



SUSTAINABILITY PROGRESS REPORT

2022 – 2023 Progress Report

Kontrolmatik
Technologies



Get well Türkiye

While we were preparing this report, we were shocked by one of the biggest natural disasters in the history of our country on February 6, 2023. There was an earthquake, centered in Kahramanmaraş, that directly affected our 10 provinces, causing much destruction.

We wish for mercy from Allah on our citizens who lost their lives in the earthquake disaster, rapid healing for those who were injured, and patience for our country. Our condolences go out to all who were affected by this earthquake.

We, as Kontrolmatik family members were in the field in the first hours of the disaster. We acted in coordination with public institutions and organizations in order to meet the urgent needs in the region, heal the wounds of our citizens affected by the earthquake, and eliminate the devastating impact of the disaster to some extent. We mobilized all our provisions, from containers to field tents, generators, construction machinery, and mobile toilets. We also provided hot meals.

We will decisively perform our part in healing the wounds this great earthquake caused. We will heal together.

We stand with our people with all our strength because we are the children of this country.

Hope we all get well soon

ABOUT the REPORT

In this **Sustainability Progress Report**, we as Kontrolmatik Technologies Inc. present our performance and track record in year 2022 and half year of 2023 since the establishment in terms of our achievements and accomplishments on sustainability commitments, particularly focusing on the ESG (environmental, social and corporate governance) aspects.

The contents of this report and the consolidated financial statements cover our business activities through all Kontrolmatik Technologies offices, subsidiaries, brands, site works globally, Mobile Solution Facility and LiFePO₄ production facility under construction located in Ankara city.

This report discloses our contributions to the 2030 Agenda and Sustainable Development Goals ratified by United Nations in 2015.

This report refers to our public disclosures regarding CDP (Carbon Disclosure Platform) 2023, MSCI, FTSE and BIST Corporate Governance Index, as well as our quarterly and annual activity and financial reports on our corporate website, as well as our investor presentations.

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ABOUT THE COMPANY

Established as an engineering and automation company in 2008 in İstanbul, Türkiye, Kontrolmatik is a vertically and horizontally integrated technology firm that generates cash flow from Engineering-Procurement-Construction (EPC) operations. It went public in 2020 and is currently traded on Borsa İstanbul.

The main field of activity of Kontrolmatik is to provide end-to-end digital solutions in the fields of software, hardware and systems development and integration for all kinds of engineering solutions, energy generation, transmission, distribution, energy storage technologies, internet of things (IoT), with its innovative and sustainable technology-oriented approaches, and developing sustainable technologies for a more livable and carbon-neutral world.

Kontrolmatik's sustainability values follow four main approaches: Productivity, Planet, People and Partnership. The company builds its future plans on this basis.

Kontrolmatik transforms its experience and knowledge gained through R&D in different sectors into technological, sustainable and innovative products and turnkey solutions. With the contributions of the R&D department established in 2016, the Know-How in control systems evolved into Controlix-IoT segment, the experience and knowledge in the energy sector evolved into the production of Pomega-Lithium-ion based battery cells and the Progresiva Energy storage segment.

Kontrolmatik is the World's 28th Largest System Integrators according to Control Engineering Magazine's 2022 rankings, becoming one of the youngest companies on one of the industry's most prestigious lists. As one of the world's largest system integrators, it can work independently of brands. The backlog size is ~5,6 billion TL as of September 30, 2023. About 70% of the ongoing projects are in USD & Euro terms.

Global Power

Kontrolmatik has successfully completed more than 300 projects in 35 countries with its reliable and powerful partners.

Global Headquarters

İstanbul, Türkiye

Mobile Energy Solutions Factory

Ankara, Türkiye

3 GWh Lithium-Ion Battery Cell Factory

Ankara, Türkiye

3 GWh Lithium-Ion Battery Cell Factory

South Carolina, USA (Under Construction)

