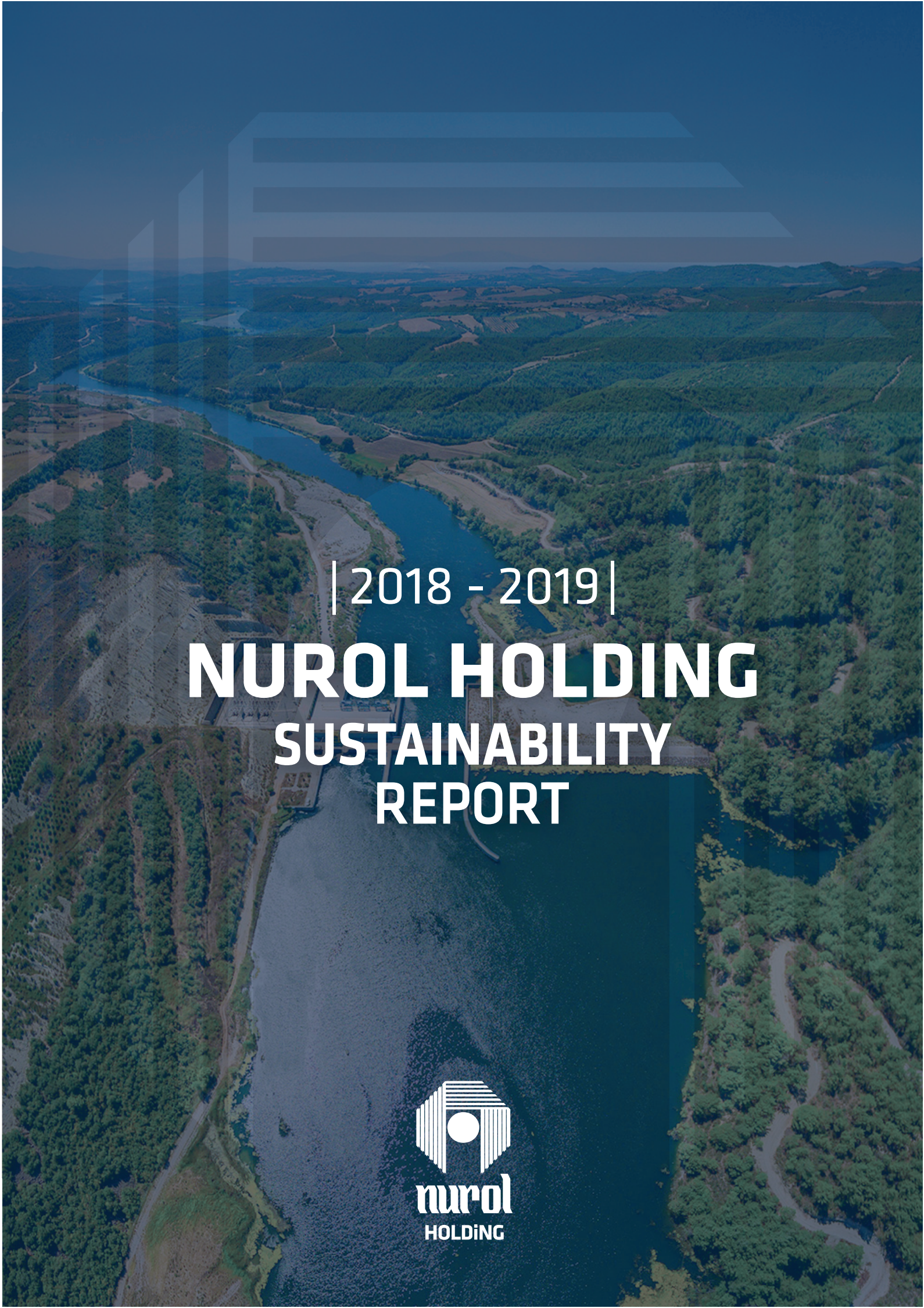

| 2018 - 2019 |

# NUROL HOLDING SUSTAINABILITY REPORT

nurol HOLDING

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* GRI (Global Reporting Initiative)

# ABOUT THE REPORT

NUROL CONSTRUCTION, BOLAMAN-PERŞEMBE DUAL HIGHWAY

## ABOUT THE REPORT

At Nurol Holding, we've been striving for more than half a century to achieve even greater success with our strength of experience and principle of continuous improvement. In this perspective, we are applying modern methods across every sector in which we operate, and trying to secure sustainable conditions for the future.

As part of the sustainable business model, we carry out our transformation with the projects we develop in governance, employee development, environment, social equality, and innovation. In order to design the future together with all our stakeholders, we carry out these projects in cooperation with our employees, customers, and business partners. We prioritize our relationships with our stakeholders and always take steps to achieve the best. With our sustainability reports, we communicate our goals, activities and performance to all our stakeholders, based on international standards. Since 2017, we have been supporting this approach internationally, as a signatory to the United Nations Global Compact (UNGC) with participant status.

The range of issues included in the 2018-2019 Sustainability Report of Nurol Holding has been determined according to the prioritization analysis results and the GRI Standards of the Sustainability Reporting Guideline of the Global Reporting Initiative are as follows: Prepared in accordance with the basic option requirements and the UNGC Progress Notification qualifications. The "GRI Content Index" and "UNGC Index" are included in the last section of the report.

Our Sustainability Report (the Report) is based on numerical data and information relating to our practices and performance in governance, economy, environment, social and ethical issues for the two-year period between January 1, 2018 and December 31, 2019.

## SCOPE OF THE REPORT

The report was prepared by compiling information from NUROL Construction, NUROL Makina, NUROL Technology, FNSS, TÜMAD and NUROL Investment Bank companies within NUROL Holding and NUROL Group. NUROL Holding and the six companies mentioned above are referred to as "companies within the scope of the Report", while the other companies within the NUROL Group are referred to as "non-reporting companies", "other Group companies" or in short, as "other companies". In addition, the activities of "NUROL Educational, Cultural and Sports Foundation" and "NUROL Art Gallery" were shared in our corporate social responsibility activities.

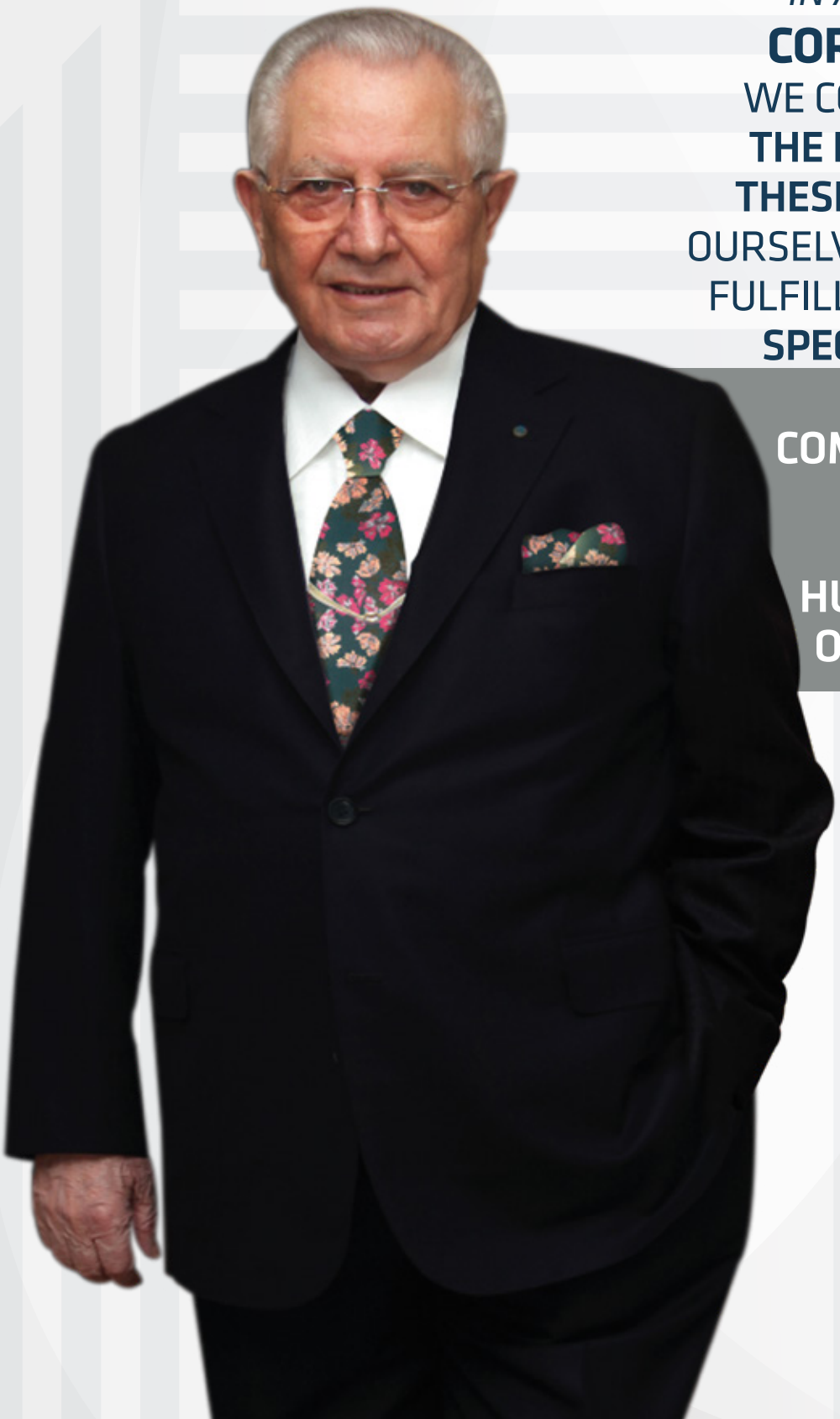
Our economic data and financial indicators cover our companies included in the consolidated accounts. The list of these companies is available in the Corporate Profile section and the external audit statement is available at www.nurol.com.tr, where the annual reports for the year 2018 and 2019 are published. The names of all NUROL Group Companies included in the reporting and not included in the report are given in the Corporate Profile section. These companies are referred to as "NUROL Holding Companies", "Holding Companies", "NUROL Enterprises", "Us", "Enterprise Companies", "Enterprise", "Group", and "Companies".

## FEEDBACK

Our sustainability report is also intended to be a regular dialogue platform that we will establish together with our stakeholders. Therefore, we aim to publish our report every year and continuously improve its content. For any contributions and suggestions, comments and questions you would like to make regarding sustainability in this area, you can contact us through all communication channels, but especially via email.

**E-mail:** info@nurol.com.tr

The cover image belongs to Ceyhan HEPP Oşkan Power Plant, and all images used in our report are our own photographs of our companies, projects and products.



**AS NUROL GROUP OF COMPANIES,** *IN ACCORDANCE WITH OUR* **CORPORATE POLICIES,** WE CONTINUE TO INCREASE **THE LEVEL OF PRACTICE IN THESE AREAS BY** ADOPTING OURSELVES AS A PRINCIPLE TO FULFILL **THE REQUIREMENTS SPECIFIED IN THE UNITED NATIONS GLOBAL COMPACT IN THE FIELDS OF ENVIRONMENT, LABOR STANDARDS, HUMAN RIGHTS, SINCE OUR ESTABLISHMENT.**

**Dear Stakeholders;**

Taking into account its vision of "Creating the Highest Social and Economic Value for Our Country," Nurol Holding continues to create value with its stakeholders despite all the economic difficulties of 2018 and 2019. In this regard, we are happy to share with you our second report on our sustainability performance.

Our consolidated asset size, as of the end of 2019, reached nearly 25 billion Turkish lira with around 40 subsidiaries, affiliates and approximately 15,000 employees. The Group achieved a turnover of 9,1 billion Turkish lira in the same period and its turnover target for 2020 is estimated to be 9,6 billion Turkish lira. As a result of this success, the impact of the recession on the economy in the last quarter of 2018 and early 2019 impacted adversely on all industries. Our country's economic growth rate was 2.6 percent in 2018, while it decreased to 0.9 percent in 2019. However, as the Nurol family, we continued to grow with our highly regarded stakeholders, especially our employees.

We continued to operate both domestically and internationally in the defense industry, mining, real estate investment, finance, tourism, energy, trade, and service industries, especially in the construction and contracting industries. We are aware that an approach focused solely on economic growth will not be enough for us to achieve our goals with the awareness of constant change. For this reason, we have embraced the necessity of moving forward with planning that involves environmental and social development as our business model and shared this experience with our suppliers and customers with whom we interact highly. With this in mind, we established the Sustainability Committee in 2018 and expanded our risk management approach to include environmental and social issues. Accordingly, our goal for the coming years is to further advance our sustainability practices under the guidance of the Global Compact we signed with participant status and in support of achieving the United Nations Sustainable Development Goals.

Digitalization and R&D have become the core elements of all the industries in which we operate, with a focus on becoming a part of the transformation by incorporating innovation. Investments in these areas during the reporting period will continue in the coming years.

With the principle of continuous improvement, this year we have set the sustainability goals of our companies with transparency in our sustainability report. We are excited to follow up on our commitments with you, our stakeholders in the coming periods. We attach great importance to the continuity of value chain interaction with the awareness that all improvement activities will contribute to the development of the country's economy, through a radical transformation, not only for our Group, but also for the development of the country's economy. Together, we are expanding in international markets.

In addition to the many accomplishments we have achieved in the country with Nurol Construction, we continue to successfully fly the Turkish flag through projects that cover nearly twenty countries worldwide.

NUROL Makina, NUROL Technology, FNSS and NUROL Bae Systems (BNA), which provide services in the defense industry, continue their effective, reliable and innovative production, design and engineering activities in line with the demands of the industry. These companies also create economic added value for our country through exports to many foreign countries, local labor force employment, the establishment of a local supply chain and technology transfers.

In the gold production industry, where we operate from a "Mining for People" perspective, our project, which is compatible with the performance requirements of TÜMAD (TÜMAD Mining Industry and Trade Inc.) and the European Bank for Reconstruction and Development (EBRD), and which has the "best applicable technology," has helped us within a short period to become one of the leading companies in the country's new power in gold production. Continuing its gold exploration activities abroad, TÜMAD produces gold that respects people and the environment, especially the expectations of our local stakeholders, in all its operations.

The Nurol Education, Culture and Sports Foundation, a reflection of our more than half a century of business culture, continues to contribute to society with the principle of "sensitivity", one of the most important values of our Group. With a focus on improving the quality of life of society, NUROL supports contemporary education, sports, culture and arts to create a better future. The aim of the Nurol Foundation is to reach a broad audience by developing projects that are in line with the Sustainable Development Goals.

While preparing our sustainability report for 2018 and 2019, we are also monitoring the Covid19 pandemic process and its potential effects on the world. As always, we overcome the challenges of this new era with the devoted approach of our highly-regarded employees and stakeholders. Throughout our 55-year history, a top priority for us has been the health of our employees and their families. With this in mind, as soon as the pandemic began to take hold in our country, we set up a "Covid Emergency Team." Part of the Covid-19 Emergency Plan, its objective has been to minimize the effects of the pandemic experienced by our personnel and their relatives. In our upcoming reports, we will be sharing in detail the measures we have taken in areas such as general screening tests, changes to the work order, additional hygiene measures, and so on, and the results.

As we continue our sustainability journey, I would like to extend my sincere thanks to all our stakeholders, especially our employees, for their conscientious, heartfelt and valuable contributions and the trust they have in us, which has also helped us achieve economic growth.

**Nurettin ÇARMIKLI**
**NUROL Holding**
**Chairman of Board**

nurol

# CORPORATE PROFILE

# CORPORATE PROFILE

The ÇARMIKLI family and Nurol Group of Companies, together with its commercial history of more than half a century, comprises a global company that strives towards its goal of sustainable success by taking the utmost care to align family values with those of the company, while prioritizing ethical values, people and the environment, along with the country's development.

With the leadership of Messrs. Nurettin, Erol and M. Oğuz, the ÇARMIKLI brothers, Nurol creates added value for the economy, through its companies built in the defense industry, mining, real estate, finance, energy, tourism, trade and the service industries, and especially in the construction industry. In addition, mirroring the global concept of sustainability, it emphasizes continuous improvement in the value chain, including its stakeholders.

Nurol Construction was established in 1966 as a "General Partnership," expanding its organizational structure in 1989 under the umbrella of the Holding. NUROL continues to operate with nearly 40 subsidiaries, affiliates, and project partnerships both in Turkey and overseas.

NUROL succeeds in sustainable growth by renewing its short, medium, and long-term plans according to changes. It maintains its presence based on its industries in which it is involved having solid foundations and maintains its investments with a stronger structure both domestically and abroad.

The central units carry out the corporate communication activities and audits of the group companies, which are managed by the General Managers in accordance with the principles of corporate governance, together with the coordination offices reporting to the Chairman and the Vice Chairmen of the Board of Directors. Together with the Holding, the central structure of the companies in the mining, energy, tourism, trade and service industries, especially the defense industry group companies, is in Ankara; however, Nurol Construction, Nurol REIT and NUROL BANK companies, are based in Istanbul.

**As of December 31, 2019, the consolidated asset size of Nurol Holding was almost 25 billion Turkish lira, with revenues reaching 9,1 billion Turkish lira and total project size reaching $33 billion.**

In line with the ethical values it has held since its foundation, NUROL has, in addition to its commercial activities, been involved in various projects and strategies aimed at alleviating social issues and improving modern living standards. With its sustainability awareness, the Group companies agree to serve society, which they define as the most important stakeholder, while prioritizing sensitivity to people and the environment.

Founded by the ÇARMIKLI family, the Nurol Educational Cultural and Sports Foundation has contributed to the development of culture and the arts, especially education, and continues with its efforts to enhance the country's values.

# CORPORATE STRUCTURE

NUROL Holding carries out its activities with a responsible, fair, ethical and accountable management it; fully complies with laws and regulations; pursues a business model respectful to its stakeholders and social benefits, and has a deep commitment to corporate values at every level.

NUROL Holding is managed and represented by the Board of Directors, save for the exceptions stipulated by law. The Board of Directors comprises nine people: one Chairman, one Vice Chairman and seven members. All members of the Board of Directors are competent to manage the Holding in terms of their training and business experience. A simple majority is sufficient for the Board of Directors to make a decision. If the votes are equally divided, the subject is left for the next meeting. If the votes remain equally divided in the second meeting, the proposal is considered rejected.

NUROL Holding Companies are managed by General Managers along with the Coordinators affiliated with the Chairman and Vice Chairman of NUROL Holding. The Holding carries out the auditing and corporate communication activities of the companies from the headquarters.

## Board of Directors and Coordinators

**The Ordinary General Assembly dated September 26, 2018 approved the members of the Board of Directors to serve until September 26, 2021, as shown in the table below**

| Position | Name and Surname |
|---|---|
| Chairman of the Board of Directors | **Nurettin ÇARMIKLI** |
| Vice Chairman | **M. Oğuz ÇARMIKLI** |
| Member of the Board of Directors Trade Group Coordinator | **Eyüp Sabri ÇARMIKLI, PhD.** |
| Member of the Board of Directors Human Resources and Public Relations Coordinator | **Gürol ÇARMIKLI** |
| Member of the Board of Directors | **Oğuzhan ÇARMIKLI** |
| Member of the Board of Directors | **Gürhan ÇARMIKLI** |
| Member of the Board of Directors | **Ahmet PAŞAOĞLU, PhD.** |
| Member of the Board of Directors Legal Counsel | **Ad. Cumhur BOZKURT** |
| Member of the Board of Directors Finance Group Coordinator (CFO) | **Kerim KEMAHLI** |
| Tourism Group Coordinator | **Gaye ÇARMIKLI** |
| Business Development Coordinator | **Ceyda ÇARMIKLI KILIÇASLAN** |

The nomination and election procedures of the members of the Board of Directors are regulated in accordance with Article 13 of the Articles of Association of the Company.

**More information: For our Board Members' biographies** https://e-sirket.mkk.com.tr/esir/Dashboard.jsp#/sirketbilgileri/11079

## Shareholder Profile

**The paid-in capital of NUROL Holding is 776 million Turkish lira and the distribution of the capital between the shareholders is presented below. There is no legal personality among the partners.**

| Partner's Name and Surname | Share (%) |
|---|---|
| **Nurettin ÇARMIKLI** | 33,31 |
| **Erol ÇARMIKLI** | 33,31 |
| **M. Oğuz ÇARMIKLI** | 33,31 |
| **ÇARMIKLI Family** | 0,07 |

# OUR VISION

As of Nurol Family, we are conscious of our responsibilities. Our main aim is to be the best, by featuring the quality of our work the sectors we participate in, and to create the highest social and economic values for our country

# OUR MISSION

To carry this strong structure, which created by the principles verified by local or abroad experiences, to the next generations with a sense of conventiality together with an innovative approach and to produce the best goods and services with the strength we take from the society and our workers.

# OUR VALUES

## QUALITY, RELIABILITY, DIGNITY

Dating back to a renowned history of 55 years our dignity has been based on quality and reliability. Our commitment is, to submit all of our projects flawlessly and on time; to create durable and qualified work and to produce the most reliable goods and services. While realising these, we never compromise on honesty, accuracy and stability. Our most essential principle is to work continuously as much as we can, to aim the highest accomplishments and to progress further and further.

## CONVENTIONALITY AND INNOVATION

Under this solid roof aged half a century, tradition and innovation has been combined. We create our future by carefully placing contemporary and progressive approaches on the basis of our deep rooted and lasting values. With our continuously learning and progressing structure we work hard for providing visible contributions to our workers, business partners and clients.

## EQUALITY, FAIRNESS, FIDELITY

Even the smallest of our accomplishments is big enough not to be just a single person's work. Considering the fact that people can only accomplish great things by trusting and relying on each other, our managers and all the workers within our Corporation have been interlocked as a family. All the members of Nurol Family have a strong team spirit based on a constituent comprised of affection-respect-devotion.

## SOCIAL BENEFITS

With the awareness of our being a part of the society, we give an utmost care to our corporate targets to be in tune with the interests of the country and the society. To create a sustainable future, we search for our share of obligations and fulfill them in the most beneficial way.

## SENSITIVITY TO THE ENVIRONMENT

One of the basic principles of our corporate culture is to act due to the awareness that giving the priority to increase the life quality of the next generations can only be managed by preserving the nature and helping the ecological system in all our business processes.

**We would like to thank our shareholders, business partners and valuable employees for accompanying us with devotion in every step of our 55-year journey, and wish our country and the world to have healthier, more peaceful and peaceful days as soon as possible.**

**Construction and Contracting Group**

Nurol Construction and Trading Co Inc.
Nurol Real Estate Investment Trust Inc.
Otoyol Yatırım ve İşletme A.Ş.
Nurol LLC (UAE)
Nurol Georgia LLC
SGO Construction and Trading Inc.

**Defense Industry**

Nurol Makina Sanayi A.Ş.
FNSS Savunma Sistemleri A.Ş.
Nurol Technologies Industry and Mining Trade Inc.
Nurol BAE Systems Air Systems Inc.
Nurol İleri Teknoloji Savunma Ürünleri Madencilik Sanayi Ticaret A.Ş.

**Mining and Energy**

Nurol Energy Generation and Marketing Inc.
Nurol Göksu energy Production Inc.
Enova Energy Wholesale Inc.
Nurol Grup Elek. Topt. Sat.
Nurol Solar Energy Production Inc.
Enova Energy Production Inc.
Tümad Mining Industry & Trade Inc.
Gemad Mining Industry & Trade Inc.
Bahçeşehir Gaz Dağıtım

**10.000+** EMPLOYMENT

**+55 YEARS OF** EXPERIENCE

**Finance**
Nurol Investment Bank Inc.
Nurol Insurance Brokerage Services Inc.
Nurol Varlık Kiralama A.Ş.:
Nurol Portföy Yönetimi A.Ş.

**Trade and Service**
Botim Business Management and Trading Inc.
Nurol Aviation Inc.
Nurol İşletme ve Gayrimenkul Yönetim A.Ş.

**Tourism**
Nurol Hotel and Tourism Management Inc
Turser Tourism Publishing and Trade Inc.
Bosfor Tourism Management Inc.

**Foundation**
Nurol Education, Culture and Arts Foundation
Nurol Art Gallery

**35+**
COMPANIES

**33 BILLION $**
TOTAL ASSET

# AS NUROL FAMILY,
WE ARE AWARE OF
**OUR RESPONSIBILITY.**

**AS ALWAYS, OUR GOAL IS;**
TO BE THE BEST BY STANDING OUT WITH OUR
**QUALITY IN THE SECTORS WE ARE INVOLVED IN,**
TO CREATE THE **HIGHEST SOCIAL** AND
**ECONOMIC VALUE** FOR OUR COUNTRY.

TÜMAD MINING, LAPSEKI GOLD AND SILVER MINE

# NUROL HOLDING'S ECONOMIC OUTLOOK

If we examine some financial indicators that reflect the economic outlook of the NUROL Group of Companies, the consolidated asset size increased by 78 percent, sales by 99 percent, gross profit by 69 percent and profit before interest, depreciation and tax (EBITDA) by 82 percent as of the end of 2019 as compared to 2017.

**As of 2019, the construction and real estate industries accounted for the largest share of the Group's turnover with 49 percent, followed by the manufacturing industry with 35 percent. By the end of 2019, the total project size had reached $33 billion.**

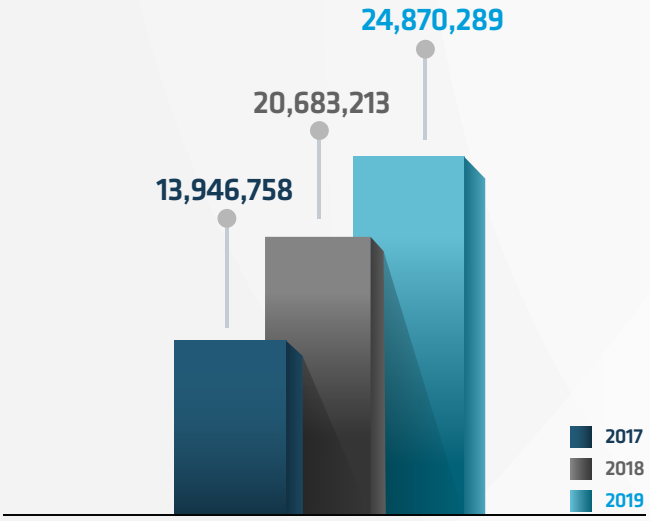
## Financial Indicators

Consolidated - IFRS (Thousand TL)

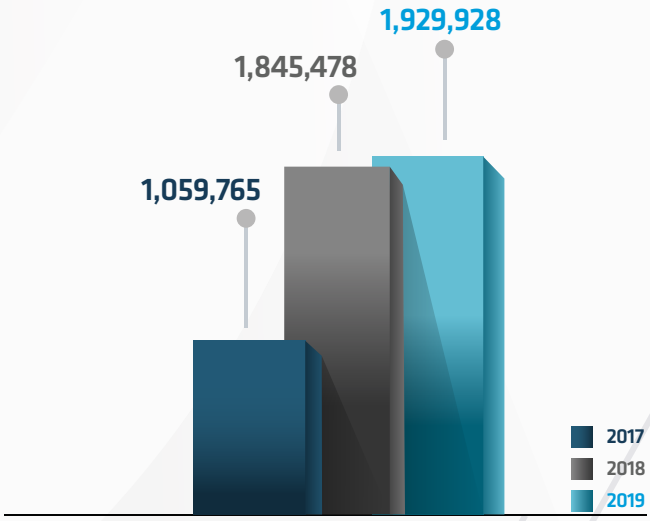
| | 2017 | 2018 | 2019 |
|---|---|---|---|
| **Total Assets** | 13,946,758 | 20,638,213 | 24,870,289 |
| **Total Equity** | 2,208,077 | 3,244,958 | 3,613,685 |
| **Investments** | 748,319 | 1,169,923 | 881,819 |

Consolidated Summary Income Statement (Thousand TL)

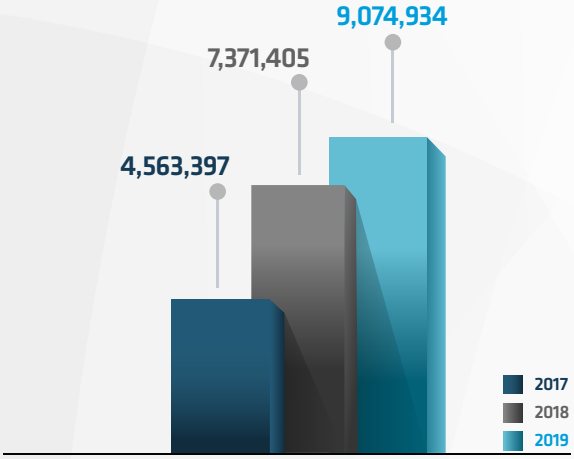
| | 2017 | 2018 | 2019 |
|---|---|---|---|
| **Sales Revenues** | 4,563,397 | 7,371,405 | 9,074,934 |
| **GROSS PROFIT/LOSS** | 1,253,468 | 2,002,973 | 2,118,937 |
| **EBITDA** | 1,059,765 | 1,845,478 | 1,929,928 |



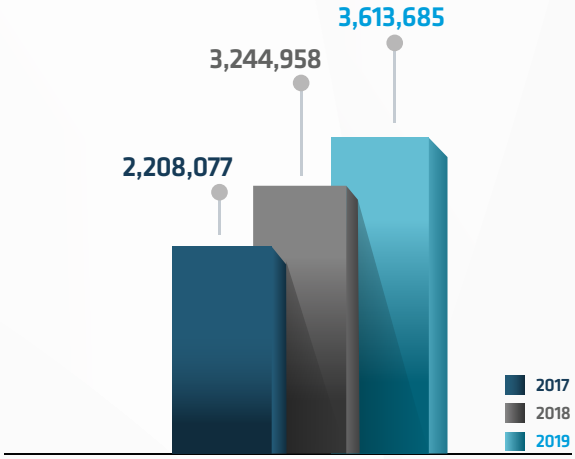
Total Assets (Thousand TL)



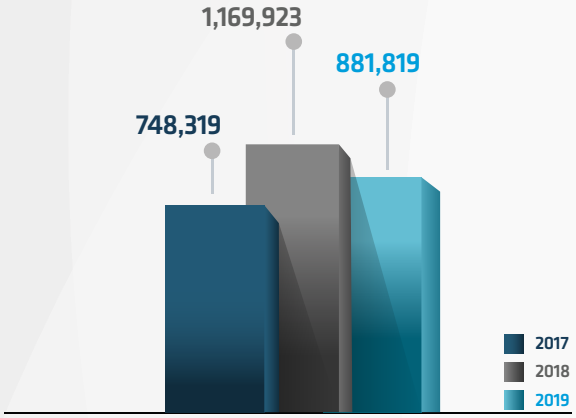
EBITDA (Thousand TL)



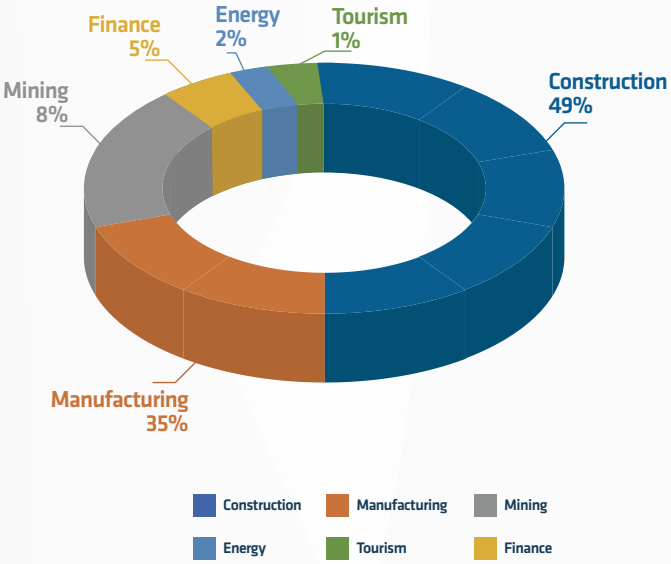

Sales Revenues (Thousand TL)



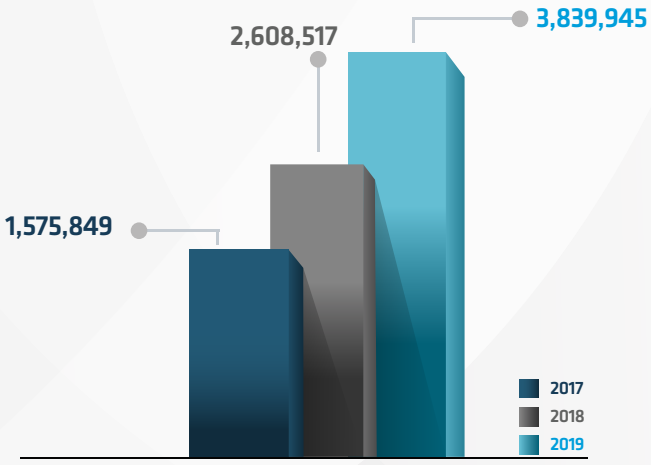

Total Equity (Thousand TL)




Investments (Thousand TL




**Nurol Holding contributes significantly to the country's economy by generating its sales revenues of 2,608,517,000 Turkish lira and 3,839,945,000 Turkish lira in 2019, of which 35 percent was generated in 2018 and 42 percent in 2019.**




Foreign Sales (IFRS) (Thousand TL)

## Economic Impacts

1. Direct Economic Impact (Thousand TL)

| | 2018 | 2019 |
|---|---|---|
| Net Sales | 7,371,405 | 9,074,934 |
| Dividend from revalued investments through equity | 474,035 | 603,577 |
| Income from investment activities | 79,082 | 148,833 |
| Financial Return | 38,191 | 192,903 |
| **Revenues** | **7,962,713** | **10,020,247** |

2. Economic Value Distributed (Thousand TL)

| | 2018 | 2019 |
|---|---|---|
| Cost of Sales (Including Operational Expenses) | 5,609,942 | 7,252,243 |
| Wages and benefits provided to employees | 181,645 | 232,364 |
| Community investment activities expense | 2,839 | 8,198 |
| Financial Expenses | 1,193,388 | 2,000,224 |
| Tax Expenses (Payments to the State | 31,016 | 26,853 |
| **Revenues** | **7,018,830** | **9,519,882** |

3. Economic Value Provided (Thousand TL)

| | 2018 | 2019 |
|---|---|---|
| Revenues | 7,962,713 | 10,020,247 |
| Costs | 7,018,830 | 9,519,882 |
| **Economic Value Provided** | **943,883** | **500,365** |

4. Incentive Premiums, Subsidies, Tax Returns etc. Revenues

| | 2018 | 2019 |
|---|---|---|
| **Nurol Makina** | 420,482 | 150,583 |
| **Nurol Technology** | 222,341 | 436,700 |
| **Tümad** | 877,500 | 5,851,292 |
| | **1,520,324** | **6,438,576** |

**Notes:**

All figures included in the tables covered by the Economic Outlook have been prepared in accordance with the International Financial Reporting Standard (IFRS).
Net sales include revenues from financial sector activities.
Employee compensation and benefits data are directly owned by the employees of the Group companies. (Excluding subcontractors.)

TÜMAD MINING, BIODIVERSITY STUDIES

# SECTORS

# CONSTRUCTION AND CONTRACTING

Nurol Construction is justifiably proud of the endorsements it has received for its contributions to the construction and contracting industry globally. With its well-established corporate culture and accomplished staff, Nurol has successfully completed many major infrastructure projects for road, bridge, viaduct, tunnel and dam construction, and superstructure projects for the construction of industrial facilities, hotels, shopping centers, housing and residential units.

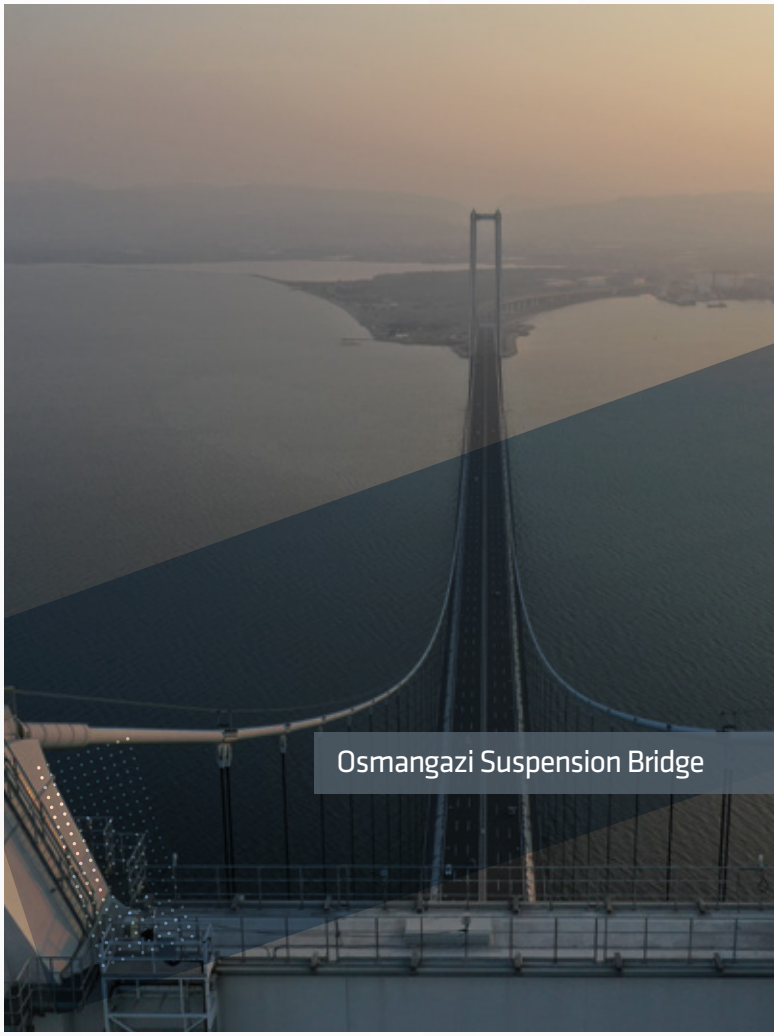
Through its infrastructure projects, Nurol Construction has made a significant social contribution to the regions where it works. Nurol has contributed to the development of transportation facilities, has partnered agricultural development activities through its support for irrigation projects, and has supported increases in tourism and trade opportunities. In clean water supply projects, it has contributed to securing universal and fair access to safe and affordable drinking water for everyone.

