plentiful and valuable fruits and vegetables grown in the fertile soils of Nazilli. If you visit Nazilli in July and August, you can find the locals preserving tomatoes, pomegranate syrup or all kinds of jams in the gardens while eggplants are dried in the sun's heat. Though these methods are still used locally today, there was an urgent need to preserve the valuable products from this precious region for a wider market and to make them available over a longer season.

This is why and where the story of Uğur started.



# From Ice-Cream to Freezer

The adventurous journey started about 66 years ago when Uğur started selling ice-cream.

Our founder was an ice cream maker. This small local ice cream maker, operating under the name of “Uğur Dondurma” (“Uğur Ice-cream” in English), took the delicious fruits grown in the fertile soil of Nazilli from gardens and made ice cream from them. The best ice creams of the region were made there, so that those who remember still commemorate it longingly.

One day the ice cream machine broke down and nobody knew how to fix it. It would have taken two days for the repairman to come from the nearby city of İzmir, which meant melting and spoiled ice-cream.

Relying on his skills, our founder tried to understand the system and decided to repair the freezer cabinet by trial and error ... and finally succeeded! He became the go-to person when there was a freezer cabinet to repair in surrounding villages and districts. Our founder, now a successful repairman, needed a new cabinet but couldn't find a product that satisfied his needs. And the journey he set out on to make his own freezer cabinet was the first step to establishing us as the biggest freezer unit manufacturer in Europe today.





1954

Uğur Cooling was established in Nazilli, Aydın.

1984 - 1986

The first legal entity was established, and cooler production started. Then, in 1986, with a change of name, the “Uğur Cooling Machines Textile Serigraphy Printing Mining and Marble Industry Trade Inc.” continued its production by expanding its activity under its new title.

Uğur Cooling began to give franchises throughout Turkey to expand its product distribution and sales network.

Again in 1986, Uğur Cooling began to expand its product range by producing Turkey’s first freezer.

1974

Uğur Cooling made its first export by sending ice cream machines to Germany, which was known as the world centre for high quality products.

1990 - 1994

Uğur Cooling held the first dealers meeting in Kuşadası to expand, develop and improve its product sales and service network. In addition, the production of vertical bottle cooler cabinets started in 1991 and the first ice cream display cabinets were produced in 1994.



You can review the history of Uğur Cooling in more detail.

Scan or Click!

## 2006 -2010

Uğur Cooling, with human- and nature-oriented energy-savings in mind, started to manufacture environmentally friendly storage for Algida, and the production of A++ energy-saving products was also started for the first time in Turkey. In 2008, Uğur Cooling bought the licence and production line of Denmark's Frigor Company. Starting in 2009 with a joint project with Pepsi, coolers saving up to 51% of energy were manufactured for the first time in Turkey - and in the world. Uğur Cooling gained its first ISO 9001 Quality Management System Certificate. With the inception of the machinery category in 2010, Uğur Cooling was awarded the "The Most Exporting Companies of the Year" award by the Aegean Exporters' Associations.

## 2014

The company obtained its OHSAS 18001 Occupational Health and Safety Management System Certificate and ISO 27001: 2013 Information Security Standard certification. In addition, the SEDEX Ethical Trade Inspection was successfully completed. According to the Turkey Exporters Assembly (TIM), with exports of 120 698 000 USD Uğur became the champion of export in Turkey among the companies in the cooler sector.

## 2011 - 2013

Uğur Cooling was awarded the "The Most Exporting Companies of the Year" award for a second time. This award was also proof of our commitment to quality. During this period, air conditioners were added to our product range. In 2012, Uğur obtained its EN 14001 Environmental Management System Certificate. In 2013, Uğur Cooling was included in the Turquality Brand Support Program which was launched to bring out global brands from Turkey. As a result of investments in the Nazilli Organized Industrial Zone, our activities were expanded by an additional 158,000 m<sup>2</sup>.



## 2015

Having received the TS EN ISO 50001 Energy Management System and TS ISO 10002 Customer Satisfaction Management System certificates in the same year, Uğur Cooling also crowned its success in export and production by receiving 3 awards at the 2014 Air Conditioning Sector Successful Exporters award ceremony.

## 2016

Uğur Cooling received its TS ISO 31000 Risk Management System Certificate, ISO/IEC 20000-1 Information Technologies Service Management Certificate, TS ISO 28000 Supply Chain Security Certificate and TS ISO 22301 Social Business Continuity Management System Certificate in 2016. Also, in that year, it was awarded the “Silver Apple” award at the 28th Crystal Apple Festival organized by the Association of Advertisers. Then, it took the 70th place in the “Turkey’s Most Valuable Brands” list released by Finance 100, and also won the “Respect for Human” award.

## 2017

Uğur Cooling became the first brand in Turkey to be awarded the Customer Satisfaction award in the industry by successfully passing the Mark GC-Customer Satisfaction Audit organized by inspection and certification company DQS. In addition, in the 14th Red Advertisement Awards, it was awarded a success certificate in the best agenda-related advertisement category with its campaign “Let all the Uğur fridges be empty in this Eid al-Adha but do not leave the neighbours without meat”.

## 2018

Uğur Cooling was awarded the “Best Durable Consumer Goods Advertisement” award in the regional category with the work “No deterioration afterwards” in the 15th Red Advertisement Awards and the “Silver Award” in the Technology Manufacturers Category in the Social Media Awards 2018.

## 2019

Uğur Cooling became an R&D Centre. It was honoured as being among the companies that exported most in the air conditioning sector in 2019 in the “Stars of the Export” event. The company was awarded in the “Crystal Apple Turkey Advertising Awards Competition” in radio and audio channels in the electronics category with the work prepared for Uğur water dispensers. In 2019, the year we started the digital archive process, the UEF 20 MD microwave oven was offered to consumers as a kitchen-complementary product. In addition, Uğur Cooling was certified with ISO 17025 Laboratory Accreditation Certification.







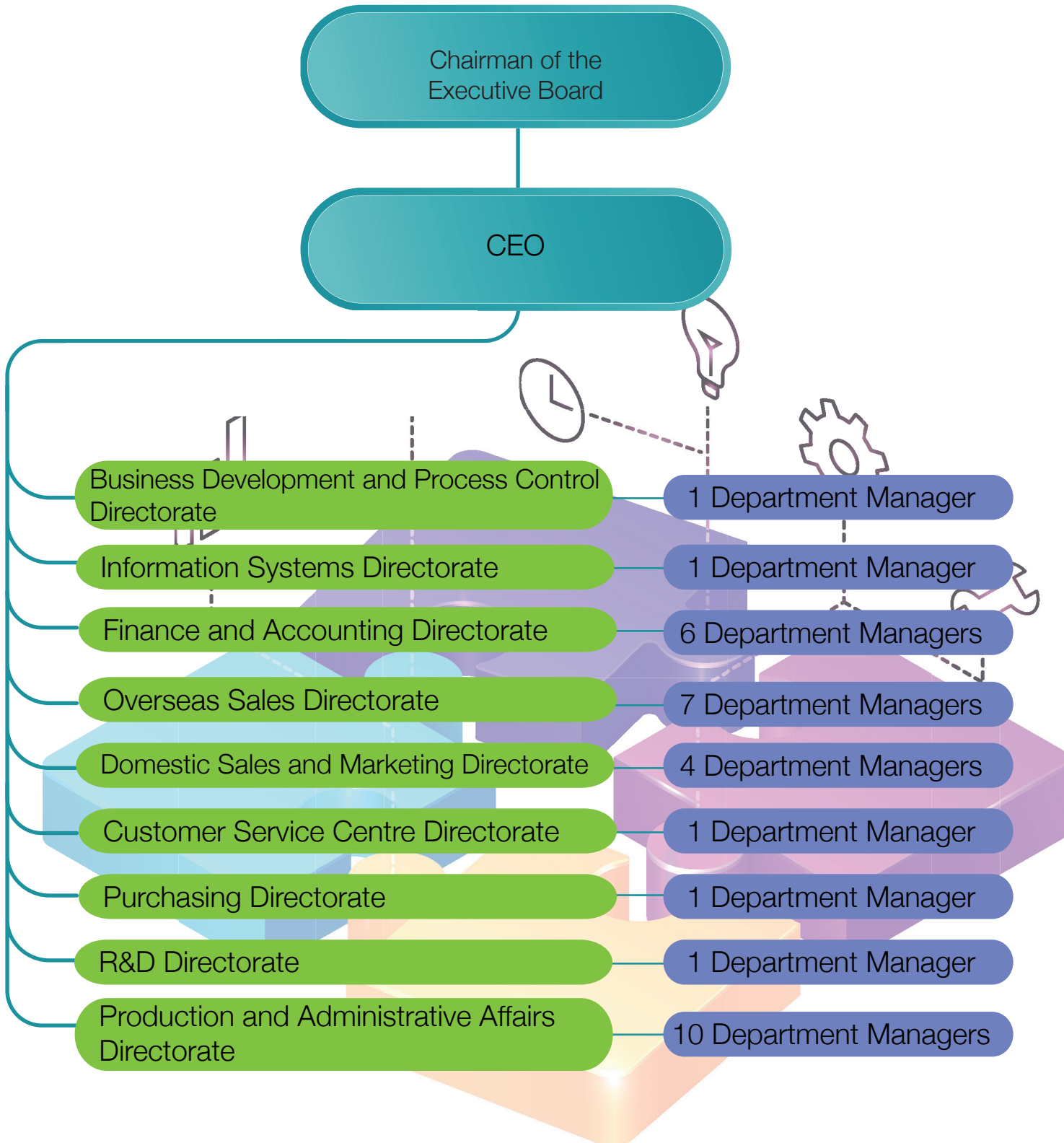


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102-5, 102-8

# Organization Scheme







# Our Values

## Mision

Offering products that enrich life to its best with our professional quality, adding value to our customers and suppliers; and increasing employee satisfaction by being a learning organisation for effective market competition.

## Vision

Maintaining our national leadership in our business areas, fulfilling customer expectations within increasing market competition by providing high quality products, and aiming to be among the world's leading brands in the commercial refrigerators market within the next 10 years.

## Our Values

- Honesty
- Reliability
- Respect
- Focus
- Adaptability
- Social Responsibility
- Frugality
- Innovativeness
- Environmental Awareness
- Attentiveness to quality
- Determination





1 min.

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102-2

# Our Products

## Household Products

- Upright freezer
- Chest freezer
- Refrigerator-freezer
- Air conditioning
- Microwave
- Water dispenser
- Multi-Use(Cooler/Freezer)



## Commercial Products

- Beverage cooler
- Ice-cream freezers
- Supermarket freezer and refrigerator cabinet
  - Storage cabinet
  - Water dispenser
- Ice cream display cabinet
  - Ice machine
  - Ice cream maker
- Patisserie display cabinet
- Ice cream storage cabinet
  - Beverage maker





## Premium Products

We provide premium quality products according to our customers' needs in terms of various material, design and size options.



World brands are in Uğur's Premium World.



Would you like to see  
Uğur Cooling products  
in more detail?

Scan or Click!



4 min.

