

2021-2022

Sustainability Report

 **UGUR**
Enjoy Cool Quality

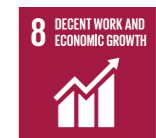


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Corporate Sustainability

About the Report

Uğur Cooling is the leader in its sector in terms of production capacity with its experience gained from its deep-rooted history of more than half a century. Spread over approximately 146 countries on 5 continents; it has become one of the leading solution partners as the main supplier of local and global companies in the refrigeration sector with its products such as **freezers, coolers, bottle coolers, market cabinets, display cabinets, ice cream machines,** and **storage cabinets** in terms of product variety and with its concept studies tailored to customers.

Its main headquarters are in Istanbul, and its production factory is located in Nazilli. Within the production factory, there is a Central Factory and an OIZ Factory in an active production and warehouse area of 400.000 m², offering more than 900 product types with nearly 1000 sales points, nearly 250 Uğur authorized service centers, and more than 2,000 employees.

Uğur Cooling aims to improve the quality of life of every person whose life it touches and stakeholder cooperation on a global scale with its products and services while not neglecting to protect natural resources.

As the **“Uğur of Türkiye”** the Company published its environmental, social, and governance performance for the first time in its 2019 sustainability report. Within the scope of this sustainability report, which is the second one, the information specified in the GRI content index covers the activities between January 1, 2021, and December 31, 2022. It is planned to continue the reporting annually in this context.

Unless otherwise stated, the report covers the activities of Uğur Cooling’s headquarters and production factory. It includes Uğur Cooling’s customer relations, supply and value chain, sustainability approach, stakeholder relations, sense of responsibility, human rights, environmental and social responsibility studies, economic view, and environmental management.

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

In addition, its institutional perspective on sustainability is presented holistically. The company, which strengthens Türkiye by working together, has always prioritized sustainable growth and value creation while laying the foundations of its business.

The Company is subject to independent financial audits within the scope of its size. In particular, data such as financial accounts and annual revenue statements are verified for accuracy. At Uğur Cooling, transactions are carried out with external assurance providers based on independence and confidentiality principles. Senior management participates in all kinds of audit activities and continues supporting third-party audits and oversight with their leadership role.

At Uğur Cooling, which has become stronger with its changing and developing organizational structure, the activities and strategic issues are periodically examined and prepared for the decision of the board of directors through the executive board, which the members of the board of directors take part in.



You can contact sustainability@ugur.com for all your questions and opinions on the report, sustainability approach, and other issues. Uğur Cooling is pleased to receive your feedback and comments.

Messages from Senior Management

Message from the Chair

Dear Stakeholder,

As Uğur Cooling, we are proud to be the local market leader and one of the world's most significant exporters in the freezer and cooler industries. With 70 years of experience, we provide our consumers and stakeholders in 146 countries across 5 continents with the highest quality service for our industry-leading products. In the next ten years, our objective is to maintain our leading position in Türkiye and become one of the best commercial refrigeration companies in the globe.

We are very happy and honored to present the "Uğur Cooling 2021-2022 Sustainability Report", which covers our activities for the years 2021-2022 and is prepared in accordance with the Global Reporting Initiative (GRI) Standard, to you, our stakeholders.

We envision a future where we contribute to the circular economy by positioning sustainability at the center of all our company operations. Our corporate strategy is based on technological innovation, environmentally favorable production, and sustainability.

We manage the social, economic, and environmental consequences of our operations in accordance with international standards. Under our Sustainability Committee, the "Environmental, Social Management, R&D, "Customer and Sales Management," "Business Development," and "Corporate Governance" working groups adopt a comprehensive approach to sustainability. In accordance with Environmental and Energy Management System regulations, we strive for a net-zero carbon footprint by 2050 by minimizing operational emissions and reducing resource consumption.

Regarding the Sustainable Development Goals, we have developed a "Social Compliance Framework" in collaboration with representatives from the disciplines of education, environment, human and employee rights, ethics, and social issues. We conduct numerous social responsibility projects in our nation, considering environmental and social sustainability, local growth, and social benefits. As a signatory to

the United Nations Global Compact, we are committed to protecting universal human rights and the rights of all our stakeholders through our adherence to the 10 Principles of sustainability and social responsibility. In order to best adapt to the Industry 4.0 transition, we develop innovative and environmentally friendly technologies in our R&D Center and production units. We contribute to low-carbon future goals by reducing the carbon footprint of our operations using renewable energy and sustainable materials.

We align our business processes and strategy with local and international standards to best protect the rights of our most valuable stakeholders, our employees. With our Occupational Health and Safety (OHS) standards and initiatives to increase employee satisfaction, we find it invaluable to offer our employees the best workplace experience.

With our 2021-2022 report, we have the opportunity to share the corporate sustainability efforts that we have been

working on for years with you, our valuable stakeholders. We adopt the vision of being a pioneer in the sector globally by continuing our activities within the framework of the social, environmental, and economic dimensions of sustainability. By developing innovative, circular, and environmentally friendly technologies, we aim to carry our national and international brand image forward and to achieve exemplary achievements in the sector.

I would like to extend my sincere thanks to all our stakeholders, customers, business partners, and especially our employees, who are the biggest supporters of Uğur Cooling's success, for accompanying us in this process, sharing our vision, and being a partner in this success. Our determination to create a sustainable future is increasing day by day with your contributions.

Kindest regards,

Talip TAKMAKLI



Messages from Senior Management

Message from the Vice Chair

Dear Stakeholders,

We are delighted to present our sustainability report for the years 2021 and 2022 as Uğur Cooling. In the past year, we have taken significant strides towards sustainability, and we are excited to share this development with you.

In the company, we have adopted the principle of providing exceptional service to our customers by producing at the highest quality. We consider continuous development and learning to be the foundation of our culture to maintain and sustain our leadership, which we have achieved by making a difference in every field in which we are active and to achieve our objectives.

By embracing the ever-increasing competition in our market, we strive to become not only the market leader in Türkiye but also one of the foremost commercial refrigeration manufacturers on the global market. We want to crown our success in the industry, which we have achieved by focusing on customer and employee contentment by implementing innovative regulations and practices in sustainability.

Sustainability is vital for the world of today and tomorrow. We know that achieving long-term success, creating value, and benefiting our stakeholders is not possible without adopting a sustainable perspective. Neglecting any aspect of sustainability, which requires a comprehensive approach with its environmental, economic, and social dimensions, poses a great risk for the transition from a linear to a circular economy. Therefore, as a responsible organization, it is critical that we embrace sustainability in all our business activities, including sustainable production practices, ethical sourcing, and supply chain sustainability.

We care about the transformation to Industry 4.0, which is also crucial for the transition to a circular economy. To swiftly organize our operations in this direction, we develop and implement innovative and environmentally friendly technologies that we believe will benefit the planet, our company, and our supply chain.

We incorporate a sustainable approach into all of our production processes through our projects to reduce our energy consumption, which we carry out under the leadership of

our R&D and Production units, which develop projects to reduce our emissions as well as new and efficient technologies.

As Uğur Cooling, we know that success is measured not only as an economic value but also through our environmental and social impacts, and we act accordingly. By harmonizing our corporate strategies and practices with local and global standards, we strengthen our “Happy Employee Strong Uğur” corporate approach, which we have been developing and maintaining in the past. Our employees are our most valuable stakeholders, and with the Corporate Social Responsibility Policy we have put into effect for their satisfaction, we also clearly demonstrate our stance against discrimination and social improprieties.

We are also happy to contribute to the prioritization of social sustainability in the sector by investing in social responsibility projects in line with the Sustainable Development Goals that provide social and economic benefits through our communication with our internal and external stakeholders.

As a company that is one of the pioneers of its sector and aims to become a global leader, Uğur Cooling has taken it upon itself to engage in activities that support sustainable development. As our activities, achievements, and goals show, we are committed to creating a more livable world for today and future generations by adopting sustainability in all its dimensions.

I would like to state that you, as Uğur Cooling’s most valuable stakeholders, are primarily responsible for these achievements and ongoing commitments. Together with our customers, employees, suppliers, and business partners, we want to create a better world for future generations. We believe that by working together, we can achieve the most change and progress. Thank you for the support and trust you have placed in us throughout this journey. We are honored and excited to be on this journey toward a sustainable future with you.

Kindest regards,

Murat TAKMAKLI

Uğur Cooling in 2021 and 2022

2021

2022

The only company with a Class A product with a volume of 400 L regarding the energy labeling of Commercial Coolers in Türkiye and European Union countries.

2nd place in the “Air Conditioning” category and 3rd place in the “Electrical-Electronics” category among the exporter companies in the Aegean Region in 2021.

In 2022, among the exporter companies in the Aegean Region, it is one of the companies that realized the highest exports in the “Air Conditioning and Electrical and Electronics” category.

In 2022, it won first place as the “Most Technological Brand” in the refrigeration sector in Tech Brands Türkiye, organized in cooperation with NielsenIQ Türkiye and Pazarlamasyon.

A new generation of “Ucool Vertical Type Coolers” with low energy consumption was.

Largest commercial refrigerant manufacturer in the Europe, Middle East, and Africa regions in terms of production capacity.

Nearly 1000 dealers and 250 authorized services nationwide.

More than 1,000 sales points.

Actions on setting SBTi targets and becoming a signatory to the UN Global Compact.

Continuity of 11 ISO management system certificates.

Acquisition of Zero Waste Certificate integrated into the Zero Waste Management System.

Carbon footprint reduction studies within the scope of compliance with international principles.

About Uğur Cooling



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.



Our Corporate Values

Honesty

- Social Responsibility
- Trust
- Environmental Awareness
- Respect
- Quality
- Focus
- Susceptibility
- Qualification
- Innovative Approach
- Stability



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.

About Uğur Cooling

History

Aydın, Nazilli

18 April
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 were also started.

1965

* Participated in 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.

1975

* The products were exhibited for the first time.

1976

* The first newspaper advertisement for an ice cream machine is placed.

1982

* The first television commercial about the ice cream machine was aired.

1984

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

1985

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

1986

* By restructuring and changing the title, production activities continued under the name of "Uğur Cooling Machines Industry and Trade Inc."

* Dealerships started to be given throughout Türkiye, and the dealership system was started. Türkiye's first deep freezer was produced.

1987

* Production of the ice cream storage cabinets was started.

2009

* A joint project with Pepsi was started, and for the first time in Türkiye, bottle coolers were produced that saved energy up to 51%.

2008

* The license and production line of the Danish company Frigor were purchased.

2006

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

2001

* ISO 9001 Quality Management System was started to be implemented.

1994

* Production of the first ice cream display units was started.

1991

* The first dealers meeting was held in Kuşadası.

* Production of vertical bottle cooler cabinets started.

1990

* The license agreement with the Danish company Derby has been terminated.

2010

* With the inception of the machinery category for the first time, the "Top Exporting Companies of the Year" award was received from the Aegean Exporters' Associations.

* For the first time in Türkiye, the environmentally friendly, energy-saving A++ Deep Freezer was introduced to the market by Uğur Cooling.

2011

* Uğur Cooling received the "Top Exporting Companies of the Year" award for the 2nd time, which is also regarded to reflect "continuity in quality."

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

* Market cabinets were included in our product range and started to compete with imported market cabinets.

2012

* ISO 4001 Environmental Management System Certificate was obtained.

* Microwaves and air conditioners were also added to the product range.

2013

* Participated in the Turquality Brand Support program. As a result of the investments made in the Nazilli Organized Industrial Zone, the activities 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 category of "New Market - Market Diversity."

* It was also entitled to an award thanks to the Nyssa Project, which was completed with the support of the TEYDEB Program carried out by TÜBİTAK.

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

2014

* ISO 27001 Information Security Certificate was obtained.

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

* OHSAS 18001 Occupational Health and Safety Certificate was obtained.

2015

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

* Uğur Cooling's corporate website was deemed worthy of first place as a result of the public vote among the projects determined by the expert jury.

* 3 awards were received at the Air Conditioning Sector Successful Exporters award ceremony.

* The Company was included among Türkiye's "134 Super Brands" determined by Nielsen's evaluations.

About Uğur Cooling

History



2018

- * The **'Best Consumer Durables'** advertising award was received at the 15th Red Press Best Advertising Awards with the "No deterioration afterward" campaign, and the **silver award was received in the Technology Manufacturers Category** at the Social Media Awards 2018.
- * **ISO 45001** 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-aligned Sustainability Report** has been published.
- * **R&D Center** certificate was earned.

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.

2017

- * After the audit carried out by the 3rd party audit and certification body, **Uğur Cooling became the first company 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.



2016

- * **ISO 31000** Risk Management System, **ISO 20000-1** Information Technology Service Management, **ISO 28000** Supply Chain Security, and **ISO 22301** Societal Security - Business Continuity Management System certificates were obtained.
- * **The Silver Apple Award** was received at the 28th Crystal Apple Festival organized by the Association of Advertisers.
- * Became one of Brand Finance's **"Türkiye's Most Valuable 100 Brands"** in 2016 and was **ranked 70th**.
- * **The Respect for Human Award** was won. R&D Center certificate was obtained.

2021

- * **All products were produced in accordance with the new energy regulation**.
- * **Sedex SMETA 4-Pillar Social Compliance Audit** was successfully completed.
- * Became among the few Turkish companies that put its name on the **SBTi**.



2022

- * It 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 members of the Aegean Exporters' Associations, it became one of the companies that realized **the highest exports in the Air Conditioning and Electrical/Electronic sectors**.
- * It continued to be one of the companies that realized the highest exports in the Air Conditioning and Electrical/Electronic sectors among **EİB** members.
- * New generation **"Ucool Vertical Type Coolers"** with low energy consumption were produced.
- * **Zero Waste Certificate** was obtained as an indicator of environmental sensitivity.

About Uğur Cooling

Uğur Cooling at a Glance

Operating since 1954, Uğur Cooling is today the largest commercial refrigeration manufacturer in Europe, the Middle East, and Africa in terms of production capacity.

As a primary supplier to national and international businesses operating in the carbonated and still beverage, ice cream, frozen food, and supermarket sectors, Uğur Cooling is a partner in various climate, environmental, and energy policy initiatives of these businesses.

The company has become a generic brand in Türkiye with the name "UĞUR" in deep freezers and has been engraved in memories. Based on both consumer preference and sales network, the Uğur Cooling brand has maintained its leading position in deep freezers across Türkiye for many years. Offering products to the end user with nearly 1,000 dealers and more than 1,000 sales points throughout the country, Uğur Cooling keeps customer satisfaction among its leading values with nearly 250 authorized services.

Uğur Cooling has an extensive product portfolio and provides production and sales services for both commercial and domestic products. Uğur Cooling offers bottle refrigerators, supermarket cabinets, ice cream cabinets, super freezers, storage cabinets, commercial water dispensers, ice cream dispensers, ice machines, ice cream machines, cake dispensers, ice cream barrels, and sorbet machines among its commercial-grade products. In addition, Uğur Cooling manufactures horizontal/vertical deep freezers, refrigerators, freezers/coolers, air conditioners, microwaves, furnaces, hoods, cookers, water purifiers, and water dispensers.

The concept of sustainability has an important place in Uğur Cooling's business model and management style. For this reason, the company has placed sustainability in its successful production and sales strategy. In this context, Uğur Cooling has achieved various successes under the climate concept, especially in the Aegean region, while developing its sustainability policy day by day.

Memberships



more than **1000**
sales points

nearly **1000**
dealers

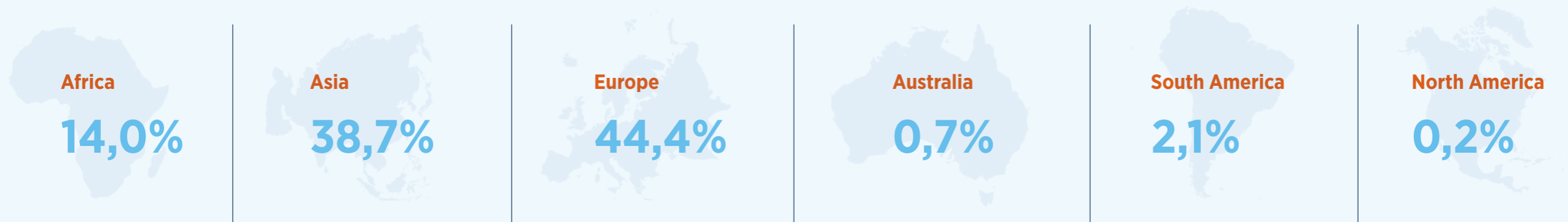
nearly **250**
authorized services

A generic brand
in Türkiye
with the name
"UĞUR"

Uğur Cooling at a Glance



2021-2022 Sales Volume Ratios by Region



Our Sustainability Approach

Uğur Cooling prioritizes protecting and improving its strong reputation while providing transparent and fair service to its customers and business partners. While ensuring this, it treats all its stakeholders honestly and sincerely. Uğur Cooling is aware of the importance of human rights, recognizes that they are universal, and carries out its activities with an understanding that respects the rights of all its stakeholders.

Sustainability Governance

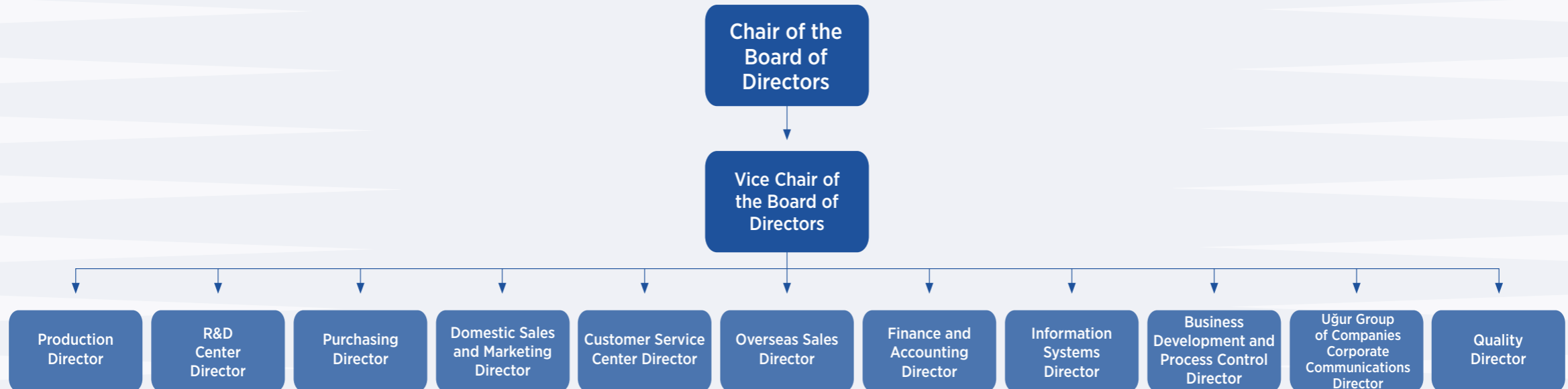
At Uğur Cooling, the Chair and the Vice Chair of the Board of Directors play key roles in establishing the organization's sustainable business model, responsible corporate culture, long-term objectives in relation to the economy, the environment, and society, as well as its vision and mission.

At regular board meetings and recurrent meetings with managers, managers carry out their leadership duties by providing information flow on these matters and serving as an approval process in the event of any adjustments. The relevant personnel and senior managers of each department within Uğur Cooling are informed about regular or

extraordinary meetings, including regular meetings, periodic director and Management Review meetings, sustainability reporting work, compliance monitoring of targets, EcoVadis assessment work, compliance monitoring of targets and Integrated Management Systems requirement meetings. In addition, all meeting outcomes are routinely reported to senior management.

The strategies adopted by the company in its factories are implemented in line with the commitments in its policies while at the same time being integrated with all business processes.

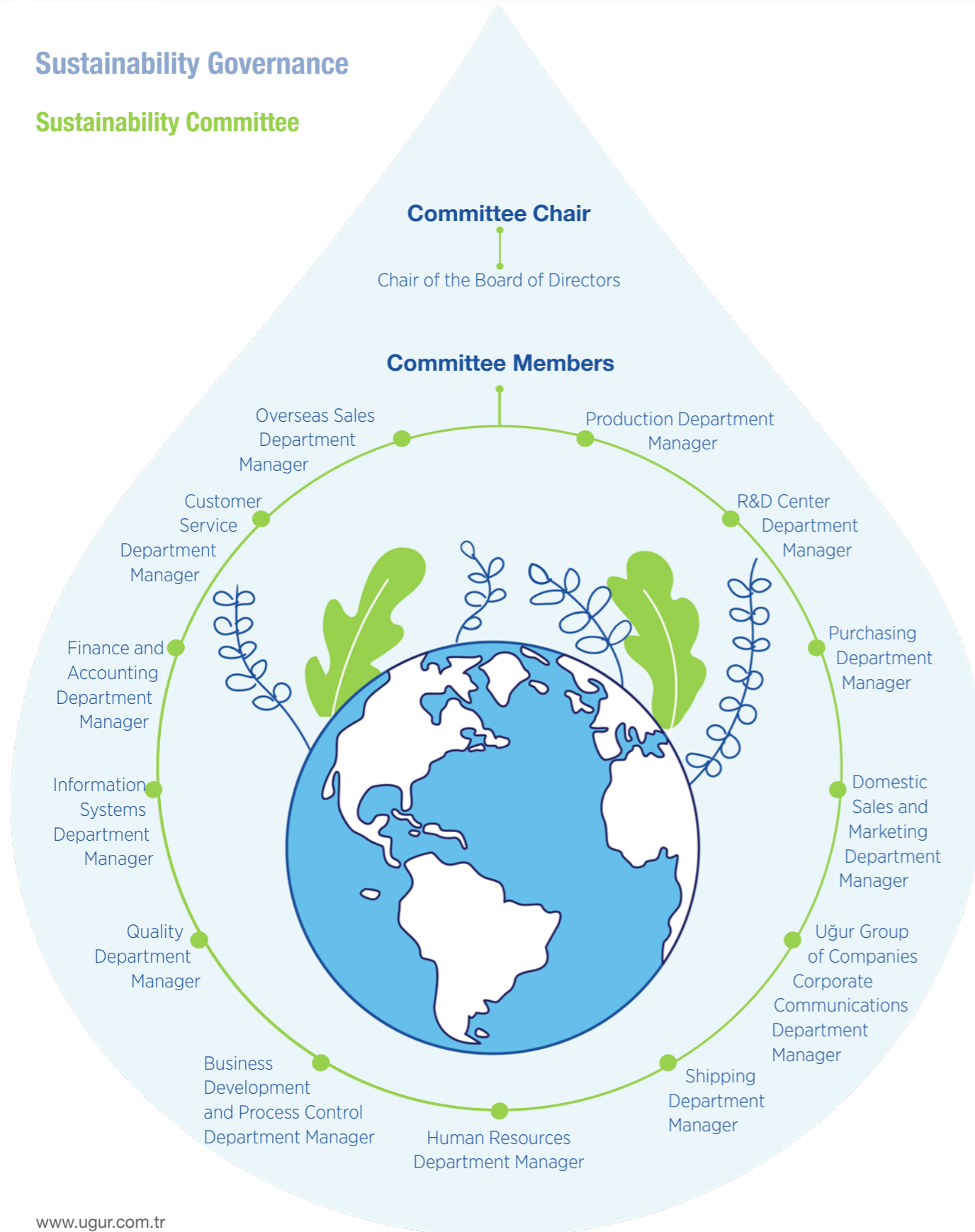
General Organization Chart



As indicated in the General Organization Chart, the top management perspective is provided by the Chair and the Vice Chair of the Board of Directors. There are 11 directors of different departments reporting to the Senior Management. The employees and senior management persons in the organization chart also have a say in the structure of the sustainability committee.