Nurol Construction complements luxury residential projects in satellite cities in Turkey and across the world with its quality and design, and has offered technical and architectural engineering solutions in line with the requirements of modern life.

Nurol Construction's reference projects included in the list of the World's Largest International Contractors published by the US Engineering News Record (ENR.com) encompass: infrastructure projects, roads, highways, railway and metro systems, tunnels, gas/oil pipelines and related facilities, irrigation/drainage systems, dams and hydroelectric power plants, water supply and wastewater systems, urban/industrial treatment plants and solid waste facilities, turnkey production facilities and industrial complex projects, industrial sites, business and commercial center projects, luxury and social housing projects hotel, resort and tourist facilities projects.

**In parallel to this successful history, we are also continuing at full speed with our ongoing domestic and international projects.**

Gebze-Orhangazi-İzmir Motorway


Osmangazi Suspension Bridge

The "Gebze - Orhangazi - Izmir Highway" project, which at the time of the tender was named the largest Build-Operate-Transfer Project in the history of the Republic of Turkey with a project size of $7,5 billion, was completed and opened to service. The water retention process has begun in the Ilısu Dam and HEPP project, which will play a crucial role in closing Turkey's energy deficit, with a 11 billion $m^3$ reservoir volume, an installed capacity of 1,200 MW and an annual energy production capacity of 4,1 billion kWh, which is the second largest dam in Turkey by volume. The Ümraniye-Ataşehir-Göztepe metro project is expected to ease Istanbul's transportation problem, once completed. The project includes a 13-kilometer double tube, a single line TBM tunnel, and 11 stations. Construction is ongoing. Four separate balanced cantilever bridges are being constructed as part of the Yusufeli Dam Bridges project. Likewise, within the scope of the Eyiste Viaduct Project, the construction of the 1,372 m long balanced cantilever viaduct is in progress. In the construction of our Gebze - Orhangazi - Izmir Highway, the Balıkesir - Kırkağaç - Akhisar section of the project has been completed and put into service.

Ilısu DAM and HEPP

Our overseas operations, mainly in North Africa and the Gulf region, include satellite cities; residential projects; urban infrastructure and technological steel manufacturing projects; infrastructure construction projects; such as bridges and channels on the sea; various bridges and tunnel structures; luxury hotels and residences; and dams, highways and corporate buildings.

We are working at full speed to expand our business activities. In addition to our initiatives in the Gulf Region, particularly in Algeria, Qatar, Saudi Arabia, UAE, Oman and Romania, we are also working in Lebanon, North Africa, Sub-Saharan Africa, Bosnia and Herzegovina, Kosovo, Albania, Macedonia, Montenegro, Kuwait, Kazakhstan, Azerbaijan, Afghanistan, Pakistan, India and Ukraine.Nurol Real Estate Investment Company, conspicuous for its significant investment expenditure in the construction and contracting industries of our Group, has implemented hundreds of projects involving infrastructure and superstructure both domestically and abroad without compromising on quality, for more than 50 years. The company continues to provide services through its housing projects (NUROL Park, NUROL Tower, NUROL Life), and design and land development projects in Istanbul, transferring its experience in construction and marketing to the industry.

Located in Basın Ekspres, in the heart of Istanbul, NUROL Park is a Nurol GYO investment with a 55,000 m² project comprising children's play and entertainment centers, outdoor shopping and movie theaters on Oasis Street, and 22,000 m² of landscaping and walking areas.

Nurol Park

Oasis Street brings together many brands for its visitors, with its unique concepts that introduce the retail industry to 60 stores, movie and entertainment centers, restaurants and cafes in an area of 28,000 m², it's the life that Istanbul's residents dream of. It also welcomes its visitors with its service areas for daily needs and special events for children.

Nurol Life

Nurol Life is located right next to the Türk Telekom Arena, on a 9,500 m² lot. The 50-storey Nurol Life building combines residence privileges with exciting details; the 439 tower apartments together with 26 townhouses, offer prestige and comfort.Nurol Life also includes 50 offices, showcasing the importance it gives to business life.

Nurol Tower was created as an eco-friendly residential project in Mecidiyeköy. Nurol Tower includes all the requirements of modern life with exclusive services for flats ranging from 73 square meters to 193 square meters. Built according to the LEED Gold criteria, the Green Building Certificate issued by the American Green Building Council, Nurol Tower's units face the southeast and southwest facades with its triangular design. In this way, light efficiency and energy savings are achieved at the highest level.

Nurol Tower

**The public listing of Nurol Real Estate Investment Company on the Borsa--the Istanbul Stock Exchange--was realized in 1999.**

# DEFENSE INDUSTRY

FNSS is a land defense company that designs and manufactures tailored, effcient, reliable and innovative palletized and wheeled armored vehicles. It is recognized among world leaders in its field. To date, FNSS has delivered more than 4,000 armored combat vehicles to its users. The wide range of products includes 15-ton class palletized armored vehicles, medium weight tank, 4x4 - 8x8 tactical wheeled armored vehicles, mobile swimmer cell bridge, armored engineering machine and manned and unmanned towers. FNSS believes that user satisfaction should be long-term, making a difference by establishing reliable collaborations that enable the products it delivers to go beyond the life cycle and create solutions for new needs that may arise in the process. FNSS, of national value to the Turkish defense industry, continues to add value to all its stakeholders with its 30 years of know-how and creative solutions.

Nurol Makina is a defense industry company that has been operating under Nurol Holding since 1976. With over 40 years of experience and technological infrastructure in the industry, Nurol Makina designs and manufactures armored combat vehicles, armored personnel carriers and special-purpose platforms in the 4x4 armored vehicle segment. Nurol Makina's product family is the leader in its class. It consists of EJDER YALÇIN, YÖRÜK (NMS), ILGAZ, EJDER TOMA and EJDER KUNTER vehicles. To the user: Nurol Makina, offering solutions to the user that meet operational needs beyond the base vehicle by taking into consideration cost efficiency throughout the life cycle, continues its activities with its existing and new products in the fields of defense and homeland security with increasing momentum.

Nurol Technologies is a 100 percent domestic and national defense industry company established to produce ballistic ceramics to meet Turkey's and the world's needs in the field of powder metallurgy and advanced technical ceramic production. They are to be used in personal ballistic protection, vehicle platforms ballistic armor and structural ballistic protection applications.

Our company is one of the leading figures in the ballistics industry. With the technology and expertise, Nurol Technologies can produce ballistic cereamics such as Bor Carbide, Silicon Carbide, Alumina, Titanium Diboride and Tungsten Carbide; all transformed from raw material to finished product, under one roof.

It offers hybrid ballistic solution alternatives to different levels of threat with its powder metallurgy and ballistic ceramics it develops to meet different needs thanks to its composite solution integration experience.

Nurol Technologies offers fast, reliable and cost-effective solutions for its customers and exports to many countries around the world. It designs, develops and manufactures new generation armor systems for all vehicle platforms including air, land and sea, as well as personal protection products such as ballistic protective plates and ballistic shields. In addition, in the structural armor area: the building is also successful in manufacturing and armoring with the technology it owns other ballistic-protected operational products, such as armoring, armored guard huts, shielding gear and armored container.

**Established in partnership with NUROL Holding and BAE Systems, the BNA is a company founded with the vision of creating unique capabilities in the aviation and defense industry.**

BNA strengthens its presence with its strong infrastructure, strong experience and technological know-how of BAE Systems and aims to become the Primary Level Supplier of aviation products and services developed in Turkey within the scope of its vision and field of operation.

Accordingly, BNA is taking firm steps towards becoming an international brand in its field, aiming to create research and development programs, to take responsibility for design and production business package, and to provide local industry products and capabilities by developing complementary capabilities.

**Our Nurol Makina, Nurol Technology, FNSS and BNA companies, which are in the defense industry sector, render services to NATO quality standards.**

# ENERGY AND MINING

Lapseki Gold and Silver Mine

Operating in the Gold Mining sector, TÜMAD provides economic and social development by protecting the environment through open and transparent communications based on mutual trust, and respecting the values of the regions in which it works. TÜMAD has launched its Çanakkale Lapseki operation, where national and international standards of occupational health and safety, environmental and social relations, quality, supply chain, workforce and integrated management systems are implemented in the best way, with 100 percent domestic capital.

After the Lapseki Gold Mine, which started production in November 2017, Balıkesir İvrindi Project was commissioned and the first gold casting was carried out in 2019. Of the two projects that TÜMAD has implemented in the gold mining industry, with an investment of more than $300 million, 1.5 million ounces of production will be produced in 10 years and 2.7 billion of them will be directly and with an added value of $10 billion.

İvrindi Gold and Silver Mine

CEYHAN HEPP

TÜMAD carries out every stage of the projects with a sustainable mining approach. In addition to its mining operations, it also attaches importance to the reintegration and rehabilitation processes of the environment and carries out afforestation activities with its stakeholders.

NUROL Holding continues its activities in the energy sector and supports Turkey's energy needs through the Ceyhan and Göksu Power Plants. Nurol Solar was established as a result of efforts to develop renewable energy sources and increase their use in Turkey. It is a project company that provides turnkey solar energy systems to end users.

GÖKSU HEPP

# FINANCE

NUROL Bank, started its operations in the finance industry in 1999 to serve customers needing a variety of financing products, by establishing long-term relationships, together with an awareness of being among the leading banks in the field of investment banking in Turkey, with its capital structure and well-equipped human resources.

Nurol Bank, provides services that improve the efficiency of all its customers and reduces their risk levels, thereby significantly controlling their costs and increasing their market share.

Nurol Insurance Brokerage Services Inc. has been providing services in all insurance branches since its establishment in 1994. The company stands out in the corporate insurance industry with its practices that prioritize customer demand and interests, as well as its services and projects that follow developments in the insurance industry.

It provides quality service by meeting the changing needs of both Nurol Group employees and non-group customers with the right products with CRM, which is used in marketing, sales and performance management processes.

# TOURISM SECTOR

Sheraton Ankara Hotel
& Convention Center

The Sheraton Ankara Hotel & Convention Center, which since 1991 has been offering its guests the experience of the Sheraton brand with its ever-strong team of professionals. A symbol of the capital, the Sheraton Ankara is located in the city center. Its guests have a choice of 311 rooms and a total of 21 halls, spanning a total of 5,000 m$^2$, offering flexible options for different needs. Located within the same complex is Lugal, a Luxury Collection Hotel in Ankara, it is the first of its brand in Turkey. With 91 rooms, the hotel welcomes its guests with personalized service in the heart of the city.

Bosfor Tourism, with its " **A Group Travel Agency** " certification from the Ministry of Culture and Tourism and its membership of the International Air Transport Association (IATA), instantly meets domestic and international flight ticket requests, offers VIP welcome and hospitality for domestic and foreign guests, transportation services, such as accommodation and guidance are offered.

Lugal, a Luxury Collection Hotel, Ankara

Sheraton Batumi Hotel

In Georgia, another country where NUROL continues to operate, the Sheraton Batum Hotel joined our Hotel Group with Batum's first five-star hotel and a social complex with 220 rooms. Our hotel has 202 rooms, 1 Penthouse, Outdoor and Indoor Swimming Pools, Health Club, 1,500-person meeting room and six meeting rooms. With its traditional Sheraton service quality in its region, it has become a symbol of hospitality and luxury. The Sheraton Batumi Hotel continues to attract tourists to the Adjara Region and contribute to the regional tourism industry with its architectural structure inspired by the Lighthouse of Alexandria.

# TRADE AND SERVICE

Bodrum Oasis Shopping
Culture and Entertainment Center

The NUROL Group of Companies generates high-quality service across every area in which it operates in Ankara and Istanbul. It also involves Nurol Business Administration and Real Estate Management, **Bodrum Oasis Shopping, Culture and Entertainment Center, Botim, Oasis Cadde**'s operation management, and Nurol Aviation, which continues to provide air taxi services to domestic and international standards.

Established in 1991 to operate Karum Business ve Shopping Center, one of the first shopping malls in Ankara, Nurol İşletme ve Yönetim A.Ş. has also for this role and managed the real estate and business centers of the Nurol Group until 2011. Since 2011, Nurol has been operating the **Karum Shopping Mall parking lot and Ankara Sheraton and Lugal Hotels**' parking lots and providing maintenance and repair services for motor vehicles in the parking lots, as well as leasing its own property and contracting offices, shops and storefronts in the Karum Shopping Mall, renting real estate units and repairs. Since the lease, the company also provides consultancy services in areas of owner-tenant relationships, real estate management and management.

Nurol Air Inc.

NUROL CONSTRUCTION, OSMANGAZİ SUSPENSION BRIDGE, HERSEK LAGOON

# NUROL HOLDING AND SUSTAINABILITY

# NUROL HOLDING AND SUSTAINABILITY

Nurol Holding strives to achieve high-level quality in all of its industries and through its sustainability strategy strives for continuous improvement in the management of environmental and social impact. As a company that defines "Equality, Justice, Loyalty" and "Social Benefits" in its corporate values, we observe the needs and expectations of all our stakeholders in our activities. With our sustainability action plans, which we prioritize in line with company strategy, we endeavour to maximize our positive impacts, to prevent if possible negative impacts from occurring, or if not to minimize them. While ensuring customer satisfaction through our business quality, all our activities are carried out ethically, responsibly, reliably, and with respect for our stakeholders and the environment. Our aim is to align with the future, while continuing to collaborate with our stakeholders in a business world that is undergoing a major transformation.

TÜMAD MINING, BIODIVERSITY STUDIES

In 2018, we made a commitment to comply with the United Nations Global Compact and the Ten Principles under the agreement, in which we are included as "participant" status. This is how we aimed to understand our sustainability motivation and the importance we attach to the subject, by all our stakeholders. With this approach, we have accelerated our sustainability awareness and reporting efforts simultaneously. In addition to the UNGS Progress Notification, we also decided to report in the most recent version of the internationally accepted Global Reporting Initiative (GRI) standard, which is at a more detailed level.

## Sustainability Management

NUROL closely follows the evolving management practices of the business world and adopts a sustainable business model, by assessing the impact of economic data, and social and environmental issues, on the business strategy. In this new business model, which is approached with the notion of "Sustainability is a culture", top management leadership is essential. The Board of Directors of the Holding has responsibility for our entire environmental and social sustainability performance, ethical management and regular communication with our stakeholders. The Board of Directors is responsible for leading and carrying out its activities through the "Sustainability Committee" we established in 2019. Transparency, management and performance reporting are evaluated and shared with the senior management.

**THE HIGHEST-LEVEL RESPONSIBILITY OF THE HOLDING COMPANIES LIES WITH THE BOARD OF DIRECTORS OF THE COMPANIES.**

The "Sustainability Committee" formed by NUROL Holding comprises a member of the Board of Directors, Legal Counsel, Planning and Budget Control Department and Public Relations Department. The risks and opportunities communicated to the committee by all process owners are examined by the defined rating principles and important risks and opportunities are conveyed to senior management.

## Sustainability Approach and Sustainable Development Goals

The sixteen global problems that the business world needs to face were identified in 2015 by the United Nations as Sustainable Development Goals and the intention was to solve these problems by 2030. With the awareness that these problems can only be solved in the new business world through cooperation, Article 17, "Partnerships for Goals," has been added to the "UN Sustainable Development Goals." At Nurol Holding, we support the implementation of certain projects within the scope of all targets, and we have specifically implemented a "Qualified Training" clause with regard to our sustainability strategy.

When evaluated in conjunction with the working areas of the Nurol Holding companies, we contribute to:

3 GOOD HEALTH AND WELL-BEING

Occupational **Health and Safety** principles integrated in the business culture of all our companies

4 QUALITY EDUCATION

"**Qualified Education,**" through our efforts to increase the knowledge and awareness of employees through training, and to provide training opportunities for various segments of society through social responsibility projects.

**5** GENDER EQUALITY

"**Gender Equality,**" through our practices to ensure gender equality in recruitment and business strategies

**6** CLEAN WATER AND SANITATION

"**Clean Water and Sanitation,**" by ensuring everyone has safe and Accessible Drinking Water through the sustainable management of water integrated into the policies of our companies and our investments

**8** DECENT WORK AND ECONOMIC GROWTH

"**Decent Work and Economic Growth,**" by ensuring the corporate sustainability of companies, making investments to ensure sustainable economic growth, and including employees in the processes of determining company strategies through the management methods implemented

**9** INDUSTRY, INNOVATION AND INFRASTRUCTURE

"**Industry, Innovation and Infrastructure,**" as the main objective of encouraging innovation through company policies through the defense industry companies in which we operate

**11** SUSTAINABLE CITIES AND COMMUNITIES

"**Sustainable Cities and Living Spaces**" through the infrastructure and superstructure projects that support the implementation of global development in sustainable cities and the creation of safe and sustainable cities through Nurol Construction projects

**12** RESPONSIBLE CONSUMPTION AND PRODUCTION

"**Responsible Consumption and Production,**" with efforts to harmonize the value chain, which is included in the management principles of all our companies, with the principles of sustainable production and consumption, to inform customers about the sustainability of production methods transparently and to raise awareness of employees about sustainable consumption,

**13** CLIMATE ACTION

"**Climate Action,**" as part of the business strategies and objectives developed by all of our companies on the basis of sustainability, measuring the economic impact of the activities, as well as the environmental and social impact of the activities, and the corporate carbon footprint studies.

**15** LIFE ON LAND

"**Terrestrial Life,**" as part of our work on measuring the effect of our construction and mining operations on ecosystems, forests, soil and biological diversity and minimizing these effects.

**17** PARTNERSHIPS FOR THE GOALS

"**Partnerships for the Goals,**" through partnerships established to spread sustainability throughout the value chain.

United Nations Global Compact

**This report** is a Notification of Progress in implementing the United Nations Global Compact and broader UN objectives. We welcome your feedback on the report content.

## PREPARATION

During the reporting period, the "Sustainability Workshop" was held under the leadership of Nurol Holding. The workshop detailed the contents of good sustainability practices and sustainable development objectives for the companies involved in the reporting, according to their industry. The workshop also included an assessment of important issues and stakeholders that should be added, compared with the previous reporting period.

A "Sustainability Committee" was established in 2019 for the regular monitoring of compliance with the sustainability topics of the company strategy. This committee evaluates all the work undertaken by sustainability teams and informs the board about important action plans.

## MATERIALITY ANALYSIS

Material issues have been identified by senior management while establishing sustainability priorities and developing a related sustainability strategy. Workshops were held with each of our companies included in the reporting, in order to identify key stakeholders and sustainability priorities, and to define the needs and expectations of the stakeholders. Both stakeholder expectations and senior management were handled in line with important issues. These studies were analyzed and company priorities were identified. The sustainability matrices and stakeholder dialogue tables created as a result of the studies were presented to our stakeholders within the scope of the report. "Digitalization" was added to Nurol Holding's prioritization analysis, following the assessments made during the reporting period. With a focus on data management, to improve both business and sustainability performance, Nurol Holding has decided to invest in the digital transformation of the systems it uses.

## DETERMINATION OF SUSTAINABILITY ACTIONS AND PERFORMANCE

At Nurol Holding, we report not only on our own sustainability performance but also on those of our companies, which have established strong management mechanisms under the Holding's supervision. At this point, all companies operate according to different sustainability priorities and follow the performance criteria set by the Holding. We focus on combating climate change, energy management and water management in the environment, and follow up on OHS performance in social issues. This allows all our companies to approach sustainability from the same basic perspective, even if they are on different scales. We believe this is important for developing shared values.

## STRATEGY DEVELOPMENT

In determining our sustainability strategy, a joint prioritization study has been conducted, through assessing the needs and expectations of our key stakeholders in our value chain and the important issues defined by senior management. This study took into consideration the stakeholder survey results, senior management expectations, competitor analyzes, industry-wide sustainability practices and the risk analyzes carried out by the Holding's subsidiaries within the scope of sustainability under the leadership of the Sustainability Committee.

## STAKEHOLDER DIALOGUES

Regular and healthy stakeholder communications form the basis of our sustainability approach. Feedback, suggestions and ideas from our key stakeholders help us determine our strategy and are actively used in the development of new products and services. The regular communication mechanisms established with our core stakeholder groups and these stakeholders is as follows:

NUROL SOLAR, SOLAR PLANT PROJECT

| Stakeholders | Dialogue Platforms | Frequency of Dialogue |
|---|---|---|
| Legislative and Regulatory Bodies | Visits and dialogues, Annual Reports, corporate web page, congresses and seminars, joint projects developed | Annual, when necessary |
| Shareholders | Board of Directors Meetings, General Assembly Meetings, Company Performance Meetings, Annual Reports | Annually, once every 3 months, if necessary |
| Financial Institutions | Visits and dialogues, Annual Reports, IFRS audit reports company performance reports, corporate website | Annual, 6 months, when necessary |
| Competitors and Private Sector | Seminars, Fairs, Congresses, Industry associations meetings, Annual Report, corporate website, corporate magazine (Nurol World), co-projects developed, Nurol social media accounts (Instagram, Facebook, Twitter, etc.) | Annual, when necessary |
| Investors | Activity Reports, corporate web page, general council, questions, ads, Nurol social media accounts (Instagram, Facebook, Twitter, etc) | Annual, when necessary |
| Employees, | Training, social events, Nurol World Magazine, Intranet, Internal communications materials, Corporate website, Nurol social media accounts (Instagram, Facebook, Twitter, etc) | Annual, 6 months, when necessary |
| Society | Activity Reports, corporate web page, social media, corporate social responsibility projects, sponsors, Nurol Art Gallery, Nurol social media accounts (Instagram, Facebook, Twitter, etc) | Annual, monthly, when necessary |
| Media | Press bulletins, interviews, Activity Reports, corporate web page, social media, corporate social responsibility projects, sponsor projects, Nurol Art Gallery, Nurol World Magazine, Nurol social media accounts (Instagram, Facebook, Twitter, etc) | Annual, monthly, when necessary |
| Industry Associations | Association meetings, congress and seminars, corporate web page, Activity Report, Nurol social media accounts (Instagram, Facebook, Twitter, etc) | Annual, when necessary |
| Consultants | Meetings and trainings, Nurol World Magazine, corporat web page, Intranet | Bimonthly; if necessary; face-to-face when requested |
| Suppliers | Meetings, offers, contracts | Annual, when necessary |
| NGOs | Meetings, Intranet, Nurol World Magazine, corporate web page, Nurol social media accounts (Instagram, Facebook, ,Twitter, etc.) | Biannually, when necessary |

## PRIORITY SUSTAINABILITY ISSUES

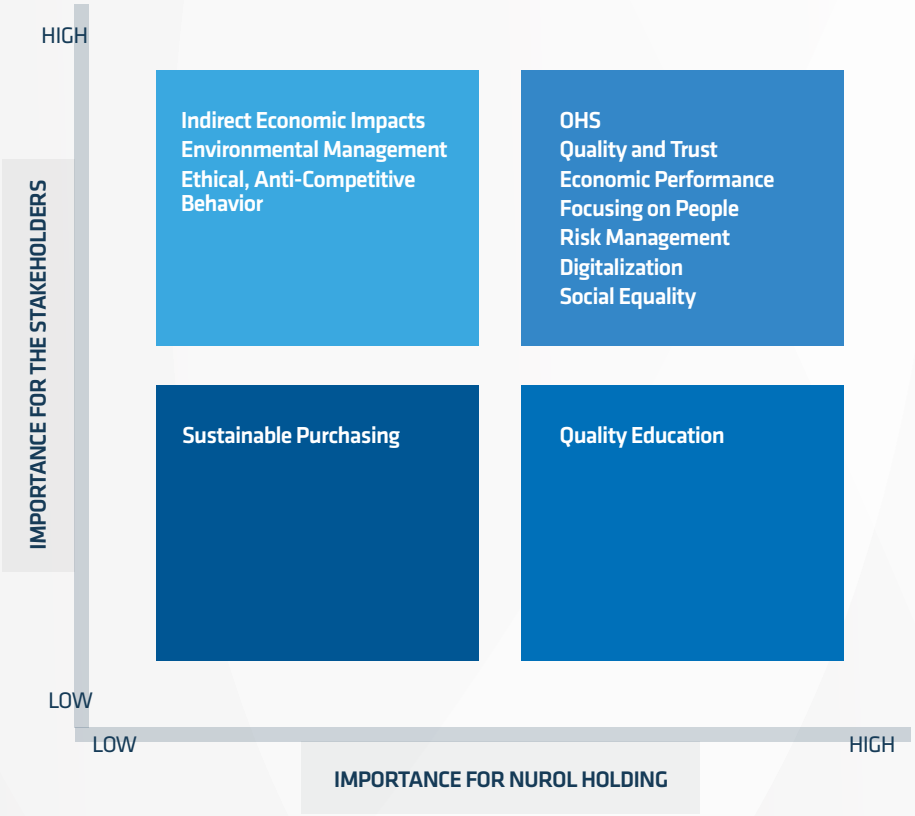
In our 2017 report, we conducted an initial analysis of priority issues that are relevant and important to our stakeholders (employees, business partners and local elements in the areas where we do business). We've reconsidered our top priorities by taking into account the changing strategies in Turkey and around the world, innovations, needs, sectoral reports on the economy, as well as outputs of scientific reports such as the Intergovernmental Panel on Climate Change-IPCC Scientific Report, Special Report on Climate Change and Land, the US National Ocean and Atmospheric Agency (NOAA), and the Special Report on the Ocean and Cryosphere.

The titles in our prioritization analysis continued in line with our 2017 statement, and only the topic of digitalization was added to our analysis results, in line with the expectations of our senior management and stakeholders. We have also determined that for us the issues in the analysis still have the same priorities.

As part of our sustainability approach, we have made sure within the scope of our report to provide information about our managerial perspective on issues that are important to us and our stakeholders, our policies, our progress in our targets set in the previous reporting period, and our vision for the future in those areas in which we plan to develop.

Each of Nurol Holding's priorities creates common values for all of the Group Companies that are included and not included in the report. Information on these issues is discussed in different parts of the report.

In addition, we have tried to address the issues that are important to our stakeholders (in the upper left corner of the matrix) and other issues that we believe have a high impact on NUROL Holding Inc.'s corporate success (in the lower right corner of the matrix) within the scope of our management approach and practices. Within the scope of the value chain of NUROL Holding Inc., we have expressed important matters outside the corporate boundaries by highlighting them with the red font in the matrix below.




## OUR ENVIRONMENTAL AWARENESS

As Nurol Holding, although the environmental impact caused by our own activities is low, we define our main impact on this issue as instilling in our companies the importance we attach to the title "respect for the environment", which is one of NUROL's corporate values. In all business processes, we focus on reducing the consumption of natural resources from a lifelong perspective, protecting the environment, increasing energy efficiency and fighting climate change.

## OUR APPROACH TO OCCUPATIONAL HEALTH AND SAFETY

As part of Nurol Holding's approach to the value of "**Equality**, **Justice**, and **Loyalty,**" all NUROL employees are members of the family. With this in mind, occupational health and safety is defined as a must for the Holding and all its affiliated companies. This perspective applies not only to Nurol personnel but also to the subcontractors with whom it works.

Compliance with the law in OHS is a fundamental requirement but, in NUROL's view, OHS alone is not sufficient. NUROL also supports its ability to create a safe and healthy work environment with its more than 50 years of experience and through its internal procedures. Effective risk management practices are used when conducting these activities. Risk definitions are made for all projects and business processes and action plans are defined to eliminate such risks. A safe working environment is created through actions taken with management approval. In this environment, each employee is also responsible for protecting a healthy working environment, complying with safe working rules and practices, and acting and working to prevent accidents at work by using the personal protective equipment determined and provided to them. Occupational Health and Safety is secured by the policy that is created as a priority and training and workshops are organized to create and raise awareness and set goals for continuous improvement and "Emergency Evacuation Drills" are carried out periodically. The drills are conducted in accordance with the "Emergency Plans" and the "Emergency and Safety Instructions". We have also identified our Emergency Team, which will enable all our employees to receive support in the event of natural disasters and emergencies.

## SUSTAINABILITY IN OUR VALUE CHAIN

NUROL focuses on development with its stakeholders, with whom it has the highest interaction, especially with its suppliers and customers. In this context, the most important element that makes the collaboration uncompromising is "Quality, Trust and Reputation," which is NUROL's principal corporate value. Targeting the customers, the objective is to be the most valued and reliable brand. To achieve this objective, it is the continuous target to provide the product (goods and service) that best meets customer requirements.

It is also determined to achieve this by establishing a continuous link of cooperation and trust with the supply chain, while offering its products and services.

In line with this objective, in addition to the SAP ERP system, the Supplier Relations Management (SRM), the Supplier Lifecycle (SLC), and the Supplier Network Collaboration (SNC) modules are included and utilized in the "NET Project" in order to manage the Supply and Supply Chain more effectively, integrate internal processes with external sources, and create a structure that can react quickly to rapid changes in the field. With this system, we conduct supplier application management, supplier master data management and supplier performance management, bidding, order management, quality management, and supplier delivery management activities in a manner that is fair and transparent.

For NUROL, the concept of fairness and integrity is not only the basis of internal communication, but also the basis of communication with all customers, suppliers and contractors. In this context, it focuses on the proper implementation of all activities in accordance with the legislation. At Nurol Holding, our value chain management strategy, one of our holistic management practices, applies to all Nurol Companies. In 2019, we began workshops with the aim of expanding this strategy, achieving total quality in our corporate culture, operational excellence, teamwork, and the continuous search for improvement. To do this, we strive to include our culture in our competencies, gain strength from each other, learn from each other, revise our processes and advance further, gain the future by making a difference and become sustainable.

### Supplier Management Workshop:

Based on the "Outsourcing of processes, products and services" the capabilities of external suppliers, which we define as procurement management; in accordance with the customer requirements, we determine and implement criteria to evaluate, select, monitor and reevaluate our suppliers, as required by the standards we undertake to ensure supply management efficiency and sustainability. Accordingly, we held the first procurement process workshop organized by Nurol Holding on July 25, 2019 with participation from our companies FNSS, Nurol Makina, Nurol Construction, TÜMAD, Nurol Aviation and BNA.

### Configuration Management Workshop:

We held the first workshop on Configuration Management, which is a crucial requirement of our defense industry, with the participation of Nurol Holding, FNSS, Nurol Makina, BNA and Nurol Technology companies on June 26, 2019. Configuration management has a significant place as a discipline to verify the design and manufacture of the products supplied in the defense industry with the functional and physical properties defined on the one hand, and to be able to access product-related information during the life cycle, while also supporting the factors such as producibility, reliability, quality, maintenance-repair and interchangeability that ensure the effectiveness and economy of the product.

In our workshop, we examined and evaluated the configuration management process, along with the configuration requirements in the defense industry, expectations of end users, determining the needs analyzes of our companies, and analyzing standard requirements.

## DIGITAL TRANSFORMATION

The rapid advancement of technology forces companies to re-examine their business conduct and abandon traditional business models and act quickly on the digitalization trend.

Management approaches that are shaped by evolving and changing needs and that have evolved from traditional to new, require the ability to take full advantage of technological opportunities for the transformation of commercial activities, processes, products and models.

The trend towards digital transformation in the new world order and the reorganization of processes in our production industries in keeping with this transformation, both increase productivity and enable us to work in an environment of equal competition with our competitors. With this awareness, we have always recognized the need to transform not only business processes or equipment but also our employees and management approach.

As the Information Technologies Group Directorate of Nurol Holding, we monitor current industry data, evaluate new technologies, make technological investments by taking into account the demands of our companies, and the expectations of their suppliers and customers, and monitor the latest versions of our current operations. We make the necessary infrastructure and system investments so that our users can work in the most secure way without being time/space dependent, and maintain their business efficiently.

### Software

**2018 -** Microsoft Enterprise Agreement renewed. Office 365 cloud-based solutions that are stable and integrated with Office applications were added to the EA.
Proportion in the budget: 15%

**2020 GOAL –** As part of the Microsoft Enterprise Agreement, the Teams app will be deployed, to provide a platform where our employees can expand in Office 365 cloud-based solutions, and perform site-independent teamwork, secure data sharing, chat and meetings.

### Security

**2018 –** Multifactor authentication (SMS authentication password) is integrated into the remote connection to ensure users can safely use enterprise system resources from outside the office.
Budget Price: 1.1%

**2019 -** Security software was commissioned on the personal computers of end users.
Proportion in the budget: 3%

### Infrastructure

**2018 -** Our network equipment, for which support has ended and which does not support the new security principles, has been renewed.
Proportion in the budget: 15%

**2020 GOAL –** Network equipment and management software will be integrated for the safe use of the enterprise and guest wireless network.
Expected budget Ratio: 2.8%

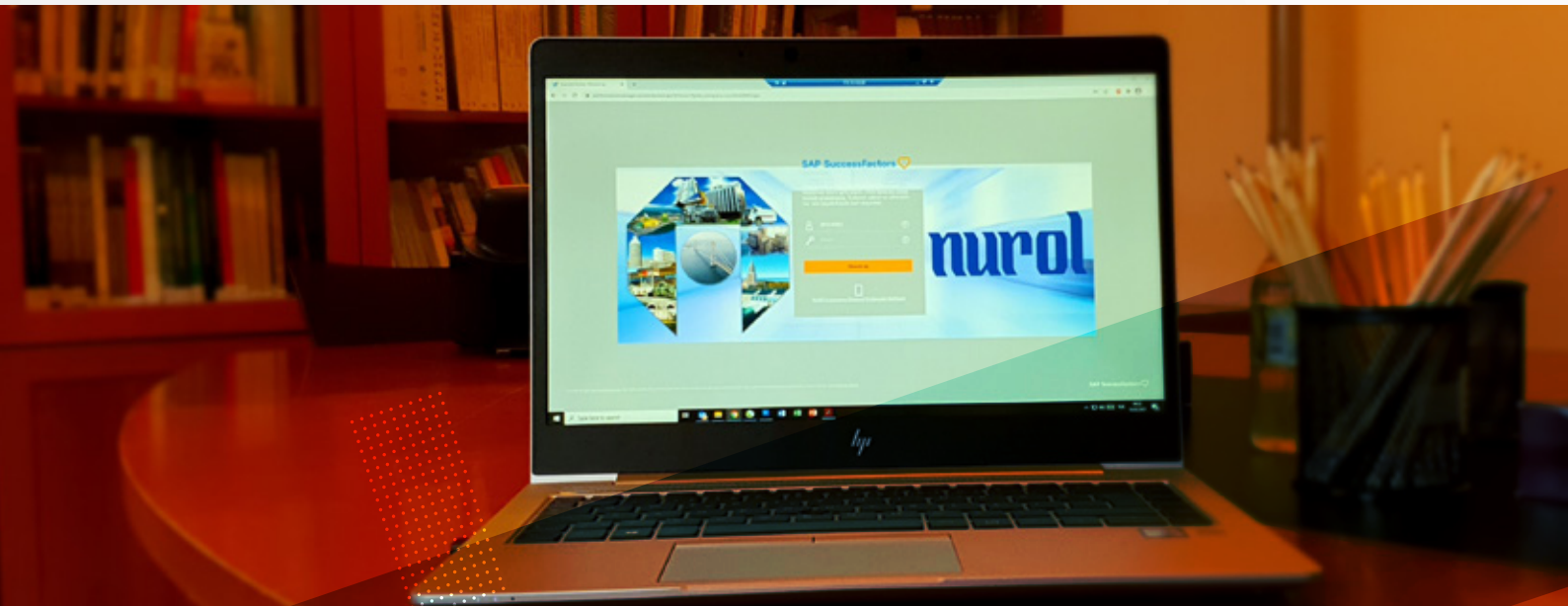
### System

**2018 -** Management and imaging software is integrated that enables system and network equipment to manage end-user computers from a central location and patch management, health information can be obtained, receive backup, monitoring, and security breach alerts. Proportion in the budget: 2.9%

**2018 –** Corporate video conferencing equipment renovation and improvement investments were made in the meeting rooms of the group companies.
Proportion in the budget: 1.7%

**2019 –** Additional server and storage investments were made as part of the SAP ERP project.
Proportion in the budget: 23%

**2019 –** Apart from the IT center, servers are virtualized at relevant locations according to our companies' needs. Virtual server scope has been extended. Without a budget



**2020 GOAL –** Investment is planned to transform our meeting rooms into PC-based room systems that can be connected to any video conferencing application. Expected Budget Ratio: 2.7%

**2020 GOAL –** SIEM (Security Information and Event Management) software changes is planned for 2020 to switch to a product that will enable us to be more proactive in the fight against security threats. Expected Budget Ratio: 5%

***The Nurol Holding SAP ERP Project has been carried out using a three-phase application methodology.***

**Of the project phases we explain below, Phase I and Phase II of the Project were commissioned during the 2018-2019 period.**

### Phase I

The Success Factor Employee Center (SF- EC Employee Central) module as the S4/HANA HR Payroll and Advanced Human Resources application of the legal entities of Nurol Holding was commissioned on March 1, 2019.