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103-2

# Process Management System

To be able to run an organization successfully, Uğur believes that it is necessary to manage and control the organization systematically and transparently. The effective functioning of this process plays a leading role in increasing efficiency, reducing costs, continuous improvement and creating corporate identity in the company.

Success for Uğur Cooling is achieved through the implementation and maintenance of a management system designed to improve performance continuously while addressing the needs of the interested parties. Management systems, in general, are the

part of planned and systematic activities carried out with the aim of realizing the targeted management in an organization. In this context, as Uğur Cooling, we combine our understanding of management systems, acquired in 2010 to improve the management of our processes and our corporate identity, with the different systems for which we have been certified since 2010, especially the ISO 9001 Quality Management System.

As Uğur Cooling, we carry out all our processes and our Integrated Management Systems Policy within the framework of:

- TS EN ISO 9001 Quality Management System
- ISO 10002 Customer Satisfaction Management System
- ISO 45001 Occupational Health and Safety Management System
- TS EN ISO 50001 Energy Management System
- TS ISO 14001 Environmental Management System
- TS ISO / IEC 27001 Information Security Management System
- TS ISO IEC 20000-1 Information Technologies Service Management System
- TS ISO 22301 Business Continuity Management System
- TS ISO 28000 Supply Chain Security Management System
- TS ISO 31000 Risk Management System
- TS EN ISO / IEC ISO 17025 General Conditions Standard Management System for Sufficiency of Test and Calibration Laboratories

in order to double our achievements and to hand on our improved performance to future generations, to continue to be the first brand that comes to our customers' mind, to maintain the highest level of safety and social rights of our internal stakeholders, to conserve nature, and to maintain our compliance with the ever-changing technological infrastructure with a view to keeping our likely risks to a minimum.

We continue our operations with the support

of our employees and our systems, which are updated daily to manage the standards we are responsible for and to ensure sustainability within our organization.

Our processes accelerated in 2010 when we integrated all our documents into one unified Organisation Document Management System (QDMS) which gives us rapid access to the correct information, and plays a major role in providing a transparent management





understanding within our factory.

Within our 9 Directorates, we have integrated our 26 sub-unit processes into the QDMS, ensuring that they are managed and sustained in accordance with international standards.

In order to better manage all the requirements of the 11 management systems we have and to increase the efficiency of our business, we can now follow our QDMS journey, that started with Documentation Management - including modules for Corrective Actions, Audits, Actions Management, Device Management Systems, Risk Assessments, Training Planning and Business Periodic Inspections - to ensure the periodic traceability of our operations.

By making it possible to view the most up-to-date version of all our documents at any time through the Documentation Management

System module, we have ensured that all our employees can follow our documents as required.

With the help of the "Corrective Actions" module of the QDMS, we manage our findings and improve their traceability. With this module, we can trace our business units' process improvements quickly and efficiently. We perform our external audits periodically, through both internal audit and independent audit firms, to evaluate the suitability of all the management systems we have incorporated to the specified conditions.

In 2019, we performed 30 internal audits and completed 26 sub-processes. The number of independent external audits, on the other hand, is 13. External audits are always welcome as they provide us different perspective for further development.





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103-2

# Process Management with Numbers

**382** Total number of  
newly prepared  
documents in 2019

Total number of  
documents revised  
in 2019 **390**

**3377** Number of  
documents  
belonging to Uğur

Number of devices  
with calibration **435**

**567** Number of devices  
/ equipment with  
verification tracking

Number of  
corrective actions  
closed in 2019 **129**

**120** Number of  
corrective actions  
launched in 2019

Total number of  
corrective actions  
opened through  
QDMS **346**

**310** Total number of  
corrective actions  
closed through  
QDMS

Actions realized based  
on corrective actions **108**

**066** Actions opened  
as a result of field  
surveillance, OHS  
activities



For more information  
about Uğur Cooling  
Integrated Management  
Systems

Scan or Click!



# Corporate Memberships



Istanbul Chamber of Industry



Aydin Chamber of Industry



Nazilli Chamber of Commerce



Istanbul Chamber of Commerce



Aegean Exporters' Associations







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102-9, 102-10

# Supply Chain Management and Customer Satisfaction



As a company existing in the supply chain of many global scale companies, we know the issue of 'Supply Chain Management' is critical. In this regard, Uğur Cooling intends to manage its supply chain by giving the utmost importance to the right supplier, right price and green logistics, all in accordance with the current regulations for occupational health and safety.

Customer satisfaction with our products and services is also of paramount importance within the framework of our mission, vision and the high-quality understanding that we have created with our core values. In this regard, we have created Uğur Cooling's basic principles for customer satisfaction, as follows:





Accessibility	Our customers can easily convey their complaints or praise, requests for information and suggestions, and can access our company through the various communication channels offered by our company.
Information Accessibility:	Our customers can reach the information they need, quickly and easily.
Quick Feedback:	It is important for us to answer all enquiries submitted by our customers as quickly as possible.
Solution-Oriented Approach:	Fast and effective solutions are generated in line with the needs of our customers.
Objectivity:	All submitted enquiries are evaluated within an objective framework, and objectivity criteria are taken into account during the solution process.
Privacy:	The use of personal information obtained during customer enquiries is limited by law and adheres to the principle of confidentiality.
Customer-Oriented Approach:	We adopt a customer-oriented approach to provide the best service to our customers and to meet customer expectations at the highest level.
Customer Participation in the Process:	Our customers are informed in the most effective way about the evaluation and solution stages of their complaints, and they are actively involved in the process.
Openness to Audit:	Evaluation and solution stages of the enquiries, and call requests made by our customers, are reported and monitored.
Internal Information:	In our company, customer complaints are shared and followed throughout the whole organization.
Continuous Improvement:	Suggestions and thoughts from our customers are meticulously evaluated and used as a source for continuous improvement studies.
Conscious Consumers:	Our company, which aims for continuous learning and education, takes advice and information from the Conscious Consumer blog page to knowingly contribute to shopping and conscious consumption.



**As a result of the evaluations made in 2019, our customer satisfaction rate was determined as**

**97%.**





3 min.

GRI

102-16, 102-17

# Ethics and Fairness

We, as Uğur Cooling, operate in strict adherence to the Uğur Ethical Policy. As a responsible manufacturing company in the cooling/freezer sector, we conduct all internal processes and our affairs with all our stakeholders with the highest levels of honesty, respect, transparency, team spirit, modesty, excellence and inquisitiveness.

Uğur Cooling believes that the crucial perspective of creating a sustainable future starts with managing stakeholder relations effectively. We pay utmost attention to fulfilling our responsibilities towards our clients, employees, supplier/business partners, competitors, society, and the people of this world. We work with proactive understanding, by prioritizing customer satisfaction and by complying with the needs and requests of our clients in the most appropriate way.

The executives working in Uğur Cooling also

act with awareness of their responsibility to create a corporate culture and working environment that promote ethical rules. Our executives serve as role-models by actualizing ethical rules within the Company while making it a priority to encourage and to coordinate all our employees to communicate these ethical rules.

Thanks to 6 wish/complaint boxes and 11 call-back notification boxes located at our factory site, employees can communicate any issue in writing to the relevant authority. Owing to our Ethical Committee structure, which meets monthly, the issues conveyed from the boxes opened regularly each month are handled and decided upon at Board level. The decisions taken are announced transparently to the relevant people, or in the form of an action list, including the progress of the issue and what decisions have been made.



# Stakeholders

Uğur Cooling takes into consideration the expectations and opinions of its stakeholders while setting its primary objectives. As we believe that our employees are our most valued stakeholders, we listen to their praise and complaints through frequently organized training events, satisfaction questionnaires and meetings. As a result of these employee engagements, any areas that can be improved are identified and acted upon.

We are aware that being part of the supply chain of global companies makes our international clients our largest foreign

stakeholders and this gives us tremendous responsibility. Hence, we engage in reciprocal communication to understand accurately the needs and expectations of our clients. We form our improvement actions based on the comments and opinions of our stakeholders. In addition, we make sure we follow the latest developments in environmental and social issues, not only in our sector but in all areas, and improve ourselves where needed. We believe that our proactive approach in our several continuous improvement initiatives is our biggest strength which keeps us a step ahead of our rivals in the market.

Our Stakeholders		Methods of Communication	
Employees	<ul style="list-style-type: none"> <li>E-mail, telephone and face-to-face interviews</li> <li>Meetings and training</li> <li>Employee satisfaction questionnaires</li> <li>Activities organized especially for the employees</li> </ul>	<ul style="list-style-type: none"> <li>Committee meetings</li> <li>Announcements and notifications</li> <li>Internal publishing</li> <li>Human Resources WhatsApp communication thread</li> </ul>	
Clients	<ul style="list-style-type: none"> <li>Client satisfaction questionnaires</li> <li>E-mail, telephone and face-to-face interviews</li> <li>Client visits and meetings</li> <li>Exhibitions and conferences</li> <li>Call Centre</li> </ul>	<ul style="list-style-type: none"> <li>Website</li> <li>News</li> <li>Social Media</li> <li>Request/Complaint websites</li> <li>Online Help Centre</li> <li>Customer Services WhatsApp communication thread</li> </ul>	
Suppliers	<ul style="list-style-type: none"> <li>E-mail, telephone and face-to-face interviews</li> <li>Meetings</li> </ul>	<ul style="list-style-type: none"> <li>Supplier audits</li> <li>Supplier portals</li> </ul>	
State and Regulatory Institutions	<ul style="list-style-type: none"> <li>Periodical reporting</li> <li>Meeting and conferences</li> </ul>	<ul style="list-style-type: none"> <li>E-mail, telephone and face-to-face interviews</li> <li>Audits</li> </ul>	
Top Management	<ul style="list-style-type: none"> <li>Meetings</li> </ul>	<ul style="list-style-type: none"> <li>E-mail communication</li> </ul>	



1 min.

GRI

102-40, 102-42,  
102-43

**UGUR**  
Enjoy Cool Quality

In addition to presenting and sharing the technology we have developed, participation in fairs and conferences allows us to catch up with and closely follow developments in the industry and to establish a close dialogue with our stakeholders, and is considered as one of the most important communication methods. We can return home with maximum benefit from these events we have attended and implement the insights we have gained in our activities.



Being in one-to-one and close communication with our suppliers is among the activities that we care most about at Uğur Cooling. With the meetings we organize annually with our dealers and authorized service-centres, we determine any problems related to our goal of continuous improvement and development and resolve them with quick action.