Overseas Offices and Representations

USA

Uzbekistan

Cameroon

Iraq

Libya

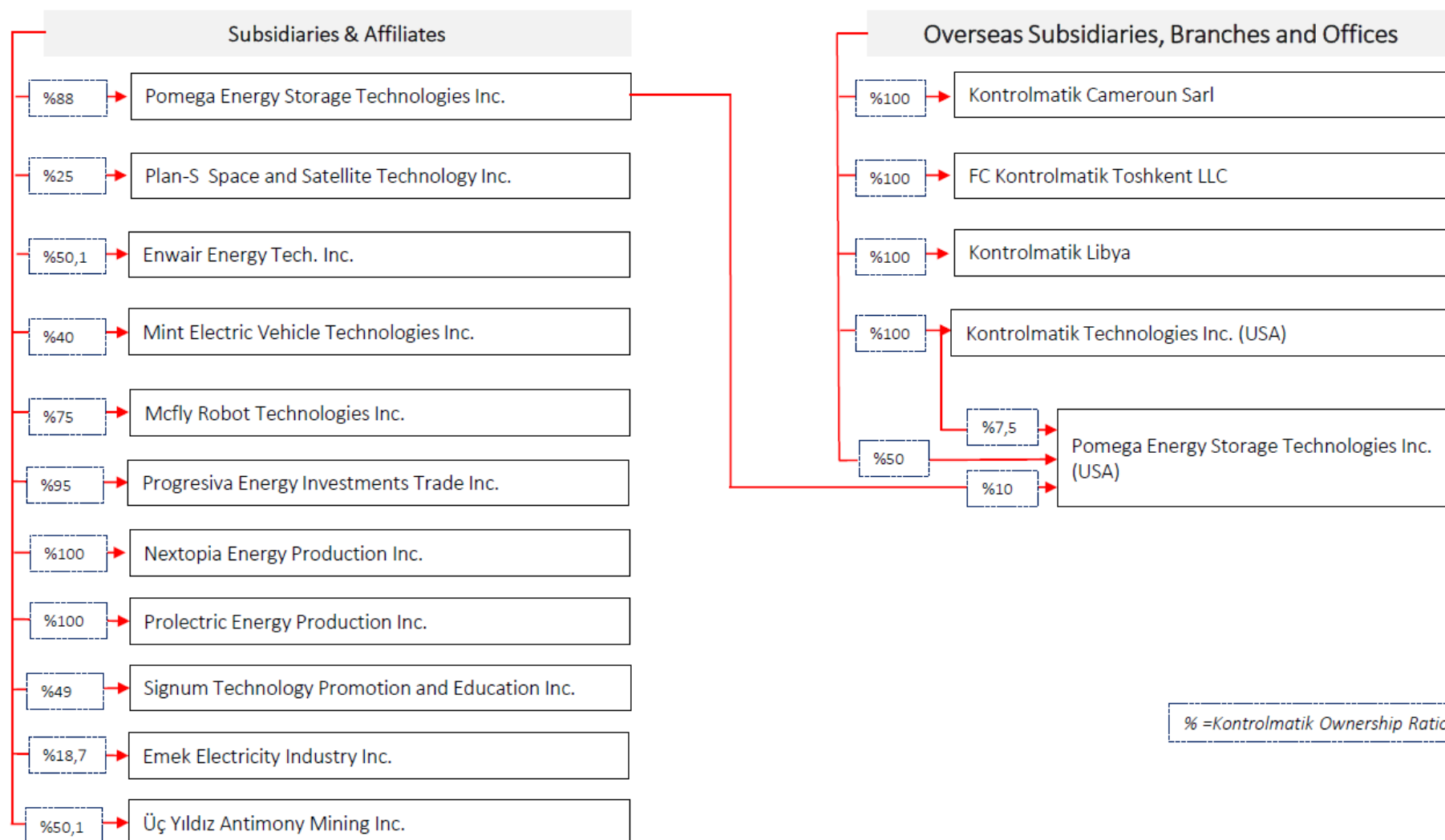
Kuwait

Senegal

Kenya

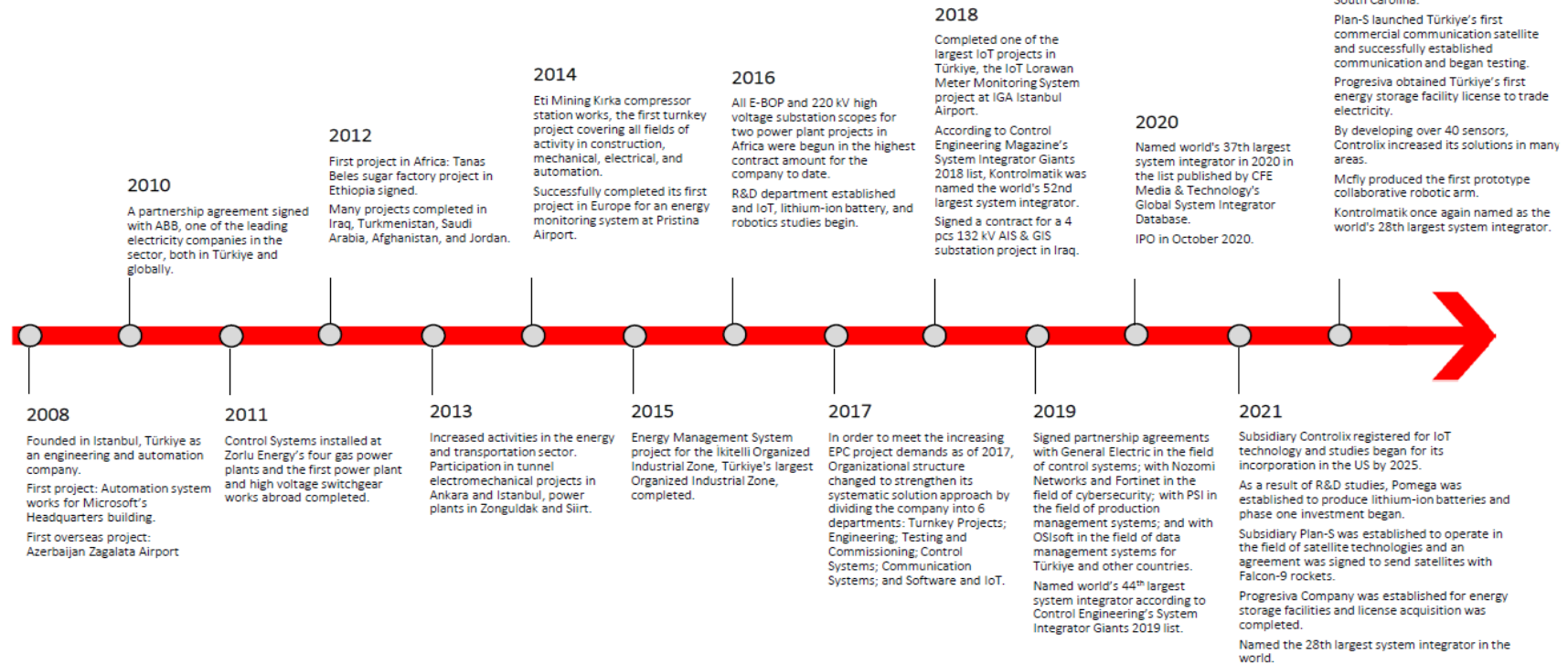


SUBSIDIARIES and AFFILIATES

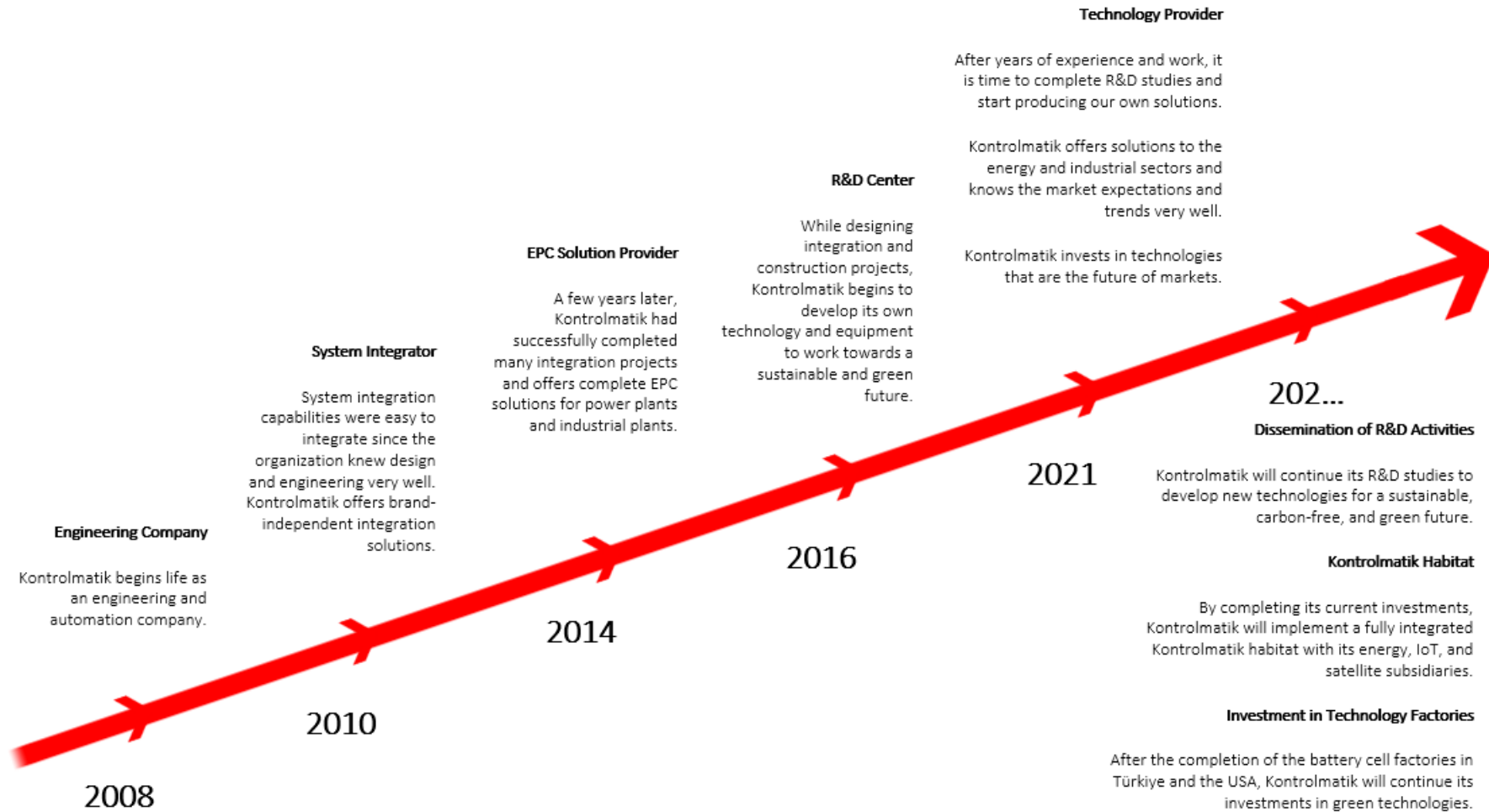


MILESTONES

Milestones



SUSTAINABILITY TECHNOLOGIES TRANSFORMATION



CORPORATE SUSTAINABILITY APPROACH

As Kontrolmatik, we define our sustainability governance strategy as **PLANEARTH**.

We assess and manage environmental and social impacts, risks, benefits, and dimensions arising from all our business activities in a 360-degree, comprehensive manner. In our management process, we communicate transparently and effectively with all our internal and external stakeholders. Consequently, we measure and disclose the performance of all our activities to the public in a transparent manner through the environmental, social and corporate governance methods

Kontrolmatik Sustainability Governance PLANEARTH comprises the holistic actions, impacts, and interactions of environmental, social, and corporate governance of all our business activities, and the sustainable communication (continuous, effective and transparent) of the results of this integration with all our internal and external stakeholders.

Kontrolmatik takes into account very seriously, not to conduct any business in countries where human rights violations are high i.e., Burma (Myanmar), Cuba, Iran, Sudan or where US sanctions regime is valid. i.e., Syria, or involved in war i.e., Russia.

SUSTAINABILITY STATEMENT

Our mission is to integrate sustainability into its business model while supporting our customers with products, services, tailor made and turnkey solutions, sales, and marketing & innovations as a 360-degree service. We are committed to providing and developing transparent, innovative, and sustainable solutions that will help our customers, partners, and stakeholders to conduct business in a sustainable way in every aspect.

In line with this commitment:

- We embrace sustainable business model, and act environmentally & socially responsible for our employees in our facilities and office spaces, and for the communities living in the geographies where we operate.
- We are committed to acting transparent and reliable to our customers, partners, stakeholders, and consumers while carrying out all our operations and business activities. We support our products and services with accredited certificates, analyses, and systems with concrete sustainable metrics recognized worldwide.
- We strive diligently to act in accordance with our principle of "Diversity, Equality, and Inclusion", support gender equality, employ people regardless of their age, race, origin and ethnicity, sect or belief, ability and disability, gender, religion, political opinion, culture/social class and sexual orientation, mental or physical disabilities, promote fair opportunities in the workforce to ensure fair treatment for everyone, and eliminate inequalities.
- We support sustainable design and blend it with the innovations and technologies with which we develop sustainable innovations.
- We are committed to producing or developing innovations that do not lead people to adverse behaviors such as using weapons, committing crimes, or inciting conflicts, and never encourage the use of addictive harmful substances such as tobacco.
- We are committed to making our sustainable brand values adopted by all our partners, customers, stakeholders, and consumers we do business with through our transparent and effective marketing communication which we use in all physical and social media channels where our brand is featured. • We strive to integrate our sustainability values into all our businesses at all levels and inspire all sectors with our constantly developing technologically sustainable solutions and sustainability approach.

SUSTAINABILITY APPROACH

With our PLANEARTH Sustainability Strategy, we work to provide more accessible clean energy and water for societies in line with the principle of responsible production and consumption, increase the biological diversity of our planet, improve the ecosystem, create fair living conditions on a healthy planet for all livings and ultimately create a livable world. Since we have been established in 2008, we have a very strong mission to provide sustainable technology services that will enable our customers, partners and stakeholders to reach ultimate sustainable solutions with the services we provide.

For this reason, we feel responsible for adopting, implementing, and making all our collaborators adopt our 360° Sustainability Approach in businesses and collaborations we do with the PLANEARTH Sustainability Strategy of Kontrolmatik Teknolojileri A.Ş. and through its subsidiaries.

Our focus is to support our customers, partners, and stakeholders with sustainable, reliable, and state-of-the-art products and solutions. The rapidly changing technological dynamics and the demands for the digitalizing industry direct our vision more towards 'sustainability' and strengthen our motivation in this direction. We aim to continue our R&D studies, which will expose to sustainable, transparent, and innovative works for the constantly growing planet, with this approach.

SUSTAINABILITY COMMITMENT

We are committed to protect ecosystem and increase biodiversity, to provide more access to clean and affordable energy and water for planet and communities by driving our business with low carbon emission.

Kontrolmatik Teknolojileri A.Ş. acts in accordance with the principle of responsible production, and within the framework of its “PLANEARTH” sustainability strategy through all its production facilities, processes and activities which align with global development goals.

We are committed to continuing all our activities within the framework of applicable laws and regulations and complying with all the standards set by our company. And not limited to those, we will strive to go beyond the expectations of our stakeholders and project partners.

‘Diversity, Equality, and Inclusion’ is our main principle. With the commencement of Türkiye's membership to the UN Global Compact (UNGC) in April 2022, we decided to actively participate in the working groups and set our main goals within the framework of the Sustainable Development Goals (SDGs) 2030. With our solutions and services, we already promote and contribute to many sustainable development goals. But we actively work for the four main sustainable development goals (SDG 2030) in parallel with our corporate sustainability and governance approach, and we are committed to fulfilling our responsibilities in these areas.