In the first phase of the project, we have transferred the employee's personal data to a digital environment, including the ability to view and update some of their own information, submit authorization requests for approval, notify management of changes, and track employee document duration with Success Factors "Employee Central" module. We are currently working on the Performance and Target Management and Training Management modules. Our goal is to put the Career and Development Planning module into service following these efforts and prepare our employees for their future targeted positions in the most accurate way possible.

### Phase II

SAP S4/HANA 18 Module functionality has been commissioned on ERP systems and Nurol Holding legal entities (26 companies) are targeted to go live on January 6, 2020. Some integrations related to external systems, such as Service Management, PLM module, Document Management module, were left to the post-live transition and the project goal was adhered to.

### Phase III

SAP BPC Budget Planning and Consolidation and SAP Business Analytics (Business Intelligence) BI-BO-BW Modules and Human Resources Success Factors - Success Factors for Performance and Objectives and Training Management modules scheduled to start in Phase 3 after the first quarter of 2020 following the launch of the S4/HANA ERP part of the project the project is scheduled for completion in 2021 and to go live by January 1, 2022.

### Targeted achievements with the SAP ERP Transition Project:

Among the targeted achievements is the integration of our internal processes, which we expect from the SAP ERP Transition Project with external resources, to take swift actions in our production processes that require rapid changes. In addition, working at effective costs and maximizing productivity growth with an integrated system consisting of institutions, suppliers, employees and management using tools that help us keep costs under control are other achievement targets.

The ability to make decisions by using accurate information/data through the renewed ERP will help us achieve sustainable growth in the most effective way possible.

Our aim for the next stage is to integrate our systems used in some of our production processes with SAP ERP. Our future goals include focusing on methods of achieving maximum efficiency from digitalization by increasing the use of data in our decision-making processes, and optimizing the main cost items of our businesses such as energy, operation and maintenance through their ability to perform data analytics.

We also recognize that the trends shaping the business world today are not long-lasting, and place emphasis on improving our ability to be open to and manage radical changes.

## RISK AND OPPORTUNITY MANAGEMENT

Risk management, which is one of our governance policies and one on which we focus, is an important process both in our projects and in all the activities we undertake with our stakeholders.

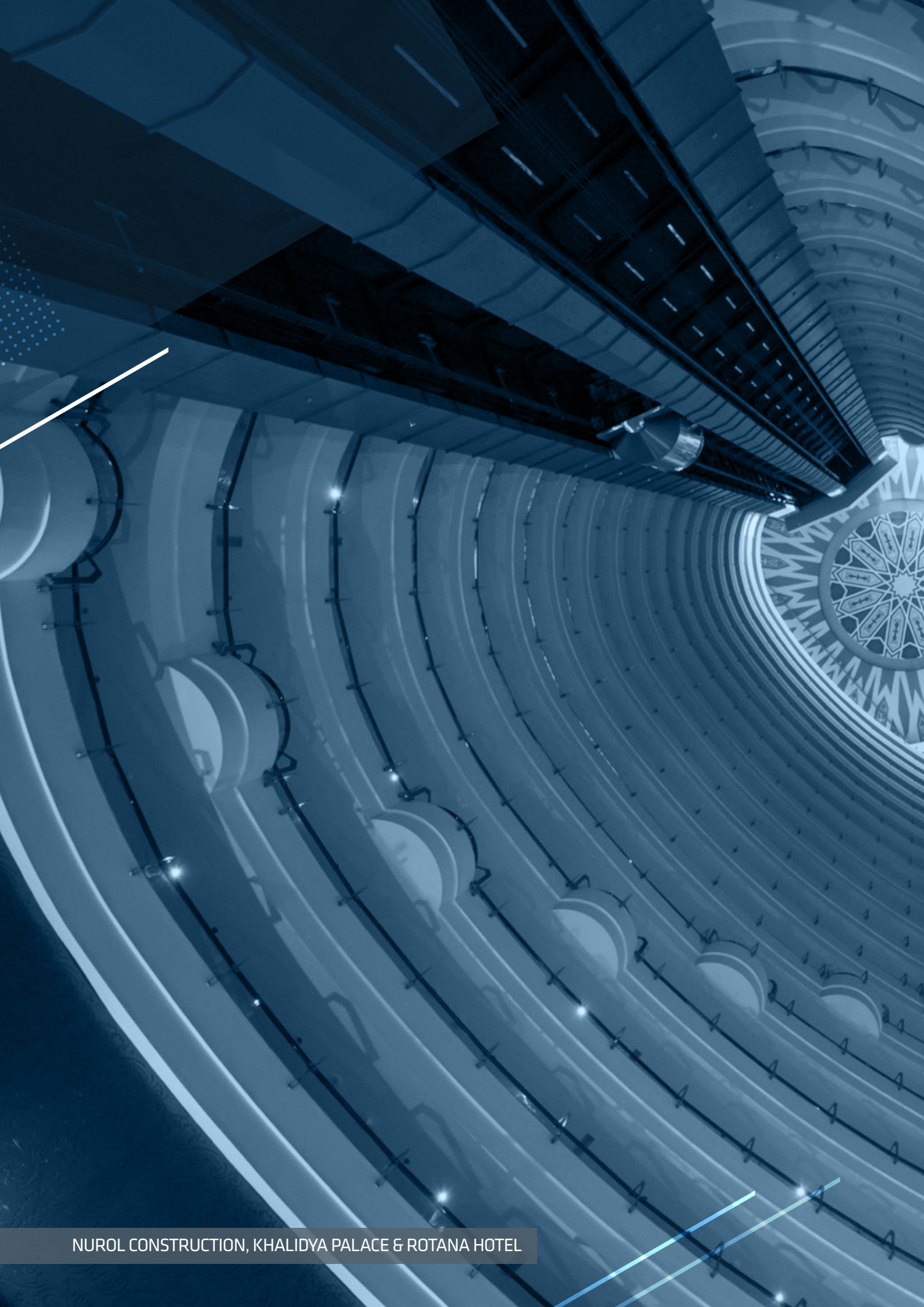
NUROL characterizes risk as situations and events that may adversely affect short, medium and long-term performance and tasks to achieve strategic objectives and targets. Integrated risk management, which is one of the most important elements of sustainable management, can be determined for all matters, including environmental, social and governance issues.

NUROL has adopted the method of financializing the risk and the necessary action plans to effectively manage the identified risk. This ensures that all the company's activities, from making strategic decisions to operational transactions, are effectively prioritized. The risk management involves identifying, monitoring, tracking, analyzing and reporting risks, taking the right risks at the right rate, managing them through appropriate processes and reducing risks to acceptable levels.

NUROL performs risk assessments regularly, but not less than once a year. The Holding consolidates and evaluates the significant risks related to need and expectations, as a result of the strategic risks defined by the senior management of the risk committee and the stakeholder analyzes of all our companies.

The term risk management includes risk management as well as opportunity management and aims to grow in these areas by focusing on areas of strength. Moreover, in Nurol Companies we place an emphasis on R&D investments in our industries with a holistic approach - and focus on new opportunities in this field.

**The preparation of the Corporate Risk Management Directive has started to expand risk management in the Nurol Group of Companies. The aim is for it to be implemented in all organizations in 2021.**



NUROL CONSTRUCTION, KHALIDYA PALACE & ROTANA HOTEL

# OUR COMPANIES INCLUDED IN SUSTAINABILITY REPORTING

# NUROL CONSTRUCTION

# ABOUT NUROL CONSTRUCTION

## PARTNERSHIP STRUCTURE

| | |
|---|---|
| **Nurol Holding A.Ş.** | **99,90%** |
| **The Çarmıklı Family** | **0,10%** |

## TABLE OF BASIC INDICATORS

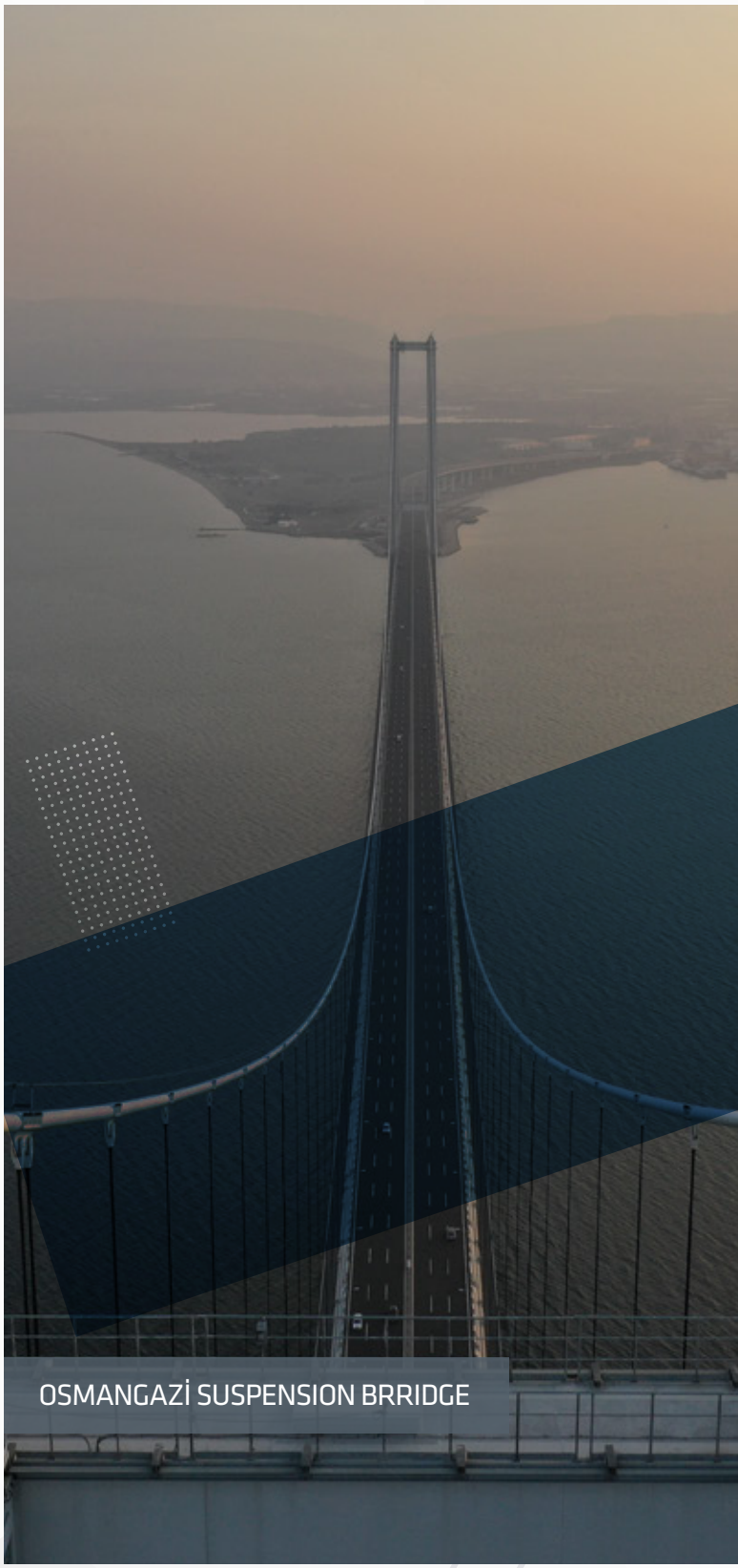
| | 2018 | 2019 |
|---|---|---|
| Average Number of Employees (Nurol Construction + Subcontractors) | 7,845 | 11,139 |
| Total Assets (Thousand TL) | 8,518,650 | 9,130,078 |
| Sales Revenue (Thousand TL) | 3,744,833 | 4,201,005 |
| EBITDA (Thousand TL) | 951,525 | 597,743 |

**Drawing on our 50-year plus history, our long-standing reputation is built on quality and trust. Our commitment is to deliver every project faultlessly and on time, to generate sound and accomplished work, and produce the most reliable goods and services.**

NUROL Construction is the flagship of the NUROL Group of Companies made up of some 40 subsidiaries and affiliated companies engaged in a variety of fields, including construction, trade, machinery and defense industry, banking and finance, hotel management and tourism, mining, energy production, aviation, and insurance brokerage services. It is operating in fifteen countries from different continents, including Algeria, Morocco, UAE, Saudi Arabia, Qatar, Georgia, Romania, Hungary, Turkmenistan, Kazakhstan, and Uzbekistan. Searches for finding new markets in the Middle East, the Balkans, and other countries in Eastern Europe are continuing at full speed.

NUROL Construction's reference projects included in the list of the World's Largest International Contractors published by the US Engineering News Record (ENR.com) encompass: infrastructure projects, roads, highways, railway and metro systems, tunnels, gas/oil pipelines and related facilities, irrigation/drainage systems, dams and hydroelectric power plants, water supply and wastewater systems, urban/industrial treatment plants and solid waste facilities, turnkey production facilities and industrial complex projects, industrial sites, business and commercial center projects, luxury and social housing projects hotel, resort and tourist facilities projects.

**In parallel to this successful history, we are also continuing at full speed with our ongoing domestic and international projects.**



OSMANGAZİ SUSPENSION BRRIDGE

## Gebze-Orhangazi-İzmir Motorway Project

Completion of a 427 kilometer-way motorway, including a 384-kilometer motorway and a 43-kilometer access road, between Gebze and Izmir has been completed under an Implementation Contract which was signed between the General Directorate for Highways and Otoyol Yatırım ve İşletme A.Ş. on September 27, 2010 and came into force on March 15, 2013. Situated along the route of Gebze-Orhangazi-İzmir Motorway are Osmangazi Bridge, which is the fourth largest bridge in the world and the second largest in Europe with a total length of approximately 4,500 meters, including approach viaducts, and a central span of 1,550 meters; 29 viaducts; 3 tunnels; 199 bridges; 20 toll booth areas; 25 intersections; 6 motorway maintenance and operating centers; 3 tunnel maintenance and operating centers; and 18 service areas on both sides. With an investment cost of around USD7.5 billion, excluding VAT and financing costs, Gebze - Orhangazi - Izmir Motorway (including Osmangazi Bridge and Access Roads) is one of the biggest build-operate-transfer infrastructure investments in Turkey. Gebze Intersection - Bursa section of the motorway, which also comprises Osmangazi Bridge, was completed on 01.07.2016 and Bursa - Izmir section was completed on 04.08.2019 and completely put into service.

## Balıkesir Motorway Project

Construction of Balıkesir - Kırkağaç - Akhisar section between kilometers 224+300 and 317+284, the last section that we have undertaken as part of the project began in 2015 and sections between kilometers: 224+300 and 230+500 (Balıkesir West Intersection) and kilometers 310+513 (Akhisar Intersection) and 317-284 was completed and put into service in March 2019 and another section between kilometers 230+500 and 310+513 was put into operation in August 2019. Construction of the 93-kilometer section included 35,000,000 cubic meters of earthworks (excavation-filling), 6 viaducts (total length 4,454), 61 bridges, 58 underpasses, 202 culverts, 6,500,000 tons of surface structure, 1 maintenance and operation center, 5 toll booth areas, 5 intersections, and 3 motorway service facilities.

## Ilısu Dam and Hepp Project

Ilısu Dam and HEPP Project, which is being built by an international consortium led by NUROL Construction, will have a body fill of 24 million cubic meters with a concrete-plated front and generate 4.1 billion kWh of power with an installed capacity of 1,200 MW. The rate of progress has exceeded 99 % and it began accumulating water in June 2019. When civil works are completed, the project cost is expected to reach approximately EURO 780 million. Ilısu Dam has the second largest body in Turkey and it will be the fourth largest dam in Turkey in terms of installed capacity.

## Hasankeyf Group Bridges Project

Provisional acceptance and final acceptance certificates were respectively issued in October 2017 and October 2018 in respect of the works covered by the TL 157 million main contract regarding Hasankeyf Group Bridges Project which includes 465-meter-long Hasankeyf-1 bridge, 1,001-meter-long Hasankeyf-2, and 169-meter-long Başur Villages situated along Batman-Hasankeyf and Batman-Siirt highways in Batman and Siirt provinces. A contract for completion works, worth TL 73.9 million, was signed on April 27, 2017 with regard to remaining works. The project was completed in August 2019.

## Konya Eyiste Viaduct Project

We have undertaken the construction of Eyiste Viaduct under the TL 229.5 million main construction contract signed with the Directorate General of Highways in 2016. One of the largest balanced console viaducts in the world, which will be 1,372 meters long and 25 meters wide, is being built as part of the project. The viaduct has two side abutments and 8 median abutments with lengths ranging between 31 meters and 155 meters.

## Silifke-Mut Road Project

Silifke-Mut Highway Project was awarded to us in 2017. Construction of 2nd Kılıç Arslan bridge, which has an inclined suspension and a balanced console deck, and a 2x2 highway, which is 14.2 kilometers long, including 3 NATM tunnels with a total length of 6,860 meters, is continuing under the TL 504.6 million contract.

## Yusufeli Dam Bridges Project

We were awarded the Yusufeli Dam Bridges project in 2017 and 4 highway bridges will be built along Yusufeli (Artvin-Erzurum) junction state highway as part of the project. The bridges include 644-meters-long Tekkale (Hazuket) Viaduct, 695-meters-long Yusufeli Viaduct, 340-meter-long Yusufeli Dam Viaduct, and 530-meter-long Şilenkar Viaduct. Civil works under the TL 355.8 million contract are under way in accordance with the work program.

## Ordu Ring Road Project

The amount of work completed as part of our Ordu Ring Road project reached the amount specified in the first bill of quantities in 2015 and the contract price rose to TL 556 million with a 20% escalation granted by the Employer and price differences. Ordu Ring Road, which is designed as a 2x2 divided road with a length of 21.4 kilometers, will encompass 6 double-tube tunnels with a total length of 9.5 kilometers; 7 viaducts with a total length of 3.7 kilometers; 5 bridges, and 7 intersections. Sections required to be built as part of the contract were completed and provisional acceptance and final acceptance certificates were issued in December 2017 and December 2018, respectively. Perşembe Intersection - Central Bus Station Intersection, which constitutes a 10.7-kilometer section of Ordu Ring Road, was opened to traffic on March 3, 2019.

In July 2016, we were awarded a contract covering landslide rehabilitation works, which was put out to tender because of landslides that occurred along the route of Ordu Ring Road project and sections covered by the contract were completed and provisional acceptance and final acceptance were done in October 2017 and October 2018, respectively. The contract price, including an escalation in the estimated cost, rose to TL 42 million.

## Ordu Ring Road Project Completion Works

A consortium led by Nurol Construction won a contract for the completion of incomplete works in Ordu Ring Road Project on June 21,2017. The TL 584.4 million contract for the completion of remaining works in Ordu Ring Road was signed in July 2017 and construction works continue in accordance with the work program.

## Ümraniye-Ataşehir- Göztepe Metro Project

A double-tube with a length of 13 kilometers, a single-line TBM tunnel, 2 train storage tunnels (NATM), and 1 connection tunnel (NATM) will be built as part of Ümraniye-Ataşehir- Göztepe Metro Project which was awarded to us under a contract signed with the Istanbul Metropolitan Municipality in 2017. The project includes a total of 11 station, including 5 main shaft-tunnel type stations, 4 cut-and-cover stations, and 2 tunnel stations. Three counties on the Anatolian side of Istanbul will be connected to each other when the metro route works under the TL 2.47 billion contract are completed.

## Yeşilyaka Project

Construction works are under way in Istanbul-Büyükçekmece-Sırtköy as part of the Yeşilyaka Project which will cost USD 500 million and be completed in two parts and six phases. Villas, social amenities, a sales office, and commercial spaces are being built on the plot of land with a total area of 1,008,732 m². The first part (Koru) of the

project, with an area of 320,000 m², consists of 173 villas, social amenities, a sales office (commercial space), and common areas. Delivery of villas continue in the first part that consists of 3 phases. Construction of 203 villas as part of the first phase of part 2 (Su) comprising 472 villas, social amenities, and commercial spaces continues on a plot with an area of 625,400 square meters.

## Morocco El Jadida - Safi Motorway Project

Representing packages 3 and 4 of Al Jadida-Safi motorway in Morocco, our 82-kilometer highway project, meeting motorway standards, has been completed at a total cost of EUR 150 million and opened to traffic.

## PROJECTS IN ALGERIA

Access Roads of East-West Motorway in Tizi Ouzou City in Algeria, where we are carrying out projects, is expected to be completed at a total cost of EUR1 billion, including extra works and escalation in the estimated cost. We were awarded the project in 2014 and the original contract price is EUR 460 million. A 48-kilometer motorway, double tube tunnels with a length of 2 x 1,670 meters, viaducts, and other structures as well as infrastructure and drainage system will be built as part of the project. A section of the project between Km: 0+000 and 10+000 has been opened to traffic and work is underway in other sections.

An USD 79.8 million contract was signed for the Boukhroufa Dam in 2013. It is being built on Boukhroufa Creek nine kilometers to Bouteldja city in Al Tarf prefecture of Algeria. Civil works are under way for the project which aims at supplying irrigation water for cultivated lands in the region. The earth core rockfill dam is 87 meters high from the foundation and will store 86,000,000 m³ of water in its reservoir when completed.

The project comprises 2,100,000 $m^3$ of excavation, 4,900,000 $m^3$ of filling, 100,000 $m^3$ of concrete, and 12,400 tons of steel. It is estimated to cost USD150 million, including extra works.

Souk Tleta Dam is another dam project under construction in Algeria. It is being built on Bougdoura Creek 8 kilometers away from Draa Ben Khedda city in Tizi Ouzou prefecture in Algeria for supplying irrigation and potable water to Tizi Ouzou and Boumerdes regions and civil works are under wayb. The earth core rockfill dam is 95 meters high from the foundation and will store 90,000,000 $m^3$ of water in its reservoir when completed. The project comprises 1,500,000 $m^3$ of excavation, 1,400,000 $m^3$ of filling, 124,000 $m^3$ of concrete, and 3,600 tons of steel. It is estimated to cost EUR105 million, including extra works.

## PROJECTS IN THE UAE

The Persian Gulf continues to be a major focal point for NUROL Construction. In addition to 24 projects that we have successfully delivered in the United Arab Emirates to date, we have 5 other ongoing projects. Final acceptance of 67 villas and four residential towers (Z+12+Ç) rising on a common podium, all built on an area of 123,000 $m^2$, was done in July 2019 as part the UAD 675 million Marina City Villa and Residence Construction project, which is one of those projects.

Construction works in our UAD 359 million Cordon Building project, which we were awarded in 2017, are continuing at full speed. With 43 floors comprising residential and office spaces on a floor area of 66,945 $m^2$, the tower is scheduled to be completed by June 2020.

In 2018, a contract was added to our four housing projects in Dubai which we were awarded by EMAAR, one of the biggest and most prestigious investors in the United Arab Emirates, 2017.

Construction of two residential towers -- one with 33 floors and the other with 26 floors -- in Dubai Harbour will be completed by April 2021 as part of the UAD 410 million Vista Beach Towers contract signed in 2018.

GA09 Apartments With Golf Course Scenery in south Dubai, a project worth UAD 174 million, is about to be completed. It comprises 2 residential buildings (Z+P+11+Ç) and 14 individual apartments as well as landscaping works. Total floor area is 47,187 $m^2$.

GA14 Golf Link Villas is our second project in south Dubai. Construction of 204 villas is scheduled to be completed by June 2020 as part of the project. The contract price is UAD227 million.

Cove Dubai Gulf Building Project comprises the construction of 3 towers (2B+Z+M+9+Ç, 2B+Z+M+21+Ç ve 2B+Z+M+6+Ç) rising on a common podium. The contract price is UAD310 million and the Project will have total floor area of 76,000 $m^2$. The project, situated in Dubai, is planned to be completed in 2020.

Construction of two towers, one with 33 and the other with 40 floors, P32 Parcel - Dubai Gulf Building Project, the last EMAAR project, is scheduled to be completed by April 2020. The project has a floor area of 100,889 $m^3$. The contract price is UAD406 million.

## PROJECTS IN GEORGIA

Batum Hotel Sheraton, which we successfully built and now own in Georgia, is a center of attention.

We are working at full speed to expand our business activities for the purpose of expanding our overseas operations which are the centerpiece of our business. In addition to our initiatives in the Gulf Region, particularly in Algeria, Qatar, Saudi Arabia, UAE, Oman and Romania, we are also working in North Africa, Sub-Saharan Africa, Kosovo, Albania, Macedonia, Montenegro, Kuwait, Kazakhstan, Azerbaijan, Pakistan, and India.

Nurol Construction and Trade Co. Inc. is confidently taking these efforts, briefly described above, and the well-deserved pride derived from its successful past, to the future with its young and dynamic spirit that it has never lost since its foundation.

## NUROL CONSTRUCTION AND SUSTAINABILITY

Having successfully completed large-scale infrastructure and superstructure projects across the world, Nurol Construction considers its all projects based on the concept of sustainability. It makes significant contributions on the social plane and provides environmental and social benefits through efficient use of natural resources particularly in infrastructure projects it carries out different countries thanks to its broad expertise.

**Technological and industrial infrastructure projects are at the root of Nurol Construction's success.**

Transportation Project → Development

Irrigation Development Projects → Agricultural Operations

Supply of Fresh Water → Reliable Potable Water

Our integrated risk management underpins the successful management of the sustainable business model. In that context, we identify the environmental and social risks associated with our projects, turning work guided by the principles of sustainability into a way of doing business. With this vision and approach, we signed the United Nations (UN) Global Compact in August 2017 and included 10 fundamental principles enshrined in the Compact in our works that we are carrying out with great motivation. We are sharing the environmental and social performance of our operations with greater detail through our NUROL Sustainability Reports.

You can access
***Nurol Construction's Sustainability Reports***
www.nurolinsaat.com.tr/en/sustainability-reports **Link.**

**It is our objective to support an efficient governance based on a sustainability approach, conservation of the ecosystem at our project sites, and fostering the formation of happy and peaceful communities through our projects while constantly improving our performance.**

Ensuring the sustainability of value that we create in communities and throughout the world while carrying out global projects is one of our priorities. While creating this value, we cooperate with our stakeholders with whom we stay in close touch in addition to engineering operations necessitated by our business. Thus, we are making significant progress toward our goal while rolling out our sustainability vision through our value chain while contributing to the growth of our stakeholders by taking account of their expectations. We regard our people, our most important stakeholders, as family and endeavor to offer them the best conditions.

Being aware of the fact that sustainability is a culture, we apply it as a business model, aiming to make it internalized within our entire organization. Our Board of Directors, our company's top management organ, leads and is responsible for mapping out and implementing a strategy followed within our organization aimed at fulfilling our responsibilities toward Nurol Holding, our parent company, and all other stakeholders and formulating our approach to sustainability and performance.

Nurol Construction set up a Sustainability Committee in 2019 with the purpose of ensuring an inclusive sustainability management.

The main objective of the committee is to regularly oversee that our business strategy is aligned with our sustainability strategy and that our all operations are in harmony with those strategies. The primary inputs of the committee include major risks and opportunities identified within our company; "Mega Trends" and their consequences; and the company's performance with regard to social, environmental, governance, and ethical issue. The committee's meetings are chaired by the designated member of the board of directors and it consists of Deputy General Manager for Financial and Administrative Affairs, Group Managers, Manager of Integrated Management Systems, Project Control Manager, Human Resources Manager, Finance Manager, and Business Development Manager.

## DIALOGUE WITH OUR STAKEHOLDERS

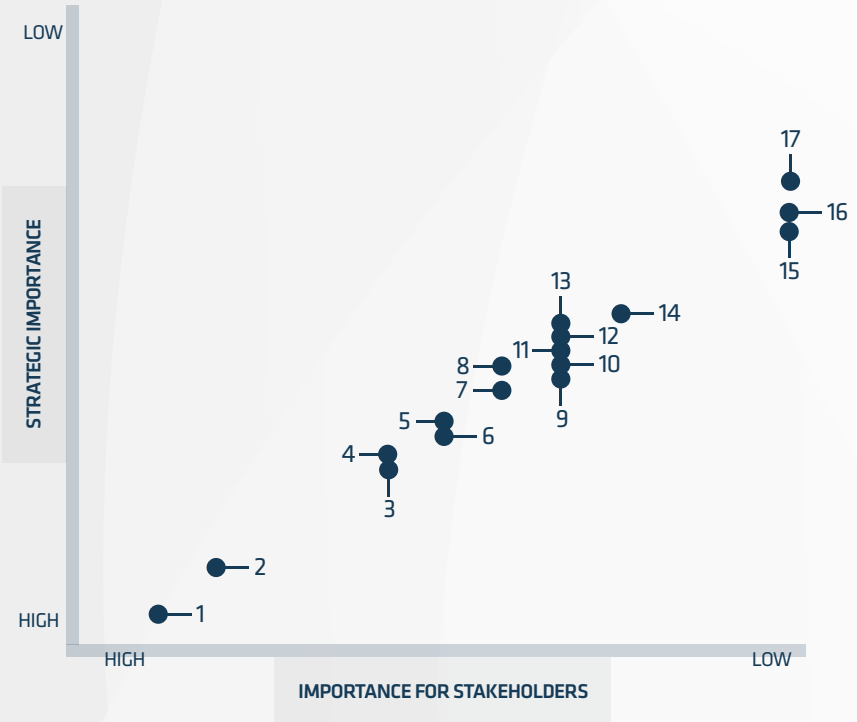
We define the most important issue under the sustainable business model as healthy and regular communication established with our stakeholders. We have identified frequency and channels of interaction with our stakeholders to map out the optimum action plan.

We monitor the needs and expectations of our main stakeholder groups that we have identified through communication methods we have developed. Feedback, suggestions, and ideas obtained through those communication methods are used for continuous improvements as well as long-term strategies.

| Stakeholders | Dialogue Platforms | Frequency of Dialogue |
|---|---|---|
| Employers - Within the Country | Visits, dialogues, employer audits, creditor audits, e-mail, official correspondence, meetings, reporting, contracts, operating reports, interim payments certificates, licenses, project approvals | Continuous, daily, weekly, monthly, when needed |
| Employers - Abroad | Meetings, correspondence, reports, presentations | Weekly, monthly, when necessary |
| Consultants - Within the Country | Visits, dialogues, audits, e-mail, official correspondence, meetings, reports, job request forms, quality test forms | Daily, weekly, monthly, when needed |
| Consultants - Abroad | Meetings, correspondence, reports, presentations, field visits | Weekly, monthly, when necessary |
| Subcontractors | Meetings, dialogues, proposals, contracts, official correspondence, dialogues, e-mails, training, OHS committees, audits, field visits, warning and safety signs, reporting, ethical statements | Daily, weekly, monthly, when needed |
| Suppliers | Meetings, proposals, contracts, official correspondence, e-mails, training, OHS committees, audits, field visits, order letters, ethical statements | Daily, weekly, monthly, when needed |
| Legislative and Regulatory Bodies | Visits to agencies, dialogues, official correspondence, meetings, field audits workshops, licenses, presentations | Weekly, monthly, annually, when necessary |
| Shareholders | Meetings of the Board of Directors, meetings of the Executive Board, correspondence, meetings at Regional Offices, ethics statements, project partnership meetings, dialogues | Annual, biannual, when necessary |
| Employees | Training, social events, e-mail correspondence, meetings, notice boards, Intranet, training, contracts, Nurol Construction Family Chats, internal communication materials, corporate website, Nurol Publications, coordination meetings, ethics statements, social events | Daily, weekly, monthly, when needed |
| Trade Unions | Meetings, correspondence | Monthly, annually, when necessary |
| Financial Institutions | Visits to regional and project offices, visits to accounting units, official correspondence, dialogues, visits | Daily, weekly, monthly, when needed |
| Society | Official correspondence, dialogues, civil society organizations, media, social responsibility activities, ethics statements | Annual, when necessary |
| Media | Press bulletins, interviews, social media, visits to project office | Annual, when necessary |
| NGOs | E-mail, correspondence | Annual, when necessary |
| Consultants | Correspondence, visits to construction sites, meetings, workshops, reports | Annual, when necessary |
| Universities | Official correspondence, visits, dialogues | When necessary |

## OUR PRIORITIES

We have conducted surveys for reaching out to our stakeholders to identify our priorities. Topics in those surveys were selected from among sustainability issues with the highest effects and factors influencing our organizational success. A "Matrix of Priority Issues," presented below, was drafted after analyzing all results of the survey.




**1** | Economic Performance

**2** | Occupational Health and Safety

**3** | Ethics and Compliance Activities

**4** | Employee Rights and Employee Satisfaction

**5** | Customer Satisfaction

**6** | Employee Training and Development

**7** | Environmentally Friendly Materials, Equipment and Buildings

**8** | Energy Efficiency

**9** | Human Rights and Safety Practices

**10** | Socio Economic Impacts on Locals

**11** | Environmental and Social Compliance of Suppliers

**12** | Diversity and Equal Opportunity

**13** | Waste Management

**14** | Water Management

**15** | Combating Climate Change and Emission Release

**16** | Biodiversity

**17** | Community Investment Programs

As seen in the prioritization matrix, Nurol Construction's stakeholders chose "Economic performance" as its number one priority. It is making all kinds of contributions to economic growth through its operations while supporting its stakeholders in the regions concerned so as to making contributions to local economic factors in areas where it operates. It provides direct and indirect economic benefits for the areas where it operates in different countries through its projects of varying sizes while creating jobs in those countries by using local suppliers and labor. Nurol Construction has made it its mission to operate in full compliance with the applicable legislation of other countries and jurisdictions; it also assists subcontractors in fulfilling legal obligations such as taxes and social security contributions at home if need be. It is of paramount importance to Nurol Construction that its suppliers and customers providing or buying goods and services and business partners have an impeccable past in all areas where they operate and meet such criteria as experience, financial performance, and technical competence during the selection process.

Our prioritization analysis confirmed that our employees were the stakeholders that we needed to focus on in different areas. In that context, our human resources department was restructured. Based on the fundamental concepts of "involvement" and "owning," the system is designed to maximize the efficiency and qualifications of all employees. An analysis on training needs was done based on the roles and functions of people and related "Training and Development Plans" were devised. Being aware of the fact that human resources are the most critical resource of our company, we are committed to being people-centered. At this point, we support active involvement of the women in the business community and their equality through our HR policies in addition to the general practices in the industry. We are developing our system so that performance regarding equality in opportunity can be regularly monitored. In addition, Nurol Construction is playing an active role in Turkey and on international platforms and it has completed its preparations for signing the United Nations Women's Empowerment Principles (WEPs) in 2019.

## NUROL CONSTRUCTION AND ENVIRONMENTAL SENSITIVITY

Prioritization matrix defines biodiversity and combatting climatic change as well as waste management, water management, environment-friendly utilization of products, and energy management as our top priorities. Taking a very sensitive approach to the public's demands regarding environmental issues, Nurol Construction has made its mission to conserve the natural environment while conducting its operations aimed at achieving highest quality. It is committed to minimizing the consumption of natural resources and protecting the environment through its policies centered on constant development.

We were not subjected to any sanction or fine in 2018 and 2019, our reporting period, thanks to our strict compliance with the laws. No environmental accident occurred in our projects and we did not come across any supplier who had a significantly adverse impact on the environment during an audit of our suppliers.

## Training Hours on Environment

| Training in Environment | Total Training (man.hour) | | Training Per Employee (Hour/Man) | |
|---|---|---|---|---|
| | 2018 | 2019 | 2018 | 2019 |
| Training in Environment | 1,725.250 | 1,252.750 | 11.068 | 8.243 |
| General Training | 31,301.73 | 28,898.750 | 172.236 | 155.460 |

## Energy and Emission Management

"Combating Climate Change and Emission Management" is our number two environmental priority. As part of a risk assessment on environmental issues, which we make for all projects, we define our sources of direct and indirect of emission and calculate our greenhouse gas emissions. We use our knowledge derived from our past experience for defining actions required for reduction based on a comparison among projects.

