

Our Sustainability Approach

As Katmerciler, we have adopted a sustainability approach that is sensitive about the environment and people, observes social ethical values, and aims to ensure the protection of sustainability by turning governance-related risks into an opportunity. We display this attitude across our entire value chain and carry out all our activities with corporate citizenship awareness about the environment, society, and the economy of our country. We aim to create permanent and sustainable values for all our stakeholders in the long term, which are environmentally friendly, adhere to business ethics principles, and are aimed at operational excellence. In line with this goal, the main principle of our corporate sustainability approach is the adaptation of financial, environmental, social and governance factors to our Company's activities and decision-making mechanisms.

We consider corporate sustainability, which we include in our business-doing processes, as our long-term strategic approach, and position it as a goal that will provide added value and return for our Company, our stakeholders, and investors in the future.

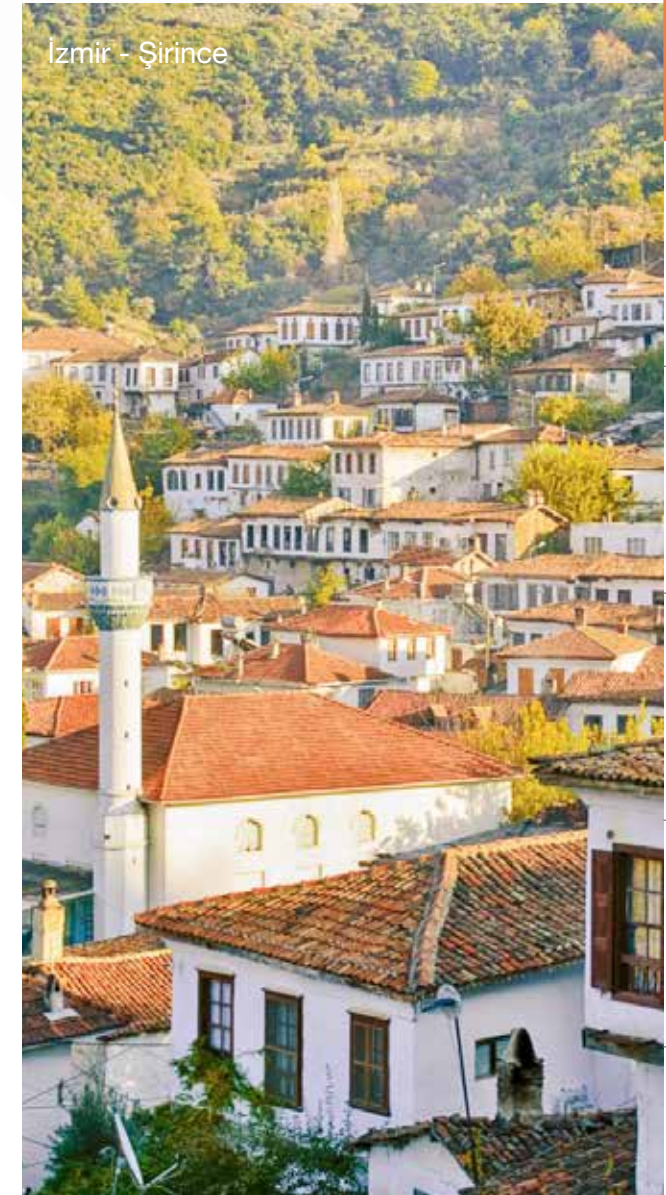
We adopt the 'United Nations Sustainable Development Goals' which consists of 17 main topics focusing on the solution of social, cultural, and ecological issues. Accordingly, we integrate our goals that we have adopted, into all our business processes and decision-making mechanisms. We make our processes that respect people and nature and create quality-oriented value a part of our corporate culture for our Company and our stakeholders. We believe that we will create short, medium and long-term shared value for our priority issues in the field of sustainability, while developing applications that will lead the on-board equipment and defense industry sectors which are the sectors of our main activities, in all our activities and operations, and we continue our work with this belief.

While determining our sustainability priorities for 2020, we have carried out a comprehensive analysis process that included the monitoring of local and global developments within the scope of sustainability trends and our corporate strategic goals,

by considering the GRI (Global Reporting Initiative) Reporting Standards. We have included into this analysis the predictions on global risks pointed out by the World Economic Forum, the sector-specific priorities determined by the Sustainability Accounting Standard Board (SASB), and the sectoral analyses and reports of international initiatives in the sectors in which Katmerciler operates. As a result of this analysis, we have put our sustainability issues in an order of priority by assessing the new risks and opportunities that have arisen due to the nature of our activities while keeping up with the prominent global trends. We have submitted the outputs of each stage of this study to our Company's Senior Management for its approval and have received its feedback.

Our 12 priority topics that we have determined as a result of our assessment have been prepared by taking into consideration the strategic importance and the expectations of stakeholders, and they are listed below.

- Economic Performance
- Employment
- R&D and Innovation
- Occupational Health and Safety
- Employee Development
- Information Systems and Information Security
- Purchasing Practices
- Climate Change and Emissions
- Energy Management
- Waste Management
- Water Management
- Diversity and Equal Opportunity



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