1. Accessible Clean Energy (SDG 7)
2. Responsible Consumption and Production (SDG 12)
3. Total Gender Equality (SDG 5)
4. Partnerships for Goals (SDG 17)



SUSTAINABILITY VALUES

Kontrolmatik's Sustainability Values are based on four main approaches:

- **Productivity:** Responsible production for our customers, partners, stakeholders, employees, and communities indoors, outdoors, and beyond.
- **Planet:** Protect planet & ecosystem health and biodiversity by our sustainable products and services.
- **People:** Respect for human rights, diversity, and fair working conditions; improve the quality of living standards of our employees and the community in the areas we operate.
- **Partnership:** We believe in the power of partnerships by saying "it is possible together" to create a healthier planet and a livable world in the future.

ENVIRONMENTAL MANAGEMENT

CORPORATE ENVIRONMENTAL MANAGEMENT

Beyond protecting the ecosystem and increasing biodiversity, we believe that we are making a big difference with our existing services, products, and PLANEARTH sustainability governance strategy in order to provide accessible and more clean energy and water for our planet and communities. We work to create communities having fair conditions with high quality and welfare, and cities in a healthy ecosystem. Conducting all our business activities with low emission and with circular economy principles, designing low-emission products in order to prevent the use of energy based on fossil fuels, and responsible production and consumption are our basic working principles. In addition, we target carbon neutral production in our production facilities. In line with this mission, we have created our own Environmental Management Systems. We are implementing these four basic management systems both in our offices and facilities, and we continue to improve them by monitoring regularly. Kontrolmatik Teknoloji Environmental Management Systems: 1. Energy and Carbon Management 2. Circular Economy and Zero Waste Management 3. Water and Wastewater Management 4. Ecosystem and Biodiversity Management Kontrolmatik Teknoloji already has ISO Integrated Management System Certificates (ISO 14001, 9001, 45001). In 2022, we integrated ISO 50001 and ISO 10002 certificates into our Corporate Sustainability System.

ISO 14001 Environmental Management System, which is a part of the integrated management system we have, forms the basic framework of our Company's works in the field of environment. Each Kontrolmatik Teknoloji company expects and takes the necessary steps to ensure that all its internal and external stakeholders and business partners act in accordance with this policy to the extent applicable to the related party and/or the transaction.

ENVIRONMENTAL MANAGEMENT POLICY

The principles of environmental management of Kontrolmatik Teknolojileri companies are formed by the basic precepts and principles determined within the framework of environmental legislation, international conventions on environmental management, standards, initiatives, and national legislation in the countries where they operate.

All companies of Kontrolmatik Teknolojileri A.Ş. work transparently in accordance with this policy, taking into account sectoral expectations and needs in their offices and project sites where they operate. Our Environmental Management Policy creates a guideline that reflects the approach of Kontrolmatik Teknoloji A.Ş. and its subsidiaries in the field of environmental management in line with the “PLANEARTH” sustainability strategy, and thus commits to emphasizing the importance of applying,

maintaining, and managing environmental awareness for employees, stakeholders, business partners, and customers of Kontrolmatik Teknoloji A.Ş., as well as for communities in all geographies where it does business.

ENVIRONMENTAL PRINCIPLES

1. Prevention of environmental pollution and increasing environmental awareness;
2. Engaging in responsible use of energy and natural resources;
3. Protection of all underground and surface water resources and marine resources, responsible use of water resources;
4. Reducing climate change and adapting to it;
5. Adopting the principles of circular economy and zero-waste applications;
6. Contributing to the protection and improvement of biodiversity and ecosystem.

In line with the PLANEARTH Sustainability Strategy and Environmental Management, which we have adopted, Kontrolmatik Teknoloji is working pursuant to these 6 Basic Principles to fulfill the legal obligations of the developments created by the sector and sustainability dynamics that are developing on a national and global basis, as well as voluntary practices.

RESOURCE EFFICIENCY

WATER MANAGEMENT

Potable Water Consumption

Water consumption in 2021 and in previous years is limited with potable water use for Kontrolmatik Head Quarters office domestic purposes like lavatory and handwash water use.

2021 Total Water Consumption is **64 ton/year**.

As additional, potable water use for cleaning and domestic purposes is recorded in 2022 for our Mobile Solutions Facility and also for our LiFePO₄ battery cells under construction.

No water withdrawal at construction site. As stated in our approved EIA report, municipality water is provided for daily domestic purposes. And drinking water is delivered to site with demijohns (purchased) for employee consumption.

Therefore, no rigid water efficiency target was determined till and for 2022.

2022 Water Consumption			
Unit	HQ Office (ton/year)	Kazan Mobile Solutions (ton/year)	POMEGA (Construction Site) (ton/year)
Consumption	243	299,503	6595

*Mobile Solutions Facility and POMEGA facility construction site is active in 2022

For further use in 2023, we have already installed drinking water treatment plant at our Head Quarter office and on site at facility, to provide healthier water for employees and also to eliminate carbon emission reasoning from transfer and use of single and multiple-used plastics.

Drinking Water Consumption

With the help of producing our own drinking water, we target to reduce our total water consumption by 30% compared to forecasted consumption at facility by next year. Thus, will also impact our total water consumption target by 25% at corporate level by 2024.

ENERGY MANAGEMENT

Electricity consumption

Electricity consumption in 2021 and in previous years is limited with Kontrolmatik Head Quarters office daily use as for lightening and heating (air conditioning) purposes.

In 2021 Total Electricity Consumption is equal to Total Electricity Purchased, **174,275 KWh**.

In 2022 electricity consumption is recorded reasoning from lightening, assembling and heating activities at our Mobile Solutions Facility, and is also recorded from lightening, heating and construction site activities at our LiFePO₄ battery cells under construction.

Total Electricity Consumption is equal to Total Electricity Purchased, **538,544.71 KWh**.

2022 Electricity Consumption			
Unit	HQ Office (kwh/year)	Kazan Mobile Solutions (kwh/year)	POMEGA (Construction Site) (kwh/year)
Consumption	207,134	76,268.4	255,142.314

*Mobile Solutions Facility and POMEGA facility construction site is active in 2022

Fuel Consumption

No natural gas consumption, nor any heat and other fuel purchasing is available.

Fuel consumption from our vehicles at company pool is in account. In 2022 **83,193.04-liter** Diesel and **67,157.06-liter** Benzin consumption is recorded.

Renewable Energy Use

There is no Renewable Energy purchase in our business historical records whether on site, at office spaces, or during construction of our facilities. On the contrary, we strive to install Solar and Wind Power projects and conduct more use of Renewable Energy into our business 360-degree.

Our Mobile Solutions Facility (assembling facility) has been started to operate in mid-year.

We are currently using the Mobile Hybrid Energy Generation Unit to generate electricity at our 'mobile solutions' factory in Ankara Kahramankazan. Our unit has reduced the load of the national grid and provided a more efficient infrastructure at the factory by using Renewable Energy (wind and sun).

The unit produces an average of 55kWh/day of energy per day under ideal meteorological conditions.

So, we recorded $180\text{-day} \times 55\text{kwh/day} = \mathbf{9900\text{ kwh/year}}$ Renewable Energy production in 2022.

LOW – CARBON ECONOMY

We are committed to protect ecosystem and increase biodiversity, to provide more access to clean and affordable energy and water for planet and communities by driving our business with low carbon emission.

As stated in our social media accounts, webinars, and through our public speeches as well as stated in our public CDP 2023 report: we commit to operate with low-emission and run a carbon neutral facility in long term (5-10 years) by 2030.

Accordingly, as being sustainable energy and technology provider company climate related issues and associated risks are at our core concern and attached 360-degree with our daily business activities for driving our corporate business strategy and sustainability governance.

We currently install projects at corporate level through all our activities by conducting more use of renewable energy integrated with our production facilities in order to run low-carbon business, and conduct tangible environmentally friendly, efficient and sustainable projects on site at our facilities for operating low – carbon, possibly carbon- neutral facility ultimately.

We target reducing our greenhouse gas emissions across our key impact of all business activities to reduce total carbon emissions by 30 by 2025 and 60% by 2030 compared to forecasted consumption at facility.

We target reducing our greenhouse gas emissions across our key impact all business activities to reduce total carbon emissions by 25% by 2025 and 50% by 2030 compared to forecasted consumption at facility by next year.

We target reducing our greenhouse gas emissions by 35% in 2025, and run our POMECA facility carbon - neutral in 2030 and forward ultimately.

CORPORATE LEVEL LOW – CARBON ECONOMY APPLICATIONS

We have already started to take some measures at corporate level to reduce our greenhouse gas emissions across our key impact of all business activities to reduce total carbon emissions:

1. LEED Green and Sustainable Building Certified Head Quarter Office per Gold/ Platinum – ongoing,
Some examples:
 - FSC (Forest Stewardship Council) – certified, responsible sourced office furniture & paper use,
 - EPD (Environmental Protection Declaration) and other relevant green certified material use,
 - Sustainable Purchasing is in place: Low missioned & local (sourced by 150 km distant) purchasing & and- /or recycled contented (certified) material use.
2. We have already started to change our company pool cars with hybrid cars since 2018. And in 2023 we started to change them by electrical cars and target to shift to 100% electrical vehicle fleet in close future,
3. 50 KWH roof - top Solar Power Plant installed at our HQ office and partly our total energy demand of our HQ building will be provided by Renewable Energy in 2023,
4. Drinking water facility installed to provide healthier water for employees, and to eliminate carbon emission associated from transfer and use of single and multiple-used plastic (carbon emission) demijohns,
5. In 2023, we plan to ensure water saving and recovery by integrating an innovative technology that recovers the first degree slightly gray water flowing out from our sinks back into our flushes for reuse,
6. We are constantly monitoring our water and energy consumption such as domestic water, electricity usage, lighting, etc. In our offices, we measure our water and energy consumption instantly and retrospectively with our CONTROLIX IoT modules aligned for better responsible resource use,
7. We segregate our wastes at each floor at daily office time,
8. We use technology & online facilities for doing business & meetings as more as possible,

9. We use our own IoT modules for monitoring resource consumption regularly,
10. We have shifted to online archiving module in collaboration with Iron Mountain company to reduce paper consumption and associated carbon emission from storage and transfer,

ON- SITE LOW – CARBON ECONOMY APPLICATIONS

In 2022 we have started establishing Turkey's first Lithium-Ion Iron Phosphate (LiFePO₄) Battery Cell Production and energy storage factory Facility POMEGA.