Energy management, which is directly linked to combat against climate change, is one of our critical environmental issues. Fossil fuels used for heating, power consumption, and fuels that we use for vehicles are regularly recorded to monitor energy sources. Data sets, created for projects, are assessed by the environmental units for defining potential reductions. To reduce energy consumption stemming from devices, scheduled and periodic maintenance is performed and energy-efficient products are purchased. We are attaching great importance to all awareness raising efforts in that regard and we know that internalization of energy efficiency by all individuals in society is of crucial importance to the public's prosperity. Emissions originating from logistics is the main issue concerning energy regarding our projects situated outside of residential areas. We achieve improvements in this area through route optimization.

| | Nurol Construction | 2018 | 2019 |
|---|---|---|---|
| Balıkesir Motorway Project | Energy Consumption Within the Company (GJ) | | |
| | Fuel | | |
| | Diesel | 69,425.65 | 65,552.22 |
| | CNG | - | - |
| | LNG | 3,743.87 | 3,577.18 |
| | Electricity | | |
| | Quantity of Renewable Electricity (HEPP) | 0 | |
| | Electricity Received From the Grid (Thermal) | 5,607.24 | 2,447.97 |
| | **Total Energy Consumption** | **78,776.76** | **71,577.37** |
| Konya Eyiste Viaduct | Fuel | | |
| | Diesel | 1,564.52 | 914.95 |
| | CNG | 2,320.97 | 2,412.04 |
| | LNG | - | - |
| | Electricity | | |
| | Quantity of Renewable Electricity (HEPP) | 0 | |
| | Electricity Received From the Grid (Thermal) | 2,068.38 | 1,516.61 |
| | Total Energy Consumption | 5,917.87 | 4,843.60 |
| Boukhroufa Dam | Fuel | | |
| | Diesel | 101,646.39 | 115,778.36 |
| | CNG | - | - |
| | LNG | - | - |
| | Electricity | | |
| | Quantity of Renewable Electricity (HEPP) | 0 | 0 |
| | Electricity Received From the Grid (Thermal) | 14,302.82 | 8,271.87 |
| | Total Energy Consumption | 115,949.21 | 124,050.23t |
| Souk Tleta Dam | Fuel | | |
| | Diesel | 32,463.63 | 16,739.23 |
| | CNG | - | - |
| | LNG | - | - |
| | Electricity | | |
| | Quantity of Renewable Electricity (HEPP) | 0 | |
| | Electricity Received From the Grid (Thermal) | 1,685.71 | 1,415.65 |
| | Total Energy Consumption | 34,149.34 | 18,154.88 |
| | **Total** | **234,847.18** | **218,626.08** |

Our Greenhouse Emissions Emanating From Consumption of Energy (tCO2e)

| | Nurol Construction | 2018 | 2019 |
|---|---|---|---|
| Balıkesir Motorway Project | GHG Emissions | | |
| | Scope 1 | 5,355.02 | 5,059 |
| | Scope 2 | 724.27 | 316 |
| | **Total Emission Quantity** | **6,079.29** | **5,375** |
| Konya Eyiste Viaduct | GHG Emissions | | |
| | Scope 1 | 246.15 | 203 |
| | Scope 2 | 169.49 | 196 |
| | **Total Emission Quantity** | **515.64** | **399** |
| Boukhroufa Dam | GHG Emissions | | |
| | Scope 1 | 7,532.79 | 8,579 |
| | Scope 2 | 2,034.18 | 1,176 |
| | **Total Emission Quantity** | **9,566.97** | **9,756** |
| Souk Tleta Dam | GHG Emissions | | |
| | Scope 1 | 2,405.8 | 1,241 |
| | Scope 2 | 239.75 | 201 |
| | **Total Emission Quantity** | **2,645.56** | **1,442** |

**Note 1:** Data shown on the table reflect energy consumption in Scope 1 and Scope 2 based on the methodology used for calculation of greenhouse emissions, that is, greenhouse emissions stemming from greenhouse emissions from machinery and vehicles owned by Nurol Construction.

In 2019, we updated our method employed for the calculation of greenhouse to reduce the level of uncertainty; we calculated the related quantities for 2018 and 2019 by using the same method for this report so that they can be comparable. We managed to reduce emission in our three projects and it is our goal to achieve higher reductions in all other projects. Our total emission in $tCO_2$ fell 7% in 2019. Reduction of fuel that we use for construction machines and the amount of works in Balıkesir Motorway Project also affected emission quantities. The increase in the quantity of fuel used for operating our construction machines, which is attributed to intensive field works in our Boukhroufa Dam Project, led to a rise in emissions as compared with last year. Our efforts to save power and fuel minimization in our Konye Eyiste Viaduct and Souk Tleta Dam Projects ensured a reduction in our emissions.

**WE HAVE CUT OUR EMISSIONS BY 7%**

## Water Management

Guided by the philosophy of reducing the consumption of natural resources, we are encouraging more conscientious and efficient use of water, which is of vital importance to us, and taking numerous actions to prevent unnecessary consumption. While focusing on minimizing internal consumption in our project as a company carrying out projects for supply of fresh water, we also ensure that communities can access clean and safe water. Water shortage, which is characterized as one of the consequences of climate change, prompts us to act more prudently about the matter.

We are investigating if there is sufficient quantities of water, which is a local source, in our project sites and we manage our water resources based on solutions tailored to those areas.

We inform employees in our head office to raise their awareness on water management. We use taps with sensors to prevent waste of water and quit using plastic water bottles so that unfinished bottles are not thrown out.

| | Nurol Construction | 2018 | 2019 |
|---|---|---|---|
| Balıkesir Motorway Project | Amount of water used | | |
| | Well Water ($m^3$) | 7,987 | 11,105 |
| | Tap Water ($m^3$) | 5,204 | 2,670 |
| | **Total Quantity of Water Used ($m^3$)** | **13,191** | **13,775** |
| | Annual Quantity of Wastewater Discharged | | |
| | Receiving Body ($m^3$) | 10,950 | 10,950 |
| | Wastewater Canal ($m^3$) | 4,938 | 2,670 |
| | Recovered Water ($m^3$) | 0 | 0 |
| | **Total Quantity of Water Discharged ($m^3$)** | **15,888** | **13,620** |
| Konya Eyiste Viaduct | Amount of water used | | |
| | Well Water ($m^3$) | | |
| | Surface Water | 144,560 | 105,680 |
| | Tap Water ($m^3$) | | |
| | **Total Quantity of Water Used ($m^3$)** | **144,560** | **105,680** |
| | Annual Quantity of Wastewater Discharged | | |
| | Receiving Body ($m^3$) | 0 | 0 |
| | Wastewater Canal ($m^3$) | 1,220 | 1,220 |
| | Recovered Water ($m^3$) | 0 | 0 |
| | **Total Quantity of Water Discharged ($m^3$)** | **1,220** | **1,220** |
| Boukhroufa Dam | Amount of water used | | |
| | Well Water ($m^3$) | 15,945 | 41,505 |
| | Surface Water | 232,000 | 200,000 |
| | Surface Water | | |
| | **Total Quantity of Water Used ($m^3$)** | **247,945** | **241,505** |
| | Annual Quantity of Wastewater Discharged | | |
| | Receiving Body ($m^3$) | 32,850 | 59,985 |
| | Wastewater Canal ($m^3$) | 0 | 0 |
| | Recovered Water ($m^3$) | 0 | 0 |
| | **Total Quantity of Water Discharged ($m^3$)** | **32,850** | **59,985** |
| Souk Tleta Dam | Amount of water used | | |
| | Well Water ($m^3$) | 14,400 | 16,200 |
| | Surface Water | 7,500 | 9,480 |
| | Tap Water ($m^3$) | | |
| | **Total Quantity of Water Used ($m^3$)** | **21,900** | **25,680** |
| | Annual Quantity of Wastewater Discharged | | |
| | Receiving Body ($m^3$) | 0 | 0 |
| | Wastewater Canal ($m^3$) | 14,400 | 16,200 |
| | Recovered Water ($m^3$) | 0 | 0 |
| | **Total Quantity of Water Discharged ($m^3$)** | **14,400** | **16,200** |

## Waste Management

We have long been implementing waste management in our projects and our head office to meet legal requirements and to ensure harmony with our environment management system. Our primary goal as to prevent generation of waste. When we are unable to prevent it, we focus on reduction of waste. Waste is separately collected on our project site and head office and properly sent for recycling. In addition to those activities, we made efforts to include the concept of circular economy in waste management to achieve progress in that area.

As part of waste management, we define our waste sources and monitor their quantities and report them on a monthly basis in accordance with our waste management plan. We collect waste separately on every construction site where recycling facilities are available and contact firms licensed for recycling and disposal processes. Depending on the location of our projects, we contact firms that are capable of organizing the most environment-friendly disposal process if there is no licensed firm or applicable regulations. During the process of disposing hazardous waste, we ensure that they are meticulously disposed in accordance with applicable requirements. We have temporary waste storage facilities on our all project sites. So, we can temporarily store waste before handing them over to disposal firms.

Those sites are isolated from receiving bodies and they are built in accordance with applicable legal requirements.

Each waste is stored in areas where descriptions of waste are designated in separate storage areas and there are environmental kits to be used for responding to any leakage or spillage. There are firefighting equipment for extinguishing fires. Employees in charge of those areas are trained in management of waste so that the site can efficiently manage waste.

When we focus on the concept of circular economy, we analyzed potential actions that could be taken for making use of surplus materials and we joined the Materials Marketplace Platform, a project of the Business Community and Sustainable Development Association (SKD Turkey) in 2019. Through that platform, we shared surplus materials from the demobilization process in Balıkesir Motorway Project with buyers and ensured that waste materials were recycled while reducing the consumption of natural resources.

We launched "**Bring Your Old Battery and Take a New One**" as part of our Balıkesir Motorway Project and collected 2.3 kilograms of waste battery in 2019. We prevented the use of **30,000 plastic bottles** in one year by using water dispensers rather than plastic bottles in our head office.

## OUR PRINCIPLES REGARDING OCCUPATIONAL HEALTH AND SAFETY

Occupational health and safety is, undoubtedly, one of the most critical issues in the construction industry which we are part of. It is of crucial importance to us to ensure that our employees whom we regard as family based on Nurol Construction's culture and our stakeholders return home without suffering any accident at work. We are guided by the motto "zero accident" in our all processes and the senior management, including the board of directors, emphasize at every opportunity that this approach is an integral part of our culture. We plan our operations based on a risk-based perspective and the principle of continuous improvement.

We reflect our corporate culture through our "OHS Policy" and lay down our senior management's commitment to occupational health and safety in our policy. Being aware of the leadership in the management of occupational health and safety, we strongly emphasize that our leaders observe those rules in their works. We undertake projects aimed at raising awareness among our employees and stakeholders so that they turn safe working guidelines into a way of doing business.

Being aware of the fact that every effort that we will make regarding occupational health and safety beyond legal requirements will create a safer working environment for our employees, we are also applying the requirements of our ISO 45001:2018 Occupational Health and Safety Management System in addition to ensuring compliance with the legal requirements of the country concerned. We can transfer our accumulated knowledge derived from past experiences to our new projects as part of the OHS process.

We regularly inspect the operations of our subcontractors and suppliers to make sure that they provide services that comply with our corporate culture and commitments as well as legal requirements regarding OHS. We support their efforts to make necessary improvements in areas related to OHS practices. We inspect subcontractor sites on a daily and weekly basis and follow up on and report violations that we have identified based on a corrective action system. In that context, we conduct annual scheduled inspections at the premises of our subcontractors and suppliers through licensed inspection teams We act as a mentor in areas where improvements can be made through controls on compliance with the laws and regulations.

Nurol Construction sets up an OHS-E committee for its projects also in cases where it is not mandatory to set up such committees (different countries, number of employees, etc.) and holds annual meetings. "Nurol Construction Family Talks" is another platform where our employees can share their opinions with us. We receive and assess our employees' opinions on occupational health and safety at those quarterly events and follow up on related actions.

| OHS Training | Total Training (Man.Hour) | | Training Per Employee (Hour/Man) | |
|---|---|---|---|---|
| | 2018 | 2019 | 2018 | 2019 |
| OHS Training | 23,633.483 | 25,538.500 | 80.411 | 117.101 |
| General Training | 31,301.733 | 28,898.750 | 172.236 | 155.460 |

| Total Number of Accidents, Frequency, and Severity Rate | Number of Accidents | | Total Accident Frequency | | Total Accident Severity Rate | | Total Working Hours | |
|---|---|---|---|---|---|---|---|---|
| | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 |
| Balıkesir Motorway Project | 35 | 22 | 9 | 8 | 3 | 2 | 4,099,945 | 2,609,208 |
| Eyiste Viaduct Project | 18 | 4 | 38 | 15 | 8 | 0 | 473,940 | 264,276 |
| Boukhroufa Dam Project | 21 | 15 | 21 | 18 | 11 | 14 | 1,009,623 | 834,827 |
| Souk Tleta Dam Project | 10 | 12 | 13 | 17 | 13 | 13 | 798,463 | 719,376 |

## VALUE CHAIN MANAGEMENT

**Cooperation through a value chain based on regular cooperation based on trust is indispensable to Nurol Construction which aims at offering products and solutions best meeting customer requirements.**

We establish relations with our suppliers and subcontractors with which we were in close contact within our value chain based on the concept of partnership. It is our expectation to create a reliable supply chain (products/services) for the purpose of improving our operations while providing benefits for our stakeholders. We aim at creating economic and social benefits by ensuring the continuity of our supply chain through a shared vision of sustainability.

The construction industry in which we are engaged widely uses subcontractors and works related to supply chain are, therefore, critical. Nurol Construction is a member of the Working Groups for Supply Chains and Empowerment of Women established by the Turkey Secretariat of the UN Global Compact. In that context, we made efforts to share our experience with our subcontractors, to roll out the examples of best practices in the industry while improving our subcontractor management process as part of activities carried out by the Working Group of Supply Chain within the reporting period.

We have identified the environmental and social development of our subcontractors as the primary area where we need to spread Nurol Construction's culture as part of our value chain. In that context, "Subcontractor OHS-E Assessment Form" was issued on August 10, 2018 and is now being used in our projects in 2018. It is required to be completed in bidding process for determining OHS-E and quality capabilities of subcontractors in 2018.

Quarterly meetings were scheduled to be held with the subcontractors regarding environmental issues in 2019 and we reached that goal by holding 4 meetings about our Balıkesir Motorway Project, Konya Eyiste Viaduct Project, and Boukhroufa Dam Project in that year.

Inspections were conducted at the premises of 13 suppliers and subcontractors in 2019 as part of the goal to carry out minimum one second party inspection regarding our Balıkesir Motorway Project in connection with the goal to conduct minimum one monthly OHS, environment, and quality inspection at the premises of a second party (suppliers and subcontractors). Our goal for 2020 is to roll out periodic inspections of suppliers and subcontractors.

NUROL CONSTRUCTION, OSMANGAZI SUSPENSION BRIDGE, HERSEK LAGOON

## Risk Management by Nurol Construction

As a company engaged in numerous construction projects at home and abroad, we are aware that we have many variables and high risks. Nurol Construction derives its strength from our ability to effectively manage those high risks. We detect and analyze risks and opportunities through our integrated risk management. Encouraging stakeholder engagement and taking swift action while keeping abreast of international standards and changes, our approach played a crucial role in our successful management of that process.

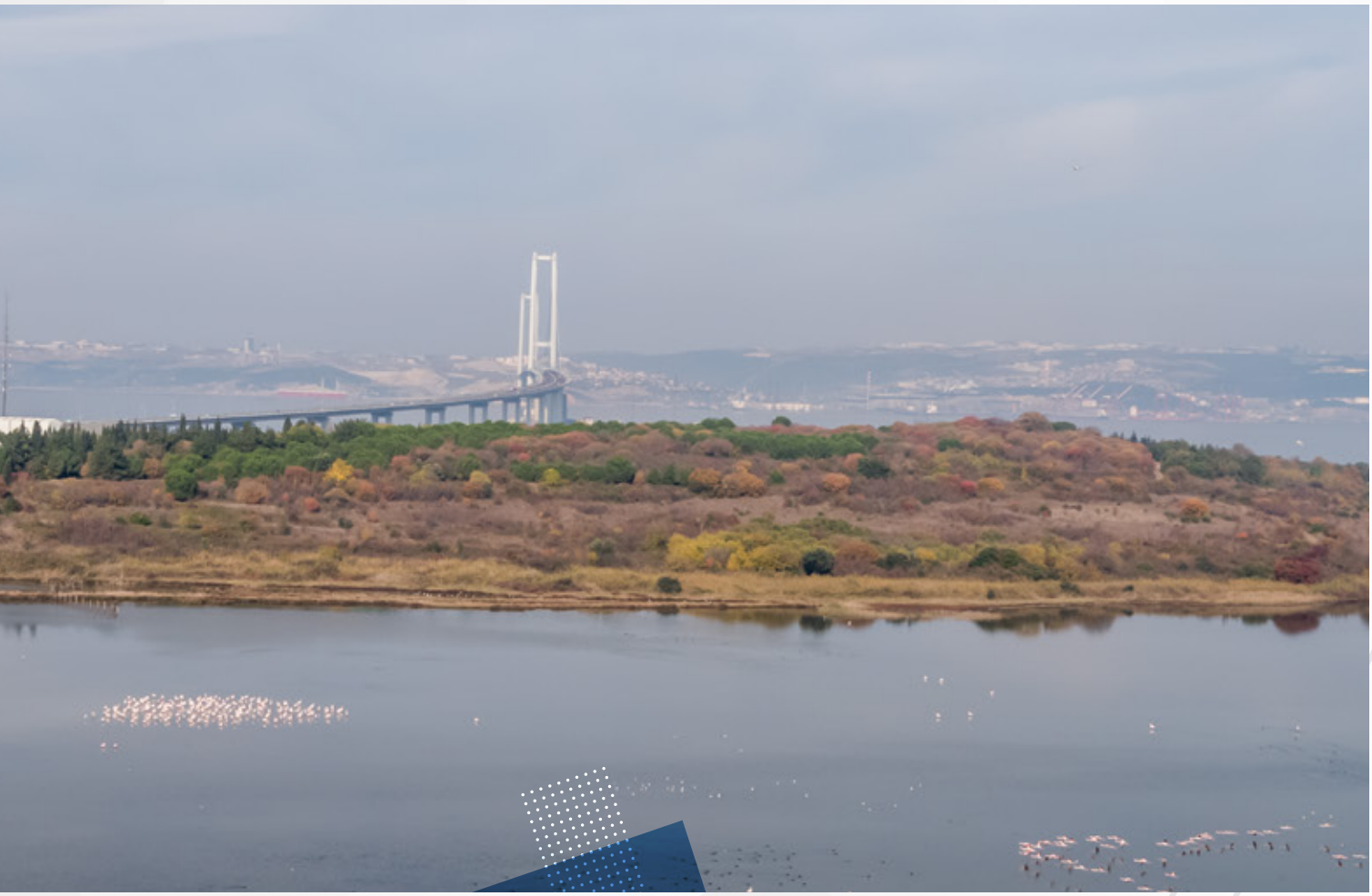
While assessing OHS and organizational risks for years, the entire quality system was aligned with this approach after 2015 and "Process Risk and Opportunity Management Procedure" was published and put into effect. Undoubtedly, characterization of risks is one of the main components of risk management. In that context, all units are responsible for their own operations and they share anticipated risks and opportunities in accordance with this procedure.

Works are being carried out as part of Process Risk and Opportunity Assessment for the purpose of attaining the goal of rolling out the risk-based mindset to all processes. Efforts were made to improve process assessments to make them more effective during the reporting period. Risks are identified and assessed and risk mitigation or prevention methods are determined and monitored based on a specific methodology and criticality rating for all processes. Methods to be employed for managing related risks and opportunities are identified as a result of those works.

Preventive activities will be carried out so that similar risks will not be experienced again.

"Risk Assessment Teams" carry out works as part of the process managed through Risk and Opportunity Management Plans devised. Risk assess teams are informed about Process Risk and Opportunity Assessment Procedure in detail. Information is provided regarding methodology during training provided by the Integrated Management Systems Department in the headquarters in addition to project-specific examples. Planned activities are monitored through Risk and Opportunity Management Plans drawn up in collaboration with the teams. The risk assessment teams will hold quarterly meetings for ensuring periodic monitoring of risk management.

Business Development and Tender processes, one of the key topics related to the implementation of our corporate strategy, are being handled in light of a detailed risk analysis. Risks and opportunities identified for projects are analyzed by also taking account of costs, period, scope, and operational, environmental, and social impacts. Risks and opportunities identified during the process of Business Development are reviewed again at the bidding stage. Risk and opportunity assessments drawn up for projects that have reached the bidding phase are delivered to the Project Control Department with the tender file if a contract has been signed with the Employer. The Project Control Department examines risks and opportunities associated with the project and draws up a Risk and Opportunity Management Plan and shared with the Project Manager so that he can proceed with the process.



# NUROL MAKİNA

# ABOUT NUROL MAKINA

## PARTNERSHIP STRUCTURE

| | |
|---|---|
| Nurol Holding A.Ş. | 99.90% |
| The Çarmıklı Family | 0.10% |

## TABLE OF BASIC INDICATORS

| | 2018 | 2019 |
|---|---|---|
| Average Number of Employees | 504 | 554 |
| Total Assets (Thousand TL) | 1.188.327 | 2.614.922 |
| Sales Revenues (Thousand TL) | 737.642 | 963.917 |

Nurol Makina ve Sanayi A.Ş. was founded in 1976 in order to build turn-key industrial plants and meeting the demand for steel construction and machinery production in our country. It has undertaken many large-scale contracting works since its foundation and successfully delivered its projects. NUROL Makina launched its efforts targeting the defense industry after 1992 and it is manufacturing 4x4 tactical wheeled armored vehicles in its modern facilities in Ankara.

Nurol Makina's plant in the organised industrial zone in Sincan, which is built on a parcel of 55,000 m$^2$ and has a floor area of 17,000 m$^2$. It also has a vehicle test site where performance tests are conducted for assessing capability to climb steep slopes, rugged terrain, and amphibious capabilities. Our production plant is being expanded through continuous new investments aimed at enhancing our global competitiveness; it has a total floor area of 64,000 m$^2$ equipped with the state-of-the art technology after the last expansion.

Focusing on original designs and cost-effective production, Nurol Makina was accredited by the Ministry of Science Industry and Technology as a R&D center under the law numbered 5746. This certificate indicates that R&D innovation activities are systematically used for designing new processes, systems, and applications.

Nurol Makina designed, manufactured, and integrated RN-94 6x6, the first armored vehicle in its class, in 1995 and hence initiated its efforts to specialize in the field of armored vehicles.

Design and production of anti-riot vehicles (ARV) began in 2002 and ARVs of different types and configurations are being used by security forces in Turkey and some other countries. In contrast with previous projects, computerized operator control systems were designed and the entire integration process was completed at Nurol Makina's facilities. This product enhanced Nurol Makina's experience in the fields of electronic hardware, design, and integration.

Nurol Makina initiated design projects regarding shelters needed by the Turkish Armed Forces in the 2000s and the design and production processes were successfully completed a short time later. The panel manufacturing line used for this product was entirely designed and manufactured by us and completed within the duration of the project. Shelters were manufactured for various projects, including:

- NATO ACE III shelters,
- Special shelters used for the production and integration of Aselsan's jamming/neutralization systems;
- Production of shelters as part of Aselsan's IRSM project; integration of their electronic components;
- Integration of various trailer-mounted generator sets for Aselsan (including the designing and manufacturing of military type trailers).

Inspired by the assumption that the Turkish Armed Forces would need vehicles resistant to mines, Nurol Makina launched a project for developing a new 6x6 armored vehicle resistant to mines in 2006. In that context, design works were completed, mine tests were conducted, and the prototype vehicle successfully passed qualification tests on all kinds of terrain conditions.

As part of the design and integration processes of that vehicle, CAN BUS design and application were completed for the first time by using local resources and a new technology has been acquired. CAN-BUS system has significantly facilitated the integration of different systems (engine, transmission box, brake, gear shift, ABS, axle locks, lighting system, gas pedal, doors, etc.) for central control. Different smart scenarios became feasible thanks to that system and damage suffered by the system as a result of user errors was minimized. In addition, an investment has been made for a press to be used for bending the base plate needed for mine-resistant vehicles. This machine tool is the first of its kind in our country, capable of cold forming of the base of 4x4, 6x6, 8x8 armored vehicles.

NUROL Makina has a high production capacity with its technological infrastructure, including a 5-axis laser cutting device which it uses for processing armor steel; a 7-axis robotic welding machine; hydraulic cam presses; heat treatment; a laser screening measurement system; and painting units.

NUROL Makina manufactures 4x4 tactical wheeled armored vehicles (Ejder YALÇIN, Yörük 4X4 (NMS), Ilgaz, Ejder TOMA and Ejder Kunter) for customers in Turkey and abroad, particularly for the Turkish Armed Forces and the General-Directorate of Security.

NUROL Makina is aware that being a big family with its employees is the main source of power in the world; continuing with its operations in the field of defense by blending its 40-year-old engineering experience with its innovative efforts adhering to its corporate values. NUROL Makina adheres to the principles of national development, social benefits, and respect for the environment and combines design with technology as Turkey's eading manufacturer while gradually strengthening its position in the sector.

## EJDER YALÇIN 4X4 ARMORED COMBAT VEHICLE

A unique multi-purpose platform combining high protection and high operational capability, EJDER YALÇIN 4x4 has been developed for meeting the operational needs of armed forces and the law enforcement units in urban and rural areas. EJDER YALÇIN 4x4 is a platform that "**HAS PROVEN ITSELF ON THE COMBAT FIELD**" by users in a large number of combat operations.

EJDER YALÇIN 4x4 offers special solution suited to different operational needs of users, including utilization as a Border Surveillance and Security Vehicle, Reconnaissance Vehicle, Tactical Missile Carrying/Launching Vehicle, Combat Vehicle, Personnel Carrier, KBRN Reconnaissance Vehicle, Mine/EYP Detection-Destruction Vehicle Mortar, Ambulance.

Its high carrying capacity ensures that a lot of carrying capacity can be integrated with the platform. Thanks to its powerful diesel engine, high torque capacity, and a totally independent suspension system, Ejder Yalçın provides a superior field performance without compromising on its mobility.

In addition to its superior ballistic and mine protection capabilities, the vehicle has been designed to meet the operational and ergonomic needs of its users as an ideal platform for more efficient and safer operation of its crew.

## YÖRÜK 4X4 (NMS) ARMORED COMBAT VEHICLE

The newest version, Yörük 4X4 (NMS) has a V-shape monocoque body. Its sophisticated powertrain gives the vehicle a fast and high maneuvering capability in urban and rural areas. Its low weight and high protection capabilities assures that the vehicle has operational superiority and high flexibility against the most challenging and asymmetrical threats. Its design concept according priority to being prepared for multiple missions offers numerous capabilities ranging from transporting weapon systems to combat units to reconnaissance missions.

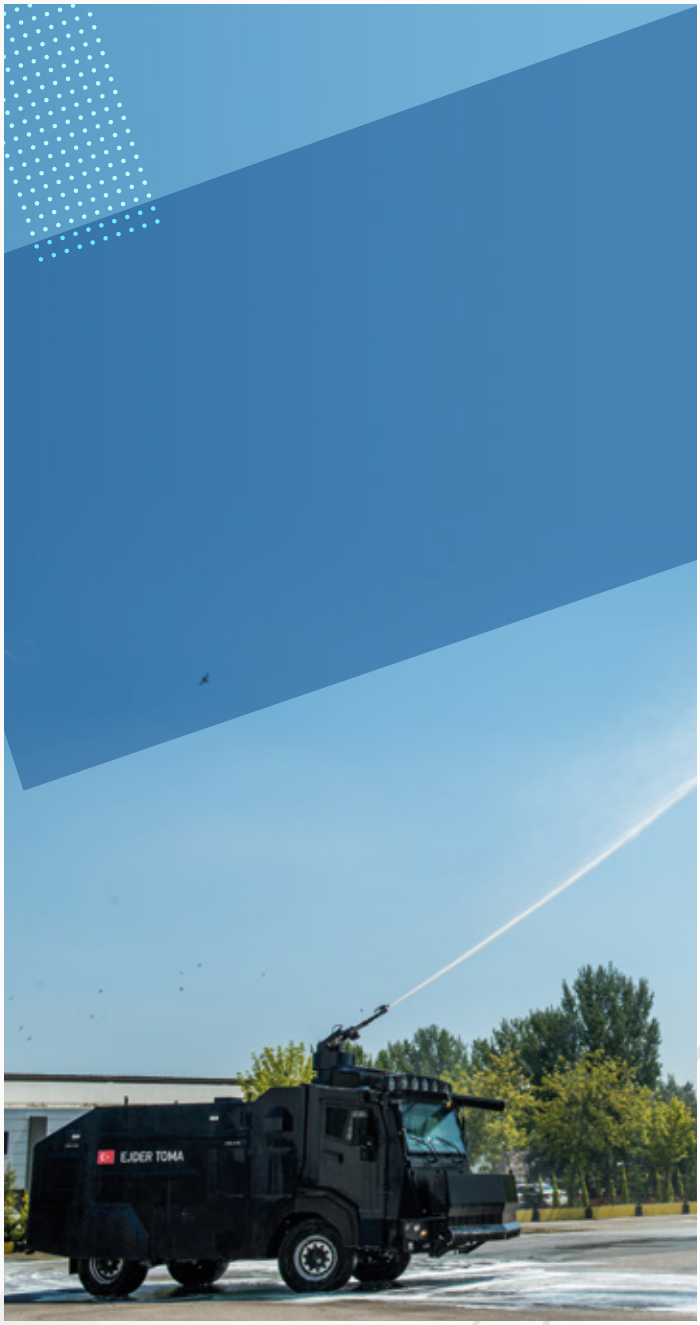
A new generation vehicle, Yörük 4X4 (NMS) represents a perfect combination of the sizeable composite material armor. The modular design of Yörük 4X4 (NMS) ensures that its users can carry out a myriad of special operations, including combat operations, transportation of units and equipment, air defense, and reconnaissance. In addition, it can be used for protecting VIP convoys thanks to its high speed and superior protection capabilities as compared with other vehicles.

## EJDER TOMA 4X4 ANTI-RIOT VEHICLE

A unique design of Nurol Makina, TOMA 4x4 has been developed for preserving public order and security in urban and rural areas as well as border regions, taking advantage of its high field performance. All devices, equipment, and hardware electronics and software used in Ejder TOMA 4x4 have been developed by Nurol Makina. Thus, any configuration modification or additional requirement can be applied with minimum cost and in a timely fashion even in vehicles which are in operation.

With 4x4 movement capability, an indigenous-military chassis, and a totally independent suspension system, Ejder TOMA has been manufactured to enable the law enforcement to rapidly and effectively respond to riots.

Ejder TOMA 4x4 has a superior maneuvering capability not only in urban, but also in rural areas. Its water ball system can also be used by mixing water with paint, tear gas, or foam.



## ILGAZ II INTERNAL SECURITY VEHICLE

ILGAZ II is an original platform designed by Nurol Makina for enabling special operations units, military units, and the law enforcement to restore public order in residential and urban areas, to perform rapid deployment missions, and to disperse illegal demonstrations and riots. The need to protect personnel was taken into consideration in the design and development of ILGAZ II and a platform that would permit safe operation was manufactured.

ILGAZ II offers special solutions, including ambulance, anti-tank vehicle, combat vehicle, command and control vehicle, reconnaissance and surveillance vehicle, counter-terrorism vehicle, internal security vehicle, and crime scene vehicle aimed meeting different needs of users. ILGAZ II offers different driving modes, including 4x4 and 4x2 vehicles, to its users. In addition to its rapid and easy maintenance, it can be integrated with different light weapon turrets.

## EJDER KUNTER SPECIAL-PURPOSE PLATFORM

Designed by Nurol Makina as a special system, EJDER KUNTER is a platform with a fully independent suspension and 4x4, 6x4, and 6x6 traction properties. With a superior field performance, EJDER KUNTER is capable of operating in all kinds of field conditions, including residential areas and rural places. Its ergonomic front cabin with ballistic protection allows the user to perform his mission safely and with a high performance.

A special design of Nurol Makina, EJDER KUNTER's system design can be configurated in line with user demands and allows integration of weapon turrets and can offer special platform solutions. EJDER KUNTER can be customized for military, security, and civilian purposes in line with customer needs.

## NUROL MAKINA and SUSTAINABILITY

Our efforts to create joint value with our stakeholders, particularly customers and suppliers with whom we frequently interact in our value chain, are behind Nurol Makina's successful results. Compliance with international quality and military standards begins at the design phase and continues during all development phases of the product. From an integrated perspective, maximizing the ratio of locally manufactured parts of innovative products is among Nurol's top priorities. In addition, the concept of logistical support, which begins at the phase of product design and continues during its useful life, is one of the issues that Nurol Makina takes into account. The sensitive approach to user feedback and maintenance and repair services offered during the useful life of the systems strengthen the bond between Nurol Makina and users while ensuring customer satisfaction.

Behind its sustainable growth, there exists the products that Nurol Makina has developed and manufactured by focusing on R&D. It also contributes to the national economy by exporting its products. R&D projects that it persistently carries out ensures that its products make a difference while supporting development of technology. From a broader perspective, it contributes to Turkey's development through advantages it offers to domestic suppliers.

Nurol Makina is carrying out its operations at its R&D center while setting strategic goals to ensure continuous improvements philosophy and upgrading and making investments in that context. Some of our projects for which a feasibility analysis has been done or completed in the project period include investments in sub-component welding robots, rotators, perforated of flexible, and spectrometers.

**Nurol Makina continued its sustainable growth thanks to its operational capabilities enhanced through those and other investments and high performance of original design instruments. It ranked 373rd in terms of sales and 7th in terms of defense exports in the list of Turkey's Top 500 Industrial Establishments in 2018. In 2019, it ranked 234th in terms of sales and 17th in terms of defense exports.**

## DIALOGUE WITH OUR STAKEHOLDERS

Being a firm active in the defense industry for more 25 years, we have seen on many occasions that sustainability can be achieved not our own, but with our stakeholders. As thing stand today, communication with stakeholders has been defined as a necessity for us. Information that we get from them contribute to continuous improvement and formulation of our strategies.

In that context, our stakeholders and communication details are shown on the following table:

| Stakeholders | Dialogue Platforms | Frequency of Dialogue |
|---|---|---|
| Legislative and Regulatory Bodies | Inspections, visits, conventions and workshops, (ministries), e-government, integrated environment information system, TSE | When considered necessary, biannually, when mandatory |
| Shareholders | Meetings of the board of directors, operating reports | Quarterly, annually |
| Financial Institutions | Visits and dialogue, operating reports | Annual, when necessary |
| Competitors and Private Sector | Sector-wide fairs in Turkey and abroad; sector-wide events; conferences, conventions, meetings, and other gatherings organized by SSB, corporate website, Nurol Holding's operating report, | Annual, monthly, when necessary |
| Customers | Corporate website, advertisements, visits, representation offices, embassies and offices of attaches, fairs, Presidency of Defence Industries, SASAD | Continuous |
| Employees, | Training, monthly and weekly bulletins | Annual, monthly, weekly |
| Society | Social media, corporate website, product websites, Nurol Holding's operating report | Continuous |
| Media | Sector-specific publications, press bulletins, corporate website, social media platforms, Nurol Holding's operating report, advertisements, Nurol World Magazine, state-run and private television stations in Turkey and abroad | Annual, monthly, when necessary |
| Sector-wide Associations | Association meetings, conventions and workshops, award processes | Annual, when necessary |
| Consultants | Meetings and training, OHS consultancy, environmental consultancy | When necessary, when mandatory |
| Suppliers | Meetings, offers, contracts, training | When necessary, annually |
| NGOs | Corporate website, social media, Nurol World Magazine | When necessary |

## OUR PRIORITIES

We have held a workshop by taking account of key issues defined by our employees and our company's senior management, including the needs and expectations of our stakeholders, while drawing an efficient roadmap for sustainable business management. We have re-assessed our sustainability strategy based on our priorities defined here.

## OUR PRIORITIES

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### Prioritization Matrix

Importance that we attach to people are also reflected by our prioritization matrix and creating a healthy and safe work environment for our suppliers and employees is at the core of our business principle. "People-oriented" R&D efforts that we are focusing on are constantly progressing based on the knowledge and experience of our skilled human resources while ensuring that our company makes a difference in terms of "product reliability." Resulting direct and indirect economic benefits underpin our constant growth with our value chain.

## NUROL MAKINA AND ENVIRONMENTAL AWARENESS

Guided by the fact that environment management is not something voluntary, but a must for a successful business result, Nurol Makina has made its mission to increase environmental awareness among its employees and all stakeholders. Keeping all products, which have been included in the economy based on the concept of circular economy, within the system as raw materials provides economic benefits while decreasing the consumption of natural resources. As part of our environmental policy, we undertake:

- To comply with applicable legislation and national and international standards;
- To bring all environmental risks under control through continuous reviews and to minimize all potential environmental risks;
- To ensure environmental performance oriented continuous improvement activities and to make them sustainable while adopting being open to innovations as our fundamental philosophy;
- To organize various events, including training, workshops, and seminars to raise environmental awareness among our all employees and to create a long-lasting company culture;
- To ensure that our employees, subcontractors, interns, and visitors work in an environmental-friendly workplace and to carry out operations aimed at protecting and preserving everybody's health;
- To adopt an environmental-friendly approach for efficient waste management and efficient use of resources and to minimize damage inflicted on the environment;
- To ensure that the designing, production, distribution, consumption, and disposal of the company's products and services by taking an approach that would prevent an uncontrolled increase in environmental impacts as part of life cycle;
- To inform our all stakeholders about our responsibilities to people and the environment and to ensure their involvement and to organize training and various activities for that purpose as was the case in previous years.

Our compliance and the efficiency of the system are also periodically audited by independent auditors through our ISO 14001:2015 that we have been implementing.

We expect all units to assess their environmental impacts in our risk-based environmental management system and conduct risk analysis accordingly. We analyze various parameters, including emission to air, pollutants released to water and soil, energy use, energy emission (e.g. heat, noise, light, etc.) for the environmental performance criteria that we have established for managing our environmental risks. The focal point of our environmental efforts is to reduce emissions of greenhouses and consumption of natural resources while increasing the quantity of waste recycled.

### Training Hours on Environment

| Training in Environment | Total Training (Man.Hour) | | Training Per Employee (Man/Hour) | |
|---|---|---|---|---|
| | 2018 | 2019 | 2018 | 2019 |
| Training in Environment | 548 | 772 | 2 | 2 |
| General Training | 9,387 | 21,836 | 19 | 40 |

## Energy and Emission Management

We are monitor our energy consumption and greenhouse gases that have a high impact on climate change, which we have identified as one of our environmental focal points. We know that the climate crisis is the driving force behind a sustainable business model and we are carrying out studies and investments required for a low-carbon economy.