Sustainability Governance

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 then conveyed to the Chair and Vice Chair of the Board of Directors.

Four different working groups, namely "Environmental, Social Management, and R&D," "Customer

and Sales Management," "Business Development," and "Corporate Governance," have been established to carry out and develop the work of the Sustainability Committee. These working groups consist of subcommittees with sufficient sustainability knowledge and expertise in their respective fields.

The Committee meets at least twice a year while working groups meet quarterly and when meetings are required.

- * **Environmental, Social Management, and R&D**
- * **Customer and Sales Management**
- * **Business Development**
- * **Corporate Governance**

Sustainability Governance

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

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

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

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

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

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

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

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

To demonstrate an **honest and impartial approach** to organizational activities without hindering the union rights of our employees,



Sustainability Governance

Sustainability Policy

To make **equal opportunity** recruitments that do not include any gender, language, religion, race, political and similar discrimination among employees,

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

To adopt to ensure the effective and up-to-date implementation of the **Integrated Management System** in which stakeholders are regularly involved.

Our Sustainability Approach

Our Sustainability Actions

Uğur Cooling

engages in activities to

integrate its sustainability initiatives

with international practices and standards while continuously enhancing them.



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. The company won the Bronze medal for its sustainability performance in 2022 and aims to attain the Silver level the following year.



UN 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.

Our Sustainability Approach

Sustainability Risk and Opportunity Analysis

One of the most significant challenges that businesses need to consider is climate change, which is an unavoidable agenda. It has a significant impact on the manufacturing industry as well, and Uğur Cooling prioritizes adaptation by implementing sustainable principles, taking into consideration the crisis and climate change's primary concerns, and identifying environmental, social, and governance (ESG) risks and possibilities.

Aiming to produce value in a sustainable way, Uğur Cooling acts with the awareness of developing a strategy according to sustainability policies, risks, and opportunities. It examines its current situation with **SWOT analysis** and takes action to manage its financial, environmental, and social risks and see its opportunities through the **Risk Management and Evaluation Procedure** it has written. While moving in this direction, it creates a risk/opportunity assessment table with the data received from the relevant departments within the company to evaluate the risks it may encounter and the opportunities that may arise afterward.

It creates a risk assessment table to understand the potential environmental impacts of these risks, to score their probabilities and risks, and to offer suggestions for improvement, and an opportunity assessment table for the examination of opportunities, positive impact, probability score, and activity plan review.

In accordance with the procedure, the Environmental Management Board acts based on the findings of the environmental dimension and impact assessment. Teams specified in the procedure manage identified hazards during the process.

Each department's authorized representative participates in the creation of Risk/Opportunity assessment tables. The risk assessment team assigns grades and tabulates the recorded hazards.

A minimum of once a year has been determined as the frequency of risk assessment meetings to reflect the current situation.

It is planned in conjunction with department supervisors or process owners as part of the Corporate Risk Management process, and process owners score the risk based on its sensitivity value. **ISRAM** (Information Security Risk Analysis Method), **5*5 Matrix Diagram**, and **Fine-Kinney Risk Analysis** are the three risk assessment methodologies utilized in Uğur Cooling's business processes. In the business process processes of Uğur Cooling, risks in Information Security issues are evaluated using ISRAM, an internationally recognized method, whereas process-based risks are analyzed using the 5*5 Matrix Diagram. In addition, evaluation processes for OHS-related risks are conducted using the Fine-Kinney Risk Analysis Methodology.

* In addition to process-based risks, there are also corporate risks, and Uğur Cooling analyzes them under three main headings:

1. Financial

2. Operational

3. Strategic

* The risks identified by administrators can be responded to in four different ways.

Acceptable

Transferable

Controllable

Risks can be avoided

Taking a sustainable approach to risk management processes, Uğur develops strategies and acts by addressing the root cause. Senior management plays a major role in risk prioritization.

Our Sustainability Approach

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 severity

Identifying
opportunities
based on the rated
risks

Risk monitoring
with periodic
reports

Documentation
of the automation
process

With the establishment of risk management awareness, Uğur Cooling is now able to anticipate how these risks will develop over time, from which perspectives opportunities will be examined, and how they will interact with one another.

Creating opportunities for a sustainable Uğur through these risks has become one of the company's main objectives.

This method is highly effective for making wiser decisions by developing an innovative and anticipatory outlook.

Emission reduction targets are applied in sectoral studies that cause high carbon

emissions and carry serious risks both financially and environmentally. The predictions from Uğur Cooling also consider the **2053 net zero aim**, which also takes Türkiye into account.

It has been crucial to quantify and prioritize risks and opportunities along the way as we move forward with this projection. As a company that adds value to Türkiye, Uğur ensures that it complies with local and global forward-looking regulations and remains current, anticipating that these regulations will include carbon-related restrictions and basing its strategies for sustainable growth on this trajectory.

The issues related to the raw material supply of Uğur Cooling, which also cooperates internationally, which is interrupted due to external risks, are also within the scope of the company's risks. Excessive dependence on oil and gas has been an agenda that has hit the production sector, a sector whose dangers can be felt too much and which every company operating globally must keep in perspective, especially in recent times.

It is of utmost importance for Uğur that sustainable resource utilization is seen and addressed as an opportunity. Any company that uses renewable energy,

even partially, will be less affected by fluctuations in non-renewable (fossil fuel-based) energy prices and will be able to be more flexible in its production processes.

The pandemic and subsequent social compliance risks/opportunities, which were processed and rated by the company in accordance with the criteria outlined in the risk assessment procedure, could also disrupt production and be considered an issue.

Our Sustainability Approach

Sustainability Risk and Opportunity Analysis

Governance/Financial

The Board of Directors/Management Committee reviews and monitors actions related to climate risks and opportunities. Identification of the Company's risks and opportunities identified in the short, medium, and long term.

Risks

Increasing costs for high-carbon activities, thereby discouraging the opening of factories in new locations or spending on upgrades to existing factories. Concerns raised about Legislation and Obligations.

Opportunities

Compliance with further international, regional, and/or national requirements to reduce the use of refrigerants with a high potential to increase global warming. Increased budgets, especially with these requirements in place for some refrigeration products.

Restrictions as a result of changes to the refrigerant regulation, including the phasing out or banning of different refrigerants.

Developing a strategy to eliminate legal insecurities and implementing state subsidies.

Threats arising from disruptions in corporate business processes, dynamically changing world agenda and trends.

Understanding the current situation by conducting a SWOT analysis and determining actions/targets.

Decreased demand for unsustainable products/services, loss of customers. Increased demand for energy-efficient, low-carbon products and services.

Opportunity for global beverage companies to expand their sustainable product range to reduce their carbon footprint and address rapidly rising energy costs.

Environmental

Changing seasonal balances due to climate change, the inefficiency of resources as a result of an imbalance in precipitation fractions, and increasing temperatures globally.

Riskler

Water scarcity may occur due to the climate crisis. In regions with limited water supply, water stress can lead to increased supply costs.

Opportunities

Developing projects that encourage the efficient use of water (Closed system wastewater management, recycling, and reuse of water, etc.)

Increasing prices of energy produced from fossil fuels as a result of resource depletion.

Develop low-cost renewable energy projects thanks to technological advances. Projects to increase energy efficiency and cold chain efficiency in company buildings.

Deterioration of current operations and destruction of property as a result of the effects of climate instability.

The physical risk and resilience of climate change can create investment opportunities. Investors may seek to "allocate capital in favor of companies that offer products and services that increase climate resilience and support adaptation planning."

Increased performance and energy consumption of freezer products due to global warming and the release of fluids that contribute to increased greenhouse gas emissions.

Options resulting from investing in research and development to find alternatives to refrigerants.

Social

Anticipated risks in terms of increased demand for energy-efficient, low-carbon products and services.

Riskler

Damage to its reputation as a provider of environmentally friendly technologies by its customers and investors if compliance requirements are not met.

Opportunities

Developing quality standards to meet customers' needs.

Increased expectations for responsible behavior from all stakeholders.

Opportunity to enhance reputation and brand value, manage stakeholder expectations, and increase public awareness of climate change.

Threats such as information security / cyber-attacks as a result of digitalization and developments in the field of the Internet of Things.

Since the ISO27001 Information Security Certificate has been obtained, it provides protection in the areas covered by this certificate. Providing new software developments/training opportunities with a successful IT application.

Damage to its reputation for providing environmentally friendly technologies by its customers and investors if compliance requirements are not met.

Providing global beverage companies with a range of sustainable products for reputation recovery.

Stakeholder Engagement



Any individual, group, or organization that is directly or indirectly impacted by Uğur Cooling’s activities, strategy, goals, or policies is considered a stakeholder.

Among the most crucial factors in choosing a stakeholder are their potential to influence Uğur Cooling’s policies, their level of impact, their spheres of influence, and their relationships with the company. The Company has adopted the fundamental principle of progressing in harmony with all stakeholders in its business processes, and the necessary structures for two-way and participatory stakeholder communication have been established by Uğur Cooling. Therefore, Uğur Cooling places a premium on establishing open channels of communication with stakeholders and encouraging their involvement in business and decision-making processes.

Stakeholder Analysis

The key stakeholder groups that Uğur Cooling takes into account have been mapped by the company. The company communicates at regular intervals by utilizing various technologies to meet the expectations, requests, and needs of its stakeholders. Within the framework of the **AA1000 Stakeholder Engagement Standard**, the methods and frequency of communication with our Company’s stakeholders have been determined. In this context, the participation of all stakeholders in our sustainability journey has been ensured.

Type	Related Parties	Expectations and Conditions of Related Parties	Communication Method	Communication Frequency
EXTERNAL	 Government, Regulatory Agencies, and Civic Organizations	Complete fulfillment of membership conditions	E-mail, Telephone, Face-to-face meetings, Audits, Regular reports, Meetings, Joint projects	Monthly, Annual
		Transparency of processes		
		Works carried out in accordance with laws and regulations.		
		Participation in activities		
		Supporting development		
		Transparency of processes		
		Ensuring compliance with laws and standards		



Stakeholder Engagement

Stakeholder Analysis

Type	Related Parties	Expectations and Conditions of Related Parties	Communication Method	Communication Frequency
EXTERNAL	 Customers	Social Media, Website, News		
		Compliance with contract/order obligations		
		Price policy		
		Product diversity		
		Compliance with legal regulations/standards		
		On-time and quality delivery	Meetings, trainings, fairs, and conferences, Product Labels and User Manuals, Face-to-Face Meetings, Audits, Email, Telephone, Web 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	Continuously
		Receiving safe and quality service		
		Competitive environment		
		Buy environmentally friendly products with low energy consumption		
		Product supply within the framework of legal regulations and standards		
Effective communication				
Ensuring quality product service				
Price policy				
Ensuring fast and effective communication (after-sales satisfaction, technical support, live support line)				



Stakeholder Engagement

Stakeholder Analysis

Type	Related Parties	Expectations and Conditions of Related Parties	Communication Method	Communication Frequency
EXTERNAL	 Suppliers	<ul style="list-style-type: none"> Supplier audits and portals Fair, transparent procurement Protection of information on suppliers Ensuring the safety of supplier company personnel within our factory site Compliance with contract/order obligations Making timely payments to institutions and organizations Long-term cooperation projection Price and payment terms Clear and complete notification of product orders and requests (specifications, etc.) 	<ul style="list-style-type: none"> One-on-one meetings, Online face-to-face meetings, Supplier portal, E-mail, Supplier audits 	<ul style="list-style-type: none"> Continuously
	 Competitors	<ul style="list-style-type: none"> Fair competition conditions No unfair competition 	<ul style="list-style-type: none"> Through fairs, Online interviews, Rating agencies, National and international projects 	<ul style="list-style-type: none"> Periodically


Stakeholder Engagement

Stakeholder Analysis

Type	Related Parties	Expectations and Conditions of Related Parties	Communication Method	Communication Frequency
EXTERNAL	 Community	<ul style="list-style-type: none"> Sensitivity to society and the environment Contact Reducing the physical security risks that Ugur 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 	<ul style="list-style-type: none"> Social responsibility projects, Social media, Stand set-up, Information exchange, Getting ideas for award competitions, social projects through radio channels 	<ul style="list-style-type: none"> Continuously
	 Distributors and Services	<ul style="list-style-type: none"> Ensuring compliance with contract and order terms Product supply within the framework of legal regulations and standards On-time and quality 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Continuously

Stakeholder Engagement

Stakeholder Analysis

Type	Related Parties	Expectations and Conditions of Related Parties	Communication Method	Communication Frequency
EXTERNAL	 Distributors and Services	<ul style="list-style-type: none"> Products conforming to 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 Pricing policy Ensuring fast, effective communication (after-sales satisfaction, technical support) 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Continuously



Stakeholder Engagement

Stakeholder Analysis

Type	Related Parties	Expectations and Conditions of Related Parties	Communication Method	Communication Frequency
INTERNAL	 Employees	<ul style="list-style-type: none"> 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 (COVID-19, etc.) Providing necessary information in case of epidemic disease (COVID-19, etc.) Providing a working environment in accordance with the measures to be taken in case of epidemics (COVID-19, etc.) 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Continuously


Stakeholder Engagement

Stakeholder Analysis

Type	Related Parties	Expectations and Conditions of Related Parties	Communication Method	Communication Frequency
INTERNAL	 Students and Interns	<ul style="list-style-type: none"> Service support Workplace safety Respect and tolerance Access to authorized documents Education 	<ul style="list-style-type: none"> Stands established at universities, Career days events, Project studies 	<ul style="list-style-type: none"> Continuously
	 Senior Management	<ul style="list-style-type: none"> High profitability High turnover Reputation protection Compliance with laws and regulations Return on investment Precision and flexibility of operations Fiscal stability Corporate Governance approach Efficient use and reduced consumption of energy and water resources Use of more energy-efficient products and practices Satisfactory throughput Providing new market and business opportunities 	<ul style="list-style-type: none"> General Assembly Meetings, Annual Reports, Board of Directors Meetings, Financial Performance Meetings 	<ul style="list-style-type: none"> Continuously

Stakeholder Engagement

Stakeholder Analysis

Type	Related Parties	Expectations and Conditions of Related Parties	Communication Method	Communication Frequency
EXTERNAL	 Senior Management	<ul style="list-style-type: none"> Ensuring risk-oriented, process-based management Carrying out precautionary work related to occupational accidents and occupational diseases in the factory Keeping work areas safe and sanitary Preventing pollution and damage to the environment due to company activities Effective and efficient use of natural resources Minimization of waste generation Disposal of waste generated Reducing carbon footprint Strong, sensitive, flexible, and fast production structure Taking the necessary measures to ensure the continuity of the products that need to be supplied in case of epidemics (COVID-19, etc.), planning the supply of PPE correctly Ensuring that employees act in accordance with mask, distance, and hygiene rules In the event of an epidemic (COVID-19, etc.), ensuring that employees are affected at the lowest level and ensuring the continuity of production 	<ul style="list-style-type: none"> General Assembly Meetings, Annual Reports, Board of Directors Meetings, Financial Performance Meetings 	<ul style="list-style-type: none"> Continuously

Stakeholder Engagement

Materiality Analysis

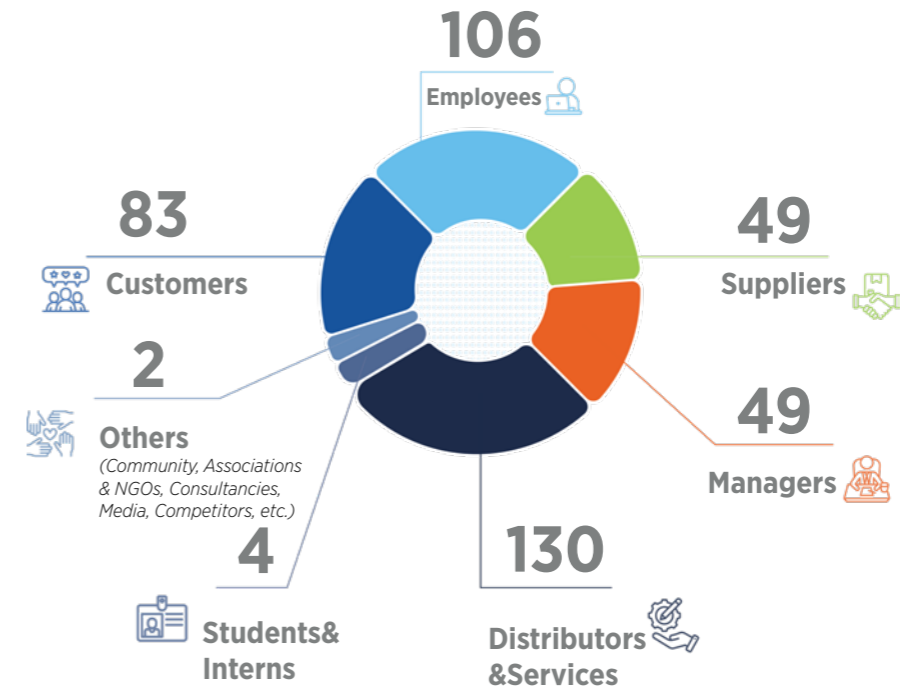
Included data for 2021-2022, the material issues evaluated within the scope of this sustainability report were determined by incorporating the perspectives of Uğur Cooling's stakeholders and senior management. As a consequence of an analysis addressing the issues that stand out in the white goods sector, a matrix of material issues was developed on a sectorial basis.

After a specific review of the issues mentioned in the sectoral global trends, the results that could be referenced to the identified material issues were also included in the analysis. In addition to sector trends, external references include general GRI standards, competitor analysis of other companies' views on relevant material issues, and authorities such as the World Economic Forum (WEF), Global Risks Report, and the SDGs.

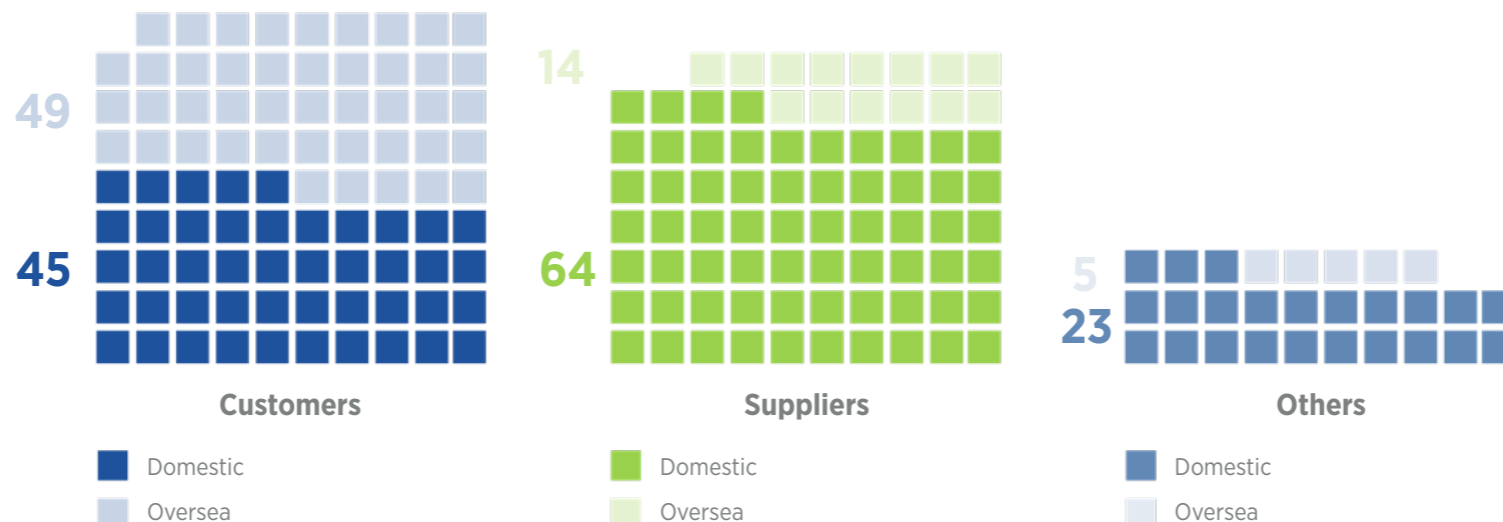
One of the most important issues in climate change and sustainability policy is the management of financial resources in order to take action in line with strategic decisions. Financial impacts were added to the materiality analysis to measure the impact of financial conditions on material issues.

Finally, using insights from SASB and MSCI materiality mapping, issues that are industry-specific and have external financial implications for Uğur Cooling were included in the analysis. By combining stakeholder insights, industry and global trends, SDGs, and financial impact insights, material issues were ranked as very high, high, and material issues and placed in the matrix.

Our Stakeholders Contributing to the Prioritization Study



Distribution of External Stakeholders Surveyed



Stakeholder Engagement

Materiality Analysis

Materiality Matrix and Material Issues

Uğur Cooling, which carries out its processes without ignoring the value that is given to the internal and external stakeholders, has carried out a survey within the framework of this report by adding the view of the top management.

During the survey process, a set of 18 questions on **18 key issues** was sent to stakeholders. Stakeholder prioritization of the issues was assessed on a scale of 1 (lowest) to 5 (highest). In the prioritization analysis, a consolidated and equally weighted average score was preferred to ensure equal representation of internal and external stakeholders.

According to the results of the survey, 7 out of the 18 priority issues were rated as very high priority. In addition to the 7 high-priority issues, there are also 9 priority issues. The **“Uğur Cooling Materiality Matrix”** was prepared with the feedback received from the surveys. This report, which deals with the work carried out in determining the material issues through an inclusive analysis method, aims to carry out studies on material issues that are not mentioned in the content and include them in the next report.

Uğur Cooling Materiality Matrix





02 A Sustainable Economy




A Sustainable Economy

Understanding the economic extent of sustainability and creating appropriate strategies are among the main objectives of Uğur Cooling.

For Uğur Cooling, **A Sustainable Economy** encompasses a range of subjects, from its business model and ethical values to responsible supply chain management and R&D activities. By maintaining and expanding its market diversity, the Company aims for the resilience and long-term success of its business.

Uğur Cooling's business ethics emphasizes the principles of honesty, transparency, and fairness in all business processes, and aims to create a sustainable and ethical business environment through responsible supply chain management. The Company considers its R&D activities as a critical area for continuous innovation and development and regards this issue as a part of economic sustainability.

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. Uğur Cooling is constantly striving for a sustainable economy and is pleased to share the results of this effort through sustainability reports.

 R&D Activities			
Objective	Increasing product diversity and alternatives	To increase sales volume by developing new products to meet customer demands and standards	Obtaining IPR (Intellectual and Industrial Property Rights) in developed products.
Target	To make new product industrial design	New product development (PDR-PVR)	To apply for patent, utility model, and design registration within the year
Targeted Value	10 units	10 units	5 patents-utility models
Strategy for Achieving the Target	Conducting competitor product analysis, Participating in fairs	Responding to customer demands from domestic and international sales representatives through the R&D Job Request form, Designing or improving new products in accordance with changing standards.	