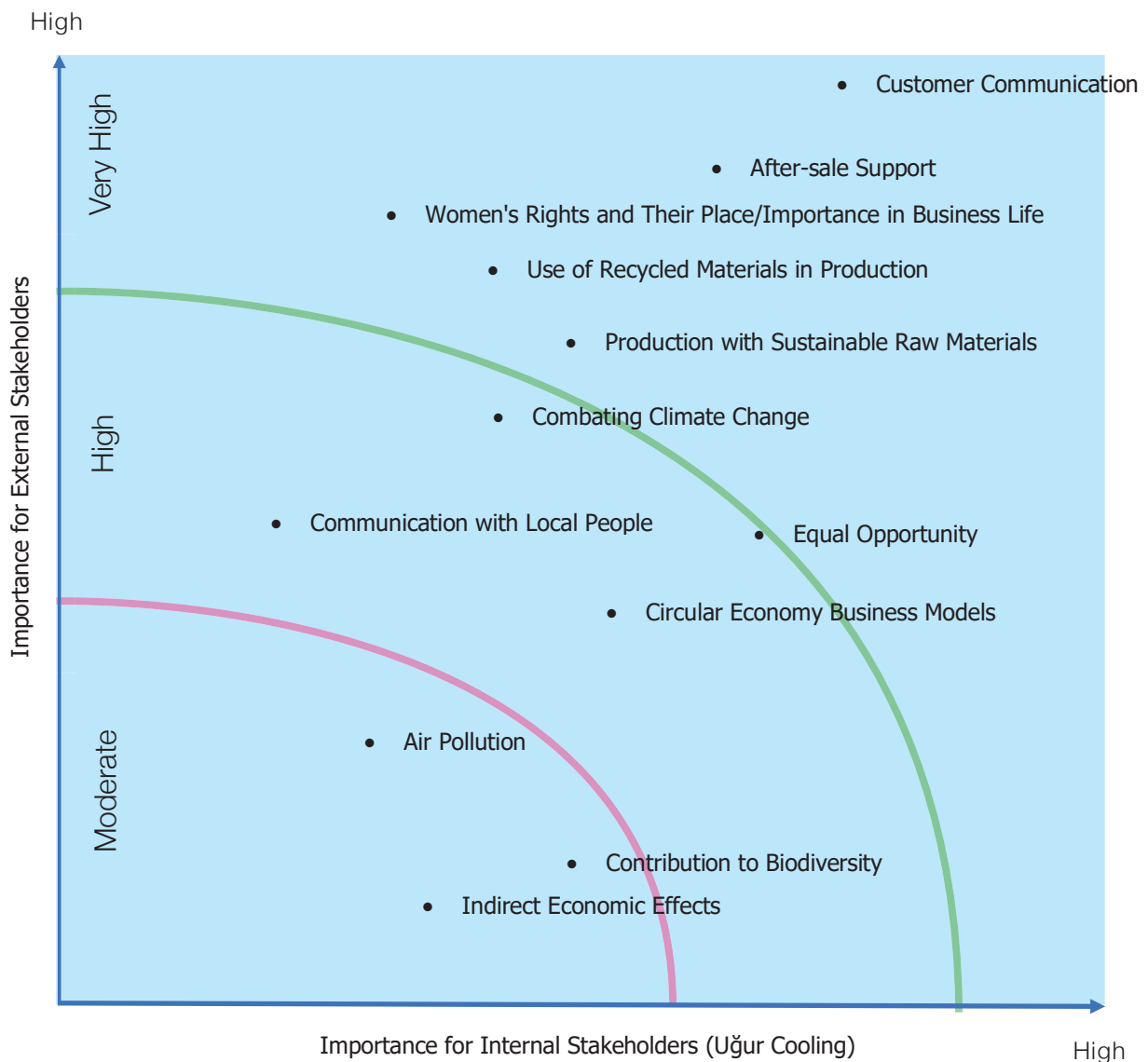




# Primary Objectives

We examined the results of the survey we conducted with our employees at Uğur Cooling and, based on what we learned from the feedback we received, determined the main priorities of our internal stakeholders. We conducted the same survey with our

domestic and international customers, for whom we are responsible for supplying the highest quality products. By combining the feedback from these surveys, we created the 'Uğur Materiality Matrix'.



Climate change is a concern for every industrial company like ours; in fact, for humankind. With this in mind, we are making a team effort to leave the world our ancestors gave us in a state fit for future generations, for their well-being. We have begun by quantifying our environmental impacts, so that we can be ready for the challenging risks of climate change, knowing that this is an issue that not only our competitors but almost all industrial businesses will have to take action on. We are aware that the only way to manage such risks is to measure them; hence, we have now incorporated such measurement practices into our management strategy.



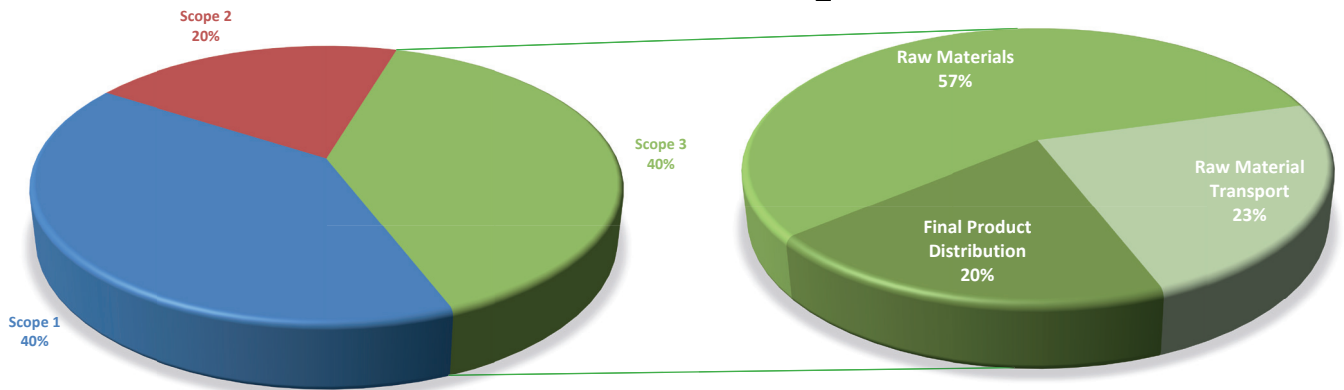
# Respect for the Environment

# Corporate Carbon Footprint

We calculated our greenhouse gas (GHG) emissions, a cause of climate change, in accordance with ISO 14064-1 Standards and following the guidelines of the GHG Protocol. In addition to Scope 1 and 2 emissions in our corporate carbon footprint calculations,

we fully assess our Scope 3 emissions – those from activities beyond our control but assigned to us due to our demand for such activities, including supply of raw materials and finished products.

Total Corporate Carbon Footprint  
81 182 tonne CO<sub>2</sub> eq.



## Scope 1

*Direct Emissions*

Fuel Consumption

Transportation  
(Vehicles owned by the company)

Process Emissions

## Scope 2

*Indirect Emissions*

Electricity Purchased

## Scope 3

*Other Indirect Emissions*

Raw Material Transport

Raw Materials

Final Product  
Distribution



2 min.

GRI

306-2

# Waste Management

We manage our waste by utilizing our environmental management system in accordance with national and international standards and measure our waste outputs regularly. We always look for opportunities to minimize at source all types of wastes from our operational activities, and to recycle them when possible. We send them to landfill as a last resort. Being able to serve to our customers directly according to their needs and requirements reduces our waste caused from stock production.

Non-hazardous wastes include wastes, such as metal and packaging waste, that are generally safe for human health and the environment. These wastes are disposed of in accordance with the relevant regulations.

*Waste Amount for 2019*

Non-hazardous Waste, kg

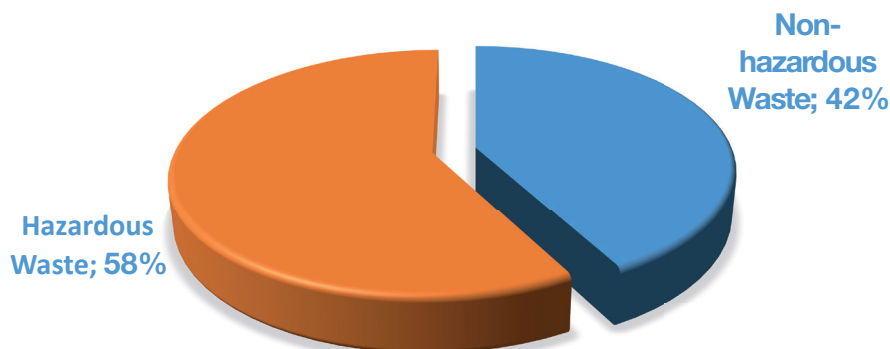
4 169

Hazardous Waste, kg

3 028

Hazardous waste includes waste such as batteries, oils, and contaminated materials that have the potential to harm human health or the environment. The disposal of the hazardous waste is done in accordance with the relevant regulations.

Even though we are already managing our processes in accordance with the requirements directed by our ISO 14001 Environment Management System, we always aim to go beyond such requirements by regularly asking ourselves 'What else we can do?' and by working towards this purpose.





# Energy Efficiency

At Uğur Cooling, we act with the philosophy of reducing our environmental impact in all our operations. In accordance with our sustainability strategy, which is integrated into each unit in our organization, we make every effort to minimize the amount of electricity, natural gas and water used in production processes. As a result of our efforts to make our operational activities energy efficient, we have achieved ISO 50001 Energy

Management System certification by fulfilling all the requirements.

We prioritize energy efficiency not only in our production processes, but also in the products we produce. Thanks to the low energy consumption products we offer our customers, we also contribute to minimizing environmental damage during the use stage.

*Energy Sources and Amounts Used by Years*

Parameter	Unit	2017	2018	2019
Electricity Purchased	kWh	26 618 242	24 459 466	25 330 190
Lignite	tonne	2 441	2 828	1 893
Gasoline	L	729	6917	3 664
Diesel oil	L	194 361	291 918	258 867
LPG	kg	150 304	101 604	89 448
Natural gas	kWh	15 785 391	11 804 378	14 958 032