### Energy Consumption Within the Company(GJ)

Ensuring energy efficiency within Nurol Makina is one of our priorities concerning the management of our environmental impacts and a total of 221.97 gj energy reduction was achieved in 2018 and 2019.

| Nurol Makina | 2018 | 2019 |
|---|---|---|
| Energy Consumption Within the Company(GJ) | | |
| Fuel | | |
| Natural Gas | 11,106.87 | 65,552.22 |
| Diesel (Car) | 129.5 | 141.75 |
| Electricity | | |
| Electricity Taken from the Mains | 9,996,988.00 | 2,513,848.00 |
| **Total Energy Consumption** | | |

Greenhouse Emissions (ton $CO_2$ equivalent)

| Nurol Makina | 2018 | 2019 |
|---|---|---|
| GHG Emissions | | |
| Scope 1 | 633,44 | 675,93 |
| Scope 2 | 488,28 | 348,95 |
| Total Emission Quantity | 1.121,72 | 1.024,89 |

## Water Management

We are focus on efficient use of water for managing the water crisis that is expected to exacerbate as a result of the climate crisis. We are aim to minimize our effects on the basin where we are operating through efficiency projects related to water, which is a local source.

| Nurol Makina | 2018 | 2019 |
|---|---|---|
| Amount of water used | | |
| Well Water ($m^3$) | - | - |
| Tap Water ($m^3$) | 524 | 509 |
| **Total Quantity of Water Used ($m^3$)** | **524** | **509** |
| Annual Quantity of Wastewater Discharged | | |
| Receiving Body ($m^3$) | 0 | 0 |
| Wastewater Canal ($m^3$) | 524 | 509 |
| Recovered Water ($m^3$) | 0 | 0 |
| **Total Quantity of Water Discharged ($m^3$)** | **524** | **509** |

## Waste Management

Combining waste management with the concept of circular economy, Nurol Makina intends to ensure recycling of waste. It ensures that its waste was disposed of by licensed companies during the reporting period in accordance with legal requirements. It is assumed that 12% of domestic solid waste consists of waste packaging. Waste packaging is stockpiled on a temporary waste area set up within the plant and then collected by a licensed company so that it can be recycled in accordance with the environmental legislation.

| Nurol Makina | 2018 | 2019 |
|---|---|---|
| Quantities of Hazardous Waste (kg) | | |
| Hazardous Waste | 34,940 | 42,070 |
| Medical Waste | 12 | 20 |
| **Total Quantity of Hazardous Waste** | **34,952** | **42,090** |
| Quantities of Non-hazardous Waste | | |
| Packaging Waste (Paper - Cardboard) | 37,020 | 42,940 |
| **Total Quantity of Non-hazardous Waste** | **37,020** | **42,940** |

## OUR OCCUPATIONAL HEALTH AND SAFETY PRINCIPLES

Providing our employees with a healthy, hygienic, and safe working environment is imperative with regard to occupational health and safety, one of the key components of our prioritization analysis. In that context, necessary measures are taken for preventing work accidents and occupational diseases and training in occupational health and safety is regularly provided for the employees for raising their awareness. Employee representative have been selected in accordance with legal requirements and 5 employee representative were appointed beyond the number of employee representatives who need to be present at workplaces with employees numbering between 101 and 500 pursuant to the directive.

OHS issues concerning the employees are assessed by OHS committees through representatives elected by all employees. Deputy General Manager for Operations has been appointed as the employer's representative for monitoring OHS activities. OHS issues are discussed in Management Review Meetings and reported to senior management. NUROL Makina's senior management holds weekly OHS meetings. OHS committee meetings are held on a monthly basis for reviewing risks. The Quality Assurance Directorate conducts annual internal audits. The General Manager or Deputy General Managers may attend such internal audits.

| OHS Training | Total Training (Man.Hour) | | Training Per Employee (Man/Hour) | |
|---|---|---|---|---|
| | 2018 | 2019 | 2018 | 2019 |
| OHS Training | 6,600 | 6,880 | 12.00 | 12.28 |
| General Training | 9,387 | 21,836 | 19 | 40 |

All works performed on NUROL Makina's facilities must comply with Sub-employer OHS and Environment Procedure. Occupational health services are provided based on the principle of preventive medicine. Accidents are recorded irrespective of the seriousness of injury. They are reported to SGK within three days. Accident statistics are communicated to the senior management on a monthly basis and the employees are informed via occupational safety notice boards. Such notices specify the types of accidents, location of injuries, and the areas where the accidents have occurred.

| Total Number of Accidents, Frequency, and Weight Ratio | Number of Accidents | | Total Frequency of Accidents | | Total Accident Weight Ratio | | Total Working Hours | |
|---|---|---|---|---|---|---|---|---|
| | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 |
| Nurol Makina | 31 | 12 | 21,89 | 7,22 | 0,033 | 0,015 | 123,16 | 125,02 |

## VALUE CHAIN MANAGEMENT

An "Supplier Management Strategy" has been mapped out for the continuous development of suppliers, one of the priorities of Nurol Makina. This strategy is devised by taking account of national and international competition and the requirements of our national defense strategy.

In that context, allied industry assessment and development works, coordinated by the Quality Assurance Directorate, are carried out in collaboration with Supplier Assessment and Development Management, Planning and Supply Management, and Operations Directorate. The purpose is to ensure continuous development of existing suppliers and participation of new firms in Nurol Makina portfolio through regular quality audits.

Supplier application and assessment process is managed by Corporate Source Planning Software which was engaged in 2019, that is, our reporting period. Coordinated by the "Supplier Assessment and Development" and "Quality Assurance" departments, the supplier assessment process as well as field controls and assessment of suppliers is carried out by specialized teams because of the high standards of our industry, based on the following items:

- **Quality Systems**
  ISO 9001 and AS 9100 requirements are taken as a basis for quality system assessments.
- **OHS and Environmental Assessment**
  TS ISO EN 14000 and TS 45001 requirements are used for occupational health and environmental assessments.
- **Human Resources**
  Assessment of human resources involves the verification of qualifications through various steps, including, the list of people formally employed by the firm, social security records of the employees, descriptions of their jobs and roles, and operational steps for which they are responsible.
- **Production Assessment**
  - Welded Production
    EN 1090-1 and EN ISO 3834-2 standards are used as references for welded production.
  - Machining
  - Cutting & Bending
  - Coating
  - Painting
  - General Assessment of Production
  - General Assessment

Compliance of infrastructure for the firm's movements of parts, compliance of intermediate product/finished product stock areas, measurement equipment, non-destructive inspection, heat treatment infrastructure, product shipment actions, and the firm's information technology infrastructure is questioned in the general assessment process.

In addition to those processes, Supplier Assessment and Development Management is carrying out activities aimed at helping existing supplier acquire new process capabilities so that the supplier portfolio can be extended while finding new firms and establishing new strategic business partnerships based on requirements.

The main expectation of all those processes is to ensure that firms can internally manage their production and quality processes with enhanced control and reporting capabilities and have infrastructure for product traceability and keeping records in addition to enhanced capabilities for managing non-compliant products and offering turn-key products.

We have 2313 supplier companies that are approved through this supplier application and assessment process, both in located Turkey and abroad.

## Nurol Makina Risk Management

Nurol Makina's common goal is to manage all kinds of risks and opportunities to preserve the company's growth, sustainable development, and profitability in line with our mission, vision, values, and goals. As part of the Risk Management System:

- Identifying risks and opportunities that may cause deviations from our short, medium, and long-term goals as early as possible and ensuring their systematic reporting and effective management;
- Assessment of conflicts of interests by the ethical committee;
- Provision of infrastructure and resources needed for the management of risks and opportunities;
- Contributing to continuous and sustainable improvements with our stakeholders;
- Ensuring reviews based on the requirements of the Management System and carrying out activities aimed at raising awareness among the parties concerned
- have been defined as part of Nurol Makina's Risk Policy.

In light of these commitments, Nurol Makina's Risk and Opportunity Assessment Management is basically intended to manage risks by means of a preventive or proactive approach in light of experience gained while making accurate assessments by using methods meeting standards and planning counter-measures in parallel with strategic goals.

Aimed at ensuring that it is internalized by employees at all levels and the system is constantly improved, this management process is handled under main five headings:

***1. Corporate Risk and Opportunity Management***

The company's senior management periodically monitors corporate risk and opportunity management, which began to be handled under the leadership of Strategic Planning and Market Development Directorate in 2019, and reported to the General Manager by the Strategic Planning and Market Development Directorate.

***2. Risk and Opportunity Management in Processes***

Risks and opportunities encountered during processes are assessed in terms of probability and potential severity in light of Procedure for Management of Risks and Opportunities in Processes.

An Intra-company Software Package Process Risk and Opportunity Assessment is used for standardizing risk measurement and assessment parameters and reporting based on the continuity approach. Thus, risk assessment and monitoring process is managed by taking account of health, safety, environment, business continuity, traceability and sustainability.

The Quality Management Systems Team coordinates the management of this module and process, which has been standardized for all employees in accordance with the Guideline for the Utilization of Intra-company Software Package Process Risk and Opportunity Assessment Module, under the Quality Assurance Directorate.

Risks are periodically reviewed by taking account of the changing organizational structure and areas of operation; necessary revisions are made and they are controlled and monitored. All management organs and departments monitor their counter-measure programs in parallel with Company Goals. Those efforts are audited by using the Integrated Management System within the plant and independent firms accredited by the Turkish Standard Institute (TSE) and others.

***3. Occupational Safety Risk Management***

In addition to process-based assessments, occupational safety risks, which may be encountered in operational processes, are managed via Intra-company Software Package OHS Risk Assessment Module so that it encompasses all stakeholders.

***4. Risk Management for Environmental Aspects and Impacts***

Nurol Makina is also using Intra-company Software Package Environmental Aspects and Impacts Assessment Module in order to assess and control its own operations and external operations with which it interacts. The employers are informed about a preventive approach regarding risks identified through the management of all those modules and required counter-measure and improvement plans are devised.

Issues that need to be taken into account during the process of identifying and monitoring occupational safety and environmental risks have been documented by virtue of OHS and Environment Risk Analysis Procedure.

***5. Project Risk Management***

Project-based risk management has been introduced through coordination provided by the Programs Directorate and it is performed by taking account of Procedure for Managing Project Risks. Potential risks in projects are reported to Programs Directorate staff by means of a Project Risk Notification Form.

MEDIUM TANK
ENSS

# ABOUT FNSS

## PARTNERSHIP STRUCTURE

| | |
|---|---|
| Nurol Holding A.Ş. | 51% |
| BAE Systems Land & ARMAMENTS L.P. | 49% |

## TABLE OF BASIC INDICATORS

| | 2018 | 2019 |
|---|---|---|
| Average Number of Employees | 969 | 1,035 |
| Total Assets (Thousand TL) | 3,627,065 | 4,238,560 |
| Sales Revenues (Thousand TL) | 1,726,618 | 2,129,988 |
| EBITDA (Thousand TL) | 331,588 | 317,735 |

FNSS Savunma Sistemleri A.Ş. (FNSS), a joint venture company owned by Nurol Holding (51%) and BAE Systems (49%) is a globally recognized land systems company that specializes in designing and producing wheeled and tracked armoured combat vehicles, turrets and sustainability solutions. As the solution provider of users in various countries, the Company has delivered more than 4,000 armoured combat vehicles worldwide. Its wide range of products includes 15-ton class tracked armored combat vehicles, medium weight tank, 4x4 - 8x8 wheeled armored combat vehicles, rapid deployable amphibious wet gap crossing system, armored amphibious combat engineering vehicle, manned and unmanned turrets.

FNSS designs and develops customized solutions to meet the requirements of each user. The key to FNSS' success in delivering tailored products within requested time frames lies in its flexible approach to project management. This is complemented by its ability to orchestrate an extensive supply chain and a wide range of global partnerships.

FNSS views user satisfaction as a permanent concept, and strives to ensure that its products serve beyond their life cycles by addressing any new needs that may emerge throughout their use. FNSS also makes a difference by generating significant value for its international users through localization packages that include employing local labour, establishing domestic supply chains, and providing in-country training and technology transfer. Building upon its 30-year heritage in the defence industry, FNSS continues to add value to its users by creating innovative solutions.

## FNSS and SUSTAINABILITY

One of the leading brands in the Turkish defense industry, FNSS develops its products by using its advanced R&D capability and its Technology Road Map in line with requirements set by its customers. Focused on high product quality, the corporate strategy was consolidated by a sustainability perspective in the past couple of years and R&D projects were defined as one of the key areas.

## DIALOGUE WITH OUR STAKEHOLDERS

Communication with its stakeholders is one of the priorities for FNSS which is guided by the mission "We protect our users and all stakeholders and help them create value through creative solutions." We define all stakeholders with which we directly or indirectly interact in connection with our operations as part of our value chain and establish a regular channel of communication. Feedback and suggestions received from that sharing process are used for increasing the quality of our products and services. Stakeholder analysis is at the heart of FNSS's "Strategic Plan Situation Analysis" and its results are used for mapping out business and sustainability strategies.

"Stakeholder Analysis and Prioritization Workshop," which we periodically organize, is led by FNSS Sustainability Team. Our stakeholders list as updated after the last workshop held within the reporting period. Sustainability issues, which have priority, have remained unchanged and related efforts are under way.

Guided by the corporate and lifelong perspectives, FNSS aims at constantly improving its environmental and social performance, including all phases from the selection of materials for its products to utilization and disposal.

It is consolidating and supporting its sustainability efforts through risk management actions and integrated management systems. It has successfully completed the independent audit process as part of ISO 9001, ISO 45001, ISO 14001, ISO 27001, AQAP 2110 within the reporting period.

At the focus of FNSS's sustainability efforts is the reduction of environmental impacts during the phase of product use and it is reinforcing this strategy with its R&D capabilities.

Calculation of corporate carbon footprint congruent with ISO 14064-1 requirements and creation of a water inventory conforming with ISO 14046 Water Management System have been set as **goals for 2020.**

Based on the perspective of continuous improvement, the linchpin of sustainable growth, it is our goal to proceed with this action plan devised for making progress in line with that strategy through an assessment of the product's environmental impact.

| STAKEHOLDERS | Frequency of Communication | OUR CHANNELS OF COMMUNICATION |
|---|---|---|
| CUSTOMER | If needed | Business development meetings and visits, all activities related to projects, tests, fairs, end user training, drills, customer satisfaction surveys" |
| PARTNERS/SHAREHOLDERS (Nurol Holding ve BAE Systems) | If needed<br>Meetings of the board of directors four times a year | Meetings of the board of directors, FNSS Operating Report, events organized in connection with projects |
| EMPLOYEES<br>A company enjoying high employee loyalty | Continuous | Monthly employee meetings, management review meetings, project review meetings, all employee meetings, FNSS News From Us Magazine, social functions, Intranet and web site, employee satisfaction and loyalty surveys, FNSS brand perception surveys, training, informational e-mails |
| SUPPLIERS (SUBCONTRACTORS) | Continuous | Supplier visits and audits, supplier development efforts and EYDEP projects, events organized for suppliers, "Suppliers' Day", joint development of projects with suppliers, supplier portal |
| LEGAL AUTHORITY / LEGISLATURES | If needed | Reports and proposals regarding projects, visits and meetings, defense industry fairs, conventions, forums, and workshops, memberships with SASAD, DEIK, IMMIB, and other organizations " |
| OTHER DEFENSE COMPANIES | If needed | |
| COMPETITORS | If needed | |
| UNIVERSITIES | If needed | SAYP and other programs, R&D projects, career days, internship programs, completion projects, cooperation with university clubs, and student representatives |
| MEDIA | Continuous | Press conferences, magazine interviews, social media networks, fairs |
| NGOs | Continuous | FNSS website, Mil-Design Contest, participation in workshops, NGO memberships, donations, and sponsorships |
| LOCAL PEOPLE/COMMUNITY | Continuous | FNSS website, Mil-Design Contest, participation in workshops, NGO memberships, donations, and sponsorships |

## OUR PRIORITIES

We have defined our priorities in order to map out the correct plan as part of a sustainable business management. This effort began with the identification of major issues through sustainability meetings led by our senior management. The key issues identified were analyzed in line with the needs and expectations of our stakeholders. Our main priorities include labor/management relations, training, safety practices, confidentiality of customer information, political validity, principle of confidentiality, and business strategy, according to the "Priority Issues Matrix" presented below.

## Prioritization Matrix

FNSS has mapped out its strategy to approach issues and a management model based on the result of the prioritization analysis. At this point, we mostly concentrated on the development of our corporate strategy, sustainability objective, and our technology strategy, which is indispensable to our industry, in a harmonious manner to achieve the same goal.

Described as "increasing the total value of the company higher than the totality of its components," the strategy is supported by its strong technological infrastructure, R&D, and product portfolio strategy.

A technological road map is drawn for all projects. Technology selection and prioritization is performed for the development of a product demanded by a customer with the required properties. This exercise is an important tool for sustainable success in the defense industry, which is a dynamic one with a myriad of variables.

It is imperative for FNSS to transfer knowledge accumulated within the company to products thanks to its highly qualified employees. In that context, workshops are organized within the company as part of the process of drawing a technological road map. These workshops are organized for markets, product specifications, technology breakdowns, and final road maps. Linking the corporate strategy, R&D strategy, and sustainability goals to each other and rapid adaptation to new technologies can be characterized as the outputs of workshops. The technological roadmap links all R&D projects to the milestones of contracted projects and target projects in the intra-company business plan, which ensures that the Company's corporate strategy is harmonized with the R&D goals.

The technological road map determines technology investments needed, technology prioritization, short- and medium-term R&D strategies and action plans, internal skills to be improved, and decisions on partnerships for development of strategic technology.

**One of our sustainability goals is to switch to eco-design practices emerging in the world and to assess environmental impacts at product development phase based on lifelong assessment approach.**

At this point, trying different design alternatives and efforts to achieve a better environmental performance during production in addition to the quality performance by the product is a clear indication of the FNSS's strong R&D infrastructure.

Confidentiality principle is one of the issues that FNSS places a high priority in all respects. In addition to the protection of the confidentiality of company and customer information, FNSS also takes care to protect the confidentiality of the personal data of its stakeholders (company employees, agents, consultants, suppliers, solution partners, and the members of the board of directors).

As a company serving the defense industry, we are aware of the importance of the confidentiality of customer, company, and stakeholder information and this awareness guides us while attaining goals. FNSS has a Nato Facility Safety Clearence and employees have personal safety clearances. In this context;

- Protection of classified information and shared in- accordance with the provisions of confidentiality agreements concluded with the stakeholders is ensured even if the term of the agreement has expired.
- FNSS was qualified to obtain an ISO/IEC 27001:2013 certificate on December 2, 2016. All administrative and technical requirements are met to ensure full compliance with the requirements of the standard since the date of certification.
- There is an "Information Security Management System Commitee" made up of the Company's employees for the purpose of ensuring the continuity of the Information Security Management System and to update applications. The committee undertakes works to ensure information security, takes actions, and assesses violations.
- Confidentiality is a key issue in orientation training provided for newly hired employees. In addition, awareness training is provided annually via e-learning to all employess.
- All Documents marked according to confidentiality levels depending on their content; archiving, sharing, and destruction methods are devised; and actions are taken in accordance with those procedures.
- Information is shared on a need-to-know basis and destroyed at the end of specific periods. Necessary actions are also taken for infromation used and/or storaged electronically.
- FNSS procures consultancy services as part of the process of compliance with the Law numbered 6698 on the Protection of Personal Data and aims at improving its practices due to related legislation.

## FNSS AND ENVIRONMENTAL SENSITIVITY

FNSS manages OHS and environmental management in an integrated fashion. Both issues are among the fundamental principles that it has defined while carrying out its all activities. Our efforts aimed at minimizing our environmental impact and ensuring environmental sensitivity are limited to our operations within the company and our objective is to assess our products from a lifelong perspective while minimizing our environmental impact. Once new production processes are identified, FNSS first defines its environmental aspects and performs a risk analysis. An action plan is identified to reduce the risk after evaluating the results obtained herefrom.

FNSS is committed to reducing consumption of natural resources, increasing resource efficiency and preventing environmental pollution, as stipulated in its environmental policy. Training courses on environmental issues are organized periodically to ensure that all employees act with a common environmental awareness; one of the goals of the employees is to develop the environmental management system and to help achieving environmental goals and objectives

| Training Courses on Environmental Issues | Total Training (Person.Hour) | | Training Per Employee (Hour/Person) | |
|---|---|---|---|---|
| | 2018 | 2019 | 2018 | 2019 |
| Training Courses on Environment | 532 | 701 | 0.85 | 1 |
| General Training Courses | 43,427 | 56,952 | 43.77 | 54.34 |

## Energy and Emission Management

FNSS started to follow its environmental impacts in further details, through its environmental management system and corporate environmental awareness that continues to develop with a life-long perspective. FNSS manages the vast majority of its total environmental impacts thanks to the energy and greenhouse gas management and aims to spread this awareness within its value chain. During the reporting period, two of our transformers of 1000 KVA were replaced with 1,600 KVA transformers to ensure energy efficiency and reduce our energy costs and greenhouse gas emissions. In this way, our thermal losses reduced and our capacity was increased. To ensure continuous energy supply, a 1600 KVA diesel generator was purchased to keep production process running in case of power outages. Old and low-efficiency motors in our HVAC systems were replaced with new-type, high-efficiency motors, resulting in an energy saving up to 15 percent. In addition, a 60 KVA solar energy system was established in the same year to use renewable energy at the facility.

**We plan to establish another 60 KVA solar energy system in the next year to increase our renewable energy capacity.**

| FNSS | 2018 | 2019 |
|---|---|---|
| In-house Energy Consumption (GJ) | | |
| Fuel | | |
| Natural Gas | 28,807.88 | 32,291.35 |
| Diesel | 9,125.63 | 10,006.29 |
| Electricity | | |
| Electricity from Grid | 21,333.97 | 21,194.00 |
| Electricity from Solar Energy | - | 135.75 |
| **Total Energy Consumption** | **59,267.48** | **63,627.61** |

Regarding emission management, our goal is to implement corporate carbon footprint management practices in line with ISO 14064-1.

| FNSS | 2018 | 2019 |
|---|---|---|
| Greenhouse Gas Emissions | | |
| Scope 1 | | 2,241 |
| Scope 2 | | 2,690 |
| **Total Emission** | **0** | **4,931** |

## Water Management

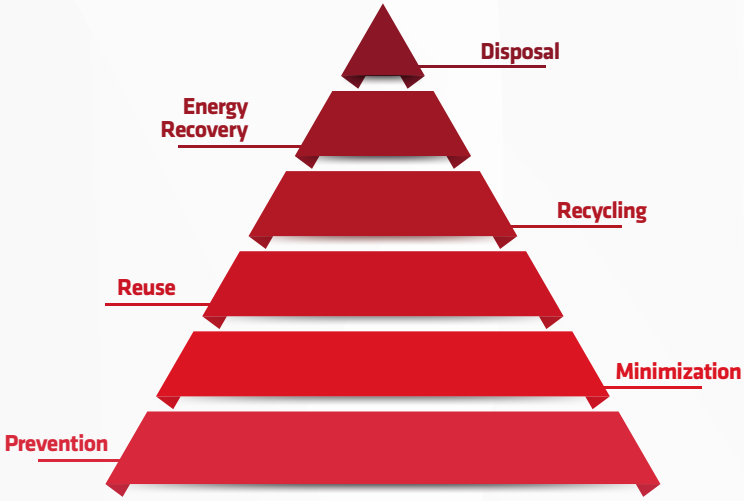
One of the parameters we take into consideration under environmental management is water consumption. Our goal in this point for the upcoming period is to progress beyond water monitoring and to create our water inventory and then to carry out water impact analysis studies. Since water, the main source of life, is a local resource, we aim to evaluate our impacts in our region and in the basin where we consume its water and to fulfill our responsibility to our stakeholders. Considering our in-house practices, the main water line installation from which there were water leakages was renewed to avoid unnecessary water consumption during the reporting period. It was aimed to perform landscape irrigation at times when there as less evaporation in order to prevent excessive consumption. In addition, drain lines of both cafeteria and car washing area have been integrated with oil scrapping systems to prevent mixing of cooking and mineral oils so that our biological treatment system can work effectively and the quality of discharged water is not adversely affected.

We have two biological and one chemical treatment plants to keep the quality of water we use at a level so that it can be discharged to receiving environments. To maintain the potential of underground and surface water resources and to prevent water pollution, samples are taken from the biological and chemical treatment plants at predetermined periods and the appropriateness of discharged water is checked. Our values are better than the legislative criteria defined for discharges water. Moreover, we check the appropriateness of the discharged water at several times in a month with a KOI device located at the FNSS.

| FNSS | 2018 | 2019 |
|---|---|---|
| Amount of Water Used | | |
| Well Water ($m^3$) | 40,720 | 71,400 |
| Municipal Water ($m^3$) | - | - |
| **Total Amount of Water Used ($m^3$)** | **40,720** | **71,400** |
| Annual Amount of Wastewater Discharged | | |
| Receiving Body ($m^3$) | 27,675 | 27,500 |
| Conduit-type Sewer ($m^3$) | 0 | 0 |
| Recovered Water ($m^3$) | 0 | 0 |
| **Total Amount of Discharged Water ($m^3$)** | **27,675** | **27,500** |

## Waste Management

FNSS implements an effective in-house waste management. In this context, the action plan after proper sorting of wastes is of great importance, and this point is regularly reminded to all employees. According to the actions we implement on the basis of the waste hierarchy, hazardous wastes generated at the factory site are separated on-site, stored in the temporary waste storage area and sent to the relevant licensed facilities for disposal, taking into account the principles stipulated in the Waste Management Regulation. Hazardous wastes are transported in accordance with ADR obligations and the waste carriage process is followed through the MOTAT system. Waste batteries are sent to the authorized association (TAP) to be recycled and/or disposed of, and similarly, waste oils generated are sent to authorized recycling or disposal companies according to their categories.




Non-hazardous wastes are collected and stored separately from hazardous wastes and sent to recycling companies. Some projects have been developed to ensure efficiency in manufacturing processes. In this context, work instructions used in the production process were transferred into the digital environment, the production costs and paper consumption were reduced, and the efficiency of operations was increased.

With an application aimed at increasing environmental awareness among our employees, a team of environmental volunteers, formed with the participation of employees from different departments, organizes garbage collection campaigns every week.

## OUR OCCUPATIONAL HEALTH AND SAFETY PRINCIPLES

It is our main responsibility to create a safe working environment for our employees, who we define as one of our most important stakeholders, and for our other stakeholders, who carry out activities on our behalf.

Our perspective on this issue is not only meeting legal requirements but also acting with a risk-oriented occupational health and safety approach. Since its establishment, FNSS has been managing this issue with the participation of all of its employees under the leadership of its senior management.

With the Behavior-Oriented Risk Management, which we have been implementing for more than 10 years, we aim to systematically reduce the unsafe behaviors detected in order to prevent occupational accidents and diseases. All employees receive basic OHS Training as well as Behavior-Oriented Risk Management Training, and teams formed of volunteer employees observe and prevent unsafe behaviors in the workplace through immediate feedbacks to corroborate safe behaviors. Frequently detected unsafe behaviors are reported to the senior management and also comprehensive studies are carried out. 29 employees made weekly observations in two periods in 2018 and 26 other employees made observations in two periods in 2019;

they immediately gave feedback to relevant people and reported the inappropriate behaviors they detected, so they took an active role in preventing unsafe behaviors and occupational accidents and diseases.

FNSS Occupational Health and Management System was certified in accordance with the OHSAS 18001 in 2005; the company is among the firsts defense sector companies that have adapted its system with the replacing standard ISO 45001:2018 in 2019.

With the Vocational High School Development Project, meetings and workshop visits were made with young people employed from vocational high schools, and an important role was played in positive cultural change by bringing young people to society and business life and spreading the safety culture.

The 16-hour Basic OHS Training, which is given as part of the orientation training of the employees, is repeated with various highlighted subjects every year. Emergencies and Personal Protective Equipment were addressed in more detail in 2018 whereas Basic Risks in the Workplace Environment and Accident Prevention Methods were discussed in more detail in 2019. Field observations made by the Observation Teams, emergency drills, near misses, unsafe situation or behavior reports and internal and external audits are taken into consideration when determining the training needs and evaluating the effectiveness of the trainings courses. In addition, special training courses are organized for the relevant departments and employees on various subjects, including working in closed areas, working at height and working with chemicals.

FNSS Health Unit continues to provide primary health care services and continues its efforts in preventing occupational risks and its activities to increase employee's well-being. Various training courses and campaigns are organized on such subjects as healthy nutrition and having sports habits, and it continues to mentor and support employees on these subjects. The Workplace Psychologist can guide and direct employees not only in professional terms, but also for problems the employees may encounter in their private lives. The 'Avita' Employee Support Program allows all employees to reach any information via phone calls and directs them in health issues.

| OHS Training | Total Training (Person.Hour) | | Training Per Employee (Hour/Person) | |
|---|---|---|---|---|
| | 2018 | 2019 | 2018 | 2019 |
| OHS Training Courses | 15,581 | 19,809 | 16.13 | 19.14 |
| General Training Courses | 43,427 | 56,952 | 43.77 | 54.34 |

## FNSS AND VALUE CHAIN MANAGEMENT

One of the studies conducted for the first time within the concept of sustainability was to define the entire value chain. In this context, our interaction with our suppliers stands out as they have a direct connection with our business strategy. Defining common goals with our suppliers with whom we cooperate is of great importance for the entire process. We define and perform supplier management under several headings.

***Current Supply Chain Management:***

As a leading company in the design and manufacturing of tracked and wheeled armored vehicle families and weapon systems for the Turkish Armed Forces and allied nations, the first ring of FNSS value chain is the supply of raw materials and other services and goods. As in all stages of our value chain, safety is among the issues we prioritize in the supply chain. In addition, we also evaluate environmental, social and ethical requirements for quality purposes. Supply chain management plays a significant role in the dissemination of responsible production and consumption practices in line with the Sustainable Development Goals. We manage our supply chain through our Supplier Portal which was established to ensure transparent, fast and accurate purchasing processes; we aim to continuously improve our existing suppliers and to add new companies, which are appropriate in terms of FNSS values, to our supplier portfolio.

***New Supplier Selection Process***

As the Supply Chain Directorate, we forward to the Quality Unit the companies that apply to us to work with FNSS or that we deem appropriate as a result of our company research efforts, and we initiate the new supplier selection process.

The Quality Department examines the subcontractor and sub-industry company information form received from new supplier companies. If the result of the pre-evaluation is positive, it then decides to move to the next step, that is examination and evaluation, that a company has to pass to become a supplier. Otherwise, a new search for an alternative supplier begins. For existing suppliers, a direct inspection and evaluation process is initiated without any need for a subcontractor and sub-industry company information form. As a result of the inspection and evaluation, an Inspection Score is determined for the company. Suppliers are classified according to their Inspection Scores.

If there are negative findings detected during inspection and evaluation, a corrective and preventive activity report is sent to the company to eliminate them. If a non-compliance is not resolved by a supplier although the same corrective and preventive activity report is notified to that supplier two times, it may be decided to initiate or maintain no commercial relationship with the company. Delivery Scores are followed for companies with which commercial relationships are initiated or maintained.

Quantitative Supplier Performance Evaluation System: There are two main variables for FNSS that affect the quality performance of the supplier: inspection score and delivery score. The weight of these variables is determined. Reasons for rejection of parts are categorized and standardized. All these variables are included in a mathematical formula which is used to determine the overall performance score of suppliers. This formula is used as a continuous and more comprehensive tool to evaluate the performance of suppliers quantitatively and is fully integrated with the Industrial Finance System (IFS) with the support of our IT Department.

***Supplier Development/Improvement Studies:***

The Supply Chain Directorate focuses on collaborating with our suppliers based on a common goal understanding within the framework of mutual trust. In line with this vision, it continued its efforts to improve the infrastructure and technical competence of suppliers in 2017, and employees of this department visited many suppliers to support them. FNSS considers supplier training as one of the most important elements of supplier development. In line with this understanding, the suppliers were informed on many subjects. Aside from this general informing process, we provide group training courses to our supplier companies when there is a need, and we also provide information to them during our company visits with support from the design, production and quality departments.

***Meetings with Companies***

We follow the rejected parts-as a result of the quality process-of the products we buy from our suppliers and contact relevant companies. As is the case in every year, we invited supplier companies, whose products are frequently rejected, at certain periods together with the Quality Department and talked about the reasons for rejection as well as presented our improvement suggestions, which yielded serious improvements.

***Supplier Portal***

Starting from the placement of the orders, the transactions with the suppliers can be carried out through IFS - the Enterprise Resource Planning software used by FNSS. Necessary transactions regarding suppliers, including delivery, quality control, invoice, payment processes, are made and followed through this portal. This system allows our suppliers to transfer their requests -for changes in "Technical Documents" with regard to orders- to FNSS in a controlled environment and to contribute to our "Design Development" activities.

## FNSS RISK AND OPPORTUNITY MANAGEMENT

FNSS implements integrated risk management to effectively manage its growth rate and the complex structure of projects and products in accordance with the importance of the sector in which it is engaged. The main purpose is to define both the risk and the opportunity in the shortest time and to implement relevant action plans in line with the pace of the sector.

FNSS started this process with the identification of stakeholders and determining the needs and expectations of the relevant stakeholders as the first step of risk management implemented in coordination with all managers, including senior management, and in line with the business strategies of the company, and it has defined methods for communication with its relevant stakeholders for resource optimization, sustainability and improvements. Regarding the operation process, all units are expected to evaluate risks and opportunities at regular intervals and to define the impacts that may arise from economic data as well as environmental and social issues. FNSS systematically monitors and manages risks and opportunities under several categories: strategic, process, project, occupational health and safety, information security, and environmental management. In addition, economic, legal, social and reputational risks are managed to cover the acitivities within the entire company.

In line with company strategies, any risk that may prevent FNSS from achieving its goals or, on the contrary, any opportunity that may contribute to achieving these goals are evaluated. A policy was adopted through which risks and opportunities are predicted and monitored, and relevant action plans are developed in advance. At FNSS, the risk identification process is strengthened with scenario analysis, senior management is informed about critical risks and necessary actions are taken after the approval of action plans. In this context, various risk and opportunity management areas have been identified and are carried out in conjunction with each other.

***Strategic Risk Management***

FNSS's strategic risk management is the evaluation of risks and opportunities that may be encountered in achieving strategic goals. In this context, actions regarding strategic risks and opportunities are predominantly defined as initiatives within the scope of the relevant target. Strategic risks are at the highest level of corporate risks. Strategic risks and opportunities inventory is evaluated and revised in periodic strategy review meetings with the participation of senior management.

***Process Risk and Opportunity Management***

In line with company principles and practices, risk and opportunity points in each process are determined, and action is taken based on good practices and international examples in the corporate information repository. General frameworks of risks and opportunities are determined and definitions are made with the process owners. Basic elements of each process are evaluated in definitions:

| | |
|---|---|
| Technological infrastructure: | Device, equipment, information technologies infrastructure, facility, settlement |
| Human factor: | Competence, capacity, roles and responsibilities of those involved in the process, authorizations |
| Process methodology: | Process steps, process inputs and outputs, control and monitoring criteria, critical steps |

Also, examinations made as part of improvement studies can indicate some of the main risk and opportunity points that affect the process. Definitions in these areas help to examine the process thoroughly and to follow an integrative risk and opportunity management method. A response method suitable for risk and opportunity is determined through analysis and evaluations, and actions are followed by the relevant responsible person. Prioritizations and studies are shared with the senior management. Continuous monitoring and communication is maintained with comments and suggestions.

***Occupational Health and Safety Risk Management***

At FNSS, it is our principle to manage Occupational Health and Safety risks in full compliance with legislation and relevant standards. The basis of risk assessments is to cover all activities carried out and ensure the participation of all relevant stakeholders. Risk assessments at FNSS are carried out by Risk Assessment Teams. These teams consist of different members based on the activity. The following steps are followed in the risk assessment process: determining the existing or potential sources of

hazard that can occur before, during and/or after the activities, reviewing the legislation and/or standards related to the sources of hazard, and determining the risks.

Fine Kinney Method is used for mathematical modeling of identified risks. The Probability (probability of occurrence of the damage), Intensity (estimated damage to people), Frequency (repetition of exposure to danger by the time) values are selected from a table and the total risk value is calculated as the product of the values of the mentioned components. However, regardless of the degree of risks, if the intensity value, i.e., the estimated loss on people due to the risk, is 40 or more, a precaution is definitely planned.

Risk assessments are updated once a year for all relevant activities. In addition, risk assessments are reviewed after all events, following technological and infrastructure changes, based on process improvements, after measurement results and legislative changes and are updated when required.

***Environmental Risk Management***

Our environmental management system is risk-based and starts with the identification of environmental risks. All units (production, maintenance, etc.) perform input-output evaluations to made environmental aspect and impact analyses. The environmental risk value is calculated with various factors, including the legal status, occurrence frequency and environmental impact size. Legal Status means whether there is any legal requirement regarding the environmental impacts detected,

Occurrence Frequency means the frequency of occurrence of environmental impacts as a result of routine operation, Environmental Impact Size means the degree of the influence by environmental effects on natural resource consumption, air, water, soil, flora, fauna and image.

As a result of this assessment, necessary measures and actions regarding the issues with a high risk level are taken as soon as possible, and the environmental impact of the relevant situation is either reduced or prevented. For issues with medium risk values, improvement studies are determined are implemented in accordance with the proposed business plan; issues with low risk are monitored to keep under control.

FNSS reviews environmental aspects and impact analyses on a regular basis as well as when there is any change in processes to ensure the continuity of environmental risk management.

***Information Security Risk Management***

At FNSS, information security risks on processes are evaluated through the Information Security Management System (ISMS) to address possible threats that may occur regarding Privacy, Integrity and Accessibility, which are the three basic elements of information security.