A Sustainable Economy

Business Model and R&D Activities

Objective	To increase the level of confidence in laboratory practices by increasing the number of test methods with accreditation approval.	To check the conformity of the final products according to International Safety Standards and to certify this with approved third-party certificates
Target	Accreditation for standards for one domestic and one commercial model within the context of ISO 17025 Accreditation	Study of 12 products for the CB scheme and EMC report
Targeted Value	100%	100%
Strategy for Achieving the Target	To determine the test method to be accredited according to market and customer demands, to control its executability in laboratory processes	Checking the compliance of product designs with standards, searching for suppliers with safety certificates for alternative components

R&D Activities

Objective	To be able to present product information in line with updated standards	To use the knowledge and experience of the personnel more efficiently through the competency mapping process	Increasing staff competencies and ensuring continuous development
Target	Creating and using a file format with comparative test results for products tested in different configurations	Aiming to double the number of competent personnel within the context of accreditation	During 2023, at least 5 out-sourced and at least 5 in-sourced training should be planned and realized.
Targeted Value	100%	100%	100%
Strategy for Achieving the Target	Model analysis in accordance with current standards, Ensuring the transfer of updated information to the documentation section	Expanding the extent of accreditation and mapping the competencies of newly recruited personnel.	Analyzing personnel requests, submitting requests for approval, and requesting company research

A Sustainable Economy



Business Model

Objective	Meeting the standard requirements		No non-conformity detection in the activities carried out		Achieving Social Compliance Requirements		To meet Ecovadis criteria, To ensure customer requirements		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			
Target	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		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 Achieving 100% of the clauses specified in the activity plan in accordance with ISO 17025 Laboratory Accreditation Standard as targeted		To complete all audits with zero major and minor defects		Demonstrating 100% conformity with the compliance rules set out in the Social Compliance Guidelines and maintaining our success in factory audits		Improving our bronze status in our Ecovadis CSR Assessment to a superior segment		To carry out efforts to close 100% of the corrective actions opened in 2023		Keeping our transportation costs below fuel hikes and inflation differences	
Targeted Value	100%		100%		100%		100%		Gold		100%		*	
Strategy for Achieving the Target	Carrying out studies in accordance with the relevant standard clauses		To ensure that audit requirements are fully met		Carrying out activities in accordance with Social Compliance criteria		Fulfillment of the issues specified in the Ecovadis checklist topics		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		Making improvements			

A Sustainable Economy



Business Model and Responsible Supply Chain

Objective	Fast shipment on time
Target	To increase our delivery rate to 100% in 2023 within 15 days of order receipt.
Targeted Value	100%
Strategy for Achieving the Target	Increasing the frequency of reporting and control



Market Diversity and Business Model

Objective	Reducing procurement costs	Reducing procurement costs
Target	Keeping annual purchasing increases below the changes in the "TUIK Domestic Producer Price Index"	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.
Targeted Value	< 10%	100%
Strategy for Achieving the Target	Developing a proactive attitude by closely following market trends and economic developments and being open to supplier improvement/cost reduction suggestions	Developing a proactive attitude by closely following market trends and economic developments and being open to supplier improvement/cost reduction suggestions



Responsible Supply Chain

Objective	Measuring and evaluating supplier performances	To prevent supply shortages
Target	To ensure that the average success score of the Certified Supplier is 90 points and above.	Increasing the number of suppliers in different material and service groups
Targeted Value	100%	Min 3
Strategy for Achieving the Target	To ensure the continuity of improvements and developments by conducting supplier company audits and visits at appropriate times and conditions	Making the search for alternative companies effective and continuous through the Internet, e-mail, company visits, etc.



Market Diversity

The refrigeration/freezer sector is a wide, international industry with a significant impact on the global economy. In this context, it is of great importance to closely follow the developments and changes occurring on a global scale.

Uğur Cooling closely monitors all economic developments that may affect the sectors in which it operates. With its efforts in this field, the Company not only follows the changes and developments but also adopts a role that has a say and takes responsibility. The Company is seen as one of the pioneers of the sector with the relations it has established with its international stakeholders.

The percentage of the Company's international sales, which actively **exports to 146 countries** from many markets such as Europe, the Middle East, Africa, Asia, North America, and South America with its effective role in the sector, increased from 54% to 61% in 2022. Although the percentage of Uğur Cooling's sales from domestic and international channels varies according to the conditions over the years, there has been an increase every year.

Bottle coolers are at the forefront of the product groups that Uğur Cooling makes the most sales of.

Domestic and International Sales Ratio

Sales Channel Domestic

2020

58%

2021

46%

2022

39%

Sales Channel International

2020

42%

2021

54%

2022

61%



*Sales ratios given in the table above are expressed in numbers.

Market Diversity

Uğur Cooling, which is the choice of corporate companies like itself, makes sales to many nationally and internationally recognized companies. Unilever, Pepsi Cola, Coca-Cola Company, Natura Gıda, Migros, Nestle, Ülker, Eti, and Sütas stand out as some of these companies.

In addition to the sales of standard products, Uğur Cooling also carries out the sales of premium products to major brands. These brands include names such as Starbucks, Coca-Cola, Lipton, Pepsi, and Burn.

Uğur Cooling developed business relations with its stakeholders abroad and reinforced its corporate culture in four different international fairs it participated in during the reporting period.

The fairs Uğur Cooling participated in 2020, 2021, and 2022:

Brau Beviale - Germany

Drinktec - Germany

Gulfood - Dubai

Host - Italy



Business Model

Audit and Control Processes

Uğur Cooling has ISO-certified management systems that are universally recognized in many areas ranging from quality to the environment. Accordingly, the Company has adopted the mission of maintaining its continuity in business processes by constantly undergoing audits. In addition, Sedex audits have been carried out within Uğur Cooling since 2021 and reports are made accordingly. In this context, the Company fully meets the audit standards under four main headings: working conditions, health and safety, environment, and business ethics.

Uğur Cooling routinely ensures the automation of the operations required by the management system requirements via the QDMS System. 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.

By the end of 2022, the verification of more than **1600 devices** and the calibration of more than **400 devices** in **Uğur Cooling** were ensured.

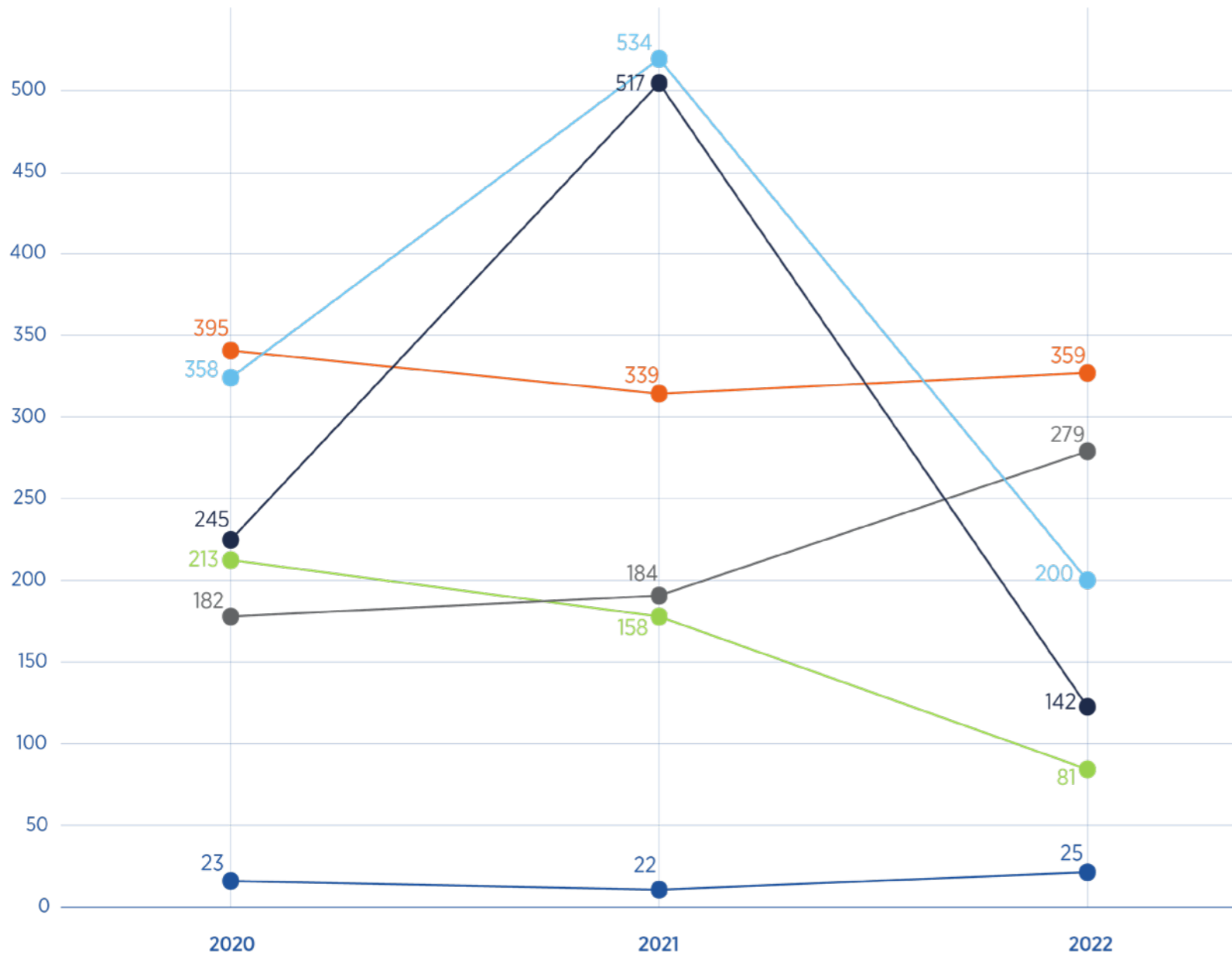
The **17 different external audits** carried out within Uğur Cooling in 2021 increased to 18 with the addition of the Controlled List audit in 2022. In addition to these, internal audits are carried out at specified periods within the Company, accompanied by competent chief auditors and internal auditors.

Topic	2020	2021	2022
Number of internal audits conducted	23	22	25
Number of external audits conducted	17	17	18
Disclosures 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) *Covid-19 Safe Production Audit *BSCI *Ecovadis *TCCC SGP WRP Social Audit *TSI (Turkish Standards Institution) Factory Production Control Audit *R&D Center Audit	*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) *Covid-19 Safe Production Audit *TCCC SGP WRP *Ecovadis *Sedex SMETA 4-Pillar * TSI (Turkish Standards Institution) Factory Production Control Audit *R&D Center Audit	*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) *Covid-19 Safe Production Audit * TCCC SGP WRP *Ecovadis *Sedex SMETA 4-Pillar * TSI (Turkish Standards Institution) Factory Production Control Audit *R&D Center Audit *Controlled List Audit

Business Model

Audit and Control Processes

Management Systems by Numbers



- Number of Newly Prepared Documents
- Number of Revised Documents
- Total Number of Documents
- Number of Corrective Actions Opened
- Number of Corrective Actions Closed
- Number of Internal Audits Conducted

Certified Management Systems

- ✱ Zero Waste Management System
- ✱ ISO 9001:2015 Quality Management System
- ✱ ISO 10002:2018 Customer Satisfaction Management System
- ✱ ISO 14001:2015 Environmental Management System
- ✱ ISO 17025:2017 Certified R&D Test Laboratory
- ✱ ISO 20000-1:2018 Information Technologies Service Management Systems
- ✱ ISO 22301:2019 Business Continuity Management System
- ✱ ISO 27001:2013 Information Security Management System
- ✱ ISO 28000:2022 Supply Chain Security Management System
- ✱ ISO 31000:2018 Risk Management System
- ✱ ISO 45001:2018 Occupational Health and Safety Management System
- ✱ ISO 50001:2018 Energy Management System

Business Model

Service Quality

The Company carries out its business processes in compliance with integrated management systems standards with its ISO 22301 Business Continuity Management System and ISO 9001 Quality Management System. 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 does not neglect to ensure the balance between employee and customer satisfaction

in its robust financial management strategy. In this context, Uğur Cooling continuously monitors and improves both internal and external operations management.

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.

The activities 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.



Business Model

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. Calibration procedures are carried out once a year on the devices within the Company. The calibration process is repeated after the device is maintained in case of malfunction and after the device is notified in case of a fall, etc. By processing the tracking of

the devices into the QDMS system, a plan is made with the reminder of the device whose time is approaching 30 days in advance. Uğur Cooling carries out calibration processes internally and externally, in two different ways. While the company continuously keeps a record of the devices subjected to calibration, the number of internal and external calibrated devices may vary over the years.

2020, 2021, and 2022 calibration studies with percentages;

Percentage of Devices Sent Out of Company



Percentage of Devices Made in Company



Business Model

Production Quality

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.

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.

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.

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.

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 participation of all department directors and executives, and communication between departments is reinforced by briefing the outputs. Uğur Cooling continuously improves its quality management with these practices and aims to guarantee customer satisfaction.

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.

Business Ethics

Business ethics refers to how all actions are carried out in a professional manner and how all business-related behaviors are controlled. In this context, Uğur Cooling has adopted the principle of creating a healthy working environment for all its stakeholders, especially its employees and business partners, by integrating corporate ethical values into the Company culture. The Company considers it a principle to operate in compliance with fair, transparent, honest, legal, and ethical principles on a local and international basis in the sector while pursuing its innovative activities.

Uğur Cooling, which aims to instill the culture and principles of ethical behavior in all its stakeholders, has primarily

informed its employees within this context and published the Uğur Cooling Code of Ethical Conduct and Implementation Guide, accessible to all its employees. In this context, all employees in the Company are aware of how Uğur Cooling ensures ethical management and what their role is. Uğur Cooling attaches importance to meeting the requirements of a responsible company through the guide, which also includes the principles of the Corporate Social Responsibility Policy. Uğur Cooling carries out its activities in accordance with all applicable laws, rules, and company policies within the framework of the Uğur Cooling Code of Ethics established by the Board of Directors and submitted to the General Assembly.

The Company's ethical principles basically consist of 7 components:



Fair Remuneration

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.

- * 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,
- * Continuation pay,

are among the social fringe benefits provided by Uğur Cooling to its employees.

Business Ethics

Data Security

For Uğur Cooling, the confidentiality of all stakeholders' data is one of the main elements that the Company pays attention to as part of its business ethics. The Company persistently upholds the practice of protecting the information obtained, which is also included in the Uğur Cooling Code of Ethics.

Uğur Cooling is committed to ensuring that all personal data processed by Uğur Cooling is processed in accordance with the Personal Data Protection Law. The Company's data protection approach covers various aspects of its business processes, including recruitment procedures and general data management practices. Uğur Cooling strives to maintain the highest standards of security and confidentiality throughout the Company.

The mission and purpose of the Company's Information Systems team is to mitigate risks and establish a global framework for business operations that are compliant with data security and privacy. The Information Systems Department helps train employees to handle the data responsibly and with keen accountability. The Information Systems team at Uğur Cooling also contributes to value creation for the development of digital business models.

Uğur Cooling executives, together with all its staff and units, manage all kinds of risks for business automation continuity and information assets. The Company's Information Security Policy integrated with ISO 27001 safeguards Uğur Cooling by ensuring compliance with international data privacy standards. In this context, the policy commits;



Establishing an Information Security Management System to meet the ISO 27001 Information Security Management System Standard, being supported by relevant policies and procedures, providing documentation, certification, review, and continuous improvement,



Complying with and ensuring compliance with laws and regulations related to information security, applying the necessary sanctions and disciplinary actions in case of violations,



Providing infrastructure and support by taking into account the principles of access management of information technology automation and services that ensure the functioning of corporate processes to maintain access management continuously and securely,



Managing risks that pose a threat to the confidentiality, integrity, and availability of information assets,



Conducting the necessary training to ensure responsibility, awareness, and consciousness of the policy.

Business Ethics

Data Security

Uğur Cooling, which has many international external stakeholders, pays attention to keeping international compliance limited to the Information Security Management System. In this respect, the Company is certified with **ISO 20000-1** Information Technology Service Management Systems within the context of the Information Technology Service Management Policy that it actively implements.




SERTİFİKA



UĞUR SOĞUTMA MAKİNALARI SANAYİ VE TİCARET A.Ş.
 Yeni Sanayi Mahallesi Devlet Kara Yolu Caddesi No: 127/C
 08300 Nazilli / Aydın
 Türkiye

İlavede belirtilen şirket birimleri ile birlikte

Şirketinin, aşağıda belirtilen geçerlilik alanında bir **Bilgi Teknolojileri Hizmet Yönetim Sistemleri**'ni yürürlüğe koyduğunu ve uygulamakta olduğunu teyit eder.

Geçerlilik Alanı:
 İmalat, ihracat, transit, gümrükten geçiş ve dış ticaret işlemlerini ve bu işlemlere ilişkin lojistik, depolama, muhasebe, finans ve bilgi işlem faaliyetlerinin bilgi v arkılan ile bu verilerin korumak amacıyla kullandığı güvenlik önlemleri.

Raporla belgelenmiş bir yönetim sistemi tetkiki sonunda, bu yönetim sisteminin aşağıda belirtilen teknik özelliklerinin şartlarını yerine getirdiği kanıtlanmıştır.

ISO 20000-1 : 2018

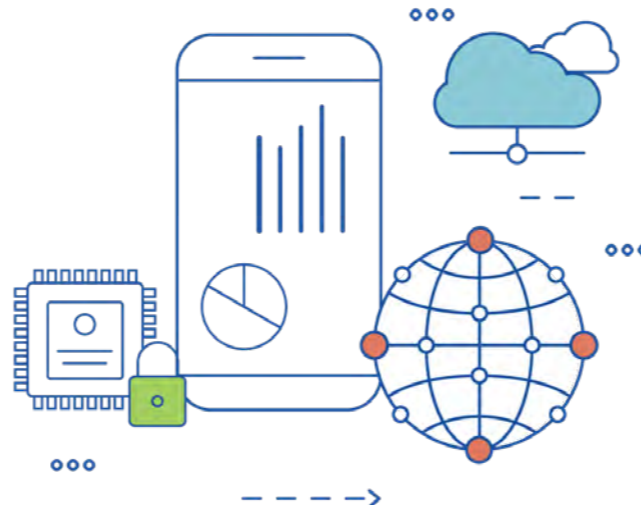
Sertifika kayıt No	31300525 ITMS18
Geçerliliğin başlama tarihi	2022-05-17
Geçerliliğin sona eriş tarihi	2025-05-16
Sertifikalandırmaya ilişkin kalite tetkiki	2022-05-17

DQS Denetim ve Belgelendirme Ltd. Şti.


 Erdem Çürümaz
 Şirket Müdürü

Adres: İtalye Ofisi: DQS Denetim ve Belgelendirme Ltd. Şti., 10 Mayıs Mah. Şişli Ercan Cad., Paşa Korusu Sitesi No: 19/1 Blok, 34730 Kadıköy – İstanbul / Türkiye

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Uğur Cooling, which forefronts customer satisfaction, has become one of the pioneering names of reliable cooperation in the sector, while constantly renewing itself through its effective policies. In order to maintain customer satisfaction at the highest level, the Company regularly monitors the performance of its information systems, takes measures if necessary, and undertakes software and hardware improvements.

Uğur Cooling has carried out numerous systematic and hardware investments during the reporting process, in addition to the targets within the context of information technologies that it has realized. In this regard, it has devoted significant effort to maintaining the quality of infrastructure by setting out continuous improvement activities.

Uğur Cooling sets itself new information technology targets every year while maintaining its continuous activities uninterruptedly.

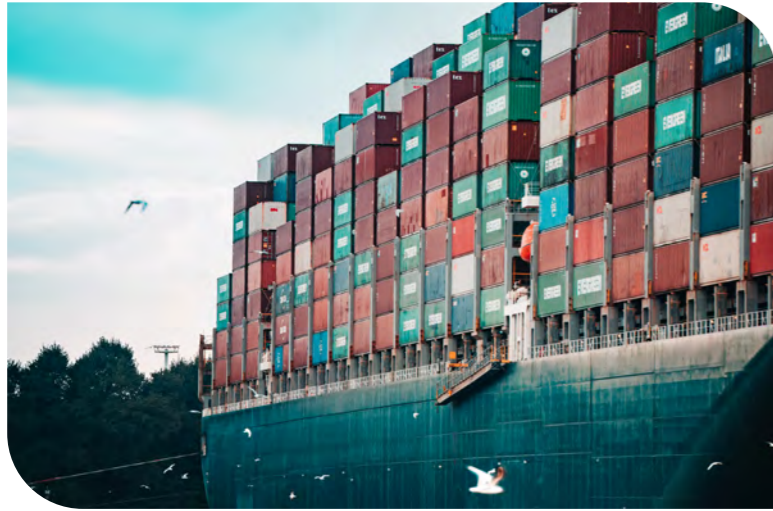
Responsible Supply Chain

Uğur Cooling adopts a responsible and sustainable business culture as its mission and seeks to see the same in the suppliers with whom it cooperates. For this reason, the Company is very meticulous in the selection of the suppliers it engages with. At Uğur Cooling, the purchasing department is responsible for the selection of suppliers.

Purchasing processes within the Company 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 purchases raw materials locally from suppliers located in many different cities across the country. In addition, the majority of the Company's purchases from international suppliers consist of countries in the European region or countries located in Asia and South America.

Uğur Cooling, which has cooperated with approximately **5500 different suppliers** until today, **actively works with over 1000 suppliers.** When evaluated on an amount basis, **35%** of its purchases are realized as **imports from abroad**, while **65%** is provided from the **domestic market.**

The suppliers that Uğur Cooling relies on its quality and has been cooperating with for a long period of time 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 a very crucial matter for the Company. 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

purchases raw materials from its suppliers for use in

commercial and domestic freezers and refrigerators.

The Company's annual production capacity and sales targets are taken into consideration during purchases.



Responsible Supply Chain

Uğur Cooling carries out a series of important activities on behalf of Responsible Supply Chain. Each of these activities has a wide range of impacts, from environmental sustainability to business efficiency. Here are some of these efforts:



Transition from Fossil Fuel Forklift to Electric Forklift:

The Company has switched to electric forklifts in order to reduce the use of fossil fuel forklifts and increase energy efficiency. This transition has saved energy and reduced the environmental footprint of operations significantly.



Digital Archiving and Paperless Operation:

Uğur Cooling digitalized its document management system to reduce paper consumption. In this way, the Company also pioneered the digital transformation process of the Revenue Administration and quickly switched to e-dispatch and e-invoice processes. As a result, the Company reduced paper consumption to zero and increased operational efficiency.



Digital Supplier Integrations:

The Company has established digital integrations with its suppliers, shortening lead times. This has increased the speed of order processing and accelerated overall business processes.



Synchronization of Business Processes with B2B-ERP Softwares:

Uğur Cooling has synchronized its sales, planning, production, and shipment processes with B2B-ERP software. Thereby, the Company has achieved a significant reduction in costs (freight, warehousing, and transportation in stock), by keeping stock quantities to a minimum.



Increasing Customer Satisfaction:

Adherence to plans in logistics operations has enabled the Company to keep customer satisfaction at a high level. These practices, which meet and exceed customer expectations, have further strengthened Uğur Cooling's market position in the sector.