A<sup>++</sup>

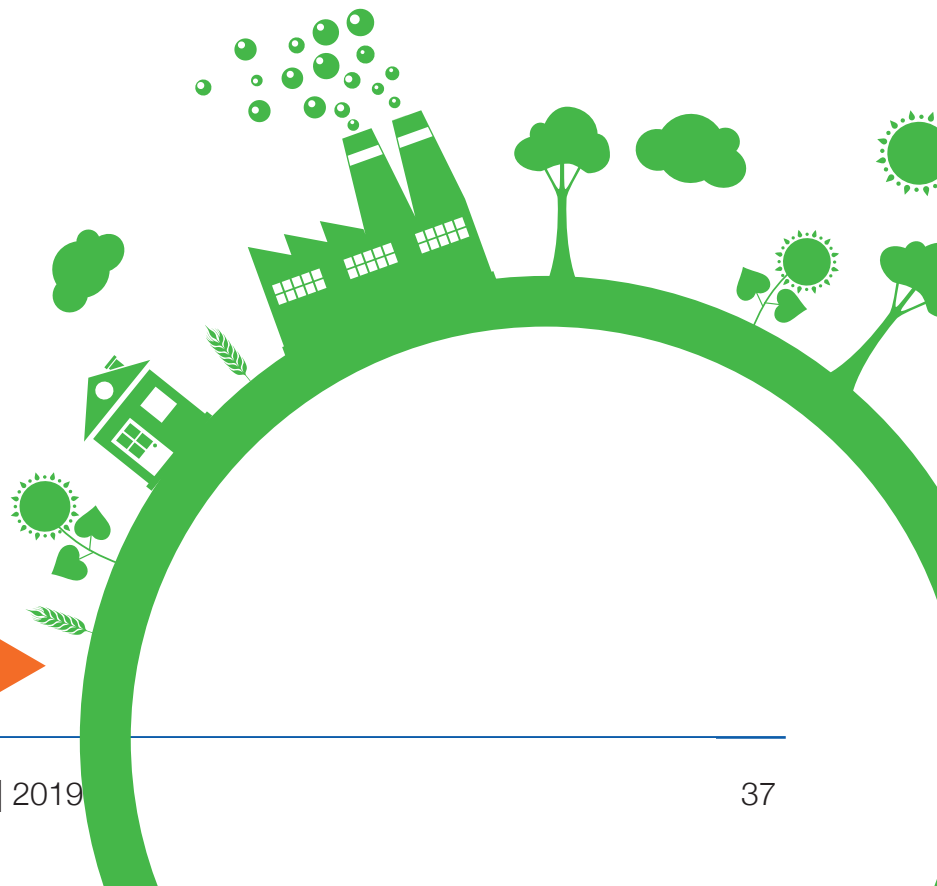
A<sup>+</sup>

A

B

C

D





# **Sustainability Performance**

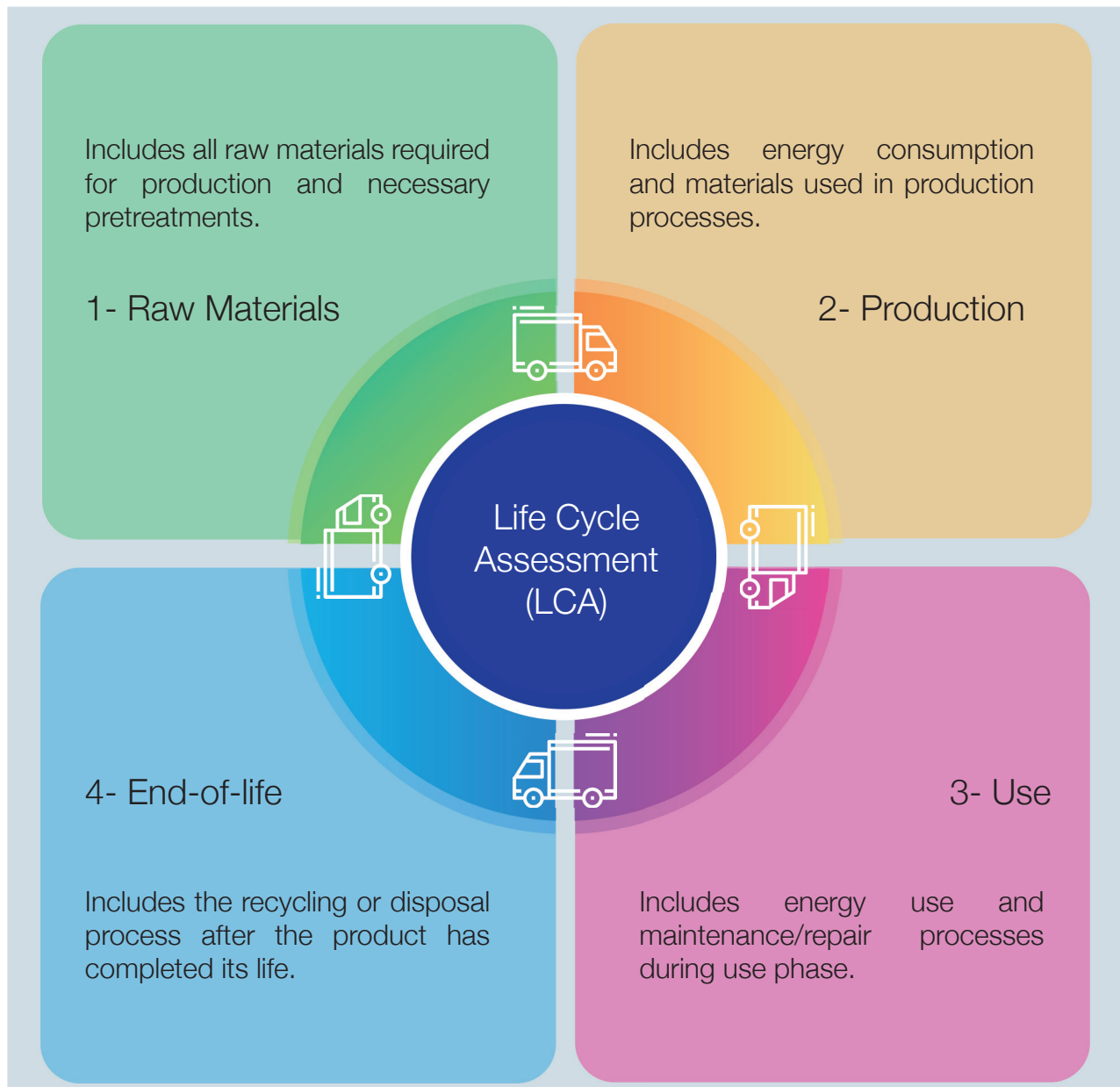


We serve world famous and major international companies thanks to our efforts to produce top quality products that always meet the expectations of our clients. This is the main reason that they trust and choose us. With this in mind, we believe that our environmental performance should not be measured solely by our corporate performance but also by our products' performance. That is why we have also conducted a Life Cycle Assessment study "from cradle to grave" for our vertical bottle cooler (USS 374 DTKL) and horizontal deep

freezer (UDD 400 SC) products.

Life Cycle Assessment (LCA) is a scientific calculation method that reveals the environmental impacts of all stages in manufacturing from the "cradle" to the "grave" of a product and/or service by examining resource and energy use.

Our product LCA studies are performed within the framework of the methods defined in the ISO 14040/44 Standard.





2 min.



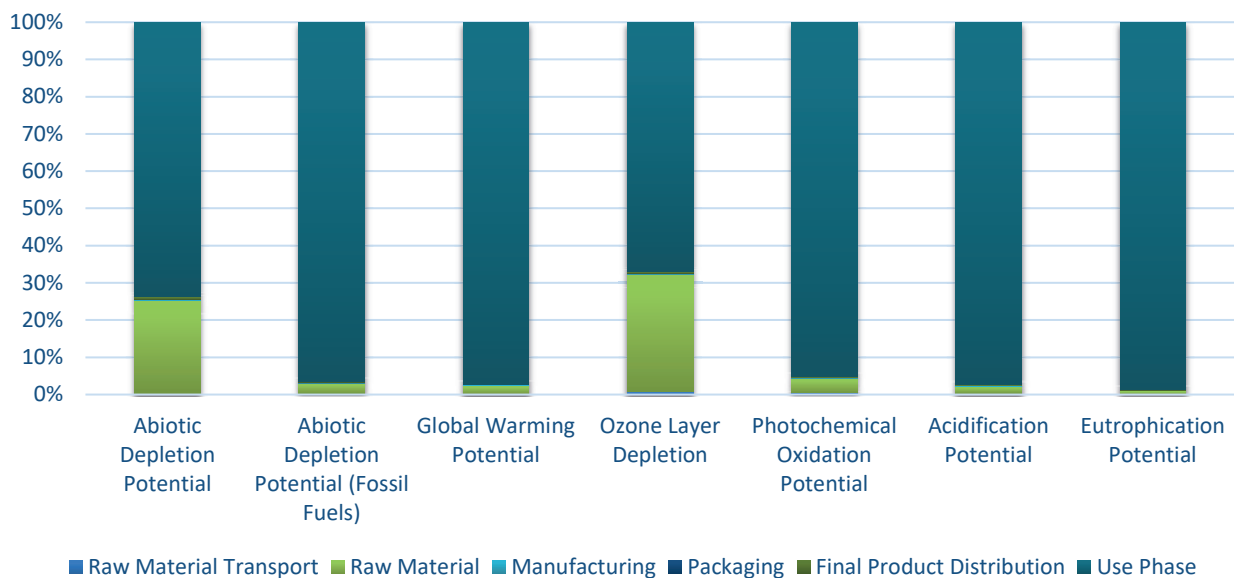
301-2, 301-2, 302-1,  
302-3, 305,4

# Product Life Cycle Assessment

## USS 374 DTKL - Vertical Beverage Cooler

The LCA study, carried out in accordance with the ISO 14040/44 standard, is particularly useful in understanding at what stages in the life cycle our activities cause the most impact. In the study we carried out, we kept our scope wide and, in addition to global warming potential, which is the common problem of the world, we have more clearly revealed the other environmental effects we have created by examining different categories such as eutrophication, photochemical oxidation, acidification, ozone layer depletion potential and abiotic depletion.

When the results of the study are examined in detail, it is evident that the highest impact in all environmental impact categories is due to the use stage. The importance of this stage becomes even more prominent in the conducted study since the energy consumed by the product during its lifetime (10 years) is also considered. It should be noted that electricity mix (renewable vs. fossil origin) of the country where the product is used will affect its environmental impacts, especially its carbon footprint. As Uğur Cooling, considering the importance of the use phase in energy-consuming products such as freezers and coolers, we are continuing our efforts to produce ever more energy-efficient products.

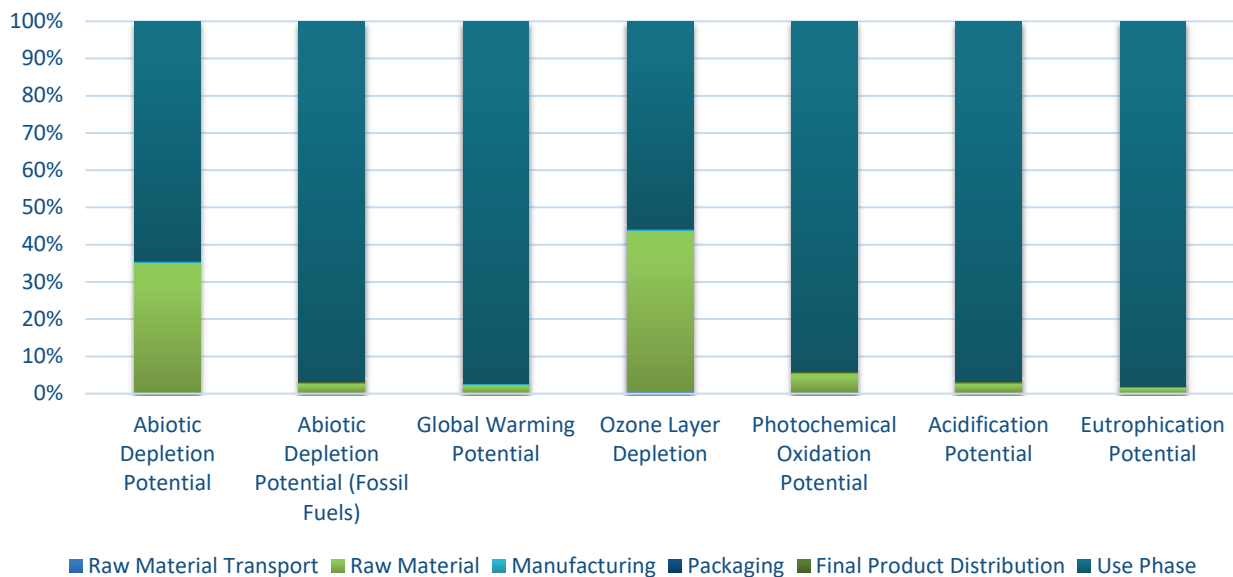






## UDD 400 SC - Ice Cream Freezer

Based on the assessment done under Turkish conditions, the environmental impact of the manufacturing stage is low compared to that of the use phase. Within manufacturing, the raw materials used in manufacturing and product delivery (haulage) are two other important factors in all impact categories.