Risky situations are continuously being improved based on periodic reviews carried out when conditions change or at least once a year, and the information security perspectives of company employees are developed through training courses.

All activities carried out within the scope of ISMS are reported to senior management at least once a year to take support from seniormanagement..

***Legal Risk Management***

Legal Consultancy Department carries out its activities through different boards to ensure that legal obligations of the organization are fully met and that the company's activities do not pose a risk to internal and external social stakeholders. Committees and procedures have been established within the company to protect personal data, ensure information security and resolve ethical issues related to employees/stakeholders

***Social Risk Management:***

One of the most important conditions for the effective management of social risks is to determine corporate communication risks and to make risk reduction plans. At FNSS, the Department of Corporate Communication develop scenarios taking into account the various situations and conditions related to risks that may arise out of the communication of the organization with social stakeholders and implements measure according to such scenarios. Considering the social value of the education scholarship fund established within FNSS, the internship program, the design competitions held with the participation of university students and the clubs aimed at creating social benefit with volunteering of employees, these activities are deemed as the "social opportunities" of FNSS.

***Financial Risk Management***

The financial risk management approach which has been applied for many years to ensure the sustainability of the economic existence of the company, defines, measures and manages foreign currency risk, interest risk and liquidity risks. This management approach minimizes the negative effects of changes in the financial markets on the financial performance of the company. Derivative financial instruments is also used to minimize the risks encountered.

The risks arising from the inconsistency of cash inflows and outflows within projects in terms of currency or from deviations in the planned cash flow dates are off-balance sheet financial risks. In this context, financial risk management techniques are used to maintain the targeted profitability of projects.

Our financial risks consist of currency risks, liquidity risks and interest risks. Financial risks and opportunities within this scope are monitored through a "Risk Registry/Evaluation" study and periodically communicated to relevant stakeholders

NUROL
TECHNOLOGY

# ABOUT NUROL TECHNOLOGY

## PARTNERSHIP STRUCTURE

| | |
|---|---|
| Nurol Holding A.Ş. | 99,83% |
| The Çarmıklı Family | 0,17% |

## TABLE OF BASIC INDICATORS

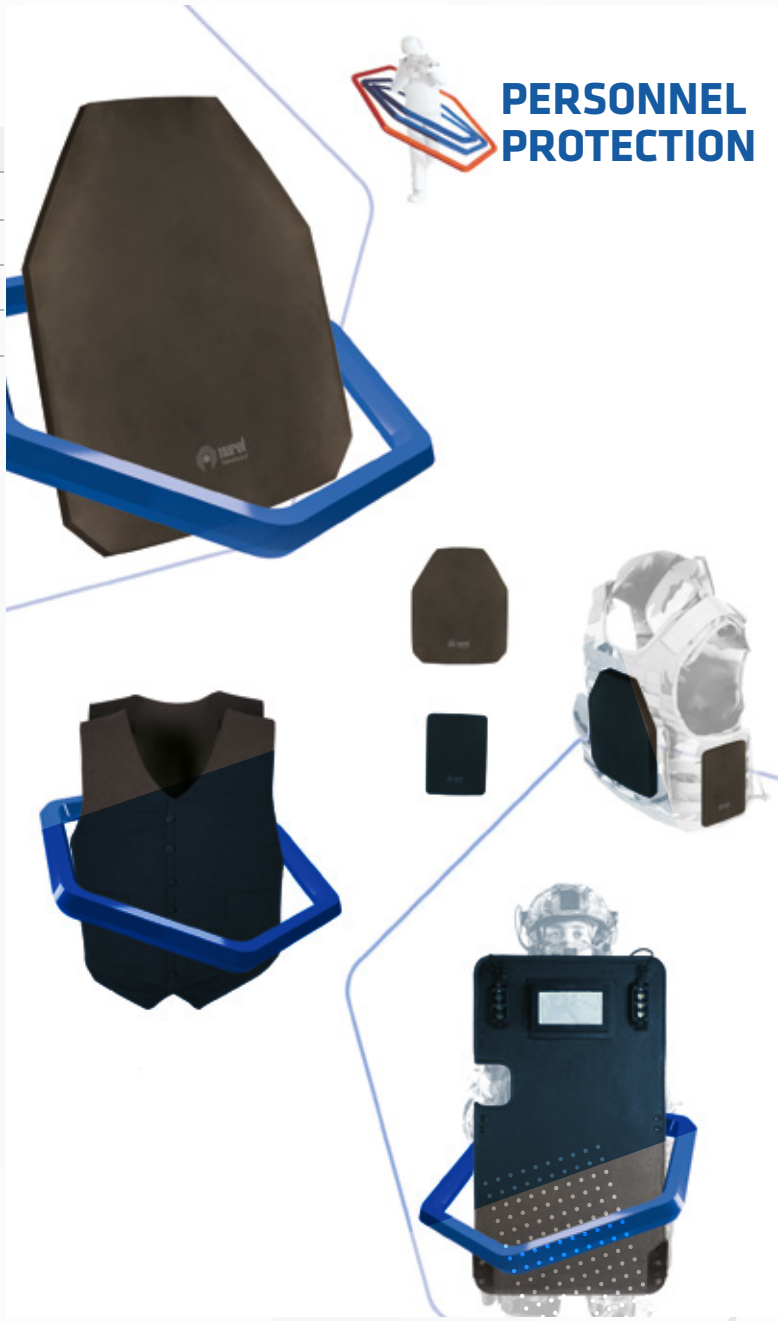
| | 2018 | 2019 |
|---|---|---|
| Average Number of Employees | 106 | 130 |
| Total Assets (Thousand TL) | 488,676 | 642,246 |
| Sales Revenues (Thousand TL) | 57,758 | 153,836 |
| EBITDA (Thousand TL) | 5,318 | 61,170 |

Nurol Teknoloji Sanayii ve Madencilik Tic. A.Ş., is a 100 percent ndigenous and national defense industry company established with natural resources in 2008 to produce ballistic ceramics that Turkey and the world needs in the field of powder metallurgy and advanced technical ceramic production, and to use them in personal ballistic protection, vehicle ballistic armor and structural ballistic protection applications.

Having invested more than $100 million since the day it was established, our company is one of the leading players around the world. It can produce ballistic ceramics such as Bor Carbide, Silicon Carbide, Alumina, Titanium Diboride, and Tungsten Carbide, which can be transformed from raw material to finished product, from one roof to the other with the technology and know-how it has under one roof.

Our company offers advanced ballistic armor solutions based on the capability of its own R&D center in its modern production facilities established in Ankara and knowledge and experience of Turkish engineers, without using an outsourced production license. Our company is operating at three factories in Ankara and has Facility Security, NATO Confidential, National Confidential and 17025 Ballistic Test Laboratory Accreditations.

It offers hybrid ballistic solution alternatives to different levels of threat with ballistic ceramics and composites produced within the company to meet different needs. Nurol Technologies offers fast, reliable and cost-effective solutions for its customers with the powder metallurgy formulas developed within the company and exports to many countries around the world. It designs, develops and manufactures new generation armor systems for air, land and sea platforms and personal protection products, such as ballistic protective plates and ballistic shields, all of which are needed by Turkey and have entered into the inventory of security forces after tested under various geographical conditions. In addition, in the structural armor area: the building is also successful in manufacturing and armoring with the technology it owns other ballistic-protected operational products, such as armoring, armored guard huts, shielding gear and armored container.




In addition to defense products, our company serves the manufacturing and mining sectors with rotor crusher tips and other mining crusher tips. In this context, the market share of Rotor Crusher tips used in the mining sector is increasing every year, both in domestic and abroad markets.

Thanks to its integrated production capacity, flexible production capability, raw material alternatives, advanced mold making facilities, product variety and know-how, Nurol Tecnologies is capable of satisfying the expectations of various sectors at a high level.

## VEHICLE PROTECTION

## STRUCTURAL PROTECTION

Nurol Technologies shares with all of its stakeholders its experience regarding the development of armor systems currently used, the integration of armor systems into buildings and vehicles, and the development of personal protective systems based on the armor systems and technologies that it indigenously manufactures within its own structure, helping to gain a social perspective. Thus, it continues to provide information support and infrastructure support to ensure that right systems and products are purchased and to prevent misuse of the country's capital. The company will continue to share all developments within its own structure with its stakeholders and contribute to raising their awareness, increasing the knowledge level and the development of the country's economy and defense industry sector.

## NUROL TECHNOLOGIES AND SUSTAINABILITY

One of priorities of Nurol Technologies is to provide maximum benefit to the environment, society and all our stakeholders through cost effective solutions in order to create a sustainable business environment. Beyond our production and technology development vision, we have adopted a lifelong perspective as required by the products we manufacture and their features, and we act with a sense of responsibility with respect to the products. We know that even though our products does not have direct influence on Nurol Technologies, they have a direct influence on the customers who use them and personnel and families of the customers. For this reason, when determining our acceptance criteria, we take into consideration the needs and expectations of these important stakeholders in our value chain. As a company serving in the defense sector, we direct our production with the responsibility that every product we produce saves a life and contributes to the social unity and integrity of the society of the country. In all our projects, aside from the production and technical presentation, the social and communal effects of the work are conveyed to all stakeholders in the most effective way through in-house and external training.

## DIALOGUE WITH OUR STAKEHOLDERS

As a domestic and national armor manufacturer, Nurol Technologies has become a leading company in our country in terms of armor technologies and armor production, with the studies it has carried out in its sector. It has become the leading company of the sector with its follow-up of technological developments, continuous R&D studies, and continuous improvement and development activities. When carrying out all research, development and production activities, the stakeholders with whom the company interacts in a wide range are defined. Aside from those who are directly affected by our products and activities, we interact with some of our stakeholders indirectly. In both cases, our communication channels and frequency of communication with all our stakeholders have been determined; the needs and expectations of our stakeholders with whom we have high interaction were taken into consideration when establishing our sustainability strategy. Nurol Technologies acts with the vision of keeping up with the technological developments in the rapidly developing and growing world economy and industry and becoming a technology producing company.

It evaluates customer demands and requests regarding products as a top priority and commits itself developing technologies, new products and formulas, new armor systems and solutions for its stakeholders. In doing so, it also cares about the supply chain development and shares the developments it has achieved with the sub-industry and other stakeholders to help them to develop their technological and economical infrastructure. We consider the feedback, suggestions and recommendations we receive through communication with our stakeholders as a development opportunity, and we have defined the frequency of dialogue with our stakeholders and the platforms to be contacted for the continuity of this communication.

| Stakeholders | Dialogue Platforms | Frequency of Dialogue |
|---|---|---|
| Legislative and Regulatory Institutions | Visits and dialogues, Annual Reports, corporate web page, congresses and seminars, joint projects developed | When necessary |
| Shareholders | Board of Directors Meetings, General Assembly Meetings, Company Performance Meetings, Annual Reports | Annual, 1 in 3 months, when necessary |
| Financial Institutions | Visits and dialogues, Annual Reports, IFRS audit reports, company performance reports, corporate website | Annual, 6 months, when necessary |
| Competitors | Seminars, fairs, congresses, industry associations meetings, Annual Report, corporate web page | Annual, when necessary |
| Customers | Meetings, congresses, seminars, fairs, corporate website, Annual Report | When necessary |
| Employees | Trainings, social events, NUROL World Magazine, Intranet, Internal communication materials, Corporate web page | Annual, six month, when necessary |
| Society | Annual Reports, corporate website, social media, corporate social responsibility projects, sponsorships | Annual, monthly, when necessary |
| Media | Press releases, interviews, Annual Reports, corporate web page, social media, corporate social responsibility projects, sponsorships, NUROL World Magazine, advertisements | Annual, monthly, when necessary |
| NUROL Group Companies | Meetings, congresses, seminars, fairs, corporate website, Annual Report, NUROL World Magazine, NUROL Holding activities | When necessary |
| Subcontractors | Meetings, congresses, seminars, fairs, corporate web page, annual report, company facilities | When necessary |
| Business Partners | Meetings, seminars, trainings, fairs, congresses | When necessary |
| Suppliers | Meetings, proposals, contracts | Annual, when necessary |
| University | Seminars, trainings, fairs, congresses, corporate web page, developed joint projects, career days | When necessary |

## OUR PRIORITIES

Nurol Technologies continues its studies focusing on determining an effective sustainability roadmap through a prioritization analysis and has defined important issues for senior management as well as focused on the needs and expectations of stakeholders. Our priority issues were determined on the basis of the outcomes from our "Stakeholder Analysis and Prioritization" workshop and are presented in the table below.

The most important achievement for Nurol Technologies and its stakeholders is defined as financial and economic performance, and our company is aware that this will be ensured with R&D investments we have been making and therefore the customer satisfaction we will provide. As we move forward on this path, one of our most important assets is the intellectual capital of our employees. Nurol Technologies has therefore defined effective employee performance management and training and development planning among its priority issues.

We place emphasis on organizing social events, strengthening communication, conducting employee satisfaction assessments, supporting teamwork, providing a working environment and working conditions appropriate for the company culture, encouraging success with awards, and implementing practices that increase satisfaction. Increasing the technical and social knowledge of our employees, enabling them to take initiative and increasing their personal development level will help them to find the most effective solution in our Company projects. All newly hired employees receive orientation training. Performance management and development planning of employees and relevant professional training courses are carried out by their managers. It is aimed to continue these efforts in 2018 in coordination with the Human Resources Department and to increase employee productivity and loyalty. In the ongoing process, continuous learning and performance evaluation are aimed to be increasingly more effective.
In accordance with the company policy, we have become a company that places emphasis on gender equality in every field and creates employment within this scope. For each product it has developed and produced, the company has supported its own personnel as well as the sub-industry institutions from which it gets support and inspected these companies and ingrained the human rights and equality principle that it has adopted to all the institutions it works with.

NUROL's corporate identity is reinforced by the employees' commitment to corporate culture and ethical values. To support this, we are based on NUROL Holding Circulars and Regulations. Among our foremost values are integrity, respect, employee rights, occupational health and safety, customer satisfaction, environmental consciousness, high quality products, training, fight against corruption, national capabilities and domestic production.

Since Nurol Technologies produces Ballistic Armor Solutions, the Customer Health and Safety is an extremely important issue. Similarly, the most important factor that will assure customer satisfaction is ensuring customer health and safety and the quality of our products. This subject is evaluated under two main headings in Nurol Technology: Raw Material Input Quality Control and Design Stage. Since our products are intended directly to the end user, they must be delivered without any fault. Therefore, all of our production stages are carried out meticulously and national and international regulations are followed. In addition, during the production the health and safety of the workers who carry out production is also an issue that should be considered.

Raw Material Input Quality Control processes ensure us to follow national and international human health and safety regulations and to monitored whether our suppliers comply with the relevant legislations. Since our products are used in different geographical places and under various conditions, they are open to continuous improvement and development. Therefore, the R&D department constantly monitors the existing market, examines new raw materials and product options, and carries out projects with suppliers for this purpose. Our personnel protective equipment products are worn or carried by users. The fact that our products are suitable for body ergonomics and have a light structure and that they are used under various terrain conditions for a long time increases the need for R&D.

## NUROL TECHNOLOGY AND ENVIRONMENTAL SENSITIVITY

Our efforts to reduce our environmental impacts arising from our activities have been continuing for many years, and these efforts have been considered in a wider vision with the transition to a sustainable business model. In the following years, our company aims to focus on the environmental effects of its products starting from the R&D phase and, through energy, water and waste management, to prevent climate changes, protect the balance of natural life and avoid wasting our national resources. We monitor our production activities that focus on the reduction of natural resource consumption with the ISO 14001:2015 environmental quality management system.

| Training Courses | 2018 | 2019 |
|---|---|---|
| Training Courses on Environment | 0.55 (Environment) | 0.2 (Environment) |
| Total Trainings (human.hours) | 15.79 (OHS) | 17 (OHS) +8.11 (Other) = 25.11 |

### Energy and Emission Management

Apart from our activities in the defense sector of our country, we attach importance to alternative energy sources and accordingly established solar energy systems. We prefer the use of renewable resources and closed-loop systems in equipment supply and production activities.

Nurol Technologies monitors electricity, natural gas and water consumption monthly, and consumption data is shared with the Provincial Directorate of Environment at certain periods. Flue gas emission measurements are carried out at certain periods to control emissions arising from energy consumption. At Nurol Technologies, energy unit cost/consumption is calculated for each product produced, and detailed plans are prepared to reduce energy consumption and costs. These plans include the use of energy-efficient technological equipment. Necessary training courses were provided to employees to promote the reduction of energy consumption within the company. There is a closed-cycle water system to minimize the water resources spent in production. We tend towards renewable energy resources and currently use natural gas, which is defined as an intermediate solution for transition to advanced technology on a global scale. Necessary filters and furnace burner systems are used for emission control.

| Energy | 2018 | 2019 |
|---|---|---|
| In-house Energy Consumption (GJ) | | |
| **Total Energy Consumption** | 34,067.17572025182 GJ | 42,747.58186743857 GJ |

### Waste Management

We consider the waste management under the circular economy, and we prioritize recycled materials in product diversification and development studies to reduce the environmental impacts. With this study aimed at reducing the consumption of natural resources, we aim that a product added to the economy is recycled and used multiple times.

Hazardous and non-hazardous wastes generated at Nurol Technologies are collected in the temporary waste storage area as stated in our industrial waste management plan submitted to the Provincial Directorate of Environment in accordance with the relevant legislation. All stored wastes are taken by licensed waste disposal companies and disposed of in accordance with the legislation. Intervention methods in case of spillage and leakage that may occur in production within the facility are defined, and relevant employees have been trained accordingly.

## OUR OCCUPATIONAL HEALTH AND SAFETY PRINCIPLES

Our company is one of the important actors in the defense sector. We manufacture armor systems made of advanced ceramics and composites for ballistic protection of military and security personnel. Aside from the reliability of the products produced, we attach utmost importance to the safety of the personnel involved in the production. To this end, OHS studies have been carried out with our personnel at all levels since the establishment of the company.

**We consider the Nurol Group of Companies as a "FAMILY" including all of our employees.**

We also attach great importance to the safety of each individual within the family. For the safety of our employees, risk analyses of the machines and equipment within the company were performed, and potential occupational accidents was tried to be minimized through machine improvements.

Aside from OHS training courses, safety training courses were delivered for risks that may occur during use of machines, to raise awareness of our employees working with machines.

Our company commissioned its new factory in accordance with its investment plan for 2018, thus improved the working conditions with brighter and cleaner air.

We have an OHSAS 18001 certificate since our establishment in 2008, and we continue to meet the legal requirements aside from the requirements of this standard. Within the scope of OHS, a committee consisting of executive representatives is formed and activities are carried out to implement legal standards and to protect employee's health. Since our factory was classified as a dangerous workplace, we have made investment to provide both the protection equipment that are beyond the standards and necessary infrastructure for the health of the employees. All of our employees are represented in the OHS committee of our company that consists of worker representatives, occupational safety specialist, workplace doctor and health personnel and unit officials and that is chaired at the manager level.

Our employees undergo regular health examinations in accordance with OHSAS standards. The statistics of occupational accidents are kept to minimize the causes of these accidents through preventive efforts, including instructions and auxiliary equipment.

| OHS Training Courses | Total Training (Man.Hour) | | Training Per Employee (Man/Hour) | |
|---|---|---|---|---|
| | 2018 | 2019 | 2018 | 2019 |
| OHS Training Courses | 1,674 | 2,210 | 15.79 | 17 |

| Total Number, Frequency, and Weighted Ratio of Accidents | Number of accidents | | Frequency of Accidents | | Weighted Ratio of Accidents | | Total Working Hours | |
|---|---|---|---|---|---|---|---|---|
| | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 |
| Nurol Technology | 13 | 17 | 60.71 | 64.71 | 2.13 | 2.19 | 2,120 | 2,136 |

## NUROL TECHNOLOGY'S VALUE CHAIN MANAGEMENT

Aside from the value it adds to the prestige of the country by producing products with high added value, our company also provides employment opportunities for the society. The protection systems we have developed help our users to survive and reach their families safely. This creates a sense of trust in the society against our sponsors and stakeholders which invest large amounts of money.

As a part of the society, we work tirelessly to make our world a more peaceful place with the products we produce. Our employees continue to work with maximum motivation with the pride of being a part of such a valuable job.

As a result of our quality-oriented management approach, we have not received any complaints from the society about our products. Recommendations related to product development are evaluated by relevant units and those deemed appropriate are implemented under improvement studies.

In our value chain, the stakeholder group with which we interact most frequently is our suppliers. Today, environmental and social concerns have become more important than commercial concerns throughout the world, and accordingly, companies are expected to take steps in terms of sustainability.

In this context, sustainability in the supply chain is among the priority issues for our company. We want to be more conscious of environmental, economic and social issues and to ingrain this consciousness in our suppliers.

Just like we meet our obligations to our customers and society, we expect our suppliers to act with the same principle and comply with the conditions in the supply of materials and services to us. These principles are;

- To comply with all legislation, laws and rules
- To provide employees with a safe and healthy work environment
- To be respectful and sensitive to the environment
- Behaving ethically and honestly

Our demands from our suppliers to create a sustainable supply and purchasing chain;

- High quality goods and services
- On time and complete delivery
- Compliance with legislation and standards
- Continuous improvement

Our company evaluates suppliers at the end of each year and suspends the commercial relations with supplier companies that are below the required performance. As Nurol Technology, we think that we should set vision and goals for supplier sustainability and start implementing them in the following years and that we should include our suppliers in this process. We should also evaluate and select suppliers according to such criteria as human rights, labor rights, environment and anti-corruption.

As Nurol Technologies, we act with the consciousness that working by adhering to corporate culture and ethical values will create a corporate identity for both our company and our employees. To support this, we direct our studies based on Circulars and Regulations of Nurol Holding.

As Nurol Technologies, we meticulously maintain the values that our Holding and Chairman of the Board of Directors have provided us with the contributions of our senior management and managers. Among our foremost values are integrity, respect, employee rights, occupational health and safety, customer satisfaction, environmental consciousness, high quality products, training, fight against corruption, national capabilities, and domestic production. The disciplinary board deals with behaviors that violate laws and legal and in-house regulations, and training and motivational programs are prepared for the development of employees.

## NUROL TECHNOLOGIES' RISK MANAGEMENT

As Nurol Technologies, we attach importance to the safety of our employees as well as the satisfaction of our customers and therefore the quality of our products. This makes risk management indispensable for us. Based on these reasons and the target of minimizing damages to the environment, we prepare annual risk assessment reports as a result of risk management studies.

The participation of all employees, including the senior management, is ensured in preparing these reports to classify potential risks under high, medium and low risk groups and to eliminate or mitigate these risks that may be harmful for both people and the environment.

To give an example for these studies, burners were integrated into the chimneys to filter the harmful gases coming out of the chimneys of sinter furnaces, and the damage to the environment was minimized.

The lighting values in the factory were measured to determine the need for additional lightings in accordance with OHS rules, and the required ligting fixtures were installed for employees to work in a safer environment.

In addition, with the risk management studies we carry out as part of our projects, we minimize our risks, if any, with preventive actions taken at the right time and do our best to ensure that project delivery times and quality of products are not affected adversely.

Based on this risk management understanding in our Gölbaşı factory that was opened in 2018, risk assessment reports were prepared by prioritizing the satisfaction of our stakeholders, especially those in the vicinity of the factory. Safer working conditions have been provided in 2019 and more systematic working principles will be established in the coming years.

FUMAD

# ABOUT TÜMAD

## PARTNERSHIP STRUCTURE

| | |
|---|---|
| **Nurol Holding Inc.** | **100%** |

## TABLE OF BASIC INDICATORS

| | 2018 | 2019 |
|---|---|---|
| Average Number of Employees | 420 | 798 |
| Total Assets (Thousand TL) | 1,926,700 | 2,553,917 |
| Sales Revenues (Thousand TL) | 269,955 | 686,690 |
| EBITDA (Thousand TL) | 147,644 | 384,378 |

Received the Bonds&Loans Turkey 2019 Award - referred to as the Oscars of the financial sector- in the Natural Resource category, TÜMAD Madencilik Sanayi ve Ticaret A.Ş. has completed a project financing process in an amount of $210 million with the European Bank for Reconstruction and Development (EBRD) and is currently developing a project refinancing process in an amount of $275 million.

With its enterprises, projects and exploration works in base metals, TÜMAD is a metallic mining group of Nurol Holding, which operates with more than 40 organizations, affiliates and subsidiaries in many sectors, from trade to defense industry, from construction to machinery and manufacturing, and from tourism to finance.

TÜMAD aims to ensure health and safety of its employees in all of its enterprises to establish a trust relationship with the society, its stakeholders and employees, to maintain a transparent, clear and honest management mentality and communication that is respectful to values and environment, and to carry out sustainable gold mining activities with high economic return.

Our enterprises, implementing all of the components of Integrated Management Systems and meeting the requirements of all national and international standards, have the best applicable technologies available. Among the certificates of TÜMAD are ISO 9001:2015 Quality Management System Certificate, ISO 14001:2015 Environmental Management System Certificate and ISO 45001:2018 Occupational Health and Safety Management System Certificate.

All work is carried out in accordance with the International Cyanide Code in the İvrindi and Lapseki Projects, whose feasibility is prepared with the NI-43-101 Canadian standards. TÜMAD, which carries out its activities within the framework of social approval, also focuses on economic and social development activities by protecting the environment and employee health through stakeholder engagement, complaints and feedback, local purchasing and employment approach. Accordingly, the local employment rate of 80 percent was achieved in both enterprises and working groups were established in line with local procurement targets.

TÜMAD prioritize the employment of local people as well as the procurement of goods and services related to its activities locally.

In this sense, the local employment rate in both enterprises is around 80 percent, and the targets in terms of local purchasing have been achieved.

## İvrindi Project

An investment decision was made with the feasibility studies conducted after the exploration activities started in 2012 in İvrindi, Balıkesir. Following the completion of basic and detailed engineering, construction and commissioning efforts, the production of gold began in August 2019 at the Ivrindi Gold and Silver Mine. The ore produced by means of open quarry method is treated in the heap leach process facility having an annual capacity of 7.7 million. As of the end of 2019, 12,500 ounces of gold has been casted.

## Lâpseki Project

TÜMAD Madencilik Sanayi ve Ticaret A.Ş. completed the construction phase of the Lapseki Gold and Silver Mine Enrichment Project in Lapseki, Çanakkale in 2016 and started gold production in December 2017. Mining activities continue in Kestanelik and S mines at the Lapseki Plant, which was commissioned in December 2017; in 2019, an underground mine was commissioned and ore production started. The ore taken from the open quarries and underground mines are fed to the production facility, which is operating at full capacity. With its chemical treatment, dewatering and solid waste storage areas, the project has the best applicable environmental technology available. As of the end of 2019, the optimization studies were completed at the facility and 120,000 ounces of gold was produced using the tank leach method.

## TÜMAD MINING AND SUSTAINABILITY

**TÜMAD is an example of the best applicable technologies since it implements all national and international standards, including occupational health safety, environment, community relations and integrated management systems, which are components of the sustainable business model.**

In line with the sustainable mining principles it has adopted, the company carries out projects and make investments for the economic development of the local people in the regions in which it operates as well as the development of education, health, infrastructure and employment.

**It aims an economic and social development without compromising the protection of nature and environment to keep the world livable for future generations. To manage our impact on natural resources, samples are taken periodically from the mine site to measure water quality, soil quality and air quality.**

**Flora and fauna elements are regularly monitored, reported and checked by expert teams for the protection and sustainability of natural life not only in the area in which we operate but also outside of our mining sites. In areas where mining activities are finalized, planting and rehabilitation works are carried out in accordance with the natural habitat.**

Within the scope of social sustainability efforts, the "Qualified Education" issue which is one of the Sustainable Development Goals of the United Nations and which was adopted by the holding, is also among Tümad's priorities. In this context, we are also taking initiatives in terms of the development of education, especially in the sector we are in. The construction of Nurettin Çarmıklı Mining Vocational and Technical Anatolian High School having 16 classrooms was completed and the school was delivered to the Ministry of National Education to train qualified intermediate personnel for the mining sector. Students can improve their competencies through practices and applications at fully equipped laboratories and classrooms at the school, and they will have priority for employment in our businesses, depending on their success at the school. The company also decided to build another school, Lapseki Anatolian High School, and the construction will start in the last quarter of 2020. We support the region with our "Lapseki Shapes the Future" project, and the production is carried out, with active participation of students and teachers, according to the needs of the industry with different motifs according to the orders received from the market. This project served to increase students' interest in the school, and they had the chance to become qualified personnel when they graduated.

Our efforts for women and youth are carried out in line with community development plans. Our aim is to provide opportunities for participation in vocational training courses and to provide added value by creating suitable job opportunities.

Lapseki and İvrindi Gold Mine projects, were given the Bonds & Loans Turkey 2019 Award - referred to as the Oscars of the financial sector - in the category of Natural Resources. Procurement policies and procedures have been adopted to supply goods and services requested for activities and production at fair prices in such a way to meet time, quantity, place and quality requirements in accordance with legal regulations and international legal norms.

To meet the requirements of legal regulations and our creditors,our activities are audited by local authorities and independent accredited organizations at monthly, quarterly and six-month intervals.

Works for the SA8000 Corporate Social Responsibility standard, which sets the minimum standards for the balance of work and social life with socially acceptable and transparent practices, such as equal employment opportunities, fair treatment policies, continue with awareness training, and the certification process will be finalized by the end of 2020.

## DIALOGUE WITH OUR STAKEHOLDERS

Communication with stakeholders is a basic requirement determined by TÜMAD to manage its priority issues. In this context, a "Stakeholder Engagement Plan" was prepared and is reviewed at least once a year. The purpose of this study is to assess whether Tümad will meet the needs of local communities and other relevant stakeholders, to determine whether any changes or updates are required for management, and to reflect the changing project design or ESMS requirements and procedures, if any.

We use various dialogue platforms to learn about our stakeholders' expectations from us on sustainability issues and to inform them on these issues. In this context, our dialogue platforms with our stakeholders, our dialogue frequency and important topics that are subject to our dialogues are presented below:

| Target Group | Participation Means/Method | Timing/frequency during commissioning and operation |
|---|---|---|
| Local Community | Information brochures (policies and strategies), Public Meetings, Media news, Community monitoring committee meetings | When deemed necessary and requested |
| Local Community | Complaint registry, Interviews, Suggestion boxes, E-mails and phones, Public Meetings, Complaint mechanism, Community monitoring committee meetings | Monthly |
| Communities & local government agencies and relevant authorities and NGOs | Workshops, Public meetings, Meetings with NGOs, Posters, Media, Community Monitoring Committee | Daily, Weekly<br>Monthly, When necessary |
| Communities & NGOs, Local Government Agencies and relevant authorities (especially managers of emergency services departments, as well as police, fire brigade, health and gendarmerie) | Workshops, Exercise studies, Meetings with public and local institutions, Posters | Joint emergency exercises - quarterly |
| Non-governmental organizations (NGOs) | Focus group meetings with relevant groups and NGOs, Sponsorships, Workshops, Examinations Monthly public meetings, Meetings with non-governmental organizations, Regular environmental health progress reports website, Posters, Through the media, Sectoral fairs and conferences, Gold miners association's activities | When required/requested<br>Within social activities<br>Regular meetings every 6 months |
| Local and central government agencies and relevant authorities | Meetings with government agencies | At least every 6 months<br>When necessary |
| Emergency services, police, fire brigade, health and gendarmerie | Meetings with government agencies and non-governmental organizations, Posters, Public meetings | Every 3 months<br>When necessary |
| Industrial Organizations and Gold Miners Association | Informing technological issues<br>Air quality compliance certificate | Annual |
| Unions | Monitoring meetings | Every 6 months |
| Media | Press conference, Press releases, Media monitoring | When necessary |
| TÜMAD employees | Bulletin, Face to face interviews, OHS committee training courses, Company social events for employees, Employee Complaint Mechanism | Monthly When necessary<br>Through complaints |
| Employees of TÜMAD's contractors | Bulletin, Face to face interviews, OHS committee<br>Worker audits | Monthly<br>When necessary |

We take the load off our stakeholders' minds with brochures, films, press conferences, bulletins, scientific reports and examples with focus groups, NGO visits and mine tours. Among the information materials used are the best applicable technologies, cyanide code, policies, management plans, and international standard certifications of our enterprises

## OUR PRIORITIES

Our priority issues matrix was created based on the analysis of the important issues we have achieved with our effective Stakeholder Analysis Methods and our sustainability strategy has been determined based on this matrix.

Accordingly, our priority issues were identified as Environmental and Social Impact Assessment, SLTO (Social Approval Mechanism), Equal Employment Opportunities, Fair Treatment, Community Development, Water Management, Waste Management, Biodiversity, Local Procurement, Local Employment, Supplier Management, Stakeholder and Complaint Management, Livelihood Improvement, and efficient use of resources.

Within the scope of "Environmental and Social Impact", which is one of its highest priority issues, TÜMAD protects the environment and contributes to economic and social development in regions where it operates by means of an open and transparent communication that is based on mutual trust and that respects values.

Acting with the awareness of a responsible member of the society, it attaches equal importance to being understood correctly in its social environment, working in harmony with the existing environmental and social conditions, respecting local values and different cultures, and ultimately working within the framework of "social approval". Social impact assessments were made in both projects that are being carried out. In this context, the opinions and feedback from the local people around the mine and from other stakeholders were evaluated and the support mechanisms were determined with a focus on learning the needs of local communities. Another benefit of social impact assessments is that they provide clues to improve and shape stakeholder engagement and community relations. In this way, an ideal working environment and a preferred mining operation and site will be established for employees. Local employment is one of the direct benefits provided by the Company to the people of the region affected by mineral exploration and operation activities. It is of great importance to well define the principles of local employment to maximize local employment opportunities in our projects, to ensure that job opportunities are distributed equally and without discrimination to all affected settlements and that the process is carried out in a transparent manner.

Having adopted a local purchasing principle, Tümad supports the development of the region with this method. Utilization of local goods and services for mining activities, equipment rental, utilization of transportation services and leasing of warehouse, land, residence, building, etc., purchasing food or catering services, etc. are provided by the existing TÜMAD Local Procurement Management Plan.

## TÜMAD and ENVIRONMENTAL SENSITIVITY

As Tümad, our environmental goal is to minimize the environmental impacts of the activities we carry out and to protect all values existing before these activities. In this context, we collect information about the air, water, soil quality, plant-animal species, cultural and social assets of the region before making any investments. We plan environmental management plans, protection and development programs, and mitigation measures, taking into account the data we obtain in all of our production processes, that is exploration, investment-construction, production, closure and rehabilitation.

We are committed to comply with the limit values defined by national and international standards and the practices and limits of our own technical standards in processes, related to greenhouse gas and dust emissions, water management, soil protection, biodiversity, noise and vibration management. For all of our enterprises and projects we assured the relevant ministries, including the Ministry of Environment and Urbanization of the Republic of Turkey, as well as credit institutions to comply with all national legislation and commitments. The Environment Department of Tümad, which has improvement goals aside from full compliance, periodically monitors the following parameters with measurements and analyses.

| Monitored Parameter | Monitoring Frequency |
|---|---|
| Blasting, noise and vibration | Instant |
| HCN gas | Daily |
| H2S gas | Daily |
| SOx, NOx | Every 6 month |
| Groundwater quality measurement | Monthly |
| Surface water quality and flow measurement, following of flow monitoring stations | Instant |
| Meteorological data | Instant |
| Water level measurement at observation wells | Weekly |
| Particulate dust (PM10) measurement | Hourly, Monthly |
| Settled dust measurement | Monthly |
| PM10, PM2,5, heavy metal analyses | Every 6 Months |
| Water and wastewater samples | Daily, weekly, monthly |
| Solid waste landfill drainage water physical parameter and metal analyses | Daily |

Starting from the investment decision, environmental and social compliance has been our top priority for all our projects. One of the important evidences that we are progressing in harmony with this decision is a comprehensive "Environmental and Social Impact Assessment" (ESIA) completed in accordance with the Performance Requirements (PR) of the European Bank for Reconstruction and Development (EBRD).

Our "Environmental and Social Management System" that we implement to systematically monitor all our environmental and social compliance practices, covers the following management plans and frameworks.

- Environmental and Social Management System Framework
- Air Quality Management Plan
- Framework Biodiversity Action Plan
- Community Health, Safety and Security Management Plan
- Community Development Framework
- Cultural Heritage Management Plan
- Sub-Contractor Management Plan
- Cyanide Management Plan
- Emergency Management Plan
- Explosives and Hazardous Materials Management Plan
- HR Training Plan
- Workforce Management Plan
- Conceptual Mine Closure Framework
- Noise and Vibration Management Plan
- OHS Training Plan
- Debris Cleaning Plan
- Stakeholder Engagement Plan
- Local Procurement Management Plan
- Traffic Management Plan
- Health and Safety Management Plan
- Waste Management Plan

With the awareness of the fact that the environmental management should be evaluated with a broad perspective, we, as TÜMAD, aim to convey our environmental management practices to our suppliers, which are among our important stakeholders. In this context, aside from sharing information, we also audit at least 6 suppliers each year.

Our company deliver regular training courses to our employees to improve the environmental awareness and performance within the company, to reduce our consumption of resources, such as energy and water, to perform air-water-soil monitoring activities, hazardous material and chemical management and integrated waste management and to reduce waste generation.

| Training Courses on Environment | 2018 (People) | 2019 (People) |
|---|---|---|
| İvrindi Gold Mine | 446 | 1,459 |
| Lapseki Gold Mine | 423 | 753 |

## Energy and Emission Management

Greenhouse gases, one of the important parameters of environmental management, are also monitored by Tümad. Although our facility does not have a high impact within the scope of combating climate change, we calculate our emissions every year aiming to reduce them. Our energy consumption and greenhouse gas emissions arising from our fuel use and electricity consumption are listed below.