These efforts reflect Uğur Cooling's principle of continuous development and **sustainability-oriented business approach.**

The Company has succeeded in both reducing costs and minimizing its environmental impact through these innovative approaches in supply chain management.

R&D Activities

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.

While evaluating new product and product development demands, the R&D Center ensures that the new raw materials and semi-finished products supplied are suitable for use in this field and that the new product meets the standards and customer demands.

In addition, taking into account the demands and feedback of customers, Uğur Cooling carries out corrective R&D activities through the R&D Center that meet the expectations of customers and minimize the margin of error. The Company carries out cooperative projects with various universities, Ege University in particular. **Uğur Cooling ranked 158th in the 2021 R&D 250 list in Türkiye with its R&D expenditures.**

All of the Company's product development actions are carried out in accordance with the Product Decision, Development, and Improvement Procedure within the Company. The relevant unit gives

directives to verify and control the product development process in accordance with the Product Development Procedure, the control of which is undertaken by the R&D Center Project Development team.

A total of 52 employees work in the R&D Center of Uğur Cooling, which carries out all R&D activities itself. Uğur Cooling has added increasing this number to 55 in 2023 among its targets. The Company's activities within this context are carried out at its R&D Center.

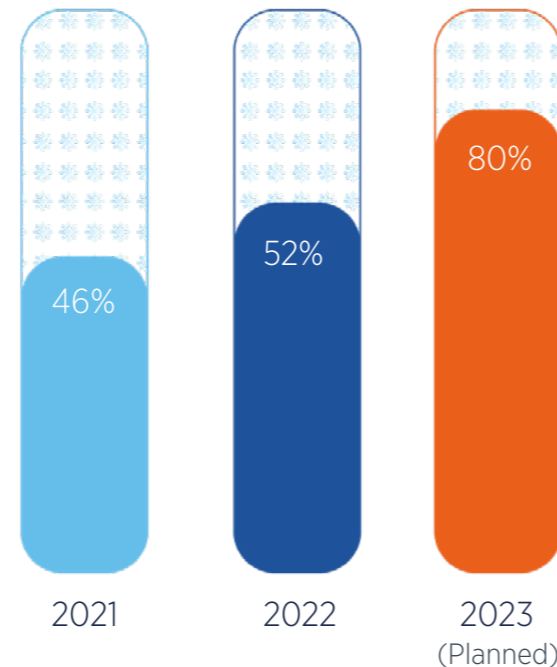
With a total area of 2,715 m², the R&D Center also carries out its activities integrated with international standards.

It follows European and Turkish energy label regulations with energy label designs prepared in line with EU 2019/2018, EU 2019/2016, and EU 2015/1094 energy label regulations. The studies and tests in the R&D Center Test Laboratory, which has **ISO 17025** certification, are implemented in accordance with the R&D Test Laboratory Policy integrated with this standard.

As part of this policy, Uğur Cooling does not tolerate any incidents that will cause violations of standards and legal requirements while ensuring customer satisfaction.

R&D expenditure increase rates compared to the previous year;

The Company regularly invests in this regard every year in order to improve its R&D activities and maintain its high standards. In this respect, Uğur Cooling increased its R&D expenditures by 46% in 2021 compared to the previous year, while in 2022 it achieved a 52% increase compared to 2021. It is aimed to produce environmentally friendly products that consume less energy and to increase customer satisfaction with quality production through these investments. In 2023, the Company aims to reach an 80% increase rate in R&D expenditures.



Listing the principles in line with the purpose of the policy, the company aims to;

- * To adhere to impartiality in all its activities and in the reporting of its test findings
- * To provide services focused on ensuring customer satisfaction at a level and quality that meets the requirements of ISO 17025 standard

R&D Activities

Uğur Cooling, which always ensures continuity in R&D activities, maintains its presence as an innovative and leading company in the sector. The Company introduced its new designs to the market in 2022.

R&D Projects

Bottle Coolers

Pastry Display Cases

Horizontal Supermarket Coolers/Freezers

Vertical Household Coolers/Freezers

Ice Cream Display Cabinet

Commercial Vertical Super Storage Cabinet

The Company prioritizes providing economic, environmental, or social benefits in all kinds of R&D activities. In this context, Uğur Cooling, which is aware of its responsibility towards nature, designs all its products in accordance with environmentally friendly refrigerants.

In addition, the Company has included solar panel product designs in its portfolio and is actively implementing them. In this way, Uğur Cooling has supported its attitude towards green transformation with its 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. Uğur Cooling carries out its activities within the context of economic criterion by designing common components in many products of different volumes as part of the new product family through stock costs, labor costs, and ease of assembly.

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.

R&D Activities

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.

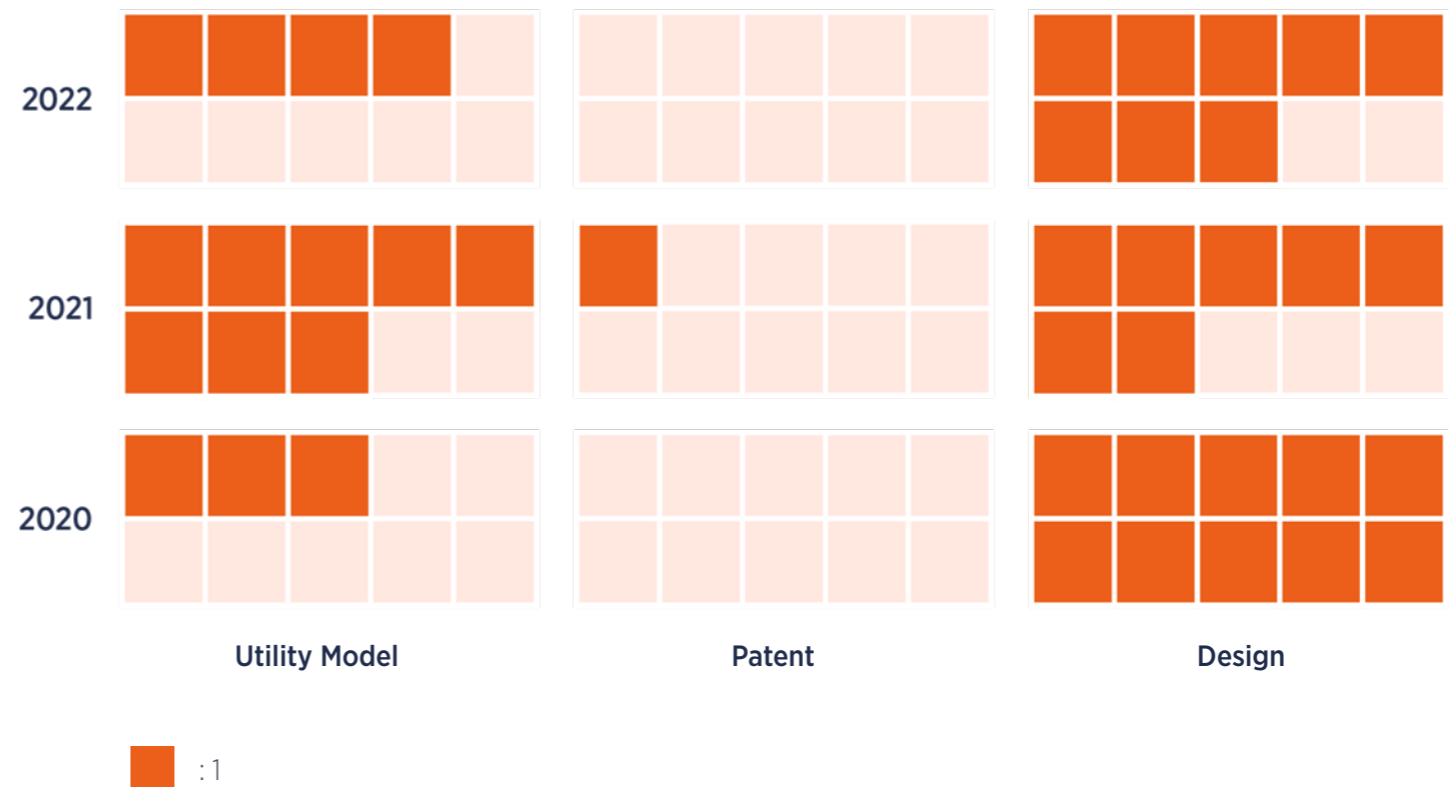


Product Safety

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. Uğur Cooling ensures customer confidence with the reports and certificates obtained by independent organizations according to the relevant standards for the products whose design is completed.

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 2019, the accreditation approval received with two test methods was increased to three with the request to expand the coverage in 2021 with the goal of continuous development. For 2023, it is aimed to increase the accreditation approval to five.



The Company has 1 patent, 12 utility models, and 15 design registration applications in 2021 and 2022. 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.



03 A Sustainable Society



A Sustainable Society

Uğur Cooling

determines its subtopics and objectives to contribute to a

“Sustainable Community”

environment and sets strategic goals to realize them.



Key topics for Uğur Cooling include



Uğur Cooling places significant emphasis on Occupational Health and Safety (OHS) measures, prioritizing the provision of a healthy and safe working environment for its employees. In the field of Employee Management and Development, the

Company supports a culture of continuous learning and development and maximizes the talents of its employees. Employee Satisfaction reflects the Company's corporate values and the morale and motivation of its employees.

For each of the topics defined, the Company 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. Uğur Cooling acts with the vision of creating a sustainable community and takes great pride in sharing the results of this effort through sustainability reports.



A Sustainable Society

Occupational Health and Safety

Objective	Target	Targeted Value	Strategy for Achieving the Target
Reducing the frequency of lost time injuries.	Reducing the frequency rate of lost time injuries by 25%	25%	Periodic maintenance of machinery and equipment by increasing Occupational Health and Safety training courses, providing on-the-job training to new employees. Monitoring the use of necessary personal protective equipment. Timely elimination of nonconformities identified as a result of technical control
Reducing the severity of lost time injuries.	Reducing the severity rate of lost time injuries by 25%	25%	
Prevention of accidents involving fatalities and loss of limbs	Ensuring that the accident rate with fatalities and loss of limbs is zero "0"	0	
Ensuring the completion of risk analysis and work environment audit findings.	Finalizing the findings for Moderate and Possible Risks for the central Factory	80%	Increasing the number of the technical management team (Mechanical and Electrical) to perform technical work, renewal of unsafe machinery and equipment, notification of corrective and preventive action notification (CAPA), regular mechanical maintenance and repair operations, and regularization of stacks.
	Completion of findings for the central factory on unacceptable risks and significant risks	90%	
Avoiding penal practices by complying with the sanctions of legal regulations	Fulfillment of legal regulatory obligations	100%	Fulfillment of the conditions required by the legislation by ensuring follow-up and informing the relevant units.
Increasing the number of reports of near-miss incidents	For the Central Factory, increasing this number for one year	at least 100 notifications	Allocating time for training and increasing the number of training programs, encouraging people to report near-misses with the support of Human Resources
To eliminate and minimize the risk of illness and occupational accidents by observing ergonomic conditions in the working environment.	Contributing to the creation of appropriate working conditions in the departments of 9 employees diagnosed with Cervical Disc Herniation and 19 employees with Lumbar Disc Herniation and minimizing the risk of illness and occupational accidents of employees working in departments where heavy loads are lifted	100%	Monitoring production and social living areas once a month, identifying and reporting deficiencies
Conducting health screenings to improve community health	In coordination with Nazilli District Health Directorate and KETEM; Ensuring that at least 50% of female employees between the ages of 30-65 (158 women) have smear screening throughout the year, 50% of 80 female employees over the age of 40 have mammography, at least 50% of 14 women over the age of 50 have at least 50% of fecal occult blood examination, at least 50% of 52 male employees over the age of 50 have at least 50% of fecal occult blood examination.	50%	Bringing employees to KETEM on the days determined by appointment in consultation with KETEM
	Planning internal and external training programs in order to raise awareness of employees about the harms of smoking and other addictive substances, ensuring that at least 50% of employees participate in these training programs throughout the year, sending information messages to all employees once a month, distributing brochures on the subject, hanging posters in cafeterias and social living areas	50%	Completion of training programs by occupational physicians, infirmary nurses, and physicians of the District Health Directorate
Conducting employee health follow-up and periodic examinations within the QDMS Program	Ensuring that all employees' health records are kept, and follow-ups are carried out 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

A Sustainable Society

Objective	Target	Targeted Value	Strategy for Achieving the Target
Employee Management and Development Providing development and information training through Employee Training Activities	Not below 4 points in Participant and Manager evaluation	100%	Receiving feedback from participants and managers through training evaluation questionnaires and training activity evaluation forms
	Increasing employee participation in training on Social Compliance and Ethics	25%	
	Increasing information security training for all white-collar employees	100%	
	Inclusion of all employees in Occupational Health and Safety training programs.	100%	Organizing training to increase the level of awareness among employees and distributing relevant information booklets
	Increasing employee participation in environmental and waste information training.	25%	
	Increasing employee participation in energy management and carbon footprint information training.	25%	
	Determining the average training hours per person to ensure that all employees receive professional and personal development training during the year	Average 5 hours per person	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 female employment within the parameters of the employee profile	Increasing the proportion of the total number of female employees	33%	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.
Increasing the number of employees with a vocational qualification certificate	Certification of 200 employees in this context	100%	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

A Sustainable Society

	Objective	Target	Targeted Value	Strategy for Achieving the Target
Employee Satisfaction	To provide a healthier and safer working environment by meeting the requests of the employees with Wishes, Complaints, and Suggestions	Resolution of wishes, complaints, and suggestions submitted by the personnel	100%	Evaluating and resolving the submitted wishes, complaints, and suggestions at the Ethics Committee meetings
	Completing employee requests	Completion of requests within 1 month for Blue-collar employees, 2 months for White-collar employees	100%	To follow up the requests through the Intranet system, to make job interviews, and to ensure that the appropriate candidate starts to work
	To increase employee loyalty and to ensure long-term employment of the employee	Reducing employee turnover rate	3%	Increasing employee loyalty by making improvements in working conditions and social rights
Customer Satisfaction	TSI Process	To ensure that the number of regional authorized services with TSE reaches TS 10079 targets	To increase the number of services with TSI to 100	To be in contact with the services that need to receive TSI and to inform them.
	Authorized Service Request Closure Process	Shut down total call closure performance within 48 hours	To ensure that it is 90%	To rise to a higher level by providing training and stock follow-up
	“Şikayet Var” Process	To maintain the leadership position in the Refrigeration Sector on the Şikayet Var platform.	Being the leader in the sector	To provide a fast response on the Şikayet Var platform and to find a solution
	The process of handling missed calls	Keep the rate of missed/fulfilled phones to a minimum	To ensure that it is 97%	Keeping phone call times shorter and systematically finding solutions and staff training
	Incoming Call Work Code Dialing Process	To ensure that the work code is dialed after the incoming call	Dialing the work code with 99%	Training and informing the staff
	Survey Process	Conducting next-day surveys of closed requests	Ensure that it is done at a rate of 60%	To make the necessary arrangements on the system for the survey

A Sustainable Society



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.

A team formed by various representatives within the framework of Social Compliance is available and in this organization;

There are 13 representatives under the Social Compliance Management Representative:

- * Training Representative
- * Environmental Representative,
- * OHS Representative,
- * Ethics Representative,
- * Supplier Representative,
- * Energy Manager,
- * Employer's Representative
- * Representative for Child Labor Prevention
- * Representative for Non-Discrimination,
- * Representative for Fair Remuneration
- * Representative for the Right to Organize,
- * Representative for Forced Labor Prevention
- * Representative for Recruitment and Employee Selection.

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.

Compliance with Human Rights

As a well-established and large-scale Company, Uğur Cooling regards its employees as an indispensable asset.

The Company maintains its approach that values Labor and Human Rights and ethical concepts without compromise with its holistic approach in business models and processes based on sustainable future strategies, which is at the heart of its corporate governance approach. In this respect, the Company enhances its social sustainability in terms of business ethics with its **“Code of Ethical Conduct and Implementation Procedure”**.

Uğur Cooling Inc.'s Human Resources (HR) policy adopts an employee-oriented approach and focuses on people at every stage. This approach, when evaluated from a sustainability perspective, constitutes an important basis for increasing the motivation of employees and supporting their productivity. The Company adopts the principle of non-discrimination in the recruitment process and placing the right candidate for the right job.

In addition, the Company's policies of not employing workers under the age of 18 and not using forced labor emphasize social sustainability and respect for human rights. The Company creates a participatory work environment and encourages transparent and reliable communication. This increases employee satisfaction and motivation and contributes to the formation of a sustainable workplace culture.

Uğur Cooling attaches importance to compliance with national and international laws and human rights standards. This ensures the sustainability of ethical and social responsibility practices in the workplace.

Uğur Cooling has implemented a comprehensive HR policy that aligns with sustainability principles. An approach that prioritizes the well-being of its employees and promotes diversity, equality, fairness, and continuous development is crucial for fostering sustainable success for the Company and its employees.

Through its **“Corporate Social Responsibility Policy,”** the Company protects its employees' fundamental rights and freedoms, particularly on human rights. This action includes upholding their dignity and individuality, prohibiting any form of verbal, physical, or psychological harassment, and taking immediate action when such incidents are observed.

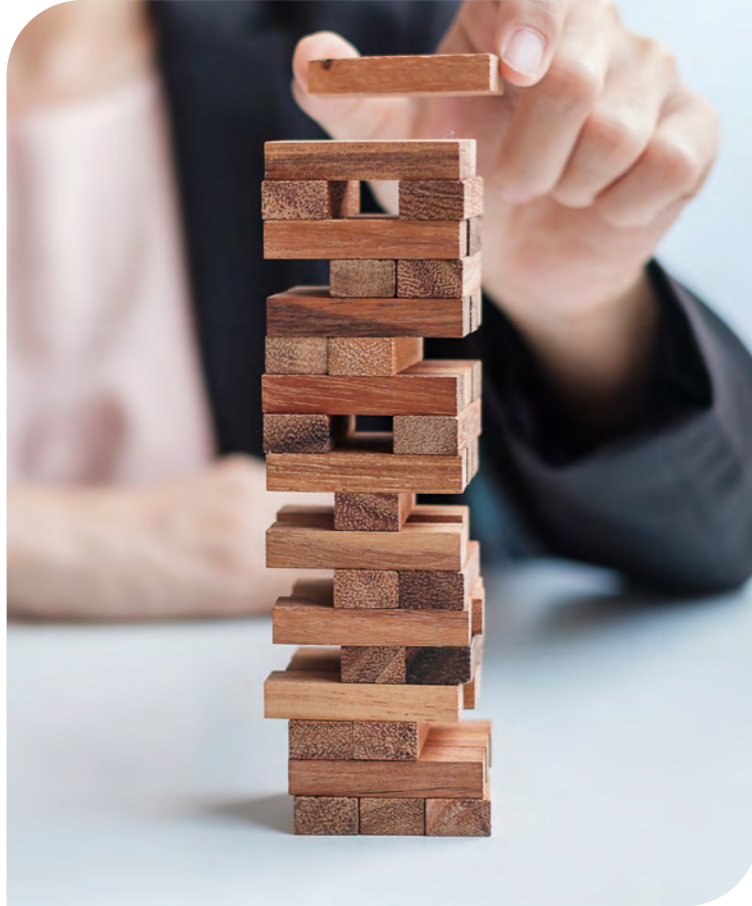
In addition to all employees, all kinds of personal information are protected and kept confidential without any discrimination by ensuring that all rights of the subcontractors from whom the Company receives services are fully and correctly used. Discrimination is against the workplace rules, and the Company has the right to penalize those who violate this rule, which may lead to the termination of the employment contract. Through the Human Resources communication line, employees can report their complaints about discrimination directly to the Human Resources department. The sustainability of practices such as determining business ethics principles, policies, behavioral patterns, etc. are carried out by the Ethics Committee.

The Company's ethical policies are categorized under four main headings in the Code of Ethical Conduct and Implementation Guide:

- 01 | Use of Company Resources
- 02 | Relations
- 03 | Obligations to the Company
- 04 | General and Special Rules



Compliance with Human Rights



Under “Responsibilities to Employees,” the Company has made it clear that it will treat all employees equally and fairly, value their rights and freedoms, and give them a healthy and safe place to work.

The Company has established an Ethics Committee to encourage compliance with ethical behavior principles and to prevent possible violations. This Board 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 Inc. also provides channels through which its employees and the public can voice their opinions and suggestions on ethical issues. In this regard, a Human Resources Communication Line (**532 013 19 54**) is available for public use.



For the Company employees, it is possible to provide feedback through a Wish, Complaint, and Suggestion Request Form on the Intranet. After filling out the form, the request is sent to **UgurInsanKaynaklariMailGrup@ugur.com.tr**.

These policies and practices demonstrate the importance Uğur Cooling Inc. attaches to its 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.

The individual development and welfare of employees are prioritized without discrimination based on Human Resources Management and Sustainable Interaction for both the future of the Company and the consolidation of the values of the corporate culture.



Employee Management and Development

Considering its employees as the most valuable stakeholder group, Uğur Cooling prioritizes providing a comfortable and peaceful working environment for its employees. The Company approaches human rights and employee welfare as a virtue in accordance with its business ethics based on its well-established history.

The Company, which has adopted a social identity in its region with its social procedures and principles, as stated in the Social Support Instruction document, provides rights and privileges such as the distribution of birthday gifts, providing scholarships for the disabled children of employees and their children studying at the university, providing fuel/clothing/food aid, distributing continuity premium holiday allowances, offering progress payments depending on their duties and positions, and shuttle service.



Uğur Cooling, which strives to provide equal opportunities to every employee without discrimination, pays attention to the candidate's personal characteristics, professional knowledge and competence suitable for the position, adaptability to the Company's way of doing business and values, and the health status specifically required by the job, as included in the Recruitment and Placement Procedure.

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.

The Employee Information Guide ensures that employees adapt to their jobs, integrate into teamwork, and plan their careers. In addition to the privileges and training provided to its employees, the Company also recognizes special leave days. Along with annual leave, maternity and breastfeeding leave, daily paid/unpaid leave, and paid casual leave are granted when deemed appropriate by the manager. Employees with disabled children are granted 10 working days of paid leave per year.

Of our **1813 full-time employees, 1248 are men** and **565 are women**. In 2022, the number of men employees decreased from 1372 in the previous year to 1248, and the number of women employees decreased from 597 to 565.



	Number of Employees				Total
	Women	Men	Blue-collar	White-collar	Number of Employees
2020	544	1365	1557	352	1909
2021	597	1372	1587	382	1969
2022	565	1248	1459	354	1813

Employee Management and Development

The Nazilli region, where the production factory is located with all employees, including blue-collar and white-collar, is suitable for employment. In addition to its economic return to the region, the factory is also effective from a social perspective and contributes to the development of this region. Uğur Cooling, acting with the awareness of all these facts, is committed to being sustainable.

While establishing the workforce structure within its entity, the Company pays attention to ensuring that there is not a significant gap between the ratio of men and women employees. Uğur Cooling affirms this understanding with its employee demographic structure. The Company endeavors to ensure diversity in its workforce and strives to act fairly in different age groups and gender distribution.