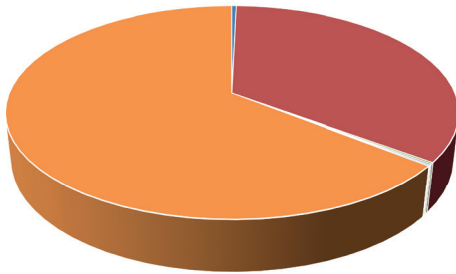


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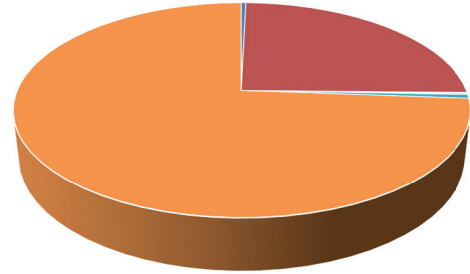
301-2, 301-2, 302-1,  
302-3, 305,4

When the impact categories of “Ozone Layer Depletion Potential” and “Abiotic Depletion Potential” are examined, the impact of raw materials supply is second only to that of the use phase. For “Ozone Layer Depletion Potential”, cooling gases have the highest impacts for both products. “For this reason, we have changed to using cooling gases with lower environmental impacts. For “Abiotic Depletion Potential” which assesses the resource use in our operations, impacts are mainly caused by the metals (copper, aluminium) used. Increasing the rate of recycled materials in the products used in production processes will have a significant effect in reducing this impact. However, a sustainable product design approach is another way of reducing this impact by designing products with minimal materials use as well as use of materials from renewable sources.



■ Raw Material Transport ■ Raw Material ■ Manufacturing  
■ Packaging ■ Final Product Distribution ■ Use Phase

UDD 400 SC - Ice Cream Freezer



■ Raw Material Transport ■ Raw Material ■ Manufacturing  
■ Packaging ■ Final Product Distribution ■ Use Phase

USS 374 DTKL - Vertical Beverage Cooler

At Uğur Cooling, in the light of the results we obtained from the LCA study, we are working hard to reduce our impact value in all categories. In the knowledge that the most important issue is the adoption of sustainable production awareness at the institutional level, we regularly monitor, measure and manage all our processes with the Sustainable Manufacturing Key Indicators that we created with the support of the results of the LCA study.

Click for environmental impact definitions.





# Sustainable Manufacturing

## Key Indicators

Managing operations in an environmentally and socially responsible way - in other words, “sustainable manufacturing” - has become a must for every company today, not just an add-on. Measuring performance is the first step to sustainable development. In this regard, we have created Key Performance Indicators based on the Sustainable Manufacturing Indicators Guide published by the OECD together with the results we obtained from our LCA study.

### Girdiler

- UI1: Non-renewable Materials Intensity
- UI2: Restricted Substances Intensity
- UI3: Recycled/Reused Content

### Üretim

- UO1: Water Intensity
- UO2: Energy Intensity
- UO3: Renewable Proportion of Energy
- UO4: Greenhouse Gas Intensity
- UO5: Residuals Intensity

### Ürünler

- UP1: Product Recycled/Reused Content
- UP2: Product Recyclability
- UP3: Product Renewable Material Content
- UP4: Non-renewable Materials Intensity Over Product Lifetime
- UP5: Product Restricted Substances Content
- UP6: Product Energy Consumption Intensity
- UP7: Intensity of Greenhouse Gas Emissions from Products



1 min.



301-2, 301-2, 302-1,  
302-3, 305,4

UI1

Non-renewable Materials Intensity

1

kg/kg product

UI2

Restricted Substances Intensity

0.05

kg/kg product

UI3

Recycled/Reused Content

0.05

kg/kg product

UO1

Water Intensity

0.01

m<sup>3</sup>/kg product

UO2

Energy Intensity

28.8

MJ/kg product

UO3

Renewable Proportion of Energy

34%

UO4

Greenhouse Gas Intensity

2.22

kg CO<sub>2</sub>/kg product

UO5

Residuals Intensity

0.10

kg/kg product



UP1

Product Recycled/Reused Content

0.04%

UP2

Product Recyclability

96%

UP3

Product Renewable Material Content

0%

UP4

Non-renewable Materials Intensity Over Product Lifetime

521  
tonne/yl

UP5

Product Restricted Substances Content

0.006%

UP6

Product Energy Consumption Intensity

6557  
MJ/product

UP7

Intensity of Greenhouse Gas Emissions from Products

341  
kg CO<sub>2</sub>/kg product

Click for definitions of  
Sustainable Manufacturing Key  
Indicators.





# **Respect for Human Beings**



As Uğur Cooling, we pay utmost attention to our employees - who are our most valuable stakeholders - and ensure that the personal rights of employees are preserved faithfully within our company. We treat our employees honestly and fairly, without discrimination, and undertake to provide them with a healthy working environment. We always act without prejudice, and respect and value all

differences in faith, culture, religion and other such issues.

We make all necessary efforts towards the personal improvement of our employees and encourage them to attend social and communal activities as volunteers, to be aware of social and environmental responsibility, and to keep a work-life balance.

### *Employee demography for 2019*

	Indefinite Contracts	Fixed-term Contracts
Female	638	45
Male	1 225	97
	Permanent Employee	Subcontractor
Female	683	0
Male	1 322	0
	Employee on collective labour contract	Total employees
Female	0	683
Male	0	1 322
	Blue-collar	White-collar
Female	569	114
Male	1 008	314
	Blue-collar	White-collar
Literate	8	0
Illiterate	0	0
Primary school diploma	633	32
Secondary school diploma	323	7
High school diploma	493	60
Vocational high school diploma	90	127
University graduate	27	193
Master's degree graduate	1	4



2 min.

GRI

102-8, 102-41

# Internship and Transition to Business

Within the scope of long-term and qualified manpower training activities, every year between June and September higher education students have the opportunity to have a summer internship in Uğur Cooling. During the internship, students are observed by the relevant department managers and evaluated within the scope of transition from internship to business life. Human Resources

department interviews are conducted with students whose competencies are deemed appropriate, and as an employee of Uğur Cooling, he/she can step into professional business life.

In addition, Technical High School students are given the opportunity of vocational education between September and June.

“ **The right person for the right job!** ”







# Training

Training and development activities are carried out within a system that will contribute to the development of Uğur Cooling employees in line with the company's goals and objectives. These activities are organized to support the corporate goals of Uğur Cooling, to provide individual and corporate learning and development, to increase the competence and performance level of employees, and to disseminate information sharing.

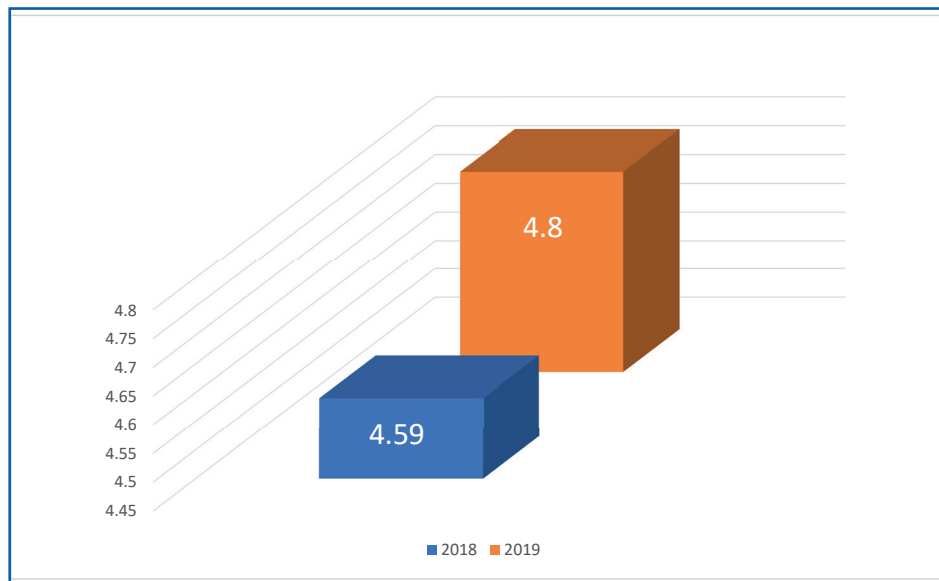
For the Uğur family of companies, the personal and professional development of our employees is of great importance. We believe that our employees work more conscientiously and productively when we contribute to their personal and professional development. That is why we work hard to train our employees regularly and to make continuous improvements in this respect. We always value their opinion on the training provided and try to improve the level of their wellbeing. We constantly strive to find

new ways to improve this year by year. We continually look for new training opportunities that can address the needs of our employees.

The main training offered to our employees is: Internal training given by Uğur Cooling trainers, outsourced training coordinated by the Human Resources Department and provided by consultancies, and e-training provided to employees through the online training platform.

The e-training system "Uğur Campus" provides services to Uğur Cooling group employees, to dealers and to the service network. In addition to personal development training, technical documents and information videos of our product range are shared on the platform for our dealers and service users. The Uğur Campus platform reaches 1 806 users.

The percentage of training completed by users on the Uğur Campus platform is 83%.



*Satisfaction Rate from Outsourced Training*

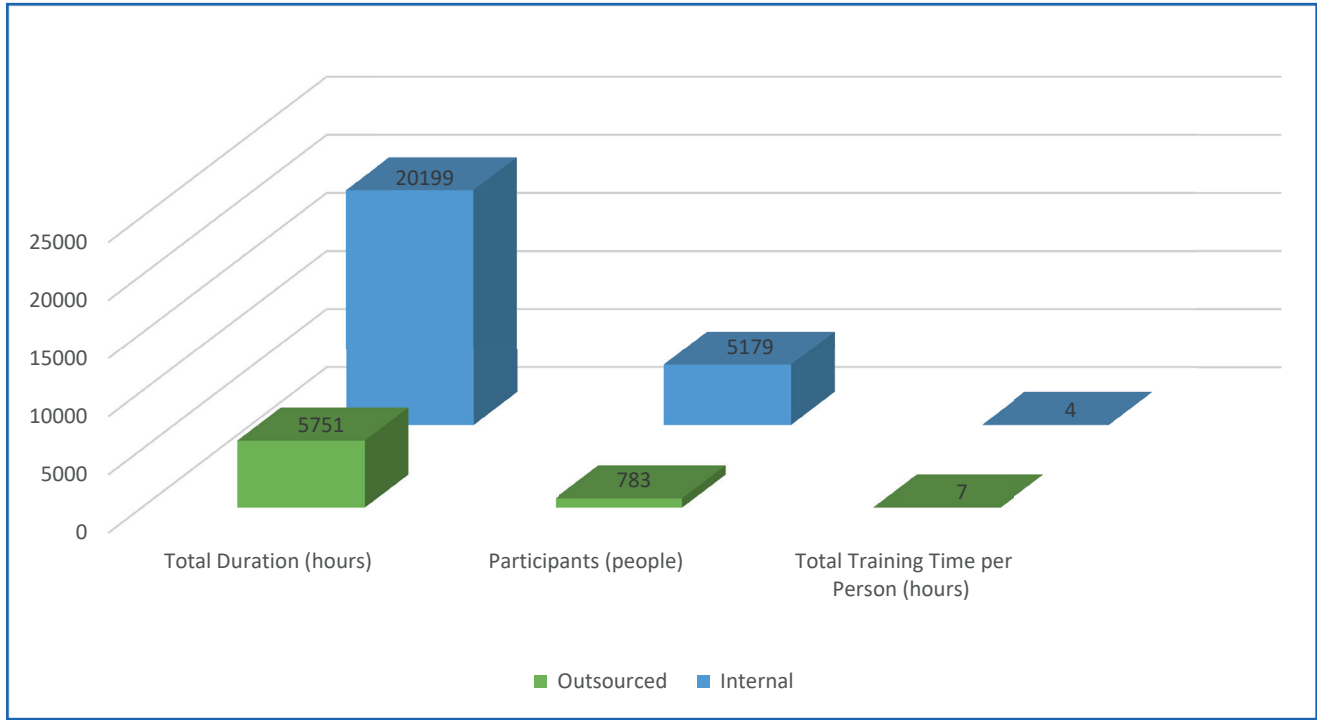


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GRI

404-1, 404-2

Our training data for 2018-2019 for this grouping is given in the table below.