Our greenhouse gas Scope 1 emissions include 215.7 $tCO_2e$ emissions from the 648 ton/year explosives we use.

| TÜMAD | 2018 | 2019 |
|---|---|---|
| Greenhouse Gas Emissions (İvrindi) | | |
| Scope1 | 0 | 29,800.32 |
| Scope 2 | 0 | 2,303.65 |
| **Total Emission** | **0** | **32,103.97** |

| TÜMAD | 2018 | 2019 |
|---|---|---|
| Greenhouse Gas Emissions (Lapseki) | | |
| Scope1 | 9,759.6 | 14,898.00 |
| Scope2 | 3,254.2 | 6,522.00 |
| **Total Emission** | **13,013.8** | **21,420.00** |

On one side, we aim to reduce the consumption of natural resources within the scope of environmental management, and, on the other side, we monitor our energy resources and energy consumption data as one of the important parameters to create an economic added value. In this context, the our facilities have state-of-the-art technologies ensuring high energy efficiency.

| TÜMAD | 2018 | 2019 |
|---|---|---|
| In-house Energy Consumption (GJ) | | |
| **İVRİNDİ FUEL** | | |
| Natural Gas | - | |
| LNG | - | |
| Diesel | - | 8,591,177.00 |
| Explosive | | 2,918.75 |
| **LAPSEKİ FUEL** | | |
| Natural Gas | - | - |
| Propoan | 36.00 | 36.00 |
| LNG | 48,183.00 | 38,453.00 |
| Diesel | - | - |
| **İVRİNDİ ELECTRICITY** | | |
| Electricity from Grid | - | 48,224.00 |
| Electricity from Solar Energy | - | - |
| **LAPSEKİ ELECTRICITY** | | |
| Electricity from Grid | 95,307.14 | 126,716.72 |
| Electricity from Solar Energy | - | - |
| **Total Energy Consumption** | | |

## Water Management

Our mines operate on the "zero discharge" principle. Thanks to using the best applicable technology, waste from the Lapseki Mine facilities is passed through chemical treatment and filter presses. As a result, 80 percent of the waste water is recycled and used in the facility.

For the protection of water resources, Flow Observation Stations are installed at the İvrindi Plant, on the Madra and Sıpacı Streams and at the Lapseki Plant on The Kovanlık Stream; and depth and flow are monitored on a weekly basis.

Monthly depth and physical water parameters are monitored in 12 observation wells at the İvrindi Plant and in 17 observation wells in Lapseki Plant. Moreover, biological and chemical parameters are monitored quarterly at both plants.

Eight surface water resources at İvrindi Plant and three surface water resources at Lapseki Plant are being considered as surface waters, thus their physical water parameters are monitored monthly, biological and chemical parameters are monitored every quarterly.

| TÜMAD | 2018 | 2019 |
|---|---|---|
| Amount of Water Used (İvrindi) | | |
| Well Water ($m^3$) | 6,000 | 286,644 |
| Municipal Water ($m^3$) | - | - |
| **Total Amount of Water Used ($m^3$)** | **-** | **286,644** |
| Annual Amount of Wastewater Discharged (İvrindi) | | |
| Receiving Body ($m^3$) | 4,800 | 29,200 |
| Conduit-type Sewer ($m^3$) | 0 | |
| Recovered Water ($m^3$) | 0 | |
| **Total Amount of Discharged Water ($m^3$)** | **0** | |
| Amount of Water Used (Lapseki) | | |
| Well Water ($m^3$) | 76,424 | 117,432 |
| Municipal Water ($m^3$) | | |
| **Total Amount of Water Used ($m^3$)** | | |
| Annual Amount of Wastewater Discharged (Lapseki) | | |
| Receiving Body ($m^3$) | 14,600 | 14,600 |
| Conduit-type Sewer ($m^3$) | | |
| Recovered Water ($m^3$) | | |
| **Total Amount of Discharged Water ($m^3$)** | | |

## Waste Management

With a circular economy consciousness, we aim that the waste we generate is reused in the economy. In this context, we define the quantities, physical and chemical properties and hazards of the waste from our mining activities down to the last detail. We also apply a Waste Management Plan approach for the accurate evaluation and documentation of these definitions.

This approach incorporates the management of the TÜMAD waste inventory as well as an up-to-date conceptual model that demonstrates the long-term physical and chemical behaviors of the inventory and its effects on the environment. This model is validated with results from tests and monitoring studies. It is supported by the TÜMAD Waste Inventory and Waste Monitoring Procedure, which address the proper separation, transportation, storage and management of waste material.

A total of 302,201 kg of waste contaminated with hazardous materials, 562,359 kg of non-hazardous waste and 132,500 kg of plastic waste were generated at our İvrindi and Lapseki facilities in 2018 and 2019. These wastes were properly transported and disposed of or recovered by authorized institutions.

## OUR OCCUPATIONAL HEALTH AND SAFETY PRINCIPLES

Tümad's target to establish a healthy and safe working environment is based on a culture of valuing people beyond legal requirements. Occupational health and safety is our main priority for our employees and all our stakeholders doing business on our behalf. Based on this approach, we have made commitments to international credit institutions beyond the national legislation to protect the mental and physical health of all our employees, and we strictly observe these commitments. Our OHS management mechanism is established and implemented on the basis of Occupational Health and Safety, Emergency, and Traffic Management plans.

Since the local people are given priority for employment in our facilities, the ultimate goal of our company together with our employees is to raise awareness of the people in the region about the Occupational Health and Safety. For this purpose, the following activities are carried out:

- Collaborating with stakeholders on OHS issues
- Delivering job-specific OHS training for newly hired personnel
- Holding weekly OHS representatives meetings and accident assessment meetings
- Providing 24/7 preventive health services in our businesses
- Performing examinations for employees every six months within the scope of health surveillance
- Making accident incident notifications and preparing accident investigation reports
- Adopting a human resources approach that maintains the balance between work and private life
- Implementation of a transparent management approach in which all employees are included in the participation and consultation mechanism

| Business Name | OHS Training | Total Training (Person.Hour) | | Training Per Employee (Hour/Person) | |
|---|---|---|---|---|---|
| | | 2018 | 2019 | 2018 | 2019 |
| İvrindi | OHS Training Courses | 842 | 5,143 | 7.94 | 11.42 |
| Lapseki | OHS Training Courses | 4,562 | 8,462 | 12.71 | 15.02 |

| Total Number, Frequency, and Weighted Ratio of Accidents | Number of Accidents | | Frequency of Accidents | | Weighted Ratio of Accidents | | Total Working Hours | |
|---|---|---|---|---|---|---|---|---|
| | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 |
| İvrindi | 2 | 16 | 1. 09 | 1.72 | 0.038 | 0.130 | 368.447 | 1,856,919 |
| Lapseki | 24 | 3 | 4.13 | 0.47 | 0.49 | 0.01 | 1,162,463 | 1,263,625 |

* Only lost time accident numbers are shared in the accident numbers

## TÜMAD'S VALUE CHAIN MANAGEMENT

Defining effective stakeholder communication in the value chain as an important element of success, TÜMAD aims, with its Supplier Policy, to ensure the satisfaction of all its stakeholders, including internal customers and suppliers, and to be a prestigious and respected commercial partner. The main goals defined for the Supplier Policy are as follows:

- to be compatible with the company's core values, strategic goals and vision,
- to cover contract management in coordination with the legal unit in full compliance with laws and regulations,
- to be ethical, transparent, traceable, reportable, fairly executed, sustainable,
- to incorporate stakeholder participation and local purchasing in the selection of the suppliers of goods and services, and to train and support local suppliers,
- to be integrated with corporate resource planning by which all demands are supplied in the desired time and at the desired price and quantity in accordance with quality criteria,
- to be customer satisfaction-oriented supported by surveys and interviews,
- to apply to all purchases of goods and services directly or indirectly on behalf of the company,
- to ensure competition between suppliers, including e-tender, e-procurement, applications when necessary,
- to allow to make extraordinary purchases for urgent activities where the relevant purchase cannot be made by normal methods,
- to incorporate legal, management and communication factors.

It aims to increase its competitiveness with a successful supply chain management, which it defines as one of its most important stakeholders. In this area, various studies are carried out, including compliance with International Cyanide Management Code (ICMC), local purchasing, training and supporting local suppliers, e-tender, e-procurement and integration of these with the Enterprise Resource Planning (ERP) system.

## TÜMAD RISK MANAGEMENT

The Effective risk management, which is considered as the basis of all management mechanisms at TÜMAD, is carried out by an integrated method not only for economic issues but also by including environmental and social risks, especially arising from mining operations. We classify risks and give opportunity to the leadership of the entire team with an aim to reduce the risks to an acceptable level.

For an effective management, we focus on the process of defining the risk accurately. We expect all units to evaluate their work with a broad perspective on this issue. The evaluation methodology we apply after the identification of risks is valid for all risk categories. This allows to compare the extent of risks in different categories. This stage is handled with utmost care and a broad perspective. Various scenarios are analyzed to determine that with which stakeholder the risk is related, the possible financial impact of the risk, and the period in which the risk is likely to occur. When deciding on the action plan, the unit that defines the risk suggests its solution alternatives; if the risk involves a high financial impact, the senior management is also involved in the process.

The concept of risk management is not only preventing and reducing losses but also identification of opportunities. Due to the importance of the subject, risk and opportunity management is addressed at different levels: strategic, corporate and operational. Our risks are managed through mining cost controls, budget discipline and cost accounting studies, which are particularly focused on financial risks, as well as through internal and external audits focused on sustainability risks, creditor audits and management review meetings. Our current and targeted standards, the expectations of our creditors and our utilization of their knowledge, the commitments we have made in terms of sustainability have contributed to the development of our risk and opportunity management.

# NUROL BANK

# ABOUT NUROL INVESTMENT BANK

## PARTNERSHIP STRUCTURE

| | |
|---|---|
| Nurol Holding A.Ş. | 78,98% |
| The Çarmıklı Family | 3,67% |
| Nurol İnşaat ve Ticaret A.Ş. | 16,70% |
| Nurol Otelcilik ve Turizm İşletmeleri A.Ş. | 0,65% |

## TABLE OF BASIC INDICATORS

| | 2018 | 2019 |
|---|---|---|
| Average Number of Employees | 56 | 66 |
| Total Assets (Thousand TL) | 2,679,487 | 3,253,950 |
| Net Profit for the Period (Thousand TL) | 64,900 | 68,500 |

Nurol Investment Bank offers solutions to the investment banking needs of corporate customers with a team of 66 people. As of 2019, the Bank's Assets reached 3.2 Billion TL. With its capital structure and well-equipped human resources, Nurolbank aims to create economic value together with an awareness of being among the leading banks in the field of investment banking in Turkey and serves customers with which it can establish long-term relationships and which are in need of a variety of financing products.

Nurolbank provides services that improve the efficiency of all its customers and reduces their risk levels, thereby significantly controlling their costs and increasing their market share.

Thanks to the knowledge and experience of its team consisting of professionals with technical expertise and local market experience, Nurolbank offers creative and innovative products and services in the following areas in accordance with the needs of its customers:

- Financing instruments structured to provide alternative funding sources,
- Complex financial modeling,
- Optimum financial package structuring,
- Equity finance consultancy,
- Allocation of new funding sources from local and international institutions and capital markets.

Nurolbank continues its operations with bank management policies set up with cautious and sound predictions. Our bank will continue to serve companies with information and flexible financial solutions provided at the right time in today's volatile, interconnected and highly competitive markets.

Nurolbank continued to pursue new opportunity with its cautious approach in 2018, a year with difficult conditions due to economic developments.

The Capital Adequacy Ratio and Equity Profitability Ratio of our Bank were 15.64% and 25.24%, respectively, as of December 31, 2019.

Since the 28% growth we have achieved in our loan volume is realized in areas that create added value, our interest income grew by 21%, reaching 459 million TL.

**Our pre-tax profit increased by 5% compared to the previous year, reaching 87 million TL.**

In 2019, our bank issued a total of 2.5 billion TL debt instruments with various maturities at competitive prices.

As part of its periodic review process in April 2020, JCR Eurasia Rating evaluated "Nurol Yatırım Bankası A.Ş." in the category of investment grade at the national level, and confirmed its Long Term National Rating as 'AA (Tur)' and with a 'Stable' outlook, Short Term National Rating as 'A-1 (Tur)' with a 'Stable' outlook. On the other hand, JCR affirmed the Long Term International Foreign Currency Rating as 'BBB-.

## NUROL BANK AND SUSTAINABILITY

Nurolbank focuses on developing its basic banking understanding by integrating sustainability into its activities. Continuing its services with the vision of providing solutions at global standards to Turkish institutions that are in need of financial support, Nurol Bank prioritize the development of the country. Thanks to its strong organizational structure and effective governance understanding, it displays a sustainable performance in financial, social, environmental and widespread economic areas.

It has identified its customers as stakeholders with the highest impact in the value chain and focuses on customers in all of its activities and efforts. It aims to ensure customer satisfaction beyond expectations and guides its customers with its sustainability vision. Nurolbank works to achieve its short, medium and long-term business and sustainability goals, evaluates risk-bearing factors towards its goals through risk management practices implemented at the senior management and departmental levels to turn these factors into opportunities. Carrying out its activities in a way that respects the law, the environment and society is one of its basic principles.

It takes into account the environmental and social impacts of lending activities on the basis of its sustainability activities. In this context, with its environmental and social risk management, it ensures to determine whether an investor firm is operating in compliance with all national laws and regulations on environmental and social issues, to make environmental and social risk assessment for investment projects reviewed for financing regardless of the size of the investment amount, to define the environmental and social (including occupational health and safety) impacts that may occur within the scope of investment projects for which financing is planned and to prepare action plans for systematic management and minimization of environmental impacts. All of these evaluations are carried out by establishing a structure in which the concept of sustainability is adopted and internal impacts are measured, reported and improved, and by taking into account the environmental/social issues in the procurement processes.

In our corporate governance strategy, we aim to fully comply with the Corporate Governance Principles issued by the Capital Markets Board (CMB) and integrate the concept of sustainability and relevant issues into this strategy. We make effort to identify the roles and responsibilities to fulfill requirements for Sustainable Banking activities.

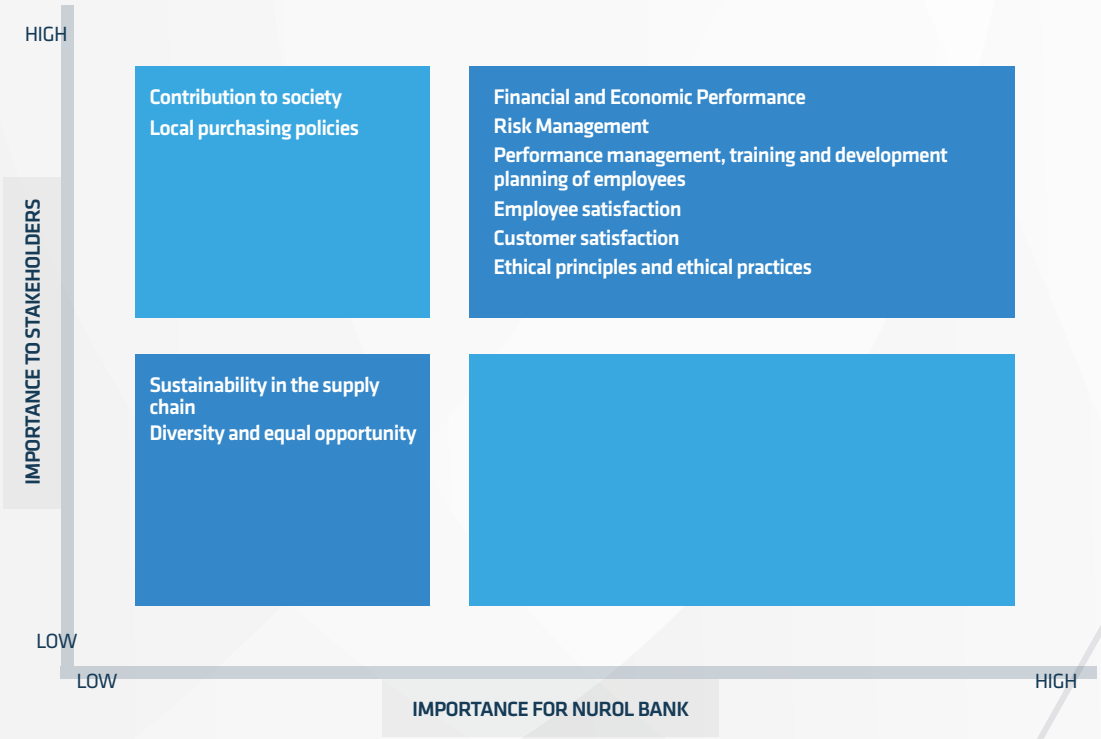
## DIALOGUE WITH OUR STAKEHOLDERS

Nurol Bank defines individuals, communities and organizations that are directly or indirectly affected by its activities and/or have an impact on its activities as its stakeholders and established effective communication mechanisms in line with its transparent, accountable and participatory management approach. These mechanisms are continuously developed in line with technological developments and feedback from stakeholders. The bank establishes long-term and trust-based relationships with its stakeholders and makes great efforts to maintain these relationships.

| Stakeholders | Dialogue Platforms | Dialogue Frequency |
|---|---|---|
| Legislative and Regulatory Bodies | Visits and dialogues, Annual Reports, corporate web page, congresses and seminars, jointly developed projects | Where necessary |
| Financial Markets | Financial Reports, Corporate Reports, Web, Various Meetings, Financial Audits, General Board Meetings, Face-to-Face Meetings with Credit Institutions" | Where necessary |
| Shareholders | Board of Directors Meetings, General Assembly Meetings, Company Performance Meetings, Annual Reports, Activity Reports | Annually, quarterly, if necessary |
| Investors | Visits and dialogues, Annual Reports, IFRS audit reports, company performance reports corporate website" | Annual, 6 months, when necessary |
| Customers | Meetings, corporate website, Annual Report | Where necessary |
| Employees | Trainings, social events, World of NUROL Magazine, Intranet, Internal communication materials, Corporate web page" | Annual, 6 months, when necessary |
| Rivals | Seminars, fairs, congresses, sector ssociations meetings, Annual Report, corporate web page" | Annual, when necessary |
| Consultants | Visits and dialogues, Annual Reports,IFRS audit reports, company performance reports, corporate website" | Annual, 6 months, when necessary |

## OUR PRIORITIES

We take into account the needs and priorities of all stakeholders, including our employees and customers, society, public institutions, shareholders and non-governmental organizations, and important issues have been determined by our senior management to properly combine sustainability activities and business strategy. A prioritization analysis was performed based on the studies carried out with all these inputs, to identify sustainability activities.



As we have defined in the focus of all our sustainability activities, it is our first priority to provide an effective risk management by considering not only financial risks but also environmental and social risks of the loans we provide. This working systematic is also key to our financial and economic performance.

It is aimed to ensure communication with all stakeholders, especially employees, to increase their awareness on these issues and to support these issues with social responsibility projects. We continue our efforts to monitor the satisfaction of our employees, who constitute our competent human resources, and to provide a fair remuneration and benefit system at all levels.

## NUROL BANK and ENVIRONMENTAL SENSITIVITY

Since we are a company operating in the financial sector, we think that the accurate environmental management for our company should be based on business activities carried out through our loans and that our commitments regarding environmental and social issues should be taken into account within the credit conditions. As a supplement to its loan policy, Nurolbank has also identified the sectors and activities it will not provide financing. Environmental and social impacts and risks arising from the current activities of a company that will use loan are taken into account in all banking transactions. If the loan request is related to the financing of an investment, environmental and social impacts and potential risks arising from the investment project to be financed are analyzed for each project to define and manage the environmental and social impacts and aspects. Environmental and social risk assessment is carried out for each investment project reviewed to be financed regardless of the size of the investment amount.

Nurol Bank focuses on evaluating the environmental and social impacts of its customers who have achieved success in the business world with its lending activities as well as manages the environmental impacts arising from itself.

### Energy and Emissions

At Nurol Bank, we regularly monitor our energy consumption at our headquarters. Our energy consumption for the reporting period is presented in the table below; we aim to achieve lower energy consumption in the coming years.

| Nurol Bank | 2018 | 2019 |
|---|---|---|
| In-house Energy Consumption (GJ) | | |
| Fuel | | |
| Natural Gas | 5,484.59 | 5,650.42 |
| Diesel | | 217.00 |
| Electricity | | |
| Electricity from Grid | 190,869.00 | 212,959.00 |
| **Total Energy Consumption** | **20.93** | **23.19** |

Nurol Bank also monitors greenhouse gas emissions under its efforts for combating climate change. We share the Scope 1 and 2 emissions during the reporting period, we also take into account the climate change risks of the investments we lend. Potential issues, such as regulation risks, physical risks and reputational risks are evaluated.

| Nurol Bank | 2018 | 2019 |
|---|---|---|
| Greenhouse Gas Emissions | | |
| Scope 1 | 11.66 | 12.01 |
| Scope 2 | 82.07 | 91.57 |
| **Total Emission** | **93.73** | **103.58** |

### Water Management

Water scarcity, which is expected to increase with the climate crisis, is one the environmental parameters that we follow. We monitor our in-house water consumption and focus on raising awareness of our employees to evaluate our projects within this scope.

| Nurol Bank | 2018 | 2019 |
|---|---|---|
| Amount of Water Used | | |
| Municipal Water ($m^3$) | 696 | 385 |
| **Total Amount of Water Used ($m^3$)** | 696 | 385 |
| Annual Amount of Wastewater Discharged | | |
| Conduit-type Sewer ($m^3$) | 696 | 385 |
| **Total Amount of Discharged Water ($m^3$)** | **696** | **385** |

## NUROL BANK RISK MANAGEMENT

To manage and limit the market risk, the Bank has its own limits aside from legal limits. In the Risk Appetite Document, the market risk limits and the functioning of the process, control and early warning limits are determined with the approval of the Board of Directors and announced within the Bank. The determined risk limits are regularly monitored and reported by the Risk Management Department.

Within the scope of market risk, VaR measurements are calculated using the internal method and the foreign exchange risk and general market risk are calculated with the standard method as well as stress tests and scenario analyzes are performed and the results are regularly submitted to the Senior Management and Audit Committee by the Risk Management Department. With regard to operational risk, risk identification, classification and analysis activities are carried out. Amounts subject to operational risk are calculated using the basic indicator approach. In operational risk measurement, operational risk loss data for Basel II compliance is systematically collected in the operational risk database and evaluated.

The operational risk amount limit determined and the records taken from the database as well as loss and near-loss amounts are evaluated using the basic indicator and regularly reported to the Senior Management and the Audit Committee. Regarding the Interest Rate Risk Arising from Banking Accounts, liquidity gap and interest sensitivity analyses are performed to determine the interest rate risk to which the Bank is exposed due to maturity mismatches in on-balance sheet and off-balance sheet positions, and all analyses and all ratios calculated using the standard shock method are reported to the Senior Management and Audit Committee on a monthly basis.

The interest rate risk determined by the Risk Management Department is measured with the standard shock method and reported to the Banking Regulation and Supervision Agency. Risk appetite and early warning limits have been set for monitoring the interest rate risk

### Other Risks

In our Bank, such risks as country and transfer risk, strategic risk, reputation risk, legal risk, concentration and residual risk that are evaluated within the scope of the second pillar are managed in accordance with the policies approved by the Board of Directors, taking into account their materiality levels.

Liquidity management is carried out by the Treasury and Financial Institutions Department to ensure that the necessary measures are taken in a timely and accurate manner against possible liquidity shortages that may arise from the market conditions and the balance sheet structure of our Bank within the framework of the risk management policies approved by the Board of Directors.

To manage the liquidity risk effectively, Bank and market data are regularly monitored, and analyses, such as the maturity structure of assets-liabilities in the balance sheet and market borrowing volumes are made. Liquidity risk is managed by taking into account the early warning limits, as well as ensuring compliance with the legal liquidity ratio as risk appetite.

NUROL REIT, NUROL LIFE

# NUROL GROUP OF COMPANIES CORPORATE MEMBERSHIPS

# NUROL GROUP OF COMPANIES CORPORATE MEMBERSHIPS

NUROL HOLDING and our companies conduct our dialogues with our stakeholders directly, in some cases. In addition, the dialogue is conducted indirectly through various business, industry and non-governmental organizations.

UN GLOBAL COMPACT

WORLD WATER COUNCIL

ATC AMERICAN TURKISH COUNCIL

ASQ AMERICAN SOCIETY FOR QUALITY

BRITISH CHAMBER OF COMMERCE TURKEY 1887

EIC EUROPEAN INTERNATIONAL CONTRACTORS

IRF GLOBAL

TÜSİAD

İNTES 1964

MESS TÜRKİYE METAL SANAYİCİLERİ SENDİKASI

tmmob TÜRK MÜHENDİS VE MİMAR ODALARI BİRLİĞİ

TÜRKİYE ODALAR VE BORSALAR BİRLİĞİ TOBB

GİRİŞİMCİLİK VAKFI

TİM TÜRKİYE İHRACATÇILAR MECLİSİ

TÜRKİYE MÜTEAHHİTLER BİRLİĞİ

TÜRKİYE TURİZM YATIRIMCILARI DERNEĞİ TTYD TURKISH TOURISM INVESTORS ASSOCIATION

tmmob mimarlar odası

KalDer

*

TMD TÜRKİYE MADENCİLER DERNEĞİ MINERS ASSOCIATION OF TURKEY

SaSaD

İSO

ytmk YOLLAR TÜRK MİLLİ KOMİTESİ TURKISH ROAD ASSOCIATION

ALTIN MADENCİLERİ DERNEĞİ *

DEİK DIŞ EKONOMİK İLİŞKİLER KURULU FOREIGN ECONOMIC RELATIONS BOARD *

İSTANBUL TİCARET ODASI

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argemip

TSSK Teknokent Savunma Sanayii Kümelenmesi Teknokent Defence Industry Cluster

İKAMİD İnsan Kaynakları Mesleki İşbirliği Derneği

ODTÜ MEZUNLARI DERNEĞİ 1965

UMREK

ASMUD

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BAE *

DAİB ORTA ANADOLU İHRACATÇI BİRLİKLERİ

ASO

ANGİAD

ICF

SHRM BETTER WORKPLACES BETTER WORLD™

LÖSEV Lösemili Çocuklar Vakfı

OSİAD

OSSA

TMMOB

PERYÖN TÜRKİYE İNSAN YÖNETİMİ DERNEĞİ İç Anadolu Şubesi

İNSAN KAYNAKLARI MESLEK DERNEĞİ

* It is our corporate memberships that we are members of in the management.

FNSS, OTTER

# INTEGRATED MANAGEMENT SYSTEMS

# INTEGRATED MANAGEMENT SYSTEMS

We embrace the culture of excellence as a lifestyle with an integrated quality approach in management. At the Nurol Group of Companies, we want to ensure that management systems, such as the quality management system, the environmental management system, the occupational health and safety management system, information security management, greenhouse gas management, energy management system, defense, aviation and quality management systems are implemented according to international standards and are permanent, continuously improving and sustainable structures.

In order to achieve these goals, we carry out various activities for all the employees of our Group companies, such as meetings, training sessions, company visits, workshops where the competitiveness of the organizations they work with can be improved by making a difference in their working life, and the improvement, development and results in all processes, and best practices are shared and discussed. We share these activities with our internal stakeholders in Nurol Holding's "Nurol Quality Portal" and with all our stakeholders in the "Nurol World" magazine.

## Awards and Certificates

| Companies | Awards and Achievements |
|---|---|
| FNSS Savunma Sistemleri A.Ş. | - Gold medal in the categories of best HR data analytics, best human resource management innovation, best HR strategy and measurement model in the Brandon Hall 2018 Excellence Awards.<br>- FNSS, Defense and Aerospace Industry, in the successful exporters awards of 2018, was deemed worthy of the awards for the first export company in the land vehicles and accessories product group, the company with the highest increase in exports and the 3rd company with the most export.<br>- FNSS was deemed worthy of the "Future Investor" award in the "young supporter company award" category at the IFS Future Investors Summit.<br>- Award in the export category at the 54th year award ceremony of the Ankara Chamber of Industry |
| TÜMAD Mining | - "Best Deal in Natural Resources" award at the "2017 Project Financing Award"<br>- Tümad Mining; has been awarded the first prize by Istanbul Mineral Exporters' Association in "Best Foreign Award-Winning Project Financing' and 'Technology' categories.It was deemed worthy of first prizes in the "Technology Category" with the Best Project Financing Award from Outside.<br>- It received the "Industry Achievement Award" of 2018 given by the Turkish Miners Association.<br>- Tümad received the Best Financing of the Year Award in Natural Resources at the "Finance Industry Oscars" ceremony held by Bond & Loans. |
| Nurol Investment Bank | JCR Eurasia Rating has designated the<br>- Long-Term National Rating as "AA (Trk)" and<br>- Long-Term International Local Currency Rating as "BBB." |
| Nurol Makina | - It was awarded the 2018 Kalder Kaizeb Award. |

| Standards, Certificates, Documents | Nurol Construction | Nurol Makina | FNSS | Nurol Technology | TÜMAD |
|---|---|---|---|---|---|
| AQAP-2110 NATO Quality Assurance Requirements for Design, Development and Production | | ✓ | ✓ | | |
| ISO 9001 Quality Management System | ✓ | ✓ | ✓ | ✓ | ✓ |
| 12047 Service Qualification Certificate | | ✓ | | | |
| EN ISO 3834-2 Welded Manufacturing Competence Certificate | | ✓ | | | |
| ISO 14001 Environmental Management System | ✓ | ✓ | ✓ | ✓ | ✓ |
| NATO SECRET Security Clearance | ✓ | ✓ | ✓ | ✓ | |
| NATIONAL SECRET Facility Clearance | ✓ | ✓ | ✓ | ✓ | |
| ISO 17025 Ballistic Test Laboratory | | | | ✓ | |
| TS EN ISO / IEC 17025 General Requirements for the Competence of Testing and Calibration Laboratories | | | ✓ | | |
| TS EN ISO/IEC 17025: 2017 Competence of Testing Laboratories | | | | | ✓ |
| ISO 27001 Information Security Management System | | ✓ | ✓ | | ✓ |
| SA 8000 Social Compliance Management System | | | | | ! |
| ISO 45001 Occupational Health and Safety Management System | ✓ | ✓ | ✓ | ✓ | ✓ |
| Authorized Certificate of Obligation | | | ✓ | | ! |
| International Cyanide Code Certificate | | | | | ! |
| AS9100 Aviation Management System | | | | ! | |
| **ACCREDITATION** | | | | | |
| TURKAK | ✓ | ✓ | ✓ | ✓ | ✓ |
| DakkS | ✓ | | | | |

! Certification works have started.

✓ Certification is received.

NUROL HOLDING HEAD OFFICE

# ETHICS MANAGEMENT

# ETHICS MANAGEMENT

## Governance

We regulate our ethical values and the principles we must follow with the "Nurol Ethical Policy and Rules." The Board of Directors is primarily responsible for the execution of the company's activities in compliance with the legal regulations and the Nurol Ethical Policy and Rules. We define compliance with our corporate values and ethical rules as the responsibility of all our employees. In this context, we have communicated our ethical policy and rules with all our employees.

## Principles of Policies and Implementation

Ethical Rules prepared for the NUROL Group Companies comprise our thoughts and behaviors that form the basis of all our business relationships and transactions and our standards established in these matters. These rules also define the policies that determine the risk management, working principles, ethical behavior principles and internal controls that must be followed in all areas of activity. The "NUROL Code of Ethics", which comprises all of the NUROL Group, third parties and employees acting on their behalf, forms the basis of our common working principles and basis, provides guidance to employees in all our operations and activities

Principle 10 of the United Nations Global Compact (UNGC), titled combating corruption, is also an integral part of the "Nurol Code of Ethics."

These rules determine the ethical working principles and basis that each employee must comply with regardless of his/her position or title, and apply to all NUROL employees. All employees, wherever they are, comply with ethical rules in relation to all our stakeholders (other employees, customers, suppliers, contractors, shareholders, competitors, etc.). Complying with ethical rules is of great importance to protecting NUROL's reputation and success. We take our ethical rules as a guide in all our activities and embrace them at a level that can set a positive example for the society in which we live. With this approach, we avoid behaviors that may adversely affect our identity. Ethical rules and working principles have five fundamental principles.

Our NUROL Code of Ethics consists of the following headings:

- Human resources and employee relations
- Relations with customers, suppliers and contractors
- Safety and protection of assets
- Protection of NUROL's information
- Anti-fraud, accurate accounting and accuracy of company records
- Conflicts of interest
- Honest communication with society and media
- Occupational health and safety
- Product quality and safety
- Environmental awareness
- Respect for and compliance with the law
- Anti-corruption and bribery
- Facilitation payments
- Gifts, representation and entertainment
- Consultants
- Working with partners and other business arrangements
- Lobbying, political support and political donation
- Sponsorship
- Disaster management
- Risk management
- Operational assurance statement
- Social responsibility and volunteering
- Compliance with Sanctions and Embargoes
- Charitable donations
- Reporting violations.

## Ethical Violation

There is a mechanism for reporting violations of the Nurol Ethical Policy and Rules, and disciplinary rules and sanctions have been defined in the event of such a violation. In the event of such a situation happening, all employees are obliged to inform NUROL's corporate website (**www.nurol.com.tr**), **etik.bildirim@nurol.com.tr**, the Ethics and Disciplinary Committee or Ethics Officer and/or the relevant Company's General Manager. **Notifications can be made anonymously and by phone, using our Ethics Line on 0 312 455 10 05.**

In terms of the safety of the mechanism, the person making the notification is protected by confidentiality and compliance with objectivity and the ethical rules are critical throughout the process. In the event that a deliberate misstatement being detected, this is interpreted as a violation of the ethics rule.

The NUROL Ethics and Disciplinary Committee has established the necessary mechanisms to prevent violations of ethical rules in the Code of Labor Procedures and Principles. All violations and examination results are shared with the "Ethics and Disciplinary Committee" and the "Holding Board of Directors" respectively. During the reporting period, there has been no case relating to compliance with the ethical code.

## Ethics and Discipline Committee

The Nurol Ethics and Disciplinary Committee was established to focus on the continuous development of our ethical and reputational management. Committee members include the Human Resources Coordinator, the Holding Legal Chief Counsel, the Holding Human Resources Manager and two delegates from the Internal Audit Department. The Committee acts in accordance with the Code of Conduct and Principles of the Ethics and Disciplinary Committee of NUROL Holding. With the establishment of the committee, awareness-raising efforts were increased in order to adopt ethical rules within the company.

The Board of Directors of NUROL Holding is responsible for executing the rules and the NUROL Ethics and Disciplinary Committee is responsible for their implementation. The Holding's Board of Directors and EDC review the Code of Ethics at least once a year in order to develop policies. It reports the review results and suggestions to the Board of Directors

# WORKING LIFE IN THE NUROL COMMUNITY

# WORKING LIFE IN THE NUROL COMMUNITY

## HUMAN RESOURCES

All employees within our Group are interconnected like a family, and as a company open to innovations, we care about the continuity of this situation. We know that the company's achievements are driven by the devotion of our qualified employees. At NUROL, we have determined the foundation of our human resources strategy as the continuous improvement of the competence of our human resources, advancing knowledge and achievements by providing educational opportunities and gender equality.

We serve in a wide range of regions and diverse industries all over the world, and continuously endeavour to make our shared values our way of doing business. For successful business results, our goal is to create a highly qualified human resource, who attaches importance to teamwork, believes in team spirit, uses time correctly, has a high level of social responsibility sensitivity, and is committed to the company.

We attach the utmost importance to internal communications so that corporate information develops and transforms into new products and new ways of doing business. In this respect, we use periodic meetings and written communication tools.

The sustainability performance of NUROL companies is directly proportional to their investment in people. Building this awareness among all our employees and leading the processes under their responsibility is one of our success criteria. Creating employee satisfaction by providing a modern, peaceful and stable work environment for all our employees, is our priority.

While creating impartial and equal opportunities in career management practices, we believe that different perspectives will be instrumental in deciding company strategies, and we ensure that employees participate in strategy determination, in line with the "decent work and economic growth" clause of the United Nations Sustainable Development Goals.

## WORKING LIFE

In the Nurol group of Companies, career planning is realized by evaluating individual talent and the individual's level of self-development with a human-oriented approach. This ensures employee satisfaction and manages employee turnover rates. Nurol Companies operate in a wide range of fields and offer horizontal and vertical transfer opportunities within the company and are supported by the company. Tasks that have a high impact on our business performance have been identified as critical positions as a result of risk assessment, and the assignments to be made for these positions are based on business success, performance level and competency-based selection criteria made within the group.

We also attach importance to the personal development of our employees with a performance assessment and aim to train competent managers for the future. Nurol Holding's emphasis on education, arts and foundation activities outside the workplace is the most significant example of our company showing that success is not only about business results. We believe in the importance of developing intellectual and creative capacity and support our employees in their self-development, in line with their long-term goals

**Our expectations from each employee under the NUROL team umbrella are;**

- That they respect the work and time of their colleagues and fulfill what is expected of them in a timely, comprehensible and correct manner in an effort to communicate in good faith.
- And respecting differences, they do not discriminate based on age, sex, language, religion, race and political views. This understanding should be adopted in all communications within and outside the company.
- They should be transparent, fair, responsible and accountable in all activities.
- By acting in line with the company's goals and strategies, they create an environment with team spirit.