An overview of the Company's employee profile reveals an employee profile distribution that reinforces what the Company strives to achieve in its business processes. Education level, the proportion of disabled employees, and the distribution by age groups are the main issues and almost every category has been employed. The number of employees with higher education levels, which was 462 for 2021, was 415 in the results for 2022. This constitutes approximately 23% of all employees. The number of employees with primary education is 46%.



The ratio of employees with disabilities was recorded as 2% in 2021 and increased to 3% in 2022. It is also evident that the Company attaches importance to inclusiveness in the distribution by age groups. For 2021, more than half of the blue-collar employees are between the ages of 31 and 50, while this rate was 54% for 2022.

While the ratio of Uğur Cooling's blue-collar employees under the age of 30 to the total number of employees was 27% in 2021, this ratio decreased to 22% in 2022. In this process, there was no change in the Company's percentage of white-collar employees under the age of 30 in 2022, and remained at 5%.

Employee Satisfaction

Uğur Cooling

aims to strengthen employee loyalty by keeping employee satisfaction levels high with activities that respect human rights, fair remuneration, and work-life balance in the journey of **“Happy Employee Strong Uğur”**, which started with **1813** employees.

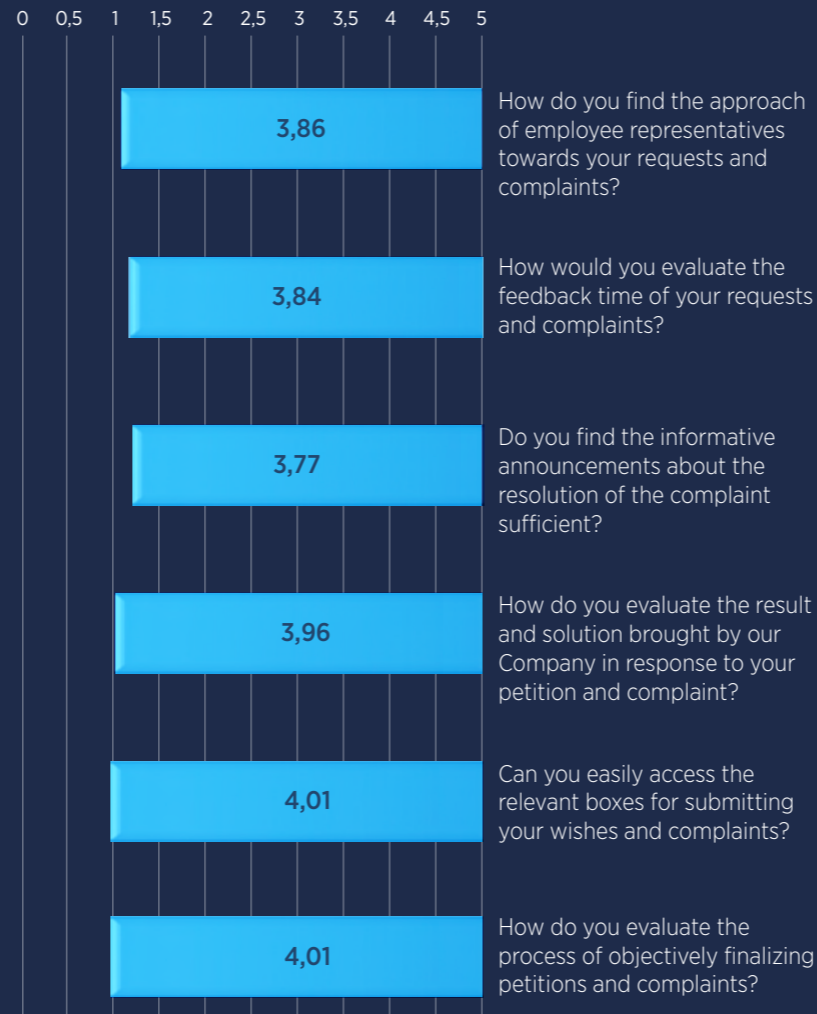
Based on employee satisfaction surveys conducted at regular intervals, existing instances of dissatisfaction are identified and actions are taken to improve the situation. In this context, the Company takes actions to eliminate existing dissatisfaction and increase employee loyalty according to the survey results.

The Employee Satisfaction survey examines employees' relations with the Company under five main headings; these can be listed as the analysis of data obtained from employee suggestion and complaint forms, notification of employees' opinions on the Intranet, survey questions, WhatsApp petition and complaint line, and finally verbally communicated petitions and complaints.

Employee complaints and suggestions communicated verbally are collected from boxes at certain locations within the Company. Employees are provided with the **“Employee Representative and Suggestion Complaint System Information Guide”** and informative documents on the functionality of these boxes, the responsibilities of employee representatives, and the social compliance clauses applied in the Company.

The Company is able to monitor the employee satisfaction rate based on employee feedback provided through the employee satisfaction survey and the complaint/suggestion boxes.

Current Employee Satisfaction Rate (%)



In the graph of the current employee satisfaction evaluation survey results, it is observed that “ease of access to petition and complaint boxes”, one of the questions asked to be evaluated as 5 being the highest score, is highly ensured.

Through ease of access, employees know that they are seen as an important asset by the Company in matters related to business processes and social and legal rights, and that they can find a channel where their demands can be responded to, with the freedom to find a space where they can express themselves. From this perspective, employee loyalty is also ensured.



The second highest level of satisfaction is the ability of the Company to find a solution to requests and complaints. The solutions and results produced in response to requests or suggestions are satisfactory from the employees' point of view.

These assessment outputs show that the Company's communication with employees is based on solid foundations and that employee satisfaction is measured and action is taken on relevant issues.

Employee Development

The Company, which holds the title of **Türkiye's Uğur** is aware that its employees are always behind its success.

One of the most important factors that positively affect employee productivity is training. Based on this awareness, the Company has improved its business processes in order to ensure the development and professional satisfaction of its employees and to provide them with training opportunities at regular intervals.

Employees' development, having different perspectives, and being aware of new technologies and information constitute the pillars of the Company's development and future. In this manner, it is aimed not only to play a role in enhancing the competence of employees in their career journey but also to reinforce their sense of belonging to the Company.

In the performance evaluations within the reporting year, the measurement criteria for all employees are based on the employee's personal and professional competence, internal communication, and compliance and contribution to the business.

Uğur Cooling Inc.'s orientation procedure aims to ensure that new employees or who experience a change of department quickly adapt to the organization and functioning. With a sustainability-oriented approach, this process guarantees that new members are informed about the Company culture, working order, department rules and procedures, and thus become familiar with their work and carry out their tasks efficiently.

When the training programs are analyzed in sub-divisions;

GENERAL ORIENTATION TRAINING:

This training aims to help newly recruited employees learn about Uğur Cooling Inc.'s corporate culture, general rules and practices so that they can easily adapt to the Company and their duties. Considered from a sustainability perspective, this training also aims to raise awareness on issues such as the organization's environmentally friendly practices, energy efficiency, and sustainable business strategies.

DEPARTMENTAL ORIENTATION TRAINING:

This training, organized for new employees or those whose positions have changed, aims to teach the characteristics of a specific unit and the rules of the unit. From a sustainability perspective, this training also provides information about a specific unit's sustainable business practices and environmentally friendly policies.

ON-THE-JOB TRAINING:

This training aims to improve the professional development of employees and to show how work can be done more efficiently and effectively in the actual work environment. It also aims to increase employees' interest in work. In terms of sustainability, this training also includes topics such as how employees can perform their work in a sustainable manner and how they can save energy in the process.

Through these training programs, Uğur Cooling Inc. employees not only learn how to do their jobs more effectively but also how to work in a sustainable manner. This plays an important role in line with the Company's overall sustainability goals. 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.



Career development is guided by practices such as information security awareness, ethics, environmental awareness, occupational health and safety, personal development, professional development, technical training, and disaster awareness. Moreover, training programs were provided in the fields of environment, energy, social compliance, and management systems standard awareness. Especially as an inevitable consequence of the climate crisis, which is at the top of the world's agenda, it is of great value to gain a culture of preparedness for natural disasters, to raise awareness among individuals, to ensure that individuals learn the correct behavioral patterns when it comes to disasters, and to ensure that they apply them. For this purpose, **"Basic Disaster Awareness Training"** was held on 03.03.2020 with the cooperation of AFAD and Uğur Cooling Inc., in which the basic measures that can be taken were explained, with the participation of 1308 employees. In addition to these training programs, the Environmental Management System Information Brochure is also distributed to all employees.

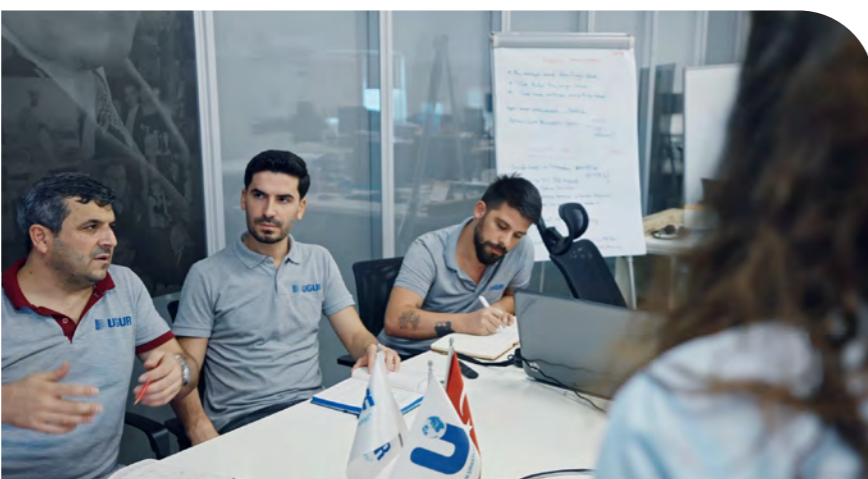
Employee Training	2020	2021	2022
Orientation Training Hour	1939	1846	1086

Employee Development

The idea of creating environmental awareness and the OHS approach are among the main performance indicators of the Company in its sustainability approach. With this motivation, the Company drew its training framework and organized the relevant training programs for 2021-2022 as part of the report. All men and women & white-collar and blue-collar employees benefited from the training programs provided and it is aimed to keep the level of training at the highest level.

In 2020, disaster awareness, environmental awareness, ethics, occupational health and safety, professional development, and technical training programs were provided. In 2021, personal development and information security awareness were added to these training programs.

In 2021, a total of 98 employees received approximately 50 hours of environmental awareness training. Occupational health and safety training was provided to a total of 3542 employees for approximately 23000 hours, and a total of 2381 employees received approximately 14769 hours of occupational health and safety training throughout 2022. The training programs provided in 2022 continued in the form of ethical issues, occupational health and safety, professional development, and technical training in the social context as the basis of the elements that include the main pillars of sustainability.



Looking at the training data by sub-divisions in line with the principle of equal opportunity and inclusiveness, women employees received 7469 hours of training in 2021 and 6483 hours in 2022. For men employees, these numbers were 21327 hours in 2021 and approximately 17730 hours in 2022.

White-collar employees received 4694 hours of training in 2021 and approximately 5181 hours of training in 2022, while blue-collar employees received 24102 hours of training in 2021 and approximately 19031 hours of training in 2022, due to their high number of employees.

Training programs for personal development also increased by approximately 12 times from 2021 to 2022. In this regard, with the awareness that the investment made in employees is also an investment made in the Company, it is aimed to prevent employees from receiving only basic and compulsory training and to increase their personal development levels.

Uğur Cooling, which does not separate employee rights from the human rights framework, organized 2330 and 2341.5 hours of training in 2021 and 2022, respectively. Ethics training was also provided during the same periods, and it was also comprehensive in terms of covering the elements for the evaluation of sustainability performances.

A detailed representation of the training programs provided according to training types is displayed in the performance data in the annexes.

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 the activities carried out based on the competence of the employee is evaluated 1 to 3 months after the training is conducted, and the Training Effectiveness Evaluation Form is filled out by the manager of the employee who participated in the training and submitted to the Human Resources Management Department. Training deficiencies, if any, are identified, training proposals are renewed, and evaluations are re-submitted to the Management.

The outputs of the training activities were evaluated on a scale of 5 and resulted in 4.13 for managers in 2020, 4.16 for 2021, 4.01 for 2022; and 4.42 for 2020, 4.68 for 2021, and 4.54 for 2022. These rates indicate that the training programs can be quickly integrated into social and working life. The fact that every training is included in the applicable limits also paves the way for further increase in the level of training provided to employees and managers in terms of duration and budget.

Training Activity Evaluation Results Table

	2020	2021	2022
Manager Evaluation*	4.13	4.16	4.01
Participant Evaluation*	4.42	4.68	4.54

*Evaluation is based on a 5-point scale.

Employee Development



Transition From Internship To Full-Time Work-Life

The Company, which adopts the **'right person for the right job'** policy as part of its vision to produce values that can carry itself and the Company forward and the employee candidates in its target as Human Resources Management is of great importance in terms of employee welfare and continuity in order not to leave the future workforce problem to chance. 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.

From 2019/2021 until today, the total number of internship to full-time work-life transition projects we have realized is 11.

2020-2021 Academic Year	2021-2022 Academic Year
Employment After Internship	
4	9
Number of Interns	
34	43

Uğurlu 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.

In 2021, the number of books requested and read by employees was 21 in the personal/professional development category and 31 in the novel category. In total, 52 books were read during 2021. This not only contributed to the personal and professional development of employees but also encouraged the spread of reading habits. It is worth looking at the last three years to see the impact of the Company's book reading incentives. Uğur Cooling's "Uğurlu Kütüphane" practice serves an important role in supporting the personal and professional development of employees and improving their reading habits.



Number of Books Read		
2020	2021	2022
39	52	39

Occupational Health and Safety

Due to the nature of the sector in which Uğur Cooling operates, production processes are in the hazardous class category in terms of Occupational Health and Safety (OHS) and carry potential risks in ensuring worker safety. The Company is aware of these risks and takes the relevant safety measures to ensure that its employees are aware of this issue.

The Company has an ISO 45001 OHS Management System certificate and an Occupational Health and Safety procedure. This procedure has been prepared in accordance with Labor Law No. 4857, Occupational Health and Safety Law No. 6331, and Social Security and General Health Insurance Law No. 5510. In addition to the aforementioned laws and regulations, the procedure is strengthened by the controls carried out by the OHS Board and the risk assessment reports prepared by the Company.

The OHS procedure covers employees/subcontractors in all locations and its purpose is to regulate the duties, powers, and responsibilities of employers and employees in order to ensure occupational health and safety in Uğur Cooling's workplaces and to improve the existing conditions with a proactive approach. In addition to the maintenance of the business in a safe manner, the safety of employees is also essential. The Company carries out this safety service through its own OHS professionals.

The professionalism of these employees is essential to ensure that there are no vulnerabilities in the Company's reputation and operational processes in general. In addition to their own professional development, it is also necessary for employees to know their social rights, especially for the blue-collar employee group. In order to ensure this, within the framework of training options, 30 men security guards were provided with Social Compliance training programs covering the duties and responsibilities of those with the status of Private Security Officer.



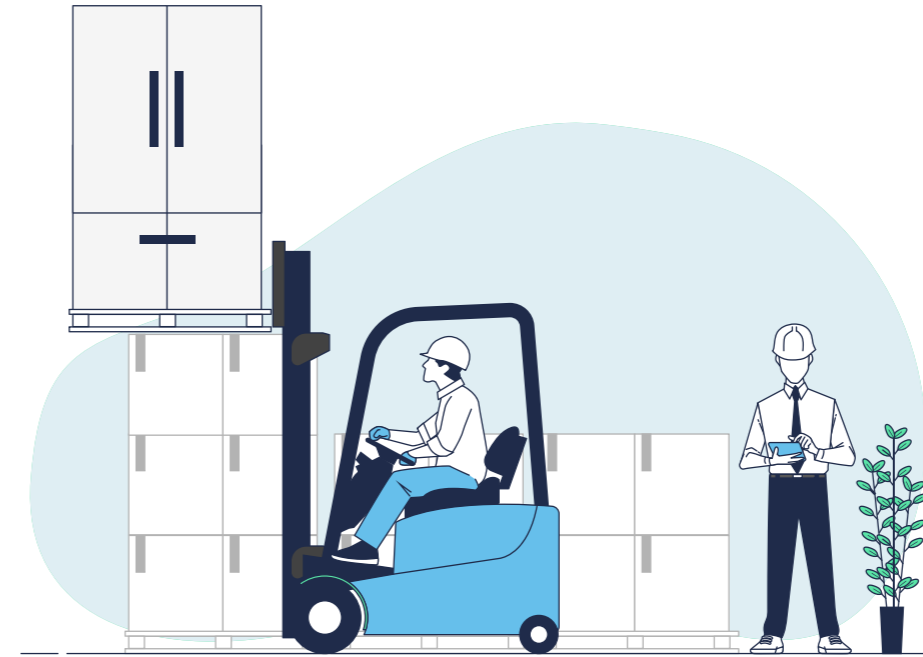
Occupational Health and Safety

The Company receives guidance on occupational health and safety issues and support and consultancy on following the legislation from an OHS specialist/ occupational physician. The Company has an OHS Board, which controls whether necessary measures are taken and monitored through meetings. This Board has 20 members from different departments. The chairman of the Board is also the employer. There are 2 OHS experts and 1 member serves as the secretary of the Board. In addition to these people, members include;

- * Occupational physician,
- * A member of staff in charge of human resources/ social affairs or administrative financial affairs
- * Foreman or master and employee representative.

This Board reports to the Board of Directors in the organization chart. Development and improvement decisions taken after the Board meetings are communicated to the relevant people via e-mail, QDMS, SMS, bulletin board, meeting, etc., with deadlines specified. The Board convenes at least once a month. The meeting agenda is determined jointly by the OHS specialist and the chairman of the Board, and members can request changes to the agenda.

The Company engages in actions such as technical practices, various precautions, and risk assessments with a culture that embraces the zero work accident approach. Employee and employer behaviors are kept in focus and special care is taken to keep accidents at preventable levels. In the event of an occupational accident, after the first intervention to the relevant employee, the employee is transferred to the hospital by a company vehicle or 112 emergency ambulance depending on the condition of the accident.



There are health and safety benefits available for employees. Employees are provided with the Personal Protective Equipment (PPE) required by their job at the beginning of their employment and afterwards when necessary. Health and safety signs are posted in the working environment to inform employees about Occupational Health and Safety in the working environment or to warn them of hazards. A medicine cabinet and first aid supplies are placed in easily accessible areas.

Considering the necessity of easy access to health supplies and the possibility of natural disasters such as earthquakes, 2 Emergency Containers and 3 fire trucks were placed. In order to make the working environment healthier and safer, suggestions are received and practices are carried out to make this environment ergonomic. In addition to the physical health, surveys are also conducted from time to time to assess the employees' psychosocial risk situations. There are also practices such as referral to a psychologist or psychiatric service to provide psychological support.

Uğur Cooling, always working in tandem with its employees, supports its employees with the awareness of solidarity in situations where employee health is at risk.

The Company's OHS Risk Assessment Procedure defines all types of potential hazards that may arise from working conditions and may occur during workplace activities. The purpose of this procedure is to minimize all kinds of hazards and health risks to a minimum level that does not affect human health. OHS Risk assessment documents are renewed every four years if they are in the hazardous risk classification according to the classification of risks, and every six years if they are less hazardous, and are reviewed every year.

Hazards identified as a result of risk analyses are reported to the relevant authorities, deficiencies, if any, are eliminated, and then the risk note of the relevant subject is arranged. Issues such as the frequency, severity, and who may be affected by risks arising from hazards are analyzed during regular site visits every day, and when issues that pose a negative impact on OHS are observed, they are communicated to the authorities. These planned site inspections are rescheduled for a later time with a commitment to eliminate the findings.

Occupational Health and Safety

While collecting the necessary information to determine the hazards, occupational accidents and occupational diseases occurring in similar workplaces with the same production methods and techniques are also taken into consideration. Some of the potential risks in the workplace can be listed as cuts, crushes, falls, fire; noise, chemicals, ergonomics, and lighting problems. Apart from this, preventive activities are also carried out within the context of OHS by evaluating a possible risk situation with a proactive approach, even if potential risks are not encountered.

When chemical substances are considered, training is provided and personal protective equipment is supplied to the relevant employee, as it is necessary to minimize the risks in the environment to which the person working in the dyehouse is exposed, especially in the production of special freezers, where customer-oriented work is carried out. Improvement of ventilation facilities (local and general ventilation), eye wash points, and eye wash solutions (separately for physical and chemical exposure) are supplied. In addition, annual chest radiography, SFT, blood and urine tests, and chemical exposures of employees are monitored.

There are also sector-specific risks such as the conveyor belt not being suitable in some areas, the sheet metal decoiler being open, and the rotating part of the machine not being protected. As a precautionary measure, the conveyor belt has been renewed and the sheet metal decoiler has been protected with a fence. The rotating part of the machine has been made mechanically protected in case of the possibility of an accident.

Infectious diseases pose a risk for Uğur Cooling, a major Company with a high number of employees. "COVID-19 Action Plan and Hygiene and Infection Prevention Procedure" have been established. The Company, which did not compromise its sensitivity to OHS during the pandemic period, ensured the disposal of contaminated wastes by collecting infected materials such as medical masks and gloves separately in other closed waste buckets.

Necessary Personal Equipment Materials and hygiene materials were purchased for hygiene and prevention of infections, and easy access to these materials was ensured for employees. Awareness of employees was raised through e-mails, messages, brochures, and training programs.

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 training programs are given as on-the-job training in the department where they will work within the context of Basic Occupational Health and Safety training before starting work, when visitors/guests/contractors arrive, if the work equipment changes, or if new technology is to be applied. In on-the-job training; the work to be done, the risks of the job, the precautions to be taken, and the personal protective equipment to be used are explained. Near-miss boxes and near-miss cards are placed in the working environment for employees to report near-misses. Employees are informed about the purpose of the near-miss boxes during OHS training.

Additionally, awareness is raised through informative e-mails, messages, and printed materials on health issues. Other OHS training programs include first aid training in the numbers required by the legislation and hygiene training for employees in contact with food. The training programs, which are renewed in accordance with the changing and emerging new risks, are repeated when necessary and at regular intervals. Information renewal training is also provided after a work accident.

Preventing occupational accidents and diseases and protecting employees is one of Uğur Cooling's targets. The health service provided at the workplace is carried out by the occupational physician and an assistant employee in the infirmary. In the infirmary; polyclinic service, injection, dressing service, blood pressure, and blood glucose measurement follow-up services are provided. Annual health screenings and tetanus vaccinations are carried out to vaccinate those who are deficient in vaccines. Those who are found to have problems in the results of the examinations are referred to the relevant branch.



Occupational Health and Safety



Also, eye examinations are conducted for those working with screened devices, and those working at heights are subjected to annual examinations for working at heights. Employees' diseases and the medications they regularly take are recorded. Employees with disabilities or chronic diseases are issued a **"Status Notification Report"**, allowing them to work in a job suitable for their health. Disabled employees are assigned an officer to accompany them at the workplace.