Facility has opened its gate on 29 August 2023, and will comprise all other production and assembling facilities of Kontrolmatik's subsidiaries and brands like Controlix IoT modules, McFly collaborative robotic arms and mobile solutions.

POMEGA will expand and develop renewable energy sources, support low emission economy by decreasing the demand on fossil fuels, and increasing reliability, diversity, and power quality in distribution systems.

It will store renewable energy and make it available 24/7, thus will give right to communities use more clean energy, and to individuals choose their energy from sustainable sources, whether at the national grid-scale or at the home-scale.

Depending on our Responsible Production and Consumption principle, we embraced a zero waste and carbon-neutral approach since its construction phase.

Factory will design a carbon-free and a healthy ecosystem for planet and communities by increasing the access to clean energy. The facility will play exemplary and leading role in the development of the green transformation globally, by its sustainable technology solutions and on-site sustainable applications like low emission & circular economy, and LEED applications.

Accordingly, in order to contribute to the circular and low carbon economy, various number of measures and sustainability projects have been conducted:

1. LEED Green and Sustainable Building Certified Head Quarter Office per Gold/ Platinum – ongoing,
Some examples:
 - FSC (Forest Stewardship Council) – certified, responsible sourced office furniture & paper use,
 - EPD (Environmental Protection Declaration) and other relevant green certified material use,
 - Sustainable Purchasing is in place: Low missioned & local (sourced by 150 km distant) purchasing & and- /or recycled contented (certified) material use.
2. 4.96 MWh Roof-top (26,000 m²) Solar Power Plant is installed, and we target to provide 30% - 40 % of facility's total energy demand within the 3rd phase of the production.
3. Roof-top Rainwater Harvesting (26,000 m²) system is installed,
4. Energy Management applications in place
 - Waste Heat Recovery,
 - Thermal Battery Heat Transfer Management,

- More use of Renewable Energy: on-site Wind Power Plant (5 KWh pilot project has been signed, will be extended up to 250 KW in following term).
5. Circular Economy & Zero Waste applications in place
 - Battery & Waste Recovery Projects – pilot project has been started with Exitcom (recycling facility) for our faulty manufactured LiFePO4 cells,
 - Post consumed package recovery and other recycling projects in place,
 - Our own recycling facility is planned associated within the 3rd phase of the production.
 6. Water and Wastewater Management in place
 - Drinking Water Production Facility is installed to provide healthier water for employees, and to eliminate carbon emission associated from transfer and use of single and multiple-used plastic (carbon emission) demijohns,

CARBON EMISSION

We calculated our Carbon Emission for 2021 and 2022 per Scope 1 per GHG and ISO 14064; Scope 3 per 2006 IPCC.

TOTAL CARBON EMISSION

Year	Scope 1 (mt CO ₂ e)	Scope 3 (mt CO ₂ e)	TOTAL (mt CO ₂ e)
2021	243,411	239.585	482.996
2022	298,222	410,455	708.677

*Scope 2 is not taken into account that we have not started production yet; no related KPI available.

*Scope 3 is reasoning from employee commuting

CARBON CREDIT & TRADING

Our first priority is driving low-emission and carbon-neutral facility in order to protect ecosystem, increase biodiversity and provide more clean energy for planet and communities’.

Beside our promise, by launching in voluntary (currently) carbon credit trading market, we aim to support other entities (companies, institutes, etc.) to drive their business with low emission by profiting from our carbon credits.

For being transparent, we currently seek way to secure proper carbon credit certification for integrating it into our upcoming renewable power plants (solar and wind).

Attached to our promise of providing more access to safe and affordable energy and water, "responsible production and consumption" is one of our main operational principles.

With this principle, we strive to provide and replenish as much energy and water to nature and community through our activities and with our way of doing business.

We have already ongoing renewable power plants to be exposed to carbon credit trading.

Our further intent is to conduct more renewable power plants and use carbon credit as a facilitating tool to put tangible asset on Diversity, Equity and Inclusion of communities by providing more access to clean water & energy for communities in disadvantaged regions & geographies.

WASTE MANAGEMENT

Till 2022 we had only very limited daily waste production of employees through office activities.

There was no generation of food waste of canteen facility. Papers are recyclable papers.

Starting with Pomega facility construction phase in 2022, totally 40.530 kg recycled waste (31.000 kg metal; 8.350 kg Wood; 1180 other domestic waste) is recorded. Toners sent for recycling in 2021 is 35 pieces and in 2022 are 60 pieces.

TOTAL WASTE				
		Domestic (kg)	Hazardous (kg)	Recycled (kg)
POMEGA	2022	1180	1059,8	40,530
OFFICE	2021	Not exist	35	Not exist -

WASTE WATER MANAGEMENT

No significant water use is taken into account for production units that battery cells production requires only little amount of pure water at 1 µS for humidification process.

ENVIRONMENTAL EXPENDITURE

We are committed to run business and operate with Responsible Consumption and Production principle.

Accordingly, we are keen for running our business and facilities with low-emission and being in compliance with national and international regulations.

For running our business in sustainable way and for operating with low emission, our Environmental Expenditure since 2022 is 148.474.095 USD comprising on-site projects (Roof-top Solar Power Plant, Roof-top Rainwater Harvesting, LEED Certification, On-site Drinking Water Production), environmental monitoring and consultancy services

We have started to conduct Green Projects since 2016, i.e., Solar Power Project, Wind Power Project, Hydrological Power Plant and Energy Storage Systems).

Revenue from our Green Projects have been commissioned in 2021, 2022 and 2023 is as follows:

Year	Revenue Green Projects (USD)	Revenue Total Kontrolmatik (USD)	% of Green Projects
2017	710.65	-	-
2018	249,065.49	-	-
2019	747,526.75	-	-
2020	2,549,175.61	27,097,065.61	9.41
2021	358,432.84	46,419,398.26	0.77
2022	6,698,557.81	95,792,360	6.99
2023	5,317,648.35	34,760,039.86	15.30

* 2023 covers Q1 and Q2

* Source for yearly Revenues: <https://www.kap.org.tr/tr/Bildirim/910639>

Some of our Green Projects started in 2016 and 2017 and have been commissioned in 2020. Therefore %9.41 is cumulative value.

Our rapid green revenue increase in 2022 compared to 2021, and folding green revenue increase in recent two years shows our keen efforts and our dedication on conducting more sustainable work and doing our business sustainable.

ENVIRONMENTAL PROVISION

Till 2022, our HQ Office resource consumption is limited with only electricity and water consumption. Environmental activities are limited with our HSE trainings in-house and ISO 14001 compliance.

Together with installation of our mobile solutions facility (small assembling unit by 15-20 employee) and construction of our POMECA LiFePO₄ Battery Cells Production and Energy Storage facility has been started in 2022, we track and record environmental provision reasoning from EIA report, environmental permits, environmental monitoring and compliance to comply with national and international environmental and social regulations and law.

Relatively during construction and at pre-operational phase, all necessary activities including securing all necessary environmental permits, consultancy for environmental compliance, applying regulatory and legal procedures, conducting environmental monitoring, waste management etc. have been started to be outsourced to authorized company. Total Environmental Provision recorded is approximately 26.000 – 29.000 USD.

Kontrolmatik, including its subsidiaries has no legal environmental compensation record in its history.

ENVIRONMENTAL INVESTMENT INITIATIVES

Since 2021, some of the R & D (Research and Development) Activities for Green Products & Projects are as follows:

IoT (Internet of Things) MODULES- CONTROLIX

40 (IoT) sensors, cloud software, and hardware. It is an interactive platform that can collect millions of data, perform real-time analyses, and take unattended actions. The advanced platform is designed in a modular way and monitors, manages, and analyzes the data collected in big data environments to create value. Solutions containing more than one communication protocol can be easily adapted to many projects by providing flexibility. It also has many reporting modules that can collect and store data from different data sources. Environmental Monitoring is the most useful application of IoT. Controlix has advanced and innovative sensors that provide monitoring and control of environmental and social impacts caused by all anthropogenic activities such as water and air quality monitoring, water and energy leakage and efficiency monitoring, gas and odor detection, ambient air quality, dust and particles, humidity, and flame, etc. They work with low carbon emissions without the need for stable energy, it provides industries and organizations with the opportunity to easily perform impact analysis management based on clear data by monitoring all the environmental and social impacts of their activities and ultimately realize responsible production and consumption. The easy integration feature of the modules helps organizations to achieve their sustainability goals easily by reducing the environmental and social impacts caused by their activities. Approximately 8 m USD is spent for R & D activities.

LiFe PO₄ BATTERY CELLS (POMEGA)

Türkiye's first private sector lithium ferrous phosphate (LFP) battery cell production and energy storage factory will expand and develop renewable energy sources, support low emission economy by decreasing the demand on fossil fuels, and increasing reliability, diversity, and power quality in distribution systems. It will store renewable energy and make it available 24/7, thus will give right to communities use more clean energy, and to individuals choose their energy from sustainable sources, whether at the national grid-scale or at the home-scale.

Factory will design a carbon-free and a healthy ecosystem for planet and communities by increasing the access to clean energy. The facility will play exemplary and leading role in the development of the green transformation globally, by its sustainable technology solutions and on-site sustainable applications.

POMEGA facility will provide high number employment (approximately over 600 employee) for the blue and white collars by the end of 3rd phase production. As being a new innovative industry, it will create positive impact value for Polatlı district while developing the socio-economic demography of the region and communities, by preventing the formation of migration to some extent, by increasing the living quality and welfare of communities live especially in the disadvantageous are of the region. near area, and also by enabling the young generation to join in our business through our apprenticeship schools of POMEGA, which we plan to launch in short term.

Approximately R&D 1.2 m USD is spent, still ongoing.

EV (ELECTRICAL VEHICLE) CHARGE STATIONS

Established in 2022, EV (Electrical Vehicle) group of Kontrolmatik is considered to be one of the pioneers of this area Turkish Electromobility market. Being one of our company's technological investment areas, the group was originally formed to take part in Turkey's first and largest tender on 1500 pieces of fast DC Chargers distributed along the entire country.