*Internal and Outsourced Trainings*

*Employee Training Statistics for 2019*

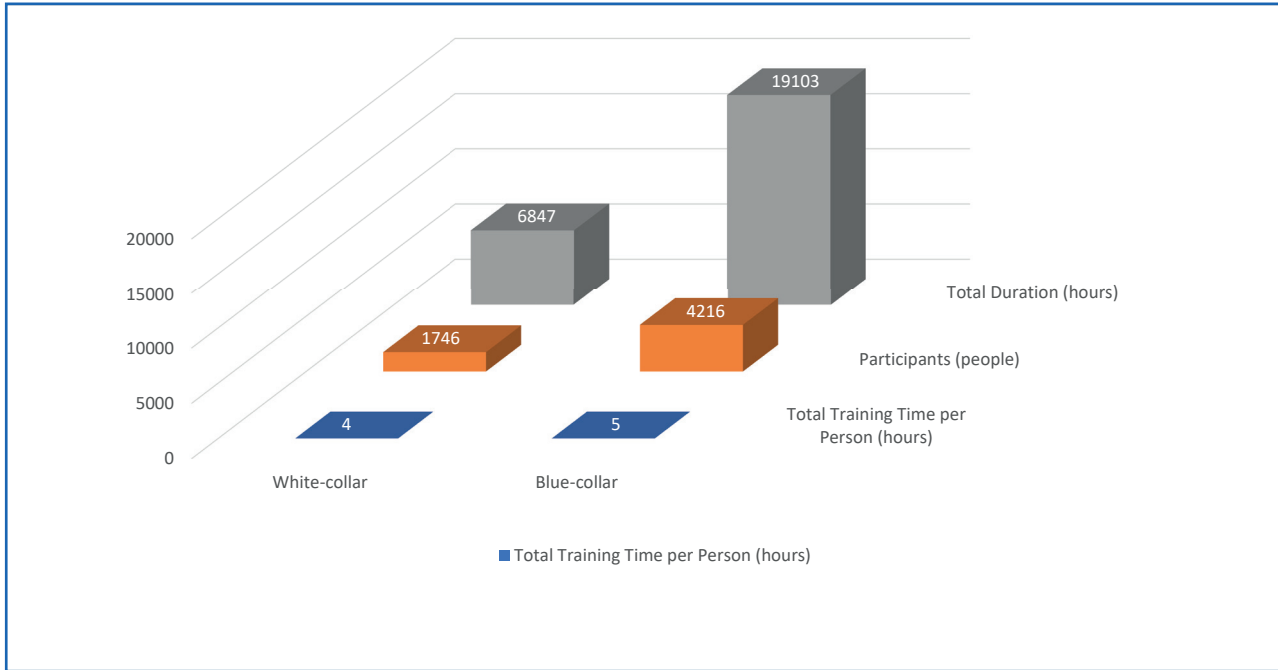
Employee Training	hour/person
Blue-collar	4.53
White-collar	3.80

In line with our project “Right Person, Right Job” to increase the number of qualified employees our efforts to certify the professional

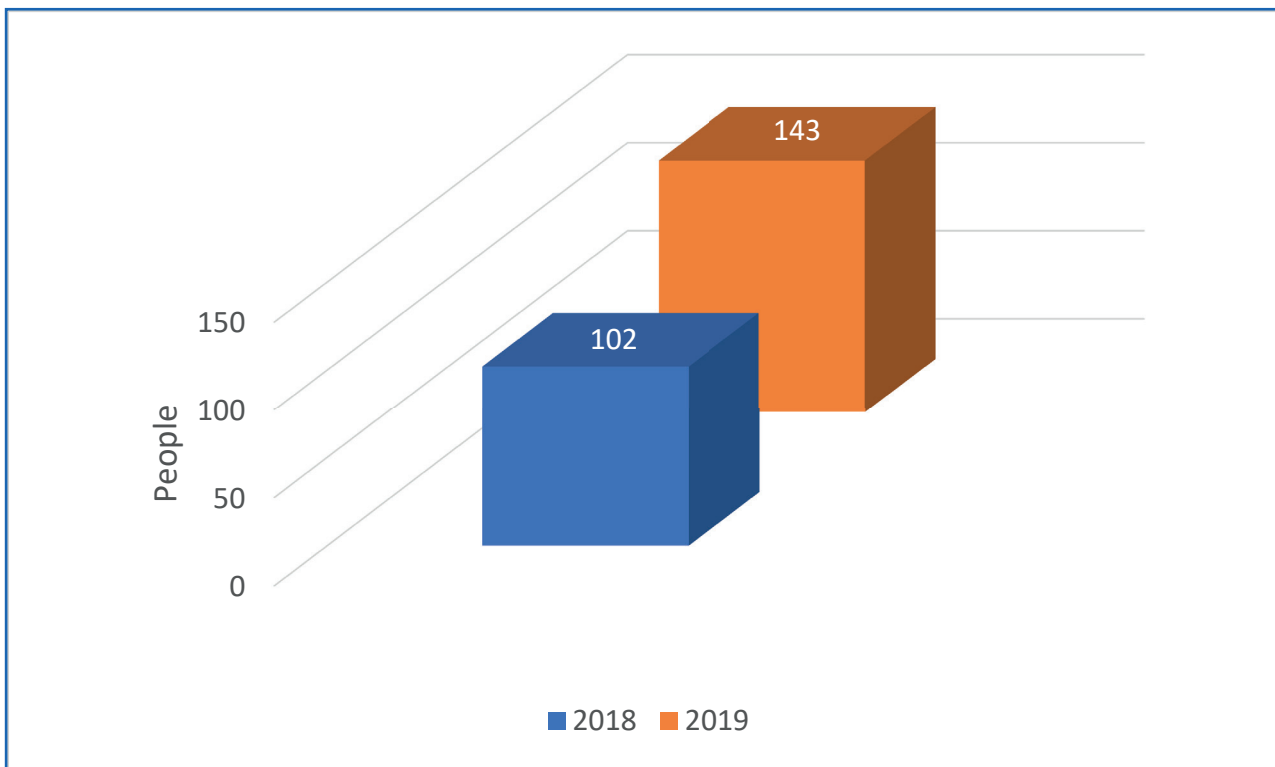
competencies of our staff working on the production line have been actively continuing since 2016.



# Uğur Kampüs



*White-Collar and Blue-Collar Training Information*



*Employees Documented in 2018-2019*

## Library Project

With the emphasis we put on personal development and to increase the literacy as part of our Human Resources Policy, we share our books and articles as part of the “Library Project” started in 2015 to support our valuable employees at every opportunity.



1 min.

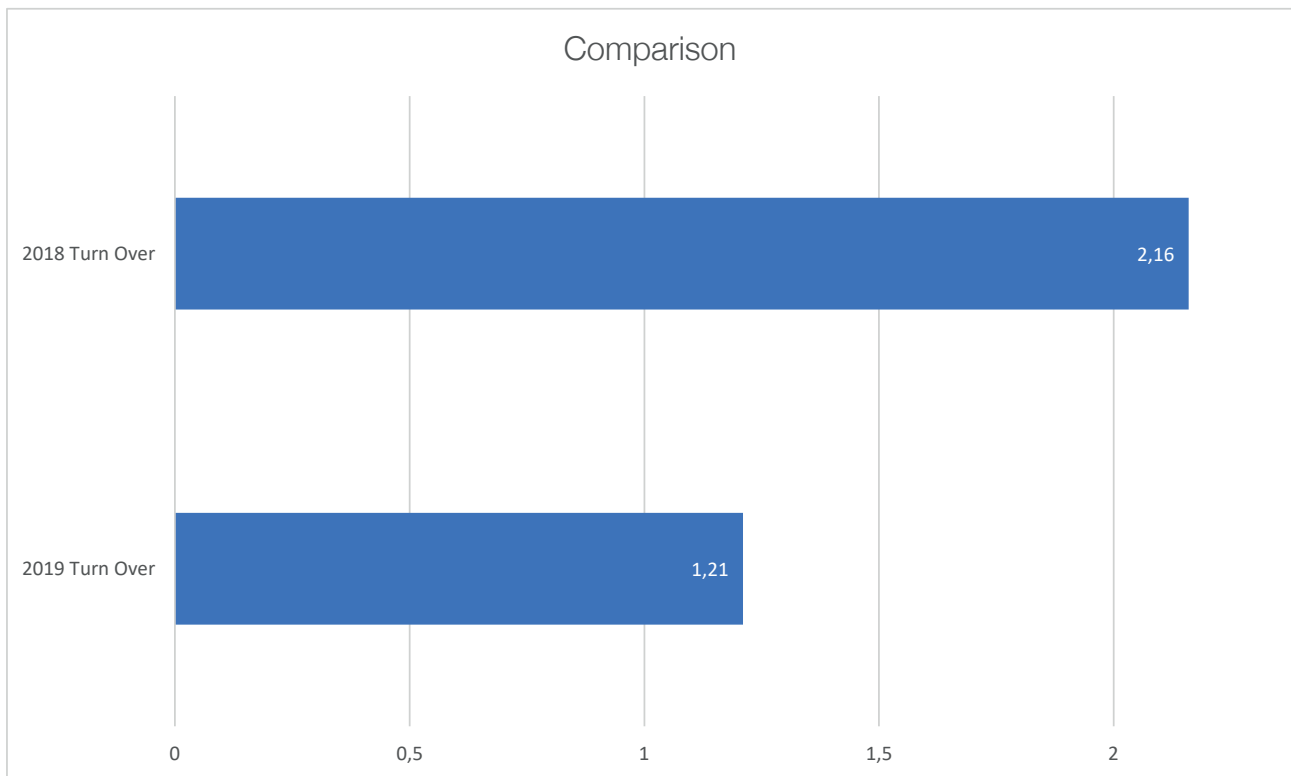
GRI

401-1

# Employee Loyalty

We consider the increase of employee motivation and sense of belonging as important factors in competitive advantage. Our main goal is to ensure the satisfaction and continuity of our employees by following a consistent human resources policy. In the Human Resources Department, it is

our primary target to hire employees who have the vision of producing values that can carry themselves and the company forward, by adopting the “Right Person, Right Job” policy. For Uğur Cooling’s well-being and sustainability, tackling potential labour issues is of prime importance.