Uğur Cooling shows importance and interest in employee health to preserve employee values. Conducting pre-employment and periodic health examinations, sending the employee to the relevant specialty area by the occupational physician or by the employee's own request if deemed appropriate, and in the case of pregnant employees, periodic examinations are carried out every six months and follow-up of the conditions after the Family Physician and Obstetrics Polyclinic follow-ups are ensured. Due to pregnancy status, the employee is ensured to work in the appropriate department and job and is exempted from night and shift work. Health benefits provided by the Company include the issuance of health reports for hazardous work, first aid and emergency treatment services in case of occupational accidents and diseases that may occur in the workplace, and services such as general preventive occupational medicine.

When Uğur Cooling's occupational accident data for 2020, 2021, and 2022 are analyzed separately for the Central Factory and the OIZ Factory, there are no occupational accidents resulting in fatalities. Looking from 2021 to 2022, there is a decrease in the lost time injury and the number of lost working days across all employees in both facilities.

At the Central Factory, there is a 44% decrease in the number of lost time injuries for all employees and a 90% decrease in the number of lost work days for all employees. At the OIZ Factory, the number of lost time injuries decreased by approximately 42% for all employees and the number of lost working days decreased by approximately 53% 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.

By comparing the years 2020, 2021, and 2022, the calculation planning of the increase in expenditures for 2023 has been made and is displayed in the table. In 2022, the rate of increase in OHS expenditures was determined as 43.8%, while the rate of increase planned for 2023 was calculated as 71.3% in 2022.

OHS Expenditure Increase Rates Compared to the Previous Year

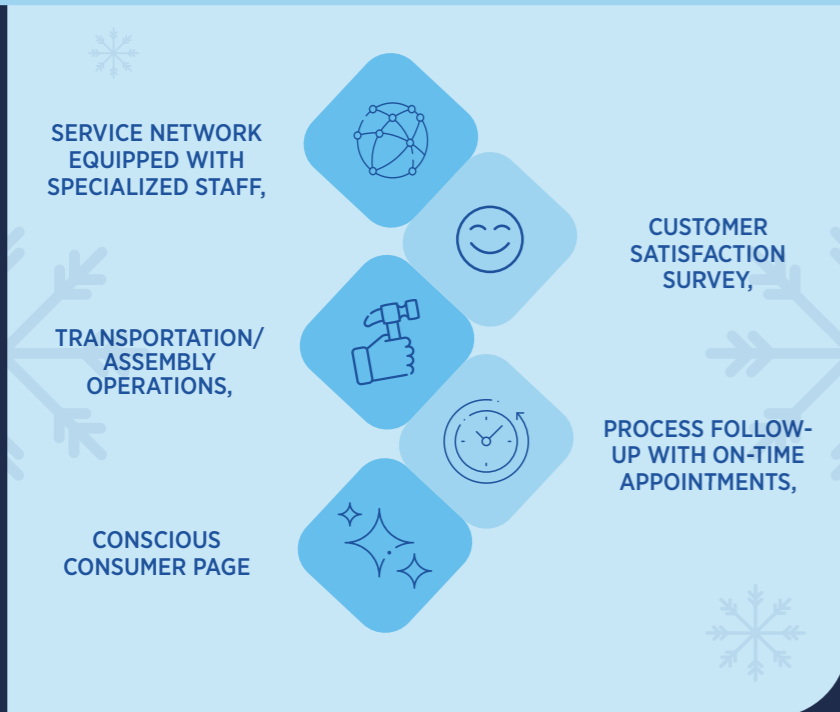

2021	2022	2023 (Planned)
46.80%	43.80%	71.30%

Customer Satisfaction

Uğur Cooling appeals to the end consumer with the idea that all its stakeholders constitute a part of the value chain; it prioritizes quality service understanding, customer satisfaction, and positive/negative feedback in all its products. The Company meticulously monitors customer satisfaction with the objective of improving and developing customer satisfaction and making it a constant part of its sustainability performance.


With the ISO 10002 Customer Satisfaction Management System, the Company demonstrates that it successfully maintains customer management without compromising its business approach and customer satisfaction.

Uğur Cooling, which maintains its service understanding at high quality and always places customer satisfaction at strategic points; strives to respond to customer demands by adopting practices such as:


444 84 87 Call Center

- * Transportation from all over Türkiye
- * Ease of demand follow-up, professional staff for information support and technical assistance




Service Network

- * Trained, specialized staff
- * Nearly 250 authorized services



Customer Satisfaction

- * Customer reach out and return follow-up after request closures
- * Sending service quality satisfaction surveys




Transportation/Assembly

- * Assembly and transportation of products purchased from authorized dealers



On-time Appointment

- * Adhering to the appointment given to the consumer
- * General follow-up on the process



Conscious Consumer

- * Shopping consciously, contributing to conscious consumption
- * Publishing recommendations on the Conscious Consumer blog page

Customer Satisfaction

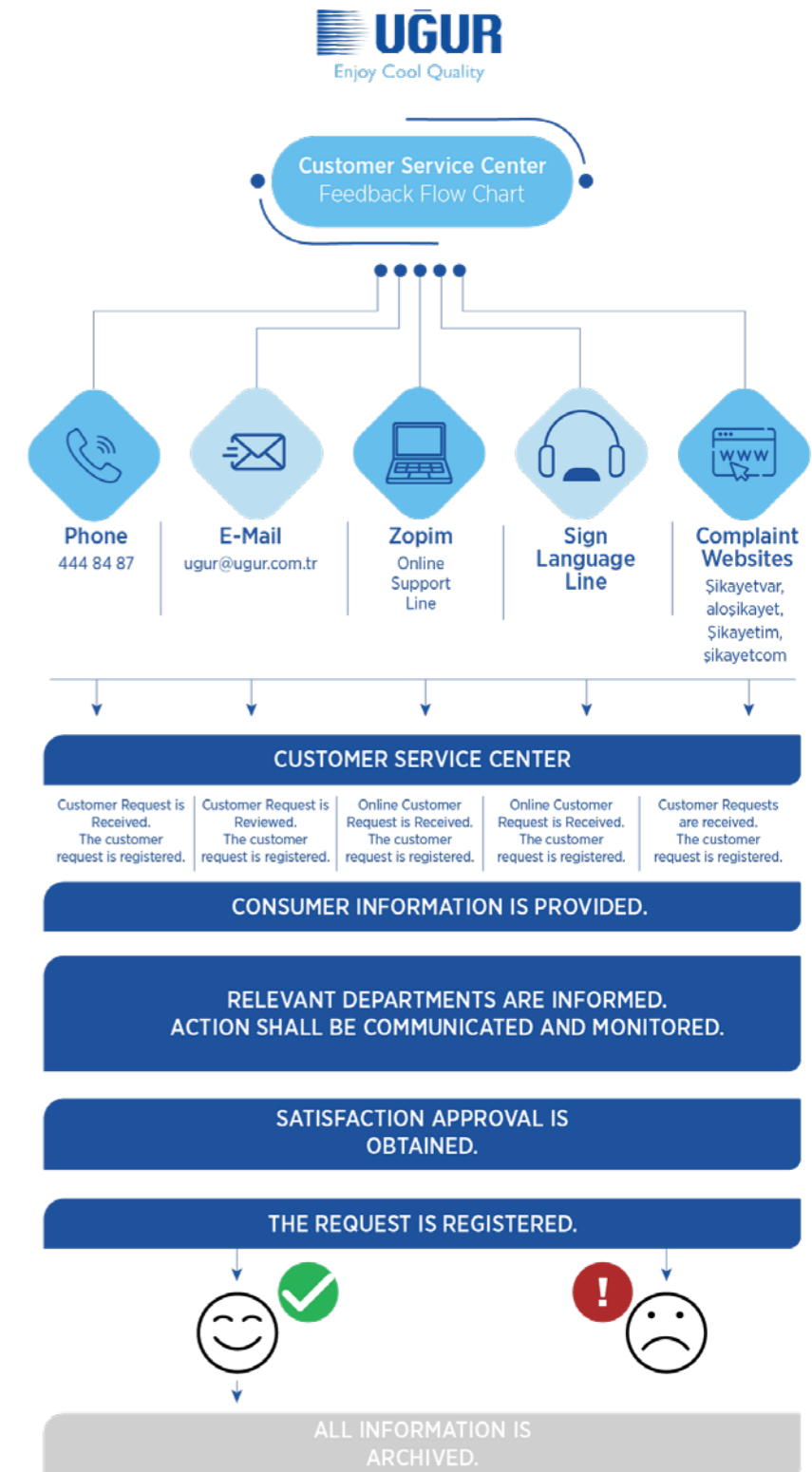
The Company manages customer relations with a service approach that makes a difference in its sector. While interacting with its stakeholders, the principles in the Customer Service Policy include;

- * Using various communication channels with accessibility,
- * Access to reliable information in a short time through information availability and fast feedback,
- * Focusing on customer needs and achieving effective solutions as a result of its solution-oriented approach,
- * Interpreting the request objectively by ensuring the customer's active participation in the solution process,
- * Following the solution steps within the confidentiality framework,
- * When necessary, customer service employees should take initiative in making decisions to reach a solution by considering the common values of the Company,
- * Making the satisfaction flow open to observation with reports and records during any audit,
- * Sharing customer complaints throughout the organization,
- * Continuous improvement as a result of meticulous evaluation of suggestions and ideas,
- * Providing educational and informative advice shared on the "Conscious Consumer" blog page in order to have a conscious consumer audience,
- * The Company continues to evaluate customer requests and suggestions and then provide solutions with a service quality and policy that makes a difference in the sector, and all feedback from customers is examined by call center experts and these requests are met and finalized within the framework of certain standards in a way to keep customer satisfaction at the highest level. 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.

In addition to product features, customer satisfaction also includes recognizing more than the legally mandated warranty period and conducting campaigns that are valid for most of the year. The warranty period can be extended in order not to reduce brand loyalty depending on customer complaints.



Receiving and resolving customer complaints also follows a standardized process. As shown in the customer service center feedback flow chart, complaints received by the customer service center via the call center, e-mail, Zopim, sign language line, and complaint websites are processed according to the availability of the relevant unit's program, and the request is closed upon completion after the request is processed and the customer's confirmation of satisfaction according to the result of the process. The closed request is recorded according to the positive or negative status of satisfaction and the necessary information is archived. If there is a request that cannot be completed, the relevant departments are notified and necessary actions are taken.



Customer Satisfaction

Uğur Cooling
has increased its
customer satisfaction
rate from
92% to 96%
over the years.

It is recognized that the complaint and resolution process has a positive trajectory and that the Company has adopted this as a process, which is evident when the increase in satisfaction rates is observed.

Customer Satisfaction Rate by Year

	2020	2021	2022
Customer Satisfaction (%)	92	97	96

Customer complaints are received through the call center channel or social media, live support, contact us, and complaint websites. The Company, which has been a member of the “Şikayetvar” website for more than 9 years with its extension, resolves complaints with its fast feedback and constructive communication style for the maintenance of customer loyalty.

In the white appliances sector, which is the sector of Uğur Cooling, the Company shows success in meeting and responding to complaints as “**The best in the white goods sector**” among its sectoral competitors on the “Şikayetvar” website.

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. Corporate and individual malfunctions received from each customer are recorded via e-mail and the “**prokodservis**” system. These online transactions can be tracked through the system.

Number of Complaints Responded to through Communication Channels

	Social Media	Zopim	Contact Us	Complaint Websites
2020	177	870	2359	955
2021	80	395	1751	577
2022	52	395	823	477
Total	309	1659	4933	2009



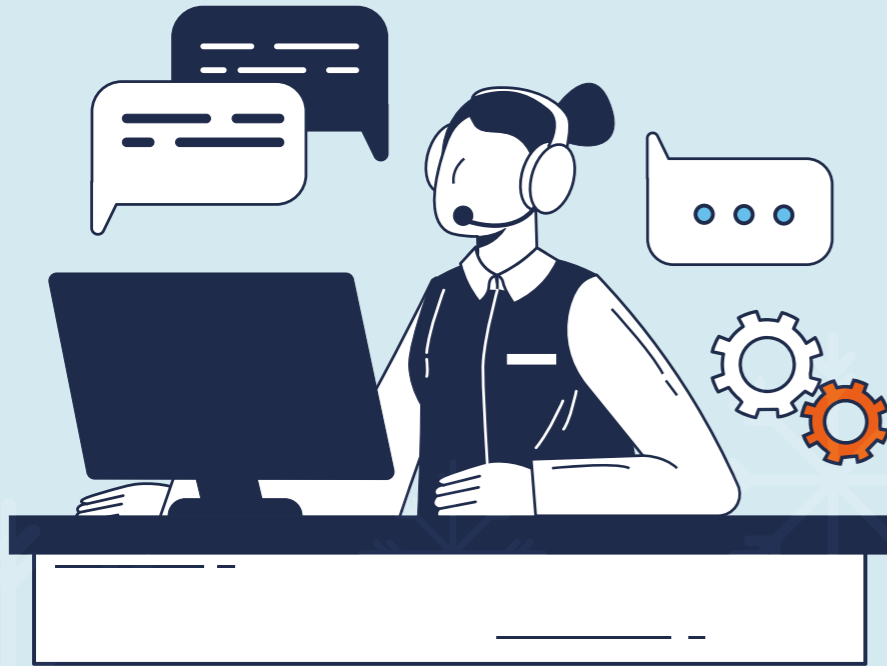
In 2020, while going through a more isolated period due to the pandemic, it has become widespread for people to meet their needs using social media tools. This situation also manifests itself in communicating customer complaints.

Among communication channels, “**Contact Us**” was the most preferred channel for receiving complaints, while “**Social Media**” tools were the least preferred. As of 2022, 823 complaints were received via the website, 477 via other complaint websites, and only 52 via social media. When analyzed since 2020, there is a significant decrease in the number of complaints received in 2021. In the following year, 2022, the decrease continues.

Customer Satisfaction

Processes such as both the cessation of the pandemic and the resolution of complaints by the Company have minimized the situations that may cause complaints in the current situation. When approached with a sustainable way of doing business, this mechanism also proves itself in business development and integrated management systems processes.

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.



Training Provided to Technicians during 2020-2021

2020/2021/2022 Total Number of Training Courses	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

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.

A total of 430 technicians received training in 67 technical training programs organized between 2020 and 2022. In 2022, the highest number of technicians was reached and 306 technicians were provided with training that will also benefit their professional development. In this manner, the Company's capacity to have highly specialized technicians in its staff is increased, while also accompanying employees on their individual career journeys.

Visibility in the Media

Uğur Cooling uses the media intensively, especially in the communication of deep freezer products that it delivers to the end consumer. **“UĞUR DERİN DONDURUCU”** commercials, which have now become a generic trademark in Türkiye, increase during the period when sales are high, before the Eid al-Adha. Uğur Cooling concentrates on boosting brand perception by using TV, radio, digital and outdoor media, especially during these periods, and announcing the campaigns offered during the relevant periods.

Uğur Cooling uses TV media intensively, especially during campaign periods. Data on second-based visibility on TV for the last 3 years is presented in the table below.

TV Commercials (seconds)			
	2020	2021	2022
TV Commercials (seconds)	224,480	109,917	89,690

After 2020, the general distribution in the media started to change and the visibility in digital media started to increase. Uğur Cooling continued its deep freezer campaigns and communications through the use of social media and programmatic advertising models in digital platforms.

On the other hand, as a well-established corporate company, Uğur Cooling pays attention to its visibility in the media and transparency in its interaction with society. During the publication process of news about the Company, the public is informed after internal/external requests are formed in accordance with the brand language.

The Company is as meticulous in the marketing of its products as it is in its production processes. Although its main objective is to support product sales, the campaign to be carried out is also considered to be in line with the principles of sustainability.

Comments received on posts shared on social media are responded to as part of customer satisfaction, and a process similar to the process of evaluating customer complaints is carried out.

UĞUR COOLING Social Media and Number of Likes



Uğur Cooling’s social media platforms and the number of likes are illustrated in the table. The likes on Facebook stand out as the highest percentage with a rate of 86%. Instagram follows with a rate of 11%.

As a well-established corporate company, Uğur Cooling pays attention to its visibility in the media and transparency in its interaction with society. During the publication process of news about the Company, the public is informed after internal/external requests are created in accordance with the brand language and the channels where the news will be shared are clarified.



Social Benefit

Uğur Cooling aims to be at the top in terms of social performance as in its sector. In this respect, the Company aims to interact with all of its internal and external stakeholders. It is necessary and essential to form the expectations and responsibilities of its stakeholders with an awareness of sustainability.

Therefore, considering its relations with the masses and external organizations, Uğur Cooling organizes social responsibility projects in order to act in accordance with sustainability strategies while interacting with stakeholder communities. Uğur Cooling does not withhold its support not only in the social dimension but also in projects that may require financial investment and may have financial impacts. In 2022, the Company expressed its sustainability performance in terms of Environmental, Social, and Governance with the reports issued as a result of Ecovadis assessments.

From a social perspective, the Company achieved a score of 50 and above in the Labor and Human Rights, Ethics, and Sustainable Supply Chain categories. It carries out its actions and routine operations with this business ethic. All completed and ongoing Sustainability and Corporate Social Responsibility Projects are carried out by the Human Resources Department.

Lifting Barriers in Communication Project

In cooperation with Uğur Cooling and Türk Telekom, with the **“We Lift Barriers in Communication”** program, customers with speech/hearing disabilities who use any Uğur Cooling branded product in their homes can contact Uğur Cooling Customer Service Center by sending an SMS from their mobile phones. With the **“Barrier-Free Message”** services provided by Türk Telekom’s infrastructure services, they can send their request or problem to 4448487 with their address and product model information. After receiving the message, the Uğur Cooling Call Center reaches the person who left the message as soon as possible to solve the problem and meet the demand.

Technical Visit for Students and Teachers

As part of the OHS project specifically, a technical visit was organized on the 19th of January, 2022 with the participation of Bozdoğan Industrial Vocational High School Metal Technology students and teachers, who are one of the external stakeholders. 26 students and 4 responsible teachers were given the opportunity to see the processes in the production area in the presence of occupational safety experts.

Nazilli State Hospital Angio Center

Starting in 2021 and ending in 2022, a project to establish an Angio Center at the State Hospital in Nazilli, the region where the factory is located, was carried out to support public health.

Blood Donation and COVID-19 Vaccine Practices

Following a joint project with the Red Crescent, blood donations were organized with the participation of employees. As another issue closely related to public health, the COVID-19 vaccine was procured and implemented in the factory.

Mastery Compensation Program

Within the context of the Mastery Compensation Program, which started in 2022 and is still ongoing, we contribute to the vocational qualification and training of employees. 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

After the earthquake disaster that occurred during the reporting period, which deeply affected everyone and whose wide-ranging effects were felt, Uğur Cooling urgently made an effort to deliver its aid to the region and provided support in order to heal the wounds and strengthen the solidarity environment, albeit to some extent.

Cooler and Freezer Support to Disaster Areas

Sensitive to social incidents, environmental disasters, and situations that may cause negative impacts on indigenous people in local areas, the Company sent coolers/freezers to disaster areas with the understanding of sensitivity that it has adopted as a principle following the sad forest fires in Türkiye in 2021.

Due to the pandemic in 2020, projects carried out entirely for public health are included, and mass organizations are not included. In 2021 and 2022, which are the years covered by the report, events and organizations attended by the Company in consideration of public health were not planned.



03 A Sustainable Planet



A Sustainable Planet

Uğur Cooling

recognizes areas of development in environmental sustainability and sets targets in line with its goal of living on

“A Sustainable Planet.”



Within the scope of **A Sustainable Planet**, there are a number of topics on the company’s agenda, including waste management and energy management, water and wastewater management, sustainable product development, and greenhouse gas emissions. Uğur Cooling strives to minimize its impact on the environment by placing great emphasis on waste management and energy management. Regarding water and wastewater management, it aims to ensure the efficient use of resources and the preservation of nature. Through sustainable product development processes, the company implements various strategies to reduce its greenhouse gas emissions while focusing on designing and producing environmentally friendly products.



For each topic, Uğur Cooling sets KPI targets and monitors the process of achieving these targets. At the annual reporting period, the company evaluates these targets and updates them when necessary, thus keeping its strategies dynamic and up-to-date. Uğur Cooling continuously strives to work towards a sustainable society and is pleased to share the results of its efforts.



A Sustainable Planet



Topic



Subtopic



Objective



Target



Targeted Value



Strategy for Achieving the Target



Energy Management
Greenhouse Gas Emissions
Waste Management
Water And Wastewater
Sustainable Products

Waste Management

Waste Management

Waste Management

Waste Management

Regulatory Compliance

Waste Minimization

Waste Minimization

Increasing Staff Awareness About Zero Waste, Waste Types, Waste Management And Environmental Pollution

Recovering Plastic Waste In The Plastic Injection Unit

Ensuring Full Compliance With The Regulations Based On The Environmental Law No. 2872

Reducing The Amount Of Hazardous Waste Generated In Units

Reducing The Use Of Paper At Bureaus And Offices

Finalizing The Trainings Of At Least 60% Of The Staff

Increasing The In-Plant Recovery Of Waste And Scrap Plastics Created During Production In The Plastic Injection Unit

100% Continuous Compliance

5% Improvement

5%

100%

3%

Environmental Consultant Conducting Field Inspections Through Monthly Visits As Well As Situation Assessments With The Environmental Management Unit

Ensuring The Use Of Nonhazardous Raw Materials And Secondary Elements In Production And Preventing The Contamination Of Non-Hazardous Wastes With Hazardous Substances

Avoiding The Use Of Printouts Unless Necessary, Reusing Papers For Printing Unofficial Documents, Importing Documents To The Uğur Cooling Qdms System Without Printouts, If Possible

Providing Training By An Environmental Consultant At Least Once A Year

Putting Plastic Scrap And Waste Back Into The Production Flow By Passing It Through The Crushing Unit Located In The Plastic Injection Unit

A Sustainable Planet



Topic



Subtopic



Objective



Target



Targeted Value



Strategy for Achieving the Target



Energy Management and Waste Management	Implementing A Zero Waste Management System	Increasing Energy Savings By Sending Waste Metals For Recovery	5%	Recycling And Separately Collecting Waste At Its Source
Greenhouse Gas Emissions and Waste Management	Implementing A Zero Waste Management System	Preventing Greenhouse Gas Emissions Into The Atmosphere By Increasing Recovery Through Zero Waste Management	5%	Implementing A Zero Waste Management Approach And Sending Waste For Recycling After Separating It At Its Source
Waste Management, Water and Wastewater	Preventing Environmental Pollution Through The Waste Campaign	Preventing Soil And Water Pollution By 3% By Organizing A Waste Battery Collection Campaign At The Facility	100%	Collecting Waste Batteries From Employees' Homes And Sending Them For Disposal With The Waste Batteries From The Facility By Organizing A Waste Battery Collection Campaign At The Facility
Energy Management	Continuous Reduction of Electricity Consumption per Standard Unit Product	3% Reduction In Electricity Consumption	40.15 kWh	Ensuring The Efficient Use Of Electric Energy Starting With High Energy Consuming Equipment, Transitioning To New Technology If Necessary
Energy Management	Continuous Reduction of Natural Gas Consumption per Standard Unit Product	3% Reduction In Natural Gas Consumption	23.67 kWh	Reducing Natural Gas Consumption By Minimizing Thermal Losses And Recovering Heat

A Sustainable Planet



Topic



Subtopic



Objective



Target



Targeted Value



Strategy for Achieving the Target



Energy Management	Continuous Reduction of Coal Consumption per Standard Unit Product	3% reduction in Coal Consumption.	8.9 kWh	Reducing Coal Consumption by Minimizing Thermal Loss and Recovering Heat
Energy Management	Increasing Energy Efficiency	Providing energy awareness training to at least 25% of employees	500 employees	Raising awareness by providing training to employees
Energy Management and Greenhouse Gas Emissions	Obtaining the ISO 14064 Certification	Having our Carbon Footprint studies approved and then certified by starting ISO 14064 efforts	100%	Contributing to sustainability reporting by systematically collecting our carbon footprint data and having it approved under the supervision of a 3rd party
Energy Management and Greenhouse Gas Emissions	Continuous Reduction of Energy-Related Carbon Emissions	3% reduction in Energy-Related Carbon Emissions.	21,572 tons Co ₂ e	Making improvements in high-emission processes to reduce energy-related carbon emissions
Energy Management and Greenhouse Gas Emissions	Starting operations to take action in order to reach the net zero target through SBTi	Increasing our gains in carbon footprint and energy management issues and supporting the SBTi with our targets	100%	Identification of SBTi Targets and completing efforts to achieve these targets
Energy Management and Sustainable Products	Starting operations to take action in order to reach the net zero target through SBTi	Conducting energy consumption tests on 20 of our products in accordance with the new energy regulations	100%	Studying new regulations, identifying the definitions of product types, and evaluating them in accordance with the relevant regulation

A Sustainable Planet

Environmentally driven steps taken to minimize both the short and long-term effects of climate change are a part of environmental sustainability. At Uğur Cooling, products are monitored and evaluated at every stage of the supply chain from production to the end of their lifecycle, taking into account the state of the sector. The company applies a holistic sustainability approach to its environmental policies and business processes. Throughout its production processes, it acts with the awareness that natural resources will be required to meet energy needs in the future as well as today, without ignoring the planet and ecosystems. While evaluating its competence in this context, it defines sustainability as a cornerstone of its actions and targets in order to minimize its environmental footprint.