The main field of activity of the group is to provide end-to-end turnkey solutions for EV charging infrastructure and charging units.

Company has gained "Charging Network Operator's License" granted by Energy Market Regulatory Authority (EMRA) of Turkish government to manage both owned and other stations belonging to our customers.

Pomega LiFePO₄ batteries will be used for our EV charge stations in the future. Approximate planned CO₂ emission reduction for 2023 is 82,000-ton CO₂/year.

Planned total R&D cost is 1 M USD.

PROGRESIVA ENERGY TRADING & INVESTMENTS

Energy Storage Facility combined with Wind Power Plant

Designed to provide low-cost, high-density grid-scale solutions at GWh scale. It is an electricity wholesaler under a supply license, while investing in renewable source power plants, obtained a Supply License from the Energy Market Regulatory Authority (EMRA) to trade electrical energy and/or capacity for 20 years. This is Türkiye's first independent energy storage facility license, with 250 MW of connection power and a total energy storage capacity of 1 GWh. The project secured a pre-license for the installation of a wind power installation of up to 250 MW. It is above one giga Watt-hour energy storage capacity in total. This project also contains a wind park with 875 GWh annual electricity production. It will use LiFePo4 (Lithium-Iron Iron Phosphate) which is a mature battery technology for storing energy. LOW EMISSION ECONOMY BENEFITS: to provide clean energy for nation and communities; to diminish global warming; to perform energy trade by participating in the energy market; 875 GWh renewable energy generation with 450 thousand tons of carbon prevention; to support the installation of an additional 2 GWe of renewables with grid correction effect; support the environmental awareness and ensure regional recognition; contribution to grid network cyber security with local supply option.

Over 500.000 USD is spent for R & D activities.

MOBILE HYBRID ENERGY GENERATION UNIT

Mobile hybrid energy generation units enable you to have decentralized and off-grid power generation units with sustainable and renewable resources for temporary and/or mobile energy needs. These containers are integrated mobile power generation systems with movable solar panels, wind turbines that can rotate according to the wind direction, high efficiency diesel generator-assisted and lithium battery cells.

Wind: 2kw Solar: 7.2 kW Diesel: 5 kW (but only if needed when the battery runs out) Battery: 19.2 kW.

It produces an average of 55kWh/day of energy per day under ideal meteorological conditions. Our facility has been started to operate in mid-year.

The most common areas of use:

- Continuous energy production source in areas without energy infrastructure
- Off-grid temporary or permanent energy source (uninterrupted electricity: villages, towns and regions not connected to the national grid)

- Alternative to diesel generators or temporary energy source (fast speed) in construction sites and project areas electricity supply: construction sites and mining sites)
- Decentralized emergency power generation source of cities and countries (meeting the electricity needs of countries, institutions and individuals in natural disasters and extraordinary situations)
- Permanent energy in water treatment, drinking water supply, agricultural land irrigation areas source (in agriculture and animal husbandry throughout the year)
- Feeding of electric vehicle ventilation units in cases where the infrastructure is not sufficient.

We are currently using the Mobile Hybrid Energy Generation Unit in our 'mobile solutions' factory in Ankara Kahramankazan. Our unit has reduced the load of the national grid and provided a more efficient infrastructure at the factory.

30 k USD for 1st phase, and 80k USD for 2nd phase. Total 110 k USD spent for R&D activities.

BIODIVERSITY and LANDSCAPE MANAGEMENT

Our Environmental Management Policy in place enhance our commitment that we are committed to protect ecosystem and increase biodiversity, and our efforts towards contributing to the conservation and improvement of biodiversity and ecosystems is one of the 6 Environmental Principles of our Environmental Management System : “Contributing to the conservation and improvement of biodiversity and ecosystems: carries out all its activities in favor of the protection and recovery of the biosystem and ecosystem, prevents soil and land degradation, cooperates and carries out activities to protect the balance of all ecosystems on a global scale, especially endangered species, and to increase biodiversity”.

Accordingly, we are taking all necessary regulatory measures, i.e., conducting an EIA (Environmental Impact Assessment Study) approved by ministry of Environment Turkey before we started with construction of the facility. It is stated in EIA that our facility is located in Polatlı Industrial Zone in Ankara City. The plot is not contributed to 1st grade agricultural land, habitat and species contributing to biodiversity and there is not wetland of 30 meters.

Additionally, we enhance our projects with environmentally friendly applications and sustainable projects in place like LEED competent applications on-site. Our facility’s landscape is designed according

to LEED requirements where rainwater is replenished to nature and rainwater bioretention is enabled with proper plants, stones and ground materials. Plants are selected properly with less water needs.

Our brands and sustainable products currently put tangible positive impact on protecting ecosystem and increasing biodiversity by targeting number UNGC SDGs. Number of examples are:

1. **Controlix IoT (Internet of Things) Modules** (<https://www.control-ix.com/en/modules/>): we use our own controlix devices in HQ office and at facility for resource consumption in terms of Responsible Production and Consumption.
 - Flow meter reading device and Controlix irrigation monitoring device are giving opportunity to industries and institutions to conduct tangible benefit on avoiding the soil degradation, restore lands sustainably, protecting the ecosystems and biodiversity by avoiding water scarcity and species (flora and fauna) extinction.
 - Landscape irrigation monitoring device having various optimized irrigation features gives users flexibility to optimize the irrigation activity at desired humidity levels. By providing wise amount of water given for the landscape, the species are supported to survive, reveal and grow up in the target landscape.
 - By allowing wise water utilization, helping to avoid water scarcity, and enabling to detect natural disasters, our flow meter reading device and irrigation monitoring device are helping to combat with desertification, to protect and to restore land, ecosystems and biodiversity. (SDG15)
 - By giving availability to monitor and wise utilization of water and energy, Controlix products give possibility to industry and institutions to directly decrease the adverse impacts of anthropogenic impacts and their related environmental pollution, and contribute to protect and restoring the ecosystems, as well strengthening the resilience of water-related (i.e., marine and coastal) ecosystems. By decreasing the carbon emission in the atmosphere, all Controlix devices has positive and direct contribution to decrease the ocean acidification. (SDG14)
 - By decreasing the GHG emission, increasing energy efficiency and enhancing clean energy, all Controlix devices allow industries and institutions to take action against climate change, and integrate measures into their sustainability strategies, policies & plans. (SDG13)
2. **Mobile Hybrid Energy Generation Unit**

As being mobile and be able to be used at off-grid areas, the unit makes a concrete contribution to the prevention of hunger and poverty by providing the opportunity to have equal technology and resources in agriculture and animal husbandry (SDG1) (SDG2). It

protects ecosystems and biodiversity by using it in times of natural disasters (SDG15). It provides better living conditions by helping to prevent water pollution (SDG6) (SDG14), and related diseases and deaths (SDG3) (SDG11) (SDG7), contributes positively to reducing ocean acidification by reducing carbon emissions (SDG14).

3. **Progresiva Energy Trading & Investment with a Wind Power Plant**

875 GWh renewable energy generation with 450 thousand tons of carbon prevention from nature. (License is already secured for Wind PP)

4. **EV Charge stations:** planned CO2 emission reduction (2023) is 82,000-ton CO₂/year from nature. with 100+ units' installation.

SOCIAL MANAGEMENT

In line with our core principle of "Diversity, Equality, and Inclusion", we work for communities living in disadvantaged regions, and strive to provide them a healthy ecosystem and quality of life under fair conditions. We carry our business activities with the responsibility of increasing their living welfare. As of August, we have become a signatory of the Women's Empowerment Principles (WEP), created in partnership with the UN Global Compact and the UN Entity for Gender Equality and the Empowerment of Women (UN Women). We continue to work on gender equality, in particular on making women effective and visible in all competency areas of business life locally and globally, strengthening the women empowerment, and ensuring the highest level of participation of women in business life.

We believe in the effective role and visibility of women's power in Business and empowering women employees rather than increasing the total number of women employees at work.

Therefore, we are keen on developing the competency skills of women employees and support them at particularly at senior level to enhance them be decision maker on strategical management.

In 2022, the ratio of senior women managers is **85.2%** in overall senior managers of Kontrolmatik.

In 2022, we had the opportunity to share this approach with other sectors and the public through the Women-Friendly Brands platform. We are working to empower women in society, increase their visibility, make women's welfare sustainable, and also ensure that they have fair living conditions. We aim to develop inclusive projects especially for the communities living in disadvantaged regions and geographies where we operate. Thus, we aim to introduce women and young girls with technology, and aim to continuously grow by adding more "sustainable women's power" into our business.

With the same approach, we have been designing various projects to realize in Polatlı, Ankara, as well as in certain regions of Africa, with prominent local and global NGOs and associations. With the help of our Social Responsibility Projects, we aim:

- To include young people and women in societies living in disadvantaged geographies,
- To introduce technology to young people and women by supporting gender equality,
- To offer positive and decisive opportunities in their life plans,
- To support them to convert their entrepreneurial spirit into concrete plans,
- To impose our sustainability values, and let them live our sustainability values,
- To continuously grow by integrating more "sustainable women's power" into our business,
- To be able to provide more clean energy and water, and
- To create communities living in a healthy ecosystem and under fair conditions,

We supported disadvantaged communities by collaborating with Tohum Autism Foundation between 2018 and 2022. In 2022, with a similar approach, we started an in-house project called "1 Employee 1 Woman" together with the Mor Çatı Association. We support a woman in society on the occasion of the birthday of each employee. We aim to continuously grow by adding more “sustainable women’s power” into our business. We have been designing various projects to be realized in Polatlı, Ankara, as well as in certain regions of Africa, with prominent local and global NGOs and associations. KONTROLMATİK believes in the power of partnerships for creating a healthy planet and a livable world in the future by protecting the ecosystem, increasing the biodiversity, and creating communities having high welfare and living under fair conditions. We establish partnerships with both local and global NGOs, associations, public institutions, universities, and platforms and participate in relevant conferences and workshops. With the commencement of our membership in UNGC Türkiye in April 2022, we started to work actively by participating in the “Diversity, Inclusion, and Gender Equality” and “SDG (Sustainable Development Goals) Acceleration” working groups, sharing our developments in the field of Low-Emission Production and Circular Economy & Environmental and Social Management with other participating member companies. We have joined the Sustainable Development and Circular Economy Association, and we are cooperating with leading expert companies in recovery & recycling projects to create Zero Waste Management with the Circular Economy approach we have adopted. We participated in the 'Green Business Summit' led by Sustainability Academy and shared our sustainable implementations in place regarding reducing carbon emissions while converting our goals into sustainable actions. Then we participated in the 'Sustainable Brands' conference and had the possibility to share our sustainability journey with brands in different sectors and also got of them.