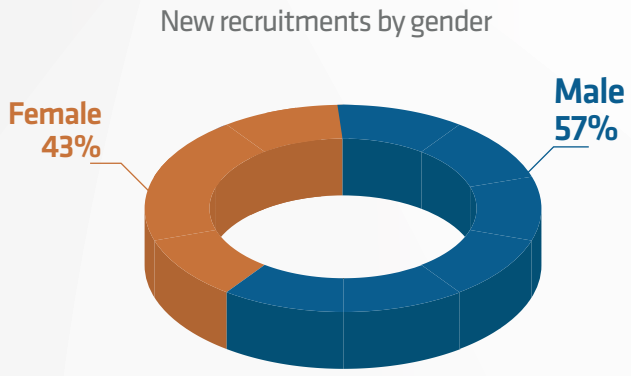
Nurol assures and controls that everyone we communicate with and all our employees are considered as honorable individuals. Behaviors contrary to human dignity are unacceptable within the community. In compliance with legal requirements, it is assessed based on work efficiency, regardless of race, religion, age, physical status, gender and sexual orientation. All of our employees benefit from the same fringe benefits and all employees receive private health insurance, in addition to the rights granted under the principle of compliance with the law.

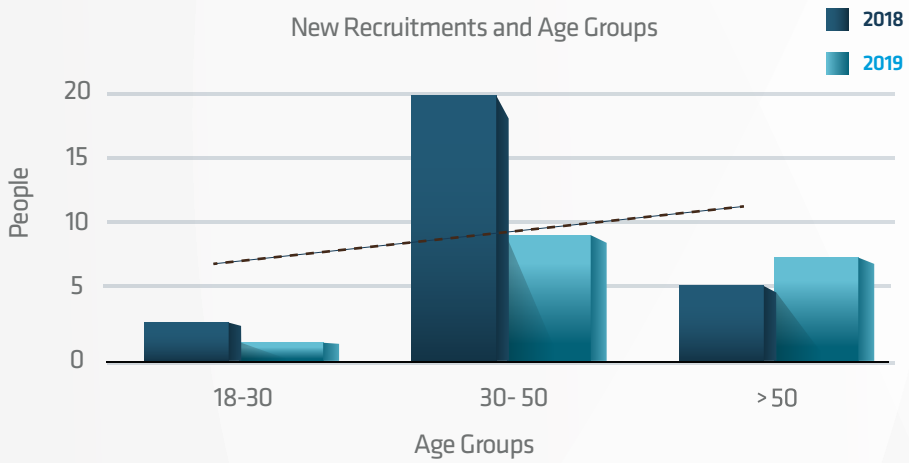
**The Master Is A Person Who Teaches All He Knows To His Apprentices And Can Produce New Knowledge That Can Be Re-taught The Next Day.**

Nurettin ÇARMIKLI

## EMPLOYEE PROFILE

We share our demographics prepared with the average data for the reporting period and our human resources targets and information via the following tables.




**During the reporting period, the total employee turnover rate of was 21% in 2018 and 13% in 2019 declining by eight percent.**

## COMMUNICATION RULES

In the NUROL Group of Companies, communication and information exchange with internal and external stakeholders are conducted in accordance with the rules and regulations for the implementation and improvement of all corporate communication activities. The aim of corporate communication is to ensure that employees and departments work in harmony and in coordination with each other, resolve problems as soon as possible, create creative power and ensure that all of these are sustainable. Environmental awareness and social benefit are key elements of communication policies.

All employees are obliged to respect the personal and commercial rights of third parties and organizations, to pay special attention to the protection of personal data and to comply with legal regulations in these matters.

### Communication Activities and Rules with Internal Stakeholders:

Internal Communications are carried out in a manner that will enable NUROL to fulfill its vision, mission, business strategies and objectives and directly affect organizational efficiency. This requires communications to be timely, accurate, comprehensible, regular and targeted.

The main communication activities with internal stakeholders include:

- Internal publications, intranet posts and announcements
- Meetings and meeting minutes
- E-mails
- Social responsibility activities, non-business social partnerships and social club activities
- Celebrations
- Condolences
- Notifications on joining and leaving the company

Social activities are carried out by the Public Relations Department with the approval of the Coordination Office and all notifications about these activities are announced to the employees via NUROL intranet and email.

### Communication in Emergencies:

In the event of an Emergency (accident, fire, flood, sabotage, state of emergency, dangerous situations in production etc.), the Holding and Group Companies determine who to contact and how and when, and the processes required for internal and external communication. In such cases, the Coordination Office shall be informed immediately. In addition, "Emergency Analyzes and Risk Assessments" performed periodically by the Group Companies are presented at the Board of Directors meetings.

### Communication Rules with External Stakeholders:

External communications require a timely, accurate, comprehensible, regular and targeted communication as they directly affect the trust and reputation of NUROL.

The main communication activities with external stakeholders are as follows. These include all external communication activities:

- Public statements
- Advertising, sponsorship, social responsibility, donation, advertisement, brochure and other promotional printed materials
- Activity reports
- Correspondence
- Social media
- Fair, congress, workshop etc. activities
- Statements and disclaimers against unfounded news

Within the framework of information and announcements, there are press releases, press conferences, public disclosures to be made in line with NUROL information and interview requests, all intellectual property rights, brand and patent rights and explanations, notifications and announcements about NUROL's shareholders, board and managers, NUROL's business associations, merger, acquisition, acquisition, and external sources, reorganization issues. Such disclosures made on behalf of NUROL must be complete, accurate, comprehensible, prompt, and realistic. The explanations should not include statements that may lead to misguidance or misunderstanding, and NUROL's reputation should be respected at the highest level. Advertising, sponsorship, social responsibility, donation, publicity, brochure and other promotional printed materials are executed as specified in the NUROL Corporate Identity Guideline. In these activities, we act with social accountability awareness. The Annual Reports submitted to shareholders, investors and the public are prepared under the coordinated efforts of the Human Resources and Public Relations Coordination Office and with the knowledge of the Holding's Board of Directors. In all external communications activities it is essential to use corporate colors, brand and logo standards, presentations, bulletins and correspondence samples, and all materials used in the Corporate Identity Guidelines. Social media activities that involve publications, sharing, and magazines that are distributed through websites, social media and communications tools or in written form, are to be conducted in a manner that is modern, effective and widespread. The Coordination Office shall be responsible for the use of social media networks and the supply of content. NUROL employees may not include NUROL activities, information, working conditions, brand and logo in the participation and sharing of social media sites, corporate or personal blogs, video and photo sharing sites, discussion groups and forums, or all social media networks containing online dictionaries and encyclopedias. Employees must comply with the aforementioned principles when participating in social media networks that are owned and managed by NUROL. There shall be no comments made against announcements, explanations and disclaimers about NUROL in the visual and print media, as well as rumors, gossips or unsubstantiated news or statements. However, if it is deemed necessary for the protection of NUROL interests, the Coordination Office shall make the necessary disclaimer or legal proceedings for such unfounded news.

The Corporate Communication Rules cover all NUROL employees and violating these rules constitute a disciplinary offense, including dismissal. Violations are subject to disciplinary action.

EYÜP SABRİ ÇARMIKLI HIGH SCHOOL OPENING CEREMONY, GÖLE, TAHTAKIRAN VILLAGE

# CORPORATE SOCIAL RESPONSIBILITY

# CORPORATE SOCIAL RESPONSIBILITY

**We are always taking steps to achieve better for our employees, our country and the world.**

## OUR CORPORATE SOCIAL RESPONSIBILITY AWARENESS

Our sense of corporate social accountability from the past is one of the elements that reinforces our sustainability strategy as a result of the sustainability management approach. We share the quality and trust we have built with our stakeholders who know us closely with other stakeholders through corporate social accountability projects in our value chain. We continue to touch the lives of thousands of people with projects developed in line with the United Nations Sustainable Development Goals. While developing all our projects in line with our sustainability strategy, we focus on aligning our sustainability strategy with our business strategies. With this harmony we have created, we can ensure that all our social responsibility projects are lasting and permanent.

During the reporting period, Nurol Holding supported the education of countless students under the title "Qualified Education," which is the main sustainable development goal we have adopted. We accomplished this through new schools and the scholarships we give to students.

As a company with global achievements and a growth target, we know that the qualified human resources grown in our own society is important for society's fundamental development. In this context, with the investments we make in the field of education, we also aim to achieve economic prosperity for those lives we can touch by giving scholarships and the ability to earn a lifetime income.

We have frequently shared the importance we attach to stakeholder communication for continuous improvement within our sustainability management practices. However, communication varies and is a method of communication in art, which is one of the indispensable elements of social life. Respect for what is different and the value given to it is an indispensable element of culture development. In addition to education, environmental protection and social projects, the Nurol family continues to support art as it has done in the past.

## NUROL EDUCATIONAL, CULTURAL AND SPORTS FOUNDATION

NUROL Educational, Cultural and Sports Foundation, established in Ankara, meets its financing needs with the in-kind capital donations in the form of real estate provided by the founding brothers, Nurettin ÇARMIKLI, Erol ÇARMIKLI and M. Oğuz ÇARMIKLI and cash donations, in addition, the returns of the assets in its portfolio and transfers from Nurol Group Companies every year to continue its activities. NUROL attaches importance to activities aimed at improving the quality of life of society as a natural part of the company's culture together with values gained over more than half a century, and continues to support contemporary education, sports, culture and arts in order to create a better future.

Çarmıklı Educational and Cultural Center, Artvin / Turkey

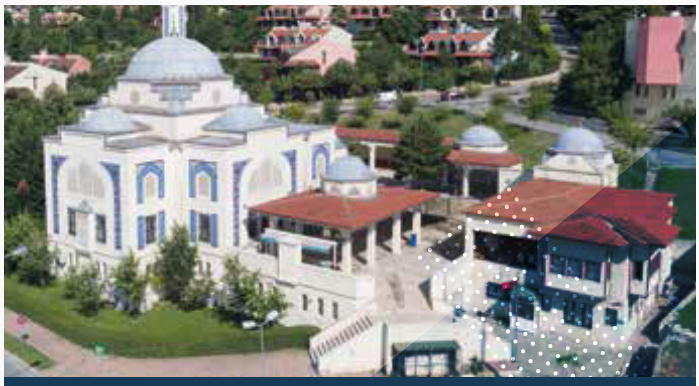
Founded by the ÇARMIKLI FAMILY in 1996, NUROL EDUCATIONAL, CULTURAL and SPORTS FOUNDATION continues its activities day in day out to develop our national culture by preserving its ties with the past and to contribute to the efforts of our country to reach the level of modern civilization and take its place at the international level. The management of the Foundation is carried out by the Board of

E. Felicity Çarmıklı Elementary School, Iskenderun / Turkey

Directors, comprising five members, upon the approval of the decisions made by the members of the Board of Trustees, for the purposes stated in the articles of association.

Atatürk's House, Ankara / Turkey

The NUROL Foundation attaches importance to the sustainable benefits of its contributions to focus on the educational and cultural development of young people with a sense of social accountability. Accordingly, students with insufficient financial means are given scholarships at various educational levels and their educational status is closely monitored. The foundation has built cultural buildings, including schools, libraries, sports, training and convention halls, cinema and theater halls, all over Turkey and donated them to the Ministry of National Education. They are assets that still remain at the service of the Turkish nation.



Hacı Eyüp - Felicity Çarmıklı Mosque, Istanbul / Turkey

Eyüp Sabri Çarmıklı High School, Ardahan - Göle / Turkey

Books of Nurettin Çarmıklı

Established in 1992 to bring contemporary art and artists to Ankara's art lovers, the NUROL ART GALLERY continues to be a place where the work of original artists are exhibited and young talent have the opportunity to be discovered and introduced themselves. The gallery has become the capital's preferred culture and arts setting with artistic workshops, talks, signing events and panels organized alongside exhibitions.

The NUROL Foundation provides funding for the preparation of books and documentaries for publication with the aim of preserving our national values and promoting awareness of our cultural heritage. The Foundation also played an active role in reaching wider audiences through its artistic and cultural projects. The Ottoman historian, researcher, writer and musicologist Emre Aracı is supported by the Foundation and successfully represents Turkey in the field of music with books and albums, as well as the conferences, recitals and vconcerts he has given all over the world.

Ballat of Civilization - Divriği - Hasankeyf - Hattusha

Ballat of Civilization - Safranbolu - Cappadocia - Nemrut

Emre Aracı Works

Nurol Art Gallery, Ankara / TURKEY

## NUROL ART GALLERY

The Nurol Art Gallery was opened in April 2002 under the Nurol Educational Cultural and Sports Foundation and has hosted many distinguished artists, past and present. It plays an important role in Ankara, having become a popular meeting point for art lovers and artists alike. One of the most important functions of our gallery, which has won the appreciation of art lovers by carrying out thorough and meticulous studies over the years, is that through its revenue it supports the education of our accomplished young people by contributing to the Foundation's scholarship fund.

The Gallery, which was originally opened with an exhibition of paintings by the great master Nuri İyem, has featured nearly 150 individual and mixed exhibitions in the past 18 years. The gallery has hosted works by Bedri Rahmi Eyüboğlu, Ercüment Kalmık, Mehmet Güleryüz, Aydın Ayan, Mevlut Akyıldız, Mehmet Güler, Bedri Baykam, Turan Erol, Habip Aydoğdu, Christo Yotov, Duran Karaca, Adnan Turani, Hikmet Çetinkaya, Hayati Misman, Kuo Hsin-i and many other important artists.

The gallery features an average of eight exhibitions each season and features works by young artists as well as by masters of Turkish Plastic Arts. While it is a stipulation of our gallery to include original works of art, it has made it a mission to support young artists by organizing exhibitions with fine arts students of universities and to open exhibitions within the scope of social aid projects.

In addition to exhibitions, concerts and interviews, book signings and promotion days, conferences and work shops are held in the gallery, which has an exhibition area of 120 m$^2$, and efforts are made to turn it into a real art center. In line with this objective, painting activities are taking place under the Nurolatölye roof and new talents are being discovered.

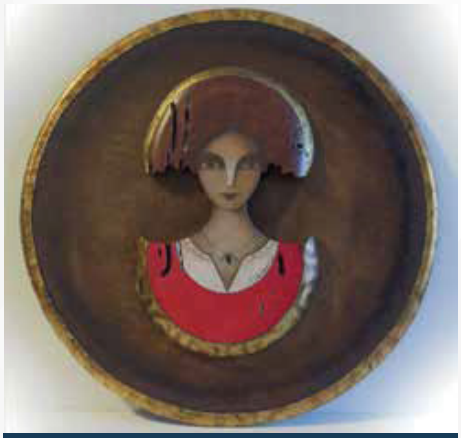
The books we have prepared for the artists exhibited in the gallery, in particular those of Mehmet Güleryüz and Bihrat Mavitan, and many other exhibition catalogues have been published and are included in our archives.

In recent years, the Nurol Art Gallery has not only organized exhibitions in its own location, it has also participated in art fairs. In particular, the International Ankara Art Fair, which was visited by about 40,000 people and where more than 100 galleries from 15 countries had stands, has been very productive for our artists as well as for our gallery.

We have organised collaborative efforts with the Ministry of Foreign Affairs in Turkey to give an international identity to work done at home. We have held exhibitions of Adnan Turani in Taiwan, and Işıl ÖzIşık in New York and by participating in the Florence Bieanali, we have been proud to act as an intermediary for Turkish painters to meet abroad.

From the day it opened, the Nurol Art Gallery has contributed to numerous collectors with the work of Turkish and foreign painters, and has a very special collection of valuable works.

Fatih Karakaş



M. Emin Erdoğdu

Güzin Atıl Akdemir

TÜMAD MINING, BIODIVERSITY STUDIES

# PERFORMANCE INDICATORS

# NUROL HOLDING
# SUSTAINABILITY GOALS

| FOCUS AREA | TARGET YEAR | TARGET |
|---|---|---|
| **Sustainability Management** | 2020 | Creating Sustainability Teams in Nurol Group Companies |
| | | Gathering of Sustainability Teams at least twice a year |
| | | Developing practices and projects in line with the Sustainable Development Goals |
| **Governance** | 2020 | Integration of Enteprise Resource Planning (ERP) System |
| **Risk Management** | 2020 | Assessment of sustainability risks |
| **Human Resources** | 2020 | Human Resources 2020-At least 800 people*hours of training for our employees |

# NUROL CONSTRUCTION SUSTAINABILITY GOALS

| FOCUS AREA | TARGET YEAR | TARGET |
|---|---|---|
| Sustainability Management | 2020 | Gathering the Sustainability Committee at least four times a year. |
| | 2020 | Signing of Women's Empowerment Principles (WEPs). |
| | 2020 | Organizing training on gender equality. |
| | 2020 | 2020 Sustainability Reporting-increasing the number of projects included in the report. |
| | 2020 | Preparation and participation in at least one Sustainability Award program. |
| Management Systems | 2020 | Survey Management by increasing the number of modules used in the Document Software System (QDMS), Initiating efforts on the Suggestion System, Internal Customer Complaint Management Modules. |
| | 2020 | Gathering the Central Process Risk Assessment Team quarterly. |
| | 2020 | Reviewing the Nurol Construction processes and performing actions for process improvements. |
| | 2020 | Planning second-party audits (supplier and subcontractor) including OHS, Environment and Quality matters. |
| | 2020 | Going live with SAP ERP software. |
| HSE Management | 2020 | Nurol Construction Family Gathering to encourage employee engagement<br>Organizing these gatherings at least four times a year in all projects. |
| | 2020 | Preparation of the OHSE Toolbox booklet during the year. |
| | 2020 | 120 min/month of training per person for central staff in terms of quality, environment, OHS and personal development topics. 45 min/month of training per person for Nurol Construction personnel throughout the projects. |
| | 2020 | Having an Incident Severity Rate below 1.6. |
| | 2020 | Incident Severity Rate = Total of Work Days Lost * 103 / Total of Work Hours |
| | 2020 | Having an Incident Frequency Rate below 16. |
| | 2020 | Incident Frequency Rate = Total Number of Incidents with<br>Lost Work Days / Total of Work Hours x 106 |
| Management Systems | 2020 | Organizing a three-month event to increase employee motivation and compliance with the company working principles. |
| | 2020 | Organizing at least three corporate social responsibility activities per year. |

# NUROL TECHNOLOGY SUSTAINABILITY GOALS

| FOCUS AREA | TARGET YEAR | TARGET |
|---|---|---|
| **Management Systems** | 2020 | Preparing the Ergazi Ballistics Test Laboratory for the TURKAK accreditation |
| **Process Management** | 2020 | Process restructuring and launching SAP design efforts |
| **Training** | 2020 | Training at least 15 hours per employee |
| | | Obtaining ISO 9001:2015 Quality Management System trainings |
| **Training (Environment)** | 2020 | Training personnel to raise environmental awareness and ensure effective use of recycling waste storage area |
| **Energy Management** | 2020 | Calculation of energy unit cost - for efficient energy management, installation of energy analyzers and remote monitoring system in equipment such as furnace etc. |
| **Emission Management** | 2020 | Installing a burner system in furnaces that do not have a burner in order to eliminate harmful gases to prevent them from entering the air. |
| | | Greenhouse Gas Emission measurement |
| **Water Management** | 2020 | Minimizing water loss by using the Closed System |
| | | Configuring plumbing to prevent contamination and rust |
| **Waste Management** | 2020 | Reducing plastic, paper and cardboard waste by 10 percent compared to the previous year |
| **Work Injuries** | 2020 | Zero Work Accident |
| **Accident Frequency** | 2020 | Keeping Accident Frequency rate below 4.0 |
| **Performance Management System** | 2020 | Establishing a Performance Management System |
| **Development Planning** | 2020 | Providing postgraduate support to our employees more than in previous years |
| **Talent Management** | 2020 | Updating job descriptions |
| | | Creating career maps |
| **Employee Satisfaction Survey** | 2020 | Conducting Employee Satisfaction Survey |
| **Employee Engagement** | 2020 | Carrying out activities to increase employee loyalty |
| **Supplier Management** | 2020 | Increasing the number of approved suppliers by 10 percent compared to the previous year |

# FNSS SUSTAINABILITY GOALS

| FOCUS AREA | TARGET YEAR | TARGET |
|---|---|---|
| **Water Management** | 2020 | Creating Institutional Water Inventory According to the ISO 14046 Water Footprint Standard |
| | | Setting activity-based targets to reduce water consumption |
| **Emission Management** | 2020 | Calculating the corporate carbon footprint in accordance with the ISO 14064 Standard |
| **Training** | 2020 | Providing sustainability training for an effective sustainability management. |
| | | Annual training plan implementation rate above 90% |
| **Employee Development** | 2020 | Carrying out activities to develop leadership culture |
| | | Supporting the development of blue-collar employees |
| **Indigenization Management** | 2020 | Systematically supporting the local and national industry |

# NUROL MAKINA
# SUSTAINABILITY GOALS

| FOCUS AREA | TARGET YEAR | TARGET |
|---|---|---|
| **Environment** | 2020 | Reducing consumption of natural resources per person by 5 percent. |
| **HSE** | 2020 | Reducing the incident frequency rate by 10 percent compared to the previous year. |
| | | Reducing the incident severity rates by 10 percent compared to the previous year. |
| | | Writing articles on OHS. |
| | | Improving the incident investigation process within the scope of OHS. |
| **Employee Development** | 2020 | Establishment of Career Management Process. (Implemented) |
| **Process Management** | 2020 | Risk ve Fırsat yönetiminin kurumsal, süreç ve proje bazlı değerlendirme formatlarının netleştirilmesi ve sistemik izleme, analiz ve raporlama süreçlerinin koordinasyonunun sağlanması. |

# TÜMAD SUSTAINABILITY GOALS

| FOCUS AREA | TARGET YEAR | TARGET |
|---|---|---|
| **Work Injuries** | 2020 | 0 Work Accident |
| **Accident Frequency** | 2020 | Keeping the Accident Frequency below 8.0 |
| **Supplier Social Assessment** | 2020 | Auditing our two suppliers annually, including social compliance criteria |
| **Water Management** | 2020 | Reducing the use of raw water |
| | | Improving water monitoring with physical and chemical parameters |
| | | Establishment of a flow observation station in Kovanlık Stream for Water Monitoring |
| **Emission Management** | 2020 | Measurement of SOx and NOx every 6 months with sensitive detectors at potential areas that may be affected by mining activities. |

# NUROL BANK
# SUSTAINABILITY GOALS

| FOCUS AREA | TARGET YEAR | TARGET |
|---|---|---|
| **Sustainability Management** | 2020 | Assessment of climate change risks for investments in compliance with TCFD (Task Force on Climate Related Financial Disclosures) |
| | | Establishing a Sustainability Committee |
| **Training** | 2020 | Regular sustainability trainings for bank employees |

| | International Standards or Legal Requireme based QHS Management | 2018 | | 2019 | |
|---|---|---|---|---|---|
| | | Number | Ratio in Total | Number | Ratio in Total |
| NUROL Holding | Employees included in the system | 108 | 82% | 111 | 85% |
| | Those included in the system and audited by the Institution | 108 | 82% | 111 | 85% |
| | Those included in the system and externally audited | 108 | 82% | 111 | 85% |
| | **Total Employee Number** | 131 | 100% | 135 | 100% |
| TÜMAD | Employees included in the system | 839 | 100% | 1661 | 100% |
| | Those included in the system and audited by the Institution | 839 | 100% | 1661 | 100% |
| | Those included in the system and externally audited | 839 | 100% | 1661 | 100% |
| | **Total Employee Number** | 839 | 100% | 1661 | 100% |
| FNSS | Employees included in the system | 1104 | 100% | 1158 | 100% |
| | Those included in the system and audited by the Institution | 1104 | 100% | 1158 | 100% |
| | Those included in the system and externally audited | 1104 | 100% | 1158 | 100% |
| | **Total Employee Number** | 1104 | 100% | 1158 | 100% |
| NUROL Makina | Employees included in the system | 511 | 100% | 554 | 100% |
| | Those included in the system and audited by the Institution | 511 | 100% | 554 | 100% |
| | Those included in the system and externally audited | 511 | 100% | 554 | 100% |
| | **Total Employee Number** | 511 | 100% | 554 | 100% |
| NUROL Construction | Employees included in the system | 2781 | 100% | 876 | 100% |
| | Those included in the system and audited by the Institution | 2781 | 100% | 876 | 100% |
| | Those included in the system and externally audited | 2781 | 100% | 380 | 43% |
| | **Total Employee Number** | 2781 | 100% | 876 | 100% |
| NUROL Technologies | Employees included in the system | 96 | 100% | 133 | 100% |
| | Those included in the system and audited by the Institution | 96 | 100% | 133 | 100% |
| | Those included in the system and externally audited | 96 | 100% | 133 | 100% |
| | **Total Employee Number** | 96 | 100% | 133 | 100% |
| NUROL Bank | Employees included in the system | 18 | 100% | 17 | 100% |
| | Those included in the system and audited by the Institution | 18 | 100% | 17 | 100% |
| | Those included in the system and externally audited | 18 | 100% | 17 | 100% |
| | **Total Employee Number** | 18 | 100% | 17 | 100% |

| | | Nurol Holding | | Nurol Construction | | Nurol Makina | | FNSS | | Nurol Technologies | | TÜMAD | | Nurol Bank | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 |
| | Annual Total Working Hours | 306.540 | 315.900 | 5.583.508 | 4.427.687 | 1.325.663 | 1.433.505 | 1,848.216 | 1.994.367 | 2,120 | 2,136 | 1,530.910 | 3.120.544 | | |
| Work Related Injuries | Employee (Integer) | 0 | 0 | 30 | 26 | 31 | 12 | 6 | 6 | 13 | 17 | 35 | 60 | 0 | 0 |
| | Subcontractor (Integer) | 0 | 0 | 54 | 27 | 0 | 1 | 0 | 0 | 0 | 0 | 30 | 32 | 0 | 0 |
| | Total (Integer) | 0 | 0 | 84 | 53 | 31 | 13 | 6 | 6 | 13 | 17 | 65 | 92 | 0 | 0 |
| | Toplamın Oranı | 0 | 0 | 15,04 | 11,97 | 23 | 9 | 3 | 3 | 13,5% | 12,8% | 8,49 | 5.9 | 0 | 0 |
| Serious Injuries | Employee (Integer) | 0 | 0 | 21 | 19 | 0 | 0 | 15 | 11 | 0 | 0 | 18 | 15 | 0 | 0 |
| | Subcontractor (Integer) | 0 | 0 | 18 | 6 | 0 | 0 | 2 | 0 | 0 | 0 | 8 | 4 | 0 | 0 |
| | Total (Integer) | 0 | 0 | 39 | 25 | 0 | 0 | 17 | 11 | 0 | 0 | 26 | 19 | 0 | 0 |
| | Total Ratio | 0 | 0 | 6,98 | 5,64 | 0 | 0 | 9 | 6 | 0 | 0 | 3,4 | 1,22 | 0 | 0 |
| Work Related Deaths | Employee (Integer) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Subcontractor (Integer) | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total (Integer) | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total Ratio | 0 | 0 | 0,17 | 0,22 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

1.000.000 value used as the ratio coefficient.
200.000 value used as the ratio coefficient for TÜMAD.

| Boards of Directors Age Distributions % | Below 30 | | | Between 30-50 | | | Above 50 | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2019 | 2018 | 2017 | 2019 | 2018 | 2017 | 2019 | 2018 | 2017 |
| Nurol Holding | %0 | %0 | - | %33 | %33 | - | %67 | %67 | - |
| Nurol Construction | %0 | %0 | %0 | %93 | %82 | %19 | %7 | %18 | %19 |
| Nurol Makina | %0 | %0 | - | %50 | %50 | %50 | %50 | - | - |
| FNSS | %0 | %0 | %0 | %25 | %25 | %25 | %75 | %75 | %75 |
| Nurol Technologies | 0 | 0 | 0 | %50 | %50 | %50 | %50 | %50 | %50 |
| TÜMAD | %0 | %0 | - | %43 | %57 | %43 | %57 | - | - |
| Nurol Bank | %0 | %0 | - | %22 | %22 | - | %78 | %78 | - |

| Number of Employees by Year | Men | | | Women | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2019 | 2018 | 2017 | 2019 | 2018 | 2017 | 2019 | 2018 | 2017 |
| Nurol Holding | 83 | 82 | 80 | 52 | 49 | 48 | 135 | 131 | 128 |
| Nurol Construction | 815 | 2672 | 2119 | 61 | 109 | 72 | 876 | 2781 | 2191 |
| Nurol Makina | 502 | 462 | 414 | 52 | 42 | 41 | 554 | 504 | 455 |
| FNSS | 877 | 850 | 792 | 163 | 153 | 148 | 1040 | 1003 | 940 |
| Nurol Technologies | 106 | 84 | 84 | 24 | 22 | 20 | 130 | 106 | 104 |
| TÜMAD | 717 | 394 | 166 | 81 | 57 | 31 | 798 | 451 | 197 |
| Nurol Bank | 7 | 11 | - | 10 | 7 | - | 17 | 18 | - |

| Number of Employee | White Collar | | | | Blue Collar | | | |
|---|---|---|---|---|---|---|---|---|
| | Men | | Women | | Men | | Women | |
| | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 |
| Nurol Holding | 82 | 83 | 49 | 52 | 0 | 0 | 0 | 0 |
| Nurol Construction | 210 | 161 | 36 | 24 | 2462 | 654 | 73 | 37 |
| Nurol Makina | 186 | 201 | 42 | 52 | 276 | 301 | 0 | 0 |
| FNSS | 503 | 516 | 152 | 162 | 347 | 361 | 1 | 1 |
| Nurol Technologies | 60 | 63 | 15 | 22 | 18 | 43 | 0 | 2 |
| TÜMAD | 142 | 199 | 37 | 53 | 252 | 518 | 20 | 28 |
| Nurol Bank | 11 | 7 | 7 | 10 | 0 | 0 | 0 | 0 |

| Number of Employee | Full Time | | | | Part Time | | | |
|---|---|---|---|---|---|---|---|---|
| | Men | | Women | | Men | | Women | |
| | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 |
| Nurol Holding | 79 | 80 | 48 | 51 | 3 | 3 | 1 | 1 |
| Nurol Construction | 829 | 531 | 53 | 27 | 1 | 1 | 0 | 0 |
| Nurol Makina | 462 | 502 | 42 | 52 | 0 | 0 | 0 | 0 |
| FNSS | 845 | 870 | 153 | 162 | 5 | 7 | 0 | 1 |
| Nurol Technologies | 78 | 106 | 15 | 24 | 3 | 3 | 0 | 0 |
| TÜMAD | 394 | 717 | 57 | 81 | 0 | 0 | 0 | 0 |
| Nurol Bank | 11 | 7 | 7 | 10 | 0 | 0 | 0 | 0 |

| Disabled Personnel Number | Men | | Women | |
|---|---|---|---|---|
| | 2018 | 2019 | 2018 | 2019 |
| Nurol Holding | 2 | 3 | 1 | 1 |
| Nurol Construction | 5 | 3 | 1 | 0 |
| Nurol Makina | 7 | 7 | 0 | 0 |
| FNSS | 28 | 29 | 1 | 1 |
| Nurol Technologies | 1 | 2 | 0 | 0 |
| TÜMAD | 10 | 20 | 2 | 2 |
| Nurol Bank | 0 | 0 | 0 | 0 |

| Number of Employee | Turkey | | | | Foreign Operations | | | |
|---|---|---|---|---|---|---|---|---|
| | Men | | Women | | Men | | Women | |
| | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 |
| Nurol Holding | 82 | 83 | 49 | 52 | 0 | 0 | 0 | 0 |
| Nurol Construction | 350 | 213 | 31 | 26 | 480 | 319 | 22 | 1 |
| Nurol Makina | 462 | 502 | 42 | 52 | 0 | 0 | 0 | 0 |
| FNSS | 850 | 877 | 153 | 163 | 0 | 0 | 0 | 0 |
| Nurol Technologies | 81 | 109 | 15 | 24 | 0 | 0 | 0 | 0 |
| TÜMAD | 394 | 717 | 57 | 81 | 0 | 0 | 0 | 0 |
| Nurol Bank | 11 | 7 | 7 | 10 | 0 | 0 | 0 | 0 |

| Number of Employee | Temporary | | | | Permanent | | | |
|---|---|---|---|---|---|---|---|---|
| | Men | | Women | | Men | | Women | |
| | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 |
| Nurol Holding | 0 | 0 | 0 | 0 | 82 | 83 | 49 | 52 |
| Nurol Construction | 480 | 0 | 22 | 0 | 350 | 532 | 31 | 27 |
| Nurol Makina | 0 | 0 | 0 | 0 | 462 | 502 | 42 | 52 |
| FNSS | 32 | 33 | 8 | 6 | 818 | 844 | 145 | 157 |
| Nurol Technologies | 3 | 3 | 0 | 0 | 78 | 106 | 15 | 24 |
| TÜMAD | 0 | 0 | 0 | 0 | 394 | 717 | 57 | 81 |
| Nurol Bank | 0 | 0 | 0 | 0 | 11 | 7 | 7 | 10 |

| New Employee Recruitment Number | Men | | | | | | Women | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Below 30 | | Between 30-50 | | Above 50 | | Below 30 | | Between 30-50 | | Above 50 | |
| | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 |
| Nurol Holding | 1 | 0 | 12 | 7 | 5 | 5 | 1 | 1 | 8 | 2 | 0 | 2 |
| Nurol Construction | 41 | 13 | 101 | 67 | 50 | 13 | 5 | 2 | 3 | 3 | 1 | 0 |
| Nurol Makina | 54 | 31 | 72 | 21 | 10 | 1 | 10 | 6 | 3 | 2 | 0 | 0 |
| FNSS | 68 | 35 | 49 | 33 | 1 | 2 | 18 | 13 | 8 | 6 | 0 | 1 |
| Nurol Technologies | 10 | 10 | 3 | 3 | 0 | 0 | 4 | 4 | 1 | 1 | 0 | 0 |
| TÜMAD | 123 | 122 | 244 | 242 | 27 | 32 | 21 | 18 | 32 | 15 | 4 | 3 |

| Employee Turnover Rate | | | | Nurol Holding | Nurol Construction | Nurol Makina | FNSS | Nurol Technologies | TÜMAD |
|---|---|---|---|---|---|---|---|---|---|
| Men | Below 30 | 2018 | Number | 0,0076 | 67 | 13 | 18 | 0 | 16 |
| | | | Ratio | 4% | 18,65% | 2,60% | 8,50% | 0% | 13% |
| | | 2019 | Number | 0 | 67 | 10 | 11 | 37 | 28 |
| | | | Ratio | 0% | 17% | 1,80% | 5,50% | 27.82% | 13,66% |
| | Between 30-50 | 2018 | Number | 0,0916 | 96 | 18 | 39 | 0 | 42 |
| | | | Ratio | 44% | 29,07% | 3,60% | 7,30% | 0% | 17% |
| | | 2019 | Number | 0,0519 | 232 | 14 | 27 | 56 | 46 |
| | | | Ratio | 41% | 53% | 1,80% | 4,60% | 42.11% | 10,11% |
| | Above 50 | 2018 | Number | 0,0382 | 31 | 1 | 8 | 0 | 2 |
| | | | Ratio | 19% | 11,98% | 0,20% | 10,40% | 0% | 7,70% |
| | | 2019 | Number | 0,0307 | 95 | 1 | 5 | 13 | 9 |
| | | | Ratio | 29% | 32% | 0,20% | 6,30% | 9.77% | 15,79% |
| Women | Below 30 | 2018 | Number | 0,076 | 5 | 3 | 9 | 0 | 2 |
| | | | Ratio | 4% | 2,43% | 0,60% | 12,20% | 0% | 9% |
| | | 2019 | Number | 0,0074 | 4 | 2 | 5 | 13 | 4 |
| | | | Ratio | 6% | 2% | 0,40% | 7,20% | 9.77% | 11% |
| | Between 30-50 | 2018 | Number | 0,0611 | 3 | 3 | 11 | 0 | 2 |
| | | | Ratio | 30% | 1,32% | 0,60% | 16,40% | 0% | 6,25% |
| | | 2019 | Number | 0,0148 | 6 | 0 | 4 | 10 | 3 |
| | | | Ratio | 12% | 14% | 0% | 5% | 7.52% | 8% |
| | Above 50 | 2018 | Number | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | Ratio | 0% | 0% | 0% | 0% | 0% | 0 |
| | | 2019 | Number | 0,0148 | 2% | 0 | 1 | 1 | 0 |
| | | | Ratio | 12% | 1% | 0% | 11,10% | 0.75% | 0% |

## GRI 101: Core 2016
## GRI 102: General Indicators 2016

| | GRI Standart | Explanation | Page and Direct Answers |
|---|---|---|---|
| Organizational Profile | 102-1 | About the Report | 4 |
| | 102-2 | Corporate Profile | 9,13,21:32 |
| | 102-3 | About Nurol Holding | 13 |
| | 102-4 | About Nurol Holding | 13 |
| | 102-5 | Corporate Governance | 10 |
| | 102-6 | About Nurol Holding | 13 |
| | 102-7 | Economic Outlook | 16.18 |
| | 102-8 | Nurol Working Life; Performance Indicators | 121 |
| | 102-9 | Sustainability Approach | 35 |
| | 102-10 | GRI Content Index, No important Change | Explanation |
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| | "GRI 303 Su 2016" | 303-1 Water withdrawal by source | Sustainability Approach | 35,56,61,68,77,98 |
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| | **Principle 2** - make sure that they are not complicit in human rights abuses. | 116 - 120 |
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