The company reinforces its operations and sustainability assessment studies with environmental projects. In 2021 and 2022, the company implemented projects that were developed with the aim of increasing its energy efficiency within the scope of climate change and its environmental impacts. With these projects, the company's performance in terms of environmental sustainability has increased, and the company accomplished various achievements. The fact that the company ranks third in the air conditioning sector is proof of its sustainability efforts.

The company, a pioneer in its sector both locally and globally, makes no compromises in terms of compliance with environmental legislation and obligations. Uğur Cooling meets its obligations within the scope of Environmental Law No. 2872 and relevant regulations.



In accordance with its ISO 14001 Environmental Management System certificate, the company identifies relevant environmental factors at every stage of its processes, from the procurement of raw materials to the final delivery of products to customers, and ensures that environmental damage is kept to a minimum by providing preventative measures and control mechanisms regarding these factors. Moreover, Uğur Cooling strives to develop the necessary methods and procedures to maximize its performance and efficiency in this regard while reducing its energy costs within the scope of the ISO 50001 Energy Management System certification.

In order to manage and regularly monitor the tasks required by its responsibilities, the company receives environmental consultancy services, especially with regard to the management of environmental issues. All environmental permit documents, EIA documents, and waste declaration documents are prepared by the relevant environmental manager. The environmental permit is renewed every 5 years, and the most recent environmental permit was obtained on 26.11.2020.

In addition to these documents, an environmental assessment report is published on a monthly basis. The environmental manager also monitors the pollution and impact on the environment that may occur during production and other steps of the operational processes through the environmental impact assessment form. Potential process-related impacts are ranked according to their risk levels, and appropriate precautions are taken in accordance with the relevant legislation. With this form, the environmental extent and the impact of the process outputs are kept under constant surveillance. In the event of changes in operational processes or increases in capacity, relevant institutions are consulted within the scope of the Environmental Impact Assessment Regulation while the changes are still in the planning stage.

Monitoring, measurement, and improvement of the energy sources required in all these production processes and the greenhouse gas emissions released as a result are also regularly conducted.

Energy Management

In the world agenda, where the need for energy is increasing day by day and does not fall off the agenda with climate change, planning the use of limited energy resources, energy management is of high importance for every company and especially for companies such as Uğur Cooling, which is a pioneer in its sector and has to ensure the continuity of its production.

Based on this understanding, measurement and evaluation activities are implemented to keep energy management under control during both the use and production of the Company's products. Uğur Cooling acts in line with the goal of achieving energy savings by implementing operational improvements, equipment renewals and efficiency-enhancing projects in the light of the results of energy audit studies and instant energy monitoring system data.

The most important part of this process is to maximize energy savings and prevent energy losses through innovative projects. In order to reduce energy consumption within the enterprise, environmentally friendly practices using the most efficient technologies are adopted in the buildings, warehouses and offices where our operations take place.

Uğur Cooling aims to use energy resources in the most efficient way in all areas where it operates. Projects and investments that provide energy efficiency for this purpose play an important role in the fight against climate change. In the last three years, energy efficiency projects have been implemented by Uğur Cooling and significant energy savings have been achieved.

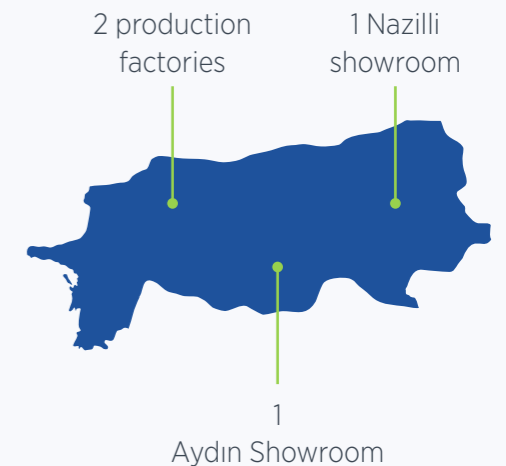
Throughout 2021, Uğur Cooling focused on efficiency efforts and achieved significant success in this area.

Uğur Cooling aims to minimize its environmental impact by taking its activities related to energy use and emissions to an optimum level. The company monitors the energy flow with the energy process flow chart it has created. At the end of this process, energy reference points, processes, objectives and action plans are obtained as outputs.

According to the operational control approach,

2 Production Factories, 1 Nazilli Showroom and 1 Aydın Showroom

which are included in the organizational boundaries of Uğur Cooling, are included in the calculation of energy and greenhouse gas emissions. As a result of all organizations included in the calculation, Uğur Cooling Corporate Carbon Footprint was calculated under a single roof.



Energy Management

Energy performance is monitored with certain indicators and monthly monitoring is carried out on a factory basis. In its factories, 38 energy analyzers have been installed in production lines and ancillary units where energy consumption is high. Electricity, natural gas and coal consumption are also monitored on a monthly basis. Within the framework of ISO 50001, awareness-raising trainings are organized to increase the energy awareness of employee.

In addition to the headquarters and OIZ facilities, the Company also has a styrofoam factory. Within the scope of environmental activities at the Styrofoam factory, air emissions in the chimneys of the facility are periodically measured once every 2 years by the facility authority and environmental consultant. The last and current emission measurement date was made on 03.03.2021. The facility is subject to an environmental permit on air emissions and has an environmental permit valid between 01.04.2020 and 01.04.2025.

Turning off lighting in non-working areas and when natural light is sufficient in production areas is part of the goal of saving energy. Evaluation and pre-feasibility studies for the installation of solar power plants are carried out in their enterprises. In this process, roof designs, static suitability of buildings and electrical infrastructure are checked, and investments are planned in line with financial conditions.

Uğur Cooling, which always tries to ensure continuity in production and pays attention to both customer satisfaction and environmental ecosystem effects, strives to consume the necessary energy resources consciously.

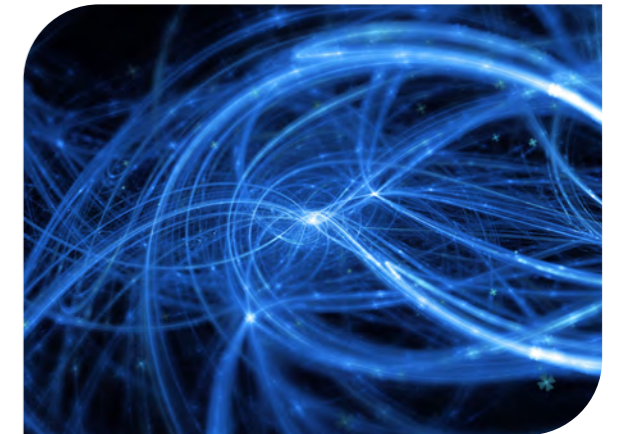


In the production of energy, it has determined it as a goal in its sustainability journey to manage its resources correctly and to develop processes in harmony with nature.



The consumption data of the Company, which currently meets its energy needs from non-renewable sources, was calculated in accordance with ISO 50001 Energy

Management System Standard and ISO 9001 Quality Standards and analyzed through regression analysis, energy performance indicators and "Sankey diagrams".



ISO 50001 certification certifies that actions have been taken to establish energy policy, targets and processes and procedures to achieve these targets. Displaying

the aforementioned analysis results through "Sankey" diagrams ensures that energy calculations and flow can be expressed in direct proportion to the amount of energy measured, thus ensuring easy traceability of the current energy analysis outputs.

Energy Management

In addition, a summary of energy consumption amounts is given in the environmental performance data energy consumption amounts table. From 2020 to 2021, there is an increase in both electricity and natural gas consumption amounts. In 2021, electricity consumption was measured as 11.483.982 kWh for the Central facility and 19,396,075 kWh for the OIZ. In 2022, these consumption amounts decreased by approximately 15.2% for the Central plant and 21.8% for the OIZ. A similar trend is observed in natural gas consumption. In 2021, 13,137,222 kWh for the Central plant decreased by approximately 11.8% and 7,910,093 kWh for the OIZ decreased by approximately 4.5%. Total energy consumption is from non-renewable sources and decreased by approximately 14.4% for the Central plant and 16.8% for the OIZ from 2021 to 2022.

Electricity use by intended use is for production stages, heating and cooling of offices, heating and cooling of test areas. Natural gas is used for cooking/drying processes in paint shop areas and for heating water in boiler rooms. Coal is used partly for steam and partly for heating water in boiler rooms.

Electricity consumption per employee and per area and natural gas consumption per area are also important parameters to be kept for efficiency. In 2021, the Company consumed 24,846 GJ of electricity per employee, this energy consumption was recorded as 21,918 GJ in 2022, a reduction of 11.8%. Similarly, electricity and natural gas consumption per area was reduced by approximately 20% for electricity and 8.7% for natural gas from 2021 to 2022. The table of all relevant energy consumption data can be accessed from the "Environmental Performance Indicators" in the appendices.

Energy Consumption Amounts



In 2021, electricity consumption was measured as; - Central Facility

11.483.982 kWh



In 2022, these consumption amounts decreased by approximately; - Central Plant

%15,2



In 2021, electricity consumption was measured as; - OIZ

19.396.075 kWh



In 2022, these consumption amounts decreased by approximately; - OIZ

%21,8

Natural Gas Consumption Amounts



In 2021, natural gas consumption was measured as; - Central Plant

13.137.222 kWh



In 2022, these consumption amounts decreased by approximately; - Central Plant

%11,8



In 2021, natural gas consumption was measured as; - OIZ

7.910.093 kWh



In 2022, these consumption amounts decreased by approximately; - OIZ

%4,5

Energy Management

The energy intensity data for 2021 and 2022 are shown in the table and the energy intensity ratio for 2021 was 5,971.915 Tons of Oil Equivalent (TOE) for 805,468 products, resulting in 0.00741 TOE per product. In 2022, including the 10th-year consumption data, this ratio was 4,522 TOE for 570,783 products, resulting in 0.00792 TOE per product.



Electricity and natural gas consumptions are individually measured for the company, which operates two separate facilities. In the energy consumption figures for 2021 to 2022, which are measured separately for the headquarters and OIZ (Organized Industrial Zone), reductions were observed in electricity consumption per employee, as well as electricity and natural gas consumption per area.

Energy Intensity Data	2021	2022
Number of Products	805.468	654.256
Tons of Oil Equivalent (TOE)	5.971	5.656
Per Product (TOE)	0,00741	0,0086

The company keeps records on electricity consumption, monitors electrical leakages, and works on reducing expenditures. In addition to this, it implements a variety of changes to improve its energy efficiency. In the acquisition of machinery and other equipment, the most energy-efficient and environmentally friendly ones are selected. Within the scope of electrical and electronic waste, the company participates in trainings and seminars organized by the ELDAY organization.

Even though the company does not use renewable energy sources, it has taken various actions in terms of efficiency, and as a direct result of these actions, and its conservation and efficiency efforts decreased its energy consumption. In 2020, there were no reductions, and an increase of 5% compared to 2019 was observed. Reduction rates of 4.15% in 2021 and 18.5% in 2022 was observed. The table of all relevant changes in energy consumption data can be found in the “Environmental Performance Indicators” in the appendices.

Within the scope of energy efficiency, there are energy projects that started/finished in 2021 and 2022. Efficiency was prioritized throughout these projects, and the productivity targets were achieved in full. These projects, the departments that executed them, the scope of these projects, and their targets can be found in the following table. The improvements performed in 2021 and 2022 by the technical directorate and energy management department, as well as recovered carbon figures, are shown in the table.

Energy Management

2021 Completed Projects



Project Description



Project Detail



Project Efficiency (kWh/year)



Reduced Carbon Emission Amount (metric tons of CO₂/year)

Energy conservation in lighting systems

Switched to 150W LED projectors instead of 400W sodium vapor fixtures, and to 15W LED fluorescent lamps instead of 35W fluorescents.

43,243

21.3

Fixing Air Leaks

As a result of the elimination of air leaks identified in the Energy Audit, the electrical energy consumption of the compressors was reduced.

55,00

27.0

Improvement of OIZ Fixture Heating Heater Fan

Energy is conserved by the incorporation of the air apparatus used for heating the fixtures into the automation system.

35,575

66.7

2022 Completed Projects



Project Description



Project Detail



Project Efficiency (kWh/year)



Reduced Carbon Emission Amount (metric tons of CO₂/year)

Inverter Operations in Injection Pump Room

Switched from continuously running lower efficiency pumps with no flow control to a frequency-controlled system, and by using the required flow rate, efficiency was improved.

216,000

106.2

Cooling Tower Activities

Energy saved in chiller energy consumption by using the cooling tower to perform the cooling process, eliminating the need for 2 chillers for approximately 5 months a year.

2,067,264

1,017.0

Energy conservation in lighting systems

Switched to 150W LED projectors instead of 400W sodium vapor fixtures, and to 15W LED fluorescent lamps instead of 35W fluorescents.

24,150

11.8

Fixing Air Leaks

As a result of the elimination of air leaks identified in the Energy Audit, the electrical energy consumption of the compressors was reduced.

215,000

105

Energy Management

There are also major projects within the scope of the technical directorate and energy management studies planned for 2023, whose investment step is already underway. There are plans to invest in energy measurement systems so that high energy use areas can be better analyzed, and improvement projects can be implemented. Another prospective project is the implementation of inverters for inefficient pumps and motors that consume high levels of power and are continuously in operation.

Uğur Cooling, who considers the energy consumption of its products in addition to efficiency projects that improve energy consumption, attaches importance to research and development activities in its production processes. Activities such as using energy efficiently in production, and developing processes that require less energy, add momentum to the company's sustainable journey.

In this context, to increase energy efficiency in commercial and household products, studies on cooler models that are powered by **12V solar energy panels** have been initiated to meet the energy needs for the use of products.



Other investments made to projects that are expected to save power are listed in the following table:

2023 Prospective Projects



Project Description

Investment in plate heat exchanger for the recovery of waste heat from the compressor

Investment in plate heat exchanger for the recovery of waste heat from the compressor

*Investment in Shell-and-tube heat exchanger for the recovery of waste steam heat from Styrofoam machines



Project Detail

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.

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.

By using the steam boiler for heating the feed water, an annual energy conservation of 4,400,000 kWh/year is anticipated.



Project Efficiency (kWh/year)

230,400

1,350,000

4,400,000

* At the time of this report's preparation, in 2023, the project started to be implemented and completed, reaching the targeted saving amount indicated for the project.

In current operations, products meet global and national requirements according to global energy directives, and regulations on which they are based are:

The standards taken as the basis for determining the energy class are:

2015-1094 Professional Cooler-Freezer

2019-2016 Domestic Unit

2019-2018 Direct Sales

IEC 62552: 2020 Test Standard for Household Refrigerating Appliances

EN 22044: Test Standard for Commercial Beverage Coolers

EN 22043: Test Standard for Ice-cream Freezers

ISO 23953: Test Standard for Refrigerated Display Cabinets



Energy Management

In addition to the regulations, a household energy calculation program called

“CoolApp Program”

is also used to determine the energy consumption of products.

Customer-specific calculations and design work according to the standards, while additional customer-based Pepsi, Coca-Cola, Heineken test methods can be applied to global and national test standards. The relevant criteria are agreed with the customers. In the tests carried out by the test recording periods specified in these standards, it is ensured that the energy used is kept to a minimum. Unnecessary energy consumption of the product is prevented by terminating the appropriate tests.

Each model, whose design and tests are completed, is also tested according to electrical safety standards and certificates of conformity such as CB Reports/Certificates, EMC Reports/Certificates, and UL Reports/Certificates are obtained from 3rd party organizations.

In the R&D Experiment Laboratory, the test studies are conducted using a comprehensive set of instruments and equipment. This system includes 24 test stations, a dedicated test room, a data collecting system for the test room, a test computer, and office programs. These resources are utilized to do calculations following the established standards. Within the bounds of these operating activities, specific components such as test rooms and central air conditioning units exhibit substantial energy consumption.

Upon examination of the energy consumption levels in the test rooms, it is evident that the respective consumption figures for the years 2020, 2021, and 2022 are 15,700 kWh/24h at a laboratory capacity of 65%, 18,200 kWh/24h at a laboratory capacity of 73%, and 20,820 kWh/24h at a laboratory capacity of 81%. The identification of laboratories functioning at higher capacity and an escalating energy demand has been observed.

In addition to the energy requirement associated with the production process, there exists a distinct energy demand for the category of products. Among the products whose energy class is determined, studies such as VCC Compressor, VIP Panel, Improved glass, etc., are carried out to ensure that the existing F class products for household horizontal and vertical products meet the D class limits, which is rated as an upper class, and VCC Compressor, VIP Panel, Improved glass, etc. are carried out to reduce the D and F class energy limits, especially for commercial vertical products, to C and more efficient classes in tests performed following customer standards.



In compressors, it is aimed to avoid the use of banned gases by increasing the use of environmentally friendly HC gases that restrict the use of HFC gases by being subject to the international F-GAS regulation with the management decision. HC gas models are recommended for customers where specific country requirements are met.

In cases of customer-specific production, attention is also paid to energy consumption, and it is aimed to meet the performance requirements according to the global or national test methods/standards prepared by the relevant customer. For these models that are required to comply with performance requirements, if customers request an energy class, careful studies are carried out by adhering to the standard methods mentioned.

Greenhouse Gas Emissions

The emission of greenhouse gas emissions is seen as one of the leading causes of global warming and climate crisis, the environmental, social, and economic impacts we face today. The excessive use of fossil fuels and the delayed shift towards renewable energy make the sustainable use of resources impossible.

Uğur Cooling always aims to improve sustainability with the prioritization given to reducing greenhouse gas emissions. In this direction, the company measured its greenhouse gas emissions for 2021 and 2022 following the GHG Protocol, Scope 1-2-3, including all scopes and energy use measurements. Other gases included in the calculation are CO₂, CH₄, N₂O, and HFCs.

The company, which aims to reduce greenhouse gas emissions by conducting the emission measurement process within the consolidation approach, prefers operational control and makes all operational decisions.

The relevant measurement results are in the environmental performance data table for greenhouse gas emissions. Scope-1 emissions for 2021 are calculated as 12,085 tons CO₂ equivalent, and Scope-2 emissions as 14,435 tons CO₂ equivalent. Scope-3 emissions show that this amount is 6,996,178. In addition, the measurement results were verified by an accredited third institution.

The intensity rates of greenhouse gas emission of the Central and OIZ facilities in Nazilli 2021 were calculated as 7,022,698 for Scope 1-2-3 emissions within 1903 employees and came out as 3690.33. The intensity rate for greenhouse gas emissions in 2022 was determined as 2845,042 among all employees. Uğur Cooling aims to obtain verification in 2023 over these emission values in 2022 in line with the principle of consistency and accountability.

The relevant data table for greenhouse gas emissions can be accessed from the **“Environmental Performance Indicators”** in the annexes.

Environmental Performance Data on Greenhouse Gas Emissions (CO₂ in tons)

2021

Amount of Direct Greenhouse Gas Emissions (for Scope 1) **12,085**

Indirect Greenhouse Gas Emission Amount (for Scope 2) **14,435**

Amount of Other Indirect Greenhouse Gas Emissions (for Scope 3) **6,996,178**

2022

Amount of Direct Greenhouse Gas Emissions (for Scope 1) **10,433**

Indirect Greenhouse Gas Emission Amount (for Scope 2) **13,630**

Amount of Other Indirect Greenhouse Gas Emissions (for Scope 3) **5,390,051**

Footnote: 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.

Waste Management



Since waste is also generated in every production area, Uğur Cooling has a waste management system and procedures in compliance with the legislation to manage them. The waste management processes within the company are integrated with the ISO 14001 Environmental Management System and include an approach that meets the requirements here in every sense. However, the issue of reducing waste stands out as one of the essential elements among the principles within the context of the Uğur Cooling Sustainability Policy.

While maintaining its practical approach to waste management, the company considers informing and developing its employees in this direction a vital building block. In this way, Uğur Cooling provides training on environment and waste management to at least **60%** of its employees annually.

The company has a “zero waste certificate” in line with its strategies for waste disposal with potentially high environmental impact.

Under the umbrella of Uğur Cooling, a Zero Waste Management System verified by this certificate is carried out, and a meticulous attitude is taken toward minimizing all kinds of waste.



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.

Use of non-hazardous raw materials and auxiliary elements

The use of non-hazardous raw materials and additional components in production processes is ensured. In addition, contamination of non-hazardous wastes with hazardous substances will be prevented.

Achieving complete adherence to the Environmental Law

No. 2872 Environmental Law and related regulations are fully complied with continuously.

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.

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.

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.

Increasing plastic waste recovery

In-plant recovery of waste and scrap plastics generated during production in the plastic injection department will be increased.

Increasing plastic waste recovery

Scrap plastic and plastic wastes will be passed through the crushing unit in the plastic injection unit and put back into the production flow.

Recovery of waste metals and energy savings

Energy savings will be increased by sending waste metals for recovery. Waste will be collected separately at the source and sent for recycling.

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.

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.