We have partnerships with many local and global NGOs and associations. Some examples: UNGC, Sustainability Academy of Turkey, Turkey Wind Energy Association, Turkey Energy Investment Association, YASED, TUSIAD, Istanbul Chamber of Commerce, Istanbul Chamber of Industry, etc. and give insights accordingly in workshops, collaborate on particular events and share our best practices give insights accordingly in workshops.

We have spent over 10,695 USD in 2022 for membership and sustainable marketing communication events.

PARTNERSHIPS

KONTROLMATİK believes in the development of sustainable communities, and global cooperation for an inheritable world.

We are working in collaboration and still looking for opportunities and are constantly in negotiation with international organizations and platforms, working groups, universities, and leading NGOs on how to improve the well-being of communities and protect the health of ecosystems and biodiversity.

LIVING our SUSTAINABILITY VALUES

With our commitment to “Partnership for Goals (SDG 17)”, we strive to integrate more diversified sustainable power into our business development.

Some of the Partnerships of Kontrolmatik are as follow:

1. SUSTAINABILITY ACADEMY

We have become a member of the ‘Sustainability Academy’ in 2022 and we continue our efforts to actively participate in various platforms of the academy. At the 'Green Business Summit', the largest Sustainability Summit in Türkiye organized by the academy in the first quarter of the year, we shared which sustainable actions we have accomplished through the path of "decarbonization" while converting our goals into sustainable actions.

2. WOMEN-FRIENDLY BRANDS

We support the Principle of Gender Equality in Business in line with our sustainability goals and the commitment we have made within the scope of our membership in the UN Global Compact (UNGC) Türkiye. Considering that the women workforce is more than half of the global human workforce today, the waste of women power only means a lack of sustainable communication and a major workforce loss. We are against all kinds of wastefulness. We believe in the effective role of women's power in business and the positive power of the women workforce and its vast impact on sustainable business, healthy economic growth, reducing poverty, and increasing social welfare and education rates. We support women employees, especially at the management and senior management level. In 2022, we had the opportunity to share this approach with other sectors and the public through the Women-Friendly Brands platform.

3. MOR ÇATI (PURPLE ROOF) ASSOCIATION – WOMEN’S SHELTER FOUNDATION

As much as we care about supporting the women power and its visibility in business life, we care about the visibility and welfare of Women in community. We have started to cooperate with the Mor Çati Association and we will also support the effectiveness and happiness of women in community on the occasion of the birthdays of our employees.

MEMBERSHIPS:

1. UNGC (UNITED NATIONS GLOBAL COMPACT) TÜRKİYE

In April 2022, we became a member of the UN Global Compact (UNGC) Türkiye and participated in the "Environment", "Gender Equality", "Diversity and Inclusion", and "Sustainable Finance" working groups to fulfill our environmental and social commitments, and we started to work actively.

2. TÜRKİYE SUSTAINABLE DEVELOPMENT and CIRCULAR ECONOMY PLATFORM

We became a member of 'Türkiye Circular Economy Platform.' We adopt a corporate circular waste management approach and are already in cooperation with leading specialized companies and universities in the projects for the disposal, reuse & recycling of our waste generated in our LiFePO₄ (LFP) battery production factory. We aim to protect natural resources, add economic value to reused components, minimize negative environmental impacts, and improve the circular economy.

3. TAP (Portable Battery Manufacturers and Importers) ASSOCIATION

Before our LiFePO₄ (LFP) battery production, in order to know our legal obligations during the import of raw materials and then to be able to fulfill all our obligations during the disposal of our battery waste that will occur during production and recycle it within the framework of legal compliance, we started our membership, in addition to our research, with the 'Turkish Battery Manufacturers and Importers Association.

4. Turkish Wind Energy Association (TÜREB)

We became a member of TÜREB, which was established to follow scientific, technical, and applied research related to wind energy, carry out activities to expand the use of wind energy resources, and bring the wind potential in our country to the economy, in order to increase renewable energy power plants and contribute to organizations.

5-Energy Investors Association (GÜYAD), It is a non-governmental organization that continues its activities as an umbrella organization with the participation of companies that invest in renewable energy sources, especially solar energy, for electricity generation in Türkiye and the world, and Kontrolmatik carries out sectoral development studies together with this association, of which it is a member.

WAGES and SALARIES

Total wages and salaries paid for the employees are as follow:

	2021 USD	2022 USD	2023 H1 USD
All Employees	1,446,475.88	3,126,018.14	2,411,922.74
Board Member Compensation	131,288.6	204,253.4	-
Total Compensation Officers (MoB + GMs + Deputy GMs)	53,599.2	174,335.6	-
Highest Remuneration Package paid	34,095.71	46,819.6	-

DAY CARE SERVICES

Kontrolmatik supports and treats its employees considering “Diversity, Equity and Inclusion” as core principle, and acts generous in social funding.

PROMINENT DAYS SUPPORT

Employees receive incentive checks on their birthdays and on women days. Packages and incentive checks are delivered on fest days (Ramadan, new year, etc.).

Incentive checks are delivered in case of giving birth (for both genders), marriage and death (in case of families-first degree relative).

SOCIAL SUPPORT

Kontrolmatik employees have *private health insurance* and comprehensive *personal accident insurance*.

Motivational events are being organized such as picnics, outdoor activities, motivation dinners, inhouse happy-hour parties-ice cream & waffle, boat trips in summer, year-end motivational excursion & meeting, etc.

WORKPLACE SUPPORT

Employees can see in house doctor in office one day per week. There is infirmary room for health issues and for resting in case of need. Masjid room is present for prayers. Natural disaster relief Is given for the employee and his/her families. Yearly bonus is also conducted for some roles.

SOCIAL-WORKPLACE

One flat of our HQ office is only dedicated for employee social activities. Resting and recreational areas are present for employees to give breaks, rest on the couches, have fresh air in balcony or can read in

the library, can play team plays, i.e., play station, table football. Kitchen facilities, amenities and tables for having lunch and coffee-corners are also included in the same area. Ticket for lunch and shuttle bus for transport is also provided.

WORKPLACE FLEXIBILITY

Depending on the upper manager supervision, all employees have permission to work remotely.

Valid for every employee but employees having disability and women employees are treated with more privileged such as having opportunity to prolong maternity leave, working remote, flexible office hours in case of need.

TURNOVER OF EMPLOYEES

The voluntary and involuntary turnover of employees are as follows:

	2022	
Number of Quitters by Gender	Women	Men
Number of Quitters in the Year	18	184
Total Number of Quitters in the Year	202	
Employee Turnover Rate	24,6555475	
Number of Voluntary Turnovers	85	
Number of Involuntary Turnovers	117	
Voluntary Turnover Rate	24.4 %	
Involuntary Turnover Rate	33.6 %	

The formula used for calculating Voluntary Turnover Rate is:

- Voluntary turnover rate = (Voluntarily leaving / Average number of employees) *100
- Average number of employees = (Employees at the end of the current year + Employees at the end of the previous year)/2

The formula used for calculating Voluntary Turnover Rate is:

- Involuntary turnover rate = (Involuntary quitters / Average number of employees) *100
- Average number of employees = (Employees at the end of the current year + Employees at the end of the previous year)/2

DONATIONS

Kontrolmatik regularly donates for the scholarships, education, food and water aids in Turkey and Africa. Water wells have been opened in Africa as well.

Packages and incentive checks are delivered to community on fest days (Ramadan, new year, etc.).

In terms of empowering women in community, we regularly donate to Mor Çatı (Women Asylum Association) on each employee's birthday to support the presence and visibility of women in community.

317,274 TL (16,967 USD) donations were made in year 2022.

In 2023, we donated for communities in 10 cities after earthquake happened (6.02.2023): container houses, container cities, mobile power plants, storage, food, water, hygienic aid, mobile toilets and showers, kitchen containers, clothes, blankets, scholarships, etc.

SOCIAL DATA

Measure	2022
Women Employees	60 - 12.8%
Women Managers	37 – 7.9%
Executives Cultural Diversity	5 – 1.2 %
Total Training Hours	53,483
Average Training Hours	118.5
Training Cost Total	30.749 USD (excluding some individual department-based trainings)
Employee Satisfaction	Communication: 53.5% Duties, Authority and Responsibilities: 51% Co-worker relationship: 65.72% Senior management: 57% Working environment: 63% Company image and culture: 70.53%
Average Employee Length of Service	9,5 years
Donations Total	317,274 TL (16,967 USD) donations were made in year 2022.
Political Contributions	0
Lobbying Contribution Amount	0
Trade Union Representation	0
Turnover of Employees	24,6555475
Employees with Disabilities	2 – 0.43%
Number of Employees from CSR reporting	468

*Executives Cultural Diversity number represents permanent employees at HQ offices Turkey and USA.

Composition of Senior Women Managers in 2022				
	Female	Male	Total	% Women
Top Management Level	1	3	4	25
Senior Management Level	23	4	27	85.2
Middle Management Level	13	66	79	16.5
Total	37	73	110	33.6
Women Managers = 33.64% of Total Employee of Kontrolmatik				
Senior Women Managers = 85.2% of Total Senior Managers of Kontrolmatik				

Measure	
Total Injury Rate Total	12.6
Total Injury Rate Employees	3.27
Total Injury Rate - Contractors	13.6
Accidents Total	24
Accidents Total - Contractors	18
Employee Accidents	12
Employee Fatalities	0
Contractor Fatalities	0
Lost Working Days	54
Employee Lost Working Days	9
Contractor Lost Working Days	45
Occupational Diseases	0
Lost Time Injury Rate Total	0.84
Lost Time Injury Rate - Contractors	0.76
Lost Time Injury Rate Employees	8.18
Employee Health & Safety Training Hours	31,483
Gender Pay Gap Percentage	0
Voluntary Turnover of Employees	85
Involuntary Turnover of Employees	117

GOVERNANCE

SUSTAINABILITY MANAGEMENT

Our efforts come to an end for establishing a legal ‘Sustainability Committee’ at corporate level for Kontrolmatik, which will start its formal activities by 2024 1st Quarter.