Thanks to our digitalization and care for our job applications at the Human Resources Department, Uğur Cooling also managed to receive the “Respect for People” Award, which is given to the companies that are responding to 100% of candidate applications, provide the most employment and receive the most applications organized by Kariyer.net.

Having this award once again made us very happy. We set goals for our colleagues and candidate employees at our company and help them achieve their goals. Our employees who reach their goals become more motivated and company productivity is thereby increased. We receive this award on behalf of all our colleagues, and thank each of them individually.

Uğur Cooling Human Resources Department





3 min.

GRI

403-2

# Occupational Health and Safety (OHS)

Uğur Cooling aims to use its resources at maximum efficiency by providing a safe working environment for its stakeholders in terms of Occupational Health and Safety. By determining all the risk factors that we may encounter in our work environments, we take the necessary actions and ensure their traceability in order not to encounter them again. We not only aim to maximize the occupational health and safety performance of our employees and processes; we also ensure our continuity by adopting the legal conditions and standards that we are responsible for, for all our activities.

Through the QDMS Corrective Activity Management Module and Action Management Module, we create a follow-up system to ensure that the relevant person and/or people are aware of the situations we encounter during the spot-check observations, risk analysis studies, and near-miss events that we perform periodically within our factory. Thanks to this method, we aim to determine the root causes of the situation and to not repeat it. So as not to repeat problems we encounter, and to ensure the continuity of the studies, we make sure that the relevant people are made aware of relevant situations.

We are working to ensure that our 9 employee representatives, chosen through a selection process, are known in our factory and that we fulfil their goals effectively. We put up posters, distribute brochures and inform our employees in training sessions, to indicate who

our employee representatives are and what they can support. Thanks to our awareness workshop conducted in 2019, all our staff are now more informed than ever about the topic. As part of our wish / complaint management policy, we expect them to apply their learning.





Training that informs our employees about safe working conditions and the rules we must comply with has an important place in our OHS system. For this reason all our employees, our customers, our drivers, and all visitors to our factory are given training explaining our occupational health and safety rules, and they are provided with all kinds of information about the subject via the information booklets we have created. In addition, our occupational health and safety rules, regulations to be followed and information on the use of personal protective equipment are displayed on our visually striking notice boards and on TV screens located in our factory area.

In the event of fire occurring within our factory, we have a total of 500 fire extinguishers, 3 fire trucks, 5 Rotfire vehicles and 58 fire response equipment cabinets. Emergency drills are held at least once a year to ensure that our employees are prepared for all emergencies, and we carry these out with the participation of our first aid and emergency team members and employees. After training, 142 employees are now involved in the first assistant team and 107 employees oversee the emergency team.

We map the risks in very high, high, important, possible and low categories using the Fine-Kinney method with the participation of our workplace doctor, employee representatives, general manager and occupational safety specialists. As an output of these studies, we work monthly and annually on the development of OHS culture, raising operational discipline and increasing OHS competence in the long term. In the risk assessment carried out in 2019, a total of 795 determinations - 219 Medium risk (yellow), 32 High risk (red) - have been identified and our preventive studies are continuing.

Of the 194 decisions taken at the OHS Committee, which meets monthly, studies on 167 decisions have been completed and there are still ongoing actions for 27 decision items.





2 min.

GRI

403-2

Within our factory, we manage our Occupational Health and Safety works within the scope of ISO 45001 and manage and ensure its traceability. The ISO 45001 OHS Management System operates in conjunction with Integrated Management Systems.

Some of the work we carried out in 2019 in Occupational Health and Safety is given below:

- Risk assessment
- Emergency plan
- Biological analysis
- Occupational Health and Safety training
- Working at height training
- Orientation training
- Basic first aid training
- Work hygiene training (for staff in catering)
- Vocational training - VQA training in "Dangerous and Very Dangerous Works"
- Emergency education
- Emergency evacuation and exercise
- Information training on OHS to employees who have had work accidents
- Technical controls (crane, forklift, compressor, hydrophore, elevator, air tanks)
- Lightning protection (Lightning Rod) control and reporting
- Grounding measurement of electric installations and reporting
- Electric Internal Facilities Inspection and Inspection Compliance Certificate
- Machine protection grounding measurement and reporting
- Control and maintenance of fire extinguishers
- Identification and hanging of health and safety signs
- Indoor measurements
- Field control (working environment, machinery - equipment control, PPE)
- Informing the employees (instruction, booklet, brochure)
- Work accident analysis
- OHS Board meeting

#### *Accident Information*

	2018	2019
Accident Frequency Rate	8.55	9.16
Accident Weight Rate	0.13	0.08
Total Number of Accidents	142 With day-loss: 31 people Without day-loss: 111 people	115 With day-loss: 37 people Without day-loss: 78 people

#### *OHS Training*

	2019, hours	Number of people	hour/person
Blue-Collar	14 714.5	2 702	5.45
White-Collar	3 020	550	5.49
TOTAL	17 734.5	3 252	5.45





# Corporate Social Responsibility

“Corporate Social Responsibility” is not a requirement for Uğur Cooling, it is a way of behaviour that we integrate throughout our entire company; that is, it is responsibility, not necessity. With this in mind, we endeavour to create an empathy for the future of our country and our planet and to spread this empathy to as many as possible.

At Uğur Cooling, with our corporate social responsibility ‘hats’ on, we regularly and continuously support various social sharing projects in the fields of environment, education and health. We work diligently to fulfil our responsibilities to our employees and their families, to customers, dealers, universities, non-governmental organizations and other stakeholders.

We extend our environmental awareness beyond production processes and into wider society. In addition to the projects we realize in a corporate sense, we also support projects created by students that will contribute to raising environmentally-conscious generations. We

contribute to the increase of green areas in our country by encouraging other institutions through the Uğur Memorial Forest Project we have created.

At Uğur Cooling, we have to date supported many local and cultural projects. Together with Turkey’s leading telecommunications company we run the “We Lift Barriers in Communication” project to make life easier for disabled citizens, and we provide easier access to our call centre for our speech-hearing-impaired citizens.

We also consider the demands and needs of our region as priority, and respond to many new requests every year. In our region and in Turkey in general, we have to date supported many projects in the field of education. As Uğur Cooling, we are among the leading companies in our region, especially in projects focused on education and employment. We have worked with vocational high schools and universities, on innovation, renewable energy and R&D. We continue to support Turkey’s elite universities in projects of importance and relevance to work study.





2 min.

GRI

413-1

In the field of health, we are working with non-governmental organizations, and sincerely support projects at every opportunity. Our staff give voluntary blood donations at certain times. We ensure that they are informed about the dangers of smoking and similar health issues.



We share the enthusiasm experienced in festivals held all over the country. We brought many surprise gifts, ice cream and discount coupons to Uğur's fans at the festivals organized in cooperation with Alem FM in Istanbul, Erzurum, Kayseri, Samsun and Antalya.

Another festival we enthusiastically supported was Pastart İzmir. In the festival hosted by the Turkish Restaurateur and Pastry Federation, Uğur Cooling was the company that attracted the greatest interest with its industrial products that offered solutions to both domestic issues and to other industrial companies participating in the festival.





We use all kinds of resources that the world offers us, but we use them diligently and efficiently as a reflection of our respect for the environment, humanity, future generations and ourselves, and we attach importance to providing recycling in our company in the most effective way.

As Uğur Cooling, we promote changes in consumption habits with creative and innovative advertising and social media projects. Thanks to our work to date, we have managed to receive many different awards.

In Kristal Elma (Crystal Apple), which is one of the most prestigious organizations in Turkey, we received:

- the “Bronze Apple” award in 2019 for radio spot adverts that we prepared explaining the use of water fountains,

- the “Crystal Apple” award in the category of “Regional Competition-Press-Durable Consumption” with our creative advertising series with the slogan “No deterioration afterwards” and “Silver Apple” award in the “Regional Competition

- Single Channel Campaign” category in 2018.

We also received the Silver award in the Technology Manufacturers category of the 2018 Data Analytics Awards in the Social Media Awards Turkey event, which evaluated the performance of brands on social media.



At Uğur Cooling, we try to be visionary, pioneering and an example to society in all areas we support, and we progress by contributing to the national economy and employment with our investments. We also hold great store by the projects we support to create sustainable effects in our corporate social responsibility projects, to generate permanent benefits.

Some other Social Projects:

- Seed Pen Project
- Memorial Forest
- Lemon Cypress in Nazilli
- Plant Sapling Festival





As an organization that has adopted sustainability, we seek to find what we can do to help solve problems that have a global impact. In this context, as Uğur Cooling, we focus on what can be done on the issues specified in the United Nations Sustainable Development Goals (SDGs) and help our country achieve these goals. In this report, we reveal our contributions to UN SDGs and how we respond to these problems in a realistic and concrete manner.



# Sustainable Development Goals



## SDG 5: GENDER EQUALITY: Achieve gender equality and empower all women and girls

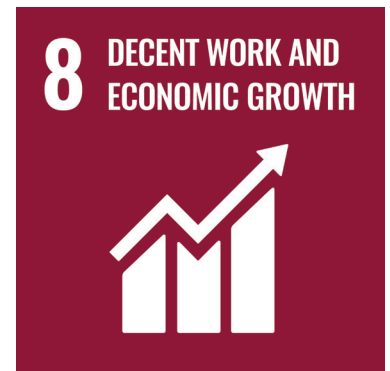
We are aware that ensuring gender equality in employment has a key role in having a successful operational process. At Uğur Cooling, we support women to increase their business activity, to benefit from equal pay policy and to have a say in decision-making mechanisms. Being aware of the quality of the work women do, we strive to increase their number in executive positions and to provide access to technology for them in all areas. Furthermore, we do not allow any kind of pressure, violence, inequality or discrimination against women and we expect every employee in our company to conform to this view.

## SDG 8: DECENT WORK & ECONOMIC GROWTH: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

We are aware that our employees are the most important factor in making us who we are. In this context, our priority is to provide a safe working environment for them and to strictly apply all required occupational health and safety practices. In addition, we do not discriminate against our employees in terms of age, gender, physical disability, religion, language, race, economic status, political view and other factors, and we take care to ensure their access to equal conditions. We believe that it is important for young people and people with physical disabilities to actively participate in business life and we strive to increase the level of employment of such people. Furthermore, we adopt the policy of “Equal pay for equal work” and we oppose discrimination in all cases. On the other hand, taking into account today’s developing technology, we are aware that we have a duty to support our employees to increase their knowledge and experience in all matters, to receive the necessary training and to keep up with the developing world.