Waste Management

Uğur Cooling with “Zero Waste” approach;



The zero-waste system benefited the following gains in 2022.
For the Central Facility;



Waste Type	Amount	Gain
Waste Paper	163270 kg	<ul style="list-style-type: none"> * 2776 pieces of tree * 408,18 m³ Waste Storage Space Savings * 669407 kWh Energy Saving * 4571,56 m³ Water Saving * 28898.79 kg Greenhouse Gas
Waste Plastic	95900 kg	<ul style="list-style-type: none"> * 250107,2 lt Petrol * 553726,6 kWh Energy Saving * 239,75 m³ Waste Storage Space Savings * 3931,9 kg Greenhouse Gas
Waste Glass	47680 kg	<ul style="list-style-type: none"> * 57,22 tons Raw materials * 2002,56 kWh Energy Saving * 71,52 m³ Waste Storage Space Savings * 1430,4 kg Greenhouse Gas
Waste Metal	156200 kg	<ul style="list-style-type: none"> * 203,06 tons Raw materials * 100280,4 kWh Energy Saving * 468,6 m³ Waste Storage Space Savings * 14839 kg Greenhouse Gas

Waste Management

For OIZ Facility;



Waste Type

Amount

Gain

Waste Paper	247620 kg	<ul style="list-style-type: none"> * 4210 pieces of tree * 619,05 m³ Waste Storage Space Savings * 1015242 kWh Energy Saving * 6993,36 m³ Water Saving * 43828,74 kg Greenhouse Gas
Waste Plastic	117260 kg	<ul style="list-style-type: none"> * 305814,08 lt Petrol * 677059,24 kWh Energy Saving 293,15 m³ Waste Storage * Space Savings * 4807,66 kg Greenhouse Gas
Waste Metal	779600 kg	<ul style="list-style-type: none"> * 1013,48 tons Raw materials * 500503,2 kWh Energy Saving 2338,8 m³ Waste Storage * Space Savings * 74062 kg Greenhouse Gas

The company regularly determines the negative impacts of the wastes to be released from the units in its facilities due to the Environmental Dimension Impact Assessments it implements and updates them when necessary. While related waste formations can cause various negative impacts such as soil, image, and water pollution, Uğur Cooling always takes precautions against these situations.

In this direction, the company applies safe storage and disposal methods. The areas where leakage or spillage may occur in the company can occur within the boundaries of Uğur Cooling and in areas closed to the public, so there is no possibility of possible incidents harming the surrounding people. In addition, the company organizes and implements drills for the measures to be taken in this context. No

leakage incidents occurred in the company during the reporting period. The company disposes of medical wastes generated due to its operations by paying attention to their environmental impact without moving away from the sustainability approach. Within the framework of the **“Regulation on Prevention of Risks of Exposure to Biological Agents,”** medical waste is collected in the infirmary and kept in a locked container, and the compliance of this process with the procedures is ensured by the contract signed with the Aydın Metropolitan Municipality Environment Directorate.

Uğur Cooling evaluates waste management by opening a separate parenthesis in its regular risk and opportunity analyses. The company is aware that its compliance with the legal requirements regarding waste and the compliance of the licensed recycling companies with which it has established agreements with the contracts are essential in this regard. At this point, Uğur Cooling conducts regular internal audits and checks the compliance of contracted companies.



For the Styrofoam Facility;



Waste Type

Amount

Gain

Waste Paper	3200 kg	<ul style="list-style-type: none"> * 54 pieces of tree * 8 m³ Waste Storage Space Savings * 13120 kWh Energy Saving * 89,6 m³ Water Saving * 566,4 kg Greenhouse Gas
Waste Plastic	6720 kg	<ul style="list-style-type: none"> * 17525,76 lt Petrol * 38801,28 kWh Energy Saving * 16,3 m³ Waste Storage Space Savings * 275,52 kg Greenhouse Gas

Waste Management

The company ensures that hazardous wastes generated as a result of its activities are sent to licensed disposal/recovery companies a maximum of 1 time in 6 months, while this sending process for non-hazardous wastes takes place a maximum of 1 per year. In all these processes, Uğur Cooling acts in line with the provisions of the waste management regulation.

The storage of wastes in the company is carried out in a way that does not harm the business, employees, the environment, and the public, and is sent to the relevant departments registered to disposal/recycling facilities. Sending waste outside the facility by any means or to unauthorized companies is kept under control by the facility waste officer. Uğur Cooling does not carry out the recovery and disposal of hazardous wastes it generates within the borders of Türkiye and does not carry out shipment abroad.



The waste likely to be reused or recycled is restored within the facility. While Uğur Cooling recycled 9,232 tons of waste generated annually as the average of 2020, 2021, and 2022, there was no waste incineration within the company. Apart from this, Uğur Cooling sends its wastes that cannot be recovered from its operations to disposal facilities.

While the amount of waste sent to disposal by the company was 100 kilograms in 2020, this value decreased to 58 kilograms in 2021. There was an increase in waste sent to disposal in 2022. This increase is because Mixed Municipal Waste coded 200301 was not declared in previous years. With the 2022 Waste Declaration, mixed municipal wastes will be processed in the statement system in future waste declarations.



Uğur Cooling recycled

9,232 tons

of waste generated annually as the average of 2020, 2021, and 2022

in 2020

100 kg

of waste sent to disposal by the company

in 2021

58 kg

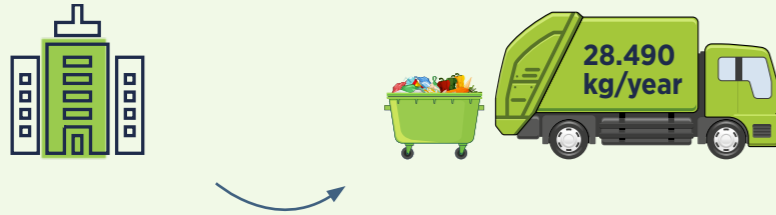
of waste sent to disposal by the company



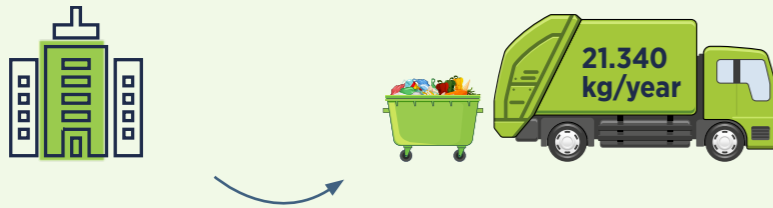
Waste Management

Quantities of waste sent to disposal in 2022:

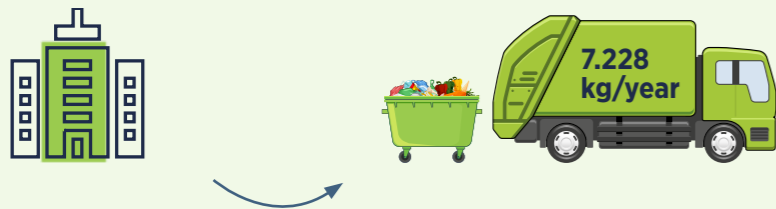
Central Plant



OIZ Plant



Styrofoam Plant



Detailed information on waste data can be found in the attached [Environmental Performance Indicators](#).

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.

On a monthly basis for 2020;

- * Coal slag: **10233 kg/month** (non-hazardous waste)
- * Paper and board packaging: **15 kg/month** (packaging waste)
- * Plastic packaging: **326 kg/month** (packaging waste)
- * Wooden packaging: **5088 kg/month** (packaging waste)
- * Contaminated packaging: **10 kg/month** (hazardous waste)

For 2021 on a monthly basis;

- * Coal slag: **20881 kg/month** (non-hazardous waste)
- * Plastic chips and burrs: **513 kg/month** (non-hazardous waste)
- * Wooden packaging: **6718 kg/month** (packaging waste)
- * Contaminated packaging: **13 kg/month** (hazardous waste)

On a monthly basis for 2022;

- * Coal slag: **21702 kg/month** (non-hazardous waste)
- * Plastic chips and burrs: **560 kg/month** (non-hazardous waste)
- * Other hydraulic oils: **3.33 kg/month** (hazardous waste)
- * Paper and Cardboard Packaging: **267 kg/month** (packaging waste)
- * Plastic packaging: **267 kg/month** (packaging waste)
- * Wooden packaging: **410 kg/month** (packaging waste)
- * Contaminated packaging: **3.33 kg/month** (hazardous waste)
- * Nickel cadmium batteries: **0.08 kg/month** (hazardous waste)
- * Mixed municipal waste: **602 kg/month**

Various works are carried out in the Styrofoam factory, which is a part of the waste reduction strategy at Uğur Cooling. These;



Zero waste bins have been placed.



Zero waste information system records have been completed.



The OIZ was included in the OIZ zero waste management system by agreeing on the application and petition with the OIZ management.



All wastes are sent to recycling facilities separately according to their types and recycling is prioritized according to the waste hierarchy.

Waste Management

To implement sustainability principles in production, Uğur Cooling acts with the understanding of taking an active role in production processes and the management of final wastes generated after production. Within the company, a responsible person follows the daily cost studies in the production lines from the SAP system and realizes the daily scrap tracking. This data is shared with the relevant production line, and countermeasures are taken. Another task of the same responsible person is to report the monthly scrap tracking of the production lines, to investigate the root cause of the scrapping of the materials with the highest cost, and to report the preventive measures.



For scrap plastic and sheet metal waste, the plastic is crushed and then molded with an injection machine. At the sheet metal cutting plant, big pieces of sheet metal are cut into small pieces to be recycled. Other sustainability operations include recycling plastic and sheet metal waste into products and collecting materials classified as environmentally hazardous substances (polyurethane and gas, etc.) by licensed companies for recycling.



The content seen as waste is not only the product but also the energy not used after production, such as heat. In this context, Uğur Cooling has steps for the sustainable use of waste heat. Related steps:

- 1 Use of the heat from the compressor in the Styrofoam drying process and in the air conditioning of the door frame factory,
- 2 Use of waste heat (about 90 degrees) from the compressor in the OIZ factory to heat the polyurethane fixtures,
- 3 The waste heat from the dyehouse is used in the dyehouse drying ovens.

Water and Wastewater

Uğur Cooling carries out its activities knowing that the conscious use of water, one of the valuable natural resources, is necessary to protect environmental health. In this context, to not restrict access to water for future generations, the company records water consumption and works on reducing consumption. Efficient use of water resources and control of water consumption have an essential place among the expectations of Uğur Cooling’s senior management. To meet these expectations, the company also includes this issue within the Uğur Cooling Sustainability Policy framework.

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. In addition, Uğur Cooling carries out water recycling activities specific to the injection molding machines in the facilities.

The company’s central factory dyehouse has a wastewater treatment plant. This plant allows water to be used more efficiently and thus reduces the environmental impact. On the other hand, Uğur Cooling identified the absence of a wastewater treatment plant at the OIZ plant as a risk in its 2022 risk and opportunity studies and reported that installing a water treatment plant would create an opportunity regarding water efficiency.

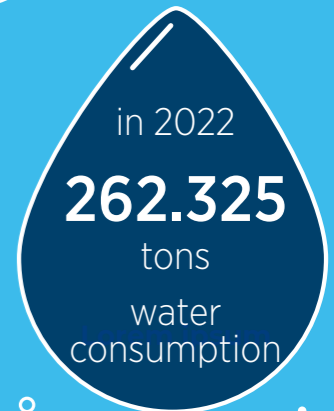
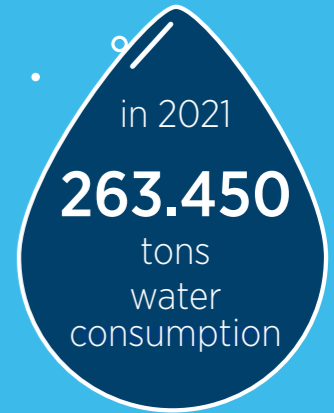
Water Consumption Amount	2020	2021	2022
Total Amount of Water Withdrawn from Nature (m ³)	222.700	232.550	252.325
Mains Water (m ³)	10.557	8.667	5.788
Water Consumption Per Capita (m ³ / person)	117	115	128
Total Water Consumption in all reporting regions (tons)	238.257	263.450	262.325



Water use in the company’s activities usually originates from the paint shop departments. Since most of the products produced by Uğur Cooling have a high metal density, using water is very important to remove all kinds of foreign factors that may affect the dyeing of the products.

The source of the water used within the company is underground, and 90% of the wastewater generated here is transmitted to the Nazilli Organized Industrial Zone sewerage. Uğur Cooling categorizes the wastewater it discharges into two different classes: industrial and domestic sewage. Domestic wastewater is discharged directly to the sewer by obtaining municipal permission. Industrial wastewater is first sent to the chemical treatment plant and removed after the accredited organization approves.

Uğur Cooling’s water consumption, which was 263,450 tons in 2021, decreased to 262,325 tons in 2022. Detailed performance indicators of the company on water and wastewater issues can be found in the **Environmental Performance Indicators** section in the appendices.



Sustainable Product



Uğur Cooling is the only company in Türkiye and European Union member countries to have a Class A product with a volume of 400 liters within the context of the Energy Labeling of Commercial Coolers, which entered into force on March 1, 2021. In this regard, the company continues to work on Class D and Class C products that comply with the energy regulations for household products.

Uğur Cooling is aware that it must always protect the quality of its products. During production, activities are carried out to increase energy, environmental and quality awareness.



In these activities;

Quality Awareness

- * Chronic, important errors detected during the previous day's production are presented together with the causes and measures to be taken by preparing a "Quality Problem Report."

Energy Awareness

- * At the end of production, the production line's motors, lighting, heaters, equipment, etc., are abandoned after final inspections, checking for air hose leaks. Excess lamps are turned off in departments where minimum use is sufficient, and photocell lamps are used if necessary to reduce energy consumption in the lighting.
- * We act from the perspective of raising environmental awareness, and activities to increase quality and energy awareness serve this purpose.
- * It has taken ownership of the activities and related duties and responsibilities of controlling whether the products that have been completed, ready for packaging, and packaged when necessary are made following the standards, product specifications, and instructions.

Uğur Cooling also includes the outputs interacting with its stakeholders and the results from their feedback in its strategies. While drawing its map on its sustainability journey, its customers' awareness level in this context is essential. Increasing the energy awareness of its customers and employees will help assess the climate crisis's environmental and social impacts.

There are sections in product user manuals that raise awareness about energy consumption to create conscious users. The products also have an energy label to appeal to the user and provide information.



05 Annexes



Annexes

Economic Performance Indicators

Topic	Economic Performance	2020	2021	2022
R&D	Number of R&D Employees	38	44	52
	Patent, Utility Model, Design Registration Applications (unit)	13	16	12
	Number of R&D Projects	5	8	9
Purchasing	Percentage of Products and Services Purchased Locally	63,31%	71,53%	71,29%
Sales	Domestic Sales Ratio	58%	46%	39%
	Foreign Sales Ratio	42%	54%	61%

Social Performance Indicators

Topic	Employee Training	2020	2021	2022
By Training Hours	Hours of training provided to all women employees	3477	7469	6483
	Hours of training provided to all men employees	15157	21327	17730
	Hours of training provided to all blue-collar employees	17093	24102	19031
	Hours of training provided to all white-collar employees	1541	4694	5181
By Training Type	Hours of training provided to employees on personal development		47	615
	Hours of training provided to employees on human rights	2546	2330	2342
	Hours of training provided to employees on business ethics	2546	2330	2342
	Number of training provided to technicians	31	93	306

Occupational Health and Safety Expenditures	2020	2021	2022
Rate of increase in OHS expenditures compared to the previous year		46,80%	43,80%

Customer Satisfaction	2020	2021	2022
Customer Satisfaction Rate	92%	97%	96%

Social Performance Indicators

Topic	Employee Profile	2020	2021	2022
By Education Level	Primary education	977	930	840
	High School	739	652	558
	University and Above	445	462	415
	Disabled employees	2%	2%	3%
Employee Rates by Age Group	Percentage of blue-collar employees under 30	32%	27%	22%
	Percentage of white-collar employees under 30	5%	5%	5%
	Percentage of blue-collar employees aged 30-50	48%	51%	54%
	Percentage of white-collar employees aged 30-50	11%	13%	13%
	Percentage of blue-collar employees aged 50 and above	3%	3%	4%
	Percentage of white-collar employees aged 50 and above	1%	1%	1%
Number of Employees	Total number of women employees	544	597	565
	Total number of men employees	1365	1372	1248
	Total number of blue-collar employees	1557	1587	1459
	Total number of white-collar employees	352	382	354
	Percentage of women employees	18%	30%	31%
	Percentage of men employees	82%	70%	69%

Environmental Performance Indicators

Water Consumption	2020	2021	2022
Total amount of water consumed (m ³)	238,257	263,450	262,325
Total Amount of Water Withdrawn from Nature (m ³)	222,700	232,550	252,325
Municipal Water (m ³)	10,557	8,667	5,788
Water Consumption Per Capita (m ³ / person)	117	115	128

Topic	Wastes	2020	2021	2022
OIZ Facility	Recovered Hazardous Waste (Tonne)	39.40	45.41	42.936
	Hazardous Waste Disposed (Tonne)	0.039	0.033	0.01
	Recovered Non-Hazardous Waste (Tonne)	1030.85	2053.66	1961.80
	Non-Hazardous Waste Disposed (Tonne)	0.025		21.33
	Total Waste Amount (Tonne)	1070.25	2099.10	2026.08
Central Facility	Recovered Hazardous Waste (Tonne)	37.36	194.13	148.77
	Hazardous Waste Disposed (Tonne)	0.032	0.025	0.034
	Recovered Non-Hazardous Waste (Tonne)	1437.32	1971.51	707.77
	Non-Hazardous Waste Disposed (Tonne)	0.004		28.46
	Total Waste Amount (Tonne)	1474.68	2165.67	885.03

Environmental Performance Indicators

Topic	Energy and Emissions	2020	2021	2022
Energy Consumption (kWh)	Electricity-Center	9605756	11483982	9734204
	Electricity-OIZ	16393026	19396075	15173561
	Natural Gas-Center	9941450	13137222	11592888
	Natural Gas-OIZ	6969296	7910093	7555402
	Electricity Consumption Intensity (GJ/employee)	21086	24846	21918
	Electricity Consumption Intensity (GJ/m ²)	114	136	109
	Natural Gas Consumption Intensity (GJ/m ²)	74	92	84
	Rate of change in Energy Consumption	5% increase	4.15%	18.50%
	Scope 1 emissions (tCO ₂ e)		12085	10433
	Scope 2 emissions (tCO ₂ e)		14435	13630
	Scope 3 emissions (tCO ₂ e)		6996178	5390051
	Reduction rate in energy consumption			4.15%
Energy Intensity Data	Tonne of oil equivalent (TOE)		5971	4522
	Per product (TOE)		0.00741	0.00792

**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.*

GRI Content Index

Statement of Use

[Name of organization] has reported in accordance with the GRI Standards for the period [reporting period start and end dates].



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ESSENTIALS SERVICE**

2023

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	2-3 Reporting period, frequency and contact point	About The Report	4
	2-4 Restatements of information	This report is Uğur Soğutma's first Sustainability Report.	
	2-5 External assurance	About The Report	4
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2-30 Collective bargaining agreements	Sustainability Policy	15	

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GRI 3: Material Topics 2021	3-3 Management of material topics	R&D Activities	49
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	R&D Activities,Social Benefit,Economic Performance Indicators	49-51,75,100
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GRI 3: Material Topics 2021	3-3 Management of material topics	Responsible Supply Chain	47, 48
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GRI 3: Material Topics 2021	3-3 List of material topics	Compliance With Human Rights	58, 59
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Our Sustainability Approach,Compliance With Human Rights	17, 58, 59
	205-3 Confirmed incidents of corruption and actions taken	There were no cases of corruption during the reporting period	
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	305-3 Other indirect (Scope 3) GHG emissions	Economic Performance Indicators	103
	305-4 GHG emissions intensity	Greenhouse Gas Emissions	89
	305-5 Reduction of GHG emissions	Greenhouse Gas Emissions	89

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Waste			
GRI 3: Material Topics 2021	3-3 Management of material topics	Waste Management	90, 91
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management	92-96
	306-2 Management of significant waste-related impacts	Waste Management	92-96
	306-3 Waste generated	Waste Management	92-96
	306-4 Waste diverted from disposal	Waste Management	93, 94
	306-5 Waste directed to disposal	Waste Management	93, 94
Supplier Environmental Assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	Responsible Supply Chain	47-48
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	A Sustainable Economy	35
	308-2 Negative environmental impacts in the supply chain and actions taken	Responsible Supply Chain	47, 48
Employment			
GRI 3: Material Topics 2021	3-3 Management of material topics	Employee Management and Development	61
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Employee Management and Development	60
	401-3 Parental leave	Employee Management and Development	60

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Occupational Health and Safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	Business Model,Occupational Health and Safety	39,66-69
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety	66, 67
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety	66, 67
	403-3 Occupational health services	Occupational Health and Safety	67-69
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety	69
	403-5 Worker training on occupational health and safety	Occupational Health and Safety	68, 69
	403-6 Promotion of worker health	Occupational Health and Safety	67, 68
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety	67-69
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety	67-69
	403-9 Work-related injuries	A Sustainable Society,Occupational Health and Safety	54,69
	403-10 Work-related ill health	A Sustainable Society,Occupational Health and Safety	54,69
Training and Education			
GRI 3: Material Topics 2021	3-3 Management of material topics	A Sustainable Society	63-65
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Employee Management and Development, Social Performance Indicators	63-64,101
	404-2 Programs for upgrading employee skills and transition assistance programs	Employee Management and Developmen	60
	404-3 Percentage of employees receiving regular performance and career development reviews	A Sustainable Society	64

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Diversity and Equal Opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topics	Employee Management and Development	61
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Employee Management and Development,Economic Performance Indicators	61,102
Non-discrimination			
GRI 3: Material Topics 2021	3-3 Management of material topics	Business Ethics,Compliance with Human Rights,Employee Management and Development	44,58,60
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	There were no cases of discrimination during the reporting period	
Freedom of Association and Collective Bargaining			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainability Governance,A Sustainable Society	15,57
Child Labor			
GRI 3: Material Topics 2021	3-3 Management of material topics	Compliance with Human Rights	16, 58
Forced or Compulsory Labor			
GRI 3: Material Topics 2021	3-3 Management of material topics	Compliance with Human Rights	16, 58
Local Communities			
GRI 3: Material Topics 2021	3-3 Management of material topics	Responsible Supply Chain,Social Benefit	47, 75
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Responsible Supply Chain	47, 75
	413-2 Operations with significant actual and potential negative impacts on local communities	No negative impact in the reporting period	

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Supplier Social Assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	Stakeholder Analysis,A Sustainable Economy	23,35
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	A Sustainable Economy,Responsible Supply Chain	35,47
	414-2 Negative social impacts in the supply chain and actions taken	No negative social impact during the reporting period	
Customer Health and Safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	Audit and Control Processes, Customer Satisfaction	38-40,71-73
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Audit and Control Processes	38-40
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	During the reporting period, there were no incidents of non-compliance regarding health and safety impacts.	
Marketing and Labeling			
GRI 3: Material Topics 2021	3-3 Management of material topics	Sustainable Product	98
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Sustainable Product	98
	417-2 Incidents of non-compliance concerning product and service information and labeling	There were no incidents of non-compliance related to service information and labeling during the reporting period.	
	417-3 Incidents of non-compliance concerning marketing communications	No incidents of non-compliance related to marketing communication	
Customer Privacy			
GRI 3: Material Topics 2021	3-3 Management of material topics	Data Security	45, 46
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	During the reporting period, there were no complaints regarding breach of confidentiality	



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