Currently, our informal Sustainability Committee on duty is constituted by department head of Environment and Sustainability, Investor Relations Manager, Head of Brands & Subsidiaries, Deputy GMs, GM and CEO of the company.

Even independent of legal requisite, our current Sustainability Committee members have more frequent and tight communication for taking agile actions regarding strategic decisions on environmental, social and sustainability governance topics.

All ESG, environmental and sustainability governance related issues are held by our ‘Sustainability and Environment Department’. Head of Sustainability and Environment is directly reporting to General Manager and CEO of the company, which was established by 2022 beginning.

Sustainability and Environment Department works cross functionally with all other corporate departments and executive management teams of brands and subsidiaries of Kontrolmatik for driving effective corporate sustainability strategy 360-degree.

THE ROLE of HEAD of SUSTAINABILITY and ENVIRONMENT

Head of Sustainability and Environment has tight (daily and instantly) communication with CEO and executive management. She monitors the current developments, industry dynamics and regulations globally in terms of regulations associated with sustainability, environment and climate-risk issues. Accordingly, she determines their associated risks and opportunities in our business. She oversees general strategy of corporate activities, and develops sustainability governance strategy, collaborates cross functionally with management teams to convey it down on the field (facility and corporate) for their execution and implementation. She plans and designs relevant projects to drive low-emission business, to contribute better on circular economy, to protect ecosystem and increase biodiversity for providing more clean energy and water, and to increase welfare of disadvantaged communities by creating fair conditions for planet and communities. She develops partnerships and generate new projects with other companies and institutes, with whom we believe we can strengthen our business and develop new sustainable work areas and products. She builds sustainable communication with local and international NGOs to keep transparency on environmental compliance and sustainability development, to empower target gender equality significantly in disadvantaged communities as well as empowering women in business and increase visibility of women in public. She monitors

sustainability risk (ESG risk) and sustainability success continuously and build global partnership with relevant prominent authorities and platforms, by reporting transparently in terms of financial and corporate governance risk management and brand reputation.

SUSTAINABLE FINANCE & PERFORMANCE

Since our company is offering public, we are keen to monitor our associated ESG (Environmental, Social and Governance) risks and sustainability risks and declare them public.

We strive to improve our Corporate and Sustainability Governance by relevant certificates, global index and lists continuously and depict their results transparently for review of our shareholders, customers, partners and investors in global.

ENVIRONMENTAL AND SOCIAL STRATEGICAL RISK MANAGEMENT

ESG RISK SCORE and SUSTAINABILITY SUCCESS MONITORING

In 2022, we have been conducted “Corporate Sustainability Assessment” assessed by CGE Evaluation consultancy, Mrs. Arzu Firidin and Mr. Köksal Aykol, with a CMB-approved methodology based on international standards, our Sustainability Governance Score, our ESG (Environmental, Social, and Governance) score, was determined as 7.95/10.

“As a result of this evaluation, we have also become one of the few companies in Türkiye that have qualified SUSTAINABLE FINANCE & PERFORMANCE to receive the TÜV SÜD approved “Corporate Sustainable Company” certificate with a score of 7.57/10. This score was 28.63% higher than the industry average

Corporate Governance Score Subsequently, as a result of the evaluation conducted by SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş., our “Corporate Governance Rating” score was determined as 9.36/10.

ESG Risk Score	Sustainability Success	Corporate Governance
7.95/10 CGE	7.57/10 TÜV SÜD	9.36/10 SAHA

GLOBAL LISTS and INDEX

In MSCI Small Cap Türkiye Index As a result of these efforts, we have started to take place in the MSCI Small Cap Türkiye Index as of November 2022.

CORPORATE RESPONSIBILITY AWARDS

By our *Solar Power Plant* Project in Polatlı, Ankara, we were proud to be awarded as **Low Carbon Hero** at the 8th Carbon Summit held on May 2nd this year.

Low Carbon Hero award at the 8th Carbon Summit held on May 2nd this year in partnership with the Sustainable Production and Consumption Association (SÜT-D), Istanbul Technical University (ITU) and the Ministry of Environment, Urbanization and Climate Change.

Our POMECA Lithium-Ion Iron Phosphate (LiFePO₄) battery cell production facility, which starts its operations by end of 2023, has a roof-top Solar Power Plant with an installed power of 16.5 MW and establishing 4,340 kWe.

We aimed to reduce in a net area of 26,000 m², covering the entire production facility building. We will meet the energy needs of our production facility with clean energy and reduce our carbon emissions.

With our *Solar Power Plant* - Clean Energy project, we reduce 25,857 tons of CO₂ equivalent in total per year.

With this emission removal, we create +2 more additional forest area in each production year for Polatlı district, which has a total forest area of 1200 h.

With this emission removal, we are providing an additional +1 forest area (above Turkey average) for each individual in Polatlı district as a result of our 6-year production activity.

https://www.instagram.com/p/CsGcWpBIJgc/?img_index=1

<https://www.linkedin.com/feed/update/urn:li:activity:7062383309850390528/>









SUSTAINABILITY GOVERNANCE CERTIFICATES



Our corporate level certificates are as below, and can be found under our web site [Certificates \(kontrolmatik.com\)](https://www.kontrolmatik.com).

Certificate Name	Institute	Validity Date
ISO 9001 – Quality Management	ISO	30.06.2023
ISO 10006 – Quality Management in Projects	ISO	22.08.2023
ISO 14001-Environmental Management	ISO	30.06.2023
ISO 27001-Information Security Management System	ISO	30.06.2023
ISO 45001-Occupational Health and Safety Management	ISO	30.06.2023
ISO 10002-Customer Satisfaction and Complaints Management System	ISO	30.06.2023
ISO 50001-Energy Management System	ISO	04.07.2023
Corporate Sustainability Certificate	TÜV - SÜD	04.10.2022
LEED – Green Building for POMECA Plant	LEED	(on accreditation phase)
LEED – Green Building for Kontrolmatik HQ Office	LEED	(on accreditation phase)

UNGC SUSTAINABLE DEVELOPMENT GOALS CONTENT INDEX

UNGC SDG		Reference Topics
	No Poverty	DONATIONS/ LiFePO4 BATTERY CELLS (POMEGA)/ MOBILE HYBRID ENERGY GENERATION UNIT/ Mobile Hybrid Energy Generation Unit/
	Zero Hunger	DONATIONS/ ENVIRONMENTAL INITIATIVES - MOBILE HYBRID ENERGY GENERATION UNIT/ Mobile Hybrid Energy Generation Unit/ ENVIRONMENTAL INITIATIVES - IoT MODULES – CONTROLIX/ Controlix IoT (Internet of Things) Modules/
	Good Health and Well Being	ENVIRONMENTAL INITIATIVES - LiFePO4 BATTERY CELLS (POMEGA)/ ENVIRONMENTAL INITIATIVES - MOBILE HYBRID ENERGY GENERATION UNIT/ Mobile Hybrid Energy Generation Unit/ ENVIRONMENTAL INITIATIVES - IoT MODULES – CONTROLIX/ Controlix IoT (Internet of Things) Modules/ DAY-CARE SERVICES/
	Quality Education	DONATIONS/ TRAININGS/
	Gender Equality	SUSTAINABILITY STATEMENT/ SUSTAINABILITY COMMITMENT/ SOCIAL MANAGEMENT/ UNGC TÜRKİYE/ Prominent Days Support/
	Clean Water and Sanitation	ENVIRONMENTAL INITIATIVES - MOBILE HYBRID ENERGY GENERATION UNIT/ Mobile Hybrid Energy Generation Unit/ ENVIRONMENTAL INITIATIVES - IoT MODULES – CONTROLIX/ Controlix IoT (Internet of Things) Modules/ CARBON CREDIT & TRADING/ ENVIRONMENTAL PRINCIPLES/ LOW – CARBON ECONOMY/ ON-SITE LOW CARBON ECONOMY PRINCIPLES/
	Affordable and Clean Energy	SUSTAINABILITY STATEMENT/ SUSTAINABILITY COMMITMENT/ ENVIRONMENTAL INITIATIVES - LiFePO4 BATTERY CELLS (POMEGA)/ ENVIRONMENTAL INITIATIVES - MOBILE HYBRID ENERGY GENERATION UNIT/ Mobile Hybrid Energy Generation Unit/ ENVIRONMENTAL INITIATIVES - IoT MODULES – CONTROLIX/ Controlix IoT (Internet of Things) Modules/ ENVIRONMENTAL INITIATIVES – EV CHARGES/ CARBON CREDIT & TRADING/ SOCIAL MANAGEMENT/ LOW – CARBON ECONOMY/ ON-SITE LOW CARBON ECONOMY PRINCIPLES/ CORPORATE RESPONSIBILITY AWARDS/