## SDG 12: RESPONSIBLE CONSUMPTION & PRODUCTION: Ensure sustainable consumption and production patterns

At Uğur Cooling, mindful of our responsibility towards future generations, we have decided that reducing our environmental impact is fundamental to our corporate strategy. When we consider the extent of the environmental problems the world is facing, we decided that an effective way to start would be to measure our environmental impact. In the light of the product LCA studies we have carried out, we have started to act in terms of studies that can be done to reduce our carbon footprint. Thanks to these results, we manage all our operational processes more transparently and revise our production processes after determining the areas where our impact is intense. In addition, we take care to minimise our process wastes, give importance to sustainable procurement and try to be a pioneer and to support our stakeholders.





# **Environmental Impact Glossary**

#### Resource Depletion (Abiotic Depletion):

Resource depletion is one of the impact categories expressing depletion of natural resources (petroleum, iron ore, etc.) in the application of Life Cycle Assessment. It has global, regional and local aspects of impact, and expresses the quantity of minerals and of fossil fuels used. In Life Cycle Assessment, resource depletion is expressed in terms of the equivalent weight of antimony (kg Sb).

#### Acidification:

Acidification is an impact category expressing the toxic impact that substances causing acid formation have on the land, underground water, above-ground water, organisms, ecosystems and materials. Reaction of acidic gases with the water in the atmosphere brings about the phenomenon called 'acid rain'. One of the effects of acid rain is to cause reduction in biodiversity. Life Cycle Assessment, acidification is expressed in terms of the equivalent weight of sulphur dioxide (kg SO<sub>2</sub>).

#### Eutrophication/Nutrification (Eutrophication):

Eutrophication is an impact category expressing the impacts caused by the increase of macro-nutrients formed due to the excessive emission of nutrients to the air, water and soil. Though the existence of such nutrients as nitrate and phosphate is of great importance to the continuity of life in the ecosystem, their existence in high concentration causes excessive growth of algae ('algal bloom') in wetland areas which causes depletion of the oxygen in the water. This is leading to damage to the ecosystem. In Life Cycle Assessment, nutrification is expressed in terms of the equivalent weight of phosphate (kg PO<sub>4</sub><sup>3-</sup>).

#### Global Warming:

Global warming is a concept expressing warming of the atmosphere due to climate change. One of the human-related activities causing most global warming is combustion of fossil fuels such as petroleum, coal and natural gas. In Life Cycle Assessment, global warming is expressed in terms of the equivalent weight of carbon dioxide (kg CO<sub>2</sub>).

#### Ozone Layer Depletion:

Ozone layer depletion is a concept expressing the reduction of the amount of ozone (O<sub>3</sub>) in the stratosphere and the depletion of the ozone layer (the ozone hole) due to emissions of human-related resources (CFC, HCFC, chlorine, bromine, etc.). Hosing of the ozone layer is causing carcinogenic impact on humans, animals

and plants. In Life Cycle Assessment, ozone layer depletion is expressed in terms of the equivalent weight of chlorofluorocarbon-11 (kg CFC-11).

#### Photochemical Oxidation:

Photochemical oxidation is the formation of substances that damage human health and ecosystems, and of reagents (mostly ozone) that can damage products. In Life Cycle Assessment, photochemical oxidation is expressed in terms of the equivalent weight of ethene (kg C<sub>2</sub>H<sub>4</sub>).

#### UI1: Non-renewable Materials Intensity:

Non-renewable resources, as the definition indicates, are limited. The supply of some resources, such as iron, silver and copper, is high relative to production; however, some other metals and minerals, such as rhodium, platinum and manganese, are considered critical due to high risks of maintaining supply or a high impact on the economy if the supply were reduced. While most non-renewable materials end up as part of the product itself, in some cases they can also occur as waste, so it is important to account for non-renewable materials at the input stage. This indicator shows the amount of non-renewable material per kilogram of product. While all raw materials used for the manufacturing of the products are included in the evaluation, water and fuels are not included in this indicator as they are accounted for in other indicators. In order to reduce total consumption, it is important to follow this indicator to ensure that the intensity decreases sufficiently. Reducing consumption of the raw materials that contribute to the intensity (e.g. reducing the amounts sent to scrap, replacing them with renewable materials (such as bioplastics) or redesigning the product to use less material) should be taken into consideration in future planning.

#### UI2: Restricted Substances Intensity:

This indicator shows the amount of restricted substance used in the production process. The calculations include the chemicals such as paints and insulation materials (polyols) used in the products and the usage amounts of various refrigerant gases.

#### UI3: Recycled/Reused Content:

Increasing the recycled and reused content of the raw materials used in the product will reduce the amount of new raw material required. Recycling a material (whether renewable or non-renewable) is more efficient

than producing it from scratch using raw materials. This indicator considers all material inputs, except fuel and water used for production processes at the factory. In the calculation made, the rate of recycling in the steel used in the products was accepted as 10%. Materials that are recycled and reused within the facility are excluded.

#### UO1: Water Intensity:

Although water is renewable on a global scale, local water shortages and quality issues are common. If the water used for industrial processes is not returned to the same body of water in its original quantity and quality, it may cause the rivers and lakes to be depleted and the groundwater level to drop. Water is not always consumed in production processes, but is also often used for cooling, heating or washing. Therefore, the indicator calculates the intensity of the total water intake of the facility, including the production process.

#### UO2: Energy Intensity:

Energy production can lead to depletion of non-renewable resources (including fossil fuels and uranium), as well as greenhouse gas emissions. While the energy intensity of the production processes in the world improves continuously, production volumes increase even more rapidly, which leads to a constantly increasing energy consumption. In this indicator, energy intensity is calculated for production processes and general on-site consumption. Only electricity and natural gas consumption are included in the scope of the indicator here.

#### UO3: Renewable Proportion of Energy:

Using renewable energy such as hydroelectricity, solar and wind energy is an important way to reduce the demand for non-renewable resources such as fossil fuels. In general, renewable energy sources have a lower carbon content than fossil fuels and therefore contribute less to climate change. This indicator is based on the electrical energy composition in Turkey.

#### UO4: Greenhouse Gas Intensity:

Greenhouse gases (GHGs) are substances

that contribute to global warming, and contain many compounds such as carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrogen dioxide (N<sub>2</sub>O), sulphur hexafluoride (SF<sub>6</sub>), perfluorocarbons (PFCs) and hydrofluorocarbons (HFCs). This indicator represents the factory's greenhouse gas 'density', including production processes and plant operation (energy-related emissions, employee commute, product transport). In this context, the calculation of the indicator is based on the sum of Scope 1, Scope 2 and Scope 3 emissions obtained as a result of the LCA study.

#### UO5: Residuals Intensity:

Ideally, a production facility should function like a closed-loop ecosystem where nothing is wasted, and all outputs enter another production process. Waste generated represents a cost incurred for the company and often has negative environmental impacts. The indicator indicates the amount of hazardous and non-hazardous wastes arising from the production processes in each kilogram of product. A detailed evaluation of the data used in this indicator will show which processes are most intense in terms of waste. It is possible to reduce waste intensity through methods such as changing materials or fuels, reusing materials and components instead of recycling them outside the facility, and reducing spillage and emissions with better maintenance of equipment.

#### UP1: Product Recycled/Reused Content:

This indicator represents the average content of the recycled, reused or remanufactured materials in all products produced for a year. Although this indicator tracks the materials consumed during the production phase, the need for these materials is determined by the product design. Using a greater quantity of recycled and/or reused material in the product will reduce the demand for new raw materials. The effect of recycled and/or reused materials on the quality of the product is not measured. In some cases, increasing the recycled and/or reused content will increase the marketability of the products which can then be sold at a higher price.



#### UP2: Product Recyclability:

Ideally, a product should be designed to be recycled, reusable, remanufactured, composted or biologically degraded to reduce the demand for non-renewable resources and to keep products away from the waste stream. This indicator measures the average recyclability of the mixture of all products produced in the factory within one year. Note that the fact that a product is recyclable does not always mean it is recycled.

#### UP3: Product Renewable Material Content:

This indicator measures the renewable material content (i.e. from plants and animals) of all products produced at the factory in one year. It is calculated by dividing the total weight of the renewable materials used in the products by the total weight of the products. Although there are few opportunities to include bio-based materials in some products, replacing non-renewable materials with renewable ones will improve the sustainability of the production process.

#### UP4: Non-renewable Materials Intensity Over Product Lifetime:

Extending the life of products containing non-renewable materials will reduce the amount of non-renewable materials that must be produced and converted. It will also help to reduce the amount of energy and waste spent on producing new products. This indicator represents the total quantity of non-renewable resource in the products produced for one year per projected product life. This study considers the product life to be 10 years.

#### UP5: Product Restricted Substances Content:

Many products contain substances that, on release, cause harmful effects to people or the environment. Reducing or eliminating the amount of restricted substances in the products will enable the product to have a lower environmental impact during use and at the end of its useful life. This indicator measures the proportion of restricted substances in all products produced at the factory over one year and is usually a very small percentage. The restricted substances

in the study include dyes, insulation materials (polyols) and cooling gases used in products.

#### UP6: Product Energy Consumption Intensity:

The energy consumed by some products, especially electronic devices, during their use is generally much higher than the energy used in the extraction and processing of raw materials used in their production or production. This indicator measures the annual energy consumption of products manufactured over a year. It compares the “energy footprint” of the factory with that of the products’ use.

#### UP7: Intensity of greenhouse gas emissions from products:

Total GHGs formed as a result of the production and use of a product can be concentrated in one or more of the various stages of its life cycle such as raw materials supply, production, transportation or use. To reduce the total amount of GHG emitted, it is important to concentrate the studies on the stage with the greatest emissions. This indicator measures the annual GHG generated by all products produced over a year, from the supply of raw materials to the final transporting of the product. In the indicator, the calculation is based on the results of the LCA study conducted.



# **GRI Standards Index**

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102-50	About Report	-	-
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102-52	About Report	-	-
102-53	ugur@ugur.com.tr	-	-
102-54	About Report	-	-
102-55	About Report	-	-
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## SPECIAL STANDARD STATEMENTS

Primary Element	GRI Indicator	Reported Department	Explanations	External Audit
<b>CATEGORY : ECONOMIC</b>				
Economic Performance	201-1	Message from the Top Management	Net figures were not stated herein because we are not a publicly quoted company	-
<b>CATEGORY: ENVIRONMENT</b>				
			-	-
Energy	302-1	Studies of Energy Efficiency	-	-
	302-4	Studies of Energy Efficiency	-	-
Water	303-1	Our Wastes	-	-
Emissions	305-1	Climate Change	-	-
	305-2	Climate Change	-	-
	305-3	Climate Change	-	-
	305-4	Climate Change	-	-
	305-5, 305-6	Climate Change	-	-
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	306-2	Wastes	-	-
	307-1	Wastes	-	-
	308-2	Wastes	-	-
<b>CATEGORY: SOCIAL</b>				
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Occupational Health and Safety	403-2	Occupational Health and Safety	-	-
	403-3	Occupational Health and Safety	-	-
Training and Education	404-1	Training and Education	-	-
	404-2	Training and Education	-	-
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Child Workers	408-1	Respect to Human	-	-
Labeling the Products and Services	102-2, 102-43, 102-44		-	-



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