UNGC SDG		Reference Topics
	Decent Work and Economic Growth	ENVIRONMENTAL INITIATIVES - LiFePO4 BATTERY CELLS (POMEGA)/ DAY CARE SERVICES/ ABOUT THE COMPANY/
	Industry, Innovation and Infrastructure	ENVIRONMENTAL INITIATIVES - IoT MODULES – CONTROLIX/ Controlix IoT (Internet of Things) Modules/ ENVIRONMENTAL INITIATIVES - LiFePO4 BATTERY CELLS (POMEGA)/ ENVIRONMENTAL INITIATIVES - MOBILE HYBRID ENERGY GENERATION UNIT/
	Reduced Inequalities	ENVIRONMENTAL INITIATIVES - LiFePO4 BATTERY CELLS (POMEGA)/ SUSTAINABILITY STATEMENT/ SUSTAINABILITY COMMITMENT/ SOCIAL MANAGEMENT/ DONATIONS/ UNGC TÜRKİYE/ PARTNERSHIPS/
	Sustainable Cities and Communities	ENVIRONMENTAL INITIATIVES - IoT MODULES – CONTROLIX/ Controlix IoT (Internet of Things) Modules/ ENVIRONMENTAL INITIATIVES - LiFePO4 BATTERY CELLS (POMEGA)/ ENVIRONMENTAL INITIATIVES - MOBILE HYBRID ENERGY GENERATION UNIT/ Mobile Hybrid Energy Generation Unit/ ENVIRONMENTAL INITIATIVES – EV CHARGES/ DONATIONS/
	Responsible Consumption and Production	SUSTAINABILITY COMMITMENT/ ENVIRONMENTAL INITIATIVES - IoT MODULES – CONTROLIX/ Controlix IoT (Internet of Things) Modules/ ENVIRONMENTAL INITIATIVES - LiFePO4 BATTERY CELLS (POMEGA)/ ENVIRONMENTAL PRINCIPLES/ LOW – CARBON ECONOMY/ ON-SITE LOW CARBON ECONOMY PRINCIPLES/ CORPORATE LEVEL LOW – CARBON ECONOMY APPLICATIONS/
	Climate Action	SUSTAINABILITY STATEMENT/ SUSTAINABILITY COMMITMENT ENVIRONMENTAL INITIATIVES - LiFePO4 BATTERY CELLS (POMEGA)/ ENVIRONMENTAL INITIATIVES - MOBILE HYBRID ENERGY GENERATION UNIT/ ENVIRONMENTAL INITIATIVES - IoT MODULES – CONTROLIX/ ENVIRONMENTAL INITIATIVES – EV CHARGES/ Controlix IoT (Internet of Things) Modules/ CARBON CREDIT & TRADING/ SOCIAL MANAGEMENT/ LOW – CARBON ECONOMY/ ON-SITE LOW CARBON ECONOMY PRINCIPLES/ CORPORATE RESPONSIBILITY AWARDS/
	Life Below Water	ON - SITE LOW – CARBON ECONOMY APPLICATIONS/ Controlix (Internet of Things) Modules/ Mobile Hybrid Energy Generation Unit/
	Life on Land	BIODIVERSITY and LANDSCAPE MANAGEMENT/ Controlix (Internet of Things) Modules/ Mobile Hybrid Energy Generation Unit/ CARBON CREDIT and TRADING/ ON - SITE LOW – CARBON ECONOMY APPLICATIONS/ LOW-CARBON ECONOMY /

UNGC SDG		Reference Topics
<div>16</div> <div>PEACE, JUSTICE AND STRONG INSTITUTIONS</div> <div></div>	Peace, Justice and Strong Institutions	SUSTAINABILITY APPROACH/ PARTNERSHIPS/ LIVING THE SUSTAINABILITY VALUES/
<div>17</div> <div>PARTNERSHIPS FOR THE GOALS</div> <div></div>	Partnership for the Goals	PARTNERSHIPS/ LIVING THE SUSTAINABILITY VALUES/

GRI INDEX

GRI Standard	Disclosure	Page Number, Reference and/or Direct Answers
GRI 1: FOUNDATION 2021		
GRI 2: GENERAL DISCLOSURES 2021		
GRI 2: General Disclosures 2021	2-1 Organizational details	<ul style="list-style-type: none"> About the Report p.3 https://kontrolmatik.com/media/va4hjzbx/annualreport2022.pdf (p.39-44)
	2-2 Entities included in the organization's sustainability reporting	<ul style="list-style-type: none"> About the Report p.3
	2-3 Reporting period, frequency and contact point	<ul style="list-style-type: none"> About the Report p.3
	2-4 Restatements of information	<ul style="list-style-type: none"> Not included
	2-5 External assurance	<ul style="list-style-type: none"> https://kontrolmatik.com/media/va4hjzbx/annualreport2022.pdf (p.39-44)
	2-6 Activities, value chain and other business relationships	<ul style="list-style-type: none"> About the Company p.6
	2-7 Employees	<ul style="list-style-type: none"> Social Management p.35-38
	2-8 Workers who are not employees	<ul style="list-style-type: none"> Not included
	2-9 Governance structure and composition	<ul style="list-style-type: none"> Governance p.39
	2-10 Nomination and selection of the highest governance body	<ul style="list-style-type: none"> Nomination & Remuneration Committee (kontrolmatik.com)
	2-11 Chair of the highest governance body	<ul style="list-style-type: none"> https://kontrolmatik.com/media/va4hjzbx/annualreport2022.pdf (p.44)
	2-12 Role of the highest governance body in overseeing the management of impacts	<ul style="list-style-type: none"> https://kontrolmatik.com/media/va4hjzbx/annualreport2022.pdf (p.44)
	2-13 Delegation of responsibility for managing impacts	<ul style="list-style-type: none"> https://kontrolmatik.com/media/va4hjzbx/annualreport2022.pdf (p.39-40, 44)
	2-14 Role of the highest governance body in sustainability reporting	<ul style="list-style-type: none"> Governance p.39

	2-15 Conflicts of interest	<ul style="list-style-type: none"> • https://kontrolmatik.com/media/iwbfzy0f/kt-business-ethics-policy.pdf
	2-16 Communication of critical concerns	<ul style="list-style-type: none"> • https://kontrolmatik.com/media/iwbfzy0f/kt-business-ethics-policy.pdf
	2-17 Collective knowledge of the highest governance body	<ul style="list-style-type: none"> • Board Diversity and Inclusion Policy: https://kontrolmatik.com/en/sustainability/our-policies/
	2-18 Evaluation of the performance of the highest governance body	<ul style="list-style-type: none"> • Board Diversity and Inclusion Policy: https://kontrolmatik.com/en/sustainability/our-policies/
	2-19 Remuneration policies	<ul style="list-style-type: none"> • Wages and Salaries p.35
	2-20 Process to determine remuneration	<ul style="list-style-type: none"> • Wages and Salaries p.35
	2-21 Annual total compensation ratio	<ul style="list-style-type: none"> • Wages and Salaries p.35
	Wages and Salaries p.35	<ul style="list-style-type: none"> • Corporate Sustainability Approach p. 11-15
	2-23 Policy commitments	<ul style="list-style-type: none"> • Sustainability Statement p.12 • Biodiversity and Landscape Management p.28
	2-24 Embedding policy commitments	<ul style="list-style-type: none"> • Sustainability Statement p.12 • Biodiversity and Landscape Management p.28
	2-25 Processes to remediate negative impacts	<ul style="list-style-type: none"> • https://kontrolmatik.com/media/iwbfzy0f/kt-business-ethics-policy.pdf
	2-26 Mechanisms for seeking advice and raising concerns	<ul style="list-style-type: none"> • https://kontrolmatik.com/media/iwbfzy0f/kt-business-ethics-policy.pdf
	2-27 Compliance with laws and regulations	<ul style="list-style-type: none"> • Environmental Expenditure p.24 • Environmental Provision p.24-25
	2-28 Membership associations	<ul style="list-style-type: none"> • Memberships p.34 • Partnerships p.33
	2-29 Approach to stakeholder engagement	<ul style="list-style-type: none"> • Corporate Sustainability Approach p.11
	2-30 Collective bargaining agreements	<ul style="list-style-type: none"> • https://kontrolmatik.com/media/va4hjzbx/annualreport2022.pdf (p.105)

GRI 3: MATERIAL TOPICS 2021		
MATERIAL TOPICS		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	<ul style="list-style-type: none"> Not included
	3-2 List of material topics	<ul style="list-style-type: none"> Not included
ENERGY MANAGEMENT		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> Energy Management p.18
GRI 302: Energy 2016	302-1 Energy consumption within the organization	<ul style="list-style-type: none"> Energy Management p.18-19
	302-4 Reduction of energy consumption	<ul style="list-style-type: none"> Energy Management p.18 Low Carbon Economy p.19-20 Corporate Level Low-Carbon Economy Applications p.20-21 On-Site Low-Carbon Economy Applications p.21-22
WATER AND WASTEWATER MANAGEMENT		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> Water Management p.17-18 Wastewater Management p.23
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	<ul style="list-style-type: none"> Water Management p.17-18
	303-3 Water withdrawal	<ul style="list-style-type: none"> Water Management p.17-18
	303-5 Water consumption	<ul style="list-style-type: none"> Water Management p.17-18
BIODIVERSITY AND LANDSCAPE MANAGEMENT		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> Biodiversity and Landscape Management p.28
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<ul style="list-style-type: none"> Biodiversity and Landscape Management p.28
	304-2 Significant impacts of activities, products and services on biodiversity	<ul style="list-style-type: none"> Biodiversity and Landscape Management p.28-30
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GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> Carbon Emission p.22
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> Total Carbon Emission p.22
	305-3 Other indirect (Scope 3) GHG emissions	<ul style="list-style-type: none"> Total Carbon Emission p.22
	305-5 Reduction of GHG emissions	<ul style="list-style-type: none"> Low Carbon Economy p.19-20 Corporate Level Low-Carbon Economy Applications p.20-21 On-Site Low-Carbon Economy Applications p.21-22
WASTE MANAGEMENT		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> Waste Management p.23
GRI: 306 Waste 2020	306-3 Waste Generated	<ul style="list-style-type: none"> Waste Management p.23
EMPLOYEE RIGHTS		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> Social Management p.35-36
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	<ul style="list-style-type: none"> Turnover of Employees p.36
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	<ul style="list-style-type: none"> Social Management p.35-36
	401-3: Parental leave	<ul style="list-style-type: none"> Prominent Days Support p.35
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	<ul style="list-style-type: none"> Social Data p.37
OCCUPATIONAL HEALTH AND SAFETY		
GRI 3: Material Topics 2021	3-3 Management of material topics	<ul style="list-style-type: none"> Social Data p.38
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	<ul style="list-style-type: none"> Social Data p.38
	403-5 Worker training on occupational health and safety	<ul style="list-style-type: none"> Social Data p.38



for further inquiry and information

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